



## ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

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Collection of Development charges in case of multistoried buildings/Commercial complexes/Apartments and individual houses- Guidelines issued.

Proceeding No. Secy/10/2015

Dated:29-05-2015

**Read the following:**

Andhra Pradesh Electricity Regulatory Commission (Licensee's duty for supply of electricity on request) Regulation, 2013 (Regulation 4 of 2013)

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1). While suo-motu examining the issue of levy and collection of development charges for extending power supply to domestic/commercial consumers of Multi-storeyed buildings/Commercial complexes/Apartments and individual houses, the Commission noticed the need to issue guidelines with respect to the provisions mentioned in clause 8 of "Andhra Pradesh Electricity Regulatory Commission (Licensee's duty for supply of electricity on request) Regulation, 2013".

2). The relevant provisions of clause 8 of said Regulation read as follows:

*"8. Specific provision for Development charges*

*(1) The Distribution Licensee shall collect development charges subject to the provisions or Act and this Regulation and subject to such directions, orders or guidelines, the Commission may issue from time to time. The Distribution Licensee is authorized to recover from an applicant, requiring supply of electricity, expenses on normative basis towards part of upstream network cost that the Distribution Licensee has already incurred or to be incurred in extending power supply to the applicant.*

*(2) The development charges on normative basis are arrived using shallow approach limiting the network cost to the next immediate higher voltage level. The Distribution Licensee shall levy development charges on per kVA/kW basis as per the schedule-1 enclosed.*

*(3) The Distribution Licensee shall recover full cost of transformer in case of commercial complexes, apartments and multi storied buildings where a dedicated transformer is provided while extending new LT service connections. In such cases, the Distribution Licensee is not entitled to collect development charges and shall own the transformer and maintain it. The Distribution Licensee shall not extend power supply to any other consumer from the dedicated transformer other than the consumer who has borne the full cost of Transformer.*

*(4) In case of LT supply, the responsibility of erection of distribution transformer lies with the Distribution Licensee and shall not charge cost of transformer to any consumer except those consumers mentioned in para 3 above and levy only development charges.*

- (5) *The Distribution Licensee shall not charge development charges to a consumer who seek temporary supply.*
- (6) *The Distribution Licensee is entitled to collect difference cost of development charges, in case of change of category from lower development charges category to higher development charges category. The Distribution Licensee is not entitled to collect development charges for restoring the de-rated capacity to the original level.*
- (7) *If any existing consumer requests for splitting of service into two different categories, the Distribution Licensee is not entitled to collect full development charges. The DISCOM is entitled to collect short fall amount if any resulting out of splitting. For example, a 50 kW commercial service may require splitting of his service into two categories, viz., 20 kW commercial category and 30 kW industrial category.”*

3). The Commission examined the provisions mentioned in Clause 8 (3) of the Andhra Pradesh Electricity Regulatory Commission (Licensee’s duty for supply of electricity on request) Regulation, 2013, in detail in order to safeguard and promote consumer interest and ensure better service from the Distribution Licensees and in exercise of the power conferred by Clause 8 (1) of “Andhra Pradesh Electricity Regulatory Commission (Licensee’s duty for supply of electricity on request) Regulation, 2013” and all other powers hereunto enabling the Commission accordingly under Clause 8 (3) of the Andhra Pradesh Electricity Regulatory Commission (Licensee’s duty for supply of electricity on request) Regulation, 2013 hereby issues the following guidelines:

- the Distribution Licensees are entitled to collect such full cost of distribution transformer only in cases of Multi-storied buildings/Commercial complexes/ Apartments for which a dedicated transformer is provided and where the building height is 15 metres above. (excluding stilt floor).

4). The Distribution licensees shall withdraw all Orders/Circulars/Memos issued earlier on this subject which are not in consonance with these guidelines henceforth within 15 days and report compliance.

The Distribution Licensees shall implement the provisions mentioned in clause 8 (4) of Regulation 2013 (Regulation 4 of 2013) in true spirit.

*This Order is signed by the Andhra Pradesh Electricity Regulatory Commission on 29<sup>th</sup> May, 2015*

**(By Order of the Commission)**

**Sd/-  
Dr.A. Sreenivas  
Secretary (i/c)**