

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Regulation No. _____ / 2004

LICENSEE'S POWER TO RECOVER EXPENDITURE INCURRED IN PROVIDING SUPPLY

DRAFT REGULATIONS INVITING SUGGESTIONS / COMMENTS

In exercise of the powers conferred by section 181 read with section 46 of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulations, namely:-

1. Short title, commencement and interpretation

- i. These Regulations may be called the Andhra Pradesh Electricity Regulatory Commission (Licensee's power to recover expenditure) Regulations No.../ 2004.
- ii. These Regulations shall be applicable to all distribution licensees in their respective licensed areas, in the State of Andhra Pradesh.
- iii. These Regulations shall come into force on the date of their publication in the Andhra Pradesh Gazette.

2 Definitions

In these Regulations, unless the context otherwise requires:-

- (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "applicant" means the owner or occupier of any premises who makes an application to the distribution licensee for supply of electricity.
- (c) "Commission" means the Andhra Pradesh Electricity Regulatory Commission;
- (d) "high tension (HT) consumer" means a consumer who is supplied electricity at a voltage higher than 440 volts; but not exceeding 33000 volts.
- (e) "low tension (LT) consumer" means a consumer who is supplied electricity at a voltage up to 440 volts;
- (f) "extra high tension (EHT) consumer" means a consumer who is supplied electricity at a voltage higher than 33000 volts;

- (g) “month” means the calendar month. The period of about 30 days between the two consecutive meter readings shall also be regarded as a month for purpose of billing;
- (h) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings as assigned to them in the Act, or in absence thereof, shall have the same meaning as commonly understood in the electricity supply industry.

3. Duty of the Distribution Licensee to Supply on request and recovery of Expenditure

- (1) In terms of Section 43 of the Act it shall be the responsibility of the Distribution Licensee to give supply of electricity to the premises pursuant to the application made by the applicant for the purpose.
- (2) The Distribution Licensee shall, subject to the provisions contained in Section 43 of the Act, fulfill his obligation to supply electricity to the premises, without claiming any payment or reimbursement by the applicant for any expenditure, if such expenditure has been incurred or to be incurred by the Distribution Licensee in terms of or under any scheme approved by the Commission or when such expenditure is otherwise allowed to be recovered by the Distribution Licensee as a part of the revenue requirements of the Distribution Licensee.
- (3) Subject to the provisions of Act and these Regulations and subject to such directions, orders or guidelines the Commission may issue from time to time, every Distribution Licensee is authorized to recover from an applicant, requiring supply of electricity, any expenses that the Distribution Licensee shall be required to reasonably incur in addition to those specified in sub-clause (2) above to provide any electric line or electrical plant specifically for the purpose of giving such supply to the applicant.
- (4) Before taking up the erection of electric line or electrical plant required for extending supply to the applicant, the licensee shall estimate the charges for erecting such electric line or electrical plant and present the same to the applicant. The licensee shall prepare such estimate in the manner the Commission may specify from time to time.
- (5) In the event the electricity supply is required by two or more applicants in the same area through extension of common Electric Line and Electric Plant and the expenditures in respect thereof are not covered by sub-clause

(2) above, the Distribution Licensee shall apportion such expenditure amongst all such applicants.

- (6) The Commission may from time to time and by a general or special order specify the extent to which the Distribution Licensee shall install, establish or extend the Distribution Main, the Electric Line and Electric Plant as a part of a scheme to be implemented by the Distribution Licensee or otherwise to be undertaken and the expenditure to be covered as a part of the revenue requirements of the Distribution Licensee to be recovered from the Tariffs to be determined by the Commission.

4. Specific Provision for Low Tension supply

- (i) In case of applications for Low Tension supply where such supply requires only laying the service line from the existing distributing main to the consumer's premises, the Distribution licensee shall estimate the cost of service line and the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter.
- (ii) In case of applications where there is a need to erect new electrical plant such as the distribution transformer (DTR) along with switch-gear etc., for extending supply to the applicant for Low Tension connection, the licensee shall estimate the cost of electrical plant as follows:

Cost of the works of erection of DTR including switch-gear (in Rupees)	= P
Rated capacity of DTR (KVA)	= Q
Cost per KVA (in Rupees)	= P/Q
Contracted load (HP) /Demand (KVA) of the applicant	= K
Amount payable by applicant towards electrical plant (in Rupees)	= K*(P/Q)

Provided that the Distribution licensee shall estimate the cost of electrical plant based on the latest cost data as published by the Distribution licensee.

- (iii) In case of applications where there is a need to erect or extend the 11 KV line in order to erect a distribution transformer and extend supply to the applicant, the Distribution licensee shall estimate the cost of such section of 11 KV line on a per kilometer basis based on the latest cost data as published by the Distribution licensee.

5. Special Provision for High Tension supply

- (i) In case of applications for new connections, where such supply requires only extension of High Tension line from the existing distributing main to the consumer's premises, the Distribution licensee shall estimate the cost of service line and the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter and Current

Transformer and/or Potential Transformer used for metering, the Distribution Licensee shall estimate the cost of service line on per kilometer basis and the cost of metering arrangements based on the latest cost data as published by the Distribution Licensee.

- (ii) In case of applications where there is a need to erect a new power transformer or augment the capacity of existing power transformer with or without bay extension at a 33/11 KV substation for extending supply to the applicant, the Distribution Licensee shall estimate the cost of the works involved in the same way as indicated in sub-clause 4(ii) above.
- (iii) In case of applications where there is a need to erect a new 33/11 KV substation in order to extend supply to an individual applicant, the Distribution Licensee shall estimate the cost of such substation as per the latest cost data published by the Distribution Licensee.

6. Special provision for Extra High Tension supply

- (i) In case of applications for new connections, where such supply requires only extension of Extra High Tension line from the existing transmission substation to the consumer's premises, the distribution licensee shall estimate the cost of such line and the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter and Current Transformer and/or Potential Transformer used for metering. The distribution licensee shall estimate the cost of line on per kilometer basis and the cost of metering arrangements based on the latest cost data as published by the transmission licensee.
- (ii) In case of applications where it is required to erect a new power transformer or augment the capacity of existing power transformer with or without bay extension at a transmission substation, for extending supply to the applicant, the licensee shall estimate the cost of the works involved in the same way as indicated in sub-clause 4(ii) above.

7. Standard cost data

- 7.1 The Distribution licensee shall on an annual basis publish a cost data book by 1st April of the year, which shall be the basis of making the initial estimate for erection of electric line or electrical plant in order to extend supply to the applicant.
- 7.2 The Distribution licensee shall make available the copies of the cost data book to the general public on demand at a reasonable charge.

8. Security for providing electric line or electrical plant

On the basis of the estimate of charges, the Distribution licensee is authorized to demand security from the applicants for the purpose of erecting electric line or

electrical plant for extending supply, as per the regulations notified by the Commission under section 47 of the Act.

9. Manner of accounting and adjustments

- 9.1 The Distribution licensee shall maintain records of all expenditure actually incurred by him in extending supply to the applicant and shall carry out the adjustments for security, recovery of excess expenditure or refunds thereof, in accordance with the regulations notified by the Commission under section 47 of the Act.
- 9.2 The Distribution licensee shall account, under appropriate account heads, all charges recovered by him for erection of electric line for extending supply to the applicant seeking new connection. The amounts so recovered shall be deducted from the Gross Fixed Assets to arrive at the value of Net Fixed Assets.
- 9.3 The Distribution licensee shall complete the finalisation of expenses and adjustment for differences and present the detailed statement of expenses to the consumer within a period of one month from the date of release of supply.

10. Power to remove difficulties

- 10.1 In case of any difficulty in giving effect to any of the provisions of these regulations, the Commission may by general or special order, take or direct the licensee to take suitable action, not being inconsistent with the provisions of Electricity Act, 2003, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty.
- 10.2 The licensee may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these regulations.

11. Issue of orders and practice directions

Subject to the provisions of the Electricity Act, 2003 and these regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of the regulations and procedures to be followed.

- 12. Power to amend:** The Commission may from time to time add, vary, alter, modify or amend any provisions of these regulations.

Secretary
A.P.Electricity Regulatory Commission