



ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED
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From
The Chief General Manager/RAC,
Corporate office,
APCPDCL, Vijayawada

To
Sri Arcotrajmohan Raja,
General Secretary,
A.P. UNITED CITIZENS FORUM (Anantapur)
1-4-407, H.L.C. COLONY EXTENSION,
ANANTAPUR -515004,
Cell: 9014923116

Lr.No.CGM/RAC/GM/PP&RAC/CP/VJA/F.No.76/D.No. 353 /24, Dt: 18.01.2024

Sir,

Sub: APCPDCL - Replies to objections raised by Sri Arcotrajmohan Raja, General Secretary on ARR & Tariff Proposals of Retail Supply Business for the FY 2024-25 in OP No. 72 of 2023 - Reg.

Ref: Party's representation, dt.06.01.2024.

Referring to the objections raised by Sri Arcotrajmohan Raja, General Secretary on ARR and FPT filings for Retail Sale of Electricity for FY 2024-25, the reply is furnished as hereunder.

Objections & Replies:

1. While welcoming the proposed Public Hearings from 29th Jan, to 31st Jan, 2024 with likelihood of extending it for a day, based on necessity we suggest a separate Hearing for MYT on the subsequent day or any other day that suits the Commission.

Reply: The separate hearing for MYT will cause time loss for the objectors as they have to appear before the Hon'ble Commission twice. However, the issue is under the purview of the Honourable APERC.

2. The absence of proposal from DISCOM for any tariff hike for the 5th control period is welcome. But the Revenue Gap projected by DISCOMS amounting to R.13,887.28 crore should be bridged by Government subsidy and not by mounting the same on the consumers.

Reply: The licensee has proposed ARR & Tariff for FY 2024-25 in accordance with Go.Rt.No.161, dt.15-11-2021 without taking Govt. subsidy in to account. However, the issue of Tariff Order by the Honourable APERC is likely to be after taking Govt. subsidy into account like previous years.

3. An amount of Rs. 0.40 per Unit is already collected from the consumers under FPPCA. This is done without holding Public Hearing on the subject. The amount collected should be returned by adjusting the same in the ensuing Bills. Besides FPPCA I, II, True Up charge is also levied from consumers. This should also be returned at the earliest. The amount paid to HNPCL is likely to be imposed on the consumers as yet another True Up charge, besides likely claims of further revenue gaps, which for no reason the Commission should permit.

Reply: The levy of FPPCA 2021-22, FPPCA 2023-24 (Provisional), Distribution True-up charges are levied in accordance with the order of the Honourable APERC for reasons stated in the filings / regulations. Hence, the request for return of charges is not justified.

4. Planning and projection of power generation, supply, sale of surplus power, its cost, fixing the cost of power purchased from private players and other projections for short term purchases at variable costs may be done in a more professional way to avoid taxing the consumers for the faults of the concerned departments.

Reply: The activities of planning and power generation, short term purchases etc., are done in order to meet demand in an effective manner.

5. We expect the Commission to ensure that there will be no more impositions of FPPCAs and TRUE Ups on the consumers for none of their faults.

Reply: Since the electricity tariffs are designed based on estimates, the same has to be adjusted once the actuals have arrived at as a true up/down. FPPCAs and True-up/down are being collected as per the orders of the Hon'ble APERC

6. The Commission should, in stern terms, ensure provisions for payment of subsidies and other dues, with interest for delayed payment, by Government. Strict measures are taken against ordinary consumers when the payment is not made in time. But when the Government fails to make payment in time instead of disconnecting supply and collecting penalty the burden is passed on to the innocent consumers. Interest on loan availed for Working Capital should be paid by the Government and not to be levied from the consumers.

Reply: Under the purview of the Honourable APERC

7. Arrears above Rs.50,000 shown as arrears from consumers is not explained. A part of it may be due to cases pending in the court but the rest has no explanation.

Reply: Apart from the pending court cases, the Govt. Department & local body arrears also have a major part in the arrears above Rs.50,000/-. The efforts are being made by the licensee through pursuance of concerned govt. departments & local bodies to recover the arrears.

8. It is suggested to hasten the entire Regulatory process as election may intervene any time by virtue of which further FPPCA and True Ups may be imposed on the consumers.

Reply: Under the purview of the Honourable APERC

9. Our Forum is not in favour of switching over to Smart Meters. Consumers have no issue with the existing meters. Therefore there is no need for fixing new meters. It looks there is plan to impose this unnecessarily on the consumers, who may have to keep paying the cost of the meters for years. When Consumers pay for the meters where is the need to show a huge amount for procuring Smart Meter under capital expenditure? The entire activities devised under Smart Meter programme aim at favouring the private players at the cost of consumers. Therefore this plan should be scrapped at once.

Reply: The Licensee has proposed smart meters as per CEA metering Regulations and also as per the RDSS guidelines issued by Ministry of Power, GoI in view of the following advantages.

- **Meter readings will be taken online on scheduled monthly dates**
- **Accurate billing will be done**
- **Consumers can closely track their usage and spend**
- **No unpaid bill because energy is prepaid**
- **No incorrect bills**
- **Future load forecasting and advance power purchase plan**

10. It is observed that only two companies have participated in the bidding for providing Smart Meters and among them one company has not evinced interest in the further processing of bidding leaving the whole process to one company. The reason behind this is worth probing.

Reply: APCPDCL has invited open tenders through AP-e procurement portal for providing smart meters to system metering and pre-paid smart meters to consumer metering as per the guidelines issued by the MoP/GoI under RDSS

11. Our Forum is not in favour of Direct Benefit Transfer plan.

Reply: Direct Benefit Transfer plan is intended to provide subsidy to the target consumer directly to their accounts with no middleman as per reforms introduced by GoAP, which is being implemented by GoAP by installing smart meters to Agri services where the monthly CC charges are directly credited to farmers bank account and then transferred to Discom.

12. The Pre-Paid tariff plan is also designed to favour private players who can earn without investment or availing huge loans. The existing system of paying after consumption has no hurdle to consumers. Consumer is given 14 days time to pay his Bill and if payment is not made there is provision to disconnect service and reconnect after collecting due charges. This system is functioning well and consumers are also happy with this. There is no need to switch over to pre-paid system by which consumers are not going to have any extra benefit except facing extra hurdles.

Reply: The reasons for switch over to prepaid system is provided at reply to para no.9

13. Purchase of power from private companies need a thorough study to make the entire process more transparent and the details may be placed in public domain for the consumers to understand the system and respond accordingly.

Reply: The licensee is purchasing power from different companies with the consent / approval of the Honourable APERC.

14. We request the Hon'ble Commission to provide opportunity to our Forum to participate in public hearing on the subject issues of all the three DISCOMs.

Reply: It is to inform that, the Honourable APERC is conducting public hearings on Retail and Distribution businesses through video conference from Conference Hall, APEPDCL, Visakapatnam. The hearings will be held in respect of all the three DISCOMs on 29-01-2024 to 31-01-2024, from 10.30 AM to 1.00 PM and from 2.00 PM to 4.30 PM. APCPDCL has facilitated Video Conference at all offices of Superintending Engineer / Operation at district headquarters and at all remaining offices of Executive Engineer / Operation. Specification of the date and time for objector is under the purview of Honourable Commission.

Yours faithfully



**Chief General Manager /RAC
APCPDCL::Vijayawada**

Copy submitted to

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