

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

APERC – Fuel Surcharge Adjustment for the 1st Quarter (revised) and 2nd Quarter of 2003-04 – Order issued

Proceedings No.3 APERC / Secy / Dir (Tariff) / Dt:01-03-2004

1. Under clause 45 (B) of Conduct of Business Regulations as amended vide Regulation No 1/2003 read with Section 26(9) of AP Electricity Reform Act,1998 (No. 30 of 1998) and Tariff Order for 2003-04, additional fuel and power purchase cost has to be passed on to all non-agricultural consumers as Fuel Surcharge Adjustment (FSA) quarterly from 1-4-2003.
2. On the FSA proposals submitted by APTRANSCO for the 1st quarter of 2003-04 i.e.,April-June 2003, claiming an FSA of 17.54 paise per unit, the Commission issued orders in proceedings No. APERC / Dir (Tariff)/67 dt: 31-10-03, refusing to allow any FSA on the ground that there was no increase in the power purchase cost on the basis of average variable cost of the quarter.
3. Subsequently, APTRANSCO furnished revised the data of power purchase costs in the first quarter, which has shown a net reduction of Rs. 9 Crores in the power purchase cost. The Commission examined the data and observes that an additional amount of Rs. 13.5 Cr. is also to be reduced on account of reduction in the fixed costs of power from SIMHADRI power station of NTPC, consequent to the order dated 19-11-2003 of Central Electricity Regulatory Commission (which is effective from 1-3-2003). Thus there is a total reduction of Rs. 22.5 Crores in the power purchase cost in the 1st quarter entitling the non-agricultural consumers for refund of the corresponding FSA, on the energy consumed during the quarter as detailed here-under:

For the 1st quarter (April – June 2003)

(a) Units purchased for sale to DISCOM	10, 323.61 MU
(b) Decrease in Power Purchase Variable & Fixed cost in the quarter compared to Tariff order	Rs. 22.5 Crores
(c) Non-agricultural energy consumption during the quarter	4978.61 MU
(d) FSA refundable for the energy consumed during the quarter	4.52 paise / kWh

Hence, in partial modification of the orders issued in proceedings No. 67 dt: 31-10-03, the Commission directs APTRANSCO / DISCOMs RESCOs to refund an amount of 4.52 paise per unit on the energy consumed by the non-agricultural consumers during the quarter April-June 03, by adjustment in CC bills to be issued in the billing month subsequent to the date of this proceedings.

4. For the 2nd quarter of 2003-04 (i.e. July-Sept 03) the APTRANSCO submitted a claim for an FSA of 18.82 paise / kWh with following details.

(a)	Actual variable cost for the second quarter	Re 0.9919/ Kwh.
(b)	Variable cost adopted in tariff order	Re 0.8582/kwh
(c)	Difference in variable cost a-b	Re 0.13375/kwh
(d)	Amount of energy purchased in the quarter	10263 MU
(e)	Amount of increase in Variable cost $c \times d / 10$	Rs 137.2662 Cr.
(f)	Reduction in Fixed cost in the quarter	Rs 42.947 Cr
(g)	Net claim of increase in power purchase cost.	Rs 94.319 Cr
(h)	Non Agricultural Energy consumption in the quarter	5011.94 MU
(i)	FSA claim for second quarter $\frac{(g) \times 10}{(h)}$	Re 0.1882/kwh

5. The Commission examined the proposals and after securing required clarifications from APTRANSCO, the Commission decided that an amount of Rs. 13.5 Crores is to be reduced in the fixed cost for the power purchased from SIMHADRI power station of NTPC for the reasons as stated in respect of first quarter. The Commission also decided not to allow Rs. 10 Lakhs towards additional fuel expenses claimed by Lanco Kondapalli project for the delay in conducting monitoring tests. Thus the net FSA to be collected for the 2nd quarter shall be as indicated here-under:

(a)	Units purchased for sale to DISCOM	10, 263 MU
(b)	Increase in Power Purchase costs & in the quarter compared to Tariff order	Rs. 80.619 Crores
(c)	Non-agricultural energy consumption during the quarter	5011.94 MU
(d)	FSA to be charged for the energy consumed during the quarter on non-agricultural consumption.	16.11 paise / kWh

The Commission approves the FSA of 16.11 paise / kWh in respect of the energy consumed by the non-agricultural consumers during the 2nd quarter in July-September 2003. The DISCOMs / RESCOs shall publish notice in the press informing the consumers of the above FSA charges required in the APERC (Conduct of Business) amendment Resolution No.1 of 2003. The Commission directs that the FSA amount for the 2nd quarter shall be collected in 3 equal monthly installments without liability to pay interest for this installment schedule.

(BY ORDER OF THE COMMISSION)

SECRETARY