

**ANDHRA PRADESH ELECTRICITY REGULATORY  
COMMISSION HYDERABAD**

**Present**

**Sri Justice C.V. Nagarjuna Reddy, Chairman  
Sri P. Rajagopal Reddy, Member  
Sri Thakur Rama Singh, Member**

**SATURDAY, THE TWENTY FIFTH DAY OF MARCH, TWO THOUSAND AND TWENTY THREE**

**In the matter of**

**TARIFF DETERMINATION FOR RETAIL SALE OF ELECTRICITY DURING  
FY2023-24**

**in**

O.P.No.65 of 2022

Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)

O.P.No.66 of 2022

Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL)

and

O.P.No.67 of 2022

Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)

The Aggregate Revenue Requirement (ARR) and Filing for Proposed Tariff (FPT) filed by Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL or SPDCL) vide O.P.No.65 of 2022, Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL or CPDCL) vide O.P.No.66 of 2022 and Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL or EPDCL) vide O.P.No.67 of 2022 and in respect of their individual Retail Supply businesses for various consumer categories for FY2023-24 came up for consideration before the Commission. Upon following the procedure prescribed for determination of such tariff u/s 64 of the Electricity Act, 2003 (Central Act 36 of 2003) and after careful consideration of the material available on record, the Commission in exercise of the powers vested in it under the said Central Act 36 of 2003, the Andhra Pradesh Electricity Reform Act, 1998 (State Act 30 of 1998) and the APERC (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005 (Regulation 4 of 2005) hereby passes this tariff determination order.

**COMMON ORDER**

**CHAPTER – I**

**INTRODUCTION**

1. Consequent to the coming into force of the Andhra Pradesh Reorganization Act, 2014 (Central Act 6 of 2014) (hereinafter referred to as the Reorganization Act) and in terms of the provisions of section 92 of the said Act read with Schedule XII (C) (3) and Section 82 of the Electricity Act, 2003, the Government of Andhra Pradesh issued a notification in G.O.Ms.No.35, Energy (Power-III) Department, dt.01.08.2014 constituting the Andhra Pradesh Electricity Regulatory Commission (hereinafter referred to as 'The Commission').

**APERC (Adaptation) Regulation, 2014**

2. In exercise of the powers conferred by Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers thereunto enabling, including those conferred by the Andhra Pradesh Electricity Reform Act, 1998 (State Act 30 of 1998) and the A.P. Reorganization Act, 2014, the Commission issued APERC (Adaptation) Regulation, 2014 (Regulation No.4 of 2014) and notified that with effect from 01.08.2014, whereby all regulations made by, all decisions, directions or orders of, and all the licenses and practice directions issued by the Commission in existence as on the date of G.O.Ms.No.35, dt.01.08.2014 referred to above, shall apply in relation to the State of Andhra Pradesh and shall continue to have effect until duly altered, repealed or amended. The said Regulation No.4 of 2014 was published in the Extraordinary Gazette of the State of Andhra Pradesh on 29.11.2014.
3. In addition to the two licensees, i.e., APSPDCL and APEPDCL, in exercise of its powers conferred under section 14 of the Electricity Act, 2003, the Commission granted a license to the Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL), to undertake distribution of electricity in Krishna, Guntur, and Prakasam districts of Andhra Pradesh State for 25 years with effect from 01-04-2020. Accordingly, APCPDCL is carrying on the Retail Supply and Distribution Business with effect from 01-04-2020 in the three districts of Krishna, Guntur, and Prakasam. These three districts were under the jurisdiction of APSPDCL till 31.03.2020.

**Statutory Provisions**

4. Section 64(3) read with section 62(d) of the Electricity Act, 2003 stipulates that the Commission shall determine tariff for the retail sale of electricity for the Distribution Licensees.
5. Regulation 4 of 2005 notified by the Commission introduced Multi Year Tariff (MYT) framework and accordingly, each distribution licensee has to file ARR along with FPT with the Commission for determination of Tariff for (a) Distribution business (Wheeling Charges) and (b) Retail Supply Business, for a period of 5 years (called

Control Period). The 4<sup>th</sup> Control Period covers five years from FY2019-20 to FY 2023-24.

**Filing requirements and permission for Annual Filings**

6. The Central Act 36 of 2003 as well as Regulation 4 of 2005 mandate that a distribution licensee shall file for each of its licensed businesses an application, in such form and in such manner as specified and in accordance with the guidelines issued by the Commission for each year of the Control Period, not less than 120 days before the commencement of the first year of the Control Period, for approval of the Commission. Hence, SPDCL, EPDCL, and CPDCL (hereinafter jointly referred to as the 'Distribution Companies' or 'DISCOMs') had to file their Aggregate Revenue Requirement (ARR) and Filings for Proposed Tariff (FPT) before 30.11.2022 as per Regulation 4 of 2005.

**ARR, FPT Filings for FY 2023-24, Public Notice and information to GOAP**

7. Accordingly, the DISCOMs have filed separate petitions seeking approval of their Aggregate Revenue Requirements (ARR), Filings for Tariff Proposals (FPT), along with Cross Subsidy Surcharge (CSS) proposals for FY 2023-24 on 30.11.2022. The ARR & FPTs, Cross Subsidy Surcharge proposals for FY 2023-24 filed by the DISCOMs have been taken on record by the Commission and were assigned O.P. Nos.65 of 2022, 66 of 2022, and 67 of 2022 for APSPDCL, APCPDCL & APEPDCL respectively.
8. The filings along with the computation sheets in excel submitted by the DISCOMS were uploaded on the Commission's website. By letter dated 12.12.2022, the Commission directed the DISCOMs to issue a public notice in the Telugu language in two Telugu daily newspapers and in the English language in two English daily newspapers incorporating a summary of their ARR, FPT Schedules, CSS proposals for FY 2023-24 that were submitted to the Commission, for information and calling for views/objections/suggestions on the same from individuals, representatives of consumer organizations and other stakeholders to be submitted on or before 05.00PM of 05.01.2023. The DISCOMS were directed to upload the filings and computations in excel sheets that were submitted to the Commission on their websites and to make available the copies of the same at their respective corporate offices and also at circle offices for sale at the nominal rate of Rs.100 per copy and summary of the filings at a rate of Rs.10 per copy. The DISCOMS were also directed to permit the interested person(s) for the perusal of ARR, Tariff & CSS filings, to take notes thereof during office hours at any of the said offices free of charge.
9. Further, the Commission decided to conduct public hearings through video conference on the 19th, 20th, and 21st of January 2023 on the filings of all three DISCOMS. The DISCOMS were therefore directed to publish in the same public notice on filings, the date & timings, the manner and procedure of conducting public hearings through video conference, and the link for live streaming of the event for the

- benefit of the public.
10. In compliance with the directions of the Commission, the DISCOMs caused the publication of public notices in their respective areas of operation, in the Telugu Language in two (2) Telugu daily newspapers (in 'Sakshi' and 'Eenadu' newspapers on 15.12.2022) and in the English Language in two (2) English daily newspapers (In 'The HINDU' and 'The Times of India' newspapers on 15.12.2022) - (Annexure-01) incorporating a summary of their ARRs, proposed Tariff Schedules, CSS proposals for various consumer categories FY 2023-24 & other details as directed, inviting views/objections/ suggestions on these filings. It was also informed in the public notice that all the interested persons/associations/stakeholders/objectors who want to be heard in person/through authorized representatives may appear before the Commission during the public hearings through video conference. The filings & computations in excel sheets were also uploaded on the websites of the DISCOMS.
  11. The Commission vide its letter dated 28.12.2022 communicated the schedule of public hearings through video conference to the Energy Department/ Government of Andhra Pradesh, and required the presence of a responsible officer from GoAP in the public hearings to make a statement before the Commission on the filings of the DISCOMS and on any subsidies the Government of Andhra Pradesh intends to provide under Section 65 of the Electricity Act, 2003 to various consumer categories for FY 2023-24.

**Response to the Public Notices**

12. In response to the public notices, the Commission received several objections/suggestions/views in writing through emails and/or in person at its Office and also through video conference during the public hearings. The views/objections/suggestions received reflected all shades of public opinion on the issues and questions involved including responses from Organizations of Industry, Trade, Consumers, Farmers, Employees, Labourers, Political Parties, Awareness Groups, and Non-Governmental Social Activists as well as experienced and expert individuals acting in the public interest. As directed by the Commission, the DISCOMS sent their written replies to the views/objections/suggestions received before the due date from various stakeholders.

**Public Hearings**

13. The Commission conducted public hearings through video conference in the presence of all the CMDs and the officers concerned of the DISCOMS at the Conference Hall, Visakhapatnam from 10.30 AM onwards on 19-01-2023, 20-01-2023, and 21-01-2023, in order to have the widest consultations possible and also the benefit of maximum inputs in finalizing the tariff for the retail sale of electricity by the DISCOMS including CSS for various consumer categories for FY2023-24. Names of the stakeholders to be heard day-wise as per seriatim were hosted on the Commission's