



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
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From

The Commission Secretary (I/c),  
APERC, 11-4-660, 4<sup>th</sup> Floor,  
Singareni Bhavan, Red Hills,  
Hyderabad –500 004

To

The Chairman & Managing Director  
APSPDCL, D.No:19-13-65/A,  
Srinivasapuram, Tiruchanoor Road,  
Tirupati – 517 503,

The Chairman & Managing Director  
APEPDCL, P&T Colony, Seethammadhara  
Visakhapatnam – 530 013

**Lr.No. E-273 /JD(Engg.)/ 2018      date: 29-11-2018**

Sir,

Sub: Policy on Revival of Sick Industries-Rationalisation of procedures in respect of collection of minimum charges.

Ref: 1.Lr.No. CGM/Comml. Civil&Solar/EPDCL/VSP/ADE/C/F:SU-9/D.No.310/18,  
Dt: 20-03-2018

2. Lr.No. CGM(R&IA)/GM(R) /SAO/AAO/JAO/D.No.494/18, Dt: 06-04-2018.

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1) Commission issued a draft policy on Rationalisation of procedures in respect of collection of Min-charges during closure of industrial units due to sickness to revive sick industries in the state of Andhra Pradesh to encourage overall development of industrial sector, higher energy sales to industry and the policy was uploaded in the website for seeking views/suggestions from interested persons/stakeholders. After considering the suggestions/ views of stakeholders, the Commission decided to issue the following policy.

The clause 5.9.4.3 of General Terms and Conditions of Supply (GTCS) deals with the issue of termination of LT Agreement and HT Agreement on account of disconnection. The relevant provisions of the Clause 5.9.4.3 of the GTCS are extracted hereunder:

**“5.9.4.3 Termination of LT Agreement and HT Agreement on account of disconnection:** Where any Consumer, whose supply is disconnected for non-payment of any amount due to the Company on any account, fails to pay such dues and regularise his account within three Months from the date of disconnection, the Company may if it thinks fit after completion of three (3) Months period, issue one Month notice for termination of the LT or HT Agreement, as the case may be. If the Consumer still fails to regularise the account, the Company shall terminate the

Agreement with immediate effect from the date of expiry of the said one-Month notice. Such termination shall be without prejudice to the rights and obligations incurred or accrued prior to such termination.

Provided that where the Company fails to issue notice or terminate the Agreement as prescribed above, the Consumer shall not be liable to pay the Minimum Charges for the period beyond four (4) months from the date of disconnection and the Agreement shall be deemed to have been terminated at the end of four (4) months period from the date of disconnection.

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In order to minimise liability of minimum charges during closure period, the Commission decided to waive Minimum Charges and interest on minimum charges by notional application of provisions of clause 5.9.4.3 of GTCS.

2) HT & LT industrial units which are under disconnection and are closed for a period beyond Six (6) months would be allowed to revive their industries on the following conditions:

- (i) To make payment of actual Consumption Charges due upto the date of disconnection along with interest @ 1.5% per month upto date (till the date of making payment) plus minimum charges as applicable for a period of four (4) months (on a notional application of provisions of Clause 5.9.4.3 of GTCS) without interest.
- (ii) The DISCOMs shall collect security deposit as per the Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Regulation, 2004 (Regulation No. 6 of 2004).
- (iii) The DISCOMs shall not collect development charges for the load/demand already sanctioned. However, development charges can be collected for the additional load, if any.
- (iv) If any industry is closed (disconnected) within the minimum period of agreement (within one year), the DISCOM shall not collect minimum charges for the balance period that the agreement is in force and in such cases, minimum charges shall be collected as per para 2(i) above. However, the DISCOMs can enter into a fresh agreement as per the General Terms and Conditions of Supply.

(v) Consumer has to pay Service Line charges, if any, as per APERC (Licensee's duty for supply of Electricity on request) Regulation, 2013 (Regulation No. 4 of 2013).

(vi) They will not be eligible for any other concessions if any available for new Industrial units under the State Industrial Policy.

3) The order will come into force with effect from 01-04-2018 and will be valid upto 31-03-2019. The Distribution Licensees shall host this order in their websites and make available the copies of this order at all their offices down to the Section Level for reference by any consumer who desires to refer the same during working hours.

This Order is signed by the Andhra Pradesh Electricity Regulatory Commission on 28<sup>th</sup> November, 2018

(By Order of the Commission)



Commission Secretary (I/c)

SECRETARY  
A.P. Electricity Regulatory Commission  
Hyderabad.

