



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

VOLUME - I

COMPENDIUM OF REGULATIONS 2025

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Disclaimer:

All efforts have been made to ensure that the contents of the Compendium are free from editorial mistakes. However, the versions of the regulations in the Gazette Notifications are authentic and binding and shall prevail in the event of the discrepancies with the regulations in the Compendium.

From the Chairman's Desk



The Electricity Act, 2003, mandates the State Electricity Regulatory Commission with a host of responsibilities, which, inter alia, include framing regulations, determining tariffs, adjudicating disputes, and market development intrastate. In pursuance of its mandate, the Commission has notified Regulations in various areas of the electricity sector's operation over the period.

The Commission has recognised that stakeholders need a comprehensive compendium comprising all Principal Regulations, as well as Amendments to the Regulations, which can serve as a useful reference source, particularly when the power sector is in the transformative stage in the State.

Hence, it gives me immense pleasure to present this ***Compendium of Regulations 2025*** issued by the Commission, which brings together all Principal Regulations, as well as Amendments, in one place, the key regulatory instruments that form the foundation of the electricity sector's governance and development in the State of Andhra Pradesh.

This compilation is intended to serve as a ready reference for all stakeholders—distribution licensees, generating companies, transmission utilities, open access consumers, legal practitioners, academicians, and the public who engage with the regulatory framework established under the Electricity Act, 2003.

The timely and meticulous preparation of this compendium, during a stage of transformation in the power sector, reflects the Commission's commitment to promoting transparency, accessibility, and regulatory clarity.

I take this opportunity to place on record my appreciation for the dedicated efforts of Sri D. Ramanaiah Setty, Joint Director, and the team of officers and staff working under his guidance, Sri Ramesh Rathod, Consultant, Smt. P.V. Padmaja, Private Secretary, V.M.V.R.S. Sridhar, Jr. Personnel Officer, and Smt. G. Surya Kumari, Sr. Assistant, who have diligently compiled, cross-verified, and formatted the contents of this volume with care and precision.

I am confident that this compendium will be a valuable and authoritative resource for all stakeholders, and I hope it will contribute to a deeper understanding and more effective implementation of the regulatory provisions governing the power sector in Andhra Pradesh.

With best regards,



P.V.R. Reddy
Member & Chairman (i/c)
Andhra Pradesh Electricity Regulatory
Commission

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REGULATION NO. 2 OF 1999

Andhra Pradesh Electricity Regulatory Commission
(Conduct of Business) Regulation, 1999

Amendment

1. First Amendment vide Regulation No. 8 of 2000, dated 04-09-2000
2. Second Amendment vide Regulation No. 1 of 2003, dated 17-07-2003
3. Third Amendment vide Regulation No. 2 of 2013, dated, 24-06-2013
4. Fourth Amendment vide Regulation No. 2 of 1999, dated 11-12-2019
5. Fifth Amendment vide Regulation No. 6 of 2019, dated 02-01-2020
6. Sixth Amendment vide Regulation No. 5 of 2021, dated 08-12-2021
7. Corrigendum, dated 14-12-2021
8. Seventh Amendment vide Regulation No. 4 of 2022, dated 21-06-2022
9. Eighth Amendment vide Regulation No. 8 of 2023, dated 11-10-2023

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Lr.No. APERC/Secy/Business Rules/D.No. 171/99

Andhra Pradesh Electricity Regulatory Commission
(Business Rules of the Commission) Regulations, 1999.

(Regulation No.2 of 1999)

In exercise of the Powers Conferred by Section 9, Sub-Section 2 and Section 54, Sub-Section (2)(a) of the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998) the Andhra Pradesh Electricity Regulatory Commission makes the following Regulations for conduct of its Proceedings and discharge of its functions, viz., Business Rules of the Commission.

CHAPTER - I

GENERAL

1. Short title, commencement and interpretation

- (1) These Regulations may be called the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.
- (2) They shall come into force on the date of their publication in the official Gazette.
- (3) They extend to the whole of the State of Andhra Pradesh.
- (4) The Andhra Pradesh General Clauses Act shall apply to the interpretation of these Regulations.

2. Definitions

- (1) In these Regulations, unless the context otherwise requires:
 - a. '**Act**' means the Andhra Pradesh Electricity Reform Act, 1998;
 - b. '**Chairman**' means the Chairman of the Andhra Pradesh Electricity Regulatory Commission;
 - c. '**Commission**' means the Andhra Pradesh Electricity Regulatory Commission;
 - d. '**Member**' means a member of the Andhra Pradesh Electricity Regulatory Commission;
 - e. '**Officer**' means an Officer of the Commission;
 - f. 'Petition' shall mean and include all petitions, applications, complaints, appeals replies, rejoinder and supplemental pleadings;
 - g. '**Proceedings**' shall include proceedings of all nature that the Commission may hold in the discharge of its functions under the Act;
 - h. '**Secretary**' means the Secretary of the Andhra Pradesh Electricity Regulatory Commission.

- (2) Words or expressions occurring in these Regulations and not defined herein above shall bear the same meaning as in the Act.

3. Commission's offices, office hours and sittings

- (1) The place of the offices of the Commission may from time to time be specified by the Commission, by an order made in that behalf.
- (2) ¹The Commission shall fix the annual calendar denoting the working days and holidays and shall host the same on its website at/before the commencement of each calendar year.
- Provided however that till such time as the annual calendar for the year 2020 is notified, the Commission shall follow the calendar of the Government of Andhra Pradesh.
- (3) Where the last day for doing of any act falls on a day on which the office of the Commission is closed and by reason thereof, the act cannot be done on that day, it may be done on the next day on which the office is open.
- (4) The Commission may hold sittings for hearing matters at the headquarters or at any other place on days and time to be specified by the Commission.

4. Language of the Commission

- (1) The proceedings of the Commission shall be conducted in English.
- (2) No petition, documents or other matters contained in any language other than English shall be accepted by the Commission unless the same is accompanied by a translation thereof in English.
- (3) Any translation which is agreed to by the parties to the proceedings or which any of the parties may furnish with an authenticity certificate of the person, who had translated to English, may be accepted by the Commission in appropriate cases as a true translation.

5. Seal of the Commission

- (1) There shall be a separate seal indicating that it is the seal of the Commission.
- (2) Every order or communication made, notice issued or certified copy granted by the commission shall be stamped with the seal of the commission and shall be certified by an Officer designated for the purpose.

6. Officers of the Commission

- (1) The Secretary shall have the custody of the seal and records of the Commission and shall exercise such functions as are assigned to him by these Regulations or otherwise by the Commission or the Chairman.

¹ Fifth Amendment vide Regulation No. 6 of 2019 dated 02-01-2020

- (2) The Secretary may, with the approval of the Commission, delegate to any other Officer of the Commission any functions required by these Regulations or otherwise, to be exercised by the Secretary.
- (3) In the absence of the Secretary, such other Officer of the Commission, as may be nominated by the Chairman, may exercise all the functions of the Secretary.
- (4) The Commission shall always have the authority, either on an application made by any interested or affected party or suo motu, to review, revoke, revise, modify, amend, alter or otherwise change any order made or action taken by the Secretary or other Officers of the Commission, if the Commission considers it to be appropriate.
- (5) ²The 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.

CHAPTER - II

GENERAL RULES CONCERNING THE PROCEEDINGS BEFORE THE COMMISSION

7. Proceedings before the Commission

- (1) ³The 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) (i) All matters which the Commission is required under the Act to undertake and discharge through hearings shall be done through hearing in the manner specified under the Act and in these Regulations.

(ii) Except where the Commission may provide otherwise for reasons to be recorded in writing, all matters affecting the rights or interests of the licensee or any other person or class of persons shall be undertaken and discharged through hearing in the manner specified in these Regulations.

² First Amended vide Regulation No. 8 of 2000 dated 04-09-2000

³ First amended vide Regulation No. 8 of 2000 dated 04-09-2000

- (iii) The Commission may hold hearings in matters other than those specified in sub-regulations (i) and (ii) of Regulation 7(2) if the Commission considers it appropriate to do so.
- (3) ⁴Quorum:
If there is only one member of the Commission available, the quorum of the proceedings also shall be one.

8. Initiation of Proceedings

- (1) The Commission may initiate any proceeding *suo motu* or on a petition filed by any affected person.
- (2) When the Commission initiates the proceedings it shall be by a notice issued by the Office of the Commission and the Commission may give such orders and directions as may be deemed necessary, for service of notices to the affected or interested parties, for the filing of replies and rejoinders in opposition or in support of the petition in such form as the Commission may direct. The Commission may, if it considers appropriate, issue orders for advertisement of the petition inviting comments on the issue involved in the proceedings in such form as the Commission may direct.
- (3) While issuing the notice of inquiry the commission may, in suomoto proceedings and other appropriate cases, designate an Officer of the Commission or any other person whom the Commission considers appropriate to present the matter in the capacity of a petitioner in the case.

9. Petition and pleadings before the Commission

- (1) All petitions to be filed before the Commission shall be type written, cyclostyled or printed neatly and legibly on white paper and every page shall be consecutively numbered. The contents of the petition should be divided appropriately into separate paragraphs which shall be numbered serially. The petition shall be accompanied by such documents as the Commission may specify.
- (2) ⁵All pleadings shall contain a clear and concise statement of the facts with material particulars, the reliefs sought and the basis for such reliefs.

⁴ Fourth Amendment vide Regulation No. 2 of 1999 dated 11-12-2019

⁵ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

10. General headings

The general heading in all petitions before the Commission and in all advertisements and notices shall be in Form 1 (Annexure I).

11. Affidavit in support

- (1) Petitions filed shall be verified by an affidavit, if so directed by the Commission and every such affidavit shall be in Form 2. (Annexure- II).
- (2) Every affidavit shall be drawn up in the first person and shall state the full name, age, occupation and address of the deponent and the capacity in which he is signing and shall be signed and sworn before a person lawfully authorized to take and receive affidavits.
- (3) Every affidavit shall clearly and separately indicate the statements which are true to the-
 - i. knowledge of the deponent ;
 - ii. Information received by the deponent; and
 - iii. belief of the deponent.
- (4) Where any statement in affidavit is stated to be true to the information received by the deponent, the affidavit shall also disclose the source of the information and a statement that the deponent believes that information to be true.

12. Presentation and scrutiny of the pleadings, etc.

- (1) All petitions shall be filed in such number of copies as the Commission may specify and all such copies shall be complete in all respects.
- (2) All petitions shall be presented in person or by any duly authorized agent to an officer designated for the purpose by the Commission (hereinafter called the Receiving Officer) at the headquarters or such other filing center or centers as may be notified by the Commission from time to time and during the time notified. The petitions may also be sent by registered post with acknowledgment due to the Commission at the places mentioned above. The vakalatnama in favour of the Advocate and, in the event the petitions are presented by the authorized agent or representative, the document

authorizing the agent or representative shall be filed along with the petition, if not already filed on the record of the case.

- (3) The presentation and the receipt of the petition shall be duly entered in the register maintained for the purpose by the office of the Commission.
- (4) Upon the receipt of the petition, the Receiving Officer shall acknowledge the receipt by stamping and endorsing the date on which the petition has been presented and shall issue an acknowledgment with stamp and date to the person filing the petition. In case the petition is received by registered post the date on which the petition is actually received at the office of Commission shall be taken as date of the presentation of the petition.
- (5) The Receiving Officer may decline to accept any petition which is not in conformity with the provisions of the Act or the Regulations or directions given by the Commission or otherwise defective or which is presented otherwise than in accordance with the Regulations or directions of the Commission:

Provided however that no petition shall be refused for defect in the pleadings or in their presentation, without giving an opportunity to the person filing the petition to rectify the defect within the time which may be given for the purpose. The Receiving Officer shall advise in writing the person filing the petition of the defects in the petition filed.

- (6) A party aggrieved by any order of the Receiving Officer in regard to the presentation of the petition may request the matter to be placed before the Secretary of the Commission for appropriate orders.
- (7) The Chairman or any Member as the Chairman may designate for the purpose shall be entitled to call for the petition presented by the party and give such directions regarding the presentation and acceptance of the petition as he considers appropriate.
- (8) If on scrutiny, the petition is not refused or any order of refusal is rectified by the Secretary or by the Chairman or the Member of the Commission designated for the purpose, the petition shall be duly registered and given a number in the manner to be specified by the Commission.

- (9) As soon as the petition and all necessary documents are lodged and the defects and objections, if any, are removed and the petition has been scrutinised and numbered, the petition shall be put up before the Commission for admission.
- (10) The Commission may admit the petition for hearing without requiring the attendance of the party filing the petition. The Commission shall not pass an order refusing admission without giving the party concerned an opportunity of being heard. The commission may if it considers appropriate, issue notice to such person or persons as it may desire to hear the petition for admission.
- (11) If the Commission admits the petition, it may give such orders and directions as may be deemed necessary, for service of notices to the respondent and other affected or interested parties; for the filing of replies and rejoinder in opposition or in support of the petition in such form as the Commission may direct.

13. Service of notices and processes issued by the Commission

- (1) Any notice or process to be issued by the Commission may be served by any one or more of the following modes as may be directed by the Commission:-
- ⁶(i) by hand delivery on the person through a messenger and obtaining signed acknowledgment;
 - (ii) by registered/speed post with acknowledgment due;
 - (iii) by fax;
 - (iv) by email;
 - ⁷(v) by publication in Commission's website;
 - (vi) by publication in newspapers, in such matters as the Commission deems fit.
- (2) Every notice or process required to be served on or delivered to any person may be sent to the person or his agent empowered to accept service at the address furnished by him for service or at the place where the person or his agent ordinarily resides or carries on business or personally works for gain.

⁶ Sixth Amended vide Regulation No. 5 of 2021 dated 08-12-2021

⁷ Corrigendum dated 14-12-2021

- (3) In the event any matter is pending before the Commission and the person to be served has authorized an agent or representative to appear for or represent him or her in the matter, such agent or representative shall be deemed to be duly empowered to take service of the notices and processes on behalf of the party concerned in all matters and the service on such agent or representative shall be taken as due service on the person to be served.
- (4) Where a notice is served by a party to the proceedings either in person or through registered post, an affidavit of service shall be filed by the party with the Commission giving details of the date and manner of service of notices and processes.
- (5) Where any petition is required to be advertised it shall be advertised within such time as the Commission may direct and, unless otherwise directed by the Commission, in one issue each of a daily newspaper in English Language and in Telugu language having circulation in the area specified by the Commission.
- (6) The Commission may also effect service or give directions for effecting service in any other manner it considers appropriate. The Commission shall be entitled to decide in each case the person(s) who shall bear the cost of such service and publication.
- (7) In default of compliance with the requirements of the Regulations or directions of the Commission as regards the service of notices, summons or processes or the advertisement and publication thereof, the Commission may either dismiss the petition or give such other or further directs, as it thinks fit.
- (8) No service or publication required to be done shall be deemed invalid by reason of any defect in the name or description of a person provided that the Commission is satisfied that such service is in other respects sufficient, and no proceeding shall be invalidated by reason of any defect or irregularity in the service or publication unless the Commission, on an objection taken, is of the opinion that substantial injustice has been caused by such defect or irregularity or publication or there are otherwise sufficient reasons for doing so.

14. Filing of reply, opposition, objections, etc.

- (1) Each person to whom the notice of inquiry or the petition is issued (hereinafter called the respondent) who intends to oppose or support the petition shall file the reply and the documents relied upon within such period and in such number of copies as may be fixed by the Commission. In the reply filed, the respondent shall specifically admit, deny or explain the facts stated in the notice of inquiry or the petition and may also state such additional facts as he considers necessary for a just decision of the case. The reply shall be signed and verified and supported by affidavit in the same manner as in the case of the petition. The respondent shall also indicate whether he wishes to participate in the proceedings and be orally heard.
- (2) The respondent shall serve a copy of the reply along with the documents duly attested to be true copies on the petitioner or his authorized representative and file proof of such service with the office of the Commission at the time of filing the reply.
- (3) Where the respondent states additional facts as may be necessary for the just decision of the case, the Commission may allow the petitioner to file a rejoinder to the reply filed by the respondents. The procedure mentioned above for filing of the reply shall apply mutatis mutandis to the filing of the rejoinder.
- (4) (i) Every person who intends to file objection or comments in regard to a matter pending before the Commission, pursuant to the advertisement and publication issued for the purpose (other than the persons to whom notices, processes, etc. have been issued calling for reply) shall deliver to an Officer designated by the Commission for the purpose the statement of the objection or comments with copies of the documents and evidence in support thereof within the time fixed for the purpose.

(ii) The Commission may permit such person or persons as it may consider appropriate to participate in the proceedings before the Commission, if on the report received from the Officer; the Commission considers that the participation of such person or persons will facilitate the proceedings and the decision in the matter.

(iii) Unless permitted by the Commission, the person filing objections or comments shall not be entitled to participate in the proceedings. However, the Commission shall be at liberty of take into account the objections and comments filed after giving such opportunity to the parties in the proceedings as the Commission considers appropriate to deal with the objections and comments.

15. Hearing of the matter

(1) The Commission may determine the stage, the manner, the place, the date and the time of the hearing of the matter as the Commission considers appropriate, consistent with such specific timing requirements as are set forth in the Act or otherwise the need to expeditiously decide the matter.

(2) (i) The Commission may decide the matter on the pleadings of the parties or may call for the parties to produce evidence by way of affidavit or lead oral evidence in the matter.

(ii) If the Commission directs evidence of a party to be led by way of affidavit, the Commission may, as and when the Commission considers it to be necessary, grant an opportunity to the other party to cross-examine the deponent of the affidavit.

(iii) The Commission may, if considered necessary or expedient, direct that the evidence of any of the parties be recorded by an Officer or person designated for the purpose by the Commission.

(iv) The Commission may direct the parties to file written note of arguments or submissions in the matter.

16. Power of the Commission to call for further information, evidence, etc.

(1) The Commission may, at any time before passing orders on the matter, require the parties or any one or more of them or any other person whom the Commission considers appropriate, to produce such documentary or other evidence as the Commission may consider necessary for the purpose of enabling it to pass orders.

- (2) The Commission may direct the summoning of the witnesses, discovery and production of any document or other material objects producible in evidence, requisition any public record from any office, examination by an officer of the Commission the books, accounts or other documents or information in the custody or control of any person which the Commission considers relevant for the matter.
- (3) ⁸The 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.

17. Reference of issues to others

- (1) At any stage of the proceedings, the Commission shall be entitled to refer to such issues or issues in the matter as it considers appropriate to persons including, but not limited to, the Officers and consultants of the Commission whom the Commission considers as qualified to give expert or specialised advice or opinion.
- (2) The Commission may nominate from time to time any person including, but not limited to, the Officers and consultants to visit any place or places for inspection and report on the existence or status of the place or any facilities therein.
- (3) The Commission, if it thinks fit, may direct the parties to appear before the persons designated in clause (1) or (2) above to present their respective views on the issues or matters referred to.
- (4) The report or the opinion received from such person shall form a part of the record of the case and parties shall be given the copies of the report or opinion given by the person designated by the Commission. The parties shall be entitled to file their version either in support or in opposition to the report or the opinion.

⁸ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

- (5) The Commission shall duly take into account the report or the opinion given by the person and the reply filed by the parties while deciding the matter and if considered necessary, examine the person giving the report or the opinion:

Provided however that the commission shall not be bound by the report or the opinion given.

18. Procedure to be followed where any party does not appear

- (1) When, on the date fixed for hearing or any other date to which such hearing may be adjourned, if any party or his authorized agent or representative does not appear when the matter is called for hearing the Commission may, in its discretion, either dismiss the petition for default when the petitioner or the person who moves the Commission for hearing is absent or proceed exparte to hear and decide the petition.
- (2) Where a petition is dismissed in default or decided exparte, the person aggrieved may file an application within 30 days from the date of such dismissal or being proceeded exparte, as the case may be, for recall of the order passed, and the Commission may recall the order on such terms as it thinks fit, if the Commission is satisfied that there was sufficient cause for the non-appearance when the petition was called for hearing.

19. Orders of the Commission

- (1) The Commission shall pass orders on the petition and the Chairman and the Members of the Commission, who heard the matter will sign the orders.
- (2) The reasons given by the Commission in support of the orders, including those by the dissenting member, if any, shall form a part of the order and shall be available for inspection and supply of copies in accordance with these Regulations.
- (3) ⁹Copies of all orders and decisions issued or communicated by the Commission shall be certified by the signature of the Secretary or an Officer empowered in this behalf by the Chairman and bear the official seal of the Commission.

⁹ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

- (4) ¹⁰Copies of all final orders of the Commission shall be communicated to the parties in the proceeding under the signature of the Secretary or an Officer empowered in this behalf by the Chairman or the Secretary.

20. Inspection of records and supply of certified copies

- (1) Records of every proceeding shall be open, as of right, to the inspection of the parties or their authorized representatives at any time either during the proceeding or after the orders are passed, subject to payment of fees and compliance with such other terms as the Commission may direct.
- (2) Records of every proceeding, except those parts which for reasons specified by the Commission are confidential or privileged, shall be open to inspection by any person other than the parties to the petition either during the proceeding or after the orders have been passed, subject to such person complying with such terms as the Commission may direct from time to time including in regard to time, place and manner of inspection and payment of fees.
- (3) Any person shall be entitled to obtain certified copies of the orders, decisions, directions and reasons in support thereof given by the Commission as well as the pleadings and papers and other parts of the records of the Commission to which he is entitled, subject to payment of fees and compliance with such other terms as the Commission may direct.

CHAPTER – III

ARBITRATION OF DISPUTES

21. Arbitration:

- (1) The arbitration of disputes arising between the licensees under the Act may be commenced by the Commission on the application of any of the licensees concerned.
- (2) The Commission shall issue notice to the concerned licensees to show cause as to why the disputes between the licensees should not be adjudicated and settled through arbitration.

¹⁰ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

- (3) The Commission may, after hearing the licensees to whom notices have been issued and if satisfied that no reason or cause has been shown against the proposed arbitration, pass an order directing that the disputes or the matter be referred for adjudication and settlement through arbitration either by the Commission or by a person or persons to be nominated by the Commission.

22. Nomination of Arbitrators:

- (1) If the Commission decides to refer the matter to arbitration by a person or persons other than the Commission, the reference shall be:
 - (i) to a sole arbitrator if the parties to the dispute agree on the name of the arbitrator; or
 - (ii) if the parties are unable to agree on the name of the arbitrator, to a sole arbitrator to be designated by the Commission or to three persons as the Commission may direct taking into account the nature of the dispute and the value involved and, if the decision is to refer to three arbitrators, one to be nominated by each of the parties to the dispute and the third by the Commission:

Provided that if any of the parties fails to nominate the arbitrator or if any of the arbitrator nominated by the parties or the Commission, fails or neglects to act or continue as arbitrator, the Commission shall be entitled to nominate any other person in his place.

- (2) The Commission shall not nominate a person as arbitrator to whom any of the licensees in the arbitration has a reasonable objection on grounds of possible bias or similar such reasons and the Commission considers the objection to be valid and justified.

23. Procedure for adjudication, settlement and passing of award.

- (1) In case the Commission acts as the arbitrator the procedure for adjudication and settlement to be followed shall be as far as possible the same as in the case of hearing before the Commission provided for in Chapter II above.

- (2) In case the Commission nominates an arbitrator or arbitrators to adjudicate and settle the dispute, such arbitrator or arbitrators may follow such procedure as they may consider appropriate, but consistent with the principles of natural justice and fair opportunity to be given to the parties to arbitration and also of specific directions if any, issued by the Commission.
- (3) The arbitrator after hearing the parties shall pass a speaking award ¹¹with relevant documents giving reasons for the decision on all issues arising for adjudication and forward the award to the Commission within such time as the Commission may specify.
- (4) The Commission shall give notice of the award given by arbitrator or arbitrators appointed by the Commission to the parties concerned and shall give an opportunity to the parties to file objections to the award and reply to the objections within such time as the Commission may direct.
- (5) The Commission shall proceed to hear the parties on the award. The procedure to be followed by the Commission shall be as far as possible the same as in the case of hearing before the Commission provided for in Chapter II of these Regulations above, provided that the hearing shall be confined to the objections raised to the award given by the arbitrator.
- (6) The Commission shall be entitled to pass appropriate orders, as it thinks fit after giving an opportunity of hearing to the parties.

24. Cost of arbitration and proceedings:

The cost of the arbitration and proceedings before the Commission shall be borne by such parties and in such sums as the Commission may direct.

¹¹ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

CHAPTER IV

LICENCE

25. Application for licence

- (1) The Commission may, if considered appropriate, advertise in newspapers or otherwise notify in such other appropriate manner as the Commission may decide, inviting applications for grant of licence.
- (2) The applications for Transmission Licence and Supply Licence shall be made in accordance with the provision of the Act and these regulations.
- (3) Every application for a licence shall be signed by or on behalf of the applicant and addressed to such Officer as the Commission may designate in this behalf and it shall be accompanied by:
 - (i) such number of copies as the Commission may direct, in print, of the draft licence as proposed by the applicant with the name and address of the applicant and of his agent (if any) printed on the outside of the draft.
 - (ii) such number of copies as the Commission may direct, each signed by the applicant, of maps of the proposed area of transmission or supply and, in the case of supply of the streets or roads in which the supply of energy is to be made, which shall be so marked or coloured as to define any portion of such area and streets or roads which are under the administrative control of any local authority and shall be on such scale as may be approved by the Commission.
 - (iii) a list of any local authorities invested with the administration of any portion of the area of supply;
 - (iv) an approximate statement describing any lands which the applicant proposes to acquire for the purpose of the licence and the means of such acquisition;
 - (v) an approximate statement of the capital proposed to be expended in connection with the utility and such other particulars as the Commission may require;

(vi) a copy of Memorandum and Articles of Association, Annual Accounts for the last three years or other similar documents as may be required;

(vii) a receipt for such processing fee, as the Commission may require.

26. Copies of maps and draft licence for public inspection

The applicant shall deposit at his own office and of his agents (if any) and at the office of every local authority invested with the administration of any portion of the proposed area of supply;

- (1) Copies of the maps referred to in clause (3)(ii) of Regulation 25 for public inspection, and
- (2) a sufficient number of copies of the draft licence to be furnished to all persons applying for them at a price not exceeding normal photocopying charges per copy.

27. Contents of draft licence

The draft licence shall contain the following particulars:

- (1) A short title descriptive of the proposed utility together with the address and description of the applicant, and if the applicant is a company, the names of all the directors of the company;
- (2) Type of licence applied for;
- (3) Location of the proposed service area;
- (4) A description of the proposed area; and
- (5) Such other particulars as the Commission may specify.

28. Form of draft licence

The Commission may, from time to time, prescribe the format of draft licence to be issued and the applicant for licence shall prepare the draft licence in such format with such variation as the circumstances of each case may require.

29. Acknowledgment of application

On receipt of the application, the receiving Officer shall note thereon the date of its receipt and shall send to the applicant an acknowledgement stating the date of receipt.

30. Calling for additional information

The Commission or the Secretary or any Officer designated for the purpose by the Commission may upon scrutiny of the application, require the applicant to furnish within a period to be specified, such additional information or particulars or documents as considered necessary for the purpose of dealing with the application.

31. Notifying the due filing of the application

If the Commission finds the application to be complete and accompanied by the requisite information, particulars and documents and the applicant has complied with all the requirements for making the application and furnishing of information, particulars and documents, the Commission or the Secretary or the Officer designated for the purpose shall certify that the application is ready for being considered for grant of licence in accordance with the procedure provided in the Act.

32. Advertisement of application and contents thereof

(1) (i) The applicant shall, within fourteen days from the date of ¹²admission and numbering the application publish notice of his application by public advertisement, and such advertisement shall publish such particulars as the Commission may specify.

(ii) The advertisement shall be headed by a short title corresponding to that given at the head of the draft licence and shall give the addresses of the offices at which copies of maps therein referred to may be inspected and the copies of draft licence perused or purchased and shall state that every local authority, utility or person, desirous of making any representation with reference to application to the Commission, may do so by letter addressed to such Officer as the Commission may designate in this behalf, within three months of the date of issue of the first advertisement.

(2) The Commission may direct that notice of the application be served on the Central Government, the State Government, the local authority or any other

¹² First Amended vide Regulation No. 8 of 2000 dated 04-09-2000

authority or person or body as the Commission may direct in such other manner as the commission may consider appropriate.

33. Amendment of draft licence

Any person who desires to have any amendment made in the draft licence shall deliver a statement of the amendment to the applicant and to such Officer as the Commission may designate in this behalf within the time allowed under section 15(2)(b)(i) of the Act for the submission of representations referring to the application.

34. Objections

- (1) Any person intending to object to the grant of the licence shall file objection within the time and in the manner provided for in the Act, in these Regulations and as the Commission may direct. The objection shall be filed in the form of reply and the provisions of Chapter II dealing with reply shall apply to the filing of such objections.
- (2) The applicant shall apply for and obtain the no objection certificate required from the Central Government in terms of Section 15(2) (b) (ii) of the Act before the application can be placed for hearing by the Commission for grant of the licence.

35. Hearings and local inquires

- (1) If the applicant has duly arranged for the publication of the notice of the intended application and the time for filing of the objection is over and after the applicant has furnished to the Commission the no objection certificate, if any, required from the Central Government, the Commission may proceed to set the application for regular hearing.
- (2) The Commission shall give the notice of inquiry or hearing to the applicant, the persons who had filed objections, the Central Government, the State Government and such other authority, person or body as the Commission considers appropriate.
- (3) (i) If any person objects to the grant of a licence applied for under the Act the Commission may if either the applicant or the objector so desires, cause a local

inquiry to be held of which the notice in writing shall be given to both the applicant and the objector:

(ii) In case of such local inquiry a memorandum of the results of the local inquiry made shall be prepared and shall be signed by the applicant, the Officer or person designated for the purpose and such other person as the Commission may direct.

- (4) (4) The hearing on the application for grant of licence shall thereafter proceed as far as possible in the same manner as provided in Chapter II.

36. Approval of draft licence

- (1) After inquiry if any, and the hearing, the Commission may decide to grant or refuse the licence and if it decides to grant the licence it may do so by approving the draft licence with such modification, changes or additions and subject to such other terms and conditions as the Commission may direct.
- (2) When the Commission has approved a draft licence, either in its original form or in a modified form, such Officer as the Commission may designate in this behalf, shall inform the applicant of such approval and of the form in which it is proposed to grant the licence and the conditions to be satisfied by the applicant including the fees to be paid for the grant of the licence.

37. Notification of grant of licence

On receiving an intimation in writing from the applicant that he is willing to accept a licence in the form approved by the Commission and after the applicant satisfies the condition specified for the grant of the licence, the Commission shall publish the licence or such part or gist thereof as the Commission considers appropriate.

38. Date of commencement of licence.

The licence shall commence from the date the Commission may specify as the date of commencement of licence.

39. Deposit of maps

When a licence has been granted, three sets of maps showing, as regards such licence, the particulars specified in Regulation 25 shall be signed and dated to

correspond with the date of the notification of the grant of the licence by such Officer as the Commission may designate in this behalf. One set of such maps shall be retained as the deposited maps by the said Officer and the other two sets given to the licensee.

40. Deposit of printed copies

- (1) Every person who is granted a licence shall within thirty days of the grant thereof:
 - (i) have adequate number of copies of the licence printed;
 - (ii) have adequate number of maps prepared showing the area of supply specified in the licence;
 - (iii) arrange to exhibit a copy of such licence and maps for public inspection at all reasonable times at his head office and at his local offices (if any) within the area of supply.
- (2) Every such licensee shall, within the aforesaid period of thirty days, supply free of charge one copy of the licence to every Municipal corporation, Municipal Office and Mandal Revenue Office within the area of supply and shall also make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same, at a price not exceeding normal photocopying charges per copy.

41. Preparation and submission of accounts

- (1) Every licensee shall cause the accounts of his utility to be made up to the thirty first day of March each year.
- (2) Such licensee shall prepare and render an annual statement of his accounts in accordance with the provisions of the Act, within a period of six months from the aforesaid date, or such extended period as the Commission may authorise after it is satisfied that the time allowed is insufficient owing to any cause beyond the control of the licensee and the statement shall be rendered in such numbers of copies as the Commission direct.
- (3) The accounts shall be made up in such forms as the Commission may direct from time to time. All the forms shall be signed by the licensee or his accredited and duly authorized agent or manager.

- (4) The commission may, by special or general order direct that, in addition to the submission of the annual statements of accounts in the forms prescribed in sub-rule(iii), a licensee shall submit to the Commission or such other authority as it may designate in this behalf such additional information as it may require for the purpose.

42. Model conditions of supply of power

- (1) (i) The Commission may check, from time to time, the model conditions of supply to be adopted by the licensee, with such variations as the Commission may direct and the licensee shall furnish to the Commission the finalised conditions of supply for approval.
- (ii) The licensee shall always keep in his office an adequate number of printed copies of the sanctioned conditions of supply and shall, on demand, sell such copies to any applicant at a price not exceeding normal photocopying charges.
- (2) (i) The Commission may pass such orders as it thinks fit in accordance with section 28 to 31 of the Act for the contravention or the likely contravention of the licence terms or conditions by the licensee.
- (ii) Subject to the provisions of Sections 28 to 31 of the Act and the procedure prescribed therein, the Commission may follow as far as possible the general procedure prescribed in Chapter II of these Regulations in dealing with a proceeding arising out of a contravention or likely contravention by a licensee.

43. ¹³Grant of exemption from licence

- (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:

¹³ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

- (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;

44. Revocation of the licence

- (1) The proceedings for revocation of the licence or for passing of any other orders specified in Section 18 of the Act shall be initiated by an order passed by the Commission which the Commission may initiate suo motu or on application of the licensee or on receiving any complaint or information from any person.
- (2) The Commission may give notice of the proceedings for the revocation of the licence to the licensee and to such other persons, authority or body as it may consider necessary.
- (3) Subject to the provisions of Sections 28 to 31 of the Act and the procedure prescribed therein, the inquiry by the Commission on the revocation of the licence, in so far it is applicable, shall be in the same manner as provided in Chapter II of the Regulations:

Provided that the licensee shall be given not less than three months notice in writing to show cause against the proposed revocation and the notice to show cause issued to the licensee shall clearly state the grounds on which the Commission proposes to revoke the licence as provided in Section 18 of the Act.

- (4) If the Commission decides to revoke the licence, the Commission shall serve the notice of revocation to the licensee specifying the effective date from which such revocation shall take effect. The notice for revocation of licence, shall be in such form as the Commission may direct. The Commission may, at its discretion order refund in part, the annual license fee in case of revocation of license.
- (5) The Commission may instead of revoking the licence pass any other order imposing further terms and conditions subject to which the licensee is permitted to operate thereafter.

45. Amendment of the licence granted

- (1) Application by the licensee or the local authority concerned for alteration or amendment to the terms and conditions of the licence granted in terms of Section 19 of the Act shall be made in such form as may be directed for the purpose by the Commission. The application shall be supported by affidavit as provided in Chapter II of the Regulations.
- (2) Unless otherwise specified in writing by the Commission each application for amendment or alteration in the licence shall be accompanied by a receipt of such fee as the Commission may require, paid in the manner directed by the Commission.
- (3) Unless otherwise specified in writing by the Commission, the procedure prescribed in these Regulations for grant of licence in so far it can be applied, shall be followed while dealing with an application for amendment or alteration of the licence.

CHAPTER IV A

TARIFFS

- (i) ¹⁴Clause 45 B of Chapter IV A of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 as amended from time to time shall be **DELETED**.
- (ii) Consequent to above mentioned deletion, Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Amendment Regulation, I of 2003 relating to Amendment of Clause 45-B becomes redundant and the said Regulation stands repealed as a whole.

¹⁵Clause 45 A (Expected Revenue from charges, and tariff Proposals) & Clause 45 C (Subsidies) shall stand **DELETED**.

Miscellaneous

3. ¹⁶Notwithstanding the deletion of Clause 45-B of Chapter IV A of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 as amended from time to time.

¹⁴ Third Amendment vide Regulation No. 2 of 2013 dated 24-06-2013

¹⁵ Eighth Amendment vide Regulation No. 8 of 2023 dated 11-10-2023

- (i) The actions taken, orders passed earlier under the said Clause 45-B "Fuel Surcharge Adjustment Formula" are not affected and are saved.
- (ii) All pending proceedings before various Courts viz., the Hon'ble High Court of Andhra Pradesh, Hon'ble Appellate Tribunal for Electricity, Hon'ble Supreme Court, arising out of orders issued by the Andhra Pradesh Electricity Regulatory Commission with reference to levy of Fuel Surcharge Adjustment shall be dealt as per the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 as amended from time to time prior to 31-03-2013.
- (iii) Deletion of Clause 45-B of Chapter IV A of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and in toto repeal Amendment Regulation I of 2003 shall not be construed that the said Clause is invalid on any of the grounds in support of the claims of the parties before various judicial forums wherein the validity of said Clause is under challenge, made prior to 01-04-2013 and prospective deletion of said Clause 45-B shall not be canvassed in support of any ground before any of the courts.

CHAPTER-V

INVESTIGATION, INQUIRY, COLLECTION OF INFORMATION, ETC

46. Collection of information

- (1) The Commission may make such order or orders as it thinks fit in terms of Section 10 of the Act for collection of information, inquiry, investigation, entry, search, seizure and without prejudice to the generality of its powers in regard to the following:
 - (a) The Commission may, at any time, direct the Secretary or any one or more Officers or consultants or any other person as the Commission considers appropriate to study, investigate or furnish information with respect to any matter within the purview of the Commission under the Act.

¹⁶ Third Amendment vide Regulation No. 2 of 2013 dated 24-06-2013

- (b) The Commission may for the above purpose give such other directions as it may deem fit and specify the time within which the report is to be submitted or information furnished.
 - (c) The Commission may issue or authorise the Secretary or an Officer to issue directions to any person to produce before it and allow to be examined and kept by an Officer of the Commission specified in this behalf the books accounts, etc. or to furnish to an Officer information, etc. as provided in sub-section(2)of Section10 of the Act.
 - (d) The Commission may, for the purpose of collecting any information particulars or documents which the Commission consider necessary in connection with the discharge of its functions under the Act, issue such directions and follow any one or more of the methods provided for in Section 10 of the Act.
 - (e) If any such report or information obtained as specified in Section 10 of the Act or in these Regulations appears to the Commission to be insufficient or inadequate, the Commission or the Secretary or an Officer authorised for the purpose may give directions for further inquiry, report and furnishing of information.
 - (f) The Commission may direct such incidental, consequential and supplemental matters which may be considered relevant in connection with the above, be attended to.
- (2) In connection with the discharge of the functions under Section 10 of the Act and Regulation 51, the Commission may, if it thinks fit, direct a notice of inquiry to be issued and proceed with the matter in a manner provided under Chapter II of these Regulations.

47. Assistance of Experts

- (1) The Commission may, at any time, take the assistance of any institution, consultants, experts, engineers, chartered accountants, advocates, surveyors and such other technical and professional persons, as it may consider necessary, and ask them to study, investigate, inquire into any matter or issue

and submit report or reports or furnish any information. The Commission may determine the terms and conditions for engagement of such professionals.

- (2) If the report or information obtained in terms of the above Regulations or any part thereof is proposed to be relied upon by the Commission in forming its opinion or view in any proceedings, the parties in the proceedings shall be given a reasonable opportunity for filing objections and making submissions on the report or information.

CHAPTER- VI

APPEAL UNDER SECTION 38

48. Hearing of Appeals

The Commission shall hear the appeal from the decision of the Electrical Inspector in the same manner as applicable in the case of hearing before the Commission provided for in Chapter II above and if the Commission considers that the appeal has no merit, the Commission shall be entitled to dismiss the appeal at the preliminary admission stage as provided in Regulation 12(10) after giving an opportunity to the Appellant concerned.

CHAPTER- VII

MISCELLANEOUS

49. Review of the decisions, directions and orders

- (1) The Commission may on its own motion, or on the application of any of the person or parties concerned, within 90 days of the making of any decision, direction or order, review such decision, directions or orders and pass such appropriate orders as the Commission thinks fit.
- (2) An application for such review shall be filed in the same manner as a petition under Chapter II of these Regulations.

50. Continuance of proceedings after death, etc.

- (1) Where in any proceedings any of the parties to the proceedings dies or is adjudicated as an insolvent or in the case of a company under liquidation/ winding up, the proceedings shall continue with the successors-in-interest, the

executor, administrator, receiver, liquidator or other legal representative of the party concerned.

- (2) The Commission may, for reasons to be recorded, treat the proceedings as abated in case the Commission so directs and dispense with the need to bring the successors-in-interest to come on record.
- (3) ¹⁷In 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.

51. Proceedings to be open to public

The proceedings before the Commission shall be open to the public. However, admission to the hearing room shall be subject to availability of sitting accommodation, provided that the Commission may, if it thinks fit, and for reasons to be recorded in writing, order at any stage of the proceedings of any particular case that the public generally or any particular person or group of persons shall not have access to or be or remain in, the room or building used by the Commission.

52. Publication of petition

- (1) Where any application, petition, or other matter is required to be published under the Act or these Regulations or as per the directions of the Commission, it shall, unless the Commission otherwise orders or the Act or Regulations otherwise provide, be advertised not less than 5 days before the date fixed for hearing.
- (2) Except as otherwise provided, such advertisements shall give a heading describing the subject matter in brief.
- (3) Such advertisement to be published shall be approved by the Officer of the Commission designated for the purpose.

¹⁷ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

53. Confidentiality

- (1) Records of the Commission, except those parts which for reasons specified by the Commission are confidential or privileged, shall be open to inspection by all, subject to the payment of fees and compliance with such other terms as the Commission may direct.
- (2) The Commission may, on such terms and conditions as the Commission considers appropriate, provide for the supply of the certified copies of the documents and papers available with the commission to any person.
- (3) The Commission may, by order, direct that any information, documents and other papers and materials produced before the Commission or any of its Officers, consultants, representatives or otherwise which may come into their possession or custody, shall be confidential or privileged and shall not be available for inspection or supply of copies, and the Commission may also direct that such document, papers or materials shall not be used in any manner except as specifically authorized by the Commission,

54. Issue of orders and practice directions

Subject to the provisions of the Act and these Regulations, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of the Regulations and procedure to be followed on various matters which the Commission has been empowered by these Regulations to specify or direct.

55. Saving of inherent power of the Commission

- (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the commission.
- (2) Nothing in these Regulations shall bar the Commission from adopting a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient.
- (3) Nothing in these Regulations shall, expressly, bar the Commission to deal with any matter or exercise any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

56. General power to amend

The Commission may, at any time amend any defect or error in any proceeding before it.

57. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, do anything not being inconsistent with the provisions of the Act, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

58. Power to dispense with the requirement of the Regulations

The Commission shall have the power, for reasons to be recorded in writing and with notice to the affected parties, dispense with the requirements of any of the Regulations in a specific case or cases subject to such terms and conditions as may be specified.

59. Extension or abridgment of time prescribed

Subject to the provisions of the Act, the time prescribed by these Regulations or by order of the Commission for doing any act may be extended (whether it has already expired or not) or abridged for sufficient reason by order of the Commission.

60. Effect of non-compliance

Failure to comply with any requirement of these Regulations shall not invalidate any proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

61. Costs

- (1) Subject to such conditions and limitations as may be directed by the Commission, the cost of all proceedings shall be awarded at the discretion of the Commission and the Commission shall have full power to determine by whom or out of what funds and to what extent such costs are to be paid and give all necessary directions for the aforesaid purposes.
- (2) The costs shall be paid within 30 days from the date of the order or within such time as the Commission may, by order, direct. The order of the Commission awarding costs shall be executed in the same manner as the decree/order of a Civil Court.

62. Enforcement of orders passed by the Commission

The Secretary shall ensure enforcement and compliance of the orders passed by the Commission, by the persons concerned in accordance with the provisions of the Act and regulations and if necessary, may seek the orders of the Commission for directions.

63. ¹⁸Recognition 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. ¹⁹Authorised 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.

¹⁸ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

¹⁹ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

65. ²⁰Applicability 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

²⁰ First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

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 Commission 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 of 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 herein before 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.

66. ²¹Destruction of Old Records:

1. The disposed of Case Records of the Commission, except the Permanent Records, as stated in Clause-2 infra, shall be ordered to be destroyed by the Secretary, after Six (6) years from final conclusion of the proceedings, after taking approval from the Commission.
- 2 For the purpose of this Rule, **Permanent records** shall include the papers in the Original set / First set of the Case Records maintained for perusal of the Chairman, viz.,
 - i. Index, the Original Petition, Counter- affidavit, rejoinder, Order, Proceedings Sheet / Record of Proceedings and the O.P. Register;
 - ii. Review petition, counter, Order, Review Petition Register; and

²¹ Seventh Amended vide Regulation No. 4 of 2022 dated 21-06-2022

- iii Any other papers, which are specifically directed to be preserved by the Commission.
3. All other papers in the Original set / First set of the case Records will be treated as Non-permanent and shall be destroyed after Six (6) years, as stated in Clause (1) supra.
 4. The other set of papers in the disposed of cases, filed for perusal of the Members and the office purpose, shall be destroyed immediately after disposal of the main Petition or the Review Petition, as the case may be;
 5. The records in the matters, in relation to which proceedings are pending before the APTEL, High Court or the Supreme Court, as the case may be, shall not be destroyed till the disposal thereof by the respective authorities;
 6. In may every year, the legal wing of the Commission shall prepare the list of Disposed of Case Records, which are ripe for destruction, and display the same in the website of the Commission, after taking necessary approved from the commission, notifying that the non-permanent papers contained therein will be destroyed.
 7. The non- permanent part of the Disposed of Case Records in the Original / First set of records, shall be segregated; and
 8. The segregation non - permanent part of the Disposed of Case Records shall be disposed of by shredding / environment friendly incineration or any other mode as decided by the Commission.

ANNEXURE -1

FORM I
(See Regulation 10)

General Heading for Proceedings

**BEFORE THE ANDHRA PRADESH ELECTRICITY REGULATORY
COMMISSION, HYDERABAD**

FILE No.

CASE No.

(To be filled by the Office)

IN THE MATTER OF:

(Gist of the purpose of the petition or application) AND

IN THE MATTER OF:

(Names and full addresses of the petitioners/applicants and names and full addresses of the respondents)

Annexure-II

FORM 2

(See Regulation 11)

**BEFORE THE ANDHRA PRADESH ELECTRICITY REGULATORY
COMMISSION HYDERABAD**

FILE No.

CASE No.

(To be filled by the Office)

IN THE MATTER OF :

(Gist of the purpose of the petition or application)

AND

IN THE MATTER OF :

(Names and full addresses of the petitioners/applicants and names and full addresses of the respondents)

Affidavit verifying the petition/reply /application

I, AB, Son of..... aged..... residing at..... do solemnly affirm and say as follows :

1. I am a Director / Secretary / of Ltd., the petitioner in the above matter and am duly authorised by the said petitioner to make this affidavit on its behalf.

Note: This paragraph is to be included in cases where the petitioner is the Company.

2. The statements made in paragraphs.....of the petition herein now shown to me and marked with the letter 'A' are true to my knowledge and the statements made in paragraphs are based on information and I believe them to be true.

Solemnly affirm, etc.

Note: To be included when the affidavit is sworn to by any person other than a director, agent or secretary or other officer of the company.

Hyderabad,
9-07-1999.

By order of the Commission

Secretary to Commission

²²**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):

²² First Amendment vide Regulation No. 8 of 2000 dated 04-09-2000

- 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 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:
- 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 nontechnical
 - (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,
28-08.2000

Sd/
Commission Secretary

REGULATION NO. 5 OF 1999

Andhra Pradesh Electricity Regulatory Commission
(Terms and Conditions of Appointment of and Remuneration to the Advocate-on-Record in Supreme Court) Regulation, 1999

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
Lr. No. APERC / Secy / Dir (Law) / D.No.661/99, dated 20-11-1999

Andhra Pradesh Electricity Regulation Commission
(Terms and Conditions of Appointment of and Remuneration to the Advocate-on-Record
in Supreme Court) Regulation, 1999

(Regulation No.5 of 1999)

In exercise of the power conferred by sub-section (1) and clause (1) sub-section (2) of section 54 of the Andhra Pradesh Electricity Reforms Act, 1998 (Act No.30 of 1998), the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulations relating to the terms and conditions of appointment of and remuneration to the Advocate-on-Record in Supreme Court for the Andhra Pradesh Electricity Regulatory Commission in Supreme Court.

1. Short title and Commencement:

- i) These regulations may be called "The Advocate-on-record for the Andhra Pradesh Electricity Regulatory Commission in Supreme Court (Appointment, condition of appointment and remuneration) regulations, 1999.
- ii) These Regulations shall come into force with immediate effect.

2. Definition:

"Acting" means filing an appearance or any pleadings of applications in any court or tribunal in India, or any act (other than pleading) required or authorized by law to be done by a party in such Court or Tribunal either in person or by his recognized agent or by an advocate or attorney on his behalf.

"Advocate-on-record" means Advocate appointed by the Andhra Pradesh State Electricity Regulatory Commission for conducting cases in Supreme Court.

"Commission" means Andhra Pradesh Electricity Regulatory Commission and includes any officer authorized by the Andhra Pradesh Electricity Regulatory Commission to institute or defend cases on behalf of the Commission.

"Senior Counsel" means any Advocate so designated under Sub-Section (2) of Section 16 of the Advocates Act., 1961.

"Taxing Officer" means the officers of the Supreme Court whose duty it is to

tax costs of proceedings in the Court.

3. Appointment

- a) The Andhra Pradesh Electricity Regulatory Commission may appoint one or more Advocates as Advocate-on-record for the Andhra Pradesh Electricity Regulatory Commission in Supreme Court for the conduct of cases in Supreme Court on behalf of the Andhra Pradesh Electricity Regulatory Commission.
- b) An advocate with not less than ten years standing in the Supreme Court shall be appointed as an Advocate-on-record.

4. Appointment of a Senior Counsel:

The Commission may if it so desires, or on the advice of the Advocate-on-record, engage a Senior Counsel in any case.

5. Period of appointment:

The appointment of the Advocate-on-record shall be for a period of not less than three years in the first instance and may be continued for such further periods from time to time as the Commission may by order direct.

6. Termination of appointment:

The appointment of the Advocate-on-record shall be terminable on three months notice in writing on either side.

7. Duties:

The Advocate-on-record for the Andhra Pradesh Electricity Regulatory Commission in Supreme Court shall:

- a) Settle all affidavits, Petitions, Special Leave Petitions and statements of cases relating to the Commission and file in the Supreme Court.
- b) Whenever necessary shall engage a Senior Counsel with the prior approval of the chairman of the Commission.
- c) Appear, whenever required, before any tribunal or person legally authorised to take evidence in cases relating to the Commission.
- d) Appear whenever required before any authority or person before whom he is by or under any law for the time being in force entitled to practise in all cases relating to the Commission.

8. Fees and expenses:

a) Fees:

- i) **Fees:** The scales of fees payable to the Advocate-on-record for the Andhra Pradesh Electricity Regulatory Commission in Supreme Court shall be as specified in the schedule appended.

ii) Advance payment of fee:

Fee shall not normally be paid in advance. Whenever the Advocate-on-record requires payment of fee in advance, one third of the fee to which he is entitled to, as per scale given in item (i) above shall be paid.

- iii) The Advocate-on-record shall keep a book of account showing moneys received by him and moneys due to him in each case and shall furnish a quarterly statement of accounts to the Commission.

b) Expenses:

The Advocate-on-record shall be allowed reimbursement of the following miscellaneous expenses:

- i) Court Fee
- ii) Process Fee
- iii) Bank Commission
- iv) Typing and cyclostyling expenses
- v) Expenses on conveyance
- vi) If, in some cases large number of notices have to be sent by Registered post or records are to be air-lifted, the expenses incurred thereon
- vii) Any other expenditure that may be sanctioned at the discretion of the Commission. (Item No. iv,v, & vi should be supported by vouchers)

9. Appearance against interests of Commission:

The Advocate-on-record

1. is debarred:

- a) From advising or holding briefs against the Commission
- b) From giving advice to private parties in cases in which he is likely to have to appear on behalf of the Commission

2. shall be bound by such other standing orders of the Commission as may

be issued from time to time in respect of their appointment.

10. Payment in pending cases or reasonable fee when appointment becomes terminated:

In cases the appointment of the Advocate-on-record in any case or cases or generally on behalf of the Commission becomes terminated either by reason of resignation or giving up of the case by the Commission or by the expiry of the term or by the Commission terminating the services of the Advocate-on-record for any reason and the case is still pending completion, the Commission shall have the full discretion to fix such fees in respect of the case or cases as it considers reasonable having regard to the work done in the case or cases till the date of such termination of service.

11. T.A. and D.A. on Tour:

The Advocate-on-record shall be paid on production of supporting vouchers actual expenses incurred by him when he is required to attend to Commission work in a place other than New Delhi.

SCHEDULE

The Advocate-on-record in Supreme Court for the Andhra Pradesh Electricity Regulatory Commission shall be paid:

- A.** (i) a retainer fee of Rs. 2000/- p.m. payable once in a year.
(ii) a daily fee of Rs. 2500/- in each appeal during final hearing.
(iii) a fee of Rs. 1500/- per matter per each appearance in Miscellaneous matters like special leave petition, civil Miscellaneous Petition for stay etc.
(iv) a separate reading fee depending upon the reading material in cases where the record is very bulky.
- B.** The charges for the telephone calls incurred by the Advocate exclusively for Commission work shall be reimbursed by the Commission every month on production of an account therefor
- C.** As provided in Regulation 8 (b) the Advocate shall be paid in advance filing expenses namely court fee, cyclostyling charges etc., on a rough estimate submitted by the Advocate-on-record.
- D.** He shall, however, submit every month to the Commission an account of monies received from the Commission quoting the Commission sanction order.
- E.** The Advocate-on-record shall, with the prior consultation of the Commission as to the necessity for engaging a senior counsel in any case, engage a senior

counsel on such terms as the Commission may approve on the advice of the Advocate-on-record.

- F.** The Commission shall settle the fee claims of the Advocate-on-record at the earliest possibility.

**Sd/-
SECRETARY,**

**A.P. ELECTRICITY REGULATORY
COMMISSION**

REGULATION NO. 7 OF 2000

Andhra Pradesh Electricity Regulatory Commission
(Consumer Right to Information) Regulation, 2000

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Consumer's Right to Information) Regulation, 2000

(Regulation No 7 of 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 all powers enabling it in that behalf, and pursuant to Section 33 (1) of the said Act the Andhra Pradesh Electricity Regulatory Commission hereby frames the following Regulations, prescribing the circumstances in which the supply licensees are to inform consumer's of their rights.

CHAPTER I

1. SHORT TITLE, COMMENCEMENT, AND INTERPRETATION

- (1) These Regulations may be called the Andhra Pradesh Electricity Regulatory Commission (Consumer's Right to Information) Regulations, 2000.
- (2) They shall be applicable to all Distribution and Retail Supply Licensees (hereinafter in the Regulation to be referred as Licensee).
- (3) They shall come into force on the date of their publication in the AP Gazette.
- (4) They extend to the State of Andhra Pradesh.
- (5) The Andhra Pradesh General Clauses Act, 1891 shall apply to the interpretation of these Regulations.

CHAPTER II

DEFINITIONS

2. Unless the context otherwise requires, words or expressions occurring in these Regulations and not specially defined herein shall bear the same meaning as in the Andhra Pradesh Electricity Reform Act, 1998 (Act 30 of 1998), the Andhra Pradesh Electricity Regulatory Commission Business Rules, 1999, or in the absence thereof, the meaning as commonly understood in the electricity supply industry.

CHAPTER III

CONSUMER RIGHTS

3. Service and Tariffs

Pursuant to Section 11 (1)(d) and Section 26 (7) of the Act and the conditions of its Distribution and Retail Supply Licence, the Licensee shall provide service that is safe, reliable and efficient, and confirming to various safety provisions of IE Act, 1910 and IE Rules, 1956 at tariffs that are non-discriminatory, just and reasonable and that promote economic efficiency in the supply and consumption of electricity.

4. Information

- (1) The Licensee shall make available at its offices for perusal of any Consumer
 - (a) its approved Codes of Practice (Application for Supply, Code on Conditions of Supply and Procedures, Consumer Rights Statement, Code of Practice on Payment of Bills, and Complaint Handling Procedures)
 - (b) its approved Standards of Performance; and
 - (c) its approved Tariff Schedule.
- (d) The Regulations made by APERC on Consumer's Right to Information.
- (2) The Licensee shall provide to all persons applying for new service connection its Application for Supply, and Code on Conditions of Supply and Procedures free of charge.
- (3) The Licensee shall provide free of charge to all the new consumers at the time of release of supply copies of the Consumer Rights Statement, Code of Practice on Payment of Bills and Complaint Handling Procedures.
- (4) Consumers and other persons may purchase copies of the Licensee's Consumer Rights Statement, Code of Practice on Payment of Bills, Complaint Handling Procedures, Standards of Performance and Tariff Schedule, at a price not exceeding the reasonable cost of duplication.

CHAPTER IV
CONSUMER RIGHTS TO NOTICE

5. Notice Prior to Disconnection

- (1) The Licensee shall issue a notice to consumers minimum of seven days prior to disconnection by reason of:
 - a. alteration or addition performed by the Consumer to his installation without prior permission.
 - b. Misuse of power supply, or resistance by the Consumer to the replacement of an old or defective meter by the Licensee.
 - c. neglect to pay any charge for energy or otherwise
 - d. when there is a default in keeping the meter correct, where the meter is the property of the consumer. (as envisaged in Section 26 (3) of IE Act, 1910.)
 - e. when there is a failure to pay the inspection fees on or before the date specified in the fee notice of The Electrical Inspector (as envisaged in Rule 46 (2)(b) of the IE Rules 56)
- (2) The notice shall include a statement of the procedures for disconnection and appropriate guidance for assistance, as specified in the Licensee's Code of Practice on Payment of Bills. The Consumer shall be given the opportunity within the seven days to show cause why the power supply shall not be disconnected, and the Licensee must consider such explanation.
- (3) No notice shall be provided prior to disconnection in case of tampering with the meter or metering equipment, or illegal restoration of supply by himself or extending service to a disconnected service or unauthorised extension of supply to another premises or when the consumer adopts any electrical appliances which is likely to effect injuriously the supply to other consumer or uses the energy supplied improperly to interfere with efficient supply of energy to any other person by the licensee, or fails to keep in proper order any meter belonging to him by which the supply is registered, the licensee may discontinue the supply so long as such an appliance is so adopted or the energy is so used or dealt with or the meter is not kept in proper order, as the case may be.

6. Notice Prior to Entry

- (1) The Licensee's representative may upon informing the occupier of his intention and producing his identification card, enter the Consumer's premises for the purpose of
 - (a) inspecting, testing, repairing, or altering the Licensee's equipment;
 - (b) taking reading of meter and ascertaining the amount of energy supplied or the electrical load connected to the consumer's installation;
 - (c) removing the Licensee's own lines, meters and other apparatus; or
 - (d) examining and testing the Consumer's electric wires, fittings, works and apparatus for the use of energy.
- (2) If the Consumer refuses to allow the Licensee's representative entry to his premises in pursuance of the provisions of sub-section (1), or when such representative has so entered, refuses to allow him to perform any act which he is authorised to perform, the Licensee may, after the expiry of 24 Hrs from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal continues provided the consumer cannot show any valid reason for his refusal for entry.

7. Leakage and defective installations

- 1) (a) If the Electrical Inspector or the supplier has reason to believe that there is in the system of a consumer leakage which is likely to affect injuriously the use of energy by the supplier or by other persons, or which is likely to cause danger, he may give the consumer reasonable notice in writing that he desires to inspect and test the consumer's installation.
- 2) if , on such notice being given –
 - (a) the consumer does not give all reasonable facilities for inspection and testing of his installation, or
 - (b) [when an insulation resistance at the consumer's installation is so low as to prevent safe use of energy the supplier may, and if directed so to do by the Electrical Inspector shall discontinue the supply of energy to the installation but only after giving to the consumer 48 hours notice in writing of disconnection of supply and shall not recommence the supply until he or the Electrical Inspector is satisfied that the cause of the leakage has been removed.]

(c) Any dispute in this regard between a licensee and the consumer shall be referred to the Electrical Inspector for settlement.

- 3) When the consumer fails to rectify the defects in his installation pointed out by the Electrical Inspector such installation shall be liable for disconnection under his direction after serving a notice which shall not be less than 48 Hrs (as envisaged in Rule 46 (2)(C) of IE Rules 1956.)
- 4) When there is a failure to rectify defects relating to non observance of rules 50, 51 (1) or 64 of IE Rules 1956 pointed out by the licensee by a notice to consumer and Electrical Inspector and if the consumer fails to rectify the defects in a reasonable time the licensee may disconnect supply of electricity after giving the consumer a reasonable opportunity of being heard and recording reasons in writing unless the Electrical Inspector directs otherwise. The supply shall be discontinued only on written orders of an officer duly notified by the supplier in this behalf. The supply shall be restored after such defects are rectified. (Rule 51 (4) of IE Rules 1956)

8. Re-classification of Consumers

- 1) The Licensee shall notify any Consumer it intends to re-classify that the Consumer must execute a fresh agreement on the basis of the altered classification.
- 2) The notice shall state that the Licensee may disconnect the supply of power if the Consumer does not take the required steps within the period specified by the notice.

9. Notice of Scheduled Outages

The Licensee shall provide not less than 24 hours notice to all affected Consumers prior to an outage scheduled for the purpose of testing or any other purpose connected with the efficient working of the system.

10. Outages due to Emergencies

The notice may be waived in case of emergency situations like breakdowns of lines or equipment and when shut downs are availed to carry out emergent repairs, which if not undertaken immediately may result in a permanent damage or in a prolonged interruption in supply.

11. Notice

- (1) Notices of scheduled outages may be in writing and served on the consumer in accordance with Regulation 11(3) below, or through publication in newspapers, public address system, electronic media and/or telephone.
- (2) All other notices required by these regulations must be in writing and served on the customer in accordance with Regulation 11(3).
- (3) Wherever a provision has been made under these regulations for service of notice to the consumer,
 - (a) service of the notice may be effected either by personal delivery of the notice to the Consumer or by dispatching to him the notice by registered post. In the case of individual Consumers, service on the registered Consumer or his spouse or any person occupying premises of the Consumer and in the case of firm, company or corporation service on the Managing Director, Director or Principal Officer of such concern shall be sufficient.
 - (b) Where a Consumer refuses or avoids to receive notice, the notice may be affixed at a conspicuous place on the premises of the Consumer in the presence of two local witnesses and in the concerned office of the Licensee, and in such case, an endorsement shall be made to that effect on the copy of the notice. Such service by affixure shall be deemed to be sufficient service.
- (4) The period of notice begins with the delivery of the notice.

12. Exemption

- (a) The Licensee may be exempted from the notice requirements of these Regulations where the Consumer's installation poses a danger to the health and safety of the Licensee's employees or the public and in 'Force Majeure' conditions.
- (b) The Licensee shall inform the consumer in writing and also submit a report to the Commission within 24 hours of any incident in which it has disconnected the supply of electricity without prior notice.

13. Issue of Orders and Practice Directions

Subject to the provisions of A.P. Electricity Reform Act, 1998 and these Regulations, the Commission may from time to time, issue orders and practice directions in regard to the implementation of the Regulations and

procedure to be followed on various matters, which the Commission has been empowered by these Regulations to specify and direct.

14. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations the Commission may, by general or special order, direct the licensee to do anything not being inconsistent with the A.P. Electricity Reform Act, 1998 which appears to it to be necessary or expedient for the purpose of removing the difficulties

15. Savings

Nothing in this regulation shall in any way prejudice or affect the rights and privileges of Consumers under other laws including but not limited to the Consumer Protection Act, 1986.

BY ORDER OF THE COMMISSION

Hyderabad
Dt: 19-08-2000

Secretary

REGULATION NO. 2 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Constitution of State Advisory Committee and its Functioning)
Regulation, 2004

Amendment

1. First Amendment vide Regulation No. 1 of 2020, dated 03-03-2020

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Constitution of State Advisory Committee and its Functioning)
Regulation, 2004.

(Regulation No. 2 of 2004)

INTRODUCTION:

Section 87 of the Electricity Act, 2003 provides for the establishment of the State Advisory Committee. The said Section also provides broadly for the composition of such State Advisory Committee.

Under the State Reforms Act, the State Commission had established the Commission Advisory Committee, but the State Advisory Committee now needs to be established or reorganized in line with Section 87 of the Electricity Act, 2003.

In exercise of powers conferred under Section 87 read with Section 181 of the Electricity Act, 2003 (36 of 2003), the Commission hereby makes the following Regulation in regard to the State Advisory Committee and for matters incidental and ancillary thereto, namely: -

1. Short title and commencement

- (1) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Constitution of State Advisory Committee and its functioning) Regulation, 2004.
- (2) This Regulation shall come into force from the date of publication in the Andhra Pradesh Gazette.

2. Definitions

- (1) In this Regulation unless the context otherwise requires;
 - (a) "Act" means the Electricity Act, 2003;
 - (b) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
 - (c) "Committee" means the State Advisory Committee;
 - (d) "State" means the State of Andhra Pradesh;
 - (e) Words and expressions used and not defined herein but defined in the Act shall have the meaning assigned to them in the Act.

3. Constitution of the Committee

- (1) The Committee shall consist of not more than 21 members to be nominated by the Commission from time to time consistent with Section 87 of Act.
- (2) The Members of the Committee shall be nominated for a period of three years.
- (3) A member other than the ex-officio member, who fails to attend three consecutive meetings of the Committee without prior intimation to the Commission and without valid reasons for his absence shall cease to be a member of the Committee.
- (4) The Chairperson of the Commission shall be the ex-officio Chairperson of the Committee and members of the Commission and the Secretary to State Government in charge of the Ministry or Department dealing with consumer affairs and public distribution system shall be the ex-officio members of the Committee.

4. Secretary of the Committee

- (1) The Secretary of the Commission shall be the ex-officio Secretary to the Committee.
- (2) It shall be the duty of the Secretary to convene the meetings of the Committee with the permission of the Chairperson and to give to the members thereof, unless otherwise specifically directed by the Chairperson, not less than 14 days' notice in writing of the date, time and place of the proposed meeting.

5. Proceedings of the Committee

- (1) The proceedings of the meetings of the Committee shall be recorded in a minute book to be kept for the purpose and shall be signed by the Chairperson of the meeting at the next succeeding meeting or at any time before such succeeding meeting.
- (2) The Committee shall meet at least once in every three months.
- (3) The quorum for the commencement of a meeting of the Committee shall be six.
- (4) The meeting, after such Commencement with a valid quorum can be continued even if during the meeting the number of participating members reduces below the quorum.
- (5) If there is no quorum at the commencement of the meeting no business shall be transacted and the Chairperson of the meeting may adjourn the meeting to another date. No quorum shall be necessary at an adjourned meeting.

- (6) At the adjourned meeting the agenda proposed for the meeting which was adjourned shall be considered first before other matters are taken up for consideration.
- (7) No proceedings of the Committee shall be invalid by reason merely of a vacancy existing in the Committee or by reason of non-receipt of the notice or the agenda papers by any member of the Committee or by reason of any irregularity in the conduct of the business of the meeting.
- (8) Unless the Commission otherwise notifies, all meetings of the Committee shall be held at the Office of the Commission.

6. Fees and allowances for members of the State Advisory Committee

- (1) ¹A member of the Committee other than an ex-officio member shall be entitled to a sitting fee for each sitting as the Commission may decide from time to time.
- (2) A member of the Committee attending the meeting of the Committee shall be entitled to allowances for traveling and stay as the Commission may decide from time to time.

7. Resignation of Member

A member of the Committee other than an ex-officio member may, by a written notice to the Secretary of the Commission resign from his office and it shall come into effect from the day the Chairperson of the Commission accepts the same.

8. Removal of member

- (1) The Commission may remove any member of the Committee other than an ex-officio member, who:
 - (a) has been adjudged as insolvent; or
 - (b) has been convicted of an offence involving moral turpitude; or
 - (c) has become physically or mentally incapable of acting as a member; or
 - (d) has conducted himself in a manner or has so abused his position as to render his continuance as a member prejudicial to public interest or to the objects and purpose of the Act.
- (2) The member who is proposed to be removed under sub-clause (1) above shall be given an opportunity to represent his position to the Chairperson of the Commission.

¹ First amendment vide Regulation No. 1 of 2020 dated 03-03-2020

9. Miscellaneous

- (1) Subject to the provisions of the Electricity Act, 2003 and this regulation, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of this Regulation and procedures to be followed.
- (2) The Commission may, at any time, add, vary, alter, modify or amend any of the provisions of this Regulation.
- (3) If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, by general or special order, do or undertake or permit the Committee to do or undertake things which in the opinion of the Commission is necessary or expedient for removing the difficulties.
- (4) Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of this Regulation and procedure to be followed and various matters, which the Commission has been empowered by this Regulation to direct and matters incidental or ancillary thereto.

10. Repeal

The Andhra Pradesh Electricity Regulatory Commission (Constitution of Commission Advisory Committee and its functioning) Regulations, 1999, shall stand repealed from the date of this Regulation coming into force.

(BY ORDER OF THE COMMISSION)

S.Surya Prakasa Rao

SECRETARY

A.P. Electricity Regulatory Commission

REGULATION NO. 4 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Procedure for filing Appeal before the Appellate Authority)
Regulation, 2004

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Procedure for Filing Appeal before the Appellate Authority)

(Regulation No.4 of 2004)

INTRODUCTION:

Section 127 of the Electricity Act, 2003 deals with the procedure for appeal to the Appellate Authority against the final order of the Assessing Authority issued u/s 126 for unauthorised use of electricity. The person aggrieved by the final order may prefer an appeal within 30 days of the said order in such form and verified in such manner and accompanied by such fee as may be specified by the State Commission.

The draft regulation specifying the form, manner of verification and fee payable for preferring the said appeal, was published in the A.P. Gazette on 10.12.2003 seeking comments/suggestions and a press release was also issued inviting comments/ suggestions from interested parties by 31.12.2003. The Commission received comments and suggestions from two organisations representing various interests and two distribution licensees.

The Commission has considered these comments and suggestions and made suitable changes in the draft Regulation, wherever necessary.

In exercise of the power conferred under Section 127 read with Clause (zo) of subsection (2) of Section 181 of the Electricity Act, 2003, and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following regulation providing for procedure for the filling appeal before the Appellate Authority.

1. Short title, commencement and interpretation

- 1) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Procedure for filing appeal before the Appellate Authority) Regulation 2004.
- 2) This Regulation shall be applicable to the Licensees in their respective areas of supply in the State of Andhra Pradesh.
- 3) This Regulation shall come into force from the date the Commission may by notification appoint for the purpose.

2. Definitions

In this Regulation, unless the context otherwise requires: -

- a) "Act" means the Electricity Act, 2003;
- b) "Appellate Authority" means the authority prescribed under subsection (1) of Section 127.
- c) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- d) "Licensee" means a Distribution Licensee authorised to operate and maintain a distribution system of supplying electricity to consumers in the concerned area of supply.
- e) "month" means the calendar month. The period of about 30 days between the two consecutive meter readings shall also be regarded as a month for purpose of billing;
- f) All other expressions used herein but not specifically defined herein but defined in the Act shall have the meaning assigned to them in the Act. The other expressions used herein but not specifically defined in this Regulation or in the Act but defined under the Andhra Pradesh Electricity reform Act, 1998 shall have the meaning assigned to them under the said Act, provided that such definitions in the Andhra Pradesh Electricity Reform Act, 1998 are not inconsistent with the provisions of the Electricity Act, 2003.

3. Filing of appeal

1. A person aggrieved by a final order made under section 126 of the Act, may, within 30 days of the order, file an appeal before the Appellate Authority.
2. No appeal shall be entertained unless an amount equal to one third of the assessed amount is deposited in cash or bank draft with the licensee and

documentary evidence of such deposit has been enclosed along with the appeal.

3. The appeal shall be made in the form specified in the Schedule.
4. The Memorandum of Appeal shall be signed and verified in the manner specified in the Schedule.
5. The appeal shall be accompanied by the following fee:

Amount assessed	Fee
Up to Rs. 1,00,000	3% of the assessed amount subject to minimum of Rs.500
Above Rs. 1,00,000	1% of the, assessed amount subject to minimum of Rs.3, 000

6. The fee shall be paid in such form as the Appellate Authority may specify.

4. **Miscellaneous**

1. Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of this Regulation and procedures to be followed
2. The Commission may, at any time, add, vary, alter, modify or amend any of the provisions of this Regulation.

(BY ORDER OF THE COMMISSION)

S. SURYA PRAKASA RAO,
Secretary.

Schedule

APPEAL BEFORE THE APPELLATE AUTHORITY UNDER SECTION 127
OF THE ELECTRICITY ACT, 2003

Appeal against final order (AFO) of _____

AFO NO. of 200__

I. Between	
1.	Appellant (Full address of the Consumer including SC.No. , category of service)
AND	
2.	Respondent (Full address of the Respondent) i. Name of the licensee ii. Assessing officer
Appeal under Section 127 of the Electricity Act 2003	
II. 1. Details of Applicant:	
a. Full Name of the Applicant: b. Full Address of the Applicant: c. Name, Designation & Address of the Contact Person: d. Contact Telephone Numbers: Fax Number(s): Email ID:	
2. Details of the Distribution Licensee	
a. Address of the concerned Section Office b. Address of the concerned Sub Divisional office	
3. Details of the Assessing Officer	

a. Name and designation b. Address	
4. Address of the premises concerned	
5. Contracted Load/ Demand	
6. Particulars of the meter installed	
7. Date of Inspection	
8. Nature of the unauthorised use alleged	
9. Date of the provisional assessment notice	
10. Amount provisionally assessed	
11. Date of filing objection by the Appellant against provisional assessment	
12. Date of hearing of the objection by the assessing Officer	

III. GROUNDS OF APPEAL

(State to be grounds of the case on which the appeal is filed and the reason(s) why the final order is unsustainable)

IV. The disputed amount under appeal is Rs._____ and a fee of Rs.____ is paid by way Cash/demand Draft bearing No.____ dated _____as per section 127 of the Act read with Regulation No.____of 2003.

V. The Final order was not passed with the consent of both the parties as per sec 127 (5) of the Electricity Act 2003.

VI. The appellant has paid Rs._____being 1/3rd of the disputed amount by way of Demand Draft bearing No. _____ dated _____to the licensee as per Section 127(2) of the Electricity Act 2003. The proof of payment is enclosed.

Prayer

It is therefore, prayed that _____

Appellant

VERIFICATION

I declare that
what is stated in all the above paragraphs is true to the best of my knowledge and
information and I believe it to be correct and verified and signed
at..... on.....

Place:

Name & Signature of the Appellant

Date:

REGULATION NO. 5 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Electricity Supply Code) Regulation, 2004

Amendment

1. First Amendment vide Regulation No. 5 of 2004, dated 04-03-2006
2. Second Amendment vide Regulation No. 7 of 2013, dated 07-08-2013
3. Third Amendment vide Regulation No. 3 of 2019, dated, 16-02-2019
4. Fourth Amendment vide Regulation No. 2 of 2025, dated 25-02-2025

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Electricity Supply Code) Regulation, 2004

(Regulation No.5 of 2004)

INTRODUCTION:

Section 50 of the Electricity Act, 2003 requires the State Commission to specify an Electricity Supply Code to provide for the following:

- i. Recovery of electricity charges,
- ii. Intervals for billing of electricity charges,
- iii. Disconnection of supply for non-payment thereof
- iv. Restoration of supply of electricity,
- v. Tampering, distress or damage to electrical plant, electric lines or meter,
- vi. Entry of Licensee's officials for disconnecting supply and removing the Meter, and
- vii. Entry for replacing, altering or maintaining of electric lines, or electric plant or meter.

The Commission published a draft Regulation on 18-12-2003 inviting comments / suggestions. A press release was also issued on 20-12-2003 inviting comments and suggestions from interested persons. Three Licensees have offered their Comments and suggestions. The Commission considered the same and made suitable changes in the draft Regulation wherever necessary.

In exercise of the powers conferred by clause (x) of sub section (2) of section 181 read with section 50 of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:

1. Short title, commencement and interpretation

- 1.1. This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Electricity Supply code) Regulation, 2004.
- 1.2. This Regulation shall be applicable to all Distribution Licensees in their respective licensed areas, in the State of Andhra Pradesh.
- 1.3. This Regulation shall come into force 3 months after the date of its publication in the Andhra Pradesh Gazette.

2. Definitions In this Regulation, unless the context otherwise requires:

- a) "Act" means the Electricity Act, 2003;
- b) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- c) ¹"Consumption charges" means energy charges for consumption of electrical energy (calculated on the basis of kWh or kVAh rate as applicable), and includes Demand/Fixed charges, Fuel Surcharge Adjustment (FSA) charges, customer charges, wherever applicable."
- d) "high tension (HT) consumer" means a consumer who is supplied electricity at a voltage higher than 440 volts.
- e) "HT rates" means the consumption charges payable by HT consumers.
- f) "low tension (LT) consumer" means a consumer who is supplied , electricity at a voltage up to 440 volts.
- g) "LT rates" means the consumption charges payable by LT consumers.
- h) "month" means the calendar month The period of about 30 days between the two consecutive meter readings shall also be regarded as a month for purpose of billing;
- i) "premises" includes any land, building or structure;
- j) All other expressions used herein but not specifically defined herein but defined in the Act shall have the meaning assigned to them in the Act. The other expressions used herein but not specifically defined in this regulation or in the Act but defined in the Andhra Pradesh Electricity Reform Act, 1998 shall have the meaning assigned to them under the said Act, provided that such definitions in the Andhra Pradesh Electricity Reform Act, 1998 are not inconsistent With the provisions of the Electricity Act, 2003.

3. Recovery of Electricity Charges from consumer:

- 3.1. The distribution licensee shall recover the electricity charges for the electricity supplied to the consumer as per the tariff determined by the Commission from time to time in accordance with the provisions of Electricity Act 2003:

Provided that where there are more than one Licensee in the same distribution area the Licensees may be allowed by the Commission to

¹ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

recover the charges at such tariffs as the licensee may consider appropriate subject to the maximum ceiling of tariff fixed by the Commission.

- 3.2. Unless otherwise specified, all HT and LT rates refer to one point of supply and each separate establishment will be given a separate point of supply.
- 3.3. The consumer shall pay to the distribution licensee within the time specified for the purpose under clause 4 every month/billing period at the appropriate office of the distribution licensee or any other place allowed by the distribution licensee, charges for the electrical energy supplied to the consumer during the preceding billing period at the tariff in force from time to time.

²“An e-wallet mechanism (INR settlement) shall be implemented for prepaid/smart metering services. Under this system, an e-wallet shall be created and linked to the electricity supply connection, allowing consumers to recharge periodically based on their energy requirements as per the applicable tariff. Recharges can be made through various options, including online portals, mobile apps, local retailers, and self-service kiosks, etc.”

- 3.4. The consumer shall pay, in addition to the charges fixed in the Tariff determined by the Commission, all surcharges, additional charges if any and any other charges payable relating to the supply of energy to the consumer as per the tariff conditions in force from time to time. The consumer shall also pay all the amounts chargeable by the Government by way of tax/duty etc, to the appropriate authority as specified by the Government.
- 3.5. When supply to a new consumer is commenced in the middle of a billing period, the demand charges, or any other similar fixed charges shall be levied pro rata for the number of days for which supply is given during the billing period. In the case of energy, pro rata minimum charge or the charges at appropriate tariff for the energy actually consumed, whichever is higher shall be payable by the consumer.

² Fourth Amendment vide Regulation No. 2 of 2025 dated 25-02-2025

4. Electricity Bills

4.1. Intervals of Electricity Bills

4.1.1. Bills shall be issued at a periodicity of not more than 2 months in respect of domestic, commercial agricultural services (metered cases) and general purpose consumers. Flat rate agricultural consumer shall be provided with pass books and electricity charges shall be collected monthly on pro rata basis in respect of annual flat rate tariff fixed for this category. In respect of all other categories of consumers, the bills shall be issued monthly.

4.1.2. The consumer shall be informed in advance of the periodicity of billing for his service (monthly or bimonthly), date in the calendar month when his meter will be read, bill date in the calendar month and due date for payment in the calendar month. It shall be obligatory on the part of Licensee to read meter of a service on prescribed date. But in unforeseen circumstances, the licensee may record the meter reading two days before after the prescribed date.

The bill date shall be the date of meter reading for spot billing system and in other cases it shall be within one week from the date of the meter reading. The bill shall be served to a consumer immediately after the meter reading in case of spot billing system and in other cases within a period of one week from the bill date.

The licensee shall obtain the acknowledgement of the consumer or some other inmate of the premises after issue of the bill and the authorized meter reader shall also enter the meter reading and the date of reading in the passbook/ or meter card provided to the consumer.

4.1.3. Bills shall be sent to the consumers, other than HT category, either by post or by hand delivery and in case of HT consumers, either by certificate of posting or by hand delivery. The fact of dispatch of bills to the consumers of a particular area will be displayed by appropriate notice on the notice board of the Licensee's Revenue office of the area concerned. Loss in transit of the bill if sent by post shall not be the responsibility of the licensee. However in case of hand delivery proof of service of the bill shall be maintained at the concerned Revenue Office of the Licensee. It shall be the

responsibility of the Licensee to ensure prompt delivery of bills to the consumer. However, if the consumer does not receive the bill within 14 days from the date of meter reading, he should approach the Revenue Office concerned to obtain a duplicate copy of the bill.

4.1.4. The Licensee shall issue the first bill for all services energized during a billing cycle, before end of next billing cycle. In case, the consumer does not receive the first bill before end of next billing cycle from date of energizing the connection, he may report to the designated Officer of the Licensee who shall arrange for issue of the bill within next 14 days.

4.1.5. **Change of occupancy/vacancy of premises**

- i. It shall be the responsibility of the owner of the connection to get a special reading done by the licensee at the time of change of occupancy or on the premises falling vacant.
- ii. The owner/user of the connection may request in writing to the licensee for special reading at least 15 days in advance of the said vacancy of the premises by the existing user or change of the occupancy, as the case may be.
- iii. The Licensee shall arrange a special reading to be done and deliver the final bill, including all arrears till the date of billing, at least 7 days before the vacancy of the premises. The final bill shall also include payment for the period between the date of special reading and date of vacancy of premises on prorata basis.
- iv. Once the final bill is raised, the licensee shall not have any right to; recover any charge(s), other than those in the final bill, for any period prior to the date of such bill.
- v. The licensee may charge a reasonable fee for the above service.

4.1.6. *³For smart meters, physical bills shall not be issued. Instead, e-bills shall be sent to the registered mobile numbers of consumers via mobile apps, SMS, and WhatsApp, or the bills shall be made available on Distribution Licensees' web portals (English & Telugu language) or similar digital platforms. Consumers can update their mobile numbers*

³ Fourth Amendment vide Regulation No. 2 of 2025 dated 25-02-2025

through the Distribution Licensee's apps, portals, or at designated offices or locations.”

4.2. The following information shall be included on the body of the bill:

- a. Bill Number.
- b. Consumer No., name and address.
- c. Name of Sub-division/ Section.
- d. (i) Type of supply (i.e. single phase, three-phase LT or HT).
(ii) Contracted load / Connected load.
⁴(iii) Security Deposit.
- e. Category of consumer (i.e. domestic, commercial etc.).
- f. Status of meter (OK/defective/missing/Door Lock etc.).
- g. Meter No. - In case replacement of energy meter is involved during the billing period, the meter numbers of old and the new meters, date of replacement, final reading of old meter and initial reading of new meter at the time of replacing the meter shall also be indicated on the bill.
- h. Billing period (dates to be mentioned)
- i. Initial meter reading of the billing period/cycle with date.
- j. Final meter reading of the billing period/cycle with date.
- k. Multiplying Factor of the meter.
- l. Number of units consumed during the billing period.
- m. **⁵Date of the bill, due date of payment and due date of disconnection (if payment is not made by due date).**
- n. Billing details: - The details for the current month demand and arrears shall be furnished in the bills.
 1. Energy / Monthly Minimum Charges.
 2. Fixed Charges
 3. Capacitor Surcharge
 4. Customer Charges
 5. Electricity Duty
 6. Fuel cost adjustment charges
 - 7. ⁶Meter rent**
 8. Additional charges for belated payment
 9. Interest on installments due

⁴ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

⁵ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

⁶ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

10.Total current month demand

11.Arrears - (i) Preceding financial year (ii) Current financial year

12.Others

⁷(i) Security deposit available

(ii) Indicative Security Deposit to be maintained

13.Total amount due

14.Adjustment

15.Net Amount

o. Mode of payment.

p. Designation and address of authorities with whom complaints or grievances can be lodged and addresses and telephone numbers of the Forum and the Vidyut Ombudsman constituted under section 42 of the Act.

q. In case of cheques and bank drafts, the receiving authority in whose favour the amount should be drawn.

r. Telephone No. of Customer Service Centre and Revenue Unit.

s. Address / Details of concerned local collection centres and Electricity Revenue Offices of licensee with working hours where payment of Electricity Bill shall be made.

Details of cost to serve for the category, cross-subsidy and Government subsidy per unit, slab-wise, and information from (P) to (5) may be printed on the reverse of the Bill.

⁸“The Licensee shall provide bill information in English or Telugu on consumer request.”

4.3. **Payment of Electricity Bill**

4.3.1. The payment of bill shall normally be made at the specified local collection centre of the Licensee on any working day during prescribed hours, or through any other facility like e-seva, banks, post offices, internet etc. as may be provided by the licensee.

4.3.2. The Licensee may, however, specify any collection centers for making payment for a group of consumers in addition to the concerned Revenue Office of the Licensee, where arrangement

⁷ Third Amendment vide Regulation No. 03 of 2019 dated 16-02-2019

⁸ Fourth Amendment vide Regulation No. 2 of 2025 dated 25-02-2025

shall be made by licensee to accept payment of Bills both by cash and DD /Cheque.

4.3.3. If due date/disconnection date for default indicated in the bill for payment of the amount is a Sunday or a Public Holiday, the succeeding working day shall be treated as the due date/disconnection date for default.

4.3.4. The consumer shall present his bill at the time of payment without which payment will not be normally accepted. However, if the consumer is unable to present his bill due to non-receipt of the same and if the consumer applies for duplicate bill at the concerned Electricity Revenue Office to enable him to make payment of his electricity bill, the Licensee shall arrange to accept payment of bill duly issuing duplicate bill on the spot. In other cases, if the consumer applies for a duplicate bill it shall be supplied within 3 days of receipt of application in writing in the office of issue. Non-receipt of the bill shall not entitle the consumer to delay the payment beyond the due date.

4.3.5. The billed amount shall be paid by the consumer as under:

i. ⁹Up to Rs.10,000/--- By cash:

Provided that the licensee may accept higher amounts up to the limit(s) specified by him in rural areas, wherever the availability of banking facilities is considered to be inadequate.

ii. ¹⁰Any amount by NEFT/ RTGS or by Cheque/Banker's Cheque/Demand Draft payable at par of any Scheduled Bank as indicated on the Electricity Bill.

iii. ¹¹Any consumer who wants to pay by way of crossed Cheque shall present the Cheque to the Licensee at least three working days before the due date of payment.

iv. Where specifically allowed by the Licensee, the amount can also be paid by credit cards, Internet payment and through 'E-seva' centers.

4.3.6. The Licensee shall issue a receipt to the consumer for the payment of electricity bills made by way of cash or DD / Banker's Cheque

⁹ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

¹⁰ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

¹¹ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

drawn on any scheduled bank. In case of payment made by way of personal cheques, the licensee shall issue acknowledgement to the consumer for the receipt of cheque. Bank certificate that money is transferred to licensee's account is sufficient proof of payment.

4.3.7. All consumers shall pay the Current Consumption charges within 15 days from the date of the bill and the Licensee shall ensure distribution of Electricity Bills to the consumers not less than 10 days before the due date for payment.

4.3.8. In case a cheque given by the consumer is not honoured and payment is not made, action may be initiated by the Licensee for disconnection, treating it as a case of non-payment as detailed in clause 4.8. The licensee may not accept payment through cheques from such consumer for a period of one year from the billing month for which the cheque given by the consumer has bounced. For that particular one year, the consumer maybe required to pay his bill in cash / by DD only. This shall be without prejudice to other rights of the Licensee to proceed against the consumer for dishonour of the cheque.

4.3.9. **Advance payment of anticipated bills by consumer:** - The consumer shall have the facility to make advance payments towards the Consumption Charges and require the Licensee to adjust the amount against bills that may be raised by the Licensee from time to time such advance payments do not attract any interest.

4.3.10. *¹²For prepaid or smart meters, the first recharge for the month shall include the minimum charges, fixed/demand charges, customer charges, true-up charges, FPPCA charges, and any other applicable charge., The mandatory minimum first charge shall be Rs.500 or the sum of the charges mentioned before as informed by the Distribution Licensees, whichever is higher. Thereafter, the consumers can recharge their prepaid smart meter account in multiples of Rs.100 or any denomination specified by the Distribution Licensees, using the*

¹² Fourth Amendment vide Regulation No. 2 of 2025 dated 25-02-2025

multi-recharge facilities/options provided by the Distribution Licensees. There shall be no maximum limit for the recharge amount. Any outstanding current consumption (CC) charge arrears as of smart meter installation shall be deducted from the first charge/recharge amount, duly taking care of the installments granted, if any.”

In the event of short billing (e.g. TE/ MP/Additional Load), the Distribution Licensees shall intimate the consumers through the mobile app, SMS, or WhatsApp, informing them to recharge the due amounts within 15 days from the date of intimation. If the consumers fail to recharge the due amounts, they will receive reminders on 12th, 13th and 14th days following the initial intimation to recharge the due amounts. If the due amounts are not recharged within 15 days from the date of intimation, the same shall be deducted from the e-wallets. If the balance in the e-wallets becomes negative after the above deductions, the Distribution Licensees shall proceed with the disconnection of the services as specified in Clause 4.8.4 of Regulation No. 5 of 2004.

- 4.4. **Additional charges for belated payment of bills:** - In case the consumers do not pay the bills by the due date mentioned in the bills, additional charges for delayed payment of bills shall apply as per tariff orders issued from time to time.
- 4.5. **Adjustment of amount paid:** - The amount paid by the consumer shall first be adjusted as per the priorities stated hereunder:
- a. Arrears as on 31st March of previous financial year.
 - b. Arrears accrued from 1st April of the current financial year till the date of bill.
 - c. Current month Consumption charges
- 4.6. **Installment facility:** - Licensee may grant at its discretion, the facility of payment of arrears bills by installments.

4.6.1. ¹³Number of installments should not be more than twelve in any case. In case of grant of installments, such consumer shall be required to pay the interest charges at the rate of 18% per annum on the arrears amount for which installments are allowed. The distribution Licensee shall not levy additional charges for delayed payment on the outstanding amount for which installments are granted.

¹⁴Provided that the licensee shall not grant instalments without obtaining bank guarantee, towards security.

4.6.2. The Licensee shall designate and notify the authorities who may grant installment facilities for LT and HT services from time to time.

4.7. **Erroneous / Disputed Bills**

4.7.1. The consumer shall make the full payment of the electricity bill amount:

Provided that the supply of electricity shall not be cut off if such consumer deposits, under protest –

- (a) an amount equal to the sum claimed from him, or
- (b) the electricity charges due from him for each month calculated on the basis of average of amounts for electricity paid by him during the preceding six months, whichever is less, pending disposal of any dispute raised by the consumer on the bills.

4.7.2. The Licensee shall normally resolve the billing disputes as per the standards of performance notified by the Commission under section 57 (1) of the Act, failing which the consumer shall be entitled for compensation as prescribed by the Commission under section 57(2) of the Act, without prejudice to his right to seek relief through the Forum for redressal of grievances of consumers under section 42(5) of the Act.

4.7.3. On examination of the complaint, if the Licensee finds the bill to be erroneous, a revised bill shall be given to the consumer indicating a revised due date of payment, which should be fixed not earlier than

¹³ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

¹⁴ Third Amendment vide Regulation No. 03 of 2019 dated 16-02-2019

seven days from the date of delivery of the revised bill to the consumer. If the consumer has paid any excess amount, it shall be refunded by way of adjustment in the subsequent bills. The licensee shall pay to the consumer interest charges at ¹⁵**18%** per annum on the excess amount outstanding on account of such wrong billing.

- 4.7.4. If the Licensee finds the bills to be correct the consumer shall be intimated accordingly and notified to pay the amount with additional charges for belated payment from the due date.

4.8. **DISCONNECTION OF SERVICE**

- 4.8.1. ¹⁶**Disconnection due to non-payment:** Where a consumer neglects to pay any consumption charge for electricity or any other sum due from him to a Licensee, by the due date mentioned in the bill, in respect of supply of energy to him, the licensee may, after giving not less than fifteen (15) clear days' notice in writing to such person and without prejudice to his rights to recover such charge, cut off supply of electricity and for that purpose disconnect any electric supply line or other works being the property of such licensee or the generating company through which electricity has been supplied, and may discontinue the supply until such, charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply are paid.

In cases of all supply connections, where disconnection date for non-payment of electricity charges is mentioned in the bill, a separate disconnection notice is not required.

Where any consumer defaults in payments of Charges for the supply of electricity, and / or any other sums payable to the Company under the contract of supply agreement, the Company, may, without prejudice to its other rights cause to disconnect all or any of the other services of the consumer within the area of supply of the Licensee, though such services be distinct and are governed by

¹⁵ Third Amendment vide Regulation No. 03 of 2019 dated 16-02-2019

¹⁶ Second Amendment vide Regulation No. 07 of 2013 dated 07-08-2013

separate agreements and though no default occurred in respect thereof.

In case of default on customer charges payable by agricultural consumers, other category of services of such agricultural consumers shall not be disconnected.

- 4.8.2. Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after a period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrears of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.
- 4.8.3. In case of continued default in payment of electricity charges and any sum due to licensee by any consumer, the Licensee shall be entitled to terminate the agreement executed by the consumer as per the terms and conditions of supply of the Licensee as approved by the Commission.
- 4.8.4. ¹⁷For prepaid or smart meters, an emergency credit equivalent to his one-day average consumption shall be provided to consumers before disconnection. Disconnection shall occur only after the emergency credit is fully exhausted. The Consumers shall receive a minimum of three advance notifications or alerts **through mobile apps, SMS, and WhatsApp** before the balance in the e-wallet becomes zero.; the first when the balance reaches to three days average consumption, the second when the balance reaches to two days average consumption, and the final alert when the balance reaches to zero. These notifications will serve as a reminder to recharge the account, and the Distribution Licensee may temporarily disconnect the supply once the emergency credit is exhausted if the account is not recharged without issuing any further notice. Disconnections shall not take place during holidays or non-working hours. The disconnection shall be scheduled only between 10 AM and 1 PM of the working day to allow the consumers to recharge their e-wallet

¹⁷ Fourth Amendment vide Regulation No. 2 of 2025 dated 25-02-2025

from any channel if their mobile app/ e-device is not working for any reason. Post disconnection, consumers shall be notified through various channels, as mentioned in communicating the billing information about the zero/negative balance amount details.. The connection shall be permanently disconnected if the consumer fails to recharge within three months of temporary disconnection. In such cases, the meter shall be physically removed from the consumer's premises, and the e-wallet shall be deactivated. After permanent disconnection, a new connection to such consumer shall be extended as per the Rules/Regulations in vogue.”

5. Restoration of supply of electricity

If any service is disconnected on account of non-payment of electricity charges or any other charges due to licensee, the consumer has to pay the charges for reconnection. The licensee shall restore the electrical supply in not more than four working hours after production of the proof of payment of charges by consumer in towns and cities and within 12 working hours after production of proof of payment of charges by consumer in rural areas. However restoration of power supply will be attended to only between 8.00 AM to 6.00 PM except in case of supply of electricity for essential services like water supply, hospitals etc., and other important government services. Such requests of consumers seeking reconnection after 6.00 PM, shall be attended the following day before 12 noon.

¹⁸For prepaid or smart meters, the entire recharge process must be completed, and the recharge amount shall be reflected in the consumer's account within 15 minutes of a successful transaction. If a recharge is done after disconnection, the meter should automatically reconnect within 15 minutes of the successful transaction. Any complaints related to reconnection must be resolved within 4 hours.

6. Right of licensee to enter consumer premises and to remove fittings or other apparatus of licensee

6.1.1. A licensee or any other person duly authorised by him may, at any time, and on informing the occupier of his intention enter any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him for the purpose of -

¹⁸ Fourth Amendment vide Regulation No. 2 of 2025 dated 25-02-2025

- (a) inspecting, testing, repairing or altering the electric supply-lines, meters, fittings, works and apparatus for the supply of electricity belonging to the licensee; or
- (b) ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or
- (c) removing any electric supply-lines, meters, fittings, works or apparatus belonging to the licensee where a supply of electricity is no longer required or the licensee is authorised to take away and cut off such supply.

6.2. A licensee or any person authorised as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier enter:

- a. any premises or land referred to in clause for any of the purposes mentioned therein, or
- b. any premises to which electricity is to be supplied by him for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.

6.3. Where a consumer refuses to allow a licensee or any person authorised as aforesaid to enter his premises or land in pursuance of the provisions of clause 6.1 or clause 6.2, refuses to allow him to perform any act which he is authorised by those clauses to perform, or fails to give reasonable facilities, the Licensee may after expiry of twenty-four hours from the service of a notice in writing on the consumer, disconnect the supply to the consumer till such refusal or failure continues, but no longer.

7. Tampering, distress or damage to electrical plant, lines or meter

7.A. ¹⁹Measures to be taken by distribution licensees for control of theft of electricity.

- 1. The Distribution Licensees shall follow the procedure approved by the Commission in the Terms and Conditions of Supply of Distribution Licensees under clause 21 of their Distribution Licenses for assessment of electricity charges payable in the case of theft of electricity, pending adjudication by the appropriate court.

¹⁹ First Amendment vide Regulation No. 5 of 2004 dated 04.03.2006

2. The Distribution Licensees shall be entitled to disconnect supply of electricity in the case of theft or unauthorized use of electricity as provided in the Terms and Conditions of Supply of Distribution Licensees approved by the Commission under clause 21 of the licence granted to the Distribution Licensees.
 3. The licensees shall take measures to prevent diversion of electricity, theft or unauthorised use of electricity, or tampering distress or damage to electrical plant, electric lines or meter in accordance with the provisions of the Act and clauses 7 and 7A herein.
 4. The provisions of this clause 7A shall be without prejudice to the other rights of the Licensee under the Act, or any other applicable laws to recover the sums due, and to protect the assets and interests of the Licensees.
-
- 7.1. If the equipment i.e. electrical plant, lines or meter etc. of the licensee placed in the consumer premises is found tampered, distressed/damaged, the licensee shall be entitled to recover the expenses incurred for restoration of such plant, line, meter etc., without prejudice to his right to take action under appropriate provisions of the Act, including disconnection of supply under section 56 of the Act for non-payment of the cost for replacement/ rectification.
 - 7.2. Wherever unauthorised use of electricity is involved, the provision of section 126 shall apply and where theft of electricity is involved, the provisions of section 135 shall apply.
 - 7.3. Wherever un-authorised use of electricity is detected and a final order is issued by the assessing officer, the consumer shall be entitled to file an appeal to the appellate authority under section 127 of the Act.

8. Service of notice

- 8.1. Any order/ notice to the consumer by the licensee including the notice under section 56 of the Electricity Act, 2003 shall be deemed to be duly served by the licensee if it is:

- (a) Sent by registered post, under certificate of posting, by courier, or other similar means, or
 - (b) Delivered by hand to the person residing at the address notified to the licensee by the consumer, or
 - (c) Affixed at a conspicuous part of such premises in case there is no person, to whom the same can with reasonable diligence, be delivered.
- 8.2. Documents or notices so posted under clause 8.1 (a) above, shall be presumed to have been duly received by the consumer on the date on which he could be reasonably expected to receive the same.

9. Meter Card / Pass Books:-

A meter reading card / pass book shall be maintained by the licensee at consumers' premises in appropriate form and all periodical readings taken for billing purposes, all check readings and meter changes should be recorded on the meter card / pass book.

The consumer shall ensure safe custody of such pass book / meter card and keep it in an easily, accessible place for recording the meter readings and meter charge particulars etc.

10. **Interpretation:** - This Regulation shall be read and construed in all respects as being subject to the provisions of the Electricity Act 2003 and Andhra Pradesh Electricity Reform Act 1998, the provisions of any other law relating to supply of electricity for the time being in force and nothing herein above contained in this Regulation shall abridge or prejudice the rights of the Licensee and the consumer under any Central or State Act or rules made thereunder.
11. **Savings:** Nothing contained in this Regulation shall affect the rights and privileges of the consumer under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).
12. **Powers to remove difficulties:** - If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may by general or special order, direct the Distribution Licensee, the Forum and the Ombudsman to take suitable action, not being inconsistent with the Electricity Act, 2003, which appears to the Commission to be necessary or expedient for the purpose of removing difficulties.

13. **Power to amend:** - The Commission may, at any time vary, alter, modify or amend any provision of this Regulation.

S. Surya Prakasa Rao Secretary

A. P. Electricity Regulatory Commission

REGULATION NO. 6 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Security Deposit to be paid by Consumer to the Distribution Licensee for the
Energy Supplied and for Providing of Electric Line/Electrical Plant/Electrical
Meter) Regulation, 2004

Amendment

1. First Amendment vide Regulation No. 3 of 2013, dated 19-12-2013
2. Second Amendment vide Regulation No. 2 of 2019, dated 16-02-2019
3. Third Amendment vide Regulation No. 3 of 2025, dated, 25-02-2025

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Security Deposit to be paid by Consumer to the Distribution Licensee for
the Energy Supplied and for Providing of Electric Line/Electrical
Plant/Electrical Meter) Regulation, 2004

(Regulation No. 6 of 2004)

INTRODUCTION

Section 47 of the Electricity Act 2003, deals with the power of the Licensee to require security from consumers towards amounts due to him in respect of the electricity supplied or towards the cost of providing any electric line / electric plant or electric meter for supply of electricity pursuant to Section 43 of the Act. The section also provides that the Licensee is entitled to refuse to give supply or provide the line / plant / meter to the applicant as long as the applicant fails to give such security and where the security already given becomes invalid or insufficient, the Licensee can discontinue the supply of electricity if the consumer fails to provide reasonable security within 30 days after the service of a notice to this effect by the Licensee for the payment of all monies which may become due to the Licensee in respect of supplying electricity, etc. The Act has made an express provision for payment of interest on the security amount at Bank Rate or a higher rate as may be specified by the concerned State Commission. The Licensee is not entitled to require security from a person receiving supply through a pre-payment meter.

A draft Regulation consistent with the above provisions of the Act was published in the A.P.Gazette on 10-12-03 inviting comments / suggestions from interested parties. A press release was also issued on the same day about the publication of the draft Regulation inviting suggestions / comments from interested parties by 31-12-03.

Some of the salient features of the draft Regulation are:

1. Payment of Security Deposit by way of cash / DD for the energy supplied / to be supplied.
2. Security Deposit amount shall be two months' charges in case of monthly billing and 3 months charges' for bi-monthly billing.
3. Annual review will be done and additional Security Deposit will be demanded in case of shortfall. Refunds will be made in case of excess.

4. Initial Security Deposit is specified in terms of flat rate per kW/kVA/HP for the sake of simplicity in the interest of consumers.
5. The Licensee has to pay interest at Bank Rate (RBI rate) and penal interest at twice this rate for delay in making annual adjustment in bills.
6. Licensee can refuse / disconnect supply for non-payment of Security Deposit.
7. Security for providing electric line / plant / meter.

The Commission has examined the comments and suggestions received and made suitable changes in the draft Regulation, wherever necessary.

(SECURITY DEPOSIT) REGULATION 2004.

In exercise of the powers conferred by section 181 read with sub-sections (1) and (4) of section 47 of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, dealing with the Security Deposit to be provided by the Consumer and matters incidental and ancillary thereto:-

1. Short title, commencement and interpretation:

- i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Regulation, 2004.
- ii) This Regulation shall be applicable to all Distribution Licensees in their respective licensed areas, in the State.
- iii) This Regulation shall come into force 3 months after the date of its publication in the Andhra Pradesh Gazette.

2. Definitions:

In this Regulation, unless the context otherwise requires:-

- a. "Act" means the Electricity Act, 2003 (36 of 2003);
- b. "Commission" means the Andhra Pradesh Electricity Regulatory Commission;

- c. **1“Consumption Charges”** means energy charges for consumption of electrical energy (calculated on the basis of kWh or kVAh rate as applicable), and includes Demand/Fixed charges, Fuel Surcharge Adjustment (FSA) charges, customer charges, wherever applicable.
- d. “High tension (HT) consumer” means a consumer who is supplied electricity at a voltage higher than 440 volts.
- e. “Low tension (LT) consumer” means a consumer who is supplied electricity at a voltage up to 440 volts.
- f. “Month” means the calendar month. The period of about 30 days between the two consecutive meter readings shall also be regarded as a month for purpose of billing;
- g. “State” means the State of Andhra Pradesh;
- h. Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings as assigned to them in the Act.

3. Power to require security:

- 1. The distribution licensee may require from any person, who requires a supply of electricity to his premises in pursuance of section 43 of the Act, to give security as provided in clause 4 herein, for the payment of all monies, which may become due to the licensee
 - (a) in respect of the electricity supplied to such person; and
/or
 - (b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter.

¹ First Amendment vide Regulation No. 03 of 2013 dated 19-12-2013

2. If such person fails to give such security under sub-clause (1), the Distribution Licensee may refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

4. Security deposit for the electricity supplied / to be supplied:

1. The LT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e demand/fixed charges and energy charges etc., as applicable) of three months wherever bi-monthly billing is in vogue and two months' charges in the case of monthly billing cycle, as security during the period the Agreement for supply of energy to such LT consumers is in force:

Provided that as and when the bi-monthly cycle is replaced with monthly billing cycle, the licensee shall refund the excess amount, if any, over the two months' charges by adjustment against the then outstanding dues to the Licensee or any amount becoming due to the Licensee immediately thereafter.

2. The HT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e demand charges and energy charges etc., as applicable) of two months as security during the period the Agreement for supply of energy to such HT consumers is in force.
3. ²**The distribution Licensee** shall extend power supply through a correct meter of the following types depending upon load requirement of a consumer
 - i. LT whole current meters
 - ii. Current Transformer operated meters
 - iii. ³If an applicant seeking new connection under section 43 is prepared to take supply through a pre-payment meter,

² First Amendment vide Regulation No. 03 of 2013 dated 19-12-2013

³ Third Amendment vide Regulation No. 03 of 2025 dated 25-02-2025

the Distribution Licensee is not entitled to collect any Deposit from such person towards security for the supply to be made in terms of section 43 and Regulations made thereunder.

Provided that for an existing consumer desirous of shifting to the smart prepaid metering arrangement, the CSD shall be adjusted against outstanding dues to the Distribution Licensee or any amount becoming due to the Distribution Licensee immediately thereafter. After adjustment of the dues, if any balance is left, the same shall be credited to the e-wallet linked to the prepayment meter”.

⁴The choice of providing pre-payment meters lies with distribution licensee.

If the distribution licensee provides a choice to consumers to opt for pre-payment meter, and if any consumer intending to avail/avails supply through a LT whole current prepayment meter, the distribution licensee shall not be entitled to collect security deposit from such person. In case, a security deposit already stands collected by the Licensee from such a consumer, the same shall be refunded by adjustment of the then outstanding dues to the Licensee or any amount becoming due to the Licensee immediately thereafter.

Consumers availing power supply through a Current Transformer (CT) operated meters or HT meters are not eligible to avail power supply through prepayment meters, as such meters with proven technology and technically viable meters are not available in the market.

4. The initial security deposit payable at the time of releasing the supply shall be at flat rates mentioned in clause 5 herein.
5. The amount payable towards security shall be in the form of a cash/demand draft (DD) drawn in favour of the licensee.

⁴ First Amendment vide Regulation No. 03 of 2013 dated 19-12-2013

5. Initial Security Deposit:

- (1) The applicants for electricity shall pay initial security deposit towards the electricity to be supplied to them at the flat rates given hereunder;

LT Category Services		Amount of Initial Security Deposit	
		For bi-monthly billing	for monthly billing
(i)	For Domestic Purpose up to 250 Watts of contracted load	Rs.100	Rs.80
(ii)	For Domestic Purpose above 250 Watts contracted load.	Rs.300 per KW or part thereof.	Rs.200 per KW or part thereof.
(iii)	For industrial purpose, including cottage industries	Not applicable	Rs.500 per HP or part thereof of contracted load
(iv)	For Non-Domestic /Street lights / General purpose	Rs.1200 per KW or part thereof of contracted load.	Rs.800 per KW or part thereof of contracted load.
(v)	For Agriculture Category Purpose	Rs.60 per HP or part thereof of contracted load	Rs.40 per HP or part thereof of contracted load
HT Category Services			
(vi)	HT Categories - I and I(B)	Not applicable	Rs. 500 per kVA per shift on contracted demand
(vii)	For all other HT Categories	Not applicable	Rs. 1000 per kVA on contracted demand

- (2) In the case of consumers who are sanctioned additional demand, the additional security deposit shall be calculated for the additional demand as if it is a new service.
- (3) If the applicant does not make payment of Initial Security Deposit in terms of this clause, the Licensee can refuse to release supply.
- (4) ⁵The initial security deposit shall be reviewed after the expiry of three (3) months, in accordance with sub-clause (1) of clause 4 above. If it is found that the initial security deposit is short of three (3) months average consumption, a one month notice shall

⁵ Second Amendment vide Regulation No. 02 of 2019 dated 16-02-2019

be served for making payment to fill the gap towards security deposit

(5) ⁶The DISCOM shall review the security deposit collected after expiry of three (3) months from the date of release of power supply based on the actual consumption, for all new HT services /HT additional loads in accordance with sub clause (2) of clause (4) above. If it is found that the initial security deposit is short of three (3) months average consumption, a one month notice shall be served for making payment to fill the shortfall towards security deposit.

(6) ⁷The Distribution licensee shall not grant installments towards security deposit.

Provided, however, that if any person seeks installments, the DISCOM may grant installments at its discretion subject to furnishing of suitable bank guarantee by the consumer.

6. Review and payment of Additional Security Deposit for the electricity supplied:

1. General Review

Subject to the billing periods of three months or two months as specified in Clauses 4, the adequacy of the amount of security deposit in respect of consumers shall be reviewed by the licensee generally once in every year (preferably after revision of tariff for the respective year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.

⁸Provided that in case of HT consumers, the adequacy of the amount of security deposit shall also be reviewed based on the previous six (6) months average consumption by the

⁶ Second Amendment vide Regulation No. 02 of 2019 dated 16-02-2019

⁷ Second Amendment vide Regulation No. 02 of 2019 dated 16-02-2019

⁸ Second Amendment vide Regulation No. 02 of 2019 dated 16-02-2019

Distribution Licensee during October of every year and shall serve one month notice for making payment, if required.

2. Demand notice for Additional Security Deposit

- a. Based on review as per sub-clause (1) above, demand for shortfall or refund of excess will be made by the licensee:

Provided, however, that if the security deposit payable by the consumer is short by or in excess of not more than 10% of the existing security deposit, no demand for shortfall will be made for payment of Additional Security Deposit and the consumer shall not be entitled to demand the refund of the excess.

- b. If the existing Security Deposit of a consumer is found to be in excess by more than 10% of the required security deposit, refund of the excess security deposit shall be made by the Licensee by adjustment of the then outstanding dues from the consumer to the Licensee or any amount becoming due from the consumer to the Licensee immediately thereafter
- c. Where the consumer is required to pay Additional Security Deposit, the Licensee shall issue to the Consumer a 30 days' advance notice specifying the amount payable with supporting calculations.

3. Surcharge for belated payment of additional security deposit

- (a) The consumers shall pay the additional security deposit within thirty days from the date of service of the demand notice issued by the licensee.
- (b) If there is any delay in payment, the consumer shall pay surcharge thereon at 18% per annum or at such rates as may be fixed by the Commission from time to time, without

prejudice to the Licensee's right to disconnect supply of electricity, as per this Regulation.

4. Disconnection for non-payment of security deposit for the electricity supplied

In the case where Additional Security Deposit is demanded by the licensee in terms of clause 6, and the consumer does not make payment, the supply to the consumer shall be liable for disconnection, without any further notice.

7. Interest on Security Deposit payable by the Licensee:

- (1) The licensee shall pay interest on security deposit of a consumer, at the Bank Rate notified by Reserve Bank of India provided that the Commission may specify a higher rate of interest from time to time by notification in Official Gazette.
- (2) The interest accruing to the credit of the consumer shall be adjusted annually against the amounts outstanding from the consumer to the Licensee as on 1st May of every year and the amounts becoming due from the consumer to the Licensee immediately thereafter
- (3) The Licensee shall duly show the amounts becoming due to the consumer towards interest on the security deposit in the bills raised on the consumer.
- (4) The Licensee shall pay interest at twice the rate specified under sub-clause (1) above for the delay in making the adjustments for interest on security deposit.

8. Special provision for seasonal industries:

- (1) In the case of industries declared by a general or special order of Commission as seasonal, the adequacy of the security deposit shall be reviewed based on the consumption during the seasonal

period of the preceding year and such additional security deposit as required, may be demanded by the Licensee by duly giving thirty (30) days' notice before the commencement of seasonal period.

(2) It shall be ensured that by the commencement of seasonal period, the security deposit equivalent to 2 (two) months' charges during season is available for the seasonal supply.

(3) At the end of the season, a review of Security Deposit shall be made again with reference to the consumption during off-season period of the preceding year and the security deposit in excess of two (2) months' "off-season" consumption charges shall be refunded by adjustment against the amounts outstanding from the consumer to the Licensee and the amounts becoming due from the consumer to the Licensee immediately thereafter.

9. Refund of Security Deposit:

Where an agreement for supply of electricity is terminated as per the Terms and Conditions of supply, the Licensee shall be required to refund the security deposit if any, after making adjustments for the amounts outstanding from the consumer to the Licensee, within one month of the effective date of termination of the agreement:

Provided that if such refund is delayed beyond the period of one month as specified above, the Licensee shall pay interest on such deposit at twice the rate applicable on such effective date of termination of the agreement.

Miscellaneous

10. ⁹Deleted

11. Power to remove difficulties:

1. In case of any difficulty in giving effect to any of the provisions of this Regulation, the Commission may do or undertake things, or by general or special order, direct the Licensee to take suitable action, not being inconsistent with the provisions of Electricity Act, 2003, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty
2. The Licensee may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of this Regulation.

12. Issue of orders and practice directions:

Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of this Regulation and procedures to be followed for such implementation and matters incidental or ancillary thereto.

13. Power to amend:

The Commission may, at any time add, vary, alter, modify or amend any provisions of this Regulation.

(BY ORDER OF THE COMMISSION)

V. SIVA PRASADA RAO
SECRETARY (FAC)

⁹ First Amendment vide Regulation No. 03 of 2013 dated 19-12-2013

REGULATION NO. 7 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Licensees Standards of Performance) Regulation, 2004

Amendment

1. First Amendment to the Regulation No. 7 of 2004, dated 19-08-2005
2. Second Amendment vide Regulation No. 9 of 2013, dated 08-08-2013
3. Third Amendment vide Regulation No. 3 of 2021, dated 04-06-2021
4. Fourth Amendment vide Regulation No. 3 of 2023, dated 17-04-2023
5. Fifth Amendment vide Regulation No. 6 of 2024, dated 28-08-2024
6. Sixth Amendment vide Regulation No. 7 of 2025, dated 09-10-2025

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Licensees' Standards of Performance) Regulation, 2004

(Regulation No. 7 of 2004)

INTRODUCTION:

In order to improve reliability and quality of supply, the Commission notified "Standards of Performance" to be adhered to by the Licensees in September 2000 (Regulation No.6 of 2000). The Commission reviewed these standards and also decided to prescribe the compensation payable to consumers for non-compliance of the Standards in terms of the provisions of Section 57 of the Electricity Act, 2003. Accordingly, the Commission formulated a draft Regulation and published it in A. P. Gazette calling for suggestions from public and interested parties. The Licensees were also given opportunity to represent their views before the Commission. The Commission has suitably modified the provisions, wherever considered necessary, after considering all the view-points presented by the various stakeholders including general public and the Licensees.

In exercise of the powers conferred under Section 181 (za) and (zb) read with Sections 57 and 59 of the Electricity Act, 2003 and all other powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation regarding the Licensees' Standards of performance, namely:-

1. Short title, commencement and interpretation

- 1) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Licensees' Standards of Performance) Regulation, 2004.
- 2) This Regulation shall be applicable to all Licensees engaged in distribution of electricity in the State of Andhra Pradesh.
- 3) This Regulation extends to the whole of the State of Andhra Pradesh.
- 4) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.

2. Definitions

1. In this Regulation, unless the context otherwise requires:-

- a) “Act” means the Electricity Act, 2003;
- b) “area of supply” means the area within which a Licensee is authorised by his Licence to supply electricity;
- c) “Commission” means the Andhra Pradesh Electricity Regulatory Commission;
- d) “Cities and Towns” mean the areas covered by all Municipal Corporations and other Municipalities including the areas falling under the various Urban Development Authorities;
- e) “Rural areas” mean the areas covered by Gram Panchayats, including major and minor Panchayats;
- f) “Extra High Tension/Extra High Voltage” means the voltage exceeding 33000 volts under normal conditions;
- g) “High Tension/High Voltage” means the voltage exceeding 440 volts but not exceeding 33000 volts under normal conditions;
- h) “Licensee” means the Distribution Licensee;
- i) ¹“Low Tension/Low Voltage” means a voltage level which does not exceed 440 volts under normal conditions;

2. Words and expressions used and not defined in this Regulation shall bear the same meaning as in the Act or in absence of any definition in the Act, the meaning as commonly understood in the electricity supply industry.

3. Guaranteed and Overall standards of performance

- 1) The Standards specified in the Schedule - I shall be the Guaranteed Standards of Performance, being the minimum standards of service that a Licensee shall achieve, and the Standards specified in the Schedule-III shall be the Overall Standards of Performance which the Licensee shall seek to achieve in the discharge of his obligations as a Licensee.

¹ First Amendment to the Regulation No. 7 of 2004 dated 19-08-2005

- 2) The Commission may from time to time add, alter, vary, modify or amend the contents of the Schedule - I, Schedule - II and Schedule-III.

4. Compensation

- 1) The Licensee shall be liable to pay to the affected consumers compensation specified in Schedule – II for Licensee’s failure to meet the Guaranteed Standards of Performance specified in Schedule – I. The compensation shall be paid by the Licensee in the manner specified in Schedule II:

Provided that in case of events affecting more than one consumer, the provisions for payment of compensation specified in Schedule-II shall be applicable after the expiry of one year from the date of publication of this Regulation when the data on consumer indexing is expected to be available.

Provided further that the liability for payment of compensation shall be applicable to towns and cities three months after the date on which this Regulation is notified in the Andhra Pradesh Gazette. For rural areas, the effective date for liability for payment of compensation shall be one year after the date of publication of the Regulation in Official Gazette.

- 2) The Licensee concerned shall pay the compensation referred to under sub-clause (1) above by way of adjustment in the current or future electricity bill(s) as laid out in Schedule-II.

5. Information on Standards of Performance

- 1) For Guaranteed Standards, each Licensee shall furnish to the Commission, in a report for every month and in a consolidated annual report, the following information:
 - a) The levels of performance achieved by the Licensee with reference to the standards specified in Schedule – I to this Regulation;

- b) The number of cases in which compensation was paid under clause 4 above, and the aggregate amount of the compensation payable and paid by the Licensee, and
 - c) The measures taken by the Licensee to improve performance in the areas covered by Guaranteed Standards and Licensee's assessment of the targets to be imposed for the ensuing year.
- 2) For Overall Standards, each Licensee shall furnish to the Commission, in a report for every quarter and in a consolidated annual report, the following information:
 - a) The level of performance achieved with reference to the standards specified in Schedule – I to this Regulation; and,
 - b) The measures taken by the Licensee to improve performance in the areas covered by Overall Standards and Licensee's assessment of the targets to be imposed for the ensuing year.
- 3) The Commission shall, at such intervals as it may deem fit and not inconsistent with the provisions of the Act, arrange for the publication of the information furnished by Licensees under this Regulation.
- 4) ²Non-Compliance of Overall Standards of Performance mentioned at Schedule-III of the Regulation, and providing no service or inadequate services to support the compliance of performance standards, by any Distribution Licensee (including Deemed Licensees & Exemptees) shall be treated as a contravention of provisions of the Act or rules or regulations made there under, or any direction issued by the Commission.

The Commission is at liberty to initiate any proceedings in pursuant to the provisions of the Act, to levy penalty on the Licensees for violation of overall performance standers set by the Commission, after giving a reasonable opportunity of being heard. The income accrues on account of such penalties, can be utilized for the purpose of Consumer Advocacy (CA) by the Commission,

² Second amendment vide Regulation No. 9 of 2013 dated 08-08-2013

6. Exemption

- 1) The standards of performance specified in this Regulation shall remain suspended during Force Majeure conditions such as war, mutiny, civil commotion, riot, flood, cyclone, lightning, earthquake or other force and strike, lockout, fire affecting the Licensee's installations and activities.
- 2) Non-compliance of a standard contained in this Regulation shall not be treated as a violation, and the Distribution Licensee shall not be required to pay any compensation to affected consumer(s), if such violation is caused due to grid failure, a fault on the Transmission Licensee's network or on account of instructions given by SLDC, over which the Distribution Licensee has no reasonable control.
- 3) The Commission may by a general or special order after hearing the Licensee and the affected consumer(s) / consumer groups, absolve the Licensee from the liability to compensate the consumers for any default in the performance of any standard if the Commission is satisfied that such default is for reasons other than those attributable to the Licensee and further that the Licensee has otherwise made efforts to fulfill his obligations.

7. Issue of orders and practice directions

- 1) Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of the Regulation and procedure to be followed and various matters, which the Commission has been empowered by this Regulation to specify or direct.
- 2) In particular, the Commission may authorize the Commission staff or any independent agency to conduct periodical checks, monitor the compliance of the Standards by the Licensees and report to the Commission.

8. **Power to remove difficulties:-**If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, by general or

special order, do or undertake or direct the Licensees to do or undertake things, which in the opinion of the Commission are necessary or expedient for the purpose of removing the difficulties.

9. Power to Amend

- 1) The Commission may at any time, vary, alter, modify, or amend any provisions of the Regulation.
- 2) In particular the Commission may review these standards after a period of three years or at any other time, if considered necessary. This Regulation shall however continue to be in force till it is modified based on such review.

10. Repeal and Savings

- 1) The Andhra Pradesh Electricity Regulatory Commission (Standards of Performance) Regulation, 2000, shall stand repealed from the date of publication of this Regulation.
- 2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including any order direction or notice made or issued under the repealed Regulation shall remain valid.
- 3) Nothing in this Regulation shall affect the rights and privileges of the consumers under any other law including the Consumer Protection Act, 1986.

(BY ORDER OF THE COMMISSION)

S.SURYA PRAKASA RAO
Secretary

SCHEDULE – I
GUARANTEED STANDARDS OF PERFORMANCE

1. Restoration of Power Supply

- 1.1. **Normal Fuse-off:** The Licensee shall restore power supply in the case of normal fuse-off calls (replacing Horn Gap (HG) fuses or Low Tension (LT) fuses at the distribution transformer or at the consumer premises) within 4 working hours of receiving the complaint in towns and cities and within 12 working hours of receiving the complaint in rural areas. Individual fuse-off calls at consumer premises, wherever the fault is of such nature that it requires shutting down the power supply affecting other consumers also, shall not however be attended to between 6PM and 8AM except in case of essential services covered under the Essential Services Maintenance Act (ESMA).
- 1.2. **Overhead Line/Cable Breakdowns:** In case of overhead line/cable breakdowns, the Licensee shall ensure restoration of power supply within 6 hours of occurrence of breakdown in towns and cities and within 24 hours of occurrence of breakdown in rural areas.
- 1.3. **Underground Cable Breakdowns:** In case of breakdown of underground cable, the Licensee shall ensure restoration of power supply within 12 hours of occurrence of breakdown in towns and cities and within 48 hours of occurrence of breakdown in rural areas.
- 1.4. **Distribution Transformer failure:** The Licensee shall restore supply in the case of distribution transformer failures by replacement of transformer within 24 hours of receiving the complaint in towns and cities and within 48 hours of receiving the complaint in rural areas.
- 1.5. **Period of scheduled outages:** Interruption in power supply due to scheduled outages, other than the load-shedding, shall be notified by the Licensee at least 24 hours in advance and shall not exceed 12 hours in a day. In each such event, the Licensee shall ensure that the supply is restored by not later than 6:00 PM.

2. Quality of Power Supply

2.1. Voltage fluctuations

1. The Licensee shall maintain the voltages at the point of commencement of supply to a consumer within the limits stipulated hereunder, with reference to declared voltage:

- a) In the case of Low Voltage, +6% and -6%;
- b) In the case of High Voltage, +6% and -9%; and,
- c) In the case of Extra High Voltage, +10% and -12.5%.

ii. On receipt of a voltage fluctuation complaint, the Licensee shall verify if the voltage fluctuation is exceeding the limits specified in sub-paragraph (i) above and if confirmed, the Licensee shall

- a) Ensure that the voltages are brought within the said limits, within 10 days of original complaint if no expansion / enhancement of network is involved;
- b) Resolve the complaint within 120 days, if up-gradation of distribution system is required :

Provided that where a substation is required to be erected to resolve such complaints, the Licensee shall, within one month of the receipt of such complaint, submit to the Commission a proposal for erection of the substation, together with the time required to complete erection and commissioning of such substation and get the same approved by the Commission :

Provided further that where such substation is covered in the Licensee's investment plan approved by the Commission, the Licensee shall complete the erection and commissioning of the such substation within the time period specified in such investment plan:

Provided further that no compensation on account of voltage fluctuations shall be payable to industrial and agricultural consumers who do not provide capacitors to the prescribed extent.

2.2. Harmonics

- (i) The Licensee shall maintain the limits of harmonics as per the stages prescribed hereunder:

Stage-1: The cumulative Total Voltage Harmonic Distortion (THD_v) at the Point of Commencement of Supply for each consumer connected at 132KV and above shall be limited to 3% (as per Grid Code of Andhra Pradesh).

Stage-2: The cumulative Total Voltage Harmonic Distortion (THD_v) at the Point of Commencement of Supply for each consumer connected at 33KV shall be limited to 8% (as per Grid Code of Andhra Pradesh).

Stage-3: The cumulative Total Voltage Harmonic Distortion (THD_v) at the Point of Commencement of Supply for each consumer connected at 11KV shall be limited to 8% (as per Grid Code of Andhra Pradesh).

- (ii) Stage-1 shall be effective on the expiry of one year from the date of publication of this Regulation. The Commission will notify the compensation amounts for default on this standard on commencement of Stage-I.

- (iii) The Commission will specify the effective dates for Stage-2 and Stage-3 after consultation with the Licensees.

- (iv) The assessment method for recording harmonic levels shall be as laid out in the Grid Code of Andhra Pradesh, until the Commission lays down a separate procedure.

3. Complaints about meters

3.1 The licensee shall inspect and check the correctness of the meter within 7 working days of receiving the complaint in cities and towns and within 15 working days in rural areas. If the meter is not working (stuck up, running slow, fast or creeping), the licensee shall replace the meter at Licensee's own cost, within 15 days thereafter.

3.2³ The Licensee shall replace, at its own cost, the burnt-out meters within a time period of twenty-four hours in urban areas and seventy-two hours in rural areas from the receipt of the complaint, if the burning of the meter is due to causes attributable to the Licensee, like high voltage,

³ Sixth Amendment vide Regulation No. 7 of 2025 dated 09-10-2025

loose contacts, ageing of the meter, etc. If the meter is burnt due to causes attributable to the consumer such as tampering, defect in consumer's installation, meter getting wet, connecting unauthorized additional load by the consumer, etc., the Licensee shall replace the meter within twenty-four hours in urban areas and seventy-two hours in rural areas from the receipt of payment of meter cost from the consumer and after necessary corrective action is taken to avoid future damage to the meter.

4. Applications for New connections/Additional Load

4.1 Cases where power supply can be provided from existing network

- (i) The Licensee shall release supply to an applicant within 30 days of receipt of a complete application accompanied by prescribed fees, charges and security.

Provided that in case of applications requiring supply under Low Tension Agricultural category, such obligation on the part of the Licensee shall be limited to the number of connections that can be covered within the target fixed for the year for release of agricultural connections. The Licensee shall maintain a waiting list of such applicants in a serial order based on the receipt of applications and the waiting list number shall be communicated to the concerned applicant in writing within 15 days of receipt of application. If, however, the applicant's case cannot be covered in the programme of release of agricultural connections fixed for the year, it shall be so indicated in the said written communication.

- (ii) The Licensee shall keep the fees, charges and security payable by the applicants for new connections notified and also specify the same on the application form.

4.2 Cases where power supply requires extension of distribution mains

- (i) The Licensee shall acknowledge the receipt of the application within 2 days and shall intimate to the applicant in writing, the amount of security and other charges payable within 7, 15, 30 and 45 days of

receipt of application for Low Tension, High Tension (11KV), High Tension (33KV) and Extra High Tension (above 33KV) respectively.

- (ii) The supply of electricity in such cases shall be effected by the Licensee within the time limits specified hereunder:

Voltage of supply	Period from date of payment of required security and other charges, within which supply of electricity should be provided
Low Tension	30 days
High Tension – 11000 Volts	60 days
High Tension – 33000 Volts	90 days
Extra High Tension – Above 33000 Volts	180 days

Provided that the distribution Licensee may approach the Commission for extension of time specified above, in specific cases where the magnitude of extension of distribution mains is such that it requires more time, duly furnishing the details in support of such claim for extension. Such request should be made immediately after preparation of the estimate for such extension.

4.3 Erection of substation to extend supply

In cases of application for new connection, where extension of supply requires erection and commissioning of new 33/11KV substation, the distribution Licensee shall submit to the Commission within 15 days of receipt of such application, a proposal for erection of such 33/11KV substation together with the time required for erecting and commissioning the substation, and get the same approved by the Commission. The Licensee shall commence power supply to the applicant within the time period so approved by the Commission:

Provided that if the substation is meant to extend supply to an individual consumer, the Licensee shall commence erection of the substation only after receipt of necessary security from the applicant:

Provided further that where such substation is covered in the investment plan approved by the Commission, the distribution Licensee

shall not be required to take any further approval from the Commission and shall complete erection of such substation within the time period specified in such investment plan.

4.4 The Licensee shall not, however, be held responsible for the delay, if any, in extending supply, if the same is on account of problems relating to statutory clearances, right of way, acquisition of land, or the delay in consumer's obligation to obtain approval of Chief Electrical Inspector to Government for his High Tension or Extra High Tension installation, etc. over which Licensee has no reasonable control.

5. **Transfer of ownership and conversion of services**

5.1. The Licensee shall give effect to transfer of ownership, change of category and conversion of the existing services from Low Tension to High Tension and vice-versa within the following time limits:

(a)	Title transfer of ownership		within 7 days of receipt of application, with necessary documents and prescribed fee, if any
(b)	Change of category		
(c)	Conversion from Low Tension single phase to Low Tension 3-phase and vice-versa	-	within 30 days from the date of payment of necessary charges by the consumer
(d)	Conversion from Low Tension to High Tension and vice-versa	-	within 60 days from the date of payment of necessary charges by the consumer

Provided that in case of conversion from Low Tension to High Tension and vice-versa, the Licensee shall not be held responsible for the delay if the same is on account of delay in consumer's obligation to obtain approval of Chief Electrical Inspector to Government, for such installation.

6. Complaints about consumer's bill

6.1. (i) The Licensee shall acknowledge the consumer's complaint immediately, if received in person and within 2 working days, if received by post. The Licensee shall resolve the complaint regarding electricity bills within 24 working hours of its receipt, if no additional information is required to be collected and within 7 working days of receipt of complaint in case any additional information is required.

(iii) In case the complaint is genuine and revision of bill already issued becomes necessary, the due date for payment of bill shall be reckoned from the date of revised bill for the purpose of disconnection of supply or for levy of additional charges for belated payment.

6.2. Reconnection of supply following disconnection due to non-payment of bills

The Licensee shall restore power supply to a consumer, whose supply has been disconnected due to non-payment of electricity bills, within 4 working hours of receipt of production of proof of payment by the consumer in towns and cities, and within 12 working hours of production of proof of payment by the consumer in rural areas.

SCHEDULE –II
GUARANTEED STANDARDS OF PERFORMANCE AND COMPENSATION TO
CONSUMERS IN CASE OF DEFAULT

Sl. No	Service Area	Time standard	Compensation payable in case of violation of Standard	
			Compensation payable to Individual consumer if the event effects a single consumer	Compensation payable to Individual consumer if the event effects more than one consumer
I. Normal Fuse-off				
i.	Cities and towns	Within 4 working hours	4Rs. 100/- in each case of default	Rs. 50/- to each consumer affected
ii.	Rural areas	Within 12 working hours		
II. Overhead Line/cable breakdowns				
i	Cities and towns	Within 6 working hours	Rs. 100/- in each case of affected	Rs. 50/- to each consumer
ii	Rural areas	Within 24 working hours		
III. Underground cable breakdowns				
i	Cities and towns	Within 12 working hours	Rs. 100/- in each case of affected	Rs. 50/- to each consumer
ii	Rural areas	Within 48 working hours		
IV. Distribution Transformer failure				
i	Cities and towns	Within 24 hours	Rs. 200/- in each case of affected	Rs. 100/- to each consumer
ii	Rural areas	Within 48 working hours		
V. Period of Scheduled Outage				
i	Maximum duration in a single stretch	Not to exceed 12 hours	Rs.200 in each case of consumer affected	Rs.100 to each default
ii	Restoration of supply	By not later than 6:00 PM		
VI 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

⁴ Second amendment vide Regulation No. 9 of 2013 dated 08-08-2013

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
VII. 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
⁵ i	Replace burnt Meters if cause attributable to the Licensee	Within twenty-four hours in urban areas and seventy-two hours in rural areas at the licensee's cost		
iii	Replace burnt meters if cause attributable to the consumer	Within twenty-four hours in urban areas and seventy-two hours in rural areas of receiving payment of the meter cost from the consumer		
VIII	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			
⁶ a	Release of supply - Low Tension	Within 15 working days of receipt of application	Rs.100 for each day 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		
7IX. Release of new connection/additional load upon payment of all charges				

⁵ Sixth Amendment vide Regulation No. 7 of 2025 dated 09-10-2025

⁶ Fourth Amendment vide Regulation No. 3 of 2023 dated 17-04-2023

⁷ Fifth Amendment vide Regulation No. 6 of 2024 dated 28-08-2024

i	All cases If connection is feasible from existing network for release of supply	Within three days in metropolitan areas, Within seven days in other municipal areas and Within 15 days in rural areas Upon receipt of the complete application (along with prescribed charges	Rs.100 for each day of the default	Not Applicable
ii. Network expansion/enhancement required to release of 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.100 for each day of default	
c	Release of Supply - High Tension 33 kV	Within 90 days of receipt of prescribed charges	Rs.500 for each day of default	
d	Release of Supply - Extra High Tension	Within 180 days of receipt of prescribed charges		
e	Erection of substation required for release of supply	where such supply requires commissioning of new substations, the distribution licensee shall supply the electricity to such premises immediately after such commissioning within a period not exceeding 90 days	Rs.1000 for each day of default	
X. 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 LT 3-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	

XI. 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		
XII. 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 for each day of default	Not Applicable
ii	Rural Areas	Within 12 working hours of production of proof of payment by consumer		
*XIII. 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.			

Manner of payment of compensation amount:

- 1) The Licensee shall register every complaint of a consumer regarding various service parameters as mentioned in the above schedule, at the customer service centers of each Sub-Division office, centralized customer service centers at Towns/Cities, Fuse-off-call offices wherever available and intimate the unique complaint identification (UCI) number to the consumer.
- 2) Once the complaint is rectified/addressed, the Distribution Licensee shall arrange a SMS message to the registered mobile number of the Consumer or the number from which complaint has been made. The time of sending of such message from the licensee shall be treated as time of rectification of the complaint for the purpose of reckoning compliance to the Service Standard.
- 3) The Licensee shall maintain consumer-wise records regarding the guaranteed standards of performance in order to give a fair treatment to all consumers and avoid disputes regarding violation of standard.

⁸ Second amendment vide Regulation No. 9 of 2013 dated 08-08-2013

- 4) ⁹For the service areas of Schedule II, i.e., Items I, VIII, IX and XIII, the Licensees shall pay the compensation amount to the complaining consumers automatically.”

For the service areas mentioned in items II to VII and X to XII of Schedule II, the consumer will be required to make a claim for compensation towards non-compliance of a guaranteed standard, within 30 days of violation of such service standard by the Licensee, to a senior officer as may be designated by the Licensee for this purpose, who is based at the headquarters of the Licensee. The same officer is responsible for monitoring compliance of the Regulation and submitting periodical reports to the Commission, as may be required.

- 5) All payments of compensation shall be made by way of adjustment against current and/or future bills for supply of electricity, but not later than 90 days from the date of violation of a Guaranteed Standard ¹⁰by following the method as may be prescribed by the Commission through practice directions issued from time to time
- 6) If the Licensee, however, fails to dispense the compensation amount as laid out in paragraphs above the aggrieved consumer(s) can approach the Forum for Redressal of Grievances of Consumers (CGRF) to seek such compensation.
- 7) Any consumer, who is aggrieved, by non-redressal of his grievance by the Forum, may make a representation to the Vidyuth Ombudsman appointed by the Commission, in accordance with the provisions of the Act.
- 8) ¹¹Liability to pay compensation by the Licensee is subject to the exceptions provided under clause 6 of the Principal Regulation 7 of 2004 (as amended from time to time).

⁹ Third amendment vide Regulation No. 3 of 2021 dated 04-06-2021

¹⁰ Third amendment vide Regulation No. 3 of 2021 dated 04-06-2021

¹¹ Third amendment vide Regulation No. 3 of 2021 dated 04-06-2021

- 9) The Licensees shall submit a report to the Commission on quarterly basis indicating the cases in which payment of compensation was paid and also the cases in which compensation was denied clearly mentioning the reasons (including the reasons due to force majeure conditions) for failure to meet the guaranteed standards of performance as per Annexure-1 of this Regulation, for scrutiny of the Commission. On such scrutiny, the Commission will decide whether denial is proper or not. In the latter event, the Commission may direct the licensee to pay compensation.
- 10) During force majeure events, the Licensees shall issue public notices, clearly specifying the intended date within which the services will be restored, after studying the field conditions. Further, Licensees shall submit reports to the Commission about the force majeure events within thirty days of the occurrence of such events as per Annexure-2 of this Regulation. If services are not fully restored within the intended date mentioned by the Licensees, consumers shall be compensated for the same. However, if the Licensees feel that the failure in restoring the services within the intended date is due to reasons beyond their control, they may approach the Commission for exemption from payment of compensation. The Commission will then absolve the Licensees from the liability to compensate the consumers, if it is satisfied that such default is for reasons other than those attributable to the Licensees and further that the Licensees have otherwise made efforts to restore the services.
- 11) All necessary steps shall be taken by Licensees for duly publicising the toll free number to be contacted by the consumers for redressal of their complaints.

Annexure – 1

Details of compensation paid /not paid cases

Sl. No	Name of the Consumer	Consumer No.	Section	Sub-Division	Division	Circle	Date of complaint	Nature of complaint	Compensation amount paid and the date of payment	Reasons if the compensation is not paid

Annexure - 2

Details of Force Majeure events

Month	Disruption detail	From time - To time	Reason for suspension of services	Description of reason	Duration of suspension of services

SCHEDULE-III

OVERALL STANDARDS OF PERFORMANCE

- 1.1. **Normal fuse-off calls:** The Licensee shall maintain the percentage of fuse-off calls rectified within the time limits prescribed under sub-paragraph 1.1 of Schedule-I to total calls received at a value not less than 99%.
- 1.2. **Line Breakdowns:** In case of line breakdowns, the Licensee shall ensure restoration of power supply within 6 hours of occurrence of breakdown in towns and cities and within 24 hours of occurrence of breakdown in rural areas as prescribed in sub-paragraph 1.2 of Schedule-I. The Licensee shall achieve this standard of performance in at least 95% of the cases.
- 1.3. **Distribution Transformer Failures:** The Licensee shall maintain the percentage of distribution transformers replaced within the time limits prescribed in sub-paragraph 1.4 of Schedule-I to the total distribution transformers failed at a value not less than 95%.
- 1.4. **Period of scheduled outages:** As specified in sub-paragraph 1.5 of Schedule-I, interruption in power supply due to scheduled outages, other than the load-shedding, has to be notified in advance and shall not exceed 12 hours in a day and in each such event, the Licensee has to ensure that the supply is restored by 6:00PM. The Licensee shall achieve both of these standards of performance in at least 95% of the cases.
- 1.5. **Street Light faults**
 - 1.5.1. The Licensee shall rectify line faults and restore streetlights within 24 hours of detection or receipt of complaint, whichever is earlier, and shall achieve this standard of performance in at least 90% of the cases.
 - 1.5.2. In case of a fused light or defective unit, the Licensee, wherever responsible for maintenance of street lights, shall replace the light or rectify/replace the unit within 24 hours of detection or receipt of complaint, whichever is earlier, and shall achieve this standards of performance in at least 90% of the cases.
- 1.6. **Reliability Indices**
 - i. The following reliability / outage indices are prescribed by the Institute of Electrical and Electronics Engineers (IEEE) Standard 1366 of 1998. The Licensee shall compute and report the value of these indices from 2002-03 onwards:

- a) **System Average Interruption Frequency Index (SAIFI):** The Licensee shall calculate the value as per the formula and methodology specified below.
- b) **System Average Interruption Duration Index (SAIDI):** The Licensee shall calculate the value as per the formula and methodology specified below.
- c) **Momentary Average Interruption Frequency Index (MAIFI):** The Licensee shall calculate the value as per the formula and methodology specified below.

Method to compute Distribution System Reliability Indices

The Indices shall be computed for the Discom as a whole by stacking, for each month all the 11KV/33KV feeders in the supply area, excluding those serving predominantly agricultural loads, and then aggregating the number and duration of all interruptions in that month for each feeder. The Indices would then be computed using the following formulae:

$$1. \text{ SAIFI} = \frac{\sum_{i=1}^n (A_i * N_i)}{N_t}$$

Where,

A_i = Total number of sustained interruptions (each longer than 5 minutes) on i^{th} feeder for the month

N_i = Connected load of i^{th} feeder affected due to each interruption

N_t = Total connected load at 11KV in the Distribution Licensee's supply area

n = number of 11KV feeders in the licensed area of supply (excluding those serving predominantly agricultural loads)

$$2. \text{ SAIDI} = \frac{\sum_{i=1}^n (B_i * N_i)}{N_t}$$

Where,

B_i = Total duration of all sustained interruptions on i^{th} feeder for the month

$$3. \text{ MAIFI} = \frac{\sum_{i=1}^n (C_i * N_i)}{N_t}$$

Where,

C_i = Total number of momentary interruptions (each less than or equal to 5 minutes) on i^{th} feeder for the month

Note: The feeders must be segregated into rural and urban and the value of the indices must be reported separately for each month.

- i) The Licensee shall compute the value of these indices separately for feeders serving predominantly agricultural loads. The methodology for computation of indices shall remain the same as in the case of other feeders.
- ii) Based on the information provided by the Licensees, the Commission would notify the target levels for these indices annually.

- 1.7. **Frequency variations:** The Licensee shall achieve coordination with other network constituents such as State Transmission Utility, State Load Dispatch Center, distribution Licensees and other transmission Licensees in an endeavour to maintain the supply frequency as per the Indian Electricity Grid Code (the present values being between 49.0 and 50.5 Hz), as amended from time to time. The Licensee shall conduct hourly measurement of supply frequency and report the number of events when the supply frequency was outside prescribed limits.
- 1.8. **Voltage Unbalance:** The Licensee shall ensure that the voltage unbalance does not exceed 3% at the point of commencement of supply. Voltage Unbalance shall be computed in a manner to be specified by the Commission separately or as part of the Distribution Code or Distribution Operating Standards.
- 1.9. **Billing mistakes:** The Licensee shall maintain the percentage of bills requiring modifications following complaints to the total number of bills issued, at a value not greater than 0.1%.
- 1.10. **Faulty meters:** The Licensee shall maintain the percentage of defective meters to the total number of meters in service, at a value not greater than 3%.

1.11. The Summary of Overall performance standards is as follows:

Service area	Overall Standard of Performance
Normal fuse-off calls	At least 99% calls received should be rectified within prescribed time limits in both Cities and Towns and in Rural areas
Line Breakdowns	At least 95% of cases resolved within time limit in both Cities and Towns and in Rural areas
Distribution Transformer failure	At least 95% of DTRs to be replaced within prescribed time limits in both Cities and Towns and in Rural areas
Period of scheduled outage	
Maximum duration in a single stretch	At least 95% of cases resolved within time limit
Restoration of supply by 6:00 PM	
Street Light Faults	
Rectification of line faults	At least 90% cases should be complied within prescribed time limits
Replacement of fused/defective unit	
Continuity Indices	
SAIFI	To be laid down later by the Commission
SAIDI	
MAIFI	
Frequency variations	To maintain supply frequency within 49 – 50.5Hz as per IEGC.
Voltage Unbalance	Maximum of 3% at point of commencement of supply
% billing mistakes	Not exceeding 0.1%
% faulty meters	Not exceeding 3%

S.SURYA PRAKASA RAO
Secretary

REGULATION NO. 8 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Deemed Licensees Conditions) Regulation, 2004

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Deemed License Condition) Regulation, 2004

(Regulation No.8 of 2004)

INTRODUCTION

The proviso to Section 16 of the Electricity Act 2003 stipulates that the appropriate Commission shall, within one year from the appointed date, specify any general or specific conditions of Licence applicable to the licensees referred to in the first, second, third, fourth and fifth provisos to section 14 after the expiry of one year from the commencement of the Act. The Licences granted to the Transmission Corporation of A.P. Ltd., (APTRANSCO) and four Distribution Companies namely, Central Power Distribution Company of A.P. Ltd., (APCPDCL), Southern Power Distribution Company of A.P. Ltd., (APSPDCL) Eastern Power Distribution Company of A.P. Ltd., (APEPDCL), Northern Power Distribution Company Ltd., (APNPDCL) falling under the first proviso contained General Conditions of Licence as well as certain specific conditions as mentioned in the individual Licences granted to the respective Licensees. The Commission is in the process of finalising the Regulation for General Conditions of Licence u/s 16 of the Electricity Act, 2003, and the same will take some time for the notification. The Commission therefore decided to make a transitory Regulation to be in force till the new Regulation is framed and accordingly published a draft Regulation in the A.P. Gazette on 16-06-2004 seeking comments and suggestions of interested persons by 26-06-2004. No suggestions for any changes/modifications have however been received.

(1) In exercise of the powers conferred u/s 181 read with Section 16 of the Electricity Act, 2003 (Act 36 of 2003) and other powers enabling the Commission in that behalf, the Commission hereby makes the following Regulation, namely:

- i. This Regulation may be called the A.P. Electricity Regulatory Commission (Deemed Licence Conditions) Regulation, 2004.
- ii. This Regulation shall be deemed to have come into force on 10th June, 2004.

(2) All conditions as contained in the respective Licences issued to the Transmission Corporation of A.P. Ltd., (APTRANSCO) and the four Distribution Companies namely, Central Power Distribution Company of A.P. Ltd., (APCPDCL), Southern Power Distribution Company of A.P. Ltd., (APSPDCL), Eastern Power Distribution Company of A.P. Ltd., (APEPDCL), Northern Power Distribution Company Ltd., (APNPDCL) under the A.P. Electricity Reform Act, 1998 shall be deemed to have been specified u/s 16 of the Electricity Act, 2003 till the notification of an appropriate Regulation as mentioned in the Introduction above.

(BY ORDER OF THE COMMISSION)

**S. SURYA PRAKASA RAO,
Secretary.**

REGULATION NO. 9 OF 2004

Andhra Pradesh Electricity Regulatory Commission
(Transitory Provisions for Determination of Tariff) Regulation, 2004

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Transitory Provisions for Determinations of Tariff) Regulation, 2004

(Regulation No.9 of 2004)

INTRODUCTION:

Under section 61 of the Electricity Act, while specifying the terms and conditions for the determination of tariff, the Commission has to be guided inter-alia by the Provisions of clauses (a) to (i) thereof. One of the provisions refers to the National Electricity Policy and tariff policy to be notified by the Central Government. As the Central Government has not framed the National Electricity Policy and tariff policy till date, the Commission has not finalized the aforementioned terms and conditions for the determination of tariff. The Commission is also in the process of finalizing various other Regulations under the Electricity Act, 2003. The Commission will be notifying these Regulations including the Conduct of Business Regulations under the Electricity Act, 2003. The Commission therefore decided to make a transitory Regulation to be in force till the new Regulations are framed and accordingly published a draft Regulation in the A.P. Gazette on 16-06-2004 seeking comments and suggestions of interested persons by 26-06-2004. No suggestions for any changes/ modifications have however been received.

In exercise of the powers conferred on the A.P. Electricity Regulatory Commission under Section 181 read with 61 of the Electricity Act, 2003 (Act 36 of 2003) and other powers enabling the Commission in that behalf, the Commission here makes the following Regulation, namely:

1. (i) This Regulation may be called the A.P. Electricity Regulatory Commission (Transitory Provisions for Determination of Tariff) Regulation, 2004.
- (ii) This shall be deemed to have come into force on 10 th June, 2004.

2. The existing Regulations notified by the Andhra Pradesh Electricity Regulatory Commission, including the A.P. Electricity Regulatory Commission (Conduct of Business) Regulation, 1999, incorporating the provisions relating to determination of tariff and terms and conditions and notified as Regulation No.2 of 1999 and published in the A.P. Gazette No. 23 dt. 22-07-99 and as amended from time to time as well as all other regulations notified by the Commission from time to time under the provisions of the Andhra Pradesh Electricity Reforms Act, 1998, shall continue to apply as regulations under the Electricity Act, 2003 and remain in force till appropriate new Regulations are notified by the Commission under the Electricity Act, 2003.

(BY ORDER OF THE COMMISSION)

**S. SURYA PRAKASA RAO,
Secretary**

REGULATION NO. 1 OF 2005

Andhra Pradesh Electricity Regulatory Commission
(Levy of Fees for Various Services Rendered by the Commission)
Regulation, 2005

Amendment

1. First Amendment vide Regulation No. 11 of 2013, dated 21-08-2013
2. Second Amendment vide Regulation No. 5 of 2023, dated 14-07-2023

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Levy of Fees for Various Services Rendered by the Commission) Regulation, 2005

(Regulation No. 1 of 2005)

Under the provisions of the Electricity Act, 2003, the Commission has to discharge various functions including the issue of licences, adjudication of disputes between generating companies and Licensees, etc. Section 86(1) (g) of the Electricity Act, 2003, empowers the Commission to levy fees for the purposes of the Act. The Commission accordingly formulated a draft Regulation for the fees to be paid along with Applications / Petitions submitted to the Commission, the annual fees to be paid by the Licensees, the fees payable for other miscellaneous activities like inspection of Commission's records, etc. The draft Regulation was published in A.P. Extraordinary Gazette dated 15-02-2005 seeking comments / suggestions from interested persons. It was also communicated to the Licensees, Members of the State Advisory Committee and certain organisations, regularly participating in the proceedings on Tariff filings of Licensees. The Commission considered the comments / suggestions received and made suitable modifications in certain provisions in the draft Regulation, wherever considered necessary.

In exercise of powers conferred on it under the above provisions read with Section 181 of the Act, and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation.

1. Short title and commencement

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Fees) Regulation, 2005.
- (ii) This Regulation shall extend to the whole of the State of Andhra Pradesh.
- (iii) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette, except sub clause (2) of clause 4 which shall come into force from 1st April, 2006.

2. **Definitions** – In this Regulation, unless the context otherwise requires:

- (1) " Act" means the Electricity Act, 2003
- (2) " Licensee" means a person who has been granted a licence under section 14 of the Act;
- (3) " Exemptee" means a person who has been granted exemption under section 13 of the Act;
- (4) "generating company" means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a generating station;”
- (5) trading" means purchase of electricity for resale thereof and the expression " trade" shall be construed accordingly;
- (6) Words and expressions used and not defined in this Regulation shall have the same meaning as assigned to them in the Act and in the absence of any definition in the Act the meaning as commonly understood in the electricity supply industry.

3. Applicability

- 1) Every application / petition to the Commission except the application made for grant of licence under section 14 of the Act shall be accompanied by the appropriate fee as specified in this Regulation.
- 2) Every application for grant of licence under section 14 of the Act shall be filed along with such fee as may be prescribed by the Government of Andhra Pradesh (GoAP) from time to time under section 15 (1) of the Act.
- 3) Every Licensee and Exemptee shall pay the Annual fee as specified in this Regulation.
- 4) Miscellaneous activities like supply of certified copies of documents/ orders of the Commission, inspection of the records of Commission (if permitted) shall be subject to payment, in advance, of the fees specified in this Regulation.

- 5) The Commission may, if it considers fit, waive, by order, full or part of the fees payable under this Regulation.

¹Note deleted

- 6) ²The Commission may, at its discretion, dispense with the requirement of any of these Regulations in specific cases including reduction of fees or total waiver of fee

4. (i) **Fees to be paid with applications for Licence or for Exemption:**

	Type of application	
(a)	³ Application for grant of a transmission / distribution / trading licence	Rs. 90,000
(b)	Application for Exemption from licence	Same as at (a) above

(ii) **Annual Licence Fee to be paid by Licensees:**

	Type of Licence	
⁴ (a)	Transmission Licence	Rs. 3000 per MW of the allocated capacity.
(b)	Distribution Licence / Deemed Licence	0.20 paise per each unit of energy (kwh) to be handled during the year.
(c)	Exemption from the licence	0.20 paise per each unit of energy (kwh) to be handled during the year.
(d)	Trading Licence	As specified by APERC in the Regulation on intra-State trading in electricity.

Notes: 1. 'Allocated capacity' in respect of a transmission licensee means the capacity considered in the Tariff Order of the Commission for the relevant year for computation of transmission charges.

2. The annual fees are payable within 15 days of the commencement of a financial year. Any delay shall attract a penalty of 1.5% per month or part thereof.

¹ First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

² First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

³ Second Amendment vide Regulation No. 5 of 2023 dated 14-07-2023

⁴ First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

(iii) Fees to be paid with application for determination of tariff:

⁵ (a)	Generating Companies	Rs. 20,000/- per MW for conventional generators with a maximum of Rs. 200 lakhs & Rs. 15000/- per MW for renewable generators with a maximum of Rs. 150 lakhs
(b)	Licensees / Exemtees	Nil. Covered in the annual licence / exemption fees payable as per sub-clause (2) above.

(iv) Fees to be paid along with petitions for adjudication of disputes:

⁶ (a)	For adjudication of a dispute u/s 33 (4) and 86(1) (f) of the Act	Rs. 90,000/- If the value of relief sought is more than 100 lakhs, the fee will be Rs. 1,50,000/-
⁷ (b)	For adjudication on adequacy of Transmission capacity u/s 9 of the Act	Rs. 40,000
(c)	For petitions under any other provisions of the Act	
	(i) License / generating company	Rs. 30,000/-
	(ii) Individuals / consumer organization	Rs. 3,000/-

⁸(V) Fees to be paid with petitions seeking review of Commission's orders

(a)	For review of orders issued under section 62 & 64 of the Act / section 26 of the A.P. Electricity Reform Act, 1998	Rs. 1 lakh
(b)	For review of orders issued u/s 9, 33(4) and 86(1)(f)	Rs. 50,000
(c)	For others	Rs. 3,000

⁵ Second Amendment vide Regulation No. 5 of 2023 dated 14-07-2023

⁶ Second Amendment vide Regulation No. 5 of 2023 dated 14-07-2023

⁷ First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

⁸ Second Amendment vide Regulation No. 5 of 2023 dated 14-07-2023

Note: - At the discretion of the Commission the above-mentioned fees will be refundable, in part or in full, if the review petition is allowed in part or in full, as the case may be.

⁹(6) For any other petitions not covered in the above sub-clauses:

(i)	Individuals	Rs. 5,000/-
(ii)	Others	Rs. 10,000/-

(7) Fees for applications, petitions (including review petitions), etc. to be paid by registered consumer organizations, NGOs and individuals seeking to protect/represent common interests of consumers/public at large: **¹⁰Nil**

Note:-

1. On questions, if any, whether or not an organization/individual is seeking to protect/represent the common interest of consumers/public at large, the decision of the Commission shall be final.
2. No fees is payable for the objections / suggestions made in response to the public notices issued by the Licensees or the Commission on Tariff proposals of Licensees or the Regulations to be framed by the Commission, etc.

¹¹(8) Fee for miscellaneous services

(a)	Inspection of records of the Commission (on permission) (i) for bulk records (ii) for others	Nil
(b)	Supply of certified copies of documents/ orders of the Commission	Rs. 2 per page

5. The fees payable to the Commission under this Regulation shall be paid by means of Demand Draft or Banker's cheque, drawn in favour of the Secretary, Andhra Pradesh Electricity Regulatory Commission, payable at a Hyderabad branch of any scheduled bank. **¹²The amounts up to Rs.1000** can also be paid in cash at the office of the Commission.

⁹ Second Amendment vide Regulation No. 5 of 2023 dated 14-07-2023

¹⁰ First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

¹¹ First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

¹² First Amendment vide Regulation No. 11 of 2013 dated 21-08-2013

6. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, by general or special order, pass appropriate orders, not being inconsistent with the provisions of the Act, which appear to be necessary or expedient for the purpose of removing the difficulty.

7. Power to amend

The fee structure specified herein can be reviewed, cancelled, modified or enhanced by the Commission at its discretion, at any appropriate time by a general or special order notified in the Official Gazette of Andhra Pradesh.

(BY ORDER OF THE COMMISSION)

**S.SURYAPRAKASA RAO
SECRETARY**

REGULATION NO. 2 OF 2005

Andhra Pradesh Electricity Regulatory Commission
(Terms and Conditions of Open Access to Intra-State Transmission and
Distribution Networks) Regulation, 2005

Amendment

1. First Amendment vide Regulation No. 1 of 2016, dated 08-01-2016
2. Second Amendment vide Regulation No. 8 of 2025, dated 08-12-2025

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Terms and Conditions of Open Access to Intra-State Transmission and
Distribution Networks) Regulation, 200

(Regulation No. 2 of 2005)

Lr.No. S-6 (OA)/2005:

Subsection (2) of Section 42 of the Electricity Act, 2003, mandates the introduction of open access in such phases and subject to such conditions as may be specified by the State Commission considering the relevant factors including operational constraints. The Commission formulated a draft Regulation on the terms and conditions for allowing open access for supply of electricity to consumers and sought comments / suggestions from interested persons by publishing the same in the Andhra Pradesh Gazette on 4-8-2004 and also putting it on the website of the Commission. Twenty-three (23) persons / organisations including one licensee and some generating companies have offered comments / suggestions on the draft Regulation. The Commission considered these comments / suggestions and finalised the Regulation.

In exercise of the powers conferred by sections 181(1) read with sections 42(2), 42(4), 39(2)(d)(ii) and 40(c)(ii) of the Electricity Act 2003 (36 of 2003) and all others powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:-

1. Short title, commencement and interpretation

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005.
- (ii) This Regulation shall extend to the whole of Andhra Pradesh.
- (iii) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.
- (iv) This Regulation shall be read with the Electricity (Removal of difficulties) Second Order, 2005, notified by Ministry of Power, Government of India, in the Gazette of India, Extraordinary, Part II, Section 3(ii), dated 8th June 2005.

2. Definitions

- (i) In this Regulation, unless the context otherwise requires:-
 - (a) “Act” means the Electricity Act, 2003 (36 of 2003);
 - (b) "applicant" means a person who makes an application to the Nodal Agency for open access and includes any person engaged in generation, a licensee or any consumer eligible for open access under this Regulation;
 - (c) “available capacity” means the capability in megawatts (MW) or kilowatts (kW) of a transmission or distribution network to transfer power from one point to the other, after deducting the power requirements of already committed users;
 - (d) “Commission” means the Andhra Pradesh Electricity Regulatory Commission;
 - (e) “contracted capacity” in the context of open access for supply to consumers means the capacity contracted in megawatts (MW) or kilowatts (kW) for transmission and /or wheeling to a consumer under open access;
 - (f) “open access agreement” means an agreement entered into between a licensee and the applicant to avail open access to the licensee’s network for transmission and / or wheeling of electricity;
 - (g) “entry point” means a point at which electricity is injected into the electricity transmission network or the electricity distribution network;
 - (h) “exit point” means a point at which electricity is drawn from the electricity transmission network or the electricity distribution network;
 - (i) “Nodal Agency” means the entities referred to in clause 5 of this Regulation;
 - (j) “user” or “open access user” means a person using or intending to use the transmission system and / or the distribution system of the licensees in the state for receiving supply of electricity from a person other than

the distribution licensee of his area of supply, and the expression includes a generating company and licensee.

- (k) Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings as assigned to them in the Act, or in absence thereof, shall have the same meaning as commonly understood in the electricity supply industry.

3. Extent of application

This Regulation shall apply to open access to intra-state transmission and distribution systems of licensees in the State, including when such systems are used in conjunction with inter-state transmission system(s).

4. Categorization of open access users

The open access users of the transmission and/or distribution system(s) shall be classified as follows:

- a) **Long-Term Open Access User:** Any user of the transmission and/or distribution system(s) entering into an open access agreement with the concerned licensee(s) for a period of two years or more shall be categorised as a Long-Term Open Access User.
- b) **Short-Term Open Access User:** Any user other than a long term user of the transmission and/or distribution system(s) entering into an open access agreement with the concerned licensee(s) shall be treated as Short-term open access user, but open access shall not be allowed at a time for a period of more than one year.

5. Nodal Agency

- 5.1.** For all long-term open access transactions, the Nodal Agency for receiving and processing applications shall be the State Transmission Utility (STU).
- 5.2.** For short-term open access transactions, the Nodal Agency for receiving and processing applications shall be the State Load Dispatch Centre (SLDC). The SLDC shall, however, allow short-term open access transactions only after consulting the concerned transmission and/or distribution licensee(s) whose network(s) would be used for such transactions:

Provided that for short-term transactions with duration of less than one week, the SLDC may not consult the concerned licensees for permitting such transactions. The SLDC and Licensees shall devise procedures for coordination among themselves for allowing such short-term transactions.

6. Criteria for allowing open access to transmission and/or distribution systems

6.1. The long-term open access shall be allowed in accordance with the transmission planning criterion and distribution planning criterion stipulated in the State Grid Code and/or the Distribution Code and / or Indian Electricity Rules as the case may be.

6.2. The short-term open access shall be allowed, if the request can be accommodated by utilizing:

- (a) Inherent design margins;
- (b) Margins available due to variations in power flows and unutilised capacity, if any; and
- (c) Margins available due to in-built spare capacity in transmission and/or distribution system(s) created to cater to future load growth

7. Provision for existing users:

7.1. Existing distribution licensees:

The existing distribution licensee (s) shall be deemed to be the long-term open access user (s) of the Intra-State transmission system (s) and / or the distribution system (s) for the term specified in / under the existing agreement (s) or arrangement (s) and shall make payment of transmission charges, wheeling charges and other charges, as applicable, and as may be determined by the Commission from time to time.

The existing distribution licensee (s) shall, within 60 days of coming into force of this Regulation, furnish details of their use of intra-state transmission system (s) and/or distribution system (s) to the STU, SLDC and the Commission.

7.2. Existing users other than the distribution licensees:

The existing user (s) other than the existing distribution licensees may continue to avail themselves of the wheeling facility as per the existing

agreements for the period(s) specified in those agreement(s), to the extent they are not inconsistent with the Act and this Regulation:

Provided that such existing user (s) shall pay the transmission charges, wheeling charges and other charges as may be determined by the Commission from time to time:

Provided also that any additional capacity sought by such existing user (s) in addition to the capacity already contracted, shall be treated as new application for open access to the extent of additional capacity sought.

8. Phasing of Open Access

- 8.1.** Where open access to the Transmission and/or Distribution systems is sought by any user, the Nodal Agency shall permit such open access strictly in accordance with the following phases:

Phase	Eligibility criteria	Commencement date
1.	Consumers availing of power from NCE developers irrespective of the quantum of contracted capacity	September, 2005
2.	Contracted capacity being greater than 5 MW	September, 2005
3.	Contracted capacity being greater than 2 MW	September, 2006
4.	Contracted capacity being greater than 1 MW	April, 2008

Provided that the Commission shall allow open access to consumers with contracted capacity of 1 MW or less in due course at such time and in such phases as it may consider feasible having due regard to operational constraints and other factors:

Provided further that the Commission may revise the above schedule for the subsequent phases of open access, as considered necessary, not being inconsistent with the provisions of the Act:

Provided also that the Commission may exempt any consumer or a class of consumers from this phasing scheme if it considers necessary or expedient in the public interest:

Provided also that only the consumers availing of supply from the existing users covered under clause 7.2 from a date prior to coming into force of this Regulation shall not be affected by the above phasing.

- 8.2.** The licensees shall make all reasonable attempts to ensure that operational constraints in the Transmission and / or Distribution systems as the case may be, including metering, communication systems, capacity determination, etc. are removed as per the phasing plan indicated above so that, as far as possible, no eligible consumer is denied open access on the grounds of operational constraints in the system.

9. Criteria for allotment/reservation of capacity

- 9.1.** A distribution licensee, due to its obligation to supply on request under section 43 of the Act, shall have the highest priority in allotment of capacity, long-term as well as short-term.
- 9.2.** As regards the other applicants for allotment of capacity of transmission and/or distribution systems, the persons applying for Long-Term open access shall have priority over the persons applying for Short-Term open access. However, within a category, an applicant requesting transmission and/or distribution access for longer duration shall have priority over the person(s) seeking access for shorter duration.

¹“Provided that the grant of grid connectivity for such Clean Energy Projects and for such operative period as mentioned in G.O. Ms. No. 37, dated 30.10.2024, shall be based on the progress and recommendation of the State Nodal Agency and shall be subject to compliance with the applicable regulations/guidelines/procedures issued/approved by the Commission for the grant of grid connectivity.”

¹ Second Amendment vide Regulation No. 08 of 2025 dated 08-12-2025

9.3. Allotment of capacity in case of insufficient spare capacity/ congestion

9.3.1. For Long-Term applicants: In the event of insufficient spare capacity in distribution system/congestion in the transmission system hindering accommodation of all long-term open access applications, the Nodal Agency shall inform the applicants of the same and shall advise the concerned Licensee(s) to carry out an assessment of works required to create additional capacity by strengthening of the system to accommodate such applicant(s). After completion of such works, the Nodal Agency shall allot the capacity to such applicant(s). As regards capital expenditure incurred by the licensee(s) for system-strengthening, the licensee(s) can require a capital contribution from the applicant(s) subject to the provisions of clause 17.1 (v) of this Regulation.

9.3.2. For Short-Term applicants: In case of applicants for short-term open access with transactions required to be accommodated through congested corridors of the network, the Nodal Agency shall invite bids by Fax/e-mail with floor price equal to the un-congested price for the short-term users. The bidders shall quote percentage points above the floor price. The allotment of capacity shall be done in decreasing order of the price quoted. In case of quotes involving equal prices, the allotment of capacity shall be done, if required, *pro rata* to the capacity sought. The user getting allotment of capacity less than the capacity sought by him shall pay charges as per the price quoted by him. All other applicants getting capacity allotment equal to the capacity sought by them shall pay charges as per the price quoted by the last applicant getting full allotment of the capacity sought.

Explanation 1: For the purpose of clauses 9.3.1, and 9.3.2, “congestion” in the context of allotment of capacity for transmission of electricity shall be construed to have occurred when a transmission system cannot accommodate all transactions that would normally occur among users due to physical or engineering limitation.

Explanation 2: For the purpose of clause 9.3.2, the term “un-congested price” means the transmission and / or wheeling charges required to be paid by the short-term users as per the rates approved by the Commission and published by the Nodal Agency from time to time.

10. Procedure of application for Long Term Open access

10.1. The Nodal Agency (STU) shall make available the format of application for open access requiring broadly the details as set out in Annexure-1 to this Regulation, to the general public in physical form at its offices and in electronic printable form at its website.

10.2. An application for long-term open access shall be filed with the STU by the applicant, with a copy to the concerned transmission / distribution licensee(s). The application shall be accompanied by a non-refundable processing fee as prescribed by the Commission in the Tariff Orders, or otherwise, from time to time.

Provided that till such time the processing fee is so prescribed by the Commission, it shall be Rs.10,000.

10.3. The Nodal Agency shall acknowledge the receipt of an application made under clause 10.2 above within 24 hours of the receipt of the application.

10.4. If after submission of the open access application, the applicant becomes aware of any material alteration in the information contained in the application, the applicant shall promptly notify the Nodal Agency of the same:

Provided that in case the Nodal Agency is made aware of the material alteration in the information contained in the application already submitted under clause 10.2 above, the Nodal Agency shall treat the application as if the same was received on the date the applicant notifies it of the said alteration.

10.5. All applications received within a calendar month e.g. during 1st April to 30th April, shall be considered to have been filed simultaneously. This window of a calendar month shall keep rolling over i.e. after the expiry of a monthly window, another window of the duration of the next calendar month shall commence.

- 10.6.** Based on system studies conducted in consultation with other agencies involved including other Licensees, if it is determined that Long-Term open access sought can be allowed without further system-strengthening, the Nodal Agency shall, within 30 days of closure of a window, intimate the applicant(s) of the same.

²“Provided that in the absence of any response or intimation from the Nodal Agency to the applicant within 30 days of closure of a window, then such application shall be deemed to have been allowed Open Access by the Nodal Agency in terms of such application.”

- 10.7.** If, on the basis of the results of system studies, the Nodal Agency is of the opinion that the Long-Term open access sought cannot be allowed without further system- strengthening, the Nodal Agency shall notify the applicant of the same within 30 days of closure of a window. Thereafter, at the request of the applicant, which shall be made within 15 days of such notification by the Nodal Agency, the Nodal Agency shall carry out further studies, if required, to identify the scope of works involved and intimate the same to applicant within 30 days of receipt of such request from the applicant. The Nodal Agency shall also inform the applicant of the probable time frame for execution of the works involved after consultation with the concerned licensee(s).

Provided that in such cases, the applicant shall fully reimburse the Nodal Agency for actual expenditure incurred to carry out such system studies to identify the scope of works involved in system-strengthening. The fee, as prescribed in clause 10.2, paid by the applicant shall be adjusted against the actual expenditure to be reimbursed by the applicant:

Provided further that while identifying the scope of works for such system-strengthening, the Nodal Agency shall follow the standards required under the Grid Code and / or Distribution Code and / or Indian Electricity Rules, as the case may be.

² First amendment vide Regulation No. 01 of 2016 dated 08-01-2016

11. Procedure of application for Short-Term open access

- 11.1.** The SLDC shall make available the format of application similar to the one referred to the clause 10.1 above, to the general public in physical form at its office and in electronic printable form at its website.
- 11.2.** The application for short-term open access to Transmission and/or Distribution system(s) shall be filed with, the SLDC with copies to concerned licensees. The application shall be accompanied by a non-refundable processing fee as prescribed by the Commission in the Tariff Orders, or otherwise, from time to time.

Provided that till such time the processing fee is so prescribed by the Commission, it shall be Rs.1,000.

- 11.3.** The SLDC shall process the applications for Short-Term open access within the following time limits:

Duration for which open access is required	Maximum processing time
Up to one day	12 hours
Up to one week	Two days
Up to one month	Seven days
Up to one year	Thirty days

12. Open Access Agreement

- 12.1.** Based on the intimation by the Nodal Agency to the open access applicant, the applicant shall execute an open access agreement with the concerned Licensee(s), which shall broadly set out the information as given in Annexure-2 to this Regulation. The Licensees shall draft a standard open access agreement format and get the same approved by the Commission within 30 days of coming into effect of this Regulation.
- 12.2.** The open access agreement referred to in clause 12.1 shall be bipartite, tripartite or multi-partite involving the applicant, the concerned Distribution Licensee in whose area of supply the applicant's exit point is located and the concerned Transmission Licensee or Licensees. The Open Access Agreement shall clearly bring out the rights and obligations of all

parties which are broadly set out in Annexure – 3 with respect to exit points on transmission and distribution systems separately:

Provided that in cases where the open access applicant's point(s) of entry as well as the point(s) of exit are located within the distribution system of the same Distribution Licensee (at voltages 33KV and below), the applicant shall be required to execute an open access agreement only with such Distribution Licensee.

- 12.3.** Subject to the capacity being available, the Licensee(s) shall, after the applicant for long-term open access has completed all the pre-requisite formalities, including the execution of open access agreement, make arrangements to provide access to the applicant within the time period specified in the Andhra Pradesh Electricity Regulatory Commission (Licensees' Duty for Supply of Electricity on Request) Regulation, 2004 (No. 3 of 2004):

Provided that in the case of short-term users, the open access shall be allowed as early as possible notwithstanding the time frame specified in the aforementioned Regulation.

- 12.4. Minimum term and renewal of the Open Access Agreement:** The minimum term of an open access agreement is such term as the parties may agree and set out in the agreement subject to the provisions of clause 4 above. A long-term open access agreement between a long-term user and the licensee may be renewed for a further term of two years or more without the requirement of a fresh open access application, on receipt of at least three (3) months' notice from the concerned long-term user to the concerned licensee(s) and the Nodal Agency, before the expiry of the Agreement. . In case, no notice is provided by the Long-Term user, the Long-Term user shall forgo his right over the allotted capacity.

In case of short-term users, however, no extension of the original open access agreement shall be allowed, and a user wanting extension shall have to apply afresh to the Nodal Agency for open access.

13. Metering

13.1. All Long-Term and Short-Term open access users shall provide special energy meters capable of measuring active energy, reactive energy, average frequency and Demand integration in each 15-minute time block, with a built-in calendar and clock and conforming to BIS/CBIP Technical Report / IEC standards at all entry and exit points. This shall however be subject to the regulations to be made by the Central Electricity Authority under section 55 of the Act.

13.2. The users covered under clause 7 of this regulation shall have to provide the required metering at their premises within a period of 3 months from the date of coming into force of the Regulation failing which the Licensees shall no longer be obliged to wheel the energy to them. In such an event, all energy recorded at the premises of the user shall be deemed to have been supplied by the Distribution Licensee of that area of supply and shall be billed for by such Licensee accordingly at the appropriate tariff:

Provided that in the case of distribution licensees, the Commission may, considering the large number of meters required to be installed by them extend this 3-month time limit, as considered appropriate, on receipt of requests to this effect duly supported by valid reasons.

14. Procedure for determining the available capacity of transmission and distribution (T&D) networks

14.1. The licensees shall carry out load flow studies, system impact studies, etc. taking into account the existing capacity commitments and future projections of capacity requirements for open access users, load growth as projected by distribution licensees, growth of generation, network topology and consumption pattern, network investments, Repairs and Maintenance programs, etc. to determine the capacity available to accommodate open access transactions. While determining the capacity available for open access transactions, capacity commitments to all existing users of the network and the system reliability margin shall be deducted.

- 14.2.** The Licensees shall keep updating the data on available capacity, taking into account the contracts with open access users, the impact of such transactions on the capacity of system elements, the increase/decrease in native load, changes in consumption pattern, network strengthening programs actually carried out and those projected, etc.
- 14.3.** In order to decide the availability of sufficient spare capacity in the T&D networks so as to permit an open access transaction applied for, the Nodal Agency may also carry out load flow studies to simulate the impact of power flows associated with such open access transaction on the network and thus determine whether capacity is available to permit such open access transaction (in conformity with technical standards according to Grid Code and / or Distribution Code and / or Indian Electricity Rules , as the case may be) or there is a need to carry out system-strengthening works to ensure availability of sufficient capacity. The Nodal Agency may have to carry out this exercise on a case-to-case basis as and when an open access application is received.
- 14.4.** The licensees shall carry out information exchange among themselves and keep one another and the Nodal Agency informed of the transactions on their respective networks.
- 14.5.** The Nodal Agencies and Transmission / Distribution Licensees shall post details of available capacity on their respective websites, including the details of open access transactions permitted on different Licensees' networks with their respective entry and exit points, etc. on a daily basis.

15. Underutilization

- 15.1.** In the event a user expects to underutilize the capacity contracted under open access, the user may surrender a part of the capacity subject, however, to an advance notice as set out in the terms of the open access agreement, along with an explanation for such underutilization.
- 15.2.** In the event of underutilization of the capacity contracted by the open access user, which, if made available, could be used to meet requirements of other applicant(s), the concerned licensee may file an application with the

Nodal Agency to reduce or cancel the capacity allocated to the open access user:

Provided that the Licensee shall not so approach the Nodal Agency without first issuing a notice to the concerned user as set out in the open access agreement:

Provided further that the Nodal Agency shall not reduce or cancel the capacity allotted without giving a notice of at least 15 days, in advance, to enable the concerned open access user to file his objections if any in writing.

15.3. In the event of user's surrender of whole or part of contracted capacity as per clause 15.1, or reduction/cancellation of the capacity allotted to the user as per clause 15.2, the user shall pay compensatory charges to the licensees concerned as follows:

(a) An amount equivalent to 50% of current application fee for Long-Term or Short-Term users, as the case may be, if all the capacity surrendered or reduced/cancelled is fully re-allotted to other applicants within the notice period so given by the user or the licensee, as the case may be.

(b) If the capacity surrendered or reduced/cancelled could not be fully re- allotted to other applicants within the notice period, then –

(i) In case of Long-Term users, the user shall, as a one-time exit fee, pay 25% of the transmission charges and / or wheeling charges as the case may be, and the scheduling and system operation charges in force at that point in time, applied on the capacity that could not be re-allotted for the remaining term of the agreement; and

(ii) In case of Short-Term users, the user shall bear the full transmission charges and /or wheeling charges, as the case may be, and the scheduling and system operation charges in

force at that point in time, applied on the capacity that could not be re-allotted for the remaining term of the agreement.

16. Flexibility to change entry and exit points

16.1. The Long-Term users shall have the flexibility to change entry and/or exit points twice a year subject to the results of system impact studies to be carried out by the concerned Licensees at the behest of such users. All expenses incurred by the Licensees to carry out such studies shall be reimbursed in full by such users.

16.2. A Short-Term user availing of open access for one full year may also change entry and/or exit points twice, subject to feasibility.

17. Open Access charges

17.1. The charges for the use of the transmission and / or distribution system by an open access user shall be regulated as under.

- (i) Open Access users connected to the transmission/distribution system shall pay the transmission charges and / or wheeling charges and any other applicable charges as determined by the Commission from time to time, and notified in the relevant Tariff Order or otherwise, and as per the conditions stipulated therein:

³“Provided further that the Transmission and Wheeling charges shall be exempted for wheeling of power generated from such Solar and Wind Power Projects and for such operative periods as mentioned in G.O.Ms.No.8, Dated 12-02-2015 and G.O.Ms.No.9, Dated 13-02-2015 respectively for only captive use / third party sale within the State.”

⁴Provided also that the Distribution losses shall be exempted for such Solar Power Projects and for such operative period as mentioned in G.O.Ms.No.8, Dated 12-02-2015 injecting at 33 kV or below irrespective of voltage-level of the delivery point within the Discom for such projects.

³ First amendment vide Regulation No. 01 of 2016 dated 08-01-2016

⁴ First amendment vide Regulation No. 01 of 2016 dated 08-01-2016

Provided that the wheeling charges so payable shall be subject to a minimum level, as fixed by the Commission in the relevant Tariff Order or otherwise.

- (ii) In case of utilization of inter-state transmission system in addition to the intra-state transmission system and/or distribution system by an open access user , the transmission charges and / or wheeling charges shall be payable for the use of intra-state system in addition to the charges for utilization of the inter-state transmission system.
- (iii) The Open access users of the Transmission and / or Distribution System where such open access is for delivery of electricity to the consumer's premises in the area of supply of a distribution licensee, shall pay to the distribution licensee the (cross-subsidy) surcharge as determined by the Commission from time to time under Section 42 (2) of the Act:

Provided that no (cross-subsidy) surcharge shall be payable if the open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

⁵“Provided further that the Cross Subsidy Surcharge and additional surcharge shall be exempted for third party sale if the source of power is from such Solar Power Projects set up within the State as mentioned in G.O.Ms.No.8, Dated 12-02-2015 for a period of five (5) years from the date of commissioning of such projects.”

- (iv) The Open Access user shall also be liable to pay additional surcharge on charges of wheeling as may be specified by the Commission from time to time under section 42(4) of the Act, in case open access is sought for receiving supply from a person other than the distribution licensee of such consumer's area of supply, to meet the fixed cost of the distribution licensee arising out of his obligation to supply.
- (v) Where an electrical plant or electrical line is to be constructed by the Licensee in order to extend power supply to an open access user, the

⁵ First amendment vide Regulation No. 01 of 2016 dated 08-01-2016

Licensee may recover such expenditure as per the Andhra Pradesh Electricity Regulatory Commission (Licensee's Duty for Supply of Electricity on Request) Regulation, 2004(Regulation No.3 of 2004)

- (vi) If network augmentation is required for providing access to an applicant, the Licensee shall carry out such augmentation only if (a) the Licensee can recover within a reasonable time the costs, the capital investment and a reasonable rate of return on the capital investment in respect of the augmentation, and (b) the Licensee has the ability to raise funds to finance such capital expenditure:

Provided that the Licensee may require the open access user to make a capital contribution towards such network augmentation.

- (vii) Scheduling and system operation charges shall be payable by all open access users under scheduling by SLDC. Such charges shall be governed by the relevant Regulations issued by the Commission.

18. Payment terms and conditions

- 18.1.** In case of Long-Term users, the concerned Distribution Licensee may invoice a user in respect of the open access charges as set out in clause 17 of this Regulation and the open access user must pay those charges, in accordance with the procedures set out in the open access agreement between the Licensees and the user:

Provided that the Distribution Licensee shall have appropriate back-to-back arrangements in place with the Transmission Licensee(s) in order to pass on the transmission charges so collected from the user to the concerned Transmission Licensee.

- 18.2.** In case of short-term users, the Distribution Licensee(s) may invoice the user and the user shall pay the charges to the concerned Licensee(s) directly. The SLDC shall assist / advise the Distribution Licensee in the matter of energy accounting and allocation. .
- 18.3.** All open access users shall pay the charges payable under the open access agreement from the date of commencement of open access specified in the open access agreement, regardless of whether or not such open access is

used on and from that date, except if the failure to use such open access is due to the default of the concerned licensee(s) whose networks are being used.

18.4. In case of underutilization leading to surrender or cancellation of contracted capacity, the user shall pay such charges and in such manner as set out in clause 15 above.

18.5. Meter readings and Billing in respect of open access for supply to consumers: The Distribution Licensee in whose area the consumer is located shall take the meter readings at the exit point. The billing shall be done by the respective Licensees as per the open access agreement under clause 12 read with the provisions of clauses 17 and 20 of this Regulation.

18.6. For the purpose of clause 18.5 above, a consumer using the Transmission and /or Distribution systems for his total power requirements without any Contracted Maximum Demand (CMD) from the Distribution licensee shall be deemed to be a consumer of the distribution licensee in whose area the consumer is located.

19. Other matters

19.1. Coordination among licensees and SLDC: For the success of open access implementation, the licensees and the State Load Dispatch Centre shall carry out information exchange among themselves on a daily basis to determine the level of open access transactions in their respective areas of supply, energy flows, loading of transmission and distribution lines and equipment to determine system stability, available capacity, congestions in the networks, etc.

19.2. Information requirements: The licensees and the State Load Dispatch Centre shall maintain the following information on their websites in order to ensure transparency and carry out information exchange among themselves required to process open access applications:

- (i) Transmission and / or wheeling charges, as the case may be, for open access users located within the State; and

(ii) A status report on the current long-term users indicating name of user, period of the access granted (start date and end date), point(s) of injection and point(s) of drawal, capacity contracted and applicable charges. This report shall be updated as and when the status changes; and

(iii) Information regarding usage of the inter-regional links as well as interface between the Central Transmission Utility and State systems and inter-state links indicating time of updating, name of the link, total transmission capacity of the link, scheduled capacity use and current capacity of the link in use. This information shall be updated at least on hourly basis and wherever feasible on 15-minute basis.

19.3. Quality of supply: The licensee(s) shall ensure compliance with Grid Code wherever applicable. The Distribution Licensees shall also comply with the quality of supply standards as prescribed under the Andhra Pradesh Electricity Regulatory Commission (Licensees' Standards of Performance) Regulation, 2004 (Regulation No.7 of 2004) in respect of all open access users of its network.

19.4. Energy and Demand Balancing:

⁶The Open Access capacity contracted at the generator end (entry point) shall correspond to and not exceed the Open Access capacity approved at the exit point(s) of consumers. Further, all open access users, and the users covered under clause 7.2, shall ensure that their actual demand from all sources or actual sent-out capacity, as the case may be, at an interconnection does not exceed the lower of the line capacity or the transfer capacity, following the technical feasibility as determined by the concerned transmission or distribution licensee, as detailed below:

(a) For Open Access Consumers:

Long term/Medium term (GeOA)/Short term Open Access, as the case may be, drawal shall be restricted to the sanctioned/granted Open Access capacity. The Open Access capacity shall be governed by the rated metering equipment as approved by the concerned transmission or distribution licensee.

⁶ Second Amendment vide Regulation No. 08 of 2025 dated 08-12-2025

(b) For Scheduled Consumers:

Long-term open access shall be granted within the CMD or beyond the CMD with the DISCOMs. If Long-term open access is granted beyond the CMD, the metering infrastructure shall be suitably rated to cater to the CMD plus the sanctioned/granted capacity for long-term open access. Where long-term open access is availed within the CMD, the drawal shall be restricted to the CMD. Where long-term open access is granted beyond the CMD, the permissible drawal limit shall be the sum of the CMD and the sanctioned/granted OA capacity under long-term open access.

Medium-Term (GeOA)/Short-Term Open Access shall be granted only within the CMD, and the permissible drawal limit shall be restricted to the CMD.

(c) For Open Access Generators:

Open Access to the generators shall be granted up to the lesser of the Ex-Bus capacity, evacuation capacity of the line, or transfer capacity at that interconnection point, as determined by the concerned transmission or distribution licensee. The injection into the grid by the Open Access generators shall be limited to the sanctioned/granted open access capacity. Any injection beyond the sanctioned open access capacity shall be treated in accordance with the applicable regulations. Further, for solar generators, the inverter capacity, rather than the DC capacity, shall be considered for granting open access.

Provided that Green Energy Open Access consumers may enter into multiple contracts with different RE sources, such as wind, solar, and mini-hydro, etc., and Open Access may be granted for all such capacities beyond the technical limits or CMD, as applicable. However, the drawl by the consumer during any 15-minute time block or schedule from all his suppliers shall not exceed the technical limits of the line/transfer capacity or CMD, as applicable, at the consumer end. In case suppliers furnish schedules beyond the technical limits of the line/transfer capacity or CMD, as applicable, at the consumer end, such schedules shall be limited to the technical limits or CMD, as applicable, by the SLDC. Any energy injected by the suppliers in excess of the line/transfer capacity or CMD, as applicable, at the consumer end shall be treated as inadvertent energy.”

In cases where Long-Term Open Access is to be granted/sanctioned beyond the CMD, and/or where the Open Access capacity sought is beyond the line/transfer technical limits, the expenditure required for any strengthening or augmentation of existing lines or associated network shall be borne by the OA user concerned, in addition to paying development charges as prescribed by the Commission. The OA user also shall bear the expenditure required for changing the metering infrastructure.”

19.5. Curtailment due to constraints: The licensee, based on directions from SLDC, may curtail power to any open access user or users, whether long-term or short-term, in an event of emergency threatening grid security and stability. As far as practicable, the priority in curtailment shall be as prescribed hereunder:

- a) Short-term open access users of the network shall be curtailed in the first step, followed by
- b) All other consumers including long-term access users, but excluding distribution licensees, in ascending order of contract period, followed by
- c) Distribution licensees.

20. General Terms and Conditions of Supply

With regard to matters not contained herein, including but not limited to the following, and wherever the context so requires, the conditions set forth in the General Terms and Conditions of Supply shall generally be applicable:

- (a) Voltage of supply vis-à-vis total Contracted Demand;
- (b) Security Deposit;
- (c) Disconnection for non-payment of charges;
- (d) Title Transfer to successor entity; and
- (e) Levy and collection of Customer Charges

21. Dispute resolution

All disputes and complaint shall be referred to the Nodal Agency for resolution:

Provided that when the Nodal Agency is itself a party to the dispute, the dispute shall be referred for resolution to the Forum for Redressal of Consumer grievances set up under Regulation No.1 of 2004:

Provided further that in case of wheeling of power from the captive generating plants, any disputes regarding the availability of transmission facility shall be adjudicated upon by the Commission.

22. Force Majeure

22.1. Events such as war, mutiny, civil commotion, riot, flood, cyclone, lighting, earthquake or other force and strike, lockout, fire affecting the premises, installations and activities of any of the parties having an open access agreement shall constitute force majeure events for the purpose of this Regulation.

22.2. If any person being party to an open access agreement is unable to, wholly or in part, perform on time and as required, any obligation under such open access agreement or this Regulation because of the occurrence of a force majeure event, then, subject to this Regulation, that obligation shall be treated as suspended to the extent and for so long as the affected person's ability to perform such obligation remains affected by that force majeure event.

23. Issue of orders and practice directions

Subject to the provisions of the Electricity Act, 2003, the A.P. Electricity Reform Act, 1998, and this Regulation, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of this Regulation, the procedure to be followed and other matters, which the Commission has been empowered by this Regulation to specify or direct.

24. Power to remove difficulties

24.1. In case of any difficulty in giving effect to any of the provisions of this Regulation, the Commission may by general or special order, direct the Open Access users, generators and the licensees to take suitable action, not being inconsistent with the provisions of the Act, , which appears to the

Commission to be necessary or expedient for the purpose of removing the difficulty.

- 24.2.** The Open Access users, generators and the licensees may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of this Regulation.
- 25. Saving:** Nothing contained in this Regulation shall affect the rights and privileges of the users under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).
- 26. Power to amend:** The Commission may from time to time add, vary, alter, modify or amend any provisions of this Regulation.

Annexure-1:

Suggested contents of Open Access Application

(a)

- (i) Name and address of the applicant
- (ii) Details of applicant's installation
- (iii) Nature of wheeling i.e., whether it is for captive use or third party sale.
- (iv) Name and address of consumers to whom the power is to be wheeled

(b) Type of open access required, whether long-term, or short-term

(c) Capacity in KW or MW required for open access in respect of each consumer

(d) Point(s) of Entry

(e) Point(s) of Exit

(f) Period for which open access is required

(g) Details of metering arrangements at the entry points and exit points as required under the Metering Code (part of the Grid Code or the Distribution Code, as the case may be) as amended from time to time

(h) Information whether the recipients of power are already consumers of Distribution licensee of their area. If so, furnish the Contracted Maximum Demand (CMD) of each of them with the Distribution Licensee concerned

Any other information reasonably required by the licensee / Nodal Agency.

REGULATION NO. 3 OF 2005

Andhra Pradesh Electricity Regulatory Commission
(Treatment of other Business of Transmission Licensees and Distribution
Licensees) Regulation, 2005

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Treatment of other Business of Transmission Licensees and Distribution Licensees)
Regulation, 2005

(Regulation No.3 of 2005)

INTRODUCTION:

Section 41 of the Electricity Act, 2003, allows a transmission licensee, with prior intimation to the Commission, to engage in any business for optimum utilization of the Licensee's assets, on the condition that a proportion of revenues, derived from such business, and as specified by the Appropriate Commission, shall be utilised for reducing the licensee's charges for transmission and wheeling. Similarly, Section 51 of the Act allows a distribution licensee with prior intimation to the Commission, to engage in any business for optimum utilization of its assets, subject to the licensee utilising a proportion of revenues derived from such business and as specified by the Commission, reducing its charges for wheeling.

The Commission formulated a draft Regulation on these matters and sought comments/suggestions from interested persons by publishing the same in the A.P.Gazette on 10-09-2004, issue of a press release, and also putting it on the website of the Commission. Only two organisations, namely, APTRANSCO and APCPDCL have offered comments/suggestions on the draft Regulation. The Commission considered their comments/suggestions and finalized the Regulation herein.

In exercise of powers conferred by Sections 41 and 51 read with Section 181 of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation providing for the treatment of Other Businesses of Transmission Licensees and Distribution Licensees, the proportion of revenues from Other Business to be utilised for Licensed Business and the matters incidental and ancillary thereto:

1. Short title, Extent and Commencement :

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Treatment of Other Businesses of Transmission Licensees and Distribution Licensees) Regulation, 2005.
- (ii) This Regulation shall be applicable to all intrastate Transmission Licensees and the Distribution licensees in the State of Andhra Pradesh.

- (iii) This Regulation shall come into force on the date of its publication in the Andhra Pradesh gazette.

2. Definitions and interpretation:

(1) In this Regulation, unless the context otherwise requires:

- (a) "Act" means the Electricity Act, 2003;
- (b) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- (c) "Licence" means a licence granted under Section 14 of the Act to undertake intrastate Transmission or Distribution of electricity;
- (d) "Licensed Business" shall mean the function and activities the licensee is required to undertake in terms of the licence granted or as a deemed licensee under the Act.
- (e) "Licensee" means a person who has been granted a licence under Section 14 of the Act to undertake intrastate Transmission or Distribution of electricity and includes a deemed licensee undertaking intrastate Transmission or Distribution within the State of Andhra Pradesh.
- (f) "Other Business" means any business of the licensee other than the licensed Business;
- (g) "State" means the State of Andhra Pradesh.

3. Intimation of other business:

(1) In the event a licensee engages in any other business for optimum utilization of the assets, he shall give prior intimation in writing to the Commission of such Other Business, along with, interalia the following details

- (a) the nature of the Other Business;
- (b) the proposed capital investment in the Other Business;
- (c) the impact of the use of assets and facilities of the Licensed Business for the Other Business;
- (d) the manner in which the assets and facilities of the licensed Business and of the Other Business shall be used, demonstrating that there would be no adverse impact on the Licensed Business and on the ability of the Licensee to carry out the duties and obligations of the Licensed Business; and

- (e) proposal for sharing the revenue derived from the Other Business with the licensed Business. in the manner envisaged in clause 5(3). The proposal should include the methodology used for arriving at the proposed sharing, supported by business plan of the Other Business (including expected annual revenues for the next five years):

Provided that a Transmission licensee shall not engage in the business of trading in electricity.

- (2) The Licensee shall have the absolute responsibility to ensure that the utilization of the assets and facilities of the Licensed Business for Other Business shall not in any manner affect the performance of the obligations under the Licensed Business or the quality of service required from the Licensee, and any such utilization shall be entirely at the cost and risk of the Licensee.
- (3) Failure to submit prior intimation in writing to the Commission will invite a penalty which may extend up to the annual revenue of the Other Business.

4. Accounts:

- (1) The Licensee shall for each of the Other Business
 - (a) maintain separate accounting records, such as amount of revenue, costs, assets, liabilities, reserves, or provisions which have been charged from or to the Other Business. He shall maintain a description of the basis for the charge or its determination by apportionment or allocation between the various business activities;
 - (b) prepare on a consistent basis from such records accounting statements for each financial year comprising a profit and loss account, a balance sheet and a statement of sources and application of funds;
 - (c) provide in respect of the accounting statements prepared, a report by the Auditors in respect of each financial year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenue, costs, assets, liabilities, reserves and provisions reasonably attributable to the business to which the statements relate;

- (d) submit copies of the accounting statements and Auditor's report not later than six months after the close of the financial year to which they relate; and
 - (e) submit to the Commission such additional information that the Commission require from time to time.
- (2) The Licensee shall establish to the satisfaction of the Commission that the Other Business bears an appropriate share of overhead costs and other common costs.
- (3) Any person authorized by the Commission shall be entitled to inspect and verify the accounts of the Licensee and the licensee shall render all necessary assistance to such person.

5. Financial implications:

- (1) The Licensee shall not in any manner utilize the assets and facilities of the Licensed Business or otherwise directly or indirectly allow the Other Business to be undertaken in a manner that the Licensed Business results in subsidising the Other Business.
- (2) The Licensee shall not in any manner, directly or indirectly encumber the assets and facilities of the Licensed Business for the Other Business or for any activities other than the Licensed Business.
- (3) The Other Business shall pay to the Licensed Business a reasonable proportion of the revenue of the Other Business, subject to a minimum amount which may reflect the allocable costs or market value of the assets and facilities of the Licensed Business utilised/being utilised for Other Business.
- (4) The Commission will determine the reasonable proportion of revenue of the Other Business and the minimum amount to be paid to the Licensed Business, on a case-to-case basis, as and when a licensee informs the Commission about his intention of utilizing the assets and facilities for use for any Other Business. In deciding the amount to be paid by the Other Business, the Commission will consider the submissions of the Licensee, but may use any alternate approach or methodology that it considers appropriate:

Provided that as and if deemed appropriate by it, the Commission may determine the reasonable proportion of revenues, etc. to be paid to the Licensed Business in respect of a class of Other Businesses as a whole, instead of on a case-to-case basis.

6. Powers of the Commission:

- (1) The Commission may at any time direct investigation of the assets and facilities of the Licensed Business for the Other Business of the Licensee with a view to ascertaining adherence to this Regulation, covering inter alia:
 - (a) whether the costs and expenses are being appropriately adjusted and paid as specified in clause 5 above; and
 - (b) whether the revenues of the Other Business are properly accounted for to determine the gross turnover and the amounts payable to the Licensed Business.
- (2) The Commission may authorize any officer of the Commission or any professional person or expert or consultant to carry out the investigation under sub-clause (1) above and submit a report to the Commission.

7. Issue of orders and practice directions:

Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of this Regulation and procedure to be followed, and various matters which the Commission has been empowered by this Regulation to direct, and matters incidental or ancillary thereto.

8. Power to amend

The Commission may, at any time, add, vary, alter, modify or amend any of the provisions of this Regulation.

(BY ORDER OF THE COMMISSION)

S.SURYA PRAKASA RAO
SECRETARY

REGULATION NO. 4 OF 2005

Andhra Pradesh Electricity Regulatory Commission
(Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of
Electricity) Regulation, 2005

Amendment

1. First Amendment vide Regulation No. 1 of 2014, dated 07-03-2014
2. Second Amendment vide Regulation No. 4 of 2021, dated 02-07-2021
3. Third Amendment vide Regulation No. 2 of 2022, dated 29-04-2022
4. Fourth Amendment vide Regulation No. 2 of 2023, dated 29-03-2023
5. Fifth Amendment vide Regulation No. 1 of 2024, dated 09-02-2024
6. Sixth Amendment vide Regulation No. 2 of 2024, dated 09-02-2024
7. Seventh Amendment vide Regulation No. 9 of 2025, dated 08-12-2025

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of
Electricity) Regulation, 2005

(Regulation No. 4 of 2005)

INTRODUCTION

Section 61 of the Electricity Act, 2003, provides that the Appropriate Commission shall, specify the terms and conditions for determination of tariff, while Section 62 of Act empowers the Commission to determine the tariffs, *inter alia*: for wheeling and retail sale of electricity and requires the Licensees to comply with such procedure as may be specified by the Commission for calculating the expected revenue from the tariff and charges which the Licensee is permitted to recover. The Commission formulated a draft Regulation specifying the Terms and Conditions for determination of Distribution Tariff including the procedure for calculating the expected revenue, published the same in A.P. Gazette on 29-09-2005 and issued a press release seeking comments / suggestions from all stakeholders and the public at large and also placed it on the website of the Commission. Comments / suggestions were received from 11 persons / organizations including all the 5 licensees (4 DISCOMs and APTRANSCO). The Commission considered all the comments / suggestions and has made modifications, as considered appropriate, allowing for determination of tariff for wheeling and the retail sale of electricity separately, modifying in the process, the nomenclature of the Regulation.

In exercise of powers conferred under clause (zd), (ze) and (zf) of Section 181 (2) read with Sections 61 and 62 of the Electricity Act 2003 (36 of 2003) and all other enabling powers in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:

PART – I

PRELIMINARY

1. Short title, extent and commencement

(i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005.

(ii) This Regulation shall extend to the whole of Andhra Pradesh.

- (iii) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette

2. Definitions and interpretation

- i. In this Regulation, unless the context otherwise requires:
- (a) “Act” means the Electricity Act, 2003 (36 of 2003);
 - (b) “Aggregate Revenue Requirement” (ARR) means the revenue required to meet the costs pertaining to the licensed business, for a financial year, which would be permitted to be recovered through tariffs and charges by the Commission.
 - (c) “Base Year” means the financial year immediately preceding the first year of the Control Period;
 - (d) “CERC” means the Central Electricity Regulatory Commission established under Section 76 of the Act;
 - (e) “Commission” means the Andhra Pradesh Electricity Regulatory Commission;
 - (f) “Conduct of Business Regulations” means the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations in force from time to time;
 - (g) “Consumer / User contributions” means any contributions made by those using or intending to use the Distribution network of a licensee for supply or wheeling of electricity. Any grant received by Licensees would also be treated as Consumer / User contribution.
 - (h) “Control Period” means a multi-year period fixed by the Commission from time to time, usually 5 years, for which the principles for determination of revenue requirement will be fixed, the first Control Period, however, being of the duration of 3 years;
 - (i) “Distribution Business” means the business of operating and maintaining a distribution system for supplying electricity in the area of supply of the Distribution Licensee in terms of the Distribution and Retail Supply Licence granted by the Commission;

- (j) “Financial year” means the period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;
 - (k) “Licensees’ Standards of Performance Regulation” means the A.P. Electricity Regulatory Commission (Licensees’ Standards of Performance) Regulation, 2004 (Regulation No.7 of 2004).
 - (l) ¹“Non-tariff Income (NTI) means income relating to the licensed business other than from tariffs for wheeling and retail sale and excludes any income from other business and income on account of Fuel Surcharge Adjustment, Cross Subsidy Surcharge and Additional Surcharge minus Late Payment Surcharge (LPS) paid to Gencos/Transcos etc if any in the previous financial year, excluding interest burden arising due to delay in payment of subsidy by the Government”.
 - (m) “Other Business” means any business engaged in by a Distribution Licensee under Section 51 of the Act for optimum utilization of the assets of such Distribution Licensee and shall include any business of the Distribution Licensee other than the licensed business;
 - (n) “Retail Supply Business” means the business of sale of electricity by a Licensee to consumers, in accordance with the terms of the Distribution and Retail Supply Licence;
 - (o) “ Regulated Rate Base (RRB)” is the value of the gross fixed assets net of the consumer contributions and accumulated depreciation;
 - (p) “State” means the State of Andhra Pradesh.
 - (q) ²“Charge Point Operator or CPO” means any individual/entity operating the Electrical Vehicle Charging Station.”
- ii. Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings as assigned to them in the Act.

¹ Sixth Amendment vide Regulation No.2 of 2024 dated 09-02-2024

² Seventh Amendment vide Regulation No. 9 of 2025 dated 08-12-2025

- iii. All proceedings under this Regulation shall be governed by the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations.

3. Extent of application

- 3.1. This Regulation shall apply to all the Distribution Licensees in the State for
a) Distribution Business and b) Retail Supply Business.
- 3.2. In accordance with the principles laid out in this Regulation, the Commission shall determine the Aggregate Revenue Requirement (ARR) for
a) Distribution Business and b) Retail Supply Business.
- 3.3. The ARR determined for Distribution Business will be the basis for the fixation of the wheeling tariff/charges.
- 3.4. The ARR determined for Retail Supply Business will be the basis for the fixation of the Tariff/Charges for retail sale of electricity including surcharges.

PART – II

APPROACH, FRAMEWORK, PROCEDURES AND FILINGS

4. Guidelines for Computing Aggregate Revenue Requirement:

The Guidelines already issued by the Commission for computing the Aggregate Revenue Requirement / Expected Revenue from Charges (ARR / ERC) to the extent modified herein would continue to apply for the Distribution and the Retail Supply Businesses separately till such time as fresh Guidelines are issued.

5. ³Segregation of Accounts into Distribution and Retail Supply

Till such time the Distribution Licensee provides details of costs on an actual basis for the Distribution Business and Retail Supply Business separately, the costs shall be distributed between the Distribution Business and Retail Supply Business as shown in the table below:

³ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

Particulars	Distribution / Wires Business (%)	Retail Supply Business (%)
Power Purchase Expenses	0%	100%
Intra-State, Inter-State Transmission & LDC Charges	0%	100%
Employee Expenses	60%	40%
Administration & General Expenses	30%	70%
Repair & Maintenance Expenses	90%	10%
Depreciation	90%	10%
Interest on Long-term Capital Loan	100%	0%
Interest on Working Capital	10%	90%
Interest on consumer security deposits	0%	100%
Bad Debts Written off	0%	100%
Income Tax	90%	10%
Contingency reserves, if any	100%	0%
Return on Equity/Business margin	90%	10%

6. “Filing Procedure, Issue of the Order, and Publication of Tariffs”

6.1. Every Distribution Licensee shall file for each of its licensed business an application for approval of its Aggregate Revenue Requirement (ARR) for each year of the Control Period, not less than 120 days before the commencement of the first year of the Control Period. This filing shall be in such form and in such manner as specified and in accordance with the Guidelines issued by the Commission. The Distribution Licensees may file such applications for ARR of the first Control Period within a period not less than 90 days before the commencement of the Control Period.

6.2. ⁵“The ARR filing for the Distribution Business shall be for the entire control period. For the Retail Supply Business, the ARR filing shall be preferably

⁴ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

for the entire control period, and on an annual basis if permitted by the Commission.”

- 6.3. ⁶The Distribution Licensee shall, along with the ARR & FPT petition, submit a statement on the status of compliance with directives, if any, issued by the Commission in its previous tariff order.
- 6.4. On submission of a complete application accompanied by all requisite information and particulars, the distribution licensee shall, within 3 (three) working days of an intimation given to him, publish a notice in at least 1 (one) English daily newspaper in English language and 1 (one) Telugu daily newspaper in Telugu language having wide circulation in the area to which the application pertains, outlining the proposed ARR & tariffs, as the case may be, and such other matters as may be stipulated by the Commission, and invite suggestions and objections from the public:

Provided that the distribution licensee shall make available a hard copy of the complete application to any interested party, at such locations and at such rates as may be stipulated by the commission:

Provided further that the distribution licensee shall also place on its website, in downloadable spreadsheet format showing detailed computations, the application made to the Commission along with all regulatory filings, information and documents in the manner stipulated by the Commission:

Provide further that the web link to the information mentioned in the second proviso above shall be easily accessible, archived for downloading and shall be prominently displayed on the distribution licensee's website.

Explanation - for the purpose of this Regulation, the term “downloadable spreadsheet format” shall mean one (or multiple, linked) spreadsheet software files containing all assumptions, formulae, calculations, software macros, and outputs forming the basis of the application.

⁵ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

⁶ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

6.5. The Commission shall, within 120 (one hundred and twenty) days from receipt of a complete application for tariff determination and after considering all suggestions and objections received from the public:

- a) issue a Tariff Order accepting the application with such modifications or such conditions as may be specified in that Order;
- b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and Regulations made there under or the provisions of any other law for the time being in force:

Provided that the Distribution Licensee shall be provided a reasonable opportunity of being heard before rejecting its application.

6.6. The Distribution Licensee shall publish the tariff approved by the Commission in at least 1 (one) English daily newspaper in English language and 1 (one) Telugu daily newspaper in Telugu language having wide circulation in the area of supply and shall place the approved tariff/tariff schedule on its website and make available for sale, a booklet containing such tariff or tariffs, as the case may be, to any person on payment of reasonable charges.

6.7. The tariffs so published shall be in force from the date specified in the said Order and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein. The licensee shall raise the bills for the electricity supplied or transmitted or services rendered to the consumers in accordance with the notified tariff.

6.8. 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 the Fuel and Power Purchase Cost Adjustment (FPPCA) notified in the latest amendments to the Principal Regulation.

7. Filing for Proposed Tariff (FPT)

7.1. The FPT for Distribution business and Retail Supply business shall be filed along with the respective ARR filings.

7.2. The application shall be made for determination of tariff for:

- (a) Wheeling of electricity, i.e. Wheeling Charges to recover the ARR of Distribution Business
- (b) Retail sale of electricity, i.e. Tariffs for Retail sale of electricity to recover the ARR of Retail Supply Business

7.3. **Distribution Business:-** The application for FPT shall contain the following

- (a) The Distribution system or network usage forecast for each year of the Control Period consistent with the Resource Plan.
- (b) Proposals for computation of tariffs for wheeling of electricity for each of the years of the Control Period, including the losses to be charged in kind and the procedure therefore.
- (c) Proposals for Non-Tariff Income with item-wise description and details.
- (d) Proposals in respect of income from Other Business.
- (e) The proposed wheeling charges shall be voltage-wise. For the first Control Period, however, the Distribution Licensee may propose these charges computed on a normative basis.
- (f) Expected Revenue from the proposed Wheeling Charges, Non-Tariff Income and Income from Other Business (es).

7.4. **Retail Supply of Electricity Business:-** The application for FPT shall contain the following

- (a) Proposal for retail sale of electricity to the consumers pertaining to its retail supply business and the details may include tariffs for each consumer category, slab-wise and voltage-wise. The tariffs proposed may also include energy charges, fixed/demand charges and minimum charges.
- (b) Proposals for Non-Tariff Income with item-wise description and details.

- (c) ⁷“Each Tariff Proposal submitted by the Distribution Licensee shall be supported with a cost of service model as approved by the Commission from time to time in the previous tariff orders for each category of the consumers.”
- (d) The Distribution 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.
- (e) The Commission may, from time to time, issue guidelines for the filing of statements of revenue calculations and tariff proposals, and unless waived by the Commission, the licensee shall follow such guidelines issued by the Commission.”

8. Disposal of Applications

- 8.1. The Commission will process the Distribution Licensee’s filings in accordance with this Regulation and its Conduct of Business Regulations.
- 8.2. Based on the Distribution Licensees’ filings, objections/ suggestions from public and other stakeholders, the Commission may accept an application with such modifications and/or such conditions as may be deemed just and appropriate and issue, within 120 days of the receipt of the application (within 90 days in case of an application filed for the first Control Period in accordance with the provisions of clause 6.1), an Order containing *inter alia* targets for controllable items and the approved Aggregate Revenue Requirement for the Distribution Business and the ARR for the Retail Supply Business.

9. Resource plan

- 9.1. The Distribution Licensee shall file for Commission’s approval a Resource Plan on 1st April of the year preceding the first year of Control Period. The Resource Plan shall *inter alia*, contain the Sales Forecast, Load Forecast, Power Procurement Plan and a Distribution Plan (Capital Investment Plan)

⁷ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

consistent with the requirements of the Commission's Guidelines on Load Forecast and Resource Plan (Distribution Plan and Power Procurement Plan) as amended from time to time:

Provided that the Resource Plan for the first Control Period may be filed along with the Multi-year filings for ARR of the first Control Period.

- 9.2.** The Commission shall approve the Resource Plan as per the Guidelines on Load Forecast, Resource Plan (Distribution Plan and Power Procurement Plan) and the Distribution Licensee shall adopt them in the Multi-Year and Annual filings for the Control Period.

10. Multi-Year Tariff framework and Approach

- 10.1.** The multi-year tariff framework shall be based on the following approach, for calculation of aggregate revenue requirement and expected revenue from tariff and charges.
- 10.2.** Base Year:- Values for the Base Year of the Control Period will be determined based on the audited accounts available, best estimate for the relevant years and other factors considered appropriate by the Commission, and after applying the tests for determining the controllable or uncontrollable nature of various items. The Commission will normally not revisit the performance targets even if the targets are fixed on the basis of base values of un-audited accounts.
- 10.3.** Targets: - Targets will be set for items that are deemed by the Commission as "controllable" which constitute operation & maintenance costs, financing costs, and for distribution losses duly adhering to the Licensees' Standards of Performance Regulation. Trajectory for specific variables may be stipulated by the Commission where the performance of the applicant is sought to be improved upon through incentives and disincentives;
- 10.4.** Controllable and Uncontrollable items of ARR:- The expenditure of the Distribution Licensee considered as "controllable" and "uncontrollable" shall be as follows:

Distribution Business	
ARR Item	"Controllable" / "Uncontrollable"
Operation & Maintenance expenses	Controllable
Return on Capital Employed	Controllable
Depreciation	Controllable
Taxes on Income	Uncontrollable
Non-Tariff income	Controllable
⁸ Force Majeure	Uncontrollable
Change in law	Uncontrollable
AT&C losses	Controllable
Contingency reserves	Uncontrollable

In addition to the above items the retail supply business shall include the following:

Retail Supply Business	
ARR Item	"Controllable"/Uncontrollable"
Cost of Power Purchase	Uncontrollable
⁸ Sale of Electricity to the Consumers	Uncontrollable
Revenue from Sale of Electricity to Consumers	Uncontrollable
Inter-state and Intra-state Transmission & Load Despatch Charges	Uncontrollable
Interest on Consumer Security Deposits	Uncontrollable
Taxes on Income	Uncontrollable
Bad debts	Controllable

⁸ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

- 10.5. **⁹“Pass through of Gains/Losses due to variations in “uncontrollable” items of the ARR:** The Distribution Licensees shall present variations in each uncontrollable item with detailed reasoning. The aggregate gain/loss of the nth year in all uncontrollable items of Distribution and Retail Supply Businesses shall be pass-through in the ARR of the (n+2) year of Retail Supply Business in case the filings are done on an annual basis. If the filings of Retail Supply Business are done for the entire control period, the aggregate gain/loss in uncontrollable items shall be pass-through to consumers as a True-down/up in separate proceedings either based on the petition filed by the Licensees or on suo-motu determination by the Commission on an annual basis.

Provided that the Commission shall allow the financing costs on account of the time gap between the time when the true-up becomes due and when it is actually allowed. The licensees shall file True-up/down petitions of nth year by 30th November of (n+1) year independently or along with ARR & FPT petition if permitted annually, and the Commission shall as far as possible issue the Order on the same within 120 days from the date of such filings.

- 10.6. **¹⁰Sharing of Gains /Losses on variations in “controllable” items of ARR:-** The Distribution licensees shall present variations in each controllable item with detailed reasoning. The aggregate gain/loss of the nth control period (Actuals of 4 years and provisional for 5th year) in controllable items of Distribution and Retail Supply Businesses shall be pass-through in the respective ARR of (n+1) control period of Distribution & Retail Supply Businesses at the appropriate ratio for each item as decided by the Commission. However, the Licensees shall submit the gains/losses in each controllable item of the Distribution Business for the previous financial year by 30th November of the current financial year through the annual performance petition or shall submit the gains/losses in each controllable item as a part of ARR filings of the Retail Supply Business for the next financial year if the filings are done on an annual basis. The gains/losses in the controllable items of ARR on account of factors that are

⁹ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

¹⁰ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

beyond the control of the Distribution Licensees shall be a pass through to the consumers similar to the controllable items as stated in clause 10.5 above. “

PART III

PRINCIPLE FOR COMPUTATION OF AGGREGATE REVENUE REQUIREMENT

11. Main items of ARR

11.1. **(a) ¹¹ARR for Distribution Business:-** The ARR filings shall contain the following :

- a. The Operation and Maintenance (O&M) costs which include employee-related costs, repair & maintenance costs and administrative & general costs, estimated for the Base Year and the year prior to the Base Year in complete detail, together with the forecast for each year of the Control Period based on the norms proposed by the Distribution Licensee including indexation and other appropriate mechanisms in terms of the principles enunciated in this Regulation for O&M cost allowance.
- b. Regulated Rate Base (RRB) for the Base Year and each year of the Control Period which requires submission of the working capital requirement and a detailed scheme/project-wise Capital Investment Plan with a capitalisation schedule covering each year of the Control Period consistent with the Commission's approved Resource Plan.
- c. A proposal for appropriate capital structure and its cost of financing (interest cost and return on equity) for the purpose of computing Weighted Average Cost of Capital.
- d. Targets proposed for reduction of distribution losses during the Control Period duly adhering to the Licensees' Standards of Performance Regulation.
- e. Details of depreciation, including Advance against depreciation if any required and capitalisation schedules for each year of the Control Period.
- f. Description of external parameters proposed to be used for indexation;

¹¹ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

- g. Details of taxes on income;
- h. Any other relevant expenditure;
- i. Proposals for sharing of gains and losses;
- j. Proposals for efficiency parameter targets;
- k. Proposals for rewarding efficiency in performance
- l. Any other matters considered appropriate
- m. ¹²Contingency reserves, if any, on actual basis, and as admissible

11.2. ¹³The Aggregate Revenue Requirement (ARR) of the Retail Supply Business shall contain the following:

A. Network and LDC costs:

- i. Intra-State Transmission Cost
- ii. Intra State LDC cost
- iii. Inter-State Transmission cost
- iv. Regional/NLDC cost
- v. Distribution Cost (As per clause 5 & 11.1)

B. Supply Costs:

- i. Power procurement cost
- ii. Distribution Cost attributable to Retail Supply Business
(As per clause 5 & 11.1)
- iii. Interest on Consumer Security Deposits
- iv. Supply Margin in Retail Supply Business
- v. Corrections for controllable and uncontrollable items
- vi. Provision for bad debts
- vii. Any other relevant expenditure as admissible
- viii. ¹⁴Working Capital requirement for the year shall be considered as being equal to One and a half months (45 day s) of expected PP cost for the ensuing year plus 60 days of average FPPCA amount of the current year, Minus Amount held as security deposit from retail supply consumers as of 31 st March of the current year.

¹² Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

¹³ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

¹⁴ Sixth Amendment vide Regulation No. 2 of 2024 dated 09-02-2024

12. Cost of power procurement

12.1. The Distribution Licensee shall be allowed to recover the cost of power it procures, including from State generators, independent power producers, Central generating stations, non-conventional energy generators, and others, for supply to consumers, based on the Commission-approved Power Procurement Plan of the Distribution Licensee covering each year of the Control Period:

Provided that where the procurement is for sale to consumers permitted open access by the Nodal Agency under the Open Access Regulation or purchase for trading, the Distribution Licensee shall provide an Allocation Statement as referred to in clause 5 clearly specifying the costs that are attributable to the sales made to such consumers, utilities, etc.

12.2. Except in the case of Retail Supply Business insofar as for the first Control Period is concerned:

- (a) The Commission shall adopt the Sales Forecast, the Distribution loss trajectory and the Power Procurement Plan approved as part of the Resource Plan for the purpose of determining the Power Purchase Requirement of the Distribution Licensee for the Control Period;
- (b) The power procurement plan will not generally require any revisions during the Control Period, and the Commission-approved category-wise power procurement forecast shall be applied for estimating the Distribution Licensees' power procurement requirement for each year of the Control Period;
- (c) While approving the cost of power procurement, the Commission shall determine the quantum of electricity to be procured, consistent with the power procurement plan, from various sources of supply, in accordance with the principle of merit order schedule and dispatch, based on a ranking of all approved sources of supply in the order of variable cost or price.

12.3. For the Retail Supply Business of the Distribution Licensee for the first Control Period, the provisions of clause 12.2 shall apply *mutatis mutandis*, on an annual basis.

12.4. “¹⁵The Distribution Licensee shall be entitled to recover from or refund to the consumers, as the case may be, the FPPCA (Fuel and Power Purchase Cost Adjustment) according to the formula and other conditions specified in this regulation on monthly basis automatically from time to time and such monthly automatic adjustment shall be trued up on an annual basis by the commission”.

12.5. ¹⁶ **FPPCA (Fuel and Power Purchase Cost Adjustment)**

The formula for FPPCA as under

$$\text{FPPCA} = (\text{APPC} - \text{BPPC}) / [1 - (\text{Loss in\%} / 100)]$$

Where.

FPPCA = Fuel & Power Purchase Cost Adjustment in Rs/unit up to 4 decimal places.

APPC = The actual weighted average power purchase cost per unit of energy, which shall be arrived at as the actual total power purchase cost (including the transmission & scheduling costs) in Rs. Million for the month for which the Distribution Licensee is recovering **FPPCA**’ automatically divided by the actual quantum of power purchases in Million Units made by the Distribution Licensee from the sources approved by the Commission for that month.

BPPC = The base weighted average power purchase cost per unit of energy, which shall be arrived at as the total power purchase cost approved by the Commission in Rs. Million (including the transmission & scheduling costs) in the RSTO (Retail Supply Tariff Order) for the month for which the Distribution Licensee is recovering FPPCA’ divided by the total quantum of energy in Million Units approved by the Commission in the RSTO for the Distribution Licensee for that month.

Loss in % = The weighted average Transmission and Distribution losses (%) approved by the Commission for the Distribution Licensee for the financial year (n) in which the Distribution Licensee is recovering **FPPCA**’ or actual weighted average Transmission and Distribution losses (%) of the previous year (n-1) for that Distribution Licensee, whichever is lower.

¹⁵ Fourth Amendment vide Regulation No. 2 of 2023 dated 29-03-2023

¹⁶ Fourth Amendment vide Regulation No. 2 of 2023 dated 29-03-2023

Manner of recovery or refund of FPPCA by the Distribution Licensee and conditions:

A. The FPPCA arrived at as per the above formula shall be recovered from or refunded to the consumers by the Distribution Licensee, as the case may be, on a monthly basis automatically not exceeding 40 paise per unit.

Explanation: FPPCA Surcharge shall be computed and charged by the distribution licensee, in (n+2) th month, on the basis of actual variations in the costs of fuel and power purchase and intra & inter- state Transmission Charges for the power procured during the nth month.

For example, the FPPCA surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June (**CC Bill to be issued in June**) of the same financial year.

B. In case the distribution licensee fails to compute and charge FPPCA surcharge within the timeline, as specified above, except in case of any force majeure condition, its right to recover costs up to 40 paise on account of FPPCA surcharge for that month shall be forfeited and, in such cases, the right to recover the FPPCA up to 40 paise for that month in annual true-up shall also be forfeited. However, in case of true-down, if any, the Distribution Licensees shall pay to the consumers by way of adjustments in future CC bills as determined by the Commission in the final FPPCA order at the end of the financial year.

C. If the total FPPCA surcharge for a Billing Month exceeds 40 paise per unit, such an excess amount with carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate plus one hundred and fifty basis points shall be collected in a manner specified by the Commission in the final true-up Order for that financial year. In respect of any past claim that is admitted during the month exceeding 100 Crores, such claims may be spread over a period such that the EMI including the carrying cost of the past claim does not exceed 100 crores per month.

D. The FPPCA surcharge so computed for any month, or the fuel and power purchase cost variations for every month irrespective of recovery shall be submitted in the format specified in this Regulation along with actual

category-wise sales vis-a-vis approval, and source-wise despatch & cost vis-a-vis approval with a detailed explanation, availability and PLF of each source, market purchases with detailed break up of segments (RTC, morning peak, evening peaks and night) exchange wise, Deep e- bidding portal, swapping, etc, PoC charges break up for scheduled CGS, market purchases and other approved sources, the past claims of any source, if any, with specific mention, backing down of thermal sources on account of RE and other reasons, if any, loss percentages, etc., by the end of the month during which FPPCA recovery is effected (for the 'n' th month variations, by the end of (n+2) month). The reports so submitted to the Commission shall be made available on the website of the Distribution Licensee under FPPCA heading in the Regulatory Compliance tab. The final true-up of the FPPCA surcharge for any financial year shall also be submitted in the same format along with the details mentioned above.

E. The final true-up of FPPCA surcharge for any financial year shall be submitted by the end of June 30 of the next financial year, and the Commission will issue a final order within 90 days from the date of filing of such annual true-up after calling for written objections from the general public, and after consideration of the same. If the licensee fails to file the final true-up by the end of June 30, its right to recover costs on account of the FPPCA surcharge for that year shall be forfeited and the FPPCA costs already recovered in the monthly bills shall be refunded by way of adjustment in future monthly cc bills. However, the Commission will initiate proceedings suo motu to pass on the true down if any.

F. In case of excess revenue recovered for the year against the FPPCA, the same shall be recovered from the licensee at the time of the final true-up of that financial year along with its carrying cost to be charged at 1.20 times the carrying cost rate approved by the State Commission. Similarly, if any under-recovery, the carrying cost shall be allowed.

G. The Distribution Licensee shall pass through the FPPCA uniformly on all categories of consumers existing in that month based on their consumption (kWh/kVAh). The Distribution licensee may likely under- recover or over-recover costs due to variations in sales, losses, etc, with reference to approval in Tariff Order as per the FPPCA formula. In the event of over-

recovery of costs as per the formula, the Distribution licensee shall limit the FPPCA amount to the actual variation of power purchase costs with reference to the Tariff order by suitably correcting the FPPCA per unit. Similarly, in the event of an under-recovery of costs, the FPPCA per unit shall be suitably corrected to equate the FPPCA amount to the actual variation in power purchase cost with reference to the Tariff Order of that month. To arrive at the power purchase costs variation, the least of the following power purchase quantity is to be considered.

- i. The actual power purchase quantity procured by the licensee for its consumers
- ii. Power Purchase quantity computed based on the actual sales by grossing up with actual losses or approved losses for that relevant year in RST Order, whichever is lower.

H. As power purchases are being done for all three licensees together, the actual PP cost shall be shared in the ratio of actual power drawn by each licensee at the end of each month to not have much variance in the FPPCA of each licensee.

I. The Distribution Licensee shall raise the FPPCA bills on the Government in respect of the consumers who are provided 100 percent tariff subsidies under Section 65 of the Electricity Act, 2003. The subsidy true-up/down on account of variations in the sales of agricultural consumers under the free power category will be done after the end of the financial year during the final true-up of FPPCA.

J. The Distribution Licensee shall place on its website the details/gist of the FPPCA computed every month before the FPPCA amounts are raised in the monthly CC bills of the consumers for information and wider reach of the public.

K. To ensure smooth implementation of the FPPCA surcharge mechanism and its recovery as per this Regulation, the distribution licensee shall ensure that its billing system and power procurement software and systems are updated.

L. The Commission, suo motu, or an application from the licensee, may review or add or amend or alter any of the above clauses and pass appropriate orders to remove any difficulty in the implementation of these clauses.

12.6. ¹⁷Provision for bad debts

Bad and doubtful debts in the ARR shall be allowed based on the actual written off bad debts in the past 5 years as per the audited financial statements to the extent the Commission considers them appropriate subject to a ceiling limit of 1% of the yearly revenue at the discretion of the Commission:

Provided that, the cumulative bad debts shall not exceed 3 per cent of the yearly revenue for the ARR under consideration.

Provided further that subsequent to the write-off of a particular bad debt, if revenue is realised from such a bad debt, the same shall be included as income under the Non-Tariff Income of that year.”

13. Transmission and load dispatch charges

13.1. The Distribution Licensee shall be allowed to recover transmission and load despatch charges payable to the Transmission Licensees (Central Transmission Utility, State Transmission Utility etc.) and System Operators (Regional Load Despatch Centre, State Load Despatch Centre etc.) for access to and use of the inter-state transmission system, intra-state transmission system and availing load dispatch services on long-term basis in accordance with the tariffs approved from time to time by CERC and this Commission, as the case may be.

13.2. The Distribution Licensee shall also be allowed to recover the expenses, at the approved level, pertaining to (a) use of transmission and load dispatch facilities under short-term procurement of power for the Retail Supply Business; and (b) wheeling charges for use of the distribution system of other Distribution Licensee for procurement of power for the Retail Supply Business.

¹⁷ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

14. OPERATION AND MAINTENANCE COSTS

14.1. Operation and Maintenance (O&M) costs shall comprise the following:

- a. Salaries, wages and other employee costs;
- b. Administrative and General costs;
- c. Repairs and maintenance, and
- d. Other miscellaneous expenses, like legal charges, audit fees, lease charges, rent, rates and taxes, etc.

14.2. The Distribution Licensee in its filings for the Control Period shall submit the consolidated O&M expenses for the Base Year of the Control Period, and two years preceding the Base Year. The O&M expenses for the Base Year shall be determined based on latest audited accounts, best estimates of Distribution Licensee of actual O&M expenses for relevant years and other factors considered relevant. The O&M expenses for the Base Year, if required, will be used for projecting the expenses for each year of the Control Period.

14.3. The composite O&M expenses permissible towards revenue requirement for each year of the Control Period shall be determined , by using pre-determined norms or formulae for this purpose. These norms or formulae shall be determined by the Commission based on Distribution Licensee's submissions in this regard, previous years' actual expenses and any other factors considered relevant by the Commission.

15. Return on Capital Employed

15.1. Return on Capital Employed (RoCE) for the RRB for the year 'i' shall be computed in the following manner:

$$\text{RoCE} = \text{WACC} * \text{RRB}_i$$

Where,

WACC is the Weighted Average Cost of Capital as fixed by the Commission for the Control period and expressed in terms of percentage;

RRB is the Regulated Rate Base (the asset base) approved by the Commission for each year of the Control period on which the Distribution Licensee shall be entitled to earn a return based on the Commission approved Weighted Average Cost of Capital (WACC).

i: ith year of the Control Period, i = 1, 2, 3 for the first Control Period

- The WACC shall be computed in the following manner:

$$WACC_{RRB} = \left[\frac{D/E}{1 + D/E} \right] r_d + \left[\frac{1}{1 + D/E} \right] r_e$$

Where,

D/E is the Debt to Equity Ratio and shall be determined at the beginning of the Control Period after considering Distribution Licensee's proposal, previous years' D/E mix, market conditions and other relevant factors

r_d is the Cost of Debt and shall be determined at the beginning of the Control Period after considering Distribution Licensee's proposals, present cost of debt, market conditions and other relevant factors.

r_e is the Return on Equity and shall be determined at the beginning of the Control Period after considering CERC norms, Distribution Licensee's proposals, previous years' D/E mix, risks associated with distribution & supply business, market conditions and other relevant factors

The Weighted Average Cost of Capital as determined above shall remain unchanged during the Control Period

- The Regulated Rate Base (RRB) for the purposes of computing the RoCE for a year of the Control Period will be computed in the following manner.

$$RRB_i = RRB_{i-1} + \Delta RAB_i + WC_i$$

Where,

RRB_i : Regulated Rate Base for the ith year of the Control period

ΔRAB_i : Change in the Rate Base in the i^{th} year of the Control Period. This component would be the average of the value at the beginning and end of the year as the asset creation is spread across a year and is arrived at as follows:

$$\Delta RAB_i = (Inv_i - D_i - CC_i)/2$$

Where,

Inv_i : Investments projected to be capitalised during the i^{th} year of the Control Period and approved.

D_i : Amount set aside or written off on account of Depreciation of fixed assets for the i^{th} year of the Control Period.

CC_i : User Contributions pertaining to the ΔRAB_i and capital grants/subsidies received during i^{th} year of the Control Period for construction of service lines or creation of fixed assets.

RRB_{i-1} : Regulated Rate Base for the financial year preceding the i^{th} year of the Control period and shall be determined on the basis of approved Capital Investment Plan referred to in clause 16.1 of this Regulation. For the first year of the Control Period, RRB_{i-1} will be the Regulated Rate Base for the Base Year i.e. RRB_0 . The values for the Base Year will be determined based on the latest audited accounts available, best estimates of the actuals pertaining to the relevant years and any other factors considered relevant by the Commission.

$$RRB_0 = OCFA_0 - AD_0 - CC_0 ,$$

where

$OCFA_0$: Original Cost of Fixed Assets at the end of the Base Year available for use and necessary for the purpose of the licensed business

AD_0 : Amounts written off or set aside on account of depreciation and advance against depreciation if any, of fixed assets pertaining to the regulated business at the end of the Base Year

CC_0 : Total contributions pertaining to the $OCFA_0$, made by the users towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose.

- ¹⁸WC_i: working capital requirement in the ith year of the Control Period, and shall be considered as being equal to 60 days of O&M for Distribution Business plus Maintenance spares @1% of opening Gross Fixed Assets (GFA) as allowed for that year.”

16. Investment Plan

16.1. The Commission shall adopt the Capital Investment Plan approved as part of the Resource Plan in terms of clause 9 of this Regulation for the purpose of determining the Regulated Rate Base (RRB) at the commencement of the Control Period:

Provided that for the first Control Period, the Distribution Licensee shall file its Capital Investment Plan for the Control Period as part of its Multi-Year Filings for Commission’s approval.

16.2. The Distribution Licensee shall seek approval for individual schemes in the Capital Investment Plan at least 90 days before undertaking the investment in accordance with the Guidelines on Investment Approval. The individual schemes/ projects submitted by the Distribution Licensee for Commission’s approval must provide complete details including those relating to the cost and capitalisation for each year of the Control Period.

16.3. The Commission may provide corrections in the ARR of the Distribution Licensee for subsequent years of the Control Period to the extent of deviation from the investments approved as part of the Capital Investment Plan. The Distribution Licensee shall justify the deviations beyond 10 percent for each individual scheme/project and any other material deviations from the Capital Investment Plan including introduction of, or substitution of existing schemes / projects by, new scheme/project (s).

¹⁸ Sixth Amendment vide Regulation No. 2 of 2024 dated 09-02-2024

17. Depreciation

17.1. Depreciation shall be computed in the following manner:

17.2. For each year of the Control Period, depreciation shall be calculated on the amount of Original Cost of the Fixed Assets included in the RRB at the beginning of each year of the Control Period:

Provided that depreciation on assets funded by consumer /user contributions or through any capital subsidy/grant etc shall not be allowed in the revenue requirement of the Distribution Licensee.

17.3. Depreciation allowance for each year of the Control Period shall be determined, generally based on the methodology, rates and other terms as decided by CERC from time to time.

17.4. Depreciation shall be charged from the 1st April of the following year from the date the asset is put to use.

18. Taxes on Income:

18.1. Taxes on Income, if any, on the income stream of the licensed business of the Distribution Licensee shall be treated as an expense and shall be recoverable through ARR.

18.2. Taxes on Income actually payable and paid shall be included in the ARR, limited, however, to tax on Return on Equity component of the Return on Capital Employed, and excluding tax on profit, if any, in excess of such return (arising out of any reason, including efficiency of the Distribution Licensee or any explicit incentive provided in the ARR), penalties, interest on delayed payment of tax, etc. , and duly adjusted for any refunds, etc. received for the previous periods.

19. CORRECTIONS FOR “UNCONTROLLABLE” ITEMS AND “CONTROLLABLE” ITEMS AND SHARING OF GAINS/LOSSES OF “CONTROLLABLE” ITEMS

The Distribution Licensee shall file its proposals for pass-through as well as sharing of gains/losses on variations in “uncontrollable” items of ARR and

“controllable” items (indexed to external parameters) in accordance with clause 10 of this Regulation.

20. ¹⁹“20. Determination of full cost tariffs and subsidy:

20.1. The Commission shall determine full cost tariffs for Distribution and Retail Supply Businesses to enable the Distribution Licensee to recover the ARR approved by the Commission based on the application made by it in accordance with the principles laid down in this Regulation.

²⁰“Provided that the Distribution/Wheeling charges shall be exempted for such Clean Energy Projects & RE Manufacturing Projects availing Open Access under APERC Regulation No. 3 of 2024, and commissioned (or) achieved Financial Closure (FC) during the operative period (Projects commissioned within the timelines as specified in the approvals), and for the exemption period as mentioned in GO.Ms.No.37, dated 30.10.2024, if injection and drawal of power is at the same voltage level within the State irrespective of DISCOM boundaries. The DISCOMs shall claim such exempted charges from the State Government along with the subsidy claims under Section 65 of the Electricity Act, 2003.”

“Provided further that the Electric Vehicles/Charging Stations shall have Time-of-Day (ToD) and Dynamic tariff mechanisms specifically for Charge Point Operators (CPOs) as determined by APERC in the Retail Supply Tariff Orders every year.”

20.2. Subsidy

(a) The Commission shall determine the ARR and Tariff without considering subsidy.

Provided further that in case the State Government declares subsidy in advance or during tariff filing proceedings and the Distribution Licensee incorporates the subsidy in the petition, the Commission shall notify two tariff schedules, one with subsidy and the other without subsidy (full cost tariffs):

Provided also that the subsidy provided or declared by the Government shall be supported by documentary evidence of time

¹⁹ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

²⁰ Seventh Amendment vide Regulation No. 9 of 2025 dated 08-12-2025

schedule of payment, mode of the payment of the subsidy and the break up of the subsidy amount into different subsidized consumer categories:

- (b) The Commission shall state in the tariff order, post the declaration from the Government, the quantum of Government's subsidy applicable to the consumers category wise, mode of payment and schedule of payment, etc.
- (c) In case of no disbursement or delayed disbursement of subsidy by the Government, the Distribution Licensee shall charge consumers as per the full cost tariff schedule approved by the Commission, without considering the subsidy.
- (d) The Distribution Licensee(s) shall submit to the Commission on a quarterly basis the information on subsidy due, subsidy overdue, and subsidy realized based on actual energy supplied to the subsidized categories of consumers. The report on subsidy status shall be hosted on the Distribution Licensee's website.”

PART – IV

MISCELLANEOUS

21. Periodic reviews

To ensure smooth implementation of the Multi-Year Tariff (MYT) Framework, the Commission may undertake periodic reviews of Distribution Licensees' performance during the Control Period, to address any practical issues, concerns or unexpected outcomes that may arise, and in general to assess the efficacy of Multi Year Tariff Principles.

22. End-of-Control-Period review

22.1. Towards the end of the Control Period, the Commission will seek to review if the implementation of the principles laid down in this Regulation has achieved its intended objectives. While doing so, the Commission will take into account, among other things, the industry structure, sector

requirements, consumer and other stakeholder expectations and Distribution Licensee requirements at that point in time. Depending on the requirements of the sector and to meet the objects of the Act, the Commission may revise the principles for the subsequent Control Period(s).

- 22.2. The end-of-the-first Control Period shall be the beginning for the second Control Period and the Distribution Licensee shall follow the same procedure as specified unless required otherwise by the Commission through appropriate orders /directions. The Commission shall analyse the performance of the Distribution Licensee with respect to the targets set out at the beginning of the second and the each subsequent Control Period and based on the actual performance, expected efficiency improvements and other relevant factors, prevalent, determine the initial values for the next Control Period.

23. Power to amend

The Commission may, at any time add, vary, alter, modify, delete or amend any provisions of this Regulation.

24. Saving

- 24.1. Nothing in this Regulation shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.
- 24.2. Nothing in this Regulation shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 24.3. Nothing in this Regulation shall, expressly or by implication, bar the Commission from dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission

may deal with such matters, exercise such powers and discharge such functions in a manner it deems fit.

25. ²¹Issue of orders and practice directions:

Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions about the implementation of the Regulation and procedure to be followed and various matters which the Commission has been empowered by this Regulation to specify or direct.

26. Power to Remove difficulties:

If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, by a general or special order, do or undertake or direct the Licensees to do or undertake things which in the opinion of the Commission are necessary or expedient for removing the difficulties.

27. Power to Relax

The Commission may, by general or special order, for reasons to be recorded in writing and after giving an opportunity of hearing to the parties likely to be affected, relax or waive any of the provisions of these Regulations on its own motion or on an application made to it by any interested person.

(BY ORDER OF THE COMMISSION)

**(S.SURYA PRAKASA RAO)
SECRETARY**

²¹ Fifth Amendment vide Regulation No. 1 of 2024 dated 09-02-2024

REGULATION NO. 5 OF 2005

Andhra Pradesh Electricity Regulatory Commission
(Constitution Terms and Conditions for Determination of Tariff for Transmission
of Electricity) Regulation, 2005

Amendment

1. First Amendment vide Regulation No. 1 of 2019, dated 16-02-2019
2. Second Amendment vide Regulation No. 7 of 2023, dated 11-10-2023

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Tariff for Transmission of Electricity)
Regulation, 2005

(Regulation No. 5 of 2005)

INTRODUCTION

Section 61 of the Electricity Act, 2003, provides that the Appropriate Commission shall, specify the terms and conditions for determination of tariff, while Section 62 of Act empowers the Commission to determine the tariffs, *inter alia* for transmission of electricity and requires the Licensees to comply with such procedure as may be specified by the Commission for calculating the expected revenue from the tariff and charges which the Licensee is permitted to recover. The Commission formulated a draft Regulation specifying the Terms and Conditions for determination of Transmission Tariff including the procedure for calculating the expected revenue, published the same in A.P. Gazette on 18-10-05 and issued a press release seeking comments / suggestions from all stakeholders and the public at large and also placed it on the website of the Commission. Comments / suggestions were received from one person and the APTRANSCO (licensee). The Commission considered the comments / suggestions and has made modifications, as considered appropriate, and finalised the Regulation.

In exercise of powers conferred under clause (zd), (ze) and (zf) of Section 181 (2) read with Sections 61 and 62 of the Electricity Act 2003 (36 of 2003) and all other enabling powers in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:

PART –I

PRELIMINARY

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- i. This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Terms and conditions for determination of Transmission Tariff) Regulation, 2005.
- ii. This Regulation shall be applicable to any person engaged in the business of intra-State Transmission of electricity, within the territory of the State of Andhra Pradesh.

- iii. This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.

2. DEFINITIONS AND INTERPRETATION

- i) In this Regulation, unless the context otherwise requires:
- a) “Act” means the Electricity Act, 2003 (36 of 2003);
 - b) “Aggregate Revenue Requirement” (ARR) means the revenue required to meet the costs pertaining to the licensed business, for a financial year, which would be permitted to be recovered through tariffs and charges by the Commission;
 - c) “Base Year” means the financial year immediately preceding the first year of the Control Period;
 - d) “CERC” means the Central Electricity Regulatory Commission established under Section 76 of the Act;
 - e) “Commission” means the Andhra Pradesh Electricity Regulatory Commission;
 - f) “Conduct of Business Regulations” means the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations in force from time to time
 - g) “Consumer / User contributions” means any contributions made by those using or intending to use the Transmission network of a licensee. Any grant received by Licensees would also be treated as Consumer / User contribution;
 - h) “Control Period” means a multi-year period fixed by the Commission from time to time, usually 5 years, for which the principles for determination of ARR will be fixed, the first Control Period, however, being of the duration of 3 years;
 - i) “Financial year” means the period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;
 - j) “Grid Code’ means the State Grid Code as approved by the Commission;

- k) “Non-Tariff Income” means income relating to the licensed business other than from tariffs for Transmission, and excludes any income from Other Business;
- l) “Licence” means a licence granted under Section 14 of the Act to transmit electricity within the State of Andhra Pradesh;
- m) “Licensee” means a person granted a licence as a Transmission Licensee under Section 14 of the Act for intra-state transmission of electricity within the State of Andhra Pradesh;
- n) “Open Access Agreement” means an agreement entered into under the provisions of the Open Access Regulation between a Transmission licensee and a User to avail of open access to the transmission licensee’s network for transmission of electricity and may also include Distribution Licensee as a party to such agreement;
- o) “Open Access Regulation” means the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (No. 2 of 2005);
- p) “Other Business” means any business engaged in by a Transmission Licensee under Section 41 of the Act for optimum utilization of the assets of the transmission business and shall include any business of the Licensee other than the Transmission business;
- q) “Regulated Rate Base” or “RRB” means the value of the gross fixed assets net of consumer contributions and accumulated depreciation;
- r) “State” means the State of Andhra Pradesh;
- s) “SLDC” or “State Load Dispatch Centre” means the centre established under Section 31 of the Act;
- t) “Transmission Business” means the business of transmitting electricity within the State of Andhra Pradesh;

(a) ¹Total Transmission Capacity means Transmission System Peak Demand including Open Access demand approved by the

¹ First Amendment vide Regulation No. 1 of 2019 dated 16-02-2019

Commission in the Multi Year Tariff (MYT) order.

- u) “User” or “Open Access User” means a person using or intending to use the transmission system of the Transmission Licensee in the State for receiving supply of electricity from a person other than the distribution licensee of his area of supply, and the expression includes a generating company and licensees, including Distribution Licensees for use of transmission system.
- ii) Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings as assigned to them in the Act.
- iii) All proceedings under this Regulation shall be governed by the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations.

3. EXTENT OF APPLICATION

- 3.1.** This Regulation shall apply to all Transmission Licensees in the State.
- 3.2.** The Commission shall determine the ARR for the Transmission Business of a Transmission Licensee, in accordance with the principles laid out in this Regulation.
- 3.3.** The ARR determined in accordance with 3.2 above will be the basis for the fixation of the Transmission Tariff/Charges for Electricity.

PART – II
APPROACH, FRAMEWORK, PROCEDURE AND FILINGS

4. GUIDELINES FOR COMPUTING AGGREGATE REVENUE REQUIREMENT

The Guidelines already issued by the Commission for computing the Aggregate Revenue Requirement / Expected Revenue from Charges (ARR / ERC) to the extent modified herein would continue to apply for the Transmission Business till such time as fresh Guidelines are issued.

5. SEGREGATION OF ACCOUNTS

Till such time as there is complete segregation of accounts between SLDC activity and Transmission activity, the Transmission Licensee shall apportion its costs between (i) SLDC activity and (ii) Transmission activity, based on an Allocation Statement that shall also contain the methodology adopted for the apportionment.

6. FILING PROCEDURE

6.1. Every Transmission Licensee shall file an application for approval of its ARR for each year of the Control Period, not less than 120 days before the commencement of the Control Period. This filing shall be in such form and in such manner as specified and in accordance with the Guidelines issued by the Commission. The Transmission Licensees may file such applications for ARR of the first Control Period within a period not less than 90 days before the commencement of the Control Period. The filing shall be for the entire Control Period.

6.2. ARR for Transmission Business:- The ARR filings shall contain the following :

(a) The Operation and Maintenance (O&M) costs which include employee- related costs, repairs & maintenance costs and administrative & general costs, estimated for the Base Year and the year prior to the Base Year in complete detail, together with the forecast for each year of the Control Period based on the norms proposed by the Transmission Licensee including indexation and other appropriate mechanisms in terms of the principles enunciated in this Regulation for O&M cost allowance;

(b) Regulated Rate Base (RRB) for the Base Year and each year of the Control Period, which requires submission of the working capital

requirement and a detailed scheme/project-wise Capital Investment Plan with a capitalisation schedule covering each year of the Control Period consistent with the Commission approved Resource Plan;

- (c) A proposal for appropriate capital structure and its cost of financing (interest cost and return on equity) for the purpose of computing Weighted Average Cost of Capital;
- (d) Range of Transmission losses (upper and lower) for each year of the Control Period for the purpose of incentive / penalties;
- (e) Details of depreciation, including Advance against depreciation if any required and capitalization schedule for each year of the Control Period;
- (f) Description of external parameters proposed for indexation;
- (g) Details of taxes on income;
- (h) Any other relevant expenditure;
- (i) Proposals for sharing of gains and losses;
- (j) Proposals for efficiency parameter targets;
- (k) Proposals for rewarding efficiency in performance; and
- (l) Any other matters considered appropriate.

7. FILING FOR PROPOSED TARIFF (FPT)

7.1 The FPT for determination of tariff/charges for Transmission of electricity, i.e. Transmission Tariff/Charges to recover the ARR of Transmission Business, shall be made along with the ARR filing.

7.2 The application for FPT shall contain the following:

- (i) The Transmission system or network usage forecast for each year of the

Control Period consistent with the Resource Plan;

- (ii) Proposals for computation of tariffs for Transmission of electricity for each of the years of the Control Period, including the losses to be charged in kind and the procedure therefore;
- (iii) Proposals for Non-Tariff Income with item-wise description and details;
- (iv) Proposals in respect of income from Other Business; and
- (v) Expected Revenue from the proposed Transmission Charges, Non-Tariff Income and Income from Other Business (es).

8. DISPOSAL OF APPLICATIONS

28.1 The Transmission Licensee shall, along with the ARR & FPT petition, submit a statement on the status of compliance with directives, if any, issued by the Commission in its previous tariff order.

8.2 On submission of a complete application accompanied by all requisite information and particulars, the Transmission licensee shall, within 3 (three) working days of an intimation given to him, publish a notice in at least 1 (One) English daily newspaper in English language and 1 (One) Telugu daily newspaper in Telugu language having wide circulation in the area to which the application pertains, outlining the proposed ARR & tariffs, as the case may be, and such other matters as may be stipulated by the Commission, and invite suggestions and objections from the public:

Provided that the Transmission licensee shall make available a hard copy of the complete application to any interested party, at such locations and at such rates as may be stipulated by the Commission:

Provided further that the Transmission licensee shall also place on its website, in downloadable spreadsheet format showing detailed computations, the application made to the Commission along with all regulatory filings, information and documents in the manner stipulated by the Commission:

² Second Amendment vide Regulation No. 7 of 2023 dated 11-10-2023

Provided further that the web link to the information mentioned in the second proviso above shall be easily accessible, archived for downloading and shall be prominently displayed on the Transmission Licensee's website.

Explanation - for the purpose of this Regulation, the term “downloadable spreadsheet format” shall mean one (or multiple, linked) spreadsheet software files containing all assumptions, formulae, calculations, software macros, and outputs forming the basis of the application.

8.3 The Commission shall, within 120 (one hundred and twenty) days from receipt of a complete application for tariff determination and after considering all suggestions and objections received from the public:

(a) issue a Tariff Order accepting the application with such modifications or such conditions as may be specified in that Order;

(b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and Regulations made thereunder or the provisions of any other law for the time being in force:

Provided that an applicant shall be given a reasonable opportunity of being heard before rejecting its application.

8.4 The Transmission Licensee shall publish the tariff approved by the Commission in at least 1 (One) English daily newspaper in English language and 1 (One) Telugu daily newspaper in Telugu language having wide circulation in the area of supply and shall place the approved tariff/tariff schedule on its website.

8.5 The tariffs so published shall be in force from the date specified in the said Order and shall unless amended or revised, continue to be in force for such period as may be stipulated therein. The Transmission Licensee shall raise the bills for the electricity transmitted or services rendered to its users in accordance with the notified tariff.”

9. RESOURCE PLAN

The Transmission Licensee shall for Commission’s approval, file a Resource Plan on 1st April of the year preceding the first year of the Control Period.

- 9.1.** The Resource Plan shall inter alia, contain the Load Forecast and a Transmission Plan (Capital Investment Plan) consistent with the requirements of the Guidelines on Load Forecast and Resource Plan as approved by the Commission from time to time:

Provided that the Resource Plan for the first Control Period may be filed along with the Multi-year filings for ARR of the first Control Period.

- 9.2.** The Commission shall approve the Resource Plan as per the Guidelines on Load Forecast, Resource Plan (Transmission Plan) and the Transmission Licensee shall adopt them in the Multi-Year filings for the Control Period.

10. MULTI-YEAR TARIFF FRAMEWORK AND APPROACH

- 10.1.** The multi-year tariff framework shall be based on the following approach, for calculation of ARR and expected revenue from tariff and charges.

- 10.2.** Base Year: - Values for the Base Year of the Control Period will be determined based on the audited accounts available, best estimate for the relevant years and other factors considered appropriate by the Commission, and after applying the tests for determining the controllable or uncontrollable nature of various items. The Commission will normally not revisit the performance targets even if the targets are fixed on the basis of base values of unaudited accounts.

- 10.3.** Targets: - Targets will be set for items that are deemed by the Commission as “controllable”. Trajectory for specific variables may be stipulated by the Commission where the performance of the applicant is sought to be improved upon through incentives and disincentives.

- 10.4.** Controllable and Uncontrollable items of ARR:- The expenditure of the Transmission Licensee considered as “controllable” and “uncontrollable” shall be as follows:

Transmission Business	
ARR Item	“Controllable”/ “Uncontrollable”
Operation & Maintenance expenses	Controllable
Return on Capital Employed	Controllable
Depreciation	Controllable
Taxes on Income	Uncontrollable
Non-tariff income	Controllable

- 10.5.** Pass-through of gains and losses on variations in “uncontrollable” items of ARR:-
The Transmission Licensee shall be eligible to claim variations in “uncontrollable” items in the ARR for a Control Period in the filings for the subsequent Control Period depending on the availability of data as per actuals with respect to effect of uncontrollable items:

Provided that the Commission shall allow the financing cost on account of the time gap between the time when the true-up becomes due and when it is actually allowed and the corrections shall not be normally revisited.

- 3“10.6 Sharing of Gains/Losses due to variations in “controllable” items of the ARR:** The Transmission licensees shall present variations in each controllable item with detailed reasoning. The aggregate gain/loss of the nth control period (Actuals of 4 years and provisional for 5th year) in controllable items of Transmission Business shall be a pass-through in the ARR of (n+1) control period at the appropriate ratio for each item as decided by the Commission. However, the transmission Licensee shall submit the gains/losses in each controllable item of the Transmission Business for the previous financial year by 30th November of the current financial year through an annual performance petition. The gains/losses in the controllable items of ARR on account of factors that are beyond the control of the Transmission Licensee shall be passed-through to the consumers similar to the uncontrollable items stated in clause 10.5 above.”

³ Second Amendment vide Regulation No. 7 of 2023 dated 11-10-2023

PART – III
PRINCIPLES FOR COMPUTATION OF AGGREGATE REVENUE REQUIREMENT

11. MAIN ITEMS OF ARR

The ARR of the Transmission Licensee (excluding SLDC) for each year of the Control Period shall contain the following items:

- a) Operation and maintenance expenses;
- b) Return on capital employed;
- c) Depreciation;
- d) Taxes on Income;
- e) Corrections for “uncontrollable” items and “controllable” items (indexed to ex parameters); and
- f) Any other relevant expenditure.

12. OPERATION AND MAINTENANCE EXPENSES

12.1. The licensee in its filings for the control period shall submit the consolidated O&M expenses for the Base Year of the Control Period and for the two years preceding the Base Year. The O&M expenses for the Base Year shall be determined based on latest audited accounts, best estimates of Licensee of the actual O&M expenses for relevant years and other factors considered relevant. The O&M expenses for the Base Year, if required, will be used for projecting the expenses for each year of the control period. The Commission will determine the admissible quantum of O&M expenses for each year of the control period on the basis of the following formula:

$$O\&M_{L_0} = 0.3 * O\&M_0 / LL_0$$

$$O\&M_{S_0} = 0.7 * O\&M_0 / SS_0$$

$$O\&M_{L_n} = O\&M_{L_{n-1}} * INDX$$

$$O\&M_{S_n} = O\&M_{S_{n-1}} * INDX$$

$$O\&M_n = O\&M_{L_n} * LL_n + O\&M_{S_n} * SS_n$$

Where,

$O\&M_{L_0}$ is the O&M cost per ckt-km (circuit-kilometers) of EHT (Extra High Tension)

lines for the Base Year of the first Control Period $O\&MS_0$ is the O&M cost per bay of substations for the Base Year of the first Control Period

Note: The O&M cost per ckt-km of lines and per substation bay for the Base Year of second and subsequent Control Periods shall be determined on the basis of actual O&M cost of lines and substations to be filed separately by the Licensee.

$O\&ML_n$ is O&M cost per ckt-km of EHT lines in n^{th} year

$O\&MS_n$ is O&M cost per Bay in n^{th} year

LL_n is the cumulative length of EHT lines in ckt-kms in n^{th} year

SS_n is the number of EHT Substation Bays in n^{th} year

INDX is the Inflation Factor

13.RETURN ON CAPITAL EMPLOYED

13.1.Return on Capital Employed (RoCE) for the RRB for the year ‘i’ shall be computed in the following manner:

$$RoCE = WACC * RRB_i$$

Where,

WACC is the Weighted Average Cost of Capital as fixed by the Commission for the Control period and expressed in terms of percentage;

RRB is the Regulated Rate Base (the asset base) approved by the Commission for each year of the Control period on which the Transmission Licensee shall be entitled to earn a return based on the Commission approved Weighted Average Cost of Capital (WACC).

i: i^{th} year of the Control Period, $i = 1, 2, 3$ for the first Control Period

- The WACC shall be computed in the following manner:

$$WACC = \left\{ \frac{D/E}{1+D/E} \right\} r_d + \left\{ \frac{1}{1+D/E} \right\} r_e$$

Where,

D/E is the Debt to Equity Ratio and shall be determined at the beginning of the Control Period after considering Transmission Licensee’s proposal, previous years’ D/E mix, market conditions and other relevant factors.

r_d is the Cost of Debt and shall be determined at the beginning of the Control Period after considering Transmission Licensee's proposals, present cost of debt, market conditions and other relevant factors.

r_e is the Return on Equity and shall be determined at the beginning of the Control Period after considering CERC norms, Transmission Licensee's proposals, previous years' D/E mix, risks associated with distribution & supply business, market conditions and other relevant factors

The Weighted Average Cost of Capital as determined above shall remain unchanged during the Control Period

- The Regulated Rate Base (RRB) for the purposes of computing the RoCE for a year of the Control Period will be computed in the following manner.

$$RRB_i = RRB_{i-1} + \Delta RAB_i + WC_i$$

Where,

RRB_i : Regulated Rate Base for the i^{th} year of the Control period

ΔRAB_i : Change in the Rate Base in the i^{th} year of the Control Period. This component would be the

Δ average of the value at the beginning and end of the year as the asset creation is spread across a year and is arrived at as follows:

$$\Delta RAB_i = (Inv_i - D_i - CC_i)/2$$

Where,

Inv_i : Investments projected to be capitalised during the i^{th} year of the Control Period and approved.

D_i : Amount set aside or written off on account of Depreciation of fixed assets for the i^{th} year of the Control Period.

CC_i : User Contributions pertaining to the ΔRAB_i and capital grants/subsidies received during i^{th} year of the Control Period for construction of service lines or creation of fixed assets.

RRB_{i-1} : Regulated Rate Base for the financial year preceding the i^{th} year of the Control period and shall be determined on the basis of approved

Capital Investment Plan referred to in clause 14.1 of this Regulation. For the first year of the Control Period, RRB_{i-1} will be the Regulated Rate Base for the Base Year i.e. RRB_0 . The values for the Base Year will be determined based on the latest audited accounts available, best estimates of the actuals pertaining to the relevant years and any other factors considered relevant by the Commission.

$$RRB_0 = OCFA_0 - AD_0 - CC_0$$

Where,

$OCFA_0$: Original Cost of Fixed Assets at the end of the Base Year available for use and necessary for the purpose of the licensed business

AD_0 : Amounts written off or set aside on account of depreciation and advance against depreciation, if any, of fixed assets pertaining to the regulated business at the end of the Base Year

CC_0 : Total contributions pertaining to the $OCFA_0$, made by the users towards the cost of construction of transmission lines by the Transmission Licensee and also includes the capital grants/subsidies received for this purpose, pertaining to the capitalised assets.

- WC_i : Working Capital Requirement in the i^{th} year of the Control Period and shall be considered equivalent of 45 days' Operations and Maintenance expenses as allowed for that year and the carrying cost of maintaining an appropriate inventory level of O&M stores.

14. INVESTMENT PLAN

- 14.1.** The Commission shall adopt the Capital Investment Plan approved as part of the Resource Plan in terms of clause 9 of this Regulation for the purpose of determining the Regulated Rate Base (RRB) at the commencement of the Control Period:

Provided that for the first Control Period, the Transmission Licensee shall file its Capital Investment Plan for the Control Period as part of its Multi-Year Filings for Commission's approval.

- 14.2.** The Transmission Licensee shall seek approval for individual schemes in the Capital Investment Plan at least 90 days before undertaking the investment in

accordance with the Guidelines on Investment Approval. The individual schemes/ projects submitted by the Transmission Licensee for Commission's approval must provide complete details including those relating to the cost and capitalization for each year of the Control Period.

- 14.3.** The Commission may provide corrections to the ARR of the Transmission Licensee for subsequent years of the Control Period to the extent of deviation from the investments approved as part of the Capital Investment Plan. The Transmission Licensee shall justify the deviations beyond 10 percent for each individual scheme/project and any other material deviations from the Capital Investment Plan including introduction of, or substitution of existing schemes / projects by, new scheme/project (s).

15. DEPRECIATION

Depreciation shall be computed in the following manner:

- 15.1.** For each year of the Control Period, depreciation shall be calculated on the amount of Original Cost of the Fixed Assets included in the RRB at the beginning of each year of the Control Period:

Provided that depreciation on assets funded by consumer /user contributions or through any capital subsidy/grant etc shall not be allowed in the revenue requirement of the Transmission Licensee.

- 15.2.** Depreciation allowance for each year of the Control Period shall be determined, generally based on the methodology, rates and other terms as decided by CERC from time to time.
- 15.3.** Depreciation shall be charged from the 1st April of the following year from the date the asset is put to use.

16. TAXES ON INCOME

- 16.1.** Taxes on Income, if any, on the income stream of the licensed business of the Transmission Licensee shall be treated as an expense and shall be recoverable through ARR.

- 16.2.** Taxes on Income actually payable and paid shall be included in the ARR, limited, however, to tax on Return on Equity component of the Return on Capital Employed, and excluding tax on profit, if any, in excess of such return (arising out of any reason, including efficiency of the Transmission Licensee or any explicit incentive provided in the ARR), penalties, interest on delayed payment of tax, etc., and duly adjusted for any refunds, etc. received for the previous periods.
- 16.3.** Tax incidence on income arising out of true-up of cost adjustments of previous year(s) due to un-controllable factors shall also be considered as pass-through, on actual basis, provided the tax so claimed and that already allowed for the year (s) which the true-up relates does not exceed the overall ceiling specified in clause 16.2 adjusted against the tax already provided in the previous year(s).

17. CORRECTIONS FOR “UNCONTROLLABLE” ITEMS AND “CONTROLLABLE” ITEMS AND SHARING OF GAINS/LOSSES OF “CONTROLLABLE” ITEMS

The Transmission Licensee shall file its proposals for pass-through as well as sharing of gains/losses on variations in “uncontrollable” items of ARR and “controllable” items (indexed to external parameters) in accordance with clause 10 of this Regulation.

18. INCENTIVE / PENALTY ON PERFORMANCE PARAMETERS

- 18.1.** An incentive/ penalty as may be determined by the Commission will be applicable for transmission losses. The transmission losses below the approved range shall earn an incentive and such incentive shall be added to the ARR relating to subsequent Control Period. Similarly increase in the actual Transmission losses beyond the approved range shall attract a penalty and such penalty shall be deducted from the ARR relating to subsequent Control Period.
- 18.2.** The Commission may, also, from time to time, specify any other performance parameters, including availability of Transmission System, quality targets, etc for which penalty or incentive may be required to be included in the application for ARR:

Provided that in the event of significant seasonal variations in losses, the Licensee may submit to the Commission the transmission loss levels for corresponding time periods during a year, for approval:

Provided further that the total amount of penalty levied, if any, by the Commission under the above provisions shall not exceed 10% of the Return on Equity.

19. NON -TARIFF INCOME

All income being incidental to transmission business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, income from investments , rents, penalties for over/under-utilization of transmission system and any other miscellaneous receipts from Users, shall constitute Non-Tariff Income.

20 TRANSMISSION TARIFF

- 20.1** ⁴The transmission tariff payable by the users of the Transmission system shall be determined in accordance with the following formula:

$$TR = \text{Net ARR} / (12 * TTC)$$

Where,

TR: Transmission Rate in Rs./kW/month

Net ARR: Net ARR, as determined under clause 8.3.

TTC: Total Transmission Capacity in kW of the Transmission system.

- 20.2** Each Transmission User (including the distribution Licensees) shall have to execute an agreement in terms of the Open Access Regulation duly mentioning, inter alia, contracted capacity with the Licensee. Variations in revenue recovery over approved revenue requirement on account of variations in transmission usage will be adjusted in subsequent Control Period with financing cost at average rate of borrowing during the year to which the variations relate.

21 DETERMINATION OF TARIFF BY BIDDING PROCESS

- 21.1** Notwithstanding anything contains in this Regulation, the Commission shall adopt the transmission tariff if such tariff for any particular transmission system / network or part thereof has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government under section 63 of the Act.

⁴ First Amendment vide Regulation No. 1 of 2019 dated 16-02-2019

PART - IV
MISCELLANEOUS

22 PERIODIC REVIEWS

To ensure smooth implementation of the Multi-Year Tariff (MYT) Framework, the Commission may undertake periodic reviews of Transmission Licensees' performance during the Control Period, to address any practical issues, concerns or unexpected outcomes that may arise, and in general to assess the efficacy of Multi Year Tariff Principles.

23 END-OF-CONTROL-PERIOD REVIEW

23.1 Towards the end of the Control Period, the Commission will seek to review if the implementation of the principles laid down in this Regulation has achieved its intended objectives. While doing so, the Commission will take into account, among other things, the industry structure, sector requirements, consumer and other stakeholder expectations and Transmission Licensee requirements at that point in time. Depending on the requirements of the sector and to meet the objects of the Act, the Commission may revise the principles for the subsequent Control Period(s).

23.2 The end-of-the-first Control Period shall be the beginning for the second Control Period and the Transmission Licensee shall follow the same procedure as specified unless required otherwise by the Commission through appropriate orders /directions. The Commission shall analyze the performance of the Transmission Licensee with respect to the targets set out at the beginning of the second and the each subsequent Control Period and based on the actual performance, expected efficiency improvements and other relevant factors, prevalent, determine the initial values for the next Control Period.

24 POWER TO AMEND

The Commission may, at any time add, vary, alter, modify, delete or amend any provisions of this Regulation.

25 SAVING

25.1 Nothing in this Regulation shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.

25.2 Nothing in this Regulation shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

25.3 Nothing in this Regulation shall, expressly or by implication, bar the Commission from dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, exercise such powers and discharge such functions in a manner it deems fit.

26 ⁵Issue of orders and practice directions:

Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions about the implementation of the Regulation and procedure to be followed and various matters which the Commission has been empowered by this Regulation to specify or direct.

27 Power to Remove difficulties:

If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, by a general or special order, do or undertake or direct the Licensees to do or undertake things which in the opinion of the Commission are necessary or expedient for removing the difficulties.

28 Power to Relax

The Commission may, by general or special order, for reasons to be recorded in writing and after giving an opportunity of hearing to the parties likely to be affected, relax or waive any of the provisions of these Regulations on its own motion or on an application made to it by any interested person.

(BY ORDER OF THE COMMISSION)

**S.SURYA PRAKASA RAO,
SECRETARY**

⁵ Second Amendment vide Regulation No. 7 of 2023 dated 11-10-2023

REGULATION NO. 6 OF 2005

Andhra Pradesh Electricity Regulatory Commission
(Intra-State Electricity Trading) Regulation, 2005

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Intra-State Electricity Trading)

(Regulation No. 6 of 2005)

Introduction

The Electricity Act, 2003, recognizes Trading in electricity as a distinct activity and requires any person intending to trade in electricity, to obtain a licence from the Appropriate Commission u/s 14 of the Act. The Appropriate Commission is also required u/s 52 of the Act to specify the technical requirement, capital adequacy requirement, and creditworthiness for being an electricity trader. The electricity traders are also required to discharge such duties in relation to supply and trading in electricity as may be specified by the Appropriate Commission. Accordingly, this Commission published a draft Regulation on the subject in the A.P.Gazette on 21-08-2004 seeking comments/suggestions from interested persons and also issued a press release on the same day apart from hosting the draft Regulation on its website. The Commission has considered the responses received and finalised the Regulation.

In exercise of powers vested under Section 181 read with Section 52 of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation specifying the eligibility criteria for grant of intra-State trading licence, the duties of the electricity trader and other related matters:

1. Short title, extent and commencement

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Intra-State Electricity Trading) Regulation, 2005,
- (ii) This Regulation shall be applicable to any person engaged in intra-State trading of electricity, within the territory of the State of Andhra Pradesh:

Provided that clauses 3,4,5, 6.3, 6.5 and 6.7 of this Regulation shall not be applicable to distribution licensees including persons mentioned in provisos 3, and 5 to Section 14 of the Act and the persons granted exemption from the requirement of obtaining a licence under Section 13 of the Act when they undertake intra-State trading.

- (iii) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.

2. Definitions and interpretation

(i) In this Regulation, unless the context otherwise requires:

- (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "Agreement" means agreement(s) entered into by the electricity trader with the seller of electricity, buyer of electricity, other licensees etc., that enable(s) the trading transactions;
- (c) "Applicant" means a person who has made an application to the Commission for grant of licence for intra-State trading in electricity;
- (d) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- (e) "Conduct of Business Regulations" means the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, as amended from time to time;
- (f) "Customer" means any person purchasing electricity from the trader and includes distribution licensee, any other Trader and any consumers;
- (g) "Grid Code" means the State Grid Code approved by the Commission under clause (h) of sub-section (1) of Section 86 of the Act or deemed to have been approved under Section 172 (b) of the Act, as the case may be.
- (h) "Intra-State trading" means purchase of electricity and its resale within the State of Andhra Pradesh;
- (i) "Licence" means a licence granted under Section 14 of the Act to undertake intra- State trading in electricity as an electricity trader;
- (j) "Net worth" at any point in time is defined as Paid-up capital (including Share Premium) *plus* Free Reserves (exclusive of intangible assets and revaluation, if any) minus Deferred Revenue Expenditure.

- (k) "Other Business" means any business of the trader other than the licenced business of intra-State trading;
- (l) "Quarter" means a three-month period starting from 1" day of April, July, October or January and ending respectively on the last day of June, September, December or March of a financial year;
- (m) "State" means the State of Andhra Pradesh.
- (n) "State Act" means the A.P. Electricity Reform Act, 1998 (No. 30 of 1998).
- (o) "Trader" means a person who has been granted a licence under this Regulation for undertaking intra-State trading, and Distribution Licensees including the persons mentioned in provisos 3 and 5 to Section 14 and those granted exemption from the requirement of obtaining the licence under section 13 of the Act when they undertake intra-State trading;
- (ii) Words and expressions used in this Regulation but not defined, unless the context otherwise requires, shall have the same meaning as assigned to them in the Act.
- (iii) This Regulation shall be read in conjunction with the Conduct of Business Regulations and the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (No.2 of 2005).

3. Technical requirements to qualify as an Electricity Trader

3.1 The applicant must have at least the following resources:

- (1) Experts and skilled staff with relevant qualifications and experience and having knowledge of (a) Power system operations, and (b) Finance and commerce;
- (2) Adequate office area with adequate communication facilities like telephone, fax, computer, and internet facilities; and

(3) A website of his own to post all necessary information about his electricity trade.

3.2. The applicant shall submit along with the application, the following information to the Commission for assessment of his technical capability with regard to the resources deployed as outlined in sub-clause 3.1:

(1) number of experts, summary of their educational qualifications and experience in and knowledge of electricity industry/market as well as understanding of the operation of the system and commercial transactions, and number of years of experience of each personnel;

(2) details of key staff, their educational qualifications and business skills; and

(3) details of office and communication facilities and website.

The aforesaid information shall be filed along with the supporting documents.

3.3. The applicant shall justify to the satisfaction of the Commission that the technical capability and resources exhibited by the applicant are adequate to manage the intended volume of intra-State trading.

3.4. The applicant shall comply with the technical requirements when applying for the licence for intra-State trading:

Provided that the Commission may grant the intra-State trading licence to the applicant subject to the trader furnishing the details and exhibiting compliance to the technical requirements, in accordance with clauses 3.1 and 3.2 above, before undertaking the intra-State trading.

4. Financial requirements to qualify as an Electricity Trader

4.1. At the time of application, the applicant shall submit to the Commission the applicant's earnings history, balance sheet, cash flow, funding arrangements and risk management strategy which will demonstrate that the applicant has met the net worth requirement as per clause 4.3 of this Regulation.

4.2. The financial requirements shall be complied with before applying for the licence for intra-State trading.

4.3. The net worth requirement of the electricity trader/applicant at any time shall not be less than the following amounts:

Category of the trading licence	Annual volume of electricity to be traded	Net worth requirement (in. Rs. Crores)
A	Upto 50 MU	1.00
B	Greater than 50 MU and upto 100 MU	1.50
C	Greater than 100 MU and upto 200 MU	3.00
D	Greater than 200 MU and upto 300 MU	4.50
E	Greater than 300 MU and upto 400 MU	6.00
F	Greater than 400 MU and upto 500 MU	7.50
G	Greater than 500 MU	10.00

Provided that the licensee shall increase his net worth if the volume of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded as on 31st March of each year, and of which the licensee shall keep the Commission informed of his moving from one category to the other and subsequent changes in the net worth.

5. Procedure for grant of licence for intra-State trading

The procedure for grant of licence to an intra-State electricity trader by the Commission shall be governed by this Regulation read with the provisions of the Conduct of Business Regulations (CBR) in force. In case of any variations between the two, the provisions of this Regulation shall prevail insofar as the licencing for intra-State trading is concerned.

5.1. Application for Licence

- (1) Any person intending to engage in the business of Trading in electricity in the State of Andhra Pradesh, shall apply to the Commission for the grant of licence in the form and manner directed by the Commission and accompanied by such fees as may be prescribed for this purpose.
- (2) The General Conditions subject to which the licence shall be issued are contained in Appendix 3 to this Regulation and the Licensee

shall be bound by such conditions, except to the extent specifically exempted by the Commission.

- (3) The General Conditions specified in Appendix – 3, shall apply to all applicants for grant of Trading Licence including the deemed Licensees under provisos third and fifth to Section 14 of the Central Act (4).
- (4) The Commission may, in addition to the General Conditions, decide on the Specific Conditions subject to which licence shall be issued to the applicant.
- (5) Any person intending to apply for a licence shall duly comply with the conditions and requirements laid down by the Commission, in this Regulation.
- (6) The application for Licence shall be made in accordance with the provisions of the Act, the State Act and this Regulation and in the form enclosed as Appendix -2 to this Regulation and shall be supported by affidavit of the authorized person.
- (7) The application for Licence shall be accompanied by documents and particulars required to be provided as per Part-B of the application form (Appendix-2).
- (8) The application for Licence shall specifically contain the deviations, if any, proposed, from the General Conditions of Licence as contained in Appendix 3 to this Regulation and reasons in support thereof.
- (9) The Applicant shall duly fulfill the conditions of technical requirement, capital adequacy requirement and creditworthiness and further shall agree to discharge such duties as specified in this Regulation.
- (10) The application, along with all annexures and enclosures thereto, shall be submitted to the Commission in hard copy as well as in electronic form.

5.2. Acknowledgment of application: On receipt of the application, the Receiving Officer of the Commission shall note thereon the date of its receipt and shall send to the applicant an acknowledgment stating the date of receipt.

5.3. Facilitating public inspection of documents etc :

- (1) The applicant shall maintain at his office and at such other place as may be designated by the Commission, the copies of the application and the documents accompanying the application, referred to in Appendix 2, for public inspection and furnish to persons applying for them the copies thereof at a price not exceeding the normal photocopying charges
- (2) The applicant shall post complete application along with annexures and enclosures thereto on his website.

5.4. Calling for additional information:

The Commission or its Secretary or any Officer designated for the purpose by the Commission may, upon scrutiny of the application, require the applicant to furnish, within a specified period, such additional information or particulars or documents as the Commission may consider necessary for the purpose of processing the application.

5.5. Publication of notice of application:

- (1) The applicant shall within 7 days after making such application, publish a notice of his application along with the particulars as mentioned in Appendix 1, in at least two English daily newspapers including one financial newspaper in English and two Telugu newspapers in Telugu having wide circulation within the State.
- (2) The publication shall be headed by a short title corresponding to that given in the application and shall give the addresses of the offices at which the application and the documents accompanying it can be inspected and the copies of same can be purchased and shall also

state that any person, desirous of making any representation or objections with reference to the said application, to the grant of licence may do so by letter addressed to the Secretary to the Commission, with a copy to the applicant, within thirty days from the date of publication.

- (3) The applicant shall endeavour to publish the aforementioned notice in all the newspapers simultaneously, on the same day. In case the notice is published on different days in different newspapers, the date of last published notice will be deemed to be the date of publication of the notice.

5.6. Objections

- (1) Any person intending to object to the grant of the licence shall file objections with the Secretary to the Commission, with a copy to the applicant within thirty (30) days from the date of publication of the notice by the applicant.
- (2) The Commission will post all the objections received in response to the said publication, on its website.

5.7. Applicant's response to the objections:

The applicant shall file his comments, if any, to the Commission on the objections or suggestions received in response to the notice, within 45 days from the date of publication of the notice. The applicant can also access the objections through Commission's website.

5.8. Grant of Licence:

- (1) The applicant shall within 7 days from the date of publication of the notice as aforesaid submit to the Commission, on affidavit, the details of the notice published along with the copies of the newspapers in which the notice is published.
- (2) After the applicant has published of the notice of the application and after considering the objections received, if any, the Commission may decide, provisionally, to grant or refuse the licence and if it decides to

grant the licence it may do so on such specific terms and conditions and with such modifications to the general conditions as the Commission may decide.

(3) When the Commission decides to grant the Licence, the Commission shall publish notice informing the name and address of the person to whom it intends to grant the Licence and other details as considered necessary and seek suggestions/objections from public and also indicate a date for hearing those who desire to be heard in person.

(4) After considering all suggestions/objections and after hearing those desiring to be heard in person, the Commission may finally decide either to grant or refuse the Licence.

(5) If the Commission grants the Licence, the Secretary of the Commission shall immediately after issue of a licence, forward a copy of the licence to the State Government, Central Electricity Authority, Central Electricity Regulatory Commission, and to such other persons as the Commission considers necessary.

5.9. Refusal of Licence:

If the Commission is not inclined to grant the Licence, the Commission shall give an opportunity to the Applicant for being heard in person before rejecting the application.

5.10. Date of commencement of licence:

The licence shall commence from the date the Commission may direct as the date of commencement of Licence.

5.11. Revocation of a Licence:

(1) The proceedings for revocation of a Licence and/or for issuing any other orders under section 19 of the Act and /or Section 18 of the State Act shall be initiated by the Commission by means of an order. The Commission may initiate such proceedings suo-motu or on application of the licensee or on receiving any complaint or information from any person.

- (2) The Commission shall give notice of the proceedings for the revocation of the licence to the licensee and to such other person, authority or body as the Commission may consider appropriate.
- (3) Subject to the provisions of the Act and the State Act, and the procedure prescribed therein, the inquiry by the Commission for revocation of the *licence*, insofar as it is applicable, shall be in the same manner as provided in the Conduct of Business Regulations in force.
- (4) If the Commission decides to revoke the licence, the Commission shall communicate the order of revocation to the licensee stating the date from which such revocation shall take effect.
- (5) The Commission may instead of revoking the licence pass any other order imposing such terms or conditions subject to which the Licensee is permitted to operate thereafter.

5.12. Amendment of the licence:

- (1) The application for amendment to the terms or conditions of the licence may be made by the Licensee in the form of a petition as provided for in the Conduct of Business Regulations in force, duly accompanied by a statement of the proposed amendments and the applicable fee.
- (2) The applicant shall, within seven days from the date of the application for amendment, publish a notice giving a brief statement of the amendment(s) proposed, the reason for the proposed amendment(s), the effect of the amendment(s) proposed on the discharge of the functions of the Licensee under the Licence granted, the alternate arrangement, if any, proposed for discharge of such functions and such other particulars as the Commission may direct.
- (3) The publication under sub-clause (2) above shall give the addresses of the offices at which the application for amendments can be inspected and the copies of documents can be purchased and shall state that every local authority, utility or person, desirous of making

any representation with reference to application to the Commission, may do so by letter addressed to the Secretary to the Commission within thirty days from the date of publication.

- (4) In the event the Commission proposes to amend the terms or conditions of the Licence granted to a licensee, suo motu, the Commission shall publish a notice of the proposed amendment(s) giving a brief statement of the amendment (s) proposed, the reason for the proposed amendment (s), the effect of the amendment (s) proposed on the discharge of the functions of the Licensee under the Licence granted, the alternate arrangement, if any, proposed for discharge of such functions and such other particulars as the Commission may consider appropriate.
- (5) Unless otherwise decided in writing by the Commission, the procedure specified in this Regulation for grant of licence, insofar as it can be applied, shall be followed while dealing with an application for amendment of the licence.

6. Duties and obligations of an Electricity Trader

6.1. Duties relating to trading transactions

- (1) The trader shall have in place all agreements for the purchase and sale of electricity, and any necessary related authorisations and arrangements as required for the discharge of his obligations under the Licence. Necessary safeguards with regard to supply of electricity through trading, or payment for electricity traded shall be included in the agreements between the parties.
- (2) The trader shall have in place the open access agreements with each transmission licensee and distribution licensee concerned for the conveyance of electricity, unless the trader's customer or power supplier has entered into such access agreements,
- (3) Such agreements shall inter-alia provide that the energy exchanges, billing and payment shall be as per the Billing and Settlement Code to be approved by the Commission under Regulation No.2 of 2005 referred to in clause 2 (iii) above.

- (4) The trader shall have in place a well-structured payment security mechanism, i.e., through letters of credit or any other superior instrument mutually acceptable to the parties concerned.
- (5) The trader shall maintain an up-to-date register or record of his customers and all the business transactions.

6.2. Duties relating to supply to consumers

- (1) The trader shall be responsible to the Commission, the consumers and others concerned in the matter of supply of electricity to his consumers notwithstanding the default of Distribution Licensee, if any.
- (2) The trader shall always keep in his office an adequate number of copies of the updated Electricity Supply Code and the Terms and Conditions of Supply and shall, on demand, sell such copies to any applicant at a price not exceeding the normal photocopying charges.

6.3. Technical resources, Capital adequacy and Creditworthiness

- (1) The trader shall maintain the technical resources specified in clause 3 and provide to the Commission the details of any changes justifying that the capability is, and continues to remain, adequate to cater to the volume of his trade.
- (2) If the trading volume of the trader exceeds the specified volume of trade in any financial year then the trader shall immediately the Commission of his moving to the higher category and increase his net worth to the applicable level as specified in clause 4.3 and pay the balance license fee prorated for the rest of the year by the following 30th April.
- (3) In case of non-reporting of such an event, the Commission may levy penalty on the trader in terms of Section 142 of the Act, in addition to levy of late payment surcharge / interest for non-payment / delayed payment of the additional licence fee due from the Trader as per sub-clause (2) above, in the manner and at the rate specified in clause 6.5(2), apart from suspension of his licence.

- (4) The trader shall make reasonable endeavours to maintain investment grade credit rating (obtained from a leading independent Credit Rating Agency) for all debts throughout the period they remain on the books of the trader:

6.4. Compliances and information submission

- (1) At the end of every quarter, the trader shall provide information to the Commission in such form and manner as may be directed by the Commission from time to time to demonstrate that he has complied with the net worth criteria mentioned in clause 4.3 of this Regulation.
- (2) The trader shall comply with Regulations, codes, orders and directives such as Regulations on phasing of open access in electricity distribution, standards of performance, supply code, billing code, and balancing and settlement code, etc.
- (3) The trader shall furnish to the Commission such information as may be required to monitor the trader's performance, compliance with the terms and conditions of the licence and any other legislative or regulatory requirement.
- (4) The trader shall comply with any direction issued by the State Load Dispatch Centre (SLDC).
- (5) The trader shall provide data and his business plan to the Commission, the State Transmission Utility and the SLDC, annually, as well as on request.
- (6) The trading margin, if any, fixed by the Commission under Section 86 (1) (j) of the Act for the intra-State trading shall be applicable to the trader.
- (7) To enable the Commission to determine the trading margin, the trader shall file the details in such form and in such manner as may be required by the Commission from time to time.

- (8) The trader shall as soon as practicable report to the Commission: (a) any significant changes in his circumstances which may affect the trader's ability to meet his obligations under the Act, the State Act, rules and regulations directions/orders issued by the Commission, the Grid Code, agreements or the licence; (b) any material breach of the provisions of the Act, the State Act, rules and the regulations, directives/orders issued by the Commission, the Grid Code, agreement or the licence; and (c) any major change in shareholding pattern, ownership or management of the trader.

6.5. Payment of Annual Licence Fee

- (1) The trader shall pay to the Commission the following non-refundable annual (April to March) licence fee by means of a demand draft/pay order drawn on Hyderabad branch of a scheduled bank in favour of the Secretary, Andhra Pradesh Electricity Regulatory Commission, Hyderabad:

Category of the Trading License	Annual Volume of electricity to be traded	Annual Licence fee
A	Upto 50 MU	Rs. 50,000
B	Greater than 50 MU and upto 100 MU	Rs. 75,000
C	Greater than 100 MU and upto 200 MU	Rs. 1.00 Lakh
D	Greater than 200 MU and upto 300 MU	Rs. 1.50 Lakhs
E	Greater than 300 MU and upto 400 MU	Rs. 2.00 Lakhs
F	Greater than 400 MU and upto 500 MU	Rs. 2.50 Lakhs
G	Greater than 500 MU	Rs. 3.00 Lakhs

- (2) Such fee for the first year or a part thereof shall be paid before the commencement of operations, provided that for a part of the year, the licence fee shall be payable pro rata on the basis of number of days.
- (3) The licence fee for the subsequent years starting from the first day of April, shall be paid in full before the start of the year. In case the trader fails to pay the licence fee or a part thereof in time, the trader

shall be liable to pay late payment surcharge / interest on the outstanding amount at the rate of 1.25% of the licence fee payable per month or a part of the month, for the period the licence fee or any part thereof remains unpaid.

- (4) Notwithstanding the liability of the trader to pay the late payment surcharge as aforesaid, the delay in payment of licence fee or a part thereof, shall be construed as breach of the terms and conditions of the licence rendering the licence liable to be revoked on this ground alone.

6.6. Accounts of the Electricity Trader

- (1) The trader shall maintain separate accounts for his intra-State trading business and prepare the same in accordance with the guidelines issued by the Commission and till such time these guidelines are issued by the Commission, the accounts shall be maintained in accordance with the provisions of the Companies Act, 1956, as amended from time to time.
- (2) The trader shall prepare on a consistent basis from such records accounting statements for each financial year comprising a profit and loss account, a balance sheet and a statement of sources and application of funds together with notes thereto and showing separately the amounts of any revenue, costs, assets, liabilities, reserves or provisions which have been:
- (a) Charged from or to any other business together with a description of the basis of that charge, and / or
 - (b) Determined by apportionment or allocation between the various business activities together with a description of the basis of the apportionment or allocation.
- (3) The trader shall provide, in respect of the accounting statements prepared in accordance with foregoing clauses, a report by the Auditors in respect of each financial year, stating whether in their opinion the statements have been properly prepared and give a true

and fair view of the revenue, costs, assets, liabilities, reserves and provisions reasonably attributable to the trading business.

- (4) The trader shall submit to the Commission copies of the accounting statements and Auditor's report thereon not later than six months after the close of the financial year to which they relate.
- (5) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the trader and the trader shall render all necessary assistance to such person.

6.7. Prohibitions

- (1) The trader shall not engage in the business of transmission of electricity.
- (2) The trader shall not, without prior approval of the Commission assign or transfer his licence to any person, by sale, lease, exchange or otherwise.

6.8. Wherever prior approval of the Commission is required, the trader shall file an appropriate application before the Commission, in accordance with the Conduct of Business Regulations.

7. Contravention of terms and conditions of licence

The Commission may pass such orders as it deems fit in accordance with the provisions of the Act, State Act and this Regulation if there is a contravention or the likelihood of a contravention of the terms and conditions of licence by the Licensee.

8. Power to amend

The Commission may, at any time, add, vary, alter, modify, amend or suspend any provisions of this Regulation.

9. Dispute resolution

In case of any dispute or complaint in respect of supply, the consumers shall be

entitled to approach the concerned Forum for Redressal of Grievances of Consumers, and any appeal thereon shall lie with the Vidyut Ombudsman, in accordance with A.P.Electricity Regulatory Commission (Forum for redressal of Grievances of consumers and Vidyut Ombudsman) Regulation, 2004 (No.1 of 2004).

10. Issue of orders and practice directions

Subject to the provisions of the Act, the State Act and this Regulation, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of this Regulation, the procedure to be followed etc., and other matters, which the Commission has been empowered by this Regulation to specify or direct.

11. Power to remove difficulties

In case of any difficulty in giving effect to any of the provisions of this Regulation, the Commission may remove such difficulty by general or special order, not being inconsistent with the provisions of the Act, as may appear to be necessary for the purpose of removing the difficulty.

- 12. Saving:** Nothing contained in this Regulation shall affect the rights and privileges of a consumer under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).

(BY ORDER OF THE COMMISSION)

S.SURYA PRAKASA RAO
Secretary

APPENDIX - 1

- (1) Name of the applicant in bold at the top clearly bringing out whether the applicant is an individual, a partnership firm, private limited company or a public limited company incorporated under the Companies Act, 1956, giving full particulars of its office address, and the registered office address in case of a Company incorporated under the Companies Act, 1956.
- (2) A statement that the applicant has made an application for grant of licence for intra-state trading under sub-section (1) of Section 15 of the Act, to the Andhra Pradesh Electricity Regulatory Commission.
- (3) Shareholding pattern, technical and financial strengths and management profile of the applicant.
- (4) Volume of power intended to be traded during the first year after grant of licence and the future plans for trading during the next 5 years.
- (5) Details of past experience of the applicant and the personnel under his employment and control in same or similar activity.
- (6) Geographical areas within which the applicant shall undertake trading in electricity as stated in the application made to the Commission
- (7) A statement to the effect that the application and other documents filed before the Commission from time to time, are available for inspection with the applicant by any person.
- (8) Name, address and other relevant details of the person, under the control of the applicant, with whom the application and documents are kept for inspection by any person.
- (9) A statement to the effect that complete application is available on the website of the applicant along with the website address.
- (10) Specific mention that objections, if any, to the grant of licence to the applicant be filed with/sent to the Secretary, Andhra Pradesh Electricity Regulatory Commission, with a copy to the applicant within 30 days from the date of publication of the notice.

APPENDIX -2

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Application form for the grant of intra-state Trading Licence in the State of Andhra Pradesh

The applicant must submit the completed application in six (6) copies to the Secretary, APERC, 11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Khairatabad, Hyderabad 500004, along with application fee of presently Rs.30,000 (Rupees thirty thousands only) as prescribed by Government of Andhra Pradesh vide G.O.Ms.No.48, Energy (PR – III) Dept., dated 22-03-2004 under section 15 of the Electricity Act, 2003 in form of a DD drawn in favour of Secretary, APERC, payable at Hyderabad.

PART-A: GENERAL INFORMATION ON APPLICANT

1. Details of Applicant

- a. Full name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation & Address of the Contact person :
- d. Contact Telephone Numbers :
Fax Number(s) :
Email ID :

2. Details of Ownership

- a. Company / Firm/ Co-Op Society / Individual / Others (Specify) :
- b. Particulars of Incorporation / Registration
Place of Incorporation / :
Registration
Year of Incorporation / :
Registration

Registration Number :

- c. Names and Address of Directors :

3. Principal Shareholders / Partners / Members :

4. (a) Details of the area of operation :
- (b) Nature of other electricity Licenses /
authorisation, if any, of the applicant
for electricity transmission,
distribution or trading already granted :
5. Details of Operation :
Maximum trading volume proposed to be
undertaken by the applicant on a
monthly basis for the first five years
- 6 Funding arrangements (Sources and
application) to meet the obligations :
- 7 Arrangement for purchase of energy :
- 8 Arrangement, if any, proposed with other
existing licensees
- a. Resume of the Organisation with
details of :
- b. Management capability :
- c. Financial strength :
- d. Ability to attend to the activities
activities in a sustainable manner :
9. Prior experience (Past 5 Years' details for
related business) :

[To be filled in by the applicant or by
each participant separately in case of
JVC/consortium (as applicable)]

General Information	
Name & Address of the Project(s) developed	
Brief description of project(s) developed	
Cost of the Project(s) developed - Rs. Lakhs	
Name(s) & Address (s) of the client (s) for whom the projects (s) were developed	
Name(s), Designation (s) & Address(es) of reference persons of client(s)	

10. Financial entails of other business ventures of the applicant

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (as applicable)]

General Information	
Names of Subsidiary Business Units	Products manufactured / services provided
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

Financial Indicators	Year 1	Year 2	Year 3	Year 4	Year5
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government / Financial Institutions Public Others (Specific)					
Liabilities Long Term Short Term					
Income: Sale of Power Others					

Expenses Admin. & General Expenses Repairs & Maintenance expenses Employee Costs Interest & Financial Charges Long Term Short Term Others					
Overall turnover (Rs. Lakhs)					
Profits & Returns (Rs. Lakhs) Net profits Dividends Paid					
Operating Ratios Return on Equity Return on Capital Employed Return on Net Fixed Assets					
Liquidity Ratio Debt service coverage Ratio Current Ratio Quick Ratio					
Capital Adequacy & Creditworthiness Debt / Networth Debt / Equity					
Turnover Ratio Total Asset Turnover Fixed Asset Turnover					

11. Baseline Information (Business for which Licence is sought)

General Information	

PART B LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION

1. Information relating to pre-existing licence (if any), with copy of licence / sanction
2. Copies of Company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents.
3. Certification of incorporation/registration.
4. Certification for commencement of business.
5. Original Power of Attorney of the Signatory to commit the Applicant or its Promoters.
6. Details of Income Tax registration.
7. 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 Annual Financial Statements (Balance Sheet)
 - iii. Annual Audited Accounts for the past 3 years for the Applicant and any Holding Company, Subsidiary or affiliated company
 - iv. Any accompanying notes and certifications on the above statements from reputable chartered accountant
 - c. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.

8. Data relating to the Applicant's Business proposals
9. Five-year Business Plan (with projections) for the proposed business for which the application relates
10. Five-year annual forecasts of costs, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)
11. An affidavit that the Applicant is not engaged in the business of transmission of electricity

Date:

Signature of the Applicant

APPENDIX - 3
GENERAL CONDITIONS OF TRADING LICENCE

1. DEFINITIONS

1.1 Unless the context otherwise requires:

"Accounting Statement" means for each financial year, accounting statements for the Licensed Business comprising a profit and loss account, balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the Trading Licensee engages in any business or activity in addition to the Licensed Business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of Other Business of Trader and show specifically the amounts of any revenue, costs, assets, liabilities, reserves or provisions, which have been either:

- (a) charged from the Licensed Business to any Other Business or vice versa together with a description of the basis of that charge; or
- (b) determined by apportionment or allocation between the Licensed Business and any Other Business of the Trader together with a description of the basis of the apportionment or allocation.

"Annual Accounts" means the accounts of the Trader prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act;

"Area of Activity" means the area of activity stated in the Trading Licence within which the Trader is authorised to trade;

"Auditors" means the Trader's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619, as appropriate, of the Companies Act 1956 (1 of 1956);

"Authorised", in relation to any Person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the

first, second, third and fifth provisos to Section 14 of the Act or exemption granted under Section 13 of the Act;

"Act" means the Electricity Act, 2003 (36 of 2003)

"Central Commission" means the Central Electricity Regulatory Commission set up under section 76 of the Act.

"Commission" means the Andhra Pradesh Electricity Regulatory Commission;

"Deemed Licensee" means a person authorised under the first, second, third and fifth proviso to section 14 of the Act.

"Force Majeure" means events beyond the reasonable control of the Licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that lead to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;

"Grid Code" means the State Grid Code approved by the Commission, under clause (h) of sub-section (1) of Section 86 of the Act or deemed to have been approved under section 172(b) of the Act, as the case may be.

"Licence" means the licence under section 14 of the Act under which the Licensee is authorised to conduct the Licensed Business;

"Licensed Business" means the business of Intra-state Trading in electricity in the State as authorised under the licence;

"Other Business" means business of the Trader other than the Licensed Business;

"Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;

"Regulations" means the regulations made by the Commission, under the provisions of the Central Act or the State Act;

"Specific Conditions" means the conditions in addition to or in variation of the General Conditions, which the Commission may lay down, specifically for a Trader;

"State" means the State of Andhra Pradesh;

"State Act" means the Andhra Pradesh Electricity Reform Act, 1998 (Act No 30 of 1998) to the extent the provisions of the said Act are not inconsistent with the Central Act;

"State Government" means the Government of the State of Andhra Pradesh;

"Trading Business" means the Authorised business of a Trader;

"Trader" means the person who has been granted a Licence under section 14 of the Act for undertaking intra-state Trading and shall include a Deemed Licensee for the purpose;

"Transmission Licensee" means the entity, which has been granted a Transmission Licence or is a deemed Licensee under the first, second, third or fifth proviso of Section 14 of the Act authorised to transmit electricity;

"Transfer" shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist.

1.2 Words, terms and expressions not defined herein but to which meanings are assigned by the Central Act shall have the meanings as assigned to them in the Act.

2. TERM:

2.1 The Trading Licence shall come into force on the date specified by the Commission in the order granting the licence and subject to the terms and conditions of the grant of licence, shall remain in force for the period mentioned in the Order

3. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

- 3.1 The Trader shall comply with the provisions of the Central Act, State Act, Rules, Regulations, orders and directions issued by the Commission from time to time and all other applicable laws.
- 3.2 The Trader shall act in accordance with these General Conditions except where the Trader is exempted from any provisions of these general conditions at the time of the grant of licence or otherwise specifically obtains the approval of the Commission for any deviation therefrom.
- 3.3 The Trader shall duly comply with and undertake the activities consistent with the Grid Code, Distribution Code, Regulations and other codes and standards, order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

4. ACTIVITIES OF THE TRADER

- 4.1. The Trader may engage in the business of trading in electricity in the State: Provided that in the event of sale or supply of electricity to consumer besides others the sales by the Trader shall be subject to payment of surcharge to meet the current level of cross-subsidy as provided in sub-section (2) of section 42 of the Central Act.
- 4.2. The Trader should have in place all agreements for the purchase and sale of electricity, and all necessary authorisations as required by the Trader to be able to perform its obligations under such agreements.
- 4.3. The Trader shall not undertake transmission of electricity to any Person in the State.
- 4.4. The Trader shall have in place the necessary agreements with the Transmission Licensees and Distribution Licensees for the transmission or wheeling of electricity, as the case may be.
- 4.5. The Trader shall not without the prior approval of the Commission;
 - (a) undertake any transaction to acquire by purchase or takeover or

- otherwise, the utility of any other Licensee;
- (b) acquire any beneficial interest in any Generating Company or Generating Station; or
- (c) engage in the business of electricity distribution
- 4.6. The Trader shall have in place Billing and Settlement Agreements between him and supplier(s) of energy including the generating companies; or between him and other Licensees, who are purchasers of electricity and also between him and the customers, who are traders or consumers.
- 4.7. The Trader shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the Licenced Business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.
- 4.8. The Trader shall not at any time transfer or assign his License in any manner without the prior approval of the Commission.
- 4.9. If the contract of the Trader with his customer is for a fixed term, then prior to the expiry of the fixed term, the Licensee shall inform the customer as to when the expiry will occur and the tariffs and terms and conditions applicable to the customer beyond the expiry of the contract if the arrangement is continued.
- 4.10. The Trader shall maintain an up-to-date register or record of all the business transactions.
- 4.11. The Trader supplying electricity to the consumers shall have to comply with the performance standards and compensation to be paid on violation thereof, as specified by the Commission.

5. ACCOUNTS

- 5.1. Unless otherwise permitted by the Commission, the financial year of the Trading Licensee for the purposes of these General Conditions and matters relating to the Licensed Business shall run from the first of April in a year

to the thirty-first of March in the succeeding year.

5.2. The Trader shall, in respect of the Licensed Business and any Other Business engaged in by the Trader:

- (a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Trader from those of Other Business in which the Trader may be engaged;
- (b) prepare on a consistent basis from such accounting records and deliver to the Commission the Accounting Statement, namely,
 - (i) in respect of the first six months of each financial year, a half-yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may direct from time to time. Such statements and documents shall be published in the manner directed by the Commission;
 - (ii) in respect of the Accounting Statements prepared, an Auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and
 - (iii) a copy of each half-yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate.

- 5.3. The Trader shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards or Rules and any guidelines issued by the Commission in this regard.
- 5.4. Where, in relation to the Accounting Statements in respect of a financial year, the Trader has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Trader shall, if requested by the Commission, (in addition to preparing Accounting Statements on those bases which it has adopted), prepare such Accounting Statements on the basis which it applied in respect of the immediately preceding financial year.
- 5.5. The Accounting Statements under clause 5.2. above shall, unless otherwise approved or directed by the Commission:
- (a) be prepared and published with the Annual Accounts of the Trader, in the manner provided in these General Conditions or in the Specific Conditions;
 - (b) state the accounting policies adopted;
 - (c) be prepared in accordance with generally accepted Indian accounting standards; and
 - (d) be prepared in the form as the Commission may stipulate from time to time;
- 5.6. The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation and capital liabilities which do not relate principally to such Business and interest thereon.

- 5.7. The Trader shall ensure that the Accounting Statements in respect of each financial year prepared under clause 5.2. and the Auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any Person requesting them at a price not exceeding the reasonable cost of duplicating them.

6. FURNISHING OF INFORMATION TO THE COMMISSION

- 6.1 The Trader shall furnish to the Commission without undue delay such information, documents and details related to the Licensed Business or any Other Business of the Trader, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the State Transmission Utility, the State Load Dispatch Centre, the Central Commission and/or the Central Electricity Authority. The Trader shall duly maintain the information as the Commission may direct under section 128 of the Central Act.
- 6.2 The Trader shall within 3 months of the end of each financial year submit to the Commission a report indicating the activities undertaken during such financial year. The Trader shall, if so required by the Commission, publish a summary of the report in a manner approved by the Commission.
- 6.3 The Trader shall duly inform the Commission about any incident restricting it from meeting its obligations under the licence including any act of omission or commission by others and steps taken by the Trader to mitigate the effect of such incident. The Trader shall notify the Commission as soon as possible the occurrence of any other incident which materially affect any part of its Trading activities, and
- (a) by not later than two months from the date of such occurrence submit a report to the Commission giving full details of the facts within the knowledge of the Trader regarding the incident and its cause; and
 - (b) if the Licensee requires more time to prepare the above said report, then furnish and state reasons as to why it requires more than two months for giving full report of such incident.

- 6.4 The Commission may by order, after providing an opportunity of hearing direct the Trader to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the Trader.
- 6.5 The Trader shall also undertake such studies as the Commission may direct it to undertake from time to time in regard to the trading activities and any other matter concerning the Trading Business that the Commission considers necessary in the public interest. The Commission at its own discretion may require the submission of a report to be prepared by an independent person on the activities of the Trader at the cost and expense of the Trader.

7. CAPITAL ADEQUACY AND CREDIT WORTHINESS

- 7.1 The Trader shall duly comply with the Regulations, Guidelines, Directions and Orders the Commission may issue from time to time in regard to the technical and financial parameters and norms to be maintained at all times by the Trader.
- 7.2 The non-maintenance of the technical and financial parameters as per sub-clause (1) above shall amount to a material breach of the obligations of the Trader.

8. PAYMENT OF LICENCE FEES

- 8.1. Within such period as the Commission may direct, the Trader shall pay to the Commission the Licence Fees, initial and also periodic, mentioned in the Specific Condition and in such manner as the Commission may direct in the said Specific Condition
- 8.2. Where the Trader fails to pay to the Commission any of the fees due under clause 8.1 by the due dates:
- (a) without prejudice to other obligations, the Trader shall be liable to pay simple interest on the outstanding amount at the rate of 1.25 percent per month, the interest being payable for the period

beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) In the event of continued default by the Trader, the Commission may revoke the Trading Licence.

8.3. The Trader shall be entitled to take into account any fee paid under this clause 8 excluding however any interest paid for delayed payment, as an expense in the determination of aggregate revenues to be charged to the Tariffs.

9. TERMS OF REVOCATION

9.1 Subject to the provisions of section 19 of the Central Act and the provisions of this Regulation, the Commission may, at any time initiate proceedings against the Trader for revocation of the Trading Licence and if satisfied after such proceedings that the grounds exist for revocation, duly considering the public interest, revoke the Trading Licence.

(a) where the Trader in the opinion of the Commission, makes material breach or wilful default in doing anything required of him by or under the Central Act or the State Act or the rules or regulations made thereunder;

(b) where the Trader violates any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;

(c) where the Trader fails, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted therefore –

- (i) to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his licence; or
- (ii) to make deposits or furnish the security, or pay the fees or

other charges required by his licence;

(d) where in the opinion of the Commission the financial position of the Trader is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him;

(e) where the Trader has failed to maintain the technical requirements, capital adequacy and creditworthiness specified by the Commission; and

(f) has failed to comply with all the Regulations, codes, and standards and also orders and directions of the Commission or otherwise has committed an act which renders the Trading Licence revocable on any other grounds specified in the Central Act or the State Act or the Rules or Regulations framed thereunder.

9.2. Where in its opinion the public interest so requires, the Commission may, on application, or with the consent of the Trader, revoke his licence as to the whole or any part of his area of Trading upon such terms and conditions as it thinks fit.

9.3. While revoking a Trading Licence the Commission may make such arrangement for discharging the duties of the Trader which the Commission considers necessary in public interest and all such arrangement shall be at the cost and risk of the Trader.

10. AMENDMENT OF LICENSE CONDITIONS

10.1. These General Conditions of License may be altered or amendment by the Commission at any time it deems fit if it is in public interest in exercise of powers under Section 18 of the Central Act. For any such alteration or amendment, before any alterations or amendments in the Trading License are made, the following provisions shall have effect:

(a) where the Trader has made an application under Section 18, sub-section (1) of the Central Act proposing any alteration or amendment in the General Conditions of License, the Trader shall publish a notice of such application with such particulars and in such manner

as may be directed by the Commission;

(b) where any alterations or amendments in a license are proposed to be made otherwise than on the application of the Trader, the Commission shall publish the proposed alterations or amendments with such particulars and in such manner as may be directed by the Commission; and

(c) the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

11. DISPUTE RESOLUTION

11.1. The Commission shall be entitled to adjudicate upon the disputes or at its discretion nominate person(s) as arbitrator(s) to settle disputes between the Trader and any other licensees or between the Trader and generating companies in pursuance of clause (f) of sub-section (1) of section 86 read with section 158 of the Central Act and Regulations of the Commission.

12. TARIFF AND TRADING MARGINGS EXPECTED REVENUE CALCULATION AND TARIFFS

12.1. The Trader shall charge trading margin, in accordance with the provisions of the Central Act, the State Act, the Regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

13. MISCELLANEOUS

13.1. All issues arising in relation to interpretation of these General Conditions and as to the terms and conditions thereof shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under section 111 of the Central Act.

- 13.2. The Commission may at the time of grant of Trading Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a specific Trader

S.SURYA PRAKASA RAO
SECRETARY

REGULATION NO. 1 OF 2006

Andhra Pradesh Electricity Regulatory Commission
(Levy and Collection of Fees and Charges by State Load Despatch Center)
Regulation, 2006

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Levy and Collection of Fees and Charges by State Load Despatch Centre)

(Regulation No.1 of 2006)

INTRODUCTION

Lr.No. S-SLDC/DD(CA)/06-04, Sub-section (1) of section 31 of the Electricity Act, 2003, provides that the State Government shall establish a State Load Despatch Center (SLDC). Sub-section (2) of the Section 31 provides that the said SLDC shall be operated by a Government company/authority/corporation constituted by or under any State Act and that until such company /authority /corporation is notified by the State Government, the State Transmission Utility (STU) shall operate the SLDC. The Government of AP notified in GO Ms.No.8 dated 17-01-2004 that the existing SLDC shall continue as SLDC and be operated by the Transmission Corporation of AP Ltd., being the STU, until the State Government establishes a Government company or any authority or corporation.

Section 32(3) of the Act provides for levy and collection of such fees and charges from the generating companies and licensees engaged in the intra-state transmission of electricity as may be specified by the State Commission.

In exercise of powers conferred under Section 181 (2) (g) read with Section 32(3) of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:

PART –I
Preliminary

1. Short title, extent and commencement

- i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Levy and collection of fees and charges by State Load Despatch Centre) Regulation, 2006.
- ii) This Regulation shall be applicable to all generating companies and licensees engaged in intra-state transmission of electricity in the State of Andhra Pradesh.

- iii) This Regulation does not apply to stand-alone generators, franchisees, etc. not connected to the intra-state transmission network.
- iv) This Regulation shall come into force on 1st April, 2007

2. Definitions and interpretation

- i) In this Regulation, unless the context otherwise requires:
 - a. “Act” means the Electricity Act, 2003 (36 of 2003);
 - b. “Commission” means the Andhra Pradesh Electricity Regulatory Commission;
 - c. “Licence” means a licence granted under Section 14 of the Act to transmit, or distribute electricity within the State of Andhra Pradesh and to undertake trading in electricity as an electricity trader;
 - d. “Licensee” means a person granted a licence under Section 14 of the Act;
 - e. “State” means the State of Andhra Pradesh;
 - f. “SLDC” or “State Load Despatch Centre” means the centre established under sub-section (1) of section 31 of the Act;
 - g. “User” means the generating companies, Distribution Licensees or Trading Licensees as the case may be who use the intra-state transmission network for the purpose of selling / procuring electricity.
- ii) Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings as assigned to them in the Act.
- iii) All proceedings under this Regulation shall be governed by the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, in force.

3. Registration of Users and Registration fee

- 3.1. All generating companies whose generating stations intending to get connected to the intra-state transmission network shall be required to register their generating stations with SLDC on payment of Rs. 1000 per generating station (irrespective of the installed capacity) as Registration fee.
- 3.2. The existing Generating Companies, Distribution Licensees and Trading Licensees connected to or intending to get connected to the State Grid shall register themselves with SLDC by filing an application along with the above-mentioned fee within a month of coming into force of this Regulation.
- 3.3. The SLDC, after scrutinizing the application and after being satisfied of the completeness and correctness of the information furnished in the application, shall register the application in its records duly intimating the applicant about its acceptance and also file a copy thereof with the Commission.
- 3.4. The SLDC shall file consolidated information about the Generating Companies and Licensees connected to the intra-State transmission network and being monitored/ serviced by it, to the Commission every year by November 15th.

4. Annual Fee and Operating charges

- 4.1. Users shall pay to SLDC an annual fee and monthly operation charges leviable on the electricity transmitted, in MWs (mega-watts), subject to the charges for a minimum of one MW

Provided that for the purpose of billing and collection the above-mentioned fee and charges, a fraction of a MW shall be treated as one full MW:

Provided further that the operating charges shall be leviable for a minimum period of one month, a fraction of a month being rounded off to a full month.

- 4.2. The annual fee shall be determined by the Commission after taking into account the required capital investment for setting up the Centre. The fee will be revised only on the basis of a filing made to the Commission by SLDC to cover any investments for upgradation and/or modernization of SLDC that may be required.
- 4.3. The basis for determination of the annual fee shall be the Capital Cost to cover the repayment of principal and payment of interest on investments in a year, plus any residual capital cost of past investments.
- 4.4. The annual fee shall be computed as follows:

$$\text{Annual SLDC Fee (Rs/MW/p.a)} = \frac{\text{Capital Cost (CC) (in Rs.)}}{\text{Total Generation Capacity (MW)}}$$

Where

Capital Cost (CC) for a given year shall be computed as follows:

$$\text{CC (in Rs.)} = \text{Investment} \times \frac{r}{1 - \frac{1}{(1+r)^t}}$$

Where,

Investment = Actual investment made in an year plus any residual value of previous investment (s).

r = Actual rate of interest on borrowed capital or 150% of the Bank Rate, whichever is the lower.

t = Number of years in which the investment is proposed to be recovered; for software, it would be 5 years and 10 years for other investments.

- 4.5. The Operating Charges shall be fixed for an year on the basis of the filing of the SLDC and will cover:
- Employee cost;
 - Administration and general charges;
 - Repairs and Maintenance expenses; and
 - Any other relevant costs and expenses deemed appropriate by the Commission.

4.5.1. ***Employee cost:***

The employee cost to be considered for the year shall be as per the approved staffing plan or the actual employee cost, whichever is lower. As a first step, SLDC shall file the staffing plan within three months from the date of notification of this Regulation. The Commission will approve the staffing plan after examining the details thereof. The approval shall be for the purpose of cost recovery through operating charges alone and for no other purpose whatsoever.

4.5.2. ***Administration and General Expenses & Repairs & Maintenance Expenses***

These expenses for the first Control Period will be fixed on the basis of the information filed by SLDC and accepted by the Commission. Thereafter, these will be fixed as per the norms to be determined by the Commission.

4.5.3. ***Other expenses***

All other expenses, not covered by Capital cost, Employee cost, Administration and General Expenses or Repairs & Maintenance expenses shall fall under this category of expenses. The SLDC shall file the details of such expenses, if any, at the time of its filings for the purpose of fixation of charges.

- 4.6. The monthly operating charges per MW shall be computed as per the following formula:

$$\text{Operating Charges (Rs/MW/pm)} = \frac{\text{Annual Operating Charges}}{\text{Total Generation Capacity (MW)} \times 12}$$

- 4.7. Variations in recovery of capital cost and operating charges over the fee and charges fixed for a year on account of variations in SLDC usage shall be adjusted in the subsequent control period, or earlier in case the variations are considered to be significant by the Commission warranting adjustment thereof before the commencement of the subsequent control period, with financing cost at the average rate(s) of borrowing during the year(s) to which the variations relate.

5. **Collection of SLDC Fee and charges**

- 5.1. The SLDC charges (Annual Fee and Operating charges) shall be payable by Generating companies (including captive generating plants), Distribution Licensees and Trading Licensees using the intra-State transmission network under any agreement or arrangement with the Transmission Licensee in proportion to the capacity contracted.
- 5.2. **Fees:** The annual fee as specified by the Commission shall be paid by all Users in advance in two equal installments, by 10th of April and 10th of October, every financial year starting from 2007-08 onwards:
Provided that in case where the usage of intra-state transmission system commences after the 10th of April or the 10th October of a year, the fee for the period up to 30th September of the year and 31st March of the subsequent year respectively shall be required to be paid before the commencement of intra-state transmission.
- 5.3. **Operating charges:** The operating charges of SLDC shall be paid monthly.
- 5.4. If the fee and charges as the case may be are not paid by the due date(s), surcharge at the rate of two percent per month shall be levied on the unpaid amounts.
- 5.5. An amount equivalent to two months' operating charges shall have to be deposited in advance by every User as security against default in payment of operating charges.

6. **Application for determination of fee and charges**

- 6.1. The SLDC shall file with the Commission, an application / petition for the control period with statements containing details of the Fee and Charges under its currently - approved levels of fee and charges along with the proposals, if any, for determination of fee and charges for the ensuing control period by 30th November immediately preceding the first year of the control period.

6.2. A control period shall normally be of a duration of five years. The first control period shall, however, be of a 2-year duration, from 2007-08 to 2008-09. The subsequent control periods shall be of five-year duration each, starting from 2009-10 onwards.

6.3. The SLDC shall submit an investment plan for each control period, by not less than 120 days before commencement of the control period. The investment plan must include, inter-alia, the sources of funds for investment.

6.4. The application for determination of fee and charges shall be posted at the SLDC's website in downloadable format for easy accessibility by all stakeholders.

7. SEGREGATION OF ACCOUNTS

As specified in clause 5 of the AP Electricity Regulatory Commission (Terms and Conditions for determination of Transmission Tariff) Regulation, 2005, (Regulation No.5 of 2005), the Transmission Corporation of A.P. Ltd., (APTRANSCO) shall be required to maintain separate accounts for SLDC activity and till such time as the accounts are not so segregated, it shall apportion its costs on the basis of an Allocation Statement to be submitted to the Commission with all relevant details.

8. APPLICABILITY OF THE fee and charges

8.1. The SLDC fee and charges as determined by the Commission shall take effect from the date as may be specified in the Commission's order on the application of SLDC.

8.2. The SLDC fee and charges so determined by the Commission shall be valid for the period as may be specified by the Commission in its aforementioned Order or otherwise.

9. USE OF THE INFORMATION

The Commission shall have the right to use the information submitted by the SLDC as it deems fit including publishing it or placing it on the Commission's

website and/or directing the SLDC to display the information on the SLDC's website / APTRANSCO's website.

10. **POWER TO AMEND:**

The Commission may, at any time add, vary, alter, modify or amend any provisions of this Regulation.

11. **SAVINGS**

- 11.1. Nothing in this Regulation shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.
- 11.2. Nothing in this Regulation shall bar the Commission from adopting in conformity with the provisions of the Electricity Act 2003, a procedure, which is at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 11.3. Nothing in this Regulation shall, expressly or impliedly, bar the Commission from dealing with any matter or exercising any power under the Electricity Act 2003, for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

(By the order of the Commission)

Hyderabad
Dt: 26-07-2006

S.SURYA PRAKASA RAO
SECRETARY

Annexure – A
(for Generating Companies)

**Format of Application for Registration with SLDC as user of intra-state
Transmission System**

Name of the Generating Company :

Address of the Generating Company :

Location of the Generating Station :

Location of Interface with Grid :

(Enclose a layout of switch yard

Total Installed capacity :

COD of the Generating station :

Nature of use of Energy : Supply to Licensees /
wheeling to 3rd parties /
wheeling for captive use

Transmission capacity contracted as on :
(Please enclose details of Licensees)

For supply to Licensees :

For wheeling to 3rd parties :

For wheeling for captive use :

Agreement period for supply to :
licensees

Details of communication system :
installed for communication of data to
SLDC

Establishment in-charge of control :
room for communication with SLDC

Details of Registration fee paid :

Any other information useful for :
assisting efficient Grid Operation

Signature of the Authorized
Officer

Annexure - B
(For Distribution Licensees / Electricity Traders)

Format of Application for Registration with SLDC as user of intra-state Transmission System

Name of the Distribution Licensee / Electricity Trader :

Address of the Distribution Licensee / Electricity
Trader :

Location of Interface with Grid :
(Attach a list of voltage-wise Grid substations/lines
along with details of location, capacity, No. of bays, line
length, type of line, date of commissioning etc.)

Total capacity (Max. Demand that can be served) :

Transmission capacity contracted from Transmission
Licensees :
(enclose list of Transmission Licensees with details)

Capacity contracted to Open Access consumers :
(Enclose list of consumers with details)

Details of communication system available for:
communication of data to SLDC
(Enclose substation-wise details)

Designation of the personnel responsible for operation :
of Grid substations
(Enclose substation-wise details)

Details of the registration fee paid

Any other information useful for assisting efficient Grid
Operation:

Signature of the Authorized Officer

REGULATION NO. 2 OF 2006

Andhra Pradesh Electricity Regulatory Commission
(Interim Balancing and Settlement Code for Open Access Transactions)
Regulation, 2006

Amendment

1. First Amendment vide Regulation No. 1 of 2013, dated 02-05-2013
2. Second Amendment vide Regulation No. 2 of 2014, dated 01-04-2014
3. Third Amendment vide Regulation No. 2 of 2016, dated, 08-01-2016
4. Fourth Amendment vide Regulation No. 4 of 2019, dated 11-03-2019

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
(Interim Balancing and Settlement Code for Open Access Transactions)

(Regulation No. 2 of 2006)

INTRODUCTION:

In terms of provisions of Section 42(2) of the Electricity Act, 2003, the Commission notified the APERC (Terms and Conditions of Open Access) Regulation, 2005 (No.2 of 2005), which came into force w.e.f. 01-07-2005. Clause 19.4 of that Regulation provides that the balancing and settlement of energy and demand shall be done in accordance with the Balancing and Settlement Code to be approved by the Commission. The Commission has also been expressing its keenness to introduce the ABT regime at the State level. Pending finalization of a comprehensive settlement system for the State pool under ABT, the Commission considered it appropriate to specify an Interim Balancing and Settlement Code, envisaging a day-ahead wheeling schedule of energy on the basis of 15-minute time blocks, and monthly settlement of deviations. The Commission accordingly formulated a draft Regulation, published the same in the Andhra Pradesh Gazette on 06.08.2005, and issued a press release seeking comments/suggestions from all stakeholders and the public at large and also placed it on the website of the Commission. 36 persons/organizations including Transmission Licensee and Distribution Licensees have responded to the publication by sending their comments/suggestions in writing. The Commission has considered all these comments/suggestions, made modifications as considered appropriate and finalised the Regulation.

In exercise of the powers conferred by Section 181 read with Sections 42 (2), 66 and 94 (2) of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely: -

1. SHORT TITLE, COMMENCEMENT AND INTERPRETATION

- i. This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Interim Balancing and Settlement Code) Regulation, 2006.
- ii. This Regulation shall extend to the whole of Andhra Pradesh.

iii. This Regulation shall come into force on 01.12.2006.

2. DEFINITIONS

In this Regulation, unless the context otherwise requires:

- (a). “Act” means the Electricity Act 2003 (36 of 2003);
- (b). “APERC” or “Commission” means the Andhra Pradesh Electricity Regulatory Commission;
- (c). “Billing month” means the period between any two successive meter-reading dates, as provided in the Open Access Agreement;
- c(2) ¹“Banking” means a facility through which the unutilized portion of energy (under utilization or excess generation over and above scheduled wheeling) from any of the three renewable generation sources namely Wind, Solar and Mini-hydel, during a billing month is kept in a separate account and such energy accrued shall be treated in accordance with the conditions laid down in Appendix-3 of the Regulation.
- (d). “Distribution Licensee” or “DISCOM” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- (e). “Losses” means the energy losses in percentage for an EHT system as a single system and for all other voltage levels, the losses in percentage as provided in the applicable Tariff Order of the Commission, or the actual levels of energy losses as provided in this Regulation.

Explanation –

- i. If the wheeling of electricity is through the distribution system of more than one distribution licensee or if the Entry/Exit point is connected to

¹ Second Amendment vide Regulation No. 2 of 2014 dated 01-04-2014

EHT system, the losses would include the transmission loss and the distribution loss up to the voltage level of the distribution licensee in whose area of supply such exit/entry point (whichever is lower) is located

ii. If the entry and exit points are located within the distribution system (33 kV and below) of the same distribution licensee, the losses would include only the distribution loss of the distribution licensee up to the voltage level at the relevant exit or the entry point(s), whichever is lower.

(f). “Scheduled Consumer” means a consumer who has a supply agreement with the distribution licensee in whose area of supply the consumer is located and also has a supply agreement with a person other than the distribution licensee under the Open Access Regulation and includes a consumer of a distribution licensee who also avails of wheeling facility for carrying the electricity from his captive generating plant to the destination of his own use.

(g). “Time Block” means each block of fifteen (15) minutes for which the energy meters record specified electrical parameters and quantities, with the first time block for a day starting at 00:00 hours.

(h). “Open Access Agreement” means an agreement entered into between the Transmission and / or Distribution Licensees and the persons availing Open Access facility under clause 12 of the Open Access Regulation.

(i). “Open Access Consumer” or “OA Consumer” means a consumer not having a supply agreement with the distribution licensee in whose area of supply the consumer is located, but availing or intending to avail supply of energy from a person other than that distribution licensee under the Open Access Regulation and includes a consumer availing wheeling facility for carrying the electricity from his captive generating plant to the destination of his own use without having a supply agreement with the distribution licensee of the area in which the consumer’s premises is located.

(j). “Open Access Regulation” means the A. P. Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (Regulation No.2 of 2005).

(k). “Open Access Generator” means a generating company using or intending to use the transmission system and / or the distribution system of the licensees in the State for supply of electricity to a Scheduled Consumer or OA Consumer under the Open Access Regulation.

(l). “State” means the State of Andhra Pradesh.

(m). “Wheeling schedule” means the schedule for a fifteen (15) minute time block provided by the Scheduled Consumer, an OA Consumer or an OA Generator, to the SLDC, pursuant to clause 4 of this Regulation, read with clause 6.

(n). The words and expressions used in this Regulation and not defined herein but defined in the Open Access Regulation shall have the same meaning as assigned to them in the Open Access Regulation and those not also defined in the Open Access Regulation but defined in the Act, shall have the same meaning as assigned to them in the Act.

3. EXTENT OF APPLICATION

The Interim Balancing & Settlement Code set out in this Regulation shall apply to Open Access Generators, Scheduled Consumers and OA Consumers.

4. SCHEDULING

4.1. Each Open Access Generator, Scheduled Consumer and OA Consumer shall provide a Wheeling Schedule in the format as at Appendix- 1(a), to the SLDC/DISCOM for each fifteen (15) minute time block for a day, on a day-ahead basis by 10:00 a.m. on the day preceding the commencement of the first time block for which the wheeling of energy is scheduled, with a copy each to the State Transmission Utility (APTRANSCO) and the concerned DISCOM:

Provided that an Open Access Generator, Scheduled Consumer and OA Consumer requiring to wheel electricity from more than one generating station with the interface points located at different locations (with separate metering at each entry point) shall provide separate wheeling schedule for the entry point(s) of each

generating station:

Provided also that the Wind-based, ²Solar based or Mini-hydel Open Access Generators shall not be required to provide a day-ahead wheeling schedule and the actual electricity injected by them shall be deemed to be the scheduled energy.

- 4.2. The OA generators scheduling their supply to more than one scheduled/OA consumer or the scheduled/OA consumer receiving supply from more than one OA generator shall communicate to the SLDC/DISCOM (along with the day-ahead schedule) the inter-se order of allocation of the actual generation among the Schedule / OA consumers or the inter-se order of allocation of the actual consumption among the OA generators as the case may be. Such communication of inter-se order of allocation / consumption to the SLDC/DISCOM shall be deemed to have been done with prior consent of all the parties involved and binding on all the OA generators, Scheduled consumers and OA consumers.
- 4.3. In the event of failure to submit the wheeling schedule in accordance with clause 4.1, the latest wheeling schedule available with the SLDC/DISCOM shall be treated as the effective wheeling schedule.
- 4.4. SLDC shall communicate the final day-ahead schedule to the respective parties along with inter-se order of allocation of consumption/generation capacities wherever applicable as per the time-frame setout in the State Grid Code and the same shall be binding on all parties.

5. ALLOCATION OF CAPACITY BY OA GENERATORS

- 5.1. The sum total of the capacity allocations by an OA Generator for any time block to all the Scheduled Consumers and OA Consumers shall not exceed the available capacity from his generating plant being not higher than the installed capacity or contracted Open Access

² First Amendment vide Regulation No. 1 of 2013 dated 02-05-2013

capacity, whichever is lower.

- 5.2. The OA Generator shall also indicate the allocated capacity in kW at the exit point(s) for each consumer in the Format at Appendix - 1 (a) using the loss levels as specified in the applicable Tariff Order of the Commission. The energy account of the billing month shall be finalized based on the transmission and distribution losses specified by the Commission in the applicable Tariff Order.
- 5.3. The SLDC/DISCOM shall verify the capacity allocated at the Exit point(s) and correct it in case of discrepancy, if any. The computations of SLDC shall be final and binding on all.

6. REVISION OF WHEELING SCHEDULE

In case of any system constraint, the SLDC/DISCOM may modify the schedules of Open Access Generators, Scheduled Consumers and/or the OA Consumers, as the case may be, at any time in accordance with the Grid Code and the Open Access Regulation, which shall be conveyed to them. Compliance with the instructions of SLDC shall not be reckoned as a deviation by the concerned Generator/ Consumer from the schedule. The Open Access Generator, Scheduled Consumer or OA Consumer, shall not, however, be entitled to revise a wheeling schedule during the course of a day.

7. METER READING, ENERGY ACCOUNTING AND SETTLEMENT

- 7.1. SLDC shall undertake the accounting of energy for each time block on monthly basis with the assistance of the Energy Billing Centre (EBC) of the State Transmission Utility (STU) in respect of the Open Access Generators, Scheduled Consumers and the OA Consumers who are connected to the transmission system, In respect of the Open Access Generators, Scheduled Consumers and the OA Consumers who are connected to the distribution system, it is the EBC that shall be responsible for energy accounting and settlement in co-ordination with the DISCOMs.

- 7.2. Such Account shall be examined and signed by a Committee comprising the STU, DISCOMs and Generators:

Provided that in the case of Generators, only one representative, as approved by the Commission, from each class of Generators mentioned below shall be represented on the Committee:

- Central Generating Stations (CGS)
- APGENCO
- Independent Power Producers (IPPs)
- Non-conventional Energy (NCE) Developers (Biomass, Mini-hydel, Hydro, Wind, ³Solar etc.)
- Captive Power Plants (CPPs)

- 7.3. The monthly meter readings shall be taken by the respective DISCOM at all the entry points at 33 kV and below and at all the exit point(s) of the Open Access Generators located in its licensed area, as identified in the wheeling schedules. Where, however, the entry point is connected to the Transmission system, such monthly readings shall be taken by the Transmission Licensee:

Provided that the readings for each time block shall be retrieved through a Meter Reading Instrument (MRI) or otherwise by the respective Licensees mentioned above once in a week and shall be transmitted to the SLDC. The meter readings as and when taken shall also to be made available to the Open Access Generator / Consumer in whose premises the readings are taken, or to his representative, if available.

In case of failure of metering equipment or non-availability of MRI data, a suitable methodology as approved by the Commission may be employed for finalising the energy account. The Licensees may submit proposed data- substitution methodology for Commission's approval within one month of issue of this Regulation.

³ First Amendment vide Regulation No. 1 of 2013 dated 02-05-2013

- 7.4. The SLDC shall finalize the energy account of the Open Access transactions of a billing month with the assistance of EBC and arrive at the deviations for each time block and the consequent adjustments integrated over the month in respect of all Open Access Generators, Scheduled Consumers and the OA Consumers in accordance with the procedure specified herein.

8. SETTLEMENT OF ENERGY/DEMAND AT EXIT POINT IN RESPECT OF SCHEDULED CONSUMER

- 8.1. The Scheduled energy (in kWh) at exit point shall be calculated for each time block from the scheduled capacity (kW) at the Exit point, as provided in the wheeling schedule, by multiplying it with the period of time block in hours.
- 8.2. The Scheduled demand at exit point shall be calculated by dividing the scheduled capacity (kW) at exit point by the power factor for the time block, for which purpose the Power factor shall be equal to the recorded kWh divided by kVAh.
- 8.3. The Scheduled energy of a Scheduled Consumer from an OA Generator for each time-block shall be deducted from the recorded energy (in the inter-se order of such Generators, as and if intimated by the consumer, in case the consumer is availing of energy from more than one Generator) as a first charge. The balance energy shall be deemed to have been supplied by the DISCOM and shall have to be paid for as per the terms of the supply agreement with the DISCOM:

Provided that where there is a deviation between the scheduled capacity and actual capacity being injected at an Entry point in a time block, the shortfall, if any, in the capacity allocated to the Scheduled Consumer shall be deemed to have been drawn by the Scheduled Consumer from the DISCOM and the energy corresponding to such shortfall shall be paid for by the party which has contracted for the Open Access capacity with the Licensee to the DISCOM as per the energy tariff applicable for the

same consumer category of DISCOM under which the Scheduled Consumer would normally fall.

8.4. The Scheduled demand at Exit point or the actual demand made available to a consumer from each OA Generator at that Exit point in a time-block whichever is less, shall be deducted from the recorded demand (in the inter-se order of such Generators, as confirmed by the SLDC while finalising the day-ahead schedule, in case the consumer is availing of energy from more than one Generator). The balance demand for each time-block shall be deemed to have been consumed from the DISCOM and shall be paid for as per the terms of the supply agreement with the DISCOM.

8.5. ⁴The Scheduled consumers sourcing power from such Solar Power Projects as mentioned in the Andhra Pradesh Solar Power Policy, 2015 issued vide GO.Ms.No.8, dated 12-02-2015 shall be entitled to avail reduction in contracted demand with Discom for a period of five (5) years from the date of commissioning of such projects. The reduction in contracted demand shall be computed based on the average Solar Power consumption during hourly time block period (s) in a billing month i.e., total solar power consumption (kVAh) in a billing month divided by the number of hours in the billing month.

9. SETTLEMENT OF ENERGY AT EXIT POINT IN RESPECT OF OA CONSUMERS:

9.1. The Scheduled Energy at Exit point of an OA Consumer shall be calculated from the Scheduled capacity from an OA Generator at the Exit point for each time block as provided in clause 8.1 above.

9.2. In case the Open Access Consumer is receiving supply from more than one Open Access generator, the total energy and demand recorded shall be deemed to have been consumed from the

⁴ Third Amendment vide Regulation No. 2 of 2016 dated 08-01-2016

respective Open Access Generators in the inter-se order of Generators as confirmed by the SLDC while finalizing the day-ahead schedule.

9.3. The excess energy recorded, if any, at the exit point for any time block with reference to scheduled energy or the actual energy available at that Exit point, whichever is less, shall be deemed to have been consumed by the Generator or the OA consumer whoever has contracted for the Open Access capacity with the Licensee, from the DISCOM and shall be paid for by the Open Access Generator/Consumer at the energy tariff applicable for the same consumer category of DISCOM to which the OA Consumer would normally belong. Such excess consumption shall also attract all penal provisions provided in the applicable Tariff Order like those in respect of Low Power Factor, voltage surcharge, etc and wherever applicable, the relevant charges shall also be paid for by the OA generator/OA consumer.

9.4. The Scheduled demand at Exit point or the actual demand made available to a consumer from each OA Generator at that Exit point in a time-block whichever is less, shall be deducted from the recorded demand (in the inter-se order of such Generators, as confirmed by the SLDC while finalising the day-ahead schedule, in case the consumer is availing of energy from more than one Generator). The balance demand for each time-block shall be deemed to have been consumed from the DISCOM and shall be paid at twice the demand charges applicable for the same consumer category of DISCOM to which the OA Consumer would normally belong.

10. SETTLEMENT FOR OA GENERATORS AT ENTRY POINT:

10.1. The excess drawals of energy and demand by Scheduled Consumers on account of under-generation by the Generator for each time block shall be deemed to have been drawn from the DISCOM. The energy and demand charges for such excess drawls shall be paid for by the Scheduled Consumer in accordance with the proviso to clause 8.3 and as per clause 8.4 respectively.

10.2. The excess drawal of energy and demand by an OA Consumer on account of under-generation by the Generator for each time block shall be deemed to have been drawn by the Generator (or Open Access Consumer whoever has contracted for Open Access Capacity) and shall be paid for by the Generator/Consumer as per the normal energy tariff and twice the demand charges applicable for the same consumer category to which the OA Consumer would normally belong.

10.3. The under drawals by Scheduled Consumers and/or OA Consumers shall have impact on the Generator and on the DISCOM in whose area of supply the Exit point is located. Such under drawals at Exit point shall be treated as inadvertent energy supplied by the Generator to the DISCOM(s) and shall not be paid for by the DISCOM.

⁵Provided that, such under drawals shall be treated as input into Banking in accordance with clause 2(c)(2), if such energy is sourced from Wind, Solar and Mini-hydel Generators.

10.4. Injection of energy by an OA Generator over and above the scheduled capacity at an Entry point shall not be accounted for. In such cases, only the scheduled capacity at exit point shall be accounted for as having been supplied by the Generator to the Scheduled Consumer or the OA Consumer, as the case may be.

10.5. In case of wind, mini-hydel ⁶and Solar OA generators the actual generation during the month shall be deemed as Scheduled Energy. For the purpose of settlement in respect of Scheduled/OA consumer availing supply from these OA Generators, the actual generation during the month will be apportioned for each time block of the month and deviations reckoned accordingly.

⁵ Second Amendment vide Regulation No. 2 of 2014 dated 01-04-2014

⁶ First Amendment vide Regulation No. 1 of 2013 dated 02-05-2013

11. LEVY OF SURCHARGE AND ADDITIONAL SURCHARGE:

Each Open Access Generator, Scheduled Consumer and OA Consumer shall, in addition to the tariff and other charges mentioned in the preceding clauses, also be required to pay, wherever applicable, the surcharge in accordance with the provisions of the Open Access Regulation as also the applicable additional surcharge, if any, under Section 42 (4) of the Act.

12. BANKING

- 12.1. No generators other than the Wind, Mini Hydel ⁷and Solar power generators shall be allowed the facility of banking the electricity generated by them:

Provided that in the case of existing users of wheeling facility, the energy already banked as per the subsisting agreements as on the date of coming into force of this Regulation, shall be allowed to be wheeled as hitherto fore till the expiry of the balance period available for utilization of the banked energy:

Provided, however, that in the case of generators whose cases are pending appeals in the Hon'ble High Court of Andhra Pradesh and/or the Hon'ble Supreme Court, this provision shall be applicable subject to the final decision of the High Court and / or the Supreme Court, as the case may be:

- 12.2. The banking facility to the Wind, Mini Hydel ⁸and Solar power generators shall be subject to the conditions specified in Appendix – 3.

13. DISPUTE RESOLUTION

All disputes and complaints shall be referred to the SLDC for resolution, which shall not decide a matter without first affording an opportunity to the concerned parties to represent their respective points of view. The decisions of

⁷ First Amendment vide Regulation No. 1 of 2013 dated 02-05-2013

⁸ First Amendment vide Regulation No. 1 of 2013 dated 02-05-2013

the SLDC shall be binding on all parties.

14. ISSUE OF ORDERS AND PRACTICE DIRECTIONS

Subject to the provisions of the Act, the A.P Electricity Reform Act, 1998, and this Regulation, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of this Regulation, the procedure to be followed and other matters, which the Commission has been empowered by this Regulation to specify or direct.

15. POWER TO REMOVE DIFFICULTIES

In case of any difficulty in giving effect to any of the provisions of this Regulation, the Commission may by general or special order, issue appropriate directions to Open Access Generators, Scheduled Consumers, OA Consumers, Transmission Licensee(s), Distribution licensee(s) etc., to take suitable action, not being inconsistent with the provisions of the Act, which appear to the Commission to be necessary or expedient for the purpose of removing the difficulty.

16. SAVING

Nothing contained in this Regulation shall affect the rights and privileges of the Consumers under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).

17. POWER TO AMEND

The Commission may from time to time add, vary, alter, suspend, modify, amend or repeal any provisions of this Regulation.

(BY ORDER OF THE COMMISSION)

S.SURYA PRAKASA RAO
Commission Secretary

APPENDIX – 1 (a)

Format for the Day-ahead Wheeling Schedule for each 15-minute time block of the day

Date:

Name of the Generator:

Address of the Generating Station:

Declared capacity for the day

<u>Time block</u>	<u>Available Capacity</u>

Entry point voltage:

DISCOM	Name of the consumer	Voltage level of Exit point	Time Blocks	Allocated capacity at Entry point kW	Net capacity at Exit point kW

Any other information to be provided:

**Signature of the OA Generator
/ScheduledConsumer/OA Consumer**

Note: An example each for computation of Net capacity at Exit point is given in Appendix – 1(b) and examples for Settlement are given in Appendix - 2

APPENDIX – 1 (b)

Computation of Net capacity at the Exit point

Date:

Declared capacity for the day

Name of the Generator: Z in SPDCL

Entry point voltage: 132 kV

			<u>Time block</u>	<u>Available Capacity</u>	
DISCOM	Name of the consumer	Voltage level of Exit point	Time Blocks	Allocated capacity at Entry point kW	Net capacity at Exit point kW
SPDCL	1. Sch. Consr.	11 kV	1 to 96	1,000	830.80
	2. Sch. Consr.	132 kV	1 to 96	2,000	1900.00
	3. OA Consr.	33 kV	1 to 96	1,000	893.40
Total for SPDCL					
CPDCL	1. Sch. Consr.	11 kV	1 to 96	1,000	827.20
	2. Sch. Consr.	33 kV	1 to 96	3,000	2676.60
	3. OA Consr.	132 kV	1 to 96	5,000	4750.00
Total for CPDCL					
NPDCL	1. Sch. Consr.	11 kV	1 to 96	1,000	821.00
	2. OA Consr.	33 kV	1 to 96	2,000	1778.60
Total for NPDCL					
EPDCL	1. Sch. Consr.	11 kV	1 to 96	1,000	818.90
	2. OA Consr.	33 kV	1 to 96	3,000	2636.70
Total for EPDCL					
Grand Total				20,000	17983.20

N.B.: In the Table above, the following loss levels have been taken into consideration, sourced from the Commission's Tariff Order for FY 2005-06. The loss levels of corresponding FY as per the Tariff Order of the Commission for the relevant year should be taken for computation of the net capacity at exit point:

Transmission losses = 5%

Distribution losses up to the Voltage level of exit point (Percentage)

Voltage	SPDCL	CPDCL	NPDCL	EPDCL
33 kV	5.66	5.78	6.07	7.11
11 kV	11.92	12.28	12.90	13.11
LT	20.44	20.50	23.05	21.30

Example for calculation of Losses: OA Consumer 3 of SPDCL

→ 132 kV + Losses up to 33 kV → $(5+5.66=10.66\%)$ → $1000 \times 10.66/100 = 106.60 \text{ kW}$

APPENDIX – 2

(A) Where Generator is Generating at the level of Scheduled Capacity:

						(KW)
DISCOM	Consumer	Sch. Cap at Exit Point	Recorded consumption	Accountable to Generator	Accountable to DISCOM	Deviation at Exit point
SPDCL	1. Sch. Consr.	830.80	1000	830.80	169.20	Nil
	2. Sch. Consr.	1900.00	2000	1900.00	100.00	Nil
	3. OA Consr.	893.40	1200	893.40	306.60	306.60
CPDCL	4. Sch. Consr.	827.20	600	600.00	0.00	(-) 227.70
	5. Sch. Consr.	2676.60	3000	2676.60	323.40	Nil
	6. OA Consr.	4750.00	4000	4000.00	0.00	(-) 750.00
NPDCL	7. Sch. Consr.	821.00	1100	821.00	279.00	Nil
	8. OA Consr.	1778.60	1900	1778.60	121.40	121.40
EPDCL	9. Sch. Consr.	818.90	1200	818.90	381.10	Nil
	10. OA Consr.	2636.70	2500	2500.00	0.00	(-) 163.30

(B). Where Generator is under Generating w.r.t Scheduled Capacity: Scheduled capacity = 20,000 kW Actual capacity = 18,000 kW

						(KW)
Consumer	Sch. Cap at Entry Point	Sch. Cap at Exit Point	Actual capacity at Entry point	Actual capacity at Exit point	Recorded consumption	Deviation
1. Sch. Consr.	1000	830.80	900	747.72	1000	83.08
2. Sch. Consr.	2000	1900.00	1800	1710.00	2000	190.00
3. OA Consr.	1000	893.40	900	804.06	1200	395.94
4. Sch. Consr.	1000	827.20	900	744.48	600	(-) 144.48
5. Sch. Consr.	3000	2676.60	2700	2408.94	3000	267.66
6. OA Consr.	5000	4750.00	4500	4275.00	4000	(-) 275.00
7. Sch. Consr.	1000	821.00	900	738.90	1100	82.10
8. OA Consr.	2000	1778.60	1800	1600.74	1900	299.26
9. Sch. Consr.	1000	818.90	900	737.01	1200	81.89
10. OA Consr.	3000	2636.70	2700	2373.03	2500	126.97

APPENDIX - 3

Terms and Conditions for Banking facility allowed to Wind, Solar and Mini-hydel Power Generation

1. Banking allowed during all the 12 months.
2. ⁹The energy injected into the grid from the date of synchronization to the Commercial Operation Date (COD) shall be considered as deemed banked energy
3. Drawals are subject to the following *conditions*:
 - a. ¹⁰The banking year shall be from 1st day of April to 31st day of March of the succeeding year (i.e Financial Year)
 - b. The banking charges shall be in kind @ 2% of the energy delivered at the point of drawal.
 - c. Drawals from banked energy shall not be permitted during the five (5) month period from 1st April to 30th June and 1st February to 31st March of each financial year. In addition, Drawal of banked energy during the Time of the Day (ToD) applicable during peak hours, as specified in the respective Retail Supply Tariff Order, shall also not be permitted throughout the year.
 - d. The energy banked between the period from 1st April to end of 31st January of each financial year which remains unutilized as on 31st January, shall be deemed to have been purchased by the Discoms, as per the wheeling schedule. The energy credited in to bank during the month of February & March of each financial year will be carried forward to the month of April of the next financial year for the credit of the banking account for the next year.
 - e. Generators have to communicate time block wise banked energy withdrawal schedule and allocations to respective Open Access/

⁹ Fourth Amendment vide Regulation No. 4 of 2019 dated 11-03-2019

¹⁰ Third Amendment vide Regulation No. 2 of 2016 dated 08-01-2016

Scheduled consumers at least ten (10) days before the commencement of billing cycle.

- f. The purchase price payable by the Discoms for unutilized banked energy will be equivalent to 50% of the Pooled Cost of Power Purchase, applicable for that financial year, as determined by the Commission under RPPO /REC Regulation (1 of 2012). Discoms shall settle such purchase transactions with the generators by 31st March of each year.

¹¹Deleted.

¹¹ Fourth Amendment vide Regulation No. 4 of 2019 dated 11-03-2019

REGULATION NO. 1 OF 2007

Andhra Pradesh Electricity Regulatory Commission
(Transmission Licensee Standards of Performance) Regulation, 2007

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Transmission Licensee Standards of Performance) Regulation, 2007

(Regulation No. 1 of 2007)

In exercise of the powers conferred by sections 181 read with section 57(1), 57(2) and 86(1)(i) of the Electricity Act, 2003 (36 of 2003), the Andhra Pradesh Electricity Regulatory Commission makes the following Regulation, namely:

1. SHORT TITLE AND COMMENCEMENT

- 1.1 This Regulation may be called the "Andhra Pradesh Electricity Regulatory Commission (Transmission Standards of Performance) Regulation, 2007".
- 1.2 This Regulation shall be applicable to the State Transmission Utility/ Transmission Licensee in the State of Andhra Pradesh.
- 1.3 This Regulation extends to the whole of the State of Andhra Pradesh.
- 1.4 This Regulation shall come into force on the date of its publication in the official Gazette of Andhra Pradesh.

2. DEFINITIONS

- 2.1 In this Regulation, unless the context otherwise requires:
 - (a) "Act" means the Electricity Act, 2003 (Central Act No. 36 of 2003);
 - (b) "APTRANSCO" means Transmission Corporation of Andhra Pradesh Limited registered under the Companies Act, 1956;
 - (c) "CEA" means the Central Electricity Authority;
 - (d) "Commission" means Andhra Pradesh Electricity Regulatory Commission;
 - (e) "Consumer" in the context of this Regulation means any person who is provided with the transmission services by the transmission licensee and includes any person whose premises are for the time

being connected for the purpose of providing transmission services from the licensee, and persons who have applied for availing transmission services from a transmission licensee.

- (f) "EHV/EHT" means Extra High Voltage/Extra High Tension (voltage level above 33,000 volts);
- (g) "Grid Code" means the set of principles and guidelines prepared in accordance with the terms of Section 86 (1) (h) of the Electricity Act 2003;
- (h) "IEGC" means the Indian Electricity Grid Code approved by Central Electricity Regulatory Commission (CERC) and shall include any Grid Code specified by Central Commission under clause (h) of sub-section (1) of section 79 of the Act;
- (i) "PGCIL" means Power Grid Corporation of India Limited, a Central Transmission Utility notified under sub-section (1) of section 38 of the Act;
- (j) "Rules" means the Indian Electricity Rules, 1956 and/or any other rules made under Act;
- (k) "State" means the State of Andhra Pradesh
- (l) "State Transmission System" means the system of EHV electric lines and electrical equipment operated and/or maintained by State Transmission Utility and/or any Transmission Licensee for the purpose of the transmission of electricity among generating stations, external interconnections, distribution systems and any other user connected to it within the state of Andhra Pradesh;
- (m) "User" means a person, including Generating Stations within the State, Transmission Licensees or Distribution Licensees within the State and open access customer who use the State Transmission System and who must comply with the provisions of the Grid Code;

2.2 Words and expressions used but not defined herein shall have the meaning assigned to them in Electricity Act 2003, Indian Electricity Grid Code, Andhra Pradesh Electricity Grid Code and Indian Electricity Rules, 1956.

3. OBJECTIVE

This Regulation lays down the performance standards to maintain certain critical grid parameters within the permissible limits. These standards shall serve as guidelines for State Transmission Utility (STU)/Transmission Licensee to operate the Intra-State Transmission System for providing an efficient, reliable, coordinated and economical system of electricity supply and transmission. The main objectives of these performance standards are:

- (a) To ensure that the grid performance meets minimum standards essential for the Users' system demand and proper functioning of equipment;
- (b) To enable the Users to design their systems and equipment to suit the electrical environment that they operate in; and
- (c) To enhance the quality standards of the State Transmission System in order to move towards standards stipulated in or established under the authority of National and State Acts and Rules in the short term and gradually towards the international standards in the long term.

4. STANDARDS OF PERFORMANCE

4.1 The Transmission performance standards are classified under the following two categories:

- (a) Mandatory Standards - Those performance standards, the failure to maintain which attracts the provisions of sub-section (2) of the Section 57.
- (b) Desirable Standards - Those performance standards, which are desirable for providing quality, continuity and reliability of services by the Licensees, and though also specified by the Commission do not, unless provided otherwise by the Commission from time to time, attract the provisions of sub-section (2) of the section 57.

4.2 The following standards are the mandatory standards:

- (a) Voltage Variation
- (b) Safety Standards

These are statutory standards to be complied with by the Licensee as per Electricity Rules 1956 wherever not inconsistent with the Act. The new Rules under section 53 of Act are yet to be issued by the CEA in consultation with the State Government. The standards specified in this Regulation shall therefore be revised after new Rules under the Act come into effect.

4.3 Desirable standards too have been specified herein under section 86 (1) (i) of the Act, with the main objective of providing quality, continuity and reliability of services to the consumers. The Commission shall fix the time-bound schedule for implementation/compliance of/with each parameter of these standards. The following standards are specified herein as desirable of achievement:

- (a) Feeder Availability
- (b) Sub-station Availability
- (c) Voltage Unbalance
- (d) Neutral Voltage Displacement (NVD)
- (e) Voltage Variation index (VI)
- (f) System Adequacy
- (g) System Security

5 PHASING OF IMPLEMENTATION

5.1 The performance standards excepting the Mandatory Standards, specified herein shall be implemented in a phased manner in three stages as follows:

- (a) Preliminary Stage (Level-1): The time period of two (2) years immediately after these standards come into force shall be considered as Preliminary Stage. During this preliminary stage, Standards marked as Level I shall be achieved, unless specified otherwise.
- (b) Transition Stage (Level-2): Time period spreading up to three (3) years after the Preliminary Stage shall be considered as Transition Stage. During this period, the licensee is expected to upgrade its systems. Standards marked as Level 2 shall be achieved during Transition

Stage, unless specified otherwise.

- (c) Final Stage (Level-3): Two years after expiry of the Transition Stage when substantial improvements should have been carried out and the system considered to be in satisfactory condition with necessary capability improvement. Standards marked as Level 3 shall be achieved during this Final Stage.

5.2 In all cases, where standards are specified by appropriate authorities, for example Electricity Rules 1956, such standards shall be required to be complied with as specified by that authority, may be from the preliminary stage itself.

Standards to be complied with:

5.3 The Commission specifies the following standards for STU/Transmission Licensees:

(a) Voltage Variation:

- (i) Voltage Variation is defined as the deviation of the root-mean-square (RMS) value of the voltage from its nominal RMS value, expressed in terms of percentage. Voltage Variation may be either of short duration not exceeding one minute or of long duration for a time greater than one minute.
- (ii) For the purpose of these standards, the sustained variation in steady state voltage exceeding one minute duration shall be considered. The specified permissible limits of sustained voltage variation shall not apply in the cases where the circumstances are reasonably beyond the control of State Transmission Utility/Transmission Licensee e.g. major break-downs, grid failures, accidents, system distress conditions, etc.
- (iii) State Transmission Utility/Transmission Licensee shall make all possible efforts to ensure that the grid voltages remain within the following voltage levels at all points of its Transmission System:

Nominal Voltage (kV)	Maximum Value (kV)	Minimum Value (kV)
400	420	360
220	245	200
132	145	120
33	35	30
11*	11.67	10

* 11kV voltages to be maintained *by* the transmission licensee only in those cases where 11kV supply is extended from the EHT substation.

(b) Safety Standards:

- (i) State Transmission Utility/Transmission Licensee shall observe the general safety requirements as laid down in IE Rules, 1956, for construction, installation, protection, operation and maintenance of electric supply lines and apparatus.
- (ii) Relevant rules under IE Rules, 1956 pertaining to safety standards and practices shall be followed.
- (iii) State Transmission Utility / Transmission Licensee shall develop its own Operation and Maintenance Manual (including Safety Regulations) taking into consideration the safety requirements for the construction, operation and maintenance of electrical plants and electric lines as may be specified by the Central Electricity Authority under Clause (c) of section 73 read with Section 53 of the Act.

(c) Feeder Availability:

- (i) The feeder availability gives the percentage of time during which the feeder remained available for transmission. Feeder Availability shall be calculated based on following formula:

$$\% \text{ Availability of Feeder} = \frac{(\text{No of feeders} \times 8760 - \text{Annual outages in feeder-hours}) \times 100}{\text{Total availability in feeder-hours}}$$

Here, total availability in hours is equal to the number of hours in a

year i.e. 8760 (non-leap year)

- (ii) The Transmission Licensee shall achieve 99% feeder availability from the preliminary stage itself.

(d) Sub-station Availability:

- (i) The sub-station availability expressed in percentage is the measure of the extent the power transmission capacity remained available from a sub-station. Sub-station availability shall be calculated based on following formula:

$$\% \text{ Availability of SS} = \frac{(\text{Installed capacity in MVA} \times 8760 - \text{Outage in MVA} \times \text{Hours}) \times 100}{\text{Installed capacity in MVA} \times 8760}$$

- (ii) The Transmission Licensee shall achieve 97% Substation availability from the preliminary stage itself.

(e) Voltage Unbalance:

- (i) The phase voltages of a 3-phase supply should be equal in magnitude and phase angle. The loads on each phase should be balanced. Deviations will result in decreased efficiency, negative torque, vibrations and overheating. Severe unbalance could lead to malfunctioning of some equipment. The unbalance is computed as follows:

$$\% \text{ Voltage Unbalance} = \frac{\text{Max Deviation from Mean of } \{V_{RY}, V_{YB}, V_{BR}\} \times 100}{\text{Mean of } \{V_{RY}, V_{YB}, V_{BR}\}}$$

Where, V_{RY} is Voltage between R & Y phases, V_{YB} is Voltage between Y&B phases and V_{BR} is voltage between B & R phases.

- (ii) Subject to Distribution Licensee(s) observing the Grid Code Connection Conditions in this regard, the voltage unbalance shall not exceed the values given below:

Implementation Stage	Voltage Level	Limit of voltage unbalance
Preliminary Stage - Level 1	220kV and Above	2%
Transition Stage - Level 2	132kV	3%
Transition Stage - Level 2	33kV and 11kV buses in EHV Substation	3%

Provided that the above limit for Voltage unbalance at the interconnection point with Distribution System are subject to Distribution Licensee maintaining current unbalance between phases within limit of 3% applied for all feeders of one voltage class emanating from a sub-station including railway traction etc. measured at 3 sub-stations in a row. The Voltage unbalance shall be measured at sub-stations provided with measuring instruments having accuracy class within 1% limit.

(f) Neutral Voltage Displacement (NVD):

- (i) Unbalance in loads on three phases cause shifting of neutral from earth potential. Neutral displacement is applicable for transformers with 'Star Point' solidly grounded. Under “solidly” grounded conditions, the potential of neutral should be equal to earth i.e. zero. But in actual conditions, the earthing of the star point is imperfect and so the star to ground offers small resistance. This results in flow of negative sequence currents (because $I_R + I_Y + I_B$ is not equal to zero, where, I_R is the current in the R-Phase, I_Y is the current in the Y-Phase and I_B is the current in the B-Phase) through neutral to ground. The neutral therefore shifts from earth potential. This performance standard shall be achieved for star point of all EHT transformers having 33kV or 11kV on the low voltage side.
- (ii) Unbalance voltages and displacement of neutral result in decreased efficiency, negative torque, leakage currents, vibrations and overheating. Severe unbalance and neutral displacement could lead to malfunctioning of some equipment.
- (iii) The State Transmission Utility/Transmission Licensee shall ensure that the neutral point voltage of the transformers with respect to earth will not have potential greater than 2% of the no load phase to phase voltage of the transformer.
- (iv) This standard shall be implemented in the Preliminary Stage (Level 1) itself.

(g) Voltage Variation Index (VVI):

Voltage Variation Index representing the degree of voltage variation from nominal value (in %) over a specified period of time shall be computed separately by the State Transmission Utility /Transmission Licensee for higher than nominal system voltage and lower than nominal system voltage as per the following formula:

$$\text{VVI} = \text{Square Root of } \left\{ \sum_{i=1}^N (V_i - V_s)^2 / N \right\} \times (100 / V_s) \%$$

Where,

V_i = RMS value of measured voltage (in kV) at i^{th} hour in the period for which VVI is computed

V_s = RMS value of the nominal system voltage i.e. 400kV, 220kV and 132kV etc. as may be applicable at the interconnection point

N = Number of hourly measurements over the specified period of time

The data from defective metering or any abnormal data shall be discarded from calculations. The VVI shall be computed on monthly basis:

Preliminary Stage-Level 1 ≤ 10 To be achieved for more than 90% of buses

Transition Stage - Level 2 ≤ 6 To be achieved for more than 90% of buses

Final Stage-Level 3 ≤ 4 To be achieved for more than 90% of buses

(h) System Adequacy:

System adequacy is the ability of the electric system to receive the generated power or supply the aggregate electrical demand and energy requirements of its consumers at all times, taking into account scheduled and reasonably expected unscheduled outage of system elements. Adequacy of the power system is usually measured in terms of Loss Of Load Probability (LOLP). LOLP is the probability of transmission system capacity not being able to meet system load. LOLP can also be expressed as Loss Of Load Expectation (LOLE) in hours per year. This measure does not consider

the amount or duration of the generation capacity shortfall. State Transmission Utility / Transmission Licensee is expected to achieve LOLE hours in percentage as under:

Implementation Stage	Nos. of hours in year when system demand		Loss Of Load Expectation (LOLE) in % of hours ($C=B \times 100/8760$)
	can be fully met subject to generation availability (A)	can not fully met even with generation availability (B = 8760 - A)	
Preliminary Stage – Level 1	7446	1314	15%
Transition Stage - Level 2	7884	876	10%
Final Stage - Level 3	8672.4	87.60	1%

(i) System Security:

Security is the ability of the electric system to withstand sudden disturbance such as electric short circuit or unanticipated loss of system element, detailed in Clause 6 of "Manual on Transmission Planning Criteria" issued by CEA. The State Transmission System shall be designed for a security level of "n-1" i.e. to withstand a single contingency with little negative effect. This means the most severe fault or tripping of a critical generator, transformer or line should not result in instability of the system, overloading lines and/or transformers for more than 15 minutes, voltage drop of more than 10% when the system import is increased by 20%. State Transmission Utility /Transmission Licensee shall maintain the system security level of "n-1" (single contingency) plus spinning reserve margin for Steady State Operation.

Implementation Stage	System Security Level of “n-1” (Single Contingency) plus spinning reserve margin of:
Preliminary Stage - Level 1	No mandatory requirement
Transition Stage - Level 2	0.5% of system peak load
Final Stage - Level 3	1% of system peak load

6. REPORTING REQUIREMENT AND COMPLIANCE

- 6.1 State Transmission Utility/Transmission Licensee shall furnish to the Commission an half yearly report in the format prescribed at ANNEXURE-A, by October 31st and April 30th of each year on actual performance vis-à-vis the performance standards laid down in these standards as modified from time to time. The report shall contain all parameters irrespective of whether such parameters are applicable during the current reporting period. The State Transmission Utility /Transmission Licensee shall maintain the base data like Log Sheet, Complaint Registers and Interruption Register and relevant load flow studies in respect of system security etc. at sub-station level for compilation of monthly report at circle level. The consolidated report shall be based on circle-wise compilation for whole State Transmission Utility /Transmission Licensee. The circle-wise compilation and base data at sub-station level shall be subject to its scrutiny as considered necessary by the Commission.
- 6.2 The State Transmission Utility /Transmission Licensee shall display on their website the actual performance against the required standards on a monthly basis.
- 6.3 For the purpose of this Regulation, the half-year periods would be as follows:
- (a) 1st Half year: 1st April to 30th September
 - (b) 2nd Half year: 1st October to March 31st.
- 6.4 The Commission may, from time to time, modify the contents of the regulation/formats or add new regulation/formats for additional information.
- 6.5 In addition to the hard copies, the information shall necessarily be submitted in such electronic form or through compact disks or e-mail as the Commission may direct.
- 6.6 Effect of default in compliance with the Standards
- (a) Consequent to failure of State Transmission Utility/Transmission Licensee to meet performance standards specified herein, the affected Utility/Consumers shall be entitled to seek relief/compensation from State Transmission Utility/Transmission Licensee, as may be

determined by the Commission:

Provided that the STU/Transmission Licensee shall be given an opportunity of being heard before such compensation is determined by the Commission:

Provided further that the compensation so determined shall be payable within 90 days of its determination by the Commission:

Provided also that the payment of compensation by the State Transmission Utility/Transmission Licensee shall be without prejudice to any penalty, which may be imposed or prosecution initiated by the Commission as provided in the Act.

- (b) The Commission at its own discretion may require the State Transmission Utility/Transmission Licensee to furnish a report on actual performance levels maintained against the standards specified by the Commission with its Petitions for Annual Revenue Requirement (ARR) and Tariff Determination, which shall be subject to public hearing for tariff setting by the Commission.

7. MISCELLANEOUS

Annual Review of Performance Standards

- 7.1 The Commission in consultation with State Transmission Utility/Transmission Licensee shall review the performance standards for Transmission System as specified above once in every 5 years or more frequently as may be required.

Use of the Information

- 7.2 The Commission shall have the right to use the information submitted by State Transmission Utility/Transmission Licensee as it deems fit including publishing it or placing it on the Commission's website and/ or directing the State Transmission Utility/Transmission Licensee to display the information in the licensee's website.

Power to Amend

- 7.3 The Commission may, at any time add, vary, alter, modify or amend any provisions of this Regulations.

Savings

- 7.4 Nothing in this Regulation shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.
- 7.5 Nothing in this Regulation shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 7.6 Nothing stated in this Regulation shall, expressly or implicitly, bar the Commission from dealing with any matter or exercising any power under the Act for which no Regulation has been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

Exemption

- 7.7 The Commission may relax adherence to specific performance standard during Force Majeure conditions such as war, mutiny, civil commotion, riot, flood, cyclone, storm, lightening, earthquake, grid failure, and strike/curfew, lockout, fire affecting the State Transmission Utility's/ Transmission Licensee's installations and operation activities.
- 7.8 The Commission under specific circumstances may also relax any provisions of Regulation in general or in specific cases for the period(s) specified in its order(s).

(BY ORDER OF THE COMMISSION)

S.SURYA PRAKASA RAO
Secretary.

HALF YEARLY REPORT ON TRANSMISSION PERFORMANCE STANDARDS

NAME OF STATE TRANSMISSION UTILITY/TRANSMISSION LICENSEE

Report for half year ending:

Date of submission:

Sl. No.	Category of Standard	Implementing Stage/level	Performance Standard(s)	Measurable Parameter	Value of Measurable Parameter Specified by Commission		Actual Achievement for half year	Remarks
					Name of the Parameter	Value specified		

Note:

1. The State Transmission Utility shall maintain the base data like Log Sheet, Complaint Registers and Interruption Register etc. at sub-station level.
2. For compilation of monthly report at circle level base data of substations shall be used.
3. The consolidated report for whole State Transmission Utility /Transmission Licensee shall be based on circle -wise compilation.
4. The circle-wise compilation and base data at sub-station level may be subject to Commission scrutiny as may be necessary.

Name of Reporting Officer:

Designation

REGULATION NO. 1 OF 2008

Andhra Pradesh Electricity Regulatory Commission
(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

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(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

(Regulation No. 1 of 2008)

INTRODUCTION

Section 62 and Section 86 (1) (b) of the Electricity Act, 2003, require the Commission to determine the tariff for supply of electricity by a generating company to a distribution licensee and to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured, from the generating companies or licensee or from other sources through agreements for purchase of power for distribution and supply within the State. Section 61 of the Act *ibid* requires the Commission to specify the terms and conditions for such determination of tariff. Accordingly the Commission published a draft Regulation on the subject in the A.P.Gazette on 31-08-2006 seeking comments/suggestions from interested persons and also issued a press release on the same day apart from hosting the draft Regulation on its website. The Commission has considered the responses received and finalized the Regulation.

In exercise of powers conferred under Sections 61, 62, 86(1)(b) read with Section 181 of the Electricity Act, 2003, and all other powers enabling in this behalf, therefore, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (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.
- ii) This Regulation shall extend to the whole of the State of Andhra Pradesh.
- iii) Subject to the provisions in clause 5.2 this Regulation shall be applicable to: all generating companies supplying or intending to supply electricity to a Distribution Licensee, and all Distribution Licensees for purchase of electricity from generating companies, other licensees including trading

licensees, captive generating plants and any other source :

Provided that determination of tariff for supply of electricity to a distribution licensee from non-conventional sources of generation shall be in accordance with such terms and conditions as stipulated in relevant separate Orders of the Commission.

- iv) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette and shall remain in force unless amended, varied, altered or modified by the Commission.

2 DEFINITIONS

- i) In this Regulation, unless the context otherwise requires:

(a) "Act" means the Electricity Act, 2003;

(b) "Applicant" means a Licensee or Generating Company who has made an application for determination of tariff ;

(c) "Authority" means Central Electricity Authority referred to in Section 70 of the Act;

(d) "Auxiliary Consumption" in relation to a period, means the quantum of energy consumed by auxiliary equipment of the generating station and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the generating station and, for the purpose of this Regulation, auxiliary consumption for a thermal generating station shall include transformer losses within the generating station;

(e) "Availability" in relation to a thermal generating station for any period means the average of the daily average declared capacities for all the days during that period expressed as a percentage of the installed capacity of the generating station minus the normative auxiliary consumption in MW, as specified in this Regulation and shall be computed in accordance with the following formula:

$$\text{Availability} = 10000 \times \sum_{i=0}^N \text{DC}_i / \{N \times \text{IC} \times (100 - \text{AUX}_n)\} \%$$

where —

N — number of days during the period

DC_i = Average Declared Capacity for the ith day of the period in MW,
 IC = Installed Capacity of the generating station in MW,
 AUX_n--Normative Auxiliary Consumption, expressed as a percentage
 of gross generation

- (f) "Beneficiary" in relation to a generating station means the person buying power generated at such a generating station on payment of Annual Fixed Charges;
- (g) "Block" in relation to a combined cycle thermal generating station includes combustion turbine — generators, associated waste heat recovery boilers, connected steam turbine — generators and auxiliaries;
- (h) "Capacity Index" in relation to a hydro power generating station means the average of the daily capacity indices over one year excluding those days on which Maximum Available Capacity is zero due to non-availability of water;

$$\text{Capital Index} = \frac{\text{Sum of Capacity Indices for all the days of the year}}{\text{Number of days in the year when the Maximum Available Capacity is Non-Zero.}}$$

- (i) "Capital Cost" of a project or its unit or stage as the case may be, means the capital expenditure thereof as admitted by the Commission for determination of tariff.
- (j) "CERC" means the Central Electricity Regulatory Commission established under Section 76 of the Act;
- (k) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- (l) "Conduct of Business Regulations" means the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations in force from time to time;
- (m) "Control Period" means a multi-year period fixed by the Commission from time to time, usually a 5-year period, the first Control Period

however ending on 31' March, 2009.

- (n) "Cut-off Date" means the date of the first financial year closing after three hundred and sixty-five (365) days of the date of commissioning of a generating station;
- (o) "Daily Capacity Index" in relation to a hydro power generating station means the declared capacity subject to availability of water for the purpose of generation expressed as a percentage of the maximum available capacity for the day subject to availability of water for the purpose of generation and shall be calculated in accordance with the following formula:

Daily Capacity Index = Declared Capacity (MW) subject to availability of water for the purpose of generation x 100 / Maximum Available Capacity (MW) subject to availability of water for the purpose of generation

Note: In case the Maximum Available Capacity is zero for any day due to non- availability of water, then the Daily Capacity Index for that day shall be taken as zero for the purpose of computing Annual Capacity Index.

- (p) Date of commercial operation or COD means in relation to a unit of a generating station means the date declared by the generator after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run after notice to the beneficiaries and in relation to the generating station means the date of commercial operation of the last unit or block of the generating station ;
- (q) "Declared Capacity" means for a thermal generating station, the capability of the generating station to deliver ex- bus electricity in MW declared by such generating station in relation to any period of the day or whole of the day, duly taking into account the availability of fuel:

Note :

- (i) In case of a gas turbine generating station or a combined cycle generating station, the generating station shall declare the capacity for units and modules on gas fuel and liquid fuel separately, and these shall be scheduled separately. Total declared capacity and total scheduled generation for the generating station shall be the sum of the declared capacity and scheduled generation for gas fuel and liquid fuel for the purpose of computation of availability and Plant Load Factor respectively;
- (ii) For run-of-river hydro power generating stations with pondage and storage-type power stations the declared capacity means, the ex-bus capacity in MW expected to be available from the generating station over the peaking hours of the next day, as declared by the generating station, taking into account the availability of water for generation, optimum use of water and availability of machines and for this purpose, the peaking hours shall not be less than three (3) hours within a twenty-four (24) hour period;
- (iii) For purely run-of-river hydro power generating stations the declared capacity means, the ex-bus capacity in MW expected to be available from the generating station during the next day, as declared by the generating station, taking into account the availability of water for generation, optimum use of water and availability of machines;
- (r) "Deemed Generation" means the energy which a hydro-generating station was capable of generating but could not generate due to the conditions of grid or power system, beyond the control of generating station resulting in spillage of water ;
- (s) "Design Energy" in relation to a hydro power generating station means the quantum of energy which could be generated in a 90 per cent dependable year with 95 per cent installed capacity of the

generating station;

- (t) "Existing Generating Station" means a generating station which had a date of commissioning prior to the date of notification of this Regulation;
- (u) "Generation Business" means the business of production of electricity from a generating station for the purpose of giving supply to any person or enabling a supply to be so given;
- (v) "Gross Calorific Value" in relation to a thermal generating station means the heat produced in kCal by complete combustion of one kilogram of solid fuel or one litre of liquid fuel or one standard cubic meter of gaseous fuel, as the case may be;
- (w) "Gross Station Heat Rate" means the heat energy input in kCal required to generate one kWh of electrical energy at generator terminals;
- (x) "Infirm Power" means electricity generated prior to the date of commercial operation of the unit of a generating station;
- (y) "Installed Capacity" means the summation of the name plate capacities of all the units of the generating station or the capacity of the generating station (reckoned at the generator terminals) as approved by the Commission from time to time;
- (z) "Licensee" means a person granted a licence under Section 14 of the Act;
- (aa) "Long-term procurement" means procurement of power by a Distribution Licensee for a period of over one year;
- (bb) "Maximum Available Capacity" in relation to a hydro power generating station means-
 - (i) for run-of-river hydro power generating stations with pondage and storage-type power stations, the maximum capacity in MW

that the generating station can generate with all units running under prevailing conditions of water levels available for usage and flows over the peaking hours of the next day, and for this purpose, the peaking hours shall not be less than three (3) hours within a twenty four (24) hour period;

(ii) for purely run-of-river hydro power generating stations, the maximum capacity in MW that the generating station can generate with all units running under prevailing conditions of water levels available for usage and flows over the peaking hours of the next day;

(cc)"Maximum Continuous Rating" or 'MCR' in relation to a unit of the thermal power generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer at rated parameters, and in relation to a unit or block of a combined cycle thermal power generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer with water/steam injection (if applicable) and corrected to 50 Hz grid frequency and specified site conditions;

(dd)"New Generating Station" means a generating station with a date of commissioning on or after the date of notification of this Regulation;

(ee)"Operation and Maintenance Expenses" or 'O&M Expenses' means the expenditure incurred on operation and maintenance of the generating station, including part thereof, and includes the expenditure on manpower, repairs, spares, consumables, insurance and overheads;

(ff) "Plant Load Factor", for a given period, means the total sent-out energy corresponding to scheduled generation during such period, expressed as a percentage of sent-out energy corresponding to installed capacity in that period and shall be computed in accordance with the following formula:

$$\text{Plant Load Factor} = 10000 \times \sum_{i=0}^N \text{SGi} / \{N \times \text{IC} \times (100 - \text{AUXn})\} \%$$

where

N = number of time blocks in the given period

SG_i = Scheduled Generation in MW for the i^{th} time block in such period

IC = Installed Capacity of the generating station in MW

AUX_n = Normative Auxiliary Consumption in MW, expressed as a percentage of gross generation

- (gg) "Power Procurement Plan" means, the plan prepared by a Distribution Licensee in accordance with the guidelines/regulations issued in this behalf by the Commission;
- (hh) "Primary Energy" in relation to a hydro power generating station means the quantum of energy generated up to the design energy on per year basis at the generating station;
- (ii) "Project" means a generating station;
- (jj) "Run-of-river power station" means a hydro power generating station which has no upstream pondage;
- (kk) 'Run-of-river power station with pondage' means a hydro electric power generating station with sufficient pondage for meeting the diurnal variation of power demand;
- (ll) "Scheduled Generation" at any time or for any given period or time block means the schedule of generation in MW ex-bus given by the State Load Despatch Centre;

Note : For the gas turbine generating station or a combined cycle generating station if the average frequency for any time block, is below 49.52 Hz but not below 49.02 Hz and the scheduled generation is more than 98.5% of the declared capacity, the scheduled generation shall be deemed to have been reduced to 98.5% of the declared capacity, and if the average frequency for any time block is below 49.02 Hz and the scheduled generation is more than 96.5% of the declared capacity, the scheduled generation shall be deemed to have been reduced to 96.5% of the declared capacity.

- (mm) "Secondary Energy" in relation to a hydro power generating station means the quantum of energy generated in excess of the design energy on per year basis at the generating station;
- (nn) "Short-term procurement" means procurement of power by a Distribution Licensee for a period not exceeding one year;
- (oo) "Small Gas Turbine Power Generating Station" means and includes gas turbine/combined cycle generating stations with gas turbines in the capacity range of 50MW or below;
- (pp) "State" means the state of Andhra Pradesh.
- (qq) "Storage type power station" means a hydro power generating station associated with large storage capacity to enable variation in generation of electricity according to demand;
- (rr) "Unit" in relation to a thermal generating station means steam generator, steam turbine, generator and auxiliaries and in relation to a combined cycle thermal generating station, means gas turbine, generator and auxiliaries.
- (ss) "Year" means a financial year.

ii. Words and expressions used and not defined in this Regulation but defined in the Act shall have the same meanings as assigned to them in the Act.

iii. All proceedings under this Regulation shall be governed by the Conduct of Business Regulations.

PART- I
APPROACH, FRAMEWORK, PROCEDURE AND FILINGS

3 POWER PROCUREMENT PLAN

- 3.1 The Distribution Licensee shall prepare a Power Procurement Plan as per the Commission's Guidelines on Load Forecasts, Resource Plans and Power Procurement and shall submit the same for Commission's approval as specified in clause 9 of the APERC (Terms and Conditions for determination of tariff for wheeling and retail sale of electricity) Regulation, 2005 (Regulation No.4 of 2005), as amended from time to time.
- 3.2 The Licensee shall make explicit the steps it intends to take that will enable the acquisition of the resources required in the Power Procurement Plan.
- 3.3 The Distribution Licensee shall procure power, under this Regulation, in conformity with the Power Procurement Plan as approved by the Commission.
- 3.4 Each application for power procurement or the proposals referred to in clause 5 of this Regulation shall contain an explanation as to how the proposed procurement conforms to the Power Procurement Plan, or the reasons for deviations, if any :

Provided that a distribution licensee may undertake short-term purchases of electricity without the prior approval of the Commission, in terms of the Guidelines issued by the Commission in that behalf in force, as referred to in clause 4.

4 SHORT-TERM PROCUREMENT

For short-term procurement of electricity, the Distribution Licensees shall follow the procedure as laid down by the Commission from time to time, the latest instructions are as per the directive of the Commission in Tariff Order 2008-09 at paragraph 231.

5 APPROACH TO DETERMINATION OF TARIFF

- 5.1 Where tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act.
- 5.2 The provisions specified in Part - II of this Regulation shall apply in determining tariff based on Capital Cost for supply to a Distribution Licensee by :
- a. State-controlled/owned companies till such time as the Commission is satisfied that the situation is ripe to introduce competition; and
 - b. one-time expansion of generating capacity of existing projects of private developers, not exceeding 50% of the capacity as on 06.01.2006 except in the following cases:
 - (i) Where the PPA (power purchase agreement between the generating company and the distribution licensee) had been signed and approved by the Commission prior to 06.01.2006 or the PPA had been signed and was pending before the Commission on 06.01.2006;
 - (ii) Where the appraisal of the project had started before 6-1-2006 by the relevant financial institutions for lending funds to the project on the basis of appropriate evidence of process of procurement of power by any distribution licensee. Provided that in all such cases final PPA is filed before the Commission by 30th September 2006.
 - (iii) In case of hydro projects where detailed project report (DPR) has been submitted to the Central Electricity Authority/Central Water Commission before 01.04.2006 for concurrence (except for projects where concurrence of DPR is not mandatory) and appropriate evidence of process of procurement of power by any distribution licensee existed before 6-1-2006. Provided that in all such cases final PPA is filed before the Commission by 30th September 2006.
 - c. Own generating stations: Where the Distribution Licensee also undertakes the business of generation of electricity, the transfer price at which

electricity is to be supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business shall be determined by the Commission:

Provided that the Commission shall have regard to the terms and conditions specified in this Regulation in determining the transfer price for such supply. The Distribution Licensee shall maintain separate records for the Generation Business and shall maintain an Allocation Statement so as to enable the Commission to clearly identify the direct and indirect costs relating to such business and the return accruing to such business.

- d. The Distribution Licensee shall submit, along with the application for determination of tariff for retail sale of electricity, the information required under this Regulation relating to the Generation Business, so as to enable the Commission to determine the transfer price for supply of electricity to the Retail Supply Business in accordance with the terms and conditions contained in the Part III:

Provided that the Commission may deviate from the norms contained in this Part or specify alternative norms for particular cases, where it so deems appropriate having regard to the circumstances of the case:

Provided also that the reasons for such deviation shall be recorded in writing:

Provided further that in case of an existing generating station, the Commission shall determine the tariffs having regard to the historical performance of such generating station and reasonable opportunities for improvement in performance, if any.

- 5.3 The Commission shall determine tariff under section 62 read with section 64 of the Act on receipt of an application to that effect from a generating company for supply of electricity to a distribution licensee(s), or from the distribution licensee(s).
- 5.4 The tariffs shall unless reviewed earlier or extended or specified otherwise by the Commission remain in force for the duration of a control period.

5.5 A Generating Company or Distribution Licensee, as the case may be, may agree to any terms and conditions that may vary from the terms and conditions contained in this Regulation subject to the conditions that :

(a) The overall per unit tariff of electricity over the entire life of the asset, calculated on the basis of the norms in deviation does not exceed the per unit tariff calculated on the basis of the norms specified in this Regulation; and

(b) Any such deviation shall come into effect only after approval by the Commission:

6 PROCEDURE FOR APPLICATION

6.1 An application referred to in clause 5.3 above shall be filed in the form specified in Annexure-I, and shall be accompanied by the form of verification specified in the Conduct of Business Regulations in force, and the fees specified in APERC (Levy of Fees for various services rendered by the Commission) Regulation, 2005 (Regulation No.1 of 2005), as amended from time to time.

6.2 The applicant shall provide all and any further information as may be required by the Commission for processing the application.

7 PROCEDURE FOR PUBLICATION OF THE APPLICATION

7.1 The applicant shall publish the application in at least two daily English newspapers in English and two Telugu daily newspapers in Telugu, in the form specified in Annexure-II inviting objections / suggestions from the public on the application, to be filed with the Secretary of the Commission with a copy to the applicant.

7.2 The applicant shall furnish replies to the written objections received pursuant to such publication within the time specified by the Commission, to the objectors concerned with a copy each to the Commission Secretary.

8 DISPOSAL OF APPLICATION

8.1 The Commission shall, within one hundred and twenty (120) days from the receipt of a complete application and after considering all suggestions and objections received from the public:

(a) issue a Tariff Order accepting the application with such modifications or such conditions as may be contained in such Order; or

(b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and regulations made thereunder or the provisions of any other law for the time being in force and for any other sufficient reasons

8.2 The Commission may conduct public hearing on the application in the manner as may be decided by the Commission in terms of the Conduct of Business Regulations, this Regulation and the Act.

8.3 No tariff or part of any tariff may be ordinarily amended, more frequently than once in any financial year, except in respect of any changes in fuel cost expressly permitted under the terms of fuel cost adjustment formula given in Annexure – III.

Provided that if any Licensee or Generating Company recovers a price or charge exceeding the tariff determined under Section 62 of the Act and in accordance with this Regulation, the excess amount shall be recoverable by the person who has paid such price or charge along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability incurred by such Licensee or Generating Company.

8.4 The Licensee shall submit periodic returns as may be required by the Commission, containing operational and cost data to enable the Commission to monitor the implementation of its Order and reassess the basis on which tariff was approved.

PART-II

TARIFF DETERMINATION BASED ON CAPITAL COST

9 FILING DETAILS

9.1 Each application where tariff is to be determined based on capital cost shall include the following duly accompanied by supporting data and documentary and other evidence:

(i) Fixed Costs

- (a) Capital Cost of the project
- (b) Capital structure (Debt-Equity Ratio)
- (c) Depreciation
- (d) Operation and Maintenance Expenses
- (e) Working Capital
- (f) Income-Tax as per actual

(ii) Variable Costs

- (a) Landed cost of fuel including transit and handling charges, in case of thermal stations
- (b) Royalty on coal and water rates, if any
- (c) Others (to specify)

(iii) Norms of operation

- (a) Target Availability for recovery of full capacity (Fixed) charges
- (b) Target Plant Load Factor (PLF) for incentive
- (c) Cross Station Heat Rate - (i) during stabilisation period; (ii) subsequent period
- (d) Secondary fuel oil consumption
- (e) Auxiliary Energy Consumption

10 TARIFF DETERMINATION

Tariffs under this Part shall be determined in accordance with the norms specified herein, guided by the principles and methodologies specified in CERC (Terms and Conditions of Tariff) Regulations 2004 as originally issued and amended by CERC (Terms and Conditions of Tariff) (First Amendment) Regulations, 2006, issued on 1st June, 2006 vide No.L-7/25/(5)12003 —CERC; any further amendments thereto shall be applicable on their adoption by the Commission, by means of a general or special order, with or without any

modifications:

Provided that the norms of operation specified in this Regulation shall not preclude the generating company and the distribution licensee from agreeing upon improved norms of operation and in such a case, such improved norms shall be applicable for determination of tariff.

10.1 Tariff in respect of a generating station under this Regulation shall be determined Stage-wise, Unit-wise or for the whole generating station. The terms and conditions for determination of tariff for generating stations specified in this Part shall apply in like manner to Stages or Units, as the case may be, as to generating stations.

10.2 Where the tariff is being determined for a Stage or a Unit of a generating station, the generating company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all Stages or Units as the case may be under consideration:

Provided that the generating company shall maintain an Allocation Statement providing the basis for allocation of such costs and submit such statement to the Commission along with the application for determination of tariff under this Regulation.

10.3 In relation to multi-purpose hydroelectric projects, with irrigation, flood control and power generation components, the capital cost chargeable to the power generation component of the project only shall be considered for determination of tariff.

10.4 **Components of tariff:** Tariff for sale of electricity shall comprise of two parts
a) annual fixed costs; and b) energy charges

- i. In case of a thermal power generating station, the two parts shall consist of the recovery of annual fixed charges and energy charges.
- ii. In case of a hydro power generating station, the two parts shall consist of the recovery of annual capacity charge and energy charges:

Provided that the annual capacity charges for a hydro power generating station shall be computed in accordance with the following formula:

Annual Capacity Charges = (Annual Fixed Charge - Primary Energy Charge)
Provided further that the Primary Energy Charge shall not exceed the Annual Fixed Charge.

10.5 The annual fixed charges of a thermal generating station or of a hydro power generating station, as the case may be, shall consist of recovery of the following:

- (a) Return On Capital Employed (RoCE);
- (b) Depreciation ;
- (c) O&M Expenses ;
- (d) Income-tax as per actuals;

10.6 The energy charges, in case of thermal generating station, shall cover fuel cost and shall be computed in accordance with clause 13.1

10.7 The Primary energy charges, in case of hydro generating station, shall be computed as specified in clause 13.2

10.8 **Capital cost** :- Subject to prudence check by the Commission based on information filed by the generating company , licensees, evidence from other Commissions, generating companies, licensees and international experience etc. the Commission shall determine the Capital Cost of the project. The Capital Cost as determined above, shall also include further capital expenditure incurred if any up to the first financial year closing one year after the date of commercial operation of the last unit of the project, its stage or the unit, as the case may be is admitted by the Commission.

It shall also include capitalized initial spares subject to the following ceiling norms as a percentage of the actual cost of the machinery and equipment. The actual (original cost) as on the cut-off date as admitted by the Commission.

(i) Coal-based/lignite-fired generating stations - 2.5%

(ii) Gas Turbine/Combined Cycle generating stations - 4.0%

(iii) Hydro power generating stations - 1.5%

Provided that where the power purchase agreement entered into between the Generating Company and the Distribution Licensee provides actual expenditure, the expenditure shall not exceed such actuals for determination of tariff :

Provided further that in case of the existing generating stations, the actual original cost of project recorded in the books of account of the Generating Company, subject to prudence check by the Commission, shall be considered as the original cost of project for the purpose of this Regulation.

10.9 Capital cost of the project shall be inclusive of, and shown separately with supporting evidence the expenditure if any, likely to be capitalised within the original scope of work after the date of commercial operation, and no separate claim for any additional capitalisation shall be entertained. Subject to prudence check Capital Expenditure of the following nature actually incurred after the cut-off date may be admitted by the Commission.

- i. Deferred liabilities relating towards works / services within the original scope of work.
- ii. Liabilities to meet award of arbitration or for compliance of the order or decree of the Court.
- iii. On account of change in law.
- iv. Any additional works / services that became necessary for efficient and successful operation of the generating station, but not included in the original project cost ; and v. Deferred works relating to ash pond or ash handling system in the original scope of work.

10.10 Foreign exchange variation risk shall not be allowed as a pass-through:

10.11 The capital expenditure as arrived at or determined above shall be considered as the capital cost of the project for the purpose of this Regulation.

10.12 **Sale of Infirm Power:** Any revenue (other than the recovery of fuel cost) earned by the generating company from sale of infirm power, shall be taken as

reduction in capital cost and shall not be treated as revenue.

10.13 **Debt-equity ratio** : In case of all generating stations, debt-equity ratio as on the date of commercial operation shall be taken as 70:30 for determination of tariff irrespective of the actual quantum of debt and equity.

The debt and equity amount so arrived at shall be used for calculating RoCE referred to in clause-12.

11 NORMS FOR OPERATION

11.1 Thermal generating stations:

The norms in respect of those generating stations with plant capacities other than those mentioned herein shall be determined by the Commission on a case to case basis.

11.1.1 Availability

- a. Target availability for full recovery of annual fixed charges in case of coal/gas — based plants shall be 80 percent.
- b. Target availability for full recovery of annual fixed charges in case of lignite -fired plant shall be 75 percent

11.1.2 Auxiliary Energy Consumption

- a. Coal-based generating stations

	With cooling	Without cooling
	tower	tower
(i) 200/210/250 MW	9.0%	8.5%
(ii) 500 MW series		
Steam driven boiler feed pumps	7.5%	7.0%
Electrically driven boiler feed pumps	9.0%	8.5%

- b. Gas Turbine/Combined Cycle generating stations

- i. Combined cycle : 3.0%
- ii. Open cycle : 1.0%

- c. Lignite-fired thermal power generating stations. The auxiliary energy consumption norms shall be 0.5 percentage point more than the auxiliary energy consumption norms of coal-based generating stations specified clause 11.1.2 (a) above.

11.1.3 Gross station heat rate

- a. Gross station heat rate for coal-based generating stations shall be as indicated below:

	After Stabilization Period
200/210/250 MW capacity plants	2500/kcal /kWh
500 MW capacity plants	2450 kcal / kWh

Note 1:

In respect of 500 MW Units where the boiler feed pumps are electrically operated, the gross station heat rate shall be 40 kCal/kWh lower than the station heat rate indicated above.

Note 2:

For generating stations having combination of 200/210/250 MW sets and 500 MW sets, the normative gross station heat rate shall be the weighted average station heat rate.

- b. For lignite-fired generating stations, the gross station heat rates specified under clause (a) above for coal-based generating stations shall be corrected, using multiplying factors as given below:
- (i) For lignite having 50% moisture: Multiplying factor of 1.10
 - (ii) For lignite having 40% moisture: Multiplying factor of 1.07
 - (iii) For lignite having 30% moisture: Multiplying factor of 1.04
 - (iv) For other values of moisture content, multiplying factor shall be prorated for moisture content between 30-40 and 40-50 depending upon the rated values of multiplying factor for the respective range given under sub-clauses (i) to (iii) above.

- c. Gross station heat rate for gas turbine/combined cycle generating stations

	Advanced Class Machines	E/EA/EC/E2 Class Machines
Open cycle	2685 kCal/kWh	2830 kCal/kWh
Combined cycle	1850 kCal/kWh	1950 kCal/kWh

- d. Gross station heat rate for small gas turbine generating stations

	With Natural Gas	With Liquid Fuel
Open cycle	3125 kCal/kWh	1.02x3125 kCal/kWh
Combined cycle	2030 kCal/kWh	1.02x2030 kCal/kWh

11.1.4 Secondary fuel oil consumption

- a. Coal-based generating stations : 2.0 ml/kWh
- b. Lignite-fired generating stations: 3.0 ml/kWh

11.1.5 Transit losses

- a. Transit losses for coal based generating stations, as a percentage of quantity of coal dispatched by the coal supply company during the month, shall be as given below:
 - (i) Pit head generating stations - 0.3%
 - (ii) Non-pit head generating stations - 0.8%

11.2 Hydro power generating stations

11.2.1 Normative capacity index for recovery of annual fixed charges

- a. During first year of commissioning of the generating station
 - (i) Purely Run-of-river power stations - 85%
 - (ii) Storage type and Run-of-river power stations with pondage - 80%
- b. After first year of commissioning of the generating station
 - (i) Purely Run-of-river power stations - 90%
 - (ii) Storage type and Run-of-river power stations with pondage - 85%

Note:

There shall be pro rata recovery of annual fixed charges in case the generating station achieves capacity index below the prescribed normative levels. At Zero capacity index, no fixed charges shall be payable to the generating station.

11.2.2 Auxiliary Energy Consumption

- (a) Surface hydro electric power generating stations with rotating exciters mounted on the generator shaft - 0.2% of energy generated;
- (b) Surface hydro electric power generating stations with static excitation system - 0.5% of energy generated ;
- (c) Underground hydro electric power generating stations with rotating exciters mounted on the generator shaft - 0.4% of energy generated;
- (d) Underground hydro electric power generating stations with static excitation system - 0.7% of energy generated ;

11.2.3 Transformation losses

From generation voltage to transmission voltage: 0.5% of energy generated.

12 CALCULATION OF ANNUAL FIXED CHARGES

The capacity charges shall be computed on the following basis and their recovery shall be related to target availability. The Annual Fixed Charges shall cover:

- (a) Return on Capital Employed (RoCE)
- (b) Depreciation
- (c) O&M expenses
- (d) Taxes on Income as per actuals

12.1 a) Return on Capital Employed (RoCE)

RoCE is equal to sum of

- a. Original Capital Cost less Accumulated depreciation, and ;
- b. Working Capital approved by the Commission as per this Regulation, multiplied with the Weighted Average Cost of Capital (WACC).

The WACC for this purpose will be determined as per the procedure given below :

$$\text{WACC} = [D/E/(1+D/E)] r_d + [1/(1+D/E)]r_e$$

D/E is the Debt to Equity Ratio and shall be determined at the beginning of the Control Period after considering Generating Company's previous years' D / E mix, market conditions and other relevant factors.

r_d is the Cost of Debt and shall be determined at the beginning of the Control Period after considering Generating Company's proposals, present cost of debt, market conditions and other relevant factors.

r_e is the Return on Equity and shall be determined at the beginning of the Control Period after considering CERC norms, Generating Company's proposals, previous years' D/E mix, risks associated with generating business, market conditions and other relevant factors

12.2 b) Depreciation

For the purpose of tariff, depreciation shall be computed in the following manner, namely:

- (i) The value base for the purpose of depreciation shall be the historical cost of the asset;
- (ii) Depreciation shall be calculated annually, based on straight line method over the useful life of the asset and at the rates prescribed in Ministry of Power notification dated 21-03-1994, as amended till date.

The residual life of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing the historical cost of the asset.

- (iii) On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.
- (iv) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on *pro rata* basis.

12.3 Operation and Maintenance Expenses

12.3.1 Existing generating stations

- a. The operation and maintenance expenses including insurance, for the existing generating stations which have been in operation for 5 years or more in the base year of 2006-07, shall be derived on the basis of actual operation and maintenance expenses for the years 2001-02 to 2005-06 based on the audited financial statements or best estimates of the generating company as accepted by the Commission in respect of the years for which audited financial statements are not available, excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission.
- b. The average of such normalized operation and maintenance expenses after prudence check, for the years 2001-02 to 2005-06 considered as operation and maintenance expenses for the year 2005-06 shall be escalated by 4% to arrive at operation and maintenance expenses for the base year 2006-07:

Provided that in case, an existing generating station has been in operation for less than five (5) years as at April 1, 2007, the average shall be computed for such shorter period for which such generating station was in operation and such average shall be treated as the operating and maintenance expense for the base year commencing April 1, 2006.

- c. The base operation and maintenance expenses for the year 2006-07 shall be escalated further at the rate of 4% per annum to arrive at permissible operation and maintenance expenses for the relevant year of tariff control period.

12.3.2 New generating stations

- a. Thermal generating stations
 - (i) Coal-based generating stations
 - 200/210/250 MW sets : Rs. 11.25 lakh/MW
 - 500 MW sets : Rs. 10.12 lakh/MW

Note: For the generating stations having combination of 200/210/250 MW sets and 500 MW sets, the weighted average value for operation and maintenance expenses shall be adopted.

(ii) Gas Turbine/Combined Cycle generating stations other than small gas turbine power generating stations. With warranty spares of 10 years: Rs.5.62 lakh/MW Without warranty spares : Rs. 8.44 lak Q'Zh/MW

(iii) Small gas turbine power generating stations: Rs. 10.24 lakh/MW

(iv) Lignite-fired generating stations: Rs. 11.25 lakh/MW

The above operation and maintenance expense norms are for the base year commencing April 1, 2006, which shall be escalated at the rate of 4 per cent per annum to arrive at permissible operation and maintenance expenses for the relevant years of tariff Control period.

b. Hydro power generating stations

The base operation and maintenance expenses shall be 1.5 per cent of the approved original cost of the project, in the year of commissioning, and shall be escalated at a rate of 4 per cent per annum for the subsequent years.

12.4 Estimation of Working Capital:

Requirements of Working Capital for inclusion in the rate base shall be:

a. In case of coal -based/ oil-based/ lignite-fired generating stations, working capital shall cover:

(i) Cost of coal or lignite for one-and-a-half months for pit-head generating stations and two months for non-pit-head generating stations, corresponding to target availability;

(ii) Cost of oil for two months corresponding to target availability;

(iii) Cost of secondary fuel oil for two months corresponding to target

availability;

(iv) Operation and Maintenance expenses for one month;

(v) Maintenance spares @ 1 per cent of the historical cost as per indexation of O&M norms ; and

(vi) Receivables for sale of electricity equivalent to two months of the sum of annual fixed charges and energy charges calculated on target availability;

Minus

Payables for fuel (including oil and secondary fuel oil) to the extent of one month of the cost of fuel calculated on target availability.

b. In case of Gas Turbine/Combined Cycle generating stations, working capital shall cover:

(i) Fuel cost for one month corresponding to target availability duly taking into account the mode of operation of the generating station on gas fuel and / or liquid fuel;

(ii) Liquid fuel stock for fifteen (15) days corresponding to target availability;

(iii) Operation and maintenance expenses for one month;

(iv) Maintenance spares at 1 per cent of the historical cost; and

(v) Receivables for sale of electricity equivalent to two months of the sum of annual fixed charges and energy charges calculated on target availability,

minus

Payables for fuel (including liquid fuel stock) to the extent of one month

of the cost of fuel calculated on target availability.

- c. In case of hydro power generating stations, working capital shall cover:
 - (i) Operation and maintenance expenses for one month;
 - (ii) Maintenance spares at 1 per cent of the historical cost as per indexation of O&M norms; and
 - (iii) Receivables for sale of electricity equivalent to two months of the annual fixed charges calculated on normative capacity index.
- d. In case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with this Regulation.
- e. Interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on the date on which the application for determination of tariff is made.

12.5 Taxes on Income

Taxes on Income actually payable and paid shall be limited to Tax on Return on the Equity component of the RoCE, and exclusive of tax on profit, if any, in excess of such return, penalties, interest on delayed payment of tax etc., and duly adjusted for any refund etc. received for previous periods.

12.6 Other expenditure

Any other expenditure incurred and not covered in the above items will be considered only on specific approval of the Commission.

13 ENERGY CHARGES

13.1 Thermal generating stations

- a. Energy charges shall cover fuel costs and shall be worked out on the basis of ex-bus energy sent out corresponding to scheduled generation as per

the following formula:

Energy Charges (Rs.) = Rate of Energy Charges in Rs./kWh X Ex-bus energy sent out corresponding to scheduled generation for the month in kWh

Where,

Rate of Energy Charges (REC) shall be the sum of the cost of normative quantities of primary and secondary fuel for one kWh of ex-bus energy sent out corresponding to scheduled generation and shall be computed as under:

$$REC = \frac{100\{P_p \times (Q_p)_n + P_s \times (Q_s)_n\}}{\{100 - (AUX)_n\}} \text{ (Rs./kWh)}$$

Where,

P_p = Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs/Kg or Rs/cubic-metre (m^3) or Rs./litre, as the case may be

$(Q_p)_n$ = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or litre or m^3 , as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and gross calorific value of coal/lignite or gas or liquid fuel as fired.

P_s = Landed cost of Secondary fuel oil in Rs./ml

$(Q_s)_n$ = Normative Quantity of Secondary fuel oil in ml/kWh as per clause 11.1.4, as the case may be, and

AUX_n = Normative Auxiliary Energy Consumption as percentage of gross generation as per clause 11.1.2, as the case may be.

- b. Adjustment of rate of energy charge (REC) on account of variation in price or heat value of fuels. Initially, gross calorific value of coal/lignite or gas or liquid fuel shall be taken as per actuals of the preceding three months.

Any variation shall be adjusted on month to month basis on the basis of gross calorific value of coal/lignite or gas or liquid fuel received and burnt and landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be. In case of any dispute, an appropriate application in accordance with the Conduct of Business Regulations shall be made

before the Commission.

c. Landed Cost of fuel

The landed cost of fuel shall include price of fuel corresponding to the grade/quality of fuel inclusive of royalty, taxes and duties as applicable, transportation cost by rail/ road/ pipeline or any other means, and, for the purpose of calculation of energy charges, shall be arrived at after considering transit losses as per clause 11.1.5

13.2 Hydro power generating stations

- (1) Rate of primary energy for all hydro electric power generating stations, except for pumped storage generating stations, shall be equal to average of the lowest variable charges of the Central and State thermal power generating stations of the State for all months of the previous year. The primary energy charge shall be computed based on the primary energy rate and scheduled primary energy of the station :

Provided that in case the primary energy charge recoverable by applying the above primary energy rate exceeds the Annual fixed charges of a generating station, the primary energy rate of such generating station shall be calculated by' the following formula :

$$\text{Primary energy rate} = \frac{\text{Annual Fixed Charge}}{\text{Primary energy}}$$

- (2) Primary Energy Charge = Scheduled Primary Energy x Primary Energy Rate.

Secondary Energy Rate shall be equal to the Primary Energy Rate.

Secondary Energy Charge = Scheduled Secondary Energy x Secondary Energy Rate

14 CHARGES FOR UNSCHEDULED INTERCHANGE

- 14.1 The generating station shall be entitled to receive or shall be required to bear, as the case may be, the charges for deviations between energy sent-out corresponding to scheduled generation and actual energy sent-out, in

accordance with the Balancing and Settlement Code notified by the Commission:

Provided that the rate for determination of such charges shall be as notified by the Commission from time to time.

15 INCENTIVE

15.1 Thermal generating stations

- (a) Target Plant Load Factor for incentive shall be 80%.
- (b) Incentive shall be payable at a flat rate of 25.0 paise/kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to target Plant Load Factor.

16 REBATE / LATE PAYMENT SURCHARGE

16.1 For payment of bills through a letter of credit on presentation, the Generating Company and Distribution Licensee may mutually agree to a maximum rebate of 2 per cent of the bill amount. If the payments are made within one week of presentation of the bill, the Generating Company and Distribution Licensee may mutually agree to a maximum rebate of 1.25 per cent of the bill amount.

16.2 In case the payment of bills is delayed beyond a period of two (2) months from the date of billing, a late payment surcharge at the rate of 1.25 per cent per month shall be allowed to be levied by the Generating Company.

17 BILLING AND PAYMENT OF CHARGES

Billing and payment of charges shall be done on a monthly basis.

18 DEMONSTRATION OF DECLARED CAPACITY

18.1 The Genyzating Company may be required to demonstrate the declared capacity of its generating station as and when required by the State Load Despatch Centre. In the event the Generating Company fails to demonstrate the declared capacity, the fixed charges due to the Generating Company shall be reduced suitably as a measure of penalty.

18.2 The quantum of penalty for the first mis-declaration during a Control Period for any duration/block in a day shall be the charges corresponding to two days' fixed charges. For the second misdeclaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations, the penalty shall be multiplied in the same geometrical progression.

18.3 The operating log books of the generating station shall be available for inspection/ review by the Commission.

19 DEEMED GENERATION

19.1 In case of reduced generation by a hydro power generating station on account of certain valid reasons or on account of non-availability of Transmission Licensee's transmission lines or on receipt of backing down instructions from the State Load Despatch Centre resulting in spillage of water, the energy charges on account of such spillage shall be payable to the Generator :

Provided that energy charges on the above account shall not be admissible if the energy generated during the year is equal to or more than the design energy.

PART-IV
MISCELLANEOUS

20 POWER TO AMEND:

The Commission may, at any time add, vary, alter, modify or amend any provisions of this Regulation.

21 SAVINGS

Nothing in this Regulation shall be deemed to limit or otherwise affect the powers of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.

(BY ORDER OF THE COMMISSION)

Hyderabad,
01-09-2008.

G.V. NAGESH,
Commission Secretary

TARIFF FILING FORMS (HYDRO)

Appendix-I**Checklist of Forms and other information /
documents for tariff filing for Hydro Stations**

Form No.	Title of Tariff Filing Forms (Hydro)	Tick
FORM-1	Summary of Tariff Proposal	
FORM-2	Details of type of hydro station, Capacity Index, Primary energy rate	
FORM-3	Salient Features of hydro electric project	
FORM-4	Details of Foreign loans	
FORM-5	Abstract of Admitted Capital Cost for the existing Projects	
FORM-5A	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New projects	
FORM-5B	Break up of capital cost	
FORM-5C	Break up of Project Cost for Plant and Equipment	
FORM-5D	Break-up of Construction/Supply/Service packages	
FORM-6	Financial Package upto COD	
FORM-7	Details of Project Specific Loans	
FORM-8	Details of Allocation of corporate loans to various projects	
FORM-11	Statement of Depreciation	
FORM-12	Calculation of Depreciation Rate	
FORM-13	Calculation of weighted average rate of interest on actual loan	
FORM-13A	Calculation of RoCE	
FORM-14	Working capital	

FORM-15	Draw Down Schedule for Calculation of IDC & Financing Charges	
FORM-16	Calculation of Operation & Maintenance Expenses	
FORM-17	Details of Operation & Maintenance Expenses	
Other Information / Documents		
Sl.No.	Information/Documents	Tick
1	Certificate of incorporation, Certificate for Commencing Business, Memorandum of Association & Article of Association (for new station set up by a company making tariff application for the first time to CERC)	
2	Station wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures on COD of the Station and for the relevant years.	
3	Copies of relevant loan agreements	
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package.	
5	Copies of the Equity participation agreements and necessary approval for the foreign equity.	
6	Copies of the BPSA/PPA with the beneficiaries, if any	
7	Detailed note giving reasons of time and cost over run, if applicable.	
8	Any other relevant information (Please specify)	

Note: Electronic copy in the form of CD / Floppy disc shall also be furnished.

Summary Sheet

FORM-1

Name of the Company
Name of the Power Station:
Region

State District

(Rs. in lakhs)

S.No.	Particulars		Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8	9
1	Depreciation	FORM - 11						
2	Interest on Loan	FORM - 13A						
3	Return on Capital Employe ¹							
4	Advance against Depreciation	FORM - 14						
5	Interest on Working Capital	FORM - 15						
6	O & M Expenses							
	TOTAL							

¹Details of calculation to be furnished.

Petitioner

FORM-2**Details of COD, Type of hydro station, Capacity Index, Primary energy rate****NAME OF COMPANY:****NAME OF POWER STATION:**

Sl.No.	Description		As per CERC norms for tariff period 2004-05 to 2008-09
1	Installed Capacity	MW	
2	Free power to home state	%	
3	Date of commercial operation		
	Unit-1		
	Unit-2		
	Unit-3		
4	Type of Station		
	a) Surface/underground		
	b) Purely ROR / Pondage / Storage		
	c) Peaking/non-peaking		
	d) No. of hours of peaking		
	e) Overload capacity(MW) & period		
5	Type of excitation		
	a) Rotating exciters on generator		
	b) Static excitation		
6	Design Energy (Annual) ¹	Gwh	
7	Auxiliary Consumption	%	
8	Transformation losses	%	
9	Saleable Primary Energy	Gwh	
10	Primary Energy Rate	Paise/Kwh	
11	Primary Energy Charge	Rs. In crore	
12	Capacity Index		
	Normative value		

¹Monthwise Design energy figures to be given separately with the petition.**Petitioner**

FORM-3 SALIENT FEATURES OF HYDROELECTRIC PROJECT NAME OF COMPANY: NAME OF POWER STATION:	
1. Location	
State Distt.	
River	
2. Diversion Tunnel	
Size, shape	
Length	
3. Dam	
Type	
Maximum dam height	
4. Spillway	
Type	
Crest level of spillway	
5. Reservoir	
Full Reservoir Level (FRL)	
Minimum Draw Down Level (MDDL)	
Live storage (MCM)	
6. Desilting Arrangement	
Type	
Number and Size	
Particle size to be removed (mm)	
7. Head Race Tunnel	
Size and type	
Length	
Design discharge (Cumecs)	
8. Surge Shaft	
Type	
Diameter	

Height	
9. Penstock/Pressure shafts	
Type	
Diameter & Length	
10. Power House	
Type	
Installed capacity (No of units X MW)	
Peaking capacity during lean period(MW)	
Type of turbine	
Rated Head (M)	
rated Discharge(Cumecs)	
11. Tail Race Tunnel	
Diameter, shape	
Length	
Minimum tail water level	
12. Switchyard	
Type of Switch gear	
No. of generator bays	
No. of Bus coupler bays	
No. of line bays	

Note: Specify limitation on generation during specific time period on account of restriction(s) on water use due to irrigation, drinking water, industrial, environmental etc.

PETITIONER

FORM-4**Details of Foreign loans**

(Details only in respect of loans applicable to the project under petition)

Name of the Company _____

Name of the Power Station _____

Exchange Rate at COD _____

Exchange rate as on 31-03-2006 _____

(Amount in Lacs)

Financial Year (Starting from COD)	Year 1				Year 2				Year 3 and so on			
1	2	3	4	5	6	7	8	9	10	11	12	13
	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)
Currency¹												
At the date of Draw ²												
Scheduled repayment date of principal												
Scheduled payment date of interest												
At the end of Financial year												

Currency2¹												
At the date of Drawl ²												
Scheduled repayment date of principal												
Scheduled payment date of interest												
At the end of Financial year												
Currency3¹& so on												
At the date of Drawl ²												
Scheduled repayment date of principal												
Scheduled payment date of interest												
At the end of Financial year												

¹ Name of the currency to be mentioned e.g. US \$, DM, etc. etc.

² In case of more than one drawal during the year, Exchange rate at the date of each drawl to be given

Abstract of Admitted Capital Cost for the existing Projects

Name of the Company _____

Name of the Power Station _____

Capital Cost as admitted by CERC	
Capital cost admitted as on	
(Give reference of the relevant CERC Order with Petition No. & Date)	
Foreign Component, if any (In Million US \$ or the relevant Currency)	
Domestic Component (Rs. Cr.)	
Foreign Exchange rate considered for the admitted cost	
Total Capital cost admitted (Rs. Cr.)	

PETITIONER

FORM-5A

Abstract of Capital Cost Estimates and Schedule of Commissioning for the New projects

Name of the Company _____

Name of the Power Station _____

New Projects

Capital Cost Estimates

Board of Director/ Agency approving the project cost estimates:		
Date of approval of the Capital cost estimates:		
	Present Day Cost	Completed Cost
Price level of approved estimates	As of End of _____ Qtr. of the year _____	As on Scheduled COD of the Station
Foreign Exchange rate considered for the capital cost estimates		

Capital Cost excluding IDC & FC		
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Cr.)		
Capital Cost excluding IDC & FC (Rs. Cr.)		
IDC & FC		
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Cr.)		
IDC & FC (Rs. Cr.)		

Rates of taxes & duties considered		
Schedule of Commissioning		
COD of Unit-I		
COD of Unit-II		
.....		
.....		
COD of last Unit		
Note:		
1. Copy of approval letter should be enclosed. 2. Details of capital cost are to be furnished as per FORM-5B or 5C applicable. 3. Details of IDC & Financing Charges are to be furnished as per FORM-16.		

PETITIONER

Abstract of Capital Cost Estimates and Schedule of Commissioning for the New projects

Name of the Company:

Name of the Power Station:

Sl. No.	Name/ No. of Construction/ Supply/ Service package	Scope of works (in line with head of cost break-ups as applicable)	Whether awarded through ICB/DCB/Departmentally/ Deposit work	No. of bids received	Date Award	Date of Start of work	Date of Completion of work	Value of Award ¹ in (Rs. Cr.)	Firm of with Escalation in prices	Actual expenditure till the completion or up to COD whichever is earlier (Rs.Cr.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

¹If there is any package, which need to be shown in Indian Rupee and foreign currency(ies), the same should be shown separately alongwith the currency, the exchange rate and the date e.g. Rs.80 Cr+ US\$50m=280Cr at US\$-Rs40 as on say 4.1.1999

PETITIONER

Financial Package upto COD

Name of the Company:

Name of the Power Station:

Project Cost as on COD¹

Date of Commercial Operation of the Station²

				(Amount in lacs)			
	Financial Package as Approved			Financial Package as on COD		As Admitted on COD	
	Currency and Amount ³			Currency and Amount ³		Currency and Amount ³	
1	2	3		4	5	6	7
Loan-I	US \$	200m					
Loan-II							
Loan-III							
and as on							
Equity-							
Foreign							
Domestic							
Total Equity							

Debt : Equity Ratio							

¹Say US \$ 200m + Rs.400 Cr or Rs.1200 Cr including US \$200m at an exchange rate of 1US \$ = Rs.40/-

² Date of Commercial Operation means Commercial Operation of the last unit

³ For example : US \$, 200M etc. etc PETITIONER

FORM-7

Details of Project Specific Loan

Name of the Company : _____

Name of the Power Station : _____

(Amount in lacs)

Particulars	Package 1	Package 2	Package 3	Package 4	Package 5	Remarks
1	2	3	4	5	6	7
Source of Loan ¹						
Currency ²						
Amount of Loan sanctioned						
Amount of Gross Loan drawn upto 31.03.2004/COD ^{3,4,5,13,15}						
Interest Type ⁶						
Fixed Interest Rate, if applicable						
Base Rate, if Floating Interest ⁷						

Margin, if Floating Interest⁸	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	
Are there any Caps/Floor⁹						
If above is yes, specify caps/floor						
Moratorium period ¹⁰						
Repayment Period ¹¹						
Repayment effective from						
Repayment Frequency¹²						
Repayment Instalment ^{13,14}						
Base Exchange Rate ¹⁶						
	Distribution of loan packages to various projects					
Name of the projects						
						Total
Project 1						
Project 2						
Project 3 and so on						

¹ Source of loan means the agency from whom the loan has been taken such as WB, ADB,WMB,PNB,SBI,ICICI, IFC, PFC etc.

² Currency refers to currency of loan such as US\$, DM, Yen, Indian Rupee etc.

³ Details are to be submitted as on 31.03.2006 for existing assets and as on COD for the remaining assets.

- ⁴ Where the loan has been refinanced, details in the Form is to be given for the loan refinanced. However, the details of the original loan is to be given separately in the same form.
- ⁵ If the Tariff in the petition is claimed separately for various units, details in the Form is to be given separately for all the units in the same form.
- ⁶ Interest type means whether the interest is fixed or floating.
- ⁷ Base rate means the base as PLR, LIBOR etc. over which the margin is to be added. Applicable base rate on different dates from the date of drawl may also be enclosed.
- ⁸ Margin means the points over and above the floating rate.
- ⁹ At times caps/floor are put at which the floating rates are frozen. If such a condition exists, specify the limits.
- ¹⁰ Moratorium period refers to the period during which loan servicing liability is not required.
- ¹¹ Repayment period means the repayment of loan such as 7 years, 10 years, 25 years etc.
- ¹² Repayment frequency means the interval at which the debt servicing is to be done such as monthly quarterly half yearly, annual, etc.
- ¹³ Where there is more than one drawal / repayment for a loan, the date& amount of each drawal/repayment may also be given separately.
- ¹⁴ If the repayment instalment amount and repayment date can not be worked out from the data furnished above, the repayment schedule to be furnished separately.
- ¹⁵ In case of Foreign loan, date of each drawal & repayment along with exchange rate at that date may be given.
- ¹⁶ Base exchange rate means the exchange rate prevailing as on 31.03.2004 for existing assets and as on COD for the remaining assets.

Petitioner

Details of Allocation of corporate loans to various projects

Name of the Company : _____

Name of the Power Station : _____

(Amount in lacs)

Particulars	Package 1	Package 2	Package 3	Package 4	Package 5	Remarks
1	2	3	4	5	6	7
Source of Loan ¹						
Currency ²						
Amount of Loan sanctioned						
Amount of Gross Loan drawn upto 31.03.2004/COD ^{3,4,5,13,15}						
Interest Type ⁶						
Fixed Interest Rate, if applicable						
Base Rate, if Floating Interest ⁷						
Margin, if Floating Interest ⁸	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Are there any Caps/Floor ⁹						
If above is yes, specify caps/floor						
Moratorium period ¹⁰						
Repayment Period ¹¹						

Repayment effective from						
Repayment Frequency ¹²						
Repayment Instalment ^{13,14}						
Base Exchange Rate ¹⁶						
	Distribution of loan packages to various projects					
Name of the projects						
						Total
Project 1						
Project 2						
Project 3 and so on						

¹Source of loan means the agency from whom the loan has been taken such as WB, ADB,WMB,PNB,SBI,ICICI, IFC, PFC etc.

² Currency refers to currency of loan such as US\$, DM, Yen, Indian Rupee etc.

³ Details are to be submitted as on 31.03.2006 for existing assets and as on COD for the remaining assets.

⁴ Where the loan has been refinanced, details in the Form is to be given for the loan refinanced. However, the details of the original loan is to be given separately in the same form.

⁵ If the Tariff in the petition is claimed separately for various units, details in the Form is to be given separately for all the units in the same form.

⁶ Interest type means whether the interest is fixed or floating.

⁷ Base rate means the base as PLR, LIBOR etc. over which the margin is to be added. Applicable base rate on different

dates from the date of drawl may also be enclosed.

⁸ Margin means the points over and above the floating rate.

⁹ At times caps/floor are put at which the floating rates are frozen. If such a condition exists, specify the limits.

¹⁰ Moratorium period refers to the period during which loan servicing liability is not required.

¹¹ Repayment period means the repayment of loan such as 7 years, 10 years, 25 years etc.

¹² Repayment frequency means the interval at which the debt servicing is to be done such as monthly quarterly half yearly, annual, etc.

¹³ Where there is more than one drawal / repayment for a loan, the date & amount of each drawal/repayment may also be given separately.

¹⁴ If the repayment instalment amount and repayment date can not be worked out from the data furnished above, the repayment schedule to be furnished separately.

¹⁵ In case of Foreign loan, date of each drawal & repayment along with exchange rate at that date may be given.

¹⁶ Base exchange rate means the exchange rate prevailing as on 31.03.2004 for existing assets and as on COD for the remaining assets.

Petitioner

Statement of Depreciation**Name of the Company :** _____**Name of the Power Station :** _____

Financial Year	Upto 2002-03 ¹	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8	9	10
Depreciation on Capital Cost									
Depreciation recovered during the year									
Advance against Depreciation recovered during the year									
Depreciation & Advance against Depreciation recovered during the year									
Cumulative depreciation & Advance against Depreciation recovered upto the year									

¹ If the tariff for the period 2003-06 was not ordered by the Commission, Depreciation recovered in Tariff upto 2002-03 to be furnished with yearwise details in the same form separately with supporting details.

Calculation of Depreciation Rate

Name of the Company : _____

Name of the Power Station : _____

Sl. No.	Name of the Assets¹	Gross Block as on 31.03.2004 or as on COD, whichever is later	Depreciation Rates as per MOP Depreciation rate Schedule	Depreciation Amount
	1	2	3	4 = Col. X Col.3
1	Land			
2	Building			
3	and so on			
4				
5				
6				
7				
8				
9				
10				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
	Total			
	Weighted Average Depreciation Rate(%)			

¹Name of the Assets should conform to the description of the assets mentioned in Depreciation Schedule appended to the Notification.

Petitioner

Calculation of Weighted Average Rate of Interest on Actual Loans¹

Name of the Company : _____

Name of the Power Station : _____

S. No.	Particulars	Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8
	Loan-1						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – Opening						
	Add: Drawl(s) during the year						
	Less: Repayment (s) of Loans during the year						
	Net Loan – closing						
	Average Net Loan						
	Rate of Interest on Loan						
	Interest on loan						
	Loan-2						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – Opening						
	Add: Drawl(s) during the year						
	Less: Repayment (s) of Loans during the year						
	Net loan – closing						
	Average Net Loan						
	Rate of Interest on Loan						
	Interest on loan						
	Loan-3 and so on						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – closing						
	Average Net Loan						
	Rate of Interest on Loan						
	Interest on loan						
	Total Loan						

	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – Opening						
	Add: Drawl(s) during the year						
	Less: Repayment (s) of Loans during the year						
	Net loan – closing						
	Average Net Loan						
	Interest on loan						

¹In case of Foreign Loans, the calculations in Indian Rupees is to be furnished. However, the calculations in Original currency is also to be furnished separately in the same form.

Petitioner

**PART-I
FORM-13A**

Calculation of Return on Capital Employed

Name of the Company _____

Name of the Power Station _____

Particulars	Existing 2005-06	2006-07	2007-08	2008-09	2009-1 0	2010-11
1	2	3	4	5	6	7
Regulated Rate Base ¹						
WACC ¹						
RoCE						

Petitioner

¹ Details to be provided in accordance with Clause 4 of APERC Regulation 5 of 2005.

**PART-I
FORM-14**

Working Capital

Name of the Company _____

Name of the Power Station _____

Sl. No.	Particulars	Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8
1	Cost of Coal/Lignite ¹						
2	Cost of Secondary Fuel Oil ¹						
3	Fuel Cost ²						
4	Liquid Fuel Stock ²						
5	O&M expenses						
6	Maintenance Spares						
7	Receivables						
8	Payables for Fuel						
	Total Working Capital						

¹ For Coal based Lignite based generating stations

² For Gas Turbine/Combined Cycle generating stations duly taking into account the mode of operation on gas fuel and liquid fuel.

Name of the Company _____

Name of the Power Station _____

Draw Down Schedule for Calculation of IDC & Financing Charges

(Amount in Lacs)

Sl. No.	Particulars	Quantum in Foreign Currency	Exchange Rate on draw down date	Amount in Indian Rupee	Quantum in Foreign currency	Exchange Rate on draw down date	Amount in Indian rupee	Quantum in Foreign currency	Exchange Rate on Draw down date	Amount in Indian Rupee
1	Loans									
1.1	Foreign Loans									
1.1.1	Foreign Loan 1									
	Draw down Amount									
	IDC									
	Financing charge									
1.1.2	Foreign Loan 2									
	Draw down Amount									
	IDC									
	Financing charges									
1.1.3	Foreign Loan 3									
	Draw down Amount									
	IDC									
	Financing charges									
1.1.4	--									
	--									
	--									
1.1	Total Foreign Loans									
	Draw down Amount									
	IDC									
	Financing Charges									
1.2	Indian Loans									
1.2.1	Indian Loan ¹									
	Draw down Amount									
	IDC									

	Financing charges									
1.2.2	Indian Loan ²									
	Draw down Amount									
	IDC									
	Financing charges									
1.2.3	Indian Loan 3									
	Draw down Amount									
	IDC									
	Financing charges									
1.2.4	--									
	--									
	--									
1.2	Total Indian Loans									
	Draw down Amount									
	IDC									
1	Total of Loans drawn									
	IDC									
	Financing charges									
2	Equity									
2.1	Foreign equity drawn									
2.2	Indian equity drawn									
	Total equity deployed									

Petitioner

Calculation of Operation & Maintenance Expenses

NAME OF THE POWER STATION -----

(Rs. Lakhs)

	2001-02	2002-03	2003-04	2004-05	2005-06	Average	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2010-11
1	2	3	4	5	6	7	8	9	10	11	12	13	14
O&M data													
(Base O&M on the basis of actual data)													
(A) Total O&M Expenses													
(B) Abnormal O&M expenses*													
- Over staffing													
- Any Other													
(C) Calculation of Base O&M (A-B)													

(PETITIONER)

DETAILS OF OPERATION AND MAINTENANCE EXPENSES

Name of the Company: _____

Name of the Power Station: _____

	ITEMS	2001-02	2002-03	2003-04	2004-05	2005-06
	1	2	3	4	5	6
(A)	Break up of O&M expenses					
1	Consumption of Stores and Spares					
2	Repair and Maintenance					
3	Insurance					
4	Security					
5	Administrative Expenses					
	- Rent					
	- Electricity Charges					
	- Travelling and conveyance					
	- Telephone, telex and postage					
	- Advertising					
	- Entertainment					
	- Others (Specify items)					
	Sub - Total (Administrative Expenses)					
6	Employee Cost					
	a) Salaries, wages and allowances					
	b) Staff welfare expenses					
	c) Productivity linked incentive					
7	Corporate office expenses allocation					
8	Total (1 to 8)					
	Less Recovered, if any					
	Net Expenses					

	Notes: I. The process of allocation of corporate expenses to generating stations should be specified II. An annual increase in O&M expenses under a given head in excess of 20 percent should be explained . III. The data should be based on audited balance sheets.					
(B)	Breakup of corporate expenses (Aggregate)					
	- Employee expenses					
	- Repair and maintenance					
	- Training and Recruitment					
	- Communication					
	- Travelling					
	- Security					
	- Rent					
	- Others					
	Total					
(c)	Details of number of Employees					
	(i) Executives					
	(ii) Non-Executives					
	(iii) Skilled					
	(iv) Non-Skilled					
	Total					

(PETITIONER)

TARIFF FILING FORMS (THERMAL)

Checklist of Forms and other information/documents for tariff filing for Thermal Stations

Form No.	Title of Tariff Filing Forms (thermal)	Tick
FORM-1	Summary Sheet	
FORM-2	Plant Characteristics	
FORM-3	Normative parameters considered for tariff computations	
FORM-4	Details of Foreign loans	
FORM-5	Abstract of Admitted Capital Cost for the existing Projects	
FORM-5A	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New Projects	
FORM-5B	Break-up of Capital Cost for Coal/Lignite based projects	
FORM-5C	Break-up of Capital Cost for Gas/Liquid fuel based projects	
FORM-5D	Break-up of Construction/Supply/Service packages	
FORM-6	Financial Package upto COD	
FORM-7	Details of Project Specific Loans	
FORM-8	Details of Allocation of corporate loans to various projects	
FORM-11	Statement of Depreciation	
FORM-12	Calculation of Depreciation Rate	
FORM-13	Calculation of Weighted Average Rate of Interest on Actual Loans ¹	
FORM-13A	Calculation of Return on capital Employed	
FORM-14	Working Capital	
FORM-15	Draw Down Schedule for Calculation of IDC & Financing Charges	
FORM-16	CALCULATION OF OPERATION AND MAINTENANCE EXPENSES	
FORM-17	DETAILS OF OPERATION AND MAINTENANCE EXPENSES	

FORM-18	Details / Information to be submitted in respect of Fuel for Computation for Energy Charges ¹	
Other Information / Documents		
Sl.No.	Information / Document	Tick
1	Certificate of incorporation, Certificate for Commencement of Business, Memorandum of Association, & Articles of Association (For New Station setup by a company making tariff application for the first time to APERC)	
2	Station-wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures on COD of the Station for the new station & for the relevant years.	
3	Copies of relevant loan agreements	
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package	
5	Copies of the Equity participation agreements and necessary approval for the foreign equity.	
6	Copies of the BPSA/PPA with the beneficiaries, if any	
7	Detailed note giving reasons of time and cost over run, if applicable.	
8	Any other relevant information, (Please specify)	

Note: Electronic copy in the form of CD / Floppy disc shall also be furnished.

PART-1
FORM-1

Summary Sheet

Name of the Company:

Name of the Power Station:.....

Region

State

District

(Rs.in lacs)

S.No.	particulars		Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2		3	4	5	6	7	8
1.1	Depreciation	FORM-11						
1.2	Interest on Loan	FORM-13A						
1.3	Return on Capital Employed ¹							
1.4	Advance against Depreciation	FORM-14						
1.5	Interest on Working Capital	FORM-15						
1.6	O & M Expenses							
	Total							
2. Calculation of Rate of Energy Charge(Rs.kWh)¹								
			During Stabilisation		After Stabilisation			
2.1	Rate of Energy Charge from Primary Fuel (REC) ²							
2.2	Rate of Energy Charge from Secondary Fuel (REC)							
2.3	Rate of Energy Charge ex-bus(REC) ^{3A, 3B, 3C}							

¹ Details of Calculations to be furnished

² If multi fuel is used simultaneously, give 2.1 in respect of every fuel individually.

^{3A} The rate of energy charge shall be computed for open cycle operation and combined cycle operation separately in case of gas/liquid fuel fired plants.

^{3B} The total energy shall be worked out based on ex-bus energy scheduled to be sent out in case of plants covered by ABT, and ex-bus energy sent out in case of plants not covered by ABT, as the case may be ^{3C}Any escalation in fuel cost to be considered for subsequent years or FSA to take care of the escalation.

Petitioner

Part-I FORM-2							
Plant Characteristics							
Name of the Company							
Name of the Power Station							
Basic characteristics of the plant¹							
<u>Special Features of the Plant</u>							
Site Specific Features²							
Special Technological Features³							
Environmental Regulation related features⁴							
Any other special features							
Fuel Details ⁵	Primary Fuel		Secondary Fuel		Alternate Fuel		
Details	Module number or Unit number						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	& so on
Installed capacity 9(IC)							
Date of Commercial Operation (COD)							
Type of cooling system ⁶							
Type of Feed Pump ⁷							

¹ Describe the basic characteristics of the plant e.g. in the case of a coal based plant whether it is a conventional steam generator or circulating fluidized bed combustion generator or sub-critical once through steam generator etc.

² Any site specific feature such as Merry-Go-Round, Vicinity to sea, Intake / makeup water systems etc. scrubbers etc. Specify all such features.

³ Any special Technological feature like Advanced class FA technology in Gas Turbines, etc.

⁴ Environmental regulation related features like FGD, ESP etc.

⁵ Coal or natural gas or naphtha or lignite etc.

⁶ Closed circuit cooling, once through cooling, sea cooling etc.

⁷ Motor driven, Steam turbine driven etc.

PETITIONER

Normative parameters considered for tariff computations

Name of the Company

Name of the Power Station

Particulars	Unit	Year Ending March					
		As Existing	As per APERC norms				
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
(1)		(2)	(3)	(4)	(5)	(6)	(7)
Rate of Return on Capital Employed	%						
Target Availability	%						
Target PLF	%						
Auxiliary Energy Consumption	%						
Gross Station Heat Rate	kCal/kWh						
Specific Fuel Oil Consumption	ml/kWh						
O&M Cost	Rs.Lakh/MW						
Cost of Coal/Lignite for WC ¹	in Months						
Cost of Secondary Fuel Oil for WC ¹	in Months						
Fuel Cost for WC ²	in Months						
O & M Expenses for WC	in Months						
Maintenance Spares for WC	%						
Receivable for WC	in Months						
Prime lending Rate of SBI as on _____	%						
Incentive Rate	Paise / kWh						

¹For Coal based / Lignite based generating stations

²For Gas Turbine/Combined Cycle generating stations duly taking into account the mode of operation on gas fuel and liquid fuel.

PETITIONER

**PART-I
FORM-4**

Details of Foreign loans

(Details only in respect of loans applicable to the project under petition)

Name of the Company
Name of the Power Station
Exchange Rate at COD
Exchange Rate as on 31-03-2006

.....

(Amount in lacs)

Financial year (Starting from COD)	Year 1				Year 2				Year 3 and so on			
1	2	3	4	5	6	7	8	9	10	11	12	13
	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)
Currency1¹												
At the date of Drawl ²												
Scheduled repayment date of principal												
Scheduled payment date of interest												
At the end of Financial year												
Currency2¹												
At the date of Drawl ²												
Scheduled repayment date of principal												
Scheduled payment date of interest												
At the end of Financial year												
Currency3¹& so on												
At the date of Drawl ²												
Scheduled repayment date of principal												
Scheduled payment date of interest												
At the end of Financial year												

¹Name of the currency to be mentioned e.g. US \$, DM, etc. etc.

²In case of more than one drawal during the year, Exchange rate at the date of each drawl to be given

PART-I
FORM-5

Abstract of Admitted Capital Cost for the existing Projects

Name of the Company _____

Name of the Power Station _____

Capital Cost as admitted by CERC	
Capital cost admitted as on	
(Give reference of the relevant CERC Order with Petition No. & Date)	
Foreign Component, if any (In Million US \$or the relevant Currency)	
Domestic Component (Rs. Cr.)	
Foreign Exchange rate considered for the admitted cost	
Total Capital cost admitted (Rs. Cr.)	
PETITIONER	

PART-I
FORM-5A

Abstract of Capital Cost Estimates and Schedule of
Commissioning for the New projects

Name of the Company _____

Name of the Power Station _____

New Projects

Capital Cost Estimates

Board of Director/ Agency approving the project cost estimates:		
Date of approval of the Capital cost estimates		
	Present Day Cost	Completed Cost
Price level of approved estimates	As of End of _____ Qtr. of the year _____	As on Scheduled COD of the Station
Foreign Exchange rate considered for the capital cost estimates		
<u>Capital Cost excluding IDC & FC</u>		
Foreign Component, if any ((In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Cr.)		
Capital Cost excluding IDC & FC (Rs. Cr.		
IDC & FC		
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs.Cr.)		
IDC & FC (Rs. Cr.)		
Rates of taxes & duties considered		
Schedule of Commissioning		
COD of Unit-I		
.....		
.....		
COD of last Unit		

Note:

1. Copy of approval letter should be enclosed.
2. Details of capital cost are to be furnished as per FORM-5B or %C applicable.
3. Details of IDC & Financing Charges are to be furnished as per FORM-16

PETITIONER

PART-I
FORM-5B

Break-up of Capital Cost for Coal / Lignite based projects

Name of the Company:

Name of the Power Station:

S. No.	Break Down	Cost in Rs. Crores		Variation (Rs. Cr.)	Reasons for Variation	Admitted Cost (Rs. Cr.)
		As per original Estimates	As on COD			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.0	Cost of Land & Site Development					
1.1	Land					
1.2	Rehabitation & Site development					
1.3	Preliminary investigation & Site development					
	Total Land & Site development					
2.0	Plant & Equipment					
2.1	Steam Generator Island					
2.2	Turbine Generator Island					
2.3	BOP Mechanical					
2.3.1	External water supply system					
2.3.2	CW system					
2.3.3	DM water Plant					
2.3.4	Clarification plant					
2.3.5	Chlorination Plant					
2.3.6	Fuel Handling & Storage system					
2.3.7	Ash Handling System					
2.3.8	Coal Handling Plant					
2.3.9	Rolling Stock and Locomotives					
2.3.10	MGR					
2.3.11	Air Compressor System					

2.3.12	Air Condition & Ventilation System					
2.3.13	Fire fighting System					
2.3.14	HP/LP Piping					
	Total BOP Mechanical					
2.4	BOP Electrical					
2.4.1	Switch Yard Package					
2.4.2	Transformers Package					
2.4.3	Switch gear Package					
2.4.4	Cables, Cable facilities & grounding					
2.4.5	Lighting					
2.4.6	Emergency D.G.set					
	Total BOP Electrical					
2.5	C & I Package					
	Total Plant & Equipment excluding taxes & Duties					
2.6	Taxes and Duties					
2.6.1	Custom Duty					
2.6.2	Other Taxis & Duties					
	Total Taxes and Duties					
	Total Plant & Equipment					
3.0	Initial spares					
4.0	Civil Works					
4.1	Main Plant/Adm. Building					
4.2	CW system					
4.3	Cooling Towers					
4.4	DM Water Plant					
4.5	Clarification plant					
4.6	Chlorination Plant					

4.7	Fuel Handling & Storage system					
4.8	Coal Handling Plant					
4.9	MGR & Marshalling Yard					
4.1	Ash Handling System					
4.11	Fire fighting System					
4.12	Township & Colony					
4.13	Temp, construction & enabling works					
4.14	Road & Drainage					
4.15	Total Civil Works					
5.0	Construction & Pre-Commissioning Expenses					
5.1	Erection testing & Commissioning					
5.2	Site supervision					
5.3	Operator's Training					
5.4	Construction Insurance					
5.5	Tools & Plant					
5.6	Start up fuel					
	Total Construction & Pre-Commissioning Expenses					
6.0	Overheads					
6.1	Establishment					
6.2	Design & Engineering					
6.3	Audit & Accounts					
6.4	Contingency					
	Total Overheads					
7.0	Capital cost excluding IDC & PC					
7.1	Interest During Construction (IDC)					
7.2	Financing Charges (FC)					
8.0	Capital cost including IDC & FC					

Note: 1. In case of time & Cost over run, a detailed note giving reasons of such time and cost over run should be submitted clearly bring out the agency responsible and whether such time & cost over run was beyond the control of the generating company

PETITIONER

Break-up of Capital Cost for Gas / Liquid based projects

Name of the Company:

Name of the Power Station:

S.No.	Break Down	Cost in Rs. Crores		Variation (Rs.Cr.)	Reasons for Variation	Admitted Cost (Rs. Cr.)
		As pre original Estimates	As on COD			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Cost of Land & Site Development					
1.1	Land					
1.2	Rehabitation & Resettlement (R&R)					
1.3	Preliminary investigation & Site development					
	Total Land & Site development					
2.0	Plant & Equipment					
2.1	Steam Turbine Generator Island					
2.2	Turbine Generator Island					
2.3	WHRB Island					
2.4	BOP Mechanical					
2.4.1	Fuel Handling & Storage system					
2.4.2	External water supply system					
2.4.3	CW system					
2.4.4	Cooling Towers					
2.4.5	DM water Plant					
2.4.6	Clarification plant					
2.4.7	Chlorination Plant					

2.4.8	Air Condition & Ventilation System					
2.4.9	Fire fighting System					
2.4.10	HP/LP Piping					
	Total BOP Mechanical					
2.5	BOP Electrical					
2.5.1	Switch Yard Package					
2.5.2	Transformers Package					
2.5.3	Switch gear Package					
2.5.4	Cables, Cable facilities & grounding					
2.5.5	Lighting					
2.5.6	Emergency D.G.set					
	Total BOP Electrical					
2.6	C & I Package					
	Total Plant & Equipment excluding taxes& Duties					
2.7	Taxes and Duties					
2.7.1	Custom Duty					
2.7.2	Other Taxes & Duties					
	Total Taxes and Duties					
	Total Plant & Equipment					
3.0	Initial spares					
4.0	Civil Works					
4.1	Main Plant/Adm. Building					
4.2	External water supply system					
4.3	CW system					
4.4	Cooling towers					
4.5	DM Water Plant					
4.6	Clarification plant					
4.7	Fuel Handling & Storage system					

4.8	Township & Colony					
4.9	Temp. construction & enabling works					
4.1	Road & Drainage					
4.11	Fire fighting System					
	Total Civil Works					
5.0	Construction & Pre-Commissioning Expenses					
5.1	Erection testing&Commissioning					
5.2	Site supervision					
5.3	Operator's Training					
5.4	Construction Insurance					
5.5	Tools & Plant					
5.6	Start up fuel					
	Total Construction & Pre-Commissioning Expenses					
6.0	Overheads					
6.1	Establishment					
6.2	Design & Engineering					
6.3	Audit & Accounts					
6.4	Contingency					
	Total Overheads					
7.0	Capital cost excluding IDC & PC					
7.1	Interest During Construction (IDC)					
7.2	Financing Charges (FC)					
8.0	Capital cost including IDC & FC					

Note: 1. In case of time & Cost over run, a detailed note giving reasons of such time and cost over run should be submitted clearly bring out the agency responsible and whether such time & cost over run was beyond the control of the generating company

PETITIONER

Break-up of Construction/Supply/Service packages

Name of the Company:

Name of the Power Station:

Sl. No.	Name/No. of Construction/Supply/Service package	Scope of works¹ (inline with head of cost break-ups as applicable)	Whether awarded through ICB/DCB/Departmentally/Deposit work	No. of bids received	Date of Award	Date of Start of work	Date of Completion of work	Value of Award² in (Rs. Cr.)	Firm of Escalation in prices	Actual expenditure till the completion or upto COD whichever is earlier (Rs. Cr.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

¹The scope of work in any package should be indicated of Capital cost break-up for the coal/lignite based plants in the FORM-5B to the extent possible. In case of Gas/Liquid fuel based projects, break down in the similar manner in the relevant heads as perFORM-5C

²If there is any package, which need to be shown in Indian Rupee and foreign currency (ies), the same should be shown separately along with the currency, the exchange rate and the date e.g. Rs.80 Cr+ US\$50m=280Cr at US\$-Rs40 as on say 4.1.1999

PETITIONER

**PART-I
FORM-6**

Financial Package upto COD

Name of the Company:

Name of the Power Station:

Project Cost as on COD¹

Date of Commercial Operation of the Station²

				(Amount in lacs)		
	Financial Package as Approved		Financial Package as on COD		As Admitted on COD	
	Currency and Amount³		Currency and Amount³		Currency and Amount³	
1	2	3	4	5	6	7
Loan-I	US \$	200m				
Loan-II						
Loan-III						
and as on						
Equity-						
Foreign						
Domestic						
Total Equity						
Debt : Equity Ratio						

¹ Say US \$ 200m + Rs.400 Cr or Rs.1200 Cr including US \$200m at an exchange rate of 1US \$ = Rs.40/-

² Date of Commercial Operation means Commercial Operation of the last unit

³ For example : US \$, 200M etc. etc

PETITIONER

Details of Project Specific Loan

Name of the Company _____

Name of the Power Station _____

(Amount in lacs)

Particulars	Package 1	Package 2	Package 3	Package 4	Package 5	Package 6
1	2	3	4	5	6	7
Source of Loan ¹						
Currency ²						
Amount of Loan sanctioned						
Amount of Gross Loan drawn upto 31.03.2004/COD ^{3,4,5,13,15}						
Interest Type ⁶						
Fixed Interest Rate, if applicable						
Base Rate, if Floating Interest ⁷						
Margin, if Floating Interest ⁸	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Are there any Caps/Floor ⁹						
If above is yes, specify caps/floor						
Moratorium period ¹⁰						
Repayment Period ¹¹						
Repayment effective from						
Repayment Frequency ¹²						
Repayment Instalment ^{13,14}						
Base Exchange Rate ¹⁶						

¹ Source of loan means the agency from whom the loan has been taken such as WB, ADB, WMB, PNB, SBI, ICICI, IFC, PFC etc.

² Currency refers to currency of loan such as US\$, DM, Yen, Indian Rupee etc.

³ Details are to be submitted as on 31.03.2006 for existing assets and as on COD for the remaining assets.

⁴ Where the loan has been refinanced, details in the Form is to be given for the loan refinanced. However, the details of the original loan is to be given separately in the same form.

⁵ If the Tariff in the petition is claimed separately for various units, details in the Form is to be given separately for all the units in the same form.

⁶ Interest type means whether the interest is fixed or floating.

⁷ Base rate means the base as PLR, LIBOR etc. over which the margin is to be added. Applicable base rate on different dates from the date of drawl may also be enclosed.

⁸ Margin means the points over and above the floating rate.

⁹ At times caps/floor are put at which the floating rates are frozen. If such a condition exists, specify the limits.

- ¹⁰ Moratorium period refers to the period during which loan servicing liability is not required.
- ¹¹ Repayment period means the repayment of loan such as 7 years, 10 years, 25 years etc.
- ¹² Repayment frequency means the interval at which the debt servicing is to be done such as monthly quarterly half yearly, annual, etc.
- ¹³ Where there is more than one drawal / repayment for a loan, the date & amount of each drawal/ repayment may also be given separately.
- ¹⁴ If the repayment instalment amount and repayment date can not be worked out from the data furnished above, the repayment schedule to be furnished separately.
- ¹⁵ In case of Foreign loan, date of each drawal & repayment along with exchange rate at that date may be given.
- ¹⁶ Base exchange rate means the exchange rate prevailing as on 31.03.2004 for existing assets and as on COD for the remaining assets.

Petitioner

Form-8**Details of Allocation of corporate loans to various projects****Name of the Company** _____**Name of the Power Station** _____**(Amount in lacs)**

Particulars	Package 1	Package 2	Package 3	Package 4	Package 5	Remarks
1	2	3	4	5	6	7
Source of Loan ¹						
Currency ²						
Amount of Loan sanctioned						
Amount of Gross Loan drawn upto 31.03.2004/ COD ^{3,4,5,13,15}						
Interest Type ⁶						
Fixed Interest Rate, if applicable						
Base Rate, if Floating Interest ⁷						
Margin, if Floating Interest ⁸	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	
Are there any Caps/Floor ⁹						
If above is yes, specify caps/floor						
Moratorium period ¹⁰						
Repayment Period ¹¹						
Repayment effective from						
Repayment Frequency ¹²						
Repayment Instalment ^{13,14}						
Base Exchange Rate ¹⁶						
	Distribution of loan packages to various projects					
Name of the projects						
						Total
Project 1						
Project 2						
Project 3 and so on						

¹Source of loan means the agency from whom the loan has been taken such as WB,

ADB,WMB,PNB,SBI,ICICI, IFC, PFC etc.

² Currency refers to currency of loan such as US\$, DM, Yen, Indian Rupee etc.

³ Details are to be submitted as on 31.03.2006 for existing assets and as on COD for the remaining assets.

⁴ Where the loan has been refinanced, details in the Form is to be given for the loan refinanced. However, the details of the original loan is to be given separately in the same form.

⁵If the Tariff in the petition is claimed separately for various units, details in the Form is to be given separately for all the units in the same form.

⁶Interest type means whether the interest is fixed or floating.

⁷ Base rate means the base as PLR, LIBOR etc. over which the margin is to be added. Applicable base rate on different dates from the date of drawl may also be enclosed.

⁸ Margin means the points over and above the floating rate.

⁹ At times caps/floor are put at which the floating rates are frozen. If such a condition exists, specify the limits.

¹⁰ Moratorium period refers to the period during which loan servicing liability is not required.

¹¹ Repayment period means the repayment of loan such as 7 years, 10 years, 25 years etc.

¹² Repayment frequency means the interval at which the debt servicing is to be done such as monthly quarterly half yearly, annual, etc.

¹³ Where there is more than one drawal / repayment for a loan, the date & amount of each drawal/repayment may also be given separately.

¹⁴ If the repayment instalment amount and repayment date can not be worked out from the data furnished above, the repayment schedule to be furnished separately.

¹⁵ In case of Foreign loan, date of each drawal & repayment alongwith exchange rate at that date may be given.

¹⁶ Base exchange rate means the exchange rate prevailing as on 31.03.2004 for existing assets and as on COD for the remaining assets.

Petitioner

PART -1
FORM- 11

Statement of Depreciation

Name of the Company _____
Name of the Power Station _____

Financial Year	Upto 2002-03 ¹	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8	9	10
Depreciation on Capital Cost									
Depreciation recovered during the year									
Advance against Depreciation recovered during the year									
Depreciation & Advance against Depreciation recovered during the year									
Cumulative depreciation & Advance against Depreciation recovered upto the year									

¹If the tariff for the period 2003-06 was not ordered by the Commission, Depreciation recovered in Tariff upto 2002-03 to be furnished with yearwise details in the same form separately with supporting details.

Petitioner

PART-I
FORM - 12

Calculation of Depreciation Rate

Name of the Company _____

Name of the Power Station _____

Sl. No.	Name of the Assets¹	Gross Block as on 31.03.2004 or as on COD, whichever is later	Depreciation Rates as per MOP Depreciation rate Schedule	Depreciation Amount
	1	2	3	4
1	Land			
2	Building			
3	and so on			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
	Total			
	Weighted Average Depreciation Rate(%)			

¹Name of the Assets should conform to the description of the assets mentioned in Depreciation Schedule appended to the Notification.

Petitioner

PART -I
FORM – 13

Calculation of Weighted Average Rate of Interest on Actual Loans¹

Name of the Company _____

Name of the Power Station _____

S. No.	Particulars	Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8
	Loan-1						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – Opening						
	Add: Drawl(s) during the year						
	Less: Repayment (s) of Loans during the year						
	Net Loan – closing						
	Average Net Loan						
	Rate of Interest on Loan						
	Interest on loan						
	Loan-2						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – Opening						
	Add: Drawl(s) during the year						
	Less: Repayment (s) of Loans during the year						
	Net loan – closing						
	Average Net Loan						
	Rate of Interest on Loan						
	Interest on loan						
	Loan-3 and so on						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – closing						
	Average Net Loan						
	Rate of Interest on Loan						
	Interest on loan						
	Total Loan						
	Gross loan – Opening						
	Cumulative repayments of Loans upto previous year						
	Net loan – Opening						
	Add: Drawl(s) during the year						
	Less: Repayment (s) of Loans during the year						
	Net loan – closing						
	Average Net Loan						
	Interest on loan						

⁻¹In case of Foreign Loans, the calculations in Indian Rupees is to be furnished. However, the calculations in Original currency is also to be furnished separately in the same form.

Petitioner

Calculation of Return on Capital Employed

Name of the Company _____

Name of the Power Station _____

Particulars	Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7
Regulated Rate Base ¹						
WACC ¹						
RoCE						

Petitioner

¹ Details to be provided in accordance with Clause 4 of APERC Regulation 5 of 2005.

**PART-I
FORM-14**

Working Capital

Name of the Company _____

Name of the Power Station _____

Sl. No.	Particulars	Existing 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	2	3	4	5	6	7	8
1	Cost of Coal/Lignite ¹						
2	Cost of Secondary Fuel Oil ¹						
3	Fuel Cost ²						
4	Liquid Fuel Stock ²						
5	O&M expenses						
6	Maintenance Spares						
7	Receivables						
8	Payables for Fuel						
	Total Working Capital						

¹ For Coal based Lignite based generating stations

² For Gas Turbine/Combined Cycle generating stations duly taking into account the mode of operation on gas fuel and liquid fuel.

Petitioner

PART -1
FORM - 15

Name of the Company _____

Name of the Power Station _____

Draw Down Schedule for Calculation of IDC & Financing Charges

(Amount in Lacs)

Sl. No.	Particulars	Quantum in Foreign Currency	Exchange Rate on draw down date	Amount in Indian Rupee	Quantum in Foreign currency	Exchange Rate on draw down date	Amount in Indian rupee	Quantum in Foreign currency	Exchange Rate on draw down date	Amount in Indian Rupee
1	Loans									
1.1	Foreign Loans									
1.1.1	Foreign Loan 1									
	Draw down Amount									
	IDC									
	Financing charge									
1.1.2	Foreign Loan 2									
	Draw down Amount									
	IDC									
	Financing charges									
1.1.3	Foreign Loan 3									
	Draw down Amount									
	IDC									
	Financing charges									
1.1.4	--									
	--									
	--									
1.1	Total Foreign Loans									
	Draw down Amount									
	IDC									
	Financing Charges									
1.2	Indian Loans									
1.2.1	Indian Loan ¹									
	Draw down Amount									
	IDC									
	Financing charges									
1.2.2	Indian Loan ²									
	Draw down Amount									

	IDC									
	Financing charges									
1.2.3	Indian Loan 3									
	Draw down Amount									
	IDC									
	Financing charges									
1.2.4	--									
	--									
	--									
1.2	Total Indian Loans									
	Draw down Amount									
	IDC									
	Financing charges									
1	Total of Loans drawn									
	IDC									
	Financing charges									
2	Equity									
2.1	Foreign equity drawn									
2.2	Indian equity drawn									
	Total equity deployed									

Petitioner

Calculation of Operation & Maintenance Expenses

NAME OF THE POWER STATION -----

(Rs. Lakhs)

							Base	Tariff period					
	2001-02	2002-03	2003-04	2004-05	2005-06	Average	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2010-11
1	2	3	4	5	6	7	8	9	10	11	12	13	14
O&M data													
(Base O&M on the basis of actual data)													
(D) Total O&M Expenses													
(E) Abnormal O&M expenses*													
- Over staffing													
- Any Other													
(F) Calculation of Base O&M (A-B)													

(PETITIONER)

DETAILS OF OPERATION AND MAINTENANCE EXPENSES

Name of the Company: _____

Name of the Power Station: _____

	ITEMS	2001-02	2002-03	2003-04	2004-05	2005-06
	1	2	3	4	5	6
(A)	Break up of O&M expenses					
1	Consumption of Stores and Spares					
2	Repair and Maintenance					
3	Insurance					
4	Security					
5	Administrative Expenses					
	- Rent					
	- Electricity Charges					
	- Travelling and conveyance					
	- Telephone, telex and postage					
	- Advertising					
	- Entertainment					
	- Others (Specify items)					
	Sub - Total (Administrative Expenses)					
6	Employee Cost					
	d) Salaries, wages and allowances					
	e) Staff welfare expenses					
	f) Productivity linked incentive					
7	Corporate office expenses allocation					
8	Total (1 to 8)					
	Less Recovered, if any					
	Net Expenses					
	Notes: IV. The process of allocation of corporate expenses to generating stations should be specified V. An annual increase in O&M expenses under a given head in excess of 20 percent should be explained VI. The data should be based on audited balance sheets.					
(B)	Breakup of corporate expenses (Aggregate)					
	- Employee expenses					
	- Repair and maintenance					
	- Training and Recruitment					
	- Communication					
	- Travelling					
	- Security					
	- Rent					
	- Others					
	Total					
(c)	Details of number of Employees					
	(v) Executives					
	(vi) Non-Executives					
	(vii) Skilled					
	(viii) Non-Skilled					
	Total					

(PETITIONER)

PART - I
FORM-18

**Details/Information to be Submitted in respect of Fuel for
computation of Energy Charges ¹**

Name of the Company: _____

Name of the Power Station: _____

S. No.	Month	Unit	For Preceding 3 rd Month	For Preceding for 2 nd Month	For preceding 1 st Month
1	Quantity of Coal /lignite supplied by Coal /Lignite Company	(MMT)			
2	Adjustment (+/-) in quantity supplied made by Coal/Lignite Company	(MMT)			
3	Coal supplied by Coal/Lignite Company (1+2)	(MMT)			
4	Normative Transit & Handling Losses (For coal/Lignite based Projects)				
5	Net coal / Lignite Supplied (3-4)	(MMT)			
6	Amount charged by the Coal / Lignite Company	(Rs.)			
7	Adjustment (+/-) in amount charged made byCoal/Lignite Company	(Rs.)			
8	Total amount charged (6+7)	(Rs.)			
9	Transportation charges by rail/shop/roadtransport	(Rs.)			
10	Adjustment (+/-) in amount charged made by railways/Transport Company	(Rs.)			
11	Demurrage Charges, if any	(Rs.)			
12	Cost of diesel in transporting coal throughMGR system, if applicable	(Rs.)			
13	Total Transportation Charges (9+/- 10-11+12)	(Rs.)			
14	Total amount Charged for coal/lignite supplied including Transportation (8+13)	(Rs.)			
15	Weighted average GCV of coal/lignite as fired(kCal/kg)	(Rs.)			

Note:

¹ Similar details to be furnished for natural gas/liquid fuel for CCGT station and secondary fuel oil for coal / lignite based thermal plants.

Petitioner

ANNEXURE - I

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION**

AT IT'S OFFICE AT 5TH FLOOR, SIGNARENI BHAVAN, RED HILLS, HYDERABAD

FILING NO. _____ /200.....

CASE NO. _____ /200.....

In the matter of:

Filing for 'Determination of Tariff for supply of Electricity by a Generating Company to and purchase of Electricity by Distribution Licensees' for the financial year 200...-20... and Multi-Year ARR and Tariff Framework (MYF) for the First Control Period (FY..... , FY..... and FY.....) for its Generation and Sale of Electricity under Section of the Andhra Pradesh Electricity Reform Act, 1998 (hereinafter referred to as the Act') and under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant APERC Guidelines and Regulations till date, by the(name of the generation company/ Trader etc.,)

In the matter of :

Name of the Generation Company / Trader etc.,.....
Applicant

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION
ACCOMPANYING FILING OF AGGREGATE REVENUE REQUIREMENTS**

I ,....., (Name of the CMD)
S/D/O Shri working for gain at the
.....(Name of the generating company) do solemnly affirm and say as follows:

- a) I am the Chairperson and Managing Director of (name of the generation company/ Trader etc.,) a licensee company in the business of generating electricity and selling it to the distribution licensees in Andhra Pradesh. I am competent and duly authorized by.....(Name of the generating company/ Trader etc.,) to affirm, swear, execute and file this affidavit in the present proceedings.

b) I have read and understood the contents of the accompanying filing of proposals for
'Determination of Tariff for supply of Electricity by
.....(Name of Generating Company /
Trader etc) to and purchase of Electricity by Distribution Licensees'. The
statements made in the paragraphs of the accompanying application now shown to
me are true to my knowledge derived from the official records made available to me
and are based on information and advice received which I believe to be true and
correct.

DEPONENT

VERIFICATION:

I, the above named Deponent solemnly affirm at Hyderabad on this
..... day of(Month),
..... (Year) that the contents of the above affidavit are true to
my knowledge, no part of it is false and nothing material has been concealed there
from.

DEPONENT

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION
AT IT'S OFFICE AT 5th FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD**

FILING NO. _____ /20.....

CASE NO. _____ /20.....

In the matter of:

Filing for 'Determination of Tariff for supply of Electricity by a Generating Company to and purchase of Electricity by Distribution Licensees' for the financial year 200.....-20..... and Multi-Year ARR and Tariff Framework (MYF) for the First Control Period (FY....., FY and FY.....) for its Generation and Sale of Electricity business under Section..... of the Andhra Pradesh Electricity Reform Act, 1998 (hereinafter referred to as the Act') and under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant APERC Guidelines and Regulations as on date, by the (name of the generation company / Trader etc).

In the matter of

Name of the Generation Company / Trader etc, ...
Applicant

The Applicant respectfully submits as under: -

- I) Name and Address of the Applicant
- II) Primary Business of the Applicant (Power Generation/Retail Supply of power/ power trading)
- III) Details of Distribution Licensee purchasing power (Name, location, license details etc.,)
- IV) Details of Generating Company/Trader etc selling power (Name, location, company details etc.,)
- V) Name and location of the Generating station for which Tariff is to be determined, indicating the following details (If more than one to be submitted separately for each Generating Station)
 - a. Name/Location of the generating station.
 - b. Total existing unit-wise installed capacity and proposed unit-wise capacity in MW.
 - c. Nature of generation plant (Thermal/Hydro/Gas)
 - d. Type of primary and secondary fuel.

- e. Date/Expected date of commercial operation of existing and proposed units.
- f. OCFA of the existing units and proposed capital cost of the new units.
- g. Details of project loans for proposed units.
- h. Year-wise Interest During Construction (Rs. Crores).
- i. Estimated Annual Fixed Costs (Rs. Crores).
- j. Estimated variable cost/Unit (Rs/kWh).

VI) Details of fee paid to the Commission. (Amount and Demand draft No. & Date).

VII) Any other relevant information that is reasonable necessary to be informed to the Commission.

Pursuant to the applicable provisions of the Andhra Pradesh Electricity Reform Act, 1998, the Government of Andhra Pradesh undertook the reform and restructuring of the erstwhile Andhra Pradesh State Electricity Board ('APSEB'). APGenco was formed as a successor entity of the erstwhile APSES through the First statutory transfer scheme notified in the official gazette on February 1, 1999 to manage the Generation business of erstwhile APSEB.

2. This filing for 'Determination of Tariff for supply of Electricity by a Generating Company to and purchase of Electricity by Distribution Licensees' is in accordance with the provisions of the Reform Act, the Electricity Act 2003 and the Guidelines and Regulations issued by the Honorable Commission till date
3. (Name of the Generating Company / Trader etc) has filed herein the proposals for 'Determination of Tariff for supply of Electricity by the Generating Company to and purchase of Electricity by Distribution Licensees' for FY..... (w.e.f. DD/Month/Year), FY , FY..... And FY.....
4. While filing the present tariff proposals, (Name of the Generating Company / Trader etc) has endeavored to comply with the various applicable legal and regulatory directions and stipulations including the directions of the Hon'ble Commission in the Business Rules of the Commission, the Guidelines and the recent Regulations on Terms and Conditions for 'Determination of Tariff for supply of Electricity by the Generating Company to and purchase of Electricity by Distribution Licensees' (Regulation No. of 2007) dated 2007.
5. Based on the information available, the applicant has made bonafide efforts to comply with the directions of the Hon'ble Commission and discharge its obligations to the best of its abilities. However, should any further material become available in the

near future, the Applicant reserves the right to file such additional information and consequently amend/revise the application.

6. The current 'Generation Tariff Proposal petition' being filed has been discussed and approved by the Board of Directors of.(Name of the Generating Company / Trader etc) and Sri/Smt..... , (Name of the Chairperson and Managing Director) has been authorized to execute and file the said Petition on behalf of..... (Name of the Generating Company / Trader etc). Accordingly, the current petition is signed and verified by, and backed by the affidavit of Sri/ Smt..... , (Name of the Chairperson and Managing Director), Chairperson and Managing Director.
7. In the aforesaid facts and circumstances, the Applicant requests that the Hon'ble Commission:
- (a) Take the accompanying Petition of(Name of the Generating Company) on record;
 - (b) Grant suitable opportunity to..... (Name of the Generating Company / Trader etc) within a reasonable time frame to file additional material information if any;
 - (c) Grant the waivers prayed for with respect to such filing requirements, as..... (Name of the Generating Company /Trader etc) is unable to comply with at this stage, as more specifically detailed and for the reasons set out in the present tariff proposals filings
 - (d) Treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record;
 - (e) Consider and approve (name of the company)'s tariff proposals, including all requested regulatory treatments in the filing;
 - (f) Pass such order, as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.
..... (Name of the Generating Company / Trader etc)

Through

(APPLICANT)

SRI/SMT.....

CHAIRPERSON AND MANAGING DIRECTOR

Place:

Dated:(Month),..... (date),..... 20

ANNEXURE-II

BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION AT IT'S OFFICE AT 5th FLOOR, SINGAREM BHAVAN, RED HILLS, HYDERABAD

PUBLIC NOTICE

Notice is hereby given to all that(Name of the Generating Company, Trader etc.), a company in the business of generation of electricity has submitted the filings for 'Determination of Tariff for supply of Electricity for the control period, from _____ to _____ , by..... (Name of the Generating Company) to and purchase of Electricity by Distribution Licensees', as per the APERC Regulation No /2007 (Determination of Tariff for supply of Electricity by a Generating Company to and purchase of Electricity by Distribution Licensees), on..... (DD/M/YR). These filings are taken on record by the Hon"ble Commission in OP No:.....

2. Copies of the filings and application of (Name of the Generating Company, Trader etc.) referred to in the 1st Para above are available at (indicate the clear 'name of officer & address). A set of these filings can be obtained from the above offices from(DD/Month/Year) onwards on payment of Rs* Also a summary of Tariff filings in English or Telugu can be separately obtained on payment of Rs /-*

3. Interested persons may inspect/peruse the said proposals and take note thereof during office hours at any of the said offices free of charge These proposals are also available on Company's website, www

4. The tariffs proposed are indicated in the Schedule appended.

5. Objections or suggestions if any on tariffs proposed by (Name of the Generating Company, Trader etc.), together with supporting material may be filed with the Secretary, APERC, at the address mentioned above in person or through Registered Post so as to reach him on or before (DD/Month/Year), along with proof of service of the same on..... (Name of responsible officer/Office). The objections/ suggestions should be filed duly signed and should carry full name and postal address of the person

¹ * Not to exceed the normal cost of photo copying and the cost of postage, if any

(s) sending the objections/suggestions. If the objections are filed on behalf of any organization or any category of consumers, it should be so mentioned and if the objector also wants to be heard in person, it may also be specifically mentioned so.

6. After perusing the objections/suggestions received in response to this notice the Hon'ble Commission may inform such persons, as it considers appropriate and conduct hearings on dates to be notified by the Commission.

CHAIRMAN & MANAGING DIRECTOR

..... **(Name of the Generating Company, Trader etc.,)**

Date:

Place:

SCHEDULE

- I) Name and Address of the Applicant
- II) Primary Business of the Applicant (Power Generation/Retail Supply of power/power trading)
- III) Distribution Licensee purchasing power (Name, location)
- IV) Details of Person (Generating Company) desiring to sell power:
(Name/Location/Address etc.,)
- V) Particulars in brief of the proposed tariffs in the format given below.
- a. Name and location of the generating station.
- b. Total existing Unit-wise installed capacity and proposed unit-wise capacity in MW.
- c. Type of primary and secondary fuel.
- d. Date/Expected date of commercial operation of existing and proposed units.

*Name of Station	Location	Capacity	Fuel	Fixed Cost	Variable Cost	Total Cost
1						
2						
3						

*Details to be provided station-wise, unit-wise, stage-wise.

Note: The seller may also indicate any other charges/ conditions, which it intends to inform the public about, and also indicate the capital investments if any briefly

Annexure-III

Fuel Price Adjustment. (FPA) Calculations Formula

FPA = A + B where

A = Fuel Price Adjustment for Secondary Fuel Oil in Paise/KwH sent out.

B = Fuel Price Adjustment for Coal in Paise/KwH sent out.

$A = 10 \times \text{SFCn} (\text{Pom} - \text{Pos}) / (100 - \text{ACn})$ and

$B = 10 \times \{ \{ \text{SHRn} \{ (\text{Pcm} / \text{Kcm}) - (\text{Pcs} / \text{Kcs}) \} - (\text{SFCn}) \times \{ (\text{Kom} \times \text{Pcm} / \text{Kcm}) - (\text{Kos} \times \text{Pcs} / \text{Kcs}) \} \} / (100 - \text{ACn}) \}$ where

SFCn	Normative Specific Fuel Consumption in L/kWh
SHRn	Normative Gross Station Heat Rate in KCal/kWh
Can	Normative Auxiliary Consumption in percentage
Pom	Wtd. Average price of Fuel Oil for the month in Rs./KL
Kom	Wtd Average GCV of Oil fired for the month in KCal/Ltr.
Pos	Base Value of price of Fuel Oil as taken for determination of base energy charges adopted for the month of. Rs./KL
Kos	Base value of GCV of Fuel Oil as taken for determination of Base energy Charges for the month of ...KCal/Ltr.
Pcm	Wtd. Average price of landed coal for the month.... Rs/Mt
Kcm	Wtd Average GCV of coal fired at boiler front for the month.... KCal/Kg.
Pcs	Base value of price of Coal as taken for determination of Base energy Charges adopted for the month of Rs./Mt.
Kcs	Base value of GCV of Coal as taken for determination of Base energy charges adopted for the month of Kcal/Kg.

Fuel Price Adjustment(FPA) in Ps/kWh for the month = (A+B)Ps/Kwh

REGULATION NO. 1 OF 2012

Andhra Pradesh Electricity Regulatory Commission
Renewable Power Purchase Obligation (Compliance by Purchase of Renewable
Energy / Renewable Energy Certificates) Regulation, 2012

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Renewable Power Purchase Obligation (Compliance by Purchase of Renewable Energy / Renewable Energy Certificates) Regulation, 2012

(Regulation No. 1 of 2012)

In exercise of powers conferred under sections 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after previous publication and after holding a public hearing on 12-01-2012, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following regulations for prescribing the obligation for purchase of Renewable Power and its Compliance by purchase of Renewable Energy / Renewable Energy Certificates:

1. Short title and commencement:

- (i) These regulations may be called the APERC - Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2012 (Regulation No. 1 of 2012).
- (ii) These regulations shall come into force from 1st April, 2012.
- (iii). These Regulations shall apply throughout the State of Andhra Pradesh.

2. Definitions and Interpretation:

In these regulations, unless the context otherwise requires,

- (a) 'Act' means the Electricity Act, 2003 (36 of 2003);
- (b) 'Central Agency' means the agency operating the National Load Dispatch Centre (NLDC) or such other agency as the Central Commission may designate from time to time;
- (c) 'Central Commission' means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- (d) 'Certificate' means the Renewable Energy Certificate (REC) issued by the Central Agency in accordance with the procedures prescribed by it and under the provisions specified in the Central Electricity Regulatory Commission

- (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time;
- (e) 'Commission' means the Andhra Pradesh Electricity Regulatory Commission as referred in sub-section (1) of section 82 of the Act;
 - (f) 'Floor price' means the minimum price as determined by the Central Electricity Regulatory Commission in accordance with its (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time at and above which the certificate can be dealt in the power exchange;
 - (g) 'Forbearance price' means the ceiling price as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time, within which only the Certificate can be dealt in power exchange;
 - (h) 'MNRE' means the Ministry of New and Renewable Energy;
 - (i) 'Obligated entity' means an entity obligated to purchase renewable power under clause (3) of these Regulations;
 - (j) 'Open Access Consumer' means a consumer availing open access under subsection (2) of Section 42 of the Act;
 - (k) 'Pooled Cost of Power Purchase' means the weighted average pooled price at which the distribution licensee has purchased electricity in the previous year from all the long-term energy suppliers excluding the purchases based on liquid fuel.

Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining Pooled Cost of Power Purchase;

- (l) 'Power Exchange' means any exchange operating as the power exchange for electricity in terms of the orders issued by the Central Commission;
- (m) 'Renewable energy sources' means renewable sources such as Co-generation (from renewable sources of energy like bagasse), Mini Hydel, Municipal Waste, Industrial Waste, Biomass, Wind, Solar including its integration with combined cycle, bio-fuel cogeneration, Geo-thermal, Tidal and such other sources as recognized or approved by MNRE;
- (n) 'State agency' means the State Load Despatch Centre of the State of Andhra Pradesh as defined under section 2(66) of the Act or the agency so designated by the Commission under Clause (5.4) of these Regulations to act as the agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under these regulations;
- (o) 'Year' means a financial year;
- (p) 'RPPO' means Renewable Power Purchase Obligation prescribed under Clause (3) of these Regulations;
- (q) 'RESCO' means Rural Electricity Supply Co-operative Society. Words and expressions used in these Regulations and not defined herein, but defined in the Act or the regulations issued by the Central Commission or any other regulations issued by the Commission, shall have the same meaning assigned to them respectively in the Act or such regulations issued by the Central Commission or such other regulations issued by the Commission.

3. Renewable Power Purchase Obligation (RPPO):

- 3.1 Every distribution licensee shall purchase from renewable energy sources, at the generic tariff rates determined by the Commission, for purchase of electricity from different types of renewable energy sources, a quantum of not less than 5% of its consumption of energy, during each of the years from 2012-13 to 2016-17 (each year commencing from 1st April of the Calendar Year and ending on 31st March of the subsequent Calendar Year), provided that the purchase of Renewable Energy Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations,

2010 as amended from time to time, shall also be treated as fulfilment of the Renewable Power Purchase Obligation (RPPO) prescribed herein;

Provided that a minimum of 0.25 percentage point out of the 5% Renewable Power Purchase Obligation (RPPO) above specified, shall be procured from generation based on solar as renewable energy sources;

Provided that in the event of the obligated entity, fulfilling the Renewable Power Purchase Obligation (RPPO) by purchase of certificates, the obligation to purchase electricity from generation based on solar as renewable energy source can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.

Provided further, that the fulfilment of such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity;

Provided further, that the purchase of renewable power, by the distribution licensee, from other distribution licensees in the state of Andhra Pradesh, shall also be taken into account for computing the fulfilment of Renewable Power Purchase Obligation (RPPO) by such a licensee;

Provided further, that the consumption of a Rural Electricity Supply Co-operative Society (RESCO) shall be taken into account for calculating the consumption of a distribution licensee for the purpose of these Regulations. There shall be no separate Renewable Power Purchase Obligation on the RESCOs;

Provided also that the power purchases under the Power Purchase Agreements for the purchase of renewable energy sources already entered into by the distribution licensees and consented to by the Commission shall continue to be made till their present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove.

Provided further, that the Commission may, either on its own motion or on recommendation of the State Agency or on receipt of an application from the obligated entity(s) or eligible entity(s), revise for any year the percentage targets given herein above as deemed appropriate;

- 3.2 Every open access consumer in the state of Andhra Pradesh shall purchase from renewable energy sources, a quantum of not less than 5% of its consumption of energy, during each of the years from 2012-13 to 2016-17 (each year commencing from 1st April of the Calendar Year and ending on 31st March of the subsequent Calendar Year), provided that the purchase of Renewable Energy Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time, shall also be treated as fulfilment of the Renewable Power Purchase Obligation (RPPO) prescribed herein;

Provided that a minimum of 0.25 percentage point out of the 5% Renewable Power Purchase Obligation (RPPO) above specified, shall be procured from generation based on solar as renewable energy sources;

Provided that in the event of the obligated entity, fulfilling the Renewable Power Purchase Obligation (RPPO) by purchase of certificates, the obligation to purchase electricity from generation based on solar as renewable energy source can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.

Provided further, that the fulfilment of such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity;

Provided further, that the Commission may, either on its own motion or on recommendation of the State Agency or on receipt of an application from the obligated entity(s) or eligible entity(s), revise for any year the percentage targets given herein above as deemed appropriate;

3.3 Every consumer owning a captive generating plant of installed capacity of One (1) MW shall purchase Renewable Energy Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time, corresponding to a quantum of not less than 5% of its consumption of energy, during each of the years from 2012-13 to 2016-17 (each year commencing from 1st April of the Calendar Year and ending on 31st March of the subsequent Calendar Year) provided that the purchase of energy from renewable energy sources shall also be treated as fulfilment of the Renewable Power Purchase Obligation (RPPO) prescribed herein;

Provided that a minimum of 0.25 percentage point out of the 5% Renewable Power Purchase Obligation (RPPO) above specified, shall be procured from generation based on solar as renewable energy sources;

Provided that in the event of the obligated entity, fulfilling the Renewable Power Purchase Obligation (RPPO) by purchase of certificates, the obligation to purchase electricity from generation based on solar as renewable energy source can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.

Provided further, that the fulfilment of such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity;

Provided further, that the Commission may, either on its own motion or on recommendation of the State Agency or on receipt of an application from the obligated entity(s) or eligible entity(s), revise for any year the percentage targets given herein above as deemed appropriate;

4. Certificates under the Regulations of the Central Commission:

- 4.1 The procurement, by the obligated entity(s), of Renewable Energy Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall be subject to such directions as the Commission may issued from time to time.
- 4.2 The Renewable Energy Certificates purchased by the obligated entity(s) from the power exchange shall be deposited by the obligated entity(s) with the state agency.

5. State Agency:

- 5.1 The State Agency shall function in accordance with the directions issued by the Commission and shall act in consistent with the procedures / rules laid by Central Agency for discharge of its functions under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time.
- 5.2 The State Agency shall submit quarterly status to the Commission in respect of compliance of Renewable Power Purchase Obligation (RPPO) by the obligated entity(s) in the format as stipulated by the Commission and may suggest appropriate action to the Commission if required for compliance of the Renewable Power Purchase Obligation.
- 5.3 The Commission may from time to time fix the remuneration and charges payable to the State Agency for discharge of its functions under these regulations.
- 5.4 If the Commission is satisfied that the State Agency is not able to discharge its functions satisfactorily, it may by general or special order, and by recording reasons in writing, designate any other agency to function as State Agency as it considers appropriate.

6. Eligibility and Registration for Certificates: -

A generating company [including a Captive Power Producer (CPP)] in Andhra Pradesh engaged in generation of electricity from renewable energy sources shall be eligible for obtaining accreditation from the State Agency if it fulfils the following conditions:

- (a) It does not have any Power Purchase Agreement for the capacity related to such generation to sell electricity at a tariff determined by the Commission from time to time for sale of energy to a distribution licensee; and
- (b) It sells the electricity generated either (i) to the distribution licensee in the State of Andhra Pradesh at the pooled cost of power purchase, or (ii) to any other licensee or to an open access consumer at a mutually agreed price, or through power exchange at market determined price.

Note: (1). For determination of Pooled Cost of Power Purchase for a particular year, DISCOMs shall submit a petition for computation of Pooled Cost of Power Purchase to the Commission by 30th April of that year. The Commission shall issue order relating to the Pooled Cost of Power Purchase for the particular year within one month of acceptance of such petition. Till the issue of order regarding the Pooled Cost of Power Purchase, the Pooled Cost of Power Purchase of the previous year shall continue to be valid as Provisional Pooled Cost of Power Purchase. After the issue of order for the Pooled Cost of Power Purchase by the Commission, the difference with the Provisional Pooled Cost of Power Purchase shall be adjusted equally in the bills of the next two months or as decided by the Commission in the order determining the Pooled Cost of Power Purchase for that year.

Provided further, that the Pooled Cost of Power Purchase applicable for the period from the date of publication of these Regulations in the Andhra Pradesh Gazette till 31-05-2012 shall be R 2.00 per unit which shall be treated as ad-hoc notional pooled cost of power purchase of the previous year.

(2). The PPA covering the transaction at [Note (1)] above may be developed by APDISCOMs generally keeping in view the standard PPAs being followed by them suitably modifying the same to the extent required and entered with the NCE

developer in Andhra Pradesh for the transaction indicated at [Note (1)] above.

- (c) That in respect of CPP, it has not at all availed or does not at all propose to avail any benefit in the form of concessional / promotional transmission or wheeling charges, banking facility and waiver of electricity duty.

Note: (1).The entire energy generated from CPP including self consumption shall be eligible for RECs.

(2).The dispute, if any, on the question as to whether such concessional / promotional benefits were availed by a CPP or not shall be referred to the Commission.

7. Consequences of default:

- 7.1 If the obligated entity(s) does not fulfil the Renewable Power Purchase Obligation as provided in clause (3) of these regulations during any year, the Commission may direct the obligated entity(s) to deposit into a separate fund, to be created and maintained by the State Agency, such amount as the Commission may determine on the basis of the shortfall in units of Renewable Power Purchase Obligation (RPPO) and the forbearance price decided by the Central Commission.

Provided that the fund so created shall be utilised, for purchase of the certificates or as may be directed by the Commission;

Provided further that the Commission may empower an officer of the State Agency to procure from the Power Exchange the required number of certificates to the extent of the shortfall in the fulfilment of the obligations, out of the amount in the fund.

- 7.2 Where any obligated entity(s) fails to comply with the obligation prescribed in clause (3) of these Regulations, it shall, in addition to the compliance of the directions under clause (7.1) above, be liable for penalty as may be decided by the Commission under section 142 of the Act.

8. Repeal and Saving:

- 8.1 Save as otherwise provided in these Regulations, the Renewable Power Purchase Obligation (RPPO) order dated 31-03-2009 issued in O.P.No. 16 of 2008 (Suo-

motu) to the extent amended vide orders dated 06-07-2010 in O.P.No.10 of 2010, are hereby repealed.

8.2 Notwithstanding such repeal, any thing done or action taken or purported to have been done in pursuance of the provisions of the repealed Renewable Power Purchase Obligation (RPPO) order dated 31-03-2009 issued in O.P.No. 16 of 2008 (Suo-motu) to the extent amended vide orders dated 06-07-2010 in O.P.No.10 of 2010 shall be considered to be legal and valid.

8.3 Any rights and liabilities arising out of the orders so repealed shall be settled within the framework of the repealed orders.

9. Power to remove difficulties:

The Commission, Suo-Motu or on an application from any person generating electricity from renewable sources or an entity mandated under clause (e) of sub-section (1) of section 86 of the Act to fulfil the Renewable Power Purchase Obligation (RPPO), may review, add, amend or alter these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these regulations.

10. Miscellaneous

10.1 Nothing in these regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of process of the Commission.

10.2 Nothing in these regulations shall bar the Commission from adopting a procedure which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for so dealing with such a matter or class of matters.

**Hyderabad
21-03-2012**

**M.D.MANO HAR RAJU
COMMISSION SECRETARY**

REGULATION NO. 4 OF 2013

Andhra Pradesh Electricity Regulatory Commission
(Licensees' Duty for Supply of Electricity on Request and Recovery of
Expenses for Providing Electric Line or Electrical Plant)
Regulation, 2023

Amendment

1. First Amendment vide Regulation No. 5 of 2014, dated 29-11-2014
2. Second Amendment vide Regulation No. 6 of 2021, dated 31-12-2021
3. Third Amendment vide Regulation No. 1 of 2025, dated 25-02-2025
4. Fourth Amendment vide Regulation No. 4 of 2025, dated 11-07-2025

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Lr.No. APERC/Secy/Engg./E-201 & E-251/2013-3:

(Licensees' Duty for Supply of Electricity on Request and Recovery of
Expenses for Providing Electric Line or Electrical Plant)
Regulation, 2013

(Regulation No.4 of 2013)

(This Regulation is issued duly repealing the APERC Regulation No.03 of 2004)

INTRODUCTION:

Lr.No.APERC/Secy/Engg./E-201 & E-251/2013-3.

Section 43 of the Electricity Act 2003, casts a duty on the Distribution Licensees to supply electricity on request to any premises within one month after receipt of application from the owner or occupier of the premises. Where however, such supply requires extension of distribution mains or commissioning of new substations, the Distribution Licensee shall supply the electricity immediately after such extension or commissioning or within such period as may be specified by the Commission.

Section 46 of the said Act has vested the State Commission with the power to authorize the Distribution Licensee to recover the expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving supply to a person pursuant to Section 43.

In this regard, the Commission notified regulation No.3 of 2004. However by a common order dated 24-08-2005, in R.P. Nos. 1 to 4 of 2005 filed by the Distribution Licensees, the Commission deleted clauses 5 to 11 of the said Regulation No.3 of 2004 permanently with effect from the date of the said Regulation came into force. The Hon'ble High Court passed its order in W.P. Nos. 4010, 4013, 4328, 24082 and 25597 of 2005 on 05-10-2010, declared that the said order is non-est in the eye of law and directed the Commission to make a fresh regulation under Section 46 of the Act.

In accordance with the directions of the Hon'ble High Court, a comprehensive draft Regulation was made duly repealing the Regulation No.3 of 2004. The draft Regulation was hosted in the Commission's website seeking comments/suggestions from interested persons and all stakeholders. Public hearing was conducted on 17-06-2013. Considering all comments/suggestions, the Commission issues the following Regulation.

In exercise of the powers conferred by clause (t) of sub-section (2) of section 181 read with sub-section (1) of section 43, and subsection (1) of section 181 read with section 46 of the Electricity Act, 2003 (36 of 2003) and all powers, enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely:-

1. Short title, commencement and interpretation

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Licensee's duty for supply of electricity on request) Regulation, 2013.
- (ii) This Regulation shall come into force with effect from the date of its publication in the Andhra Pradesh Gazette.

2. Definitions

In this Regulation, unless the context otherwise requires:-

- (a) "**Act**" means the Electricity Act, 2003 (36 of 2003);
- (b) "**Adjudicating Officer**" means any Member of the Commission appointed by the Commission to adjudicate on matters specified under the Act to be adjudicated by him;
- (c) "**Applicant**" means the owner or occupier of any premises who makes an application to the distribution licensee for supply, of electricity;

- (d) **"Commission"** means the Andhra Pradesh Electricity Regulatory Commission;
- (e) **"Consumer"** means any person who is supplied with electricity for his own use by a Licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a Licensee, the Government or such other person, as the case may be;
- (f) **~~"Dedicated Feeder"~~**
- (g) **"Distribution Licensee"** means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply
- (h) **"Distribution Main"** means the portion of any main with which a service line is, or is intended to be, immediately connected.
- (i) **"Distribution System"** means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.
- (j) **"Electric Line"** means any line which is used for carrying electricity for any purpose and includes:
- (i) any support for any such line, that is to say, any structure, tower, pole or other thing in, on, by or from which any such line is, or may be, supported, carried, or suspended; and

¹ First Amendment vide Regulation No. 5 of 2014 dated 29-11-2014

- (ii) any apparatus connected to any such line for the purpose of carrying electricity.
- (k) "**Electrical Plant**" means any plant, equipment, apparatus or appliance or any part thereof used for, or connected with, the generation, transmission, distribution or supply of electricity but does not include:
 - (i) an electrical line; or
 - (ii) a meter used for ascertaining the quantity of electricity supplied to any premises; or
 - (iii) an electrical equipment, apparatus or appliance under the control of a consumer.
- (l) "**Express Feeder**" means, a distribution feeder which supplies electricity to same category of consumers incident on it;
- (m) "**Extra High Tension (EHT) supply**" means supply voltages above 33,000 volts;
- (n) "**High Tension (HT) supply**" means supply voltages of more than 440 volts and upto and inclusive of 33,000 volts;
- (o) "**Low tension (LT) supply**" means supply voltages upto 440 volts;
- (p) "**Month**" means the calendar month. The period of about 30 days between the consecutive meter readings shall also be regarded as a month for the purpose of billing;
- (q) "**User**" or "**open access user**" means a person using or intending to use the transmission system and / or the distribution system of the licensees in the state for receiving supply of electricity from a person other than the distribution licensee of his area of supply, and the expression includes a generating company and licensee;

- (r) **"Point of commencement of supply"** means
- (i) In case of LT installations: the incoming terminals of the consumer cut-outs fixed after the Licensee's equipment.
 - (ii) In case of HT installations: The incoming terminals of the circuit breaker/linked switch with fuse, of the consumer placed after Licensee's metering cubicle/metering equipment.
- (s) **"Premises"** includes any land, building or structure;
- (t) **"Service Line"** means any electric supply line through which electricity is, or is intended to be, supplied:
- (i) to a single consumer either from a distributing main or immediately from the Distribution Licensee's premises; or
 - (ii) to a group of consumers from a distributing main on the same premises or on contiguous premises supplied from the same point of the distributing main.
 - (iii) to a dedicated consumer, the service line includes take off arrangements at the sub-station.
- (u) Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings as assigned to them in the Act.

3. Extent of Application

This Regulation shall apply to Distribution Licensees, Transmission Licensees, Open Access User and to all consumers who are connected or seeks connectivity to the Distributed System for the purpose of receiving electricity in the state of Andhra Pradesh.

4. Duty of Licensee to supply on request

(1) Every distribution licensee shall, on receipt of an application from the owner or occupier of any premises, give supply of electricity to such premises within the time specified in sub-clause (2) subject to payment of fees charges and security and the due fulfillment of other conditions to be satisfied by such owner or occupier of the premises:

Provided that in case of applications requiring supply under Low Tension Agricultural Category, such obligation on the part of the licensee shall be limited to the number of connections that can be covered within the target fixed for the year for release of agricultural connections. The licensee shall maintain a waiting list of such applicants in a serial order based on the receipt of such application and the waiting list number shall be communicated to the concerned applicant in writing within 15 days of receipt of application. If the applicant's case cannot be covered in the programme of release of agricultural connections fixed for the year, it shall be so indicated in the said written communication.

(2) Extension of Supply to new or existing consumers:-

(a) LT Supply:

Pursuant to the application under sub-clause (1) above, the Licensee shall acknowledge the receipt of the application within 2 days and intimate the charges to be paid in writing within one week time to the applicant from the date of receipt of application. From the date of receipt of charges and security deposit, the supply shall be released within one month time.

(b) HT Supply:

(i) The Licensee shall acknowledge the receipt of the application within 2 days and shall intimate to the applicant in writing, the amount of security and other charges payable within 15, 30 and 45 days of receipt of application for High Tension (11 kV), High Tension (33 kV) and Extra High Tension (above 33 kV) respectively.

(ii) In cases where there is no requirement of erecting and commissioning a new 11 kV or 33 kV or EHT substation, the Distribution Licensee shall give supply within the time frame specified hereunder:

Type of service connection requested	Period from date of payment of required security, within which supply of electricity should be provided
11 kV supply	60 days
33 kV supply	90 days
Extra High Tension (EHT) supply	180 days

Provided that the Distribution Licensee/Transmission Licensee may approach the Commission for extension of the time specified above, in specific cases where the magnitude of extension is such that it require more time, duly furnishing the details in support of such claim for extension and if the Commission is satisfied with the justification given by the distribution licensee it may extend the time for commencing the supply.

(c) In the case of application for new connection, where extension of supply requires erection and commissioning of new 33/11 kV substation, the Distribution Licensee shall within 15 days of receipt of application, submit to the Commission a proposal mentioning the time required for erection of 33/11 kV substation and time limit to release the Service for approval. The licensee shall commence power supply to the applicant within the period, so approved by the Commission.

(d) In the case of application for new connection or for additional load, where extension of supply requires erection and commissioning of new EHT substation or enhancement of existing transformer capacity, the Distribution Licensee shall take up the issue with the respective Transmission Licensee within 15 days of receipt of application. The

Transmission Licensee after receipt of proposal from Distribution Licensee shall submit within 15 days, to the Commission, a detailed proposal mentioning the time frame required for erection/augmentation of EHT substation for approval.

- (3) The Distribution Licensee shall be responsible to collect all Service Line Charges and Development Charges pertaining to EHT services and remit the same to the respective Transmission Licensee. The Transmission Licensee shall take up the work after receipt of service line charges and development as mentioned in clause 6, clause 7 and clause 8. The Distribution Licensee shall work in coordination with Transmission Licensee, in respect of releasing the service within stipulated time permitted by the Commission.
- (4) Transmission Licensee shall be liable to reimburse to the Distribution Licensee, any compensation required to be payable in extending the power supply to the EHT Consumer, in fulfilling the obligations under this regulation and Standards of Performance Regulations issued by the Commission.
- (5) If the Consumer fails to pay the necessary charges and security deposit as intimated by the Licensee, within three months from the date of intimation, without any prejudice to the rights and obligations of the licensee, the application made ceases to be valid.
- (6) Subject to the above, it shall be the responsibility of the Distribution Licensee to have necessary commercial arrangements with the respective transmission licensee(s) to ensure that the required supply at Extra High Tension (EHT) is made available within the time frame specified under clause 4(2) above.
- (7) The Licensee shall not be responsible for the delay, if any, in extending supply, if the same is on account of problems relating to

statutory clearances, right of way, acquisition of land, or the delay in consumer's obligation to obtain approval of Chief Electrical Inspector for his High Tension or Extra High Tension installation, or for any other similar reasons beyond the reasonable control of the Licensee.

- (8) In cases where the village or hamlet or area is not electrified earlier, the distribution licensee shall give supply of electricity to such premises after the village or hamlet or area is covered for electrification under any programme of electrification of habitations covered in the investment plan approved by the Commission. The supply shall be extended within the time frame specified in such investment plan approved by the Commission.

5. Consequences of default

- (1) The Distribution Licensee who fails to comply with the time frame for supply of electricity stipulated in clause 3 above shall be liable to pay penalty as may be decided by the adjudicating officer of the Commission in accordance with sub-section (3) of section 43 of the Act.
- (2) The liability to pay penalty under this Regulation for default if any, does not absolve the distribution licensee from the liability to pay compensation to the affected person as per the regulation notified under sub-section (2) of section 57 of the Act.

6. Right of the Distribution Licensee/ Transmission Licensee to recover expenditure

- (1) The Distribution Licensee shall, unless otherwise specified in this Regulation or otherwise by an order of the Commission, fulfill the obligation to supply electricity to an applicant who seeks power supply.

- (2) Subject to the provisions of Act and this Regulation and subject to such directions, orders or guidelines, the Commission may issue from time to time, every Distribution/Transmission Licensee is authorized to recover from an applicant, requiring supply of electricity, any expenses that the Distribution /Transmission Licensee shall be required to reasonably incur to provide any electric line specifically for the purpose of giving such supply to the applicant.
- (3) Before taking up the erection of electric line required for extending supply to the applicant, the Distribution/Transmission Licensee shall estimate the Service Line charges for erecting such electric line as per the cost data and present the same to the applicant for making payment to the Distribution Licensee.
- (4) In the event, the electricity supply is required by two or more applicants in the same area through extension of common Electric Line, the expenditures in respect thereof, the Distribution Licensee shall apportion such expenditure amongst all such applicants.

7. Specific provision for Service Line Charges

- (1) In case of applications for new connections, where such supply requires extension of line from the existing distributing main to the consumer's premises, the Distribution/Transmission Licensee shall estimate the cost of service line excluding the cost of terminal and metering arrangements at the premises of the consumer. The Distribution/ Transmission Licensee shall estimate the cost of service line as per the latest cost data based on actual survey and line length. The Distribution/Transmission Licensee shall commence the work after receipt of estimated charges from the applicant.

²Provided that for connections up to 150 kW load (new or additional load) and within a 1 km radius of the electrified network (**maximum length of service line shall not exceed one km**), the following charges shall be collected from consumers for releasing the supply during the financial year 2025-26.

Tariff Category	Category of services	Charges (Service Line including Development Charges)
LT-I	Domestic services	
	i) Up to 500 watts contracted load	Rs. 800
	ii) 501 to 1000 watts	Rs. 1500
	iii) Above 1 kW & up to 20 kW	Rs. 1500 + Rs. 2000 per KW or part thereof of contracted load
	iv) Above 20 kW up to 150 KW	Rs. 12600 per kW or part thereof of the contracted load
LT-II	Non-domestic/commercial services	
	i) Up to 250 watts contracted load	Rs. 600
	ii) 251 to 500 watts	Rs. 1000
	iii) 501 Watts up to 1 kW	Rs. 1800
	iv) Above 1 kW to 20 kW	Rs. 1800 + Rs . 2000 per KW or part thereof of contracted load
	iv) Above 20 kW to 150 kW	Rs. 12600 per kW or part thereof of contracted load
LT III	i) Up to 20 kW	Rs. 2000 per KW or part thereof of the contracted load

² Fourth Amendment vide Regulation No. 4 of 2025 dated 11-07-2025

and IV	ii) Above 20 kW to 150 kW	Rs. 12600 per kW or part thereof of the contracted load
HT	11kV services	
	>75kW and up to 150kW	Rs. 4400 per kW or part thereof of the contracted load. The DTR is in the scope of the consumer.

Note: Consumers may opt for LT or HT supply up to 150 kW if their load exceeds 100 HP or 75 kW. **Consumers supplied with power above 100 HP /75 kW and up to 150 kW under LT supply will be billed according to the tariffs specified in the Retail Supply Tariff (RST) Orders.** For FY2025-26, the tariffs applicable under LT supply up to 75 kW will be extended to 150 kW under LT. However, for Industries General, the tariff as shown separately in the RST Order for FY2025-26 up to 150 HP, will be applicable.

Provided further that, in addition to the charges mentioned above, the Application Fee and Security Deposit Charges as per provisions under the relevant Regulation, notified by the Commission from time to time, shall be collected.

Provided further that the following are exempted from the application of the charges mentioned in the above table

- i. for the connections beyond 1 km of the electrified area,
- ii. Electrification of Layouts
- iii. Agricultural & Related Category,
- iv. Farm houses, and
- v. Underground Cables.

Regarding the service line charges from FY 2026-27 onwards, the Distribution Licensees may submit a proposal to the Commission regarding the schedule of service line charges for the release of new/additional load services by 30th November of last year of the current control period for the next control period in case of MYT filings or 30th November of any year, for the ensuing financial year, if the filings are permitted annually along with the filings of the Aggregate Revenue Requirement (ARR) & FPT of their Retail Supply Business.

The Distribution licensees may file a separate application also if they so desire. The Commission may pass an Order as far as possible within 120 days of receiving such application, based on the actual expenditure incurred by the licensees in the previous year(s) for releasing services up to a connected load of 150 kW. If proposals from licensees are not received, the same charges mentioned for FY2025- 26 will be continued until revised charges are approved or notified by the Commission.

(2) ³"It shall be the duty of every Distribution Licensee to provide an electric meter for giving an electric supply to a consumer. The Distribution Licensee shall install smart meters, including the display unit, conforming to the technical requirement as prescribed in the CEA (Installation and Operation of Meters) Regulations, 2006 and its subsequent amendments. The smart meter shall have both ways of communication and shall be compatible with AMI and AMR applications. The smart meter shall have a built-in security mechanism to guard against any attempt to steal the codes. The Distribution Licensee or the Consumers can bear the meter and allied equipment cost. If the Distribution Licensee bears such cost, it may collect meter cost as rent approved by the Commission under section 45 of the Act. or in Tariff Orders. Alternatively, the Distribution Licensee may require the Consumer to bear the full cost of meter and allied equipment, and in such a case, the Distribution Licensee is not entitled to collect meter rent."

⁴(3) Deleted

8. Specific provision for Development charges

(1) The Distribution Licensee shall collect development charges subject to the provisions of Act and this Regulation and subject to such directions, orders or guidelines, the Commission may issue from time to time. The Distribution Licensee is authorized to recover from an applicant, requiring supply of electricity, expenses on normative basis towards part of upstream network cost

³ Third Amendment vide Regulation No. 1 of 2025 w.e.f. 25-02-2025

⁴ First Amendment vide Regulation No. 5 of 2014 w.e.f. 29-11-2014

that the Distribution Licensee has already incurred or to be incurred in extending power supply to the applicant.

- (2) The development charges on normative basis are arrived using shallow approach limiting the network cost to the next immediate higher voltage level. The Distribution Licensee shall levy development charges on per kVA/kW basis as per the schedule (Annexure-I) enclosed.

⁵“Provided that the Annexure-I (Schedule of Development Charges) does not apply to the consumers covered under the proviso to clause 7(1)

⁶(3) Deleted

- ⁷(4) “All consumers of LT services other than agriculture services whose contracted load exceeds 20 KW shall be provided with dedicated transformers by the licensees. The Distribution Licensee shall not extend power supply from the dedicated transformer to any other consumer”.

- (5) The Distribution Licensee shall not charge development charges to a consumer who seek temporary supply.

- (6) The Distribution Licensee is entitled to collect difference cost of development charges, in case of change of category from lower development charges category to higher development charges category. The Distribution Licensee is not entitled to collect development charges for restoring the de-rated capacity to the original level.

⁵ Fourth Amendment vide Regulation No. 4 of 2025 dated 11-07-2025

⁶ Second Amendment vide Regulation No. 6 of 2021 dated 31-12-2021

⁷ Fourth Amendment vide Regulation No. 4 of 2025 dated 11-07-2025

(7) If any existing consumer requests for splitting of service into two different categories, the Distribution Licensee is not entitled to collect full development charges. The DISCOM is entitled to collect short fall amount if any resulting out of splitting. For example, a 50 kW commercial service may require splitting of his service into two categories, viz., 20 kW commercial category and 30 kW industrial category.

(8) Subject to the provisions of Act and this Regulation and subject to such directions, orders or guidelines issued by the Commission, the Distribution Licensees shall file revised development charges, if required, for approval, once in five years along with MYT proposals.

9. Cost data

(1) The Distribution/Transmission Licensee shall submit the schedule of rates to the Commission for approval on an annual basis and publish the cost data book by 1st April of the year, which shall be the basis of making the initial estimate for erection of electric line or plant in order to extend supply to the applicant.

(2) The Distribution /Transmission Licensee shall make available the copies of the cost data book to the general public on demand at a reasonable charge and also upload in their websites.

10. Manner of accounting and adjustments

The Distribution licensee shall account, under appropriate account heads, all charges recovered by him for erection of electric line/plant for extending supply to the applicant seeking new connection/enhancement of existing load. The amounts so recovered shall be deducted from the Gross Fixed Assets to arrive at the value of Net Fixed Assets.

11. Force Majeure

The time frame specified in clause 3 above shall not be operative where the distribution licensee is prevented from giving supply of electricity on account of cyclones, floods, storms and other occurrences beyond his control.

12. Savings

Nothing contained in this Regulation shall affect the rights and privileges of the consumer under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).

⁸13. Power to Remove Difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

14. Issue of orders and practice directions:

Subject to the provisions of the Electricity Act, 2003, and this Regulation, the Commission may, from time to time, issue orders and practice directions regarding the implementation of the Regulation, the procedure to be followed, and various matters that this Regulation has empowered the Commission to specify or direct.

15. Power to Amend:

The Commission may at any time add, vary, alter, modify, or amend any provisions of this Regulation.”

⁸ Fourth Amendment vide Regulation No. 4 of 2025 dated 11-07-2025

⁹ANNEXURE – I
Schedule of Development Charges

- c) The table under Annexure-I (Schedule of Development Charges) shall be replaced with the following table.

Tariff category	Category of services	Development Charges
HT	HT services	11 KV - Rs. 1800 per KVA or part thereof of the contracted demand
		33 KV kV - Rs. 1500 per KVA or part thereof of the contracted demand
		Above 33 KV - Rs. 1200 per KVA or part thereof of the contracted demand
LT-I	Domestic services	
	i) Upto 500 watts contracted load	Rs. 800
	ii) 501 to 1000 watts	Rs. 1500
	iii) Above 1000 watts	Rs. 1500 + Rs. 2000 per KW or part thereof of contracted load
LT-II	Non-domestic/commercial services	
	i) Upto 250 watts contracted load	Rs. 600
	ii) 251 to 500 watts	Rs. 1000
	iii) 501 to 1000 watts	Rs. 1800
	iv) Above 1000 watts	Rs. 1800 + Rs.2000 per KW or part thereof of contracted load

⁹ Second Amendment vide Regulation No. 6 of 2021 w.e.f. 31-12-2021

LT Agriculture	Rs. 1500 per kW or part thereof of contracted load
All other LT categories	Rs. 2000 per KW or part thereof of contracted load

(By Order of the Commission)

Hyderabad

19-07-2023

M.D.MANO HAR RAJU,
Commission Secretary

REGULATION NO. 6 OF 2013

Andhra Pradesh Electricity Regulatory Commission
(Compliance Audit) Regulation, 2013

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Compliance Audit) Regulation, 2013

(Regulation No.6 of 2013)

INTRODUCTION:

In exercise of powers conferred by Section 181 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following regulation, namely:

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- 1.1 This regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Compliance Audit) Regulation, 2013.
- 1.2 This regulation shall be applicable in the State of Andhra Pradesh.
- 1.3 This regulation shall come into force from the date of their publication in the Official Gazette.

2. DEFINITIONS AND INTERPRETATIONS

DEFINITIONS:

- 2.1 In this regulation, unless the context otherwise requires.
 - (a) 'Act' means the Electricity Act, 2003 (36 of 2003);
 - (b) 'Regulated Entities' mean distribution licensees, generation companies transmission licensees, Electricity Traders, Licence Exemption Holders including Rural Electric Cooperatives and State Load Dispatch Centre;
 - (c) Officer: Any Officer appointed by the Commission in its service on permanent basis and has completed a minimum of 5 years service

- 2.2 Words and expressions used and not defined in this regulation but defined in the Act shall have the meanings assigned to them in the Act.

3. COMPLIANCE AUDITS

- 3.1 The Commission may, at any time, conduct audits of regulated entities for verifying their compliance with the Act, rules, regulations made thereunder, orders and directions issued by the Commission.
- 3.2 The Commission may, by order, empanel consultants/auditors required to assist the Commission in the discharge of these functions on the terms and conditions as deemed fit.
- 3.3. The Commission may either appoint consultants/ auditors empanelled with it for an audit or go through the process of fresh selection, if required for a specific need.
- 3.4 The Commission may also consider the single source selection of consultants/auditors in exceptional cases where it is appropriate duly mentioning the reasons for such single source selection.
- 3.5 The Commission before initiating an audit will frame the terms of reference which will detail out the specific outputs that are to be provided by the Consultant / Auditor in relation to the task, the timeframe in which the task has to be completed and other terms relevant to the task.
- 3.6 The Commission shall assign, through an Order, the specific task of audit to 2 the consultant / auditor based on the terms of reference framed by it before the audit of the regulated entity starts.

4. REQUIREMENTS OF CONSULTANT/AUDITOR

Consultants/auditors shall provide professional, objective, and impartial advice and at all times hold the Commission's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants / auditors shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Commission.

Without limitation on the generality of the foregoing, Consultants / auditors shall be engaged keeping in view the circumstances set forth below:

- (i) A consultant or an auditor engaged for a particular audit must not hold office or have a commercial or any other interest in the regulated entity for a period of five (5) years preceding the engagement by the Commission.
- (ii) While conducting an audit, the consultant or auditor would be expected to do so honestly, fairly, professionally, independently and objectively and exercise a standard of skill, care and diligence that would be reasonable to expect of a person who is skilled, and who has substantial experience, in the provision of services the same as or similar to those to be provided by the auditor.
- (iii) The selected consultant or auditor would be required to provide a written declaration to the Commission that he has no conflict of interest while performing the tasks and functions neither assigned to him under this regulation nor by its nature, may be in conflict with another assignment of the consultant or auditor.
- (iv) The prospective consultant/auditor, as far as possible, shall have proper and relevant qualification to handle the specified job.
- (v) Notwithstanding any other matter contained in this regulation, the Commission may appoint an Officer, as defined in this regulation, as auditor to carry out assigned duties. The Commission, as far as possible, will ensure to appoint an Officer who has not worked in regulated entities in the past.

5. EXPENSES

- (i) All expenses of, and incidental to, any audit made under this regulation shall be paid by the Commission and thereafter such expenses shall be defrayed by the regulated entity in favour of the Commission.
- (ii) The regulated entity shall be permitted to claim the said expenses as follows –
 - (a) Distribution licensees or transmission licensees may claim the said expenses as pass through in annual revenue requirement;

- (b) Generation companies may claim the said expenses while filing application for determination of tariff;
 - (c) Electricity Traders may claim the said expenses as increase in trading margin with the approval of Commission.
 - (d) State Load Despatch Centre may claim the said expenses as pass through in its fee and charges proposal in accordance with the regulation on fee and charges.
 - (e) License exemption holders may be charged a special one time charge to recover expenses associated with the audit related to license exemption holder.
- (iii) If the Commission appoints one of its officer as auditor under para4(v) above, no expenses shall be charged to regulated entities.

6. METHODOLOGY

- 6.1 The consultant / auditor may, at any time, and shall, on being directed so to do by the Commission, cause an inspection to be made, by one or more of his officers, of any regulated entity and his books of account, registers and other documents in its custody, and to investigate into the affairs of the regulated entity in a manner as deemed fit by the Commission.

Provided that the regulated entity shall be given a reasonable advance notice in writing of such inspection and/ or investigation.

- 6.2 It shall be the duty of every regulated entity, to produce before the consultant / auditor, all such books of account, registers and other 5 documents and to furnish him with any statement and information relating to the affairs of the regulated entity, as the said consultant /auditor may require of him within such time as the said consultant /auditor may intimate in writing in this behalf.
- 6.3 The consultant/auditor shall collect sufficient amount of evidence to document the work performed and to serve as the basis for the conclusions reached during the course of the audit. The information gathered will be generally through:

- (a) **Data Requests** - The primary method of obtaining data shall be through data requests to the concerned regulated entity. The data obtained through data requests could include financial and operational information, procedures manuals, organization charts, reports, email and voice mail records, and studies. The data may be obtained either electronically or as paper documents (depending upon the requirement).
- (b) **Site Visits** – The consultant/auditor shall conduct Site visits to ensure accurate interpretation of the information provided by the concerned regulated entity. The consultant/auditor shall inter alia collect materials on-site, observe processes, and offer an opportunity to conduct face-to-face interviews, as relevant to the audit.
- (c) **Interviews** – The consultant / auditor may conduct interviews in person and over the phone.
- (d) As the data are collected from the regulated entity under audit, the consultant/auditor shall compile and analyze the data. The consultant / auditor shall analyze information gathered from multiple sources, including filings made before the Commission by such regulated entity, as well as from public records. Advanced analysis may require the creation of complex spreadsheets and databases, and the use of sampling to test for potential non-compliance of the Act, rules, regulations made thereunder, orders and directions issued by the Commission.
- e) **Third party complaints** - Areas of non-compliance may also be identified through third party complaints, for example, customer complaints.

6.4 The consultant / auditor will be required to provide full reports to the Commission, which shall contain, as a minimum:

- (a) A description of the reporting scope and methodology, which should include all matters specified in the terms of reference.
- (b) A description of the systems and procedures that have been established to comply with regulatory obligations, including the identification of relevant documentation and responsible positions.

- (c) A discussion of how compliance is managed, addressing generic compliance issues and any specific issues identified for that report.
 - (d) Details of any non-compliance identified and the actions being undertaken by the regulated entity to rectify them, and an assessment of the adequacy of the actions.
- 6.5 The report shall include a statement, signed by the auditor, which states that:
- (a) The terms of reference have been complied with by the consultant/auditor in making findings and in preparing the report; and
 - (b) The report reflects the professional opinion of the auditor.
- 6.6 The consultant / auditor shall supply to the regulated entity a copy of his report.
7. On receipt of any report under this regulation, the Commission may, after giving such opportunity to the regulated entity, to make a representation in connection with the report as in the opinion of the Commission, seems reasonable, by order in writing take appropriate action under the Act on being satisfied regarding the non-compliance or contravention, as the case may be.

8. POWER TO REMOVE DIFFICULTIES

If any difficulty arises in giving effect to any of the provisions of this regulation, the Commission may, by general or special order, take suitable action, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulties.

9. POWER TO AMEND

The Commission may at any time, amend any provisions of this Regulation.

10. ORDERS AND PRACTICE DIRECTIONS

Subject to the provisions of the Act, the Commission may from time to time issue orders, and practice directions in regard to the implementation of this Regulation.

(BY ORDER OF THE COMMISSION)

**M.D.MANO HAR RAJU,
Commission Secretary**

REGULATION NO. 8 OF 2013

Andhra Pradesh Electricity Regulatory Commission
(Terms and Conditions of Appointment and Payment of Remuneration to Standing
Counsel/Counsel) Regulation, 2013

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions of Appointment and Payment of Remuneration to Standing Counsel/Counsel) Regulation, 2013

(Regulation No.8 of 2013)

In exercise of the power conferred by sub-section (1) and clause (l) of sub-section (2) of section 54 of the Andhra Pradesh Electricity Reform Act, 1998 (Act No.30 of 1998) read with sub-section (1) and clause (zo) of sub-section (2) of Section 181 of the Electricity Act, 2003 (Act No.36 of 2003) and all other powers enabling it in that behalf, and after previous publication, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation relating to the terms & conditions of appointment of and payment of remuneration to the Standing Counsel / Counsel appearing on behalf of the Andhra Pradesh Electricity Regulatory Commission.

1. Short title and Commencement:

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Terms & Conditions of Appointment and Payment of Remuneration to Standing Counsel / Counsel) Regulation, 2013.
- (ii) This Regulation shall come into force on the date of their publication in the A.P. Gazette.

2. Definitions:

- (i) "ATE" means Appellate Tribunal for Electricity.
- (ii) "Commission" means Andhra Pradesh Electricity Regulatory Commission and includes any officer authorized by the Andhra Pradesh Electricity Regulatory Commission to institute or defend cases on its behalf.
- (iii) "Standing Counsel" means Advocate appointed by the Commission for conducting cases in the High Court or ATE as the case may be.
- (iv) "Counsel" means Advocate engaged by the Commission for conducting cases in any other Court or Forum, other than in High Court or ATE.

- (v) “Senior Advocate” means any advocate so designated by the High Court or the Supreme Court, by a notification issued in that regard.

3. Appointment:

- (i) The Standing Counsel shall be appointed by the Commission. The number of the standing counsel to be appointed shall be determined by the Commission depending upon volume of work, number of cases and importance of the case(s).
- (ii) (a) An advocate with not less than 15 years standing at bar shall only be appointed as Standing Counsel in High Court and / or ATE.
- (b) An advocate with not less than 10 years standing at bar can be engaged as a Counsel for conducting cases on behalf of the Commission in any other Court or Forum, other than High Court or ATE as and when necessary.
- (iii) The appointment of Standing Counsel shall be for a period of not less than two years in the first instance and may be continued for such further period from time to time as the Commission may by order direct.
- (iv) The engagement of Counsel to any other Court or Forum, other than High Court or ATE, shall be on case to case basis.
- (v) The services of Standing Counsel shall be terminable on one month notice in writing on either side. Decision of termination of services of the Standing Counsel by the Commission shall be final.
- (vi) The Commission reserves its right to engage any other Advocate in any specific case either before the High Court or ATE depending on the nature and importance of case and the specialisation possessed by such Advocate in the subject relating to such case. The decision of the Commission in this regard is final and Standing Counsel shall abide by it.

- (vii) The Commission can if need arises, engage any other advocate for consultation in specific cases. The decision of the Commission in this regard is final and Standing Counsel shall abide by it.

4. Appointment of a Senior Advocate:

The Commission, may if it so desires or on the advice of the Standing Counsel, engage a Senior Advocate in any case in the High Court or ATE. The fee to be paid to the Senior Advocate will be decided by the Commission from time to time depending on the standing of such Senior Advocate at bar and commensurate with the nature of work entrusted.

5. Duties:

The duties of the Standing Counsel / Counsel shall be as follows:

- (i) To tender advice and opinion to the Commission and its functional heads in all matters involving legal implications as and when required.
- (ii) To prepare, settle and scrutinize agreements, deeds and other documents of legal nature as may be referred to them by the Commission or any of its officers authorized by the Commission.
- (iii) To prepare affidavits, counter affidavits, petitions, statement of cases and all other connected documentation in which they appear on behalf of the Commission.
- (iv) To appear on behalf of the Commission in all cases or classes of cases assigned to them, where the Commission is a party or its interests are involved before the High Court or ATE and when so required, before any other Court or Forum.
- (v) To perform such other work of legal nature as may be entrusted to them by the Commission from time to time.
- (vi) Endeavour to attend to the work entrusted, promptly and not to seek adjournments on frivolous grounds.
- (vii) To submit status of various cases entrusted as and when called for by the Commission.

6. Standing Counsel / Counsel not to represent interests adverse to the Commission:

The Standing Counsel / Counsel shall not appear against the Commission in any case or represent or give opinion or advice to others in any matter adverse to the interests and objectives of the Commission as envisaged under the Andhra Pradesh Electricity Reforms Act, 1998 and the Electricity Act, 2003, either directly or indirectly.

7. Honorarium:

The Standing Counsel for the Commission in the High Court shall be paid a retainer fee of Rs.20,000/- per month towards his duties as mentioned in Clause No. 5 above.

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8. Fees:

- (i) Besides the honorarium payable under clause No.7 above, the Standing Counsel for the Commission in the High Court, shall be paid fees as specified in Part – I of the SCHEDULE appended.
- (ii) The Standing Counsel for the Commission in the ATE shall be paid fees as specified in Part –II of the SCHEDULE appended.
- (iii) A Counsel engaged for conducting case(s) on behalf of the Commission in any other Court or Forum, other than the High Court or ATE, will be paid remuneration as decided by the Commission from time to time depending on the volume of work involved and as per the norms of payment as applicable before such Court or Forum.
- (iv) Commission shall decide the fee or reimbursement of expenses in cases that are not covered in the Schedule and / or to be paid for consultation.

9. Payment of Reduced Fees in certain Cases:

If the fees fixed by the Court or the Regulation, as the case or cases may be, is considered high, the Commission shall have the discretion to reduce such fees irrespective of whether or not costs are recoverable by the Commission and pay such smaller amount as may be determined in each case on the basis of work done and the time taken by the Standing Counsel / Counsel.

Such fixation may be in accordance with the principles given hereunder, purely as a working guide:-

- (i) The fees fixed by the Court as recoverable by the Commission from the other party will ordinarily be allowed:
- (ii) A reasonable fee will be allowed when the Court awards only proportionate costs recoverable by the Commission from the other party or when a case is decided against the Commission or decided in favour of the Commission but without costs.

10. Payment of Reasonable fees when engagement becomes terminated in pending cases:

In case the engagement of the Standing Counsel / Counsel in any case or cases or generally on behalf of the Commission becomes terminated either by reason of resignation or giving up of the case by the Commission or by the expiry of the term or by the Commission terminating the services of the Standing Counsel / Counsel for any reason and the case is still pending for completion, the Commission shall have the full discretion to fix such fees irrespective of the case or cases as it considers reasonable having regard to the work done in the case or cases till the date of such termination of service.

11. Power to revise / amend 'SCHEDULE':

The Commission shall have power to revise / amend the 'SCHEDULE' of fee payable to Standing Counsel / Counsel, from time to time.

12. Interpretation:

If any question arises relating to the interpretation of this regulation, the decision of the Commission shall be final.

13. Power to remove Difficulties:

The Commission may by order make such provisions or give such directions as it may deem necessary for the removal of any difficulty that may arise in

giving effect to the provisions of this Regulation.

14. Repeal:

The Andhra Pradesh Electricity Regulatory Commission Standing Legal Counsels (Terms and Conditions of appointment) Regulations, 1999 (Regulation No.4 (Law), Dated 19.11.1999) stands repealed on the date of publication of this Regulation in the A.P. Gazette.

15. Power to Amend:

The Commission may, at any time add, vary, alter, modify or amend any provisions of this Regulation.

16. Saving of inherent power of the Commission:

Nothing in this Regulation shall bar the Commission from adopting a practice with regard to Terms & Conditions of Appointment and Payment of Remuneration to Standing Counsel / Counsel which is at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a case or class of cases and for reasons to be recorded in writing deems it necessary or expedient.

(BY ORDER OF THE COMMISSION)

Hyderabad
Date: 06-08-2013

M.D.MANO HAR RAJU,
Commission Secretary

SCHEDULE

PART - I

The Standing Counsel for the Commission in the High Court shall be paid fee as follows:

(i) (a) (i) In case of a single writ petition or writ appeal, an amount of Rs.8,000/- will be paid; Rs.4,000/- upon filing of counter and balance amount of Rs.4,000/- after disposal of the case.

(ii) In case of entering only appearance without filing any counter affidavit and when there is no requirement to file counter affidavit, on behalf of the Commission, an amount of Rs.4,000/- will only be paid.

This applies to cases where no relief is claimed against the Commission or where the Commission is only a proforma party and that no order is passed against the Commission.

(b) In case of more than one writ petition or writ appeal, involving similar issue, an amount of Rs.12,000/- will be paid in respect of the first case.

(c) In case of such batch of cases involving similar issue, for the second and subsequent cases, the following amounts will be payable.

2 to 50	Rs.2,500/- per case
51 to 100	Rs.1,500/- per case
101 to 500	Rs.500/- per case

Above 500 cases, involving similar issue, Counsel will only be paid Rs.175/- when vakalat is filed towards expenses for such cases exceeding 500 and above.

(ii) An amount not exceeding Rs.7,000/- to defray expenses and accommodation, subject to production of vouchers, shall be paid when the Standing Counsel attends works in a place other than Hyderabad. Travel expenses by air in economy class shall be reimbursed, upon production of proof of travel by such class.

(iii) Whenever necessary, Commission may decide and permit the Standing Counsel to engage services of a junior counsel. The junior counsel is entitled to fee of Rs.4,000/-.

PART - II

The Standing Counsel for the Commission in the ATE shall be paid fee as follows:

- (i) In case of a single appeal, an amount of Rs.5,000/- per hearing will be paid.
- (ii) In case of more than one appeal, involving similar issue, an amount of Rs.2,000/- each per hearing will be paid, for second and subsequent appeals. However, payment shall not exceed Rs.25,000/- per hearing where a batch of cases are heard together.
- (iii) An amount not exceeding Rs.7,000/- to defray expenses and accommodation, subject to production of vouchers, shall be paid when the Standing Counsel attends works in a place other than New Delhi. Travel expenses by air in economy class shall be reimbursed, upon production of proof of travel by such class.

(BY ORDER OF THE COMMISSION)

Hyderabad
06.08.2013

M.D.MANO HAR RAJU,
Commission Secretary

REGULATION NO. 10 OF 2013

Andhra Pradesh Electricity Regulatory Commission
(Distribution License) Regulation, 2013

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Distribution Licence Regulations) Regulation, 2013

(Regulation No. 10 of 2013)

Under the provisions of the Electricity Act, 2003 (Act 36 2003), the Commission being vested with the powers to grant licences in the State of Andhra Pradesh, is required to make regulations, in particular, providing for the following matters, namely: (a) period to be specified under the first proviso to section 14; (b) the form and the manner of application under sub-section (1) of section 15; (c) the manner and particulars of application for license to be published under sub- section (2) of section 15; (d) the conditions of licence under section 16; (e) the manner and particulars of notice under clause (a) of sub-section (2) of section 18; and (f) publication of the alterations or amendments to be made in the licence under clause (c) of sub-section (2) of section 18.

The draft Regulation was hosted in the Commission website on 26-07-2013 for seeking comments/suggestions from the interested persons and all stakeholders by 07-08-2013. Public Hearing was conducted on 08-08-2013. Considering all comments/suggestions, the Commission issues the following Regulation.

In exercise of the powers conferred under Section 181(2) read with Section 15, 16 and 18 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulations, namely:

CHAPTER-1

Preliminary

1. Short Title, Extent and Commencement

- (i) These Regulations shall be called the Andhra Pradesh Electricity Regulatory Commission (Distribution Licence) Regulations, 2013.
- (ii) These Regulations shall apply to all Distribution Licensees in the State and in respect of all applications for Distribution Licence, including applications pending before the Commission at the date of publication of these Regulations.

- (iii) These Regulations shall be applicable to all the Distribution Licensees who were granted License under AP Electricity Reform Act, 1998 in the state of Andhra Pradesh.
- (iv) These Regulations shall come into force with effect from the date of its publication in the Andhra Pradesh Gazette.

CHAPTER-2

General

2. Definitions, Interpretation and Review

- (i) Definitions:

In these Regulations, unless the context otherwise requires:

- a) "Accounting Statement" means for each financial year, accounting statements for the Licensed Business comprising of: (i) balance sheet, prepared in accordance with the form contained in Part I of Schedule VI to the Companies Act, 1956; (ii) profit and loss account, complying with the requirements contained in Part II of Schedule VI to the Companies Act, 1956; (iii) cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) of the Institute of Chartered Accountants of India; (iv) report of the statutory auditors' of the Distribution Licensee; (v) cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, together with notes thereto and a statement of sources and application of funds, and such other supporting statements and information as the Commission may direct from time to time.

Provided that in case of any local authority engaged in the business of electricity, the Accounting Statement shall mean the items, as mentioned above, prepared and maintained in accordance with the relevant Acts or Statutes as applicable to such local authority.

- b) "Act" means the Electricity Act, 2003 (36 of 2003);
- c) "Annual Accounts" means the accounts of the Distribution Licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time;

- d) "Applicant means" a person who has made an application to the Commission for grant of Distribution Licence;
- e) "Area of Distribution" or "Area of Supply" means the area stated in the Distribution Licence within which the Distribution Licensee is authorized to operate and maintain a Distribution System for supplying electricity to the consumers in his area of supply;
- f) "Bulk Supply" means the supply of electricity by a Licensee to an Authorised Person for Distribution and/or Retail Supply;
- g) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- h) "Deemed Licensee" means a person authorised under sub-section (b) of Section 14 and also under the first, second, third, and fifth provisos to section 14 of the Act to operate and maintain a distribution system for supply of electricity to the consumers in his area of supply;
- i) "Distribution" means the conveyance or wheeling of electricity by means of a Distribution System;
- j) "Distribution Business" means Authorised business of a Distribution Licensee to operate and maintain a Distribution System for supplying electricity to the consumers in the Area of Supply;
- k) "Distribution Licensee" means the person authorised by a "Distribution Licence" to operate and maintain a distribution system for supply/conveyance/wheeling of electricity to the consumers in his area of supply and shall include the deemed licensee;
- l) "General Conditions" mean General Conditions of Distribution Licence as specified in these Regulations;
- m) "Licence" means a licence granted under Section 14 of the Act, 2003;
- n) "Licensed Business" means the business of Distribution and Retail

Supply of electricity as authorised under the Distribution Licence;

- o) "Major Incident" means an incident associated with the Distribution of electricity, which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, or as otherwise specified by the Commission and shall also include any other incident which the Commission declares to be a major incident;
- p) "Other Business" means any business of a Distribution Licensee other than the Licensed Business;
- q) "Reform Act" means the Andhra Pradesh Electricity Reform Act, 1998.
- r) "Regulations" means the regulations made by the Commission under the provisions of the Act;
- s) "Retail Supply" means the supply of electricity to any consumer by a Distribution Licensee within its area of supply and the words "Retail Supplier" and "Retail Supply Business" shall be construed accordingly in that context.
- t) "Specific Conditions" means the conditions, which are in addition to the General Conditions and not in derogation thereof, which the Commission may lay down specifically for a Distribution Licensee or class of Licensees;
- u) "State Grid Code" means the grid code specified by the Commission.
- v) "Secretary" means the Secretary of the Commission;
- w) "Year" means a period of twelve months from 1st April of a calendar year to 31st March of the following calendar year.

(ii) Interpretations

- a) Words and expressions used and not defined in these Regulations but

defined in the Act shall have the meanings assigned to them in the Act. Expressions used herein but not specifically defined in these Regulations or in the Act but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law.

b) In the interpretation of these Regulations, unless the context otherwise requires:

(1) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;

(2) references herein to the Regulations shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;

c) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;

d) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, referred to.

(iii) Review

These Regulations may be reviewed by the Commission from time to time, inter alia, for securing harmonization with the regulation of open access and/or to cater to the needs of developing power markets, in accordance with Section 66 of the Act.

CHAPTER-3

Procedure for Grant of Distribution Licence

3. All proceedings under these regulations shall be governed by the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, as amended from time to time.

4. Application for Grant of Distribution Licence

- (i) The application for grant of Distribution Licence shall be submitted to the Commission in the form specified in Schedule-1 of these Regulations, and shall be accompanied by application fee as prescribed by the State Government. Such fee shall be payable by way of Bank Draft/Pay Order drawn in favour of the Secretary, A.P. Electricity Regulatory Commission.
- (ii) Every application for grant of a Distribution Licence shall be signed by or on behalf of the Applicant and shall be addressed to the Secretary of the Commission. The application shall be filed in five (5) sets.
- (iii) The application for grant of Distribution Licence, along with enclosures thereto, shall be submitted to the Commission also on a compact disc (CD) after taking necessary measures for data protection, virus detection etc.
- (iv) The Applicant shall post the complete application along with enclosures on its own website or where it does not have such website; on any other website and provide access to the application through the Internet.

5. Receipt and Acknowledgement of Application

Upon receipt of the application for grant of Distribution Licence, the Secretary of the Commission shall enter the particulars thereof in a register to be maintained for this purpose and allot a reference number to the application. The Secretary shall send an acknowledgement to the Applicant at the address stated in the application including the date of receipt and the reference number.

6. Public Notice of Application

- (i) The Applicant shall, within seven days after making such application,

publish a notice in one English and two Telugu daily news papers having wide circulation in the area of Distribution for which the Licence is sought, with the following particulars, namely: -

- a) Name of the Applicant in bold at the top clearly bringing out whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act, 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956, (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address, if any;
- b) A statement that the Applicant has submitted an application to the Commission for grant of a Distribution Licence under Section 15 of the Act;
- c) Proposed Area of Distribution Licence;
- d) Financial and technical strength, management profile and share holding pattern, if any, of the Applicant;
- e) A statement to the effect that the application and other documents filed before the Commission from time to time, are available with the Applicant for inspection by any person;
- f) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed distribution licence, who can make available for inspection, the application and other documents or from whom they can be purchased in person, or by post at reasonable charges, not exceeding photocopying charges;
- g) Brief particulars of the proposed Distribution Licence;
- h) A statement to the effect that the completed application is available on the website of the Applicant or any other authorised website and can be downloaded free of cost;

- i) A statement that objections, if any, may be filed before the Secretary, A.P. Electricity Regulatory Commission within 30 days of publication of the notice giving the address of office of the Commission.

Provided that the Applicant may request the Commission to permit it to refrain from publishing any of the above information in order to protect its business interests or rights in intellectual property with sufficient and reasonable grounds and the Commission may grant or reject such request after due consideration.

Provided further that the Applicant may be required to publish, in the manner specified, a non-confidential summary of the above information.

- ii) In addition to the above, the Commission may direct that notice of the application be served on any designated representative of the Central Government; the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.
- iii) The Applicant shall, within 7 days from the date of publication of the notice as aforesaid, submit to the Commission an affidavit, the details of the notice published, and shall also file relevant copies of the newspapers in which the notices were published.

7. Public Inspection of Application and Documents

- i) From the date of publication of notice in accordance with Regulation 6 above, the Applicant shall make available at its own office and the office/s of its agents (if any) and also with every local authority as may be specified by the Commission from time to time, copies of the application and all the documents submitted therewith.
- ii) The Applicant shall furnish, to all persons applying, printed copies of its application, together with the attachments thereto, at the reasonable cost of photocopying such material.

8. Scrutiny of Application and Calling for Additional Information

- i) The Secretary or any other officer designated by the Commission for this purpose, may, upon scrutiny of the application, require the Applicant to furnish, such additional information or documents as may be considered necessary for the purpose of dealing with the application, within a period of thirty (30) days from the date of receipt of application.
- ii) If the Secretary or designated officer finds that the application and the accompanying documents are complete in all respects and after the Applicant has complied with the procedure prescribed for validly submitting an application, the Secretary/designated officer shall certify that the application is complete for being considered for grant of a Distribution Licence in accordance with the procedure mentioned in these Regulations.

9. Objections and Suggestions

- i) Any person intending to object/suggest to the grant of the Distribution Licence shall file objections/suggestions within 30 days from the date of issue of the first advertisement referred to in Regulation 6 above. The objections/suggestions shall be addressed to the Secretary of the Commission, with a copy to the Applicant.
- ii) Where an objection is received from any local authority concerned, the Commission shall, if in its opinion the objection is untenable, record the opinion in writing and communicate it to such local authority along with reasons therefor.
- iii) Upon receipt of such objections/suggestions, the Secretary/designated officer shall imprint the reference number of the concerned application for grant of Distribution Licence on the same and shall place such objections in the file relating to the concerned application, and also post the same on the Commission's website.
- iv) The Applicant shall submit comments on the objections or suggestions received in response to the notice under Regulation 6 above within 15 days of expiry of 30 days notice mentioned in (i) above.

- v) In case of an application for a Distribution Licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for defence purposes, before granting Distribution Licence, the Commission shall ascertain that there is no objection, on the part of the Central Government, for grant of such Distribution Licence.
- vi) Provided that in case there is no response from the Central Government in this regard, the Commission may, at its discretion, proceed further in accordance with Law.

10. Local Inquiry

- i) The Commission may, if it considers necessary upon a perusal of the objections and/or comments thereon, or at any time during the course of proceedings for the grant of Distribution Licence, cause a local inquiry to be held, of which notice in writing shall be given to both the Applicant and the objector.
- ii) Where a local inquiry is ordered and held under clause (i) above, the Commission shall, in its order requiring the local inquiry, or by further order in writing, specify the time within which the local inquiry is to be completed.

Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local inquiry.

- iii) Where a local inquiry is ordered and conducted under clause (i) above, a memorandum of the results of the said local inquiry shall be prepared and shall be signed by the Applicant, the officer or person designated for the purpose of carrying out the inquiry and such other person as the Commission may direct.
- iv) The results of the local inquiry shall be considered by the Commission while hearing the application for the grant of Distribution Licence.

11. Hearing of Application and Grant of Distribution Licence/Refusal

- i) After compliance by the Applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and after the expiry of the time for receiving objections, the Commission may proceed further to consider the objections and replies of the Applicant there to.
- ii) After inquiry, if any, and the hearing of the application, if conducted, the Commission may decide to grant or to refuse the Distribution Licence.
- iii) **Refusal of Distribution Licence** If the Commission is not inclined to grant the Distribution Licence, it shall record in writing, the reasons for rejection, if such application does not conform to the provisions of the Act, Reform Act, Rules/Regulations made thereunder, or the provisions of any other law for the time being in force.

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.

The Secretary of the Commission shall inform the applicant of the refusal of Distribution Licence along with the reasoned Order of the Commission.

- iv) **Grant of Distribution Licence** If the Commission is inclined to grant the Distribution Licence, the Commission shall publish a notice of its proposal to grant the Distribution Licence in two such daily newspapers, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to issue the Distribution Licence, with such other details as the Commission considers appropriate.

The Commission shall consider all suggestions or objections received before granting the Distribution Licence.

When the Commission decides to grant the Distribution Licence, the Secretary shall inform the Applicant, in the form specified in schedule 3 or in such other form as the Commission may direct from time to time.

- v) When the Commission has approved a licence, the Secretary shall inform the Applicant, within fourteen (14) days of the date of grant of approval, of such approval and of the form in which it is proposed to grant the Distribution Licence and the conditions to be satisfied by the Applicant, including the fees to be paid for the grant of Distribution Licence.
- vi) The Commission shall, as far as practicable, grant the Distribution Licence or reject the application seeking grant of a Distribution Licence, within ninety days of having received the said application.

12. Application for grant of Distribution Licence in the area of supply of an existing Distribution Licensee

A person applying for grant of a licence for distribution of electricity through his own distribution system within the same area of supply of an existing Distribution Licensee shall, in addition to the provisions of Regulation 4 to 11, comply with "Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005" issued by the Central Government.

- 13.** The deemed licensees shall make application in the form specified in Schedule-2 to the Commission to get identified as the deemed Licensee. *Provided* that nothing in Regulations 4 to 11 shall apply to deemed licensees.

14. Commencement of the Distribution Licence.

The Distribution Licence shall commence from such date as the Commission may specify.

15. Duration of the Distribution Licence

The Distribution Licence shall be valid for a period of twenty-five years from the date of its commencement, unless it is duly suspended or revoked by the Commission.

16. Deposit of Maps

When a Distribution Licence has been granted, three sets of maps of the proposed Area of Licence on a scale of not less than 10 cm to a km or such other scale as may be approved by the Commission in a specific case, shall be signed by the Secretary and dated to correspond with the date of the notification of the grant of the Distribution Licence. One set of the maps shall be deposited with the

Commission and the other two sets shall be given to the Distribution Licensee.

17. Deposit of Copies of Distribution Licence

- i) Every person who is granted a Distribution Licence shall within thirty days of the grant thereof:
 - a) have adequate number of copies of the Distribution Licence printed;
 - b) have adequate number of maps prepared showing the Area of Licence;
 - c) arrange to exhibit a copy of such Distribution Licence and maps for public inspection during work hours at its head office, its local office/s (if any) and at the office of every local authority within the Area of Licence.
- ii) Every Distribution Licensee shall, within the aforesaid period of thirty days, supply free of charge, one copy of the Distribution Licence and the relevant maps to every local authority, as may be specified by the Commission in this regard within the Area of Licence and shall also make necessary arrangements for the sale of printed copies of the Distribution. Licence to all persons applying for the same, at a price not exceeding normal and reasonable photocopying charges per copy.

18. Amendment of a Distribution Licence

- i) Where in its opinion the public interest so requires, the Commission may, on the application of the Distribution Licensee or of a local authority concerned or otherwise, make such amendments in the terms and conditions of a Distribution Licence as it thinks fit, having regard to the object and purposes of the Act:

Provided that no such amendments shall be made, except with the consent of the Distribution Licensee, unless such consent has, in the opinion of the Commission, been unreasonably withheld.

- ii) Where a Distribution Licensee has made an application for amendment of its Distribution Licence, the Distribution Licensee shall, within seven (7) days of making such application, publish a notice in one English and two Telugu daily newspapers having wide circulation in the area of operation of Distribution Licence sought to be amended giving following particulars:
 - a) Brief details of existing Distribution Licence;
 - b) Proposed amendments to the existing Distribution Licence; and
 - c) Reasons for the amendment.
 - d) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed distribution licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
 - e) A statement that any person, desirous of making any suggestion or objection with reference to the application to the Commission, may do so by way of written intimation (six copies) addressed to the Secretary within within thirty days from the date of the first publication of the notice.
- iii) All objections to an application for amendment pursuant to publication of notice under clause (ii) above shall be considered by the Commission if received within thirty (30) days from the date of first publication of the notice.
- iv) Where an amendment to a Distribution Licence is proposed by the Commission suo-motu, the Commission shall publish a notice in one issue each of a daily newspaper in English language and one daily newspapers in Telugu language having wide circulation in the area of operation of distribution licence sought to be amended giving following particulars:
 - a) Name of the Distribution Licensee and address of main office in the area of supply;

- b) Description of alteration or amendment proposed to be made by the Commission;
- c) Brief Reasons for proposed alteration or amendment;
- d) A statement that any person, desirous of making any suggestion or objection with reference to application to the Commission, may do so by way of written intimation (five copies) addressed to the Secretary within thirty days from the date of the first publication *of* the notice.

All objections to the proposed amendment, received within one month from the date of first publication of notice, shall be considered by the Commission before effecting or rejecting the proposed amendment.

- v) The provisions of these Regulations relating to grant of Distribution Licence shall, as far as may be practicable and necessary, apply to consideration and disposal of an application for amendment of Distribution Licence.
- vi) In the case of an application proposing an amendment in an Area of Licence comprising the whole or any part of the cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for defence purposes, the Commission shall not make the amendment except with the consent of the Central Government.

19. Revocation of the Distribution Licence

- i) The Commission may revoke a Distribution Licence in accordance with the applicable provisions of the Act and the Reform Act, in any of the following circumstances, namely:-
 - a) where the Distribution Licensee, in the opinion of the Commission, makes willful and prolonged default in doing anything required of it by or under the Act or the Reform Act or the rules or regulations made thereunder;
 - b) where the Distribution Licensee has breached any of the terms or conditions of its Distribution Licence, the breach of which is expressly

declared by such Distribution Licence to render it liable to revocation;

- c) where the Distribution Licensee fails, within the period fixed in this behalf by its Distribution Licence, or any longer period which the Commission may have granted therefor –
 - 1) to show, to the satisfaction of the Commission, that it is in a position fully and efficiently to discharge the duties and obligations imposed on it by its Distribution Licence; or
 - 2) to make the deposit or furnish the security, or pay the fees or other charges required by its Distribution Licence;
 - d) where in the opinion of the Commission, the financial position of the Distribution Licensee is such that it is unable fully and efficiently to discharge the duties and obligations imposed on it by its Distribution Licence.
 - e) where the Distribution Licensee, in the opinion of the Commission, has made default in complying with a direction given by the Commission.
- ii) Where in its opinion the public interest so requires, the Commission may, on application, or with the consent of the Distribution Licensee, revoke its Distribution Licence as to the whole or any part of its Area of Licence upon such terms and conditions as it thinks fit.
 - iii) No Distribution Licence shall be revoked under clause (i) above, unless the Commission has given to the concerned Distribution Licensee, not less than three months' notice, in writing, stating the grounds on which it proposes to revoke the Distribution Licence, and has considered any cause shown by the concerned Distribution Licensee within the period of that notice, against the proposed revocation.

The Commission may, instead of revoking a Distribution Licence under clause (i) above, permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon and be observed by the Distribution

Licensee and shall be of like force and effect as if they were contained in the Distribution Licence.

- iv) Where the Commission revokes a Distribution Licence under these Regulations, it shall serve a notice of revocation upon the Distribution Licensee and fix a date on which the revocation shall take effect.
- v) Where the Commission has given notice for revocation of a Distribution Licence under clause (v) above, without prejudice to any penalty which may be imposed, or prosecution proceeding which may be initiated, under the Act and/or the Reform Act, the Distribution Licensee may, after prior approval of the Commission, sell its utility/business to any person who is found eligible by the Commission for grant of a Distribution Licence.

20. Suspension of Distribution Licence and sale of utility

- i) If at any time the Commission is of the opinion that the Distribution Licensee-
 - a) has persistently failed to maintain uninterrupted supply of electricity conforming to standards regarding quality of electricity to the consumers; or
 - b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of the Act or the Reform Act; or
 - c) has persistently defaulted in complying with any direction given by the Commission under the Act or the Reform Act; or
 - d) has breached any of the terms and conditions of the Distribution Licence, and circumstances exist which render it necessary for the Commission in public interest so to do, the Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the Distribution Licence of the Distribution Licensee and appoint an Administrator to discharge the functions of the Distribution Licensee in accordance with the terms and conditions of the Distribution Licence.

Provided that before suspending a Distribution Licence under this Regulation 20, the Commission shall give a reasonable opportunity to the Distribution Licensee to make representations against the proposed suspension of the Distribution Licence and shall consider the representations, if any, of the Distribution Licensee.

- ii) Upon suspension of the Distribution Licence as mentioned above, the provision of sub-sections (2), (3) and (4) of Section 24 of the Act would apply.

21. Payment of Licence Fees

- i) Within 30 days, or such other period as the Commission may allow after the commencement of the Licence, the Licensee shall pay an Initial Licence fee as may be specified.
- ii) For each subsequent Year that the Licence remains in force, the Licensee shall, by 15th April of every year or such further period as the Commission may allow, pay to the Commission an annual licence fee (rounded to nearest thousands) as per the Regulation issued under Section 86(1)(g) of the Act. The Commission shall be entitled to review and revise the annual. licence fee, if required, after every block of three years for the next block of three years and the Licensee shall be liable to pay such revised annual licence fee.
- iii) Where the Distribution Licensee fails to pay any of the fees due under sub-clauses (i), or (ii) above by the dates specified:
 - a) The Distribution Licensee shall be liable to pay interest on the outstanding amount at the prevailing bank rate, the interest being payable for the period beginning on the day after which the amount becomes due, and ending on the day on which the payment is made; and
 - b) The Distribution Licensee shall be subject to proceedings for the recovery of the fees; and
 - c) The Commission may revoke the Distribution Licence pursuant to the applicable provisions of the Act and the Reform Act.

Provided that nothing contained in this clause shall be deemed to discharge any liability that the Distribution Licensee may be subject to under the Act and/or the Reform Act or any other law for the time being in force.

CHAPTER-4

General Conditions of Distribution Licence

22. Development and Maintenance of Distribution System

The Distribution Licensee shall have the duty to develop and maintain an efficient, coordinated and economical distribution system in its Area of distribution and to supply electricity in accordance with the provisions of the Act.

23. Obligation to supply on demand

- i) Subject to the provisions of the Act, the Distribution Licensee shall, on the application of the owner or occupier of any premises within the Area of Licence, give supply of electricity to such premises within one month of the receipt of such application or within such period as may be specified by the Commission if such supply requires extension of distribution mains or new substations.
- ii) Where the owner or occupier of any premises requires supply of electricity under the terms of clause (i) above, the application shall be made in a form prescribed by the Commission and the procedure for responding to that application shall be in accordance with the procedure approved by the Commission.
- iii) The Distribution Licensee shall have the duty to provide, if required, any electric plant or electric line for providing the electric supply to the premises in terms of clause (i) above.

Provided that no person shall be entitled to demand, or to continue to receive, from a Licensee (including a Distribution Licensee) a supply of electricity for any premises having a separate supply unless he has agreed with the Licensee (including the Distribution Licensee) to pay to it such price as determined by the Commission.

Provided further that the Distribution Licensee shall be bound by the Regulations made by the Commission under Sections 43, 44, 46 and 48 of the Act, in respect of the duty to supply and the matters related there to.

24. Open Access

The Distribution Licensee shall arrange for the provision of non-discriminatory open access to its distribution system to any persons in accordance with the Open Access Regulations issued by the Commission under Section 42 of the Act.

25. Prohibition of subsidies

The Distribution Licensee shall not give any subsidy or subvention to any person or any Other Business of the Distribution Licensee, except a subsidy granted by the State Government pursuant to Section 65 of the Act.

26. Prohibition of Undue Preference

- i) The Distribution Licensee shall not, in providing services required of it under the Distribution Licence and in general conduct of the Licensed Business, show undue preference to any person or class of persons and shall not unreasonably discriminate against any person or class of persons or Licensee or generating company or its consumers or other Licensee's consumers.

Provided that the Distribution Licensee shall not be deemed to be in breach of its obligations under the Distribution Licence if any undue preference results from compliance with any in the implementation of any order passed by the Commission, pursuant to any directions of the State Government under the Act or otherwise in accordance with the provisions of the Act.

- ii) Any question as to the meaning of undue preference or unreasonable discrimination shall be decided by the Commission, whose decision in this regard shall be final.

27. Acts Requiring Prior Consent

- i) The Distribution Licensee shall not do the following acts without the prior written approval of the Commission –
 - a) undertake any transaction to acquire, by purchase or takeover or otherwise, the utility of any other Licensee;
 - b) merge its utility with the utility of any other Licensee; or
 - c) assign the Distribution Licence or transfer its utility or any part thereof, by sale, lease, exchange or otherwise

Provided that approval shall not be required if the utility referred to in sub-clause (a) or sub-clause (b) above is situated in a State other than the State of Andhra Pradesh.

- ii) Any agreement relating to any transaction specified under clause (i) above, unless made with the prior approval of the Commission, shall be void.
- iii) The Distribution Licensee shall, before filing application for approval under clause (i) above, give not less than one month's notice to every other Licensee who transmits or distributes electricity in its Area of Licence.
- iv) Where such prior approval is required, the Distribution Licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf. The Commission may within 3 months of the application being filed, approve the arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same for reasons to be recorded in writing.
- v) Provided that no such application shall be rejected unless the applicant has been given an opportunity of being heard.

28. Other Business of the Distribution Licensee

- i) The Distribution Licensee, with prior intimation to the Commission, may engage in any Other Business, only so long as such activity is likely to result in the optimum utilisation of the assets and infrastructure. comprising the distribution system and subject to the following conditions:
 - a) that the Licensed Business and the conduct thereof by the Distribution Licensee is not prejudiced and/or adversely affected in any manner;
 - b) that a proportion of the revenues derived from such Other Business, as may be specified by the Commission, shall be utilized for reducing the wheeling charges of the Distribution Licensee;
 - c) that the Distribution Licensee shall maintain separate accounts for each of such Other Business to ensure that the Licensed Business neither subsidies such Other Business undertaking in any way nor encumbers its distribution assets in any way to support such business;
 - d) the Distribution Licensee shall always comply with such guidelines as the Commission may specify in this regard.
- ii) The Distribution Licensee shall seek approval of the Commission before contracting any loans to, or issuing any guarantee for any obligation of any person, where the same is either beyond the permissible limits imposed by the Companies Act, 1956, or cannot be construed as being an exception and/or exemption under the Companies Act, 1956. Loans to employees pursuant to their terms of service and advances to suppliers in the ordinary course of business are excluded from the requirement to seek such approval.
- iii) Nothing contained in this Regulation 28 shall apply to a local authority engaged, before the commencement of the Act, in the business of distribution of electricity.

29. Franchisee

If a Distribution Licensee proposes to undertake distribution of electricity for a specified area within its Area of Supply through another person, such person shall not be required to take separate Licence from the Commission. Provided always that:

- i) any such person shall perform the distribution functions under the overall supervision and control of the Distribution Licensee and in accordance with the terms and conditions of the Distribution Licence; and
- ii) the Distribution Licensee shall, prior to delegating any function, inform the Commission of such action and take its written approval; and
- iii) the Distribution Licensee shall be responsible for all actions of such person in relation to the delegated functions.

30. Anti-competitive practices

The Commission may issue such directions as it considers appropriate to a Distribution Licensee if such Distribution Licensee enters into any agreement or abuses its dominant position or enters into a combination which is likely to 'cause or causes an adverse effect on competition in electricity industry.

31. Compliance with Regulations, Codes, Orders and Directions

- i) The Distribution Licensee shall always comply with the Regulations, Codes: (including the State Grid Code, the Distribution Code, the Supply Code and the Standards of Performance of Licensees), Orders, Guidelines and Directions issued by the Commission from time to time as may be considered appropriate by the Commission for achieving the purposes of the Act and the Reform Act and shall act in accordance with the conditions of its Distribution Licence, except where the Distribution Licensee obtains the approval of the Commission for any deviation from such directions and conditions.

- ii) The Distribution Licensee shall monitor its compliance with the terms of the Distribution Licence and any order, code, guideline or regulations it is required to comply with, and if the Distribution Licensee becomes aware of a material breach, on its part, of the Distribution Licence or any order, code, guideline or regulations, the Distribution Licensee shall notify the Commission of the material breach as soon as possible.

32. Standards of Performance

- i) If a Distribution Licensee fails to meet the standards specified by the Commission in the "Licensees Standards Of Performance" regulation issued under Section 57 of the Act, as applicable to the Distribution Licensee, then, without prejudice to any penalty that may be imposed or prosecution that may be initiated, such Distribution Licensee shall be liable to pay such compensation to the person affected as may be determined by the Commission, by Regulations or other wise.

Provided that before determination of compensation, the concerned Distribution Licensee shall be given a reasonable opportunity of being heard.

- ii) The compensation determined under clause (i) shall be paid by the concerned Distribution Licensee within ninety (90) days of such determination.
- iii) The Distribution Licensee shall, within the period specified by the Commission, furnish to the Commission the following information, namely:-
 - a) the level of performance achieved under clause (i) above;
 - b) the number of cases in which compensation was paid under clause (ii) above and the aggregate amount of the compensation.
- iv) The Commission shall at least once every year publish, in such form and manner as it considers appropriate, such of the information furnished to it under clause (iii) above.

33. Co-operation with State Transmission Utility, State Load Despatch Centre and other Licensees

- i) The Distribution Licensee shall provide to the State Load Despatch Centre and State Transmission Utility and/or other Licensees, such information as may reasonably be required by them to perform their functions and exercise their powers under the Act and/or the Reform Act.
- ii) The Distribution Licensee shall always comply with the directions of State Load Despatch Centre, Regional Load Despatch Centre and State Transmission Utility issued under the Act and/or the Reform Act.
- iii) The Distribution Licensee shall co-operate with generating companies, other Licensees and State Load Despatch Centre for the efficient and co-ordinated operation of the power system.

34. Metering

- i) The Distribution Licensee shall follow the Regulations (Installation and Operation of Meters) issued by Central Electricity Authority under Section 55 of the Act
- ii) For proper accounting and audit in the generation, transmission and distribution or trading of electricity, the Central Electricity Authority may direct the installation of meters by a Distribution Licensee at such stages of distribution or trading of electricity and at such location of distribution or trading of electricity, as it may deem necessary.

35. Load Forecast Power Procurement Plan

- i) The Distribution Licensee shall prepare and submit to the Commission year wise demand forecast derived from load forecast within its Area of Supply for two control periods; in accordance with the guidelines/regulations issued by the Commission from time to time;
- ii) The Licensee shall co-operate with the Transmission and other Distribution licensees of the State and AP State Load Dispatch Centre (SLDC) in the

preparation of power demand forecast for the state of Andhra Pradesh

- iii) The Licensee shall submit prospective power procurement plan in Co-ordination with other Distribution Licensees and SLDC based on demand forecast projected. it shall also submit a Distribution Plan based on the demand forecast and power procurement plan as per the guidelines of the Commission.

36. Power Procurement Procedure:

- i) The Licensee shall purchase electricity from generators, traders and others as consented to by the Commission (except in cases of emergency purchases as per relevant guidelines) in quantities which the Licensee considers sufficient to meet the expected demand of the Licensee's Consumers, or where appropriate, such lesser quantities generators, traders and others are able to provide on account of shortage of available sources of electricity generation, imports or supply.
- ii) The licensee shall not purchase electrical capacity and / or energy without an authorization granted by the Commission under the terms of this Regulation 35. The power procurement of licensee shall be consistent with the detailed power procurement plan submitted to the Commission as a part of resource plan.
- iii) The licensee shall purchase electrical capacity and / or energy in an economical and efficient manner and under a transparent power purchase or procurement process and in accordance with the Regulations, directions, guidelines and orders made for the purpose by the Commission from time to time. In case of purchase of additional power over and above the power procured through Power Purchase Agreements (PPA) consented by the Commission, the licensees shall adopt competitive bidding method as per the competitive bidding guidelines issued by the Ministry of Power, Government of India under section 63 of the Act, and seek approval of the Commission for such procurement.

- iv) In case of purchases of allocated share of electrical capacity and /or energy from Central Sector generation and inter-utility exchanges of electrical capacity and/or energy from other/ Regional Electricity Boards, such processes as are stipulated by the Central Electricity Regulatory Commission shall also be complied with, in addition to the directions and orders of the Commission.
- v) An authorization required under clause (i) above shall be granted when the Licensee has demonstrated to the Commission's satisfaction that
 - a) the additional electrical capacity and/or energy is necessary to meet the Licensee's service obligation in accordance with Regulation 23; and
 - b) the licensee has examined the economic, technical, system and environmental aspects of commercially viable alternatives to the proposals for purchasing additional electrical capacity and/or energy and such examination has been carried out in a manner approved by the Commission.
- vi) The restriction imposed in Regulation 36(i) and (ii) shall not be applicable for short term purchases (less than one year in duration), provided that such short term purchases are to be made in accordance with guidelines, if any, issued by the Commission.

Provided further that the Commission may fix within the maximum and minimum prices for such purchase by the Commission in terms of section 62 (1) of the Act.

Provided also that the details of such purchases shall be submitted to the Commission in the manner the Commission directs.

- vii) If the licensee proposes to procure power by a process separate from that specified by the competitive bidding guidelines, it shall in its filing seek the consent of the Commission.

37. Capital Investments

- i) The Licensees shall submit long term investment plan for 10 years in which, the Licensees shall furnish detailed investment plan for five (5) years, year by year in accordance with Load Forecast and Demand Forecast.

For the purposes of the Load and Demand Forecasts and investment plan, the year shall begin on April 1st and end on 31st March. Each Licensee shall submit its Load and Demand Forecasts along with detailed investment plan to the Commission in the month of April of each year, and/or at such other times as the Commission may require.

The Licensee shall make any investment under any scheme or schemes except in an economical and efficient manner and in terms of this Regulation and in accordance with the Regulations, guidelines, directions and orders the Commission may issue from time to time.

- ii) The Licensee shall promptly notify the Commission of all the Investments. by 31st March of every year pertaining to the Distribution System which the Licensee proposes to implement for subsequent Financial Year together with relevant details in brief, including the estimated cost of such investment schemes, which are in line with the investment plan. The Licensee shall furnish to the Commission such further details and clarifications as to the investments proposed, as the Commission may require from time to time.

38. Transfer of Assets

- i) Save as provided in this Regulation, the Distribution Licensee shall not, in a single transaction or a set of related transactions, transfer or relinquish Operational Control over any asset whose book value at the time of the proposed Transfer exceeds the amount decided by Commission by directions or by a general or special order.
- ii) The Distribution Licensee shall give to the Commission prior written notice of its intention to transfer or relinquish Operational Control over any asset whose value exceeds the amount decided by the Commission above and the Distribution Licensee shall disclose to the Commission full details of the

assets, the reasons for disposal and all other relevant facts to the Commission.

Provided that the Commission may, within thirty (30) working days of the receipt of the notice, seek further information in support of the transaction and shall, generally within thirty (30) working days of such further information being submitted by the Distribution Licensee, and where no such further information is sought by the Commission as above, within sixty (60) days of the filing of the application, approve the Transfer arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing

- iii) The Distribution Licensee may Transfer or relinquish Operational Control over any asset referred to above, where:
 - a) the Commission confirms in writing that it consents to such Transfer or relinquishment of Operational Control subject to such conditions or restrictions as the Commission may impose; or
 - b) the Commission does not inform the Distribution Licensee in writing of any objection to such Transfer or relinquishment of Operational Control within the period referred to in Regulation and the transfer is effected by adopting the transparent process specified by the Commission in other applicable Regulations.

Provided that the Distribution Licensee shall provide full details of such transactions to the Commission as part of his application to the Commission, for calculation of the aggregate revenue requirement and expected revenue from tariffs and charges in accordance with the Regulations of the Commission specifying the terms and conditions for the determination of tariff.

- iv) The Distribution Licensee may also Transfer or relinquish Operational Control over any asset where:
 - a) the Commission has issued directions for the purposes of this Regulation containing a general consent to:

- (1) the transactions of a specified description, and/or
 - (2) the Transfer or relinquishment of Operational Control over assets of a specified description, and/or
 - (3) the Transfer or relinquishment of Operational Control is in accordance with any conditions to which the consent is subject, or
- b) the Transfer or relinquishment of Operational Control in question is required by or as mandated under any other law for the time being in force; *or*
- c) the asset in question was acquired and used by the Distribution, Licensee exclusively in connection with any Other Business and does not constitute a legal or beneficial interest in land, or otherwise form part of the Distribution System or is not otherwise an asset related to or required for the Licensed Business.
- v) The Distribution Licensee shall be entitled to utilise the assets for facilitating financing its investment requirement subject to the conditions:
- a) that the Distribution Licensee will inform the Commission about such arrangements at least fifteen (15) working days prior to the effective date of the relevant agreements.
 - b) that the financing arrangement is for a period not exceeding seven (7) years or such other period as the Commission may specifically direct;
 - c) the Distribution Licensee acts in a prudent and reasonable manner in such utilisation of assets; and
 - d) the Distribution Licensee retains the Operational Control over assets in the Distribution System.

39. Business Plan:

Subject to other regulations notified by the Commission, the Distribution Licensee shall submit a Business Plan within three (3) months of Distribution. Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall *inter alia* contain (i) year wise load growth, (ii) year wise Distribution loss reduction proposal along with specific action plan, (iii) metering plan for metering interface points, (iv) treatment of previous losses, (v) cost reduction plan, and (vii) other important financial analysis or parameters.

Provided that the existing licensees shall submit such Business Plan within three (3) months from date of notification of these Regulations.

The Distribution Licensee shall submit full details to the Commission, by the end of first quarter of each financial year, regarding the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-à-vis the Plan as approved by the Commission.

40. Protection of Railways, Highways, Telegraphic Lines etc.,

- i) The Distribution Licensee shall not, in the course of distribution, supply or use of electricity, in any way injure any railway, highway, airport, tramway, canal or water-way or any dock, wharf or piers vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, airway, tramway, canal or water-way.
- ii) The Distribution Licensee shall take all reasonable precautions in constructing, laying down and placing its electric lines, electrical plant and other works and in working its system, so as not to injuriously affect, whether by induction or otherwise, the working of any wire or line used for the purpose of telegraphic, telephone or electric signaling communication, or the currents in such wire or line.
- iii) Where any difference or dispute arises between the Distribution Licensee and the telegraph authority as to whether the Distribution Licensee has

constructed, laid down or placed its electric lines, electrical plant or other works, or worked its system, in contravention of clause (ii) above or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Central Government.

- iv) The Central Government, unless it is of the opinion that the wire or line has been placed in unreasonable proximity to the electric lines, electrical plant or works of the Distribution Licensee after the construction of such lines, plant or works, may direct the Distribution Licensee to make such alterations in, or additions to, its system as may be necessary in order to comply with the provisions of this Regulation 40, and the Distribution Licensee shall make such alterations or additions accordingly:

Provided that nothing in clause (iii) above and this clause (iv) shall apply to the repair, renewal or amendment of any electric line or electrical plant so long as the course of the electric line or electrical plant and the amount and nature of the electricity transmitted thereby are not altered.

- v) Where the Distribution Licensee makes default in complying with the requirements of this section, it shall pay full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration conducted in accordance with section 158 of the Act.

Explanation - For the purposes of this Regulation 40, a telegraph line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signaling communication by means of such line is, whether through induction or otherwise, prejudicially interfered with by an electric line, electrical plant or other work or by any use made thereof.

41. Information to the Commission:

- i) The Distribution Licensee shall furnish to the Commission, without delay, such information, documents and details related to the Licensed Business or any Other Business of the Distribution Licensee, as the Commission may require from time to time, for its own purposes or for the purposes of the

Central Government, State Government, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Regional Load Dispatch Centre, State Load' Dispatch Centre, the Central Transmission Utility and the State Transmission Utility. The information shall be furnished in such form as may be specified by the Commission.

- ii) The Distribution Licensee shall notify the Commission as soon as possible and in no case later than one week after the occurrence of any Major Incident affecting any part of the distribution system and shall, within one month of the date of such Major Incident:
 - a) Submit a report giving full details of the facts within the knowledge of the Distribution Licensee regarding the Major Incident and its cause. The Commission in its own discretion may require the submission of a report to be prepared by an independent person at the expense of the Distribution Licensee; and
 - b) give copies of the report to the Commission and to all parties involved in the Major Incident as the Commission may direct.
- iii) The Commission may by order direct the Distribution Licensee to provide such amount of compensation as the Commission may specify to any person who suffers substantial injury or to the heirs of those who have lost their lives, where a Major Incident has been caused by any act of commission, omission or negligence on the part of any of the employees or agents of the Distribution Licensee.
- iv) The decision of the Commission as to what constitutes a "Major Incident" shall be final.
- v) The Distribution Licensee shall, as soon as practicable, report the following to the Commission:
 - a) Any significant change in circumstances which may affect the Distribution Licensee's ability to meet its obligations;
 - b) Any material breach of the provisions of the Act, the Reform Act, the

rules, regulations and codes made thereunder, directives and orders issued by the Commission and the terms of agreements/ arrangements entered into by the Distribution Licensee with other Licensees or generating companies or consumers; and/or

- c) Any major change in the shareholding pattern or in the ownership, control or management of the Distribution Licensee.

42. Other obligations of the Distribution Licensee

The Commission may additionally require the Distribution Licensee to:

- i) enter into an agreement with another person permitting such person to use electric lines, electrical plants and associated equipment operated by the Distribution Licensee;
- ii) furnish information and documents which the Commission may require for its purpose;
- iii) refer a dispute arising under the Distribution Licence for determination by the Commission or by an arbitrator appointed by the Commission;
- iv) supply electricity in bulk to other Licensees or exemption holders in the State.
- v) comply with any direction given by the Commission; and
- vi) act in accordance with the terms and conditions of the Distribution Licence.

43. Accounts of the Distribution Licensee

- i) The Distribution Licensee shall:
 - (a) Maintain separate information and statement of accounts for the Licensed Business;
 - (b) Maintain the statement of accounts in such form and containing such

particulars as may be specified by the Commission and till such time as these are specified by the Commission, the accounts shall be maintained in accordance with the Companies Act, 1956(1 of 1956) as amended from time to time, where applicable, and in accordance with standard accounting practice in all other cases;

- (c) Keep the accounts of the Licensed Business separate from the accounts of any Other Business carried on by the Distribution Licensee, whether licensed or otherwise;
- (d) Maintain the accounts of the Distribution Business, and the Retail supply Business of the Licensee as separate and distinct businesses. Trading shall always be a separate and distinct business.
- (e) Prepare on a consistent basis from such records, accounting statements for each Year comprising a profit and loss account, a balance sheet and a statement of source and application of funds together with notes thereto and showing separately the amounts of any revenue, cost, asset, liability, reserve, or provision which has been either:
 - (1) Charged from or to any Other Business together with a description of the basis of that charge; or
 - (2) Determined by apportionment or allocation between the various business activities of the Distribution Licensee together with a description of the basis of such apportionment or allocation.
- (f) Provide in respect of the accounting statements prepared in accordance with the foregoing clauses, a report by the auditors in respect of each Year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenues, costs, assets, liabilities and reserves attributable to the business to which the statements relate, and
- (g) Submit to the Commission copies of the accounting statements and auditor's report not later than six months after the end of the Year to which they relate.

- ii) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the Distribution Licensee and the Distribution Licensee shall render all necessary assistance to such person.

44. Certain powers of the Commission:

Punishment for non-compliance of directions by the Commission:

The Licensee shall be liable for action under Section 142 of the Act, for contravening any provisions of the Act or the rules or Regulations made thereunder including the conditions stipulated in these Regulations.

45. Regulating supply, distribution, consumption and use of electricity:

If the Commission is of the opinion that it is necessary or expedient so to do for maintaining the efficient supply, securing the equitable distribution of electricity and promoting competition, it may, by order, provide *for* regulating the supply, distribution, consumption or use thereof.

Provided that if the Distribution Licensee (s) needs any Restriction and Control (R&C) measures to be imposed by the Commission under these Regulations, it shall send necessary proposals along with details of fore-cast, availability and short fall of Demand and Energy, at least 45 days prior to the proposed period of R&C measures, and also publish a public notice in the manner as the commission may direct.

Provided further that the Commission will consider all the suggestions and objections received from the public before issue of Order under this Regulation.

45.

46. Investigation and Inspection

- i) The Commission may, on being satisfied that the Distribution Licensee has failed to comply with any of the conditions of Distribution Licence or has failed to comply with any of the provisions of the Act or the Reform Act or rules or regulations made thereunder, at any time, by order in writing, direct any person (hereafter in this section referred to as Investigating Authority) specified in the order to investigate the affairs of the Distribution Licensee

and to report to the Commission on any investigation made by such Investigating Authority.

- ii) The Investigating Authority shall conduct the investigation in accordance with the provisions of the Act.
- iii) On receipt of investigation report from the Investigating Authority, the Commission may, in accordance with the provisions of the Act and after giving such opportunity to the Distribution Licensee to make representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-

- (a) require the Distribution Licensee to take such action in respect of any matter arising out of the report as the Commission may think fit; or

- (b) cancel the Distribution Licence.

The Commission may also take any other action in accordance with the provisions of the Act.

- iv) The Commission may specify the minimum information to be maintained by the Distribution Licensee in its books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by the Distribution Licensee in that connection and all other matters incidental thereto, as are, in its opinion, necessary to enable the Investigating Authority to discharge satisfactorily its functions under this Regulation 46.

- v) For the purposes of this Regulation 46, the expression Distribution Licensee shall include, in the case of a Distribution Licensee incorporated in India –

- (a) the subsidiaries of such Distribution Licensee formed for the purpose of carrying on the business of distribution of electricity exclusively outside India; and

- (b) all its branches whether situated in India or outside India.

- vi) All expenses of, and incidental to, any investigation made under this Regulation 46 shall be defrayed by the Distribution Licensee and shall have priority over other debts due from the Distribution Licensee and shall be

recoverable as arrears of land revenue.

- vii) For the purposes of preventing the contravention of any of the terms of the Distribution Licence or provisions of the Act or the Reform Act or rules or regulations made thereunder, the Commission may, in accordance with Sections 28 and 29 of the Reform Act, or Section 142 of the Act, pass necessary an interim order or a final order or convert an interim order into a final order.

47. Introduction of Competition:

- i) Subject to the provisions of the Act, the Commission may grant a Distribution Licence to any person(s) in the same Area of Licence as that of the existing Distribution Licensee,
- ii) For the purposes of introducing competition, and in order to ensure co-operation and co-ordination between the different Distribution Licensees in the same Area of Licence, the Commission may issues such appropriate orders modifying or amending the Distribution Licence as it may deem fit:

Provided that no such order shall be passed unless the Commission provides reasonable opportunity to the Distribution Licensee of being heard on the proposed modification or amendment.

48. Expected Revenue Calculation and Tariffs

- i) The Distribution Licensee shall follow the methodology, procedures and directions included in the Tariff Regulations and in other orders of the Commission as may be issued from time to time, while filing the statement of Aggregate Revenue Requirement (ARR) from charges and for proposing or amending any or all of its tariffs.
- ii) The amount that the Distribution Licensee is permitted to recover in the form of its tariffs in any financial year is the amount that the Commission determines in accordance with Section 62 of the Act.

49. Provisions applicable to Deemed Licensees

These General conditions shall apply to Distribution Licensees and to all deemed Distribution Licensees.

CHAPTER-5

Miscellaneous

50. All issues arising in relation to interpretation of these General Conditions and as to the terms and conditions thereof shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final.

51. The Commission in addition to the General Conditions under Chapter-4, may specify, Specific Conditions applicable to a specific Distribution Licensee or class of licensees and such conditions shall be deemed to be conditions of licence of such Licensee or class of Licensees.

52. Savings

- i) Save as provided in clause (iii) below, the conditions specified in the existing Licence issued under the Reform Act, by the Commission on December 29, 2000 is hereby repealed;
- ii) The transitory Regulation, namely, the A.P. Electricity Regulatory Commission (Deemed Licence Conditions) Regulation, 2004 shall stand repealed from the date of coming into force of these Regulations to the extent of Distribution Licences issued by the Commission.
- iii) Notwithstanding the repeal, any thing done or any action taken or purported to have been done or taken under the repealed regulations, in so far as it is not inconsistent with the provisions of the Act or rules and regulations made thereunder, be deemed to have been taken under these Regulations.
- iv) Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet

the ends of justice or to prevent abuse of process of the Commission.

- v) Nothing in these Regulations shall bar the Commission from adopting a procedure at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient in order to deal with such a matter or class of matters.

53. Power to remove difficulties

If any difficulties arise in giving effect to any provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, or the Reform Act or the rules, regulations or codes made thereunder, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

(BY ORDER OF THE COMMISSION)

Hyderabad,

13-08-2013.

M.D.MANO HAR RAJU
Commission Secretary.

SCHEDULE-1

Application form for grant of Distribution Licence

Particulars of the Applicant

1. Name of the Applicant :
2. Form of Incorporation, if any :
3. Address :
4. Name, Designation & Address
of the contact person :
5. Contact Tel. Nos. :
6. Fax No. :
7. E-mail ID :
8. Place of Incorporation/Registration :
9. Year of Incorporation/Registration :
10. Geographical Area within which
Applicant proposes to undertake
Distribution :
11. Following documents are to be enclosed
 - a) Certificate of registration/incorporation.
 - b) Certificate for commencement of business.
 - c) Memorandum of Association and
Articles of Association.
 - d) Original power of attorney of the
signatory to commit the
Applicant or its promoter.
 - e) Details of Income tax Registration.

Details of Financial Data of Applicant

12. Net worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each Year) for immediate past 5 (five) financial years. (Specify financial year as applicable)

(DD/MM/ YY) to (DD/MM/ YY)	In Home Currency	Exchange rate used	In equivalent Indian Rupees

Copies of Annual Reports or certified audited results to be enclosed in support of above.

13. Annual turnover (in equivalent Indian Rupees - conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past 5 (five) financial years. (Specify financial year as applicable)

(DD/MM/ YY) to (DD/MM/ YY)	In Home Currency	Exchange rate used	In equivalent Indian Rupees

Copies of Annual Reports or certified audited results to be enclosed in support of above.

14. Certificate of Credit Rating
15. Certificate of Standard 'borrowal account'
16. Certificate stating that RBI has not classified the Applicant as a wilful defaulter.
17. List of documents enclosed in support of Sl. Nos. (10) and (11) above:

Name of the documents:

- (a)
- (b)
- (c)
- (d)

18. (a) Whether Applicant himself shall be financing the proposed distribution of electricity fully on its own balance sheet

(b) If, yes, proposed equity from the Applicant

(i) Amount :

(ii) Percentage :

19. In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency:

(a) Name, designation & Address of :
reference person of the other Agency.

(b) Contact Tel. No. :

(c) Fax No.

(d) E-mail ID

(e) Proposed equity from the other Agency

(i) Amount :

(ii) Percentage of total equity :

(iii) Currency in which the :
equity is proposed

(f) Consent letter of the other agency to associate with the Applicant for equity participation to be enclosed.

(g) Nature of proposed tie-up between the Applicant and the other agency.

20. Details of debt proposed for the distribution activity:

(a) Details of lenders:

(b) Amount to be sourced from various lenders:

(c) Letters from the lenders in support of the above to be enclosed.

21. Organisational & Managerial Capability of the Applicant:

22. Approach & Methodology:

(The Applicant is required to describe approach & methodology for setting up its distribution system and conduct of the business of distribution of electricity as proposed by it. This should contain a statement of the Applicant's plan on conduct of the business of distribution of electricity during the first year after the grant of licence and future plans for the said business during the next five years.)

23. Data relating to the applicant's future business

- (i) Five year Business Plan for transmission or distribution of electricity for which the application is being made and funding arrangements for meeting its obligations under proposed licence for maintenance, operation, improvement and expansion for future load growth.
- (ii) Five year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.

(Signature of the Applicant)

Date:

List of Documents to Accompany or information to be furnished:

- (a) To mention whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956, (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address, if any.
- (b) A map of the proposed Area of Licence on a scale of not less than 10 cm to a km or, if no such maps are available, of not less than that of the largest scale ordinance maps available or such other scale as may be approved by the Commission in a specific case.
- (c) A list of all the local authorities vested with the administration of any portion of the Area of License.
- (d) A statement approximately describing any lands which the Applicant proposes to acquire for the purpose of the Distribution Licence and the means of such acquisition.
- (e) A statement of the capital proposed to be expended in carrying on the Licensed Business in the Area of Licence and such other particulars as the Commission may require.
- (f) A copy of the Memorandum and Articles of Association of the company, where the Applicant is a body corporate and similar applicable documents of incorporation, registration or agreement in case of other business entities.
- (g) Annual accounts of the Applicant for the previous three years or other similar documents as may be required.
- (h) An affidavit by the Applicant verifying the correctness of the information disclosed in the application.
- (i) Where the Applicant is a body corporate, details of any group company(ies) engaged in the business of generation, distribution, transmission or trading of

electricity, whether within the State of Andhra Pradesh or in any other State.

- (j) Where the Applicant is not a body corporate, details of any business of generation, distribution, transmission or trading of electricity, whether within the State of Andhra Pradesh or in any other State, in which the Applicant is directly or indirectly interested.
- (k) Details of any financial holdings of the Applicant in the power sector.
- (l) Brief history of the promoters in case the Applicant is a body corporate.
- (m) Technical qualification and past experience of the Applicant, which shall be considered by the Commission in order to decide as to whether or not the Applicant can successfully discharge its obligations under the Distribution Licence and is, therefore, fit for granting of the Distribution Licence.
- (n) Such other documents or information as the Commission may seek.

SCHEDULE-2
Application form for deemed licence

1. Details of Applicant

- (a) Full name of Applicant :
- (b) Address of Applicant :
- (c) Application fee (DD details) :
- (d) Registered Office Address :
- (e) Local Office Address/
Administrative Office Address :
- (f) Contact Tel. Nos. :
- (g) Fax No. :
- (h) E-mail ID :
- (i) Details of Authorized Signatory :
- (j) # Form of Incorporation, if any :
- (k) # Place of Incorporation/Registration :
- (l) # Year of Incorporation/Registration :
- (m) # Following documents are to be enclosed
 - (i) Certificate of registration/incorporation
 - (ii) Certificate for commencement of business
 - (iii) Memorandum of Association and Articles of Association
(Duly mentioning Power Distribution is one of the Business Activity)
 - (iv) Original power of attorney of the signatory to commit the
Applicant or its promoter
 - (v) Details of Income tax Registration:

2. Names and addresses of Directors / :

Competent Officers

(Furnish details, if applicable)

3. # Principal shareholders/Partners/
Members. :
4. # Principal Business Activity :
5. Geographical Area within which Applicant proposes to undertake
distribution (to mention boundaries referring to the attached map when necessary)
6. Power Details
 - (a) Sourcing of Power
 - (i) Voltage(s) :
 - (ii) Source of supply :
(Own generation/Purchase
from Others/Discom)
 - (iii) Quantum of electricity handled in last 12 months
 - a. Demand (MW)
 - b. Energy (MU)
 - (iv) Do you have any power supply agreement with any Discom/generator/ Trader,
if so, mention brief details power purchase:
 - (b) Supply of Power
 - (i) Voltages of supply
 - (ii) Persons to whom electricity is intended to be distributed with full details of
categories of (members/employees' colonies/ other concerns/general public,
etc.):
 - (c) Funding arrangements for maintenance, operation, improvements and
expansion to meet future load growth, supply obligations, etc.:
 - (d) Whether Applicant himself will be financing the proposed distribution of
electricity fully on its own balance sheet
If, yes, proposed equity from the Applicant
 - (i) Amount (ii) Percentage
7. Organizational and Managerial Capability of the applicant:
(The applicant is required to enclose proof of its Organizational & Managerial
Capability, proposed organizational structure and curriculum- vitae of various

executives, proposed office etc.)

(i) Management Capability

(ii) Financial Strength

(iii) Ability to discharge supply function in a sustainable manner:

8. (a) Date from which Deemed License is sought:

(b) Period for which Deemed License is sought:

9. Detailed justification for seeking License:

10. Other Information

(a) Whether the applicant or any of his partners or promoters or Directors or Associates has been declared insolvent and has not been discharged. If so, the details thereof.

(b) Details of cases resulting in conviction of fraud or economic offences of the applicant, any of his partners, promoters or Directors or Associates during the three years preceding the year of making application.

(c) Details of all pending cases involving the applicant, any. of his partners or promoters or Directors or Associates, which shall include nature of the dispute, whether civil or criminal, name of the other party or parties, the court before whom pending and the latest status.

(d) Whether the applicant or any of his partners, or promoters or Directors or Associates were ever refused license. If so, give the details of date of making application, date of refusal and reasons for refusal.

11. List of Documents enclosed:

(i)

(ii)

(iii)

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::

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Place:

Date:

(Signature of the authorized person)

Note: '#' *Not applicable for Government of India and Government of Andhra Pradesh
Departments / Ministries*

List of Documents to Accompany:

- (1) Certificate of Incorporation from Registrar of Companies.
- (2) Copies of Company's Memorandum/Articles of Association/Partnership deed etc.
- (3) Proof of Authorization to sign the application form.
- (4) 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 reputed chartered accountant.
- (5) 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.

- (6) 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 power is distributed and distinguish between public and private.
- (7) Proof of Service of the Copy of Application on incumbent Distribution / State Transmission Utility (STU).
- (8) Reasons for not furnishing any of the above documents thereof.
- (9) Details of Income tax Registration:
- (10) Any other relevant information.

SCHEDULE-3

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Distribution Licence

1. The Andhra Pradesh Electricity Regulatory Commission (hereinafter referred to as the Commission), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003, hereby grants this licence to M/s..... (hereinafter referred to as the licensee) to distribute electricity in the area of distribution as specified below, subject to the provisions made in the Acts, the rules, general conditions of Distribution Licence specified under the A.P. Electricity Regulatory Commission (Distribution Licence) Regulations, and other Regulations specified by the Commission (herein after referred to as Regulations), including statutory amendments, alterations, modifications, reenactments thereof, which shall be read as part and parcel of this licence.
2. Area of Distribution
The area of Distribution shall be the whole of the area bounded as follows:

North	-	By
East	-	By
South	-	By
West	-	By
3. This licence is not transferable, except in accordance with the provisions of the Acts, the Rules and the Regulations.
4. (1) The licensee shall not without prior approval of the Commission--
 - (a) undertake any transaction to acquire by purchase or take over or otherwise, the utility of any other licensee; or
 - (b) merge its utility with utility of any other licensee;
(2) The licensee shall not at any time assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission

- (3) Any agreement relating to any transaction referred to in sub-clause (1) and sub-clause (2) unless made with the approval of the Commission, shall be void.
5. The grant of this licence to the licensee shall not in any way hinder or restrict the right of the Commission to grant a licence to any other person within the same area for Distribution of electricity. The licensee shall not claim any exclusivity.
6. This licence shall commence on the date of its issue and unless revoked earlier, shall continue to be in force for a period of 25 (twenty five) years.
7. The licensee may with prior intimation to the Commission, engage in any business for optimum utilisation of its assets.

Provided that the licensee shall not engage in the business of transmission of electricity.

8. The licensee shall pay license fee as specified by the Commission.
9. The provisions contained in the Acts shall apply to the licensee with regard to revocation of licence and sale of his utility.

SECRETARY

REGULATION NO. 3 OF 2014

Andhra Pradesh Electricity Regulatory Commission
(Reorganisation) Regulation, 2014

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Reorganisation) Regulation, 2014

(Regulation No.3 of 2014)

INTRODUCTION:

The Andhra Pradesh Electricity Regulatory Commission (APERC) was constituted vide G.O.Ms.No.65, Energy (Power. Ill) Department, dated 31.03.1999 u/s 3 of the Andhra Pradesh Electricity Reform Act, 1998. Under Section 1(2) of the Andhra Pradesh Electricity Reform Act, the jurisdiction of the Commission extends to the whole of the State of Andhra Pradesh.

The Andhra Pradesh Reorganisation Act, 2014 (Act 6 of 2014) has been notified by the Government of India on 01.03.2014, which envisages that the state of Telangana will be carved out from the existing state of Andhra Pradesh on and from the Appointed Day. The appointed day has been notified as 2nd June, 2014. Thus, two states of Telangana and Andhra Pradesh will come into existence on 02.06.2014.

As per section 92 read with the Twelfth Schedule of the Andhra Pradesh Reorganisation Act, the existing Andhra Pradesh Electricity Regulatory Commission shall function as joint regulatory body for a period not exceeding six months within which time separate SERCs will be formed in the successor States.

It is now required for the Commission to make Regulation consequent to the reorganisation for regulation of the electricity sector in both the states of Telangana and Andhra Pradesh. Accordingly, in exercise of powers conferred u/s 181 of the Electricity Act, 2003 and other powers enabling it in this behalf, after previous publication on 07.05.2014 and duly considering all the suggestions received, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation:

1. Short Title and Commencement:

- i) This regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Reorganisation) Regulation, 2014.
 - ii) This Regulation shall come into force with effect from 2nd June, 2014.
2. The Andhra Pradesh Electricity Regulatory Commission shall function as a joint regulatory body for the states of Telangana and Andhra Pradesh for a period of six (6) months or till separate State Electricity Regulatory Commissions commences functioning.
 3. All the notified regulations as well as their supplementary regulations/ amendments, rules, orders, proceedings, guidelines, memos, notifications, other instruments issued immediately before 2nd June, 2014 by the APERC for conduct of business and other matters shall fully & completely apply to the whole of the states of Telangana and Andhra Pradesh and shall similarly apply in relation to all matters falling within the jurisdiction of the Commission until they are altered, repealed or amended by the respective State Electricity Regulatory Commissions.
 4. The area of transmission of existing transmission licensee (APTRANSCO) shall be the same as it was immediately before 2nd June 2014, until separate State Transmission Utilities are notified for the successor States.
 5. The area of supply of existing distribution & retail supply licensees shall deemed to be reassigned as per the provisions of the Andhra Pradesh Reorganisation Act, 2014 until amended or separate licences are issued by the respective State Electricity Regulatory Commissions.

(BY ORDER OF THE COMMISSION)

Hyderabad,
26.05.2014.

M.D.MANOHAR RAJU
Commission Secretary

REGULATION NO. 4 OF 2014

Andhra Pradesh Electricity Regulatory Commission
(Adaptation) Regulation, 2014

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

(Adaptation) Regulation, 2014

(Regulation No.4 of 2014)

INTRODUCTION:

In exercise of the powers conferred by section 181 of the Electricity Act, 2003 (Central Act No. 36 of 2003) and all other powers hereunto enabling, including those conferred by the Andhra Pradesh Electricity Reform Act, 1998 (State Act No. 30 of 1998) and the Andhra Pradesh Reorganisation Act, 2014 (Central Act No. 6 of 2014), the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation.

1. Short Title and Commencement:

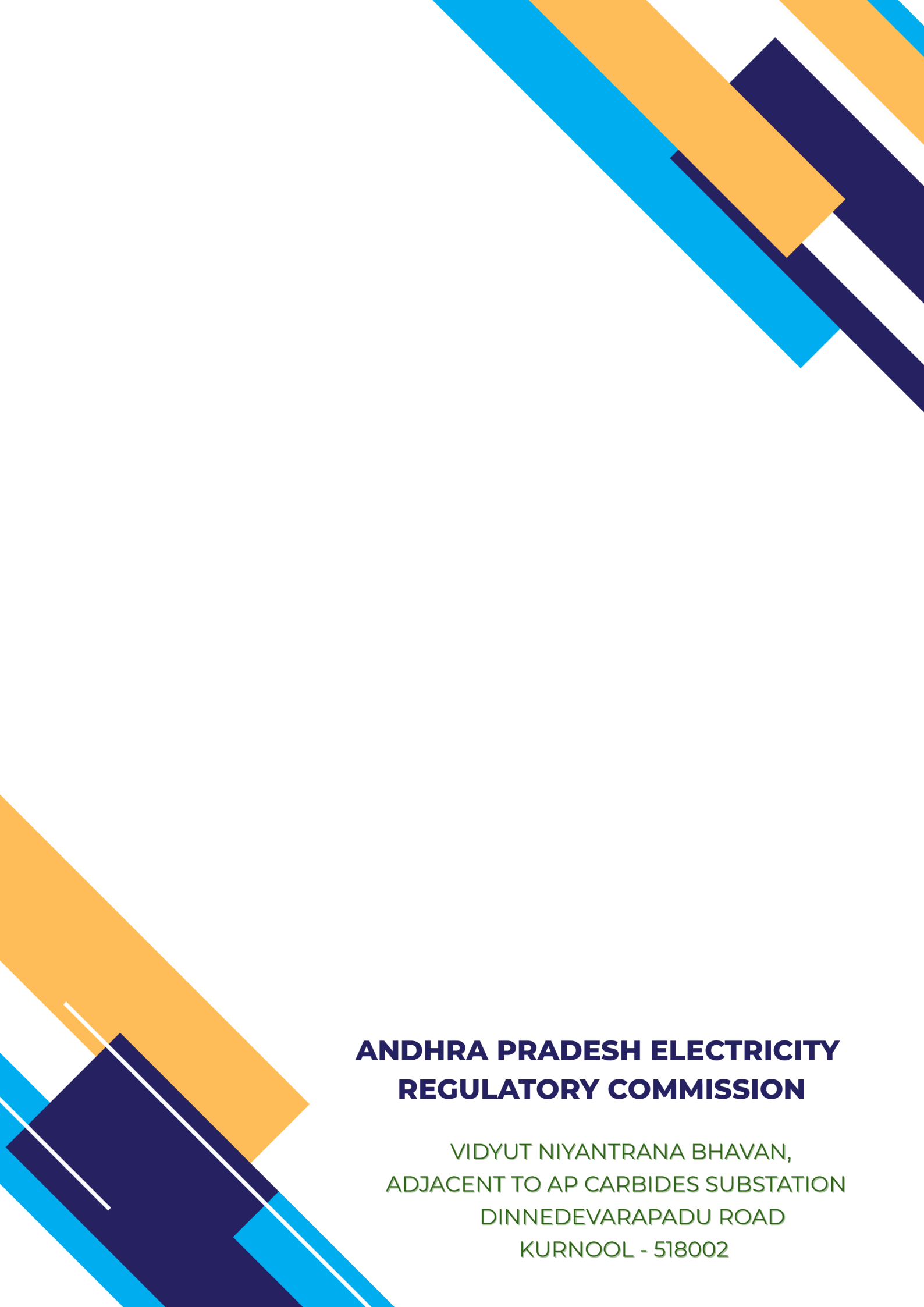
- i) This regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Adaptation) Regulation, 2014.
- ii) This Regulation shall come into force with effect from 01-08-2014.

- 2. All regulations made by, all decisions, directions or orders of, and all the licenses and practice directions issued by, the Andhra Pradesh Electricity Regulatory Commission, in existence as on the date of the constitution of the Andhra Pradesh Electricity Regulatory Commission with effect from 01-08-2014 by Notification issued by the Government of Andhra Pradesh in GO.Ms. No. 35, Energy (Power.III) Department dt. 01-08-2014 and in force, 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.

(BY ORDER OF THE COMMISSION)

**Hyderabad,
26.05.2014.**

**Dr.A.SREENIVAS
Commission Secretary i/c**



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

VIDYUT NIYANTRANA BHAVAN,
ADJACENT TO AP CARBIDES SUBSTATION
DINNEDEVARAPADU ROAD
KURNOOL - 518002