



Replies to Objections and Suggestions raised by the public pertaining to

APEPDCL

on ARR filing for Retail Supply Business (FY: 2011-12)

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Responses to Objections/ Suggestions

1. **M/s. Ellenbarrie Industrial Gases Limited, Plot 57-A**
JN Pharma City,
Parawada, Visakhapatnam - 21

Para No/Brief Issue	EPDCL Response
<p>If there is peak season surcharge, continuous power should be available in summer: Since the licensees are proposing a surcharge of 75 paise per unit for consumption during the summer months, over and above the Re.1 per unit increase in peak-time power consumption, the Hon'ble Commission should ensure that there are no regular power cuts and continuous power is available for HT industry, especially those with dedicated feeder lines.</p>	<p>This organization is intended to provide reliable quality, power supply, to the customers. This organization is purchasing energy required from various generating stations. In this connection, during February to May, the demand and supply gap is experienced due to shortage of available energy. This organization decided to purchase energy even expensive power at higher rate. from various generating stations from various generating points. The corridor is booked to transport this type of energy to provide good customer services with least price during the period of unavailability of energy as against the demand of consumers. Hence least variation of Addl. TOS is proposed.</p>
<p>Peak season surcharge is higher for HT industries compared to LT industries: The surcharge on power consumption is higher for HT industries at 75 paise when compared to LT industries at 50 paise. We request the Hon'ble Commission to make this proportionate to the basic energy charges as HT power consumption is more efficient when compared to LT power consumption. So, if the surcharge for LT industries is 50 paise, the surcharge for HT industries should be 25 paise.</p>	<p>The basic philosophy adopted for this proposal is based on end use of power supply for domestic, commercial, industrial etc. co-ordinated with recovery of peak season power purchase cost, keeping in view of socio economic conditions and Govt. policies.</p>
<p>Since there is a peak season surcharge, there should be an off-peak season rebate: While we agree and applaud the concept of a peak season surcharge, we would like to bring to the Hon'ble Commission's attention, that generally this is combined with lower tariffs during off-peak seasons. We have witnessed record low power prices at the end of the 2010 and would request the Hon'ble Commission to provide some benefit to the industry in the state by offering a commensurate discount for consumption during the off-peak period from September to December.</p>	<p>“Peak season surcharge” is proposed for better load management during the peak load.</p>

Para No/Brief Issue	EPDCL Response
<p>Since the off-peak TOD rebate is available only during the off-season, we request for the peak TOD surcharge to be restricted only to the peak season. Otherwise both should be made applicable throughout the year.</p> <p>Since the off-peak TOD rebate is available only during the off-season, we request for the peak TOD surcharge to be restricted only to the peak season. Otherwise both should be made applicable throughout the year.</p>	<p>TOD rebate incentive is proposed only during off-season from June – Jan 12 AM to 4 AM.</p>
<p>The total value of TOD rebate should equal the total value of TOD surcharge, assuming uniform consumption through the day. Off-peak TOD rebate time should be extended from 12am – 4am should be increased to 75p per unit.</p> <p>We request the Hon'ble Commission to consider a power consumer with uniform consumption through the day. Such a customer should be unaffected by any TOD rebate or surcharge as his consumption is uniform and he can be neither incentivised or disincentivised to shift his consumption pattern. A penalty should be given to those consumers who are drawing more power during the off-peak period of the day. With this in mind, we suggest to increase TOD rebate from 11pm – 5pm as consumption patterns suggest that period to be the low-demand period. The rebate amount should be increased to 75paise per unit. So a consumer with uniform consumption will need to pay an extra Re. 1 per unit for 4 hours and will gain 75p per unit for 6 hours thereby making his net surcharge NIL. A longer off-peak rebate time and larger off-peak rebate amount will give further incentive to shift consumption to off-peak hours.</p>	<p>All possible steps are being taken to provide energy with suitable price, added by quality supply.</p>
<p>Rebate for high power factor:</p> <p>The Hon'ble Commission is requested to introduce a power factor rebate for consumer with a high PF of over 0.95. We welcome the proposal to impose a penalty on low PF consumers. This system is already present in a number of states.</p>	<p>The subject issue is under the purview of Hon'ble APERC.</p>
<p>Re-introduction of load Factor rebate.</p> <p>We request the Hon'ble Commission to re-introduce the Load Factor rebate system that was in place upto FY 09-10 to reward customers who utilize the load efficiently. This is in place in a number of states as was until recently in place in AP as well.</p>	<p>Basing on the present circumstances, Hon'ble APERC has decided to discontinue with the load factor incentive scheme.</p>



Responses to Objections/ Suggestions

2. **Sri R.H.N.Sarma Sr. Citizen**
Member Loksatta (SW),
6-9 Simhachalam,
Visakhapatnam - 28

Para No/Brief Issue	EPDCL Response
1. It is stated in the public notice cited that the copies of documents are available from 14.01.2011. This day is a public holiday for “Bhogi” it is not clarified in the above public notice how this transaction (sale of documents) could be done on a public holiday.	The books are made available as published i.e., as on 14-01-2011.
2. The mode of payment of Rs.100/- (Commission) is not disclosed in the public notice.	Mode of payment is either by cash/ D.D. as was operated in 2010-11.
3. It is stated in the notice published by CMD/SPDCL/Tirupathi that he documents are available from 14.02.2011 and the same should be furnished by the objections to SPDCL and APERC on the same day 14.02.2011. it is absurd.	Pertains to SPDCL.
4.it indicates lack of attention dedication and accountability on the work. It is not known who are responsible for the lapses taken place in the notice.	



Responses to Objections/ Suggestions

2. **Sri R.H.N.Sarma Sr. Citizen,**
Member Loksatta (CW)
6-9, Simhachalam
Visakhapatnam – 530 028

Para No/Brief Issue	EPDCL Response
<p>Filing number and case number are kept blank filing No?/ 2011. case No?/2011. It is not known by whom the blanks would be filled up?</p> <p>The expansion of abbreviations used in these ARR filings are not disclosed to enable to understand. By each and every one, as the same could not be known from any dictionary. It is a trouble some problem to public.</p> <p>The objections and suggestions made by the public / consumers and public hearing etc. are a formal periodical annual feature, as the voice of public, hue and cry of distresses are not being taken in to cognizance by the DISCOMS.</p> <p>I trust that the objections and suggestions made in this draft would be taken sportively and the same may be considered for implementations.</p> <p>The performance of licensee may stand better than any other Discom.</p>	<p>The filing is made on 7-01-2011 with Case No. O.P. 03/2011. The filing is made with suitable language and words as per practice in vogue. However, the abbreviations will be made clear in the future. As the issue is only public concerned, all social aspects are considered for providing reasoned services.</p>
<p>Part-I</p> <p>I would like to bring the following suggestions to the notice of APERC, Hyderabad for favour of perusal and necessary action.</p> <p>1) L.T. Domestic Cat(I): The reduction of monthly minimum charges from Rs.50/- to Rs. 25/- in respect of all single phase consumers above 250 W load is no way use full to the consumers come under B.P.L. It is suggested that the unit rate from 0 to 50 units may be reduced to 135 paise/unit which would be help full to the consumers come under BPL or the monthly minimum charges may be scrapped for BPL consumers.</p>	<p>The subject issue is under the purview of Hon'ble APERC.</p>
<p>2) L.T. Non Domestic / Commercial: A new category L.T II (B) is introduced for advertisement hoardings at 750paise/unit.</p> <p>It is once again suggested that the offices of Advocates, Accounts Organizations consulting rooms of accounts etc. may be brought to the non Domestic / Commercial category where the same are situated in the premises of residential buildings under cat-I domestic.</p> <p>It is stated that the expected revenue gain from the newly proposed sub-category under LT II(B) commercial for advertisement hoardings at Rs.750 paise/unit is estimated to Rs. 2.68 crores in FY 2011-12. This amount of Rs. 2.68 crores is not shown in Form 5 category wise revenue for the year 2011-12, probably with a dought in respect of approval of APERC. It is suggested that the same may please be approved.</p>	<p>The subject issue is under the purview of Hon'ble APERC.</p>
<p>3) L.T. Agriculture cat LT V(A) LT V(A)(I) & LT V(A)(II):</p> <p>It is stated that the consumption of un metered agriculture services based on L.V side meter readings of DTRs is 1589</p>	<p>No agricultural services are released without any meter at present. The previous services which are not provided meters are being provided in a phased manner for proper accounting of energy.</p>

Para No/Brief Issue	EPDCL Response
<p>M.U. for FY 2009-10 in statement No. II (P 66 ARR). It is required to be clarified under which authority the supply was released to some agriculture services with out meters up to consumption of 1589 MU when there are strict instructions under clause 7.11 of GTCS “No service shall be released with out proper meter”.</p>	
<p>4) Non Tariff Income at current charges (P.80 ARR) : Recoveries from theft of energy and malpractices for the years 2010-11 and 2011-12 are not shown in the table. Kept blank. It is stated that it is not appropriate to include this item in the ARR. If there is an actual and real income collected from the culprits of theft of energy / malpractice nothing is wrong it is to show this income in the column for the year 2010-11. It is disclosed by EPDCL in news papers that huge case of theft of energy were detected by DPE wings and the compensation was collected from the culprits during the year 2010-11. Of course at is not appropriate to forecast this kind of income for the year 2011-12.</p>	<p>It is not appropriate to include this item in the ARR. This is because the forecasts are made assuming that there will be no theft or malpractice.</p>
<p>5) Reconnection fees: It is stated that R.C fees of Rs. 5 crores was collected in the year 2010-11 it is well and good. An amount of Rs.5.90 crores is anticipated in the year 2011-12. How it is forecasted? What is the case for it? It is absurd. The company should take initiative to reduce the number of defaulters to extent possible by able and proper management activities. This fore casting is not appropriate. The ‘D’ lists are not being operated promptly and sincerely by the field staff. The staff taken from out source should not be used for this purpose. No RC fees should be collected with out actual disconnection. If this practice is continued the consumers may not pay the CC charges in time with out fear of disconnections. The instructions under section 56 of Eley. Act 2003 and the instructions of APERC are not followed by the DISCOMs in the case of defaulters.</p>	<p>Filing is made basing on past historic data, keeping in view of growth rate and Circumstantially social conditions, payment capability and culture of consumers.</p>
<p>6) Unauthorized Addl. load in Cat-I & II: The unauthorized addl. load prevailing in Domestic and Non-Domestic services is ignored by all the Discoms though it is an offence under section 126 of Eley. Act 2003. Huge public money is locked up with the consumers. In action of licensee is nothing but violation of law (i.e.) section 126 of Eley Act 2003. If the licensee is taken a policy decision not to impose penalty on domestic consumers for the utilization of unauthorized addl. loads, it is nothing but breach of act and violation of law. This issue is not only a financial matter but also creates technical problems to licensee for maintaining quality in power supply. No approval of APERC is required for the licensee to act according to law in respect of unauthorized addl. load.</p>	<p>Inspections are being conducted and the additional loads are regularized wherever found exceeding sanctioned load.</p>

Para No/Brief Issue	EPDCL Response																								
<p>7) Directive No. 2 : Distribution losses : The AP TRANSCO, Hyderabad became serious and expressed dissatisfaction in respect of efforts taken by EPDCL for the reduction of line losses. This fact was published as a news item in Andhra Bhoomi Dt.31.07.2011 . A copy of letter dt: 3.08.2010 addressed to CMD/EPDCL/VSP along with paper clippings and a copy of draft document published by APERC, Hyderabad pertaining to plan for reduction of line losses (both technical and non technical) is herewith enclosed for favour of perusal. The EPDC of AP Ltd., may be advised in this regard.</p>	<p>All out efforts are being made to arrest the leakages of the energy through various sources connected with APEPDCL and to reduce the losses with suitable loss reduction measures and infrastructure development. The losses are brought down from 17.91% in FY: 2000-01 to 8.42% in 2009-10.</p> <table border="1" data-bbox="943 306 1305 758"> <thead> <tr> <th colspan="2">Loss profile of APEPDCL</th> </tr> <tr> <th>Financial Year</th> <th>Losses %</th> </tr> </thead> <tbody> <tr> <td>2000-01</td> <td>17.91%</td> </tr> <tr> <td>2001-02</td> <td>17.28%</td> </tr> <tr> <td>2002-03</td> <td>16.80%</td> </tr> <tr> <td>2003-04</td> <td>15.29%</td> </tr> <tr> <td>2004-05</td> <td>15.17%</td> </tr> <tr> <td>2005-06</td> <td>12.95%</td> </tr> <tr> <td>2006-07</td> <td>12.29%</td> </tr> <tr> <td>2007-08</td> <td>9.01%</td> </tr> <tr> <td>2008-09</td> <td>8.83%</td> </tr> <tr> <td>2009-10</td> <td>8.42%</td> </tr> </tbody> </table>	Loss profile of APEPDCL		Financial Year	Losses %	2000-01	17.91%	2001-02	17.28%	2002-03	16.80%	2003-04	15.29%	2004-05	15.17%	2005-06	12.95%	2006-07	12.29%	2007-08	9.01%	2008-09	8.83%	2009-10	8.42%
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<p>8) Directive No. 8: Revision of Tariff Slabs in L.T Domestic : It is stated that national tariff policy stands on the way for further reduction of tariff. Hence there is no scope for it. It is required to be clarified under which authority or rule, the power supply is given to farmers at free of cost with out meters (in certain case) is it a national tariff policy. The reduction of monthly minimum charges from Rs. 50/- to Rs.25/- to all single phase consumer above 250 W load (As approved by Licensee excluding unauthorized load) is no way gives benefit to the consumers come under BPL.</p>	<p>The proposal is made basing on social conditions and payment capability conditions. The other issues are under the purview of Hon'ble Commission. Free power to agriculture services is a govt. policy and we are being compensated for that.</p>																								
<p>9) Directive No. 16 : Replacement of failed Distribution Transformers: <u>Replies A&B:</u> The reply is very casual. The rule under regulation No. 7 of 2004 make by APERC is quoted. There is no confirmation in respect of action taken as per rule. <u>Reply C :</u> No action has been taken by EPDCL in this issue as it is stated that the display of details of replacement of failed DTRs will be implemented at the divisional, sub-divisional and section offices as per directive. It is yet to be done.</p>	<p>All steps have been taken to implement the directives of Hon'ble APERC and following the citizen charter.</p>																								
<p>10) Directive No. 17: Functioning of CGRF: The CGRF is functioning well and good in respect of consumers who know its existence and utilizing its services. The services of CGRF are not being utilized by the majority of consumers for want of awareness. No wide publicity for this important is being given. The licensee and its employees do not have any interest on CGRF. No sufficient cooperation from the field staff. The full address and phone numbers of CGRF should be printed on CC bills forms. This information is not disclosed. In spite of my repeated requests no action has been taken so far. Strict instructions are required to be issued to licensee by APERC to sort out. The main hurdle for the free functions of CGRF is that the Chairperson and Members are employees of company. It is suggested that the CGRF may be reconstituted with the experienced qualified, reliable persons from the outside. A qualified person in law with sufficient experience may be</p>	<p>To create awareness about the functioning of CGRF, awareness, consumer redressal meetings are being conducted every month, first Monday in Rajahmundry, second Monday in Srikakulam, third Monday in Eluru, fourth Monday in Vizianagaram and in between Visakhapatnam circle duly giving wide publicity in news papers and local cable network. During the above programmes, awareness meetings are conducted in the morning session and redressal meetings are conducted in the afternoon session to resolve the pending grievances followed by press meet. During 2009-10, 39 no.s and during 2010-11(upto Jan.), 36 no.s awareness programmes were conducted.</p> <p>All the infrastructure required for the functioning of CGRF has been provided. The field executives are implementing the</p>																								

Para No/Brief Issue	EPDCL Response
<p>appointed as member legal. No sign board is provided at the building occupied by CGRF disclosing its existence to public though it was shifted long back from VUDA building, Visakhapatnam to the present building in the premises to Corporate Office, EPDCL, Visakhapatnam.</p>	<p>orders of CGRF. The CGRF is functioning as per the Regulation 1 of 2004 and as per guide lines of policy makers.</p>
<p>11) Directive No. 18 : Indicating development charges in tariff order. The details of load development charges and S.D paid by applicants are not found at all D.C.S centers. The pamphlets are yet to be prepared and printed. This reply is casual no use full.</p>	<p>The development charges and Security Deposit details are included in the tariff schedule and the same are being displayed at all CSCs.</p>
<p>Directive No. 21: Incentives for prompt / advance payments: There is no justice to give incentives only to consumers who pay and advance of exceeding Rs.1000/- towards monthly bills. This benefit should be given to all the consumers all categories.</p>	<p>Under the purview of Hon'ble Commission.</p>
<p>Directive No. 21: Energy conservation: This slogan is echoed every where as like as moralo all wind. No initiative has been taken by any one or any organization including EPDCL for strict implementation no wide publicity for the conservation of energy / Electricity. The offices of both state and central Governments, Govt. under takings including EPDCL, local bodies (street lights) etc. do not take any one. The company (EPDCL) should take initiative to distribute the pamphlets pertaining to conservation of Electricity through bill collection centers CSCs, EROs etc. publicity should be given through AIR, Doordarsan.</p>	<p>Pamphlets were distributed during public meetings and at Section Offices, with caption "Vidyutnu ee vidhangaa podupu cheyyandi" for various house hold utilities to save Energy and to reduce Demand during peak utilisation period. Also, pamphlets were released and distributed during Rythu sadassulu conducted in every village along with Agriculture department, with caption "Vyavasaya viniyogadaarulaku vignapti" to reduce utilisation of Energy towards Agriculture consumption by utilizing efficient energy pump sets along with DSM measures. Energy Conservation for various house hold articles utilisation and benefits are displayed at India International Trade Fare (I.I.T.F), Pragathi Maidan, New Delhi as well as conducted Conservation week at Corporate Office, Visakhapatnam and issued wide publicity in various news papers and print media. It is also proposed to introduce a rebate of 10 paise/ unit on electricity bills who have installed solar heater and using them in their houses/ hamlets.</p>
<p>14) Directive No. 26: Availability of documents in Telugu: The GTCS (English copies) is not available in all the offices of EPDCL. It is not available in section offices and EROs and some sub-division offices. The instruction of APERC that the GTCS should be made available in every office of EPDCL down to section office are not implemented so far in spite of lapse of three years. This is known personally from the offices where the GTCS is not available. Status: Instruction were issued to field to make available to consumers the LT & HT application forms and agreement forms both in English and Telugu at consumer service centers. The availability of forms is not confirmed. It is a casual and vague reply.</p>	<p>The Telugu version of GTCS is submitted to Hon'ble APERC for approval. Soon after getting approval, it will be supplied to all section offices/Customer Service Centers and will be posted on the website. The copies of GTCS (English version) are available at all offices of EPDCL.</p>
<p>PART – II Miscellaneous Items 1) Customer service initiatives : The vidyut adalats on every Monday at section offices are not continued. Lack of awareness and publicity the facility is not being utilized by the consumers.</p>	<p>Vidyut Adalats are being conducted at section offices on every Monday regularly and wide publicity is given.</p>

Para No/Brief Issue	EPDCL Response
<p>2) Function of call centre at Siripuram, Visakhapatnam phone no. 155333. It is not functioning properly use full to consumers. The staff at call centre are not responding to public complaints. No control on the staff. The manager (ADE) call centre is not managing properly. The staff at call centre is most adamant and inefficient. The phone 155333 is possible to dial from mobile phones due to IVRS. This phone may be made direct to operator.</p>	<p>The call center of Siripuram, VSP is functioning well to the satisfaction of the consumers. The management of EPDCL closely monitors the functioning of telephone no. 155333 to extend better services to the customers. Any specific instance if brought to the notice of the Licensee suitable corrective action will be taken.</p>
<p>3) Pole numbers : Pole numbers are not assigned to new poles and the old numbers which are not visible are not repainted. The consumers are experiencing much difficulty at the time of making complaints for FOCs and street light replacements etc. This may be attended by licensee on top priority.</p>	<p>The Pole Numbers are provided for the existing DTRs and will be provided to potential network. You may kindly give us details of location, where such poles are existing without numbers so as to take necessary corrective action</p>
<p>4) Misusing of Electrical poles by private organization: The Electrical poles are being used by the private organizations, cable T.V operators without permission of licensee this should be prevented. It is the responsibility of field staff.</p>	<p>Corrective action is being taken in co-ordination with Govt. policies.</p>
<p>5) Fencing to Distribution Transformers: No fencing is provided to the many transformers in the city of Visakhapatnam and other places. Time to time this news is being revealed by news papers. The company may be advised to attend this work on top priority in view of safety measures.</p>	<p>Efforts are being made to fence around DTRs wherever needed.</p>
<p>6) Power cuts & E.L.Rs : The power cuts and E.L.Rs could be minimized by educating the consumers to consume minimum power to possible extent. If the E.L.Rs for load relived and prearranged shut downs for maintenance works are necessary the staff concerned may be advised to maintain punctuality in restoration of supply in time for avoiding hardship to consumers. The information pertaining to power shut downs may be arranged to be announced through all India Radio besides publishing in news papers.</p>	<p>The suggestion is noted.</p>
<p>7) Bill collection centers & A.T.M machines: The existing bill collection centers are not sufficient due to the introduction of monthly billing. More centers are required to be provided at convenient places. Punctualities and timings should be strictly observed. The timings may be displayed at collection centres on visible boards with bold letters. There is no sufficient publicity for any time payment machines (A.T.M) the strength at ATP machines is very less. The consumers are interested to pay CC bills at B.C centres only due to change problem. The consumers want return of balance money or change. It is not possible at A.T.P machines. If this problem is solved the A.T.P machines may attract more consumers. A copy of letter Dt. 22.10.2010 addressed to CMD/EPDCL is here with furnished for favour of perusal.</p>	<p>The following facilities for bill payment have been made available. ATP machines have been launched in Visakhapatnam- 5 Nos Srikakulam-1No., Vizianagaram-1No., Rajahmundry-1No,Kakinada-1No, and Eluru-1No. Wide publicity is being made to utilize the ATP machines. Collection through Electronic Clearing Service (ECS) have been introduced Visakhapatnam and Kakinada towns. Payment of C.C.Charges by HT consumers through RTGS On-line payment through debit/ credit cards Collection of CC bills from 8-00 A.M. to 8-00 P.M. 365 days in centralized Call Centers. Apart from this Bill collection centers are also arranged at e-seva centers, E.R..O.s and Sub-E.R.O.s etc. Efforts are being made to modify the software to tender/ receive exact change. Presently the software does not accept coins.</p>

Para No/Brief Issue	EPDCL Response
<p>8) Providing meters out side the houses: The meters are shifted to out side the houses. There is no protection to the meters. It is an advantage to consumers the consumer may not be responsible for the damages of meter this is not an intelligent concept.</p> <p>As per rule stipulated in GTCS approved by APERC, the meters should not be fixed more than 5 feet from ground level. All the meters in domestic and not domestic services that the meters were installed over and above six feet. The meters should be re-fixed at 5 feet from ground level. This rule is provided under clause 7.1.4 of GTCS.</p> <p>The EPDCL may be advised to act as per rules.</p>	<p>Meters are being shifted from inside to outside according to the convenience and accessibility for reading and inspection at any time as per ERC guidelines, it is requested to suggest the services with required supporting evidences, so that corrective action can be taken.</p>
<p>9) Payment of interest on advance payment of anticipated bills:</p> <p>This may please be considered favorable as a proposal was sent by EPDCL to APERC on this at the rate of 6% on advance payments in the letter No.CGM/Comml/EPDCL/VSP/ADE/C/ F:G.C 27/D.No.2075/06 dt:19.12.2006. This issue is pending for the last five years.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>10) Payment of application fees for the supply of L.T. Power. Mode of payment:</p> <p>The application fees for the supply of Elecyc of LT may be accepted in the shape of cash only with out demanding for D.D. The application fees is only Rs.25/- the Commission for DD is being collected Rs.22/- minimum by the banks. The total expenditure for this comes to Rs.47/- it is an hardship to consumers.</p> <p>A copy of my letter dt: 02.10.2010 and a copy of letter No. CGM/O&CS/GM/CSC/EPDCL/VSP/F:Doc/D.No.184/2010 dt:14.09.2010 of EPDCL are here with furnished for favour of perusal. Necessary instructions may please be arranged to be issued on this for accepting cash in all C.S.Cs.</p>	<p>The suggestion is noted and will be examined.</p>
<p>11) Growth in theft of energy: A copy of letter dt: 29.10.2010 along with a paper clipping is here with furnished for favor of perusal. It is necessary to reorganize DPE system as suggested in it. It may please be thought over.</p>	<p>APEPDCL has a separate team supported by APTS for intensive verification of misuse of electricity. Further the APEPDCL conducted wide campaigning of such verifications through media to improve awareness among the consumers and social audit is being conducted. To educate the consumers pamphlets are distributed at schools and NGOs.</p>
<p>12) Improper alignment on CC bills: The following lapses are noticed on CC bills .</p> <p>1) The alignment is not proper. It is not possible to read the bill. The bills are very ugly and rubbish.</p> <p>2) The meter readings are not being taken on fixed dates as per rule. Suppression of meter readings are being taken place. The copies of bills are furnished here with for favaur of perusal.</p>	<p>Corrective action will be taken regarding alignment of bills. Surprise inspections are being carried out to control irregularities in meter readings. Your suggestion is noted sir.</p>
<p>13) Observation of energy safety week from 15.11.2010 to 19.11.2011 in EPDCL.</p> <p>This programme was performed as a matter of formality only. No publicity was given at large scale. The response was very poor.</p> <p>A copy of letter dt:16.11.2010 addressed to CMD/EPDCL is here with furnished for favour of perusal.</p>	<p>During the current financial year safety week has been conducted from 15th Nov-2010 to 19th Nov-2010 in all the Sub-stations of APEPDCL, duly giving wide publicity.</p> <p>1,00,000 Pamphlets of "Safety precautions to farmers" and 1,00,000 Pamphlets on "Safety Precautions to general public" have been distributed during safety Week.</p> <p>A total of 31,024 farmers & general public attended the Sub-stations during the safety week.</p> <p>The Chairman & Managing Director, Directors and CGMs have attended the Safety Week programmed in selected Sub-stations during these 5 days. The local public representatives have also participated in the program in all Sub-stations.</p>



Responses to Objections/ Suggestions

3. **Sri Lalith Kumar Jain,**
C/o Jivan Nivas,
Beside Himagiri theater
Vizianagaram (A.P.)
Ph: 9440019334

Para No/Brief Issue	EPDCL Response
<p>Most respectfully, we submit as follows for your consideration and providing necessary help to a small scale unit to survive which is in verge of closure, because of only seven hours unscheduled power supply, since the year ,2000 to our unit. We wish to bring to your kind notice that we have established a Small Scale Unit in the year 1948, in rural and backward area at Village Atchuthapuram of Gurla Mandal in Vizianagram District for manufacturing Caster & ground nut oil, when there was no industry in the radius of 25 kms in that area, which is also economically very back ward. Our said unit has been employing around 60 male and female labours, besides helping local growers engaged in producing Caster and groundnut seed, by buying their product at their door steps by offering very fare and reasonable prizes and by this way helping those growers and inmates of that village to a great extend in earning their livelihood. Our unit is registered with A.P.E.P.D.C Limited as L.T. Category-111 Consumer bearing Service connection No. 1 at village Atchutapuram, Gurla Mandal, Vizinaganram District with a connected load of 74 H.P.</p>	<p>For extending 24 hr.s supply, necessary estimate charges have to be paid.</p>
<p>We are sorry to inform you that since the year 2000, supply of power to our unit has been restricted to 7 hours a day and timing of supply is 8:00 A.M. to 12.00P.M. in one week and another week from 12:00 P.M. to 6.00 P.M. on weekly rotation basis as supply to our unit in 3 Phase is being provided from Gurla-Achuthapuram 11 KV rural Feeder.</p>	
<p>We bring to your kind information that running a unit especially a small scale unit for 7 hours a day is very uneconomical and not at all viable. In this competitive market when every unit functions for maximum utilisation of their plant capacity and trying to get more than 100% production efficiency to minimise their cost of production, we run our unit only for 7 hours a day utilising 29% production capacity which <i>is</i> under no circumstances economically and financially viable and profitable.</p>	

Para No/Brief Issue	EPDCL Response
<p>But we have been running the said unit in these odd circumstances irrespective of considerable financial losses for two reasons: one is that this unit was established by our forefathers 62 years back, immediately after independence of our country and therefore their name and fame is involved and second is inmates of that village are totally dependable on said unit for their lively hood. That is why we have been trying our best to run the said unit and therefore we made several representation and presentation to the concerned officials of A.P.E.P.D.C Ltd to arrange 24 hours power supply to our said unit.</p>	
<p>Presently our unit is getting LT cat-III, power supply from 11 KVA Gurla- Atchuthapuram Feeder for 7 hours in a day(1.e4 hrs in daytime&3hrs inday) and now we have been asked to bear the additional cost of erecting 9 Km 11 KV line to get 24 hours supply. The cost for erecting 9 Km 11 KV line is very high and a small scale unit like us cannot afford to bear the same. On our part we have submitted to concerned persons that our unit is situated hardly 1.2 Km away from M/S. Navrang Stone Crusher at Penuberthi(gurla mandal) and said unit is having HT supply from 11 KV feeder which belongs to Rural Electricity Cooperative Society, Cheepurapalli and we are ready to bearer the cost of faying 1.2 Km 11 KV line from the premises of M/S. Navrang Stone Crusher to our unit at Atchuthapuram.</p>	<p>It is not feasible being RESCO jurisdiction.</p>
<p>We have also submitted before concerned authority that we cannot afford to take HT connection in our said unit because ours' is a seasonal industry and it functions only for 8 months in a year, subject to availability of raw material which is available only in season time and therefore we cannot afford to bear minimum charges of HT supply for four non operative months during the year. Further our requirement of Power is only 74 HP. Further to run the said unit on generator for remaining 17 hours is economically not viable, because per unit cost is too high to afford for a small scale unit like us.</p>	
<p>We therefore request you to kindly extend us the LT supply from the feeder of M/S. Navrang stone crusher to our unit at Atchuthapuram which is at a distance of 1.2 Km. Further we understand that APEPDC Limited need not to incur any additional capital expenditure for providing power supply to our unit from Penubarti (gurla mandal) by stepping down the power from the said distribution transformer to our existing transformer and in case</p>	

Para No/Brief Issue	EPDCL Response
<p>any expenditure will be incurred for the purpose of erecting 1.2 Km line, the cost of the same will be borne by us. Further APEDCL has installed one year back HT transformer with HT meter at our unit and by providing a wire connection from HT meter to our LT meter, LT units billing can be recorded and done with no additional cost.</p>	
<p>Government of Andhra Pradesh is helping new entrepreneurs to a great extent by providing many incentives and facilities to set up new SSI, Medium and Large scale units specially in Rural area, but in our case existing unit with 62 years of back ground, helping inmates of village Atchuthapuram in earning their lively hood is struggling hard for its existence and survival in want of 24 hours power supply.</p>	
<p>In the light of our above submission, we earnestly request your good selves to rescue us from this problem and help us in getting 24 hours LT power supply to our unit from the feeder of M/S. Navrang stone Crusher which will help unit to survive by continuing its' functioning. We hope your good selves will cooperate with us in the matter and want an opportunity for appearing in the hearing.</p>	<p>It is not possible to extend LT supply to the objector's service from the feeder of M/S. Navrang stone crusher (HT service) since it comes under the jurisdiction of RESCO, Cheepurupalli. RESCO is one of the HT service of DISCOM. It amounts to violation of Regulations, in case it is allowed.</p>



Responses to Objections/ Suggestions

4. **Sri Kishan Pal**
Chief Electrical Distribution Engineer,
O/o. The Chief Electrical Engineer,
3rd Floor, South Bolck,
New GM Building, Chandrasekarpur,
East Coast Railway
Bhubaneswar-751017

Para No/Brief Issue	EPDCL Response
<p><u>EHT CONSUMPTION FOR TRACTION SERVICE:</u></p> <p>2.0 <u>NEED FOR REASONABLE RAILWAY TRACTION TARIFF:</u></p> <p>2.1 <u>RAILWAY IS A PUBLIC UTILITY:</u></p> <p>East Coast Railway is a territorial zone of Indian Railway, a public utility organization consuming bulk power for its operation as well as service buildings requirement. It plays an important part for the transport infrastructure of the country. It plays a vital role not only in the economic growth of the country but also in integrating even the most backward and underdeveloped areas of the country having potential for the development with the centers of growth and development. Thus Railway is engaged in transportation of all type of goods and passengers across the length and breadth of the country. Indian Railway has been trying to maintain freight and passenger tariffs at affordable level. Any undue financial burden like higher tariffs for Railway will act as a deterrent in its ability to discharge its important function at affordable prices.</p> <p>Electric energy is more efficient as compared to Diesel transport & to avail full benefit of Electric energy for Railway use, large scale electrification is envisaged by Indian Railways with East Coast Railway having portion in Andhra Pradesh state, as the major beneficiary of it. Tariff for Electric Traction is required to be rationalized in order to ensure that Railways retains their comparative price advantage over road transport, to avail this higher energy efficiency in overall improvement of economy of the country. It also helps country save precious foreign exchange required for import of Diesel which is in short supply in India. It is therefore imperative on part of supply</p>	<p>Though Railways have been undertaking public utility services, they still enjoy a commercial status. So, it cannot be kept at par with public utility which is meeting all social obligations of certain classification beneficiaries as claimed.</p> <p>Average cost of supply and many other inter linked factors are considered for determination of tariff by the Commission.</p>

Para No/Brief Issue	EPDCL Response
<p>utilities also to support the efforts of Union Government through Indian Railways in developing transport infrastructure in the state which in turn gives impetus to large scale industrialization, enables employment generation and adds to the development of economy of the state in particular and country as a whole.</p> <p>Fixation of tariff is generally based on the value of the service or the cost of the service. APEPDCL must adopt cost related tariff for Railway Traction. <u>As per basic principles, the tariff for bulk consumers should be less compared to other consumers. Besides, it should also be on actual cost of generation, wheeling charges & reasonable profit etc.</u></p> <p>Railway is the only transport system capable of using electricity as a viable energy efficient fuel for transportation. In order to reduce environment pollution, to retain Railway's comparative advantage of due to better energy efficiency of electricity, the tariff of Railway Traction is required to be kept at a reasonable rate.</p>	<p>Fixation of tariff is the prerogative of Hon'ble APERC.</p> <p>Under the purview of Hon'ble APERC</p>
<p>2.2. CONSTITUTIONAL REQUIREMENT: The public accounts committee of the Lok Sabha in its 12th report on Railway Electrification recommended that the Railways are to be provided Electricity at a reasonable price so that the <u>Electric Traction does not prove to be costlier than the Diesel Traction with a view to reap the benefits of the electrification and to reduce consumption of precious diesel oil.</u> Article 187 of the Constitution of India lay down that <u>"the price of electricity sold to the Government of India for consumption by the government or to any such Railway company as aforesaid for consumption in the construction, maintenance or operation of any Railways shall be less by the amount of the tax than the price charged to other consumers of a substantial quantity of electricity."</u> It is clear that the Constitution of India also embodies the fact that <u>power tariff for the Railways should be reasonable and lower than the tariffs charged to other bulk consumers.</u> It is of utmost importance that the APERC upholds the Constitution of India, implement the Constitution in word & spirit & issue guidelines for tariffs considering the above.</p>	<p>The basic philosophy adopted for tariff designing is based on end use of power supply for domestic, commercial, industrial etc. co-ordinated with recovery of Energy charges, keeping in view of social conditions and Govt. policies and paying capacities.</p> <p>Fixation of tariff is the prerogative of Hon'ble APERC.</p>
<p>2.3. COST TO SERVE & CROSS SUBSIDY:</p>	

Para No/Brief Issue	EPDCL Response
<p>Railway would like to highlight that it is a public utility organization and exists for serving the people of the country and does not have a profit motive unlike most of the other HT/EHT industrial consumers. In view of the invaluable service rendered by Railway to the country, the tariff applicable to Railway Traction should reflect the cost of supply without any cross subsidy. Electricity act, 2003 states</p> <p>"the appropriate commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:</p> <p>a. The factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments,</p> <p>b. Safeguarding of consumers interest and at the same time, recovery of the cost of electricity in a reasonable manner,</p> <p>c. That the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross-subsidies within the period to be specified by the appropriate commission.</p> <p>A reasonable tariff charged for Railway Traction is therefore well justified in view of the cost incurred by the APEPDCL to supply electricity to the Railway. It is common knowledge that the cost to serve customers buying power at Extra higher voltage levels (132 KV and above) is lower. There is no theft of electricity in case of supply to the Railways. Further there is 100% collection efficiency and the losses at 132 KV are less.</p> <p>In contrast to this the picture is very different in case of consumers availing supply at the lower voltages. While the cases of theft are large in case of such consumers, the dues realization level is also low. The technical losses incurred at such level are also much higher than that incurred at the HT/EHT level. The existing Traction tariff of the Railway should be brought down to a reasonable level, taking into account the fact that tariffs for any consumer must reflect the cost of supply for that consumer only and the effect due to inadequate dues realization and transmission losses must not be put on bulk consumers like East Coast Railway who an average consumes 260 MU and pay amount 103 crores of electric energy charges per year to APEPDCL and with commissioning of more</p>	<p>The cost of service for any consumer category includes all the costs incurred by the DISCOMs in serving a particular category of consumers. The cost of service for any consumer category is not limited to cost of power purchase only but includes cost of transmission, cost of distribution and other metering/billing costs</p> <p>The reduction of Cross-subsidy is definitely mandated under the EA 2003 Act and NTP. Railway has running entirely on commercial principles. There are other classification of categories providing services to the common man, who are also bearing cross-subsidy. However the subject of tariff fixation falls under the purview of Hon'ble Commission.</p>

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<p>electrification in this part, energy payments in any case is going to increase further. The benefit of high voltage & lower tariff needs be given to the Railways although APEPDCL had been not very unreasonable to the needs of Indian Railways.</p> <p>As per Electricity Act, 2003 cross subsidies needs to be progressively reduced and eliminated in the manner as may be specified by the appropriate commission. The need to reduce subsidies has also been established in the National electricity Policy. Section 5.5 of this policy states,</p> <p>5.5.1. there is an urgent need for ensuring recovery of cost of service from consumers to make the power sector sustainable.</p> <p>5.5.3. over the last few decades cross subsidies have increased to unsustainable levels. Cross subsidies hide inefficiencies and losses in operation. There is urgent need to correct this imbalance without giving tariff shock to consumers. The existing cross subsidies for other categories of consumers would need to be reduced progressively and gradually.....</p> <p>Tariff policy has been notified by Ministry Of Power on 06.01.2006 para 8.3 (2) stipulates: <u>"For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within 20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.</u></p> <p>The cross subsidy with cost of supply projected by APEPDCL Jurisdiction in the current ARR is mentioned below for Hon' able commission's information.</p> <table border="1" data-bbox="240 1570 789 1839"> <thead> <tr> <th>Item</th> <th>2011-2012</th> </tr> </thead> <tbody> <tr> <td>Cost of supply (Rs)</td> <td>3.57</td> </tr> <tr> <td>Proposed Traction Unit Rate (Rs)</td> <td>4.45</td> </tr> <tr> <td>Cross Subsidy (Rs)</td> <td>0.88</td> </tr> <tr> <td>% age above Cost of supply</td> <td>24.65</td> </tr> </tbody> </table> <p>APEPDCL in their ARR for 2011-12, projected</p>	Item	2011-2012	Cost of supply (Rs)	3.57	Proposed Traction Unit Rate (Rs)	4.45	Cross Subsidy (Rs)	0.88	% age above Cost of supply	24.65	<p>It is the prerogative of the Hon'ble APERC and the Discom is obliged to comply with the orders of APERC in this regard.</p> <p>Currently the state is unable to meet the peak demand with available power. In order to meet this peak deficit DISCOMs are procuring costly power from bi-lateral traders and power traders. The DISCOM has to opt for marginal increase in tariff to provide electricity at reasonable and competitive rates suitable to all classes of consumers and keeping in view nature of usage and socio economic conditions as the subsidized consumers are outweighing subsidizing consumers.</p>
Item	2011-2012										
Cost of supply (Rs)	3.57										
Proposed Traction Unit Rate (Rs)	4.45										
Cross Subsidy (Rs)	0.88										
% age above Cost of supply	24.65										

Para No/Brief Issue	EPDCL Response
<p>unit cost of supply to the customer Rs 3.57/kWH and expected revenue Rs 4.66/KWH. APEPDCL's projected the cost of supply for the year 2011-12 as 357 Ps/KWH for Railway Traction in order to support their proposed unit rate of 445 Ps/KWH (if KVAH it is still more) which is above 20 % above cost of supply, for HV-V, Railway Traction., as per NTP. The actual CoS for Railway Traction will be much lesser than Rs 3.57/- as projected by APEPDCL</p> <p>As any increase in the revenue of APEPDCL for Railways has a direct impact on the economy of the country, Hon'ble APERC is requested to cross check the figures projected by APEPDCL, before fixing the traction tariff.</p> <p>The Hon'ble Appellate Tribunal for Electricity / New Delhi vide it's judgment dt 02.03.2006 passed in Appeal no 79 of 2005 (Union of India VS APERC) stated that Electricity Regulatory Commissions need to consider Railways being a public utility, it's plea for reasonable tariff needs to be given serious thought, as it will prevent upward revision of fares, saving of foreign exchange & reduction in pollution.</p> <p>The Hon'ble Appellate Tribunal For Electricity / New Delhi vide it's judgment dt 26.05.2006 passed in Appeal no. 4 of 2005 (SIEL VS PSERC) directed the Punjab State Electricity Regulatory Commission:</p> <ul style="list-style-type: none"> (a) To determine the cost of supply of electricity to different class and categories of consumers. (b) Also to determine the average cost of supply. (c) After knowing the figure of cost of supply and average cost of supply, to determine the extent of cross subsidies added to tariff in respect of each class/category of consumers and, (d) The consumers who are being cross subsidized by the commission, a limit of consumption shall be specified for which special support through cross subsidy may be provided. Once the consumer exceeds the limit, he shall be charged at normal tariff. <p>The above discussions clearly show that there is a lot of scope for a significant reduction in the tariff applicable for Railways. Therefore , taking into consideration, the facts as above,</p>	<p>The subject issue is under the purview of Hon'ble APERC.</p>

Para No/Brief Issue	EPDCL Response
<p>the unit rate to be charged to Railways for traction purpose be fixed within +/- 20% of the actual Cost of Supply approved by APERC.</p>	
<p><u>3.0 ROLE OF DISTRIBUTION COMPANY IN SUPPLYING TRACTION POWER TO RAILWAY:</u></p> <p>3.1 With the reform in power sector in the state of Andhra Pradesh, distribution of electricity to various consumers including Railways had been entrusted to distribution companies. From the experience it is felt that as far as EHT consumers are concerned, DISCOMs are responsible only to purchase of electricity from APTRANSCO at a cheaper rate and selling the same to EHT consumers including Railways at a higher rate.</p> <p>3.2 In giving power to the Railway TSSs, there is no value addition by Distribution Company. Neither additional distribution line nor sub-station is involved. Power supply for Traction Sub-stations is taken from APTRANSCO and given to Railways at the same point with the same meter, in addition to this all costs for modification in their own grid sub-station and construction of transmission lines are paid for by Indian Railways. The cost includes all the actual cost and supervision and other charges levied by them.</p> <p>3.3 APEPDCL is also not responsible for under taking any repair and maintenance of the transmission line and Traction sub-stations as well. Thus APEPDCL is not adding any value to the system but only increase financial burden on the Railways as an intermediary, in true sense it is acting as post office of electricity. As far as supply to Railway TSS is concerned, APEPDCL is not entitled to any extra charge as none of their own asset is involved in the supply process.</p>	<p>The tariff is fixed considering the expenditure and revenue return of all categories of services. Keeping in view of transporting energy from generating point to the registered consumers through transmission lines, sub transmission to all existing customers of various classifications. Hence, it is the obligation on the part of public sector to provide reasoned social uplift under National policy by sharing required cross subsidy to the extent as decided by Hon'ble APERC.</p>
<p>3.4 East Coast Railway emerges as a major consumer of bulk Traction supply from APEPDCL, availing supply at 9 Traction Sub-station with an annual consumption of 260 MU and paying an amount of appr. Rs 103 crores per annum and therefore deserves special consideration for fixing Railway Traction Tariff.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>3.5 AP Ferro Alloys were being given power supply at 132 KV and proposed tariff @ Rs 2.65 per unit for 2011-2012. Railway Traction is also a power intensive unit similar to Ferro Alloys apart from being a public service organization and</p>	<p>Comparison cannot be drawn between Ferro Alloys and Railways because - Ferro Alloys LF is much higher @ 85% (which indicates optimum use of Network and Generation capacity), they have take or pay clause upto</p>

Para No/Brief Issue	EPDCL Response
<p>providing employment to large people but proposed unit charges @ Rs 4.45, which is higher than Ferro Alloys by 67.98%. Like Ferro Alloys companies, in Railways employment potential is more for maintenance and operation of additional overhead equipment as well as sub-stations, switching stations and control centers in electrified territory. The high tariff stands in the way of additional electrification, including employment potential of persons as well as to give reasonable profit to APEPDCL. The high electricity tariff is also hurting national economy, because in the areas where electric traction is not available, the trains have to be run on diesel leading to import of about 70% of its crude petroleum by paying in foreign exchange. The electric traction is also free from any environmental pollution. Thus a reasonable tariff should be applicable for Railway Traction.</p>	<p>85%. Whereas, Railways may not be in a position to give a similar commitment. In addition, Ferro alloys take supply at only one point while Railways take supply at many points and yet demand charges are not levied, and finally for Ferro Alloys the cost of power is a significant portion of cost of production. Hence, similarity cannot be drawn between the two categories.</p> <p>Instead, similarity can be drawn with HT-II Category i.e. commercial category which is applicable for service organizations. Railways LF is also low as compared to HT-I category. However, the subject issue of classification falls under the purview of Hon'ble Commission.</p>
<p>RAILWAY'S PLEA:</p> <p>(a) The tariff applicable to Railways should be nearer to that of purchase price of APEPDCL from APTRANSCO/in overall national interest.</p> <p>(b) APEPDCL to ensure maintenance and operation of transmission lines & portion of traction sub-station by APTRANSCO.</p>	<p>Tariffs are designed on broad based expenditure and income. The structure of Tariffs of various categories are proposed to suit for social justice in the society in larger interest of Govt. policies and recovery from various natures of usage of electricity. The Hon'ble APERC will take care of the issue.</p>
<p><u>4.0 ADDITIONAL ENERGY CHARGES FOR EXCEEDING CONTRACT DEMAND:</u></p> <p>4.1 The supply of individual traction sub-station is given to an identified feed zone designed based on traffic pattern in a particular section. The feed is normally given for a route Kms of 40-60 Kms. Eventuality of failure of a sub-station cannot however be ruled out and in such instances, there is no alternative but to extend feed from healthy traction sub-station fed zone to adjacent traction substation feed zone. This is absolutely essential as Railways being a public utility transportation system, any failures on this account cannot be made an excuse for valuable passengers or important goods being transported stranded in between the stations. <u>This normally happens due to failure from grid of supply authorities due to failures/shut downs however failure on account of Railways can also not be ruled out.</u></p>	<p>If the consumers overload the system indiscriminately, without proper approval, it may lead to system collapse. The very purpose of the penal charges is to inculcate discipline among the consumers to utilize the allocated contracted demand only and this acts as deterrent on those consumers who use unauthorized power. However, if advance approval is taken for scheduled interruption, APEPDCL will act accordingly.</p>

Para No/Brief Issue	EPDCL Response
<p>4.2 During this feed extension period, the Maximum Demand of the feed extending TSS may record more than the Contract Demand for which Railways should not be made liable to pay huge amount towards penalties / excess energy charges as the combined demand of both the Traction Sub-Stations is never exceeded in such cases. Such exigencies may occur either from supplier side or from the Railway side during a planned maintenance or a genuine failure and is a rare phenomenon. This type of feed extension does not exist to any other HT/EHT consumers except Railway Traction category.</p> <p>This situation, where the defaulter (supply authority) penalizes the aggrieved party (Railways), is against natural justice.</p>	<p>As per clause 12.3.1 of GTCS (General Terms and Conditions of Supply) “No HT Consumer shall not connect any additional load in the existing HT Service connection installation without obtaining the approvals of the Chief Electrical Inspector to Government, Andhra Pradesh, as required under Rule 63 of the Indian Electricity Rules, 1956 and without approval by the Company and without signing of the Company’s Test Report. Failure to observe the above requirements shall render power supply liable to be disconnected summarily and the power supply shall remain disconnected till the un-authorized load is removed or regularized (by obtaining approval of the Chief Electrical Inspector to Government, approval of the Company and signing of the Company Test Report by the consumer) whichever is earlier. The reconnection will be done after inspection by the Designated Officer and after he is satisfied of compliance of these provisions”.</p>
<p>4.3 On this issue Railways have requested the Hon’ble Commission, Railways, Discoms & AP Transco arrived a decision to ignore the raise in Maximum Demand during such feed extension conditions, during supply interruptions/Grid maintenances from supplier APTRANSCO side only. But, the failures from railway side, the issue was not considered favorably.</p>	<p>As per clause 12.3.2 of GTCS (General terms & Conditions of Supply)”.</p> <p>“If at any time the Maximum demand of HT Consumer exceeds his Contracted Demand or LT consumer exceeds the Contracted Load without prior approval of the Company, the consumer shall be liable to compensate the Company for all damages occasioned to its equipment or machinery if any, by reason of this default, and shall also be liable to pay the charges payable by him on account of such increase in demand or load and penalty, as prescribed by the Commission from time to time, without prejudice to this right the Company may also cause the supply to consumer to be disconnected.</p>
<p>4.4 <i>The extracts of the existing tariff order of Chhattisgarh State Electricity Regulatory Commission, for the year 2009-10, are reproduced below for Hon'ble Commission's record.</i></p> <p><u>Provided that if a result of an emergency in the consumer's installation or in the transmission lines supplying energy to the said traction sub-station, extra load is taken by the consumer with prior intimation to the licensee, the period of such emergency shall not be taken into account for the purpose of working out the maximum demand.</u></p>	<p>The subject issue falls under the purview of Hon’ble Commission.</p>
<p>4.5. The calculation of penalty on excess energy charges is made on a very unreasonable basis.</p>	<p>If the consumers are allowed to consume excess demand/energy than the contracted quantities, it</p>

Para No/Brief Issue	EPDCL Response
<p>Normally the MD in Railway system shoots up for 10 to 15 minutes in a ghat section for raising gradient hardly once or twice in a day. For a total shoot up of maximum 7 to 8 hrs in a month, the penalty is levied for 720 hrs i.e. nearly 100 times the actual excess units consumed during the shoot up period, is not justified.</p>	<p>would lead to over burdening the lines and power transformers which is not desirable for safe operation of the Distribution system/Grid system.</p> <p>If the consumers overload the system indiscriminately, without proper approval, it may lead to system collapse. The very purpose of the penal charges is to inculcate a discipline to the consumers to utilize the allocated contracted demand only and this act as deterrent on those consumers who use unauthorized power.</p>
<p>Railway's plea:</p> <ol style="list-style-type: none"> 1) Therefore Hon'ble Commission is kindly requested to pass order for Ignore the rise in Maximum Demand during feed extension from one TSS to another TSS, in emergencies of both licensee & Railways. 2) The Hon'ble Commission may please review the same and issue necessary directives that the excess energy charges may be applicable to the actual consumer units during the shoot up period only. 3) The decision arrived between Railways, Discoms & APTRANSCO, on the issue may please be made available in the forthcoming of tariff order. 	<p>Under the purview of Hon'ble APERC.</p>
<p><u>INCENTIVE ON IMPROVED POWER FACTOR:</u></p> <p>5.1 Currently Railway is being charged a penalty for power factor below 95%. It is common knowledge that traction loads vary continuously depending upon the train services to the particular section. The Railway traction load varies continuously depending upon the status of the locomotive or train i.e. whether the</p>	<p>To maintain the power factor near unity will directly benefit the consumer due to proposed KVAh billing.</p>

Para No/Brief Issue	EPDCL Response
<p>status of the locomotive or train i.e. whether the loco or train is starting, coasting, accelerating, braking or stationary. Traction load depends on the number and status of trains and the power factor depends on the load. Given the varying load pattern of the Railways its power factor is never constant. With considerable investment Railways have provided Capacitor banks at the Traction Sub-stations to improve power factor.</p> <p>5.2 Railways would like to highlight that higher power factor tends to improve the system power factor and an incentive is logical when the power factor is higher than the system power factor of Grid.</p> <p>5.3 In this connection it is to submit that on Railways protracted submission Hon'ble Orissa Electricity Regulatory Commission vide order effective from 01.02.2001 has allowed incentive for improvement on power factor above 95% upto 100%. And also, similar Power Factor Incentive is allowed by other Electricity Regulatory Commissions. The leading power factor is beneficial at the point of common coupling to compensate the lagging loads of other consumers.</p> <p>Railways plea: To justify installation of Capacitor Bank and reduce pay back period for such costly devices, Hon'ble APERC is requested to give incentive for improvement in power factor from 95% and above and similarly decreasing the ceiling limit for low power factor penalty from existing 95% to 90%. This is also requested in view of penalty being imposed on poor power factor.</p>	
<p>DELATED PAYMENT SURCHARGE (DPS): 6.1 APEPDCL is realizing DPS in case of delay in payment by Railways within the stipulated dates. However, there are instances when legitimate demands / adjustment due to Railways are in coordinately delayed by APEPDCL thereby violating the APERC Regulations/orders and Railways money is held up for considerable period and no interest paid.</p> <p>Railways plea: Hon'ble APERC may consider implementation of delayed payment surcharge to be paid by the DISCOM</p>	<p>It is the prerogative of the Hon'ble APERC and the DISCOM is obliged to comply with the orders of APERC in this regard.</p>

Para No/Brief Issue	EPDCL Response
<p>APEPDCL to Railways in such cases, at the same rate and adjust the payback from Traction energy bill preferred by APEPDCL in case timely refund is not made to the Railways.</p>	
<p><u>INCENTIVE ON EARLY PAYMENT:</u></p> <p>7.1 Railways are paying the monthly energy bills in time without any default and the same can be paid within 2 to 3 days also, if any rebate for early payment is implemented, by the Hon'ble Commission.</p> <p>7.2 Realisation efficiency is one of the important parameter of tariff design. The incentive offered by APEPDCL @ 6% towards advance payment of HT bill is very low and not justified, in the present days.</p> <p>Railways plea: Incentive of 2% of total energy bill may be allowed, on early payment of traction energy bills to APEPDCL i.e. within three days should be implemented as implemented by OERC and other Electricity Regulatory Commissions.</p>	<p>The subject issue is under the purview of Hon'ble APERC.</p>
<p>8.0 <u>POWER SUPPLY INTERRUPTION AS WELL AS POOR QUALITY OF SUPPLY:</u></p> <p>81 Railways is a public utility services engaged in transportation of coal for the power houses, other essential commodities and also for carrying commuters from one destination to other, any interruption to Railway traction supply causes serious repercussions.</p> <p>82 In case of power supply failure on Supplier's account, alternative supply from adjacent Sub-station is kept extended for maintaining the traffic inflow. Low voltage is also experienced in the system in such a situation.</p> <p>83 The low traction voltage of supply from APEPDCL to Railways is resulting in huge losses to the Railways on account of drop in speed and loss of line capacity, bunching of trains, adverse effect on electric machines of locomotive, reduced efficiency of traction installations, increased dissatisfaction among Railway users, unbalance supply voltage, current & frequency, overshooting of MD & CD, compounding effect of further drop in Traction voltages. This vicious irate causes huge direct and indirect loss to Railways. The supply authorities need to improve the supply voltage to the Railways on a priority.</p>	<p>Certain transient faults in the supply network systems are unavoidable. No restriction is ever imposed on account of load shedding to Railways, while, all other HT consumers are frequently subjected to load shedding. However, the DISCOM is complying with the Licensee's standards of performance regulation specified by the Hon'ble APERC.</p>

Para No/Brief Issue	EPDCL Response
<p>84 The affect of the poor quality of supply by the supplier has cascading penalty effect on Railways like Less energy usage than targeted and contracted, drop in supply voltage on the adjoining TSSs low power factor, affect on traction installations & electric machines of locos and drop in speed of trains etc.</p> <p>Railways plea: Hon'ble APERC may please direct the supplier to maintain good quality of power supply with minimum interruption of supply and no load shedding is to be imposed in future during power crisis in the state considering Railway Traction as essential service.</p>	
<p>9.0 WAIVAL OF CHARGES DURING ENHANCMENT OF CONTRACT DEMAND FOR RAILWAY TRACTION SUB-STATIONS:</p> <p>91 As per existing APERC Regulations, Development Charges @ Rs 750/- per KVA and Consumption Deposit @ Rs 1000/ per KVA are to be deposited to the Licensee during enhancement of Contract Demand, treating the additional load as if it is a new service.</p> <p>92 Railways initially i.e. during commissioning stage, already deposited the estimated amount in advance for extension of the installations, drawl of transmission lines with associated equipment. Hence, realizing the development charges once again for Railway Traction during enhancement of Contract Demand is not justified, as these charges were already initially paid by Railways and physically no development works undertaking by licensees.</p> <p>93 As per APERC Regulations 6 of 2004, the consumption deposit is being reviewed once in a year by the Licensee, basing on consumer's previous year consumption for the period April to March. Railways are paying the additional consumption deposit in time when ever the DISCOM is claiming the ACD, due to the increased load. (In crease in consumption i.e. KWH units as KWH based single part tariff is applicable to Railway Traction).</p> <p>94 As the consumption deposit is reviewed and regularized every year in May month by the Licensee for Railway Traction, claiming consumption deposit once again @ Rs 1000/ per KVA during enhancement of Contract Demand like other two part tariff consumers is not</p>	<p>Under the purview of Hon’ble APERC</p> <p>Under the purview of Hon’ble APERC</p> <p>Under the purview of Hon’ble APERC</p>

Para No/Brief Issue	EPDCL Response
<p>justified as Railways are updating the ACD due to the increased load i.e. increase in energy units every year.</p> <p>Railways plea: Hon'ble APERC may please consider the above aspects and exempt Railways from paying the development charges during enhancement of Contract Demands for Railway Traction Sub-Stations, as these charges were already realized from Railways and it is not justified for levying the charges twice for the same consumer under different head</p>	<p>Under the purview of Hon'ble APERC</p>
<p><u>10.0 INTROUCTION OF KVAH BASED BILLING:</u></p> <p>10.1 APEPDCL proposed introduction of KVAH based billing, during the FY 2011-12, for the existing categories, where LPF surcharge is applicable.</p> <p>10.2 Further, APEPDCL mentioned that with the change in biling pattern of energy i.e. KWH to KVAH that there is no revenue impact/tariff changes. As the PF cannot be unity for Railway Traction category, which is an inductive load, in general the KVAH units are more than KWH units. With the same unit rate, and more KVAH units, the overall energy charges will be higher in KVAH billing than in KWH billing. Hence, in KVAH billing more revenue collection for DISCOMs.</p> <p>10.3 Recently, Hon'ble APERC introduced "excess Energy Charges" ceiling limit raised from 0.90 to 0.95 for Low PF penalty and the retail tariff enhanced for the consumers in the current year 2010-2011. these are all improving the revenue status of the APEPDCL. Even the PF incentive and Rebate for early payment were also not offered to the benefit of consumers in the state.</p> <p>10.4 Presently, the DISCOM APEPDCL mentioning that only KVAH lag component will be billed and KVAH lead component will be blocked. At later stage, the DISCOM modifies the proposal and may suggest to introduce lag + lead components, which may effect Railway Traction category very badly, due it's loading pattern.</p> <p>10.5 Under these circumstances, no other extra burden towards new charges are to be levied on the consumers at this stage and the present conventional method of measuring energy i.e. KWH, the active power, only to be billed. The Licensees may please be advised to improve their efficiency and to bring down the revenue gap instead of proposing new charges on the</p>	<p>The underlying objective of the proposal of introduction of kVAh based billing to ensure reduction in line losses which occur due to the low power factor surcharge.</p> <p>The contracted load is measured in kVA terms while billing is done in kW terms. The current tariff structure is a two- part tariff including energy charges in kW terms and low power factor surcharge for power factor less than 0.95. The proposal is to introduce kVAH based billing while forfeiting low power factor surcharge and kWh based billing. The kVAH based billing calculates accurately the energy charges for the contracted load. The licensees therefore expect the consumers to have Unity Power Factor.</p> <p>Under the purview of Hon'ble APERC</p>

Para No/Brief Issue	EPDCL Response																							
<p>consumers to increase their revenue.</p> <p>Railways Plea :</p> <p>The Hon'ble APERC may kindly continue KWH based single part tariff and not to implement KVAH based billing to Railway Traction category.</p>																								
<p>11.0 INTRODUCTION OF TIME OF SEASON (ToS) TARIFF FOR THE PERIOD FEB-MAY:</p> <p>11.1 APEPDCL proposed introduction of Time of season tariff for the period from February to May to Railway Traction category, in the ARR, which is not a justified proposal.</p> <p>11.2 The proposal is made basing on the Delhi Electricity Regulatory Commission's views – "<u>The Commission, therefore, feels that to prune the peak demand, some section of the consumers can be encouraged by way of a tariff surcharge/rebate to shift their demand from peak hours to non peak hours. The Commission is therefore, inclined to introduce seasonal tariffs for industrial categories of consumers to make a beginning in this area</u>"</p> <p>11.3 Railway plays an important role in the transport infrastructure of the country and engaged in transportation of all type of goods and passengers across the length and breadth of the country throughout the year without any relief for a minute. It plays a vital role not only in the economic growth of the country but also in integrating even the most backward and underdeveloped areas of the country having potential for the development with the centers of growth and development.</p> <p>11.4 The other HT industrial consumers can switch over their loads, from time to time, shift to shift, season to season, as per their convenient, depending upon their availability of sources. But, for Railway Traction category, non availing of power supply even for a minute will make valuable passengers or important goods being transported stranded in between the stations. Hence, Railways cannot shift the demand from peak hours to non peak hours as during peak and non peak hours, through out the day, the demand of Railways is constant..</p> <p>11.5 Also Hon'ble DERC suggested this ToS tariff for industrial consumers in the state but not for Railway Traction category. The same is not imposed to "Railway Traction" category in Delhi state till date. Basing on the same stand, Railways not claimed for TOD incentive for a time block, which is applicable to HT (1A) industry, in the state.</p>	<p>T.O.S. (Time of Season) Proposal:</p> <p>The energy requirement for the period Feb-May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW.</p> <table border="1" data-bbox="857 877 1442 1081"> <thead> <tr> <th data-bbox="857 877 938 982"></th> <th colspan="5" data-bbox="938 877 1442 919">FY 2011-12</th> </tr> <tr> <th data-bbox="857 982 938 1081"></th> <th data-bbox="938 919 1044 982">Feb.</th> <th data-bbox="1044 919 1149 982">Mar</th> <th data-bbox="1149 919 1255 982">Apr</th> <th data-bbox="1255 919 1360 982">May</th> <th data-bbox="1360 919 1442 982">Average</th> </tr> </thead> <tbody> <tr> <td data-bbox="857 982 938 1081">Peak Load (MW)</td> <td data-bbox="938 982 1044 1081">12,384</td> <td data-bbox="1044 982 1149 1081">12,677</td> <td data-bbox="1149 982 1255 1081">12,490</td> <td data-bbox="1255 982 1360 1081">11,360</td> <td data-bbox="1360 982 1442 1081">12,228</td> </tr> </tbody> </table> <p>In order to reduce the peak deficit, the Time of Season tariff has been proposed to</p> <p>(i) Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period.</p> <p>(ii) Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met.</p> <p>(iii) Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff</p>							FY 2011-12						Feb.	Mar	Apr	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
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Para No/Brief Issue	EPDCL Response
<p>11.6 As the rate of time of season tariff is more than normal rate, with the implementation of this new slab, the motive of reduction in cross subsidy as per National Tariff Policy is also being defeated.</p> <p>11.7 As the Hon'ble Commission already introduced "Excess Energy Charges" enhancement of Power Factor Penalty limit from 0.9 to 0.95, enhancement of tariff during 2010-2011, it is requested that the new proposal of APEPDCL i.e. Time of Season Tariff (ToS) may not be introduced to Railway Traction category, to safe guard the interest of the consumer and to the common public.</p> <p>Railways plea: The Hon'ble APERC is requested not to introduce ToS tariff for Railway Traction category, as it is not possible to shift the demand from peak to non peak and Railways load is constant through out the day.</p>	<p>will influence the consumers to either shift their load or reduce consumption managing the demand curve.</p> <p>The suggestion will be examined by the Discoms since it involves financial impact.</p>
<p>12.0 FUTURE ELECTRIFICATION IN APEPDCL'S JURISDRICTION:</p> <p>12.1 Due to the growth in industrial sector in and around Visakhapatnam area, major electrification works such as Gangavaram port already completed , 4th line between Kottavalasa-Simhachalam North (18.19 TKM), 3rd line between Vizianagaram-Kottavalasa (41.50 TKM) and Gate Junction to Gangavaram Port (15 TKM) are in progress. Further, the electrification of double line section between Vizianagaram- Rayagada (250 TKM) is under active consideration by Railway Board. Still, a lot of electrification will take place in the state; APERC is requested to extend the benefits for further electrifications in the state which in turn will bring prosperity to the state itself.</p> <p>12.2 Hon'ble MPERC allowed 10% rebate in energy charges for new Railway Traction projects for a period of 5 years from the date of connection for the new projects availing supply during 2010-2011.</p> <p>Railways plea: The Hon'ble APERC may kindly to extend the benefits of further electrifications in state.</p>	<p>EPDCL extends support basing on the margin capacity available and advance registration of the required load. However, the subject issue falls under the purview of Hon'ble APERC.</p> <p>Under the purview of Hon'ble APERC</p>



Responses to Objections/ Suggestions

5. **Sri B.Govinda Rao**
Secretary
Solikiri Sisal Grower Society
Solikiri Village
Bhamini mandal
Srikakulam Dist - 532455

Para No/Brief Issue	EPDCL Response
We feel very happy to record the contents of the advertisement and got ray of hope that our sisal growers request to be considered to give power supply under agriculture / Sugarcane crushing category.	
This society is a farmers owned without any profit motive. All this sisal growers of the village are the members of this society. Hither to the Sisal plants are grown as a field fence the matured leaves of this perennial plants are left unutilized.	
Recently the Forum for Integrated Development (FFID),a voluntary organization placed the technology before us to get income from the unutilized leaves. Due to the application of this technology ,the farmers will get income from fibre, Compost, Bio-gas from the biomass. The clear benefits showing sisal economy model (SEM) of AMPRI, Bhopal Under CSIR is enclosed herewith. This scheme is implemented by FFID with the assistance of Council for Advancement of People's Action and Rural Technology (CAPART) under Ministry of Rural Development Govt. of India.	
In order to extract the fibre, a 5HP electrical motor connected to fibre extraction machine is to be put to use on 3 Phase electricity supply.	

Para No/Brief Issue	EPDCL Response
<p>We have approached the ADE, Amudalavalasa for supply of power under agricultural category. But he informed orally that the supply will be made under Commercial category only (Category -II) as no special category Tariff is indicated in the existing Tariff order. The Superintending Engineer, operation, Srikakulam also expressed that they follow the Tariff order only. The scheme is meant for poor farmers .It is not viable to run the machinery with high energy charges. We request to extend your helping hand to give connection under Agriculture LT-V(A) or under L.T-III(A), (iv) Sugar Cane Crushing (energy charge 50 paise per unit) so that our farmers can reap the benefit of latest technology. It is requested to include " Sisal fibre extraction connection " under one of the relevant categories as shown above in the ensuing Tariff order for releasing L.T power supply to FFID and Sisal Growers Societies at Peddadimili, Chinnadimili and Solikiri villages of Bhamini mandal in Srikakulam district of Andhra Pradesh.</p>	<p>Hon'ble Commission to examine the request.</p>



Responses to Objections/ Suggestions

6. **Sri Haribabu,**
President
Chinnadimili Sisal Growers Society,
R.No.225 of 2010, Chinnadimili,
Bhamini Mandal, Srikakulam Dist.,
Andhra Pradesh - 532455

Para No/Brief Issue	EPDCL Response
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This society is a farmers owned without any profit motive. All this sisal growers of the village are the members of this society. Hither to the Sisal plants are grown as a field fence the matured leaves of this perennial plants are left unutilized.	
Recently the Forum for Integrated Development (FFID),a voluntary organization placed the technology before us to get income from the unutilized leaves. Due to the application of this technology ,the farmers will get income from fibre, Compost, Bio-gas from the biomass. The clear benefits showing sisal economy model (SEM) of AMPRI, Bhopal Under CSIR is enclosed herewith. This scheme is implemented by FFID with the assistance of Council for Advancement of People's Action and Rural Technology (CAPART) under Ministry of Rural Development Govt. of India.	
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Responses to Objections/ Suggestions

7. **Sri N.V.Prasad Panda**
Vice President
Peddadimili Sisal Grower Society
Peddadimili Village
Bhamini mandal
Srikakulam Dist - 532455

Para No/Brief Issue	EPDCL Response
We feel very happy to record the contents of the advertisement and got ray of hope that our sisal growers request to be considered to give power supply under agriculture / Sugarcane crushing category.	
This society is a farmers owned without any profit motive. All this sisal growers of the village are the members of this society. Hither to the Sisal plants are grown as a field fence the matured leaves of this perennial plants are left unutilized.	
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Responses to Objections/ Suggestions

8. **Sri V.Vasudeva Rao, B.Sc (Agri)**
Secretary
Forum For Integrated Development (FFID)
H.No.3-4-1009/1,
Barkatpura,
Hyderabad – 500027
TelFax: 040-27564273
Email: ffidhyd@rediffmail.com

Para No/Brief Issue	EPDCL Response
1. The sisal growers societies may be given electrical connections to their 5 HP, 3 Phase motor to run the sisal fibre extraction machines by the small/poor farmers under LT V(A) Agriculture (No charges) or atleast under similar category or LT III(A)(iv) for sugarcane crushing (50 paise/ unit).	
2. To start with, these societies are run in Bhamini mandal of Srikakulam District.	
3. FFID, a voluntary organization involved in promoting sustainable rural livelihoods for farmers, has placed the Sisal fibre Technology before the small/poor farmers to get income from the unutilized sisal leaves grown as bio-fence on field bunds, in this area, through sisal fibre Extraction (Kittanara), composting & biogas production through Biomass utilization.	
4. Details of Sisal Economy Model (SEM) of AMPRI, CSIR, Bhopal, showing the importance of sisal fibre extraction at rural level is herewith enclosed.	
5. In the present day of environmental pollution, use of products made from Natural fibres is needed. Sisal fibre, the strongest natural fibre, has to be promoted under these conditions. Many sisal plants are growing in our state without utilization except for fencing because the fibre extraction has become expensive with high electricity unit rate. The APERC may consider a concessional tariff on par with sugarcane crushing under item LTIII(A)(IV) so that many farmers will come forward from tribal / Agency and drylnad areas to extract fibre from their existing sisal plants, which scientist and technologists developed as sisal fibre technology livelihoods system at rural level.	Hon'ble Commission to examine the request.



Responses to Objections/ Suggestions

9. **Forum for Integrated Development**
 (R.No. 74/95 dt.10-3-95 of ROS, Hyd.)
 H.No.3-4-1009/1, (Adj. Bus depot),
 Barkatpura, Hyderabad - 500027

Para No/Brief Issue	EPDCL Response
<p>Our voluntary organization is involved in rural development activities to help the rural poor with the financial assistance from Council for Advancement of People's Action and Rural Technology (CAPART), Ministry of Rural Development Govt, of India. To help the poor farmers in Srikakulam district, we are implementing a two years project financed by CAPART on fibre extraction and rope making activities from existing Sisal plants which are grown as bio-fence by the farmers.</p>	
<p>Thus demonstration project and hands on training will make the poor farmers to take up Sisal fibre based livelihoods system to earn additional income as well as generate rural employment. Thus the project approach is based on community involvement of the farmers. The village level Sisal Growers Societies have been registered with Registrar of Societies, Srikakulam District, Govt. of AP. The present project is in Solikiri, Peddadimili and Chinnadimili villages of Bhamini Mandal in Srikakulam District of Andhra Pradesh. The Sisal Growers Societies will be operating these Fibre Extraction Machines in the villages/farms; for hands on experience.</p>	

Para No/Brief Issue	EPDCL Response
<p>The fibre extraction machine is driven by a 5 HP 3 Phase electrical motor. As such a power connection is to be given by the EPDCL. When we approached the concerned Assistant Divisional Engineer at Amudalavalasa, it is informed that there is no Agro industry category and service has to be availed only under L.T industrial category with a unit cost of about Rs. 4/-per KVA hour and service connection and other charges amounting Rs. 10,000/- Per connection. The fibre extraction is not viable with this heavy cost of power.</p>	<p>The service is to be released under LT industrial category III-A. To release the service for a load of 5 HP, development charges Rs.7,500 (Rs.1,500 per HP) and Security Deposit Rs.2,500 (Rs.500 per HP) is to be paid.</p>
<p>In this context it is to bring to your notice that a nominal Tariff was given to Pisco Culture, Mushroom culture etc. The sugar cane growers are also given a nominal Tariff of Rs.0.50.Pies per unit. The other Agro Industries which are in bud stage are not mentioned in Tariff order.</p>	<p>Hon'ble Commission to examine the issue.</p>
<p>The Project "Income Enhancement and employment generation through fibre extraction and value addition from locally available sisal leaves and its utilization for biomass for rural needs in tribal areas of Srikakulam District, Andhra Pradesh" is taken up by us for the benefits of poor farmers. As such the electrical connection is to be given under a category connected to Agricultural purpose/Agro Industry. We request for a cheaper Tariff for this agro industry.</p>	<p>Hon'ble Commission to examine the request.</p>



Responses to Objections/ Suggestions

10. **Sri. P.Naredranath Chowdary**
Joint Managing Director
The Andhra Sugaras Ltd.,
Chemicals & Fertilisers Div.
Kovvuru – 534 350
West Godavari Dist.

Para No/Brief Issue	EPDCL Response
<p><u>Objection</u> Time of season tariff in addition to existing Tariff as it will become additional burden to our power intensive 400 TPD Caustic Soda Plant (H. T. Service No. ELR 357) as power is one of the Raw material for Caustic Soda Plant and power cost in cost of production is around 65%.</p> <p><u>Suggestion</u> Power intensive Caustic Soda industry deserves special Tariff on par with Ferro Alloys industries as power consumption in Caustic Soda industry per MT. is higher than Ferro Alloys industry.</p>	<p>The power purchase cost during February to May is high due to shortage in power availability and increase in utilization, which forced the DISCOM to adopt certain policies like Time of Season for effective load management. Even the Ferro Alloys units are also covered under the TOS tariff proposal.</p>
<p><u>Objection</u> TOD Tariff may be deleted for our power intensive industry, other wise proposed Off Peak Tariff 50 Ps. / Unit may be increased equivalent to TOD Tariff.</p> <p><u>Suggestion</u> We prefer deletion of TOD Tariff and introduce proposed Off Peak Tariff on par with other states,</p>	<p>Currently the state is facing peak deficit in demand. In order to meet the peak deficit the Discoms are procuring costly power from bilateral purchases/traders and power exchangers. The power purchase cost works out to Rs.5 to 6 and even higher at certain times than the average power purchase cost. The Licensee has proposed TOD tariff for HT consumers who shifts from peak to non-peak period. Which enables the Discoms to reduce peak deficit and thus power purchase cost.</p>

Para No/Brief Issue	EPDCL Response
<p><u>Suggestion</u> Power factor incentive Clause may be introduced equivalent to penalty percentage as consumers had invested huge amount for meeting minimum P. F. limit 0.85 to 0.9 and 0.9 to present 0.95.</p> <p><u>Suggestion :</u> PLF based power incentive may be introduced again preferably for power Incentive category if it is not possible for all H. T. Consumers.</p>	<p>To maintain the power factor near unity will directly benefit the consumer due to proposed KVAh billing.</p> <p>Based on the present power deficit scenario, Hon'ble APERC has decided to discontinue with the load factor incentive scheme.</p>
<p>Details of other points if any, will be submitted and discussed during public hearing</p>	



11. శ్రీ యల్లపు సూర్యనారాయణ
రాష్ట్ర ప్రధాన కార్యదర్శి, భారతీయ కిసాన్ సంఘ
గ్రా : చిన్నింపేట, పి.ఓ : సిరిపురం,
ఎస్.ఓ. : ప్రత్తిపాడు
తూర్పుగోదావరి జిల్లా పిన్ :533 432

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
1. మన భారత దేశంలో పల్లెలలో పుట్టడమే పాపమా? ఇంకెన్ని సంవత్సరాలు ఈ వివక్షత కోనసాగుతుంది. పౌరులందరూ సమానమే అన్న రాజ్యంగ స్ఫూర్తిని కూడా మీరు స్వీకరించుట లేదా? ఇప్పటి నుండి అయినా పల్లెలకు 24 గంటలూ విద్యుత్ సరఫరా చేయవలెను. అదేవిధంగా విద్యుత్ కోతను విధించవలసి వస్తే పట్టణాలకు పల్లెలకు ఒకే విధానమును అమలు చేయవలెను.	గ్రామీణ ప్రాంతాలకు 24 గంటలు విద్యుత్ సరఫరా చేయుటకు ప్రయత్నాలు జరుగుచున్నవి. ఈ విషయంలో ప్రభుత్వ విధానాన్ని, గౌరవ కమీషన్ నిర్దేశాలను డిస్కామ్లు అమలు చేస్తాయి. గ్రాడ్లో విద్యుత్ లభ్యత ఆదారంగా విద్యుత్ సరఫరాను అందించడం జరుగుతుంది
2. ఎల్.టి. కేటగి-2 లోని సింగిల్ ఫేస్ వినియోగదారులకు 25000 వరకు మినిమమ్ చేయవలెను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.
3. ఎ.ఎస్.డి.సి. రూ.200/-లుగ చేయాలి.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.
4. హెచ్.టి-4బి కేటగిరిలో రైతుల సొసైటీలు నిర్వహించే నీటిపారుదల ఎత్తిపోతల పథకాలకు రోజుకు 16 గంటలు విద్యుత్ ఉచితంగా సరఫరా చేయాలి.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.
5. 1) విద్యుద్ధాతము వలన మరణించిన మనుషులకు 5 లక్షలు, పశువులకు 25,000 రూ॥లు నష్టపరిహారం చెల్లించాలి. 2) విద్యుద్ధాతమునకు సంబంధించిన ఇన్సూరెన్స్ ప్రీమియంను 'డిస్కం'లే చెల్లించవలెను.	నష్టపరిహారానికి సంబంధించి ప్రస్తుతం అమలులో ఉన్న నిబంధనలనుసరించి ఇవ్వడం జరుగుతుంది. ఈ అంశం సాధ్యసాధ్యాలు పరిశీలించగలము.

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
6.ఎ.ఆర్.ఆర్. పూర్తి పాఠమును తెలుగులో ప్రచురించి వినియోగదారులకు అందుబాటులో ఉంచవలెను.	ఈ అంశం అందుబాటులో ఉన్నది.
7. టారిఫ్ ఆర్డర్ను తెలుగులో ప్రచురించవలెను. 2010-11 టారిఫ్ ఆర్డర్ను ఆంగ్లములో ప్రచురించినారు.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.
8. టారిఫ్ ఆర్డర్ను ఐ.పి.పి లో పూర్తి వివరములతో కూడిన పట్టికను పొందుపరచవలెను. అనగా ఐ.పి.పి. సామర్థ్యము, 1 మెగా వాట్కు స్థాపిత పెట్టుబడి, స్థిర ఖర్చులు, ఓ.ఎమ్ ఖర్చులు, ఆర్.ఓ.ఇ., పెట్టుబడి మీద వడ్డీ మరియు తరుగుదల.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది
9. స్టాండర్డ్ ఆఫ్ ఫెర్పార్మెన్స్ను మార్పు చేయవలెను. ఉదా:- ట్రాన్స్ఫార్మరు దొంగతనం జరిగినప్పుడు 48 గంటల్లో ట్రాన్స్ఫార్మరు వేయవలెను. వినియోగదారులకు వివిధ కారణాల వలన చెల్లించే నష్టపరిహారమును నగదు రూపంలో చెల్లించవలెను. ప్రస్తుతము ఉన్న నష్టపరిహారమును రెట్టింపు చేయవలెను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది
10. ఎల్.టి-1 లో పి.పి.ఎల్. వాడకము రోజుకు 0.20 యూనిట్లకు యూనిట్కు 1 రూపాయి చొప్పున ప్రత్యేక స్లాబును ఏర్పాటు చేయవలెను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది
11. 1) ఎ.ఆర్.ఆర్.లోను మరియు టారిఫ్ ఆర్డర్లోను ప్రతి కేటగిరి వాడకమును పొందుపరచవలెను. ఉదా:- ఎ.ఆర్.ఆర్.లో హెచ్.టి-బిఇ వాడకము చూపించలేదు. 2) హెచ్.టి-బిఇ లో 16 గంటల వినియోగదారుల సంఖ్య మరియు వినియోగము మరియు 7 గంటల వినియోగదారుల సంఖ్య, వినియోగము పొందుపరచవలెను.	ఆ. సం. 2011-12కు హెచ్.టి-బిఇ వాడకం 0.35 మి.యూ.గా ఎ.ఆర్.ఆర్.లో చూపించడం జరిగింది. మీ సూచనలను గౌరవ కమీషన్ దృష్టికి తీసుకురాగలము.
12. డెవలప్ మెంట్ ఛార్జీలకు మూలము ఏమిటి? వినియోగదారుడు డెవలప్ మెంట్ ఛార్జీలను ఎందుకు	ఈ అంశం డిస్కాం ఆర్థిక పరిస్థితి ఈ అంశం సాధ్యసాధ్యాలు పరిశీలించగలము. పరిశీలించి, గౌరవ

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>చెల్లించాలి? డెవలప్ మెంట్ ఛార్జీల వివరాలను టారిఫ్ ఆర్డర్ లో పొందుపరచవలెను. వినియోగదారుడు ఎల్.టి.-5 నుండి ఒకటి కి మారినపుడు డెవలప్ మెంట్ ఛార్జీలను కట్టించరాదు.</p>	<p>కమీషన్ అనుమతితో అమలు పరచుచున్నాము.</p>
<p>13. సి.జి.ఆర్.ఎఫ్ సమర్థవంతంగా పనిచేయుటకు దానిలో సభ్యులుగ ఉద్యోగ విరమణ చేసిన వారిని మాత్రమే నియమించవలెను.</p>	<p>ఈ అంశం గౌరవ కమీషన్ ఆదేశానుసారము అమలు చేయబడుచున్నది.</p>
<p>14. పట్టుపరిశ్రమ, పుట్టగొడుగుల పెంపకము, వర్మికల్చర్ తయారుచేయడం, చాప్ కట్టర్ లను వ్యవసాయంలో కలపవలెను. కావునా వీటన్నింటిని ౦౮(బి) కేటగిరిలోనికి మార్చవలెను.</p>	<p>ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.</p>
<p>15. వినియోగదారుల సేవలకు సంబంధించిన విధివిధానములు, నష్టపరిహారములు పట్టణ మరియు గ్రామీణ ప్రాంతములకు ఒకేవిధంగా ఉండవలెను.</p>	<p>గౌరవ కమీషన్ విధివిధానాలు అనుసరించి పట్టణ మరియు గ్రామీణ ప్రాంతముల వినియోగదారులకు సేవలు నష్టపరిహారములు అమలు జరుగుచున్నవి.</p>
<p>బహిరంగ విచారణలో పాల్గొని మా సంస్థ తరుపున వ్యక్తిగతంగా వాదనలు వినిపించుటకు నాకు ఒక గంట సమయము కేటాయించవలసినదిగా కోరుచున్నాను. నాతో పాటు మరో ముగ్గురు సహాయకులను తీసుకొని వచ్చుటకు అనుమతించగలరు.</p>	<p>ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.</p>



12. శ్రీ యమ్.యస్.యన్. ప్రసాద్ (జమీల్)
 పుల్లయ్యనాయుడు (తండ్రి),
 పోతాయిలంక, అంబాజీపేట (మం),
 తూర్పుగోదావరి జిల్లా - 533214

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
1 ఎ.పి.ఈ.పి.డి.సి.యల్ వారు విడుదల చేసిన టోల్ ఫ్రీ నెంబర్ 155333 కు ఎన్నిసార్లు ఫోన్ చేసినా స్పందన వుండుటలేదు. ఎప్పుడైనా స్పందిస్తే ఏ.ఈ గార్ని సంప్రదించమని సలహా యిస్తున్నారు. దీని వలన సకాలంలో విద్యుత్ సరఫరా కాక ఆలస్యం జరుగుతుంది. దీనిని నివారించాలి.	ఫిర్యాదులు, సమయం, తేదీ విషయములన్నింటితో క్రోడీకరించి సబంధిత జనరల్ మేనేజర్ / సి.యస్.సి వారికి నివేదించగలరు. వినియోగదారుల ఫిర్యాదులకు సమస్యాపరిష్కారములు చేయుట జరుగుతుంది.
2) ట్రాన్స్ఫారంలో లోడు కెపాసిటీ ఉన్నప్పుడు కేంద్ర ప్రభుత్వం యిస్తున్న 30 వేల సబ్సిడీని వర్తింపచేసి ఎన్ని పోల్సు అవసరమైన పోల్సు వేసి కనక్షను యివ్వాలి.	ఎ.పి.ఈ.పి.డి.సి.యల్ ప్రభుత్వ నిబంధనలమేరకు వ్యవసాయ విద్యుత్ కనక్షన్స్ ఇవ్వటం జరుగుతుంది. సెంట్రల్ గవర్నమెంటు నుండి ఈ.పి.డి.సి.యల్ కు ఎటువంటి సబ్సిడీని పొందటంలేదు.
నా అభ్యంతరము/సలహాలు నేరుగా వ్యక్తిగతంగా తెలియజేయుటకు 1/2 గంట సమయమును కేటాయించగలరని కోరి విన్నవించుకొనుచున్నాను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.



13. శ్రీ ఉప్పగంటి భాస్కరరావు
బుచ్చిరాజు (తండ్రి),
కోస్తా జిల్లాల ఉపాధ్యక్షులు, భారతీయ కిసాన్ సంఘ్,
7-173 - బండ్లారంక, అమలాపురం (మం)
తూర్పుగోదావరి జిల్లా - 533214

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>1) ఎ.పి.ఈ.పి.డి.సి.యల్ వారు వ్యవసాయానికి 7 గంటలు విద్యుత్ సరఫరా చేస్తున్నారు. ప్రభుత్వం వారి ఉత్తర్వు ప్రకారం అర్హులైనవారికి ఉచితంగా యిస్తున్నారు. వ్యవసాయం అంటే మోటారుతో నీరు తోడట ఒకటే వ్యవసాయమా?, రోజూ 7 గంటలపాటు నీరు తోడి చెరువులా చేసుకోవాలా?, నీరు అవసరంలేని కొన్ని రోజులైనా కలుపుతీత, స్టాండుఫానుతో ధాన్యం ఎగురబోత, సరైన ధరకు అమ్ముకొనుట కోసం ధాన్యాన్ని డ్రైయ్యర్ లో ఆరబెట్టుట, కొబ్బరి ఆకులు, కమ్మలు చిన్నముక్కలుగా కత్తిరించి ఎరువుగా మార్చుకొనుటను వ్యవసాయంగా పరిగణిస్తారా? లేదా? ఎందువలన?</p>	<p>నారు మడి నుండి, పంట కోతకు వచ్చు వరకు బోరుబావికి ఇచ్చే విద్యుత్ను వ్యవసాయమునకు అంధించే విద్యుత్గా క్లాసిఫై చేసారు. మిగతా వాటిని వ్యవసాయేతర పనులుగా పరగణించ బడును అధికారము గౌరవ కమీషన్ పరిధిలోనిది.</p>
<p>నా అభ్యంతరము/సలహాలు నేరుగా వ్యక్తిగతంగా తెలియజేయుటకు 1/2 గంట సమయమును కేటాయించగలరని కోరి విన్నవించుకొనుచున్నాను.</p>	<p>ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.</p>



14. దొంగ నాగేశ్వరరావు,
 కోనసీమ అధ్యక్షులు, భారతీయ కిసాన్ సంఘ్,
 గంగలకుర్రు మలుపు, అంబాజీపేట (మం),
 తూర్పుగోదావరి జిల్లా

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
1) రొయ్యలచెరువులకు ఇచ్చే యూనిట్ చార్జీను (టారిఫ్ రేటును) డైరీ ఫారంలకు వర్తింపజేయాలి.	ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.
2) అగ్రికల్చర్ మోటార్లుకు సంబంధించిన ట్రాన్స్ ఫార్మర్లు కాలిపోతే వెంటనే ట్రాన్స్ ఫార్మర్ వేయాలి. అలా చేయక పోవడం వల్ల పంటలకు నష్టం కలుగుతుంది.	గౌరవ కమీషన్ నిర్దేశించిన సేవా ప్రమాణికాలు ప్రకారం గ్రామీణ ప్రాంతాలలో ట్రాన్స్ ఫార్మర్లను 48 గం లలో మార్చడం జరుగుచున్నది.
3) ప్యూజ్ ఆఫ్ కాల్ రిజిస్టరు లేకపోవుటవలన తక్షణ చర్యలు తీసుకొనుటలో ఆలస్యం జరుగుతుంది. దీనికి నివారణ చర్యలు చేపట్టాలి.	ప్రతీ ఆపరేషన్ సెక్షను విద్యుత్ కార్యాలయమునందు ప్యూజ్ ఆఫ్ కాల్ రిజిస్టర్ మేంబ్రెస్ చేయటం జరుగుతుంది మరియు రివ్యూ చేసి తగు చర్యలు తీసుకోవడం జరుగుతుంది.
నా అభ్యంతరము/సలహాలు నేరుగా వ్యక్తిగతంగా తెలియజేయుటకు 1/2 గంట సమయమును కేటాయించగలరని కోరి విన్నవించుకొనుచున్నాను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.



15. శ్రీ యస్. అప్పారావు
 సరెళ్ళవారి పేట,
 గ్రా : ముంగండ, పి.గన్నవరం మం.
 తూర్పుగోదావరి జిల్లా

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
1. ఏజన్సీ ప్రాంతాలలోను, 15 హెచ్.పి మోటారు 7 గంటల చొప్పున ఉచిత కరెంటు ఇస్తున్నారు. కోనసీమలో 3 హెచ్.పి మోటార్లకు కూడ 7 గంటల సరఫరా చేస్తున్నారు. మాకు ఈ ప్రకారం రోజుకు 35 గంటల సరఫరా చేయాలి. కావున పగలు 12 గంటలు కరెంటు యిప్పించవలెను.	ప్రభుత్వ నిబంధనలమేరకు హె.పి తో నిమిత్తములేకుండా వ్యవసాయానికి 7 గంటలు విద్యుత్ సరఫరా చేయటం జరుగుతుంది.
2. ఉచిత కరెంటుకు అర్హత కలిగి యుండి అప్లికేషన్ పెట్టుకొన్నా కూడా ప్రి కేటగిరి ఇవ్వలేదు సరికాదా బిల్లు పంపించి బిల్లు కట్టలేదని వ్యవసాయ కనెక్షన్ తొలగించేస్తున్నారు.	అర్హులకు వ్యవసాయ నిమిత్తము సర్కారు వారి మార్గదర్శకముల ప్రకారం ఉచిత విద్యుత్ కనెక్షన్ ఇవ్వటం జరుగుతుంది.
నా అభ్యంతరము/సలహాలు నేరుగా వ్యక్తిగతంగా తెలియజేయుటకు 1/2 గంట సమయమును కేటాయించగలరని కోరి విన్నవించుకొనుచున్నాను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.



16. శ్రీ అడబాల రాజమోహన్,
 వ్యాఘ్రేశ్వరం,
 అంబాజీపేట (మం),
 తూర్పుగోదావరి జిల్లా

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
అగ్రికల్చర్ మోటార్ ను సర్వీసునంబర్ తో సహా భూమిని కొన్నప్పుడు, మోటార్ యొక్క విలువకు స్థాంపుద్యూటీ కట్టి రిజిస్ట్రేషన్ చేయించుకున్నా కూడ, బాకీలు లేనప్పటికీ నేమ్ ట్రాన్స్ ఫర్ చేయుటలేదు. వీటిని వెంటనే ట్రాన్స్ ఫర్ చేయాలి.	తగు ద్రువీకరణ పత్రాలను జత చేసి పేరు బదిలీ దరఖాస్తు ను సంబంధిత కాలి సెంటర్ నందు రిజిస్టర్ చేసిన 7 దినములలోపేరు మార్పిడి జరుగుతుంది.
నా అభ్యంతరము/సలహాలు నేరుగా వ్యక్తిగతంగా తెలియజేయుటకు 1/2 గంట సమయమును కేటాయించగలరని కోరి విన్నవించుకొనుచున్నాను.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.



17. శ్రీ యమ్. జమీల్
స్టేట్ సెక్టర్, భారతీయ కిసాన్ సంఘ్,
పోతాయిలంక, అంబాజీపేట (మం),
తూర్పుగోదావరి జిల్లా - 533 214

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
1. ఆ.ఎ.ంకు మీ పరిధిలో ఎన్ని కీ వాడకం జరుగుచున్నది గణాంకాలు ఏ ప్రాతిపదికపై చేస్తున్నారనేది మాకు తెలియడంలేదు. ఇతరులు వాడే అక్రమ విద్యుత్తును కూడా ఆ.ఎ.ం కు కలిపి లెక్కిస్తున్నారని అనుకుంటున్నాము.	గౌరవ కమీషన్ నిర్దేశించిన మెథాడాలజీ అనుసరించి ఆ.సం. 2009-10 నకు 1812.66 మిలియన్ యూనిట్లుగా వ్యవసాయ వినియోగం లెక్కించబడింది. ప్రతినెలా వ్యవసాయ విద్యుత్ వినియోగం గణాంకాల పై గౌరవ కమీషన్ కు నివేదిక సమర్పించడం జరుగుతుంది.
2. 2004 కు పూర్వం ఉన్న విద్యుతు ఆ.ఎ.ం బకాయిలు పూర్తిగా రద్దయినవని చెప్పి 2005 లో విడుదల చేసిన జీ.వో ప్రకారం కట్టవలసిన సర్వీసు ఛార్జీలు వడ్డీలు వేసి వేల రూపాయిలలో వసూలు చేస్తున్నారు. ఊర్ష ఆఫీసులో సమగ్రమైన సమాదానం లేదు.	సరియగు వివరములతో సర్వీసు నంబరు, సరఫరా చేయు గ్రామము, మండలము మొదలగు వివరములతో తెల్పిన, తప్పని సరిగా, సర్కారు వారు యిచ్చిన ఆర్డరు ప్రకారము, అమలు చేయగలము.
3. 1శీ 9ఎ ఉపయోగించే అడ్వర్టైజ్మెంట్ హోర్డింగ్స్ కు 7రూ.లు ఛార్జీ వేసినట్లే 1శీ 9ఎ లో ఉపయోగించే ఆఈ లకు కూడా 7రూ.లు ఛార్జీ వసూలు చేస్తే బాగుంటుంది.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.
నా అభ్యంతరములు/సలహాలు నేరుగా వ్యక్తిగతంగా తెలియజేయుటకు 1/2 గంట సమయమును కేటాయించగలరని కోరి విన్నవించుకొనుచున్నాము.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.



18. శ్రీ జొన్నల నర్సింలు నాయా
రాష్ట్ర కార్యదర్శి, ఊడైరక్టర్
ఆంధ్రప్రదేశ్ నాయా బ్రాహ్మణ సేవా సంఘం,
ఆఫీస్. నెం. 1-1-287/7/2ఇ, చిక్కడపల్లి
హైదరాబాద్ - 500 020

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సీ.యల్ సమాధానము
<p>ఆంధ్రప్రదేశ్ నాయా బ్రాహ్మణ సేవా సంఘం, చిక్కడపల్లి బడుగు బలహీన వర్గాలకు చెందిన 45 లక్షల మంది నాయా బ్రాహ్మణ క్షార వృత్తి మున్సిపాలిటీ ప్రాంతలలో, మండలాలో మరియు గ్రామాలలో పై ఆధారపడిన నాయా బ్రాహ్మణుల కులవృత్తిని కుటీర పరిశ్రమగా గుర్తించి వారికి ఉన్న హేర్కటింగ్ సెలూన్ షాపులకు ఇచ్చెకరెంటును క్యాటగిరి ఎల్.టి - 4 టారిఫ్లోకి 150 యూనిట్లు వరకు మార్చుట గురించి.</p>	<p>ఈ అంశం గౌరవ కమీషన్కు సంబంధించినది.</p>
<p>పై విషయము పురస్కరించుకొని తమరితో మనవి చేయునది ఏమనగా! ఆంధ్రప్రదేశ్ పరిధిలో గల (23) జిల్లాలో గల బడుగు బలహీన వర్గాలకు చెందిన నిరుపేద నాయా బ్రాహ్మణ క్షార వృత్తిపై ఆధారపడి జీవించుతున్నారు. ఇట్టి క్షార వృత్తిలో చాలా మంది నిరుపేదలు చాలా వరకు యున్నారు. మా యొక్క వృత్తి వేము చేసుకుందామంటే మాపై పెట్టుబడి దారులు దాపరించి మా యొక్క వృత్తి వేము చేసుకొందామంటే మా పై పెట్టుబడి దారులు దాపరించి మా యొక్క వృత్తి చేసుకొనే నాయాబ్రాహ్మణులను బ్రతుకు దెరవు లేకుండా చేయుచున్నారు.</p>	
<p>ప్రభుత్వము వారు ప్రభుత్వము జీ.వో. ప్రకారము ఇతర కులాల వారికి కుమ్మరి, వడ్రంగి, కౌంసాలి, అవుసుల, శిల్పి, రజకులు, (ధోభిఘాట్)లకు సరఫరా చేయుచున్నారు.</p>	
<p>మరియు మా యొక్క నాయా బ్రాహ్మణులను ప్రతిదినము</p>	

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>వృత్తి చేసుకొని సంపాదించు కొనుచున్నారు. మా యొక్క బ్రతుకులకు సరిపోయె ఆదాయము లేక సతమతమవుచున్నాము. అందులో కరెంటు బిల్లులు కట్టలేని పరిస్థితులు కూడా చాలా మంది వదులుకొంటున్నారు. బహిరంగ ప్రకటన తేడీలు మాకు తెలిపినట్లైతే మేము కూడా హాజరుకాగలము.</p>	
<p>కావున ఈ మధ్యలో అనగా ప్రస్తుతము నడుచుచున్న దీనసరి వస్తువులు అధిక ధరలు పెరగడము వలన మేము జీవించడం చాలా కష్టతరముగా యున్నాది. కనీసము ఇట్టి సమయము నందైన తమరు మా యొక్క దీన స్థితి గతులను ఆలోచించి మా యొక్క సెలూన్లకు ఇచ్చే కరెంటు యల్. టి. - 4 టారిఫ్ నకు మార్చి మా యొక్క నాయీ బ్రాహ్మణులకు 150 యూనిట్లు వరకు ఇచ్చి న్యాయము చేయగలరని మేము తమరితో సవినయముగా మనవి చేయుచున్నాము.</p>	<p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p>



Responses to Objections/ Suggestions

19. **Sri M.Venugopala Rao**
Journalist,
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Sri Saidarsan Residency
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Ameerpet
Hyderabad - 500016

Para No/Brief Issue	EPDCL Response
<p>TARIFF PROPOSALS : We welcome the proposal of the Discoms not to increase tariffs for domestic and agricultural consumers. We also welcome the positive response of the Discoms to our long-pending suggestion and directive given by the Commission to reduce minimum charges for LT-1 domestic category for connected load above 250 W from Rs.50/-to Rs.25/- per month. However, we request the Commission to make it clear that these minimum charges are applicable up to a consumption of 50 units per month.</p>	<p>The proposals are made keeping in view of social conditions and paying capacities of consumers. The reduction in minimum charges from Rs. 50 to Rs. 25, as proposed, is applicable to LT-1 Domestic Category irrespective of the connected load and the monthly consumption of a consumer.</p>
<p>AVOIDABLE DELAY IN SUBMISSION OF ARR AND TARIFF PROPOSALS : As per the regulations of the Hon'ble Commission, the Discoms are expected to submit their ARR and tariff proposals for next financial year by the end of November of current year. The Discoms have submitted the same for the year 2011-12 to the Commission on 7.1.2011 only. What are the reasons for the delay of more than one month in submitting the same and what is the impact of the avoidable delay on the Discoms? The delay in submitting ARR and tariff proposals for the year 2011-11 have had their adverse impact in several ways. It resulted in avoidable loss of revenue that should accrue to the Discoms on account of tariff revision for a period of four months, as the Commission could issue its tariff order on 22nd July, 2010, which came into effect from August, 2010 only. It also resulted in avoidable delay in the Discoms sending their replies to the suggestions and objections filed by objectors thereby denying the latter opportunity to participate in the public hearings relating to some of the Discoms and needed opportunity to study the same and prepare to make detailed submissions during public hearings in which they could participate. Similar was the situation relating to the public hearings held in 2008-09 and 2009-10 also, notwithstanding the timing of submission of ARR and tariff proposals by the Discoms. This was</p>	<p>The delay is mainly due to the difficulties in arriving at energy availability and PP cost from CGS stations and to arrive at a realistic estimate for energy consumption by LI schemes.</p> <p>However, it is expected that the Tariff Order for FY 2011-12 would be issued by the Hon'ble Commission before end of March 2011. Therefore, it is expected that there would be no impact on the Discoms due to this delay.</p> <p>EPDCL is sending replies to all the Objectors for their objections/suggestions made, by Post/courier (some times by person also for local objectors) well in time.</p>

Para No/Brief Issue	EPDCL Response
<p>brought to the notice of the Hon'ble Commission repeatedly during the public hearings held earlier but to no avail. In view of such past experience, I once again request the Hon'ble Commission, while fixing dates and places of public hearings on the proposals of the Discoms, to give adequate time to the Discoms specifying the date by which they have to send their replies to the submissions of objectors and the latter to study the same and prepare their further submissions to be made during the public hearings. Earlier, it was observed that some of the Discoms had submitted copies of their replies to the suggestions and objections of objectors to the Commission well in advance but failed deliberately to send the same to the objectors in time. It has become a practice to some of the Discoms to hand over their replies to objectors in the public hearing itself. I request the Commission to direct the Discoms to send their replies to objectors at least one week in advance before scheduled public hearing.</p>	

Para No/Brief Issue	EPDCL Response																	
<p>TIME OF SEASON TARIFF FROM FEBRUARY TO MAY : The contention of the Discoms, quoting the Delhi State Electricity Regulatory Commission that the intention in introducing time of season tariff is "to shift their demand from peak hours to off peak hours" is untenable. It is difficult to agree with the implied view that with imposition of additional tariff for LT-2 commercial, LT-3 industrial consumers (@ 50 paise per unit), and HT-1 and HT-2 industrial and HT-5 traction categories of consumers (@ 75 paise per unit) to whom the time of season tariff is proposed for the said period would shift their demand from peak hours to off peak hours. Commercial consumers cannot be expected to close down their establishments during peak hours, especially evening peak hours, by shifting their demand from peak to off peak hours. Similarly, railway traction is a continuous activity, totally unrelated to peak or off peak hours. Industries with continuous production process like Ferro alloys units, by their very nature, need continuous supply of power. Even other industries run their shifts of production depending on their demand and schedules of production and mere imposition of time of season cannot force them to shift their demand from peak hours to off peak hours. Therefore, the contention of the Discoms that time of season tariff is mainly for the purpose of better management of load by the licensee during the peak season does not carry conviction. The real intention of the Discoms in proposing time of season tariff is to recover a pan of additional expenditure they incur during the period from February to May being peak season when the Discoms are normally purchasing additional power at higher tariffs, as indicated in their ARR proposals.</p>	<p>The contention of the Discoms in proposing ToS tariffs is as below:</p> <ol style="list-style-type: none"> 1. The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. 2. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW. <table border="1" data-bbox="930 636 1617 825"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">FY 2011-12</th> </tr> <tr> <th>Feb.</th> <th>Mar.</th> <th>Apr.</th> <th>May</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Peak Load (MW)</td> <td>12,384</td> <td>12,677</td> <td>12,490</td> <td>11,360</td> <td>12,228</td> </tr> </tbody> </table> <p>The Discoms believe that the ToS proposal will</p> <ol style="list-style-type: none"> 1. Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period. 2. Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met. 3. Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff will influence the consumers to either shift their load or reduce consumption managing the demand curve. 		FY 2011-12					Feb.	Mar.	Apr.	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
	FY 2011-12																	
	Feb.	Mar.	Apr.	May	Average													
Peak Load (MW)	12,384	12,677	12,490	11,360	12,228													

Para No/Brief Issue	EPDCL Response
<p>TIME OF DAY INCENTIVE : The proposal of the Discoms to introduce time of day incentive of 50 paise per unit for power consumed from 12 midnight to 4 A.M. from June to January to HT 1(A) category of consumers also defies logic, for the latter cannot be expected to change their shifts to that period in a day, if they are not running their industries during that period already. If they are already running their industries during that period, there is no point in introducing the time of day incentive. The presumption involved in the proposal is that surplus power would be available during the proposed timings from June to January. However, in a year of bad monsoon or when Discoms propose to supply power to agriculture in rotation during those proposed timings, the presumption of availability of surplus power may not materialise. In such a situation, implementation of the time of day incentive scheme would deprive the Discoms of revenue, if not imposing additional burden. The Discoms have not explained whether they are going to gain or lose in terms of expenditure or revenue with introduction of time of day incentive scheme. Moreover, when the Hon'ble Commission, responding to our suggestion, rightly dispensed with the load factor incentive scheme in its tariff order for 2010-11, the desirability of introducing time of day incentive is questionable, that, too, in the light of persisting heavy revenue gap.</p>	<p>The ToD incentive for the period June- Jan has been proposed with the main objective of shifting load from peak hours to off – peak hours.</p> <p>In the mentioned case when industries are running their shift during the 12-4 A.M. time block, there is a possibility for the industries to adjust the shifts so that their consumption can be moved from the peak time block to the non-peak time block.</p> <p>In view of the ToD penalty that was levied on HT-I industries, this would provide some relief to the industries and introduction of the incentive will further encourage the industries to shift their intra-day demand. Also, the ToD incentive has been introduced only during the surplus months of June to January.</p>
<p>INTRODUCTION OF KVAh BASED BILLING : We welcome the proposal of the Discoms, as suggested by us and as directed by the Commission, to introduce kVAh based billing.^ However, we reiterate that it should be confined to massive consumes of power like HT and other industries and HT commercial categories only. We also welcome the proposal to introduce voltage-wise differential tariff for HT-1(B) category of industries on the lines similar to other HT categories already introduced during 2010-11.</p>	<p>The underlying objective of the proposal of introduction of kVAh based billing to ensure reduction in line losses which occur due to the low power factor surcharge.</p> <p>The contracted load is measured in kVA terms while billing is done in kW terms. The current tariff structure is a two- part tariff including energy charges in kW terms and low power factor surcharge for power factor less than 0.95. The proposal is to introduce kVAh based billing while forfeiting low power factor surcharge and kWh based billing. The kVAh based billing calculates accurately the energy charges for the contracted load. The licensees therefore expect the consumers to have Unity Power Factor.</p>

Para No/Brief Issue	EPDCL Response
<p>RECOVERY OF EXCESS AMOUNT ALLOWED IN LOAD FACTOR INCENTIVE TO HT INDUSTRIES : As directed by the Hon'ble Commission in its letter No.APERC/E-205/DD-Dist/2009 dated 22.12.2009, did the Discoms estimate the excess load factor incentive amount allowed by them to HT industries in the State since the introduction of the scheme in 2002-03 and till the scheme is dispensed with as directed by the Commission? If so, what is the excess amount allowed Discom-wise? What steps the Discoms have taken to recover the excess amount? Did the Discoms submit any reports in this regard to the Commission? If so, what further directions, if any, are given by the Commission to the Discoms?</p>	<p>Yes, EPDCL has estimated the excess load factor incentive amount allowed to HT industries. The estimated excess amount allowed by EPDCL to HT industries for the period from 2003-04 to 2008-09 is Rs.1.53 crores. Notices were issued to the HT consumers to whom excess incentive was allowed. The methodology adopted to calculate the excess incentive allowed to HT industries has been intimated to the Hon'ble APERC.</p>
<p>RECOVERY OF DEMAND CHARGES FROM APGPCL : As directed by the Commission in its letter No.APERC/E-205/DD-Dist/2010 dated 6.5.2010, what action has been taken by the Discoms and AP Transco to estimate and recover the amounts which were paid or foregone by the then APSEB/AP Transco/AP Discoms and APGPCL consumers towards difference in demand charges for the demand supplied by AP Transco and Discoms from APGPCL? Similarly, as directed by the Commission, what action has been taken by AP Transco and the Discoms to revise the demand share for all the years for which 720 hours per every month were considered against the calendar hours in the billing month and to recover the amount due from APGPCL? Have the Discoms submitted any report to the Commission on these two aspects? What are the amounts due from APGPCL in relation to these two issues?</p>	<p>As per the directions given by Hon'ble Commission, the APPCC has estimated the amount to be recovered from APGPCL towards excess payments made by DISCOMs in this regard is around Rs. 5 cr.s. Necessary steps are being taken for recovery of the amount from APGPCL. Further, the amount foregone by DISCOMs towards difference of MD Charges in H.T.Consumers C.C. bills will be calculated and necessary steps for recovery of the same will be made in due course.</p>

Para No/Brief Issue	EPDCL Response															
<p>HIGHER FIXED COST FOR GAUTAMI PROJECT: There is substantial variation between fixed costs per unit of the new EPPs - GVK extension, Vemagiri, Gautami and Konaseema - as shown in the ARR for the following years (fixed cost per unit in Rs.):</p> <table border="1" data-bbox="233 331 779 499"> <thead> <tr> <th>Project</th> <th>2009-10</th> <th>2010-11</th> </tr> </thead> <tbody> <tr> <td>1.GVKext</td> <td>0,84</td> <td>0.74</td> </tr> <tr> <td>2.Vemagiri</td> <td>0.90</td> <td>0.69</td> </tr> <tr> <td>3.Gautami</td> <td>0.83</td> <td>1.14</td> </tr> <tr> <td>4.Konaseema</td> <td>0.87</td> <td>1.24</td> </tr> </tbody> </table> <p>The fixed cost per unit for the year 2011-12 for Gautami project is shown as Rs.1.37 against Rs.0.66 for Vemagiri, Rs.0.80 for GVK extension and Rs.0.83 for Konaseema. What is the basis, as well-as justification, for allowing such a higher fixed cost for power to be purchased from Gautami? How are the Discoms allowing higher fixed cost for Gautami year after year, while the fixed costs of other projects, especially of Vemagiri, are coming down?</p>	Project	2009-10	2010-11	1.GVKext	0,84	0.74	2.Vemagiri	0.90	0.69	3.Gautami	0.83	1.14	4.Konaseema	0.87	1.24	<p>As per the ARR filings of the Discoms, the fixed cost component of new IPPs namely GVK Extension, Vemagiri, Gautami and Konaseema for FY 2010-11 and FY 2011-12 has been taken as the same due to a typographical error. The same has been rectified by the Discoms and communicated to the Hon'ble Commission.</p> <p>The Gas based Power projects are basically Tariff based projects. As per PPA, the fixed cost comprises of two parts</p> <ul style="list-style-type: none"> i) Other Fixed Cost (OFC Rs. 0.669/kWh for GVK and Rs. 0.699/kWh for Gautami, Konaseema & Vemagiri) ii) Foreign Debt Service charge (0.006 cents/kWh for all projects). <p>The OFC component is fixed for entire term of the PPA whereas the FDSC component of any gas based projects varies with US \$ exchange variation.</p> <p>Therefore, the fixed cost of M/s. Gautami Power project shall be in the above lines only.</p>
Project	2009-10	2010-11														
1.GVKext	0,84	0.74														
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<p>REVENUE GAP : The four Discoms have shown a revenue gap of Rs.5957 crore for the year 2011-12 • Rs.1813 crore by CPDCL, Rs.1340.32 crore by SPDCL, Rs.2097crore by NPDCL and Rs.707 crore by EPDCL. This revenue gap is estimated after taking into consideration the impact of proposed tariff, non-tariff income, and targets of reduction of distribution losses revised by the Commission and improvement in internal efficiency. Apart from getting subsidy from the Government, what do the Discoms propose to bridge the balance of the estimated revenue gap?</p>	<p>The net revenue gap for APEPDCL is projected at Rs. 794 Crs for FY 2011-12. However, the actual revenue gap would be as determined by the Hon'ble Commission. This gap would be bridged by the subsidy support extended to various categories by GoAP and by improving internal efficiency.</p>															

Para No/Brief Issue	EPDCL Response
<p>TRUE UP CLAIMS & BURGEONING ACCUMULATED REVENUE GAP : In our written submissions dated May 29, 2010 on ARR proposals of the four Discoms for the year 2010-11, we had pointed out that the total revenue gap claimed by the four Discoms for four years from 2005-06 to 2008-09 worked out to Rs.2588.01 crore. The claim of AP Genco for an additional sum of Rs.2819.15 crore from the Discoms for the period of four years ending March 2009 towards sale of its power to them is still pending. Similarly, the claims of AP Transco for a special appropriation of Rs.386.07 crore for a period of four years ending March 2008 and a balance revenue gap of Rs.5.79 crore for the year 2008-09 are pending. In addition, before considering tariff subsidy, the Discoms have shown a revised revenue gap of Rs.6623.82 Crore for the year 2010-11 - Rs.2281 crore by CPDCL, Rs.1560.82 crore by SPDCL, Rs.1981 crore by NPDCL and Rs.801 crore by EPDCL. In other words, after adjusting a subsidy of Rs.4500 crore provided in the budget for 2010-11, the four Discoms will have a balance revenue gap of Rs.2123.82 crore. What is the justification for such balance revenue gap? What are the Discoms doing to claim the balance revenue gap accumulated over the years?</p>	<p>The Hon'ble APERC will examine the same and GOAP will extend necessary support to the Discoms.</p>
<p>WHAT IS DUE TO THE DISCOMS FROM THE STATE GOVERNMENT?: What are the accumulated amounts due from the State Government to the Discoms towards expenditure incurred for additional power purchase, including the sum estimated for 2010-11, and subsidy, if any?</p>	<p>An amount of Rs.544 cr.s for FY: 2008-09 and Rs.172 cr.s for FY: 2009-10 is receivable towards additional power purchase cost from the Govt.</p>

Para No/Brief Issue	EPDCL Response
<p>FUEL SURCHARGE ADJUSTMENT : Have the Discoms collected a sum of Rs.1649 crore towards fuel surcharge adjustment (FSA) permitted by the Commission for the year 2008-09. If not, what are the reasons and what do the Discoms propose to collect the same? The Discoms have filed their claims for FSA for the year 2009-10 to the tune of Rs.1439 crore before the Commission in the month of June, 2010. Similarly, for the first two quarters of 2010-11, the Discoms have filed their claims for FSA for Rs.740.13 crore. What is the FSA amount claimed by the Discoms for the quarter October-December, 2010? The FSA amounts claimed by the Discoms and the amounts permitted by the Commission are more than the additional burdens the consumers have to bear due to tariff hikes in a particular year. What are the reasons for such hefty FSA claims of the Discoms? The Discoms have submitted that the FSA proposals for 2009-10 and the first two quarters of 2010-11 are pending with the Commission. Instead of requesting the Commission for their speedy disposal, the Discoms have requested the Commission to allow collection of provisional FSA of Rs.0.25 per unit from non-agricultural consumers till such time the orders on FSA are issued. I request the Commission to issue its orders on the FSA proposals of the Discoms and not to allow them to collect FSA provisionally without its orders.</p>	<p>The APEPDCL has already filed FSA claims for four quarters of FY 2009-10 and three quarters of FY 2010-11 in time. These are currently pending disposal by the Hon'ble Commission. The total amount recoverable through FSA is Rs. 248 Crs for three quarters of FY 2010-11. Since the Discoms are already burdened financially, Hon'ble Commission was requested to consider the provisional collection of FSA until such time that the final orders are passed.</p> <p>The reasons for claiming FSA:</p> <ol style="list-style-type: none"> 1. Use of imported coal. 2. Increase in price of domestic coal. 3. Increase in price of gas. 4. Additional procurement from IPPs to cover the deficit from APGenco and CGS stations. 5. Decrease in procurement from NCEs.
<p>LONG TERM TARIFF PRINCIPLES : In their replies to my suggestions and objections on ARR proposals for the year 2010-11, all the four Discoms agreed with my suggestion for allowing claims of true-up or special appropriation of the Discoms, AP Transco and AP Genco for a particular financial year in the subsequent year itself to avoid the difficulties they have been facing due to the stand taken by the Commission that the same would be considered at the end of the control period in accordance with the long term tariff principles. What efforts the Discoms have made to persuade the Commission to consider and implement the suggestion?</p>	<p>Licensees agree with the point. Hon'ble Commission may take appropriate decision on the same.</p>

Para No/Brief Issue	EPDCL Response
<p>WHERE IS THE NEED FOR CASE ONE BIDDING AT THE PRESENT JUNCTURE? : As sought by the Discoms, the Commission has given its consent to procure 2000 MW plus or minus 20% for a period of 25 years from October, 2014 under case one bidding. What is the total installed capacity available to the Discoms as of now from the existing generation units with whom they had entered into power purchase agreements (PPAs)? What is the total installed capacity to be available to the Discoms from the generating units under implementation or to be implemented with whom they have entered into PPAs? In view of the installed capacity already available to the Discoms and to be available in the years to come under the PPAs they have already entered into, what is the necessity to procure power under case one bidding? What is the outcome of the bids called for by the Discoms under case one bidding? Have they taken any decision on those bids submitted to enter into long-term PPAs with selected bidders? What are the tariffs quoted by the bidders who participated in case one bidding?</p>	<p>The case 1 bidding is under process.</p>

Para No/Brief Issue	EPDCL Response
<p>COST OF POWER PROCUREMENT : For the year 2010-11, the Discoms have shown power requirement which is higher than that allowed by the Commission in tariff order by 3930 mu. Due to shortage in availability of gas to IPPs, delay in commencement of commercial operation dates of KTHPP-1 and Simhadri stage-2 and higher quantum of agricultural "sales" than approved by the Commission result in the above shortage. They have also pointed out that as against the average cost per unit of Rs.2.24 permitted in the tariff order, it is increasing to Rs.2.43 per unit due to increase in the price of coal and use of imported coal. For purchasing 3930 mu from external sources, it would cost an additional Rs.1808 crore @ Rs.4.60 per unit on an average (assuming Rs.5.50 per unit for the second half of 2010-11). As usual, the Discoms are reluctant to point out irrational and hefty hike in gas price by the Government of India and delay in declaration of COD by IPPs like Konaseema project as reasons for shortage of power and high cost. So also, they are reluctant to point out that the availability based tariffs of UI power linked to grid frequency fixed by the Central Electricity Regulatory Commission and purchases from traders and through power exchanges without any regulation are very much high, adding to the cost of power purchase. The Discoms also are silent about the tariffs revised by the Commission for non-conventional energy like the very hefty hike in fuel cost of biomass energy units and industrial waste-based units to Rs.2000/- per ton, tariffs fixed for windmill units and solar energy units, with RPPD issued by the Commission directing the Discoms to purchase not less than five per cent of their requirement from NCE units, which are all adding to the cost of power purchase.</p>	<p>The shortage in energy availability as stated was due to the following reasons:</p> <ol style="list-style-type: none"> 1. Shortage in availability of gas to IPPs 2. Delay in commencement of commercial operation dates of KTHPP-I and Simhadri Stage – 2 3. Higher quantum of agricultural sales than approved by the Commission. <p>The Under drawal or Over drawal of energy per month is done in case of energy availability is lower or higher than projected and availability of capacity in the transmission line to meet the energy requirement per month. Hence, the contribution of UI charges to the power purchase cost is not deliberate but, rather arises by the need to meet to energy requirement</p>

Para No/Brief Issue	EPDCL Response
<p>PPA WITH BPL'S RAMAGUNDAM PROJECT : The Commission in its Lr.No.E-356(a)/Engg/DD(P&PP)/2010-02 dated 31.5.2010 had given its consent to the changes made in the reinstated PPA as prayed by BPL Power Projects (AP) Pvt. Ltd., following the G.O.Ms.No.51 dated 9.20.2009 issued by the Government of A.P. relating to the former's power project proposed to be set up at Ramagundam, and directed APPCC to submit "the executed amended Power Purchase Agreement" to it. Did the Discoms object to the unwarranted approach of the Commission in giving consent in such an illegal manner? Have the Discoms entered into "the executed amended" PPA with BPL's Rarnagundam project and submitted the same to the Commission? Since the Commission had given its consent in the above-mentioned letter without following its applicable regulations and procedures and without conducting public hearing, are the Discoms going to request the Commission to hold public hearing on "the executed amended Power Purchase Agreement", if already submitted, or as and when they submit the same to the Commission?</p>	<p>GoAP vide G.O. Ms. No. 51, 20.09.2009 re-instated earlier terminated PPA of M/s. BPL Power project in original form and directed M/s. BPL to approach Hon'ble Commission to seek approvals with regard to changes in technical and financial parameters for the enhanced capacity from 520 MW (2x260 MW) to 600 MW (2x300 MW), BPL filed their application before APERC for its consent.</p> <p>After examination of M/s. BPL application, APERC vide Letter dated 31.05.2010 communicated its consent in respect of technical and financial parameters for the revised capacity of 2x300 MW (600 MW) and also on the ceiling limit of Rs. 4.76 per MW (at an exchange rate of Rs. 43.5 per US \$) prescribed by GOAP in the G.O.</p> <p>Further APERC has directed the APDISCOMs to submit the executed amended PPA to the commission.</p> <p>AP DISCOMs and BPL are in the process of execution of the amended PPA as per the directions of APERC.</p>
<p>PENDING CASES : As per the details furnished in their ARR submissions by some of the Discoms, about 45 cases are pending in APERC and various Courts of law at different levels starting from as far back as 2003-04. These pertain to Spectrum, GVK and Lanco projects. As per the modifications sought by AP Transco/Discoms, what is the avoidable or excess amount paid by APSEB/AP Transco/Discoms to the three projects so far from their respective CODs? What action the Discoms are taking seeking speedy disposal of the pending cases? In addition to the above cases, in other petitions pertaining to AP Genco and other generators of power how many cases are pending before APERC? In how many cases hearings are completed and reserved for orders and for how long? How many PPAs are pending with the Commission for its consent?</p>	<p>APTRANSCO has filed the petitions before APERC seeking to consider certain amendments to the Power Purchase Agreements of IPPs on commercial principles. Presently, APERC has been conducting the hearings in phased manner on various petitions filed by APTRANSCO. No verdict/ order was issued by APERC so far. The avoidable excess payable amounts to IPPs will be arrived for these petitions after issue of orders by APERC. APTRANSCO & DISCOMs have paid about Rs.270 crores to NCE projects in excess of tariff fixed by the APERC. The additional payment is made as per the interim orders of the Hon'ble Supreme Court. The Hon'ble Supreme Court heard the Cases in May 2010. The hearings were concluded on 26-05-2010 and the matter is reserved for orders. The Hon'ble Supreme Court orders are awaited.</p> <p>The APTRANSCO/DISCOMs are pursuing through their Advocates for early listing of cases for disposal. 12 PPAs (pertains to NCEs) were pending for consent with the Commission and being pursued for speedy disposal.</p>

Para No/Brief Issue	EPDCL Response
<p>DETERMINATION OF CROSS SUBSIDY SURCHARGE FOR OPEN ACCESS CONSUMERS : The Discoms have pointed out that after 2007-08 the Commission has not issued orders determining cross subsidy surcharge for open access consumers. In view of the increase in the number of open access transactions in recent years, the Discoms have requested the Commission to determine the cross subsidy surcharge for open access consumers along with the tariff order for 2011-12. What are the reasons for the Commission not determining cross subsidy surcharge for open access consumers after 2007-08 and the Discoms keeping quiet since then, foregoing revenue which they should get?</p>	<p>Under the purview of Hon'ble APERC</p>
<p>WHERE IS COMPETITION? : In our written submissions dated May 29, 2010 on ARR and tariff proposals of the Discoms for the year 2010-11, we have submitted: "The COS for each category of consumers worked out by each Discom varies. Despite that, the tariffs being fixed by the Hon'ble Commission for same category of consumers under the four Discoms is uniform. Apart from COS, the Hon'ble Commission is adopting some principle for working out cross subsidy to subsidised consumers and also the cross subsidy to be provided by subsidising categories of consumers. If the Commission adopts the same principle in terms of a uniform percentage to fix cross subsidy to same category of consumers under the four Discoms and to fix cross subsidy to be provided by the same category of subsidising consumers under the four Discoms, then tariffs should be different to the same categories of consumers under the four Discoms, subject to the subsidy to be provided by the Government. The elements of internal efficiency of a particular Discom, as also the nature of its system in terms of consumer mix, etc., are not coming into play in determining tariffs.</p> <p>In other words, the subsidising categories of consumers under different Discoms are not getting the benefit of the advantage of such favourable factors of a Discom in terms of differential tariff. In other words, the element of competition, as well as efficiency, that was supposed to benefit consumers under unbundling the erstwhile APSEB and formation of the four Discoms is totally missing. If the Hon'ble Commission fixes such differential tariffs to the same category of consumers under different Discoms, still uniformity of tariff to a particular category or slab of consumers can be maintained all over State by the Government providing differential subsidies to the Discoms.</p>	<p>Under the purview of Hon'ble APERC</p>

Para No/Brief Issue	EPDCL Response																								
<p>I request the Hon'ble Commission to ponder over whether increasing tariff to a category of consumers of a particular Discom than what it should be under COS and uniform approach of the Commission in determining cross subsidy to be on par with a higher tariff to the same category of consumers under another Discom is denying the benefit of efficiency and systemic advantage of a particular Discom." While CPDCL maintained silence on this issue, the other three Discoms stated that it is "under the purview of the Hon'ble Commission." When we referred this issue during our presentation in the public hearing held on June 30, 2010, the Hon'ble Member (Finance) Sri C.R. Sekhar Reddy garu intervened to say that the same process has been going on over the years. When some anomaly is pointed out, it needs to be corrected. We also requested the Commission to recommend to the State Government to merge the four Discoms into one for the entire State so that all the consumers in each category in the State share the benefit or burden of tariffs with uniformity. The Commission did not respond to this issue in its tariff order for 2010-11; nor did the issue figure in it. We once again request the Commission to re-examine the issue and take appropriate decision.</p>																									
<p>REDUCE DISTRIBUTION LOSSES: Responding positively to the grievance aired by the Discoms that the targets for reduction of distribution losses fixed by the Commission for the second control period are very steep, the latter has revised. The submissions made by the Discoms show that they, except EPDCL, could not reach the targets of reduction of distribution losses for the year 2010-11. While reduction of technical losses are linked with necessary schemes taken up with proposed expenditure, the results being achieved by the Discoms in reducing commercial losses are not encouraging, notwithstanding a number of steps narrated in the submission of the Discoms, for example, action plan of SPDCL (pages76-78). Year after year distribution cost of the Discoms is increasing. While the Commission is permitting expenditure for strengthening and expanding the distribution system, there is no transparency to know whether the proposed expenditure is prudent and necessary with commensurate benefit. Since there is a lot of difference in the capital expenditure proposed by the Discoms and expenditure permitted by the Commission, I request the Commission to make the reasons for its justification or rejection or modification public, by putting the relevant information in its web site.</p>	<table border="1" data-bbox="873 1037 1442 1570"> <thead> <tr> <th colspan="2" data-bbox="873 1037 1442 1071">Loss profile of APEPDCL</th> </tr> <tr> <th data-bbox="873 1071 1214 1150">Financial Year</th> <th data-bbox="1214 1071 1442 1150">Losses %</th> </tr> </thead> <tbody> <tr> <td data-bbox="873 1150 1214 1192">2000-01</td> <td data-bbox="1214 1150 1442 1192">17.91%</td> </tr> <tr> <td data-bbox="873 1192 1214 1234">2001-02</td> <td data-bbox="1214 1192 1442 1234">17.28%</td> </tr> <tr> <td data-bbox="873 1234 1214 1276">2002-03</td> <td data-bbox="1214 1234 1442 1276">16.80%</td> </tr> <tr> <td data-bbox="873 1276 1214 1318">2003-04</td> <td data-bbox="1214 1276 1442 1318">15.29%</td> </tr> <tr> <td data-bbox="873 1318 1214 1360">2004-05</td> <td data-bbox="1214 1318 1442 1360">15.17%</td> </tr> <tr> <td data-bbox="873 1360 1214 1402">2005-06</td> <td data-bbox="1214 1360 1442 1402">12.95%</td> </tr> <tr> <td data-bbox="873 1402 1214 1444">2006-07</td> <td data-bbox="1214 1402 1442 1444">12.29%</td> </tr> <tr> <td data-bbox="873 1444 1214 1486">2007-08</td> <td data-bbox="1214 1444 1442 1486">9.01%</td> </tr> <tr> <td data-bbox="873 1486 1214 1528">2008-09</td> <td data-bbox="1214 1486 1442 1528">8.83%</td> </tr> <tr> <td data-bbox="873 1528 1214 1570">2009-10</td> <td data-bbox="1214 1528 1442 1570">8.42%</td> </tr> </tbody> </table> <p data-bbox="873 1709 1507 1871">APEPDCL is putting all efforts to reduce the losses with suitable loss reduction measures and infrastructure development. The losses are brought down from 17.91% in FY: 2000-01 to 8.42% in 2009-10.</p>	Loss profile of APEPDCL		Financial Year	Losses %	2000-01	17.91%	2001-02	17.28%	2002-03	16.80%	2003-04	15.29%	2004-05	15.17%	2005-06	12.95%	2006-07	12.29%	2007-08	9.01%	2008-09	8.83%	2009-10	8.42%
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<p>GHIAL SHOULD NOT BE CATEGORIZED UNDER HT-I: In response to the directive given by the Commission, CPDCL has made it abundantly clear that GMR-Hyderabad International Airport cannot be categorized under HT-I in any aspects as there is no industrial activity at all and that the tariff charged for this airport is less than the ones being charged for airports in Mumbai, Chennai and Delhi. Therefore, I request the Commission to continue GHIAL under commercial category only.</p>	<p>Pertains to CPDCL.</p>
<p>SUPPLY OF POWER TO RURAL AREAS : In response to the directive of the Commission on steps to be taken to improve power supply in rural areas and segregation agricultural feeders from domestic feeders, the Discoms have responded in an evasive manner. They have pointed out segregation of rural feeders is taken up as a pilot project only in one Mandal in each circle. While admitting that feeder segregation ensures 24 hours supply of power to domestic services in rural villages and assured seven hours supply to all the agricultural services, the Discoms have not explained as to how many feeders need to be segregated, how much is the investment required and how long it will take. What steps are being taken by the Discoms to take up complete segregation of feeders in rural areas to ensure continuous supply of power to all non-agricultural consumers in rural areas?</p>	<p>Necessary steps being taken for providing 3 phase 24 Hours uninterrupted supply to all the villages for other than agricultural needs.</p> <p>The Discoms have informed about the Agriculture Feeder Segregation Pilot project implementation in response to the directive of the Hon'ble Commission on this issue. The licensee decided to implement the pilot project in one mandal in each circle and the pilot project would be funded internally by the licensee. The mandals for the pilot implementation are chosen such that they are closer to district headquarters with predominant agriculture consumption.</p> <p>The investment for pilot project would be Rs. 23.67 crores.</p> <p>Based on the success of the pilot project, the Discoms will take a decision on the full scale implementation of the project. The works for the pilot project are expected to be completed by the end of March 2011.</p>

Para No/Brief Issue	EPDCL Response
<p><u>GROUP INSURANCE SCHEME FOR PAYMENT OF COMPENSATION :</u></p> <p>Responding to the directive of the Commission, SPDCL has proposed adding of a nominal amount to customer charges for all the HT and LT services for creating a fund to meet exgratia needs due to fatal accidents to avoid claim procedure complications, instead of going for a group insurance scheme. The Commission has already permitted the Discoms to spend Rs.5 crore per Discoms per annum to take necessary steps to prevent electrical accidents and this amount is already being borne by the consumers as a part and parcel of the tariffs. When fatal accidents take place due to departmental lapses, the Discoms will have to pay compensation to the victims or their legal heirs from their profits only. To collect "a nominal amount" from consumers to create fund to meet exgratia needs due to fatal accidents is to penalise them for the failures of commission and omission of the Discoms. Therefore, I request the Commission not to give its consent to such proposals.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>I request the Hon'ble Commission to provide me an opportunity to be heard in person in the public hearings to be conducted on the subject issues relating to all the four Discoms.</p>	<p>Under the purview of Hon'ble APERC.</p>



Responses to Objections/ Suggestions

20. **Sri M.R.Prasad**
Secretary General
A.P.Ferro Alloys Producers' Association,
3rd Floor, Progressive Towers,
Khairatabad,
Hyderabad – 500004

Para No/Brief Issue	EPDCL Response
<p>1. The Anomaly in 2005-06 DISCOMS have proposed a tariff of Rs.2.87 per KWh for the year 2005-06 and the same was approved by the Hon'ble Commission. In this context, we have made the following submissions:</p> <p>a) The Proposal made by the Discom for the year 2005-06 is at variance with reference to Hon'ble APERC order issued in the year 2002 and the proposed tariff of Rs.2.87 per KWh was much above the cost of bulk supply plus margin for the year and the increase in tariff was very steep (35%).</p> <p>b) The approved tariff for 2005-06 contradicts the provisions of the Electricity Act 2003 (Section 61(g) as proposed and approved tariff was above the cost of service. The cost of service for the financial year 2005-06 would have been either equal to or less than Rs.1.92 per KWh for 132 KV consumers, which was cost of service for M/s. EPDCL/M/s. CPDCL, specified in the tariff order the financial year 2006-07.</p> <p>c) Based on the above, the tariff for the financial year 2005-06 would have been at least equal to Rs.2.12 per KWh and hence, at best, it would have been continued at Rs.2.12 per KWh, if not reduced, as seen for the other consumer categories.</p> <p>In spite of the above reasons, DISCOMS have proposed Rs.2.87 per KWh as tariff for Ferro Alloy Units for 2005-06 and the Hon'ble commission approved the same.</p> <p><u>We would like to bring to the kind notice of Hon'ble Commission that the Ferro Alloy Industry was not given any specific consideration for reduction the tariff based on its high Load Factor and no course correction</u></p>	<p>The tariffs are fixed by the Hon'ble APERC based on the Aggregate Revenue Requirement filed by the Discoms every year.</p> <p>Based on the revenue gap and Cost of Service to that category, the Commission has fixed the tariffs and approved the subsidy for FY 2005-06 and later years.</p> <p>Further, as per sec 62(4) of IE Act 2003, “ No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified”.</p> <p>The Licensee disagrees for any course correction for the previous year's approved tariffs.</p>

Para No/Brief Issue	EPDCL Response
<u>was done for the increase of 75 paise in 2005-06.</u>	
<p>2. The Ferro Alloy tariff is fixed considering 85% load factor. Should the Load Factor fall below 85%, the consumer has to pay deemed energy consumption charges for the units falling short of 85% LF. Any reduction in load factor due to market changed conditions, lining of the furnace, break down of the transformer, bound to impact the Industry heavily as the Consumers have to either (a) pay deemed energy consumption charges for the energy which is not consumed, or (b) adopt uneconomic production practices to avoid higher energy payments/minimize the unit energy costs. Both options are highly undesirable and thus to be avoided.</p>	<p>Deemed energy consumption charges are levied as per the Tariff order issued by Commission.</p>
<p>3. The Ferro Alloy units may be permitted to pay only the cross subsidy component of the tariff (or alternatively 50% of tariff fixed by the Commission) when the units fail to consume energy equivalent to 85% load factor</p>	<p>The existing Tariffs for Ferro alloys are less than the COS. Hence the proposal is disagreed.</p>
<p>4. Examine the feasibility for one month notice period to de-rate contract demand to enable the industry for better planning and to minimize avoidable financial losses that arise from the payment of minimum charges without consumption. Introduce any other mechanism as the Hon'ble APERC pleases to avoid the higher financial burden on the industry.</p>	<p>The Discom has to undertake investment for based on the contracted demand. In case of deration of demand by the consumer, it is difficult situation for the Discom if the minimum notice period is one month since power would already have been tied up by the Discom and this causes financial loss to the Discom. Therefore, this proposal is not agreeable.</p>

Para No/Brief Issue	EPDCL Response
<p>5. During power shortage period, we request to not to consider power cut period for deemed energy consumption calculation. For example, if power cut is imposed for two months, say March and April, while calculating deemed energy consumption, we request you to deduct 1464 hours (744 + 720) and consider remaining ten months to arrive at deemed energy consumption. The reason for our request is that, the Discom will not incur any loss out of our less consumption, since the Discom is selling that power to other consumers. If the Discom is in surplus situation, yes, the Discom would incur revenue loss. But, this is not the situation.</p> <p>Under Section 45(2), the Discom can recover charges for electricity supplied by the Distribution Company. It is not just recovering charges without supplying power.</p> <p>Section 45. (Power to recover charges) : -</p> <p>(1) Subject to the provisions of this section, the prices to be charged by a distribution licensee for the supply of electricity by him in pursuance of section 43 shall be in accordance with such tariffs fixed from time to time and conditions of his licence.</p> <p>The charges for electricity supplied by a distribution licensee shall be fixed in accordance with the methods and the principles as may be specified by the concerned State Commission.</p>	<p>Demand charges are not being levied to the Ferro Alloy Industries. 85 % LF for deemed consumption has been fixed by the Hon'ble Commission taking all these factors in to consideration.</p>

Para No/Brief Issue	EPDCL Response																	
<p>6. The Ferro Alloy category may be exempted from the Time of Season Category group of industrial consumers, as the Ferro Alloys load is a base load and is a constant load. No shifting of loads from peak to non-peak is possible in view of the continuous running nature of industry. Hence, kindly reject the proposal of levying of Rs.0.75/kWh seasonal tariff on ferro alloy units in view of a) specific tariff structure of ferro alloy units, b) no contribution by ferro alloy units to seasonal peaks, and, c) provision of section 62(3) of Electricity Act 2003.</p>	<p>The process schedule of the industry can be changed across months to take advantage of the non-peak tariff after the introduction of ToS tariff.</p> <p>The contention of the Discoms in proposing ToS tariffs is as below:</p> <ol style="list-style-type: none"> 1. The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. 2. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW. <table border="1" data-bbox="824 772 1549 961"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">FY 2011-12</th> </tr> <tr> <th>February</th> <th>March</th> <th>April</th> <th>May</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Peak Load (MW)</td> <td>12,384</td> <td>12,677</td> <td>12,490</td> <td>11,360</td> <td>12,228</td> </tr> </tbody> </table> <p>The Discoms believe that the ToS proposal will</p> <ol style="list-style-type: none"> 1. Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period. 2. Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met. 3. Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff will influence the consumers to either shift their load or reduce consumption managing the demand curve. 		FY 2011-12					February	March	April	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
	FY 2011-12																	
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Peak Load (MW)	12,384	12,677	12,490	11,360	12,228													

Para No/Brief Issue	EPDCL Response
<p>7. KVAH based billing : The Discoms have proposed to introduce KVAH based billing. As all Ferro Alloy industries are meeting the requirement of .95 Power Factor, the KVAH based billing should not be made applicable to these industries. Once KVAH billing is introduced, the consumer tends to overcompensate the reactive power requirement to make doubly sure that KWH is as close to KVAH. Any over compensation thus bring the PF to lead will bring down the RMD and the lead energy will be pumped to the Grid and in turn the Discoms may have to introduce reactors to compensate the lead energy. This will increase the fixed cost to the licensee. If the reactive energy is allowed to flow to compensate the transmission requirements, the system will end up with more losses. Therefore, we request that the KvAh billing should not be implemented to H.I.I(b) category</p>	<p>The Discoms have currently decided to implement kVAh based billing for lagging power factor for FY 2011-12. In case of overcompensation of the power factor by the consumer and in case a leading power factor situation arises, there might be some impact on the line loss. The Discom shall examine the proposal of implementing kVAh based billing for leading power factor thereby encouraging the consumer to maintain near-unity power factor.</p>
<p>8. The difference in proposed voltage-wise tariff between 33 kv and 11 kv is irrational and abnormal. The tariff for 11 kv should be fixed at Rs.3.00/kwh. Based on the demand and supply position of Ferro Alloys, the industry cannot afford for this voltage based tariff and if introduced the Hon'ble Commission may have to indicate that this tariff will be introduced for 2012-13 so that clear time is given for the units to make their arrangements to change over to EHT category</p>	<p>The difference in voltage wise tariff from 33kV to 11kV includes the wheeling charges, of 33kV and 132 kV and also the losses in 11kV, 33kV and 132 kV network. The Discoms have factored this and only this in proposing the voltage based differentiation in tariff.</p>



Responses to Objections/ Suggestions

21. **Sri M.V.Rajeshwara Rao**
Secretary General
The Federation of Andhra Pradesh
Chamber of Commerce & Industry
Federation House
Red Hills, Hyderabad - 04

Para No/Brief Issue	EPDCL Response																		
<p>1. Time of Season (TOS) tariff for the months of April, May of 2011 and February, March of 2012: Already the TOD Tariff at Rs.1/- per unit is introduced for all the 12 months on the consumption during the peak period from 6.00 pm to 10.00 pm, in respect of H.T. Industrial Category I. Now, during these 4 months the tariff rate for peak period in the peak season in respect of H.T. category I it will be increased by a total amount of Rs.1.75, if this proposal is accepted, while the other 2 categories under H.T. are subject to an increase of only 75 paise during the same period. Hence this would be highly discriminatory. If this has to be implemented, it may be necessary to consider to extend time of the incentive for H.T. Category I, for the balance 8 months for the entire 24 hours @ 0.35 paise per unit for HT Industrial I Category under the time of Time of Incentive proposal.</p>	<p>HT - I may not be compared with the HT other categories since it is not possible to shift their intra-day demand curve.</p> <p>T.O.S. (Time of Season) Proposal:</p> <p>The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW.</p> <table border="1" data-bbox="868 1291 1502 1491"> <thead> <tr> <th></th> <th colspan="5">FY 2011-12</th> </tr> <tr> <th></th> <th>Feb.</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Peak Load (MW)</td> <td>12,384</td> <td>12,677</td> <td>12,490</td> <td>11,360</td> <td>12,228</td> </tr> </tbody> </table> <p>In order to reduce the peak deficit, the Time of Season tariff has been proposed to</p> <p>(i) Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period.</p>		FY 2011-12						Feb.	Mar	Apr	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
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Para No/Brief Issue	EPDCL Response
	<p>(ii) Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measured to reduce the monthly consumption and hence reducing the demand to be met.</p> <p>(iii) Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff will influence the consumers to either shift their load or reduce consumption managing the demand curve.</p> <p>The suggestion will be examined by the Discoms since it involves financial impact.</p>
<p>TOD Incentive – 12 AM to 4 AM: Normally, the shifts run for 8 hours. Hence, it would not be possible for us to change the time of shifts to cover only the block time of 4 hours suggested above to utilize only for 4 hours in the time block, in a shift. To be practicable, and result oriented, it is suggested that the time of the incentive is made to cover the entire shift from 10.00 pm to 6.00 am i.e., for 8 hours, to encourage shifting of the demand to off peak hours, by shifting the working shift to the above timing.</p>	<p>The licensees understand that the industrial shifts run for 8 hrs. But the TOD incentive is only introduced to reduce the peak demand and shift load from peak hours to off- peak hours. Since, there is no TOD penalty on 2 hours block on either side of the 4 hour block 12:00 A.M .- 4:00 A.M., it clearly follows that the 8 hour shift for 10:00 P.M. – 6:00 A.M. can be used. The incentive is provided only to encourage the shift in load curve and the objective will be attained by the proposed incentive for 4 hours block.</p>
<p>Introduction of KVAh based billing: At present no penalties are levied for the categories which attract Low Power Factor Surcharge, as long as they maintain a P.F. between 0.95 to 1.00. In fact only a fraction of percentage of consumers is generally becoming liable for Low Power Factor Surcharge. But with the proposed introduction of billing based on KVAH basis, all the consumers except those whose power factor is absolute Unity will get penalized with an additional Tariff. Thus it is an indirect and heavy increase in financial commitment in respect of disciplined consumers, which cannot be appreciated nor accepted. The adverse effect of proposal can be well understood by an example given below: Let us consider an industry whose details are as follows: Voltage of supply 33 KV KWH Consumption 4,80,000 units Contracted Demand 2000 KVA KVAH consumption 5,00,000 units P.F = 4,80,000 / 5,00,000 = 0.96</p>	<p>The underlying objective of the proposal of introduction of kVAh based billing to ensure reduction in line losses which occur due to the low power factor. The contracted load is measured in kVA terms while billing is done in kW terms. The current tariff structure is a two- part tariff including energy charges in kW terms and low power factor surcharge for power factor less than 0.95. The proposal is to introduce kVAh based billing while forfeiting low power factor surcharge and kWh based billing. The kVAH based billing calculates accurately the energy charges for the contracted load. The licensees therefore expect the consumers to have Unity Power Factor.</p>

Para No/Brief Issue	EPDCL Response
<p>At present the energy charges payable will be 4,80,000 x Rs.3-25 = Rs.15,60,000 They are not liable for any Low P.F. Surcharge as the P.F. is above 0.95.</p> <p>As per the proposal now made the amount of energy charges payable will be: 5,00,000 x Rs.3-25 - 17,50,000</p> <p>Thus the excess amount payable by the consumer who has not been violating the condition of Power Factor will be Rs.1,90,000.</p>	
<p>Further, this proposal suffers from some demerits which need to be thoroughly examined before the proposal is considered.</p> <ol style="list-style-type: none"> 1. The Licensee appears to have considered only such part of the Grid Code, which supports their argument while ignoring the overall intention of the Code. 2. With the above proposal, the system is bound to end up in more losses instead of savings and these losses will ultimately be passed on to the consumer at the end of the day. 3. Once KVAH billing is introduced, blocking the lead component, consumers tend to over compensate the reactive power requirements, to make doubly sure to retain the KVAH as near to KWH as possible. Such over compensation may incidentally bring down the Recorded M.D. 4. Because of over compensation, the lead energy is pumped to the licensee and the Licensee may have to compensate the lead reactive energy by installing reactors or allow it to flow to compensate for his transmission requirements. If the Licensee chooses the first option, he will have to increase the fixed cost and if he chooses the second option he may end up in more system losses. <p>Hence, it is requested to thoroughly study in detail, till such time, the Discoms proposals may be postponed.</p> <p>It may be pertinent to remind that, last year billing for KVAH was proposed and the same has been shelved.</p> <p>In spite of the above objections and observations, if APERC is convinced of implementing the KVAH based billing against Grid standards of 0.95 power factor, a 5% relief in tariff may be allowed, to compensate the additional financial burden on consumers.</p>	<p>The Discoms have currently decided to implement kVAh based billing for lagging power factor for FY 2011-12. In case of overcompensation of the power factor by the consumer and in case a leading power factor situation arises, there might be some impact on the line loss. The Discom shall examine the proposal of implementing kVAh based billing for leading power factor thereby encouraging the consumer to maintain near-unity power factor.</p>
<p>Collection of provisional FSA of 25 paise p.u.:</p>	<p>The APEPDCL has already filed FSA claims for four quarters of FY 2009-10 and three quarters of FY 2010-</p>

Para No/Brief Issue	EPDCL Response
<p>A strong objection is taken for the request of the Discoms to authorize them to collect @25 paise per unit on interim basis, for the claims covering the F.Y. 2009-10 and HI of F.Y. 2010-11, especially when the objections raised in respect of the claims for the 4-quarters of F.Y. 2008-09 has resulted in interim suspension of the claims of FSA for the 4 qqrtrs of 2008-09 and the matter has not yet been disposed by the Court.</p> <p>When the APERC authorized the Discoms to collect FSA for the 4 Quarters of F.Y. 2008-09 at the rates 12, 40, 90 and 36 paise respectively, it was noticed that there were certain legal deformities, in addition to non- observance of time limits prescribed for sending up proposals by Discoms,. As a result of the same, the orders of APERC in respect of FSA 2008-09 were suspended on interim basis, in respect of the consumers who approached the Hon'ble High Court. The matter is still not disposed.</p> <p>The same deformities and violations of time limit exist in respect of the claims now proposed in respect of FSA for 2009-10 and perhaps the half year 1 of 2010-11. Hence it is not desirable that the APERC again takes unnecessary risk to consider the request of Discoms to authorize them to collect FSA at 25 paise per unit on a provisional basis, especially when they are liable forfeiture.</p> <p>However, the APERC may examine the proposals of the Discoms for the six quarters, consider the proposals furnished within the time limits prescribed at Para 4 of the Amendment to section 45-B of Conduct of business Regulations issued by APERC on Thursday the July 17, 2003, and examine the same in the light of the objections raised against the orders of APERC in respect of the FSA for 2008-09 and dispose the same early.</p> <p>In our opinion, the proposals submitted by Discoms for the 4 quarters of 2009-10 are time barred and liable for forfeiture. Since the dates of submission of proposals of FSA for the 2 quarters of 2010-11 are not known, the APERC will examine the same in the light of the time limits prescribed.</p>	<p>11 in time. These are currently pending disposal by the Hon'ble Commission. The total amount recoverable through FSA is Rs. 248 Crs for three quarters of FY 2010-11. Since the Discoms are already burdened financially, Hon'ble Commission was requested to consider the provisional collection of FSA until such time that the final orders are passed.</p> <p>The reasons for claiming FSA:</p> <ol style="list-style-type: none"> 1. Use of imported coal. 2. Increase in price of domestic coal. 3. Increase in price of gas. 4. Additional procurement from IPPs to cover the deficit from APGenco and CGS stations. 5. Decrease in procurement from NCEs.
<p>Increase in contracted load limit from 75 HP to 100 HP for Rice Mills:</p> <p>It is suggested that the enhancement of contracted Load Limit from 75 H.P. to 100 H.P. may be generalized instead of making it exclusive for Rice Mills only, which appears discriminatory. In fact there are number of Engineering Industries who desire to have this limitation of Connected Load increased to 100 H.P. to avail at L.T,</p>	<p>The rice mills association has approached the GoAP requesting for increase in limit of maximum contracted load limit from 75 HP to 100 HP. The licensees have included the same in the ARR filing. However, the subject issue falls under the purview of Hon'ble APERC.</p>

Para No/Brief Issue	EPDCL Response														
<p>To consider issue of an Amendment for the Clause 1 (ii) of General Conditions of H.T. Supply:</p> <p>As per the present Tariff provisions, demands from 10,000 to 15,000 KVA can only be availed at 132 / 220 KV, EVEN THOUGH IT IS TECHNICALLY FEASIBLE TO AVAIL THE DEMAND AT 33 KV. It is noticed that abnormally long time is taken in extending supply at EHT and especially due to non construction of adequate 132 / 220 KV sub-stations, for reasons of nonavailability of land for construction of E.H.T. Sub-stations, and requirement of heavy investments, consumers who desire to avail supply for contracted demands above 10,000 KVA and up to 15,000 KVA are not getting proper response. More over availing 15,000 KVA at EHT is very uneconomical and highly time consuming. In fact it is possible that supply at 33 KV may be availed on Independent feeders using proper supports and conductor to get voltage regulation within limits and adequate current carrying capacity. It is learnt that some Discerns have already given proposals for allowing consumers to avail up to 15,000 KVA on Independent feeders at 33 KV. Hence it is proposed that the APERC in the interest of extending better and economical service accepts to amend the Clause 1(ii) of General Conditions of H.T. supply as follows:</p> <p>"H.T. Consumers seeking to avail supply through independent feeders from the substations where transformation to required voltage takes place shall be:</p> <p>For Total Contracted Demand with the licensees and other sources</p> <table border="0"> <tr> <td>Up to 2500 KVA</td> <td>11 KV</td> </tr> <tr> <td>2501 KVA TO 15000 KVA</td> <td>33 KV</td> </tr> <tr> <td>Above 15000 KVA</td> <td>132 KV or 220 KV"</td> </tr> </table> <p>Subject to adequate current carrying capacity and voltage regulation</p> <p>In place of:</p> <p>For Total Contracted Demand with Licensee and other sources</p> <table border="0"> <tr> <td>Up to 2500 KVA</td> <td></td> </tr> <tr> <td>2501 KVA to 10000KVA</td> <td></td> </tr> <tr> <td>Above 10000 KVA</td> <td></td> </tr> <tr> <td>11 KV 33 KV 132KV or 220KV</td> <td></td> </tr> </table>	Up to 2500 KVA	11 KV	2501 KVA TO 15000 KVA	33 KV	Above 15000 KVA	132 KV or 220 KV"	Up to 2500 KVA		2501 KVA to 10000KVA		Above 10000 KVA		11 KV 33 KV 132KV or 220KV		<p>The subject issue falls under the purview of Hon'ble APERC.</p>
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<p>To consider Issue of an Amendment to ToD Tariff in view of non-providing of metering for some of the services:</p> <p>It is observed that proper metering is not provided for ToD, in some H.T. services. But 176th of total consumption is being initially billed and subsequently adjustments are proposed based on certain information given by DPE Wing.</p>	<p>The idea of levying TOD tariff is to shift the demand from peak hours to off- peak hours. Hence, the proposal by FAPCCI to exempt services not metered for ToD from the ToD charges will not reduce the consumption during peak hours thereby defeating the idea of the proposal. All the HT-I industrial consumers are provided with TOD meters.</p>														

Para No/Brief Issue	EPDCL Response
<p>It is suggested to exempt the services not metered for ToD from the ToD charges, AS IT WOULD NOT BE CORRECT TO BILL UNLESS PROPER METERING IS PROVIDED.</p>	
<p>To insist on the Licensees to observe the provisions laid down in G.T.C.S., with a provision for interference by APERC: It is in generally noticed that the Licensees and their representatives themselves are failing to observe the provisions laid down in G.T.C.S. and thus causing inconvenience to consumers and many a time the management also does not take action to correct the situation. There has been no provision available in the Rules to obtain assistance of APERC. A few examples are furnished below: A) Making the bills available for collection / issue on the date notified on the bill and serving them by Courier / putting in internet with all details, and allowing the time permitted by the Rules, for consumers for payment: The H.T. Bills are dated 26th of every month and in some Discoms 23 rd. of the month. In fact it is been a general practice to adopt furnishing of that date, irrespective of the fact-whether the bills are available for issue. Even if 26th. Is a holiday, the date of bill is noted as 26th. Generally the bills are available only by 27th and in some cases 28 or 29 If there are any corrections, the revised bill will be available for issue only after 29th. But those revised bills are also dated 26th. Even the first Bills are also, preferably dated 26* . But are available long time after the date. The first bill is normally supposed to be served to the consumer under acknowledgement, but they are also stated to be sent by ordinary post. There are cases where in the bill is received after due date. In respect of H.T. 15 days time is to be given from the date of issue of bill but only 14 days are prescribed to be allowed, as noticed from the due date mentioned in the bill. Thus out of 15 days, in practice, only 11 to 12 days are actually allowed to the consumer. In respect of L.T. Consumers, only 13 days time is given from the date of issue as notified in the bill, though the bills are not ready for issue, and they are supposed to be given 14 days. In many cases the bills are not being received by post. At times even the first bill, which is supposed to be delivered against acknowledgement, is also stated to have been posted, but not received by consumer. HENCE it is suggested that the H.T. Bills and L.T.</p>	<p>APERC Regulation No. 5 of 2004, Clause 4.3.7 reads as follows <i>“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”</i> The HT Bills are being issued in compliance to the above regulation only. For HT services whose readings are being read though IAMR, the bill date is 22nd of every month and the due date for payment fall on 5th or 6th (depending on the length of the month) of the succeeding month as per the above regulation. For the remaining HT services, the bill date is 26th of every month and the due date falls on 9th or 10th (depending on the length of the month) of the succeeding month. Besides dispatching the HT Bills through post (under certificate of posting) / courier depending on the availability of facility, EPDCL already took initiative and enabled the HT consumer to access their HT Bills on internet at apeasternpower.com soon on completion of the billing. SMS alerts also being provided to HT consumers about the Bill amount and the due date for payment. If the due date happens to be a holiday, the next working day is being considered as due date for the calculation of delayed payment surcharges. The LT Billing is done through spot billing. Here LT Bills are prepared and issued at the door step of the consumer itself. In this case the bill date is the date on which the bills is generated and issued to the consumer. 15 days time for the payment is allowed to the LT consumers also.</p>

Para No/Brief Issue	EPDCL Response
<p>Industrial bills are served through courier, and the bills are dated on the actual date they are ready for issue.</p> <p>As an alternative, the bills may be kept in internet as soon as they are ready and the date of bill should be the date on which the bills are put in internet.</p> <p>B) Non- observation of stipulated procedures in the case of Meter Defect:</p> <p>There has been clear procedure prescribed in GTCS, to be observed in cases of meter defect. The same are furnished below:</p> <p>7.5.1. Defective Meters:- The following procedure shall be adopted fay the Company in respect of defective meters (other than stuck up meters which do not involve any dispute)</p> <p>7.5.1.1. The authorized inspecting officer as per Designated officers' Notification shall record the observations made at the time of inspection by preparing the Inspection Report as per the Format prescribed in Appendix IV (Appendix IV A for L.T. Consumers or Appendix IV B for H.T. Consumers)</p> <p>AND SERVE A COPY OF THE SAME TO THE CONSUMER AT THE END OF INSPECTION. The authorized Inspecting Officer shall send a copy of such Inspection Report by the next working day to the officer authorized for preparation of assessment notice in case of defective meter.</p> <p>7.5.1.3. Such designated officer shall issue the Assessment Notice as per the format provided in Appendix VI, to the consumer within two days from the date of receipt of the Meter Testing report from MRT Laboratory, wherever applicable.</p> <p>7.5.1.4.4. The assessment shall be made for the entire period during which the status of defective meter can be clearly established subject to a maximum period of 3 months prior to the date of inspection in the case of domestic and agriculture consumers and 6 months in the case of other categories.</p> <p>7.5.1.5.2. In the event that the consumer disputes the assessment, he may make a representation within 15 days from the date of service of the notice, to the designated officer in this regard mentioned in the Designated officers' Notification, who shall examine the matter and also permit the consumer, if the consumer so desires. The decision of such designated officer is final.</p> <p>7.5.1.5.3. In the event that the consumer does not make a representation within 15 days from the date of service of the said notice, the electricity charges payable by consumer</p>	

Para No/Brief Issue	EPDCL Response
<p>shall be included as arrears category in the subsequent C.C-bill due from the consumer.</p> <p>The above procedures are generally observed in violation as follows:</p> <ol style="list-style-type: none"> 1. The Inspection Notice is never served to the Consumer at the end of Inspection, even though they take the signature of consumer's representative, on the Format of the report. 2. The Inspection Report is never sent within the prescribed time by the designated Inspecting officer to the designated officer authorized for preparation of assessment notice. 3. In general the claim of amount for the defective period is unilaterally included as a claim in the bill for that month, without observing the procedures prescribed as mentioned above and without actually giving any details, thus making the same legally invalid. 4. Even if such situation is brought to the notice of higher officers, normally no action is taken, indirectly subjecting the consumer to unnecessary stress for payment 5. The service is resorted for being disconnected if the arbitrary claim is not paid. 	<ol style="list-style-type: none"> 1. Inspection notes were served to the consumers. Incriminating points have been noted in the consumer reading register as recorded in the notes and explained in detail duly taking consumer/representative acknowledgement. 2. Assessment reports were sent to the assessing officer for preparation of assessment notice within the prescribed time i.e., on the next working day. 3. In short duration, defective period and the short fall amount were included in the CC Bills duly explaining the reasons to the consumers and in all other cases the procedure as prescribed in GTCS were followed. 4. Any disputed cases brought to the notice of the higher officer will be resolved and the reasons for shortfall are being explained to the consumer with CMRI analysis reports. 5. The services are being disconnected in the specific cases duly following the procedures as mentioned in the GTCS. 6. However, monitoring and reviews are being strengthened to take corrective action in this direction.
<p>There has been no provision in the rules on the action to be taken for the violation by the licensee's representatives.</p> <p>Hence it is suggested that addressing of this type of situation has to made available with APERC by authorizing some officer in APERC with powers to order deletion of such unilateral claim, subject to the Licensee's representative getting the amount by observing the procedures stipulated in the GTCS.</p> <p>It is also necessary that the representatives of Licensee are directed to observe the provisions in the GTCS especially in respect of service of inspection Report and Assessment notice. This enables the consumer being aware of what is happening in his service. This also saves the claim from legal deformity of being unilateral or arbitrary, or against the provisions in GTCS.</p>	<p>The subject issue falls under the purview of Hon'ble APERC.</p>



Responses to Objections/ Suggestions

22. **Sri Chaganti Venkateswarlu, B.E., FIE., FICA**
Chairman,
Raithu Samakhya,
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Plot No. 302, 33-10-14,
Seetharampuram,
Vijayawada – 520002 (A.P)

Para No/Brief Issue	EPDCL Response
<p>1. The ARR Filing for the year 2011-12 was submitted by the licenses before the Hon'ble APERC. The Publication was made in Vaartha, Andhra Jyothi and Times of India and not in Eenadu a major circulation daily paper. Thereby many of the people could not know the same. When I have enquired in APERC office on 03.01.2011, it was informed that the Licenses wanted time and granted by the Hon'ble Commission. Only to day I got the information and the due date for objections and Suggestions was 14.02.2011 with the result I could not make out a detailed report and avail the opportunity in the Public hearing being conducted by the Hon'ble Commission.</p>	<p>It is a practice to publish public notice of ARR of every year in two telugu and two English news papers on rotation basis. Further the entire ARR was kept in DISCOM website for inviting the objections/ suggestions.</p>
<p>2. Our Country India is working under Federal set up with people participation and under the constitution. The Hon'ble members have assumed office after taking oath on the constitution. Every year the Licenses submit ARR and the Hon'ble Commission invite objections and suggestions and conduct Public Hearings and pass order i.e., Tariff orders. While doing so the difficulties faced by the customers on account of rendering service by the Licenses is not doing properly, showing discrimination. The APERC could not correct the deficiencies caused and earned the good will of the customers and People. The people are having a strong feeling that the Licenses are Government owned companies and the members of APERC are also appointed by the Government and it is quite but against the customers at large. Unhappiness prevailed and resentment and unrest caused and the people are getting revolt under the said circumstances. It is the responsibility of the APERC to correctly diagnose the issue and stand behind the customers duly taking into consideration the reforms Act, electricity Act, Rules terms and condition of the License, regulations communicated, the procedures laid down, the working instructions communicated from time</p>	<p>The subject issue falls under the purview of Hon'ble Commission.</p>

Para No/Brief Issue	EPDCL Response
to time unless the said matters are implemented into and actions initiated for flouting the same, there shall not be any improvement in the working.	
<p>3. It may kindly be understood the customers are paying for the services rendered by the licenses and it is obligation and duty of the Licenses to render due service to the customers. The APERC who has to monitor the working of the License, and take action deem fit wherever necessary has not taken action so far in terms of reforms act and electricity Act, thereby the Licenses are acting in their way, giving important for their personal gains. After the reforms Act came into operation, formation of APERC and Licenses, there shall be improvement in the working and unfortunately the rendering of service has been run down compared to the A.P.S.E.B system of working.</p>	<p>After unbundling and reforms were undertook, considerable changes took place both in line loss reduction, revenue recovery, network improvement, providing of expected services to customers in a reasoned manner. The APEPDCL has been appreciated by many agencies, customers, state govt & central govt. which shows as proof that the services are improved. However, the suggestion is noted for further improvement.</p>
<p>4. I humbly submit the following: 1. It has been brought to the notice of Hon'ble commission for the last several years that interruptions are caused from 6 to 8Hrs daily to the rural consumers availing supply though they are paying at the same tariff rates on par with urban consumers and the Hon'ble commission has identified the same and communicated in the tariff orders. It may kindly be noted that it is the right of the rural consumers to demand supply on par with the urban consumers and the rights are guaranteed under constitution. I have filed a petition before the Hon'ble APERC wide OP(SR) No.16 of 2010 and the petition was rejected in the admission stage itself on 17.01.2010. It has been indicated by the Hon'ble commission it is the responsibility of the licensee to regulate the supply according to the clause 16 of G.T.C.S depending on the generation and to maintain equilibrium. The clause 16 do not indicate, that interruptions shall be caused regularly every day to rural consumers and no interruption to the urban consumers infringing on their rights guaranteed under constitution, The law of the land is clear that the customers of rural area shall be provided equal right as that of urban area. The Hon'ble commission has over raided the rights preserved under constitution. The Hon'ble commission instead of preserving the</p>	<p>Necessary steps being taken for providing 3 phase 24 Hours uninterrupted supply to all the villages for other than agricultural needs. The Discoms have informed about the Agriculture Feeder Segregation Pilot project implementation in response to the directive of the Hon'ble Commission on this issue. The licensee decided to implement the pilot project in one mandal in each circle and the pilot project would be funded internally by the licensee. The mandals for the pilot implementation are chosen such that they are closer to district headquarters with predominant agriculture consumption. The investment for pilot project would be Rs. 23.67 crores. Based on the success of the pilot project, the Discoms will take a decision on the full scale implementation of the project. The works for the pilot project are expected to be completed by the end of March 2011.</p>

Para No/Brief Issue	EPDCL Response
<p>rights of the Consumers, by its order damaged the rights of the customers for which the Hon'ble commission is solely responsible and accountable. The duties and responsibilities cast on the Hon'ble commission is to preserve the rights of consumers with equal treatment and no bias. These parameters shall be taken into consideration and the Hon'ble commission is humbly requested to re examine the issue in preserving the human rights to have power supply to the rural customers on par with urban consumers. When the power demands interruptions, the urban consumers are also caused interruptions to balance and maintain the equilibrium.</p>	
<p>2. It has been brought to the notice of the Hon'ble commission that without the approval of the commission power was purchased to the extent of rs.6040 crores at exorbitant rates during the public hearing. I have also lodged a petition vide OP(SR) No.23 of 2010 and the Hon'ble commission has passed orders on 17.01.2011. The Hon'ble commission quoted clause 16 supporting the actions of the licenses. The Hon'ble commission ordered that the petition is not sustainable under law before the commission. It is humbly submitted as follows:</p> <p>(i) The APERC has issued guide lines for load forecast, resource plans and power procurement. In terms of section 15(A) (j) purchase of power shall be done in an economical manner and under a transparent power purchase process. In terms of section 21(4) (b) and 21(5) that purchase of electricity from any person or any generating company shall be with the consent of APERC and any purchase agreement, under made with or subject to the APERC consent is void.</p> <p>(ii) While granting license U/S 15, the APERC, the licensees have to follow the guide lines as provided in their respective licenses.</p> <p>a) Fore casting the demand for power within their area of supply.</p> <p>b) Formulating resource plans and schemes to meet their obligation.</p> <p>(iii) Each demand and forecast to be submitted by the licensees to APERC and it shall contain a forecast of future demand in the respective areas of supply for a period of 10 years, to</p>	<p>The subject issue falls under the purview of Hon'ble APERC.</p> <p>Power purchase is being made in a transparent manner with the approval of Hon'ble Commission.</p> <p>This is being followed as per the guide lines of Hon'ble Commission.</p> <p>Load forecasting is being done basing on the</p>

Para No/Brief Issue	EPDCL Response
<p>include details of load fore cast year by year for each customers class and fore caste of technical and non technical losses. The load fore cast should also state the assumption on which it is based and the licenses explanation on fore casting methodology.</p> <p>(iv) Each license shall formulate resource plan in coordination with others. Each licenses hall demonstrate to the APERC, that its resource planning will ensure, to the maximum extent of its own control and influence that all consumers connected to its transmission or distribution system will receive an adequate safe and economical supply of electricity having regard to quality, continuity and reliability of service. The licenses through a process of integrate resource planning, that it has examine the economic technical system and environmental aspects of all available reasonable options to satisfy the energy service needs of its consumers in its areas of supply, and that such examination has been carried out in accordance with the guide lines.</p> <p>(v) The distribution licenses shall plan and develop its distribution system in accordance with the license, so as to ensure that subject to availability of adequate generating and transmission capacity the system in capable of providing consumers with in its area of supply with an adequate, safe and economic supply of electricity having regard to quality continuity and reliability of service.</p> <p>The guide lines issued by the APERC, in conformity with the precisions of relevant Acts, and in conformity with the conditions stipulated in the license has not been implemented and the Hon'ble APERC has not insisted and has taken action on the various representations made by the customers and various organizations of the people have become futile. Non implementation of the above cited, resulted in critical power position and thereby the service to the customers are not being rendered and subjected to scheduled interruption and also by way of emergency load relief's. I humbly submit the Hon'ble Commission to re-examine the orders in the light of the above in the public interest.</p>	<p>historic growth rate of past years and forecasting for the future for 5 years/ 10 years.</p> <p>The Licensees follows the guidelines of Hon'ble Commission.</p> <p>The Licensee is providing required network on load based and need based to the expected services of customers.</p> <p>The subject issue falls under the purview of</p>

Para No/Brief Issue	EPDCL Response
<p>In terms of section 86(1) (b) of Electricity Act 2003, regulation of Power Purchase shall be done by APERC and it was done in this case is a clear violation. Instead of exercising its power in safe guarding the interests of the customers, the Hon'ble commission attitude is in support of the Power procurement process of the Agencies against the acts.</p>	<p>Hon'ble APERC.</p> <p>The power purchase is being done in transparent manner as required.</p>
<p>3. I have participated in the Public hearing and represented on the hiking of tariff for industrial consumers, declaring 2 days holidays and restrictions during peak load hours. Since there was no reaction, I filed a petition before the Hon'ble Commission vide OP(SR) No.25 of 2010 and the Hon'ble commission struck down at the admission stage as the petition is not sustainable under law. It is humbly submitted as follows:</p> <p>Section 23 of Electricity Act and 11(e) of Reforms Act delegated power to the Hon'ble Commission. It is a case where the normal ensuring supply to the Industrial consumers by the licenses under the Provision of the Agreement. The Government has interflow and acted. The Hon'ble commission has advised to approach the government. It is the right of the industrial consumer to demand supply as per the Agreement entered into. Further as explained under item 2 above, the responsibility lies wit the licenses. For the defaults and breaks committed by the license is not analyzing the supply, the industrial units have been suffered severely not able to execute the orders on hand and subject to losses and damages. Instead of understanding the situations prevailed and more the licenses responsible the role played by the commission has damaged the interests of the customers and are severely posed to whom they have approach is a matter of concern. It is the responsibility of the Hon'ble commission to safe guard the interests of the customers at large and humbly submitted to re examine the issue.</p>	<p>The subject issue falls under the purview of Hon'ble APERC.</p>

Para No/Brief Issue	EPDCL Response
<p>4. I have submitted a petition Vide.Lr.No,dated.03.11.2010 to the Secretary APERC that (first Amendment) Regulation to APERC(Establishment of Forum and vidhyut ombudsman for redressal of grievances of consumer) Regulation 2004(No.1 of 2004) has to be amended as the working of CGRF deployed is not only not implementing the terms and conditions of Regulation but also passing orders in favour of licenses against the customers as the said officers are the employees of the licenses. In this connection I submit that employees of the organization cannot be a judge of his own cause. The Hon'ble ombudsmen vide It.No.VO/General/dt.09.11.2010 advised to more the Hon'ble commission at the time of public hearings on ARR/Tariff proposals for the P.E-2011-2012 and accordingly submitted for kind consideration.</p>	<p>As per the amendment made in 2007 to Regulation no. 1 of 2004 the serving officers of the Licensees shall be the members of the Forum.</p>

Para No/Brief Issue	EPDCL Response
<p>5. On a review of the ARR filing made by the licenses for the P.E.2011-12 the defect of Revenue is as follows.</p> <p>A) C.P.D.C.L – Rs.1813 crores B) N.P.D.C.L – Rs.2097 crores C) S.P.D.C.L – Rs.1341 crores D) E.P.D.C.L – <u>Rs.707 crores</u></p> <p>Total – Rs.5,958 crores</p> <p>In addition to the above, already by way of grant towards subsidy on account of power purchase, free power to Agl. Consumers the government ha not commenced even after one year from the government. The government is already facing financial crisis and unable to meet the commitments made to several section. In the mean time the debt burden is increasing day by day with adding of interest, thereby poring threat to the working of licenses, in handling the finances. The rendering of service to the customers also get affected due to the critical financial position in procurement of materials required for the handling of the system, improvements to the overloaded networks and development activities. The Hon’ble commission used to get the commitment from the government in writing and later review the flow of funds as agreed upon to relieve the licenses from the debt burden. The Hon’ble commission is humbly requested to consider in advising the government to release the fund as agreed upon.</p>	<p>The DISCOMs are hoping that assurances given by AP Govt. through Hon’ble APERC to bridge the gap of financial deficit on purchase of expensive cost of power to meet the required supply to all agl. Services etc. are being met.</p>

Para No/Brief Issue	EPDCL Response
<p>6. I have filed a petition before the commission vide OP(SR)No.66 of 2009 and disposed off on 17.01.2010, after collecting the in correct information vide C.G.Nos.84& 85 of 2006 of vizianagaram circle. Instead asking from the petitioner at the admission stage, collecting wrong information and passing orders is quite against the interest of the petitioner. Thereby the Hon'ble commission passed orders on the wrong information speak record Vide Lr.No.07.02.2011 which may kindly be taken on file and reconsider the matter and pas orders. Instead of processing against the omission to the high court, the petitioner of proceeding against the commission to the high court, the petitioner preferred to bring against the omission to the high court, the petitioner preferred to bring it to the kind notice of the Hon'ble commission to verify, reexamine and take action.</p>	<p>The subject issue falls under the purview of Hon'ble APERC.</p>
<p>7. The objections filed before the Hon'ble APERC, the replies were sent by the licenses stating pertains to APERC by many of the licenses. When the objectives were made and not answered the purpose of submitting objections get defected. As the Hon'ble APERC and the working of the licenses shall be transparent, accountable and to contain corruption in terms of RTI act. The provisions of the act shall be implemented.</p>	<p>EPDCL is giving replies to all the objections/suggestions except for those which are under the purview of Hon,ble Commission.</p>

Para No/Brief Issue	EPDCL Response
<p>8. During the public hearing on 09.02.2009 at Ongole the following are brought to the notice of the Hon'ble commission and the same have not been attended and complied.</p> <p>a. Alternate feed for 132/33KV Penuganchi problem sub station which was available from 132/33KV madhira Sub station. After formation of Distribution companies the APNPDCL authorities have disconnected the supply from madhira end. The persuasions make from there onwards have become fulfill and there is no alternate supply till now.</p> <p>b. On account of extending supply on single phase 11KV line, the 33/11KV power Transformers are getting interrupt as the line current is passing through the neutral. Two nos 33/11KV Para transformers failed at penuganchi power sub station on several substations also failure caused. So far corrective steps have not been taken. This comes under overlooking technology and damaging the working of power systems.</p> <p>These two issues were present during the public hearing on 23.06.2010 at vijayawada and so far no action was taken.</p>	<p>The subject issue does not pertain to APEPDCL.</p>

Para No/Brief Issue	EPDCL Response
<p>9. In the tariff order 2010-11 against item 332 power supply to rural areas, the Hon'ble commission ordered to examine and submit a detailed report by 30.11.2010 detailing the steps they propose to undertake to improve power supply in rural areas as the licenses are showing discrimination between urban and rural areas in supply of power issues elating quality of supply, 3 phase Vs single phase supply and also directed the licenses to examine whether a lower tariff on domestic consumers in rural areas can be desired.</p> <p>This is a burning issue with the rural consumers and the discrimination is not only causing anxiety displeasure but also comes under disrespect to the constitution as rural consumers posses identical right on par with urban consumers.</p>	<p>Necessary steps are being taken to maintain existing lines effectively so as to avoid frequent interruptions and breakdowns. Further necessary steps being taken for providing 3 phase 24 Hrs. uninterrupted supply to all villages for other than agricultural feeders.</p>
<p>10. In terms of item 330 of tariff order 2010-11, single phase HVDS transformers –safety issues, the Hon'ble commission has directed to implement the orders and send monthly reports starting 12/2010 and insisted complete by 31.03.2011 regarding the implementation of the direction need immediate attention and action as it pertains to safety.</p>	<p>The Directives given by the Hon'ble Commission will be undertaken in a phased manner.</p>

Para No/Brief Issue	EPDCL Response
<p>11. With regard to conservation of energy and minimizing of losses, I have already submitted during the public hearing conducted at vijayawada and the license and the Hon'ble commission has not taken note of the various submissions particularly in minimizing the losses in the Agricultural sector. The Government has conducted exercise by creating task force and evolving methods and the reports submitted by the F.F.a on the 33/11KV pesa pulivam Sub station and the connected feeders. An effort in not made to get the result even after some creative work is done this shows that the licenses are not interested in reducing the losses and conserving the energy. It is really unfortunate and results could not be derived, unless some active steps are taken to reduce the losses.</p> <p>I humbly submit it is a professionally managed organization and lot of technology is involved and none is bothered with regard to item 346 of Energy Conversation, unless the licensees are sincere in finding out ways and means the electrical industry is going to face a serious problem. It finally reflects on the customers with the raise in tariff rates and the people have to raise their voice and agitate to get their demands redressed.</p> <p>Basically there shall be change in the top level management in its working to ensure reduction of losses, eliminating theft of energy by indicating action in rural feeders, taking one substation in a district, rectifying the defects A to Z and watching the performance. It shall be monitored for effective working.</p> <p>Lastly I submitted the entire organization shall work for the use of the people and society, on the federal set up of the nation then only results would flow. The items which could not be expressed in this letter would be intimated in the public hearing being conducted.</p>	<p>The licensee is taking the required steps to reduce the losses in Agl sector through promotion of ISI pumpsets, DSM measures. Proposals for pilots on methods proposed by BEE (Bureau of Energy Efficiency) are also being looked into.</p>

Para No/Brief Issue	EPDCL Response
<p>In this connection, I humbly submit the date of receipt of objections indicated as 14.02.2011, and it is equally important for the licenses and the commission secretary to answer the objections well before the commencement of the public hearing. Such directions are essential and the licenses are Harding over the replies on the day of hearing and the objectors may not be able to get prepared and submit their views in the hearing. Similarly a date may be fixed for the licenses also to answer.</p>	<p>Hon'ble APERC directed all the DISCOMs to furnish the replies to objectors/ public well before the commencement of the public hearings and APEPDCL strictly implements the orders of Hon'ble Commission in this regard.</p>



Responses to Objections/ Suggestions

23. **Sri K.V.V.SATYANARAYANA**
Chief Electrical Distribution Engineer
South Central Railway
Visakhapatnam.

Para No/Brief Issue	EPDCL Response															
<p>1.0 Introduction</p> <p>1.1 Railways are a National transport organization run by Central Government and play a major role in economic and financial growth of the country.</p> <p>1.2 Energy consumption of Railways from AP Grid :</p> <p>South Central Railway avails traction power supply at 220/132 KV at 33 traction substations in A.P. Further, adjacent railway zones Southern Railway and East Coast Railway are also availing power supply from A.P. state for traction services at 2 and 9 Traction substations respectively. The consumption details and amount paid annually are given below.</p> <table border="1" data-bbox="245 1094 857 1392"> <thead> <tr> <th>Railway</th> <th>Consumption for 10-11 M. Units</th> <th>Amount for 10-11 (Rs. crores)</th> </tr> </thead> <tbody> <tr> <td>S.C. Railway</td> <td>1220</td> <td>525.91</td> </tr> <tr> <td>E. Co. Railway</td> <td>282</td> <td>121</td> </tr> <tr> <td>S. Railway</td> <td>77.59</td> <td>3.67</td> </tr> <tr> <td>Total</td> <td>1579.59</td> <td>650.58</td> </tr> </tbody> </table> <p>1.3 For the year 2010-11 the projected revenue of Discoms from Railway traction is 21.86% under HT (132 KV and above) category. The Railway is one of the bulk consumer of DISCOMs.</p> <p>1.4 Effect on Economy;</p> <p>Any increase in the tariff for Railways has a direct impact on the economy of the country.</p> <p>1.5 Electrification of more sections on SCR:</p> <p>Presently S.C.Railway has consumption of 1220 M.'units per annum. By 2012 additionally Kadapa - Guntakal, Guntakal- Wadi & Lingampalli - Wadi sections will be electrified.</p> <p>The total contracted demand of Traction loads of Railways presently is 650 MW at 42 traction</p>	Railway	Consumption for 10-11 M. Units	Amount for 10-11 (Rs. crores)	S.C. Railway	1220	525.91	E. Co. Railway	282	121	S. Railway	77.59	3.67	Total	1579.59	650.58	
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<p>substations and by 2012 the contracted demand is expected to go up to 750 MW at an estimated consumption of 1800Mus.</p> <p>1.6 Need for Reasonable Traction Tariff: There is an urgent need to levy Electric Traction tariff at a reasonable rate so that Nation's dependence on imported HSD oil can be reduced and more sections of Railway can be electrified. Any reduction in diesel consumption by increased electrification would amount to saving in precious foreign exchange.</p>	<p>Though Railways have been undertaking public utility services, they still enjoy a commercial status. So, it cannot be kept at par with public utility which is meeting all social obligations of certain classification beneficiaries as claimed.</p>																								
<p>2.0 Power purchase cost Vs Cost of Service: As per Aggregate Revenue Requirement of DISCOMs, the average cost of power purchase is projected at Rs.2.53 per KWH for the year 2011-12. Average cost of service for Railways for 2011-12 is projected at Rs.3.36. The details of power purchase cost & cost of service for different years are given below for Railway traction.</p> <table border="1" data-bbox="240 804 846 1115"> <thead> <tr> <th>Year</th> <th>Approved Power Purchase cost in Rs</th> <th>Approved Cost of Service in Rs (Average)</th> <th>% Difference between Cos & Power purchase cost</th> </tr> </thead> <tbody> <tr> <td>2007-08</td> <td>1.74</td> <td>2.39</td> <td>37</td> </tr> <tr> <td>2008-09</td> <td>1.78</td> <td>2.56</td> <td>44</td> </tr> <tr> <td>2009-10</td> <td>2.52</td> <td>3.01</td> <td>19</td> </tr> <tr> <td>2010-11</td> <td>2.54</td> <td>3.06</td> <td>20</td> </tr> <tr> <td>2011-12</td> <td>2.53</td> <td>3.36</td> <td>33</td> </tr> </tbody> </table> <p>2.1 The cost of service proposed is higher than 33% over the power purchase cost. The expenditure allocation both on transmission line cost and on operation & maintenance expenses shown by Discoms are unreasonably high and require downward revision.</p>	Year	Approved Power Purchase cost in Rs	Approved Cost of Service in Rs (Average)	% Difference between Cos & Power purchase cost	2007-08	1.74	2.39	37	2008-09	1.78	2.56	44	2009-10	2.52	3.01	19	2010-11	2.54	3.06	20	2011-12	2.53	3.36	33	<p>The cost of service for any consumer category includes all the costs incurred by the discom in serving a particular category of consumers. The cost of service for any consumer category is not limited to cost of power purchase only, it also includes cost of Transmission, cost of Distribution and other metering/billing costs. Hence a %difference between Cost of Service and Power Purchase Costs may not be an appropriate indicator. Increase in transmission and distribution cost may be attributed to the higher level of investments done by the Transco and discoms and increased financing costs incurred by the STU and discom. The increase in Cost of service over power purchase cost is mainly due to increase in transmission cost from Rs. 137.93 cr to Rs. 176.62 cr and distribution cost from Rs. 603.44 cr to Rs. 665.75 cr.</p>
Year	Approved Power Purchase cost in Rs	Approved Cost of Service in Rs (Average)	% Difference between Cos & Power purchase cost																						
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Para No/Brief Issue			EPDCL Response																																																					
<p>3.0 Cost of Service vis-a-vis Tariff proposed: As per ARR's of Discoms cost of service for 2011-12 is as follows.</p> <table border="1"> <thead> <tr> <th>Discom</th> <th>Cost of service Rs. /Unit</th> <th>Tariff Proposed</th> </tr> </thead> <tbody> <tr> <td>NPDCL</td> <td>3.11</td> <td rowspan="3">a) Rs. 5.20 per unit for Feb to May and</td> </tr> <tr> <td>CPDCL</td> <td>3.35</td> </tr> <tr> <td>EPDCL</td> <td>3.57</td> </tr> <tr> <td>SPDCL</td> <td>3.42</td> <td rowspan="2">b) Rs. 4.45 per unit for Jan June</td> </tr> <tr> <td>Average</td> <td>3.36</td> </tr> </tbody> </table> <p>The comparison of cost of service and proposed tariff for Railway traction HT-V category for various years is given below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Approved Cost of Service in Rs.</th> <th rowspan="2">Traction tariff in Rs.</th> <th colspan="2">% variation W.r.t previous year</th> </tr> <tr> <th>Cost of Service</th> <th>Traction Tariff</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>2.51</td> <td>4.20</td> <td>--</td> <td>--</td> </tr> <tr> <td>2007-08</td> <td>2.39</td> <td>4.10</td> <td>-4.78</td> <td>-2.38</td> </tr> <tr> <td>2008-09</td> <td>2.56</td> <td>4.00</td> <td>7.11</td> <td>-2.44</td> </tr> <tr> <td>2009-10</td> <td>3.01</td> <td>3.95</td> <td>17.58</td> <td>-1.25</td> </tr> <tr> <td>2010-11</td> <td>3.06</td> <td>4.45</td> <td>1.66</td> <td>20.25</td> </tr> <tr> <td>2011-12</td> <td>3.36</td> <td>4.70</td> <td>9.80</td> <td>5.62</td> </tr> </tbody> </table> <p>Cost of service for 2011-12 is projected as Rs. 3.36 as against Rs. 3.06 for 2010-11 ie. an increase of 9.80 % which is the steep increase .</p>			Discom	Cost of service Rs. /Unit	Tariff Proposed	NPDCL	3.11	a) Rs. 5.20 per unit for Feb to May and	CPDCL	3.35	EPDCL	3.57	SPDCL	3.42	b) Rs. 4.45 per unit for Jan June	Average	3.36	Year	Approved Cost of Service in Rs.	Traction tariff in Rs.	% variation W.r.t previous year		Cost of Service	Traction Tariff	2006-07	2.51	4.20	--	--	2007-08	2.39	4.10	-4.78	-2.38	2008-09	2.56	4.00	7.11	-2.44	2009-10	3.01	3.95	17.58	-1.25	2010-11	3.06	4.45	1.66	20.25	2011-12	3.36	4.70	9.80	5.62	<p>In view of high energy deficit of 3434 MU at state level for the FY2011-12 for the ensuing year, Discom is hard pressed to introduce ToS tariff for the peak period Feb-May due to which the average realization rate of Traction Category (HT- V) has increased to Rs. 4.66 /Unit. The difference between CoS and Traction tariff in 2010-11 is 139 paisa which is almost equal to the difference between CoS and tariff of 2011-12 i.e. 134 paisa. The increase in Cost of service over previous year is mainly due to increase in pp cost, transmission cost and distribution cost etc.</p>	
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2011-12	3.36	4.70	9.80	5.62																																																				

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<p>3.1 Cost of service arrived by DISCOMs are on higher side and element of cross subsidies extended to other category of services will be conflict with section 61 of Electricity Act 2003 which states that the tariff should be reasonable and reflect the actual cost of supply of electricity. In the past, the cost of service proposed by DISCOMs and approved by Hon'ble commission is given below.</p> <table border="1" data-bbox="240 472 813 882"> <thead> <tr> <th data-bbox="240 472 407 531">Year</th> <th colspan="2" data-bbox="407 472 813 531">Average Cost of service(Paise)</th> </tr> <tr> <td data-bbox="240 531 407 615"></td> <th data-bbox="407 531 613 615">Proposed by DISCOMs</th> <th data-bbox="613 531 813 615">Approved by APERC</th> </tr> </thead> <tbody> <tr> <td data-bbox="240 615 407 653">2005-06</td> <td data-bbox="407 615 613 653">303</td> <td data-bbox="613 615 813 653">297</td> </tr> <tr> <td data-bbox="240 653 407 690">2006-07</td> <td data-bbox="407 653 613 690">301</td> <td data-bbox="613 653 813 690">251</td> </tr> <tr> <td data-bbox="240 690 407 728">2007-08</td> <td data-bbox="407 690 613 728">223</td> <td data-bbox="613 690 813 728">239</td> </tr> <tr> <td data-bbox="240 728 407 766">2008-09</td> <td data-bbox="407 728 613 766">286</td> <td data-bbox="613 728 813 766">256</td> </tr> <tr> <td data-bbox="240 766 407 804">2009-10</td> <td data-bbox="407 766 613 804">316</td> <td data-bbox="613 766 813 804">301</td> </tr> <tr> <td data-bbox="240 804 407 842">2010-11</td> <td data-bbox="407 804 613 842">376</td> <td data-bbox="613 804 813 842">306</td> </tr> <tr> <td data-bbox="240 842 407 882">2011-12</td> <td data-bbox="407 842 613 882">336</td> <td data-bbox="613 842 813 882">—</td> </tr> </tbody> </table> <p>It is seen that the approved cost of service is always 10% to 20% lower than the cost proposed by Discoms in the past years. Hon'ble Commission is requested to maintain the same trend in fixing COS for the current year also.</p>	Year	Average Cost of service(Paise)			Proposed by DISCOMs	Approved by APERC	2005-06	303	297	2006-07	301	251	2007-08	223	239	2008-09	286	256	2009-10	316	301	2010-11	376	306	2011-12	336	—	<p>Discoms have followed the similar procedure in calculating the CoS which was followed in the previous years (2010-11, 2009-10 etc.). The orders of the Hon'ble Commission will be complied.</p>
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<p><u>4.0 Transmission and Distribution losses (PGCL & ULDC costs):</u></p> <p>The estimated Transco losses are projected as 4.10% for 2011-12. The Railway traction offers base load at high power factor above 0.98 to the grid increasing stability and reducing line losses. The transmission line distances for each of the Traction substations of Railways is given in Annexure-I. Typical transmission losses for traction substations are only 0.1%.</p> <p>For traction services distribution losses are zero. Hence cost of service proposed by Discoms is disproportionally higher than the actual costs incurred.</p>	<p>Transmission, PGCIL losses adopted are as per the information received from the TRANSCO & PGCILas per the actual losses of April 2010 to September 2010.</p> <p>O&M expense includes Salaries, Repairs & Maintenance, administration and general expenses etc. and not dependent on distribution losses.</p> <p>To maintain power factor near unity will directly benefit the consumer. We welcome the measures adopted by Railways to improve the power factor. However, there is disincentive when the power factor is below 0.95.</p> <p>For arriving at COS, Distribution losses are not considered for traction services.</p>																											

Para No/Brief Issue	EPDCL Response												
<p>5.0 Railways and movement of Coal : Railways have a significant role in movement of coal required for thermal power stations viz. VTPS,. RTPP, KTPS, RTS in Andhra Pradesh. During 10-11 upto end of December 39.709 Million tones of coal moved to various thermal power stations. The present cost of coal transport at Rs.125 per MT levied by Railways is one of the lowest and there is no hike in the rates since Dec 2008. The rates are consistently held firm by Ministry of Railways, for coal supply to different State electricity Boards.</p>	<p>The role of Railways in movement of coal is undoubtedly appreciable. However the subject pertains to APGENCO. It is also to be noted that traction tariff is continuously reduced from 2005-06 to 2009-10. In view of high revenue deficit of Rs.3811cr for FY2010-11 for the current year, Discom is forced to hike the tariff to certain subsidizing categories. In view of high energy deficit of 3434 MUs for FY 2011-12 for the ensuing year, Discom is forced to introduce ToS for the peak period Feb- May which increase the average realization rate for Traction category to Rs. 4.67 /Unit</p>												
<p>5.1 Cost of service and Tariff propose: Against the average COS of Rs.3.36 per unit, the Tariff proposed for HT category traction is exorbitant at an average rate of Rs.4.70 per unit which is 39.88% higher</p> <table border="1" data-bbox="240 768 841 1077"> <thead> <tr> <th>Projected 11-12</th> <th>Consumption (MUs)</th> <th>Unit rate Rs.</th> </tr> </thead> <tbody> <tr> <td>Consumption in 4 months</td> <td>450</td> <td>5.20</td> </tr> <tr> <td>Consumption in other 8 months (MU)</td> <td>850</td> <td>4.45</td> </tr> <tr> <td>Average units cost</td> <td>---</td> <td>4.70</td> </tr> </tbody> </table> <p>The heavy cross subsidies proposed by the Discoms for LT and agricultural consumers are resulting in unreasonably high tariff for HT traction services which is governmental organization and whose services are in the national interest.</p>	Projected 11-12	Consumption (MUs)	Unit rate Rs.	Consumption in 4 months	450	5.20	Consumption in other 8 months (MU)	850	4.45	Average units cost	---	4.70	<p>In view of high energy deficit of 3434 MU for the FY2011-12 for the ensuing year, Discom is hard pressed to introduce ToS tariff for the peak period Feb-May due to which the average realization rate of Traction Category (HT- V)has increased to Rs. 4.66 /Unit. The difference between CoS and Traction tariff in 2010-11 is 139 paisa which is almost equal to the difference between CoS and tariff of 2011-12 i.e. 134 paisa. The increase in Cost of service over previous year is mainly due to increase in pp cost, transmission cost and distribution cost etc.</p>
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<p>5.2 Time of Season Tariff for Railway Traction:</p> <p>Discoms have proposed huge hike in tariff of Rs.0.75 per unit by proposing introduction of Time of season for the months of February to May in the tariff for HT - V traction. The reason forwarded for the introduction of Time of season Tariff is <i>"to prune the peak demand, some section of the consumers can be encouraged by way of a tariff surcharge/rebate to shift their demand from peak hours to off peak hours. The commission is, therefore, inclined to introduce seasonal tariffs for industrial category of consumers to make a beginning in this area."</i></p> <p>It is to mention that Railway Traction loads are for passenger & goods services. There is no distinction of peak to non-peak hours or peak to non-peak seasons and like in industries category the production cannot be rescheduled from peak to non-peak seasons. The running of passenger, mail & express trains are dictated by public demand. The number and movements of goods trains are not dependant on the seasons but are dependent on supply of sensitive food grains, fertilizers, coal & cement which are decided by Government of India. With the present levels of traffic the no. of passenger & goods trains running on the main lines does not vary seasonally in months of February-May as compared to traffic in other months. The steep hike proposed for seasonal tariff of 75 paise per unit for Railway Traction is unreasonable and unjustified.</p>	<p>The contention of the Discoms in proposing ToS tariffs is as below:</p> <ol style="list-style-type: none"> The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW. <p>The Discoms believe that the ToS proposal will</p> <ol style="list-style-type: none"> Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period. Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met. Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an 																		
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<p>Since Railway Traction provides base load to the grid swamping the other seasonal loads the benefits and advantages of base loads are already used by Discoms/Transco. Hon'ble commission is requested to defer the proposed hike of tariff by time of the season tariff. Hon'ble commission is requested to exempt Railways from Time of season tariff.</p> <p>5.3 KVAH Billing: Discoms have proposed introduction of KVAH billings as per directives of the Commission. The proposal for KVAH billing is totally unjustified for the following reasons— In the tariff order of 09-10, the Commission have implemented KWH billing for all HT consumers whose power factor is less than 0.95 with penalties of 0.5% to 3% of energy charges for every 0.01 fall in P.F Railways have invested huge amounts for Power Factor correction equipment and maintaining high power factor of 0.96 to 0.98 in all the traction substations. The PF correction equipment at TSS are causing reduction in transmission losses which is beneficial to Transco year after year. While other State Electricity boards / Commissions have provided incentives for HT consumers, maintaining power factor above 0.95 the Commission's directives for KVAH billing are unreasonable and unjustified. The existing tariff based on KWH consumption may be restored or otherwise the tariff may be fixed at Rs, 4.00 per unit as per National tariff policy.</p>	<p>The underlying objective of the proposal of introduction of kVAh based billing to ensure reduction in line losses which occur due to the low power factor surcharge. The contracted load is measured in kVA terms while billing is done in kW terms. The current tariff structure is a two- part tariff including energy charges in kW terms and low power factor surcharge for power factor less than 0.95. The proposal is to introduce kVAH based billing while forfeiting low power factor surcharge and kWh based billing. The kVAH based billing calculates accurately the energy charges for the contracted load. The licensees therefore expect the consumers to have Unity Power Factor.</p> <p>The investment made by the railways is appreciated....</p>
<p>6.0 National Tariff policy 2006: As per National tariff policy (Annexure-II) tariff shall be within $\pm 20\%$ of CoS by 2010-11. DISCOMs proposed tariff of Rs. 4.70 (Average) for the year 2011-12 is 39.88% over Cost of service is unreasonably high and requires drastic reduction. The traction tariff should have been in the range of Rs.4.03 per unit. Hon'ble APERC is requested to consider the above and fix the traction tariff at reasonable rate.</p>	<p>The projected CoS by the discoms is higher when compared to previous year due to the following reasons-</p> <ol style="list-style-type: none"> 1. Increase in power purchase costs <p>Increase in Transmission & Distribution costs (The increase under these heads are mainly attributable to increased level of investments planned by the discoms and Transco to cater to the increased load growth and to operate the system optimally. The financing costs of investments have also increased contributing to the increase in overall transmission & distribution costs). Due to reasons stated above, the cross subsidy burden is slightly more than 20% of CoS in view of increased costs burden.</p>

Para No/Brief Issue	EPDCL Response
<p><u>7.0 Electricity Act 2003:</u> As per section 61(g) of Electricity Act 2003 "that the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross- subsidies within the period to be specified by the appropriate commission."</p>	<p>It is true that tariff progressively reflects the cost of supply of electricity. Cross subsidy is necessary to support the subsidized categories.</p>
<p><u>8.0 Extension of Preferential treatment on par with Ferro alloys:</u> Andhra Pradesh Ferro Alloys were being given power supply at 132 KV and proposed tariff @ Rs.2.90 per unit for year 2011-12. Railway traction is also a power intensive unit similar to Ferro alloys apart from being a public service organization and providing national service in moving passengers & goods at subsidized rates. But tariff proposed for Railways is Rs. 4.70 which is higher than Ferro alloys by 62%.</p>	<p>Comparison cannot be drawn between Ferro Alloys and Railways because - Ferro Alloys LF is much higher @ 85% (which indicates optimum use of Network and Generation capacity), they have take or pay clause upto 85%. Whereas, Railways may not be in a position to give a similar commitment. In addition, Ferro alloys take supply at only one point while Railways take supply at many points and yet demand charges are not levied, and finally for Ferro Alloys the cost of power is a significant portion of cost of production. Hence, similarity cannot be drawn between the two categories.</p> <p>Instead, similarity can be drawn with HT-II Category i.e. commercial category which is applicable for service organizations. Railways LF is also low as compared to HT-I category. However, the subject issue of classification falls under the purview of Hon'ble Commission.</p>

Para No/Brief Issue							EPDCL Response																					
<p>8.1 <u>Comparison of traction with Ferro Alloy is given below.</u></p> <table border="1"> <thead> <tr> <th>Category</th> <th>Industry</th> <th>Employment</th> <th>Org</th> <th>Effect on environment</th> <th>Average CoS (Rs.)</th> <th>Proposed tariff (Rs)</th> </tr> </thead> <tbody> <tr> <td>Ferro Alloys 132 KV</td> <td>Power Intensive</td> <td>-</td> <td>Commercial</td> <td>-</td> <td>2.87</td> <td>2.90</td> </tr> <tr> <td>Traction 132 KV</td> <td>Power Intensive</td> <td>1 lakh</td> <td>Public service</td> <td>Energy efficient and eco friendly</td> <td>3.36</td> <td>4.70</td> </tr> </tbody> </table> <p>It is brought to the kind notice of commission that load factor of Railways is recording 70% due to heavy & faster trains and increase in sectional capacities in the main route. Hon'ble commission is requested to fix traction tariff nearer to the cost of service.</p>							Category	Industry	Employment	Org	Effect on environment	Average CoS (Rs.)	Proposed tariff (Rs)	Ferro Alloys 132 KV	Power Intensive	-	Commercial	-	2.87	2.90	Traction 132 KV	Power Intensive	1 lakh	Public service	Energy efficient and eco friendly	3.36	4.70	
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<p>9.0 <u>Exemption from additional energy charges for exceeding CMD for Railway:</u></p> <p>Railways have requested to exempt additional energy charges for Maximum demand in excess of the contracted demand. Due to load pattern of Railways, the CMD may exceed in one or two occasions in a month because of due to bunching of trains or any abnormality in traction substations. But Discoms are levying the 5% of additional energy charges for whole month on energy consumed. Railways have enhanced the CMDs of traction substations continuously from time to time keeping in view existing loads. Revision of CMDs in 09-10 and 10-11 for all the traction substations have been completed. The CMDs enhanced from 411 MVA in 09-10 to 468 MVA in 10-11 by paying 9.97 crores in the current year. Hon'ble commission is requested to exempt Railways from the clause of additional energy charges for exceeding CMD.</p>							<p>If the consumers are allowed to consume excess demand/energy than the contracted quantities, it would lead to over burdening the lines and power transformers which is not desirable for safe operation of the Distribution system/Grid system. If the consumers overload the system indiscriminately, without proper approval, it may lead to system collapse. The very purpose of the penal charges is to inculcate a discipline to the consumers to utilize the allocated contracted demand only and this act as deterrent on those consumers who use unauthorized power.</p>																					

Para No/Brief Issue	EPDCL Response
<p>9.1 Prompt and advance payment: The incentive @ 6% p.a. for both HT and LT consumers who pay in advance towards monthly bills is a welcome proposal and is actively considered by Railways. A final view in the matter will be conveyed to the Commission in due course.</p>	<p>Under the purview of Hon'ble Commission.</p>
<p>10.0 Conclusion: From the foregoing paragraphs, it is brought out that the proposed tariff for Railway traction at Rs.4.70 (Rs. 4.45 X 8 Months and Rs. 5.20 X 4 Months) per unit is unreasonably high and needs to be substantially reduced nearer to actual cost of service,</p>	<p>Tariff fixation is the prerogative of Hon'ble APERC.</p>
<p>10.1 It is therefore, prayed before the Hon'ble Commission to consider reduction in traction tariff.</p> <p>(i) To fix traction tariff at less than Rs. 4.00 per unit as against proposed tariff of Rs. 4.70 (including Time of season tariff) per unit.</p> <p>(ii) To exempt Railways from payment of additional energy charges for exceeding CMD ie. clause No. 6 of general conditions of Tariff order.</p> <p>(iii) To exempt Railways from time of season tariff.</p>	<p>(i) It is under the purview of Hon'ble APERC</p> <p>(ii) Based on the contracted demands of the consumer the capacities of lines and power transformers etc. are determined and installed accordingly, any shoot ups by the consumer will result in burdening the system. Further the present methodology of power procurement is based on ABT mechanism which involves forecasting of the requirements of DISCOMs. It also involves UI charges shoot ups of the demand by the consumers will make the forecast wrong and lead to payment of penalties in the form of UI charges by the DISCOMs. Hence to inculcate a discipline to the consumer for restricting their utilization up to their contracted demands only. Otherwise it leads to ineffective management of grid which has got cascade effect on all consumers.</p> <p>(iii) The power purchase cost during February to May is high due to shortage in power availability and increase in utilization, which forced the DISCOM to adopt certain policies like Time of Season for effective load management.</p>



Responses to Objections/ Suggestions

24. **Sri B.V.Raghavulu**
Secretary,
A.P.State Committee
Communist Party of India (Marxist)
M.B.Bhavan, 1-1-60/2,
Musheerabad
Hyderabad - 500020

Para No/Brief Issue	EPDCL Response
<p>TARIFF PROPOSALS : We welcome the proposal of the Discoms not to increase tariffs for domestic and agricultural consumers. We also welcome the positive response of the Discoms to our long-pending suggestion and directive given by the Commission to reduce minimum charges for LT-1 domestic category for connected load above 250 W from Rs.50/-to Rs.25/- per month. However, we request the Commission to make it clear that these minimum charges are applicable up to a consumption of 50 units per month.</p>	<p>The proposals are made keeping in view of social conditions and paying capacities of consumers. The reduction in minimum charges from Rs. 50 to Rs. 25, as proposed, is applicable to LT-1 Domestic Category irrespective of the connected load and the monthly consumption of a consumer.</p>
<p>AVOIDABLE DELAY IN SUBMISSION OF ARR AND TARIFF PROPOSALS : As per the regulations of the Hon'ble Commission, the Discoms are expected to submit their ARR and tariff proposals for next financial year by the end of November of current year. The Discoms have submitted the same for the year 2011-12 to the Commission on 7.1.2011 only. What are the reasons for the delay of more than one month in submitting the same and what is the impact of the avoidable delay on the Discoms? The delay in submitting ARR and tariff proposals for the year 2011-11 have had their adverse impact in several ways. It resulted in avoidable loss of revenue that should accrue to the Discoms on account of tariff revision for a period of four months, as the Commission could issue its tariff order on 22nd July, 2010, which came into effect from August, 2010 only. It also resulted in avoidable delay in the Discoms sending their replies to the suggestions and objections filed by objectors thereby denying the latter opportunity to participate in the public hearings relating to some of the Discoms and needed opportunity to study the same and prepare to make detailed submissions during public hearings in which they could participate. Similar was the situation relating to the public hearings held in 2008-09 and 2009-10 also, notwithstanding the timing of submission of ARR and tariff proposals by the Discoms. This was</p>	<p>The delay is mainly due to the difficulties in arriving at energy availability and PP cost from CGS stations and to arrive at a realistic estimate for energy consumption by LI schemes.</p> <p>However, it is expected that the Tariff Order for FY 2011-12 would be issued by the Hon'ble Commission before end of March 2011. Therefore, it is expected that there would be no impact on the Discoms due to this delay.</p> <p>EPDCL is sending replies to all the Objectors for their objections/suggestions made, by Post/courier (some times by person also for local objectors) well in time.</p>

Para No/Brief Issue	EPDCL Response
<p>brought to the notice of the Hon'ble Commission repeatedly during the public hearings held earlier but to no avail. In view of such past experience, I once again request the Hon'ble Commission, while fixing dates and places of public hearings on the proposals of the Discoms, to give adequate time to the Discoms specifying the date by which they have to send their replies to the submissions of objectors and the latter to study the same and prepare their further submissions to be made during the public hearings. Earlier, it was observed that some of the Discoms had submitted copies of their replies to the suggestions and objections of objectors to the Commission well in advance but failed deliberately to send the same to the objectors in time. It has become a practice to some of the Discoms to hand over their replies to objectors in the public hearing itself. I request the Commission to direct the Discoms to send their replies to objectors at least one week in advance before scheduled public hearing.</p>	

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<p>TIME OF SEASON TARIFF FROM FEBRUARY TO MAY : The contention of the Discoms, quoting the Delhi State Electricity Regulatory Commission that the intention in introducing time of season tariff is "to shift their demand from peak hours to off peak hours" is untenable. It is difficult to agree with the implied view that with imposition of additional tariff for LT-2 commercial, LT-3 industrial consumers (@ 50 paise per unit), and HT-1 and HT-2 industrial and HT-5 traction categories of consumers (@ 75 paise per unit) to whom the time of season tariff is proposed for the said period would shift their demand from peak hours to off peak hours. Commercial consumers cannot be expected to close down their establishments during peak hours, especially evening peak hours, by shifting their demand from peak to off peak hours. Similarly, railway traction is a continuous activity, totally unrelated to peak or off peak hours. Industries with continuous production process like Ferro alloys units, by their very nature, need continuous supply of power. Even other industries run their shifts of production depending on their demand and schedules of production and mere imposition of time of season cannot force them to shift their demand from peak hours to off peak hours. Therefore, the contention of the Discoms that time of season tariff is mainly for the purpose of better management of load by the licensee during the peak season does not carry conviction. The real intention of the Discoms in proposing time of season tariff is to recover a pan of additional expenditure they incur during the period from February to May being peak season when the Discoms are normally purchasing additional power at higher tariffs, as indicated in their ARR proposals.</p>	<p>The contention of the Discoms in proposing ToS tariffs is as below:</p> <ol style="list-style-type: none"> 1. The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. 2. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW. <table border="1" data-bbox="930 636 1617 825"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">FY 2011-12</th> </tr> <tr> <th>Feb.</th> <th>Mar.</th> <th>Apr.</th> <th>May</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Peak Load (MW)</td> <td>12,384</td> <td>12,677</td> <td>12,490</td> <td>11,360</td> <td>12,228</td> </tr> </tbody> </table> <p>The Discoms believe that the ToS proposal will</p> <ol style="list-style-type: none"> 1. Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period. 2. Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met. 3. Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff will influence the consumers to either shift their load or reduce consumption managing the demand curve. 		FY 2011-12					Feb.	Mar.	Apr.	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
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Para No/Brief Issue	EPDCL Response
<p>TIME OF DAY INCENTIVE : The proposal of the Discoms to introduce time of day incentive of 50 paise per unit for power consumed from 12 midnight to 4 A.M. from June to January to HT 1(A) category of consumers also defies logic, for the latter cannot be expected to change their shifts to that period in a day, if they are not running their industries during that period already. If they are already running their industries during that period, there is no point in introducing the time of day incentive. The presumption involved in the proposal is that surplus power would be available during the proposed timings from June to January. However, in a year of bad monsoon or when Discoms propose to supply power to agriculture in rotation during those proposed timings, the presumption of availability of surplus power may not materialise. In such a situation, implementation of the time of day incentive scheme would deprive the Discoms of revenue, if not imposing additional burden. The Discoms have not explained whether they are going to gain or lose in terms of expenditure or revenue with introduction of time of day incentive scheme. Moreover, when the Hon'ble Commission, responding to our suggestion, rightly dispensed with the load factor incentive scheme in its tariff order for 2010-11, the desirability of introducing time of day incentive is questionable, that, too, in the light of persisting heavy revenue gap.</p>	<p>The ToD incentive for the period June- Jan has been proposed with the main objective of shifting load from peak hours to off – peak hours.</p> <p>In the mentioned case when industries are running their shift during the 12-4 A.M. time block, there is a possibility for the industries to adjust the shifts so that their consumption can be moved from the peak time block to the non-peak time block.</p> <p>In view of the ToD penalty that was levied on HT-I industries, this would provide some relief to the industries and introduction of the incentive will further encourage the industries to shift their intra-day demand. Also, the ToD incentive has been introduced only during the surplus months of June to January.</p>
<p>INTRODUCTION OF KVAh BASED BILLING : We welcome the proposal of the Discoms, as suggested by us and as directed by the Commission, to introduce kVAh based billing.^ However, we reiterate that it should be confined to massive consumes of power like HT and other industries and HT commercial categories only. We also welcome the proposal to introduce voltage-wise differential tariff for HT-1(B) category of industries on the lines similar to other HT categories already introduced during 2010-11.</p>	<p>The underlying objective of the proposal of introduction of kVAh based billing to ensure reduction in line losses which occur due to the low power factor surcharge.</p> <p>The contracted load is measured in kVA terms while billing is done in kW terms. The current tariff structure is a two- part tariff including energy charges in kW terms and low power factor surcharge for power factor less than 0.95. The proposal is to introduce kVAh based billing while forfeiting low power factor surcharge and kWh based billing. The kVAh based billing calculates accurately the energy charges for the contracted load. The licensees therefore expect the consumers to have Unity Power Factor.</p>

Para No/Brief Issue	EPDCL Response
<p>RECOVERY OF EXCESS AMOUNT ALLOWED IN LOAD FACTOR INCENTIVE TO HT INDUSTRIES : As directed by the Hon'ble Commission in its letter No.APERC/E-205/DD-Dist/2009 dated 22.12.2009, did the Discoms estimate the excess load factor incentive amount allowed by them to HT industries in the State since the introduction of the scheme in 2002-03 and till the scheme is dispensed with as directed by the Commission? If so, what is the excess amount allowed Discom-wise? What steps the Discoms have taken to recover the excess amount? Did the Discoms submit any reports in this regard to the Commission? If so, what further directions, if any, are given by the Commission to the Discoms?</p>	<p>Yes, EPDCL has estimated the excess load factor incentive amount allowed to HT industries. The estimated excess amount allowed by EPDCL to HT industries for the period from 2003-04 to 2008-09 is Rs.1.53 crores. Notices were issued to the HT consumers to whom excess incentive was allowed. The methodology adopted to calculate the excess incentive allowed to HT industries has been intimated to the Hon'ble APERC.</p>
<p>RECOVERY OF DEMAND CHARGES FROM APGPCL : As directed by the Commission in its letter No.APERC/E-205/DD-Dist/2010 dated 6.5.2010, what action has been taken by the Discoms and AP Transco to estimate and recover the amounts which were paid or foregone by the then APSEB/AP Transco/AP Discoms and APGPCL consumers towards difference in demand charges for the demand supplied by AP Transco and Discoms from APGPCL? Similarly, as directed by the Commission, what action has been taken by AP Transco and the Discoms to revise the demand share for all the years for which 720 hours per every month were considered against the calendar hours in the billing month and to recover the amount due from APGPCL? Have the Discoms submitted any report to the Commission on these two aspects? What are the amounts due from APGPCL in relation to these two issues?</p>	<p>As per the directions given by Hon'ble Commission, the APPCC has estimated the amount to be recovered from APGPCL towards excess payments made by DISCOMs in this regard is around Rs. 5 cr.s. Necessary steps are being taken for recovery of the amount from APGPCL. Further, the amount foregone by DISCOMs towards difference of MD Charges in H.T.Consumers C.C. bills will be calculated and necessary steps for recovery of the same will be made in due course.</p>

Para No/Brief Issue	EPDCL Response															
<p>HIGHER FIXED COST FOR GAUTAMI PROJECT: There is substantial variation between fixed costs per unit of the new EPPs - GVK extension, Vemagiri, Gautami and Konaseema - as shown in the ARR for the following years (fixed cost per unit in Rs.):</p> <table border="1" data-bbox="235 331 779 499"> <thead> <tr> <th>Project</th> <th>2009-10</th> <th>2010-11</th> </tr> </thead> <tbody> <tr> <td>1.GVKext</td> <td>0,84</td> <td>0.74</td> </tr> <tr> <td>2.Vemagiri</td> <td>0.90</td> <td>0.69</td> </tr> <tr> <td>3.Gautami</td> <td>0.83</td> <td>1.14</td> </tr> <tr> <td>4.Konaseema</td> <td>0.87</td> <td>1.24</td> </tr> </tbody> </table> <p>The fixed cost per unit for the year 2011-12 for Gautami project is shown as Rs.1.37 against Rs.0.66 for Vemagiri, Rs.0.80 for GVK extension and Rs.0.83 for Konaseema. What is the basis, as well-as justification, for allowing such a higher fixed cost for power to be purchased from Gautami? How are the Discoms allowing higher fixed cost for Gautami year after year, while the fixed costs of other projects, especially of Vemagiri, are coming down?</p>	Project	2009-10	2010-11	1.GVKext	0,84	0.74	2.Vemagiri	0.90	0.69	3.Gautami	0.83	1.14	4.Konaseema	0.87	1.24	<p>As per the ARR filings of the Discoms, the fixed cost component of new IPPs namely GVK Extension, Vemagiri, Gautami and Konaseema for FY 2010-11 and FY 2011-12 has been taken as the same due to a typographical error. The same has been rectified by the Discoms and communicated to the Hon'ble Commission.</p> <p>The Gas based Power projects are basically Tariff based projects. As per PPA, the fixed cost comprises of two parts</p> <p>iii) Other Fixed Cost (OFC Rs. 0.669/kWh for GVK and Rs. 0.699/kWh for Gautami, Konaseema & Vemagiri)</p> <p>iv) Foreign Debt Service charge (0.006 cents/kWh for all projects).</p> <p>The OFC component is fixed for entire term of the PPA whereas the FDSC component of any gas based projects varies with US \$ exchange variation.</p> <p>Therefore, the fixed cost of M/s. Gautami Power project shall be in the above lines only.</p>
Project	2009-10	2010-11														
1.GVKext	0,84	0.74														
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<p>REVENUE GAP : The four Discoms have shown a revenue gap of Rs.5957 crore for the year 2011-12 • Rs.1813 crore by CPDCL, Rs.1340.32 crore by SPDCL, Rs.2097crore by NPDCL and Rs.707 crore by EPDCL. This revenue gap is estimated after taking into consideration the impact of proposed tariff, non-tariff income, and targets of reduction of distribution losses revised by the Commission and improvement in internal efficiency. Apart from getting subsidy from the Government, what do the Discoms propose to bridge the balance of the estimated revenue gap?</p>	<p>The net revenue gap for APEPDCL is projected at Rs. 794 Crs for FY 2011-12. However, the actual revenue gap would be as determined by the Hon'ble Commission. This gap would be bridged by the subsidy support extended to various categories by GoAP and by improving internal efficiency.</p>															

Para No/Brief Issue	EPDCL Response
<p>TRUE UP CLAIMS & BURGEONING ACCUMULATED REVENUE GAP : In our written submissions dated May 29, 2010 on ARR proposals of the four Discoms for the year 2010-11, we had pointed out that the total revenue gap claimed by the four Discoms for four years from 2005-06 to 2008-09 worked out to Rs.2588.01 crore. The claim of AP Genco for an additional sum of Rs.2819.15 crore from the Discoms for the period of four years ending March 2009 towards sale of its power to them is still pending. Similarly, the claims of AP Transco for a special appropriation of Rs.386.07 crore for a period of four years ending March 2008 and a balance revenue gap of Rs.5.79 crore for the year 2008-09 are pending. In addition, before considering tariff subsidy, the Discoms have shown a revised revenue gap of Rs.6623.82 Crore for the year 2010-11 - Rs.2281 crore by CPDCL, Rs.1560.82 crore by SPDCL, Rs.1981 crore by NPDCL and Rs.801 crore by EPDCL. In other words, after adjusting a subsidy of Rs.4500 crore provided in the budget for 2010-11, the four Discoms will have a balance revenue gap of Rs.2123.82 crore. What is the justification for such balance revenue gap? What are the Discoms doing to claim the balance revenue gap accumulated over the years?</p>	<p>The Hon'ble APERC will examine the same and GOAP will extend necessary support to the Discoms.</p>
<p>WHAT IS DUE TO THE DISCOMS FROM THE STATE GOVERNMENT?: What are the accumulated amounts due from the State Government to the Discoms towards expenditure incurred for additional power purchase, including the sum estimated for 2010-11, and subsidy, if any?</p>	<p>An amount of Rs.544 cr.s for FY: 2008-09 and Rs.172 cr.s for FY: 2009-10 is receivable towards additional power purchase cost from the Govt.</p>

Para No/Brief Issue	EPDCL Response
<p>FUEL SURCHARGE ADJUSTMENT : Have the Discoms collected a sum of Rs.1649 crore towards fuel surcharge adjustment (FSA) permitted by the Commission for the year 2008-09. If not, what are the reasons and what do the Discoms propose to collect the same? The Discoms have filed their claims for FSA for the year 2009-10 to the tune of Rs.1439 crore before the Commission in the month of June, 2010. Similarly, for the first two quarters of 2010-11, the Discoms have filed their claims for FSA for Rs.740.13 crore. What is the FSA amount claimed by the Discoms for the quarter October-December, 2010? The FSA amounts claimed by the Discoms and the amounts permitted by the Commission are more than the additional burdens the consumers have to bear due to tariff hikes in a particular year. What are the reasons for such hefty FSA claims of the Discoms? The Discoms have submitted that the FSA proposals for 2009-10 and the first two quarters of 2010-11 are pending with the Commission. Instead of requesting the Commission for their speedy disposal, the Discoms have requested the Commission to allow collection of provisional FSA of Rs.0.25 per unit from non-agricultural consumers till such time the orders on FSA are issued. I request the Commission to issue its orders on the FSA proposals of the Discoms and not to allow them to collect FSA provisionally without its orders.</p>	<p>The APEPDCL has already filed FSA claims for four quarters of FY 2009-10 and three quarters of FY 2010-11 in time. These are currently pending disposal by the Hon'ble Commission. The total amount recoverable through FSA is Rs. 248 Crs for three quarters of FY 2010-11. Since the Discoms are already burdened financially, Hon'ble Commission was requested to consider the provisional collection of FSA until such time that the final orders are passed.</p> <p>The reasons for claiming FSA:</p> <ol style="list-style-type: none"> 1. Use of imported coal. 2. Increase in price of domestic coal. 3. Increase in price of gas. 4. Additional procurement from IPPs to cover the deficit from APGenco and CGS stations. 5. Decrease in procurement from NCEs.
<p>LONG TERM TARIFF PRINCIPLES : In their replies to my suggestions and objections on ARR proposals for the year 2010-11, all the four Discoms agreed with my suggestion for allowing claims of true-up or special appropriation of the Discoms, AP Transco and AP Genco for a particular financial year in the subsequent year itself to avoid the difficulties they have been facing due to the stand taken by the Commission that the same would be considered at the end of the control period in accordance with the long term tariff principles. What efforts the Discoms have made to persuade the Commission to consider and implement the suggestion?</p>	<p>Licensees agree with the point. Hon'ble Commission may take appropriate decision on the same.</p>

Para No/Brief Issue	EPDCL Response
<p>WHERE IS THE NEED FOR CASE ONE BIDDING AT THE PRESENT JUNCTURE? : As sought by the Discoms, the Commission has given its consent to procure 2000 MW plus or minus 20% for a period of 25 years from October, 2014 under case one bidding. What is the total installed capacity available to the Discoms as of now from the existing generation units with whom they had entered into power purchase agreements (PPAs)? What is the total installed capacity to be available to the Discoms from the generating units under implementation or to be implemented with whom they have entered into PPAs? In view of the installed capacity already available to the Discoms and to be available in the years to come under the PPAs they have already entered into, what is the necessity to procure power under case one bidding? What is the outcome of the bids called for by the Discoms under case one bidding? Have they taken any decision on those bids submitted to enter into long-term PPAs with selected bidders? What are the tariffs quoted by the bidders who participated in case one bidding?</p>	<p>The case 1 bidding is under process.</p>

Para No/Brief Issue	EPDCL Response
<p>COST OF POWER PROCUREMENT : For the year 2010-11, the Discoms have shown power requirement which is higher than that allowed by the Commission in tariff order by 3930 mu. Due to shortage in availability of gas to IPPs, delay in commencement of commercial operation dates of KTHPP-1 and Simhadri stage-2 and higher quantum of agricultural "sales" than approved by the Commission result in the above shortage. They have also pointed out that as against the average cost per unit of Rs.2.24 permitted in the tariff order, it is increasing to Rs.2.43 per unit due to increase in the price of coal and use of imported coal. For purchasing 3930 mu from external sources, it would cost an additional Rs.1808 crore @ Rs.4.60 per unit on an average (assuming Rs.5.50 per unit for the second half of 2010-11). As usual, the Discoms are reluctant to point out irrational and hefty hike in gas price by the Government of India and delay in declaration of COD by IPPs like Konaseema project as reasons for shortage of power and high cost. So also, they are reluctant to point out that the availability based tariffs of UI power linked to grid frequency fixed by the Central Electricity Regulatory Commission and purchases from traders and through power exchanges without any regulation are very much high, adding to the cost of power purchase. The Discoms also are silent about the tariffs revised by the Commission for non-conventional energy like the very hefty hike in fuel cost of biomass energy units and industrial waste-based units to Rs.2000/- per ton, tariffs fixed for windmill units and solar energy units, with RPPD issued by the Commission directing the Discoms to purchase not less than five per cent of their requirement from NCE units, which are all adding to the cost of power purchase.</p>	<p>The shortage in energy availability as stated was due to the following reasons:</p> <ol style="list-style-type: none"> 4. Shortage in availability of gas to IPPs 5. Delay in commencement of commercial operation dates of KTHPP-I and Simhadri Stage – 2 6. Higher quantum of agricultural sales than approved by the Commission. <p>The Under drawal or Over drawal of energy per month is done in case of energy availability is lower or higher than projected and availability of capacity in the transmission line to meet the energy requirement per month. Hence, the contribution of UI charges to the power purchase cost is not deliberate but, rather arises by the need to meet to energy requirement</p>

Para No/Brief Issue	EPDCL Response
<p>PPA WITH BPL'S RAMAGUNDAM PROJECT : The Commission in its Lr.No.E-356(a)/Engg/DD(P&PP)/2010-02 dated 31.5.2010 had given its consent to the changes made in the reinstated PPA as prayed by BPL Power Projects (AP) Pvt. Ltd., following the G.O.Ms.No.51 dated 9.20.2009 issued by the Government of A.P. relating to the former's power project proposed to be set up at Ramagundam, and directed APPCC to submit "the executed amended Power Purchase Agreement" to it. Did the Discoms object to the unwarranted approach of the Commission in giving consent in such an illegal manner? Have the Discoms entered into "the executed amended" PPA with BPL's Ramagundam project and submitted the same to the Commission? Since the Commission had given its consent in the above-mentioned letter without following its applicable regulations and procedures and without conducting public hearing, are the Discoms going to request the Commission to hold public hearing on "the executed amended Power Purchase Agreement", if already submitted, or as and when they submit the same to the Commission?</p>	<p>GoAP vide G.O. Ms. No. 51, 20.09.2009 re-instated earlier terminated PPA of M/s. BPL Power project in original form and directed M/s. BPL to approach Hon'ble Commission to seek approvals with regard to changes in technical and financial parameters for the enhanced capacity from 520 MW (2x260 MW) to 600 MW (2x300 MW), BPL filed their application before APERC for its consent.</p> <p>After examination of M/s. BPL application, APERC vide Letter dated 31.05.2010 communicated its consent in respect of technical and financial parameters for the revised capacity of 2x300 MW (600 MW) and also on the ceiling limit of Rs. 4.76 per MW (at an exchange rate of Rs. 43.5 per US \$) prescribed by GOAP in the G.O.</p> <p>Further APERC has directed the APDISCOMs to submit the executed amended PPA to the commission.</p> <p>AP DISCOMs and BPL are in the process of execution of the amended PPA as per the directions of APERC.</p>
<p>PENDING CASES : As per the details furnished in their ARR submissions by some of the Discoms, about 45 cases are pending in APERC and various Courts of law at different levels starting from as far back as 2003-04. These pertain to Spectrum, GVK and Lanco projects. As per the modifications sought by AP Transco/Discoms, what is the avoidable or excess amount paid by APSEB/AP Transco/Discoms to the three projects so far from their respective CODs? What action the Discoms are taking seeking speedy disposal of the pending cases? In addition to the above cases, in other petitions pertaining to AP Genco and other generators of power how many cases are pending before APERC? In how many cases hearings are completed and reserved for orders and for how long? How many PPAs are pending with the Commission for its consent?</p>	<p>APTRANSCO has filed the petitions before APERC seeking to consider certain amendments to the Power Purchase Agreements of IPPs on commercial principles. Presently, APERC has been conducting the hearings in phased manner on various petitions filed by APTRANSCO. No verdict/ order was issued by APERC so far. The avoidable excess payable amounts to IPPs will be arrived for these petitions after issue of orders by APERC. APTRANSCO & DISCOMs have paid about Rs.270 crores to NCE projects in excess of tariff fixed by the APERC. The additional payment is made as per the interim orders of the Hon'ble Supreme Court. The Hon'ble Supreme Court heard the Cases in May 2010. The hearings were concluded on 26-05-2010 and the matter is reserved for orders. The Hon'ble Supreme Court orders are awaited.</p> <p>The APTRANSCO/DISCOMs are pursuing through their Advocates for early listing of cases for disposal. 12 PPAs (pertains to NCEs) were pending for consent with the Commission and being pursued for speedy disposal.</p>

Para No/Brief Issue	EPDCL Response
<p>DETERMINATION OF CROSS SUBSIDY SURCHARGE FOR OPEN ACCESS CONSUMERS : The Discoms have pointed out that after 2007-08 the Commission has not issued orders determining cross subsidy surcharge for open access consumers. In view of the increase in the number of open access transactions in recent years, the Discoms have requested the Commission to determine the cross subsidy surcharge for open access consumers along with the tariff order for 2011-12. What are the reasons for the Commission not determining cross subsidy surcharge for open access consumers after 2007-08 and the Discoms keeping quiet since then, foregoing revenue which they should get?</p>	<p>Under the purview of Hon'ble APERC</p>
<p>WHERE IS COMPETITION? : In our written submissions dated May 29, 2010 on ARR and tariff proposals of the Discoms for the year 2010-11, we have submitted: "The COS for each category of consumers worked out by each Discom varies. Despite that, the tariffs being fixed by the Hon'ble Commission for same category of consumers under the four Discoms is uniform. Apart from COS, the Hon'ble Commission is adopting some principle for working out cross subsidy to subsidised consumers and also the cross subsidy to be provided by subsidising categories of consumers. If the Commission adopts the same principle in terms of a uniform percentage to fix cross subsidy to same category of consumers under the four Discoms and to fix cross subsidy to be provided by the same category of subsidising consumers under the four Discoms, then tariffs should be different to the same categories of consumers under the four Discoms, subject to the subsidy to be provided by the Government. The elements of internal efficiency of a particular Discom, as also the nature of its system in terms of consumer mix, etc., are not coming into play in determining tariffs.</p> <p>In other words, the subsidising categories of consumers under different Discoms are not getting the benefit of the advantage of such favourable factors of a Discom in terms of differential tariff. In other words, the element of competition, as well as efficiency, that was supposed to benefit consumers under unbundling the erstwhile APSEB and formation of the four Discoms is totally missing. If the Hon'ble Commission fixes such differential tariffs to the same category of consumers under different Discoms, still uniformity of tariff to a particular category or slab of consumers can be maintained all over State by the Government providing differential subsidies to the Discoms.</p>	<p>Under the purview of Hon'ble APERC</p>

Para No/Brief Issue	EPDCL Response																								
<p>I request the Hon'ble Commission to ponder over whether increasing tariff to a category of consumers of a particular Discom than what it should be under COS and uniform approach of the Commission in determining cross subsidy to be on par with a higher tariff to the same category of consumers under another Discom is denying the benefit of efficiency and systemic advantage of a particular Discom." While CPDCL maintained silence on this issue, the other three Discoms stated that it is "under the purview of the Hon'ble Commission." When we referred this issue during our presentation in the public hearing held on June 30, 2010, the Hon'ble Member (Finance) Sri C.R. Sekhar Reddy garu intervened to say that the same process has been going on over the years. When some anomaly is pointed out, it needs to be corrected. We also requested the Commission to recommend to the State Government to merge the four Discoms into one for the entire State so that all the consumers in each category in the State share the benefit or burden of tariffs with uniformity. The Commission did not respond to this issue in its tariff order for 2010-11; nor did the issue figure in it. We once again request the Commission to re-examine the issue and take appropriate decision.</p>																									
<p>REDUCE DISTRIBUTION LOSSES: Responding positively to the grievance aired by the Discoms that the targets for reduction of distribution losses fixed by the Commission for the second control period are very steep, the latter has revised. The submissions made by the Discoms show that they, except EPDCL, could not reach the targets of reduction of distribution losses for the year 2010-11. While reduction of technical losses are linked with necessary schemes taken up with proposed expenditure, the results being achieved by the Discoms in reducing commercial losses are not encouraging, notwithstanding a number of steps narrated in the submission of the Discoms, for example, action plan of SPDCL (pages76-78). Year after year distribution cost of the Discoms is increasing. While the Commission is permitting expenditure for strengthening and expanding the distribution system, there is no transparency to know whether the proposed expenditure is prudent and necessary with commensurate benefit. Since there is a lot of difference in the capital expenditure proposed by the Discoms and expenditure permitted by the Commission, I request the Commission to make the reasons for its justification or rejection or modification public, by putting the relevant information in its web site.</p>	<table border="1" data-bbox="930 1087 1498 1623"> <thead> <tr> <th colspan="2" data-bbox="930 1087 1498 1121">Loss profile of APEPDCL</th> </tr> <tr> <th data-bbox="930 1121 1273 1203">Financial Year</th> <th data-bbox="1273 1121 1498 1203"><u>Losses %</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="930 1203 1273 1245">2000-01</td> <td data-bbox="1273 1203 1498 1245">17.91%</td> </tr> <tr> <td data-bbox="930 1245 1273 1287">2001-02</td> <td data-bbox="1273 1245 1498 1287">17.28%</td> </tr> <tr> <td data-bbox="930 1287 1273 1329">2002-03</td> <td data-bbox="1273 1287 1498 1329">16.80%</td> </tr> <tr> <td data-bbox="930 1329 1273 1371">2003-04</td> <td data-bbox="1273 1329 1498 1371">15.29%</td> </tr> <tr> <td data-bbox="930 1371 1273 1413">2004-05</td> <td data-bbox="1273 1371 1498 1413">15.17%</td> </tr> <tr> <td data-bbox="930 1413 1273 1455">2005-06</td> <td data-bbox="1273 1413 1498 1455">12.95%</td> </tr> <tr> <td data-bbox="930 1455 1273 1497">2006-07</td> <td data-bbox="1273 1455 1498 1497">12.29%</td> </tr> <tr> <td data-bbox="930 1497 1273 1539">2007-08</td> <td data-bbox="1273 1497 1498 1539">9.01%</td> </tr> <tr> <td data-bbox="930 1539 1273 1581">2008-09</td> <td data-bbox="1273 1539 1498 1581">8.83%</td> </tr> <tr> <td data-bbox="930 1581 1273 1623">2009-10</td> <td data-bbox="1273 1581 1498 1623">8.42%</td> </tr> </tbody> </table> <p>APEPDCL is putting all efforts to reduce the losses with suitable loss reduction measures and infrastructure development. The losses are brought down from 17.91% in FY: 2000-01 to 8.42% in 2009-10.</p>	Loss profile of APEPDCL		Financial Year	<u>Losses %</u>	2000-01	17.91%	2001-02	17.28%	2002-03	16.80%	2003-04	15.29%	2004-05	15.17%	2005-06	12.95%	2006-07	12.29%	2007-08	9.01%	2008-09	8.83%	2009-10	8.42%
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<p>GHIAL SHOULD NOT BE CATEGORIZED UNDER HT-I: In response to the directive given by the Commission, CPDCL has made it abundantly clear that GMR-Hyderabad International Airport cannot be categorized under HT-I in any aspects as there is no industrial activity at all and that the tariff charged for this airport is less than the ones being charged for airports in Mumbai, Chennai and Delhi. Therefore, I request the Commission to continue GHIAL under commercial category only.</p>	<p>Pertains to CPDCL.</p>
<p>SUPPLY OF POWER TO RURAL AREAS : In response to the directive of the Commission on steps to be taken to improve power supply in rural areas and segregation agricultural feeders from domestic feeders, the Discoms have responded in an evasive manner. They have pointed out segregation of rural feeders is taken up as a pilot project only in one Mandal in each circle. While admitting that feeder segregation ensures 24 hours supply of power to domestic services in rural villages and assured seven hours supply to all the agricultural services, the Discoms have not explained as to how many feeders need to be segregated, how much is the investment required and how long it will take. What steps are being taken by the Discoms to take up complete segregation of feeders in rural areas to ensure continuous supply of power to all non-agricultural consumers in rural areas?</p>	<p>Necessary steps being taken for providing 3 phase 24 Hours uninterrupted supply to all the villages for other than agricultural needs.</p> <p>The Discoms have informed about the Agriculture Feeder Segregation Pilot project implementation in response to the directive of the Hon'ble Commission on this issue. The licensee decided to implement the pilot project in one mandal in each circle and the pilot project would be funded internally by the licensee. The mandals for the pilot implementation are chosen such that they are closer to district headquarters with predominant agriculture consumption.</p> <p>The investment for pilot project would be Rs. 23.67 crores.</p> <p>Based on the success of the pilot project, the Discoms will take a decision on the full scale implementation of the project. The works for the pilot project are expected to be completed by the end of March 2011.</p>

Para No/Brief Issue	EPDCL Response
<p><u>GROUP INSURANCE SCHEME FOR PAYMENT OF COMPENSATION :</u></p> <p>Responding to the directive of the Commission, SPDCL has proposed adding of a nominal amount to customer charges for all the HT and LT services for creating a fund to meet exgratia needs due to fatal accidents to avoid claim procedure complications, instead of going for a group insurance scheme. The Commission has already permitted the Discoms to spend Rs.5 crore per Discoms per annum to take necessary steps to prevent electrical accidents and this amount is already being borne by the consumers as a part and parcel of the tariffs. When fatal accidents take place due to departmental lapses, the Discoms will have to pay compensation to the victims or their legal heirs from their profits only. To collect "a nominal amount" from consumers to create fund to meet exgratia needs due to fatal accidents is to penalise them for the failures of commission and omission of the Discoms. Therefore, I request the Commission not to give its consent to such proposals.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>I request the Hon'ble Commission to provide me an opportunity to be heard in person in the public hearings to be conducted on the subject issues relating to all the four Discoms.</p>	<p>Under the purview of Hon'ble APERC.</p>



Responses to Objections/ Suggestions

25. **Sri M.Thimma Reddy,**
Convenor,
People's Monitoring Group
on Electricity Regulation,
C/o Centre for Environment Concerns
3-4-142/6, Barkatpura
Hyderabad - 27

Para No/Brief Issue	EPDCL Response
<p>1.1 The following submissions on ARR and tariff proposals for the year 2011-12 are in response to the Public Notice published in newspapers on 13¹ January 2011</p>	
<p>2.1 According to the ARR and Tariff Proposals for the year 2011-12 total deficit of all the four DISCOMs stands at Rs. 5,951.85 crore. The Licensees did not explain how they intend to fill this deficit. The proposed new tariff proposals also will not generate additional funds enough to fill the deficit.</p>	<p>By making concerted efforts to improve the internal efficiency and expecting the support from the Govt. of AP to bridge the gap.</p>
<p>2.2 According to the present submissions net deficit (after taking in to account the subsidy provided by the Government of AP) of CPDCL for the year 2009-10 is Rs. 1,901.08 crore and for the year 2010-11 it is Rs. 1,460.38 crore. During the year 2010-11 additional power purchase cost is about Rs. 1, 035 crore. This may be recovered through FSA. Still there will be a deficit of about Rs. 425 crore. CPDCL no where explained how it intends to recover this deficit. Other DISCOMs did not provide information on deficits for the first and second year of the present control period.</p>	<p>For the FY: 2009-10, APEPDCL made a net surplus of Rs.18.33 cr.s and for FY: 2010-11, it is expected that APEPDCL will make a net deficit of Rs.801.47 cr.s. This information was provided in the ARR filing of APEPDCL.</p>
<p>2.3 Hitherto experience shows that the Commission is adopting a conservative estimate of power consumption in the state for each year as a part of its Tariff Orders. And every year actual consumption is overshooting the Commission's estimate. As a part of its estimates the Commission is over ruling the power purchase from the market. But the DISCOMs end up purchasing power from open market at higher prices. If they are allowed open market purchases in advance they could have tied for power at lower prices. For the financial year 2010-11 the DISCOMs proposed open market purchases of 3,446 MU but the Commission in its Tariff Order allowed only 860.33 MU. Despite this the DISCOMs ended up procuring 3,930 MU from the open market. Though the average cost of this power (Rs. 4.62/unit) is less than the price stipulated by the Commission (Rs. 5.50/unit, para.291) the cost could have been lower if they had made advance</p>	<p>The need and dynamic situation forced the utilities to procure expensive power to maintain the grid frequency, shortfall of generation from approved stations</p> <p>Discoms agree with the suggestion that allowing expensive power procurement in the tariff order would enable them to plan and tie up capacity at lower prices and the transmission corridor also in advance. The DISCOMs have booked corridor for 1000 MW to buy power in open market.</p>

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<p>preparations. It has become normal practice for DISCOMs to scout for additional power in the open market the very next day the Commission issues the Tariff Order disallowing or reducing open market purchases.</p>																	
<p>2.4 Here it is also to be kept in mind that after many years power holiday was declared for industries in the state. Other categories of consumers also were subjected to prolonged power cuts. The Commission allowed procurement of 77,828.60 MU by the DISCOMs in the state during the year 2010-11. The DISCOMs during this procured 78,351.15 MU. If we take in to account the power holidays for the industries and power cuts imposed on other consumers in the state power requirement was much higher.</p>	<p>Discoms agree with this view and request the Hon'ble Commission to allow the energy requirement as per the projections made by the Discoms.</p>																
<p>2.5 Another disturbing trend observed during the earlier year was whenever DISCOMs planned to procure power additionally, over and above the quantum and sources allowed by the Commission they did not approach the Commission for approval to procure additional power. But they approached the state government for permission to procure additional power. News reports dated 22-11-2010 in the Hindu and dated 23-11-2010 in Andhra Jyothi mentioned that the DISCOMs approached the state government for approval to procure 1800 MW of power from the open market. But similar request was not moved before the APERC. Under the AP Power Sector Reforms Act 1998 and Electricity Act 2003 the state government does not have any power to decide on these matters and it is for the Commission to decide. This practice shows that the Licensees are not following the regulations in procuring power. To this extent it is a violation of both the Acts mentioned above.</p> <p>Table 1: Difference in Estimate and Procurement for the year 2010-11 (MU)</p> <table border="1" data-bbox="277 1205 912 1507"> <thead> <tr> <th>Source</th> <th>APERC Estimate</th> <th>Actual Procurement by DISCOMs</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>CGS</td> <td>14,065.89</td> <td>12,689.50</td> <td>1,376.39</td> </tr> <tr> <td>IPPs</td> <td>19,295.67</td> <td>17,151.07</td> <td>2,144.60</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>3,520.99</td> </tr> </tbody> </table>	Source	APERC Estimate	Actual Procurement by DISCOMs	Difference	CGS	14,065.89	12,689.50	1,376.39	IPPs	19,295.67	17,151.07	2,144.60	Total			3,520.99	<p>As per the provision of section 65 and section 108 of the Electricity Act 2003 which empower the State Govt to give specific direction to commission to be guided by such direction in matters of the policy involving public interest as the State Govt may give to it in writing and if any question arises as to whether any such direction relates to a matter of policy involving public interest, the direction of the State Government thereon shall be final..</p> <p>The Forecast and demand changes were informed to GoAP from time to time before procuring the expensive power and a copy of the letter is also marked to Hon'ble Commission for the perusal of information.</p> <p>The need and dynamic situation forced the utility to procure expensive power to maintain the grid frequency, shortfall of generation from approved stations and increase in Agriculture Demand. Therefore, GoAP direction was taken by utility as the direction and rose up to the situation for meeting demand in the interest of the State Economy.</p> <p>The Discoms were able to book corridor for 1000 MW in order to buy power from open market during Feb-May 2011.</p>
Source	APERC Estimate	Actual Procurement by DISCOMs	Difference														
CGS	14,065.89	12,689.50	1,376.39														
IPPs	19,295.67	17,151.07	2,144.60														
Total			3,520.99														
<p>2.6 In its Tariff Order for the year 2010-11 the Commission estimated that 14,065.89 MU would be available from CGS but the DISCOMs could procure only 12,689.50 MU. Similarly in the case of IPPs while the Commission estimated that 19,295.67 MU would be available the DISCOMs could procure only 17,151.07 MU. The total difference is 3,520.99 MU. If this power were procured successfully dependence on open market purchases could have come down drastically and deficit in ARR could have been bridged to a large extent. We request the DISCOMs to explain why they failed in procuring this power from these two sources.</p> <p>POWER PURCHASE COST</p>	<p>The deviation in power procured from IPPs is due to the lower availability of power. Due to the shortfall in gas supply to the gas-based IPPs, the generation has come shortfall thereby available units procured. The DISCOMs practically procuring depending on available power as against the estimated ARR of Hon'ble APERC.</p>																

Para No/Brief Issue					EPDCL Response																		
Table 2: Power Purchases & Costs - Source wise																							
STATION	Power Purchase (MU)	Fixed cost (Rs.cr)	Variable Cost (Rs. Cr)	Total Costs (Rs. Cr)																			
GENCO - T	33,008.51	3,630.33	4,784.78	8,483.76																			
GENCO - H	7,662.75	1,007.80		1,044.63																			
GENCO	(46.54)40,671.26	4,638.13	4,784.78	(43.06)9,528.39																			
CGS	(14.93)13,048.78	633.07	1,666.00	(10.46)2,314.26																			
Simhadri	(10.75)9,393.70	824.87	1,481.00	(10.46)2,316.72																			
IPPs	(19.79)17,291.73	1,609.41	3,127.25	(21.41)4,737.32																			
APGPCL	(0.32)278.70	24.11	49.44	(0.33)73.56																			
Others	(3.73)3,263.14	46.95	1,220.40	(5.74)1,270.35																			
External Purchases	(3.92)3,433.68		1,888.53	(8.53)1,888.53																			
Total	87,380.99	7,776.54	14,217.41	22,129.12																			
<p>3.1 Power purchase costs account for 80 percent of the revenue required for the year 2011-12. The filings of the DISCOMs show discrepancy in the power purchase costs. There is difference in power purchase cost projection. At page No. 32 of CPDCL the projected cost of power purchase for the whole state is Rs. 22,129.12 crore (This figure appears in the filings of other DISCOMs also). But the total of power purchase costs mentioned in ARR of respective DISCOMs amounts to Rs. 22, 772.29 crore. Difference is Rs. 643.17 crore. The filings do not throw light on what accounts for this difference. We request the DISCOMs to explain the difference between the two figures.</p>					<p>Total energy requirement including expensive purchases have been allocated as per the PPA allocation. Any surplus/ deficit will be adjusted among the discoms under pool transactions.</p> <p>Energy dispatch, Sheet 4.2 of RSF filing, captures pool purchases and pool sales. However, power purchase cost, 1.4 sheet of RSF filing, does not allow the revenue from pool sales (negative value/ cost is not being allowed in this sheet). In view of the above difficulty, Licensees have shown the revenue from pooled sales in 1.4 c sheet i.e Revenue from trading.</p> <p>Net power purchase cost has to be read by combining the 1.4 and 1.1 c.</p> <p>The actual power purchase costs of the Discoms is as below:</p> <table border="1"> <thead> <tr> <th>Discom</th> <th>PP cost (Rs.)</th> <th>Revenue from trading</th> </tr> </thead> <tbody> <tr> <td>CPDCL</td> <td>9938.57</td> <td>148.90</td> </tr> <tr> <td>SPDCL</td> <td>5129.45</td> <td>94.53</td> </tr> <tr> <td>EPDCL</td> <td>3771.07</td> <td>83.46</td> </tr> <tr> <td>NPDCL</td> <td>3290.03</td> <td>316.28</td> </tr> <tr> <td>Total</td> <td>22,129.12</td> <td>643.17</td> </tr> </tbody> </table>	Discom	PP cost (Rs.)	Revenue from trading	CPDCL	9938.57	148.90	SPDCL	5129.45	94.53	EPDCL	3771.07	83.46	NPDCL	3290.03	316.28	Total	22,129.12	643.17
Discom	PP cost (Rs.)	Revenue from trading																					
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	Total	22,129.12	643.17															
<p>Fuel cost burden:</p> <p>3.2.1 Current year's filings show that fuel costs/variable charges account for more than 64 percent of the total power purchase costs. The following tables also show the increasing fuel cost burden. While GENCO, CGS and Simhadri plants are coal based IPPs units are gas based. All the plants are experiencing increased fuel bills.</p> <p>Table 3: Variable Cost Rs/U</p> <table border="1" data-bbox="240 913 717 1121"> <thead> <tr> <th>Station</th> <th>2008-09</th> <th>2011-12</th> </tr> </thead> <tbody> <tr> <td>GENCO</td> <td>1.44</td> <td>1.45</td> </tr> <tr> <td>CGS</td> <td>1.15</td> <td>1.40</td> </tr> <tr> <td>Simhadri</td> <td>1.11</td> <td>1.58</td> </tr> <tr> <td>IPPs</td> <td>1.10</td> <td>1.81</td> </tr> </tbody> </table>	Station	2008-09	2011-12	GENCO	1.44	1.45	CGS	1.15	1.40	Simhadri	1.11	1.58	IPPs	1.10	1.81	<p>For coal based plants, it is mainly due to the usage of imported coal to meet the shortfall in domestic coal linkage and also due to the increase in domestic coal prices.</p> <p>For gas based plants, the price of gas has been hiked steeply.</p>		
Station	2008-09	2011-12																
GENCO	1.44	1.45																
CGS	1.15	1.40																
Simhadri	1.11	1.58																
IPPs	1.10	1.81																
<p>3.2.2 Over the last few years coal mining companies are hiking the prices frequently. The central government, which fully or partly controls/owns these companies, is encouraging them to hike coal prices in the name of commercial operation. While these companies are happy with increased profits with same efficiency, consumers ultimately need to bear this burden. According to DISCOMS' filing "due to increase in coal price and use of imported coal the weighted average power purchase cost in FY 2010-11 is Rs. 2.43/kWh (excluding short term expensive power purchase) as against the Tariff Order approved value of Rs. 2.24/kWh" (APCPDCL Tariff Proposal 2011-12, p.vi). While not denying the need for healthy finances of the coal companies burdening the common man should not be the only way to keep these companies healthy.</p>	<p>The suggestion is invited. Power is purchased from various traders taking account of all key parameters, cost on the basis of market conditions.</p>																	
<p>3.2.3 Besides this the central government is forcing the thermal power plants to procure coal from foreign countries. The cost of imported coal is nearly twice that of the locally available coal. This also contributed to the increase in variable costs of the thermal power plants.</p>	<p>Discoms agree with this view. However, usage of imported coal is due to shortage in supply of domestic coal.</p>																	
<p>3.3 Increase in gas price has adversely impacted the consumers. The price of gas from KG basin fields of R1L is increased from \$ 2.52 to \$ 4.2 per MBTU in a questionable manner. The new price is said to have been</p>																		

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<p>arrived at through so-called price discovery mechanism. This mechanism was carried out by RIL but not by the Government of India. The Prime Minister's Advisory Council also found fault with the mechanism adopted in this price discovery. But still the Gol went ahead and gave clearance to this hike. Even more astonishingly the government of India increased the price of gas from ONGC from \$ 1.79 to \$ 4.2 per MBTU. This hike is effected in the name of minimizing the losses of public sector gas companies. Irony is that these companies are some of the highly profit making companies in the country even before this hike. One could only imagine the windfall profits these companies are going to make. But electricity consumers have to bear this burden. Instead of facilitating availability of cheap and affordable electricity to the consumers these steps of the government are making electricity very costly. The impact of this hike can be discerned from this year's ARR filings. For example while variable cost of GVK's first unit, which gets gas from ONGC, in the year 2009-10 (first year of the present Multi Year Tariff period when old gas prices prevailed) was Rs. 1.46 per unit, for the ensuing year 2011-12 the variable cost per unit is Rs. 1.67. The variable cost of GVK's extension unit for the ensuing year is Rs. 1.79 per unit.</p>	<p>The subject is under the purview of Hon'ble APERC.</p>
<p>3.4 In all this the DISCOMs have remained silent spectators. They did not voice any protest against these uncalled for hikes in fuel prices. We request the Commission to direct the Licensees to ask the power developers to renegotiate the fuel supply agreements and see that these fuel prices are rolled back.</p>	<p>Discoms have made representations to central govt. However, increase in gas prices are not under purview of Discoms.</p>
<p>APGPCL 3.5.1 According to the ARR and tariff proposal submissions for the year 2010-11 the APGPCL was supposed to supply 452 MU. But the ARR and tariff proposal submissions for the year 2011-12 shows that during the year 2010-11 APGPCL was able to supply only 357 MU and during the ensuing year it will be supplying even lower quantum of power i.e., 278.70 MU. Decreased availability from this plant during the FY 12 is attributed to 'expected shortage of availability of gas' (APCPDCL ARR and Tariff Proposal 2011-12, p.33). But how come there is no reduction in power availability from IPP's plants which are also gas based! It has to be understood that the decreased availability of gas to APGPCL plant is not because of 'decreased availability of gas' but due to deliberate action of the state and central governments. APGPCL is in operation for more than one decade. The ostensible reason for curtailing gas supply to this plant is that it is a captive plant. When the same status did not come in the way of gas allocation for more than a decade how is it that it has become an issue now? When unknown and unheard of entities like Panduranga Energy Systems were allocated gas why is a plant that is serving the state for more than a decade was denied gas allocation? Every effort shall</p>	<p>For the ensuing year, the calculations were done on the basis of availability of 0.90 MSCMD of Natural Gas with the usage of part load i.e., about 172 MW (out of 272 MW). As a result, 100 MW was kept as idle for want of Natural Gas. Due to this, the availability from APGPCL has come down to 278.70 MU.</p> <p>It may also be noted that the availability from IPPs has also been considered at 80% PLF. Consequently, the availability from IPPs has also decreased in the ensuing year. This is due to the shortage in gas allocation to the IPPs.</p> <p>The issue of allocation of gas to other</p>

Para No/Brief Issue	EPDCL Response																												
be made to see that the gas allocation to APGPCL is restored.	entities is not under the purview of the Discoms.																												
<p>3.5.2 According to the ARR and tariff proposal submissions for the year 2010-11 the APGPCL's fixed cost for that year was Rs. 3.52 crore. This has increased to Rs. 8.18 crore according to the filings for the year 2011-12. This fixed cost for the year 2011-12 according to the ARR and tariff proposals for the year 2011-12 stands at Rs. 24.11 crore. According to these filings, "For FY 12, it is proposed to take up the Stage I and Stage II for HGPI and Major inspection with a cost of Rs. 4218 lakhs and Rs. 4716 lakhs respectively". (APCPDCL, p.24). But this raises other issues.</p> <p>3.5.3 There was no explanation for the hike in fixed costs during the year 2010-11.</p> <p>Table 4: Fixed Costs of APGPCL</p> <table border="1" data-bbox="240 667 938 1178"> <thead> <tr> <th>APGPCL</th> <th>Capacity</th> <th>DISCOM Share in</th> <th>HGPI + Inspection Cost Rs in Cr</th> <th>DISCOM share according to their share in capacity Rs in Cr</th> <th>DISCOM share according to ARR filings Rs</th> <th>Difference Rs</th> </tr> </thead> <tbody> <tr> <td>Stage I</td> <td>100</td> <td>16.00</td> <td>42.18</td> <td>06.75</td> <td>07.41</td> <td>0.66</td> </tr> <tr> <td>Stage II</td> <td>172</td> <td>24.88</td> <td>47.16</td> <td>11.73</td> <td>16.71</td> <td>4.98</td> </tr> <tr> <td>Total</td> <td>272</td> <td>21.62</td> <td>89.34</td> <td>18.48</td> <td>24.12</td> <td>5.64</td> </tr> </tbody> </table>	APGPCL	Capacity	DISCOM Share in	HGPI + Inspection Cost Rs in Cr	DISCOM share according to their share in capacity Rs in Cr	DISCOM share according to ARR filings Rs	Difference Rs	Stage I	100	16.00	42.18	06.75	07.41	0.66	Stage II	172	24.88	47.16	11.73	16.71	4.98	Total	272	21.62	89.34	18.48	24.12	5.64	<p>Reasons for increase in fixed cost and variable cost for the year FY 12:</p> <ol style="list-style-type: none"> 1. The Natural Gas Supply rate has been revised from US \$ 1.85 per MMBTU [APM gas rate] to US \$ 4.20 per MMBTU which is equivalent to the price of Reliance Industries Ltd. 2. The O&M Charges were also revised [which is to be agreed by both the parties] which had contributed for increase in fixed cost. 3. For FY 12, it is proposed to take up the Stage-I & II for HGPI and Major inspection with a cost of Rs. 4218 lakhs and Rs. 4716 lakhs respectively. The increase in the repairs and maintenance cost also contributed for increase in the fixed cost. Further, as the plants will be under shut down for about 30 days during August, 2011, the generation will also be reduced, which again contributed for increase in fixed cost. 4. As plants are running with part load, the gas consumption i.e., the Specific fuel consumption is also more which is contributing for increase in the variable and fixed cost.
APGPCL	Capacity	DISCOM Share in	HGPI + Inspection Cost Rs in Cr	DISCOM share according to their share in capacity Rs in Cr	DISCOM share according to ARR filings Rs	Difference Rs																							
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<p>3.5.4 While there is big difference in the capacities of the two units there is not much or proportionate difference in HGPI and inspection costs incurred.</p> <p>3.5.5 According to the DISCOMs' share in the plant capacity their share in HGPI and inspection costs should have been Rs. 18.48 crore. But the DISCOM filings show that DISCOMs have to bear a cost of Rs. 24.12 crore. The difference is Rs. 5.64 crore. Whether repair and maintenance alone accounts for this difference.</p>	<p>The major HGPI and inspection costs would depend on the nature of repair/inspection involved and may not be treated proportional to the capacities of the plants involved.</p>																												

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<p>3.5.6 As HGPI and inspection costs are treated as fixed costs, is it necessary to recover them in a single year?</p>	<p>The HGPI and inspection costs are treated as revenue expenditure and not as capital expenditure. In case of capital expenditure, the same can be recovered over a period of time. However, in case of revenue expenditure, the cost would be recovered in a single year.</p>																																
<p>APGENCO Related Issues</p> <p>3.6.1 Even after a decade of reforms and regulatory process in the state's power sector there is no proper and long term PPA with APGENCO for power procurement from the existing units. In the Tariff Order for the year 2010-011 the Commission has stated that pending determination of generation tariff for APGENCO's power stations for FY 2010-11, the fixed cost is determined based on information provided by APGENCO in its application for determination of generation tariff in accordance with Regulation 1 of 2008 (para. 282). We request the Commission to take up these PPAs in a transparent and expeditious manner.</p>	<p>Under the purview of Hon'ble APERC.</p>																																
<p>3.6.2 DISCOMs' ARR filings for the year 2011-12 show that power is going to be procured from 5 new units of APGENCO. These units are VTPS-IV, RTPP-II, RTPP-III, KTPS-VI and Kakatiya-I. Until now as far as we know the PPAs with APGENCO for these plants are not yet approved by the Commission. Under the existing legal and regulatory structure the erection power plants shall commence only after the Commission approves the PPA. But here even when the plants are ready to inject power in to the state grid there is no sign of the PPAs. It is a very disturbing sign. It is a wanton bypassing of the Commission's mandate and powers. On the other hand, it also may indicate abdication of responsibility and powers on the part of the Commission. We request the Commission to direct the Licensees to make all the PPAs public and conduct public hearings before approving or rejecting these PPAs.</p> <p><u>Table 5: Capital Costs of new GENCO Plants Rs/U</u></p> <table border="1" data-bbox="240 1444 954 1843"> <thead> <tr> <th>Station</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> </tr> </thead> <tbody> <tr> <td>VTPS - IV</td> <td>1.49</td> <td>1.42</td> <td>2.94</td> </tr> <tr> <td>RTPP - II</td> <td>1.55</td> <td>1.77</td> <td>3.35</td> </tr> <tr> <td>RTPP - III</td> <td>2.41</td> <td>1.77</td> <td>4.21</td> </tr> <tr> <td>KTPS - VI</td> <td>1.67</td> <td>1.13</td> <td>2.81</td> </tr> <tr> <td>Kakatiya - 1</td> <td>1.86</td> <td>1.16</td> <td>3.05</td> </tr> <tr> <td>Simhadri - II</td> <td>1.05</td> <td>1.58</td> <td>2.63</td> </tr> <tr> <td>UMPP - Mundra</td> <td>0.98</td> <td>1.28</td> <td>2.26</td> </tr> </tbody> </table>	Station	Fixed Cost	Variable Cost	Total Cost	VTPS - IV	1.49	1.42	2.94	RTPP - II	1.55	1.77	3.35	RTPP - III	2.41	1.77	4.21	KTPS - VI	1.67	1.13	2.81	Kakatiya - 1	1.86	1.16	3.05	Simhadri - II	1.05	1.58	2.63	UMPP - Mundra	0.98	1.28	2.26	<p>Under the purview of Hon'ble APERC.</p>
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<p>3.6.3 A look at the above table shows that the fixed costs of the new GENCO plants are inflated. A comparison with NTPC's Simhadri - II plant will help to</p>																																	

Para No/Brief Issue	EPDCL Response
<p>put it in proper perspective. Like the new GENCO plants the NTPC plant is also a new unit. The fixed cost for the NTPC's Simhadri II is Rs. 1.05 per unit. Compared to this the fixed costs of new GENCO units are higher by more than 50%. The additional burden on the consumers because of this inflated fixed cost of new GENCO units is about Rs. 930 cr. We request the Commission not allow these higher fixed costs and benchmark the fixed costs of GENCO's new plants with NTPC's Simhadri - II unit. We request the Commission to allow fixed cost of Rs. 1.05 per unit only for the new GENCO units.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>3.6.4 In the tariff filings for the year 2010-11 the unit fixed cost for RTTP - II was shown as Rs. 2.02. But in the tariff filings for the ensuing year 2011-12 this fixed cost is shown as Rs. 2.41 per unit. There is no explanation how the fixed cost per unit increased by 39 paise within a year.</p> <p>In awarding contracts to execute these projects, newspaper reports show that, APGENCO violated the norms prescribed by CEA. According to the CEA norms in bidding for the Balance of Plant (BoP) works the eligibility criteria is that the concerned entity in the last seven years should have executed works with a capacity of 100 MW and annual turnover should have been Rs. 400 crore. But this was arbitrarily changed to 300 MW and Rs. 500 crore. Because of this the number of eligible entities had come down drastically creating the ground to rig the bidding. The burden on APGENCO and consumers in the state in turn would be about Rs. 600 crore.</p>	<p>The fixed cost per unit is high in the ensuing year due to lower dispatch from this unit.</p> <p>The issue of BoP works is under the purview of APERC.</p>
<p>3.6.5 Even after the bidding there is wide variation in the costs of these BoP works. According to a report in Andhra Jyothi (dt.24-11-2010) BoP works of RTTP IV was sanctioned for Rs. 1,255 crore while similar works for Kakatiya plant at Bhupalapally was sanctioned at Rs. 723 crore. The difference is Rs. 532 crore. This unjustified amount is to be borne by the consumers in the state.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>3.6.6 DISCOMs' filings show that there was delay in operationalising new plants. According to DISCOMs' filings there was delay of two months in scheduled date of commencement of operation of KTPP - I (from 1st August 2010 to 1st October 2010) resulting in shortfall of 614 MU and delay in scheduled date of commencement of operation of NTPC Simhadri Stage - II by three months (from 1st December 2010 to 1st April 2011) resulted in shortfall of 328 MU (APCPDCL Tariff Proposals p.vi). Because of this short fall DISCOMs were forced buy power in the open market at higher price which in turn burdened the consumers. We would like to know from the DISCOMs whether they intend to recover liquidated damages from APGENCO and NTPC for delay in starting the new plants.</p> <p>Opportunities Available - New IPPs</p> <p>Table 6: Expansion Units as Merchant Plants;</p>	<p>Currently, there is no mechanism in place to recover the liquidated damages from APGENCO and NTPC. Hence, the uncontrollable factors to commence the units are being taken care by the Hon'ble Commission.</p>

Para No/Brief Issue		EPDCL Response																		
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<p>3.7.1 The existing IPPs in the state are planning expansion units adjacent to the existing units. These are being set up as merchant plants. Already one of these plants, Lanco unit started power generation and was in the news for selling this power to Tamil Nadu even when our state was in urgent need of this power. Once a plant is categorized as a merchant plant the developers will be free to sell power from such units to any consumer in the country at any price. The Commissions will have no control on such plants. But the Tariff Policy provides some scope to deal with such situations. According to Section 5.1 of this Policy, "All future requirements of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled /owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generation capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity". For the existing plants all the necessary facilities like land, fuel linkage and transmission connectivity were provided by the state or state owned entities. It is not proper for the IPPs to literally walk away from the state once obtaining all clearances. The total existing capacity of the IPPs in the state is 2500 MW. Given the scope provided by the Tariff Policy we request the Commission to direct the DISCOMs to enter in to long term PPAs with these IPPs for capacity equivalent to 1250 MW.</p>		<p>All the existing IPPs who are proposing to establish expansion projects were requested to offer 50% of existing PPA capacity from the expansion capacities to APDISCOMs as per the tariff policy notified by GoI.</p> <p>Further, DISCOMs have not recommended for fuel linkage & not provided evacuation facilities to the expansion projects to be set up by existing IPPs.</p>																		
<p>3.7.2 A report in Andhra Jyothi dated 4-6-2010 mentioned that Konaseema was interested in selling the power from the extension unit. We would like to know whether the DISCOMs are pursuing this issue with the developers and the progress so far.</p>		<p>The extension unit of Konaseema is a merchant power plant and therefore can sell to anyone. Though, they may participate in competitive bidding through case one.</p>																		
<p>3.8 The PPA with BPL for 500 MW thermal plant at Ramagundam approved by the Commission was subsequently cancelled as the company failed to achieve financial closure. The setting up of this unit can be taken up by either APGENCO or any private developer selected through open competitive bidding. In the initial stages the government of AP said that APGENCO would be</p>		<p>GoAP vide G.O. Ms. No. 51, 20.09.2009 reinstated earlier terminated PPA of M/s. BPL Power project in original form and directed M/s. BPL to approach Hon'ble Commission to seek approvals with regard to changes in technical and financial parameters for the enhanced capacity from 520 MW (2x260</p>																		

Para No/Brief Issue	EPDCL Response
<p>taking up the project. It is disturbing to note that the Commission through the letter No. E-356 (a)/Engg/DD(P&PP)/2010-02 dated 31 May 2010 has consented to revival of PPA with BPL and also changes to important aspects of the earlier PPA with out any public hearing. The above letter is against the interests of the people of the state. Commission's decision goes against the legal opinion that the cancelled PPA cannot be revived to the previous party. New developer needs to be selected through a open competitive bidding and the same should have been examined through a public process. Commission's Order in response to a letter, not even a proper petition, from the old developer raises many disturbing questions. It may be surmised that the public hearing was not taken up as the developer in question as well as DISCOMs did not want to face inconvenient questions. It may also be surmised that the Commission has succumbed to pressure from the state government and the private developer. We request the Commission to cancel the approval given to the BPL PPA through the above letter and conduct a public hearing on the same after making all the related documents of the case public.</p>	<p>MW) to 600 MW (2x300 MW), BPL filed their application before APERC for its consent. After examination of M/s. BPL application, APERC vide Letter dated 31.05.2010 communicated its consent in respect of technical and financial parameters for the revised capacity of 2x300 MW (600 MW) and also on the ceiling limit of Rs. 4.76 per MW (at an exchange rate of Rs. 43.5 per US \$) prescribed by GOAP in the G.O. Further APERC has directed the APDISCOMs to submit the executed amended PPA to the commission.</p> <p>AP DISCOMs and BPL are in the process of execution of the amended PPA as per the directions of APERC.</p>
<p>3.9 Hinduja's 1000 MW Visakhapatnam thermal power plant was one of the three fast track projects selected nearly 15 years back at the national level to set up power plants in AP. These plants were planned taking in to account power needs of the state. While GYK's Jeegurupadu unit started power generation 9 years back the fate of BPL's Ramagundam unit is hanging in balance as referred to in the above paragraph. The PPA of Hinduja's plant even after 15 years is yet to come before the Commission for approval. In fact Hinduja's company should be paying a tidy sum toward liquidated damages given this enormous delay in setting up the plant. We learn that Hindujas lobbied with the powers that be to convert this plant in to a merchant plant. As this plant was planned one and half decades back taking the power needs of the state into consideration and given the present power deficit in the state this plant cannot be allowed to be converted in to a merchant power plant. If Hindujas are not ready to take up this project a new private developer should be selected through open competitive bidding.</p>	<p>The PPA signed by erstwhile APSEB with M/s. HNPCL on 19.08.1998 for sale of 100% capacity of 1040 MW (2x520 MW) is no longer existing.</p> <p>GOAP is yet to take a final decision on the proposal of HNPCL offer of 25% of power to the AP state.</p>
<p>3.10 A mini hydro plant of 24 MW capacity is proposed to be set up by a private developer -SLS Power Corporation - at Dummagudem anicut in Khammam district. The developer has entered in to a PPA with Tata Power Corporation, Mumbai. NEDCAP has given clearance to this project. At a time when DISCOMs in the state are not able to fulfill the RPPO of 5% how did NEDCAP gave clearance to this project? And how are DISCOMs going to allow this power to be sold outside the state when they are running short of renewable energy?</p>	<p>NEDCAP is the agency formed to promote Non-conventional energy development in the state. Power developer is free to sell power to any Discom/ Trader. Discoms cannot impose on the developer to sell the power to Discoms.</p>
AGRICULTURE CONSUMPTION	
<p>4.1 The ARR and Tariff Proposals for the FY 2011-12</p>	

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show that LT agriculture accounts for 21.27 percent of the power to be supplied in the state. As in the past this time also these estimates lead to many questions.																																											
<p>4.2 There is no uniformity among the DISCOMs in explaining the estimation of agriculture consumption. While SPDCL tried to give estimate based on different sources of data NPDCL did not at all explain the basis for its estimation. CPDCL just gave the example of Moinabad mandal. But there was no explanation about the number of agricultural services and the DTRs servicing them. We request CPDCL and NPDCL provide district/circle wise data on number of agricultural connections, number of DTRs servicing them, number of sample DTRs, number of valid DTR readings, and the related agriculture consumption estimate.</p>	<p>Estimates of agricultural consumption and the methodology for arriving at robust estimates has always been uniform among the four DISCOMs and is under continuous review of Hon'ble APERC. The same methodology has been explained by four DISCOMs in their ARR filings with minor variations in presentation.</p>																																										
<p>4.3 CPDCL in its ARR and Tariff Proposals maintained that it was compelled to extend the supply beyond the stipulated seven hours to save to save the standing crops (p.43). In this regard we would like to know circle wise the months and number of days in each month when supply was given for more than seven hours, total quantum of power supplied in excess, whether it obtained the permission of the Commission to supply power in excess to this subsidized category and who will bear the burden of this subsidy?</p>	<p>Pertains to CPDCL.</p>																																										
<p>4.4 There was no explanation on progress in grounding new ISI methodology for estimation of agriculture consumption in the filings of the respective DISCOMs.</p>	<p>The new ISI methodology has been approved by APERC and yet to be implemented.</p>																																										
<p>4.5 We request the DISCOMs to provide us information on the number of DTRs metered over and above the sampled DTRs, number of HVDS - DTRs serving agriculture loads, total capacity of these HVDS - DTRs and total capacity of all the DTRs serving agriculture loads.</p>	<table border="1"> <thead> <tr> <th data-bbox="980 1180 1052 1398">Circle</th> <th data-bbox="1052 1180 1133 1398">No. of metered DTRs</th> <th data-bbox="1133 1180 1214 1398">No. of sampled DTRs</th> <th data-bbox="1214 1180 1312 1398">No. of DTRs metered over and above the sampled DTRs</th> <th data-bbox="1312 1180 1393 1398">No. of HVDS DTRs serving agl. Loads</th> <th data-bbox="1393 1180 1515 1398">Total capacity of these HVDS DTRs serving agl. Loads (HP)</th> </tr> </thead> <tbody> <tr> <td data-bbox="980 1398 1052 1444">SKL</td> <td data-bbox="1052 1398 1133 1444">430</td> <td data-bbox="1133 1398 1214 1444">180</td> <td data-bbox="1214 1398 1312 1444">250</td> <td data-bbox="1312 1398 1393 1444">1710</td> <td data-bbox="1393 1398 1515 1444">24882</td> </tr> <tr> <td data-bbox="980 1444 1052 1491">VZM</td> <td data-bbox="1052 1444 1133 1491">1132</td> <td data-bbox="1133 1444 1214 1491">307</td> <td data-bbox="1214 1444 1312 1491">825</td> <td data-bbox="1312 1444 1393 1491">1496</td> <td data-bbox="1393 1444 1515 1491">23932</td> </tr> <tr> <td data-bbox="980 1491 1052 1537">VSP</td> <td data-bbox="1052 1491 1133 1537">1049</td> <td data-bbox="1133 1491 1214 1537">299</td> <td data-bbox="1214 1491 1312 1537">750</td> <td data-bbox="1312 1491 1393 1537">3581</td> <td data-bbox="1393 1491 1515 1537">58259</td> </tr> <tr> <td data-bbox="980 1537 1052 1583">RJY</td> <td data-bbox="1052 1537 1133 1583">3910</td> <td data-bbox="1133 1537 1214 1583">1290</td> <td data-bbox="1214 1537 1312 1583">2620</td> <td data-bbox="1312 1537 1393 1583">9001</td> <td data-bbox="1393 1537 1515 1583">153707</td> </tr> <tr> <td data-bbox="980 1583 1052 1629">ELR</td> <td data-bbox="1052 1583 1133 1629">5330</td> <td data-bbox="1133 1583 1214 1629">1780</td> <td data-bbox="1214 1583 1312 1629">3550</td> <td data-bbox="1312 1583 1393 1629">21303</td> <td data-bbox="1393 1583 1515 1629">370132</td> </tr> <tr> <td data-bbox="980 1629 1052 1656">Total</td> <td data-bbox="1052 1629 1133 1656">11851</td> <td data-bbox="1133 1629 1214 1656">3856</td> <td data-bbox="1214 1629 1312 1656">7995</td> <td data-bbox="1312 1629 1393 1656">37091</td> <td data-bbox="1393 1629 1515 1656">630912</td> </tr> </tbody> </table>	Circle	No. of metered DTRs	No. of sampled DTRs	No. of DTRs metered over and above the sampled DTRs	No. of HVDS DTRs serving agl. Loads	Total capacity of these HVDS DTRs serving agl. Loads (HP)	SKL	430	180	250	1710	24882	VZM	1132	307	825	1496	23932	VSP	1049	299	750	3581	58259	RJY	3910	1290	2620	9001	153707	ELR	5330	1780	3550	21303	370132	Total	11851	3856	7995	37091	630912
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<p>4.6 A news item in Andhra Jyothi dated 8-7-2010 mentioned that the representatives of Bureau of Energy Efficiency made a presentation to the AP Power Coordination Committee on using energy efficient agricultural pumps which helps to reduce power consumption by 20%. This would lead to saving of nearly 3600 MU of power in the state. It also seems to have proposed a pilot project to examine this. We would like to know if there is any progress in this.</p>	<p>The Discoms are currently evaluating the implementation of a pilot project for the same and decision will be taken by April, 2011.</p>																																										

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<p>4.7 The Tariff Order for the year 2010-11 mentioned tariff for category HT - IV (B) related to lift irrigation schemes maintained by co-operative societies as '0'. In the ARR and Tariff Filings for the ensuing year (2011-12) also mention the tariff as '0'. Neither the Tariff Order nor the proposals for the ensuing year provide any qualifications to be eligible for this tariff. But field reports indicate that the DISCOMs are collecting tariffs at the rate provided for HT - IV (A) category. In the case of HT - IV (A) the electricity bills are paid by the state government and the burden on the farmers is negligible. In the case of HT - IV (B) consumers they are being forced to pay the electricity bills. Farmers under both the kinds of lift irrigation schemes pay water cess on the lines of farmers under canals of major and medium irrigation projects. But in the case of farmers under HT - IV (B) lift are also being forced to pay electricity bills though the Tariff Order mentions the relevant tariff as '0'. As the last years (2010-11) tariff proposals indicated merger of the two categories the state government may be directed to pay the electricity bills of the HT - IV(B) schemes. These schemes constitute only 3 to 5% of the total lift schemes as mentioned in the Tariff Order 2010-11 (para.168).</p>	<p>The licensee is not charging the consumers under HT-IV(B) category.</p>
<p>STANDARDS OF PERFORMANCE</p> <p>5.1 According to SoP Regulations DTR failure is to be addressed within 24 hours in urban areas and 48 hours in rural areas. CPDCL's filings show that in Kurnool circle it took on an average 288 hours to address DTR failures. Similarly, in Mahaboobnagar circle it took on an average 432 hours to address DTR failures. SoP Regulation also provides for compensation to be paid by the Licensee if the problem was not addressed within the stipulated time. As in the above cases there was enormous delay in addressing the problem we would like to know whether CPDCL paid compensation to the consumers under the DTRs which were not rectified in time and if compensation was not paid reasons for the same.</p>	<p>EPDCL is strictly adhering to the norms prescribed in SoP Regulation.</p>
<p>5.2 On 4th February 2011 a woman (Eerla Sayamma aged 52 years) died and several people collapsed due to electrical shocks when high voltage electricity passed through the walls of all houses in the Khanapur village in Kalher mandal of Medak district. Such deaths need to be considered as murders committed by the DISCOMs. In this context we would like to draw attention to the Commission's direction (para 330 of Tariff Order 2010-11) on improving single phase HVDS transformers. The Commission also stipulated that these works shall be completed by 31st March 2011. The responses of the DISCOMs to this directive are far from satisfactory. CPDCL stated that it would take up the work but in a phased manner. EPDCL stated that the directive is under process. Relevant response of NPDCL did not address this, issue. SPDCL maintained that running neutral wire from the substations was a costly exercise. It suggested that improving the earthing in case</p>	<p>The Directives given by the Hon'ble Commission will be undertaken in a phased manner.</p>

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of single phase DTRs duly separating the HT and LT neutrals accidents can be avoided. We understand that the project cost estimates include cost of drawing the neutral wire.	
<p>TARIFF PROPOSALS</p> <p>6.1 We welcome the proposal to reduce minimum charges for LT-I category for connected load above 250 W from Rs. 50 per month to Rs. 25 per month.</p>	
<p>6.2 The new tariff proposals also include an additional tariff of 50 paise/unit on LT - II (non-domestic/commercial) category consumers whose consumption exceeds 100 units/month during February - May period. The consumption limit may be increased to more than 250 units/month as the present proposal will burden petty traders whose monthly consumption exceeds 100 units/month.</p>	<p>The classification categories have multiple objectives and activities; hence DISCOMs have proposed the limit for 100 units basing on the existing category irrespective of each classification activity. However, it is for the consideration of Hon'ble APERC.</p>
<p>6.4 In the present proposals the tariff for advertisement hoardings (a sub-category LT - II) is to be Rs. 7.50 per unit.. While this is a welcome sign we are of the opinion that there is scope to increase this. This tariff can be bench marked to the solar power and as such this can be increased to Rs. 14 per unit as done in the state of Maharashtra.</p>	<p>The tariff hike from Rs. 6.50/kWh to Rs. 14/kWh would be very steep. The proposed tariff of Rs. 7.50/kWh is in line with the Rs. 1/kwh that is usually collected as ToD at present. However, Discoms welcome the suggestion.</p>
<p>6.5 DISCOMs also proposed collection of provisional FSA of Rs. 0.25 per unit. In stead they may be directed to submit all relevant information in time and claim their due during the relevant period following the relevant process under the existing Regulations.</p>	<p>The Discoms have already filed FSA claims for four quarters of FY 2009-10 and three quarters of FY 2010-11 in time. These are currently pending disposal by the Hon'ble Commission. The total amount recoverable through FSA is Rs. 1286 Crs for three quarters of FY 2010-11. Since the Discoms are already burdened financially, they have requested the Hon'ble Commission to consider the provisional collection of FSA until such time that the final orders are passed.</p>
<p>PRAYER TO THE COMMISSION</p> <ol style="list-style-type: none"> 1. Not to allow high fixed costs of new GENCO plants. 2. Not to allow conversion of Hinduja's Visakhapatnam plant in to a merchant plant. 3. Improve implementation of SoPs. 4. To allow the objector to be heard in person before the Commission takes any decision on this application of the DISCOMs. 	<p>Under the purview of Hon'ble APERC.</p>



Responses to Objections/ Suggestions

26. **Sri A.Punna Rao, F.I.E**
Convenor,
Praja Energy Audit Cell,
C/o The Institution of Engineers (India),
Vishweswarayya Bhavan,
Khairatabad,
Hyderabad- 500004

Para No/Brief Issue	EPDCL Response																												
1. The Discom has stated at APERC hearing for 2010-11 that CFL scheme will be taken up in all the districts of the DISCOM. The progress made may be intimated.	The programme of CFL Scheme is implemented in Visakhapatnam circle. In other areas, it is being studied to undertake this work.																												
2. The number of borewells (district wise) and the number of borewells brought under HVDS (district wise) may be furnished.	<table border="1"> <thead> <tr> <th>Circle</th> <th>No of services available as on 31.01.2011</th> <th>No of services under HVDS as on 31.01.2011</th> <th>Proposed No. of services to be converted during 2011-12 and 2012-13</th> </tr> </thead> <tbody> <tr> <td>Srikakulam</td> <td>22730</td> <td>14791</td> <td>7939</td> </tr> <tr> <td>Vizainagaram</td> <td>21831</td> <td>14840</td> <td>6991</td> </tr> <tr> <td>Visakhapatnam</td> <td>22707</td> <td>19022</td> <td>3685</td> </tr> <tr> <td>Rajahmundry</td> <td>41292</td> <td>30553</td> <td>10739</td> </tr> <tr> <td>Eluru</td> <td>77214</td> <td>58187</td> <td>19027</td> </tr> <tr> <td>Total</td> <td>185774</td> <td>137393</td> <td>48381</td> </tr> </tbody> </table>	Circle	No of services available as on 31.01.2011	No of services under HVDS as on 31.01.2011	Proposed No. of services to be converted during 2011-12 and 2012-13	Srikakulam	22730	14791	7939	Vizainagaram	21831	14840	6991	Visakhapatnam	22707	19022	3685	Rajahmundry	41292	30553	10739	Eluru	77214	58187	19027	Total	185774	137393	48381
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3. The date and place of hearing may be intimated at an early date.																													

Responses to Objections/ Suggestions

27. Sri Pavan Kumar,
Energy Controller
M/s Indus Towers Ltd.,
3rd Floor, USHA 36, Jubilee Town,
Road No. 36, Jubilee Hills,
Hyderabad – 500033
(Andhra Pradesh)

Para No/Brief Issue				EPDCL Response					
<p>The Discoms in the state have filed tariff petitions seeking revision in tariff for FY 2011-12. The existing tariff applicable to and proposed tariffs projected for LT-II category for FY 2011-12 by different Discoms have been shown in the table below:</p> <p>Tariff proposal for FY 2011-12 for LT - II* Category by all four discoms of the state</p>									
Slabs	Existing applicable tariff for FY 2010-11						Tariff proposed by the licensee for FY 2011 - 12		
	Fixed charge	Energy Charge (p/ unit)	Monthly min. charges (Rs/ month)				Fixed charge	Energy Charges (p/ unit)**	Monthly min. charges (Rs/ month)
0-50	-	385	• Single				-	385	• Single
51-100	-	620	phase -				-	620	phase -
Above 100 Units	-	650	Rs65/ month • Three phase - <u>RS200/ month</u>	-	• May'n & Feb'12 • to Mar' 12- 700 paise/ unit • June'n to Jan'i2 - Rs 650 paise/ unit;	Rs65/ month • Three phase - Rs200/ month			
<p>Source: Tariff Petition submitted by DISCOMs</p> <p>* The Discoms have proposed to create a sub-category under LT(II) category. Hence, this category has been proposed to be named as LT (II-A) category.</p> <p>* Proposed Time of Season tariff for LT-II (>100 units) category</p>									

Para No/Brief Issue	EPDCL Response																											
<p>The Discoms have proposed to introduce Time of Season tariff in addition to existing tariff for the months of April-May of 2011 and February- March of 2012 for LT-II (>100 units) which is Rs 0.5/ unit. Thus it is observed that the discoms have proposed to increase the tariff of LT-II category consumers for FY11-12 by around 8%.</p>																												
<p>Such a tariff increase shall significantly impact all LT-II category consumers in the state, including Indus Towers Limited. The telecom tower sites run by Indus Towers require continuous and uninterrupted power for safe running and smooth operations of the network. However, considering the existing reliability (due to shortage of power and connections drawn from rural and agriculture feeders) and quality of grid power, the telecom tower sites have been provided with onsite DG sets to either serve as backup power in case of interruption of power supply by the Discoms or as primary power where no grid supply is available.</p>																												
<p>The tariff applicable for telecom towers has been categorized under commercial category and is very high (55 - 70% across all four discoms) compared to average cost of supply. Apart from the grid tariffs, real cost of energy is further increased due to the use of DG power. Currently, the energy expenses of the telecom operators constitute nearly 25% of the total operating cost. The high cost of energy prevalent in the state affects the operational costs of Indus Towers Limited leading to higher telecom tariffs in the state.</p>	<p>The telecom towers business is purely commercial in nature and it comes under existing LT- II category as per the Tariff Order. Any relaxation in the tariff is not acceptable as it affects the Discom finances.</p>																											
<p>The following documents have been referred to in preparation of the objections</p> <ol style="list-style-type: none"> Electricity Act, 2003; National Tariff Policy, 2005; The ARR and tariff proposal for FY: 11-12 petitions by all four discoms of Andhra Pradesh; and the relevant Tariff Orders and Regulations issued by APERC. 																												
<p>Our Objections on Specific Issues</p> <p>i. Tariff Comparison for commercial category consumers</p> <p>The tariff orders of different states have been studied for analysis of existing tariff applicable for commercial category. The state wise details of demand and energy charges for commercial category is shown below:</p>																												
<table border="1"> <thead> <tr> <th rowspan="2">s</th> <th rowspan="2">State</th> <th rowspan="2">Demand Charges</th> <th colspan="2">Energy Charges</th> </tr> <tr> <th>0-100</th> <th>Above</th> </tr> </thead> <tbody> <tr> <td>i</td> <td>J&K</td> <td>Rs 30/ kW/ Month for</td> <td>320</td> <td>320</td> </tr> <tr> <td>2</td> <td>Chattisgar</td> <td>Rs. 50/KW/month</td> <td>275</td> <td>375</td> </tr> <tr> <td>3</td> <td>Jharkhan</td> <td>Rs. 110/KW for above</td> <td>135</td> <td>395</td> </tr> <tr> <td>4</td> <td>Uttrakhan</td> <td>Rs 20/KW/month</td> <td>400</td> <td>400</td> </tr> </tbody> </table>	s	State	Demand Charges	Energy Charges		0-100	Above	i	J&K	Rs 30/ kW/ Month for	320	320	2	Chattisgar	Rs. 50/KW/month	275	375	3	Jharkhan	Rs. 110/KW for above	135	395	4	Uttrakhan	Rs 20/KW/month	400	400	<p>In Andhra Pradesh, the tariff for LT – II category consumers from 0-50 units is Rs.3.85 only. This is very low when compared to many other states. Peak season tariff of Rs.0.50/- is proposed only for consumption beyond 100 units (Feb. to May). T.O.S. (Time of Season) Proposal:</p> <p>The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand</p>
s				State	Demand Charges	Energy Charges																						
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Para No/Brief Issue					EPDCL Response																							
4	Uttrakhan	Rs 20/KW/month	400	400	<p>requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW.</p> <table border="1"> <thead> <tr> <th colspan="6">FY 2011-12</th> </tr> <tr> <th></th> <th>February</th> <th>March</th> <th>April</th> <th>May</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Peak Load (MW)</td> <td>12,384</td> <td>12,677</td> <td>12,490</td> <td>11,360</td> <td>12,228</td> </tr> </tbody> </table> <p>In order to reduce the peak deficit, the Time of Season tariff has been proposed to</p> <p>(i) Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period.</p> <p>(ii) Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met.</p> <p>(iii) Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff will influence the consumers to either shift their load or reduce consumption managing the demand curve.</p>						FY 2011-12							February	March	April	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
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Peak Load (MW)	12,384	12,677	12,490	11,360							12,228																	
5	Haryana*	Rs. 130/KW/month for above 20 KW	440	460																								
6	Himachal Pradesh*	Nil for 0- 20 KVA, Rs. 75/KVA for 20-100 kW, Rs. 100/KVA for above 100 kw	460	460																								
7	Gujarat*	Upto 2KW Rs 50 pm; 2-4 kW Rs 100 pm, 4-6 kW Rs 150 pm, above 6 kW Rs 200 pm	430	490																								
8	Rajasthan	Upto 5 kW: Rs. 120 pm, Above 5 kW Rs 40/ kW/month	450	490																								
9	Delhi*	. Rs. 50/KW/ month	540	492																								
10	Uttar	Rs.115/kW/month	495	495																								
11	Madhya Pradesh*	(Rs30/KW/month for 0-50 units) and (Rs 60/KW/month for above 50 units)	500	545																								
12	Orissa	Rs. 25/KW/month	420	590																								
13	Andhra Pradesh	Monthly minimum charges of Rs.65 for Single phase and Rs.200 for three phase	620	650																								
<p>* In Madhya Pradesh the tariff slabs is 0-50 units, and above 50 units; In Gujarat the tariff slabs are 0-50, 51-150 and >150 units; In Chattisgarh the tariff slabs are 0-100, 0-500 and >500 units. For Haryana, Himachal Pradesh, Delhi and Uttrakhand the tariff slab is on the basis of connected load Source: Relevant Tariff Orders</p> <p>It is observed that existing tariff for Commercial (LT- II) category in Andhra Pradesh is high as compared to other states like Madhya Pradesh, Gujarat, Haryana, Chhattisgarh, Andhra Pradesh, Uttar Pradesh and West Bengal etc. Further, the proposed 8% hike in tariff sought by the Discoms during peak seasons (i.e. April'11- March'11 & Feb'12 - March'12) in the petition shall significantly increase the energy cost of Indus Towers.</p>																												
<p>2. Comparison of tariff slabs for Commercial category The tariff orders of different states have been studied for analysis of existing tariff slabs applicable for commercial category. The state wise details for commercial category are shown below: <u>State wise comparison of slabs for Commercial category Consumers</u></p>					<p>In the process of Rationalization of slabs, the Licensee has introduced new slabs between 51-100 units under LT-II Category during FY 2010-11.</p>																							

Para No/Brief Issue					EPDCL Response
		Commercial category	Fixed/Dem and Charges	Energy Charge (Rs./K Wh)	
1.	Jammu & Kashmir	Single phase	0-100 units	Rs.30/kW/month	180
			101-200 units		190
			Above 200		275
		Three phase (All units)	Rs.70/kW/month	320	
2	Chhattisgarh	0-100 units	Rs.50/KW/m	275	
		0-500 units		325	
		above 500 units		375	
3	Uttarakhand	Upto 25 kW		400	
		Above 25 kW			
4	Haryana	Upto 20 kW	Nil	440	
		More than 20 kW	RS.130/kW/ / month	460	
5	Himachal Pradesh	0~20kW	Nil	460	
		20-100kW	Rs.75/kVA/m	395	
		Above 100 kW	Rs.100/kVA/month	375	
6	Gujarat	0-50 units	0-2kW: Rs.50 pm	370	
		51-150 units	2-4kW: Rs.100 pm	430	
		Above 150 units	4-6kW: Rs.150 pm	490	
			Above 6kW:Rs.200 pm		
7	Rajasthan	Upto 5 kW	0-100	Rs. 80/month	450
			>100	Rs.120/month	490
		Above 5 kW	0-100	Rs.40/ kW/ m	450
			>100		490
8	Delhi	Upto 10kW	Rs.50/kW/month	540	
		10-100 kW		492	
9	UP	For all units	Rs.115/ kW/m	495	
10	Orissa	0-100 units	Rs.25/kW/month	420	
		101-300 units		530	
		Above 301 units		590	
11	Andhra Pradesh	Upto 50 units	Monthly minimum	385	

Para No/Brief Issue				EPDCL Response										
		51-100 units		620										
		Above 100 units		650										
<p>Source: Relevant Tariff Orders</p> <p>It is observed that existing slabs for Commercial (LT- II) category in Andhra Pradesh are not rationalized as compared to other states like Gujarat, Haryana, Chhattisgarh, Uttar Pradesh and Rajasthan etc.</p> <p>Hence, it is humbly submitted that the slabs for commercial categories should be rationalized.</p>														
<p>3. Comparison of Sub-categories with in Commercial categories</p> <p>Sub section (3) of Section 62, of the Electricity Act 2003, inter alia, provides that the consumers will not be shown undue preference by the Hon'ble Commission while determining the tariff under the Act, but they may be differentiated according to their load factor, power factor, voltage, total consumption of electricity during any specified period or at time at which supplies are required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.</p> <p>Quoting from Section 62 (3) of the Electricity Act 2003: <i>"The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."</i></p> <p>The tariff orders of different states have been studied for analysis of sub-categories within commercial category. The state wise details for commercial category are shown below: State wise comparison of sub -categories for Commercial Consumers</p>														
<table border="1"> <thead> <tr> <th>S.No</th> <th>State</th> <th>Categories for Commercial category</th> <th>Applicability</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">Maharashtra</td> <td rowspan="2">a) 020 kW</td> <td>i) Educational Institutions, Hospitals and dispensaries</td> </tr> <tr> <td>ii) Others</td> </tr> </tbody> </table>						S.No	State	Categories for Commercial category	Applicability	1	Maharashtra	a) 020 kW	i) Educational Institutions, Hospitals and dispensaries	ii) Others
S.No	State	Categories for Commercial category	Applicability											
1	Maharashtra	a) 020 kW	i) Educational Institutions, Hospitals and dispensaries											
			ii) Others											
<p>As per the directives of Hon'ble APERC in the Tariff Order for FY: 2010-11, the Discoms proposed to create a sub-category under LT(II) category for Advertisement hoardings.</p> <p>In Andhra Pradesh, all Government Educational Institutions, Student Hostels and Educational Institutions run by Charitable Institutions, recognized service institutions and old age homes run by recognized service institutions are categorized under LT Category – VII (A) at a subsidized tariff of Rs.4/- p.u. Hence, no further sub-categories are required in LT-II (Commercial) category for these purposes.</p>														

Para No/Brief Issue				EPDCL Response
2	Uttarakhand	RTS-2-1.1	(i) Government/Municipal Hospitals (ii) Government/Government Aided Educational Institutions (iii) Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act	
		RTS-2-1.2	Other Non-Domestic/Commercial Users including single point bulk supply above 50 kW for shopping complexes/multiplex/malls.	
3	Madhya Pradesh	LV2.1	Educational Institutes including workshops & laboratories, hostels	
		LV2.2	Railways, Govt offices, professional chambers, advertisement services, hospitals & all categories except in 2.1 who pay Commercial taxes under Central/state Acts	
4	Jharkhand	Non Domestic Services (NDS)-i (Rural)	For all categories not covered under NDS 2 and for connected load not exceeding 2 kW	
		Non Domestic Services (NDS)-2 (Urban)	For areas under municipality, industrial areas, market place having connected load upto 75kW and also for rural areas for CL exceeding 2kW	
5	Delhi	Non Domestic Low Tension (NDLT)-i	For hostels, school, colleges, hospitals, railways, hotel & restaurants, etc for consumers having load upto 100 kW	
		Non Domestic Low Tension (NDLT)-2	For commercial complexes having load more than 100 kW	
		Mixed load(High Tension)-MLHT	For pumping loads of Delhi Jal Board, DDA, DMRC, ongoing construction projects and commercial purposes other than traction of having load above 100 kW	

Para No/Brief Issue				EPDCL Response
6.	Andhra Pradesh	LT-II	Applicable to all consumers who undertake commercial/ non-domestic activities*	
<p>* Only in current filing for FY12 the Discoms have proposed to create a sub-category under LT(II) category for Advertisement hoardings Source: Relevant Tariff Orders It is observed that there various sub-categories within Commercial (LT- II) category in other states like Maharashtra, Madhya Pradesh, Jharkhand, Delhi and Uttarakhand etc. The Hon'ble Commission in its Directive No. 7 for FY 11-12 has directed the discoms to examine the request for separate tariff categories - rationalization of slabs by various trade bodies, associations etc. As per APERC Directive 7 for FY: 11-12: <i>"To examine afresh all the existing categories, the requests received from various trade bodies, associations etc and submit their views on categorization including creation of new categories keeping provisions of section 62(3) in view.....A report on such a study along with the financial workings with data for last 5 years may be submitted by 30/11/2010 or with the ARR for 2011-12, whichever is earlier"</i></p>				
<p>The present metering system for measuring the electricity consumption in the telecom towers does not have meter reading download facility. However, based on the secondary analysis, the peak-to-trough load variation of BTS is 0% to 20% and the air conditioning load of the BTS is required on a 24 hour basis. Around 58% of electricity is consumed by electronic components which include BTS, Microwave radio equipment and antennas and air conditioning constitutes 26% of electricity consumption. Remaining consumption is either battery charging or System loss. Hence the base consumption of electricity in a telecom tower is fairly constant over a 24 hour period, and the electricity consumption in a telecom tower does not contribute significantly to the peak hour consumption of the discoms. It is respectfully submitted that given the continuous nature of base load of the telecom towers which is approximately 80% of the total load of the telecom towers, the Hon'ble Commission may consider classifying telecom towers under a separate sub-category within the existing LT Commercial Category on the basis of the consumption pattern with a suitable relaxation in the applicable tariff.</p>				<p>The electricity consumer classification and categorization are made on the basis of end use of the electricity. Separate tariff based on the consumption pattern is not feasible. Tariff structure in the Tariff Orders issued by the Hon'ble Commission is exhaustive and covers all the activities. However, creation of separate sub-category for telecom towers is the prerogative of Hon'ble APERC.</p>

Para No/Brief Issue				EPDCL Response			
<p>4, Reduction of Cross Subsidy Cost of Supply (CoS) in Andhra Pradesh: We have analysed the average cost of supply approved by the Hon'ble Commission in the tariff order for FY: 11 and petition filed for FY11 -12 by different Discoms. It is pertinent to mention that all the Discoms have projected significant increase in the average CoS for the period FY10-11 which is in the range of 8-12% for different Discoms.</p>				<p>Discoms have followed the similar procedure in calculating the CoS which was followed in the previous year (2010-11). The fixed portion of the power purchase costs have been allocated to consumer categories based on average peak demand basis (Average of coincident morning and evening peaks). Fixed portion of Transmission and Distribution costs have been allocated based on the non-coincident demand of the consumer category. The variable costs and consumer related costs have been allocated to consumer categories on energy consumed and number of consumer basis. Every year, Hon'ble Commission reviews the cost of service submitted by DISCOMs.</p>			
Name of utility	As submitted by Discoms in their tariff petition for	As approved by Commission in their Tariff Order, 2010 for FY11	As submitted by Discoms in their tariff petition for FY11-12				
	Projection for FY 11	Approved for FY 11	Revised estimate for FY11			Projection for FY12	
APCPDCL	3-95	3-32	3-72			3-67	
Hike Sought compared to approved by APERC for FYn			12% hike				
APEPDCL	4.13	3.42	3-84			3-85	
Hike Sought compared to approved by APERC for FYn			12.3% hike				
APNPDC	4-15	3-50	3-86			3-83	
Hike Sought compared to approved by APERC for FYn			10.3% hike				
APSPDCL	4.28	3-55	3.83			3-84	
Hike Sought compared to approved by APERC for FY11			8% hike				
<p>The Discoms wise analysis of CoS is shown below: Source: APERC Tariff Order, 2010 and relevant Tariff Petitions submitted by Discoms The above table shows that the Commission has approved the Cost of Supply at a much lower level than proposed by the Licensees. For a subsidizing category like commercial, the Cost of Supply in a MYT set should get reduced to allow the commission to reduce cross subsidy and rationalize tariffs of such categories. The Projections for FY 2011 & FY 2012 also reflects reduction in Cost of Supply. In such a scenario, if the Tariffs are increased or even kept at the same level, the Cross subsidy shall not reduce in line with the provisions of the E Act 2003. However, the National Tariff Policy in section 8.3.2 states as under: <i>"For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within ± 20 % of the average cost of supply."</i> It is submitted that the Hon'ble Commission may consider the</p>							

Para No/Brief Issue	EPDCL Response																														
<p>provision of National Tariff Policy which provides for progressively bringing down the cross subsidy and specifies a target to charge the tariff to various categories within plus or minus 20% of the average cost of supply while determining the tariff for FY2011-12.</p>																															
<p>Linkage of tariffs to Average Cost of Supply: Historically, apart from the inherent cost structures and operational efficiencies, paying capacity of the consumers has also been the basis for tariff setting in Andhra Pradesh as per the tariff philosophy adopted by the Hon'ble Commission. In tariff order for 2005-06 the Hon'ble Commission has stated that to correlate tariff rates with cost to serve has been the important concern. It is observed that the tariff petitions filed by DISCOMs for FY2011-12 shows that the level of cross subsidy for LT-II consumer category is quite high and in range of 55-70% across all discoms. The DISCOMs wise details as submitted to Hon'ble Commission are shown as under:</p> <p>Analysis of Avg. Realization and Avg. CoS for DISCOMs</p> <table border="1" data-bbox="175 772 889 1157"> <thead> <tr> <th data-bbox="175 772 240 884">S.N o.</th> <th data-bbox="240 772 350 884">Name of utility</th> <th colspan="3" data-bbox="350 772 889 884">As submitted by DISCOMs to Commission in their Tariff Petition/or FY 2011-12 Projection for FY 2011-12</th> </tr> <tr> <th data-bbox="175 884 240 1003"></th> <th data-bbox="240 884 350 1003"></th> <th data-bbox="350 884 565 1003">Avg Realisation for LT-II (Rs/ kWh)</th> <th data-bbox="565 884 727 1003">Avg. CoS for Discoms (Rs/ kWh)</th> <th data-bbox="727 884 889 1003">Cross-subsidy level (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="175 1003 240 1041">1.</td> <td data-bbox="240 1003 350 1041">CPDCL</td> <td data-bbox="350 1003 565 1041">6.23</td> <td data-bbox="565 1003 727 1041">3.67</td> <td data-bbox="727 1003 889 1041">70%</td> </tr> <tr> <td data-bbox="175 1041 240 1079">2.</td> <td data-bbox="240 1041 350 1079">EPDCL</td> <td data-bbox="350 1041 565 1079">6.20</td> <td data-bbox="565 1041 727 1079">3.85</td> <td data-bbox="727 1041 889 1079">61%</td> </tr> <tr> <td data-bbox="175 1079 240 1117">3-</td> <td data-bbox="240 1079 350 1117">NPDCL</td> <td data-bbox="350 1079 565 1117">5.91</td> <td data-bbox="565 1079 727 1117">3.83</td> <td data-bbox="727 1079 889 1117">55%</td> </tr> <tr> <td data-bbox="175 1117 240 1157">4-</td> <td data-bbox="240 1117 350 1157">SPDCL</td> <td data-bbox="350 1117 565 1157">6.10</td> <td data-bbox="565 1117 727 1157">3.84</td> <td data-bbox="727 1117 889 1157">59%</td> </tr> </tbody> </table> <p>Source: Tariff Petitions filed by respective DISCOMs for FY 2011-12</p>	S.N o.	Name of utility	As submitted by DISCOMs to Commission in their Tariff Petition/or FY 2011-12 Projection for FY 2011-12					Avg Realisation for LT-II (Rs/ kWh)	Avg. CoS for Discoms (Rs/ kWh)	Cross-subsidy level (%)	1.	CPDCL	6.23	3.67	70%	2.	EPDCL	6.20	3.85	61%	3-	NPDCL	5.91	3.83	55%	4-	SPDCL	6.10	3.84	59%	<p>In case of APEPDCL, as per ARR filing for FY: 2011-12, the average COS for LT – II is Rs. 4.53/-p.u and Average realization p.u. is Rs. 6.37/- which is 40.5% of COS. The data furnished by the objector in this regard is not correct. However, determination of cross subsidy from different categories is under the purview of Hon'ble APERC.</p>
S.N o.	Name of utility	As submitted by DISCOMs to Commission in their Tariff Petition/or FY 2011-12 Projection for FY 2011-12																													
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<p>Impact of proposed Time of Season (ToS) tariff on CoS: We have tried to calculate the impact of Time of Season (ToS) tariff on CoS. Based on the secondary research and following assumptions. <i>Assumptions'</i> a) Based on secondary analysis it is assumed that 35% of annual consumption of a telecom tower is during the peak season (Apr' 11 - May' 11 & Feb' 12 - Mar' 12) and remaining during the off-peak season (June'11 -Jan' 12). b) Average monthly consumption of 2500 units per tower. The table below presents the following scenarios: <ul style="list-style-type: none"> Scenario -1: The existing tariff structure Scenario - 2: The proposed tariff structure which includes additional Rs 0.5/unit to the existing tariff for LT-II (>100 units) during peak season. </p>																															

Para No/Brief Issue								EPDCL Response					
Calculation:								Cross subsidy from a category can not be determined basing on the data of a single consumer whose average monthly consumption is around 2400 units. Majority of consumers in LT – II category are in 0-50 & 51-100 slabs.					
Tariff Slabs	Avg. monthly consumption	Scenario - 1		Scenario — 2									
				Peak Season for 4 months		Off -Peak Season for 8 months							
			Total		Total		Total						
0-50	50	3-85	192	3-85	192	3-85	192						
51-100	50	6.20	310	6.20	310	6.20	310						
>100	2400	6.5	15600	7.0	16800	6.5	15600						
	2500		16102		17302		16102						
				Rs 6.927 unit		Rs 6.44/ unit							
<i>Average Tariff</i>		Rs 6.44/ unit		Rs 6.75/ unit (Yearly Consumption ratio= Peak: Off- peak:: 35:65)									
<p>It is observed that due to proposed tariff structure the Average Tariff for LT-II category increase by around 30 paise/ unit. The discom wise increase in %age cross-subsidy due to proposed tariff structure is shown below:</p>													
s No.	Name of utility	Approved CoS for LT-II	Scenario — 1		Scenario -2		Increase in % cross subsidy						
			(As per TO for FY11)	Avg. Tariff for LT-II (Rs/unit)	% Cross-subsidy	Avg. Tariff for LT-II (Rs/unit)				% Cross-subsidy			
i.	CPDCL	4-44	6-44	45-0%	6-75	52.03%	7.0%						
2.	EPDCL	4.87	6.44	32.2%	6.75	38.60%	6.4%						
3-	NPDCL	4.36	6.44	47-7%	6.75	54.82%	7.1%						
4-	SPDCL	4-53	6.44	42.2%	6.75	49.01%	6.8%						
<p>Based on the above analysis, it is apparent that the due to proposed Time of Season (TOS) tariff for FY: 11-12, the % cross-subsidy increase by around 7% which is against the provisions of the E Act' 2003 and National Tariff Policy' 2006 as mentioned earlier.</p> <p>Hence, it is humbly submitted that the proposed TOS tariff should not be approved by the Hon'ble Commission for the discoms.</p>													
<p>5. Operation of telecom towers are covered under Universal Service Obligation (USO)</p> <p>As per clause 6.0 of New Telecom Policy 1999, under Universal Service Obligations (USO) the following has been provided:</p> <p><i>"The Government is committed to provide access to all people for basic telecom services at affordable and reasonable prices. The Government seeks to achieve the following universal service objectives:</i></p> <p><i>Provide voice and low speed data service.</i></p> <p><i>Achieve Internet access to all district head quarters.</i></p> <p><i>Achieve telephone on demand in urban and rural areas</i></p> <p>On 9th January 2004, the Indian Telegraph Act 1885 was</p>													

Para No/Brief Issue	EPDCL Response
<p>amended to provide the USO Fund a statutory non-lapsable status.</p> <p>The Act states <i>"Universal Service Obligation" means the obligation to provide access to basic telegraph services to people in rural and remote areas at Affordable and reasonable prices"</i></p> <p>The implementation of USO related activities is carried out by the "eligible operators" as per the aforesaid Indian Telegraph (Amendment) Rules covering Basic Service Operators, Cellular Mobile Service Providers, Unified Access Services Licensees and Infrastructure Providers (IP-I). These Telecom Service providers are both public and private sector companies. As per the Rules, the following services shall be supported by the USO Fund, namely :-</p> <p>1) Stream-III: Creation of infrastructure for provision of Mobile Services in rural and remote areas:</p> <p>2) Stream-IV: Provision of Broadband connectivity to villages in a phased manner</p> <p>Stream-V : Creation of general infrastructure in rural and remote areas for development of telecommunication facilities</p> <p>The provision of world class telecommunications infrastructure and information is the key to rapid economic and social development of the state.</p> <p>It is respectfully submitted that the operation of telecom towers are covered under USO thereby providing coverage to the rural and remote areas also.</p> <p>We request the Hon'ble Commission to consider our prayer for lowering the tariff for LT- II category and create separate sub-category within existing LT- II (Commercial) category for telecom tower industry.</p>	
<p>Prayer to the Hon'ble Commission</p> <p>Indus Tower with averments made above prays that the Hon'ble Commission may please consider the following objections to the ARR and tariff proposal for retails supply business by all four discoms in the state for FY: 11-12</p> <p>1. Lowering of Tariff for Commercial LT - II category:</p> <p>It is respectfully submitted that with averments made above the Hon'ble Commission may consider lowering the tariff for LT Commercial Category to reflect the category wise cost of supply/average cost of supply.</p> <p>2. Rationalization of slabs within commercial category</p> <p>It is respectfully submitted that with averments made above the Hon'ble Commission may consider rationalization of tariff slabs for LT-II (Commercial) Category based on the consumption pattern.</p> <p>3. Re-categorization of consumer category within existing LT (II):</p> <p>It is respectfully submitted given the continuous nature .of base load of the telecom towers which is approximately 80% of the total load of the telecom towers, the Hon'ble Commission may consider classifying telecom towers under a separate sub-category within the existing LT Commercial Category</p>	<p>Tariff fixation is under the purview of Hon'ble APERC.</p> <p>Creation of separate sub-category for telecom towers is the prerogative of Hon'ble APERC.</p>

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<p>on the basis of the consumption pattern with a suitable relaxation in the applicable tariff.</p> <p>4. Implementation of single point billing: The Hon'ble Commission is requested to consider the proposal for single point billing for such consumers which may have multiple bills. For consumers such as Indus Towers which operates 13275 telecom towers, each of which is billed separately, this would be greatly beneficial. Such a measure would also facilitate the Discoms themselves by way of savings in meter reading and billing cost.</p> <p>5. It is submitted that the objector seeks an opportunity to be heard personally during the public hearing in this matter.</p>	<p>As all the LT services in EPDCL are billed under spot billing and the services of objector are geographically spread in different varied locations, it is not feasible to implement single point billing.</p>



28. శ్రీ చెరుకూరి వేణుగోపాలరావు, ప్రెసిడెంట్,
 రైతు సంఘాల సమాఖ్య ఆంధ్రప్రదేశ్ ఏ.పి.ఈ.పి.డి.సి.యల్
 ఇంటి సంఖ్య ఇంటి సంఖ్య 1-191,
 రైల్వే వేగన్ వర్కషాపు రోడ్, గుంటుపల్లి - 521 241
 ఇబ్రహీం పట్నం (మం), కృష్ణా జిల్లా

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
1. రబీ పంట కాలంలో వరిని నిషేధించాలి. హార్వికల్చర్ పంటలకు నమ్మకమైన విద్యుత్ను అందించాలి.	ఈ అంశము ప్రభుత్వ విధి విధానాలకు సంబంధించినది. మరియు ప్రభుత్వనిబంధనలమేరకు వ్యవసాయానికి 7 గంటలు నాణ్యమైన విద్యుత్ సరఫరా చేయటం జరుగుతుంది.
2. భూసేకరణలో సేకరించిన భూముల్లోని వ్యవసాయ మీటర్లను అదే గ్రామాల్లో కేటాయించాలి. ధర్మల్ స్టేషన్ల కోసం నిర్మించిన ప్రాంతంలోని పంటలకు, పశు పక్ష్యాదులకు పాలసీ మీటర్లను అమలు పరచాలి.	సబంధిత రెవెన్యూ అధికారుల ద్రువీకరణ పత్రాల ప్రకారము విద్యుత్ మీటర్స్ ఇవ్వటం జరుగుతుంది. ఈ అంశము ప్రభుత్వ విధి విధానాలకు సంబంధించినది.
3. తెలుగు భాషలో అంబుడ్సు రెగ్యులేటరీ కమీషన్ ఉత్తర ప్రత్యుత్తరాలు జరపాలి.	ఈ అంశం గౌరవ కమీషన్ పరిధిలోనిది.



Responses to Objections/ Suggestions

29. **Sri Gade Diwakar,**
General Secretary,
All India Kisan Mazdoor Sabha (AIKMS)
C/o Marx Bhavan,
H.No.1-9-295/11/4,
7th Lane, Vidyanagar,
Hyderabad - 500044

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1.1 The following submissions on ARR and tariff proposals for the year 2011-12 are in response to the Public Notice published in newspapers on 13 ¹ January 2011	
2.5 According to the ARR and Tariff Proposals for the year 2011-12 total deficit of all the four DISCOMs stands at Rs. 5,951.85 crore. The Licensees did not explain how they intend to fill this deficit. The proposed new tariff proposals also will not generate additional funds enough to fill the deficit.	By making concerted efforts to improve the internal efficiency and expecting the support from the Govt. of AP to bridge the gap.
2.6 According to the present submissions net deficit (after taking in to account the subsidy provided by the Government of AP) of CPDCL for the year 2009-10 is Rs. 1,901.08 crore and for the year 2010-11 it is Rs. 1,460.38 crore. During the year 2010-11 additional power purchase cost is about Rs. 1, 035 crore. This may be recovered through FSA. Still there will be a deficit of about Rs. 425 crore. CPDCL no where explained how it intends to recover this deficit. Other DISCOMs did not provide information on deficits for the first and second year of the present control period.	For the FY: 2009-10, APEPDCL made a net surplus of Rs.18.33 cr.s and for FY: 2010-11, it is expected that APEPDCL will make a net deficit of Rs.801.47 cr.s. This information was provided in the ARR filing of APEPDCL.
2.7 Hitherto experience shows that the Commission is adopting a conservative estimate of power consumption in the state for each year as a part of its Tariff Orders. And every year actual consumption is overshooting the Commission's estimate. As a part of its estimates the Commission is over ruling the power purchase from the market. But the DISCOMs end up purchasing power from open market at higher prices. If they are allowed open market purchases in advance they could have tied for power at lower prices. For the financial year 2010-11 the DISCOMs proposed open market purchases of 3,446 MU but the Commission in its Tariff Order allowed only 860.33 MU. Despite this the DISCOMs ended up procuring 3,930 MU from the open market. Though the average cost of this power (Rs. 4.62/unit) is less than the price stipulated by the Commission (Rs. 5.50/unit, para.291) the cost could have been lower if they had made advance preparations. It has become normal practice for	The need and dynamic situation forced the utilities to procure expensive power to maintain the grid frequency, shortfall of generation from approved stations Discoms agree with the suggestion that allowing expensive power procurement in the tariff order would enable them to plan and tie up capacity at lower prices and the transmission corridor also in advance. The DISCOMs have booked corridor for 1000 MW to buy power in open market.

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DISCOMs to scout for additional power in the open market the very next day the Commission issues the Tariff Order disallowing or reducing open market purchases.																	
2.8 Here it is also to be kept in mind that after many years power holiday was declared for industries in the state. Other categories of consumers also were subjected to prolonged power cuts. The Commission allowed procurement of 77,828.60 MU by the DISCOMs in the state during the year 2010-11. The DISCOMs during this procured 78,351.15 MU. If we take in to account the power holidays for the industries and power cuts imposed on other consumers in the state power requirement was much higher.	Discoms agree with this view and request the Hon'ble Commission to allow the energy requirement as per the projections made by the Discoms.																
<p>2.5 Another disturbing trend observed during the earlier year was whenever DISCOMs planned to procure power additionally, over and above the quantum and sources allowed by the Commission they did not approach the Commission for approval to procure additional power. But they approached the state government for permission to procure additional power. News reports dated 22-11-2010 in the Hindu and dated 23-11-2010 in Andhra Jyothi mentioned that the DISCOMs approached the state government for approval to procure 1800 MW of power from the open market. But similar request was not moved before the APERC. Under the AP Power Sector Reforms Act 1998 and Electricity Act 2003 the state government does not have any power to decide on these matters and it is for the Commission to decide. This practice shows that the Licensees are not following the regulations in procuring power. To this extent it is a violation of both the Acts mentioned above.</p> <p>Table 1: Difference in Estimate and Procurement for the year 2010-11 (MU)</p> <table border="1" data-bbox="279 1171 912 1474"> <thead> <tr> <th>Source</th> <th>APERC Estimate</th> <th>Actual Procurement by DISCOMs</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>CGS</td> <td>14,065.89</td> <td>12,689.50</td> <td>1,376.39</td> </tr> <tr> <td>IPPs</td> <td>19,295.67</td> <td>17,151.07</td> <td>2,144.60</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>3,520.99</td> </tr> </tbody> </table>	Source	APERC Estimate	Actual Procurement by DISCOMs	Difference	CGS	14,065.89	12,689.50	1,376.39	IPPs	19,295.67	17,151.07	2,144.60	Total			3,520.99	<p>As per the provision of section 65 and section 108 of the Electricity Act 2003 which empower the State Govt to give specific direction to commission to be guided by such direction in matters of the policy involving public interest as the State Govt may give to it in writing and if any question arises as to whether any such direction relates to a matter of policy involving public interest, the direction of the State Government thereon shall be final..</p> <p>The Forecast and demand changes were informed to GoAP from time to time before procuring the expensive power and a copy of the letter is also marked to Hon'ble Commission for the perusal of information.</p> <p>The need and dynamic situation forced the utility to procure expensive power to maintain the grid frequency, shortfall of generation from approved stations and increase in Agriculture Demand. Therefore, GoAP direction was taken by utility as the direction and rose up to the situation for meeting demand in the interest of the State Economy.</p> <p>The Discoms were able to book corridor for 1000 MW in order to buy power from open market during Feb-May 2011.</p>
Source	APERC Estimate	Actual Procurement by DISCOMs	Difference														
CGS	14,065.89	12,689.50	1,376.39														
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2.6 In its Tariff Order for the year 2010-11 the Commission estimated that 14,065.89 MU would be available from CGS but the DISCOMs could procure only 12,689.50 MU. Similarly in the case of IPPs while the Commission estimated that 19,295.67 MU would be available the DISCOMs could procure only 17,151.07 MU. The total difference is 3,520.99 MU. If this	The deviation in power procured from IPPs is due to the lower availability of power. Due to the shortfall in gas supply to the gas-based IPPs, the generation has come																

Para No/Brief Issue					EPDCL Response																																																							
<p>power were procured successfully dependence on open market purchases could have come down drastically and deficit in ARR could have been bridged to a large extent. We request the DISCOMs to explain why they failed in procuring this power from these two sources.</p> <p>POWER PURCHASE COST</p> <p>Table 2: Power Purchases & Costs - Source wise</p> <table border="1"> <thead> <tr> <th>STATION</th> <th>Power Purchase (MU)</th> <th>Fixed cost (Rs.cr)</th> <th>Variable Cost (Rs. Cr)</th> <th>Total Costs (Rs. Cr)</th> </tr> </thead> <tbody> <tr> <td>GENCO - T</td> <td>33,008.51</td> <td>3,630.33</td> <td>4,784.78</td> <td>8,483.76</td> </tr> <tr> <td>GENCO - H</td> <td>7,662.75</td> <td>1,007.80</td> <td></td> <td>1,044.63</td> </tr> <tr> <td>GENCO</td> <td>(46.54)40,671.26</td> <td>4,638.13</td> <td>4,784.78</td> <td>(43.06)9,528.39</td> </tr> <tr> <td>CGS</td> <td>(14.93)13,048.78</td> <td>633.07</td> <td>1,666.00</td> <td>(10.46)2,314.26</td> </tr> <tr> <td>Simhadri</td> <td>(10.75)9,393.70</td> <td>824.87</td> <td>1,481.00</td> <td>(10.46)2,316.72</td> </tr> <tr> <td>IPPs</td> <td>(19.79)17,291.73</td> <td>1,609.41</td> <td>3,127.25</td> <td>(21.41)4,737.32</td> </tr> <tr> <td>APGPCL</td> <td>(0.32)278.70</td> <td>24.11</td> <td>49.44</td> <td>(0.33)73.56</td> </tr> <tr> <td>Others</td> <td>(3.73)3,263.14</td> <td>46.95</td> <td>1,220.40</td> <td>(5.74)1,270.35</td> </tr> <tr> <td>External Purchases</td> <td>(3.92)3,433.68</td> <td></td> <td>1,888.53</td> <td>(8.53)1,888.53</td> </tr> <tr> <td>Total</td> <td>87,380.99</td> <td>7,776.54</td> <td>14,217.41</td> <td>22,129.12</td> </tr> </tbody> </table>					STATION	Power Purchase (MU)	Fixed cost (Rs.cr)	Variable Cost (Rs. Cr)	Total Costs (Rs. Cr)	GENCO - T	33,008.51	3,630.33	4,784.78	8,483.76	GENCO - H	7,662.75	1,007.80		1,044.63	GENCO	(46.54)40,671.26	4,638.13	4,784.78	(43.06)9,528.39	CGS	(14.93)13,048.78	633.07	1,666.00	(10.46)2,314.26	Simhadri	(10.75)9,393.70	824.87	1,481.00	(10.46)2,316.72	IPPs	(19.79)17,291.73	1,609.41	3,127.25	(21.41)4,737.32	APGPCL	(0.32)278.70	24.11	49.44	(0.33)73.56	Others	(3.73)3,263.14	46.95	1,220.40	(5.74)1,270.35	External Purchases	(3.92)3,433.68		1,888.53	(8.53)1,888.53	Total	87,380.99	7,776.54	14,217.41	22,129.12	<p>based IPPs, the generation has come shortfall thereby available units procured. The DISCOMs practically procuring depending on available power as against the estimated ARR of Hon'ble APERC.</p>
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<p>3.1 Power purchase costs account for 80 percent of the revenue required for the year 2011-12. The filings of the DISCOMs show discrepancy in the power purchase costs. There is difference in power purchase cost projection. At page No. 32 of CPDCL the projected cost of power purchase for the whole state is Rs. 22,129.12 crore (This figure appears in the filings of other DISCOMs also). But the total of power purchase costs mentioned in ARR of respective DISCOMs amounts to Rs. 22, 772.29 crore. Difference is Rs. 643.17 crore. The filings do not throw light on what accounts for this difference. We request the DISCOMs to explain the difference between the two figures.</p>					<p>Total energy requirement including expensive purchases have been allocated as per the PPA allocation. Any surplus/ deficit will be adjusted among the discoms under pool transactions.</p> <p>Energy dispatch, Sheet 4.2 of RSF filing, captures pool purchases and pool sales. However, power purchase cost, 1.4 sheet of RSF filing, does not allow the revenue from pool sales (negative value/ cost is not being allowed in this sheet). In view of the above difficulty, Licensees have shown the revenue from pooled sales in 1.4 c sheet i.e Revenue from trading.</p> <p>Net power purchase cost has to be read by combining the 1.4 and 1.1 c.</p> <p>The actual power purchase costs of the Discoms is as below:</p>																																																							

Para No/Brief Issue	EPDCL Response															
	Discom	PP cost (Rs. Crs)	Revenue from trading (Rs. Crs)													
	CPDCL	9938.57	148.90													
	SPDCL	5129.45	94.53													
	EPDCL	3771.07	83.46													
	NPDCL	3290.03	316.28													
	Total	22,129.12	643.17													
<p>Fuel cost burden: 3.2.1 Current year's filings show that fuel costs/variable charges account for more than 64 percent of the total power purchase costs. The following tables also show the increasing fuel cost burden. While GENCO, CGS and Simhadri plants are coal based IPPs units are gas based. All the plants are experiencing increased fuel bills.</p> <p>Table 3: Variable Cost Rs/U</p> <table border="1" data-bbox="240 1031 699 1276"> <thead> <tr> <th>Station</th> <th>2008-09</th> <th>2011-12</th> </tr> </thead> <tbody> <tr> <td>GENCO</td> <td>1.44</td> <td>1.45</td> </tr> <tr> <td>CGS</td> <td>1.15</td> <td>1.40</td> </tr> <tr> <td>Simhadri</td> <td>1.11</td> <td>1.58</td> </tr> <tr> <td>IPPs</td> <td>1.10</td> <td>1.81</td> </tr> </tbody> </table>	Station	2008-09	2011-12	GENCO	1.44	1.45	CGS	1.15	1.40	Simhadri	1.11	1.58	IPPs	1.10	1.81	<p>For coal based plants, it is mainly due to the usage of imported coal to meet the shortfall in domestic coal linkage and also due to the increase in domestic coal prices.</p> <p>For gas based plants, the price of gas has been hiked steeply.</p>
Station	2008-09	2011-12														
GENCO	1.44	1.45														
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<p>3.2.2 Over the last few years coal mining companies are hiking the prices frequently. The central government, which fully or partly controls/owns these companies, is encouraging them to hike coal prices in the name of commercial operation. While these companies are happy with increased profits with same efficiency, consumers ultimately need to bear this burden. According to DISCOMS' filing "due to increase in coal price and use of imported coal the weighted average power purchase cost in FY 2010-11 is Rs. 2.43/kWh (excluding short term expensive power purchase) as against the Tariff Order approved value of Rs. 2.24/kWh" (APCPDCL Tariff Proposal 2011-12, p.vi). While not denying the need for healthy finances of the coal companies burdening the common man should not be the only way to keep these companies healthy.</p>																

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	The suggestion is invited. Power is purchased from various traders taking account of all key parameters, cost on the basis of market conditions.
3.2.3 Besides this the central government is forcing the thermal power plants to procure coal from foreign countries. The cost of imported coal is nearly twice that of the locally available coal. This also contributed to the increase in variable costs of the thermal power plants.	Discoms agree with this view. However, usage of imported coal is due to shortage in supply of domestic coal.
3.3 Increase in gas price has adversely impacted the consumers. The price of gas from KG basin fields of RIL is increased from \$ 2.52 to \$ 4.2 per MBTU in a questionable manner. The new price is said to have been arrived at through so-called price discovery mechanism. This mechanism was carried out by RIL but not by the Government of India. The Prime Minister's Advisory Council also found fault with the mechanism adopted in this price discovery. But still the Gol went ahead and gave clearance to this hike. Even more astonishingly the government of India increased the price of gas from ONGC from \$ 1.79 to \$ 4.2 per MBTU. This hike is effected in the name of minimizing the losses of public sector gas companies. Irony is that these companies are some of the highly profit making companies in the country even before this hike. One could only imagine the windfall profits these companies are going to make. But electricity consumers have to bear this burden. Instead of facilitating availability of cheap and affordable electricity to the consumers these steps of the government are making electricity very costly. The impact of this hike can be discerned from this year's ARR filings. For example while variable cost of GVK's first unit, which gets gas from ONGC, in the year 2009-10 (first year of the present Multi Year Tariff period when old gas prices prevailed) was Rs. 1.46 per unit, for the ensuing year 2011-12 the variable cost per unit is Rs. 1.67. The variable cost of GVK's extension unit for the ensuing year is Rs. 1.79 per unit.	The subject is under the purview of Hon'ble APERC.
3.4 In all this the DISCOMs have remained silent spectators. They did not voice any protest against these uncalled for hikes in fuel prices. We request the Commission to direct the Licensees to ask the power developers to renegotiate the fuel supply agreements and see that these fuel prices are rolled back.	Discoms have made representations to central govt. However, increase in gas prices are not under purview of Discoms.
APGPCL 3.5.1 According to the ARR and tariff proposal submissions for the year 2010-11 the APGPCL was supposed to supply 452 MU. But the ARR and tariff proposal submissions for the year 2011-12 shows that during the year 2010-11 APGPCL was able to supply only 357 MU and during the ensuing year it will be supplying even lower quantum of power i.e., 278.70 MU. Decreased availability from this plant	For the ensuing year, the calculations were done on the basis of availability of 0.90 MSCMD of Natural Gas with the usage of part load i.e., about 172 MW (out of 272

Para No/Brief Issue	EPDCL Response																												
<p>during the FY 12 is attributed to 'expected shortage of availability of gas' (APCPDCL ARR and Tariff Proposal 2011-12, p.33). But how come there is no reduction in power availability from IPP's plants which are also gas based! It has to be understood that the decreased availability of gas to APGPCL plant is not because of 'decreased availability of gas' but due to deliberate action of the state and central governments. APGPCL is in operation for more than one decade. The ostensible reason for curtailing gas supply to this plant is that it is a captive plant. When the same status did not come in the way of gas allocation for more than a decade how is it that it has become an issue now? When unknown and unheard of entities like Panduranga Energy Systems were allocated gas why is a plant that is serving the state for more than a decade was denied gas allocation? Every effort shall be made to see that the gas allocation to APGPCL is restored.</p>	<p>MW). As a result, 100 MW was kept as idle for want of Natural Gas. Due to this, the availability from APGPCL has come down to 278.70 MU.</p> <p>It may also be noted that the availability from IPPs has also been considered at 80% PLF. Consequently, the availability from IPPs has also decreased in the ensuing year. This is due to the shortage in gas allocation to the IPPs.</p> <p>The issue of allocation of gas to other entities is not under the purview of the Discoms.</p>																												
<p>3.5.7 According to the ARR and tariff proposal submissions for the year 2010-11 the APGPCL's fixed cost for that year was Rs. 3.52 crore. This has increased to Rs. 8.18 crore according to the filings for the year 2011-12. This fixed cost for the year 2011-12 according to the ARR and tariff proposals for the year 2011-12 stands at Rs. 24.11 crore. According to these filings, "For FY 12, it is proposed to take up the Stage I and Stage II for HGPI and Major inspection with a cost of Rs. 4218 lakhs and Rs. 4716 lakhs respectively". (APCPDCL, p.24). But this raises other issues.</p> <p>3.5.8 There was no explanation for the hike in fixed costs during the year 2010-11.</p> <p>Table 4: Fixed Costs of APGPCL</p> <table border="1" data-bbox="240 1209 938 1717"> <thead> <tr> <th>APGPCL</th> <th>Capacity</th> <th>DISCOM Share in</th> <th>HGPI + Inspection Cost Rs in Cr</th> <th>DISCOM share according to their share in capacity Rs in Cr</th> <th>DISCOM share according to ARR filings Rs</th> <th>Difference Rs</th> </tr> </thead> <tbody> <tr> <td>Stage I</td> <td>100</td> <td>16.00</td> <td>42.18</td> <td>06.75</td> <td>07.41</td> <td>0.66</td> </tr> <tr> <td>Stage II</td> <td>172</td> <td>24.88</td> <td>47.16</td> <td>11.73</td> <td>16.71</td> <td>4.98</td> </tr> <tr> <td>Total</td> <td>272</td> <td>21.62</td> <td>89.34</td> <td>18.48</td> <td>24.12</td> <td>5.64</td> </tr> </tbody> </table>	APGPCL	Capacity	DISCOM Share in	HGPI + Inspection Cost Rs in Cr	DISCOM share according to their share in capacity Rs in Cr	DISCOM share according to ARR filings Rs	Difference Rs	Stage I	100	16.00	42.18	06.75	07.41	0.66	Stage II	172	24.88	47.16	11.73	16.71	4.98	Total	272	21.62	89.34	18.48	24.12	5.64	<p>Reasons for increase in fixed cost and variable cost for the year FY 12:</p> <ol style="list-style-type: none"> 1. The Natural Gas Supply rate has been revised from US \$ 1.85 per MMBTU [APM gas rate] to US \$ 4.20 per MMBTU which is equivalent to the price of Reliance Industries Ltd. 2. The O&M Charges were also revised [which is to be agreed by both the parties] which had contributed for increase in fixed cost. 3. For FY 12, it is proposed to take up the Stage-I & II for HGPI and Major inspection with a cost of Rs. 4218 lakhs and Rs. 4716 lakhs respectively. The increase in the repairs and maintenance cost also contributed for increase in the fixed cost.
APGPCL	Capacity	DISCOM Share in	HGPI + Inspection Cost Rs in Cr	DISCOM share according to their share in capacity Rs in Cr	DISCOM share according to ARR filings Rs	Difference Rs																							
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	<p>Further, as the plants will be under shut down for about 30 days during August, 2011, the generation will also be reduced, which again contributed for increase in fixed cost.</p> <p>4. As plants are running with part load, the gas consumption i.e., the Specific fuel consumption is also more which is contributing for increase in the variable and fixed cost.</p>
<p>3.5.9 While there is big difference in the capacities of the two units there is not much or proportionate difference in HGPI and inspection costs incurred.</p> <p>3.5.10 According to the DISCOMs' share in the plant capacity their share in HGPI and inspection costs should have been Rs. 18.48 crore. But the DISCOM filings show that DISCOMs have to bear a cost of Rs. 24.12 crore. The difference is Rs. 5.64 crore. Whether repair and maintenance alone accounts for this difference.</p> <p>3.5.11 As HGPI and inspection costs are treated as fixed costs, is it necessary to recover them in a single year?</p>	<p>The major HGPI and inspection costs would depend on the nature of repair/inspection involved and may not be treated proportional to the capacities of the plants involved.</p> <p>The HGPI and inspection costs are treated as revenue expenditure and not as capital expenditure. In case of capital expenditure, the same can be recovered over a period of time. However, in case of revenue expenditure, the cost would be recovered in a single year.</p>
<p>APGENCO Related Issues</p> <p>3.6.1 Even after a decade of reforms and regulatory process in the state's power sector there is no proper and long term PPA with APGENCO for power procurement from the existing units. In the Tariff Order for the year 2010-011 the Commission has stated that pending determination of generation tariff for APGENCO's power stations for FY 2010-11, the fixed cost is determined based on information provided by APGENCO in its application for determination of generation tariff in accordance with Regulation 1 of 2008 (para. 282). We request the Commission to take up these PPAs in a transparent and expeditious manner.</p>	<p>Under the purview of Hon'ble APERC.</p>
<p>3.6.2 DISCOMs' ARR filings for the year 2011-12 show that power is going to be procured from 5 new units of APGENCO. These units are VTPS-IV, RTPP-II, RTPP-III, KTPS-V1 and Kakatiya-I. Until now as far as we know the PPAs with APGENCO for these plants are not yet approved by the Commission. Under the existing legal and regulatory structure the erection power plants shall commence only after the Commission approves the PPA. But here even when the plants are ready to inject power in to the state grid there is no sign of the PPAs. It is a very</p>	

Para No/Brief Issue	EPDCL Response																																
<p>disturbing sign. It is a wanton bypassing of the Commission's mandate and powers. On the other hand, it also may indicate abdication of responsibility and powers on the part of the Commission. We request the Commission to direct the Licensees to make all the PPAs public and conduct public hearings before approving or rejecting these PPAs.</p> <p><u>Table 5: Capital Costs of new GENCO Plants Rs/U</u></p> <table border="1" data-bbox="240 430 950 829"> <thead> <tr> <th>Station</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> </tr> </thead> <tbody> <tr> <td>VTPS - IV</td> <td>1.49</td> <td>1.42</td> <td>2.94</td> </tr> <tr> <td>RTTP - II</td> <td>1.55</td> <td>1.77</td> <td>3.35</td> </tr> <tr> <td>RTTP - III</td> <td>2.41</td> <td>1.77</td> <td>4.21</td> </tr> <tr> <td>KTPS - VI</td> <td>1.67</td> <td>1.13</td> <td>2.81</td> </tr> <tr> <td>Kakatiya - 1</td> <td>1.86</td> <td>1.16</td> <td>3.05</td> </tr> <tr> <td>Simhadri - II</td> <td>1.05</td> <td>1.58</td> <td>2.63</td> </tr> <tr> <td>UMPP - Mundra</td> <td>0.98</td> <td>1.28</td> <td>2.26</td> </tr> </tbody> </table>	Station	Fixed Cost	Variable Cost	Total Cost	VTPS - IV	1.49	1.42	2.94	RTTP - II	1.55	1.77	3.35	RTTP - III	2.41	1.77	4.21	KTPS - VI	1.67	1.13	2.81	Kakatiya - 1	1.86	1.16	3.05	Simhadri - II	1.05	1.58	2.63	UMPP - Mundra	0.98	1.28	2.26	<p>Under the purview of Hon'ble APERC.</p>
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<p>6.7 A look at the above table shows that the fixed costs of the new GENCO plants are inflated. A comparison with NTPC's Simhadri - II plant will help to put it in proper perspective. Like the new GENCO plants the NTPC plant is also a new unit. The fixed cost for the NTPC's Simhadri II is Rs. 1.05 per unit. Compared to this the fixed costs of new GENCO units are higher by more than 50%. The additional burden on the consumers because of this inflated fixed cost of new GENCO units is about Rs. 930 cr. We request the Commission not allow these higher fixed costs and benchmark the fixed costs of GENCO's new plants with NTPC's Simhadri - II unit. We request the Commission to allow fixed cost of Rs. 1.05 per unit only for the new GENCO units.</p>	<p>Under the purview of Hon'ble APERC.</p>																																
<p>6.8 In the tariff filings for the year 2010-11 the unit fixed cost for RTTP - II was shown as Rs. 2.02. But in the tariff filings for the ensuing year 2011-12 this fixed cost is shown as Rs. 2.41 per unit. There is no explanation how the fixed cost per unit increased by 39 paise within a year.</p> <p>In awarding contracts to execute these projects, newspaper reports show that, APGENCO violated the norms prescribed by CEA. According to the CEA norms in bidding for the Balance of Plant (BoP) works the eligibility criteria is that the concerned entity in the last seven years should have executed works with a capacity of 100 MW and annual turnover should have been Rs. 400 crore. But this was arbitrarily changed to 300 MW and Rs. 500 crore. Because of this the number of eligible entities had come down drastically creating the ground to rig the bidding. The burden on APGENCO and consumers in the state in turn would be about Rs. 600 crore.</p>	<p>The fixed cost per unit is high in the ensuing year due to lower dispatch from this unit.</p> <p>The issue of BoP works is under the purview of APERC.</p>																																

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<p>5.9 Even after the bidding there is wide variation in the costs of these BoP works. According to a report in Andhra Jyothi (dt.24-11-2010) BoP works of RTPP IV was sanctioned for Rs. 1,255 crore while similar works for Kakatiya plant at Bhupalapally was sanctioned at Rs. 723 crore. The difference is Rs. 532 crore. This unjustified amount is to be borne by the consumers in the state.</p>	<p>Under the purview of Hon'ble APERC.</p>																		
<p>5.10 DISCOMs' filings show that there was delay in operationalising new plants. According to DISCOMs' filings there was delay of two months in scheduled date of commencement of operation of KTPP - I (from 1st August 2010 to 1st October 2010) resulting in shortfall of 614 MU and delay in scheduled date of commencement of operation of NTPC Simhadri Stage - II by three months (from 1st December 2010 to 1st April 2011) resulted in shortfall of 328 MU (APCPDCL Tariff Proposals p.vi). Because of this short fall DISCOMs were forced buy power in the open market at higher price which in turn burdened the consumers. We would like to know from the DISCOMs whether they intend to recover liquidated damages from APGENCO and NTPC for delay in starting the new plants.</p> <p>Opportunities Available - New IPPs Table 6: Expansion Units as Merchant Plants;</p> <table border="1" data-bbox="240 934 719 1409"> <thead> <tr> <th>Company</th> <th>Capacity MW</th> </tr> </thead> <tbody> <tr> <td>Lanco</td> <td>1740</td> </tr> <tr> <td>GVK</td> <td>400</td> </tr> <tr> <td>Gouthami</td> <td>1200</td> </tr> <tr> <td>Konaseema</td> <td>820</td> </tr> <tr> <td>Vemagiri</td> <td>820</td> </tr> <tr> <td>Vemagiri - Barge mounted</td> <td>320</td> </tr> <tr> <td>Spectrum</td> <td>1350</td> </tr> <tr> <td>Total</td> <td>6650</td> </tr> </tbody> </table>	Company	Capacity MW	Lanco	1740	GVK	400	Gouthami	1200	Konaseema	820	Vemagiri	820	Vemagiri - Barge mounted	320	Spectrum	1350	Total	6650	<p>Currently, there is no mechanism in place to recover the liquidated damages from APGENCO and NTPC. Hence, the uncontrollable factors to commence the units are being taken care by the Hon'ble Commission.</p>
Company	Capacity MW																		
Lanco	1740																		
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<p>3.7.1 The existing IPPs in the state are planning expansion units adjacent to the existing units. These are being set up as merchant plants. Already one of these plants, Lanco unit started power generation and was in the news for selling this power to Tamil Nadu even when our state was in urgent need of this power. Once a plant is categorized as a merchant plant the developers will be free to sell power from such units to any consumer in the country at any price. The Commissions will have no control on such plants. But the Tariff Policy provides some scope to deal with such situations. According to Section 5.1 of this Policy, "All future requirements of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled /owned company as an identified developer and where regulators will need to resort to tariff determination based on norms provided that</p>	<p>All the existing IPPs who are proposing to establish expansion projects were requested to offer 50% of existing PPA capacity from the expansion capacities to APDISCOMs as per the tariff policy notified by GoI.</p> <p>Further, DISCOMs have not recommended for fuel linkage & not provided evacuation facilities to the expansion projects to be set up by existing IPPs.</p>																		

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<p>expansion of generation capacity by private developers for this purpose would be restricted to one time addition of not more than 50% of the existing capacity". For the existing plants all the necessary facilities like land, fuel linkage and transmission connectivity were provided by the state or state owned entities. It is not proper for the IPPs to literally walk away from the state once obtaining all clearances. The total existing capacity of the IPPs in the state is 2500 MW. Given the scope provided by the Tariff Policy we request the Commission to direct the DISCOMs to enter in to long term PPAs with these IPPs for capacity equivalent to 1250 MW.</p>	
<p>3.7.2 A report in Andhra Jyothi dated 4-6-2010 mentioned that Konaseema was interested in selling the power from the extension unit. We would like to know whether the DISCOMs are pursuing this issue with the developers and the progress so far.</p>	<p>The extension unit of Konaseema is a merchant power plant and therefore can sell to anyone. Though, they may participate in competitive bidding through case one.</p>
<p>3.8 The PPA with BPL for 500 MW thermal plant at Ramagundam approved by the Commission was subsequently cancelled as the company failed to achieve financial closure. The setting up of this unit can be taken up by either APGENCO or any private developer selected through open competitive bidding. In the initial stages the government of AP said that APGENCO would be taking up the project. It is disturbing to note that the Commission through the letter No. E-356 (a)/Engg/DD(P&PP)/2010-02 dated 31 May 2010 has consented to revival of PPA with BPL and also changes to important aspects of the earlier PPA with out any public hearing. The above letter is against the interests of the people of the state. Commission's decision goes against the legal opinion that the cancelled PPA cannot be revived to the previous party. New developer needs to be selected through a open competitive bidding and the same should have been examined through a public process. Commission's Order in response to a letter, not even a proper petition, from the old developer raises many disturbing questions. It may be surmised that the public hearing was not taken up as the developer in question as well as DISCOMs did not want to face inconvenient questions. It may also be surmised that the Commission has succumbed to pressure from the state government and the private developer. We request the Commission to cancel the approval given to the BPL PPA through the above letter and conduct a public hearing on the same after making all the related documents of the case public.</p>	<p>GoAP vide G.O. Ms. No. 51, 20.09.2009 reinstated earlier terminated PPA of M/s. BPL Power project in original form and directed M/s. BPL to approach Hon'ble Commission to seek approvals with regard to changes in technical and financial parameters for the enhanced capacity from 520 MW (2x260 MW) to 600 MW (2x300 MW), BPL filed their application before APERC for its consent.</p> <p>After examination of M/s. BPL application, APERC vide Letter dated 31.05.2010 communicated its consent in respect of technical and financial parameters for the revised capacity of 2x300 MW (600 MW) and also on the ceiling limit of Rs. 4.76 per MW (at an exchange rate of Rs. 43.5 per US \$) prescribed by GOAP in the G.O.</p> <p>Further APERC has directed the APDISCOMs to submit the executed amended PPA to the commission.</p> <p>AP DISCOMs and BPL are in the process of execution of the amended PPA as per the directions of APERC.</p>
<p>3.9 Hinduja's 1000 MW Visakhapatnam thermal power plant was one of the three fast track projects selected nearly 15 years back at the national level to set up power plants in AP. These plants were planned taking in to account power needs of the state. While GYK's Jeegurupadu unit started</p>	<p>The PPA signed by erstwhile APSEB with M/s. HNPCL on 19.08.1998 for sale of 100% capacity of 1040 MW (2x520 MW) is</p>

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<p>power generation 9 years back the fate of BPL's Ramagundam unit is hanging in balance as referred to in the above paragraph. The PPA of Hinduja's plant even after 15 years is yet to come before the Commission for approval. In fact Hinduja's company should be paying a tidy sum toward liquidated damages given this enormous delay in setting up the plant. We learn that Hinduja's lobbied with the powers that be to convert this plant in to a merchant plant. As this plant was planned one and half decades back taking the power needs of the state into consideration and given the present power deficit in the state this plant cannot be allowed to be converted in to a merchant power plant. If Hinduja's are not ready to take up this project a new private developer should be selected through open competitive bidding.</p>	<p>no longer existing.</p> <p>GOAP is yet to take a final decision on the proposal of HNPCL offer of 25% of power to the AP state.</p>
<p>3.10 A mini hydro plant of 24 MW capacity is proposed to be set up by a private developer -SLS Power Corporation - at Dummagudem anicut in Khammam district. The developer has entered in to a PPA with Tata Power Corporation, Mumbai. NEDCAP has given clearance to this project. At a time when DISCOMs in the state are not able to fulfill the RPO of 5% how did NEDCAP gave clearance to this project? And how are DISCOMs going to allow this power to be sold outside the state when they are running short of renewable energy?</p>	<p>NEDCAP is the agency formed to promote Non-conventional energy development in the state. Power developer is free to sell power to any Discom/ Trader. Discoms cannot impose on the developer to sell the power to Discoms.</p>
<p>AGRICULTURE CONSUMPTION 4.8 The ARR and Tariff Proposals for the FY 2011-12 show that LT agriculture accounts for 21.27 percent of the power to be supplied in the state. As in the past this time also these estimates lead to many questions.</p>	
<p>4.9 There is no uniformity among the DISCOMs in explaining the estimation of agriculture consumption. While SPDCL tried to give estimate based on different sources of data NPDCL did not at all explain the basis for its estimation. CPDCL just gave the example of Moinabad mandal. But there was no explanation about the number of agricultural services and the DTRs servicing them. We request CPDCL and NPDCL provide district/circle wise data on number of agricultural connections, number of DTRs servicing them, number of sample DTRs, number of valid DTR readings, and the related agriculture consumption estimate.</p>	<p>Estimates of agricultural consumption and the methodology for arriving at robust estimates has always been uniform among the four DISCOMs and is under continuous review of Hon'ble APERC. The same methodology has been explained by four DISCOMs in their ARR filings with minor variations in presentation.</p>
<p>4.10 CPDCL in its ARR and Tariff Proposals maintained that it was compelled to extend the supply beyond the stipulated seven hours to save to save the standing crops (p.43). In this regard we would like to know circle wise the months and number of days in each month when supply was given for more than seven hours, total quantum of power supplied in excess, whether it obtained the permission of the Commission to supply power in excess to this subsidized category and who will bear the burden of this subsidy?</p>	<p>Pertains to CPDCL.</p>
<p>4.11 There was no explanation on progress in grounding new ISI methodology for estimation of agriculture consumption in the filings of the respective DISCOMs.</p>	<p>The new ISI methodology has been approved by APERC and yet to be implemented.</p>

Para No/Brief Issue	EPDCL Response											
<p>4.12 We request the DISCOMs to provide us information on the number of DTRs metered over and above the sampled DTRs, number of HVDS - DTRs serving agriculture loads, total capacity of these HVDS - DTRs and total capacity of all the DTRs serving agriculture loads.</p>	<p style="text-align: center;">Circle</p>	<p style="text-align: center;">No. of metered DTRs</p>	<p style="text-align: center;">No. of sampled DTRs</p>	<p style="text-align: center;">No. of DTRs metered over and above the sampled DTRs</p>	<p style="text-align: center;">No. of HVDS DTRs serving agri. Loads</p>	<p style="text-align: center;">Total capacity of these HVDS DTRs serving agri. Loads (HP)</p>						
							SKL	430	180	250	1710	24882
							VZM	1132	307	825	1496	23932
							VSP	1049	299	750	3581	58259
							RJY	3910	1290	2620	9001	153707
							ELR	5330	1780	3550	21303	370132
							Total	11851	3856	7995	37091	630912
<p>4.13 A news item in Andhra Jyothi dated 8-7-2010 mentioned that the representatives of Bureau of Energy Efficiency made a presentation to the AP Power Coordination Committee on using energy efficient agricultural pumps which helps to reduce power consumption by 20%. This would lead to saving of nearly 3600 MU of power in the state. It also seems to have proposed a pilot project to examine this. We would like to know if there is any progress in this.</p>	<p>The Discoms are currently evaluating the implementation of a pilot project for the same and decision will be taken by April, 2011.</p>											
<p>STANDARDS OF PERFORMANCE</p> <p>5.1 According to SoP Regulations DTR failure is to be addressed within 24 hours in urban areas and 48 hours in rural areas. CPDCL's filings show that in Kurnool circle it took on an average 288 hours to address DTR failures. Similarly, in Mahaboobnagar circle it took on an average 432 hours to address DTR failures. SoP Regulation also provides for compensation to be paid by the Licensee if the problem was not addressed within the stipulated time. As in the above cases there was enormous delay in addressing the problem we would like to know whether CPDCL paid compensation to the consumers under the DTRs which were not rectified in time and if compensation was not paid reasons for the same.</p>	<p>EPDCL is strictly adhering to the norms prescribed in SoP Regulation.</p>											
<p>TARIFF PROPOSALS</p> <p>6.3 We welcome the proposal to reduce minimum charges for LT-I category for connected load above 250 W from Rs. 50 per month to Rs. 25 per month.</p>												
<p>6.4 The new tariff proposals also include an additional tariff of 50 paise/unit on LT - II (non-domestic/commercial) category consumers whose consumption exceeds 100 units/month during February - May period. The consumption limit may be increased to more than 250 units/month as the present proposal will burden petty traders whose monthly consumption exceeds 100 units/month.</p>	<p>The classification categories have multiple objectives and activities; hence DISCOMs have proposed the limit for 100 units basing on the existing category irrespective of each classification activity. However, it is for the consideration of Hon'ble APERC.</p>											
<p>6.4 In the present proposals the tariff for advertisement hoardings (a sub-category LT - II) is to be Rs. 7.50 per unit.. While this is a welcome sign we are of the opinion that there is scope to increase this. This tariff can be bench marked to the solar power and as such this can be increased to Rs. 14 per unit as done in the state of Maharashtra.</p>	<p>The tariff hike from Rs. 6.50/kWh to Rs. 14/kWh would be very steep. The proposed tariff of Rs. 7.50/kWh is in line with the Rs. 1/kwh that is usually collected as ToD at</p>											

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	present. However, Discoms welcome the suggestion.
<p>6.5 DISCOMs also proposed collection of provisional FSA of Rs. 0.25 per unit. In stead they may be directed to submit all relevant information in time and claim their due during the relevant period following the relevant process under the existing Regulations.</p>	<p>The Discoms have already filed FSA claims for four quarters of FY 2009-10 and three quarters of FY 2010-11 in time. These are currently pending disposal by the Hon'ble Commission. The total amount recoverable through FSA is Rs. 1286 Crs for three quarters of FY 2010-11. Since the Discoms are already burdened financially, they have requested the Hon'ble Commission to consider the provisional collection of FSA until such time that the final orders are passed.</p>
<p>PRAYER TO THE COMMISSION</p> <ol style="list-style-type: none"> 5. Not to allow high fixed costs of new GENCO plants. 6. Not to allow conversion of Hinduja's Visakhapatnam plant in to a merchant plant. 7. Improve implementation of SoPs. 8. To allow the objector to be heard in person before the Commission takes any decision on this application of the DISCOMs. 	<p>Under the purview of Hon'ble APERC.</p>



30. శ్రీ కొమ్మిడి నర్సింహా రెడ్డి
 మాజీ శాసనసభ్యులు
 కన్వీనర్ - ప్రజా చైతన్య వేదిక
 బ్రాహ్మణపల్లి గ్రామం
 బీబీనగర్ మండలం
 నల్లగొండ జిల్లా

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సీ.యల్ సమాధానము
<p>1995లో సొంత పెట్టుబడి (మూలధనం) లేకుండానే ఆంధ్రప్రదేశ్ రాష్ట్ర విద్యుత్ బోర్డును స్థాపించారు. ప్రభుత్వ విరాళాలు, ఆర్థిక సంస్థల అప్పులను, ప్రజా సహకారం ద్వారా మూడు శాతం లాభాల లక్ష్యంగా అది ఏర్పడింది. సామాజిక బాధ్యతతో ప్రజలకు విస్తృతంగా సేవలను అందిస్తూనే, తీసుకొన్న అప్పులను తిరిగి చెల్లించి 1998 నాటికి రమారమిగా దిగువ పేర్కొన్న ఆస్తులను సమకూర్చుకొంది.</p> <p>ఉత్పత్తి: 2,954 మెగావాట్ల థర్మల్ విద్యుత్, 2,673 మెగావాట్ల జల విద్యుత్, 272 మెగావాట్ల గ్యాస్ ఆధారిత విద్యుత్, రెండు మెగావాట్ల గాలి మరల విద్యుత్తో మొత్తం 5,901 మెగావాట్ల ఉత్పత్తి సామర్థ్యం సమకూర్చుకొంది. ఎన్టీపీసీ ద్వారా 1,500 మెగావాట్ల + 1,366 మెగావాట్ల ప్రయివేట్ విద్యుత్ కలిపి మొత్తం 8,767 మెగావాట్ల విద్యుత్ పంపిణీ సామర్థ్యం గల వ్యవస్థను రూపొందించుకొంది. 26,565 గ్రామాలు, 27,849 శివారు గ్రామాలు, 41,466 దళిత వాడలు, 16,220 బలహీన వర్గాల కాలనీలు, 20,48,520 వ్యవసాయ బావులు కలిపి 1,44,19,475 వినియోగదారులకు విద్యుత్ను సరఫరా చేసే వ్యవస్థను నిర్మించుకొంది.</p> <p>పై వినియోగదారులకు విద్యుత్ సరఫరా చేసేందుకు దిగువ పేర్కొన్న మౌలిక వ్యవస్థను రూపొందించుకొంది.</p>	
<p>400 కె.వి సామర్థ్యం గల 287 కి.మీ లను, 220 కె.వి సామర్థ్యం గల 1,029 కి.మి లను, 132 కె.వి. సామర్థ్యంలో 12,439 కి.మి లను, 33 కె.వి సామర్థ్యం గల 32,325 కి.మి లను, 11 కె.వి పంపిణీ సామర్థ్యంతో 1,73,092 కి.మీ లను సుమారుగా అయిదు లక్షల కి.మీ ఎల్.టి. లను 2,25,553 పంపిణీ ట్రాన్స్‌ఫార్మ్‌లు, 88,444 ఉద్యోగులతో కలిపి మొత్తం సుమారుగా 80,000 కోట్ల ఆస్తిని సమకూర్చుకొంది.</p> <p>పీపీఎఫ్ ఉత్పత్తి సామర్థ్యంలో 92 శాతం సాదించి జాతీయ స్థాయిలో అనేక అవార్డులను సాధించింది. 1995లో 'పియర్లెస్' ఆర్థిక సంస్థకు</p>	

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<p>జామీనుగా ఉండి తన యజమాని (రాష్ట్ర ప్రభుత్వం)కి 400 కోట్ల రూపాయిల అప్పును ఇప్పించింది. ప్రజల కనీసావసర వస్తువుగా రూపాంతరం చెందిన విద్యుత్ శక్తిని సామాజిక బాధ్యతతో వినియోగదారులకు అందించేందుకు సామాజిక స్పృహతో తన బాధ్యతను నెరవేర్చేందుకు కృషి చేసింది విద్యుత్ బోర్డు.</p>	
<p>సంస్కరణలు: పంపిణీ వ్యవస్థను విస్తృత పరిచేందుకు సామాన్యాన్ని పెంచుకొనెందుకు 4,000 కోట్ల రూపాయిలు అవసరమౌతున్నవి. వాటిని సమకుర్చుకొనేందుకు విద్యుత్ బోర్డుకు సామర్థ్యం లేదు. ప్రపంచ బ్యాంకు ద్వారా మాత్రమే అది సాధ్యం. అందుకోసం ప్రపంచ బ్యాంకు నుంచి అప్పు పొందేందుకు ప్రభుత్వం విద్యుత్ బోర్డునకు ఉన్న సామాజిక బాధ్యతను తప్పించింది. దానిని వ్యాపార సంస్థగా మార్చేందుకు ప్రభుత్వం సంకల్పించింది. దీంతో ప్రజలకు పౌరలుగా పరిగణించకుండా వినియోగదారులుగా మార్చారు. విద్యుత్ బోర్డును 1.జెన్కో, 2. ట్రాన్స్కో, 3. డిస్కమ్ గా విభజించి వ్యాపార సంస్థగా మార్చారు.</p> <p>విద్యుత్ శక్తిని వ్యాపారంగా మార్చున సేవధ్యంలో అసంఘటిత వినియోగదారులు (గృహ, వ్యవసాయ, కుటీర పరిశ్రమలు) తీవ్ర అందోళనకు, అభద్రతకు గురవుతున్నారు. ప్రజలను మరింత అయోమయంలో పడదోసేందుకుగానూ, ఉత్పత్తి ప్రసారాల టారిఫ్ రేట్లను ఒకేసారి అయిదేళ్లకు, అంటే 2014 సంవత్సరం వరకు పంచి ఉత్పత్తి, ప్రసారాల లాభాలుంటాయంటూ వినియోగదారులను మభ్యపెడుతున్నారు.</p>	
<p>గృహ వినియోగదారులు: మూడు దశాబ్దాల కిందట పెద్ద భవంతి అయినా, చిన్న ఇల్లు అయినా, పూరిపాక అయినా చీకటి పడగానే వెలుతురు కోసం వాటికి దీపాలు అవసరం అయ్యేవి. ఆధునికత పేరుతో ప్రస్తుతం నిర్మించే గృహాలకు గాలి, వెలుతురుకు సైతం విద్యుత్ ఆధారమైంది. విద్యుత్ లేకుండా నీరు సైతం లభించడం లేదు. గృహ వినియోగదారులు పెరిగిన ఛార్జీలకు అనుగుణంగా తమ సంపాదనను పెంచుకోలేని నిస్సహాయ స్థితిలో కొట్టుమిట్టాడుతున్నారు.</p>	
<p>కుటీర పరిశ్రమలు: బహుళ జాతి పరిశ్రమలు రిటైల్, ఉత్పత్తి వ్యాపారాలు చేపట్టిన క్రమంలో కుటీర పరిశ్రమల వారికి పూర్తికాలం పని లభించడం లేదు. పంట ఉత్పత్తి సీజన్ లో మాత్రమే పని లభిస్తోంది.</p>	
<p>వ్యవసాయం: నీటి పారుదల సౌకర్యం ఉన్న రైతులు తక్కువ శ్రమ, తక్కువ పెట్టుబడితో ఉత్పత్తి చేయగలరు. భూగర్భజల ఆధార వ్యవసాయదారులు అధిక శ్రమ, అధిక పెట్టుబడి పెట్టి అందుకు</p>	

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<p>అనుగుణంగా ఉత్పత్తులకు ధర నిర్ణయించలేని నిస్సహాయ దుస్థితి నెలకొంది.</p>	
<p>ఆంధ్రప్రదేశ్ లో కృష్ణా, గోదావరి, పెన్నా, తుంగభద్ర నదులు ప్రవహిస్తున్నాయి. తూర్పు కనుమలు, పశ్చిమ కనుమలు విస్తరించాయి. ఉత్తరాదీన వింధ్య పర్వతాల మధ్యన సముద్ర మట్టం కన్నా 700 మీటర్లకు పైగా ఎత్తయిన పీఠభూమిగా ఉన్నందున భూగర్భజలాల ద్వారా వ్యవసాయం విద్యుత్ పై ఆధారపడాల్సిన నిస్సహాయ స్థితి నెలకొని ఉంది. దేశంలో ఏ ఇతర రాష్ట్రంలో లేని భిన్నమైన జాగోళిక పరిస్థితి రాష్ట్రానిది.. ప్రత్యేకించి తెలంగాణ ప్రాంతానిది.</p>	
<p>విద్యుత్ రెగ్యులేటరీ కమిషన్ వారు ప్రత్యేకంగా గమనించాల్సిన అంశాలు :</p> <p>1) సర్వీస్ ఛార్జీల పేర ప్రతి వినియోగదారుని వద్ద నెలకు 20 రూపాయల చొప్పున వసూలు చేస్తున్న మొత్తంతో ఎలాంటి అదనపు, మెరుగైన సేవలను అందించడం లేదు.</p> <p>రెగ్యులేటరీ కమిషన్ వారు నిర్దేశించిన 'స్టాండర్డ్స్ ఆఫ్ ఫర్మా రెగ్యులేషన్స్' చర్యలతో పాటుగా దీగువ పేర్కొన్న చర్యలు చేపట్టుటకై విద్యుత్ కంపెనీలకు మార్గదర్శకాలను నిర్దేశించాలని కోరుతున్నాను.</p> <p>ఎ) డిస్ట్రిబ్యూటరీ ట్రాన్స్ ఫారమ్లను పూర్తి ప్రమాణాలతో (పటిష్ఠమైన ప్యూజ్ బాక్స్ ఎగ్జ్ ప్యూజులు, ట్రాన్స్ ఫామ్ల ఆన్ ఆఫ్ స్విచ్ లు) ఏర్పాటు చేసేందుకు కాలపరిమితి విధించుట.</p> <p>బి) అన్ని ఎల్.టి లైన్లకు ఎర్ట్ లైన్ (నాలుగో తీగను) వేయాలి.</p> <p>సి) ఎల్.టి లైన్ల యందు నిర్దేశిత దూరంలో స్థంభాలు ఏర్పాటు చేయాలి.</p> <p>డి) ప్రతి గ్రమానికి లేదా వెయ్యి విద్యుత్ కనెక్షన్లకు ఒక సహాయకున్ని ఏర్పాటు చేయాలి.</p> <p>ఈ) విద్యుత్ బిల్లుల పంపిణీ, వసూళ్ల కోసం ఈ-సేవా వారికి అయిదు రూపాయిలు, ప్రయివేటు వ్యక్తులకు రెండు రూపాయిల కమీషన్ ఇస్తున్నారు. అందుకు బదులుగా విద్యుత్ రెవెన్యూ సంస్థ (ఈఆర్వో) వారి కే యాబై పైసలు చెల్లిస్తే వినియోగదారులకు, సంస్థకు లాభం చేకూరుతుంది.</p> <p>ఎఫ్) ఎల్.టి వినియోగదారులకు నిర్దేశిత కాల పరిమితిలో సర్వీసు వైరు, మీటరును సంస్థ వారే మార్చాలి.</p> <p>జి) హెచ్.టి వినియోగదారులకు ప్రయివేట్ విద్యుత్ ఉత్పత్తిదారుల</p>	<p>వినియోగదారులకు మేలైన సౌకర్యాలు కల్పించే నిమిత్తం 365 రోజులు పనిచేయు వినియోగదారుల సేవా కేంద్రములు, కాల్ సెంటర్లు, బిల్లు కలెక్షన్ సెంటర్లు, ఏ.టి.పి. మిషన్లు మొదలగునవి ఏర్పాటు చేయడం జరిగినది.</p> <p>డిస్ట్రిబ్యూషన్ ట్రాన్స్ ఫార్మర్లు ప్రమాణాల కనుగుణంగా ఏర్పాటు చేయడం జరుగుచున్నవి.</p> <p>ఎల్.టి లైన్లు ప్రమాణాలనుసరించి వేయడం జరుగుతుంది.</p> <p>విద్యుత్ స్తంభాలు ప్రమాణాలనుసరించి ఏర్పాటు చేయడం జరుగుతుంది.</p> <p>నిబంధనలకనుగుణంగా సిబ్బందిని ఏర్పాటు చేయడం జరుగుచున్నది.</p> <p>సేవా కేంద్రాల ద్వారా బిల్లులు చెల్లించుట వినియోగదారులకు చాలా సౌలభ్యముగా ఉన్నది.</p> <p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p> <p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p>

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>నుంచి విద్యుత్ వినియోగానికి ప్రజల సహకారంతో నిర్మించిన విద్యుత్ లైన్లను ఎట్టి పరిస్థితుల్లో వినియోగించేందుకు అనుమతి ఇవ్వరాదు.</p> <p>విద్యుత్ సంస్థకు వచ్చే నష్టాలకు వ్యవసాయ విద్యుత్ యే కారణమని తేల్చడం దురదృష్టకరం. ప్రకృతిలో పుట్టి, ప్రకృతిని నమ్మి, ప్రకృతిని నిరంతరం కాపాడుతున్న మట్టి మనిషి వ్యవసాయదారుడు. వృక్ష సంపద, పశుపక్ష్యాదులను కాపాడడమే కాకుండా సంస్కృతిని సైతం కాపాడుతున్నాడు. అందరికీ ఇచ్చే వాడే కాని చేయి చాచి అడిగేవాడు కాదు రైతు. ప్రకృతి మూలధారమైన రైతును చేయని తప్పుకు బలి చేయడం సరికాదు.</p>	<p>విద్యుత్ నష్టాలను వ్యవసాయ విద్యుత్ కు ఆపాదించటంలేదు.</p>
<p>ప్రతిపాదనలు:</p> <p>1) ఎల్.టి 1 కేటగిరీనందు, రెండో స్లాబ్ నందు ఒకేసారి రెండింతలు చేయడం వలన దిగుమ మధ్య తరగతి వినియోగదారులపై అధిక భారం వేశారు. దీనిని రూ.2.78 నుంచి రెండు రూపాయిల వరకు తగ్గించడం, స్లాబ్ లను సైతం అయిదు భాగాల నుంచి ఏడు భాగాలుగ పెంచడం అవసరం.</p> <p>2) వ్యవసాయ విద్యుత్ కు యూనిట్ ఒకటికి 0.10 పైసల నుంచి 20 పైసల వరకు (జల విద్యుత్ ఉత్పత్తి వ్యయంతో సమానంగా) విద్యుత్ టారిఫ్ లను నిర్ధారించి నిరంతర సరఫరా చేయాలని ప్రజా చైతన్య వేదిక ప్రతిపాదిస్తోంది.</p> <p>3) 5 హెచ్.పి లోపు విద్యుత్ ను వినియోగించు చిన్న పరిశ్రమలను కుటీర పరిశ్రమలుగా గుర్తించడం సమంజసమని భావిస్తున్నాం.</p> <p>4) గృహ, వ్యాపార వినియోగదారులకు తాము చేయని పొరపాట్లకు బాధ్యులను చేస్తూ మానసిక హింసకు గురిచేయకుండా, ఉద్యోగులు వినియోగదారులతో సుహృద్భావంతో, స్నేహపూర్వకంగా మెలిగేలా చర్యలు గైకొనాలి.</p> <p>5) హెచ్.టి 4 లో ట్రాన్సిమిషన్, కాలనీలను ఏ,బీ,సీగా మార్పు చేసి టారిఫ్ రేట్లను సవరించాలి.</p>	<p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p> <p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p> <p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p> <p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p> <p>ఈ అంశం గౌరవ కమీషన్ కు సంబంధించినది.</p>
<p>ప్రజలను కన్నబిడ్డలుగా చూడాల్సిన ప్రభుత్వం అభివృద్ధి చెందిన దేశాల ప్రభావంతో బహుళజాతి కంపెనీల అంతులేని స్వల్పభాషేక్షతో ప్రజలను పౌరులను చూసేందుకు బదులు కేవలం వినియోగదారులగా చేసే పరిస్థితి దాపురించింది. కన్నతల్లే తన బలహీనమైన సంతానానికి బలవర్ధక ఆహారాన్ని ఇచ్చేందుకు బదులుగా ' పూటకూళ్ల ఇంటికే పంపించారు. కన్న తల్లి ఎదురుగా ఉండికూడా అనాధలైన బిడ్డలు, గృహ, వ్యవసాయ, కుటీర పరిశ్రమల</p>	<p>గౌరవ కమీషన్ నిర్దేశించిన స్టాండర్డ్ ఆఫ్ పెర్ఫార్మెన్స్ ప్రమాణాలను సరించు బోర్డులను అన్ని వినియోగదారుల సేవా కేంద్రాలలో ఏర్పాటు చేయడం జరిగింది. సేవా ప్రమాణాలను నిత్యం సమీక్షిస్తూ వినియోగదారులకు మెరుగైన సేవలందించుటకు తగు చర్యలు తీసుకోబడుచున్నవి.</p>

అభ్యంతరాలు / సలహాలు	ఏ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>వినియోగదారులు. ఈ అనాధలపై ఇది వరకే శ్రద్ధ చూపి విద్యుత్ రెగ్యులేటరీ కమిషన్ వారు కొన్ని ఎస్.పి.ఓ మార్గదర్శకలకు నిర్దేశించారు. కానీ వాటిని సరైన తీరులో ప్రచారం చేయడం లేదు. అమలు అసలే లేదు.</p> <p>కాబట్టి, ఈ నిస్సహాయులైన వినియోగదారుల స్థితిగతులను ప్రత్యేకంగా పరిగణించి, పరిశీలించి విద్యుత్ కంపెనీలకు తగు మార్గదర్శకాలను చేసి అమలు చేయించాల్సిందిగా విద్యుత్ రెగ్యులేటరీ కమిషన్ గౌరవ చైర్మన్ గారిని, గౌరవ సభ్యులను కోరుతున్నాను.</p>	



Responses to Objections/ Suggestions

31. Sri P.S.Chiranjeevi,
 S/o P.V.K.Punneswara Rao,
 1-1-336/95,
 Vivek Nagar,
 Chikkadapalli,
 Hyderabad-500020

Para No/Brief Issue	EPDCL Response																														
<p>1 The cost of energy from RE source is felt to be on high side [request the Hon'ble commission to instruct the Distribution companies to furnish the details in respect of RE source projects in the following manner, for the last two years: Note: Kindly indicate in the total amount column, the amount paid to the company on account of various charges viz., Energy' Charge, Incentive, Interest paid on account of delays in releasing payments, previous dues, if any cleared in the year and all other miscellaneous payment.</p>	<p>The information required by the objector is enclosed vide Annexure.</p>																														
<p>For the year 2008-09</p> <table border="1" data-bbox="240 1178 914 1255"> <thead> <tr> <th>Sl. No</th> <th>Project Name</th> <th>RE Source</th> <th>Energy Received</th> <th>Total Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>For the year 2009-10</p> <table border="1" data-bbox="240 1392 914 1470"> <thead> <tr> <th>Sl. No</th> <th>Project Name</th> <th>RE Source</th> <th>Energy Received</th> <th>Total Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>For the year 2010-11 (Up to December, 2010)</p> <table border="1" data-bbox="240 1570 914 1648"> <thead> <tr> <th>Sl. No</th> <th>Project Name</th> <th>RE Source</th> <th>Energy Received</th> <th>Total Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sl. No	Project Name	RE Source	Energy Received	Total Amount						Sl. No	Project Name	RE Source	Energy Received	Total Amount						Sl. No	Project Name	RE Source	Energy Received	Total Amount						
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<p>2 The petitioner may be allowed to be heard in person.</p>																															

APEPDCL Renewable Energy Sources for the Year 2008-09

S.No	Source	Plant	Energy received (M.U.)	Total Cost (Rs. cr.s)
1	Baggasse based plants	Etikoppaka Sugars	0.63	0.10
2	Baggasse based plants	GMR Technologis & I	31.80	10.99
3	Baggasse based plants	Navabharat(Deccan sugars)	0.00	0.00
4	Baggasse based plants	Jeypore Sugars	13.00	4.33
5	Baggasse based plants	Chodavaram Sugars	6.03	1.78
6	Bio-mass based plants	Vamsi Industries	31.15	10.69
7	Bio-mass based plants	Varam Power Projects	1.12	0.29
8	Bio-mass based plants	Gowathami Solvent	25.45	7.85
9	Bio-mass based plants	Sri Kalyani Agro	11.78	2.66
10	Bio-mass based plants	Shree papers ltd	13.76	4.28
11	Bio-mass based plants	Perpetual energy sys	16.35	4.49
12	Industrial waste	Vensa Bioteck ltd	0.00	0.00
13	Industrial waste	Sai renewable power	5.09	1.78
14	Industrial waste	Food and Fats	4.43	1.18
15	Industrial waste	RAUS Power Ltd	1.67	0.55
16	Mini-Hydel based plants	Mani hamsa power	17.89	3.25
17	Mini-Hydel based plants	Sardar Power(Hydel)	3.35	0.90

APEPDCL Renewable Energy Sources for the Year 2009-10

S.No	Source	Plant	Energy received (M.U.)	Total Cost (Rs. cr.s)
1	Baggasse based plants	Etikoppaka Sugars	2.41	0.55
2	Baggasse based plants	GMR Technologis & I	37.09	14.07
3	Baggasse based plants	Navabharat(Deccan sugars)	2.00	0.48
4	Baggasse based plants	Jeypore Sugars	16.95	6.15
5	Baggasse based plants	Chodavaram Sugars	10.17	3.67
6	Bio-mass based plants	Vamsi Industries	40.28	15.06
7	Bio-mass based plants	Varam Power Projects	0.28	0.07
8	Bio-mass based plants	Gowathami Solvent	24.07	6.46
9	Bio-mass based plants	Sri Kalyani Agro	9.99	2.07
10	Bio-mass based plants	Shree papers ltd	14.03	4.04
11	Bio-mass based plants	Perpetual energy sys	12.82	5.95
12	Industrial waste	Vensa Bioteck ltd	0.00	0.00
13	Industrial waste	Sai renewable power	12.87	5.07
14	Industrial waste	Food and Fats	18.21	7.22
15	Industrial waste	RAUS Power Ltd	18.67	7.74
16	Mini-Hydel based plants	Mani hamsa power	4.32	1.18
17	Mini-Hydel based plants	Sardar Power(Hydel)	1.03	0.27

APEPDCL Renewable Energy Sources for the Year 2010-11

S.No	Source	Plant	Energy received (M.U.)	Total Cost (Rs. cr.s)
1	Baggasse based plants	Etikoppaka Sugars	0.00	0.00
2	Baggasse based plants	GMR Technologis & I	25.76	10.19
3	Baggasse based plants	Navabharat(Deccan sugars)	1.62	0.39
4	Baggasse based plants	Jeypore Sugars	8.93	3.39
5	Baggasse based plants	Chodavaram Sugars	5.12	1.85
6	Bio-mass based plants	Vamsi Industries	13.66	5.46
7	Bio-mass based plants	Varam Power Projects	0.01	0.00
8	Bio-mass based plants	Gowathami Solvent	7.46	2.48
9	Bio-mass based plants	Sri Kalyani Agro	1.67	0.38
10	Bio-mass based plants	Shree papers ltd	0.00	0.00
11	Bio-mass based plants	Perpetual energy sys	1.63	1.01
12	Industrial waste	Vensa Bioteck ltd	0.00	0.00
13	Industrial waste	Sai renewable power	6.40	2.56
14	Industrial waste	Food and Fats	4.51	1.99
15	Industrial waste	RAUS Power Ltd	8.31	3.50
16	Mini-Hydel based plants	Mani hamsa power	7.46	1.39
17	Mini-Hydel based plants	Sardar Power(Hydel)	4.81	1.21



Responses to Objections/ Suggestions

32. Sri B.N.Prabhakar,
 President,
 SWAPNAM,
 16-11-405/10,
 SBI Officers colony,
 Moosarambagh,
 Hyderabad- 36

Para No/Brief Issue	EPDCL Response
<p>On behalf of SWAPNAM, I thank the Hon'ble commission in directing the Discoms to submit approach paper before November, 2010 for encouraging the usage of solar water heaters by extending incentives such as discount in monthly bill of the consumers vide item no-2] of page-158 of Tariff order 2010-11. In this context, I request the copy of approach paper and present status from AP Discoms to enable me represent my views to the Hon'ble commission during public hearing.</p>	<p>The suggestion is under examination.</p>
<p>We understand that the forum of regulators decided to implement Renewable Energy Certificate Mechanism in India. Accordingly, the CERC already issued guidelines for implementation and about 10 states have started implementation. Since APERC is also one of the members of FoR, the mechanism would be implemented in Andhra Pradesh State also. Hence we feel that top priority shall be given to tap the Renewable Energy sources available in the State as much as possible. Since the present regulations are stated to be not attractive for the established RE project</p>	<p>The Discom appreciates the suggestions. The line losses as stated will reduce. The Discoms may provide connection from plants on 11KV upto 2.5 MW and on 33KV feeders upto 10 MW subject to adherence to technical guidelines and regulations that govern along with it. However, the matter is under the purview of APERC.</p>

Para No/Brief Issue	EPDCL Response
<p>developers, we request the following:</p> <ul style="list-style-type: none"> i) The Discoms may be instructed to offer their remarks/ comments in announcing a open policy to purchase the electricity from renewable energy source, who ever built the plant, without any formal PPA at the unit rate calculated as "pooled cost' of Discoms as defined in the REC guidelines ii) This will certainly encourage the small entrepreneurs to develop the projects having capacity up to 2 MW. iii) The Discoms shall allow the developers to connect their plants to the nearest 11KV/33KV feeders, which will relieve the small developers from right of way problems. iv) This will also benefit the AP Discoms in many ways viz., lesser technical losses, improving voltage profiles and thus customer satisfaction, no necessity to invest money on improvements like conductor change due to increased loads, replacement of breakers, isolators, CTs, etc. which are over weighing the only constraint of Discoms not to give load shedding. Since there-is a proposal to serve all by 2012' this will not be a constraint. v) It is estimated that there would be a saving of at least Rs.6 lakhs per year per MW connected to the distribution network, to the Discoms, byway of reduced technical losses. vi) In fact, the development of small projects, particularly solar/wind is being promoted globally at the tail-end/ distribution end because of numerous benefits. vii) The development of small projects at rural side will improve the employment opportunities at their local place and this will naturally avoid the labor movement to the cities. Please appreciate the present position of civic amenities in the Cities and their costs. viii) The AP Discoms may be instructed to give their opinion on the above. 	

Para No/Brief Issue	EPDCL Response
<p>3 For many reasons, the power cuts are continuing in the State. During one of the surveys, we could sense the heart-burning feelings of the people of the State. Many questioned us the reasons for power cuts, when there was continuous electricity generation from the nearby power station. They felt that the plant authorities are taking away their resources and the establishment of plants in their place is no way beneficial to them except few jobs for the un-skilled labour which are also at the cost of their health due to increased pollution.</p> <p>Hence we request the Hon'ble commission to instruct the Discoms not to impose power cuts in the vicinity of power plants, say within 4-5 Kms range, etc.</p> <p>Allow the petitioner to be heard in person.</p>	<p>It is not possible to differentiate on the basis of specific locations for imposition of power cuts.</p> <p>The decision is however under the purview of APERC.</p>



Responses to Objections/ Suggestions

33. **Sri R.K. AGARWAL,**
Hon. Chairman,
Andhara Pradesh Spinning Mills Association
D.No. 3-6-168/4, Hyderguda,
Hyderabad – 500 029

Para No/Brief Issue	EPDCL Response
<p>Preliminary Matters:-</p> <p>1. Because of the nature of the objections and the content thereof, the objections cannot reasonably and conveniently be filed in the tabular statement set out in the public notice. However, all the relevant information required in that table are set out hereunder.</p> <p>2. The Objector desires to be heard in person on the issues raised in these objections and on such other relevant issues as may be necessary.</p> <p>3. A copy of the objections has been served upon the APCPDCL as per acknowledgement copy enclosed. A copy of the objections has also been duly sent to all the other distribution licensees.</p> <p>4. The objector reserves the right to make further submissions after receiving the response of the distribution licensees to the objections and issues raised herein</p>	
<p>Power Purchase & Energy cost & Subsidy estimates:-</p> <p>5. The statements made by the licensees on page (vi) with regard to the Power Purchase Cost Estimate for the State of AP for 2010-11 appear grossly misleading. It is not understood as to why the purported additional cost for FY 2010-11 of Rs. 1808 crores is not to be diminished by the fixed and/or variable cost relating to the deficit energy from the gas based IPPs, KTHPP-I and NTPC- Simbadri-II. That statement of the licensees is also contradictory to the figures given in paragraph 2.3.1 wherein the variation between the tariff order power purchase cost and the revised estimate of power purchase cost for 2010-11 is only Rs 1035 cr. The table under paragraph 2.2.1 indicated that the excess of agricultural sales as per the present estimate for 2010-11 is 1038 MU; and this additional agricultural consumption, which amounts to a cost of about RS 4775 crores @ an average of RS 4.60 per unit, is to be paid for by the GoAP. The approach, comments and claims of the</p>	<p>The deficit in energy for gas based IPPs is due to the non-availability of gas leading to lower dispatch. The fixed cost is payable to the IPPs as per the terms of the PPA. The actual fixed cost as settled by the licensee may be different from the estimates as presented above on account of the monthly Foreign Exchange Rate Variation (FERV).</p> <p>The fixed costs for KTHPP- I for FY 11 have been adjusted for six months as against the projected value in Tariff Order 2010-11 given for eight months as the plant was considered to have started in October, 2010.</p> <p>The fixed cost for Simhadri – II was initially approved for four months of FY 2010-11. Due to delay in COD upto April 2011, the fixed cost for the same has been taken as “nil” for 2010-11.</p> <p>The additional power purchase cost is inclusive of the FSA component for FY 2010-11, deviation from the loss target set by the Hon’ble Commission and deviation from metered sales target set by the Hon’ble Commission.</p>

Para No/Brief Issue	EPDCL Response
<p>licensees do not appear to be fair or rational. The licensee is called upon to explain the discrepancies and the contradictory information, and unless such explanation is satisfactory the Commission must consider the claims and approach of the licensee as unsubstantiated and unjustified with respect to the alleged additional cost and the consequent additional revenue generation proposals.</p>	
<p>6. The table on page (vii) shows that the revised estimate of the subsidy of Rs 820.17 crores is estimated to remain the same even though there is a very significant increase in the agricultural consumption by the licensees' own admission. It is incomprehensible as to how this can lawfully be so. The estimated that regularoty gap as stated in that table is therefore grossly inflated and misleading.</p>	<p>The figures and page no.s referred to by the objector do not pertain to APEPDCL.</p>
<p>7. From the above discrepancies and contradictions, it appears that the approach and methodology of the licensees in estimaing the energy requirement and the penalty and revenue deficits for 2011-12 are grossly opaque and doubtful. The manner of presentation of the information and data in the tariff proposals does not enable the consumer to discern what has been camouflaged.</p>	<p>Hon'ble APERC will release the Tariff Order only after verifying the correctness of the data furnished by DISCOMs. The whole process is most transparent and there is nothing camouflaged.</p>
<p>Separate Categorization of Spinning Mills 8. At Sl. No 7 of the Annexure A to the Tariff Order for 2010-11, the commission has issued a directive to the licensees to examine a fresh of all the existing categories and the requests received from various trade bodies, associations etc and to submit views on categorization including creation of new categories. The commission required a report on such a study by 30.11.2010 or with the present ARR, which ever was earlier. There is no mention in the proposals as to any such study having been under taken. The licensees are called upon to submit a report in this regard as directed by the Commission in the previous order.</p>	<p>The electricity consumer classification and categorization are made on the basis of end use of the electricity. Separate tariff based on the nature of industry is not feasible. Tariff structure in the Tariff Orders issued by the Hon'ble Commission is exhaustive and covers all the activities.</p> <p>The licensee has examined the income tax incentives applicable for the considered agricultural related activities namely- Poultry farming, mushroom production, Rabbit farms, floriculture in green houses , Pisciculture , prawn culture , sericulture, vermiculture ,sheep rearing, dairying including use of chaff cutters etc. It has been found that there are no income tax incentives attributed for each of these activities which are allied to agriculture category. Accordingly, Licensee would like to continue with the existing categorization of the activities mentioned with no change.</p>
<p>9. the plea of the Object Association was that spinning mills constituted a separate and distinct category with specific distinct parameters with regard to the nature of industry and the manner and back and of consumption of electricity, and</p>	<p>The spinning mills come under Industrial category as it is a process oriented industry. By definition of industry in the Tariff Order all manufacturing, processing and/ or preserving goods etc. will come under Industrial category.</p>

Para No/Brief Issue	EPDCL Response																		
<p>that such distinctions required that the spinning mills be categorized separately and treated appropriately in the determination of tariff. It was also pointed out earlier that the spinning mills has a high load factor and that they ought to be given a reduction in the energy charges for consumption beyond a threshold load factor. It was also submitted that the energy charges contained also an element of fixed costs and therefore, when spinning mills with high load factors were not given a reduction in the marginal consumption beyond the threshold load factor, the recovery of fixed costs from the spinning mills was excessive and unreasonable.</p>	<p>under Industrial category. In the present power deficit scenario, reduction in the energy charges for consumption beyond a threshold load factor can not be contemplated. The energy charges do not contain any fixed component, it is variable in nature. The demand charges which is of fixed nature covers the finance costs towards network maintenance and development. The costs are allocated to each category of consumers based on their co-incident demands, Non-coincident demand and connected load of that category.</p>																		
<p>Time of Season Tariff:- 10. The reasoning sought to be put out by the licensees in paragraph 7(ii) for the proposals to introduce Time of Season tariffs for the period April-May 2011 and february-March 2012 for certain categories(Lt-IIA, LT-II, HT-I, HT-II and HT-V) is incongruous, irrational and unreasonable and must therefore be rejected outright. The reasoning of the licensees is that it is a measure for better management of load, and it is suggested that it is to encourage shifting of demand from peak hours to off-peak hours. If the Time of Season tariff is to be applied on all hours (peak and off-peak), it is absolutely absurd to expect that there could be any shift of demand from peak to off-peak hours.</p>	<p>The energy requirement for the period Feb- May is higher compared to other months. This is due to the reasons like increase in domestic consumption, increase in agriculture consumption for Rabi crops and increase in industrial consumption. The APTransco grid can handle a peak demand of 11,500 MW but the peak demand requirement during this period (assuming peak demand is 20% higher than the average monthly demand) is greater than 12,000 MW.</p> <table border="1" data-bbox="829 999 1474 1178"> <thead> <tr> <th></th> <th colspan="5">FY 2011-12</th> </tr> <tr> <th></th> <th>Feb.</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Peak Load (MW)</td> <td>12,384</td> <td>12,677</td> <td>12,490</td> <td>11,360</td> <td>12,228</td> </tr> </tbody> </table> <p>In order to reduce the peak deficit, the Time of Season tariff has been proposed to (i) Offset the demand from these months- Industries can schedule to run more in December and January or June and July flattening the demand curve for the Feb-May period. (ii) Reduce the demand during Feb- May period- Commercial and Domestic consumers may implement measures to reduce the monthly consumption and hence reducing the demand to be met. (iii) Impact on Load Curve: An increase in tariff directly will not affect the demand curve as all the consumers have to pay the increased tariff while an increase in Time of Season tariff will influence the consumers to either shift their load or reduce consumption managing the demand curve.</p>		FY 2011-12						Feb.	Mar	Apr	May	Average	Peak Load (MW)	12,384	12,677	12,490	11,360	12,228
	FY 2011-12																		
	Feb.	Mar	Apr	May	Average														
Peak Load (MW)	12,384	12,677	12,490	11,360	12,228														
<p>11. In any case, there cannot be a Time of Season Tariff and a Time of Day tariff at the same time, purportedly to achieve the same effect. The proposal is therefore only irrational and unreasonable.</p>	<p>The DISCOMs are resorting to high cost power purchase to meet the demand during peak hours of a day as well as during peak season of the year. Hence, the proposals are not irrational and unreasonable.</p>																		

Para No/Brief Issue	EPDCL Response
<p>12. The time of day tariff was proposed in the previous year by the licensees purportedly for demand side management in the expectation that such a tariff would reduce the State's peak deficit. It would not appear that such an objective has actually been achieved. It could not have been achieved because the time of day tariff was a misconceived measure. The TOD tariff was sought to be applied on certain categories without a due and proper consideration as to whether such a measure could actually result in reduced demand during the peak periods. In the case of spinning units, which operate round-the clock, there can be no reduction during the peak period, and therefore they ought to have been separately classified for the purpose of excluding them from such impost. The application of the TOD tariff to all HT industrial consumer is results in treating essentially unequal's as equals and therefore the measure suffers from improper and impermissible under-classification. Moreover, if the experience of the previous year shows that the objectives have not been achieved with regard to demand side management, there is no reason why such tariff should be continued.</p>	<p>The TOD tariff is introduced for better management of load and also to meet the high power cost during the TOD slot. Further it is to mention that TOD incentive is also proposed in these filings. By charging different tariff at peak and off-peak periods according to marginal cost, customers are incentivized to shift their loads to off-peak hours, thereby reducing the overall system peak demand and improving the system load curve.</p>
<p>13. Without prejudice to the submissions aforesaid with regard to the applicability of the tariff, the authentication of the tariff was made for considerations of the UI price and the Stat Load Curve. This cannot be a one-time exercise. It will have to be done every year, more particularly because the State load Curve is different from year to year and also the UI prices have also changed significantly from the which was prevailing earlier. The licensees have not given any current information and they are called upon to do so.</p>	<p>The UI price for the year 2011(as on Dec, 10) has come down to Rs 3.26 per unit as compared to Rs 9.61 per unit during the year 2009-10.</p>
<p>Cross subsidy trajectory & National Tariff Policy:- 14. The National Tariff Policy requires that the level of cross subsidy must be continuously reduced in accordance with the roadmap laid out there in. There is no indication whatsoever in the licensees' proposal as to whether the direction intended by the National Tariff policy is being followed within the State or not. The licensees are called upon to provide the information of the cross subsidy levels of the various consumer categories from the year 2006-2007 to the present proposals.</p>	<p>It is the Commission's prerogative to consider the issues raised and fix the tariff.</p>
<p>Energy Estimates & losses – erroneous statement:- 15. The statement of the licensees in paragraph</p>	<p>The licensee has stated in paragraph 8 on page xiv that "For calculation of power purchase requirement, voltage wise month-wise sales have been grossed up</p>

Para No/Brief Issue	EPDCL Response
<p>8 on pages xiii-xiv that “the losses in the system directly proportional to the energy handled” is wrong. The loss of the same amount of energy is substantially lower at high-voltages than at lower voltages, and no rule of proportionality can be attributed merely to the amount of energy handled. The licensee may be called upon to clarify as to how they have sought to apply the wrong principle in the estimation of the power purchase requirement as the same is not evident from the contents of the proposal.</p>	<p>with voltage wise month-wise losses to determine the power purchase requirement .”</p> <p>As per the APERC prescribed formats and voltage wise approved losses, the power purchase requirement is calculated.</p>
<p>FSA for 2009-10 & 2010-11:- 16. The licensees have sought provisional FSA of Rs 0.25 per kwh in respect of FY 2009-2010 and H1 of FY 2010-11. The FSA for these years cannot be made subject matter of these proceedings. Neither that application is published or made available, nor is the public hearing called for those proposals relating to the previous year. It appears to be an attempt of the licensees to obtain orders on those applications by stealth. It is submitted that the FSA for 2009-10 & 2010-11 have to be determined in separate appropriate proceedings initiated as required by the conduct of Business Regulations as to the maintainability of the application and the admissibility of expenditure relevant to those years.</p>	<p>The licensee has submitted the Fuel Surcharge Adjustment proposals for FY 2009-10 and H1 of FY 2010-11 as per the clause 45-B of the (Conduct of business) amendment Regulations, 2000. These are currently pending disposal by the Hon’ble Commission. Since the Discoms are already burdened financially, Hon’ble Commission was requested to consider the provisional collection of FSA until such time that the final orders are passed.</p>



34. సారంపల్లి మల్లారెడ్డి
 ఇం.నెం. 1-1-60/2,
 ఆర్టీసీ క్రాస్రోడ్స్,
 ముషీరబాదు, హైదరాబాదు - 20

అభ్యంతరాలు / సలహాలు	ఏ.పీ.ఈ.పీ.డి.సీ.యల్ సమాధానము
<p>1. రోజుకు 7 గంటలు నాణ్యమైన విద్యుత్ సరఫరా గురించి రోజుకు 7 గంటలు నాణ్యత గల విద్యుత్ సరఫరా లోపం వలన పంపుసెట్లూ క్రింద సేద్యం అస్థిరంగా మారింది. డిస్కాంలు నిర్ణయించిన సమయంలో నాణ్యత గల విద్యుత్ సరఫరా కవడం లేదు. ఫలితంగా వేలాడి పంపుసెట్లు, మరియు ట్రాన్స్‌ఫార్మర్లు కాలిపోతున్నాయి. పంట కాలంలో 7 గంటలు సరఫరా చేయాలని సబ్‌స్టేషన్ల వివరాలు తెలుపగలరు. సరఫరా లోపం వలన వేలాడి ఏకరాల పంట జరుగుతుంది. 2010-11లో ఏప డిస్కాంల క్రింద ఎన్ని ట్రాన్స్‌ఫార్మర్లు మరియు పంపుసెట్లు కాలిపోయాయో వివరాలు తెలుపగలరు. కాలిపోయిన పంపుసెట్లకు నష్ట పరిహారాన్ని ఎవరు బరించాలి? నాణ్యత లోపం వల్ల కాలిపోయిన పంపుసెట్లకు డిస్కాంలు నష్టాన్ని బరించాలి. నల్గొండ జిల్లా రామన్నపేట మండలం వెళ్లంకి, సిరిపురం, ఇస్కి ట్రాన్స్‌ఫార్మర్లు ఖర్చులతో పాటు కొంత మొత్తం తీసుకొని రిపేర్లు చేశారు. మెదక్ నల్గొండ, వరంగల్ జిల్లాల్లో ఈ నష్టం ఎక్కువగా వున్నది. వీటికి పరిహార ఎవరిస్తారు? ప్రభుత్వం పరిహారం ఇవ్వడానికి సుముఖంగా లేదు. ఇందుకు బాధ్యత వహించాల్సింది డిస్కాంలు మాత్రమే డిస్కాంలు పరిహారం చెల్లించవల్సిందిగా ఆ దేశించాల్సిందిగా కోరుతున్నాం.</p>	<p>రైతులకు 7 గంటలు నాణ్యమైన విద్యుత్ సరఫరా గ్రాడ్‌లో లభ్యత అధారంగా ఇవ్వడం జరుగుచున్నది.</p>

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>2.డిస్కాంల ప్రసార నష్టాలు తగ్గడం లేదు. కమిషన్ కేటాయింపులకన్న డిస్కాంల నష్టాల అంచనా ఎక్కువగా ఉన్నట్లు పై గణాంకాలు తెలుపుతున్నాయి. 2000 సంవత్సరంలో మొట్టమొదటిసారి రెగ్యులేటరీ కమిషన్ డిస్ట్రిబ్యూషన్ నష్టాలను తగ్గించుటకు ఆదేశాలు జారీ చేశారు. కాని నేటికీ ఆ నష్టాలు కొనసాగుతునే ఉన్నాయి. నష్టాలను నివరించడానికి కాలం గతించిన కండక్టర్ను మార్చడం, సాంకేతికంగా ట్రాన్స్ఫార్మర్లను బాగుచేయాలి. కాని చాలా చోట్లా స్థంబాలు ఒరిగిపోయి కండక్టర్ వేలాడుతుండడం జరుగుచున్నది. అందువల్ల నష్టాలు పెరుగుతున్నాయి. ఇప్పటికైనా నష్టాలను తగ్గించుకోవడం మూలంగా వినియోగదారులపై భారం తగ్గుతుంది. ఆంధ్రప్రదేశ్ కో-ఆర్డినేషన్ కమిటీ పంపు సెట్లు నాణ్యతను మెంచడం ద్వారా 20 శాతం విద్యుత్ వినియోగం తగ్గుతుందని పత్రికల్లో 08.07.2010న ప్రకటించారు. ఆ విధంగా 3600 మీలియన్ల యూనిట్ల భారం తగ్గుతుందని అంచనా వేశారు. ఈ ప్రయోగం ఎంత వరకు ఫలితం సాధించింది? తమిళనాడు ప్రభుత్వం రూ.6,000 కోట్లు వెచ్చించి ఉచితంగా 26 లక్షల ఐఎస్ఐ పంపు సెట్లు మార్చుతున్నది. దాని వల్ల విద్యుత్ సంస్థకు అంతకు మిచ్చిన లాభం జరుగుతున్నది. ఆంధ్రప్రదేశ్ ప్రభుత్వం ఆ ప్రయత్నం ఆ ప్రయత్నం చేస్తున్నదా?</p>	<p>ఆ.సం. 2000-01 లో ఎ.పి.ఇ.పి.డి.సి.యల్ సంస్థ నష్టాలు 17.91% నుండి 2009-10 లో 8.42% కు తగ్గినవి. తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ ఈ క్రింది పేర్కొనిన చర్యలను చేపట్టడమైనది.</p> <ul style="list-style-type: none"> • ఖచ్చితమైన విద్యుచ్ఛక్తి ఆడిట్ కోసం ఫీడరు మీటరు రీడుంగుల నమోదు కార్యక్రమం outsourcing చేయడమైనది. • టెక్నికల్ మరియు commercial నష్టాల తగ్గుదలకు EPIMRS అనే software వ్యవస్థను ఏర్పాటు చేయడమైనది. • ఎలిమర్ తయారీ IR Port ను 17 నంబర్ల అధిక సర్వీసులున్న 11కె.వి. ఫీడర్ల పై ఏర్పాటు చేయడమైనది. <p>ఖచ్చితమైన ఎనర్జీ ఆడిట్ నిమిత్తము నెలవారి బిల్లులు వసూలు ఏర్పాటు చేయడమైనది.</p>
<p>3. కెపాసిటర్లను బిగించుట కమిషన్ ఆదేశాలు మేరకు రైతులు కెపాసిటర్లు కొనుగోలు చేసినప్పటికీ వాటిని బిగించడానికి డిస్కాంలు సుముఖంగా లేవు. సిబ్బంది కొరత కారణంగా చెబుతున్నారు.</p>	<p>ఉన్న పంపు సెట్లు అన్నింటికీ కెపాసిటర్లు అమర్చడం జరిగింది. సరి అయిన రేటింగ్ గల కెపాసిటర్లు అమర్చిన తరువాత మాత్రమే కొత్త కనెక్షన్లు జారీ చేయడం జరుగుతుంది</p>
<p>4. ప్రమాదాలలో మరణించిన మనుషులకు - పశువులకు ఎక్స్గ్రేషియో ఇచ్చుట - సేఫ్టీ ఆఫీసర్ల నియామకం. విద్యుత్ ప్రమాదాల వల్ల మనుషులు, పశువులు మరణిస్తున్నాయి. వీటిని తగ్గించుటకు ప్రతి డిస్కాంలో సేఫ్టీ ఆఫీసర్లను నియమించాలని కమిషన్ ఆదేశించింది. అయినప్పటికీ ఏ డిస్కాంలోనూ సేఫ్టీ ఆఫీసర్లు వున్నట్లు గానీ, ప్రమాదాల నివారణకు వారు చర్యల చేపడుతున్నట్లు గానీ, విద్యుత్ వినియోగదార్లకు తెలియదు. విద్యుత్ వైర్లు భూమికి తాకడం, పంపు సెట్ వద్ద కనెక్షన్లు సక్రమంగా పెట్టకపోవడం వలన ఈ ప్రమాదాలు జరుగుతున్నాయి. సేఫ్టీ ఆఫీసర్ (457) పేరా) ఇందుకు తగిన చర్యలను చేపట్టాలి. విద్యుత్ రాత్రిళ్లు రావడం ఫలితంగా ఈ ప్రమాదాలు సంభవిస్తున్నాయి. గౌరవ కమిషన్ అనేక సందర్భాలలో జారీ చేసిన ఆదేశాలను డిస్కాంలు అమలు జరుపుట</p>	<p>ప్రమాదాలలో మరణించిన మనుషులకు, పశువులకు నిబంధనల ప్రకారం ఎక్స్గ్రేషియో చెల్లించబడుతుంది. ఆర్థిక సం 2010-11 లో 25 విద్యుత్ ప్రమాదాలకు గాను రు. 24 లక్షలు ఎక్స్గ్రేషియో ఇవ్వటం జరిగినది. గౌరవ కమిషన్ ఆదేశాల మేరకు సేఫ్టీ ఆఫీసర్ల నియామకం జరిగినది. ఎక్కువ స్టోలోడ్ లాస్ ఉన్న ట్రాన్స్ఫార్మర్లను గుర్తించి వాటి స్థానే క్రొత్తవి ఏర్పాటు చేయడం జరుగుతున్నది. పాత కండక్టర్లను గుర్తించి వాటి స్థానే క్రొత్తవి ఏర్పాటు చేయడం జరుగుతున్నది.</p>

అభ్యంతరాలు / సలహాలు	ఎ.పి.ఈ.పి.డి.సి.యల్ సమాధానము
<p>లేదు. దీనివల్ల రైతులు తమ ప్రాణాలు కోల్పోతున్నారు. కుటుంబాలు ఆనాధలు అవుతున్నాయి. 2010-11లో జరిగిన మరణాలు - చెల్లించిన ఎక్స్‌గ్రేషియో వివరాలు తెలుపగలరు.</p>	
<p>5. కొత్త పంపుసెట్లు కనక్లను మంజూరి మరియు రెగ్యులరైజ్ చేయుట. ప్రభుత్వం ఏటా లక్ష కొత్త కనక్లను ఇస్తామని మరియు తత్కాలు పథకం క్రింద 50వేల కనక్లను ఇస్తామని డిస్కాంల ఆమోదంతో ప్రకటించారు. కాని రైతులు డిస్కాంల చూట్టు తిరుగుతూ కనక్లను రెగ్యులరైజ్ కాక ఇబ్బందులకు గురిఅవుతున్నారు. కొత్త కనక్లను ఇచ్చినపుడు అప్పటి వున్న ట్రాన్స్‌ఫార్మర్ పై లోదు.</p>	<p>ప్రభుత్వ విడివిధానాలు అనుసరించి మరియు లైసెన్సీ ప్రమాణాలు అనుసరించి కొత్త వ్యవసాయ విద్యుత్ కనెక్షన్లు ఇవ్వటం జరుగుతుంది.</p>
<p>6. పంపుసెట్లు క్రింద వరి పంట నిషేధం గురించి పంపుసెట్లు క్రింద రెండవ పంటగా వరిపంట వేస్తే వారికి ఉచిత విద్యుత్ అర్హత ఉండదు. పేద రైతులు తమ కుటుంబ ఆవసరాలకు వరిపంట వేస్తున్నారు. డిస్కాంలు 7 గంటలు విద్యుత్ సరఫరా చేసినచో అంత వరకే భూమి సాగు చేస్తారు. వరిపంట వేయడం వల్ల డిస్కాంలకు వచ్చే నష్టం ఏమీ లేదు. దీనిని పునఃపరిశీలించగలరు. ప్రకటించాల్సిందిగా డిస్కాంలను ఆదేశించాలి.</p>	<p>విద్యుత్ నీటిసరఫరా సరిపడనంతగా ఉండని కారణంగా రబిలో రైతులు నష్టాలు ఎదుర్కొనే అవకాశం ఉంది. కనుక రైతులకు నష్టాలు రాకుండా ఉండేందుకు రైతులు మెట్ట పంటలు వేయటం శ్రేయస్కారం</p>
<p>7. తెలుగులో ఎ ఆర్ ఆర్ లు అందజేయుట గౌరవ కమిషన్ ఎ ఆర్ ఆర్లను తెలుగులో ఇవ్వాలని పేరా 451లో (2009-10) ఆదేశించింది. కాని డిస్కాంలు వందల పేజిలో ఆంగ్లంలో ఇస్తున్న సమాచారం వినియోగదారులకు అర్థం కాని విధంగా ఉంది. సమాచారం లేదని అనేక పేజిలలో వ్రాసారు. కమిషన్ ఇచ్చిన ఫార్మాట్‌ను అన్ని డిస్కాంలు ఒకే విధంగా వినియోగదారులకు అర్థమయ్యే విధంగా పెద్ద అక్షరాలలో ఉండాలి. ఇందుకు డిస్కాంలను ఆదేశించాల్సిందిగా గౌరవ కమిషన్ కోరుతున్నాం.</p>	<p>గౌరవ కమిషన్ ఆదేశాల ప్రకారం ఎఆర్.ఆర్. ను సంక్షిప్త రూపంలో తెలుగు లో అందుబాటులో ఉంచడం జరిగినది.</p>
<p>పై అంశాలతోపాటు బహిరంగ విచారణలో మరిన్ని ప్రతిపాదనలను మీ దృష్టికి తేదలచుకున్నాను. పై ప్రస్తావనలను డిస్ట్రిబ్యూషన్ కంపెనీల దృష్టికి తెచ్చి, వాటికి తగు సమాధానాలను తెప్పించగలరని కోరుతున్నాను. బహిరంగ విచారణకు ప్రత్యక్షంగా పాల్గొనుటకు అవకాశం కల్పించాలని కోరుతున్నాను.</p>	