



Andhra Pradesh Electricity Regulatory Commission

4th & 5th Floors, Singareni Bhavan, Red Hills, Lakdi-ka-pul,
Hyderabad 500 004.

TARIFF ORDER

WHEELING TARIFFS FOR DISTRIBUTION BUSINESS

In the Supply Areas of
Central Power Distribution Company of A.P. LTD.
(APCPDCL)
Eastern Power Distribution Company of A.P. LTD.
(APEPDCL)
Northern Power Distribution Company of A.P. LTD.
(APNPDCL)
Southern Power Distribution Company of A.P. LTD.
(APSPDCL)

9th May, 2014

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**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
HYDERABAD**

Present

Dr. V. Bhaskar, Chairman

Sri R. Ashoka Chari, Member

Sri P. Rajagopal Reddy, Member

Dated: 09.05.2014

O.P. No: 64 of 2013

Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL)

O.P. No: 66 of 2013

Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)

O.P. No: 68 of 2013

Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL)

O.P. No: 70 of 2013

Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)

... Applicants

The filings for approval of Aggregate Revenue Requirement (ARR) and Tariff proposals for the Wheeling Charges of Distribution business for 3rd control period (from FY 2014-15 to FY 2018-19), made on 4th December, 2013, by the four (4) Distribution Licensees (DISCOMS) of Andhra Pradesh. These applications were admitted by the Commission. They came up for public hearings before several consumers, the representatives of various consumer organizations, political parties and other stakeholders, on 23.01.2014 at Karimnagar (APNPDCL - O.P. No.68 of 2013), on 25.01.2014 at Tirupati (APSPDCL - O.P. No.70 of 2013), on 01.02.2014 at Visakhapatnam (APEPDCL - O.P. No.66 of 2014) and on 04.02.2014 at Hyderabad (APCPDCL - O.P. No.64 of 2013), and having stood over for consideration till this day, the Commission, in exercise of the powers vested in it by the Electricity Act, 2003 and Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling and Retail Sale of Electricity) Regulation No.4 of 2005; hereby passes this common order.

O R D E R
CHAPTER - I
INTRODUCTION

1. The Commission notes that the Andhra Pradesh State Reorganization Act, (No.6 of 2014) (hereinafter called the Act) has been gazetted on 1.3.2014. As per Section 3 of the Act, the State of Telangana will be created on and after the appointed day. The Appointed Day has been notified as 2nd June, 2014. Thus two States, Andhra Pradesh and Telangana will come into existence on 2.6.2014.
2. The present determination by the Commission for the Wheeling Charges of Distribution Business has been made based on filings of Discoms for the energy infrastructure environment of the undivided State of Andhra Pradesh.
3. After 2nd June, 2014, the energy infrastructure environment of each State will be divided consistent with Sections 53, 68, 69, 71, 81, 82, 85 and 92 of the Act and the Ninth and Twelfth Schedule to the Act. The present determination for the Wheeling charges of Distribution Business and the Retail supply may have to be reviewed by the Regulatory Commissions of the two States referred to in Clause 3 of the Twelfth Schedule of the Act, in the light of their respective energy infrastructure environment of the two States.
4. The Electricity Regulatory Laws in Andhra Pradesh have not yet been amended to recognize the formation of two States from the existing Andhra Pradesh State. The Commission also notes that it is legally bound to proceed as per its present mandate in Electricity Act, 2003 and the relevant existing regulations of the Commission.
5. If the Commission does not proceed to determine the Wheeling Charges of Distribution Business for the period 1.4.2014 onwards, the APDISCOMs will not have a legal basis for levying tariff and a Void would be created effecting the economic viability of DISCOMs to recover charges for performing its essential functions to maintain the critical electricity sector.
6. Accordingly, this Commission has decided to issue this Order which though nominally is indicated as applicable for the 3rd Control Period (2014-2019) and which is consistent with its existing regulations, will be subject to review by

the Successor Regulatory Commissions of the two States whenever deemed necessary by the respective Commissions.

General

7. The four Distribution Companies (hereinafter referred to as the 'Distribution Licensees' or 'DISCOMS' or 'Licensees') namely, the Central Power Distribution Company of A.P. Limited (APCPDCL/CPDCL), the Eastern Power Distribution Company of A.P. Limited (hereinafter, 'APEPDCL' or 'EPDCL'), the Northern Power Distribution Company of A.P. Limited (APNPDCL/ NPDCL), and the Southern Power Distribution Company of A.P. Limited (APSPDCL/SPDCL) have filed applications for approval of their Aggregate Revenue Requirement (ARR) and Tariff proposals for the Wheeling Charges of Distribution business for 3rd control period i.e., from FY2014-15 to FY2018-19, on 4th December, 2013, which were admitted by the Commission and assigned O.P. Numbers 64 of 2013, 66 of 2013, 68 of 2013 and 70 of 2013 respectively vide the Commission letters dated 05.12.2013.
8. These applications were brought in the public domain through publication of Public Notice in daily newspapers on 6th December, 2013 seeking objections/ suggestions from the interested consumers/stakeholders by 6th January, 2014.
9. In pursuance of Public Notice, stakeholders including consumers, representatives of various consumer organizations, political parties and other stakeholders (Total 191 registered Objectors) attended the public hearings and gave suggestions and raised objections, which were replied to by the Licensees. The suggestions/ objections raised by the general public and/ or their representatives and the arguments advanced by the Licensees in writing as well as during the course of public hearings held on 23.01.2014 at Karimnagar (APNPDCL); on 25.01.2014 at Tirupati (APSPDCL); on 01.02.2014, at Visakhapatnam (APEPDCL); and on 04.02.2014 at Hyderabad (APCPDCL) and also the views of the State Advisory Committee (SAC) have been taken note of by the Commission while finalizing this order.

Filings for Determination of Wheeling Charges for the Distribution Business

10. The Commission issued Regulation No.4 of 2005 on 14.11.2005 laying down the Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity. This Regulation introduced a Multi-Year-Tariff (MYT) framework

and accordingly, each distribution licensee has to submit its ARR along with its Filings for Proposed Tariff (FPT) to the Commission for determination of Wheeling Charges for the 3rd Control Period. The 3rd Control Period covers FY2014-15 to FY2018-19.

Delay in Filings of ARR/Tariff Proposals

11. The Licensees were required to file their ARR and Tariff proposals for the 3rd Control Period (FY2014-15 to FY2018-19) by 30th November, 2013 so that 120 days are available to the Commission as per statute to determine the Wheeling Tariff commencing from 1st April, 2014. The Licensees explained that they were unable to do so due to certain unavoidable circumstances including delay in receipt of information of power/fuel availability and cost thereof from various sources, delay in finalization of power purchase cost projections which have material impact on the overall ARR and the measures to be adopted by the licensees in addressing it. Licensees sought extension of time, which the Commission granted upto 10th December, 2013 in its letter dated 28.11.2013 (Annexure B2).

Filings of ARR/Tariff proposals

12. The Licensees filed the ARR and Tariff proposals for Wheeling Charges of Distribution business for 3rd Control Period on 4th December, 2014. As per Clause 6.2 of Regulations 4 of 2005, the ARR filings for the Retail supply Business shall be for the entire Control Period. However the applicants sought relaxation of this condition in view of the uncertainty in making economic and investment projections for the full 5 years period. The Commission after careful consideration accepted request for filing for Tariff for the Retail Supply Business vide Commission proceeding Dated: 01.11.2013 (Annexure B1).

Processing of the Proposals Filed by the DISCOMS

13. The ARR filings and Tariff applications for the Wheeling Charges of Distribution Business for the 3rd Control Period and ARR / FPT for Retail Supply Business for 2014-15 submitted by the DISCOMS were scrutinized and found to be generally in order as required under the APERC (Conduct of Business) Regulations, 1999. The Commission admitted the filings and the same were taken on record by assigning the following O.P. numbers:

O.P. No.64 of 2013 for APCPDCL
O.P. No.66 of 2013 for APEPDCL
O.P. No.68 of 2013 for APNPDCL
O.P. No.70 of 2013 for APSPDCL

Notification calling for Objections/suggestions

14. The Licensees, as directed by the Commission, published a public notice in two English (in English) and in two Telugu (in Telugu) daily news papers on 6th December, 2013 as shown in Annexure-C1 & C2, informing the general public that the Licensees have filed before the Commission their ARR and Tariff proposals for Wheeling Charges of Distribution business for 3rd Control Period and copies of their filings together with the supporting materials were available in the offices of the Chief General Manager (Comml. & RAC), of the respective Licensees at their headquarters and also with all the Superintending Engineers/Operation circles. The filings were also made available on the websites of the Licensees as well as the Commission. This was to facilitate inspection and perusal of the ARR filings and Tariff proposals by all stakeholders. All stakeholders were requested to file their objections/suggestions on ARR and Tariff proposals by 6th January, 2014. They were also informed that the Commission would conduct a Public Hearing in the matter. The programme of Public Hearing conducted by the Commission is at below table:

Table No.1.1 - Programme of Public Hearings on ARRS/Tariff filings

Sl. No.	Name of Licensee	Venue/place of Public Hearing	Schedule date of Public Hearing	Timings
1.	APNPDCL	Zilla Praja Parishath Meeting Hall, Opp. RTC Bus Stand, Karimnagar.	23.01.2014 (Thursday)	10:30 hrs to 13:30 hrs & 14:30 hrs to 17:00 hrs
2.	APSPDCL	Srinivasa Auditorium, S.V.University, Campus, Tirupati.	25.01.2014 (Saturday)	
3.	APEPDCL	APCPSA Function Hall (Andhra Medical College Old Students Association), Zilla Parishad Junction, Maharani-peta, Visakhapatnam.	01.02.2014 (Saturday)	
4.	APCPDCL	FAPCCI Auditorium, FAPCCI Marg, Red Hills, Lakdi-ka-pul, Hyderabad.	04.02.2014 (Tuesday)	

Response to Public Notice

15. In response to the Public Notice, a large number of objections/ suggestions were received by the Commission both in writing as well as orally during public hearings. These objections were received from various organized trade bodies & associations, industries, organizations like Railways, political

representatives & leaders, individual activists with experience and expertise in power sector, NGOs, individuals, consumer organizations, farmer bodies and consumer awareness groups. The complete list of registered objectors (191 Nos) and other stakeholders who attended the Public Hearing at the four locations and submitted their objections/ suggestions/ comments on filings of DISCOMS is given in Annexure-D.

At the hearings, all persons/organizations who had not formally registered themselves for being heard in person were also provided an opportunity. These persons are shown as unregistered objector in below table.

Table No.1.2 : Number of objections/ suggestions received

Licensee	No. of registered Objectors who filed Objections* (within due date)	No. of registered Objectors who attended Hearing	No. of un-registered Objectors, who attended the Public Hearing and submitted their Objections
APCPDCL	108 (70+38)	24	4
APNPDCL	56 (18+38)	16	6
APEPDCL	43 (5+38)	10	17
APSPDCL	98 (60+38)	21	5
Total	191 (153+38)	71	32
* includes 38 Objectors, who filed objections against ARR filings of all Licensees			

The Licensees were also directed to send written replies to all the objectors by 16.01.2014, before the respective public hearing. The replies were required to be posted on the respective websites of the DISCOMS and the copies of these replies were to be made available to the Commission also.

Public Hearings

16. During the hearings, the Licensees made a brief presentation on their respective filings and then the Commission heard the objectors desiring to be heard in person. At the hearings, apart from the registered objectors, the persons/organizations who had attended the meeting without prior registration were also provided adequate opportunity and their petitions/suggestions were also considered. Prior to the closing the hearing as per the directions of the Commission, the respective Licensees responded to the issues raised by the objectors during the hearing.
17. The Commission places on record its appreciation of the considerable efforts taken by the objectors to analyse the tariff filings and give their views and suggestions. Many invested significant energy & resources in preparing the detailed responses and traveled significant distances to attend the Public

Hearing and give their views to the Commission. While all the opinions expressed and objections/ suggestions made may not have been specifically reflected in this order, the Commission has made every effort to capture the spirit and essence of the objections/ suggestions and made earnest attempts to address them. Following the treatment of transmission & SLDC Charges for the 3rd Control Period the Commission has decided to pass a separate order for the Wheeling Charges of Distribution business of the Licensees for this control period. Keeping this in mind, the objections / suggestions, which pertains to the Distribution Business have been captured here and have been dealt with in the respective Chapters in this order. This has been done in three parts. First the gist of objections/ suggestions, second the replies given by the Licensees and third the views and directions of the Commission, wherever required.

Meeting of State Advisory Committee (SAC)

18. As part of the tariff exercise, a meeting of the State Advisory Committee (SAC) was held on 16th January, 2014 to elicit views on the ARR and Tariff filings of Licensees. The suggestions made by the members of SAC have also been considered by the Commission while finalizing this Tariff Order.

CHAPTER - II

TRUEING UP OF EXPENDITURE OF CONTROL PERIODS

First Control Period

19. The DISCOMS have filed truing up expenditure and revenue for the first control period. The stakeholders/ objectors have expressed their views and made suggestions as below.

Sri R K Agarwal of M/s AP Spinning Mills Association, Sri V Anil Reddy of FAPCCI and others, while referring to the amortization of revenue gap for the first control period under other expenditure claimed by the DISCOMs, have submitted that on re-estimation of revenue gap licensee was revenue surplus during the first control period. Hence, the entire benefit of revenue surplus needs to be passed on to the consumers during FY2014-15.

Reply of the DISCOMs: Licensee has claimed the amortization of the revenue gap for the second control period in the other expenditure column. The Licensee had made an overall deficit of Rs.677 Cr in the Distribution Business for the second control period (CPDCL); The Licensee had made an overall deficit of Rs.731 Cr in the Distribution Business for the second control period (SPDCL).

Commission's Views: The Commission has examined the true up filings of first control period for the Distribution and Retail supply businesses. The Commission has conducted prudent check on the true up filings and verified with audited figures in annual accounts for the respective years and compared with approved figures in Tariff orders of respective years and the details of the same are indicated in the following paras.

The Commission determined ARR and Wheeling Tariffs for Distribution Business for the 1st Control Period FY2006-07 to FY2008-09 and ARR & Tariff for Retail Supply Business for FY2006-07 for all four Distribution Companies vide Tariff Order Date 23rd March 2006. The Distribution & Retail Supply tariffs so determined were based on the Multi-Year Tariff framework and approach as envisaged in Regulation No.4 of 2005. Section 10 of this Regulation envisages a true up of accounts at the end of a Control Period after the audited accounts of the Licensee for that period are available. Only expense deviation on accounts

of uncontrollable items and controllable items subject to force-majeure are to be passed through to the consumers. Accordingly the Commission has undertaken this true-up exercise for the 1st Control Period as a first step to determining the Wheeling Tariff. The true-up for the second Control Period i.e. from 2008-09 to 2013-14 can not be undertaken as the relevant period is not yet completed. For each Distribution Company the year wise annual revenue requirement for the Distribution and Retail Supply Business as approved by the Commission through Tariff Order of 23.3.2006 and summarised in tables 2.1, 2.2 & 2.3 below:

Table No.2.1 - Expenditure & Revenue as per Tariff Order for FY2006-07

Sl. No.	(FY 2006-07) Expenditure Items	T.O EPDCL	T.O CPDCL	T.O NPDCL	TO SPDCL
		Amount Rs in Crores			
1	O&M Expenses (Gross)	215.98	398.77	215.82	312.00
2	Depreciation	93.51	130.90	82.38	106.52
3	Return on Capital Employed	58.45	132.541	77.51	68.62
	a) Interest on Loan/Debt	38.49	87.29	51.04	45.19
	b) Return on Equity	19.96	45.26	26.47	23.43
4	Safety Measures	5.00	5.00	5.00	5.00
5	Other Expns/ Extra-ordinary items.	1.93	4.47	3.45	-
6	Other Expenditure if any	-	-	-	-
7	Expns. Capitalized	-25.52	-27.50	-19.11	-37.36
8	Total Distributions cost (A)	349.35	644.18	365.05	454.78
9	Power Purchase Cost	1588.97	4143.36	1488.68	2172.83
10	Transmission Cost	100.31	250.09	97.57	135.32
11	SLDC cost	4.38	10.91	4.26	5.91
12	PGCIL/ULDC cost	32.56	84.78	32.99	44.65
13	Int. on CSD	25.22	37.77	11.62	19.95
14	Supply Margin	2.85	6.47	3.78	3.35
15	Retail Supply cost (B)	1754.29	4533.38	1638.90	2382.01
16	Gross ARR (A + B)	2103.64	5177.56	2003.95	2836.79
17	Less: Non-Tariff Income	131.88	404.37	169.07	215.26
18	Net ARR	1971.76	4773.19	1834.88	2621.53
19	Category Revenue	1965.04	4619.07	1133.21	2124.19
20	Wheeling Revenue	0.10	6.27	-	1.81
21	Govt. Subsidy	6.62	147.85	701.67	495.53
22	Total Income	1971.76	4773.19	1834.88	2621.53
23	Net Surplus/(Deficit)	-	(0.00)	-	-

Table No.2.2 - Expenditure & Revenue as per Tariff Order for FY2007-08

Sl. No.	(FY 2007-08) Expenditure Items	T.O EPDCL	T.O CPDCL	T.O NPDCL	TO SPDCL
		Amount Rs in Crores			
1	O&M Expenses (Gross)	214.68	419.61	220.15	320.50
2	Depreciation	105.68	152.47	90.27	115.41
3	Return on Capital Employed	61.3516	146.21	87.01	68.35
	a) Interest on Loan/Debt	40.41	96.29	57.30	45.01
	b) Return on Equity	20.95	49.93	29.71	23.34
4	Safety Measures	5.00	5.00	5.00	5.00
5	Other Expns/ Extra-ordinary items.		-	-	-
6	Other Expenditure if any	1.80	-	-	-
7	Expns. Capitalized	-25.42	-29.77	-19.22	-37.75
8	Total Distributions cost (A)	363.10	693.52	383.21	471.51
9	Power Purchase Cost	1647.94	4353.21	1496.87	2334.63
10	Transmission Cost	107.03	267.30	103.99	144.33
11	SLDC cost	4.47	11.16	4.34	6.03
12	PGCIL/ULDC cost	38.45	100.10	38.95	52.72
13	Int. on CSD	28.13	45.35	13.32	23.29
14	Supply Margin	3.00	7.14	4.24	3.33
15	FSA & adjustments claw backs	-84.66	-289.65	-83.61	-125.22
16	Retail Supply cost (B)	1744.36	4494.61	1578.10	2439.11
17	Gross ARR (A + B)	2107.46	5188.13	1961.31	2910.62
18	Less: Non-Tariff Income	177.37	434.40	167.66	202.59
19	Net ARR	1930.09	4753.73	1793.65	2708.03
20	Category Revenue	2040.69	5035.34	1167.58	2284.61
21	Wheeling Revenue	0.10	6.35	-	1.77
22	Govt. Subsidy		-	626.07	421.65
23	Total Income	2040.79	5041.69	1793.65	2708.03
24	Net Surplus/(Deficit)	110.70	287.96	-	-

Table No.2.3: Expenditure & Revenue as per Tariff Order for FY2008-09

Sl. No.	(FY 2008-09) Expenditure Items	T.O EPDCL	T.O CPDCL	T.O NPDCL	TO SPDCL
Amount Rs in Crores					
1	O&M Expenses (Gross)	223.97	437.64	229.98	334.7
2	Depreciation	118.95	171.85	98.10	124.59
3	Return on Capital Employed	63.79	159.88	93.66	67.01
	a) Interest on Loan/Debt	42.01	105.29	61.68	44.13
	b) Return on Equity	21.78	54.59	31.98	22.88
4	Safety Measures	5.00	5.00	5.00	5.00
5	Other Expns/ Extra-ordinary items.	-	-	-	-
6	Other Expenditure if any	0.67	-	-	-
7	Expns. Capitalized	-26.08	-30.74	-19.20	-38.47
8	Total Distributions cost (A)	386.30	743.63	407.54	492.83
9	Power Purchase Cost	1787.26	5337.44	1627.30	2569.66
10	Transmission Cost	124.24	310.00	120.85	167.25
11	SLDC cost	4.00	11.00	4.00	6.00
12	PGCIL/ULDC cost	52.00	135.00	51.58	70.82
13	Int. on CSD	28.25	44.66	12.00	22.59
14	Supply Margin	3.45	8.00	4.55	3.27
15	Carry in Cost of CLF	2.15	1.00	0.65	0.95
16	Retail Supply cost (B)	2001.35	5847.10	1820.93	2840.54
17	Gross ARR (A + B)	2387.65	6590.73	2228.47	3333.37
18	Less: Non-Tariff Income	49.55	87.00	34.00	87.00
19	Net ARR	2338.10	6503.73	2194.47	3246.37
20	Category Revenue	2498.00	6464.36	1445.34	2844.39
21	Wheeling Revenue	0.10	6.32	-	1.73
22	Govt. Subsidy	-	33.05	749.13	400.25
23	Total Income	2498.1	6503.73	2194.47	3246.37
24	Net Surplus/(Deficit)	160.00	-	-	-

Only the taxes on income has been classified as an uncontrollable item of ARR expenditure and no other item need ordinarily be taken for consideration as pass through. However the Commission has after careful consideration allows employee cost of O&M expenditure for true-up since the hike was actuated by external factors and the licensees did not make any projections for this inevitably while submitting their ARR filings.

The charges awarded by the Tariff Order were compared with the corresponding figures in the audited annual accounts for making a true-up of the excess cost incurred or rebate to be refunded. The details of actual cost

incurred for each year of the 1st Control period for each DISCOM is as below in Table 2.4 to 2.6.

Table No.2.4 - Expenditure & Revenue as per Actuals for FY2006-07

Sl. No.	(FY 2006-07) Expenditure Items	Actuals EPDCL	Actuals CPDCL	Actuals NPDCL	Actuals SPDCL
1	O&M Expenses (Gross)	235.07	482.15	261.36	356.47
2	Depreciation	135.14	198.76	109.6	183.42
3	Amortisation of CFA	-41.41	-63.99	-19.97	-142.88
4	Return on Capital Employed	54.98	88.91	72.37	121.71
	a) Interest on Loan/Debt	54.98	88.91	72.37	121.71
	b) Return on Equity	-	-	-	-
5	Safety Measures				
6	Bad Debts wrt-off/ Extra-ordinary items.	1.88	23.60	-48.64	63.15
7	Other Expn if any	0.01	-	76.47	1.42
8	Income Tax & FBT	2.35	1.95	1.38	0.77
9	Expns. Capitalized	-20.91	-25.68	-18.19	-103.20
10	Interest Capitlised	-4.78	-25.08	-22.30	-34.08
11	Total Distributions cost (A)	362.33	680.62	412.08	446.78
12	Power Purchase Cost	1798.23	4674.56	1731.78	2398.61
13	Transmission Cost	104.57			
14	SLDC & PGCIL/ULDC Costs	36.935	261.41	102.07	141.73
15	HT Incentive	31.27	119.29	-	39.80
16	Int. on CSD	22.03	40.03	11.53	21.64
17	Supply Margin	2.85	6.47	3.78	3.35
18	Retail Supply cost (B)	1995.89	5101.76	1849.16	2605.13
19	Gross ARR (A+B)	2358.22	5782.38	2261.24	3051.91
20	<i>Less: Non-Tariff Income</i>	<i>36.60</i>	<i>198.01</i>	<i>191.96</i>	<i>69.79</i>
21	Net ARR	2321.62	5584.37	2069.28	2982.12
22	Category Revenue excl. ED	1977.70	4745.15	1175.78	2208.79
23	Wheeling & Other Revenue	165.84	66.57	1.89	127.09
24	Misc. charges from consumers	92.86	125.71	74.50	84.13
25	Govt. Subsidy	8.27	498.65	838.88	611.93
26	Total Income	2244.67	5436.08	2091.05	3031.94
27	Net Surplus/(Deficit)	(76.94)	(148.29)	21.77	49.82

Table No.2.5 - Expenditure & Revenue as per Actuals for FY2007-08

Sl. No.	(FY 2007-08) Expenditure Items	Actuals EPDCL	Actuals CPDCL	Actuals NPDCL	Actuals SPDCL
1	O&M Expenses (Gross)	285.92	593.63	251.39	400.62
2	Depreciation	111.82	233.70	120.48	178.53
3	Amortisation of CFA	-45.89	-87.31	-18.02	-38.52
4	Return on Capital Employed	60.52	99.88	80.57	141.08
	a) Interest on Loan/Debt	60.52	99.88	80.57	141.08
	b) Return on Equity	0.00	0.00	0	0
5	Safety Measures	-	-	-	-
6	Other Exprs/ Extra-ordinary items.	-56.94	527.99	89.82	73.77
7	Other Expenditure if any	1.15	-	-	0.14
8	Income Tax & FBT	5.53	2.55	1.46	0.78
9	Exprs. Capitalized	-22.48	-41.52	-23.38	-47.66
10	Interest Capitlised	-6.09	-21.96	-13.71	-36.36
11	Total Distributions cost (A)	333.54	1306.95	488.61	672.38
12	Power Purchase Cost	2141.33	5520.58	2054.62	2827.86
13	Transmission Cost	107.33	277.01	107.74	149.74
14	SLDC, PGCIL & ULDC costs cost	3.81			
15	HI Incentive	40.18	157.93	-	49.06
16	Int. on CSD	23.91	43.83	12.52	24.24
17	Supply Margin	3.00	7.14	4.24	3.33
18	Retail Supply cost (B)	2319.56	6006.49	2179.12	3054.23
19	Gross ARR (A+B)	2653.10	7313.44	2667.73	3726.61
20	<i>Less: Non-Tariff Income</i>	76.40	338.07	124.07	98.14
21	Net ARR	2576.70	6975.37	2543.66	3628.47
22	Category Revenue excl. ED	2178.26	5642.21	1405.74	2555.48
23	Wheeling & other Revenue	338.30	96.01	0.00	361.15
24	Misc. charges from consumers	92.46	133.41	79.27	83.24
25	Govt. Subsidy		1108.00	1078.95	679.44
26	Total Income	2609.02	6979.63	2563.96	3679.31
27	Net Surplus/(Deficit)	32.32	4.26	20.31	50.84

Table No. 2.6 - Expenditure & Revenue as per Actuals for FY2008-09

Sl. No.	(FY 2008-09) Expenditure Items	Actuals EPDCL	Actuals CPDCL	Actuals NPDCL	Actuals SPDCL
1	O&M Expenses (Gross)	295.57	585.13	303.99	459.05
2	Depreciation	157.63	260.60	135.95	224.32
3	Amortisation of CFA	-47.15	-107.28	-21.41	-54.93
4	Return on Capital Employed	107.08	248.17	131.07	229.01
	a) Interest on Loan/Debt	107.08	248.17	131.07	229.01
	b) Return on Equity	-	-	-	-
5	Safety Measures	-	-	22.33	-
6	Other Expns/ Extra-ordinary items.	8.76	248.81	(1.54)	93.32
7	Other Expenditure if any	0.89		-	0.10
8	Income Tax & FBT	3.15	27.15	1.67	2.49
9	Expns. Capitalized	-22.60	-39.15	-22.34	-50.92
10	Interest Capitalised	-9.37	-29.87	-22.08	-14.47
11	Total Distributions cost (A)	493.96	1193.56	527.64	887.97
12	Power Purchase Cost	2833.84	8366.25	3039.18	3999.92
13	Transmission Cost	115.26	289.97	113.95	156.23
14	SLDC & PGCIL/ULDC cost	4.00	10.07	3.96	5.42
15	HT Incentive	39.05	149.65	0.00	46.22
16	Int. on CSD	26.36	55.67	13.88	27.51
17	Supply Margin	3.45	8.00	4.55	3.27
18	Retail Supply cost (B)	3021.96	8879.61	3175.52	4238.57
19	Gross ARR (A+B)	3515.92	10073.17	3703.16	5126.54
20	<i>Less: Non-Tariff Income</i>	79.71	289.45	94.67	66.95
21	Net ARR	3436.21	9783.72	3608.49	5059.59
22	Category Revenue excl. ED	2393.41	6250.26	1506.79	2902.14
23	Wheeling & other Revenue	270.92	73.64	-	268.74
24	Misc. charges from consumers	110.47	151.95	85.75	0.00
25	Govt. Subsidy	671.54	3371.74	2040	1896.28
26	Total Income	3446.34	9847.59	3632.54	5067.16
27	Net Surplus/(Deficit)	10.13	63.87	24.05	7.57

While determining the cost variances based on the Regulation, the Commission ensured a prudent check on all the element wise costs incurred with reference to its corresponding year in MYT Order & in Retail Supply Order. The Commission also scrutinized the amount of revenue realized over the approved ARR costs in the above Orders. In this process of prudential examination, it was seen that there were various other costs adjusted in the annual accounts on account of bad & Doubtful debts, prior period costs and other positive and negative cost adjustments pertaining to earlier periods which were not contemplated in the Tariff Order issued for the 1st control period. After reviewing with the respective DISCOMS the eligibility or otherwise of these items of expenditure, the Commission took a final view on the eligibility for pass through based on the requirements of the Regulation.

The year wise, element wise variance in amount considered for truing-up of the cost elements in respect of four DISCOMS based on Regulation No. 4 of 2005 are indicated in Table Nos.2.7, 2.8 & 2.9 below:

Table No.2.7-Expenditure & Revenue limiting as per Regulation for FY2006-07

Sl. No.	(FY 2006-07) Expenditure Items	Regultn EPDCL	Regultn CPDCL	Regultn NPDCL	Regultn SPDCL
1	O&M Expenses (Gross)	235.07	482.15	261.36	356.47
2	Depreciation	134.92	194.89	102.35	183.42
3	Amortisation of CFA	-41.41	-63.99	-19.97	-142.88
4	Return on Capital Employed	60.24	134.17	98.84	102.7
	a) Interest on Loan/Debt	43.27	88.91	72.37	79.27
	b) Return on Equity	16.97	45.26	26.47	23.43
5	Safety Measures	-	-	-	-
6	Bad Debts wrt-off/ Extra-ordinary items.	-	4.47	0	-
7	Other Expn if any	0.01	-	3.45	-
8	Income Tax & FBT	2.35	1.95	1.38	0.77
9	Expns. Capitalized	-20.91	-25.68	-18.19	-103.20
10	Interest Capitlised	-4.78	-25.08	-22.30	-34.08
11	Total Distributions cost (A)	365.49	702.88	406.92	363.19
12	Power Purchase Cost	1798.23	4674.56	1731.78	2398.61
13	Transmission Cost	104.57	261.41	102.07	141.73
14	SLDC & PGCIL/ULDC Costs	36.95			
15	HT Incentive	31.2745	119.29	-	39.80
16	Int. on CSD	22.03	40.03	11.53	21.64
17	Supply Margin	2.42	6.47	3.78	3.35
18	Retail Supply cost (B)	1995.47	5101.76	1849.16	2605.13
19	Gross ARR (A+B)	2360.96	5804.64	2256.08	2968.32
20	<i>Less: Non-Tariff Income</i>	36.60	198.01	191.96	69.79
21	Net ARR	2324.36	5606.63	2064.12	2898.53
22	Category Revenue excl. ED	1977.70	4745.15	1175.78	2208.79
23	Wheeling & Other Revenue	165.84	66.57	1.89	127.09
24	Misc. charges from consumers	92.86	125.71	74.50	84.13
25	Govt. Subsidy	8.27	498.65	838.88	611.93
26	Total Income	2244.67	5436.08	2091.05	3031.94
27	Net Surplus/(Deficit)	(79.69)	(170.55)	26.93	133.41

Table No.2.8-Expenditure & Revenue limiting as per Regulation for FY2007-08

Sl. No.	(FY 2007-08) Expenditure Items	Regultn EPDCL	Regultn CPDCL	Regultn NPDCL	Regultn SPDCL
1	O&M Expenses (Gross)	285.92	593.63	251.39	400.62
2	Depreciation	111.82	233.70	108.29	153.93
3	Amortisation of CFA	-45.89	-87.31	-18.02	-38.52
4	Return on Capital Employed	63.465	149.81	100.72	104.71
	a) Interest on Loan/Debt	46.50	99.88	71.01	81.37
	b) Return on Equity	16.97	49.93	29.71	23.34
5	Safety Measures	-	-	-	-
6	Other Expns/ Extra-ordinary items.	0	89.45	0	-
7	Other Expenditure if any	1.15	-	-	-
8	Income Tax & FBT	5.55	2.55	1.46	0.78
9	Expns. Capitalized	-22.48	-41.52	-23.38	-47.66
10	Interest Capitlised	-6.09	-21.96	-13.71	-36.36
11	Total Distributions cost (A)	393.45	918.34	406.75	537.51
12	Power Purchase Cost	2141.33	5520.58	2054.62	2827.86
13	Transmission Cost	107.33	277.01	107.74	149.74
14	SLDC, PGCIL & ULDC costs cost	3.81			
15	HT Incentive	40.18	157.93	-	49.06
16	Int. on CSD	23.91	43.83	12.52	24.24
17	Supply Margin	2.42	7.14	4.24	3.33
18	Retail Supply cost (B)	2318.98	6006.49	2179.12	3054.23
19	Gross ARR (A+B)	2712.43	6924.83	2585.87	3591.74
20	<i>Less: Non-Tariff Income</i>	76.40	338.07	124.07	98.14
21	Net ARR	2636.03	6586.76	2461.80	3493.60
22	Category Revenue excl. ED	2178.26	5642.21	1405.74	2555.48
23	Wheeling & other Revenue	338.30	96.01	0.00	361.15
24	Misc. charges from consumers	92.46	133.41	79.27	83.24
25	Govt. Subsidy		1108.00	1078.95	679.44
26	Total Income	2609.02	6979.63	2563.96	3679.31
27	Net Surplus/(Deficit)	-27.00	392.87	102.17	185.71

Table No.2.9-Expenditure & Revenue limiting as per Regulation for FY2008-09

Sl. No.	(FY 2008-09) Expenditure Items	Regultn EPDCL	Regultn CPDCL	Regultn NPDCL	Regultn SPDCL
1	O&M Expenses (Gross)	295.57	585.13	303.99	459.05
2	Depreciation	157.63	260.60	119.51	179.52
3	Amortisation of CFA	-47.15	-107.28	-21.41	-54.93
4	Return on Capital Employed	68.34	188.05	115.739	81.48
	a) Interest on Loan/Debt	51.38	133.46	83.75	58.6
	b) Return on Equity	16.97	54.59	31.98	22.88
5	Safety Measures	-	-	15.00	-
6	Other Expns/ Extra-ordinary items.	-	60.77	-	-
7	Other Expenditure if any	0.89	-	-	-
8	Income Tax & FBT	3.15	27.15	1.67	2.49
9	Expns. Capitalized	-22.60	-39.15	-22.34	-50.92
10	Interest Capitilised	-9.37	-29.87	-22.08	-14.47
11	Total Distributions cost (A)	446.46	945.40	490.08	602.22
12	Power Purchase Cost	2833.84	8366.25	3039.18	3999.92
13	Transmission Cost	115.26	289.97	113.95	156.23
14	SLDC & PGCIL/ULDC cost	4.00	10.07	3.96	5.42
15	HT Incentive	39.05	149.65	0.00	46.22
16	Int. on CSD	26.36	55.67	13.88	27.51
17	Supply Margin	2.42	8.00	4.55	3.27
18	Retail Supply cost (B)	3020.93	8879.61	3175.52	4238.58
19	Gross ARR (A+B)	3467.39	9825.01	3665.60	4840.80
20	<i>Less: Non-Tariff Income</i>	79.71	289.45	94.67	66.95
21	Net ARR	3387.68	9535.56	3570.93	4773.85
22	Category Revenue excl. ED	2393.41	6250.26	1506.79	2902.14
23	Wheeling & other Revenue	270.92	73.64	-	268.74
24	Misc. charges from consumers	110.47	151.95	85.75	0.00
25	Govt. Subsidy	671.54	3371.74	2040	1896.28
26	Total Income	3446.34	9847.59	3632.54	5067.16
27	Net Surplus/(Deficit)	58.66	312.04	61.61	293.31

In Tables 2.7, 2.8 & 2.9 the last row indicates the amounts which have accrued to the DISCOMs over and above their entitlement, as per their audited balance sheets of the respective years. Therefore this excess amounts which were accrued to DISCOMS are proposed to be clawed back to benefit the consumers in the 3rd MYT Tariff Order. The DISCOM wise break-up of amount to be clawed back for the 1st Control period is as under.

EPDCL	CPDCL	NPDCL	SPDCL	Combined
(-)Rs.48.03 Cr	(+) Rs.534.35 Cr	(+) Rs.190.71 Cr	(+)Rs.612.43 Cr	(+)Rs1,289.46 Cr

The GoAP has provided the external subsidy amount Rs.9220.52 Cr. to meet the cost of additional power purchase made during the control period as indicated in the actuals. In this amount Rs.358.96 Cr. pertains to interest amount paid on the loan amount taken for procuring the additional power purchase. The net subsidy provided by GoAP is Rs. 8861.56 Cr is considered in the true up to claw back an amount of Rs 930.51 Cr in FY 2014-15.

The year wise DISCOM wise additional subsidy provided, interest portion therein and net subsidy are indicated below table 2.10

Table No.2.10 - Details of additional subsidy provided interest portion(Rs.Cr.)

Year	2006-07			2007-08			2008-09			First Control period
	Total Subsidy	Interest Portion	Net Subsidy	Total Subsidy	Interest Portion	Net Subsidy	Total Subsidy	Interest Portion	Net Subsidy	Total interest
CPDCL	350.80	0	350.80	1108.00	68.74	1039.26	3338.98	104.68	3234.31	173.42
EPDCL	0	0	0	0	0	0	671.54	35.91	635.64	35.91
NPDCL	137.20	0	137.20	452.91	26.75	426.16	1290.84	36.07	1254.78	62.82
SPDCL	116.40	0	116.40	257.76	36.20	221.56	1496.08	50.61	1445.47	86.81
Total	604.40	0	604.40	1818.67	131.69	1686.98	6797.45	227.26	6570.19	358.96

After taking the net subsidy amount into consideration, the DISCOM wise net amount for 1st Control Period to be adjusted in FY 2014-15, is as follows.

EPDCL	CPDCL	NPDCL	SPDCL	Combined
(-)Rs.83.94 Cr	(+)Rs.360.94 Cr	(+)Rs.127.89Cr	(+)Rs.525.62 Cr	(+)Rs.930.51 Cr

As per the table indicated above, EPDCL had incurred a loss Rs.83.94 Cr., while the other DISCOMs had made more profit in the form of Return on Equity (RoE) than that was allowed in the Tariff Orders for the 1st Control period. In the process, while allowing the ROE as per their entitlement, the remaining is to be recovered in the year 2014-15 of the 3rd Control period ARR.

Second Control Period

20. The DISCOMS have filed for claim of true up expenditure of second control period in their filings filed for Distribution business for third control period. The stakeholders/ Objectors have expressed their objections and suggestions, are indicated below, on allowing the true up expenditure for Second Control Period.

Issue: True Up Claims

21. Sri R K Agarwal of M/s AP Spinning Mills Association, Sri V Anil Reddy of FAPCCI and others have requested the Commission to address the following issue in the order: In its Regulation 4 of 2005, APERC has clearly defined controllable and uncontrollable expenses and has clearly set guidelines on how these expenses can be true-up. As per the clause 10.4 only taxes on income are uncontrollable and variations in this item qualify for a pass through. Also,

according to clause 10.6 of the Regulation, the Petitioner is required to provide a statement of gain and loss for each controllable item after adjusting for any variations on account of un-controllable factors. However, the Petitioner has failed to carry out a detailed analysis of sharing mechanism for controllable expenses and has not provided a clear demarcation of the over/underachievement of the controllable expenses after taking into account un-controllable factors. The Petitioner has considered all the expenses as a pass through in ARR and thereby providing no scope for efficiency improvement and accordingly has prayed the Commission for true-up of Rs.677Cr, including carrying cost for the period FY2009-10 to FY2013-14. It is pertinent to mention that the regulator has designed the Multi Year Tariff framework with the objective of providing regulatory certainty to all the stakeholders in the industry but the petitioner has clearly ignored these objectives in its filing. Clause 10.3 of Regulation 4 of 2005 clearly specifies the need for targets on controllable expenses.

Objectors also pointed out that the accounts for FY2012-13 are not yet audited and hence the licensees in the process of true-up have relied up on provisional accounts for FY2012-13. For FY2013-14, the licensee has projected the expenses for the true-up exercise.

Reply of the DISCOMs: APERC Regulation 4 of 2005 states that any variation in the controllable items of ARR would be considered at the end of the Control Period. Accordingly, DISCOM has furnished the information related to deviation in the controllable items in the ARR for the second control period along with detailed reasons; The DISCOM has claimed true-up for expenses incurred in the 2nd MYT period as per audited accounts for FY2009-10 to FY2012-13 and provisional figures for FY2013-14 as per the APERC Regulation 4 of 2005. DISCOMs are putting all efforts to reach the targets set by the Commission to the extent it is controllable. The increase in DA, wage revision, terminal benefit provisions, hike in Bank interest rates (which directly impinge on carrying cost), which are beyond the control of licensee and which are borne by the licensee is legitimately passed on to the consumers as provided in Clauses 10(5),10(6),10(7)&10(8) of the Tariff Regulations. Further, DISCOMs losses have been reduced from the beginning of the first control period the end of second

control period. It is also pertinent to note that the Distribution cost as percentage of cost of service is also reduced from first control period to the end of second control period. The statements of accounts have been audited for 2012-13 and provisional accounts are available for 2013-14. As and when audited statements of accounts are available for 2013-14 they will be filed with APERC and any true up will be taken up in accordance with the same. Variation on account of controllable factors will be dealt with at the end of the control period and variation on account of uncontrollable items will be dealt on an annual basis.

Commission's Views: The Commission is not considering the True up of second control period since as per clauses 10.4 - 10.7 of Regulation No. 4 of 2005 of APERC, any variations in the controllable and uncontrollable items have to be considered for the control period as a whole. Further, the FY2013-14 of second control period is in operation. The suggestions raised by objectors will be examined at the time of taking up of true up.

However, the Licensees are directed to furnish the details as per clauses 10.4 to 10.7 of regulation 4 of 2005 giving the reasons for variation in each of the controllable items due to un controllable factors and controllable factors if any to share the loss/gains of entire second control period for taking up of true up after completion of second control period.

22. Sri T Harish Rao MLA, Dr K Narayana of CPI Party, Dr M Thimma Reddy, Sri G Diwakar of All India Kisan Mazdoor Sangh, Smt Padma of AP Ryothu Sangham, Sri Janak Prasad of YSRC Party, Sri K Raghu of TEEJAC and others have submitted the following: The DISCOMs' filings show that Rs.2,163.22 Cr is included under the ARR for the year 2014-15 under Other Costs. No clear explanation is given for this claim. This may be the amount towards truing up. Narrative submission of the DISCOMs show that Rs.885 Cr is being claimed for truing up for their distribution business and Rs.2,206 Cr is being claimed for truing up for their retail supply business. And this is said to be towards FSA for the previous year and no details were provided to support their claims. In the case of truing up towards the O&M costs, as it exceeded the amount approved by the Commission, it needs to be absorbed by the Licensees or has to be met by subsidy from the government, but, cannot be transferred to the consumers.

DISCOMs' filings (Form - 9) show that by the end of the Second Control Period, the outstanding deficit of all the four DISCOMs in the state is Rs.44,864 Cr. After taking in to account the subsidy provided by the state government and FSA approved by the Commission, the outstanding / uncovered deficit stands at Rs.10,498 Cr. Out of this, DISCOMs claimed Rs.3,091 Cr towards truing up of distribution and retail supply business for the second control period. According to Section 10.7 of Regulation 4 of 2005 related to determination of retail supply tariff under the multiyear tariff (MYT) regime "for the purpose of sharing gains and losses with the consumer only aggregate gains or losses for the control period as whole will be considered". Commission should not push everything under the carpet.

Sri M Badrinath of Secunderabad and others have submitted the following: While the total true up claimed by all DISCOMS is Rs. 3166 Cr, claim for O&M expenses alone is Rs.3773 Cr. All DISCOMS claimed this as a result of increase in Employee cost due to pay revision in 2010-11 & inflation. As the regulation defines 'employee costs' as 'controllable expenditure', what control does the Commission has over the 'employee cost?; DISCOMS claimed an amount of Rs.3773 Cr excess expenditure than allowed by APERC in O&M, in which pay alone has major share and whether the DISCOMS obtained any approval for such expenditure from APERC/ Govt. of AP.

Reply of the DISCOMs: APCPDCL has claimed Rs.677 Cr towards Truing up of Distribution business for the Second MYT control period including carrying cost of Rs.64 Cr. A detailed explanation was made in the distribution business filings of APCPDCL from Page no.1 to 23. APCPDCL has claimed Rs.825.82Cr, to recover the Revenue deficit of 2013-14 along with carrying cost of Rs.99.1Cr, which includes variation in Power Purchase Cost, reduction of revenue from sale of power from Rs.16553Cr as approved in Tariff Order to Rs.14606.02Cr as estimated. O&M Cost includes Employee Expenses, A&G Expenses and Repairs & Maintenance Cost. The increase in employee expenses because of pay revision taken place w.e.f 01.04.2010 which was not considered by the Hon. Commission during the process of MYT order for 2nd control period. Hence these costs are to be considered. True ups for sharing the gains and losses, pertaining to the first control period (2006-07 to 2008-09) was submitted to the Hon'ble

Commission. The Hon. Commission, after having heard, directed to submit additional information and the same were also submitted to the Commission. Commission is in the process of finalizing the true up of the 1st control period. Further, APCPDCL has filed truing up of Distribution Business of 2nd Control Period alone.

Commission's Views: The Commission is not considering the True up of Distribution Business of the Licensees for the Second Control Period since as per clauses 10.4 - 10.7 of Regulation No.4 of 2005 of APERC, any variations in the controllable and uncontrollable items have to be considered for the Control Period as a whole. Further, the FY 2013-14 of Second Control Period is in operation. However, as pointed out by the Objectors on exceeding O &M cost in second control period, this will be examined at the time of taking up of true up within the provisions of the Regulation 4 of 2005. For 3rd Control Period the commission is fixing the norms for O&M expenses and the Licensees' O&M expenditure shall be within the Norms. The true up on FSA will be dealt in Retail Supply Business.

23. Sri MR Prasad of AP Ferro Alloy Producers' Association and others pointed out that since auditing of the accounts for FY2012-13 is still not completed & auditing for FY2013-14 is still underway, it is not appropriate to undertake the truing up for FY2012-13 and 2013-14 as prudence check would not be possible by the Hon'ble Commission.

Reply of the DISCOMs: Regulation 4 of 2005 states that Distribution licensee shall share the information related to gains or losses due to the variation in Controllable Items of ARR and the Commission will review the gains and losses for each item of ARR to make appropriate adjustments wherever required. Licensee has furnished the actual information for the period FY2009-10 to FY2012-13 based on audited accounts only and revised estimates for FY2013-14 for the review by the Commission. Information for FY2013-14 would be furnished based on audited results as and when available. Any variation resulting in gains or losses can then be shared as determined by the Hon'ble Commission.

Commission's Views: The Commission is not considering the True up of Distribution Business of the Licensees for the Second Control Period since as per

clauses 10.4 - 10.7 of Regulation No. 4 of 2005 of APERC, any variations in the controllable and uncontrollable items have to be considered for the Control Period as a whole. Further, FY2013-14 of second control period is not over.

24. Sri BV Raghavulu of CPI (M) Party, Sri M Venugopala Rao of Center for Power Studies and others have submitted the following: Despite permitting annual tariff hikes for the last four years and FSA claims till the end of March 2013, the DISCOMs are claiming true up to the tune of Rs.5688.78 Cr @ Rs.885 Cr per annum for the second control period of five years. Since FSA was repealed from 2013-14 onwards by the Commission, the DISCOMs' claim seeking true up for the revised hefty revenue gap of Rs.2514.70 Cr for 2013-14, is contrary to their earlier claim that they "expect minimal or no FSA for FY2013-14 with the proposed ARR". Experience of the 1st and 2nd Control Periods has confirmed repeatedly that MYT has not benefited either the DISCOMs or its consumers. The MYT has resulted in accumulating huge sums proposed to be recovered by the DISCOMs, thereby causing financial difficulties to both the DISCOMs & the consumers at the end of the control period. In view of the same, Commission is requested to dispense with the MYT system and direct the DISCOMs and AP Transco to file their proposals annually. While examining and allowing claims of the DISCOMs for true up, the Commission has to differentiate between factors that are permanent in nature, for example, pay revision, and factors which are temporary in nature. If additional expenditure or revenue is caused by non-controllable and justifiable factors but are temporary in nature that should not be allowed as true up in the form of hiking tariffs. Consumers would be saddled unjustifiably with the burden of making payments in advance for future requirements. Therefore, such claims should be permitted separately as a one-time payment, without considering them for hike in tariffs.

Reply of the DISCOMs: APERC Regulation 4 of 2005 allows the Distribution Licensee to specify the true up amount arising due to various reasons. The Distribution Licensee has submitted the required information to the Hon'ble Commission and it is now under the purview of the Hon'ble Commission. Since the FSA Regulation 1 of 2003 is repealed by APERC in Regulation no. 2 of 2013, the Licensee has submitted the proposals of True up of Retail Supply Business of

FY2013-14 provisionally in the ARR filings of 2014-15 to adjust the gap in the ARR of FY2014-15.

Commission's Views: The variation of actual expenditure over the approved expenditure in Tariff order towards power purchase cost has to be passed on to the end users after prudent check under section 62(4) of the Electricity Act, 2003 though the Regulation 1 of 2003 is repealed by the Commission, the Regulation 4 of 2005 permits the provisions for True up for uncontrollable items i.e. power purchase cost and Taxes. As per the clause 10.5 of Regulation 4 of 2005, the Distribution licensee, shall be eligible to claim variations in uncontrollable items in the ARR for the year succeeding the relevant year of the control period. The clause 5.3 (h) of National Tariff policy specifies for introducing the Multi Year Tariff (MYT). Accordingly, as per section 61 & 62 of EA'2003 Commission issued the Regulation 4 of 2005 duly specifying the terms and conditions for determination of Tariff. For Wheeling and Retail Sales of Electricity. The Commission has decided not to allow the truing up expenditure of Second Control Period on the following grounds:

(i) The last year of second control period i.e. FY2013-14 is still in operation and the audited expenditure will be available only after completion of the FY2013-14.

(ii) As per the clauses 10.6 and 10.7 of Regulation 4 of 2005 of APERC, sharing of gains of losses with consumers in controllable items of ARR have to be considered for the control period as whole. The clauses are indicated below:

Clause no.10.6 "Sharing of gains and losses on variations in "controllable" items of ARR:- The Distribution Licensee in its annual filings during the Control Period shall present gains and losses for each controllable item of the Aggregate Revenue Requirement. A statement of gain and loss against each controllable will be presented after adjusting for any variations on account of uncontrollable factors."

Clause no.10.7 "For the purpose of sharing gains and losses with the consumers, only aggregate gains or losses for the control period as whole will be considered. The commission will review the gains and losses for each item of the ARR and make appropriate adjustments wherever required".

CHAPTER-III INVESTMENTS

25. The four distribution Licensees, CPDCL, EPDCL, NPDCL and SPDCL, have filed the investment plan in the current filings based on the Resource Plan submitted earlier to the Commission.
26. The filings made by the Licensees with the Commission are summarized separately for each Distribution Licensee as indicated below.
27. CPDCL proposed to invest a sum of Rs.9710 Cr. during the Control Period. CPDCL provided the details for each investment scheme proposed during the Control Period. The year wise details of the proposed investments by CPDCL as well as O&M expenses to be capitalized and projected interest during construction are given in Table No.3.1 below:

Table No.3.1 - CPDCL Filings: Proposed Investments, (Rs. Cr.)

Financial Year	Investment	O&M Expenses to be Capitalized	Projected Interest During Construction	Total
2014-15	1563	148	62	1773
2015-16	1754	166	56	1976
2016-17	1758	165	56	1979
2017-18	2259	214	55	2528
2018-19	2376	224	55	2656
Total	9710	917	284	10912

Figures are rounded

28. EPDCL proposed to invest a sum of Rs.3530 Cr. in the distribution business during the Control Period. EPDCL provided the details for each investment scheme proposed during the Control Period, the year wise details of the proposed investments by EPDCL. As well as O&M expenses to be capitalised and projected interest during construction, are given in Table No.3.2 below:

Table No.3.2 - EPDCL Filings: Proposed Investments,(Rs. Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	706	78	30	814
2015-16	644	71	26	741
2016-17	682	75	27	784
2017-18	698	77	27	802
2018-19	800	88	32	920
Total	3530	388	141	4059

Figures are rounded

29. NPDCL proposed to invest a sum of Rs.4903 Cr. during the Control Period. NPDCL provided the details for each investment scheme proposed during the Control Period the year wise details of the proposed investments by NPDCL. As well as O&M expenses to be capitalized and projected interest during construction are given in Table No.3.3 below:

Table No.3.3 - NPDCL Filings: Proposed Investments, (Rs. Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	821	82	65	968
2015-16	867	87	75	1028
2016-17	951	95	81	1128
2017-18	1079	108	92	1279
2018-19	1184	118	101	1404
Total	4903	490	414	5807

Figures are rounded

30. SPDCL proposed to invest a sum of Rs.5349 Cr. during the Control Period. SPDCL provided the details for each investment scheme proposed during the Control Period. The year wise details of the proposed investments by SPDCL. As well as O&M expenses to be capitalized and projected interest during construction are given in Table No.3.4.

Table No.3.4 - SPDCL Filings: Proposed Investments, (Rs. Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	914	86	59	1059
2015-16	867	80	50	997
2016-17	1006	93	46	1145
2017-18	1177	109	48	1334
2018-19	1385	128	56	1569
Total	5349	495	259	6103

Figures are rounded

OBJECTORS VIEWS ON INVESTMENT PLAN FILED

Issue: Capital expenditure & Additions to GFA

31. Sri R K Agarwal of AP Spinning Mills Association & Sri Anil Reedy of FAPCCI and others requested the Commission for a prudent review of capital expenditure and additions to GFA by the Commission.

Financial Year	Capital Expenditure (Rs. Cr)			Additions to GFA (Rs. Cr)		
	Approved	Actual	Deviations	Approved	Actual	Deviations
2009-10	800.07	705.33	-94.74	803.44	690.21	-113.23
2010-11	789.34	749.80	-39.54	795.20	659.06	-136.14
2011-12	902.47	965.13	62.66	828.73	920.00	91.27
Total	2491.88	2420.26	-71.62	2427.37	2269.27	-158.10

From the table given above, though it appears that the capital expenditure and additions to GFA have not increased significantly on consolidated basis, it is important that scheme wise capital expenditure has not increased significantly due to inefficiencies (such as delay in project execution etc.). Without the details like scheme wise break-up of capital expenditure and additions to GFA for FY2010-11 and FY2011-12, it is not possible to understand the reasons for variation in the additions to GFA. Also, it is not clear whether any expenditure for un-approved capital schemes has been incurred. Hence, Commission has to ensure that any increase in capital expenditure on account of unapproved schemes, without cost benefit and inefficiencies are not passed on to consumers

Reply of the DISCOMs: Scheme wise actual capital expenditure for FY2010-11, FY2011-12 and FY2012-13 have been submitted by the DISCOMs to the Commission. The DISCOMs will perform cost-benefit analysis in process of preparation of DPR (Detailed Project Report) and submit the same for the consent of the Commission for implementing the same.

Commission's Views: APCPDCL has filed provisional True-up for the period FY2009-10 to FY2012-13 based on provisional amounts for FY2013-14. As per this there is a gap of its Rs.677 Cr. which needs to be met as additional Revenue Requirement. Since this expenses have to be borne by Commission, Commission has determined the following. As per the clauses 10.4 to 10.7 of the Regulation no. 4 of 2005 of APERC, the gains/loss on account of variations in controllable items has to be shared for the control period as a whole. Further, the Second Control Period i.e. FY2008-09 to FY2013-14 is still in operation. Commission will therefore True-up after audited amounts for the full Control Period are available.

32. **Sri RK Agarwal of AP Spinning Mills Association & Sri Anil Reedy of FAPCCI and others** submitted the following objections on the Capital Expenditure proposals for the 3rd Control Period: Prudent verification of capital expenditure and additions to GFA is important to ensure that any inefficient or non-cost economic schemes are taken up by the DISCOMs. There is very limited information to verify the prudence of proposed capital expenditure. DISCOMs have not provided any cost benefit analysis for the proposed investments. Historically too, DISCOMs have not been able to incur the capital expenditure as approved by the Commission. Though the DISCOM, for the period FY2009-10 to FY2012-13, was able to incur only Rs.3398 Cr as the capital expenditure, for the third control period, the a higher capital investment of 10912 Cr has been filed. This is resulting in inflated RRB while projecting the ARR for the distribution business. Though capital investment and RRB will be trued-up at the end of the control period, the consumers are burdened due to front loaded tariffs resulting from this inflated base.

Sri Shivarama Krishna of M/s Rheja Corporation, Madhapur, Hyderabad and others have submitted the following: For the 3rd Control Period APCPDCL has projected to incur a capital expenditure of Rs 9710 Cr, which is very high. Additions to the Gross Fixed Assets as observed from the figures of the last control period is only Rs 5119 Cr. Expectation of huge additions to the extent of Rs 1911 Cr in current fiscal is very optimistic and unlikely keeping in view the past trends of spending by the DISCOM.

Reply of the DISCOMs: The Capital expenditure plan has already been filed by the Distribution licensee with the Hon'ble Commission on 17th August 2013 which lists down clearly the network elements which are to be added in the Distribution licensee's geographical area. The licensee assumes that such Capital Expenditure is necessary owing to the over loading of the existing network infrastructure, high technical losses etc. In spite of this, if the actual ARR is lower than that of the approved ARR, the truing up exercise will be done at the end of the Control Period and any gains on account of this will be passed on to the benefit of consumers. DISCOMS have proposed both existing on-going schemes and new schemes under capital investment plan. As most of the schemes are on-going schemes, the cost-benefit analysis has already been done

in the DPR phase i.e. before taking the approval of the scheme. In fact, details of the network elements which are proposed to be added have already been filed with APERC in the form of the Resource Plan.

Reply of the CPDCL: During the Financial Year 2014-15, CPDCL is taking up a project worth of around Rs.619 Cr under HVDS (JICA) and another project worth of around Rs.1000 Cr under R-APDRP (Part-B), in addition to the other regular works. In order to reduce the technical losses, improve the quality of supply and to create infrastructure to release the new services and additional loads to the existing services etc., it is proposed to incur the Capital Expenditure worth Rs.9710 Cr during next control period.

Commission's Views: The Commission has examined the investments proposed in resource plan submitted by all the four DISCOMS for 3rd control period. The Commission has examined the headwise proposal. The Capital Investment Expenditure for each year of the Control Period is indicated in the below table.

Table No.3.5 - DISCOMS wise Capital Investment Expenditure (Rs. Cr.)

DISCOMS	FILED	APPROVED
APCPDCL	9710	5771
APEPDCL	3530	2432
APNPDCL	4903	2866
APSPDCL	5349	3538

33. **Sri MR Prasad of AP Ferro Alloy Producers' Association and others** have submitted the following: (a) Distribution licensees have submitted that they have filed the Resource Plan before the Commission as per Regulation 4 of 2005 in the month of August 2013, with the detailed projection of capital expenditure, sales forecast, load forecast, availability projection and voltage wise losses. The Licensees have stated that they assumed deemed acceptance of the Resource Plan as the Commission has not granted any specific approval in this regard and considering much time has lapsed. Since there is nothing like deemed acceptance of the Resource Plan in terms of the Tariff Regulations, the capital investment is fit to be rejected (b) Commission may disallow the capital expenditure towards R-APDRP and RGGVY schemes to the extent of the portion funded by grants (c) Distribution licensees have projected abnormally high conversion rate of capital work in progress to gross fixed asset in the

control period ranging from 61% to 80%. However, the past available audited accounts reveal that the actual conversion rate is considerably lower than the projected levels. Higher conversion rate has entailed higher GFA and consequently higher ARR. Commission may consider a conversion rate which is relatable to the past experience in respect of each distribution licensee.

Sri S Rahiman of M/s DRA Industries Ltd, Nellore Dist, Sri K Anantheeswaran of M/s VIKI Industry Pvt Ltd, Nellore Dist, Sri KA Senthil Kumar of MJ Steel Udyog Pvt Ltd, Nellore Dist, Sri S Venugopal of M/s Pushpit Steels Pvt Ltd, Chittoor Dist, Sri K Vishvanathan of M/s Amman Try Sponge Pvt Ltd, Nellore Dist, Sri R Mahendran of M/s Teamec Chlorates Ltd, Prakasham Dist and others also submitted similar objections on this issue.

Reply of the DISCOMs: (a) In the absence of the approval of the resource plan from the Hon'ble Commission, the licensee is bound to consider the Resource Plan as approved and use the Capital Investment details of the Resource Plan while arriving at the Distribution ARR and Wheeling charges. However, approval of the Resource Plan and determination of the Wheeling charges is subject to the approval of APERC (b) Grants received against Government formulated schemes are shown in the balance sheets under Schedule-2 Reserves and Surplus and the total consumer contribution and grants as per audited accounts are excluded for computation of Return on capital Employed in the True-up petition of DISCOMs (c) Capitalization schedule has been proposed by the DISCOM considering normative time frames required to complete the various works taken up under different schemes. It is also observed that there are procedural delays happening in actual charging of assets and its closing of work order and as a result there is an under capitalization of assets during the previous years. Considering the past trend and measures to be taken up in the future, DISCOM has prepared Capitalization schedule for the next 5 years of the Control Period.

Commission's Views: a) Regarding investments for 3rd control period, the Commission has examined the investment proposals of DISCOMs and keeping in mind the existing distribution system, the prior capital investments and their pace of implementation and the future network requirement the Commission regulated the proposals and approved the modified version in January 2014.

b) Regarding grants funded by Government or any agency for execution of RGGVY, R APDRP schemes, etc. the Commission, while working out the RRB in turn RoCE, excluded the contribution of the grants to the assets.

c) In the distribution system, normally the schemes to be executed require a smaller period. As soon as the execution of works in the scheme is completed, the expenditure will be capitalized. In view of the above, Commission is of the view that the capitalization of investments will be higher.

34. **Sri BV Raghavulu of CPI (M) Party, Sri M Venugopala Rao of Center for Power Studies and others** have submitted the following: If distribution network works and schemes as permitted by the Commission for the 2nd control period have not been created by the DISCOMs, their capital expenditure permitted by the Commission and AP Transco's revenue requirement for the same period must have come down. In such a situation, the tariffs fixed by the Commission for the second control period must have been on the higher side. Exceeding of capital expenditure by the DISCOMs for their schemes needs to be regulated prudently and the Commission is requested give appropriate directives to the DISCOMs.

Reply of the DISCOMs: Licensee has submitted the variations in actual expenditure (with provisional expenditure for FY 2013-14) and approved expenditure of Distribution Business for the 2nd control period along with the ARR filings for FY 2014-15 to FY 2018-19 for Trueing up. The DISCOMs have submitted the Capital Expenditure Plan.

Commission's Views: The Commission has undertaken True-up for the first control period in this order. During this exercise, the actual expenditure incurred as per audited accounts was compared with the relevant Tariff Orders. The excess/ shortage DISCOM wise for the first Control Period is as table Below:

Table No.3.6 - Discom wise True-up Expenditure

DISCOM	EPDCL	CPDCL	NPDCL	SPDCL	Combined
Amount Clawed back	(-)Rs.83.94Cr	(+)Rs.360.94Cr	(+)Rs.127.89Cr	(+)Rs.525.62Cr	(+)Rs.930.51 Cr

The Commission will take up true-up for the second control period only after the period has been completed.

Issue: HVDS in CPDCL

35. Sri A Punna Rao of Praja Energy Audit Cell and others have pointed out that though there are about 10 lakh Agriculture Pumps in CPDCL, HVDS is made available to less than 20% of them. Objectors requested APERC to direct the CPDCL to give information district wise HVDS coverage and the future plans for the years 2014-15, 2015-16 and 2016-17.

Reply of the DISCOM: The reply to the objection is given below:

S.No	Name of the District	No. of Borewells existing	Borewells covered in HVDS upto 12/2013	Planned HVDS		
				2014-15	2015-16	2016-17
1.	Anantapur	173741	30158	10967	7311	3656
2.	Kurnool	98058	8103	7276	4850	2425
3.	Mahabubnagar	193239	40384	10589	7059	3530
4.	Medak	190315	10063	13592	9061	4531
5.	Nalgonda	246170	52876	15222	10148	5074
6.	RR(S)	105290	9829	6098	4065	2033
7.	RR(N)	6400	0	1542	1028	514
Total		1013213	151413	65286	43522	21763

Commission's Views: HVDS has proved advantages in reducing both technical and commercial losses due to the compact number of consumers served under every distribution timeframe. DISCOMS could consider extending the reach of HVDS subject to financial sustainability.

Determination of Investment Plan by the Commission:

36. Before determining the investment plan for the third control period based on the filings of the Licensees, the Commission after considering the objections/suggestions of the objectors and the suggestions of members of the State Advisory Committee analysed the Licensees filings. The analysis of investment plan is stated below:

The DISCOMS have filed huge investment plan based on certain assumptions in Basic Capital expenditure Plan are indicated below:

1. In rural area the capacity of 33/11 KV substation is considered with 5 MVA, in semi-urban/ Mandal Head quarteres/ Municipalities the capacity of substation is considered with 10 MVA and in Major cities like Hyderabad the capacity of substation is considered with 16 MVA.

2. The average size of DTR considered in CPDCL, EPDCL, NPDCL and SPDCL areas 60 KVA, 45 KVA, 45 KVA and 45 KVA respectively.
 3. The threshold loading of the 11 KV feeders in urban, semi-urban, rural areas considered is 170 amps, 120 amps and 100 amps respectively.
 4. Sub-division wise load growth rates are shown high side.
37. Similarly for Other Capital expenditure some of the items such as huge quantity of meters proposed for replacement, many additions of lines, breakers in Substation, etc are proposed.

The Commission after examining the proposals, considering the present network, availability of land for new sub stations in rural areas, necessity of investments proposed, has modified the assumptions made in arriving the Base Capex (investment).

- i) The Capacity of Sub station is considered as 10 MVA in rural area, 15 MVA in Semi-urban area and 24 MVA in Urban area(major cities)
 - ii) The average size of DTRs is considered as 38 KVA in all DISCOMS.
 - iii) The threshold loading of the 11 KV feeders in urban, semi-urban, rural areas considered is 170 amps, 130 amps, 110/100 amps respectively depending upon the area.
 - iv) The sub-division load growth is modified taking in to consideration of historical growth and in some of the sub-divisions based on present load growth.
38. Similarly, Other Capital expenditure proposed is also reduced considering the expenditure incurred on the items in previous control period and its necessity.

Apart from the above, considering the existing distribution system, previous capital investment, future network requirement and other financial aspects, investments approved as indicated below:

- (a) For CPDCL a sum of Rs.6373 Cr (including IDC and O&M charges) is approved against the filing amount of Rs.10912 Cr towards capital investment for the 3rd Control Period.
- (b) For EPDCL a sum of Rs.2719 Cr. (including IDC and O&M Charges) against the filing amount of Rs.4059 Cr is approved towards capital investment for the 3rd Control Period.

(c) For NPDCL a sum of Rs.3210 Cr (including IDC and O&M Charges) against the filing amount of Rs 5807 Cr is approved towards capital investment for the 3rd Control Period

(d) For SPDCL a sum of Rs.3968 Cr. (including IDC and O&M Charges) against the filing amount of Rs 6103 Cr is approved towards capital investment for the 3rd Control Period.

The scheme wise investment plan filed and approved is enclosed as Annexure-E. The approved investment amount is taken into determination of wheeling tariff.

The DISCOM wise approved investments for each year of the Control Period are given in Table No.3.7 to 3.11.

Table No.3.7 - CPDCL: Approved investments during the Control Period,(Rs.Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	1033	83	26	1142
2015-16	1164	93	34	1291
2016-17	1050	84	23	1157
2017-18	1182	95	24	1300
2018-19	1342	107	33	1483
Total	5771	462	140	6373

Figures are rounded

Table No.3.8 - EPDCL: Approved investments during the Control Period,(Rs.Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	418	33	13	464
2015-16	429	34	17	480
2016-17	482	39	19	540
2017-18	515	41	20	576
2018-19	590	47	23	660
Total	2432	195	92	2719

Figures are rounded

Table No.3.9 - NPDCL: Approved investments during the Control period,(Rs.Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	424	34	17	475
2015-16	531	42	21	594
2016-17	565	45	23	633
2017-18	640	51	25	716
2018-19	706	56	28	790
Total	2866	229	115	3210

Figures are rounded

Table No.3.10 - SPDCL: Approved Investments during the Control Period(Rs.Cr.)

Financial Year	Investment	O&M Expenses Capitalized	Interest During Construction	Total
2014-15	615	49	26	690
2015-16	582	47	22	651
2016-17	639	51	26	716
2017-18	789	63	33	885
2018-19	913	73	40	1026
Total	3538	283	147	3968
<i>Figures are rounded</i>				

The approved additions of No.of S/S, line length in km and No. of DTRs and total No. of consumers during the Control Period are shown in the Table No.3.10

Table No.3.11 - Discom wise year wise approved additions of no. of S/S, line length in km and no. of DTRs and total no.of consumers during the Control Period

	2014-15	2015-16	2016-17	2017-18	2018-19
CPDCL					
No.of consumers	9406279	10206263	11075886	12021335	13049327
No of Sub Station additions	53	108	56	73	82
No of DTRs additions	35932	33611	37163	48294	46013
Length of Lines additions	26805.6	25065.3	27109.9	34979	34091
EPDCL					
No.of consumers	5282882	5491761	5709029	5935029	6170117
No of Sub Station additions	37	30	23	12	21
No of DTRs additions	15280	17326	18836	19925	20719
Length of Lines additions	12177	13638	14573	15339	15979
NPDCL					
No.of consumers	5033863	5200676	5367473	5534270	5701068
No of Sub Station additions	20	32	20	26	31
No of DTRs additions	19434	20097	29563	30230	30747
Length of Lines additions	15330	15631	22296	22929	23465
SPDCL					
No.of consumers	7230786	7592324	7971940	8370538	8789066
No of Sub Station additions	35	22	25	28	33
No of DTRs additions	14774	17740	21358	24240	27023
Length of Lines additions	11561	12678	15274	17895	19709

The DISCOMS shall strictly adhere to the head wise investment schedule mentioned in the Annexure-E while incurring capital investment.

CHAPTER - IV

WHEELING LOSSES

Loss Reduction Trajectory for the Control Period

39. As per clause 6.3(d) of the Regulation 4 of 2005, in the filings, the Licensees shall include;

“ Targets proposed for reduction of distribution losses during the Control Period duly adhering to the Licensees’ Standards of performance Regulation”.

40. The four distribution Licensees, CPDCL, EPDCL, NPDCL and SPDCL proposed voltage wise losses in percent at three voltages, 33 kV, 11 kV and LT to be paid in kind by the users of the distribution system in their respective licensed areas. Any person who utilizes the distribution system to wheel the electricity is expected to pay the wheeling charge and compensate for distribution losses in kind at proposed level for each year of the Control Period.

41. The Licensees proposed the loss reduction trajectories separately for each voltage for every year of the Control Period. The loss percentage proposed is based on estimated energy handled and losses at respective voltage with respect to total input for each year of the Control Period. The Loss trajectory filed by licensees are shown in below table.

Table No. 4.1 - MYT LOSS TRAJECTORY

CPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	5.21	4.88	4.56	4.26	3.99
11KV	6.02	5.75	5.49	5.24	5.01
LT	10.17	9.58	9.03	8.50	8.01
EPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	4.03	3.86	3.70	3.54	3.40
11KV	4.41	4.33	4.24	4.15	4.07
LT	5.69	5.50	5.33	5.16	4.99
NPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	4.66	4.49	4.33	4.17	4.02
11KV	4.91	4.74	4.58	4.42	4.26
LT	7.71	7.53	7.35	7.17	7.00

SPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	4.12	4.04	3.96	3.88	3.80
11KV	4.17	4.08	4.00	3.92	3.84
LT	6.54	6.41	6.28	6.15	6.03

Objectors views on Loss Trajectory filed:

Issue: Reduction of Losses

42. Sri R K Agarwal of M/s AP Spinning Mills Association, Sri V Anil Reddy of FAPCCI, Sri MR Prasad of AP Ferro Alloy Producers' Association, Sri Shivaramakrishna of M/s Raheja Corporation and others submitted as follows: DISCOMs proposed the voltage wise losses considering actual losses for FY 2012-13. As the DISCOMs have not met the loss reduction trajectory set by the Commission, this proposal should not be considered. It can be observed that the actual losses were higher than that approved by the Commission for FY2013-14. If the request of the DISCOMs is to be considered, the consumers will be affected on account of in-efficiency of the Petitioner in arresting the distribution losses. There are no separate estimates provided in the current filings for technical & commercial losses, except description of measures aimed at reduction of the same. DISCOMs always failed to achieve the loss targets set by the Commission; Hon'ble ATE has held that once a target is set by the appropriate Commission for loss reduction, the Utilities are bound to achieve them. It is pertinent to mention that distribution loss is a controllable factor and under MYT framework Commission must set appropriate targets for reducing these distribution loss. Commission may consider the approved losses for FY 2013-14 and set a 2% YoY reduction for arriving at the losses applicable for each year of the control period. Based on the re-calculated losses, the objectors calculated the revised voltage level wheeling charges, dividing the ARR at that voltage level with demand at that voltage level.

Sri S Rahiman of M/s DRA Industries Ltd, Nellore Dist, Sri K Anantheeswaran of M/s VIKI Industyries Pvt Ltd, Nellore Dist, Sri KA Senthil Kumar of MJ Steel Udyog Pvt Ltd, Nellore Dist, Sri S Venugopal of M/s Pushpit Steels Pvt Ltd, Chittor Dist, Sri K Vishvanathan of M/s Amman Try Sponge Pvt Ltd, Nellore Dist, Sri R Mahendran of M/s Teamec Chlorates Ltd, Prakasham Dist, Sri Bonthala

Chandra Reddy of AP raithu Sangham, Hyderabad and others also submitted objections on similar lines questioning the loss trajectory.

Reply of the DISCOMs: During the second control period Hon'ble Commission has fixed stiff loss targets. DISCOMs have filed a petition seeking a revision of the stiff loss trajectory fixed by the Commission to realistic levels. The licensee is striving to reduce the losses by the implementation of loss reduction measures like strengthening of the network infrastructure, addition of network elements, and vigorously undertaking the Energy Audit to keep a close tab on the losses. Taking in to account ground realities, Commission have revised the loss targets for the years, from 2010-11 to 2013-14. The Distribution licensee has computed the actual losses for the year FY2012-13 and accordingly proposed the loss trajectory for the third control period. The licensee requests the Hon'ble Commission to approve realistic loss trajectory for the next control period based on the actual loss levels of the licensee. Revised wheeling charges, suggested by the Objectors are based on the assumed ARR calculated by them and the assumptions in the said ARR have been replied in other paras.

Commission's Views: The Commission notes that the year wise percentage loss levels projected by the licensees for third control period exceeds the percentage of loss level approved by the Commission during the Second Control Period. Clause 5.4.6 of National Electricity Policy says as follows:

“A time-bound programme should be drawn up by the State Electricity Regulatory Commissions (SERC) for segregation of technical and commercial losses through energy audits. Energy accounting and declaration of its results in each defined unit, as determined by SERCs, should be mandatory not later than March 2007. An action plan for reduction of the losses with adequate investments and suitable improvements in governance should be drawn up. Standards for reliability and quality of supply as well as for loss levels shall also be specified, from time to time, so as to bring these in line with international practices by year 2012”.

Commission has examined the percentage of loss levels stated to have been achieved upto FY2012-13. The Commission is of the view that the loss levels achieved will not be fully credible until the comprehensive metering for LT

agriculture sector is undertaken. The consumption in this category is around 25% total consumption of all categories. Unless meters are installed and agricultural consumption is measured at least at the distribution transformer level (if not at the individual consumer level), the losses computed on estimated consumption of agriculture category, may not represent the true loss level. Considering this, the Commission in this order is also issuing a directive to provide meters at least at distribution transformer level, if not, at agriculture service itself, in a time bound plan so that there is a complete coverage over the next 18 months. The Commission, after considering these and related aspects, provisions contained in the National Electricity Policy, considering the capacity of existing network and load flow on it network as well as the investments approved in this order, decided to regulate the loss trajectory to be consistent with the loss trajectory approved for the Second Control Period.

43. **Sri Shivarama Krishna of M/s Raheja Corporation, Madhapur, Hyderabad and others** have pointed out that there will be no accountability to the Utility by clubbing Agricultural sales and losses, which is against the National Tariff Policy.

Reply of the DISCOMs: Agriculture consumption is being calculated with ISI methodology as approved by Hon'ble APERC and actual Losses are calculated. Hence there is no harm in clubbing the agriculture sales and losses (CPDCL).

Commission's Views: The Commission is of the view that there are still significant gaps both in the usage of the ISI methodology as well as in the computation of agricultural consumption. Unless agriculture consumption is measured at least on Distribution Transformer (DTR) LV side, it is difficult to arrive at an accurate figure of LT losses and thereby providing scope to measure and monitor loss reduction. Commission also recognized that providing of meters to all Agriculture services feeding DTRs may need to be undertaken in a phased manner. In view of the above,

Licensees are directed to come up with proposals indicating schedule for installing energy meters to all Agl DTRs in their respective Jurisdictions by 30th June 2004 for approval of the Commission. Till all the DTRs are provided with metering the Agl consumption may be estimated strictly as per ISI methodology including sample rotation and monthly meter readings.

44. **Sri BV Raghavulu of CPI (M) Party, Sri M Venugopala Rao of Center for Power Studies and others** have submitted the following: For the second control period, Commission had reduced the targets of reduction in T&D losses. However, AP Transco and the DISCOMS could not achieve even the revised targets. The contention that R&C measures were implemented and that agricultural consumption of power exceeded the limit permitted by the Commission and therefore target of reduction of distribution losses could not be achieved is untenable. For the year 2014-15, the DISCOMs have projected T&D losses of 15.76% at the State level which work out to 15609.34 MU against the projected power purchase of 99046.44 MU. At an average projected cost of Rs.4.00 per unit, the loss of 15609.34 MU works out to a huge sum of Rs.6243.73 Cr. Every year, the Commission is reducing the projections of agricultural consumption of power, dissatisfied with the methodology being adopted by the DISCOMs. To the extent the projected agricultural consumption of power is reduced by the Commission, the same should be treated as line losses, including theft and pilferage. Reduction of distribution losses as a percentage is linked to the actual power purchases made and supplied, and not to power which is not purchased and not supplied. Every year, the DISCOMs are contending that agricultural power consumption is exceeding the limit determined by the Commission, without providing any satisfactory assessment of agricultural consumption. Therefore, the claimed excess consumption should not be taken into account. AT&C losses are very high in the circles of Hyderabad South, Nizamabad, Nalgonda, Karimnagar, Mahabubnagar, Khammam, Adilabad, Kurnool and Anantapur. The DISCOMs should take special steps in these circles to reduce the same. Commission is requested to fix targets of reduction of T&D losses higher than the ones proposed by the utilities for the next financial year and the third control period. Also, targets for reduction of losses circle-wise may be fixed to infuse a sense of accountability at various levels.

Reply of DISCOMs: The Agriculture sales furnished by CPDCL are in fact based on the ISI methodology. DISCOMs, in the MYT Resource Plan, have requested the Commission to look at the actual loss levels to set the loss trajectory for the next control period. CPDCL has under taken various technical & commercial loss reduction measures to bring down the distribution losses from 18.08% in 2005-06

to 14.78 % in FY 2012-13 and 12.22% in FY 2013-14 up to Sept'13. Even though the CPDCL distribution losses are high when compared to APERC targets, they are comparable to the average losses as per CEA guidelines for the Indian conditions i.e.15.52% (including EHT). The AT&C Losses in Hyderabad South, Nalgonda, Mahabubnagar, Kurnool and Anantapur circles are in decreasing trend from Financial Year 2010-11 to 2012-13 (CPDCL); 1,22,490 Nos of AGL DTRs of various capacities are existing in APNPDCL. APNPDCL has fixed 3,168 Nos Of sample meters at the LV side of AGL DTRs as per the ISI methodology in the 3rd & 4th week of September 2013. NPDCL has engaged M/s National Institute of Technology, Warangal as a third party agency for validation and certification of total Agl. DTRs, confirmation of fixing of selected sampled meters to LV side of DTRs and estimation of Agricultural consumption. Various schemes are being executed and necessary steps are being taken up for reducing commercial losses and due to these measures, distribution losses have been brought down from 30.52% in 2000-01 to 15.06% in 2012-13 (NPDCL); SPDCL has under taken various technical & commercial loss reduction measures and distribution losses have been brought down from 16.98% in 2005-06 to 10.51 in FY2013-14 (SPDCL); Agriculture sales furnished by EPDCL are in fact based on the ISI methodology. DISCOMs, in the MYT Resource Plan, have requested the Commission to look at the actual loss levels to set the loss trajectory for the next control period. EPDCL has under taken various technical & commercial loss reduction measures to bring down the distribution losses

Commission's Views: What is not measured can not be monitored. It is essential that agricultural consumption be measured if losses are to be monitored and reduced. As mentioned earlier, the Commission is issuing a directive to provide metering to all agricultural DTRs on LV side so as to measure the agriculture consumption at DTR level. Only then in actual losses incurred can be deducted out and there by the loss reduction performance of the DISCOM can be truly monitored.

Regarding fixing of losses circle wise, the Commission will fix the loss trajectory for the Licensee in the aggregate only. It is up to the Licensee to fix the losses at the Circle level and below so as to promptly monitor and adhere to the loss trajectory fixed by Commission.

The loss trajectory for the 3rd Control Period has been fixed by the Commission as described in Para 41 above.

Issue: Energy Audit

45. Sri Shiva Ramakrishna of M/s Raheja Corporation, Madhapur, Hyderabad and others have suggested the Commission to issue necessary instructions to the respective DISCOMs in respect of the following: The National Tariff Policy requires area-wise energy audit, third party verification, nurturing of local consumer groups, etc. and the distribution loss, reduction target should not be less than 3% per year.

Reply of the DISCOM: Regular network strengthening works for reduction of technical losses linked with various schemes are being taken up and necessary steps are being taken up for reducing commercial losses by conducting regular DPE inspections. CPDCL has under taken various technical & commercial loss reduction measures and distribution losses have been brought down from 18.08% in 2005-06 to 14.78 % in FY2002-13 and 12.22% in FY2013-14 up to Sept'13. (CPDCL).

Commission's Views: The Commission has issued Regulation 6 of 2013 which deals with audit of licensees on the nature & extent of their compliance with existing Regulations Independent Auditors will be appointed who will collect the data by conducting site visits interviews with stakeholders and make suitable recommendations for Commission's consideration. The methodology adopted by the Commission to determine the loss trajectory for FY2014-15 has been described in Para 41 above.

Determination of loss trajectory:

46. The Commission while determining the loss trajectory for the third control period has
- Examined the National Electricity Policy (NEP) which states that, the loss levels shall be specified, so as to bring down loss levels to be in line with the international practices by 2012.
 - Noted that the international loss levels are in the range of 10-12%. Noted that the normative loss levels of the Indian electricity system, which is at 15 percent (5 percent in transmission and 10 percent in distribution).

- Examined the loss levels achieved by the licensee in Second Control Period upto FY2012-13 against the targets fixed by the Commission.
 - Examined the loss trajectory projected in the filings of the DISCOMS for the third control period.
 - Taken in to account the capacity of the existing network and the load flow constraints.
 - Incorporated the Capital works in the progress and the investments approved in this order.
 - Carefully considered that the Objections/ Suggestions of Objectors and suggestions of State Advisory Committee.
47. Based on the above analysis the Commission has determined the loss reduction trajectory for the Third Control Period for each DISCOM as distributed in Table 4.2 below.
48. The Commission after examining the above determined the loss trajectory for the 3rd Control Period considering the investment approved. The loss trajectory now approved is meeting the requirement of National Electricity Policy by end of third control period.

The overall loss reduction targets (Trajectory) approved for the Control Period for each Licensee are given in Table No.4.2

Table No. 4.2 - Loss Reduction Trajectory approved for the Control Period

CPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	3.99%	3.99%	3.99%	3.99%	3.99%
11KV	5.00%	5.00%	4.50%	4.40%	4.25%
LT	7.50%	6.50%	5.50%	5.25%	5.00%
EPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	3.39%	3.39%	3.39%	3.39%	3.39%
11KV	4.22%	4.22%	4.22%	4.15%	4.00%
LT	5.01%	5.00%	5.00%	5.00%	4.99%
NPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	4.00%	4.00%	4.00%	4.00%	4.00%
11KV	4.25%	4.25%	4.23%	4.20%	4.15%
LT	7.00%	6.00%	5.50%	5.25%	5.00%
SPDCL:: MYT Loss Trajectory :					
Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33KV	4.00%	4.00%	3.96%	3.88%	3.80%
11KV	4.25%	4.08%	4.00%	3.92%	3.84%
LT	6.00%	6.00%	5.50%	5.25%	5.00%

CHAPTER-V

AGGREGATE REVENUE REQUIREMENT

49. The four distribution Licensees, CPDCL, EPDCL, NPDCL and SPDCL, estimated the Aggregate Revenue Requirement (ARR), i.e. the revenue requirement to meet the estimated distribution cost, for each year of the Control Period from FY2014-15 to FY2018-19. The estimated ARR forms the basis for computation of the wheeling charges for each year of the Control Period.

The revenue requirement consists of A) Asset Base & Depreciation, B) Return on Capital Employed (RoCE) which inturn depends on Regulated Rate Base (RRB), Cost of debt and equity and working capital, C) Operation and Maintenance cost and D) Taxes on Income and other Costs.

A. Asset Base & Depreciation

Asset Base

50. All the Licensees have computed the asset base at the end of year by adding investments to be capitalized against the approved investments to asset base at the beginning of the year.

Depreciation

The licensees have calculated depreciation considering the capitalization schedules and fully depreciated assets for the control period. All the DISCOMS have uniformly adopted the depreciation guidelines. The licensees have computed depreciation for full year on the Opening balance of assets and for six months for the assets capitalized during the year after removing fully depreciated assets(if any).

The DISCOM (Licensee) wise asset base and depreciation computed and filed are shown in the following table No. 5.1

Table No. 5.1 - Filings: Asset Base and Depreciation (DEP), (Rs. Cr.)

Financial Year	CPDCL		EPDCL		NPDCL		SPDCL	
	Asset Base	Dep.	Asset Base	Dep.	Asset Base	Dep.	Asset Base	Dep.
2014-15	11321	684	4848	355	4913	289	8598	610
2015-16	13285	801	5592	418	5911	347	9625	689
2016-17	15303	916	6372	481	6991	414	10695	766
2017-18	17793	1068	7170	545	8192	481	11934	637
2018-19	20549	1248	8072	614	9533	553	13386	725
Total		4718		2413		2083		3427

Figures are rounded

Objectors views on Asset base and Depreciation filed:

Issue: Asset base & Depreciation:

51. **Sri RK Agarwal of AP Spinning Mills Association & Sri Anil Reedy of FAPCCI and others submitted the following:** DISCOM has not provided the break-up of fixed assets and depreciation for second control period (FY2009-10 to FY2013-14) along with applicable depreciation rates. Hence, Commission may consider the following factors while true-up the return on capital employed and depreciation: (a) approved capital expenditure in accordance to points raised in Section 1(A) for calculating regulatory rate base (b) detailed break-up of fixed assets, depreciation and consumer contribution for second control period (c) identify whether all fully depreciated assets are included by the licensee in its Petition and if included accordingly remove those assets for the purpose of calculation of regulatory asset base and depreciation (d) working capital as per revised O&M expenses true-up by the Commission. Apart from these, Commission is requested to identify the assets created through grants like R-APDRP & RGGY schemes and accordingly remove those assets for the purpose of calculation of regulatory asset base and depreciation.

Reply of the DISCOMs: The break-up of fixed assets and depreciation along with the depreciation rates and Consumer contributions are readily available in the Audited Annual Accounts of the Company. The depreciation and RRB has been computed by the DISCOMS after netting off the fully depreciated assets from the Gross block. For computation of Regulated Rate Base (RRB) and Return on capital Employed (RoCE), the DISCOMS have deducted the entire consumer contributions/grants from the Asset block as stipulated in the Regulations. DISCOMs estimated the depreciation on consumer contributed assets based on the proportion of consumer contributions to loan funds. The depreciation on CC assets is shown as deferred revenue under the head Non-Tariff Income

Commission's Views: The Commission is presently not considering the True up for Second Control Period since as per clauses 10.4 - 10.7 of Regulation No. 4 of 2005 of APERC, any variations in the controllable and uncontrollable items have to be considered for the control period as a whole. The FY 2013-14 of the Second Control Period is in operation. The suggestions raised by objectors will be considered at the time of taking up of true up.

Issue: Consumer Contributions & Grants

52. **Sri MR Prasad of AP Ferro Alloy Producers' Association and others** have submitted the following: The Distribution licensees have illegitimately claimed capital expenditure in respect of R-APDRP and RGGVY schemes. As per the tariff regulations, the consumer contributions, capital grants and subsidies received for constructions of service lines for creation of fixed assets have to be deducted for the computation of return on capital employed (ROCE) and regulated rate base (RRB) and no depreciation is allowed on assets which have been created out of contributions, grants and subsidies. Under the framework of the RGGVY scheme, 90% capital subsidy is provided for overall cost of the projects under the scheme and the balance 10% of the investments only made under RGGVY. Similarly, under R-APDRP scheme, Gol provides 100% Loan for part A of the R-APDRP schemes and the entire amount of Gol for part A of the project shall be converted into grant after establishment of the required Base-Line data system within a stipulated time frame. Gol will provide up to 25% Loan for Part B of the R-APDRP schemes which shall include regular distribution strengthening projects. Up to 50% loan for Part-B projects shall be converted into grant in five equal tranches on achieving 15% AT&C loss in the project area. Thus no capital recovery through depreciation should be allowed to the distribution licensees for R-APDRP Part A loans and in case of Part B loans, only 50% of capital recovery through depreciation should be allowed. In case of APCPDCL, capital investment to the tune of Rs.297.46 Cr, claimed in FY2014-15 is not allowable as it is towards R-APDRP works. The interest and expense capitalisation towards such projects is not ascertainable as all the tariff formats have not been provided in respect of APCPDCL. Further, the details of the works under RGGVY scheme is not known due to non-filing of detailed tariff formats.

Reply of the DISCOMs: For computation of Regulated Rate Base (RRB) and Return on capital Employed (RoCE), the DISCOMs have deducted the entire consumer contributions/grants from the Asset block as stipulated in the Regulations. DISCOMs have estimated the depreciation on consumer contributed assets based on the proportion of consumer contributions to loan funds. The depreciation on Consumer Contribution assets is shown as deferred revenue under the head Non-Tariff Income. The DISCOM has not proposed any

investment plan under RGGVY in the 3rd control period. R-APDRP scheme is a conditional loan. It can be treated as grant only when all the conditions stipulated in the scheme was met. The depreciation will be provided in the books of accounts for such assets till the stipulated conditions are met. If the conditions are fulfilled then the loan will be treated as Government grant and the depreciation allowed on those assets will be treated as deferred revenue and be amortized as per Accounting Standard 12. The scheme wise details of interest and expenses capitalization have been shown in the Form 1.1 d of MYT Distribution Formats. Capital Investment plan under RGGVY scheme has not been proposed in the MYT filings.

Commission's Views: The response of the Licensee is reasonable.

Issue: Depreciation

53. **Sri MR Prasad of AP Ferro Alloy Producers' Association and others** have submitted the following: In the cost plus regime, investments in fixed assets are recovered through the financing cost (cost of capital) and depreciation (recovery of capital). In case the capital investments are funded through consumer contributions, grants or capital subsidy, the issue of cost of capital and recovery of capital does not arise. This is affirmed by the Hon'ble Commission in its tariff regulations, in line with the Accounting Standard - 12 (Accounting for Government Grants) issued by the Accounting Standards Board of Institute of Chartered Accountants of India. It is the consistent accounting policy of the distribution licensees that depreciation on overall fixed asset base is booked in the profit and loss account. Commission may conduct a strict prudence check in this regard. Distribution licensees have claimed the depreciation rates as per the Ministry of Power Guidelines which translates to a weighted average rate of over 7.84%. Commission may allow the depreciation strictly in accordance with the CERC Regulations for the years being tried up and for the third control period.

Reply of the DISCOMs: True-up claim by DISCOM was made after netting off the depreciation on Consumer contribution asset. The depreciation on fixed assets is provided under the 'straight line method' up to 90% of the original cost of assets, at the rates notified by the Ministry of Power, Government of India in

the annual accounts by the DISCOM. To maintain consistency, the DISCOM has followed the same methodology as adopted in annual accounts in MYT filings.

Commission's Views: The Commission notes that depreciation rates historically applied by APDISCOMs were based on the rates approved by Ministry of Power, Government of India rates. These rates have been applied in its annual accounts, since the creation of APDISCOMs. Reviewing this practice and adopting a different depreciation system (i.e. depreciation rates as per CERC) now will require a very high compliance cost. Further, allowing two different systems of depreciation to prevail (one adopted by the Commission and the other by APTransco), will lead to complications in the True up exercise with possible deleterious impact in the monitoring of efficiency gains by the Commission. It is also noted that the APERC Regulation No.4 of 2005 provides for determination of depreciation is "generally" based on the methodology adopted by CERC. Clearly, adequate scope exists in the regulation itself to adopt a broader interpretation if the situation so demands. In view of the above, the Commission is of the view to adopts the depreciation rates approved by the Ministry of Power for determination of transmission tariff for the third control period for Calculation of Depreciation as per Clause No.25 (2) of the Regulation No.4 of 2005.

Determination of Asset base and Depreciation:

54. The Commission, after considering the objections/suggestions of the objectors, has determined the asset base and Depreciation based on the following guidelines.
- a) The cost of fixed asset base in the audited accounts for FY 2012-13 were taken as the base for projecting the assets base for the base year (2013-14).
 - b) To the extent possible and identifiable, the value of fully depreciated assets appearing in asset registers was removed.
 - c) The approved capitalization schedule for every year of the Control Period was applied to the base year for arriving at the opening value of assets for each year of the Control Period based on which year wise depreciation was computed.
 - d) The claims of depreciation on assets added during the year have been disallowed, i.e. only the opening value is considered, and,

- e) Assets funded by grants and consumer contribution have been removed for the purpose of computing the depreciation as provided in Regulation 4 of 2005.
- f) On the basis of these exercises, the Commission approved the depreciation expenses at Rs.10301 Cr. against Rs.12641 Cr. filed by licensees.
55. The details of asset base on which depreciation is computed and the depreciation filed and approved for each year of the Control Period are given Table No. 5.2.

Table No 5.2 - Approved: Asset Base and Depreciation (DEP) for the Control Period, (Rs. Cr.)

Financial Year	CPDCL		EPDCL		NPDCL		SPDCL	
	Asset Base	Dep	Asset Base	Dep	Asset Base	Dep	Asset Base	Dep
2014-15	9916	527	4485	274	4374	221	7881	438
2015-16	11196	688	4969	308	4908	292	8562	574
2016-17	12392	785	5522	343	5522	334	9204	627
2017-18	13668	876	6094	385	6196	382	9994	676
2018-19	15231	973	6737	428	6950	435	10903	738
Total		3849		1737		1663		3052
<i>Figures are rounded</i>								

B. Return on Capital Employed (RoCE)

56. As per the Regulation 4 of 2005, the Return on Capital Employed (RoCE) is a permitted component of ARR. The amount claimed in this manner is expected to meet the cost of debt and equity capital used to finance the assets used in the distribution business. The regulatory framework relating to compensating the capital employed in general is as under;
- a) the sum of the value of the assets and capital used in the distribution business defines the Regulatory Rate Base (RRB),
 - b) the Return on Capital (WACC) in percent is worked out based on a) debt- equity ratio, b)cost of debt and c)return on equity, and
 - c) the Return on Capital(WACC) in percent is applied on RRB to arrive at the ROCE for each year of the Control Period.

The DISCOMS have filed Regulated Rate and ROCE considering the following parameters.

Debt-Equity Ratio

57. The Licensees filed the debt-equity ratio for computing the return on capital (cost of capital) at 75:25, for the entire Control Period of 5 years.

As per clause 6.3 (c) of Regulation 4 of 2005, each Licensee shall file:

“A proposal for appropriate capital structure and its cost of financing (interest cost and return on equity) for the purpose of computing Weighted Average Cost of Capital.”

Determination of Debt, Equity Ratio:

58. As per the clause 15.1 of the Regulation 4 of 2005 of APERC the Debt/Equity (D/E) ratio shall be determined at the beginning of the control period after considering the distribution licensees proposals, previous D/E mix, market condition and other relevant factors. Given the present economical & financial environment and the treatment in the past, the commission under clause 15 of the Regulation 4 of 2005 approves the debt-equity ratio of 75:25 percent uniformly for all the Licensees throughout the Control Period as filed by them. This approved debt equity ratio will be used in computing the return on capital throughout the Control Period.

Cost of Debt and Return on Equity

59. The Licensees filed the cost of debt and return on equity in percent for each year of the Control Period which are used to compute the return on capital employed (RoCE). The Licensees kept the return on equity at 14 percent but filed the cost of debt in the range of 12 to 13 percent per annum. The details of the cost of debt and return on equity filed are given in Table No. 5.3.

Table No.5.3- Cost of debt and return on equity as filed by licensees

Financial Year	CPDCL		EPDCL		NPDCL		SPDCL	
	Debt	Equity	Debt	Equity	Debt	Equity	Debt	Equity
2014-15	12.45%	14.00%	12.04%	14.00%	11.98%	14.00%	12.50%	14.00%
2015-16	12.13%	14.00%	12.29%	14.00%	12.24%	14.00%	13.58%	14.00%
2016-17	12.36%	14.00%	12.41%	14.00%	12.39%	14.00%	12.36%	14.00%
2017-18	12.74%	14.00%	12.48%	14.00%	12.47%	14.00%	11.97%	14.00%
2018-19	13.23%	14.00%	12.52%	14.00%	12.51%	14.00%	11.84%	14.00%

Determination of Cost of Debt and Return on Equity:

60. The Licensees requested for 14% return on equity for Distribution business. Continuing the earlier regulatory practice, the return on equity is provided at

16 percent while keeping the return on equity at 14 percent in distribution business and the balance 2 percent as supply margin in Retail Supply Business, Commission determined the return on equity for distribution business as 14%.

61. Regarding cost of debt, the existing loan profile of the Licensees and contracted loans for future years have been carefully scrutinized. As per the Regulation 4 of 2005, the commission notifies the cost of debt as 12% and return on equity for Distribution business as 14% and the supply margin for retail supply business as 2%. The approved cost of debt and return on equity are indicated in table no 5.4

Table No.5.4 -Cost of Debt and Return on Equity approved

Financial Year	CPDCL		EPDCL		NPDCL		SPDCL	
	Debt	Equity	Debt	Equity	Debt	Equity	Debt	Equity
2014-15	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%
2015-16	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%
2016-17	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%
2017-18	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%
2018-19	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%	12.00%	14.00%

The Return on Capital (Weighted Average Cost of Capital or WACC)

62. Using the proposed debt-equity ratio, cost of debt and return on equity, the licenses computed the return on capital (WACC) as per formulae provided in Regulation 4 of 2005. The details of return on capital filed by the Licensees are given in Table No.5.5.

Table No.5.5 - Cost of Capital (WACC) filed by licensees

Financial Year	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	12.84%	12.53%	12.48%	13.37%
2015-16	12.59%	12.72%	12.68%	14.19%
2016-17	12.77%	12.81%	12.79%	13.27%
2017-18	13.05%	12.86%	12.85%	12.98%
2018-19	13.43%	12.89%	12.88%	12.88%

Determination of the Weighted Average Cost of Capital or WACC:

63. With the Commission's approved D/E ratio of 75:25, Return on equity at 14% and Cost of Debt at 12% for entire control period, Commission has computed the WACC as per the formula in the Regulation 4 of 2005,

$$WACC = (D/E) * rd / (1 + D/E) + (re / (1 + D/E))$$

64. The computed WACC is indicated in the below Table No. 5.6

Table No.5.6 - Weighted Average Cost of Capital (WACC) approved

Financial Year	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	12.50%	12.50%	12.50%	12.50%
2015-16	12.50%	12.50%	12.50%	12.50%
2016-17	12.50%	12.50%	12.50%	12.50%
2017-18	12.50%	12.50%	12.50%	12.50%
2018-19	12.50%	12.50%	12.50%	12.50%

Regulated Rate Base and Return on Capital Employed

65. The licensees proposed Regulated Rate Base considering their Investment Plan, working capital (consists of 1/12th of O&M expenses and O&M stores), capitalization schedule and capital structure which is shown in Table No 5.7

Table No.5.7 - Filings : Regulated Rate Base,(Rs.Cr.)

Financial Year	Regulate Rate Base (RRB)			
	CPDCL	EPDCL	NPDCL	SPDCL
1	2	3	4	5
2014-15	4092	1434	1866	3039
2015-16	4984	1728	2428	3344
2016-17	5889	1948	3059	3552
2017-18	6924	2128	3700	3892
2018-19	8152	2298	4401	4444
Total	30040	9536	15456	18270

Figures are rounded

66. With the Proposed WACC and RRB the licensees has anticipated the Return on Capital Employed as shown in the Table No 5.8

Table No.5.8 - Filings : Return on Capital Employed,(Rs. Cr.)

Financial Year	Return on Capital Employed (ROCE)			
	CPDCL	EPDCL	NPDCL	SPDCL
1	2	3	4	5
2014-15	525	180	233	406
2015-16	628	220	308	474
2016-17	752	249	391	471
2017-18	904	274	476	505
2018-19	1094	296	567	572
Total	3903	1219	1975	2429

Figures are rounded

Determination of Regulated Rate Base and Return on Capital Employed:

67. The Commission examined the method adopted by the Licensees for computing Working capital and RRB for the third control period. The Commission has

made the following modifications prior to finalizing working capital requirement and RRB:

- a) the working capital requirement for distribution business is computed based on guidelines provided in Regulation 4 of 2005 and on regulated the O&M expenses for each year of the Control Period.
- b) the claim of certain amount under O&M stores in the working capital is disallowed as such provision for O&M stores in working capital is not provided in the Regulation 4 of 2005.
- c) the Working capital to the extent of 1/12th of the annual O&M expenses is included in the RRB.
- d) while computing the RRB, to the extent possible and identifiable, a portion of fully depreciated assets is removed from RRB,
- e) the approved investments and capitalization schedule of approved investments for each year of the Control Period are incorporated in the computation of RRB.

68. The commission has determined Licensee wise , year wise RRB for the third Control Period which are shown in the following table No.5.9

Table No.5.9 - Approved Regulated Rate Base, (Rs.Cr.)

Financial Year	Regulate Rate Base (RRB)			
	CPDCL	EPDCL	NPDCL	SPDCL
1	2	3	4	5
2014-15	2162.56	890.52	1427.32	2110.52
2015-16	2496.75	966.88	1633.49	2190.29
2016-17	2733.48	1055.42	1805.54	2123.75
2017-18	2877.75	1144.92	1962.35	2056.55
2018-19	3124.97	1231.36	2159.26	2065.26
Total	13395.51	5289.10	8987.96	10546.37

69. With the approved RRB and Weighted Average Cost of Capital (WACC) the ROCE is computed and approved at Rs.4777Cr. against Rs.9526 Cr. filed by licensees. The ROCE provided should meet the cost of debt and return on equity on the amounts used in the distribution business during the Control Period. The details of Licensee wise ROCE approved for each year of the Control Period are given in Table No. 5.10

Table No.5.10 - Approved : Return on Capital Employed,(Rs. Cr.)

Financial Year	Return on Capital Employed (ROCE)			
	CPDCL	EPDCL	NPDCL	SPDCL
1	2	3	4	5
2014-15	270.32	111.31	178.42	263.81
2015-16	312.09	120.86	204.19	273.79
2016-17	341.69	131.93	225.69	265.47
2017-18	359.72	143.11	245.29	257.07
2018-19	390.62	153.92	269.91	258.16
Total	1674.44	661.13	1123.50	1318.30

C. Operation and Maintenance expenses

70. As per Clause 6.3 (a) of the Regulation “The Operation and Maintenance (O&M) costs which include employee-related costs, repair & maintenance costs and administrative & general costs, estimated for the Base Year and the year prior to the Base Year in complete detail, together with the forecast for each year of the Control Period based on the norms proposed by the Distribution Licensee including indexation and other appropriate mechanisms...”.
71. The Licensee proposed norm based methodology to project O&M expenses year wise for the Third Control period. This method accounts for both inflationary impact on existing O&M expenses and increase in expenses due to addition of employees & office space. The proposed methodology correlates expenses to sales (DISCOM and open access) and Gross fixed assets as shown below.
- Employee expenses (EE) and Administrative & General (A&G) expenses in proportion to the total sales in the DISCOM
 - Repairs and Maintenance expenses (R&M) in proportion to Gross fixed assets (GFA)

The estimates of EE and A&G expenses are arrived for third control period by arriving the norms (in Rs/unit of sale of power) for the year 2012-13 and escalated to get the norms for base year FY 2013-14 and then for each year of the third Control Period (FY2015-19). Escalation rate is computed based on weighted average of Consumer Price Index for Industrial Workers (CPI-IW) at 80% and Wholesale Price Index (WPI) at 20%.

The Licensees have projected R&M expenses for each year of the Third Control period by arriving the Average of R&M Expenses as percentage of Average GFA

from FY2008-09 to FY2012-13 and multiplying this percentage with the corresponding year's GFA.

The O&M expenses estimated by the licensees for the entire Control Period is shown in below Tables No. 5.11 to 5.14.

Table No.5.11 - Filings- CPDCL O&M Expenses in (Rs Cr)

Financial Year	Employee Cost	Administration & General Expenses	Repairs & Maintenance Cost	Total O&M
2014-15	1331	210	296	1837
2015-16	1584	250	349	2183
2016-17	1878	296	406	2581
2017-18	2241	354	470	3064
2018-19	2660	420	544	3624

Figures are rounded

Table No.5.12 - Filings- EPDCL O&M Expenses in (Rs Cr)

Financial Year	Employee Cost	Administration & General Expenses	Repairs & Maintenance Cost	Total O&M
2014-15	892	100	69	1061
2015-16	1062	119	81	1261
2016-17	1264	141	93	1498
2017-18	1506	168	105	1780
2018-19	1796	201	118	2115

Figures are rounded

Table No.5.13 -Filings- NPDCL O&M Expenses in (Rs Cr)

Financial Year	Employee Cost	Administration & General Expenses	Repairs & Maintenance Cost	Total O&M
2014-15	801	93	102	995
2015-16	969	112	121	1202
2016-17	1142	132	145	1419
2017-18	1404	163	170	1737
2018-19	1716	199	199	2114

Figures are rounded

Table No.5.14 - Filings- SPDCL O&M Expenses in (Rs Cr)

Financial Year	Employee Cost	Administration & General Expenses	Repairs & Maintenance Cost	Total O&M
2014-15	1046	140	116	1302
2015-16	1252	167	132	1551
2016-17	1499	200	147	1847
2017-18	1797	240	164	2201
2018-19	2148	287	183	2618

Figures are rounded

Objections and Suggestions on Operation and Maintenance expenses

Issue: O&M Expenses

72. Sri R K Agarwal of M/s AP Spinning Mills Association, Sri Devendra Surana / Sri V Anil Reddy of FAPCCI, Sri MR Prasad of AP Ferro Alloy Producers' Association and others submitted the following objections on the O&M expenses filed by the DISCOMs: based on audited accounts, Petitioner has sought the Commission to approve for Rs.412 Cr under true-up mechanism for O&M expenses corresponding to the period FY2009-10 to FY2011-12. However, it has not been clarified that how much of this amount is due to uncontrollable factors and how much is due to in-efficiencies. True-up for the employee expenses on the factors like increase in employee expenses w.e.f. 1st April 2010 on account of pay revision & increase in terminal benefits and leave encashment. The Objector is of the view that increases in employee expenses on account of pay revision is a controllable expense and needs to be accounted appropriately. Also, it is not appropriate to account the entire increase in basic salary, DA and other allowances only on account of pay revision. Hence, the objector requests the Commission to direct the Petitioner. Commission is requested to look into these irregular variations in D.A rates and prudently verify employee expenses in accordance with the GoAP's orders on Dearness Allowances for Government Employees. Also, there are differences in terminal benefits filed and as per audited accounts for FY2010-11 and FY2011-12. Commission may look into these discrepancies also before truing up the employee expenses. Apart from these, though a controllable expense, Earned leave encashment has also increased significantly in FY2011-13. Audited Accounts for FY 2010-11 and FY 2011-12 reveal that Petitioner has incurred only Rs. 18.96 Cr and Rs. 18.40 Cr towards leave encashment during FY2010-11 and FY2011-12 respectively. However, on account of actuarial valuation of leave encashment, the Petitioner has made a provision of Rs. 20 Cr and Rs.175 Cr during FY2010-11 and FY2011-12 respectively. Also, in the Petition it is clearly stated that on account of actuarial valuation done for final EL Encashment for the past years, Rs.175 Cr was provided in the accounts for FY2011-12. This indicates that the Petitioner is also asking to true-up a part of the expenses belonging to first control period. Keeping these factors in view, true-up of expense pertaining to first control period need not be considered in

this tariff review exercise. Based on the above submissions, Commission is requested to (a) Direct the Petitioner to provide the details of pay revision and to provide the quantum of increase in employee expenses due to pay revision (b) To allow increase in employee expenses only on account of pay revision (c) Direct the Petitioner to provide the half yearly DA rates applicable since January 2009 and to provide rationale for abnormal variations in DA expenses (d) Consider pension contribution and terminal benefits in accordance with Petitioner's audited accounts (e) Direct the Petitioner to provide its terminal benefits valuation report and requests the Commission to comprehensively review the Petitioner's terminal benefits valuation report before truing-up (f) Consider the EL encashment as proposed by the Objector.

Based on the available information, the Objector has calculated the impact (minimum reduction) in employee expenses on account of following factors.

Parameter	2009-10	2010-11	2011-12
Pension Contribution and Terminal Benefits	1.93	3.33	3.90
Final Leave encashment		1.04	156.60
Difference	1.93	4.37	160.50

Reply of the DISCOMs: Due to the Pay Revision, which happened in 2009-10, the D.A is merged in the Basic salary. Hence the D.A is decreased in 2010-11 and increased thereafter. The pension and gratuity contributions are being revised based on the actuarial valuation reports which are been done by the actuary appointed on this behalf. Earned leave encashment is increased due to pay revision which was effected in the year 2010. Based on the actuarial valuation done for final EL encashment; the DISCOMs provided amounts towards EL encashment for the past years in FY 2011-12. As these amounts are not reflected in the true-ups for 1st control period, the licensees request the Hon'ble Commission to consider the same in the 2nd MYT true-up;

Commission's Views: The Commission is not considering the True up of Distribution business of the Licensees for the second control period since as per clauses 10.4- 10.7 of Regulation No. 4 of 2005 of APERC, any variations in the controllable and uncontrollable items have to be considered for the control period as a whole. Further, the FY 2013-14 of second control period is in operation. The objections raised regarding the increasing employee cost which

is a part of O&M cost in second control period, will be examined at the time of taking up of true up within the provisions of the Regulation 4 of 2005.

73. **Sri R K Agarwal of M/s AP Spinning Mills Association, Sri Devendra Surana / Sri V Anil Reddy of FAPCCI and others** submitted the following: For the increase in R&M and A&G expenses, the reasons submitted by the DISCOM are (a) increase in Travelling Expenditure and Vehicle Hire Charges due to rigorous inspection of field units (b) increase in DTR repairs cost as well as maintenance cost of Lines and Cables & metering equipment etc, But, the increase in these expenses is on account of controllable factors. Also, the DISCOM has not given the deviation of actual A&G expenses and an R&M expense in comparison to Commission approved number and has not clearly indicated whether there was an efficiency improvement due to this additional expenditure. Hence, any inefficiencies of the DISCOM should not be approved and not be passed on to the consumers.

Reply of the DISCOMs: In the Distribution Tariff order for the second control period, Hon APERC has approved aggregate O & M expenses only. Hence, in the absence of breakup of approved O&M costs, providing difference between actual and approved A&G and R&M expenses is not possible. The importance of R &M expenditure in reduction of losses and improvement in reliability and quality of power supply cannot be under estimated

Commission's Views: The Commission, while taking up the true up of expenses of Second Control Period, including expenses of O & M , will conduct prudent check on expenses incurred item wise O& M (i.e. Employee cost, A&G cost and R &M cost) based on the audited figures of Licensee, before finalizing amounts to be passed through.

Issue: O&M Expenses projections for 3rd Control Period

74. **Sri R K Agarwal of M/s AP Spinning Mills Association, Sri Devendra Surana / Sri V Anil Reddy of FAPCCI and others**, referring to the proposals submitted by the DISCOMs for the O&M expenses for the 3rd control period, submitted the following: The new methodology adopted by the DISCOMs links the R&M expenses to GFA and links A&G/employee expenses to sales and with this, it is observed that there is an increase of 24.74% in net O&M expenses for FY2013-14 compared to actual O&M expenses in FY2012-13. This significant

increase in itself indicates that the approach adopted is not appropriate. Commission is requested to prudently examine the new methodology adopted by the DISCOMs and after reviewing the approaches adopted by the other ERCs, Commission may devise an appropriate formula for O&M expenses. The proposed formula to consider the following observations: (a) it is correct to link R&M to GFA. However, no efficiency improvements/targets have been proposed for reducing O&M expenses. Hence, an efficiency parameter needs to be linked along with the R&M expense with GFA (b) Linking A&G expenses and Employee Expenses to per unit sales is not appropriate. This formula does not consider the growth of the employees, or any other uncontrollable factors such as pay revisions, terminal benefits etc. Also, in cases of un-availability of power, the DISCOMs will only be at a loss due to fact that the Petitioner will be recovering lower A&G and R&M expenses on account of lower sales (c) a formula linking the A&G and Employee expenses (without terminal benefits) directly to actual expenses, inflation and efficiency factors needs to be approved by the Commission.

On recalculating the Operations & Maintenance costs based on the revised formula proposed by the objector in accordance to the JERC formulae, the O&M costs for 2013-14 is projected as Rs.1162 Cr. Through this approach it can be observed that O&M expenses have increased only by 5% of the actual O&M expenses of Rs.1106 Cr for FY 2012-13. Hence, the Objector prays the Commission to adopt a similar approach for determining O&M expenses and accept the O&M expenses estimated by the Objector for determining distribution tariff.

Sri Shivarama Krishna of M/s Rheja Corporation, Madhapur, Hyderabad and others have submitted the following: As per the filings of the DISCOM, a provisional amount of Rs.1380 Cr is expected to be spent on O&M for FY 2013-14. Whereas an expenditure of Rs.1837.37Cr is proposed to be spent on O&M for the ensuing year, i.e. an increase of about 33%, this is on higher side.

Reply of the DISCOMs: After careful consideration and analysis, DISCOMs came to the conclusion that if there is a growth in sales, expenses pertaining to the Employees and A&G expenses also rise because there is need to engage more number of employees correspondingly. MERC has also followed a similar

approach for approving O&M expenses by linking it to sales and GFA for Tata Power for the period FY 2013-16.

Objector has used an extraneous logic in arriving at the total O & M cost that he believes the petitioner is entitled to. However, a closer look at one of his assumptions namely terminal benefits reveals that the estimates are far of the mark. In fact, terminal benefits increases year by year as the pensioners will increase every year as retired employees will be added. Further, the share of each of the DISCOMs towards the pension contributions in future years will also increase depending upon the length of service rendered by employees who are eligible for pensions. The terminal benefits for the year 2013-14 cannot be the average of last 3 years and it will be more than the terminal benefits of 2012-13.

Reply of APCPDCL: As per the actual data for Employee expenses and A&G expenses; employee expenses (EE) contribute nearly 80% while A&G expenses contribute only 20%. The norms arrived at for the year 2012-13 is escalated year on year using the weighted average of Consumer Price Index (CPI) for industrial workers and Wholesale Price Index (CPI- Industrial Workers: 80% and WPI: 20%). An increase in CPI proportionately increases impacts EE while an increase in WPI proportionately increases the A&G Expenses. The Distribution Licensee's historical EE and A&G expenses are in the ratio of 80:20. Hence, 80% and 20% weightage have been assigned to CPI and WPI respectively. There is a correlation between increased sales and increased Employee expenses as increased sales translated to additional infrastructure which results in more employees being recruited in the system. Hence, the distribution licensee requests the Hon'ble Commission to accept the methodology used by it for projecting O&M expenses.

Commission's Views: The Regulation requires the Commission to establish norms for computing O&M expenditure using predetermined norms or formulae for this purpose. Commission has examined the process adopted for fixing the norms for 3rd Control Period by the Licensees. The Commission notes that the view of the objectors that fixation of norms on sales basis for projection of employee cost and A&G cost may not be appropriate in case of power shortage scenario, and may also unnecessarily inflate these costs in case of single bulk

load is added to the system. The Commission has therefore adopted a different approach for fixing O&M norms. Commission has identified the main drivers of employee and A&G costs as the number of consumers, length of lines, Number of DTRs and Number of substations. The Commission notes that the R&M cost will depend on GFA and norms proposed for R&M cost by Licensee can be considered.

For allocation of employee cost and A&G costs among cost drivers the Commission examined the approach followed by the different State Electricity Regulatory Commissions and method prescribed in the Regulation of 5 of 2005 of APERC. After examining the above, the Commission has decided to allocate the Employee Costs and A&G costs among the cost drivers as below:

- i) 20% to number of consumers existing,
- ii) 10% to number of DTRs existing,
- iii) 70% to Length of lines and number of substations. This cost is allocated between number of substations and length of lines in the ratio of 70: 30.

Inflation rate is worked out as 8.60% (60% of WPI and 40% of CPI) for escalating in projecting the norms for each year of the third control period.

75. **Sri MR Prasad of AP Ferro Alloy Producers' Association and others** have submitted the following: Distribution licensees have claimed employee expenses and A&G expenses in proportion to the total sales in the Discoms and by using an escalation rate of 10.12% which is a weighted average of the Wholesale Price Index (WPI) and Consumer Price Index (CPI) in the ratio of 20:80 respectively. It is stated that the general practice widely adopted by CERC and various State Commissions is to consider the weights of 60:40 WPI to CPI as against the weights proposed by the licensees of 20:80.

Reply of the DISCOMs: As per the actual data, Employee Expenses (EE) contributes nearly 80%, while A&G expenses contribute only 20%. The norms arrived at for the year 2012-13 is escalated year on year using the weighted average of Consumer Price Index (CPI) for industrial workers and Wholesale Price Index (CPI-Industrial Workers:80% and WPI:20%). An increase in CPI proportionately increases impacts EE while an increase in WPI proportionately increases the A&G Expenses. The Distribution Licensee's historical EE and A&G

expenses are in the ratio of 80:20. Hence, 80% and 20% weightage have been assigned to CPI and WPI respectively. Also, there is a correlation between increased sales and increased Employee Expenses as increased sales translated to additional infrastructure which results in more employees being recruited in the system. Hence, the distribution licensee requests the Hon'ble Commission to accept the methodology used by it for projecting O&M expenses.

Commission's Views: The Commission has arrived at the norms for FY2010-11, based on the average of past five years period ending FY 2012-13 for each item of the O&M expenses. The norms are escalated with an escalation factor of 8.60% arrived by considering 60% of WPI and 40% of CPI for each year of the third control period, following the approach adopted by CERC and a number of other Commissions.

76. **Sri T Harish Rao MLA, Dr K Narayana of CPI Party, Dr M Thimma Reddy, Sri G Diwakar of All India Kisan Mazdoor Sangh, Smt Padma of AP Ryothu Sangham, Sri Janak Prasad of YSRC Party, Sri K Raghu of TEEJAC and others have submitted the following:** Increase in O&M costs is attributed to higher salary payments. This expenditure is also characterized by inequality. While salaries of the officer cadre is on the rise continuously the contract labor that fill most of the lower cadre posts are not getting proper payments. There were also allegations that some of this contracted/outsourced labor even does not get minimum wages. Contactors/middlemen responsible for mobilizing the contract labor knock away a portion of wage payments meant for contract laborers. Here it is also to be noted that while all the officers posts were filled a large number of the ground level posts are left vacant. Workload norms are to be put in place for staff at all levels and this should lead to improved internal efficiencies as well as lesser tariff burden on the consumers.

Reply of the DISCOMs: With regard to the payment of Minimum wages to Contract Labor it is to state that, Minimum Wages are being paid to contract labor as per the orders issued vide G.O.Ms.No.3, dt.12-01-2011, Government of A.P. adopted in APCPDCL vide Memo dated 03-08-2011 and G.O.Ms.No.11, dt.17-01-2012 Government of A.P. adopted in APCPDCL vide C.O.O.(CGM-HRD) Ms.No.115, Dated:24.05.2012 and COO(CGM-HRD) Ms.No.131,Dated:30-05-2012.

Commission's Views: Regarding payment of minimum wages the reply furnished by Licensees is found to be satisfactory. Regarding other points in the objections, while Commission's role is to fix the norms, to limit the O &M expenses, the DISCOMS should aim to right size all expenditure for achieving optimum O&M costs.

77. **Sri BV Raghavulu of CPI (M) Party, Sri M Venugopala Rao of Center for Power Studies and others** have submitted the following: DISCOMs are claiming higher expenditure on pay and allowances exceeding the limits prescribed in the norms of the Commission. Seeking pass through of additional expenditure incurred during the 2nd control period is contrary to the norms of the Commission and giving consent to such claims would defeat the very purpose of regulation and impose avoidable additional burden on the consumers. How many posts have been filled up by the Discoms during the second control period against the posts proposed to be filled up during the same period? For the 3rd control period, the DISCOMs have projected a total of Rs.38535.60 Cr towards O&M expenses and Rs.53597.62 Cr towards net expenditure. If additional O&M expenditure as is being claimed by the utilities is allowed as pass through by the Commission, irrespective of its norms, then there will be no prudent limits to such expenditure. This needs to be resolved in a rational way based on sound practices to see that they adhere to the norms prescribed by the Commission.
78. **Sri P Chandra Sekhara Reddy of Cherlapally Industries Association, Sri K Sudhir Reddy of Telangana Industrialists welfare Association, Sri KV Rameshwar Reddy of Nacharam Industries Association, Sri PSS Naidu of Mallapur Industrial Units welfare Association, Sri PV Rajam of Industries Welfare Assoctaion, Balanagar, Hyderabad and others** also submitted that the O&M expenses should be strictly on normative basis and the any claims for true up of excess expenditure be rejected.

Reply of the DISCOMs: Commission has not fixed any norms in finalising the O&M expenses for the second control period in the Distribution MYT order 2009-14. O&M expenses increased mainly due to the following reasons, which were not considered while fixing the O&M Cost target for the Distribution Business by the Hon'ble Commission (i) Wage Revision w.e.f. 01.04.2010 (ii) Actuarial Valuation Report (iii) Leave Encashment (iv) DA hike and new

recruitment (v) Increase in Repairs and Maintenance cost (vi) Increase in travelling and vehicle hire expenses. The Licensee proposes norm based methodology to project O&M expenses for the 3rd Control period. This method accounts for both inflationary cost on existing O&M expenses and increase in expenses due to addition of employees & office space. The proposed methodology correlates expenses to sales (DISCOM and open access) and Gross fixed assets.

Commission's Views: i) In the MYT Tariff Order of Distribution Business of the Second Control Period, the Commission has not determined the norms for O&M expenses. However, the Commission while taking up the true up of expenses of second control period including expenses of O & M, will conduct prudent check on expenses incurred under O&M item wise (i.e. Employee cost, A&G cost and R &M cost) based on the audited figures of Licensee, before agreeing to any pass through.

ii) Regarding determining the year wise O&M costs for the third control period, the Commission has fixed the norms in this order.

Issue: Repair & Maintenance Expenses

79. Sri R K Agarwal of M/s AP Spinning Mills Association, Sri Devendra Surana / Sri V Anil Reddy of FAPCCI, Sri MR Prasad of AP Spinning Mills Association and others, referring to the R&M expenses proposals submitted by the DISCOMs, submitted the following: Based on trend of historical R&M expenses, the average of R&M expenses as % of average GFA during FY 2008-09 to FY 2012-13 was 2.84%. DISCOMs projected the R&M expenses by taking 2.84% of the corresponding years GFA. Commission is requested to consider 2.50% of the average GFA for allowing R&M expenses. In accordance to MYT Regulations also, it is important for the Commission to advocate efficiency in licensee operation. Hence, Objector requests the Commission to consider an efficiency factor starting with 1% in second year and gradually increase it to 4% by end of the third control period. Considering the efficiency factor, the percentage for calculating R&M expenses considering average GFA is tabulated below.

Projection of R&M expenses % on average GFA for Third Control Period

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Base R&M expenses %	2.50%	2.50%	2.50%	2.50%	2.50%
Efficiency Factor		1.00%	2.00%	3.00%	4.00%
Revised R&M expenses %	2.50%	2.48%	2.45%	2.43%	2.40%

The revised estimate of Rs. 1777 Cr has been arrived for R&M expenses during the third control period. The relevant calculations are tabulated below.

Revised R&M expenses (Rs. Cr) for Third Control Period

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Opening GFA	7643	9554	11321	13285	15303	17793
Closing GFA	9554	11321	13285	15303	17793	20549
Average GFA	8599	10438	12303	14294	16548	19171
As per Petition						
% of GFA	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%
R&M Expenses	244.20	296.43	349.41	405.95	469.96	544.46
Revised Estimate As per Objector						
% of GFA	2.50%	2.50%	2.48%	2.45%	2.43%	2.40%
Revised R&M Expenses	214.96	260.94	304.50	350.20	401.29	460.10
Decrease in R&M expenses	29.23	35.49	44.91	55.75	68.67	84.35

Reply of the DISCOMs: R&M expenses as a percentage of GFA for a distribution licensee would depend on the existing infrastructure network and not necessarily would be same as that of some other Distribution licensee. The licensees have furnished the historical values to the Hon'ble Commission and request the Hon'ble Commission to take this into account while setting the R&M expenses.

Commission's Views: The R&M expense occurs mainly on replacement of parts/equipment in lines/substations and DTRs. And as assets increases, R&M increases proportionately. Hence the Commission is of the view that it is appropriate to link up with GFA. However the commission agrees with the suggestion made by the objector on the need to fix a norm. Keeping in mind the actual expenditure on O&M for all the DISCOMS, the commission fixes the norm of 2.05% on GFA for all the DISCOMS. This will provide necessary incentive to DISCOMS to monitor R&M.

Issue: Supply Margin

80. **Sri MR Prasad of AP Ferro Alloy Producers' Association and others** have submitted the following: Distribution licensees have claimed Rs. 40.41 Cr in FY 2013-14 and Rs. 52.15 Cr in FY 2014-15 towards Supply Margin. ARR and Tariff should be determined strictly in accordance with the Tariff Regulations and any extraneous claims should be disallowed.

Reply of the DISCOMs: Supply Margin has been computed as 2% of the RRB of the Distribution Business.

Commission's Views: The Commission in its Multi Year Tariff Order of the First Control Period, pertaining to Distribution business for FY 2006-07 to FY 2008-09 and Retail Supply Tariff Order for FY 2006-07 in para no. 253, has provided 2% on Return on Capital Employed of Distribution business as supply margin to Retail supply Business for considering the higher level of risk involved in this business. This practice has been continued in this Order also.

Determination of Operation and Maintenance expenses:

81. The Commission has examined the following points while determining the O&M expenses for the third control period;
- i) Examined the actual O & M expenses incurred in the past five years i.e from 2008-09 to 2012-13 specially variation on basic pay, dearness allowance, Other allowances and terminal benefits of employee cost and the variations in A&G costs (contract payments, legal charges, etc.) and R&M expenses.
 - ii) Clause no. 14.3 of Regulation No.4 of 2005 of APERC specifying to determine the composite O&M expenses, by using pre determined norms or formulae for this purpose.
 - iii) Variation of CPI and WPI over past 5 years.
 - iv) How the Employee cost and A&G costs are related to maintenance of lines, O&M of substations, Distribution Transformers (DTRs) and number of consumers existing.
 - v) How R &M cost is related to Gross Fixed Assets (GFA).
82. After examining all the above points the Commission has earlier concluded in pages 60 and 61 and para 76 that
- a. The Employee and A&G Costs together be correlated to no. of substations, length of lines, no. of DTRs and no. of consumers.
 - b. Similarly the R&M costs are correlated to GFA.
 - c. To work out the inflation rate taking 60% of WPI and 40% of CPI and worked out to 8.60%

Hence Commission has decided to fix the norms based on the above.

83. The Commission has allocated the Employee Costs and A&G costs among the cost drivers as below to fix the norms:

- ii) 20% to number of consumers existing,
- iii) 10% to number of DTRs existing,
- iv) 70% to Length of lines and number of substations. This cost is allocated between number of substations and length of lines in the ratio of 70: 30.

EC and A&G cost allocated to Substation (49%), Line length (21%), DTR (10%) and Consumer (20%) to arrive at per Substation, per line length, per DTR and per consumer norm. The average cost of each cost driver is arrived for the past 5 years FY2008-09 to FY2012-13 and this average cost of cost driver is considered for the middle of the five years period i.e. FY2010-11. The norms are fixed based on the percentage allocated to Substation, lines, DTR and consumer for the year FY2010-11. Then each norm is escalated with 8.60% year on year upto base year 2013-14 and also further escalated for each year of the third control period to get the norms. The EC and A&G costs for each year of the 3rd Control Period is determined as follows:

- (i) Multiplying the Substation norm of the corresponding year with Number of Substation existing at the end of the year (i.e. sum of the Quantity approved in Investment Plan and Quantity existing at the end of the previous year)
- (ii) Multiplying the line length norm of the corresponding year with length of line existing at the end of the year (i.e. sum of the Quantity approved in Investment Plan and Quantity existing at the end of the previous year)
- (iii) Multiplying the DTR norm of the corresponding year with DTRs existing at the end of the year (i.e. sum of the Quantity approved in Investment Plan and Quantity existing at the end of the previous year)
- (iv) Multiplying the Consumer norm of the corresponding year with the approved number of consumers existing at the end of the year

Summing up the costs computed in the item (i) to (iv) of above

The number of Substation, line length, DTR and Consumer existing at the end of the year (sum of the Quantity approved in Investment Plan and Quantity existing at the end of the previous year) is indicated in Table No. 5.16.

The year wise norms determined for EC and A & G cost for the third control period for each licensee are indicated in the following Table No. 5.15

Table No.5.15 - Norms approved for EC and A&G Expenses

CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19
EC and A&G norm (Rs per Substation)	3684748	4001490	4345459	4718995	5124641
EC and A&G norm per Line(Rs/ ckt.km)	7172	7789	8459	9186	9975
EC and A&G norm (Rs per DTR)	3894	4229	4593	4987	5416
EC and A&G norm (Rs per Consumer)	263	286	310	337	366
EPDCL					
EC and A&G norm (Rs per Substation)	5305596	5761667	6256941	6794789	7378870
EC and A&G norm per Line(Rs/ ckt.km)	11511	12500	13575	14742	16009
EC and A&G norm (Rs per DTR)	5143	5586	6066	6587	7153
EC and A&G norm (Rs per Consumer)	258	280	304	330	358
NPDCL					
EC and A&G norm (Rs per Substation)	2931103	3183061	3456678	3753814	4076493
EC and A&G norm per Line(Rs/ ckt.km)	5730	6223	6757	7338	7969
EC and A&G norm (Rs per DTR)	3319	3604	3914	4251	4616
EC and A&G norm (Rs per Consumer)	247	268	292	317	344
SPDCL					
EC and A&G norm (Rs per Substation)	3803839	4130818	4485904	4871513	5290269
EC and A&G norm per Line(Rs/ ckt.km)	7004	7606	8260	8969	9741
EC and A&G norm (Rs per DTR)	3142	3413	3706	4024	4370
EC and A&G norm (Rs per Consumer)	289	314	341	370	402

Table No.5.16 - Number of Substation, line length, DTR and Consumer existing at the end of the year (sum of the Quantity approved in Investment Plan and Quantity existing at the end of the previous year)

CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19
Substation	1581	1689	1745	1818	1900
Line Length (in ckt.Km)	369664	394729	421839	456818	490909
DTR	405867	439478	476641	524935	570948
Consumer	9406279	10206263	11075886	12021335	13049327
EPDCL					
Substation	696	726	749	761	782
Line Length (in ckt. Km)	136518	150156	164729	180068	196047
DTR	162923	180249	199085	219010	239729
Consumer	5282882	5491761	5709029	5935029	6170117
NPDCL					
Substation	1028	1060	1080	1106	1137
Line Length (in ckt. Km)	233548	249179	271475	294404	317869
DTR	216803	236900	266463	296693	327440
Consumer	5033863	5200676	5367473	5534270	5701068
SPDCL					
Substation	1309	1331	1356	1384	1417
Line Length (in ckt. Km)	294665	307343	322617	340512	360221
DTR	333098	350838	372196	396436	423459
Consumer	7230786	7592324	7971940	8370538	8789066

Repairs and Maintenance Expenses:

84. The Commission has determined the norms for R&M expenses with the following method. i.e. R&M expenses of year/ Opening value of GFA of that corresponding year. The average norm for past five years period (FY 2008-09 to FY 2012-13) of all DISCOMS put together is determined as base norm for each DISCOM. This base norm is applied on the approved GFA of each year of the third control period to arrive at the R&M expenses for each year.

The norms determined for R&M expenses for the third control period for each licensee are indicated in the following Table No. 5.17

Table No.5.17 - Norms approved for R&M expenses in % of GFA

	ALL DISCOMS
Norms for R&M expenses in % of GFA	2.05%

85. The details of approved O&M expenses for each year of the Control Period are given in Table No. 5.18 to 5.21

Table No.5.18 - Approved- CPDCL O&M Expenses

Financial Year	Employee and A&G Norm	Repairs & Maintenance Norm	Total O&M
2014-15	1253.18	160.33	1413.51
2015-16	1460.71	183.57	1644.28
2016-17	1677.58	209.76	1887.34
2017-18	1944.30	234.22	2178.52
2018-19	2249.99	260.33	2510.32

Table No.5.19 - Approved- EPDCL O&M expenses

Financial Year	Employee and A&G Norm	Repairs & Maintenance Norm	Total O&M
2014-15	746.33	82.59	828.92
2015-16	860.34	91.75	952.10
2016-17	986.50	101.66	1088.15
2017-18	1122.65	112.97	1235.61
2018-19	1283.47	124.67	1408.14

Table No.5.20 - Approved- NPDCL O&M Expenses

Financial Year	Employee and A&G Norm	Repairs & Maintenance Norm	Total O&M
2014-15	631.55	84.96	716.51
2015-16	717.47	94.88	812.36
2016-17	817.56	105.81	923.37
2017-18	932.56	118.37	1050.93
2018-19	1063.98	132.16	1196.14

Table No.5.21 - Approved- SPDCL O&M Expenses

Financial Year	Employee and A&G Norm	Repairs & Maintenance Norm	Total O&M
2014-15	1018.11	152.80	1170.91
2015-16	1141.76	167.86	1309.62
2016-17	1284.61	181.79	1466.40
2017-18	1449.24	194.90	1644.14
2018-19	1639.12	211.09	1850.21

D. Taxes on Income & Other Expenses:***i) Taxes on Income:***

86. The licensee has assumed that Return on Equity on 25% of RRB at 16% (including Supply Margin) would be the profit accrued to it every year and accordingly computed the Income tax on this considering an Income tax rate of 33% for the Third Control Period. The Income tax claim of the licensees is shown in the Table No. 5.22.

Table No.5.22 - Filings: Taxes on Income, (Rs. Cr)

Financial Year	Taxes on Income			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	54	19	25	40
2015-16	66	23	32	43
2016-17	78	26	40	46
2017-18	91	28	49	49
2018-19	108	30	58	56

Figures are rounded

Objections and suggestions on Taxes on Income***Issue: Taxes on Income***

87. Sri R K Agarwal of M/s AP Spinning Mills Association, Sri V Anil Reddy of FAPCCI and others have submitted that though the Commission, in its last order, has approved 14% of Return on Expenditure (RoE) for the distribution business, DISCOMs claimed 16% now.

Reply of the DISCOMs: Licensees have considered a return of 14% of Equity from the Distribution Business and additional 2% Equity for the Retail Supply Business. As the Retail ARR does not capture the Income tax separately, this has been included in the Distribution ARR itself

Commission's Views: The reply furnished by the Licensee is satisfactory and follows the past regulatory practice.

88. Sri MR Prasad of AP Ferro Alloy Producers' Association and others have submitted the following: The actual income tax paid by DISCOMs is

considerably lower than the projections made for the third control period. The actual income is lower than the Return on Equity component of RRB due to higher losses vis-à-vis approved loss levels. Corporate Tax is a direct tax on the income stream of a company and as such it is allowable to be recovered as pass through from the consumers upon the actual payment of such tax. Since it is recoverable as pass through; it is not required to allow the projected tax expense as part of ARR

Reply of the DISCOMs: Licensee in its ARR filings assumed that it will earn a Return on Equity of 14% on the RRB which is the profit margin for the licensee. This margin would be taxable under the Indian tax laws and hence, the distribution licensee has rightly portrayed the Income tax component in the Distribution ARR

Commission's Views: As per clause nos 11(g) and 18.1 of Regulation 4 of 2005 of APERC, the taxes on income is part of the ARR amount for Distribution business.

Determination of Taxes on Income

89. The Commission has determined the Return on Equity on 25% of approved RRB at 16% (including Supply Margin) and accordingly computed the Income tax on this considering an Income tax rate of 33% for the Third control period.

Table No.5.23 - Approved Taxes on Income, (Rs. Cr.)

Financial Year	Taxes on Income			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	24.98	10.29	16.49	24.38
2015-16	28.84	11.17	18.87	25.30
2016-17	31.57	12.19	20.85	24.53
2017-18	33.24	13.22	22.67	23.75
2018-19	36.09	14.22	24.94	23.85

ii) Special appropriation for Safety Measures

Safety Measures

90. The licensees have stated in the True-up petition that they have spent an amount of Rs.76 Cr. by CPDCL and Rs. 50 Cr. by NPDCL towards safety measures till FY 2012-13 in the previous Control Period as against Commissions approval of Rs.5 Cr. each for each DISCOM every year of the Control Period. Whereas, the EPDCL and SPDCL have not spent any amount on this account.

Further, the licensees has proposed the following expenditure towards Safety measures for the control period in the Table No.5.24

Table No.5.24 - Filings: Safety Measures, (Rs. Cr.)

Financial Year	Safety Measures			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	30.00	5.00	4.33	0.00
2015-16	35.00	5.00	4.55	0.00
2016-17	40.00	5.00	5.21	0.00
2017-18	45.00	5.00	5.47	0.00
2018-19	50.00	5.00	5.91	0.00

91. Several objectors in course of public hearings expressed the concern over safety issues in distribution network, especially in rural areas. The issue is related to poor network maintenance such as loose lines, non providing of AB switches, leaning of poles, poor earthing at DTRs, without proper LT fuses, without guys, etc., leading to loss of human and animal lives apart from avoidable supply interruptions.
92. Recognizing the need to improve the safety in distribution networks, a sum of Rs.5.00 Cr. was provided per year as special appropriation expense in previous MYT Order for FY2009-10 to 2013-14. Verification of the information reveals that EPDCL and SPDCL have not utilized the amount for the purpose improving the safety conditions.
93. As per the regulatory practice, the amounts provided for such special purposes but not utilized are to be clawed back.
94. To improve the safety conditions in distribution network, a sum of Rs.5.00 Cr. per annum (Rs.25.00 Cr. for the Control Period) is provided for each distribution Licensee as onetime expense item. This amount may be utilized for providing standard earthing wherever defective earthing is noticed, to the existing DTRs, providing guy insulators to stays and for rectification of other defects in the system due to which accidents are occurring to human beings and animals. Further this amount provided is over and above the amount already provided in investment plan under R&M head. It is expected that the Licensees fully utilize the provision of Rs.25 Cr. to improve the safety conditions in the distribution network during the Third Control Period.

In this regard, the Commission directs that;

to prepare a Safety Improvement Plan for five years relating to distribution network with a budget of Rs.25 Cr. and file the same with the Commission for approval by 31st August 2014. Upon approval of such safety improvement plan by the Commission, the DISCOM may complement the project. Non compliance of this directive may lead to claw back of the amounts provided with carrying norm apart from disallowing the compensation amounts paid on account of accidents occurred due to poor network.

iii) Other Expenses

95. The CPDCL has projected Rs. 2.67 Cr. for the entire control period towards Other Expenses for the sake of Employee welfare viz. library, canteen, primary health care, crèche, Physical fitness, sports meet. The NPDCL has projected Rs. 5.73 Cr. towards miscellaneous expenses for the entire control period.
96. Further, all the Licensees has shown the Distribution true-up gap computed for the 2nd control period including carrying norm under the Other expenses. The licensees proposed to amortise the true-up gap over the next 5 years of the control period calculated @ norm of debt of 12% p.a.

Table No.5.25 - Filings: Other Expenses, (Rs. Cr.)

Financial Year	Other Expenses			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	188.32	287.31	209.74	202.80
2015-16	188.34	287.31	209.79	202.80
2016-17	188.37	287.31	209.84	202.80
2017-18	188.40	287.31	209.90	202.80
2018-19	188.43	287.31	209.96	202.80

Determination of Other Expenses:

97. The Commission examined the other expenses filed by Licensees and it is observed that the true up gap amount of Second Control Period of each licensee is added under this head. The Commission has decided not to take up the truing up process of Second Control Period since the last financial year (FY2013-14) of the second control period is still under operation. Further, as per clause 10.4 to 10.7 of regulation 4 of 2005 of APERC, sharing of gains/losses with consumers in controllable items of ARR has to be taken up for control period as a whole. Therefore, the Commission after deducting the true up gap amount of the second control period, and after prudent check has determined to provide the amounts indicated in the below table under item “other expenses” for the third control period as shown in the following table No.5.26.

Table No.5.26 - Approved: Other Expenses, (Rs. Cr.)

Financial Year	Other Expenses			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	0.48	0.55	1.00	0.25
2015-16	0.51	0.64	1.01	0.28
2016-17	0.53	0.65	1.01	0.25
2017-18	0.56	0.57	1.08	0.31
2018-19	0.59	0.35	1.08	0.24

Non Tariff Income:

98. The Licensees have filed the Non tariff income including wheeling revenue from third party /OA consumers for the third control period as indicated in the below Table No. 5.27.

Table No.5.27 - Filed: Non Tariff Income,(Rs. Cr.)

Financial Year	Non Tariff Income			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	298.52	104.89	46.46	245.88
2015-16	331.98	114.59	49.31	268.80
2016-17	363.98	127.08	56.80	295.16
2017-18	399.74	141.02	64.18	323.44
2018-19	440.22	153.36	72.25	356.99

Determination of Non Tariff Income:

99. Non tariff income (NTI) is estimated and taken into calculations at Rs.1865.53 Cr. against Rs.1837 Cr. filed by CPDCL, Rs.769.44 Cr. against Rs.641 Cr. filed by EPDCL, Rs.502.02 Cr. against Rs.289 Cr. filed by NPDCL and Rs.1750.80 Cr. against Rs.1490 Cr. filed by SPDCL for the Control Period. The amount is estimated based on audited accounts for previous years and likely income in future years of the Control Period.

Table No.5.28 - Approved: Non Tariff Income

Financial Year	Non Tariff Income - Approved			
	CPDCL	EPDCL	NPDCL	SPDCL
2014-15	161.97	97.38	138.16	83.80
2015-16	370.38	146.31	79.64	374.36
2016-17	406.30	160.28	87.12	400.78
2017-18	444.96	175.76	94.51	429.12
2018-19	481.91	189.71	102.58	462.73
Total	1865.52	769.44	502.01	1750.79

Revenue Requirement for Distribution Business

100. With these changes/modifications, the revenue requirement for the Distribution Business is approved at Rs.12651.29 Cr. against Rs.20693.61 Cr. filed by CPDCL at Rs.7119.85 Cr. against Rs.11904.41 Cr. filed by EPDCL at Rs.6760.92 Cr. against Rs.12024 Cr. filed by NPDCL and at Rs.9400.36 Cr. against Rs.14637 Cr. filed by SPDCL for the Control Period. The details filed

and approved ARR for distribution business for each year of the Control Period are given in Table No. 5.29 to 5.32.

Table No 5.29 - CPDCL: Net ARR for the Control Period, (Rs.Cr.)

Filed by CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	525.43	627.67	751.95	903.76	1094.47	3903.28
O&M Expenses	1837.37	2182.61	2580.54	3064.18	3623.90	13288.60
Depreciation	684.41	801.17	915.53	1068.49	1248.09	4717.69
Taxes on Income	54.02	65.79	77.73	91.39	107.61	396.54
Other Expenses	188.32	188.34	188.37	188.40	188.43	941.86
Special Apprn. for Safety measures	30.00	35.00	40.00	45.00	50.00	200.00
Less						
O&M Expenses Capitalized	148.13	166.13	165.22	213.95	224.03	917.46
Non-Tariff Income	299.12	332.38	364.47	400.26	440.64	1836.87
Net ARR	2872.28	3402.06	4024.43	4747.02	5647.82	20693.60

Approved by APERC	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	270.32	312.09	341.69	359.72	390.62	1674.44
O&M Expenses	1413.51	1644.28	1887.34	2178.52	2510.32	9633.97
Depreciation	526.96	688.47	785.12	875.56	972.52	3848.63
Taxes on Income	24.98	28.84	31.57	33.24	36.09	154.72
Special Apprn. for Safety measures	5.00	5.00	5.00	5.00	5.00	25.00
Other Expenditure	0.48	0.51	0.53	0.56	0.59	2.67
Less						
O&M Expenses Capitalized	82.64	93.12	84.00	94.56	107.36	461.68
True up adj of 1 st control period	360.94					360.94
Non-Tariff Income	161.97	370.38	406.30	444.96	481.91	1865.52
Net ARR	1635.69	2215.69	2560.94	2913.09	3325.87	12651.29

Table No.5.30 - EPDCL: Net ARR for the Control Period,(Rs.Cr.)

Filed by EPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	179.59	219.76	249.46	273.62	296.23	1218.66
O&M Expenses	1060.67	1261.10	1498.14	1779.66	2115.01	7714.58
Depreciation	355.12	418.32	480.50	544.90	614.16	2413.00
Taxes on Income	18.92	22.80	25.71	28.09	30.34	125.86
Other expenses	287.31	287.31	287.31	287.31	287.31	1436.55
Special Apprn. for Safety measures	5.00	5.00	5.00	5.00	5.00	25.00
Less						
O&M Expenses Capitalized	77.66	70.84	75.02	76.78	88.00	388.30
Non-Tariff Income	104.89	114.59	127.08	141.02	153.36	640.94
Net ARR	1724.07	2028.86	2344.03	2700.78	3106.69	11904.41

Approved by APERC	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	111.31	120.86	131.93	143.11	153.92	661.13
O&M Expenses	828.92	952.10	1088.15	1235.61	1408.14	5512.93
Depreciation	273.70	307.81	343.26	384.74	427.51	1737.02
Taxes on Income	10.29	11.17	12.19	13.22	14.22	61.09
Special Apprn. for Safety measures	5.00	5.00	5.00	5.00	5.00	25.00
Other Expenditure	0.55	0.64	0.65	0.57	0.35	2.76
True up adj of 1 st control period Revenue	83.94					83.94
<i>Less</i>						
O&M Expenses Capitalized	33.41	34.30	38.53	41.18	47.18	194.60
Non-Tariff Income	97.38	146.31	160.28	175.76	189.71	769.44
Net ARR	1182.92	1216.97	1382.3	1565.33	1772.25	7119.85

Table No.5.31 - NPDCL: Net ARR for the Control Period,(Rs.Cr.)

Filed by NPDCL	2014-	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	232.97	307.90	391.40	475.57	566.99	1974.83
O&M Expenses	995.39	1202.27	1419.03	1736.70	2113.53	7466.92
Depreciation	289.00	346.95	413.95	480.52	552.52	2082.94
Taxes on Income	24.64	32.05	40.38	48.84	58.10	204.01
Other expenses	209.74	209.79	209.84	209.90	209.96	1049.23
Special Apprn. for Safety measures	4.33	4.55	5.21	5.47	5.91	25.47
<i>Less</i>						
O&M Expenses Capitalized	82.12	86.71	95.13	107.91	118.43	490.30
Non-Tariff Income	46.46	49.31	56.80	64.18	72.25	289.00
Net ARR	1627.5	1967.49	2327.90	2784.91	3316.32	12024.1

Approved by APERC	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	178.42	204.19	225.69	245.29	269.91	1123.50
O&M Expenses	716.51	812.36	923.37	1050.93	1196.14	4699.30
Depreciation	220.66	291.84	333.81	382.02	434.97	1663.30
Taxes on Income	16.49	18.87	20.85	22.67	24.94	103.82
Special Apprn. for Safety measures	5.00	5.00	5.00	5.00	5.00	25.00
Other Expenditure	1.00	1.01	1.01	1.08	1.08	5.18
<i>Less</i>						
O&M Expenses Capitalized	33.92	42.48	45.20	51.20	56.48	229.28
True up adj of 1 st control period Revenue	127.89					127.89
Non-Tariff Income	138.16	79.64	87.12	94.51	102.58	502.01
Net ARR	838.10	1211.14	1377.42	1561.27	1772.97	6760.92

Table No.5.32 - SPDCL: Net ARR for the Control Period, (Rs.Cr.)

Filed by SPDCL	2014-	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	406.31	474.33	471.37	505.02	572.35	2429.38
O&M Expenses	1302.22	1550.92	1846.52	2200.91	2618.26	9518.83
Depreciation	609.89	689.45	765.79	636.66	725.04	3426.83
Taxes on Income	39.58	43.23	45.50	49.40	55.96	233.67
Other Expenses	202.80	202.80	202.80	202.80	202.80	1014.00
Special Apprn. for Safety measures						
<i>Less</i>						
O&M Expenses Capitalized	85.80	80.10	92.90	108.70	127.90	495.4
Non-Tariff Income	245.88	268.80	295.16	323.44	356.99	1490.27
Net ARR	2229.12	2611.84	2943.93	3162.65	3689.52	14637.06

Approved by APERC	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Return on Capital	263.81	273.79	265.47	257.07	258.16	1318.3
O&M Expenses	1170.91	1309.62	1466.40	1644.14	1850.21	7441.28
Depreciation	438.02	573.59	626.52	676.40	737.61	3052.14
Taxes on Income	24.38	25.30	24.53	23.75	23.85	121.81
Special Apprn. for Safety measures	5.00	5.00	5.00	5.00	5.00	25.00
Other Expenditure	0.25	0.28	0.25	0.31	0.24	1.33
<i>Less</i>						
O&M Expenses Capitalized	49.20	46.61	51.12	63.12	73.04	283.09
True up adj of 1 st control period	525.62					525.62
Non-Tariff Income	83.80	374.36	400.78	429.12	462.73	1750.79
Net ARR	1243.74	1766.60	1936.26	2114.43	2339.30	9400.36

Incentives and Disincentives

101. In the MYT framework, the approved ARR amount and loss reduction trajectory fixed are expected to provide enough incentive for better performances during the control period as variations in gains and losses remain with the Licensees during the Control Period.
102. The norm of debt and return on equity are also fixed for each year of the Control Period. There is enough potential for the Licensees to perform better in a) contracting the loans at cheaper rates; b) plough back their own money into distribution business; and c) other prudent financial practices. The gains and losses on this account are also to the account of Licensees during the Control Period.

103. It is felt that the approved ARR amount and Loss Reduction Trajectory are sufficient to provide incentives and penalties for the Licensees. Accordingly, no special measures for incentives and penalties have been contemplated for the Control Period.

CHAPTER-VI
WHEELING CAPACITY IN MW

104. The year wise, voltage wise wheeling charges are computed based on the total demand anticipated at each voltage level for that year. For arriving the total demand at each voltage, the Licensee has first arrived the contracted demand at each voltage. For this purpose, the Licensees have captured the historical Contracted Demand of 33 kV and 11 kV. For projecting the contracted demand at LT side, the Coincident demand of LT category has been considered due to high diversity factor in LT connected load and the restricted supply given to agricultural consumers. Considering the historical growth of the above, the Licensees have projected the Contracted Demand of 33 kV and 11 kV and Coincident demand of LT for each year of the third Control Period as shown in the below table No. 6.1.

Table No.6.1 - Filings: Voltage Wise Wheeling Demand in MW

CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV	1,916	2,171	2,460	2,788	3,160
11 kV	2,004	2,181	2,373	2,583	2,811
LOW TENSION	4,004	4,303	4,626	4,972	5,344
EPDCL					
33 kV	575	633	696	766	843
11 kV	986	1,085	1,193	1,313	1,444
LOW TENSION	1,538	1,662	1,796	1,940	2,096
NPDCL					
33 kV	179	205	235	270	309
11 kV	413	462	518	581	651
LOW TENSION	2,355	2,560	2,783	3,025	3,288
SPDCL					
33 kV	698	747	799	854	914
11 kV	1,170	1,269	1,377	1,493	1,619
LOW TENSION	3,435	3,721	4,031	4,366	4,730

105. For arriving the total demand at each voltage level, for the purpose of computing wheeling charges, the Licensee has adopted the following method:

- i) The Load at 33 KV contributed from all voltages was computed by adding up the following:
 - Grossed up 33 kV Contracted Load with 33 kV losses

- Grossed 11 kV Contracted Load with 11 kV losses and further by 33 kV losses
 - Coincident Demand of LT estimated at 33 KV
- ii) The Load at 11 kV contributed from all the voltages was computed by adding the following
- Grossed up 11 kV Contracted load with 11 kV losses
 - Coincident demand of LT estimated at 33 KV grossed down with 33 kV losses
- iii) The Load at LT contributed from all the voltages was computed by adding the following
- Coincident demand of LT estimated at 33 KV grossed down with 33 kV losses and further by 11 kV losses

The below table no 6.2 lists the total Demand at each voltage.

Table No.6.2 - Total Demand Contribution in MW at each voltage level after loss adjustment.

CPDCL	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Load at 33 kV from all voltages	8,274	9,018	9,835	10,731	11,717
Load at 11 kV from all voltages	5,927	6,407	6,926	7,486	8,090
Load at LT	3,566	3,858	4,172	4,510	4,874
EPDCL					
Load at 33 kV from all voltages	3,213	3,500	3,813	4,154	4,527
Load at 11 kV from all voltages	2,508	2,732	2,976	3,241	3,530
Load at LT	1,411	1,529	1,656	1,794	1,943
NPDCL					
Load at 33 kV from all voltages	2,998	3,283	3,596	3,941	4,319
Load at 11 kV from all voltages	2,679	2,930	3,205	3,506	3,836
Load at LT	2,135	2,329	2,540	2,771	3,022
SPDCL					
Load at 33 kV from all voltages	5,436	5,878	6,355	6,871	7,430
Load at 11 kV from all voltages	4,514	4,894	5,305	5,751	6,234
Load at LT	3,156	3,425	3,716	4,032	4,375

Determination of Discom wise wheeling capacity:

106. The Commission has examined the method on which the voltage wise wheeling capacity of each Discom has been worked out in the filings and also examined the voltage wise capacity worked out after grossing up with the losses at each voltage level. In the Licensees filings, proper justification has not been provided for taking the coincident demand on LT side. Hence the Commission has adopted a different approach for arriving the LT coincident demand which is computed as 25% of total contracted load on LT side. The method of arriving the contracted demands at each voltage is given below:

- i) The realistic coincident demand at LT is not available. Further, the Discoms have mentioned historical contracted demand but base of the relevant year has not been indicated.
- ii) Hence the Commission considered the data furnished for FY 2012-13 in the resource plan for the contracted loads for 33 KV, 11KV and LT voltages. LT coincident demand is arrived by considering 25% contracted load. A growth rate of 7% every year is considered to arrive the voltage wise contracted demands for base year FY 2013-14 and for the third control period.
- iii) Considering the loss trajectory approved in this order for third control period, the voltage wise contracted capacities are arrived.

For example,

To arrive the contracted capacity at 11 KV voltage, LT coincident demand grossed up with approved losses at LT & 11 KV and 11 KV contracted load grossed up with 11KV approved losses are summed up.

The same procedure is followed to arrive the 33 KV contracted capacity.

107. The Discom wise approved contracted capacities for third control period are indicated in the following table No. 6.3.

Table No. 6.3 - Approved: Voltage wise demands without losses MW

CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV	1801	1927	2062	2206	2361
11 kV	2020	2161	2312	2474	2647
LOW TENSION	3604	3856	4126	4415	4724

EPDCL					
33 kV	447	478	511	547	585
11 kV	705	755	807	864	924
LOW TENSION	1557	1666	1783	1908	2041
NPDCL					
33 kV	101	108	115	123	132
11 kV	418	447	478	512	548
LOW TENSION	1601	1713	1833	1961	2099
SPDCL					
33 kV	438	469	502	537	575
11 kV	698	747	800	856	915
LOW TENSION	2835	3034	3246	3473	3716

Table No. 6.4: Approved: demand incident at each voltage level after loss adjustment in MW

CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV	8362	8898	9432	10070	10748
11 kV	6227	6616	6993	7462	7958
LOW TENSION	3896	4125	4367	4660	4973
EPDCL					
33 kV	2996	3206	3430	3668	3919
11 kV	2448	2619	2803	2997	3201
LOW TENSION	1639	1754	1877	2008	2149
NPDCL					
33 kV	2433	2582	2750	2936	3134
11 kV	2235	2370	2525	2695	2876
LOW TENSION	1722	1823	1940	2070	2209
SPDCL					
33 kV	4498	4805	5115	5454	5816
11 kV	3879	4143	4411	4706	5020
LOW TENSION	3016	3227	3435	3666	3912

CHAPTER-VII
WHEELING TARIFF

108. The Licensees have computed the wheeling charges by using the estimated ARR and total demand of three voltages i.e. 33 kV, 11 kV and LT and proposed these computed charges to be collected from users of distribution system in their respective licensed areas.

The proposed wheeling tariff consist of a) Wheeling Charge b) Distribution losses in kind at three voltage levels, 33 kV, 11 kV and Low Tension (LT).

109. The estimated net ARR is apportioned among three voltage classes based on different factors such as assets, number of consumers, substations and line lengths etc. Using the apportioned ARR with total demand in kVA at 33 kV, 11 kV and at LT, licensees computed the wheeling charges which are proposed to levy in terms of Wheeling Charge, Rs/kVA/Month for open access consumers at 33 kV , 11 kV and at LT for each year of the Control Period.

Table No.7.1 - CPDCL filings: Wheeling tariff for the Control Period

Voltage	33 kV		11 kV		Low Tension	
	Charge Rs/kVA/Month	Loss in kind	Charge Rs/kVA/Month	Loss in kind	Charge Rs/kVA/Month	Loss in kind
2014-15	58.48	5.21%	303.83	6.02%	417.90	10.17%
2015-16	63.23	4.88%	338.97	5.75%	455.19	9.58%
2016-17	68.07	4.56%	375.02	5.49%	496.47	9.03%
2017-18	72.04	4.30%	410.96	5.24%	541.81	8.50%
2018-19	79.39	4.00%	439.59	5.01%	602.57	8.01%

Table No.7.2 - EPDCL filings: Wheeling Tariff for the Control Period

Voltage	33 kV		11 kV		Low Tension	
	Charge Rs/kVA/Month	Loss in kind	Charge Rs/kVA/Month	Loss in kind	Charge Rs/kVA/Month	Loss in kind
2014-15	63.71	4.03%	338.12	4.41%	693.33	5.69%
2015-16	68.77	3.86%	364.73	4.33%	752.96	5.50%
2016-17	73.70	3.70%	386.71	4.24%	802.18	5.33%
2017-18	78.89	3.54%	408.93	4.15%	852.17	5.16%
2018-19	84.41	3.40%	431.74	4.07%	903.66	4.99%

Table No.7.3 - NPDCL Filings: Wheeling Tariff for the Control Period

Voltage	33 kV		11 kV		Low Tension	
	Charge, Rs/kVA/ Month	Loss in kind	Charge, Rs/kVA/ Month	Loss in kind	Charge, Rs/kVA/ Month	Loss in kind
2014-15	53.92	4.66%	268.36	4.91%	524.66	7.71%
2015-16	59.47	4.49%	299.02	4.74%	581.52	7.53%
2016-17	64.73	4.33%	326.76	4.58%	630.59	7.35%
2017-18	71.48	4.17%	358.56	4.42%	691.82	7.17%
2018-19	79.13	4.02%	391.89	4.26%	755.29	7.00%

Table No.7.4 - SPDCCL Filings: Wheeling Tariff for the Control Period

Voltage	33 kV		11 kV		Low Tension	
	Charge, Rs/kVA/ Month	Loss in kind	Charge, Rs/kVA/ Month	Loss in kind	Charge, Rs/kVA/ Month	Loss in kind
2014-15	59.39	4.12%	266.15	4.17%	438.08	6.54%
2015-16	65.05	4.04%	287.70	4.08%	473.90	6.41%
2016-17	69.17	3.96%	299.39	4.00%	492.70	6.28%
2017-18	71.46	3.90%	297.41	3.92%	487.94	6.15%
2018-19	77.76	3.80%	320.18	3.84%	525.40	6.03%

Objections and suggestions on Wheeling charges***Issue: Wheeling Charges year-on-year***

110. Sri P Shankar of AP Small Scale Granite Industries Association, Hyderabad, Sri K.Ravidra Rao of M/s Dolphin Hotels Ltd, Sri M.Prasad Babu of M/s Jeevan Polymers Pvt. Ltd, Sri D.V.Raja Sekhar of M/s Sri Shakti Cylinders P Ltd, Sri E.V.S.S.D.V.Prasad of M/s IKP Knowledge Park, Sri D.V.A.S.Ravi Prasad, Advocate, Sri G Narayana Raju of M/s Sindhu International, Thirupati, Sri KV Mohana Sundaram of Bhima Hotels, Thirupati, Sri RV Rao of Sri Balaji Hatcheries Pvt Ltd, Chittoor, Smt J Ramalakshmi of M/s Rayalaseema Bio Fuels, Srikalahasthi, Sri P munichandra babu of M/s Sneha Vinyl Products, Pvt Ltd, Renigunta, Sri P Shankar of M/s SNL Exports Pvt Ltd, Karimnagar, Sri J Omprakash of M/s Jakotia Polystacks Ltd., and many others have suggested that projections of Wheeling charges for the financial year 2014 -15 to 20118-19 need to be adjudicated on yearly basis by giving an opportunity to all stake holders.

Reply of the DISCOMs: Adhered to the APERC Regulation No.4 of 2005 in filing its ARR for Distribution Business and Wheeling Tariff keeping in view of the MYT principles.

Commission's Views: The reply furnished by the Licensee is found to be in order.

Wheeling Tariff Computation

111. The Commission shall determine the full cost tariffs for wheeling of energy to enable the Distribution Licensee to recover the approved ARR amount by the Commission as per Regulation 4 of 2005.
112. The Commission has examined the method of computation adopted by Licensee to arrive at wheeling charges at each voltage level based on allocation of ARR amount among three voltages and total demands at each voltage. Further the Licensee has computed the wheeling charges for LT also. But as per Regulation 2 of 2005 of APERC, open access is allowed for loads with 1 MW and above. And as per GTCS, the minimum supply voltage for 1 MW is 11 KV. Hence, open access is not permitted at LT voltage and wheeling charges are presently not required to be determined at this level.
113. While computing the wheeling charges, the Commission has considered the following.
 - (a) The year wise approved ARR amount of third control period has been allocated among 33 KV, 11 KV and LT voltages.
 - (i) the Employee Expenses (EE) and Administration & General (A&G) expenses are apportioned among the substations, length of lines , DTRs and no. of consumers at a ratio of 49%, 21%, 10% and 20% respectively.
 - (ii) Repairs and Maintenance (R&M) expenses- driven by GFA which is allocated in proportion to the GFA of each voltage.
 - (iii) Depreciation, RoCE, Non Tariff Income, Interest and Other expenses-driven by GFA and hence each of them are allocated in proportion to the voltage the GFA of each voltage.
 - (iv) O&M capitalized expenses are allocated in proportion to each voltage wise O&M expenses to total O&M expenses.

Having allocated the Distribution ARR components across the various voltages, based on the proportions stated above, the cost attributable for each various voltages were derived and approved.

- (b) The next step in this process is using the contracted capacities and wheeling losses, which are already determined in the previous chapters IV &

VI in this order. The total contracted capacity at each voltage was arrived by grossing up the contracted capacities with voltage wise losses upto that voltage which has been already explained in chapter-IV of this order.

The voltage level wheeling charges are computed by dividing the ARR at that voltage level by the Demand at that voltage level as summarized in the table below.

Voltage Level	Voltage-wise wheeling charges
33kV	ARR33 / (Total Contracted demand at 33 KV after grossing up to and including 33 KV losses)
11kV	ARR11 / (Total Contracted demand at 11 KV after grossing up to and including 11 KV losses)
LT	ARRLT / (Total Contracted demand at LT after grossing with LT losses)

ARR33 - (Cost of 33kV level alone).

ARR11 - (Proportionate 33kV cost attributable for 11kV usage + 11kV level cost).

ARR LT - (Proportionate 11kV cost attributable for LT level usage + LT level cost).

CD - Contracted demand (MWs) adjusted for losses

Based on the methodology explained above, the approved wheeling charges (Rs.kVA/month) at various voltages for each distribution company for the 3rd Control period are indicated in below Table No.7.5 to 7.8.

Table No.7.5 - CPDCL: Wheeling Tariff for the Control Period, FY2014-15 to FY2018-19 (RS./KVA/MONTH)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	7.37	12.12	12.95	12.93	13.78
11 kV (Rs./kVA/Month)	140.40	185.82	205.14	219.61	232.79

Table No.7.6 - EPDCL: Wheeling Tariff for the Control Period, FY2014-15 to FY2018-19 (RS./KVA/MONTH)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	13.46	10.98	11.38	11.80	12.22
11 kV (Rs./kVA/Month)	240.15	232.39	247.55	262.96	279.50

Table No .7.7 - NPDCL: Wheeling Tariff for the Control Period, FY2014-15 to FY2018-19 (RS./KVA/MONTH)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	7.08	13.52	14.48	15.19	16.20
11 kV (Rs./kVA/Month)	181.09	241.99	260.57	277.99	297.20

Table No.7.8 - SPDCL: Wheeling Tariff for the Control Period, FY2014-15 to FY2018-19 (RS./KVA/MONTH)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	7.66	15.51	15.39	15.11	15.17
11 kV (Rs./kVA/Month)	164.61	220.82	227.14	232.26	240.68

For computing the wheeling charges in this control period, the O&M expenses have been allocated as per norms fixed in this order (as per the regulation) i.e., for substations, length of lines, DTRs and consumers. The O&M expenses further allocated voltage wise with quantum of network. Further first control period true up has been done by the Commission, caused the claw back of the amount in FY2014-15. There is a considerable variation in LT co-incident demand in this control period. Hence the wheeling charges now computed cannot be compared with that of second control period.

Note on Wheeling Charges:

- i) A consumer drawing energy at the 33 kV level of the Distribution licensee network would have to pay the 33 kV wheeling charges.
- ii) A consumer drawing energy at 11 kV level of the Distribution licensee network would have to pay the wheeling charges of 11 kV.
- iii) In line with Government policy there shall be no wheeling charges for Non-Conventional Energy generators using Wind, Solar and Mini-Hydel sources.
- iv) The Wheeling tariff/charges are to be levied as per terms and conditions approved by the Commission from time to time.
- v) The Wheeling charges payable and energy losses to be borne shall be related to the contracted capacity in KW at the entry point.
- vi) The other conditions applicable for levy and collection of these charges shall be as per the provisions of the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access to Intra-state Transmission and Distribution networks), Regulation No.2 of 2005 and the Balancing and Settlement code, in force i.e. Regulation No. 2 of 2006 and amended from time to time.

114. The Wheeling Tariff Schedule of all the four licensees, indicating the wheeling charges and losses are given in Annexure-F₁ to F₄.
115. In conclusion, the Commission directs the four distribution Licensees to levy wheeling tariff for each year of the Control Period from FY2014-15 to 2018-19 as indicated in Annexure-F1 to F4. The Terms and Conditions with applicability indicated in Annexure-G respectively.

These tariffs take with effect from 17th May 2014.

This Order is signed on the 9th day of May, 2014.

**Sd/-
(P.RAJAGOPAL REDDY)
MEMBER**

**Sd/-
(R.ASHOKA CHARI)
MEMBER**

**Sd/-
(Dr. V.BHASKAR)
CHAIRMAN**

ANNEXURE - A I
LIST OF FRESH DIRECTIVES

1. *Safety Improvement Plan*

To prepare a Safety Improvement Plan for five years relating to distribution network with a budget of Rs.25 Cr. and file the same with the Commission for approval by 31st August 2014. Upon approval of such safety improvement plan by the Commission, the Discom may implement the project. Non compliance of this directive may lead to claw back of the amounts provided with carrying norm apart from disallowing the compensation amounts paid on account of accidents arising out of poor network.

2. *Agriculture DTR Metering*

Licensees are directed to come up with proposals, indicating schedule for installing energy meters to all Agl DTRs within 18 months, by 30th June 2014 for approval of Commission. Till all the DTRs are provided with metering, the Agl consumption may be estimated strictly as per ISI methodology including sample rotation and monthly meter readings.

ANNEXURE-A 2

LIST OF EARLIER DIRECTIVES

1. Ex-gratia

Ex-gratia amount payable in case of fatal accidents to Non-departmental persons and animals due to electrocution.

- a) To post the month wise details of the ex-gratia/compensations paid to the persons affected in the accidents, on official website.
- b) To file the detailed reports within seven days (duly posting the same on official website) on the incidents;
 - i. where the electronic equipment of the house holds of a village/street got burnt due to high voltages.
 - ii. where the animals of economic importance/humans of the village got electrocuted due to snapped live wire/falling of High Tension wire on Low Tension wire etc,
 - iii. the Licensees shall pay the ex-gratia amounts for loss of animals of economic importance and humans as indicated in Commission Proceedings No. APERC/Secy/EAS/S-101/177/2013 dt.13.08.2013

2. Utilization of Funds from Central Schemes

Submit half-yearly reports by 31st of October and by 30th of April, for the six month periods ending 30th September and 31st March respectively with the details of scheme wise utilization of such funds.

3. Safety Officer

To designate an Officer not below the rank of Divisional Engineer at each circle as 'Safety Officer' and shall be made responsible for implementing all safety standards as per I.E Rules/Safety standards as specified by CEA. The Safety Officer shall inspect all electrical installations to prepare a detailed proposal to rectify any short comings noticed or brought to his notice to ensure that the electrical accidents do not take place .

4. Neutral Wire-HVDS Areas

To run neutral wire from 33/11 kV SS to all single phase transformers both existing and new installations without resorting to use of earth as a return conductor. Further the Licensees are directed to strictly implement earthing practices as per 61(1)(a), 67(1A) and 92 of IE Rules, 1956 and provide three earth pits as per the prescribed construction standards. The Licensees shall file half yearly reports by 31st October and 30th April for periods ending 30th September and 31st March respectively.

ANNEXURE - B₁



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

#11-4-660, 4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad 500 004
Phone Nos.(040)23397625/381/399 Fax No.(040)23397378/489 website www.aperc.gov.in

APERC - AP Discoms - Filing of ARR for Retail Supply Business on yearly basis for the 3rd Control Period (FY 2014-15 to FY 2018-19) specifically for FY 2014-15 - Approval Accorded.

Proceedings No.Secy/DD(EAS)/S-98/260/2013

Dated 01-11-2013

Read the following:-

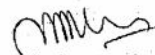
- 1) APERC (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No.4 of 2005
- 2) Lr.No.CGM(CommI&RAC)/SE(IPC)/DE(RAC)/D.No.2830 Dt 19.10.2013
- 3) Lr.No.CMD/EPDCL/VSP/CGM(C&R)/DE/RAC/F:59/D.No.4770/13 Dt 22.10.2013
- 4) Lr.No.CMD/NPDCL/CGM/EA,RA&IPC/F:ARR/D.No.249/13 Dt 05.10.13
- 5) Lr.No.CGM/Opn/APSPDCL/RAC/F:E01/D.No.428/13 Dt 24.10.2013

ORDER:

As per the filing procedure stipulated in Clause 6 of APERC (Terms & Conditions of Determination of Tariff for Wheeling & Retail Sale of Electricity) Regulation No.4 of 2005 every Distribution Licensee shall file for each of its licensed business an application for approval of its Aggregate Revenue Requirement (ARR) for each year of the Control Period. The ARR filing for the Distribution Business shall be for the entire Control Period. For the Retail Supply business the ARR filing will be on annual basis for the first Control Period and the entire Control Period for the subsequent control periods.

- 2) Whereas AP Discoms have requested the Commission, to exempt them from filing MYT petition and to allow them to file ARR & Tariff petition for Retail Supply Business on annual basis from hereon and specifically for the 1st year [FY 2014-15] of the 3rd control period (FY 2014-15 to FY 2018-19) citing the following reasons:
 - a. Significant uncertainty at present involved in projection of quantum of power to be purchased from various sources as well as in costs.
 - b. Difficulty in meeting Regulatory objectives in a Multi-Year-Tariff regime in the present environment.
 - c. Existing demand side uncertainties associated with Sales Forecast in a Multi Year regime.
- 3) After careful examination and in the circumstances of the present environment explained by the Discoms, the Commission in exercise of power conferred in clause 24.2 of APERC (Terms & Conditions of Determination of Tariff for Wheeling & Retail Sale of Electricity) Regulation No.4 of 2005 hereby accords approval to all the AP Discoms to file ARR for Retail Supply Business on annual basis for FY 2014-15, being the first year of the third control period.
- 4) The Chairman & Managing Directors of AP Discoms and Managing Directors of Rural Electricity Cooperative Societies are directed to take further necessary action accordingly.

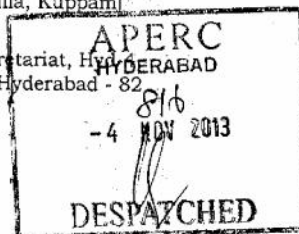
(BY ORDER OF THE COMMISSION)


Commission Secretary

To
The Chairman & Managing Directors/APCPDCL, APEPDCL, APNPDCL, APSPDCL
The Managing Directors/RESCOs (Anakapalle, Chipurupalli, Sircilla, Kuppam)

Copy to:

The Spl. Chief Secretary to Government, Energy Department, Secretariat, Hyderabad
The Chairman & Managing Director, APTransco, Vidyut Soudha, Hyderabad - 82
All the Directors/APERC
PS to Chairman/APERC
PS to Member (Technical)/APERC ✓



ANNEXURE - B2



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

#11-4-660, 4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad 500 004
Phone Nos.(040)23397625/381/399 Fax No.(040)23397378/489 website www.aperc.gov.in

From
Commission Secretary,
APERC, 4th & 5th Floors,
11-4-660, Singareni Bhavan,
Red Hills, Lakdi-ka-pul,
Hyderabad 500 004.

- To
- 1) The Chairman & Managing Director,
APCPDCL, 6-1-50, 5th floor,
Corporate Office, Mint Compound,
Hyderabad 500 004.
 - 2) The Chairman & Managing Director,
APEPDCL, P&T Colony,
Seethammadhara,
Near Gurudwara Junction,
Visakhapatnam 530 013.
 - 3) The Chairman & Managing Director,
APNPDCL, 'Vidyut Bhavan',
Nakkalagutta, Hanamkonda,
Warangal 506 001.
 - 4) The Chairman & Managing Director,
APSPDCL, Behind Sreenivasa Kalyana
Mandapam, Kesavayanagunta,
Tirupati 517 501.

Lr. No.S 529/9/A/RO-2

Dated 28.11.2013

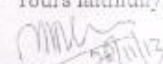
Sir,

Sub:- APERC - Miscellaneous petition filed by Discoms seeking time extension for filing ARR/Tariff proposals for Distribution Business for 3rd MYT Control Period and Retail Supply Business for FY 2014-15 - Reg.

- Ref:- 1) Lr.No.CGM(Comm)/SE(IPC)/DE(RAC)/D.No.3325 Dt.02.11.2013
2) Lr.No.S-529/9/A/RO-1, dated 25.11.2013
3) Lr.No.CGM(Comm)/SE(IPC)/DE(RAC)/D.No.3400 Dt.27.11.2013

In continuation to the letter 2nd cited above and with due consideration of the miscellaneous petition filed by Discoms vide letter 3rd cited above, I am directed to inform that the Commission has granted extension of time upto 10th December, 2013 for filing of Aggregate Revenue Requirement (ARR) along with the Filing for Proposed Tariff (FPT) for Distribution business for the entire 3rd Control Period and for Retail Supply business for FY 2014-15.

Yours faithfully,


Commission Secretary

Copy to:

The Chairman & Managing Director/APTransco/Vidyut Soudha/Hyderabad 500 082
The Director (Tariff)/APERC
The Director (Engineering)/APERC
The Joint Director (Law)/APERC

PS to Chairman/APERC
PS to Member (A)/APERC
PS to Member (R)/APERC





NORTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED (NPDCL)

PUBLIC NOTICE

- Notice is hereby given to all that the Distribution Company viz. Northern Power Distribution Company of A.P.Ltd. (APNPDCCL) holding Distribution and Retail Supply Licence No.14/2000 has, on 04-12-2013, filed before the Andhra Pradesh Electricity Regulatory Commission (APERC) the Aggregate Revenue Requirement (ARR) and Tariff Proposals for the Retail supply business for the F.Y. 2014-15 and ARR & Tariff proposals (Wheeling Charges) for the Distribution business for the 3rd Control period i.e. F.Y. 2014-15 to F.Y. 2018-19. These filings have been taken on record by the Hon'ble Commission in O.P.No.63 of 2013 and O.P. No. 64 of 2013 respectively.
- Copies of the filings and application referred are available in the Office of the Chief General Manager (P & RAC) of the Distribution Company's headquarters at Warangal (APNPDCCL, H.NO.2-6-31/2 Vidyut Bhavan, Nakkalagutta, Hanamakonda - 506 001) and all Superintending Engineers of Operation Circles of the Distribution Company at Warangal, Khamman, Karimnagar, Nizamabad and Adilabad. Interested persons may inspect / peruse the said ARR and tariff proposals and take note thereof during office hours at any of the said offices at free of charge. These proposals are also available on www.apnpdcl.in and the same may be accessed at www.aperc.gov.in. A copy of these filings can be obtained from the above offices from 06-12-2013 onwards on payment of Rs.200/- for Retail supply filings & Rs.100/- for Distribution filings (By cash). Also, a summary of ARR and Tariff proposals in English or Telugu can be separately obtained on payment of Rs.10/- (By cash).
- Objections/suggestions if any, on the ARR filings and Tariff/Charges proposed by the Distribution Company, together with supporting material may be sent to the Chief General Manager (P & RAC) of the Distribution Company's headquarters at Warangal (APNPDCCL, H.NO.2-6-31/2 Vidyut Bhavan, Nakkalagutta, Hanamakonda - 506 001) in person or through Registered Post so as to reach on or before 06-01-2014 by 05.00 pm. A copy of the same must also be filed with the Commission Secretary, APERC, at the address mentioned above. The objections/suggestions should be duly signed and should carry full name and postal address of the person(s) sending the objections/suggestions. If the objection/suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned. The Objection/Suggestion should accompany the following statement as an overleaf.

Name & full address of the Objector	Brief details of Objection (s)/ Suggestion (s)	Objections against Tariff proposal of (Discor Name to be filled by Objector)	Whether copy of Objection & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
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- The Tariffs and Charges for Retail Supply for F.Y. 2014 - 15 and Distribution for 2014 - 15 to 2018 - 19 to consumers proposed by the DISCOM are indicated in the Schedule I and II below.
- Andhra Pradesh Electricity Regulatory Commission intends to conduct a Public Hearing at Karimnagar on 23.01.2014 from 10:30 hrs onwards. The exact venue/location of Public Hearing will be placed in website www.aperc.gov.in one week before its scheduled date.

Date: 6th Dec, 2013
Place: Warangal
CHAIRMAN & MANAGING DIRECTOR
NORTHERN POWER DISTRIBUTION COMPANY OF A.P.LTD.



CENTRAL POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED (CPDCL)

PUBLIC NOTICE

- Notice is hereby given to all that the Distribution Company viz. Central Power Distribution Company of A.P.Ltd. (APCPDCL) holding Distribution and Retail Supply Licence No.13/2009 has, on 04-12-2013, filed before the Andhra Pradesh Electricity Regulatory Commission (APERC) the Aggregate Revenue Requirement (ARR) and Tariff Proposals for the Retail supply business for the F.Y. 2014-15 and ARR & Tariff proposals (Wheeling Charges) for the Distribution business for the 3rd Control period i.e. F.Y. 2014-15 to F.Y. 2018-19. These filings have been taken on record by the Hon'ble Commission in O.P.No.63 of 2013 and O.P. No. 64 of 2013 respectively.
- Copies of the filings and proposals referred are available in the Office of the Chief General Manager (Commercial & RAC) of the Distribution Company's headquarters at Hyderabad (APCPDCL, 2nd Floor, Mint Compound, Hyderabad - 500 063) and all Superintending Engineers of Operation Circles of the Distribution Company at Hyderabad (North), Hyderabad (South), Hyderabad (Central), Rangareddy (North), Rangareddy (South), Rangareddy (East), Mulubachanagar, Medak, Nalgonda, Kurnoor and Anantapur. Interested persons may inspect / peruse the said ARR and tariff proposals and take note thereof during office hours at any of the said offices at free of charge. These proposals are also available on www.apcpdcl.com and the same may be accessed at www.aperc.gov.in. A copy of these filings can be obtained from the above offices from 06-12-2013 onwards on payment of Rs.200/- for Retail supply filings & Rs.100/- for Distribution filings (By cash). Also, a summary of ARR and Tariff proposals in English or Telugu can be separately obtained on payment of Rs.10/- (By cash).
- Objections/suggestions if any, on the ARR filings and Tariff/Charges proposed by the Distribution Company, together with supporting material may be sent to the Chief General Manager (Commercial & RAC) of the Distribution Company's headquarters at Hyderabad (APCPDCL, 2nd Floor, Mint Compound, Hyderabad - 500 063) in person or through Registered Post so as to reach on or before 06-01-2014 by 05.00 pm. A copy of the same must also be filed with the Commission Secretary, APERC, at the address mentioned above. The objections/suggestions should be duly signed and should carry full name and postal address of the person(s) sending the objections/suggestions. If the objection/suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned. The Objection/Suggestion should accompany the following statement as an overleaf.

Name & full address of the Objector	Brief details of Objection (s)/ Suggestion (s)	Objections against Tariff proposal of (Discor Name to be filled by Objector)	Whether copy of Objection & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
-------------------------------------	--	--	--	---

- The Tariffs and Charges for Retail Supply for 2014 - 15 and Distribution for 2014 - 15 to 2018 - 19 to consumers proposed by the DISCOM are indicated in the Schedule I and II below.
- Andhra Pradesh Electricity Regulatory Commission intends to conduct a Public Hearing at Hyderabad on 04.02.2014 from 10:30 hrs onwards. The exact venue/location of Public Hearing will be placed in website www.aperc.gov.in one week before its scheduled date.

Date: 6th Dec, 2013
Place: Hyderabad
CHAIRMAN & MANAGING DIRECTOR
CENTRAL POWER DISTRIBUTION COMPANY OF A.P.LTD

SCHEDULE-II

PROPOSED TARIFF FOR DISTRIBUTION BUSINESS FOR 3rd CONTROL PERIOD i.e., FY 2014-15 TO FY 2018-19 For Central Power Distribution Company of A.P.Ltd

Sl. Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
A) ARR, Wheeling charges and Wheeling Losses (%)					
1) ARR (Rs. Crores)	2872.28	3402.06	4024.43	4747.02	5647.82
2) Wheeling Charges					
33 kV (Rs./KVA/Month)	58.48	63.23	68.07	72.04	79.39
11 kV (Rs./KVA/Month)	303.83	338.97	375.02	410.96	439.59
LT (Rs./KVA/Month)	417.90	455.19	496.47	541.81	602.57
3) Wheeling Losses (%)					
33 kV	5.21	4.88	4.56	4.26	3.99
11 kV	6.02	5.75	5.49	5.24	5.01
LT	10.17	9.58	9.03	8.50	8.01
B) Distribution Loss Reduction Trajectory (%)					
1) Excluding EHT sales	16.49	15.57	14.71	13.88	13.11
C) Capital Investments					
1) Capital Investments (in Rs Crore)	1563	1754	1758	2259	2376

PROPOSED TARIFF FOR DISTRIBUTION BUSINESS FOR 3rd CONTROL PERIOD i.e., FY 2014-15 TO FY 2018-19 For Eastern Power Distribution Company of A.P.Ltd

Sl. Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
A) ARR, Wheeling charges and Wheeling Losses (%)					
1) ARR (Rs. Crores)	1724	2029	2344	2701	3107
2) Wheeling Charges					
33 kV (Rs./KVA/Month)	63.71	68.77	73.70	78.89	84.41
11 kV (Rs./KVA/Month)	338.12	364.73	386.71	408.93	431.74
LT (Rs./KVA/Month)	693.33	752.96	802.18	852.17	903.66
3) Wheeling Losses (%)					
33 kV	4.03	3.86	3.70	3.54	3.40
11 kV	4.41	4.33	4.24	4.15	4.07
LT	5.69	5.50	5.33	5.16	4.99
B) Distribution Loss Reduction Trajectory (%)					
1) Excluding EHT sales	11.55	11.12	10.75	10.39	10.04
C) Capital Investments					
1) Capital Investments (in Rs Crore)	706	644	682	698	800

PROPOSED TARIFF FOR DISTRIBUTION BUSINESS FOR 3rd CONTROL PERIOD i.e., FY 2014-15 TO FY 2018-19 For Northern Power Distribution Company of A.P.Ltd

Sl. Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
A) ARR, Wheeling charges and Wheeling Losses (%)					
1) ARR (Rs. Crores)	1628	1968	2328	2785	3316
2) Wheeling Charges					
33 kV (Rs./KVA/Month)	53.92	59.47	64.73	71.48	79.13
11 kV (Rs./KVA/Month)	268.36	299.02	326.76	358.56	391.89
LT (Rs./KVA/Month)	524.66	581.52	630.59	691.82	755.29
3) Wheeling Losses (%)					
33 kV	4.66	4.49	4.33	4.17	4.02
11 kV	4.91	4.74	4.58	4.42	4.26
LT	7.71	7.53	7.35	7.17	7.00
B) Distribution Loss Reduction Trajectory (%)					
1) Excluding EHT sales	15.04	14.62	14.20	13.80	13.41
C) Capital Investments					
1) Capital Investments (in Rs Crore)	965	1026	1126	1276	1401

PROPOSED TARIFF FOR DISTRIBUTION BUSINESS FOR 3rd CONTROL PERIOD i.e., FY 2014-15 TO FY 2018-19 For Southern Power Distribution Company of A.P.Ltd

Sl. Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
A) ARR, Wheeling charges and Wheeling Losses (%)					
1) ARR (Rs. Crores)	2229	2612	2944	3163	3690
2) Wheeling Charges					
33 kV (Rs./KVA/Month)	59.39	65.05	69.17	71.46	77.76
11 kV (Rs./KVA/Month)	266.15	287.70	299.39	297.41	320.18
LT (Rs./KVA/Month)	438.08	473.90	492.70	487.94	525.40
3) Wheeling Losses (%)					
33 kV	4.12	4.04	3.96	3.90	3.80
11 kV	4.17	4.08	4.00	3.92	3.84
LT	6.54	6.41	6.28	6.15	6.03
B) Distribution Loss Reduction Trajectory (%)					
1) Excluding EHT sales	11.84	11.62	11.40	11.18	10.96
C) Capital Investments					
1) Capital Investments (in Rs Crore)	914	867	1006	1177	1385

SAVE ENERGY - SAVE NATION

ANNEXURE - D

LIST OF REGISTERED OBJECTORS

Sl No.	Name & Address of the Objector	Objection Related to
1	Sri A.Balasundaram, No.2/77, Beri Street Nagari, Chittoor Dist. 517 590.	APSPDCL
2	Sri M.Krishna Murthy, SAO (Retd.) APSEB, SRT 302, Sanathnagar Colony, Hyderabad 500 018. Mobile No.9032208097	All Discoms
3	Sri R.H.N.Sarma, Senior Citizen, Member, Lok Satta (S.W.), 6-9 Simhachalam, Visakhapatnam 530 028.	APEPDCL
4	Sri Meesala Basava Punnaiah, President, Repalle Consumers' Council, 10-13-11/10, Uppudi Road, Repalle, Guntur Dist. 522 265. Phone No.:(08648)222446, Mobile No.9441127100	APSPDCL
5	Sri Meesala Basava Punnaiah, President, A.P. State Hire Working (Non Trading) Rice Millers Association, Panchalavarapuvari Street, 9 th Ward, Repalle, Guntur Dist. 522 265. Phone No.:(08648)222446 Mobile No.9441127100	APNPDCL
6	Sri Meesala Basava Punnaiah, President, A.P. State Hire Working (Non Trading) Rice Millers Association, Panchalavarapuvari Street, 9 th Ward, Repalle, Guntur Dist. 522 265. Phone No.:(08648)222446 Mobile No.9441127100	APSPDCL
7	Sri D.Ramaswami Reddy, SE (Retd.) APSEB, 21/72 (Upstairs), Trunk Road, Opp. Collector's Officer, Seven Roads, Kadapa 516 001. Phone No.:(08562)222757	APSPDCL
8	Managing Director, M/s Varadha Steels Pvt. Ltd., 211-2A, 210-2B1, Manganellore(V), Sullurpeta, SPSR Nellore Dist. 524 121. Phone No.:(044)26440018 Fax No.:(044)26461229 email address:varadhametal@yahoo.co.in	APSPDCL
9	Sri M.R.Ramesh Babu, Sr. General Manager (Business Development, M/s Lanco Industries Ltd., Rachgunneri(V), Srikalahasthi(M), Chittoor Dist. 517 641. Phone Nos.:(08578)286651,661,668,670,671,672,676 Mobile No.9849646408 Fax No.:(08578)286657,688	APSPDCL
10	Sri V.Anil Reddy, Vice President, The Federation of A.P. Chambers of Commerce & Industry, Federation House, FAPCCI Marg, Red Hills, Hyderabad 500 004. Phone No.:(040)23395515 to 22 Fax No.:(040)23395525 email address:info@fapcci.in	All Discoms
11	Er. Ch.Venkateswarlu, Chairman, Rythu Samaikhya, Plot No.302, 33-10-14, Seetharampuram, Vijayawada 520 002. Mobile No.9848279866	All Discoms
12	Sri P.Mohan Rao, 7-60/1, Angalakuduru (Vi), Tenali, Guntur Dist. 522 211. Mobile No.8008610377	APSPDCL
13	Sri M.Vijaya Bhaskar, Krishna District General Secretary, Bharatiya Kisan Sang, Thadigadapa, Penamaluru(M), Krishna Dist.	APSPDCL
14	Sri Swamy Jagannandananda, Husnabad(V), Kodangal(M), Mahabubnagar Dist.	APCPDCL
15	Sri B.Lokanathdham Naidu, Pathuru, Koddapalli (P), Pakala(M), Chittoor Dist. 517 152.	APSPDCL
16	Sri V.Subrahmanyam, Nallaguttaindyu, Pakala(M), Chittoor Dist. 517 152.	APSPDCL
17	Sri B.Bhakar Naidu, Sankampalli(V), Pakala(M), Chittoor Dist. 517 152.	APSPDCL
18	Sri B.Munaiah, Koonapalli(V), Pedharamapuram (P), Pakala(M), Chittoor Dist. 517 152.	APSPDCL
19	Sri R.Kesava Naidu, Konupureddypalle(V), Pakala(M), Chittoor Dist. 517 152.	APSPDCL
20	Sri V.Venkat Chowdary, Venkatapuram(V), Vallevedu (P), Pakala(M), Chittoor Dist. 517 152.	APSPDCL
21	Sri A.Punna Rao, Convenor, Praja Energy Audit Cell, 59-2-1, Ashoknagar, Vijayawada 520 010.	APCPDCL
22	Sri M.Venugopala Rao, Sr.Journalist, Convener, Centre for Power Studies, H.No.7-1-408 to 413, F 203, Sri Sai Darsan Residency, Balkampet Road, Ameerpet, Hyderabad 500 016. Phone No.:(040)23737404 Mobile No.9441193749 email address:mrmummareddi@gmail.com	All Discoms
23	Sri P.Kodanda Ramaiah, 306, Turquoise block, My Home Jewel, Madinaguda, Hyderabad 500 049.	APCPDCL
24	Smt. P.Bharathi, Eguva Palakur (V&P), Pathalapattu(M), Chittoor Dist. 517 124.	APSPDCL
25	Sri P.Naredranath Chowdary, Managing Director, The Andhra Sugars Ltd., Chemicals & Fertilisers Division, Kovvur, West Godavari Dist. 534 350. Phone Nos.:(08813)231597 to 599 Fax No.:(08813)231218 email address:info.kvr@theandhrasugars.com,aslkv@sify.com	APEPDCL

SI No.	Name & Address of the Objector	Objection Related to
26	Sri B.V.Raghavulu, Secretary, A.P. Committee, Communist Party of India (Marxist), 1-1-60/2, M.B.Bhavan, RTC x Roads, Hyderabad 500 020. Phone Nos.:(040027665011, 27665012 Fax No.:(040)27601001 email address:cpimap@gmail.com, email@cpimap.org	All Discoms
27	Sri Ch.Venugopala Rao, Federation of Farmers Associations, Andhra Pradesh, H.No.1-191, Railway Wagon Work Shop Road, Guntupalli, Ibrahimpatnam(M), Krishna Dist. 521 241. Phone No.:(0866)2831298 Mobile No.9490206969	All Discoms
28	Sri M.Badrinath, Flat No.102, Harika Enclave, Warasiguda, Secunderabad. Mobile No.9849465085	All Discoms
29	Sri B.Jaya Chandra Reddy, Pimaagam(V), Arakonda (P), Thavanampalle(M), Chittoor Dist.	APSPDCL
30	Sri G.Raja Sekhar, Venkatapuram(V), Diguvathavakara (P), Thavanampalle(M), Chittoor Dist.	APSPDCL
31	Sri S.Murali Mohan Reddy, Eguvathavanampalle (V&M), Thavanampalle(M), Chittoor Dist.	APSPDCL
32	Sri Y.Rajasekhara Naidu, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
33	Sri K.Rajasekhara Naidu, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
34	Sri W.Raja Naidu, Secretary, Chittoor District Rythu Samaikhya, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
35	Sri Y.Siddiah Naidu, President, Chittoor District Rythu Samaikhya, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
36	Sri W.Chinni Krishna Naidu, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
37	Sri B.Ganesha Reddy, Arakonda (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
38	Sri M.Dinakara Naidu, Kattakindapalle (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
39	Sri A.Premananda Swamy, Shivagiri Ashramam, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
40	Sri V.Chandrasekhara Naidu, Diguvamaagam (V&P), Thavanampalle(M), Chittoor Dist.	APSPDCL
41	Sri T.Krishna, Bommayipalle(V), Nelagampalle (P), Bangarupaalyam(M), Chittoor Dist.	APSPDCL
42	Sri R.Punnamacharyulu, Chief Convenor, Akhila Bharatheeya Vishwakarma Parishad, Tilak Bhavan, T.R.T. 141, Street No.9, Jawaharnagar, Hyderabad 500 020. Phone No.:(0870)2506648 Mobile No.9989529040	All Discoms
43	Sri K.Muthaiah, President, The Jangaon Rice Millers Association, Jangaon, Warangal Dist. 506 167. Mobile No.9848555331	APNPDCL
44	Sri G.V.Jayachandra Chowdary, President, A.P.State Committee, Federation of Farmers Associations, G.Gollapally, Thavanampalle(M), Chittoor Dist. Phone No.:(08573)255640, (040)23319643 Mobile No.9440274266 Fax No.:(040)23378046 email address:indian_farmers_federation@yahoo.com, chengal.p@gmail.com	APSPDCL
45	Sri P.Vijaya Chandra Naidu, Narasimhapuram, Middenattam(V), Palasamudram(M), Chittoor Dist. Mobile No.9949466617	APSPDCL
46	Sri M.Sridhar Reddy, State Secretary, Bharatiya Kisan Sang, Plot No.504, Rajput Residency, H.No.2-1-174/175, Old Ramalayam Road, Nallakunta, Hyderabad 500 044. Mobile No.9866381090	All Discoms
47	Sri D.Ramu, Keshava Nilayam, D.No.3-4-852, Barkatpura, Hyderabad 500 027. Mobile No.9441901736	APCPDCL
48	Sri P.Anji Reddy, Gollapally (V&P), Kondapur(M), Medak Dist. Mobile No.9989334612	APCPDCL
49	Sri K.Ananta Reddy, D.No.5-116, Road No.2, Adarshnagar, Serilingampally, Hyderabad 500 019. Mobile No.8106073709	APCPDCL
50	Sri A.Surender Reddy, D.No.1-2-28/501, Parameshwari Nilayam, Bhaskar Model High School Line, Nizampet Road, Kukatpally, Hyderabad 500 090. Mobile No.814272444	APCPDCL
51	Sri J.Sri Ranga Rao, 2-2-18/18/7, C-29, Flat No.503, Sri Lakshmi Solitude, D.D.Colony, Near Ahobil Mutt Temple, Hyderabad 500 013. Mobile No.9246533243	APCPDCL
52	Sri B.Madhusudan Reddy, H.No.3-9-94, S.V.Residency, Saradanagar, Ramantapur, Hyderabad. Mobile No.9000319345	APCPDCL
53	Sri A.Komuraiah, Kurmapally(V), Revalle(P), Choppadandi(M), Karimnagar Dist.	APNPDCL
54	Sri M.Vidyasagar Reddy, Keshava Nilayam, Behind RTC Bus Stand, Opp. Mandal Praja Parishad Office, Karimnagar 505 001. Mobile No.9703614162	APNPDCL

SI No.	Name & Address of the Objector	Objection Related to
55	Sri G.Prasada Rao, Rapally(V), Gollapally(M), Karimnagar	APNPDCL
56	Sri Y.Srinivasa Rao, C/o Y.P.C.Sarma, 12-11-1496, Boudhanagar, Near Ramalayam Street, Warasiguda, Secunderabad 500 061.	APCPDCL
57	Sri Y.Sidde Reddy, Thallamudipi(V), Medutoor(M), Kurnool Dist. Mobile No.944193246	APCPDCL
58	Sri M.Sridhar Reddy, D.No.2-10-1500, Jyothinagar, Karimnagar Dist. Mobile No.9866381090	APNPDCL
59	Sri V.Ashok Reddy, Revalle(P), Choppadandi(M), Karimnagar	APNPDCL
60	Sri M.Papi Reddy, Revalle(P), Choppadandi(M), Karimnagar Mobile No.9912105304 Fax No.:email address:	APNPDCL
61	Sri M.V.Laxmipathi, Malayanuru(V), Kundarhi(M), Anantapur Dist. Mobile No.9494137130	APCPDCL
62	Sri Ram Prasad, Bharatiya Kisan Sang, D.No.2-1-175, Flat No.G2, Rajput Residency, Old Ramalayam Road, Hyderabad 500 044. Mobile No.7569456548	APCPDCL
63	Sri M.Muralidhar Reddy, Velulla(V), Metpally(M), Karimnagar Dist. Mobile No.9949945694	APNPDCL
64	Sri K.Sai Reddy, Marutinagar, Armoor Road, Nizamabad Dist. Mobile No.9494428698	APNPDCL
65	Sri P.Narsimha Reddy, Nandikandi(V&P), Sadasivpet(M), Medak Dist. Mobile No.9490784504	APCPDCL
66	Sri P.Ranga Reddy, Appireddypalle(V), Narayanpet(M), Mahabubnagar Dist. 509 210 Mobile No.9502399675	APCPDCL
67	Sri President, Hallmark K.S.N. Residency Flat Owners Welfare Society, Sy.No.56, Near Maharshi Vidyalay, Kondapur, Hyderabad 500 084.	APCPDCL
68	Sri M.Thimma Reddy, Convenor, People's Monitoring Group in Electricity Regulation, 304, GKR Mansion, Church Road, Lakdi-ka-pul, Hyderabad 500 004.	All Discoms
69	Sri J.Kumara Swamy, Bharatiya Kisan Sang, Madhava Sadan, Kaleshwarao Road, Governorpeta, Vijayawada-2.	APSPDCL
70	Sri P.Sambasiva Rao, Bharatiya Kisan Sang, Gangapalem(V), Manidena (P), Balikurava(M), Prakasam Dist. Mobile No.9440538758	APSPDCL
71	Sri A.Satish Kumar, Bharatiya Kisan Sang, Nagulapalem(P), Parchuru(M), Prakasam Dist. 523 169. Mobile No.8801147777	APSPDCL
72	Sri K.Subhash Babu, Bharatiya Kisan Sang, Nagulapalem(P), Parchuru(M), Prakasam Dist. 523 169. Mobile No.9618421222	APSPDCL
73	Sri G.Sri Rambabu, Bharatiya Kisan Sang, Poonuru(P) Yaddanapudi(M), Prakasam Dist. 523 171. Mobile No.9550664999	APSPDCL
74	Sri M.Sekharbabu, Bharatiya Kisan Sang, Veerannapalem(P), Parchuru(M), Prakasam Dist. 523 169. Mobile No.9949197035	APSPDCL
75	Sri G.Maalaydhri, State Executive Secretary, Telugu Desham Party, Flat No.603, Gayatri Towers, Tuda Office Road, Tirupati 517 501. Mobile No.9848032773	APSPDCL
76	Sri C.V.Mohan Rao, Secretary, Repalle Pattanabhivrudhi Sangham, Repalle, Guntur 522 265. Phone No.:(08648)222190 Mobile No.9491662799	APSPDCL
77	Sri K.Rajendra Reddy, President, Rashtriya Raithu Seva Samithi, P.Kothakota (P), via Pakala (S.O.), Chittoor Dist. 517 112. Mobile No.9492574266	APSPDCL
78	Sri K.Vanadri Naidu, Surineni Palli, Pakala(M), Chittoor Dist. 517 112 Mobile No.9440703168	APSPDCL
79	Sri B.Sankar Naidu, Madanapalle(V), Ramakuppam(M), Chittoor Dist.	APSPDCL
80	Sri J.Syamala Rao, Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Khairatabad, Hyderabad 500 004. Phone Nos.:(040)23442844, 66512000 Fax No.:(040)23442855	APCPDCL
81	Sri Vijay Namburi, Secretary, Aparna Sarovar Owners Welfare Society, Kanchagachibowli, Gopanpally(P) (HCU), Serilingampally, Hyderabad 500 046. Phone Nos.:(040)67768587, 8888 email address:manager@aparnasarovar.in	APCPDCL
82	Aparna County Owners Welfare Society, Plot No.126, Aparna County, Hafeezpet, Miyapur 'X' Roads, Hyderabad 500 049.	APCPDCL
83	Sri Srinivas Koppulu, President, Aparna Cyber County Owners Welfare Society, Gopanpally, Serilingampally, Hyderabad 500 046.	APCPDCL
84	Sri Karthik.R, General Secretary, Aparna Towers Owners Welfare Society (ATOWS), H.No.1-111/4, Kothaguda(V), Kondapur, Near Kondapur 'X' Roads, Hyderabad 500 084.	APCPDCL

Sl No.	Name & Address of the Objector	Objection Related to
85	Sri Radhe Shyam, General Secretary, Aparna Hillpark Boulevard Owners Welfare Society (AHPBOWA), Survey No.275(P), Chandanagar(V), Serilingampally(M), Rangareddy Dist. 500 050.	APCPDCL
86	Sri M.V.Sivrama Krishna Retd. CGM, APCPDCL, Consultant-Technical AdvisorK, Raheja Corporation, Mindspace, Cyberabad, 1 st Floor, Titus Towers, Building No.10, Madapur, Hyderabad 500 081.	APCPDCL
87	President, Jayabheri Orange County, Nanakramguda, Seilingampally, Rangareddy Dist. Phone No.:(040)66584299 email address:jocownersassociation@gmail.com	APCPDCL
88	General Secretary, Jayabheri Whistling Court Owners Association, Gachibowli, Serilingampally, Rangareddy Dist. Email address:jwcoassociation@gmail.com	APCPDCL
89	Sri P.Krishna, General Secretary, Jeedimetla Industries Association, P-27/D, Phase-III, IDA Jeedimetla, Hyderabad 500 055. Phone No.:(040)23096366 Mobile No.9550610404 email address:jiahyd@gmail.com	APCPDCL
90	Sri Shaik Rahiman, M/s DRA Industries Ltd.APIIC Industrial Park, Athivaram(V), Ozili(M), SPSR Nellore Dist. 524 421	APSPDCL
91	Sri K.Anantheswam, General Manager, M/s VIKI Industries Pvt. Ltd., Pennepalli(V), Pellkur(M), Naidupeta, SPSR Nellore Dist.	APSPDCL
92	Sri K.A.Senthil Kumar, Electrical Engineer, M/s Emjay Steel Udyog Pvt. Ltd., Sy.No.62-3, A1&A2, Vengamambapuram, Ozili (P), Naidupet(M), SPSR Nellore Dist. 524 402	APSPDCL
93	Sri S.Venugopal, Manager Accounts, M/s Pushpit Steels Pvt. Ltd., 303, A/B, Industrial Estate (Expansion), Merlapakka(V), Yerpedu(M), Chittoor Dist. 517 619	APSPDCL
94	Sri K.Viswanathan, M/s Amman Try Sponge & Power (P) Ltd., S.F.No.268-271, Sirasanambedu(V), Pellakur(M), Naidupet, SPSR Nellore Dist. 524 129	APSPDCL
95	Sri B.Janak Prasad, Spokesperson, YSR Congress Party, Road No.45, Jubilee Hills, Hyderabad.	All Discoms
96	Sri T.Harish Rao, MLA, Siddipet Constituency, Medak Dist.	All Discoms
97	Sri N.S.Naidu, Sr. General Manager (Admin. & Corporate Compliance), M/s Vasant Chemicals Pvt. Ltd., 1-11-251/1B, 4 th Floor, Vasant Towers, Behind Shopper's Stop, Begumpet, Hyderabad 500 016.	APCPDCL
98	Sri S.S.Soin, Chief Electrical Distribution Engineer, South Central Railway, IV Floor, Rail Nilayam, Secunderabad 500 071.	APCPDCL
99	Sri Bhuma Reddy, Jamdi(V), Jamsi(M), Booth(M), Adilabad dist. 504 312. Mobile No.9490872259	APNPDCL
100	Sri G.Diwakar, General Secretary (National CEC), All India Mazdoor Sabha, 658, Marx Bhavan, 7 th lane, Vidyanagar, Hyderabad 500 044. Mobile No.9490700943	All Discoms
101	Sri V.Venkataramaiah, State Secretariat Member, CPI(ML) New Democracy, 658, Marx Bhavan, 7 th lane, Vidyanagar, Hyderabad 500 044. Phone No.:(040)27607884	All Discoms
102	Sri M.R.Prasad, Secretary General, A.P.Ferro Alloys Producers Association, Flat No.308, Nirmal Towers, Dwarakapuri Colony, Punjagutta, Hyderabad 500 082. Phone No.:(040)23355336 Fax No.:(040)23355337 email address:apfapa@rediffmail.com	All Discoms
103	Dr.K.Narayana, Secretary, CPI AP State Council, 3-6-201, Makhdoom Bhavan, Himayathnagar, Hyderabad 500 029. Phone Nos.:(040)23224966, 23223338 Mobile No.9490952222 Fax Nos.:(040)23264296, 23227942 email address:narayanacpi@gmail.com	All Discoms
104	Sri G.Obuleshu, Secretary, AITUC State Council, Plot No.3-5-912, III Floor, Satyanarayana Reddy Bhavan, Himayathnagar, Hyderabad 500 029.	All Discoms
105	Sri N.Balamallelesh, Secretary, CPI Rangareddy District Council, 3-6-201, Makhdoom Bhavan, Himayathnagar, Hyderabad 500 029.	All Discoms
106	Sri R.Venkaiah, General Secretary, A.P.Ryotu Sangham, Ryotu Bhavan, 210, Amrutha Estates, Himayathnagar, Hyderabad 500 029.	All Discoms
107	Ms.P.Padma, President, A.P.Ryotu Sangham, Ryotu Bhavan, 210, Amrutha Estates, Himayathnagar, Hyderabad 500 029.	All Discoms
108	Sri T.Damodar Reddy, Vice President, M/s Aremis Biotech, Plot No.1&5, Phase-I, IDA Jeedimetla, Hyderabad 500 055.	APCPDCL
109	Sri S.Satyanarayana, Managing Director, M/s Esskay Machine Tools Pvt. Ltd., Plot No.28/A, Phase-III, IDA Jeedimetla, Hyderabad 500 055.	APCPDCL
110	Sri K.Raghu, Certified Energy Manager and Auditor, Coordinator, Telangana Electricity Employees Joint Action Committee (TEEJAC), 204, SCK Residency, Opp. Niloufer Hospital, Lakdi-ka-pul, Hyderabad 500 004 Mobile No.9490154023	All Discoms
111	Sri P.Suresh Kumar, General Secretary, The Khammam Granite Slab Factory Owners Association, Kodada 'X' Roads, Khammam Dist. Mobile No.9848023688	All Discoms
112	Sri E.N.Viswanath, General Managr (Finance), M/s Porus Laboratories Pvt. Ltd., S.V's Classic Residency, 6030853/B, Flat No.401, Ameerpet, Hyderabad 500 016. Phone Nos.:(040)23412716,17 Fax No.:(040)23412715 email address:info@poruslabs.com	APCPDCL
113	Smt. Seetabai, Sarpanch, Grama Panchayat Office, Dorepally(V), Maddhur(M), Mahabubnagar Dist. Mobile Nos.9441567130, 9848517724 7702712457	APCPDCL

Sl No.	Name & Address of the Objector	Objection Related to
114	Dr.K.Selvaraju, Secretary General, The Southern India Mills' Association, Post Box No.3783, 41 Race Course, Coimbatore 641 018. Phone No.:(0422)4225333 Fax No.:(0422)4225366 email address:info@simamills.org	All Discoms
115	Sri P.Chandra Sekar Reddy, President, Cherlapally Industries Association, CIA Office Complex, Main Road, Section-III, IDA Cherlapally, Rangareddy Dist. 500 051. Phone No.:(040)27261188 Mobile No.9848466327 email address:cia.cherlapally@gmail.com	All Discoms
116	Sri K.Sudhir Reddy, President, Telangana Industrialists Welfare Federation, Plot No.120/6, Section-I, Phase-II, IDA Cherlapally, Rangareddy Dist. 500 051. Phone No.:(040)27267648 Mobile No.9849133800 email address:tiwftg@gmail.com	All Discoms
117	Sri V.Anil Reddy, President, Andhra Pradesh Plastics Manufacturers Association, 304, 3 rd Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad 500 001. Phone Nos.:(040)2320391 23328560 Fax No.:(040)23201247 email address:info@appma.org.in president@appma.org.in	All Discoms
118	Sri K.V.Rameshwar Reddy, President, Nacharam Industries Association, Road No.8, Opp. APSEB Substation, IDA Nacharam, Hyderabad 500 076. Phone No.:(040)27154250 Mobile No.9959566466	All Discoms
119	Sri L.P.R.Vittal, Managing Director, M/s Sano High Grade Spectro Castings Pvt. Ltd., Sriramnagar, Patancheru, Medak Dist.	APCPDCL
120	Sri J.Arun, M/s Raghuram Synthetics Pvt. Ltd., Sy.No.463/A & 463/E, Suglampally(V), Karimangar Dist.	APNPDCCL
121	Sri J.Omprakash, M/s Jakhotia Polysacks Pvt. Ltd., Sy.No.36, Rangampally(V), Karimnagar Dist.	APNPDCCL
122	Sri J.Omprakash, M/s Jakhotia Polymers Pvt. Ltd., Plot No.44/A/2, Phase-I, IDA Jeedimetla, Hyderabad 500 055.	APCPDCL
123	Sri J.Omprakash, M/s Jakhotia Plastics Pvt. Ltd., Plot No.43/A, Phase-I, IDA Jeedimetla, Hyderabad 500 055.	APCPDCL
124	Sri Rafiq, M/s Diamond Steel Re Rolling Mills, Jalpally, Saroornagar(M), Rangareddy Dist.	APCPDCL
125	Sri Ali, M/s Akash Steel Industries, Jalpally, Saroornagar(M), Rangareddy Dist.	APCPDCL
126	M/s Sree Krishna Steel, IDA Bollaram, Medak Dist.	APCPDCL
127	M/s Priyanka Steel, Jalpally, Saroornagar(M), Rangareddy Dist.	APCPDCL
128	Sri K.G.Ranganathan, Joint Secretary, Tirumala Tirupati Hotels Association, Tirupati 517 501.	APSPDCL
129	Sri D.V.A.S.Ravi Prasad, Advocate, 12-1-289, Road No.2, Anandnagar Colony, GSI (SR) Post, Hyderabad 500 068. Mobile No.9440234074 email address:raviprasaddhulipalla@rediffmail.com	APCPDCL
130	Sri K.G.Ranganathan, Managing Director, M/s KRG Hotels (P) Ltd., Tirupati 517 501.	APSPDCL
131	M/s Al-Hadeed Steels, S.No.102, Jalpally(V), Saroornagar(M), Rangareddy Dist.	APCPDCL
132	M/s M.R.Steels, S.No.182, Mogiligidda(V), Farooqnagar(M), Mahabubnagar Dist.	APCPDCL
133	M/s Madina Metal Works, 6-4-39, Opp. A.G.College Main Gate, Katedan, Hyderabad	APCPDCL
134	M/s Kisan Tato, Agro Industry, S.No.184, Jalpally(V), Saroornagar(M), Rangareddy Dist.	APCPDCL
135	M/s Suban Steels, S.No.205, Jalpally(V), Saroornagar(M), Rangareddy Dist.	APCPDCL
136	M/s Khair Steel Re Rolling Mills, S.No.184, Jalpally(V), Saroornagar(M), Rangareddy Dist.	APCPDCL
137	Sri Ravi, M/s Venkanteshwar Steel Industries, Jalpally(V), Saroornagar(M), Rangareddy Dist.	APCPDCL
138	Sri P.S.S.Naidu, President, Mallapur Industrial Units Welfare Association, 136/D, IDA Mallapur, Hyderabad 500 076. Phone No.:(040)27154854 Mobile No.9000990566 email address:miuwas@gmail.com	All Discoms
139	Sri P.V.Rajam, President, CIE Phase-II, Industries Welfare Association, Plot No.93/1, CIE Expansion Programme, Phase-II, Gandhinagar, Balanagar, Hyderabad 500 037. Phone No.:(040)23073838 Fax No.:(040)23075745	All Discoms
140	Sri J.Nageswara Rao, President, Federation of Andhra Pradesh Small Industries Association, Administration Building, Industrial Estate, Sanathnagar, Hyderabad 500 018. Phone No.:(040)23812525 Fax No.:(040)23707461 email address:fapsia@gmail.com	All Discoms
141	Sri R.K.Agarwal, Hon. Chairman, Andhra Pradesh Spinning Mills Association, 05, 1 st Floor, Surya Towers, Sardar Patel Road, Secunderabad 500 003. Phone No.:(040)27890041 Mobile No.9849028556 Fax No.:(040)27846837 email address:contact@apspin.com	All Discoms

Sl No.	Name & Address of the Objector	Objection Related to
142	Sri I.Bayanna, State Secretary, All India Students Federation (AISF), 407, Amrutha Estates, Himayathnagar, Hyderabad 500 029. Mobile No.9866464721 email address: bayanna.aisfap@gmail.com	All Discoms
143	Smt. N.Jyothi, Secretary, Andhra Pradesh Mahila Samkhya 309, Amrutha Estates, Himayathnagar, Hyderabad 500 029.	All Discoms
144	Sri K.Rangaiah, A.P. State Secretary, All India Kisan Mazdoor Sabha (AIKMS), 658, Marx Bhavan, 7 th lane, Vidyanagar, Hyderabad 500 044. Phone No.:(040)27607884 Mobile No.9490700088 Fax No.:(040)27662518 email address:	All Discoms
145	Sri P.Ranga Rao, District Secretary, CMI-ML (New Democracy), H.No.11-11-122/15/5, NSP Camp, Ramalayam Street, Khammam Dist. Mobile No.9490700099	APNPDCCL
146	Sri A.Venkateswarlu, Divisional Secretary, CMI-ML (New Democracy), H.No.11-11-122/15/5, NSP Camp, Ramalayam Street, Khammam Dist. Mobile No.9490700098	APNPDCCL
147	Sri G.Ramaiah, District Secretary, Indian Federation of Trade Union (IFTU), H.No.11-11-122/15/5, NSP Camp, Ramalayam Street, Khammam Dist. Mobile No.9490700085	APNPDCCL
148	Sri C.Y.Pullaiiah, State Secretary, All India Kisan Mazdoor Sabha (AIKMS), H.No.11-11-122/15/5, NSP Camp, Ramalayam Street, Khammam Dist. Mobile No.9490700086	APNPDCCL
149	Smt. C.Aruna, Progressive Organization of Women (POW), H.No.11-11-122/15/5, NSP Camp, Ramalayam Street, Khammam Mobile No.9490700099	APNPDCCL
150	Smt. Rajitha Reddy, M/s Salguti Industries Ltd., 8-2-334/18, Road No.3, Banjara Hills, Hyderabad 500 034. Phone Nos.:(040)23545939 23543580 Fax No.:(040)23544909	APCPDCCL
151	Sri R.Suribabu, M/s Vantech Chemicals Ltd., 103, Vijaya Enclave, Plot No.32, Srinagar Colony, Hyderabad 500 073. Phone Nos.:(040)23751855 23751877, 23751458 Fax No.:(040)23751452 email address:vantech88@gmail.com	APCPDCCL
152	Sri K.V.S.K.Prasad, M/s Keerthi Industries Ltd., Plot No.40, IDA Balanagar, Hyderabad 500 037.	APCPDCCL
153	Sri R.Mahendran, General Manager (Operations), M/s Teamec Chlorates Ltd.Flat No.558, 559, APIIC Growth Center, Gundalalappally(V), Maddipadu(M), Ongole, Prakasham Dist., 523 211. Phone No.:(044)22750323, 324 Fax No.:(044)22750771 email address:teamecplant@draaholdings.com	APSPDCCL
154	Sri D.V.S.S.N.Ravi Kumar, Dy. General Manager (Finance), M/s Vamsadhara Paper Mills Ltd.	APCPDCCL
155	Sri K.Santosh Kumar, Plot No.504, Rajput Residency, H.No.2-1-174/175, Old Ramalayam Road, Nallakunta, Hyderabad 500 044. Mobile No.9866381090	All Discoms
156	Sri K.S.Rao, Facility Manager, Cybercity Rainbow Vistas Apartment Owners Welfare Association, Green Hills, Near Hitec MMTS, IDL Road, KPHB, Hyderabad 500 072. Phone No.:(040)39993999 Fax No.:(040)39993943	APCPDCCL
157	Sri M.Gopal Reddy, Secretary, District Committee of Federation of Farmers Association, Near Pridvi Lodge, Officers Lane, Chittoor Dist. 517 001. Phone No.:(08573)255640 Mobile Nos.9440274266, 9949466617	APSPDCCL
158	Sri M.Jayarama Naidu, Tellagundlapally(V), Thavanampally(M), Chittoor Dist.	APSPDCCL
159	Sri M.Srinivasulu Naidu, Pullaiahgaripally(V), Yandamari(M), Chittoor Dist.	APSPDCCL
160	Sri K.Venkatrami Reddy, President, Nyaya Sankshema Samiti, Srinivasapuram, Matukuaripally (P), Kalluru, Chittoor Dist. 517 113.	APSPDCCL
161	Sri P.Rama Chandraiah, Potti Siddareddygaripally, Matukuaripally(P), Pulicherla(M), Kalluru, Chittoor Dist, 517 113.	APSPDCCL
162	Sri R.Narasimha Reddy, Arikelavaripalle, Cherakuvaripalle(P), Kalluru, Pulicherla(M), Chittoor Dist. 517 113.	APSPDCCL
163	Sri S.Narasimhulu Naidu, Kotpally, Kalluru, Chittoor Dist. 517 113.	APSPDCCL
164	Sri V.Revathi Padma, M/s Vinnakota Enterprises, 20158/8, Suraram, Hyderabad 500 055.	APCPDCCL
165	Sri V.Ajoy Kumar, Hyderabad Small Scale Granite Industries Association, 8-3-167/D/72/2, Warlu Mansion, Kalyan Nagar, Hyderabad 500 038.	APCPDCCL
166	Sri V.Ajoy Kumar, M/s Gayathri Granine, 2-158/11, Suraram, Hyderabad 500 055.	APCPDCCL
167	Sri S.Siva Shankar, AP Small Granite Industries Association, 8-3-167/D/72/2, Warlu Mansion, Kalyan Nagar, Hyderabad 500 038.	APCPDCCL
168	General Secretary, My Home Jewel Apartment Owners Welfare Association, Ground Floor, Topaz Block, My Home Jewel, Madeenaguda, Hyderabad 500 049. Phone No.:(040)67369720 email address:mhjhyd@gmail.com	APCPDCCL
169	Sri A.Venkata Ramana, Company Secretary, M/s Vimta Labs Ltd., 142, IDA, Phase-II, Cherlapally, Hyderabad 500 051.	APCPDCCL
170	M/s GMR Hyderabad International Airport Ltd., GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad	APCPDCCL

SI No.	Name & Address of the Objector	Objection Related to
171	Sri S.Amit, M/s East Coast Magnets Pvt. Ltd., 44/1/6, Phase-1, IDA Jeedimetla, Hyderabad 500 055. Phone No.:(040)23098262 Fax No.:(040)23098261 email address:info@sardamagnets.com	APCPDCL
172	Sri L.Radha Krishna, General Manager - Production, M/s Suven Life Sciences, Plot No.18B, Phase-3, IDA Jeedimetla, Hyderabad 500 055. Phone Nos.:(040)23541142, 23543311, 32921695, 32921696 Fax No.:(040)23541152 email address:info@suven.com	APCPDCL
173	Sri B.Gopinath, Energy Controller, M/s Indus Towers Ltd., 3 rd Floor, USHA 36 Jubilee Town, Road No.36, Jubilee Hills, Hyderabad 500 033.	All Discoms
174	Sri P.Laxmi Kanthaiah and K.Muralidhar Rao, General Secretary, Kapra Small Scale (Micro) Industry Owners Association, # 1-8-28/2A & 3, Beside IDA Kushaiguda, Hyderabad 500 062. Mobile Nos.9391019406 9399981122	APCPDCL
175	Sri A.Sridharreddy, President, Jayabheri The Meadows Owners Association, Jayabheri The Meadows, Maintenance Office, Gopannapally(V), Central University Campus Post Office, Hyderabad 500 046. Phone No.:(040)65862823 email address:jtmownersassociation@gmail.com	APCPDCL
176	Sri E.V.S.S.D.V.Prasad, M/s IKP Knowledge Park, Genome Valley, Turkapally, Shameerpet, Rangareddy Dist. 500 078. Phone No.:(040)23480022 Fax No.:(040)23480007 email address:info@ikpknowledgepark.com	APCPDCL
177	Sri B.Chinna Obula Reddy, D.No.5-25, Patha Giriypalli(V), Pendlimarry(M), Kadapa Dist. 516 216. Mobile No.9492515517	APSPDCL
178	Sri K.M.Manoj, Head-Project Control & Contracts, M/s L&T Metro Rail (Hyderabad) Ltd., Q3, 4 th Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad 500 081. Phone No.:(040)67295500 Fax No.:(040)23123015	APCPDCL
179	Sri D.V.Raja Sekhar, Managing Director, M/s Shri Shakti Cylinders P Ltd., Plot Nos.10A&B, Phase-III, IDA Jeedimetla, Hyderabad 500 055. Phone Nos.:(040)23098686, 23098888 Fax No.:(040)23098989 email address:dvrajasekhar@rediffmail.com rajasekhar@shrishakti.com	APCPDCL
180	Sri G.Venkateswarlu, Senior Manager Legal, A.P. Circle, M/s Vodafone South Ltd., 6 th Floor, Varun Tower-II, Begumpet, Hyderabad 500 016. Phone No.:(040)71718000 Fax No.:(040)277647000	All Discoms
181	Sri M.Prasad Babu, M/s Jeevan Polymers Pvt. Ltd., Plot No.12 CIE, Gandhinagar, Balanagar, Hyderabad 500 037.	APCPDCL
182	Sri M.Mohana Chary, M/s Jeevanshree Polypacks, Plot No.F-12, IDA Kukatpally, Balanagar, Hyderabad 500 037.	APCPDCL
183	Sri K.Ravidra Rao, General Manager (F&A), M/s Ushakiron Movies Ltd., Ramoji Film City, Hayathnagar(M), Rangareddy Dist. 501 512. Phone Nos.:(08415)246444, 246555, 246666 Fax No.:(08415)246432	APCPDCL
184	Sri K.Ravidra Rao, General Manager (F&A), M/s Dolphin Hotels Ltd., Ramoji Film City, Hayathnagar(M), Rangareddy Dist. 501 512. Phone Nos.:(08415)246444, 246555, 246666 Fax No.:(08415)246432 email address:accopunts@dolphinhotels.com	APCPDCL
185	Sri K.Ravidra Rao, General Manager (F&A), M/s Dolphin Hotels Ltd., Ramoji Film City, Hayathnagar(M), Rangareddy Dist. 501 512. Phone Nos.:(08415)246444, 246555, 246666 Fax No.:(08415)246432 email address:accounts@dolphinhotels.com	APEPDCL
186	Sri A.P.K.Reddy, President, Federation of Small and Medium Enterprises of Andhra Pradesh, G1, Dwarakamai, Dwarakapuri, Panjagutta, Hyderabad 500 034. Phone No.:(040)23358889 Mobile No.964208889 Fax No.:(040)23359961 email address:president@fsmeasp.com	All Discoms
187	Sri N.Venkata Reddi, Managing Director, M/s Sri Ramadas Paper Boards Pvt. Ltd., 60-8-18, P&T Colony, Rajahmundry, East Godavari Dist. 533 105. Phone Nos.:(0883)2442117, 2461147 Fax No.:(0883)2444117email addresses:ramadaspaper@rediffmail.com ramadaswoks@rediffmail.com	APEPDCL
188	Sri B.S.S.V.Narayana, Manager (Finance & Accounts), M/s Synergies Casting Ltd., #3, Vasakhapatnam Special Economic Zone (VSEZ), Duvvada, Visakhapatnam 530 049. Phone No.:(0891)2587181 Fax No.:(0891)2587481 email address:info@synergies-india.com	APEPDCL
189	Sri R.V.Rao, Personnel Manager, M/s Sribalaji Hatcheries Pvt. Ltd., # 4-1667/A, Durganagar, Greampet, Chittoor 517 002. Phone No.:(08572)242678 Mobile No.8008552378 Fax No.:(08572)240164 email address:balajihatcheries@yahoo.co.in	APSPDCL
190	Sri G.Krishnan, Factory Manager, M/s Deejay Multi Packs Pvt. Ltd., Plot No.15/3, IDA Gajulamandyam, Athur(P), Near Renigunta, Chittoor Dist. 517 520 Phone No.:(08574)275364 Fax No.:(044)42041333 email address:djpl@airtelmail.in	APSPDCL
191	Sri K.V.Mohansundaram, Director, M/s Bhimas Residency Hotels Ltd., 19-3-41, Near Railway Over Bridge, Renigunta Road, Tirupati	APSPDCL

List of stakeholders who attended the Public Hearing on 23.01.2014 and submitted their objections/suggestions/comments on filings of Discoms

SI No.	Name & Address of the Objector	Objection Related to
1	Sri Kodela Sammaiah,	APNPDCL
2	Sri Lenkala Raja Reddy, AAP Adhoc Dist. Committee,	APNPDCL
3	M/s A.P. Small Scale Granite Industries Association, Khammam	APNPDCL
4	Sri V.Venkata Srinivas Rao, Karimnagar	APNPDCL

List of stakeholders who attended the Public Hearing on 25.01.2014 and submitted their objections/suggestions/comments on filings of Discoms

SI No.	Name & Address of the Objector	Objection Related to
1	M/s Piduguralla Pulvarisers Association, Piduguralla, Guntur	APSPDCL
2	Sri D.R.Narayana Swamy, Palamaneru, Chittoor Dist.	APSPDCL
3	Smt. Palamaneru Mahila	APSPDCL
4	Dr. Saptagiri Prasad (TDP)	APSPDCL
5	Sri Ramana Murthy	APSPDCL

List of stakeholders who attended the Public Hearing on 01.02.2014 and submitted their objections/suggestions/comments on filings of Discoms

SI No.	Name & Address of the Objector	Objection Related to
1	Sri P.Srinivasa Rao, State President, Electricity BC Welfare Association, Visakhapatnam.	APEPDCL
2	Sri A.S.V.Prasad, Managing Director, M/s Laxmi Sai Steel Pvt. Ltd., Vizayanagaram.	APEPDCL
3	Sri A.Balakrishna, A.P.Rythu Sangam, Visakhapatnam.	APEPDCL
4	Sri J.T.Rama Rao, Samaikyandhra political JAC, Maharanipeta, Visakhapatnam.	APEPDCL
5	Sri R.Ganesh Kumar, Secretary, NIVAS	APEPDCL
6	Sri A.V.Ramana Rao, Secretary, Visakhapatnam Apartment Residential Welfare Association (VARWA), Visakhapatnam.	APEPDCL
7	Sri K.Suryanarayana, Sarpanch, Haripalem Panchayath, Achyutapuram (M). Visakhapatnam Dist.	APEPDCL
8	Sri Karri Appa Rao, State Secretary, A.P.Cheruku Rythu Sangham, Visakhapatnam.	APEPDCL
9	Sri G.V.N.Chalapati, Jana Vignana Vedika (JVV), Visakhapatnam.	APEPDCL
10	Sri P.Bandhavar Rao, Managing Director, RESCO, CPP Cheepurupalli, Vizianagaram Dist.	APEPDCL
11	Sri B.L.Narayana, Vice President, People of India Forum, Visakhapatnam.	APEPDCL
12	Sri B.V.K.Shesavatarm, Secretary, West Godavari Rice Mills Association, Tadepalligudem, West Godavari Dist.	APEPDCL
13	Sri Ramakrishna Narapa Reddy, President, M/s Visakha Autonagar Small Industrialists Welfare Association, Autonagar, Visakhapatnam.	APEPDCL
14	Sri VGK Murthy, CPI(M), Srikakulam Dist. Committee, Srikakulam.	APEPDCL
15	Sri U.Bhaskara Rao, CGRF, 4 th Member, Bandarulanka (V), East Godavari Dist.	APEPDCL
16	Sri A.D.Kamacharyulu, Akhila Bharatiya Viswakarma Parishat, Rajahmundry, East Godavari Dist.	APEPDCL

List of stakeholders who attended the Public Hearing on 04.02.2014 and submitted their objections/suggestions/comments on filings of Discoms

SI No.	Name & Address of the Objector	Objection Related to
1	Sri Shah Mohammad Shahid Ahmad Siddiqui, Janasheen-O-Sajjadasheen & Muthawallie, # 7-1-272 & 7-1-272/1, Pinjarla Road, Laxmipuram, Near New Bus Stand, Hanamkonda, Warangal 506 001.	All Discoms
2	Sri V.Kamesh Babu, General Secretary, Federation of Assocaitations Colinies and Apartmenets, Hyderabad.	APCPDCL
3	Sri Y.Narendra Babu, Managing Director, M/s Sai Sree Woven Sacks Pvt. Ltd. Hyderabad.	APCPDCL
4	Sri M.Ramesh, M/s Sakat Construction (P) Company, Hyderabad.	APCPDCL

ANNEXURE-E

DISCOM WISE, SCHEME WISE INVESTMENT PLAN FILED AND APPROVED

APCPDCL

Proposed Investments as filed in Rs Cr :

	APCPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
		Discom	Discom	Discom	Discom	Discom	Discom
A.	Load Growth & Network Strengthening (Base Capex)	1191	1406	1448	1927	2004	7977
	SS Unit Additions (Outdoor)	240	415	284	363	411	1714
	SS Unit Additions (Indoor)	64	69	75	81	87	376
	PTR Additions	7	4	8	9	5	33
	Feeder Additions	44	73	73	58	45	293
	DTR Additions	836	845	1009	1415	1456	5561
B.	Other Capex Total	372	348	309	332	372	1733
	AT & C Loss Reduction	92	104	44	34	36	310
	Reliability Improvement & Contingency Schemes	40	45	51	57	65	257
	Renovation & Modernisation	32	36	41	46	52	206
	Technology Upgradation	81	5	5	5	4	101
	New Consumer Capex	82	93	105	120	136	536
	Civil Infrastructure Development	9	10	11	12	14	56
	Land Norm for SS	21	38	33	36	42	171
	Road Cutting Norm (Cables for SS)	16	18	19	21	22	96
C.	Total Capex Expenditure for Discom (A+B)	1563	1754	1758	2259	2376	9710

Approved Investments during the Control Period in Rs.Cr:

	CPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
A	Load Growth & Network Strengthening (Base Capex)	749	873	809	929	1064	4424
	SS Unit Additions (Outdoor)	86	216	111	162	203	778
	SS Unit Additions (Indoor)	64	69	75	81	87	376
	PTR Additions	20	17	20	35	41	133
	Feeder Additions	22	7	2	2	33	66
	DTR Additions	557	563	600	650	700	3069
B	Other Capex Total	284	292	242	253	278	1347
	AT & C Loss Reduction	127	144	89	87	95	542
	Reliability Improvement & Contingency Schemes	19	20	22	26	27	114
	Renovation & Modernisation	4	4	4	5	5	22
	Technology Upgradation	35	5	5	5	4	54
	New Consumer Capex	65	70	75	80	85	375
	Civil Infrastructure Development	8	9	11	12	13	53
	Land Norm for SS	10	21	16	18	25	91
Road Cutting Norm (Cables for SS)	16	18	19	21	22	96	
C.	Total Capex Expenditure for Discom (A+B)	1033	1164	1050	1182	1342	5771
D	IDC	26	34	24	24	33	140
E	O&M	83	93	84	95	107	462
	Total	1142	1291	1301	1314	1482	6373

APEPDCL

Proposed Investments as filed in Rs Cr :

	APEPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
		Discom	Discom	Discom	Discom	Discom	Discom
A.	Load Growth & Network Strengthening (Base Capex)	457	476	527	538	632	2,629
	SS Unit Additions (Outdoor)	174	131	130	87	130	651
	PTR Unit Additions	4	7	5	4	4	23
	Feeder Unit Additions	14	13	9	11	10	57
	DTR Unit Additions (38 kVA capacity)	266	325	382	436	489	1,898
B.	Other Capex	250	168	155	160	168	901
	AT & C Loss Reduction	127	23	23	24	26	222
	Reliability Improvement & Contingency Schemes	36	64	55	59	64	279
	Renovation & Modernisation	37	30	27	25	23	143
	Technology Upgradation	27	28	25	25	25	131
	New Consumer Capex	15	16	17	19	20	88
	Civil Infrastructure Development	5	5	6	6	6	28
	Land Norm for SS	3	2	2	1	2	10
C.	Total Capex Expenditure for Discom	706	644	682	698	800	3,530

Approved Investments during the Control Period in Rs.Cr:

	APEPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
A.	Load Growth & Network Strengthening (Base Capex)	299	331	380	408	478	1,896
	SS Unit Additions (Outdoor)	63	55	50	27	51	246
	PTR Unit Additions	7	21	17	16	10	72
	Feeder Unit Additions	7	5	3	5	7	27
	DTR Unit Additions (38 kVA capacity)	222	250	310	360	410	1,552
B.	Other Capex	118	98	102	106	112	536
	AT & C Loss Reduction	78	53	51	51	51	284
	Reliability Improvement & Contingency Schemes	7	10	11	13	15	56
	Renovation & Modernisation	1	1	1	1	1	4
	Technology Upgradation	16	16	20	21	21	94
	New Consumer Capex	11	12	13	15	17	68
	Civil Infrastructure Development	4	5	5	6	6	26
	Land Norm for SS	1	1	1	0	1	4
C.	Total Capex Expenditure for Discom	418	429	482	515	590	2,432
D	IDC	13	17	19	20	23	92
E	O&M	33	34	39	41	47	195
	Total	464	480	540	576	660	2719

APNPDCL

Proposed Investments as filed in Rs Cr :

	APNPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
		Discom	Discom	Discom	Discom	Discom	Discom
A.	Load Growth & Network Strengthening (Base Capex)	597	619	785	889	972	3,862
	SS Unit Additions (Outdoor)	217	223	172	220	236	1,068
	PTR Unit Additions	6	7	4	3	4	25
	Feeder Unit Additions	39	14	15	9	10	88
	DTR Unit Additions (40 kVA capacity)	335	374	595	657	721	2,682
B.	Other Capex Total	225	248	166	190	212	1,041
	AT & C Loss Reduction	87	100	18	22	22	249
	Reliability Improvement & Contingency Schemes	47	54	62	72	84	320
	Renovation & Modernisation	27	31	24	29	34	144
	Technology Upgradation	29	31	27	28	30	145
	New Consumer Capex	22	25	27	30	33	137
	Civil Infrastructure Development	9	5	5	6	6	31
	Land Norm for SS	3	3	2	3	3	15
C.	Total Capex Expenditure for Discom (A+B)	821	867	951	1,079	1,184	4,903

Approved Investments during the Control Period in Rs.Cr:

	APNPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
A.	Load Growth & Network Strengthening (Base Capex)	283	380	460	523	581	2,225
	SS Unit Additions (Outdoor)	35	60	41	57	74	267
	PTR Unit Additions	38	19	19	15	7	98
	Feeder Unit Additions	9.25	0.28	-	-	-	9.53
	DTR Unit Additions (40 kVA capacity)	200	300	400	450	500	1,850
B.	Other Capex Total	141	151	105	118	126	641
	AT & C Loss Reduction	85	95	49	52	57	338
	Reliability Improvement & Contingency Schemes	14	17	19	26	26	102
	Renovation & Modernisation	-	-	-	-	-	-
	Technology Upgradation	23	24	19	20	21	107
	New Consumer Capex	12	12	13	15	17	69
	Civil Infrastructure Development	6	4	4	4	5	23
	Land Norm for SS	0	0	0	0	0	1
C.	Total Capex Expenditure for Discom (A+B)	424	531	565	640	706	2,866
D	IDC	17	21	23	25	28	115
E	O&M	34	42	45	51	56	229
	Total	475	594	633	716	790	3210

APSPDCL

Proposed Investments as filed in Rs Cr :

	APSPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
		Discom	Discom	Discom	Discom	Discom	Discom
A.	Load Growth & Network Strengthening (Base Capex)	614	597	763	906	1,077	3,957
	SS Unit Additions (Outdoor)	240	181	260	307	374	1,361
	SS Unit Additions (Indoor)	-	-	-	-	-	-
	PTR Unit Additions	14	12	3	7	4	40
	Feeder Unit Additions	100	65	57	49	47	317
	DTR Unit Additions (45 kVA capacity)	259	339	443	543	653	2,238
B.	Other Capex	300	270	243	271	308	1,391
	AT & C Loss Reduction	87	33	35	37	40	232
	Reliability Improvement & Contingency Schemes	14	17	20	24	29	104
	Renovation & Modernisation	30	34	38	42	51	195
	Technology Upgradation	76	85	32	33	34	260
	New Consumer Capex	56	66	77	90	106	395
	Civil Infrastructure Development	30	30	32	34	36	162
	Land Norm for SS	7.5	5.6	8.1	9.7	12	43
C.	Total Capex Expenditure for Discom	914	866	1,005	1,177	1,385	5,348

Approved Investments during the Control Period in Rs.Cr:

	APSPDCL	2014-15	2015-16	2016-17	2017-18	2018-19	Total
A.	Load Growth & Network Strengthening (Base Capex)	354	357	441	569	667	2,388
	SS Unit Additions (Outdoor)	69	46	57	70	89	332
	PTR Unit Additions	29	27	13	16	10	96
	Feeder Unit Additions	40	4	6	36	30	115
	DTR Unit Additions (45 kVA capacity)	216	280	364	447	538	1,845
B.	Other Capex	261	225	199	220	246	1,150
	AT & C Loss Reduction	114	62	67	73	82	399
	Reliability Improvement & Contingency Schemes	7	8	10	12	14	50
	Renovation & Modernisation	3	4	4	4	5	21
	Technology Upgradation	66	74	32	33	34	240
	New Consumer Capex	39	45	52	61	71	269
	Civil Infrastructure Development	30	30	32	34	36	162
	Land Norm for SS	2.2	1.4	1.7	2	3	10
C.	Total Capex Expenditure for Discom	615	582	639	789	913	3,538
D	IDC	26	22	26	33	40	147
E	O&M	49	47	51	63	73	283
	Total	690	651	716	885	1026	3968

ANNEXURE-F₁

CPDCL: WHEELING TARIFF SCHEDULE FOR FY2014-15 TO 2018-19

A: CHARGES/RATES					
Voltage/Year	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	7.37	12.12	12.95	12.93	13.78
11 kV (Rs./kVA/Month)	140.40	185.82	205.14	219.61	232.79
B: WHEELING LOSSES					
2014-15	Supply Point		2015-16	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	3.99%	8.79%	33 kV	3.99%	8.79%
11 kV	8.79%	8.79%	11 kV	8.79%	8.79%
2016-17	Supply Point		2017-18	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	3.99%	8.31%	33 kV	3.99%	8.21%
11 kV	8.31%	8.31%	11 kV	8.21%	8.21%
2018-19	Supply Point				
Drawn At	33 kV	11 kV			
33 kV	3.99%	8.07%			
11 kV	8.07%	8.07%			

ANNEXURE-F₂

EPDCL: WHEELING TARIFF SCHEDULE FOR FY2014-15 TO 2018-19

A: CHARGES/RATES					
Voltage/Year	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	13.46	10.98	11.38	11.80	12.22
11 kV (Rs./kVA/Month)	240.15	232.39	247.55	262.96	279.50
B: WHEELING LOSSES					
2014-15	Supply Point		2015-16	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	3.39%	7.47%	33 kV	3.39%	7.47%
11 kV	7.47%	7.47%	11 kV	7.47%	7.47%
2016-17	Supply Point		2017-18	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	3.39%	7.47%	33 kV	3.39%	7.40%
11 kV	7.47%	7.47%	11 kV	7.40%	7.40%
2018-19	Supply Point				
Drawn At	33 kV	11 kV			
33 kV	3.39%	7.25%			
11 kV	7.25%	7.25%			

ANNEXURE-F₃

NPDCL: WHEELING TARIFF SCHEDULE FOR FY2014-15 TO 2018-19

A: CHARGES/RATES					
Voltage/Year	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	7.08	13.52	14.48	15.19	16.20
11 kV (Rs./kVA/Month)	181.09	241.99	260.57	277.99	297.20
B: WHEELING LOSSES					
2014-15	Supply Point		2015-16	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	4.00%	8.08%	33 kV	4.00%	8.08%
11 kV	8.08%	8.08%	11 kV	8.08%	8.08%
2016-17	Supply Point		2017-18	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	4.00%	8.06%	33 kV	4.00%	8.03%
11 kV	8.06%	8.06%	11 kV	8.03%	8.03%
2018-19	Supply Point				
Drawn At	33 kV	11 kV			
33 kV	4.00%	7.98%			
11 kV	7.98%	7.98%			

ANNEXURE-F₄

SPDCL: WHEELING TARIFF SCHEDULE FOR FY2014-15 TO 2018-19

A: CHARGES/RATES					
Voltage/Year	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs./kVA/Month)	7.66	15.51	15.39	15.11	15.17
11 kV (Rs./kVA/Month)	164.61	220.82	227.14	232.26	240.68
B: WHEELING LOSSES					
2014-15	Supply Point		2015-16	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	4.00%	8.08%	33 kV	4.00%	7.92%
11 kV	8.08%	8.08%	11 kV	7.92%	7.92%
2016-17	Supply Point		2017-18	Supply Point	
Drawn At	33 kV	11 kV	Drawn At	33 kV	11 kV
33 kV	3.96%	7.80%	33 kV	3.88%	7.65%
11 kV	7.80%	7.80%	11 kV	7.65%	7.65%
2018-19	Supply Point				
Drawn At	33 kV	11 kV			
33 kV	3.80%	7.49%			
11 kV	7.49%	7.49%			

ANNEXURE - G

Terms and Conditions & Applicability of Wheeling Tariff

Applicability

Applicable for use of distribution system for wheeling of electricity of a licensee by other licensees, generating companies, captive power plants and consumers who are permitted open access as per terms and conditions of Open Access Regulation, (2 of 2005) and any other person(s).

Terms and Conditions

The Distribution licensee shall deliver the quantum of energy and capacity given to it for wheeling, reduced by the distribution losses.

The wheeling charges and losses in kind shall be up to the respective voltage level at which the wheeled electricity's delivered or injected whichever voltage is lower;

Wheeling charges / losses are payable for the contracted demand of the open-access user at the entry point of the consumer.

If the wheeling involves transmission of electricity through transmission system of a Transmission Licensee, the consumer or the supplier as the case may be, has to pay the applicable transmission charges and transmission losses in kind also. Transmission system is considered to be involved in the wheeling of electricity in the following cases:

Entry/Exit point is connected to the EHT system.

The entry and exit points are connected to the networks of more than one DISCOM.

If the wheeling of electricity is through the distribution system of more than one distribution licensee, the wheeling charges shall be payable to the distribution licensee of the area where the electricity is delivered.

The levy of wheeling tariff is subject to the terms and conditions approved by the Commission from time to time.

ACRONYMS

AB	Air Break/Aerial Bunched
Agl	Agriculture/Agricultural
AP	Andhra Pradesh
APCPDCL/CPDCL Limited	Central Power Distribution Company of Andhra Pradesh
APEPDCL/EPDCL Limited	Eastern Power Distribution Company of Andhra Pradesh
APERC	Andhra Pradesh Electricity Regulatory Commission
APGENCO	Andhra Pradesh Power Generation Corporation Limited
APGPCL	Andhra Pradesh Gas Power Corporation Limited
APNPDCL/NPDCL Limited	Northern Power Distribution Company of Andhra Pradesh
APPCC	Andhra Pradesh Power Coordination Committee
APSEB	Andhra Pradesh State Electricity Board
APSPDCL/SPDCL Limited	Southern Power Distribution Company of Andhra Pradesh
APTRANSCO/TRANSCO	Transmission Corporation of Andhra Pradesh Limited
APTS	Anti Power Theft Squad
ARR	Aggregate Revenue Requirement
ATE/APTEL	Appellate Tribunal for Electricity
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BPL	Below the Poverty Line
BST	Bulk Supply Tariff
CAG	Comptroller and Auditor General of India
CBR	Conduct of Business Regulations
CC	Current Consumption
CCITI	Consultative Committee on Information Technology Industry
CDT	Commission Determined Tariff
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFL	Compact Fluorescent Lamp
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Station
CIL	Coal India Limited
CL	Connected Load/Contracted Load
CMD Director	Contracted Maximum Load/Chairman & Managing
COD	Date of Commercial Operation
CoS	Cost of Service /Cost of Supply
CPRI	Central Power Research Institute
CPWS	Composite Protected Water Supply
Cr	Crore
CSC	Customer Service Centre

CSS	Cross Subsidy Surcharge
D-D/D-to-D	Discom to Discom
Dr. NTPPS (VTPS)	Dr. Narla Tata Rao Thermal Power Station
DISCOMs	Distribution Companies, Distribution Licensees, Licensees
DPE	Detection of Pilferage of Energy
DPS	Delayed Payment Surcharge
DSM	Demand Side Management
DSTPP	Damodar Sanjeevaiah Thermal Power Project
DTR	Distribution Transformer
EBC	Energy Billing Centre
EGoM	Empowered Group of Ministers
EHT	Extra High Tension
EPIMRS System	Eastern Power Information Management and Reporting System
EPSS	Expensive Power Supply Scheme
ERC	Electricity Regulatory Commission
FAPCCI	The Federation of Andhra Pradesh Chamber of Commerce and Industry
FAPSIA Association	Federation of Andhra Pradesh Small Industries Association
FCRTS	Full Cost Recovery Tariff Schedule
FSA	Fuel Surcharge Adjustment
FY	Financial Year
GAIL	Gas Authority of India Limited
GCV	Gross Calorific Value
GHMC	Greater Hyderabad Municipal Corporation
GoAP	Government of Andhra Pradesh
GOI	Government of India
GTCS	General Terms & Conditions of Supply
HDPE	High-Density Polyethylene
HG	Horn Gap
HMWS&S	Hyderabad Metropolitan Water Supply & Sewerage Board
HNPCL	Hinduja National Power Corporation Limited
HOD	Head of Department
HP	Horse Power
HT/HV	High Tension/High Voltage
HVDS	High Voltage Distribution System
ICL	Incandescent Lamp
ICT	Information and Communication Technologies
IPPs	Independent Power Producers
ISI	Indian Standards Institute / Indian Statistical Institute
IT	Information Technology
JBIC	Japan Bank for International Cooperation
JICA	Japan International Co-operation Agency
kcal	Kilocalorie
kg	Kilogram
KG	Krishna Godavari
KTPP	Kakatiya Thermal Power Project

KTPS	Kothagudem Thermal Power Station
kV	Kilo Volt
kVAh	Kilo-Volt-Ampere-hour
kVARh	Kilo-Volt-Ampere-Reactive-hour
kWh	Watt hour
LED	Light-Emitting Diode
LI	Lift Irrigation
LT/LV	Low Tension/Low Voltage
LR	Load Relief
MkVAh	Million-kilo-Volt-Ampere-hour
MkWh	Million-kilo-Watt-hour
MMBTU	Million Metric British Thermal Unit
MMT	Million Metric Ton
MMSCMD	Million Metric Standard Cubic Meter Per Day
MNC	Multinational Corporation
MoP	Ministry of Power
MoPNG	Ministry of Petroleum & Natural Gas
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MT	Metric Ton/Medium Term
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NCE	Non Conventional Energy
NELP	New Exploration Licensing Policy
NEW	North-East-West
NGOs	Non Government Organizations
NOC	No Objection Certificate
NTI	Non Tariff Income
NTP	National Tariff Policy
NTPC	National Thermal Power Corporation Limited
OP	Original Petition
OA	Open Access
ONGC	Oil and Natural Gas Corporation Limited
PFT	Proposals for Tariff
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PMI	Pre-Monsoon Inspection
PP	Power Purchase
PPA	Power Purchase Agreement
PSC	Production Sharing Contract
PWS	Protected Water Supply
R&C	Restriction and Control
REC	Renewable Energy Certificate/Rural Electrification
Corporation	Limited
RESCOs	Rural Electricity Cooperative Societies
RIL	Reliance Industries Limited

RLNG	Re-Gasified Liquefied Natural Gas
RMD	Recorded Maximum Demand
RP	Review Petition
RPPO	Renewable Power Purchase Obligation
RSF	Retail Supply Format
RSTS	Retail Supply Tariff Schedule
RTC	Round the Clock
RTPP	Rayalaseema Thermal Power Project
SAC	State Advisory Committee
SAO	Senior Accounts Officer
SCCL	The Singareni Collieries Company Limited
SLDC	State Load Despatch Centre
SoP	Standards of Performance
SMS	Short Message Service
SSI	Small Scale Industry
SR	Southern Region
T&D	Transmission and Distribution
ToD	Time of the Day
TTD	Tirumala Tirupati Devasthanams
UDC	Under Disconnection
UI	Unscheduled Interchange
ULDC	Unified Load Despatch Centre
UMPP	Ultra Mega Power Project
VTPS	Vijayawada Thermal Power Station

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