



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad 500 004

ORDER

Dated 22nd June, 2013

Pursuant to Order dt. 20-12-2012 in Appeal Nos. 150, 166, 168, 172, 173 of 2011 and 9, 18, 26, 29, and 38 of 2012 and Order dt. 30-04-2013 in Review Petition Nos. 3, 4 & 5 of 2013 of Hon'ble APTEL:

1. The tariff for the Biomass (also applicable for Industrial Waste), Bagasse based co-generation and Mini Hydel Power Plants, which were existing as on 31-03-2004 and those commissioned between 01-04-2004 to 31-03-2009 except for the projects covered by negotiated PPAs, is hereby determined, based on the norms indicated in the aforesaid orders of the Hon'ble APTEL, as follows:

Biomass (also applicable for Industrial Waste):

(a) **Fixed Cost:**

Year of operation since commencement of unit	Fixed cost Rs/unit
1 st	1.77
2 nd	1.74
3 rd	1.72
4 th	1.69
5 th	1.67
6 th	1.67
7 th	1.65
8 th	1.64
9 th	1.59
10 th	1.23

(b) Incentive on generation beyond threshold PLF of 80% is payable by APDISCOMs at the rate of 35 paise/kWh

(c) **Variable Cost:**

Financial Year	Variable cost Rs/unit
2004-05	1.97
2005-06	2.09
2006-07	2.21
2007-08	2.35
2008-09	2.49

Bagasse based co-generation:

(a) **Fixed Cost:**

Year of operation since commencement of unit	Fixed cost Rs/unit
1 st	1.92
2 nd	1.88
3 rd	1.84
4 th	1.80
5 th	1.77
6 th	1.73
7 th	1.70
8 th	1.67
9 th	1.60
10 th	1.16

(b) Incentive on generation beyond threshold PLF of 55% is payable by APDISCOMs at the rate of 35 paise/kWh.

(c) **Variable Cost:**

Financial Year	Variable cost Rs/unit
2004-05	1.31
2005-06	1.38
2006-07	1.44
2007-08	1.52
2008-09	1.59

Mini Hydel Power Projects:

(a) Tariff:

Year of operation since commencement of unit	Rs/unit
1 st	3.89
2 nd	3.79
3 rd	3.69
4 th	3.60
5 th	3.51
6 th	3.42
7 th	3.33
8 th	3.25
9 th	3.17
10 th	3.10

(b) Incentive on generation beyond PLF of 45% is payable by APDISCOMs at the rate of 35 paise/kWh.

2. APTEL directed to adopt O&M escalation as per actual CAGR of WPI (All Commodities) & CPI (Industrial Workers in the State) indices for 2004-09 with 40% weightage to CPI and 60% to WPI. Accordingly, the Commission worked out the same at 6.69%. The above tariff is based on, inter-alia, O&M Escalation of 6.69%.

3. Minimum Alternate Tax (MAT) / Income Tax is a pass through and is to be paid by the Distribution Licensees' to the developer upon receipt of the claim from the developer. This is over and above the tariff determination made herein.

4. Electricity Duty is a pass through and is to be paid by the Distribution Licensees' to the developer upon receipt of the claim from the developer. This is over and above the tariff determination made herein.

5. Water Royalty is a pass through and is to be paid by the Distribution Licensees' to the Mini Hydel Developers upon receipt of the claim. This is over and above the tariff determination made herein.

6. Hon'ble APTEL directed that interest on arrears, due to the developers as a consequence of determination of tariff on the basis of norms determined by it, to be allowed at the rate of 12% to be compounded on quarterly basis. Accordingly, the DISCOMs are directed to calculate the interest on arrears keeping in view the tariff now determined in this order. For the purpose of convenient payment, DISCOMs are allowed to pay the arrears and interest to the developers in 6 monthly installments commencing from July, 2013.

7. In respect of Mini Hydel Power Projects, the subsidy amount received by the project developers from Government of India after adjusting the prepayment penalty, if any, is to be adjusted against the arrears due to the developers.

8. Hon'ble APTEL directed that applicability of tariff with specific reference to particular PPAs entered into between the developers and the distribution licensees to be decided by the State Commission after hearing the concerned appellants separately. In view of the above directions of the Hon'ble APTEL, the Commission hereby notifies through this order that, the aggrieved parties if any, regarding applicability of tariff, are directed to approach this Commission by filing proper petitions with in 30 days from the date of this order. Thereafter the same will be disposed after hearing the necessary parties in the matter.

This order is corrected and signed on this 22nd day of June, 2013

**Sd/
(R.Ashoka Chari)
Member**

**Sd/-
(C.R.Sekhar Reddy)
Member & Chairman I/c**