

BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

At its office at 4th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

FILING NO. _____ /2015

RP
CASE NO. 12 /2015

In the matter of:

Filing of Review Petition of the A.P.Distribution Licensees seeking reconsideration of certain issues in the Tariff Order on Wheeling Tariff for Distribution Business for FY2014-15 to FY 2018-19, dated 9th May, 2014.

In the matter of:

- 1) SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD
- 2) EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

...Applicants

AFFIDAVIT OF APPLICANTS VERIFYING THE APPLICATION FOR REVIEW OF TARIFF ORDER ON WHEELING TARIFF FOR DISTRIBUTION BUSINESS FOR FY2014-15 TO FY 2018-19 DATED 09-05-2014.

I, N.Narasimhulu, S/o.Guravaiah aged 44 years, working for gain at the Southern Power Distribution Company of Andhra Pradesh Ltd do solemnly affirm and say as follows:

- 1. I am the Chief General Manager/Operation/APSPDCL, the body corporate that has been awarded Distribution License by the Hon'ble Commission. I am competent and duly authorized by APSPDCL to affirm, swear, execute and file this affidavit in the present proceedings.
- 2. I am competent and duly authorized by APSPDCL and APEPDCL to affirm, swear, execute and file this petition.



3. I have read and understood the contents of the accompanying petition. The statements made in the paragraphs of the accompanying application now shown to me are true to my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.


DEPONENT
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.

VERIFICATION:

I, the above named deponent do hereby verify & affirm the contents of this affidavit as true & correct.

Verified and attested at Tirupati on this 22nd day of January, 2015.


DEPONENT
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.

Before me
(Seal&Date),


COMPANY SECRETARY
APSPDCL :: TIRUPATI.

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION**

At its office at 4th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

FILING NO. _____/2015

RP
~~CASE~~ NO. 12 / 2015

In the matter of:

Filing of Review Petition of the A.P. Distribution Licensees, seeking reconsideration of certain issues in the Wheeling Tariffs for Distribution Business Tariff Order of FY2014-15 to FY 2018-19, dated 9th May, 2014.

In the matter of:

- 1) SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
 - 2) EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
- ...Applicants

This application is filed by the petitioners, the Distribution licensees in their area in the state of Andhra Pradesh (under section 94(1)(f) of Electricity Act 2003, read with, Clause No.56 & 59 of APERC Conduct of Business Regulations,) seeking review and/or modification and/or rectification of errors in the Commission's tariff order Dt. 9th May, 2014 pertaining to the aggregate revenue requirement and tariff determination for Wheeling Tariff for Distribution Business for the FY 2014-15 to FY 2018-19, orders applicable w.e.f dt.17.05.2014.

The Applicants respectfully submits as under:-

1. The Licensees have identified certain issues in the Tariff order and submits that the Hon'ble Commission accidentally omitted to deal with, and thus failed to determine important issues in required perspective manner; Also proceeded on the erroneous assumption in respect of material facts which is finally resulted in detrimental to the interest of the licensees. For the reasons enumerated hereunder, it is therefore requested to consider this application of review. The said review is necessitated by way of invoking the doctrine of "actus curiae neminem gravabit".

2. The following are the aspects that were accidentally omitted to consider in required manner.

(a) On the aspect of reimbursement of exemption of wheeling charges to Solar, Wind and Mini-Hydel generation.

(b) About computation of Solar, Wind and Mini-Hydel generation in contracted capacities of Discoms.

3. **Exemption of Wheeling charges to Solar, Wind and Mini-Hydel generation.**

Honorable APERC has issued Multi Year Tariff order for wheeling Tariff for Distribution Business for the financial years 2014-15 to 2018-19 wherein it is given that "In line with the Government Policy there shall be no wheeling charges for Non-Conventional Energy Generators using wind, solar and mini-hydel sources".

4. a) The erstwhile Government of AP in 2012 had announced the Solar Policy, vide G.O.Ms Nos 39 dtd 26-9-2012 and GOMs Nos 44 dtd 16-11-2012, and had given certain concessions to the Solar developers who commission their projects before June, 2014.

The main concessions are as follows.

- i. There will be no wheeling and transmission charges for wheeling of the power generated from the solar power projects to the desired locations for **captive use/ third party sale** within the state through grid system, subject to industries maintaining the demand within its contracted demand. However, wheeling and transmission charges for wheeling of the power generated from the solar power projects for sale out side the state will be as per APERC regulations.
 - ii. Cross Subsidy Surcharge shall not be applicable for Open Access obtained for **third party sale** within the state subject to industries maintaining their demand within its contracted demand with the DISCOMs. It is not applicable for captive use.
 - iii. All solar power projects will be exempted from payment of Electricity duty for **captive consumption and third party sale** within the state.
- b) The Solar power policy is applicable from the date of issuance to 2017. The exemptions for maintaining their demand within its contracted demand and for **captive use/ third party sale** within the state through grid system.

5. The wind power Policy announced by the erstwhile Government of AP in 2008 vide GOMs Nos 48 dtd 11-04-2008, the Government had given certain guide lines & concessions to the wind power developers and applicable operative period is for 10 years from date of issue of the Policy but wind power Policy amendment orders issued vide GOMs Nos 99 dt. 09-09-2008 that the applicable operative period is for 5 years. Hence the above wind policy was expired in April 2013. The wind policy covers the following.
- a) In case of transfer of power by the developer for its own **captive use/ third party sale**, it shall be governed by the Open Access regulations issued by the commission from time to time. The balancing and settlement of energy and demand would be as per the balancing and settlement code as approved by the commission from time to time.
 - b) The **third party sale** by eligible developers under this policy will be permitted only to HT-I category consumers as categorized in the Tariff orders issued by the commission from time to time.
 - c) The eligible developers may be given concessional wheeling and Transmission charges, as there will be no emission of Greenhouse gases from the wind farms. This will be subject to approval of APERC. The concessional wheeling and Transmission charges **captive use/ third party sale** may be in kind at 5% of energy delivered in to the grid (which includes Transmission and Distribution losses).
6. Earlier, the Government of AP announced uniform incentives to all categories of NCE projects including Mini Hydel power plants vide GOMs Nos 93 dtd 18-11-1997 and are as follows.
- a) wheeling charges -2%
 - b) Banking for captive use - Allowed throughout the year on 2% charges.
 - c) Banking for third party sale - Allowed from August to March on 2% charges.

7. There are certain inconsistencies to the tariff order, and Govt. policies which are tabulated below.

Government Solar Policy issued in 2012	Government wind Policy issued in 2008	Government Policy for NCE projects including Mini Hydel power plants issued in 1997	APERC issued MY Tariff order for the years 2014-15 to 2018-19
1. Government has given waiver for only Solar Developers.	1. Government has given concessional wheeling and Transmission charges to captive use/ third party sale in kind at 5% of energy delivered in to the grid this Policy subject to approval of APERC.	1. Government has given concession on wheeling charges for captive use/ third party sale in kind at 2 % of energy	1. In line with Government Policy APERC has given the waiver for Solar, wind & mini-hydel .
2. Government Policy is applicable up to 2017 for those who commissioned their projects before June, 2014.	2. Government Policy expired in April 2013. Many of the generators paying concession wheeling charges in kind at 2 % of energy only.	2. Many of the generators availing concession wheeling charges in kind at 2 % of energy only.	2. In line with Government Policy APERC has given waiver from 17.05.14 to 31.03.2019 (Approx 5years). But where as the wind policy issued in 2008 was expired in 2013.
3. The Govt has not offered any monetary reimbursement for this waiver.	3. The Govt has not offered any monetary reimbursement for this waiver.	3. The Govt has not offered any monetary reimbursement for this waiver.	3. APERC has not notified for reimbursement of charges from Govt of AP. In case Govt. does not reimburse the amount it will be a loss to APSPDCL.

Hence it is requested to consider, the exemptions of wheeling charges as per the government policies to Non-Conventional Energy generators using Wind, Solar and Mini hydel solar developers with a proper reimbursement mechanism from the government, by the effect of:

- a. Government Solar Policy issued in 2012 which is applicable for their projects commissioned before June 2014 and valid up to 2017 those who are utilizing Grid network within the state for waiver of wheeling Charges.

- b. Government wind Policy expired in April 2013 which was issued in 2008. Presently there is no wind policy in AP. In this regard APERC has also addressed to Govt of AP in their advisory -2 letter dt: 16.06.2014.
- c. Government Policy for NCE projects including Mini-Hydel Projects issued on dt. 18-11-1997 speaks about paying of wheeling charges in terms of kind only and not speaks waiver of these charges.

In this issue it may be noted that APSPDCL / APEPDCL is spending crores of rupees on distribution network. Without proper reimbursement mechanism if wheeling charges are exempted for these generators, it will be detrimental to the financial position of AP Discoms.

8. Inclusion of Solar, Wind and Mini-Hydel generation in contracted capacities of Discoms.

In the APERC Multi Year Distribution Business Tariff order issued for the years 2014-15 to 2018-19, it is given that “In line with the Government Policy, there shall be no wheeling charges for Non-Conventional Energy Generators using wind, solar and mini-hydel sources”. But APERC has not exempted Discoms from payment of Transmission charges for the power procured from Solar, Wind and Mini-Hydel as the capacities of the above generators also were included in contracted capacities of Discoms in the Tariff Order. Out of the total NCE capacities of 2114 MW included in the contracted capacities of Discoms for the year 2014-15, the NCE capacities using solar, wind and mini-hydel are as follows.

Solar	361MW
Wind	1064MW
Mini-Hydel	106MW
Total	1531MW

In this regard, the tariff order is ambiguous as to:

- i) Whether the exemptions are only for **captive use/ third party sale users** or for Discoms also for payment of Transmission charges to APTRANSCO, since Discoms have PPAs with Wind, Solar and Mini hydel Non-Conventional Energy generators
- ii) While determining the transmission charges APERC have considered the capacities of the Wind, Solar and Mini hydel generators and have arrived certain Transmission charge i.e., Rs.65.30 /KW/Month for the year 2014-15.
- iii) Whether to pay the transmission charges for Solar, Wind and Mini-Hydel power to AP Transco treating APERC has not given any exemption to the Discoms for payment of Transmission charges for the power procured from Solar, Wind and Mini-Hydel
- iv) In case Discoms have to pay of Transmission charges to APTRANSCO for the above Wind, Solar and Mini hydel generators capacities, then APERC have to re determine the wheeling charges otherwise APSPDCL/APEPDCL loses revenue.
- v) If Govt. of AP do not reimburse amounts as required under section 65 of electricity Act, then APERC have to re determine the wheeling charges duly excluding these Wind, Solar and Mini hydel generators capacities. In that case other Generators like coal, Gas and other Non-Conventional Generators will be financially loaded.

9. APTransco is raising transmission charges on Discoms for the power procured from developers of solar, wind and mini-hydel also. If Discoms have to pay transmission charges for this capacity, without getting wheeling charges from the categories of solar, wind and mini-hydel generators, discoms would forego revenue to that extent due to inclusive of NCE in Discoms contracted capacity by APERC. The said ambiguities / mistakes are on the face of record and there are sufficient grounds to revisit the tariff order.
10. It is submitted that all the above issues of Tariff order as explained above may be taken on record and it is requested to revisit the Tariff Order by duly reviewing it. The Hon'ble Commission may permit the petitioner to make any additional submissions during the proceedings in support of the prayer. The requisite court fee of Rs.12,500/- is also paid herewith.
11. Since the both the Discoms have same cause of action for filing the application, those have joined together in filing this.
12. In view of the submissions made in the foregoing paragraphs, the applicant requests that the Hon'ble commission may be pleased to
- (a) Consider and accept the review petition, and effect the modification as sought by reviewing the order dtd.09-05-2014.
- (b) Pass such other order/orders, as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.


Petitioner No.1
**CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI**


Petitioner No.2
**CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI**

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION**

At its office at 5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

Interim Application _____/2014 in Review Petition, _____/2014

In the matter of:

Filing Interim application to grant Interim orders enabling the APSPDCL & APEPDCL to collect Wheeling charges on the ground that the Government policy of exemption of wind and Mini-hydel from the liability of Wheeling charges, the wind policy expired by April 2013.

In the matter of:

- 1) SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD
- 2) EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD

...Applicants

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION FILED UNDER
CLAUSE 94 (1)(F) OF ELECTRICITY ACT 2003 FOR GRANTING INTERIM
ORDERS ENABLING THE APSPDCL & APEPDCL TO COLLECT WHEELING
CHARGES**

I, N.Narasimhulu, S/o.Guravaiah aged 44 years, working for gain at the Southern Power Distribution Company of Andhra Pradesh Ltd do solemnly affirm and say as follows:

1. I am the Chief General Manager/Operation/APSPDCL, the body corporate that has been awarded Distribution License by the Hon'ble Commission. I am competent and duly authorized by APSPDCL to affirm, swear, execute and file this affidavit in the present proceedings.
2. I am competent and duly authorized by APSPDCL and APEPDCL to affirm, swear, execute and file this petition.

3. I have read and understood the contents of the accompanying petition. The statements made in the paragraphs of the accompanying application now shown to me are true to my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.


DEPONENT
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.

VERIFICATION:

I, the above named deponent do hereby verify & affirm the contents of this affidavit as true & correct.

Verified and attested at Hyderabad on this, 23rd day of January, 2015.


DEPONENT
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.

Before me
(Seal&Date), Hyderabad


COMPANY SECRETARY
APSPDCL :: TIRUPATI.

SR. No. 7/2015
IA. No. 20/2015

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION**

At its office at 4th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

Interim Application _____/2015 in Review Petition, _____/2015

In the matter of:

Filing Interim application to grant Interim orders enabling the APSPDCL & APEPDCL to collect Wheeling charges on the ground that the Government policy of exemption of Wind and Mini-hydel from the liability of Wheeling charges, the wind policy expired by April 2013.

In the matter of:

- 1) SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD
- 2) EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD

...Applicants

APPLICATION FILED UNDER CLAUSE 94 (1)(F) OF ELECTRICITY ACT 2003

1. The Hon'ble Commission passed Tariff order on Wheeling Tariffs for Distribution Business dtd.09.05.2014 for the APSPDCL & APEPDCL for control period 2014-15 to 2018-19. In the said order, the Hon'ble Commission held that "In line with Government Policy there shall be no Wheeling Charges for Non-Conventional Energy generators using Wind, Solar and Mini hydel sources".
2. But as for wind and mini-hydel developers are concerned, the Govt Policy in respect of wind expired by April 2013. This fact is also mentioned in the Advisory no.2 passed by Hon'ble Commission. Therefore in the absence of extant policy, the APSPDCL & APEPDCL cannot be deprived of their revenue. Therefore APSPDCL & APEPDCL have filed Review Petition, which is pending.
3. The disposal of said Review Petition may long time and in the meanwhile if APSPDCL & APEPDCL in compliance of orders of Hon'ble Commission is prohibited from collecting Wheeling Charges, and if ultimately in the final disposal of Review Petition, orders enabling the APSPDCL & APEPDCL to collect charges, it will be not only difficult, but also cause severe financial impact on APSPDCL & APEPDCL.

4. Since there is no extant Govt Policy exempting the wind and mini hydel generators from the liability of Wheeling charges, it is necessary to pass interim orders enabling the applicant to collect such charges.
5. The requisite fee of Rs.10,000/- is paid herewith.

It is prayed that the Hon'ble Commission may be pleased to pass interim orders enabling the applicant to collect Wheeling charges from wind and mini hydel developers subject to adjustment as per the final orders that may be passed in review petition, or to pass any other order in circumstances of the case.


Petitioner No.1

**CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI,**


Petitioner No.2

**CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI,**