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GOVERNMENT OF ANDHRA PRADESH ABSTRACT

POWERLOOM INDUSTRY - Request for reduction in Power tariff for Powerloom units from Rs 1.74 per unit to Rs.0.87 per unit - Sanction of revenue loss of Rs.150.00 Lakhs to APTRANSCO - Orders - issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms No.518

Dated the 12th October, 2001.

Read the following:

1. Representation of A.P. Powerloom Association, Dated 20-3-2001.
2. From the Commissioner of Handlooms and Textiles And Development Commissioner for Apparel Export Parks, Hyderabad, D.O.Lr.No.2780/2001-A3, dated 5-9-2001.
3. G.O.Rt.No.1657, Finance (Exp. I & C) Department, Dated 28-9-2001
4. From the Andhra Pradesh Electricity Regulatory Commission (APERC) Proceedings No. APERC / Dir(Tariff)/49, dated 10-10-2001.

ORDER:

In the reference<sup>1</sup> first read above, the Andhra Pradesh Powerloom Association has represented that the Electricity Department is supplying power to the Powerloom units under category-IV at the rate of Rs.1.75 per unit cost upto (5) H.P. and requested the power tariff should be levied on a slab basis and uninterrupted power supply of 20 hours a day in Powerloom concentrated Weavers Centres at Sircilla, Nagari, Ananthapur, Warangal, Nalgonda and Katedan in the State. The Weavers in various parts of the State are facing hardship leading to suicides among Powerloom weavers. In order to work out a strategy to face this crisis and to help the weavers to overcome these problems, Government, have constituted a Committee of Ministers vide G.O.Rt.No.201, Industries and Commerce (Tex) Department, dated 8-3-2001 to look into the issue and come up with recommendations from time to time for preparing short-term, medium-term and long-term measures. The Committee of Ministers in its meeting held on 16-8-2001 has resolved as follows:

\*After careful examination of the differential power tariff slabs prevailing in neighbouring States for Powerloom units and after detailed discussions with the officers of the Energy Department and APTRANSCO, the committee resolved to ask DH&T to seek from Andhra Pradesh Electricity Regulatory Commission (APERC) reduction of power tariff for the Powerloom weavers by 50%. The Dep't. of Handlooms and Textiles will be authorized to file an appeal before the APERC to reduce the power tariff from the existing Rs.1.74 per unit to Rs.0.87 per unit. It was estimated by the APTRANSCO that this would entail a revenue loss ranging from Rs.2.50 crores to Rs.3.00 crores. In case the APERC insists on compensation of revenue loss to APTRANSCO, the State Govt. may provide additional funds to the tune of Rs.2.50 crores to Rs.3.00 crores in this regard.

(P.T.O)



Based on the above decision, the Commissioner of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Hyderabad has filed an appeal before Andhra Pradesh Electricity Regulatory Commission (APERC) to reduce the power tariff for powerlooms in the State of Andhra Pradesh. Andhra Pradesh Electricity Regulatory Commission (APERC) vide proceedings in the reference fourth read above, accorded permission for the same, under section 12(3) of A.P.E.R Act, 1998 subject to the following conditions:

1. The Industries Department will confirm to the Andhra Pradesh Electricity Regulatory Commission (APERC) that the 50 per cent of the bill for electrical energy (KWH)\* for the category of consumers as estimated by the DISCOMs will be paid by the Department to respective DISCOMs.
  2. The Industries Department shall deposit in advance with the DISCOMs an amount equivalent to three months payment obligation for this category of consumers as estimated by the DISCOMs
  3. The Initial advance will be for two quarters (six months) and the proposed scheme comes into effect, after payment of the advance. The payment will be based on the records for the year 2000-01 as indicated by DISCOMs. In case of any shortfalls due to differences between projected and actual billing, adjustments will be made in the succeeding quarter
  4. The DISCOMs shall continue to bill consumers at the existing tariff and split the kwh bill into two equal parts, kwh bill payable by Consumer and kwh bill payable by the Department of Industries and print the same in the bill. All other charges applicable to this category of consumers, including fixed charges, shall be as per the tariff order and paid by the consumer.
  5. The DISCOM shall collect kwh bill payable by the consumer along with other charges and adjust kwh bill payable by the Industries Department against the amount deposited by the Industries Department with the DISCOM for this purpose. In case the advance quarterly deposit is not paid, the DISCOM shall bill the consumer in full and print the same in the bill.
  6. The DISCOMs shall maintain separate consumer accounts, for consumers who contracted the electricity for the purpose of powerlooms upto 5 HP connected load and Industries Department. The DISCOMs shall submit the same for verification by the Commission as and when required.
- 3.
- Government after careful examination of the matter, taking into consideration of the crisis in Powerloom sector in the recent past, and the recommendation of the Andhra Pradesh Electricity Regulatory Commission (APERC) in the matter, have decided to provide relief in power tariff and reduced power tariff for Powerloom units from Rs.1.74 per unit to Rs.0.87 per unit. The estimated revenue loss to APTRANSCO, on his account, would be Rs.3.00 crores, per annum, which has to be recouped by the Government.
- 4.
- Accordingly, Government hereby sanction an amount of Rs.1.50 crores, (Rupees one crore and fifty lakhs only) towards an advance to recoup revenue loss to APTRANSCO for providing power tariff concession to Powerloom Weavers units, for the remaining two quarters of current financial year

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The amount sanctioned in para 4 above, shall be debited to the following Head of Account;

"4875 - Capital outlay on other Industries  
60- Other Industries.  
MH 800- Other Expenditure Schemes included in the Plan-  
SH(II) - Industrial Infrastructure Development Fund -  
090- Grants-in-aid  
092- Other Grants-in-aid "

6. The Commissioner of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Hyderabad shall draw the amount of Rs.1.50 crores sanctioned in para 4 above and handover the same by way of Cheque in favor of Director (Fin), APTRANSCO.

7 This order issued in accordance with the Budget Release Order in the reference 3rd read above.

( BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B P ACHARYA,  
SECRETARY TO GOVERNMENT

To

The Commissioner of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Hyderabad. The Chairman & Managing Director, APTRANSCO, Hyderabad. The Director (Fin), APTRANSCO, Hyderabad. The Managing Director, Andhra Pradesh Control Power

Distribution Company Limited, Vidyutsoudha, Hyderabad. The Accountant General, A. P. Hyderabad. The Pay and Accounts Officer, A. P. Hyderabad. Copy to Finance (Exp.I&C) Department. Copy to P.S. to Minister (H&T). Copy to Prl. Secretary to Chief Minister Copy to P.S. to Chief Secretary to Government. Copy to P.S. to Secretary (A):

Copy to Industries and Commerce (INF) Department. Copy to SF/SC.

// FORWARDED BY ORDER //

SECTION OFFICER  
Industries & commerce Department  
A.P Secretariat Hyderabad - 22.