



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
4th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

I.A. No. 12 of 2017
in
O.P. Nos.1 & 2 of 2015

Date: 03-02-2018

Present
Justice G. Bhavani Prasad, Chairman
Dr. P. Raghu, Member
Sri P. Rama Mohan, Member

Between:

Southern Power Distribution Company of A.P Ltd (APSPDCL)
Eastern Power Distribution Company of A.P. Ltd (APEPDCL)
... Applicants/Petitioners

AND

Government of Andhra Pradesh represented by Chief Secretary
Velagapudi, Amaravathi ... Respondent/Respondent

This Interlocutory Application has come up for hearing finally on 03-02-2018 in the presence of Sri P. Shiva Rao, learned Standing Counsel for the petitioners, Sri Ajay Jain, Principal Secretary to Government of Andhra Pradesh, Energy, Infrastructure & Investment Department and Sri M. Venugopala Rao, learned objector. After carefully considering the material available on record and after hearing the arguments of the learned Standing Counsel for the Applicants/Petitioners and the Principal Secretary to Government of Andhra Pradesh, Energy, Infrastructure & Investment Department, the Commission passed the following:

ORDER

The present consideration of I.A.No.12 of 2017 is confined to the request of both the Distribution Companies of Andhra Pradesh to approve the additional subsidy required from the Government of Andhra Pradesh towards additional sales

to agricultural consumers during the Financial Year 2015-16 and to issue necessary directions to the Government of Andhra Pradesh to provide such an additional subsidy computed at Rs.414.06 crores.

2. In so far as this additional subsidy is concerned, the petitioners contended that the actual agricultural sales by both the distribution licensees has been calculated as 10,629 million units as against the approved sales volume of 9,956 million units, making the quantum of additional consumption of 673 million units clubbed with the approved transmission and distribution losses. The additional power procurement required by the entire State towards the actual agricultural sales so added comes to 781.25 million units. Calculated on the approved cost per unit of energy, the additional subsidy required comes to Rs.414.06 crores due from the Government apart from the subsidy on the approved sales volume.

3. Though I.A.No.12 of 2017 also covers the issue of true-up for FY 2015-16 pertaining to increase in the power purchase cost, the same will be dealt with separately as per the orders passed in I.A.No.4 of 2018 on 03-02-2018.

4. On public notice being issued on I.A.No.12 of 2017, inviting the views/objections/suggestions from interested persons / stakeholders, no objections have been received on the request of the petitioners for grant of additional subsidy towards the additional sales to agricultural consumers. A reply has been filed by the Government of Andhra Pradesh on 18-11-2017 stating that the Government has no objection to bear any additional subsidy which may be payable towards the additional hours of supply to agriculture as may be determined by this Commission. It also stated that the Commission may consider and pass appropriate orders.

5. During the hearing today, Sri P. Shiva Rao, learned Standing Counsel for the petitioners has invited attention to the details furnished in the Interlocutory Application itself of the quantum of the actual sales vis-à-vis approved sales to agricultural consumers which details are based on recorded data, which is not in dispute.

6. Sri Ajay Jain, I.A.S., Principal Secretary to the Government of Andhra Pradesh, Energy, I & I Department is present in person during the hearing today and reiterated the stand of the State Government to bear whatever additional subsidy is payable as per the determination of the Commission. As the quantum of additional sales is based on recorded data to discredit which there is no ostensible reason, the same has to be accepted and the State Government should be directed to provide such additional subsidy to the petitioners at the earliest.

7. Accordingly, I.A.No.12 of 2017 is allowed in part approving the additional subsidy required from the Government of Andhra Pradesh towards additional sales to agricultural consumers during the Financial Year 2015-16 to a tune of Rs.414.06 crores out of which Rs.131.06 crores is payable by the Government of Andhra Pradesh to the Eastern Power Distribution Company of Andhra Pradesh Limited and Rs.283 crores is payable by the Government of Andhra Pradesh to the Southern Power Distribution Company of Andhra Pradesh Limited towards the additional subsidy required to be paid by the State Government for the additional sales made to the agricultural consumers within their respective jurisdictions during the Financial Year 2015-16.

This order is corrected and signed on this the **3rd day of February, 2018.**

Sd/-
P. Rama Mohan
Member

Sd/-
Dr. P. Raghu
Member

Sd/-
Justice G. Bhavani Prasad
Chairman