

ER. No. 19/2017

PETITION BY DISCOM

BEFORE THE
HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF ANDHRA PRADESH

RP No. 2 /2017
in
original Petition No. 22 /2016

IN THE MATTER OF:

Seeking revision of the order dated 26.11.2016 in OP No. 22 of 2016 for implementation of Domestic Efficient Fans Programme (DEFP) in APEPDCL area (Except Narasapuram Revenue Division of WG Dist) of Eastern Power Distribution Company of Andhra Pradesh Limited in the state of Andhra Pradesh under Demand Side Management Programme.

AND

IN THE MATTER OF:

Eastern Power Distribution Company of A.P Limited


- Petitioner

Affidavit

I, G. Sarath Kumar, Son of Sri G. Rama Murthy, aged about 56 years, residing at Visakhapatnam, the deponent named above do hereby solemnly affirm and state on oath as under:-


1. That the deponent is the Chief General Manager, Planning, PPA& RA of Eastern Power Distribution Company of AP duly authorized by APEPDCL to make this affidavit on its behalf and the deponent is acquainted with the facts deposed below,
2. I, G. Sarath Kumar, the deponent named above do hereby verify that the contents of the affidavit and those of the accompanying petition are true to my personal knowledge and verify that no part of this affidavit is false and nothing material has been concealed.




Deponent
Chief General Manager
Planning, PPA & RA
A.P.E.D.C. LTD.
VISAKHAPATNAM-530 013

VERIFICATION:

I, the above named Deponent solemnly affirm at Visakhapatnam on this ~~12~~¹³ day of April, 2017 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.


DEPONENT
Chief General Manager
Planning, PPA & RA
A.P.E.P.D.C. LTD.
VISAKHAPATNAM-530 013

Solemnly affirmed and signed before me.

K.S.V.S. Son FCS-8286
Company Secretary
CORPORATE OFFICE
Eastern Power Distribution
Company of A.P. Ltd.,
VISAKHAPATNAM

**BEFORE THE
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF ANDHRA PRADESH**

FILE NO:

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IN THE MATTER OF:

Seeking revision of the order dated 26.11.2016 in OP No. 22 of 2016 for implementation of Domestic Efficient Fans Programme (DEFP) in APEPDCL area (Except Narasapuram Revenue Division of WG Dist) of Eastern Power Distribution Company of Andhra Pradesh Limited in the state of Andhra Pradesh under Demand Side Management Programme

AND

In the matter of :

EASTERN POWER DISTRIBUTION COMPANY OF A.P LIMITED

-Petitioner

MOST RESPECTFULLY SHOWETH THE ADDITIONAL SUBMISSION:

1. APEPDCL have submitted a proposal seeking approval of the Honorable Commission for implementation of Domestic Efficient Fans Programme (DEFP) in APEPDCL area (Except Narasapuram Revenue Division of WG Dist) of Eastern Power Distribution Company of Andhra Pradesh Limited in the state of Andhra Pradesh under Demand Side Management Programme vide OP No. 22 of 2016.
2. The Honorable Commission have issued its approval for implementation of the above said programme vide its orders dated 26.11.2016.
3. In the said order, the Honorable Commission have directed M/s.EESL to prefer M/s.APSEEDCO as the distribution agency to undertake the distribution of Fans in the State of Andhra Pradesh. Further Directed that if EESL proposes any other agency for undertaking distribution activities of fans, the same has to be done with prior approval of Honourable Commission.

4. M/s.EESL have informed the petitioner that, APSEEDCO being separate legal entity of undertakes the distribution activity, it is required to bear all the taxes. The amount of Rs 50/- set part out of Rs 1020/- towards distribution, transportation, storage etc, besides implication of taxes would not suffice to SEEDCO. As such APSEEDCO expressed its inability to undertake distribution activity because of the unavailability. However, APSEEDCO volunteered to monitor, supervise and co-ordinate all the concerned the project by undertaking necessary steps including awareness creation programs among the consumers for smooth implementation of the project by receiving small amount of Rs 10/- (exclusive of applicable taxes) per fan. Further, it is informed by M/s.EESL that, considering the views of APSEEDCO it is necessary for the petitioner to select other agency to undertake the distribution activity of fans. As stated, above to select other agency than APSEEDCO, as per orders of this Honourable commission, it is necessary to obtain prior approval.
5. Further, M/s. EESL have requested to revise the computations as per the enclosed Annexure-1 wherein interest on debt portion, RoE and Taxes applicable are revised in accordance with the applicable procedures. As per these computations, the rate per fan are furnished hereunder.

| FAN COST COMPONENTS | | |
|--|-----------------|-----------------|
| Programme Cost | OBF | Upfront |
| Cost per FAN Including taxes | 796.95 | 796.95 |
| Payment to APSEEDCO (incl service tax) | 11.50 | 11.50 |
| Software cost (incl service tax) | 2.30 | 2.30 |
| Distribution cost (incl service tax) | 51.75 | 51.75 |
| Total cost per FAN | 862.50 | 862.50 |
| AMC @ 1.5% p.a. for 2.5 years | 34.37 | 34.37 |
| Sales Tax @ 14.5% | 115.56 | 115.56 |
| Total Cost per FAN After AMC | 1,012.43 | 1,012.43 |
| Interest Cost (10%) | 118.14 | 20.25 |
| Return on equity (21.41%) | 65.28 | 10.84 |
| Selling Price Per FAN | 1,195.84 | 1,043.51 |
| | | |
| Total Programme Cost per consumer | 1,195.84 | 1,043.51 |
| ROUND OFF | 1,200.00 | 1,040.00 |
| EMI as per 24 months | 50 | |

PRAYER


Thus, the APEPDCL humbly prays before the Honourable commission to consider this application and pass necessary orders on the following:

1. To permit M/s.EESL to fix up agency for distribution of fans through bidding process,
2. To permit M/s.EESL to pay Rs. 10 per each fan to M/s.APSEEDCO to monitor, supervise and co-ordinate all the concerned the project by undertaking necessary steps including awareness creation programs among the consumers for smooth implementation of the project.
3. To revise the cost per fan for both upfront and EMI as furnished in the above Para 5.
4. Allow APEPDCL to recover the cost in 24 monthly installments through the electricity bill of the participating consumers.
5. Pass necessary orders as deem fit by the Honourable Commission.

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

(APPLICANT)

Through


Chief General Manager
Planning, PPA&RA::APEPDCL
Visakhapatnam

Place: Visakhapatnam

Date : 12. 04. 2017.

Annexure-1

| FAN COST COMPONENTS | |
|---------------------------------------|-----------------|
| Programme Cost | Uplift |
| Cost per FAN including taxes | 796.95 |
| Payment to APSEDCO (incl service tax) | 11.50 |
| Software cost (incl service tax) | 2.30 |
| Distribution cost (incl service tax) | 51.75 |
| Total cost per FAN | 862.50 |
| AMC @ 1.5% p.a for 2.5 years | 34.37 |
| Sales Tax @ 14.5% | 115.56 |
| Total Cost per FAN After AMC | 1,012.43 |
| Interest Cost (10%) | 118.14 |
| Return on equity (21.41%) | 65.28 |
| Selling Price Per FAN | 1,195.84 |
| Total Programme Cost per consumer | 1,195.84 |
| ROUND OFF | 1,200.00 |
| EMI as per 24 months | 50.00 |

DEBT-EQUITY CALCULATION

| Months | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | Total | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Debt: Monthly EMI | 33.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EMI Debt Financing (10% of Capital Cost) | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 | 809.94 |
| EECL Debt at the beginning of the financial year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EECL Debt at the End of the financial year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EECL Debt Principal paymt annually | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EECL Interest Rate/Interest amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total paymt | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | 33.62 | |
| EECL equity (20% of capital cost) | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | |
| Project life (Months) | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ROEP per Yr | 14.09% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ROEP per Yr | 21.41% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity-Monthly EMI | 9.52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening Balance | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | |
| Recovery of Equity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing Balance | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | 202.09 | |
| Return on Equity @ 14% (plus income taxes thereon @ 21.41%) | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | |
| Total Paymt | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | 161 | |
| AMC @ 2% without escalation | 796.95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Chief Financial Officer
 Planning, PPA & RA
 A.P.E.P.D.C. LTD.
 VISAKHAPATNAM-530 013