

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

From
Deputy Director (Distribution),
APERC, 4th Floor, Singareni Bhavan,
Red Hills, Hyderabad -500 004.

To
The Chairman & Managing Director, ✓
APTRANSCO, Hyderabad.
The Chairman & Managing Director, ✓
APCPDCL, Hyderabad.
The Chairman & Managing Director, ✓
APEPDCL, Vishakapatnam.
The Chairman & Managing Director, ✓
APNPDCL, Warangal.
The Chairman & Managing Director, ✓
APSPDCL, Tirupati.

Lr. No. APERC/E-205/ DD-Dist/ 2011 dated 17-10-2011.

Sir(s),

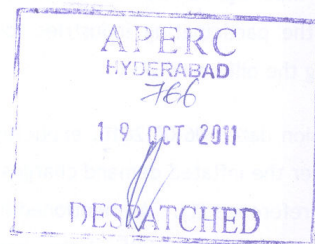
Sub: - APGPCL - Delivered Capacity - Actual generated capacity calculation -
Inflated Demand Allocation to share holders - Recovery - Regarding.

Ref: - 1). Lr.No. APERC/E- 205/DD-Dist/2010 Dated 06-05-2010
2). Lr.No. APERC/E- 205/DD-Dist/2011 Dated 20-09-2011

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1. The Commission conducted review meeting on the status of recovery of inflated demand charges from APGPCL on 26-09-2011. In the review meeting, it was informed by Joint Managing Director, APTRANSCO that a meeting of APPCC was held on 03-08-2011. During the meeting, APPCC instructed the DISCOMs, to serve a demand notice against the participating industries towards inflated demand charges, instead of raising the bill on APGPCL.
 2. The order issued by the Commission dated 06-05-2010, explicitly directed the DISCOMs and APTRANSCO to recover the inflated demand charges from APGPCL, vide para 10 of the order cited in reference (1). As mentioned in para 7 of the above order, the APGPCL has already raised the bills at the rate of Rs.75/kVA per month and collected from all share holders including APTRANSCO/DISCOMs.

3. Since the participating industries have already paid the demand charges to APGPCL, issuing a notice to participating industries, seeking payment is not correct.
4. The APPCC have no powers to issue such directions to DISCOMs, superseding the directions of the Commission. The APPCC is at best can be a Power Coordination Committee and not a superior body dictating terms to the DISCOMs and is therefore directed to desist from infringing on the rights of the DISCOMs.
5. APEPDCL vide letter dated 20-06-2011, requested to clarify, to arrive at allocated demand to participating industries, whether gross energy or net energy is to be considered?
6. In case of power purchase from other than DISCOMs, APTRANSCO and DISCOMs are only transport companies to transmit power purchased from the generator end to the consumer end. Transmission and Distribution Losses are inherent property of the system. The losses do happen in both demand and energy. The Demand integrated with respect to time is energy. The transmission or Distribution Company cannot bear the losses.
7. In view of the above, it is clarified that, to arrive at the demand share of participating industry, the net energy share of participating industry has to be divided with the number of calendar hours of the billing month.

This order is issued with the consent of the Commission.



Yours faithfully
Cesreddy
Dy. Director (Distribution)