

1. Chapter 1: Introduction

1.1. About Joint Electricity Regulatory Commission (JERC)

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “the Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated 2nd May 2005. Later with the joining of the State of Goa, the Commission came to be known as “Joint Electricity Regulatory Commission for the State of Goa and Union Territories” (hereinafter referred to as “the JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May 2008.

JERC is a statutory body responsible for regulation of the Power Sector in the State of Goa and the Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting the interest of consumers and ensuring the supply of electricity to all areas.

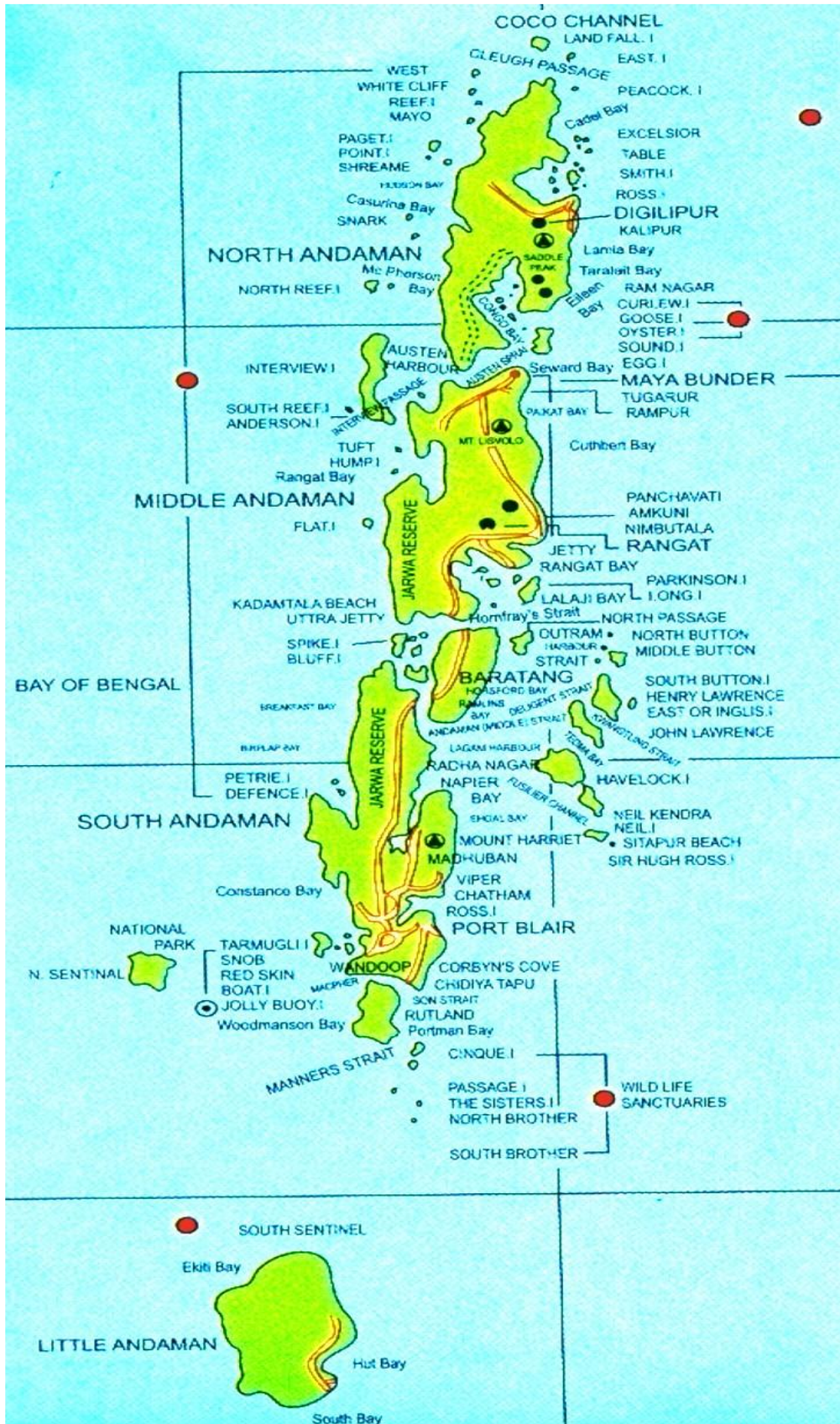
1.2. Andaman & Nicobar Islands

Andaman & Nicobar Islands (hereinafter referred to as “A&N”) is a cluster of islands scattered in the Bay of Bengal and a designated Union Territory of India. These islands are separated from the rest of India by more than 1000 kms. The total area of the territory is 8,249 sq.km out of which the forest cover is about 7,589 sq. km. (92%). A&N is having population of 379,944 as per census provisional records and average growth rate of population is 6.68%. These islands are divided in three districts, viz., Andaman, Nicobar and North & Middle Andaman. The seat of the Administration is at Port Blair (South Andaman) in which 14.14 sq. km. area is under the jurisdiction of Port Blair Municipal Council.

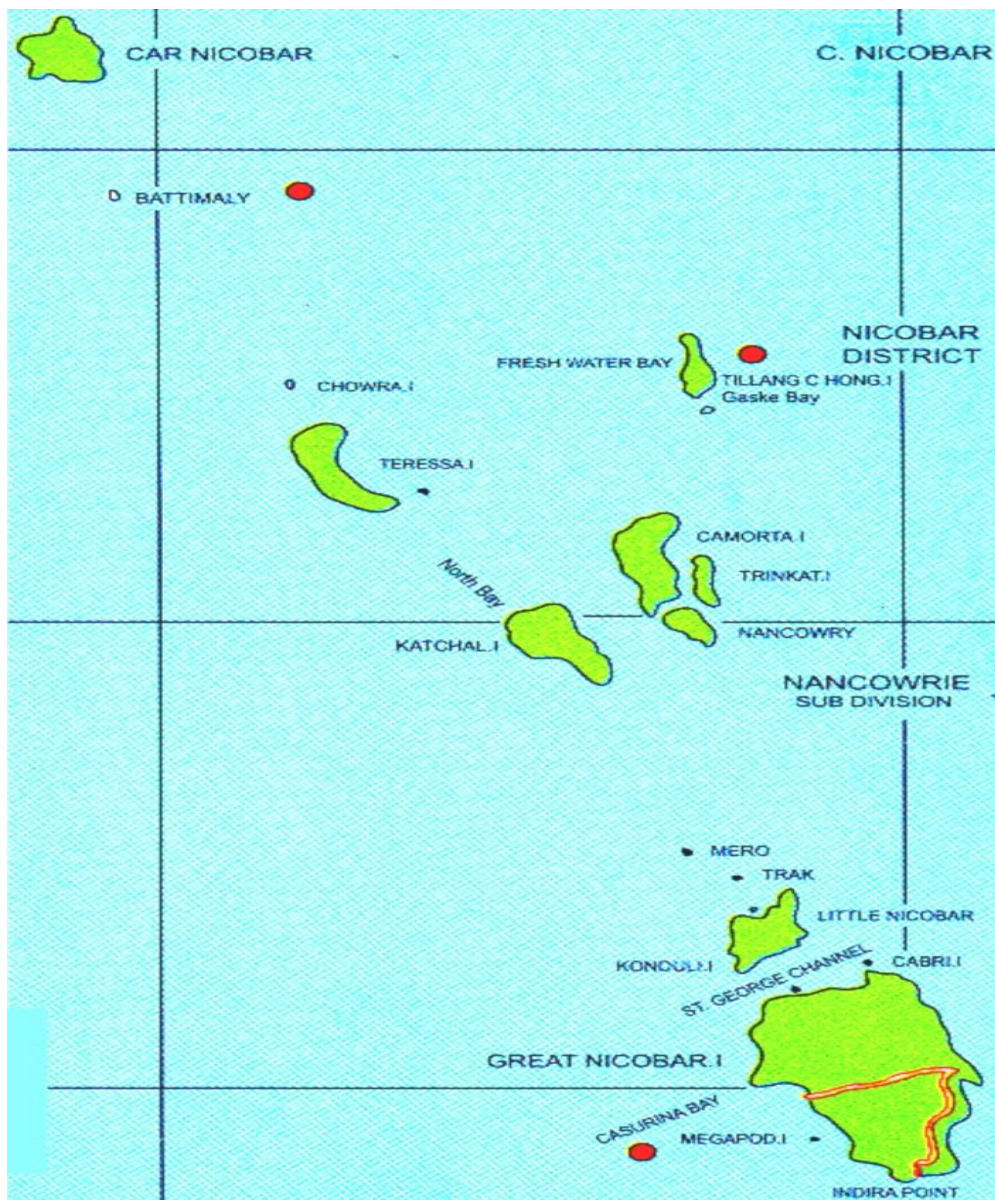
The tempo of economic development has tremendously accelerated along with all-round expansion in the areas/ sectors, viz., (i) Shipping Services, (ii) Civil Supplies, (iii) Education, (iv) Fisheries, (v) Tourism & Information Technology, (vi) Health, (vii) Industries, (viii) Rural Development, (ix) Social Welfare, (x) Transport, (xi) Increase in District Headquarters, (xii) Central Government Department, (xiii) Public Undertaking & other offices, (xiv) Services & Utilities, (xv) Defence Establishment, (xvi) Commercial Organisations/Business Centres, etc. Thus, these islands have reached the take off stage for total economic transformation. All these economic and infrastructure developments require power as a vital input and to play a key role for achieving overall transformation.

For operational purpose the area has been divided into 7 divisions and 26 sub-divisions.

Andaman Group of Islands



Nicobar Group of Islands



1.3. About Electricity Department Andaman & Nicobar Administration (EDA&N)

The Electricity Department of Andaman & Nicobar Administration (hereinafter referred to as “EDA&N” or “Utility” or “Petitioner”) is solely responsible for power supply in the Union Territory (UT). Power requirements of EDA&N are met by own generating stations as well as power purchase.

Due to the geographical and topographical peculiarities of these islands including separation by sea over great distances, there is no single power grid for the entire electrified islands, instead, powerhouse at various islands caters independently to the power requirements of area/islands.

EDA&N is operating and maintaining power generation, transmission and distribution system network in these islands for providing electric power supply to general public. It implements various Planned and Non-Planned schemes for augmentation of Diesel Generating Capacity, establishment of new power plants and T&D Systems. EDA&N is also functioning as a Nodal Agency for implementing renewable energy programme of the Ministry of New & Renewable Energy (MNRE) on these islands. Presently, EDA&N is headed by a Superintending Engineer,

along with seven Executive Engineers and around thirty-eight Assistant Engineers for carrying out the task of power generation, transmission and distribution to the general public including schemes under renewable energy sources.

The key duties being discharged by EDA&N are:

- Laying and operating of electric lines, sub-stations and electrical plants that are primarily maintained for the purpose of distributing electricity in the area of Andaman & Nicobar Islands.
- Operating and maintaining sub-stations and dedicated transmission lines connected therewith as per the provisions of the Act and the rules framed there under;
- Generation of electricity for the supply of electricity required within the boundary of the UT and for the distribution of the same in the most economical and efficient manner;
- Supplying electricity, as soon as practicable to any person requiring such supply, within its competency to do so under the said Act;
- Implementation of schemes for distribution and generally for promoting the use of electricity within the UT.

The present Installed Capacity of EDA&N is approximately 127.80 MW from various generating stations. The current demand mainly comprises of the domestic and commercial category, which contributed approximately 80% to the total sales of the EDA&N. The table below gives an overview of present transmission and distribution infrastructure of EDA&N as of 31.03.21:

Particulars	Value
33KV Lines	480.53 Km.
11KV Lines	984.47 Km.
LT Lines (415 V)	3858 Km.
Distribution Transformers	1136 Nos.
Capacity of Distribution Transformers 33 KV S/S	227.20 MVA
Total Number of Powerhouse (in Nos)	53 Nos.
Peak Demand	60 MW
Present Installed Capacity	127.80 MW
Diesel Capacity (including 36.53 MW Hiring)	93.32 MW
Hydro Capacity	5.25 MW
Solar Capacity	29.23 MW
Departmental Powerhouse	25 Nos
Private Powerhouse	17 Nos
Community Powerhouse	11 Nos
Consumers	141676

1.4. Multi Year Tariff Regulations, 2018

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 (hereinafter referred to as MYT Regulations, 2018) on August 10, 2018. These Regulations are applicable in the 2nd MYT Control Period comprising of three financial years from FY 2019- 20 to FY 2021-22. These Regulations are applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry.

1.5. Multi Year Tariff Regulations, 2021

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as MYT Regulations, 2021) on March 22, 2021. These Regulations are applicable in the 3rd MYT Control Period comprising of three financial years from FY 2022-23 to FY 2024-25. These Regulations are applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry.

1.6. Filing and Admission of the Present Petition

As per Regulation 9 and 17 of the JERC MYT Regulations, 2021 the Petitioner is required to file Multi Year Tariff Petition for the three years Control Period from FY 2022-23 to FY 2024-25 with details for each year of the Control Period and Tariff proposal for the first year of the Control Period for approval of the Commission.

The Petitioner has submitted this Petition for approval of its Multi Year Tariff for the three years Control Period from FY 2022-23 to FY 2024-25 on 6th April 2022, which was admitted by the Commission on 8th April 2022 and marked as Petition no. 81/2022.

1.7. Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petitions were conducted and certain deficiencies were observed. Accordingly, discrepancy notes were issued to the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petitioner and key data gaps, which included retail sales, revenue from retail tariff, capitalization, tariff proposal etc. The Petitioner submitted its response to the issues through various letters/emails.

The Commission conducted the Technical Validation Session (TVS) on May 10, 2022 with the Petitioner at the Commission's office in Gurugram, during which the discrepancies in the Petition were conveyed and additional information required by the Commission was sought. Subsequently, the Petitioner submitted replies to the issues raised in this session and provided documentary evidence to substantiate its claims regarding various submissions. The following table provides the list of interactions with the Petitioner along with the dates:

Table 3: List of interactions with the Petitioner

S. No	Subject	Date
1	Issue of First Discrepancy Note	13.04.2022
2	Technical Validation Session	10.05.2022
3	Reply received from the Petitioner with regard to first discrepancy Note	17.05.2022
4	Public hearing	24.05.2022 and 27.05.2022
5	Reply received from the Petitioner with regard to queries raised in TVS	5.07.2022, 20.07.2022, 22.07.2022
6	Petitioner's reply to the Stakeholders' comments sought by the Commission	5.07.2022

1.8. Notice for Public Hearing

Public Notices were published by the Commission in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearing to be conducted by the Commission. These notices were also uploaded on the Commission's website:

Table 4: Details of Public Notice published by the Commission

S. No.	Date	Name of Newspaper	Language	Place of circulation
1	May 3, 2022	Sanmarg	Hindi	Andaman & Nicobar Islands
2		Andaman Express	English	
3		Arthik Lipi	Bengali	
4		The Echo of India	English	
5	May 21, 2022	Sanmarg	Hindi	
6		Andaman Express	English	
7		Arthik Lipi	Bengali	
8		The Echo of India	English	

The Public Notice was published by the Petitioner in the following newspapers for inviting objections/suggestions from the stakeholders on the Tariff Petition:

Table 5: Details of Public Notice published by the Petitioner

S. No.	Date	Name of Newspaper	Language	Place of circulation
1	May 12, 2022	Sahil Ki Oar	Hindi	Andaman & Nicobar Islands
2	May 14, 2022	Daily Telegrams	English	
3	May 16, 2022	Andaman Sheekha	English	
4	May 19, 2022	Mini India	English	

The Petitioner uploaded the Petition on its website (<https://vidyut.andaman.gov.in/>) for inviting objections and suggestions on the Petition. The Commission also uploaded the Tariff Petition and the Public Notice on its website www.jercuts.gov.in giving due intimation to stakeholders, consumers, objectors and the public at large about the Public Hearing conducted by the Commission on 24th and 27th May 2022 in Swaraj Dweep Island and Port Blair respectively.

1.9. Public Hearing

The Public Hearing was held on 24th and 27th May 2022 at Swaraj Dweep Island and Port Blair to discuss the issues related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2 of this Order.