

**EASTERN POWER DISTRIBUTION COMPANY  
OF ANDHRA PRADESH LIMITED**

**(Distribution & Retail Supply Licensee)**



Filing of FSA proposals  
for FY:2008-09 & FY:2009-10  
Dt.25.08.2011



**Eastern Power**  
**Distribution Company of A.P. Ltd**  
ఆంధ్ర ప్రదేశ్ ఊర్ధ్వ విద్యుత్ పంపిణీ సంస్థ

From  
The Chief General Manager,  
Commercial, RA & Plg.  
APEPDCL,

To  
The Secretary,  
APERC, 11-4-660,  
5<sup>th</sup> Floor, Singareni Bhavan,  
Hyderabad.

**Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1820/11dt.25.08.11**

Sir,

Sub: - FSA filing for FY 2008-09-First quarter –after High Court  
Judgment –Reg

\*\*\*

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein which are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed.*

Further, the Hon'ble High Court while passing order, setting aside the FSA order for 2008-09 passed by the Commission, affirmed that it is open to the licensees i.e., Discoms to file applications afresh before APERC claiming FSA for FY 08-09. Further, it was directed that Commission shall consider such applications and decide in accordance with law in the light of the observations made and recorded by Hon'ble High Court and pass appropriate orders, expeditiously. As the earlier orders given by APERC on

FSA for FY 08-09 got set aside by Hon'ble High Court, Discoms have to file FSA for FY 08-09, afresh keeping in mind of certain observations, as suggested by Hon'ble High Court.

As per regulation 45-B, FSA proposals have to be filed within 30 days from the end of the relevant quarter, and in the instant quarter, the due date for such filing is 30-07-2008. But there is 1121 days delay up to 25-08-11 which deserves to be condoned for the reasons set forth hereunder.

Unlike earlier period the EPDCL passed through complex power procurement and supply scenarios due to increased demand, shortages from approved sources, and predominant market conditions of huge demand and supply position. Therefore market forces resorted to indiscriminate determining of the price without linking it to the cost of generation and representative cost. The said situation drove the EPDCL to make elaborate arrangement to procure power. Therefore considerable amount of time was required, to receive the data viz., to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators, ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default on non performance of any of the conditions in Letter of Intent. That apart there are other factors shown below, which also contributed for not filing FSA of this quarter within stipulated time as envisaged by the Hon'ble Commission.

As stated above EPDCL required considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power. EPDCL have to accumulate lot of base data, to file accurate and correct FSA, to be collected from the consumers in just and equitable manner to avoid incorrect filing and computation of FSA.

EPDCL had taken adequate precaution to take accurate data after the EPDCL accounts are audited. This enabled EPDCL to compute the correct

FSA with out any prospect of taking incorrect sales data or cost of power procurement and giving less scope to factor the prior period expenses or income, which forms part of FSA.

Aside of the same,, there were specific directions from GoAP to procure power from different sources to meet the demand gap with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For FY 08-09, keeping in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.NO.CE/Comml/FSA/D.No186 /09 Dt 21-01-09, and to claim FSA on the quarterly basis, with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was sent to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter NO 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

**Because of requirement of compliance of so many steps there was delay in filing FSA for 1<sup>st</sup> quarter of FY 08-09 which works out to 1121 days.”**

Therefore, the FSA for FY 08-09 for the First quarter of EPDCL as shown below.

Particulars	Apr'08	May'08	Jun'08	Qtr1 TOTAL
<b>Proposed FSA Amount (Rs.Crs.)</b>	<b>10.89</b>	<b>32.67</b>	<b>7.89</b>	<b>51.17</b>
<b>Non Agricultural Sales (MU)</b>	<b>578</b>	<b>631</b>	<b>611</b>	<b>1820</b>
<b>FSA Rate (Rs./Kwh)</b>	<b>0.19</b>	<b>0.52</b>	<b>0.13</b>	<b>0.28</b>
<b>FSA (Domestic Category -Rs.Crs.)</b>	<b>3.54</b>	<b>11.15</b>	<b>2.85</b>	<b>17.54</b>
<b>FSA (Other than Dom &amp; Agl -Rs.Crs.)</b>	<b>7.35</b>	<b>21.52</b>	<b>5.04</b>	<b>33.90</b>

The delay of 1121 days occurred in filing FSA is neither due to negligence nor due to fault on part of EPDCL. The delay was due to unavoidable circumstances stated above. If the said delay is not condoned, the EPDCL will be deprived of claiming FSA/Charging FSA from consumers. In that event, EPDCL would suffer irreparable loss. There is no provision to fill the gap that would occur between purchase cost of power and the tariff received from consumers. As such public interest is involved. On the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

The Hon'ble Commission has wide powers to condone delay by extending the time limit specified by it to do certain act by parties/DISCOM. The said powers are upheld by the Hon'ble High Court. Thus it is just and necessary to condone the delay of 1121 days and grant FSA as entitled to.

As stated supra for the FY 08-09, GoAP had communicated its consent to exempt domestic category from levy of FSA against the orders issued by APERC. Therefore, it is requested to approve FSA claim of EPDCL excluding the levy of FSA on domestic category, as per GoAP commitment to reimburse the cost of FSA pertaining to Domestic category. Hon'ble Commission had wide powers under Regulation 59 of Business Rules to condone the delay.

It is prayed that Hon'ble Commission may be pleased to condone delay of 1121 days and grant FSA, as claimed.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
(Coml., RA & Plg.)  
APEPDCL::Visakhapatnam



**Eastern Power**  
Distribution Company of A.P. Ltd  
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

From  
The Chief General Manager,  
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APERC, 11-4-660,  
5<sup>th</sup> Floor, Singareni Bhavan,  
Hyderabad.

Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1821/11dt.25.08.11

Sir,

Sub: - FSA filing for FY 2008-09- Second quarter –after High Court  
Judgment –Reg

\*\*\*

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein which are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed.*

Further, the Hon'ble High Court while passing order, setting aside the FSA order for 2008-09 passed by the Commission, affirmed that it is open to the licensees i.e., Discoms to file applications afresh before APERC claiming FSA for FY 08-09. Further, it was directed that Commission shall consider such applications and decide in accordance with law in the light of the observations made and recorded by Hon'ble High Court and pass appropriate orders, expeditiously. As the earlier orders given by APERC on

FSA for FY 08-09 got set aside by Hon'ble High Court, Discoms have to file FSA for FY 08-09, afresh keeping in mind of certain observations, as suggested by Hon'ble High Court.

As per regulation 45-B, FSA proposals have to be filed within 30 days from the end of the relevant quarter, and in the instant quarter, the due date for such filing is 30-10-2008. But there is 1029 days delay up to 25-08-11 which deserves to be condoned for the reasons set forth hereunder.

Unlike earlier period the EPDCL passed through complex power procurement and supply scenarios due to increased demand, shortages from approved sources, and predominant market conditions of huge demand and supply position. Therefore market forces resorted to indiscriminate determining of the price without linking it to the cost of generation and representative cost. The said situation drove the EPDCL to make elaborate arrangement to procure power. Therefore considerable amount of time was required, to receive the data viz., to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators, ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default on non performance of any of the conditions in Letter of Intent. That apart there are other factors shown below, which also contributed for not filing FSA of this quarter within stipulated time as envisaged by the Hon'ble Commission.

As stated above EPDCL required considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power. EPDCL have to accumulate lot of base data, to file accurate and correct FSA, to be collected from the consumers in just and equitable manner to avoid incorrect filing and computation of FSA.

EPDCL had taken adequate precaution to take accurate data after the EPDCL accounts are audited. This enabled EPDCL to compute the correct

FSA with out any prospect of taking incorrect sales data or cost of power procurement and giving less scope to factor the prior period expenses or income, which forms part of FSA.

Aside of the same,, there were specific directions from GoAP to procure power from different sources to meet the demand gap with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For FY 08-09, keeping in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.NO.CE/Comml/FSA/D.No186 /09 Dt 21-01-09, and to claim FSA on the quarterly basis, with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was sent to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter NO 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

**Because of requirement of compliance of so many steps there was delay in filing FSA for 2<sup>nd</sup> quarter of FY 08-09 which works out to 1029 days.”**

Therefore, the FSA for FY 08-09 for the Second quarter of EPDCL as shown below.

Particulars	Jul'08	Aug'08	Sep'08	Qtr2
<b>Proposed FSA Amount (Rs.Crs.)</b>	<b>53.94</b>	<b>87.11</b>	<b>8.47</b>	<b>149.53</b>
<b>Non Agricultural Sales (MU)</b>	<b>596</b>	<b>581</b>	<b>628</b>	<b>1805</b>
<b>FSA Rate (Rs./Kwh)</b>	<b>0.90</b>	<b>1.50</b>	<b>0.13</b>	<b>0.83</b>
<b>FSA (Domestic Category -Rs.Crs.)</b>	<b>19.37</b>	<b>29.97</b>	<b>2.91</b>	<b>52.25</b>
<b>FSA (Other than Dom &amp; Agl -Rs.Crs.)</b>	<b>34.57</b>	<b>57.15</b>	<b>5.56</b>	<b>97.27</b>

The delay of 1029 days occurred in filing FSA is neither due to negligence nor due to fault on part of EPDCL. The delay was due to unavoidable circumstances stated above. If the said delay is not condoned, the EPDCL will be deprived of claiming FSA/Charging FSA from consumers. In that event, EPDCL would suffer irreparable loss. There is no provision to fill the gap that would occur between purchase cost of power and the tariff received from consumers. As such public interest is involved. On the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

The Hon'ble Commission has wide powers to condone delay by extending the time limit specified by it to do certain act by parties/DISCOM. The said powers are upheld by the Hon'ble High Court. Thus it is just and necessary to condone the delay of 1029 days and grant FSA as entitled to.

As stated supra for the FY 08-09, GoAP had communicated its consent to exempt domestic category from levy of FSA against the orders issued by APERC. Therefore, it is requested to approve FSA claim of EPDCL excluding the levy of FSA on domestic category, as per GoAP commitment to reimburse the cost of FSA pertaining to Domestic category. Hon'ble Commission had wide powers under Regulation 59 of Business Rules to condone the delay.

It is prayed that Hon'ble Commission may be pleased to condone delay of 1029 days and grant FSA, as claimed.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
(Coml., RA & Plg.)  
APEPDCL::Visakhapatnam



**Eastern Power**  
**Distribution Company of A.P. Ltd**  
ఆంధ్ర ప్రదేశ్ ఖాద్య త్రాంశ విద్యుత్ పంపిణీ సంస్థ

From  
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Commercial, RA & Plg.  
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To  
The Secretary,  
APERC, 11-4-660,  
5<sup>th</sup> Floor, Singareni Bhavan,  
Hyderabad.

**Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1822 /11dt.25.08.11**

Sir,

Sub: - FSA filing for FY 2008-09-Third quarter –after High Court  
Judgment –Reg

\*\*\*

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein which are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed.*

Further, the Hon'ble High Court while passing order, setting aside the FSA order for 2008-09 passed by the Commission, affirmed that it is open to the licensees i.e., Discoms to file applications afresh before APERC claiming FSA for FY 08-09. Further, it was directed that Commission shall consider such applications and decide in accordance with law in the light of the observations made and recorded by Hon'ble High Court and pass appropriate orders, expeditiously. As the earlier orders given by APERC on

FSA for FY 08-09 got set aside by Hon'ble High Court, Discoms have to file FSA for FY 08-09, afresh keeping in mind of certain observations, as suggested by Hon'ble High Court.

As per regulation 45-B, FSA proposals have to be filed within 30 days from the end of the relevant quarter, and in the instant quarter, the due date for such filing is 30-01-2009. But there is 937 days delay up to 25-08-11 which deserves to be condoned for the reasons set forth hereunder.

Unlike earlier period the EPDCL passed through complex power procurement and supply scenarios due to increased demand, shortages from approved sources, and predominant market conditions of huge demand and supply position. Therefore market forces resorted to indiscriminate determining of the price without linking it to the cost of generation and representative cost. The said situation drove the EPDCL to make elaborate arrangement to procure power. Therefore considerable amount of time was required, to receive the data viz., to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators, ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default on non performance of any of the conditions in Letter of Intent. That apart there are other factors shown below, which also contributed for not filing FSA of this quarter within stipulated time as envisaged by the Hon'ble Commission.

As stated above EPDCL required considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power. EPDCL have to accumulate lot of base data, to file accurate and correct FSA, to be collected from the consumers in just and equitable manner to avoid incorrect filing and computation of FSA.

EPDCL had taken adequate precaution to take accurate data after the EPDCL accounts are audited. This enabled EPDCL to compute the correct

FSA with out any prospect of taking incorrect sales data or cost of power procurement and giving less scope to factor the prior period expenses or income, which forms part of FSA.

Aside of the same,, there were specific directions from GoAP to procure power from different sources to meet the demand gap with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For FY 08-09, keeping in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.NO.CE/Comml/FSA/D.No186 /09 Dt 21-01-09, and to claim FSA on the quarterly basis, with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was sent to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter NO 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

**Because of requirement of compliance of so many steps there was delay in filing FSA for 3<sup>rd</sup> quarter of FY 08-09 which works out to 937 days.”**

Therefore, the FSA for FY 08-09 for the third quarter of EPDCL as shown below.

Particulars	Oct'08	Nov'08	Dec'08	Qtr 3
<b>Proposed FSA Amount (Rs.Crs.)</b>	<b>51</b>	<b>72</b>	<b>132</b>	<b>254</b>
<b>Non Agricultural Sales (MU)</b>	<b>631</b>	<b>612</b>	<b>595</b>	<b>1837</b>
<b>FSA Rate (Rs./Kwh)</b>	<b>0.80</b>	<b>1.17</b>	<b>2.21</b>	<b>1.39</b>
<b>FSA (Domestic Category -Rs.Crs.)</b>	<b>17.64</b>	<b>25.16</b>	<b>42.42</b>	<b>85.22</b>
<b>FSA (Other than Dom &amp; Agl -Rs.Crs.)</b>	<b>32.87</b>	<b>46.52</b>	<b>89.36</b>	<b>168.75</b>

The delay of 937 days occurred in filing FSA is neither due to negligence nor due to fault on part of EPDCL. The delay was due to unavoidable circumstances stated above. If the said delay is not condoned, the EPDCL will be deprived of claiming FSA/Charging FSA from consumers. In that event, EPDCL would suffer irreparable loss. There is no provision to fill the gap that would occur between purchase cost of power and the tariff received from consumers. As such public interest is involved. On the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

The Hon'ble Commission has wide powers to condone delay by extending the time limit specified by it to do certain act by parties/DISCOM. The said powers are upheld by the Hon'ble High Court. Thus it is just and necessary to condone the delay of 937 days and grant FSA as entitled to.

As stated supra for the FY 08-09, GoAP had communicated its consent to exempt domestic category from levy of FSA against the orders issued by APERC. Therefore, it is requested to approve FSA claim of EPDCL excluding the levy of FSA on domestic category, as per GoAP commitment to reimburse the cost of FSA pertaining to Domestic category. Hon'ble Commission had wide powers under Regulation 59 of Business Rules to condone the delay.

It is prayed that Hon'ble Commission may be pleased to condone delay of 937 days and grant FSA, as claimed.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
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The Secretary,  
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**Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1823/11dt.25.08.11**

Sir,

Sub: - FSA filing for FY 2008-09-Fourth quarter –after High Court  
Judgment –Reg

\*\*\*

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein which are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed.*

Further, the Hon'ble High Court while passing order, setting aside the FSA order for 2008-09 passed by the Commission, affirmed that it is open to the licensees i.e., Discoms to file applications afresh before APERC claiming FSA for FY 08-09. Further, it was directed that Commission shall consider such applications and decide in accordance with law in the light of the observations made and recorded by Hon'ble High Court and pass appropriate orders, expeditiously. As the earlier orders given by APERC on FSA for FY 08-09 got set aside by Hon'ble High Court, Discoms have to file

FSA for FY 08-09, afresh keeping in mind of certain observations, as suggested by Hon'ble High Court.

As per regulation 45-B, FSA proposals have to be filed within 30 days from the end of the relevant quarter, and in the instant quarter, the due date for such filing is 30-04-2009. But there is 847 days delay up to 25-08-11 which deserves to be condoned for the reasons set forth hereunder.

Unlike earlier period the EPDCL passed through complex power procurement and supply scenarios due to increased demand, shortages from approved sources, and predominant market conditions of huge demand and supply position. Therefore market forces resorted to indiscriminate determining of the price without linking it to the cost of generation and representative cost. The said situation drove the EPDCL to make elaborate arrangement to procure power. Therefore considerable amount of time was required, to receive the data viz., to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators, ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default on non performance of any of the conditions in Letter of Intent. That apart there are other factors shown below, which also contributed for not filing FSA of this quarter within stipulated time as envisaged by the Hon'ble Commission.

As stated above EPDCL required considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power. EPDCL have to accumulate lot of base data, to file accurate and correct FSA, to be collected from the consumers in just and equitable manner to avoid incorrect filing and computation of FSA.

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**Because of requirement of compliance of so many steps there was delay in filing FSA for 4<sup>th</sup> quarter of FY 08-09 which works out to 847 days.”**

Therefore, the FSA for FY 08-09 for the fourth quarter of EPDCL as shown below.

Particulars	Jan'09	Feb'09	Mar'09	Qtr 4
Proposed FSA Amount (Rs.Crs.)	36	63	52	151
Non Agricultural Sales (MU)	581	608	532	1721
FSA Rate (Rs./Kwh)	0.62	1.04	0.98	0.88
FSA (Domestic Category -Rs.Crs.)	12.09	18.40	18.07	48.56
FSA (Other than Dom & Agl -Rs.Crs.)	24.13	44.60	34.02	102.75

The delay of 847 days occurred in filing FSA is neither due to negligence nor due to fault on part of EPDCL. The delay was due to unavoidable circumstances stated above. If the said delay is not condoned, the EPDCL will be deprived of claiming FSA/Charging FSA from consumers. In that event, EPDCL would suffer irreparable loss. There is no provision to fill the gap that would occur between purchase cost of power and the tariff received from consumers. As such public interest is involved. On the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

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As stated supra for the FY 08-09, GoAP had communicated its consent to exempt domestic category from levy of FSA against the orders issued by APERC. Therefore, it is requested to approve FSA claim of EPDCL excluding the levy of FSA on domestic category, as per GoAP commitment to reimburse the cost of FSA pertaining to Domestic category. Hon'ble Commission had wide powers under Regulation 59 of Business Rules to condone the delay.

It is prayed that Hon'ble Commission may be pleased to condone delay of 847 days and grant FSA, as claimed.

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Chief General Manager  
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ఆంధ్ర ప్రదేశ్ ఖాద్యు క్రాంత బిద్యుత్ పంపిణీ సంస్థ

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**Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1824/11dt.25.08.11**

Sir,

Sub:- First quarter FSA of FY 2009-10-Filing after the judgment of Hon'ble High Court of AP-Reg

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein from Discoms viewpoint, are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed, and that on the filing such fresh applications, the APERC shall decide the same as per law.*

In compliance the above, the first quarter FSA for FY 2009-10 which was filed earlier also needs to be afresh/revised filing DISCOM wise and the same is claimed as indicated in the table below. Further, EPDCL also request the Hon'ble commission to condone the delay on the basis of reasons set forth hereunder and EPDCL was to file FSA for the first quarter of FY 2009-10 by 30-07-2009. Although it has filed earlier through

APPCC, now it is required to file afresh considering the judgment of A.P.High Court on the issue of FSA order for 2008-09.

It is submitted that, EPDCL have witnessed complex power procurement and supply scenarios, due to increased demand, shortages from approved sources, predominant market conditions of huge demand and reduce supply position. Such market trends make the market forces to indiscriminate determining of the price without linking it to the cost of generation and representative cost. This made EPDCL to make elaborate arrangement to procure power. This needs considerable amount of time to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators. It also required considerable time for ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default in discharge of any obligations flown under Letter of Intent. There are also other factors shown below, which also contributed for not filing the FSA in a stipulated time period as envisaged by the Hon'ble Commission for filing. Further, in such a complex scenario, the time stipulated by the Hon'ble Commission is not sufficient to file correct and accurate FSA.

EPDCL require considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power, EPDCL have to accumulate lots of base data to file accurate and correct FSA to be collected from the consumers, in just and equitable manner without any undue enrichment or loss to utility on account of wrong filing or in correct computation of FSA.

Thus, EPDCL had to take adequate precautions to take accurate data after the EPDCL accounts are audited. This will enable to compute the correct FSA with out any incorrect data crept in or incorrect cost of power

procurement, and thus giving less scope to factor the prior period expenses or income, which forms part of FSA.

That apart, there were specific directions from GoAP to procure power from different sources, to meet the demand gap, with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For the FSA proposals filed with similar conditions for FY 08-09, Hon'ble Commission sought for much information to decide on the issues related to power procured using naphtha, imported coal and power procurement from Traders/CPPs on account of shortages from approved stations and to meet the demand side gap. For FY 08-09, in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.NO.CE/Comml/FSA/D.No186 /09 Dt 21-01-09 with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was submitted to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter NO 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

It is not out of place to mention that the FY 2009-10 had seen the changes in the Gas price methodology as there was gas supply from RIL D6 fields, with back to back agreements between old and new Generators, RGTIL and GAIL. EPDCL have to interpret the complex clauses to arrive at the correct cost of generation and payment of Power procurement cost. This had taken considerable amount of time to finalize the power procurement cost for both old and new gas stations. Thereby the filing of

FSA was delayed to get the correct cost and to calculate reflective FSA, to be collected from consumers.

In the process of approval and scrutiny of FSA filing for FY 08-09, staff of commission has given several suggestions from time to time due to intricacies involved. Suggestions made and changes contemplated by APERC compelled DISCOMs to defer filing the FSA for FY 09-10 till the FSA orders are issued for FY 08-09, and finalization of DISCOMs power purchase cost, so that accuracy can be maintained in claim of FSA for FY 09-10.

As such, due to several reasons stated above there occurred a delay of 756 days in filing FSA of first quarter of 2009-10. In fact the said delay is neither due to negligence nor due to intentional act of DISCOMs, and deserves to be condoned.

If the delay is not condoned, and the right of claim of DISCOMs is forfeited, the DISCOMs would suffer irreparable loss, as there is no provision to fill the gap of cost of purchase and receivables. Thus public interest would be prejudicially effected. As such public interest is involved, on the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

Further it is submitted that as per clause 59 of APERC conduct of business regulations, the Hon'ble Commission has wide powers to extend any time limit specified by it. The Hon'ble High Court by its order dt.08-08-2011, has upheld the said powers of condonation of delay, by extending the stipulated time limit.

In view of above facts it is just and necessary to condone delay of (756 ) days by extending the time limit until 25-08-2011 and grant FSA for the first quarter of 2009-10, to enable the DISCOMs to collect from consumers.

Particulars	Apr'09	May'09	Jun'09	Qtr1
<b>Proposed FSA Amount (Rs.Crs.)</b>	<b>21.99</b>	<b>54.35</b>	<b>10.13</b>	<b>86.46</b>
<b>Non Agricultural Sales (MU)</b>	<b>595</b>	<b>643</b>	<b>667</b>	<b>1906</b>
<b>FSA Rate (Rs./Kwh)</b>	<b>0.37</b>	<b>0.84</b>	<b>0.15</b>	<b>0.46</b>
<b>FSA (Domestic Category -Rs.Crs.)</b>	<b>7.95</b>	<b>20.21</b>	<b>3.71</b>	<b>31.87</b>
<b>FSA (Other than Dom &amp; Agl -Rs.Crs.)</b>	<b>14.04</b>	<b>34.14</b>	<b>6.41</b>	<b>54.59</b>

Therefore it is prayed to condone the delay in filing FSA and grant FSA as prayed above, in the interest of justice.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
(Coml., RA & Plg.)  
APEPDCL::Visakhapatnam



**Eastern Power**  
**Distribution Company of A.P. Ltd**  
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

From  
The Chief General Manager,  
Commercial, RA & Plg.  
APEPDCL,

To  
The Secretary,  
APERC, 11-4-660,  
5<sup>th</sup> Floor, Singareni Bhavan,  
Hyderabad.

Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1825/11dt.25.08.11

Sir,

Sub:- Second quarter FSA of FY 2009-10-Filing after the judgment of Hon'ble High Court of AP-Reg

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein from Discoms viewpoint, are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed, and that on the filing such fresh applications, the APERC shall decide the same as per law.*

In compliance the above, the second quarter FSA for FY 2009-10 which was filed earlier also needs to be afresh/revised filing DISCOM wise and the same is claimed as indicated in the table below. Further, EPDCL also request the Hon'ble commission to condone the delay on the basis of reasons set forth hereunder and EPDCL was to file FSA for the second quarter of FY 2009-10 by 30-10-2009. Although it has filed earlier through

APPCC, now it is required to file afresh considering the judgment of A.P.High Court on the issue of FSA order for 2008-09.

It is submitted that, EPDCL have witnessed complex power procurement and supply scenarios, due to increased demand, shortages from approved sources, predominant market conditions of huge demand and reduce supply position. Such market trends make the market forces to indiscriminate determining of the price without linking it to the cost of generation and representative cost. This made EPDCL to make elaborate arrangement to procure power. This needs considerable amount of time to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators. It also required considerable time for ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default in discharge of any obligations flown under Letter of Intent. There are also other factors shown below, which also contributed for not filing the FSA in a stipulated time period as envisaged by the Hon'ble Commission for filing. Further, in such a complex scenario, the time stipulated by the Hon'ble Commission is not sufficient to file correct and accurate FSA.

EPDCL require considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power, EPDCL have to accumulate lots of base data to file accurate and correct FSA to be collected from the consumers, in just and equitable manner without any undue enrichment or loss to utility on account of wrong filing or in correct computation of FSA.

Thus, EPDCL had to take adequate precautions to take accurate data after the EPDCL accounts are audited. This will enable to compute the correct FSA with out any incorrect data crept in or incorrect cost of power

procurement, and thus giving less scope to factor the prior period expenses or income, which forms part of FSA.

That apart,, there were specific directions from GoAP to procure power from different sources, to meet the demand gap, with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For the FSA proposals filed with similar conditions for FY 08-09, Hon'ble Commission sought for much information to decide on the issues related to power procured using naphtha, imported coal and power procurement from Traders/CPPs on account of shortages from approved stations and to meet the demand side gap. For FY 08-09, in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.No.CE/Comml/FSA/D.No186 /09 Dt 21-01-09 with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was submitted to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter No. 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

It is not out of place to mention that the FY 2009-10 had seen the changes in the Gas price methodology as there was gas supply from RIL D6 fields, with back to back agreements between old and new Generators, RGTIL and GAIL. EPDCL have to interpret the complex clauses to arrive at the correct cost of generation and payment of Power procurement cost. This had taken considerable amount of time to finalize the power procurement cost for both old and new gas stations. Thereby the filing of

FSA was delayed to get the correct cost and to calculate reflective FSA, to be collected from consumers.

In the process of approval and scrutiny of FSA filing for FY 08-09, staff of commission has given several suggestions from time to time due to intricacies involved. Suggestions made and changes contemplated by APERC compelled DISCOMs to defer filing the FSA for FY 09-10 till the FSA orders are issued for FY 08-09, and finalization of DISCOMs power purchase cost, so that accuracy can be maintained in claim of FSA for FY 09-10.

As such, due to several reasons stated above there occurred a delay of 664 days in filing FSA of second quarter of 2009-10. In fact the said delay is neither due to negligence nor due to intentional act of DISCOMs, and deserves to be condoned.

If the delay is not condoned, and the right of claim of DISCOMs is forfeited, the DISCOMs would suffer irreparable loss, as there is no provision to fill the gap of cost of purchase and receivables. Thus public interest would be prejudicially effected. As such public interest is involved, on the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

Further it is submitted that as per clause 59 of APERC conduct of business regulations, the Hon'ble Commission has wide powers to extend any time limit specified by it. The Hon'ble High Court by its order dt.08-08-2011 has upheld the said powers of condonation of delay, by extending the stipulated time limit.

In view of above facts it is just and necessary to condone delay of (664 ) days by extending the time limit until 25-08-2011 and grant FSA for the

second quarter of 2009-10, to enable the DISCOMs to collect from consumers.

Particulars	Jul'09	Aug'09	Sep'09	Qtr2
Proposed FSA Amount (Rs.Crs.)	47.48	33.17	28.26	108.91
Non Agricultural Sales (MU)	674	706	754	2135
FSA Rate (Rs./Kwh)	0.70	0.47	0.37	0.52
FSA (Domestic Category -Rs.Crs.)	17.38	11.48	10.11	38.97
FSA (Other than Dom & Agl -Rs.Crs.)	30.10	21.70	18.14	69.94

Therefore it is prayed to condone the delay in filing FSA and grant FSA as prayed above, in the interest of justice.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
(Coml., RA & Plg.)  
APEPDCL::Visakhapatnam



**Eastern Power**  
**Distribution Company of A.P. Ltd**  
ఆంధ్ర ప్రదేశ్ ఖాద్య త్రాంశ విద్యుత్ పంపిణీ సంస్థ

From  
The Chief General Manager,  
Commercial, RA & Plg.  
APEPDCL,

To  
The Secretary,  
APERC, 11-4-660,  
5<sup>th</sup> Floor, Singareni Bhavan,  
Hyderabad.

**Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1826/11dt.25.08.11**

Sir,

Sub:- Third quarter FSA of FY 2009-10-Filing after the judgment of Hon'ble High Court of AP-Reg

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein from Discoms viewpoint, are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed, and that on the filing such fresh applications, the APERC shall decide the same as per law.*

In compliance the above, the third quarter FSA for FY 2009-10 which was filed earlier also needs to be afresh/revised filing DISCOM wise and the same is claimed as indicated in the table below. Further, EPDCL also request the Hon'ble commission to condone the delay on the basis of reasons set forth hereunder and EPDCL was to file FSA for the third quarter of FY 2009-10 by 30-01-2010. Although it has filed earlier through

APPCC, now it is required to file afresh considering the judgment of A.P.High Court on the issue of FSA order for 2008-09.

It is submitted that, EPDCL have witnessed complex power procurement and supply scenarios, due to increased demand, shortages from approved sources, predominant market conditions of huge demand and reduce supply position. Such market trends make the market forces to indiscriminate determining of the price without linking it to the cost of generation and representative cost. This made EPDCL to make elaborate arrangement to procure power. This needs considerable amount of time to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators. It also required considerable time for ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default in discharge of any obligations flown under Letter of Intent. There are also other factors shown below, which also contributed for not filing the FSA in a stipulated time period as envisaged by the Hon'ble Commission for filing. Further, in such a complex scenario, the time stipulated by the Hon'ble Commission is not sufficient to file correct and accurate FSA.

EPDCL require considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power, EPDCL have to accumulate lots of base data to file accurate and correct FSA to be collected from the consumers, in just and equitable manner without any undue enrichment or loss to utility on account of wrong filing or in correct computation of FSA.

Thus, EPDCL had to take adequate precautions to take accurate data after the EPDCL accounts are audited. This will enable to compute the correct FSA with out any incorrect data crept in or incorrect cost of power

procurement, and thus giving less scope to factor the prior period expenses or income, which forms part of FSA .

That apart,, there were specific directions from GoAP to procure power from different sources, to meet the demand gap, with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For the FSA proposals filed with similar conditions for FY 08-09, Hon'ble Commission sought for much information to decide on the issues related to power procured using naphtha, imported coal and power procurement from Traders/CPPs on account of shortages from approved stations and to meet the demand side gap. For FY 08-09, in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.NO.CE/Comml/FSA/D.No186 /09 Dt 21-01-09 with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was submitted to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter NO 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

It is not out of place to mention that the FY 2009-10 had seen the changes in the Gas price methodology as there was gas supply from RIL D6 fields, with back to back agreements between old and new Generators, RGTIL and GAIL. EPDCL have to interpret the complex clauses to arrive at the correct cost of generation and payment of Power procurement cost. This had taken considerable amount of time to finalize the power procurement cost for both old and new gas stations. Thereby the filing of

FSA was delayed to get the correct cost and to calculate reflective FSA, to be collected from consumers.

In the process of approval and scrutiny of FSA filing for FY 08-09, staff of commission has given several suggestions from time to time due to intricacies involved. Suggestions made and changes contemplated by APERC compelled DISCOMs to defer filing the FSA for FY 09-10 till the FSA orders are issued for FY 08-09, and finalization of DISCOMs power purchase cost, so that accuracy can be maintained in claim of FSA for FY 09-10.

As such, due to several reasons stated above there occurred a delay of 572 days in filing FSA of third quarter of 2009-10. In fact the said delay is neither due to negligence nor due to intentional act of DISCOMs, and deserves to be condoned.

If the delay is not condoned, and the right of claim of DISCOMs is forfeited, the DISCOMs would suffer irreparable loss, as there is no provision to fill the gap of cost of purchase and receivables. Thus public interest would be prejudicially effected. As such public interest is involved, on the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

Further it is submitted that as per clause 59 of APERC conduct of business regulations, the Hon'ble Commission has wide powers to extend any time limit specified by it. The Hon'ble High Court by its order dt.08-08-2011 has upheld the said powers of condonation of delay, by extending the stipulated time limit.

In view of above facts it is just and necessary to condone delay of (572 ) days by extending the time limit until 25-08-2011 and grant FSA for the

third quarter of 2009-10, to enable the DISCOMs to collect from consumers.

<b>Particulars</b>	<b>Oct'09</b>	<b>Nov'09</b>	<b>Dec'09</b>	<b>Qtr3</b>
<b>Proposed FSA Amount (Rs.Crs.)</b>	<b>6.33</b>	<b>-1.54</b>	<b>17</b>	<b>21.73</b>
<b>Non Agricultural Sales (MU)</b>	<b>746</b>	<b>710</b>	<b>648</b>	<b>2105</b>
<b>FSA Rate (Rs./Kwh)</b>	<b>0.08</b>	<b>-0.02</b>	<b>0.26</b>	<b>0.11</b>
<b>FSA (Domestic Category -Rs.Crs.)</b>	<b>2.44</b>	<b>-0.49</b>	<b>5</b>	<b>7.16</b>
<b>FSA (Other than Dom &amp; Agl -Rs.Crs.)</b>	<b>3.89</b>	<b>-1.05</b>	<b>12</b>	<b>14.57</b>

Therefore it is prayed to condone the delay in filing FSA and grant FSA as prayed above, in the interest of justice.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
(Coml., RA & Plg.)  
APEPDCL::Visakhapatnam



**Eastern Power**  
**Distribution Company of A.P. Ltd**  
ఆంధ్ర ప్రదేశ్ కార్యక్రమ క్రాంతి విద్యుత్ పంపిణీ సంస్థ

From  
The Chief General Manager,  
Commercial, RA & Plg.  
APEPDCL,

To  
The Secretary,  
APERC, 11-4-660,  
5<sup>th</sup> Floor, Singareni Bhavan,  
Hyderabad.

**Lr.No.CGM/C,R&P/EPDCL/VSP/GM/R&P/DE/R&P/F:Dkt./D.No.1827/11dt.25.08.11**

Sir,

Sub:- Fourth quarter FSA of FY 2009-10-Filing after the judgment of Hon'ble High Court of AP-Reg

Please peruse the judgment of the Hon'ble High Court of AP on the issue of levy of FSA for the FY 2008-09 and observations made therein from Discoms viewpoint, are stated below.

- 1) *The APPCC not being a licensee as defined under Section 2(39) of the Electricity Act, 2003 and it has no locus standi to file applications before the Commission claiming FSA on behalf of Discoms.*
- 2) *Under Regulation 59 of the Business Regulations, the Commission has the power to condone the delay in filing applications by the licensees claiming FSA beyond the time prescribed, and that on the filing such fresh applications, the APERC shall decide the same as per law.*

In compliance the above, the fourth quarter FSA for FY 2009-10 which was filed earlier also needs to be afresh/revised filing DISCOM wise and the same is claimed as indicated in the table below. Further, EPDCL also request the Hon'ble commission to condone the delay on the basis of reasons set forth hereunder and EPDCL was to file FSA for the fourth quarter of FY 2009-10 by 30-04-2010. Although it has filed earlier through

APPCC, now it is required to file afresh considering the judgment of A.P.High Court on the issue of FSA order for 2008-09.

It is submitted that, EPDCL have witnessed complex power procurement and supply scenarios, due to increased demand, shortages from approved sources, predominant market conditions of huge demand and reduce supply position. Such market trends make the market forces to indiscriminate determining of the price without linking it to the cost of generation and representative cost. This made EPDCL to make elaborate arrangement to procure power. This needs considerable amount of time to receive final bills, energy accounting, calculate accurate losses from each source of power procurement and sharing of losses and transmission charges between EPDCL and Generators. It also required considerable time for ascertaining the applicability of compensation for non delivery or under delivery, liability of EPDCL for any default in discharge of any obligations flown under Letter of Intent. There are also other factors shown below, which also contributed for not filing the FSA in a stipulated time period as envisaged by the Hon'ble Commission for filing. Further, in such a complex scenario, the time stipulated by the Hon'ble Commission is not sufficient to file correct and accurate FSA.

EPDCL require considerable amount of time to gather information on the fuel used which is a mix of domestic and imported coal to generate additional power, EPDCL have to accumulate lots of base data to file accurate and correct FSA to be collected from the consumers, in just and equitable manner without any undue enrichment or loss to utility on account of wrong filing or in correct computation of FSA.

Thus, EPDCL had to take adequate precautions to take accurate data after the EPDCL accounts are audited. This will enable to compute the correct FSA with out any incorrect data crept in or incorrect cost of power

procurement, and thus giving less scope to factor the prior period expenses or income, which forms part of FSA.

That apart, there were specific directions from GoAP to procure power from different sources, to meet the demand gap, with an assurance that the related cost will be met by the EPDCL by procuring Short Term Loans which will be discharged by GoAP in the subsequent years. For the FSA proposals filed with similar conditions for FY 08-09, Hon'ble Commission sought for much information to decide on the issues related to power procured using naphtha, imported coal and power procurement from Traders/CPPs on account of shortages from approved stations and to meet the demand side gap. For FY 08-09, in view of the GoAP's commitment that the tariff shall not be increased, a letter was addressed to GoAP vide Lr.NO.CE/Comml/FSA/D.No186 /09 Dt 21-01-09 with a request to communicate whether to file necessary proposals before APERC. Further, a reminder was submitted to GoAP vide letter No. CE/Comml/FSA/D.No 219/09 dated 16-03-09. The GoAP vide the Letter NO 743/Pr.II (1)/2009 dated 29-06-2009 communicated that it has taken a decision to collect the fuel surcharge adjustment from non-domestic and non-subsidized categories. GoAP directed EPDCL to take further action accordingly to file necessary proposals for FY 08-09 before the APERC as under section 62 (4) of the Electricity Act 2003.

It is not out of place to mention that the FY 2009-10 had seen the changes in the Gas price methodology as there was gas supply from RIL D6 fields, with back to back agreements between old and new Generators, RGTIL and GAIL. EPDCL have to interpret the complex clauses to arrive at the correct cost of generation and payment of Power procurement cost. This had taken considerable amount of time to finalize the power procurement cost for both old and new gas stations. Thereby the filing of

FSA was delayed to get the correct cost and to calculate reflective FSA, to be collected from consumers.

In the process of approval and scrutiny of FSA filing for FY 08-09, staff of commission has given several suggestions from time to time due to intricacies involved. Suggestions made and changes contemplated by APERC compelled DISCOMs to defer filing the FSA for FY 09-10 till the FSA orders are issued for FY 08-09, and finalization of DISCOMs power purchase cost, so that accuracy can be maintained in claim of FSA for FY 09-10.

As such, due to several reasons stated above there occurred a delay of 482 days in filing FSA of fourth quarter of 2009-10. In fact the said delay is neither due to negligence nor due to intentional act of DISCOMs, and deserves to be condoned.

If the delay is not condoned, and the right of claim of DISCOMs is forfeited, the DISCOMs would suffer irreparable loss, as there is no provision to fill the gap of cost of purchase and receivables. Thus public interest would be prejudicially effected. As such public interest is involved, on the other hand there will be no loss to consumers in granting FSA with delay, as they are obligated to pay FSA as per Tariff Order, which is unchallenged and attained finality.

Further it is submitted that as per clause 59 of APERC conduct of business regulations, the Hon'ble Commission has wide powers to extend any time limit specified by it. The Hon'ble High Court by its order dt.08-08-2011 has upheld the said powers of condonation of delay, by extending the stipulated time limit.

In view of above facts it is just and necessary to condone delay of (482 ) days by extending the time limit until 25-08-2011 and grant FSA for the fourth quarter of 2009-10, to enable the DISCOMs to collect from consumers.

<b>Particulars</b>	<b>Jan'10</b>	<b>Feb'10</b>	<b>Mar'10</b>	<b>Qtr 4</b>
<b>Proposed FSA Amount (Rs.Crs.)</b>	<b>12</b>	<b>3</b>	<b>49</b>	<b>64</b>
<b>Non Agricultural Sales (MU)</b>	<b>616</b>	<b>644</b>	<b>595</b>	<b>1855</b>
<b>FSA Rate (Rs./Kwh)</b>	<b>0.20</b>	<b>0.04</b>	<b>0.82</b>	<b>0.35</b>
<b>FSA (Domestic Category -Rs.Crs.)</b>	<b>3.62</b>	<b>0.78</b>	<b>16.06</b>	<b>20.46</b>
<b>FSA (Other than Dom &amp; Agl -Rs.Crs.)</b>	<b>8.72</b>	<b>2.02</b>	<b>32.56</b>	<b>43.29</b>

Therefore it is prayed to condone the delay in filing FSA and grant FSA as prayed above, in the interest of justice.

Yours faithfully,

Sd/- B.A.Meher Kumar  
Chief General Manager  
(Coml., RA & Plg.)  
APEPDCL::Visakhapatnam