

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
11-4-660, 4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad.

Dated 20-07-2004

Present

Sri K.Sreerama Murthy, Acting Chairman
Sri Surinder Pal, Member

R.P.Nos. 6 and 10 of 2004

in

R.P.No. 84 of 2003

in

O.P.No. 1075 of 2000

Between

1. M/s Sardar Power Limited (R.P.No. 6 / 2004)
2. M/s K.M.Power Private Limited (R.P.No. 10 / 2004) Petitioners

AND

Transmission Corporation of Andhra Pradesh Limited Respondent

ORDER

1) Both the petitioners filed these petitions for review of the Order dated 20-03-2004 of the Commission in R.P.No. 84 / 2003 in O.P.No. 1075 / 2000. Both the petitions are based on the similar grounds also raised by the petitioners in R.P.No 5 of 2004 of M/s Small Hydro Power Developers Association and R.P.No 12 of 2004 M/s Active Power Corporation Private Limited and as mentioned in the Commission's common Order thereon dated 07-07-2004.

2) The Chief Engineer / IPC has filed separate counter-affidavits on behalf of the respondent, the Transmission Corporation of Andhra Pradesh Limited (hereinafter APTRANSCO) raising the objections as raised in R.P.No 5 of 2004 of M/s Small Hydro Power Developers Association and R.P.No 12 of 2004 M/s Active Power Corporation Private Limited, and as mentioned in the Commission's common Order thereon dated 07-07-2004.

3) Both the petitioners filed rejoinders to the counter-affidavits filed by APTRANSCO disputing the stand taken by it.

4) These matters are squarely covered by the common Order of the Commission in R.P No 5 of 2004 and R.P.No 12 of 2004 dated 07-07-2004 in which it was held:

"The petitions filed by the Petitioners for review of the Order dated 20.3.2004 do not indicate any error apparent on the face of the record or non-consideration of any relevant material or document or otherwise sufficient reason for review of the Order dated 20-03-2004 passed by the Commission except for additional information furnished on capital subsidy by MNES leading to re-determination of the capital cost. The Commission in the order dated 20-3-2004 provided for special treatment of the NCE projects in its endeavour to promote non-conventional energy development. However, such development cannot be open-ended in the sense that the tariff allowed becomes very high. In order for the Commission to direct APTRANSCO to purchase the power generated from such projects, it is necessary that the tariff is also affordable. There is an optimum level beyond which the project developers cannot expect the Commission to allow the tariff as the direct impact of higher tariff will be unduly burdening the consumers in general to pay higher tariff for the electricity. The Commission has to strike a balance between the interest of promoting non-conventional energy and the interest of the consumers to have an economical tariff for the electricity.

Except for the clarifications provided above on the settlement period and the year of operation, re-determination of capital cost due to additional information on capital subsidy by MNES now being made available, and revision of incentive beyond threshold PLF, the Commission hereby rejects the petitions filed by the petitioners".

5) For the same reasons as mentioned in the Commission's Order in R.P No 5 of 2004 and R.P.No 12 of 2004 dated 07-07-2004 and with same conclusion extracted above, these two petitions are also dismissed.

This order is signed this 20th day of July, 2004.

Sd/-
(SURINDER PAL)
MEMBER

Sd/-
(K.SREE RAMA MURTHY)
ACTING CHAIRMAN



CERTIFIED COPY

[Handwritten Signature]
26/7/04
SECRETARY
A.P. Electricity Regulatory Commission
Hyderabad.