

Order in Petition No. 185/2015

**APPROVAL OF BUSINESS PLAN
FOR
MYT CONTROL PERIOD
FY 2016-17 to FY 2018-19**

For
Electricity Department, Andaman & Nicobar
Administration



28th December 2015

संयुक्त विद्युत विनियामक आयोग (गोवा राज्य और संघ शासित प्रदेशों के लिए)

JOINT ELECTRICITY REGULATORY COMMISSION

For the State of Goa and Union Territories,

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**Before the
Joint Electricity Regulatory Commission
For the State of Goa and Union Territories, Gurgaon**

QUORUM

Shri S.K. Chaturvedi (Chairperson)

Ms. Neerja Mathur (Member)

Petition No. 185/2015

In the matter of

Approval of Business Plan for MYT Control Period from FY 2016-17 to FY 2018-19 for Electricity Department, Andaman & Nicobar Administration

And in the matter of

Electricity Department, Andaman & Nicobar Administration.....**Petitioner**

ORDER

Passed On: 28th December 2015

- a. This order is passed in respect of the petition filed by the Electricity Department, Andaman & Nicobar Administration for approval of its Business Plan for the MYT Control Period of three years commencing from 01st April 2016.
- b. In exercise of powers conferred by sub-section (1) of section 181 and clauses (zd), (ze) and (zf) of sub-section (2) of section 181, read with Sections 61, 62, 83 and 86, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, after previous publication the Joint Electricity Regulatory Commission issued Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi) (Multi Year Distribution Tariff) Regulations, 2014 on 30th June 2014. The Commission has subsequently issued the first amendment to the said Regulations on 10th August 2015. The amendments to the Regulations have been considered appropriately.
- c. As per clause 3.1.6 of the JERC Multi-year Distribution Tariff Regulations 2014 dated 30th June 2014, the “**Control Period**” was defined as multi-year period comprising of three financial years from FY 2015-16 to FY 2017-18.
- d. However, as detailed in the last Tariff Order issued in petition no. 152/2014 and 155/2014 dated 31st March 2015, the Commission in directive no. 24, had ordered for deferment of the Control Period by one year and had directed the Petitioner to submit the revised Business Plan for the period FY 2016-17 to FY 2018-19, along with requisite

details as provided in JERC (Multiyear Distribution Tariff Regulations) Regulations 2014, latest by 31st July, 2015. The Commission in the last tariff order had noted that the supporting data such as scheme-wise cost benefit analysis, financing plan and the loss trajectory had not been adequately submitted and therefore, had ordered for deferment of the Control Period by one year.

- e. As per provisions in clause 5.1 (as per amendment dated 10th August 2015) and 12.1 of the Multi-year Distribution Tariff Regulations, 2014, the Petitioner has filed for approval of its Business Plan for three years Control Period i.e. from FY 2016-17 to FY 2018-19 with details for each year of the Control Period before the Commission on 10th September 2015.
- f. As per provision in clause 5.1, 5.3 and 7.1 of the Multi-year Distribution Tariff Regulations, 2014, the Business Plan shall comprise but not be limited to detailed category-wise sales and physical targets, power procurement plan, capital investment plan, financing plan. The Distribution Licensees shall project the power purchase requirement after considering effect on the sales projections of target set for Energy Efficiency (EE) and Demand Side Management (DSM) schemes. The Business Plan shall also specify the operational norms and trajectories of performance parameters for each year of the Control Period.
- g. The primary focus of the business plan is on identification of the various schemes/works related to meeting the power requirement of the State, improvement in performance efficiency by way of reduction in losses and improvement in quality of supply to the consumers.
- h. Since detailed business plan has been submitted for the first time under MYT regime, lot of scrutiny, discussions, collection of additional information and data were done with regard to the petition before finalization and approval of the Business Plan.
- i. This order is passed by the Commission, after detailed scrutiny of the information and documents filed with the petition, filed subsequently during the course of the technical validation session and also other information as available with the Commission.
- j. After receiving the petition, the Commission scrutinized the contents of the petition and called for further information/data so as to take a prudent view of the petition. The Commission also held a technical validation session of the Business Plan to determine the sufficiency of the petition. Comments/objections/suggestions were also invited from the public/stakeholders. Public hearing was held and parties/people present were heard. The schedule of activities performed under this quasi-judicial process was as below:

Particulars	Details
Date of Admission	12 th October 2015
Petition No.	185/2015
Technical Validation Session	07 th December 2015
Public Hearing	18 th November 2015

- k. After being satisfied reasonably regarding the availability of data, the Commission is issuing this order mainly approving the Business Plan proposed by the Petitioner and as per observations/directives mentioned in the attached document. The Commission will further scrutinize the multi-year tariff petition when submitted, for assessing the other aspects of the business and issuance of multi-year tariff orders.
- l. The Commission has approved the Business Plan for three years Control Period FY 2016-17 to FY 2018-19 based on the information submitted by the Petitioner. Further, as per Regulation 22 of Multi-year Distribution Tariff Regulations 2014, if the capital expenditure is required for emergency work, the licensee shall submit an application, containing all relevant information along with reasons justifying the emergent nature of the proposed work, seeking post facto approval by the Commission. The Distribution Licensee shall take up the work prior to receiving the approval from the Commission provided that the emergent nature of the scheme has been certified by its competent authority.
- m. The Commission, directs, that all pending RPO obligations up-to FY 2015-16 if any must be fulfilled by the Petitioner by 31st March 2016 and no backlog would be allowed to be carried forward to the Control Period FY 2016-17 to FY 2018-19. The Commission expects that the Petitioner would give priority to obtaining physical solar and non-solar power.
- n. Ordered as above, read with attached document giving detailed reasons, grounds and conditions.
- o. Copy of this order may be sent to Petitioner, CEA and Administration of Andaman & Nicobar. It shall be placed on the website of the Commission.

नीरजा माथुर
सदस्य

सुधीर चतुर्वेदी
अध्यक्ष

संयुक्त विद्युत विनियामक आयोग
(गोवा और केंद्र शासित प्रदेशों के लिए)

स्थान : गुडगाँव

दिनांक: 28 दिसंबर, 2015

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List of Abbreviations

Abbreviation	:	Full Form
A&G	:	Administration & General
Act	:	The Electricity Act, 2003
ARR	:	Aggregate Revenue Requirement
BNP	:	Bharat Nirman Programme
CAGR	:	Compound Annualized Growth rate
Capex	:	Capital Expenditure
CC	:	Current Consumption
CEA	:	Central Electricity Authority
CERC	:	Central Electricity Regulatory Commission
CGS	:	Central Generating Station
COD	:	Commercial Operation Date
Commission/JERC	:	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
CKt. Km	:	Circuit Kilometer
DDUGJY	:	Deendayal Upadhyaya Gram Jyoti Yojana
DISCOM	:	Electricity Department of Andaman and Nicobar Islands
CPSU	:	Central Public Sector Undertaking
EA 2003	:	The Electricity Act, 2003
FC	:	Fixed Charges
FPPCA	:	Fuel & Power Purchase Cost Adjustment
FY	:	Financial Year
GFA	:	Gross Fixed Assets
HP	:	Horse Power
HT	:	High Tension
IPDS	:	Integrated Power Development Scheme
JERC	:	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
KVA	:	Kilo Volt Ampere
KWh	:	Kilo Watt Hour
LPS	:	Late Payment Surcharge
LT	:	Low Tension
MU	:	Million Unit
MW	:	Mega Watt
MYT	:	Multi Year Tariff
NDS	:	Non-Domestic Supply
NFA	:	Net Fixed Assets
O&M	:	Operation & Maintenance
PGCIL	:	Power Grid Corporation of India Ltd.
PLF	:	Plant Load Factor
PX	:	Power Exchange
R-APDRP	:	Restructured Accelerated Power Development and Reforms Programme

Abbreviation		Full Form
REC	:	Renewable Energy Certificate
RoE	:	Return on Equity
RPO	:	Renewable Purchase Obligation
R&M	:	Repair & Maintenance
SLDC	:	State Load Dispatch Centre
SBI CAPS	:	SBI Capital Market Limited
SBI PLR/SBAR	:	SBI Prime Lending Rate/State Bank Advance Rate
SCC	:	System Control Centre
T&D	:	Transmission & Distribution
UI	:	Unscheduled Interchange
VC	:	Variable Charges

1. Introduction

1.1. JERC Formation

In exercise of the powers conferred by Section 83 of the Electricity Act 2003, the Central Government constituted a two member (including Chairperson) Joint Electricity Regulatory Commission for all Union Territories except Delhi to be known as “Joint Electricity Regulatory Commission for Union Territories” with headquarters at Delhi as notified vide notification no. 23/52/2003 – R&R dated 02nd 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” as notified on 30th May 2008. The Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Andaman & Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, Daman & Diu, Lakshadweep and Puducherry) started functioning with effect from September 2008. Office of the Commission is presently located in Gurgaon, Haryana.

1.2. Electricity Department of Andaman & Nicobar Administration

The Department of Electricity of Andaman & Nicobar Administration (“ED-A&N”) is responsible for power supply in the union territory. Power requirement of ED-A&N is met by own generation station as well as power purchase.

Prior to independence a small steam driven reciprocating DG Generator of 100 KW Capacity was installed by the British at Ross Island in 1926. Direct current DG Set of 100 KW Capacity was installed at Port Blair during 1929. After independence two steam turbine generating sets of 550 KW each were established during 1951 in the power house at Chatham Island. The boilers were operated on wood fuel and saw dust, which were the waste product of Chatham Saw Mill and later switched over to Mangrove wood as fuel. This was the start of alternating current power supply at Port Blair.

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

The Electricity Department is operating and maintain power generation, transmission & distribution system network in these islands for providing electric power supply to general public and implements various schemes under Plan & Non Plan for augmentation of DG Generating Capacity and Establishment of new power houses and T&D Systems. This department is also functioning as a Nodal Agency for implementing renewable energy program of the Ministry of New & Renewable Energy in these islands. Presently, the

department is headed by a Superintending Engineer, associated with seven EEs & around Thirty-eight AEs for carrying out the task of power generation, transmission & distribution to the general public including schemes under non-conventional energy sources

1.3. Electricity Regulatory Process in Andaman and Nicobar Islands

The Electricity Department of Andaman & Nicobar Administration had submitted their petitions for Determination of Aggregate Revenue Requirement and Tariff before the Commission and the Commission subsequently issued the following tariff orders.

Table 1.1: Details of Tariff Petitions so far submitted by the Petitioner & Tariff Order Issued by JERC

Sr. No.	For FY	Filing date	Date of Tariff Order
1.	2012-13	29 th November 2011	04 th June 2012
2.	2013-14	29 th November 2012	31 st March 2013
3.	2014-15	16 th January 2014	11 th April 2014
4.	2015-16	15 th December 2014	31 st March 2015

1.4. Multiyear Distribution Tariff Regulations, 2014

In exercise of powers conferred by sub-section (1) of section 181 and clauses (zd), (ze) and (zf) of sub-section (2) of section 181, read with Sections 61, 62, 83 and 86, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, after previous publication the Joint Electricity Regulatory Commission issued Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi) (Multi Year Distribution Tariff) Regulations, 2014 on 30th June 2014.

As per clause 3.1.6 of these regulations, the “**Control Period**” was defined as multi-year period comprising of three financial years from FY 2015-16 to FY 2017-18.

However, as detailed in last tariff order issued in petition no. 152/2014 and 155/2014 dated 31st March 2015, the Commission had ordered for deferment of the Control Period by one year. The Commission had cited that the details provided in the business plan were insufficient for approval of the same. Supporting data such as scheme-wise cost benefit analysis, financing plan, loss trajectory etc. had not been adequately submitted. In view of this, the Commission deferred the implementation of multi-year tariff and concomitant business plan by one year. The Commission has issued the first amendment to the JERC Multi-year Distribution Tariff Regulations 2014 vide notification dated 10th August 2015. As per clause 5.1 of the amendment to the said regulations, the Control Period for multi-year tariff implementation, is from FY 2016-17 to FY 2018-19.

1.5. Filing of Petition for approval of MYT Business Plan from FY 2016-17 to FY 2018-19

As per provisions in clause 5.1 and 12.1 of the MYT Regulations, 2014, the Petitioner is required to file for approval of the Commission its Business Plan for three years Control Period i.e. from FY 2016-17 to FY 2018-19 with details for each year of the Control Period. The Commission, in previous tariff order, had directed the Petitioner to submit the revised business plan for the period FY 2016-17 to FY 2018-19, along with requisite details as provided in MYT Regulations 2014, latest by 31st July 2015.

ED-A&N vide letter dated 14th August 2015 sought extension in submission of MYT Business Plan for the Control Period FY 2016-17 to FY 2016-19 by 15th September 2015, which the Commission approved vide letter dated 18th August 2015. The MYT business plan petition was then filed vide letter dated 10th September 2015; received at the Commission's office on 14th September 2015.

1.6. Admission of Petition

The Commission, initially, was not satisfied with the details furnished in the petition. The Petitioner was, therefore, asked to submit additional details as per the deficiency note of the Commission vide its letter dated 21st September 2015. The response to the deficiencies pointed out by the Commission was received vide letter dated 05th October 2015.

Only after scrutiny/analysis of the additional data submitted by the Petitioner, the petition on Business Plan for the Control Period FY 2016-17 to FY 2018-19 was admitted on 12th October 2015 and was marked as Petition no. 185/2015.

1.7. Interaction with the Petitioner

The Order has referred at numerous places to various actions taken by the "Commission". It may be mentioned for the sake of clarity, that the term "Commission", except for the hearing and orders, denotes Secretariat of the Commission for carrying out the technical due diligence and validation of data of the petitions filed by the utilities, obtaining and analyzing information/clarifications received from the utilities and submitting relevant issues for consideration of the Commission.

For purpose of analysis of the petition, the Commission's staff held discussions with the Petitioner/Petitioner's representative, obtained information/clarifications wherever required and carried out technical validation with regard to the information provided by the

Petitioner. The Commission's staff interacted regularly with the Petitioner to seek clarifications and justification on various issues essential for the analysis of the Business Plan. The Commission's staff conducted Technical validation session (TVS) with the Petitioner during which discrepancies in the Business Plan petition were pointed out and additional information as required by the Commission was indicated. The technical validation session was held at the Commission's office on 07th December 2015. The Petitioner submitted its replies, as shown below, in response to the various queries raised by the Commission during the course of analysis of the petition, which were taken into account for finalization of the business plan petition.

Table 1.2: List of Interactions with the Petitioner

S.No.	Date	Subject
1.	21 st September 2015	Deficiency note on the petition sent by the Commission
2.	05 th October 2015	Reply to the deficiency note
3	12 th October 2015	Admission of petition
4.	07 th December 2015	Technical Validation Session (TVS) held at the Commission's office
5.	12 th December 2015	Reply by the Petitioner on the queries raised by the Commission during the TVS

1.8. Public Hearing Process

The Commission directed the Petitioner to publish the Summary of the Business Plan proposal in the abridged form to ensure public participation. The public notices were published by the Petitioner for inviting objections/ suggestions from the stakeholders on the business plan petition:

Table 1.3: Details of public notice published by the Petitioner

Sr. No.	Date	Name of Newspaper	Place of Circulation
1	02 nd November 2015	The Echo Of India	Port Blair
2	02 nd November 2015	The Andaman Express	Port Blair

The Petitioner also uploaded the petition on its website <http://electricity.and.nic.in> for inviting objections and suggestions on the petition. Interested parties/stakeholders were requested to file their objections/ suggestions on the petition to the Commission with a copy to the Petitioner on or before 15th November 2015. The copies of the public notices published by the Petitioner are attached as **Annexure 1** to this order. The Commission received four written objections/suggestions on the petition, for filing objections/suggestion. The replies to the objections during the public hearing were sent by the Petitioner after the hearing.

1.9. Notice for Public Hearing

The Commission also published a public notice in the leading newspapers as given below giving due intimation to stakeholders, consumers, objectors and the public at large about the public hearing to be conducted by the Commission on 18th November 2015 at Port Blair. The Commission also interacted with the various stakeholders on the provisions of JERC Solar Power Regulations 2015 immediately after the public hearing. The schedule of public hearing conducted by the Commission was as below.

Table 1.4: Schedule of public hearing at Port Blair

Sr. No.	Date & Time	Venue of Hearing	Subject
1.	18 th November 2015 at 10:00 AM onwards	Andaman and Lakshadweep Harbour Works Multipurpose Hall, Near Phoenix Bay Jetty, Port Blair	Approval of Business Plan for ED-A&N for the Control Period FY 2016-17 to FY 2018-19

The details of the public notice published by the Commission are as below.

Table 1.5: Details of public notice published by the Commission

S.No.	Date	Name of Newspaper	Place of Circulation
1.	24 th October 2015	The Andaman Express	Port Blair
2.	25 th October 2015	The Echo of India	Port Blair
3.	24 th October 2015	Bartaman	Kolkata

The repeat public notices for due intimation of the public hearing were published in the following newspapers as shown below.

Table 1.6: Repeat public notice published by the Commission

S.No.	Date	Name of Newspaper	Place of Circulation
1.	16 th November 2015	The Andaman Express	Port Blair
2.	16 th November 2015	The Echo of India	Port Blair
3.	16 th November 2015	Bartaman	Kolkata

Copies of the public notice published by the Commission for intimation of public hearing are attached as **Annexure 2** to this order.

During the public hearing, each objector was provided with an opportunity to present his views on the petition filed by the Petitioner. All those present in the hearing, irrespective of whether they had given a written objection or not, were given an equal opportunity to express their views. The list of objectors is attached at **Annexure 3** to this order. The list includes the objectors who gave their written objections; those who gave their written objections and presented before the Commission; and other stakeholders who did not give

their written objection or prior intimation but presented before the Commission orally. The Commission has examined the issues and concerns expressed by stakeholders. The major issues raised/indicated during the public hearing, along with the comments/replies of the utility and the views of the Commission, thereon, have been summarized in **Chapter 4** of this order.

1.10. Organization of the Order

This Order is organized in the following chapters:

- ❖ **Chapter 1** of the Order provides the background and brief description of the regulatory process undertaken by the Commission.
- ❖ **Chapter 2** of the Order lists out the approach of the Commission in finalization of this order.
- ❖ **Chapter 3** of the Order summarizes the salient features of the Business Plan Petition filed by ED-A&N.
- ❖ **Chapter 4** of the Order lists out various suggestions and objections raised by the objectors in writing as well as during the public hearing before the Commission. Various suggestions and objections have been summarized, followed by the response of the Petitioner and the rulings of the Commission on the various issues.
- ❖ **Chapter 5** discusses the Capital Investment Plan for the MYT Control Period FY 2016-17 to FY 2018-19, key issues and Commission's ruling on the same.
- ❖ **Chapter 6** discusses the views of the Commission on the approval of various other ARR components for purposes of Business Plan approval.
- ❖ **Chapter 7** of the Order provides necessary directions of the Commission to ED-A&N.

2. Approach of the Order

2.1. Various Provisions of Multi Year Distribution Tariff Regulations, 2014

Regulation 5 of the Multi Year Distribution Tariff Regulations 2014 and the subsequent amendment to the said regulations dated 10th August 2015 states that:

5.1 The Distribution Licensee shall file Business Plan, for Control Period of three financial years from 1st April 2016 to 31st March 2019, which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financial plan and the physical targets.

Provided that in case the Commission issues guidelines and formats, from time to time, the same shall be adhered to by the Distribution Licensees.

5.2 The capital investment plan shall show separately, on-going projects that will spill into the financial year 2016-17 and new projects (along with justification) that will commence and scheduled to be completed within or beyond the tariff period i.e. by or beyond 31st March 2019. The Commission shall consider and approve the capital investment plan for which the Distribution Licensee shall provide relevant technical and commercial details.

5.3 The Distribution Licensees shall project the power purchase requirement after considering effect of target set for Energy Efficiency (EE) and Demand Side Management (DSM) schemes.

Provided that the power purchase cost of the respective Distribution Licensee shall be allowed after considering the target set by the Commission for Energy Efficiency (EE) and Demand Side Management (DSM) schemes, if any, and any shortfall in meeting the target shall be disallowed by the Commission at marginal cost of power purchase of that Distribution Licensee for determination of tariff.

In view of the above, ED-A&N is required to submit the following details in the Business Plan:

1. Category-wise sales projections
2. Power Procurement Plan (including purchase of RE power and REC in compliance of RPO targets)
3. Scheme-wise capital investment plan and financing plan
4. Target for Energy Efficiency and Demand Side Management schemes

As per provision 4.2 (ii) of the Multi Year Distribution Tariff Regulations 2014, wherein it is stated:

A detailed Business Plan based on the Operational Norms and trajectories of performance parameters specified in these Regulations, for each year of the Control Period, shall be submitted by the applicant for the Commission's approval;

Provision 7 of the first amendment to the Multi Year Distribution Tariff Regulations 2014 dated 10th August 2015 states that:

The Commission shall stipulate a trajectory while approving the Business Plan for certain variables having regard to the reorganization, restructuring and development of the electricity industry in the State:

Provided that the variables for which a trajectory may be stipulated include, but are not limited to, Operation & Maintenance expense norms, supply availability and wires availability and distribution losses and collection efficiency;

In view of the above ED – A&N is required to submit the following operational norms and performance parameters:

1. Status/Action plan for reorganization, restructuring and development of the electricity industry in the state (*in line with the provision 7 of the Multi Year Distribution Tariff Regulations, 2014*)
2. Norms for Employee Costs (*in line with the provision 7 and 21 of the Multi Year Distribution Tariff Regulations, 2014*)
3. Norms for R&M Expenses (*in line with the provision 7 and 21 of the Multi Year Distribution Tariff Regulations, 2014*).
4. Norms for A&G Expenses (*in line with the provision 7 and 21 of the Multi Year Distribution Tariff Regulations, 2014*).
5. Normative levels of Availability for Wires and Supply Business of the Distribution Licensee on the basis of past performance (*in line with the provision 7 and 34 (c) of the Multi Year Distribution Tariff Regulations, 2014*).
6. Trajectory of Distribution Losses (*in line with the provision 7 and 17 of the Multi Year Distribution Tariff Regulations, 2014*).
7. Trajectory of Collection Efficiency (*in line with the provision 7 of the first amendment to the Multi Year Distribution Tariff Regulations 2014 dated 10th August 2015*)

2.2. Commission's approach for approval of Capital Expenditure Schemes

The primary focus of the business plan is on identification of the various schemes/works related to meeting out the power requirement in the state, improvement in operational efficiency of the utility by way of reduction in losses and improvement in quality of supply to the consumers, along with associated capex of the schemes, as these key parameters are the most important driver for development of the utility. However, it is vital to carry out a

prudent assessment of the capex of various schemes as it invariably affects the tariff of the utility and subsequent pass-through of the same to the retail consumers.

The Commission has, thus, reviewed the capital expenditure schemes in detail along with their financing pattern and accordingly accorded approval of schemes along with justification as detailed in **Chapter 5** of this order.

Further, as per Regulation 22 of MYT Regulations 2014, if the capital expenditure is required for emergency work, the licensee shall submit an application, containing all relevant information along with reasons justifying the emergent nature of the proposed work, seeking post facto approval by the Commission. The Distribution Licensee shall take up the work prior to receiving the approval from the Commission provided that the emergent nature of the scheme has been certified by its competent authority.

2.3. Commission's approach for approval of various other ARR components

The Commission, while approving the various other ARR components, as mandated by regulations to be furnished along with the Business Plan, has laid emphasis on the consideration of nature of the individual components along with the fact that the Commission's efforts should not be duplicated while approving these components at the time of finalization of the MYT tariff order.

Accordingly, while dealing with these various other components of ARR in **Chapter 6**, the Commission has detailed the rationale for approving these components. The Commission has also detailed the reasons for not considering some of these components for purposes of approval of Business Plan.

3. Salient Features of MYT Business Plan Petition filed by ED-Andaman & Nicobar Administration

3.1. MYT Business Plan Petition filed by the Petitioner for FY 2016-17 to FY 2018-19

In line with the MYT Regulations 2014, ED – A&N submitted the petition for business plan for the period from FY 2015-16 to FY 2017-18 last year; however as per the Tariff Order dated 31st March 2015, the Commission deferred the implementation of MYT Regulations 2014 by one year due to insufficiency of details provided in the business plan. Supporting data such as scheme-wise cost benefit analysis, financing plan, loss trajectory etc. was not adequately submitted. The Commission carried out the approval of ARR & tariff for FY 2015-16 as per the JERC (Terms & Conditions for Determination of Tariff) Regulations 2009. The Commission as per order dated 31st March 2015 directed the Petitioner to submit the revised business plan for the Control Period FY 2016-17 to FY 2018-19 along with the requisite details as per the JERC Multiyear Distribution Tariff Regulations 2014 latest by 31st July 2015.

ED-A&N vide letter dated 14th August 2015 sought extension in submission of MYT Business Plan for the Control Period FY 2016-17 to FY 2016-19 by 15th September 2015, which the Commission approved vide letter dated 18th August 2015. The MYT business plan petition was then filed vide letter dated 10th September 2015; received at the Commission's office on 14th September 2015. The Petitioner has submitted the category-wise sales and demand projections, power procurement plan, capital investment plan, O&M Norms and targets of distribution loss for the Control Period from FY 2016-17 to FY 2018-19. The Petitioner has submitted that it has developed the business plan considering the strengths and weaknesses of the department and after evaluating its business environment and past performance of the utility.

The projections are based on the audited figures of ED – A&N for FY 2011-12 and provisional figures from FY 2012-13 to FY 2014-15. ED-A&N has submitted that the basic principles considered while preparing the business plan are keeping in mind the requisites to address the initiatives to enhance the performance of power sector in Andaman and Nicobar i.e. network development, tariff management, efficient operation and customer service.

3.2. Summary of the MYT Business Plan Petition

The Petitioner has submitted that the sales forecast is based on the trends observed in the sales pattern of various categories over the past years, new developments on account of Government Policies, Socio economic changes, industrial growth etc. that would affect

consumption across various categories of consumers. The CAGR (%) for period of five years (FY 2014-15 over FY 2010-11) for different categories has been adopted for estimating the energy sales for the FY 2015-16 & for projecting the energy sales for the Control Period i.e. FY 2016-17, 2017-18 and 2018-19. Energy sales towards temporary connections has been added to commercial category as it is observed that temporary connection are predominantly availed for commercial purposes. Consumption in temporary connection category in 2014-15 was 1.11 MUs. The same has been projected for the year FY 2015-16, 2016-17, 2017-18 and 2018-19 as CAGR for the category reflected abnormal growth trend. In addition to this, the growth trend in number of consumers and connected load have been taken as guiding factors in arriving at the requirement of demand and energy.

The sales, consumers and connected load as projected by the Petitioner for the Control Period are as follows.

Table 3.1: Sales (MUs) submitted by the Petitioner for Control Period

Consumer Category	Projections		
	FY 2016-17	FY 2017-18	FY 2018-19
Domestic	127.57	134.04	140.85
Commercial	64.37	66.30	68.28
Industry	15.94	17.39	18.98
Bulk	31.66	32.56	33.48
Public Lighting	9.02	9.00	8.98
Irrigation, Pumps & Agriculture	0.88	0.89	0.90
Total Sales	249.43	260.18	271.47

Table 3.2: No of Consumers as submitted by the Petitioner for Control Period

Consumer Category	Projections		
	FY 2016-17	FY 2017-18	FY 2018-19
Domestic	108229	112657	117266
Commercial	19083	19485	19895
Industry	567	585	603
Bulk	67	70	74
Public Lighting	679	708	739
Irrigation, Pumps & Agriculture	283	300	319
Total No of Consumers	128908	133805	138896

The projection for energy requirement has been arrived at by grossing up the above consumption projections with distribution loss trajectory proposed by ED-A&N. ED-A&N has been trying to reduce the distribution losses during recent years. ED-A&N submits that the system improvement works executed every year under the plan schemes have also contributed in restricting the distribution losses in the range of 18% to 20%. However, it may also be noted that reduction of distribution losses may not be possible beyond a certain level due to topographical conditions and technical limitations. Since the distribution losses

in the ED-A&N distribution network have been in the range of approximately 18% to 20% in the past, for the purpose of FY 2016-17, 2017-18 and 2018-19, the losses have been retained within 20%.

The energy requirement as projected by the Petitioner for the Control Period is as below.

Table 3.3: Energy Requirement as submitted by the Petitioner for Control Period (MUs)

Sr. No.	Particulars	Projections		
		FY 2016-17	FY 2017-18	FY 2018-19
A	ENERGY REQUIREMENT			
I	Energy Sales			
1	LT Supply	249.43	260.18	271.47
2	HT Supply	0.00	0.00	0.00
3	Total Energy Sales	249.43	260.18	271.47
II	Overall T & D Losses %	19.96	19.96	19.96
III	Overall T & D Losses (MUs)	62.20	64.88	67.70
B	Total Energy Requirement	311.63	325.06	339.17
I	ENERGY AVAILABILITY AT PERIPHERY			
1	Power Purchase	172.25	172.25	172.25
2	Own Generation	139.39	152.81	166.92
3	Total Energy Availability	311.63	325.06	339.17
IV	ENERGY SURPLUS/(GAP)	NIL	NIL	NIL

ED-A&N has undertaken significant capital expenditure during FY 2014-15 & FY 2015-16 and has plans to implement schemes for development of infrastructure during FY 2016-17, 2017-18 and 2018-19. The infrastructure inherited by ED-A&N is insufficient to cater to the present load and hence to meet the increasing demand, capital expenditure is absolutely necessary.

The capital expenditure plan envisaged will also assist in reducing system losses. ED-A&N proposes to incur the capital expenditure of Rs.13.02 Crores for FY 2015-16. Out of total capital expenditure of Rs. 13.02 Crores, approximately Rs. 10.42 Crores are to be capitalized during the FY-2015-16.

Further, estimated capital expenditure for FY 2016-17, 2017-18 and 2018-19 is Rs. 15.35 Crores, Rs. 18.05 Crores & Rs. 20.75 Crores respectively. The summary of the proposed capital expenditure and capitalization is outlined below:

Table 3.4: Summary of Proposed Capital Expenditure and Capitalization (Rs Crores)

Consumer Category	Projections		
	FY 2016-17	FY 2017-18	FY 2018-19
Opening balance	426.29	427.54	429.39
Add: New investments	15.35	18.05	20.75
Total	441.64	445.59	450.14

Consumer Category	Projections		
	FY 2016-17	FY 2017-18	FY 2018-19
Less investment capitalized	14.10	16.20	18.30
Closing balance	427.54	429.39	431.84

Further, in response to the Commission data gaps raised in the data gaps dated 21st September 2015, the Petitioner has submitted the revised details of capital expenditure as follows:

Table 3.5: Summary of New Capital Expenditure and Funding Pattern for FY 2016-17 (Rs Crores)

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Strengthening of Admn. & Inf. In Electricity Department	2016-17	0.90	0.00	0.00	0.90	0.00	0.90
Construction/Strengthening of T&D System	2016-17	5.21	0.00	0.00	5.21	0.00	5.21
Strengthening of old T&D system with new systems in various Islands		3.00	0.00	0.00	3.00	0.00	3.00
T&D system at Havelock		2.21	0.00	0.00	2.21	0.00	2.21
Augmentation of DG capacity	2016-17	8.87	0.00	0.00	8.87	0.00	8.87
3 MW DG Power Plant at Havelock		8.55	0.00	0.00	8.55	0.00	8.55
Refurbishment of existing capacity		0.32	0.00	0.00	0.32	0.00	0.32
Construction & maintenance of Civil Infrastructures	2016-17	5.00	0.00	0.00	5.00	0.00	5.00
Augmentation of generating Capacity in South Andaman	2016-17	56.20	0.00	0.00	56.20	0.00	56.20
Feasibility study/study for alternative sources		0.20	0.00	0.00	0.20	0.00	0.20
1 MWp Rooftop Solar Power Plant in 13 Government Buildings		8.00	0.00	0.00	8.00	0.00	8.00
50 KWp Solar Power plant at Raj Niwas		0.64	0.00	0.00	0.64	0.00	0.64
30 MW LNG based Power Plant		47.36	0.00	0.00	47.36	0.00	47.36
Development of IT	2016-17	0.20	0.00	0.00	0.20	0.00	0.20
Establishment of A&N Grid Connecting Port Blair to Diglipur	2016-17	0.00	0.00	0.00	0.00	0.00	0.00
Feasibility Study for establishment of Nuclear/ Gas based power plants	2016-17	1.00	0.00	0.00	1.00	0.00	1.00
TOTAL		77.38	0.00	0.00	77.38	0.00	77.38

Table 3.6: Summary of New Capital Expenditure and Funding Pattern for FY 2017-18 (Rs Crores)

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Strengthening of Admn. & Inf. In Electricity Department	2017-18	0.95	0.00	0.00	0.95	0.00	0.95
Construction/Strengthening of T&D System	2017-18	5.71	0.00	0.00	5.71	0.00	5.71
Strengthening of old T&D system with new systems in various Islands		3.50	0.00	0.00	3.50	0.00	3.50
T&D system at Havelock		2.21	0.00	0.00	2.21	0.00	2.21
Augmentation of DG capacity	2017-18	8.87	0.00	0.00	8.87	0.00	8.87
RMU/refurbishment of existing power plant		8.87	0.00	0.00	8.87	0.00	8.87
Construction & maintenance of Civil Infrastructures	2017-18	5.50	0.00	0.00	5.50	0.00	5.50
Augmentation of generating Capacity in South Andaman	2017-18	47.66	0.00	0.00	47.66	0.00	47.66
Feasibility study/study for alternative sources		0.30	0.00	0.00	0.30	0.00	0.30
30 MW LNG based Power Plant		47.36	0.00	0.00	47.36	0.00	47.36
Development of IT	2017-18	0.25	0.00	0.00	0.25	0.00	0.25
Establishment of A&N Grid Connecting Port Blair to Diglipur	2017-18	0.00	0.00	0.00	0.00	0.00	0.00
Feasibility Study for establishment of Nuclear/ Gas based power plants	2017-18	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		68.94	0.00	0.00	68.94	0.00	68.94

Table 3.7: Summary of New Capital Expenditure and Funding Pattern for FY 2018-19 (Rs Crores)

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Strengthening of Admn. & Inf. In Electricity Department	2018-19	1.00	0.00	0.00	1.00	0.00	1.00
Construction/Strengthening of T&D System	2018-19	4.00	0.00	0.00	4.00	0.00	4.00
Strengthening of old T&D system with new systems in various Islands		4.00	0.00	0.00	4.00	0.00	4.00
Augmentation of DG capacity	2018-19	7.00	0.00	0.00	7.00	0.00	7.00

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
RMU/refurbishment of existing power plant		7.00	0.00	0.00	7.00	0.00	7.00
Construction & maintenance of Civil Infrastructures	2018-19	6.00	0.00	0.00	6.00	0.00	6.00
Augmentation of generating Capacity in South Andaman 75 MW	2018-19	47.76	0.00	0.00	47.76	0.00	47.76
Feasibility study/study for alternative sources		0.40	0.00	0.00	0.40	0.00	0.40
Other Renewable energy source (to be explored)		6.35	0.00	0.00	6.35	0.00	6.35
30 MW LNG based Power Plant		41.01	0.00	0.00	41.01	0.00	41.01
Development of IT	2018-19	0.30	0.00	0.00	0.30	0.00	0.30
Establishment of A&N Grid Connecting Port Blair to Diglipur	2018-19	0.00	0.00	0.00	0.00	0.00	0.00
Feasibility Study for establishment of Nuclear/ Gas based power plants	2018-19	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		66.06	0.00	0.00	66.06	0.00	66.06

The objective of incurring the capital expenditure is to continue the up-gradation and strengthening of the distribution network to meet the desirable standards of performance and provide better network reliability and sustainable performance to the consumers of ED-A&N.

JERC Multiyear Distribution Tariff Regulations 2014 have stipulated that a separate trajectory of norms for each of the components of O&M expenses would be specified. **Accordingly, the Petitioner has submitted O&M norms as below.**

As per the regulations, employee expense norms are to be determined based on number of personnel per 1000 consumers and number of personnel per substation. Accordingly, the following norms for employee expenses have been proposed.

Table 3.8: Employee parameters submitted by Petitioner

Sr. No.	Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
1	Number of employees at the end of the year	2400	2309	2232	2129	2001
2	Number of consumers ('000)	120	124	129	134	139
3	No. of employees per '000 consumers	50	54	58	63	69

Sr. No.	Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
4	No. of employees per sub-station	Shall be submitted separately				

Administrative and General Expenses (A&G) expenses norms are to be determined based on combination of A&G expense per personnel and A&G expense per 1000 consumers. A&G norms as submitted by the Petitioner as below.

Table 3.9: A&G parameters submitted by Petitioner

S. No.	Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
1	A&G expense per employee (Rs lakh)	0.05	0.06	0.06	0.07	0.07
2	A&G expense per '000 consumers (Rs Lakh)	1.09	1.11	1.09	1.07	1.05

As per the regulations, Repairs and Maintenance expenses (R&M) are to be calculated as percentage (as per norm defined) of opening GFA for the year. The Petitioner has submitted the following actual R&M expenses as below.

Table 3.10: R&M expense submitted by Petitioner

S. No.	Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
1	R&M Expenses (Rs. Crores)	38.98	41.31	42.14	42.98	43.84
2	R&M Expense as %age of GFA	22.82%	22.56%	21.36%	20.14%	18.92%

The Petitioner has further submitted that ED-A&N is now gearing up for meeting the operational requirement of servicing existing and additional new consumers in line with the Standards of performance which the licensees have to adhere to. Hence there would be an increase in O&M expenditure to support full-fledged distribution business operations. It has considered increase at the rate of 2.00% i.e. (WPI from 2013-14 to 2014-15) over the approved cost for the year 2015-16 to project the cost of O&M expenses.

3.3. Prayer to the Commission

The Electricity Department, Andaman and Nicobar Administration (ED-A&N) respectfully prays to the Hon'ble Commission to:

“

1. The petition provides, inter-alia, ED-A&N approach for formulating the present petition, the broad basis for projections used, summary of the proposals being

- made to the Hon'ble Commission, performance of ED-A&N in the recent past, and certain issues impacting the performance of ED-A&N in the Licensed Area.
2. Broadly, in formulating the Business Plan for Control Period of three financial years from 01st April 2016 to 31st March 2019, the principles specified by the Joint Electricity Regulatory Commission For The State Of Goa And Union Territories (Multi Year Distribution Tariff) Regulations, 2014 ("Tariff Regulations") have been considered as the basis.
 3. In order to align the thoughts and principles behind the Business Plan, ED-A&N respectfully seeks an opportunity to present their case prior to the finalization of the Business Plan. ED-A&N believes that such an approach would go a long way towards providing a fair treatment to all the stakeholders and may eliminate the need for a review or clarification.
 4. ED-A&N may also be permitted to propose suitable changes to the Business Plan and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.
 5. Approve the Business Plan for Control Period of three financial years from 01st April 2016 to 31st March 2019 for ED-A&N formulated in accordance with the guidelines outlined as per the regulation of Joint Electricity Regulatory Commission relating to Distribution Licensee and the principles contained in Tariff Regulations ;
 6. Condone any inadvertent delay/ omissions/ errors/ rounding off differences/shortcomings and ED-A&N may please be permitted to add/ change/ modify/ alter the petition;
 7. Permit ED-A&N to file additional data/ information as may be necessary;
 8. Pass such further and other orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

4. Summary of Objections received, Response from the Petitioner and Commission's Views

4.1. Regulatory Process

On admitting the Business Plan for Control Period FY 2016-17 to FY 2018-19, the Commission directed the Petitioner to make copies of the petition available to the public, upload the petition on the website and also published in the newspapers in abridged form in the given format duly inviting comments/objections from the public as per provisions of the JERC (Multiyear Distribution Tariff) Regulations 2014 as amended.

4.2. Public Hearing

The public hearing was held on 18th November 2015 at Port Blair. During the public hearing, some persons who had submitted the objections in writing presented their objections/suggestions in person before the Commission. Other participants from the general public, who did not submit written objections earlier, were also given an equal opportunity to offer their views/suggestions in respect of the business plan proposal of ED-A&N for the Control Period from FY 2016-17 to FY 2018-19. The list of objectors is attached as **Annexure 3** to this order.

At the beginning of the hearing, the Commission ascertained from the stakeholders that those who had filed the written objection before the date of the public hearing, had received the replies to their written objections. All stakeholders were provided the opportunity to present their suggestions. Those stakeholders who did not give prior written objections/suggestions and expressed their views, objections, suggestions during the hearing were replied to by the Petitioner after the hearing.

4.3. Objections/Suggestions, Response of the Petitioner and Commission's Comments

The Commission is appreciative of the efforts of various stakeholders for providing suggestions / comments / observations to make the Electricity Distribution Sector responsive and efficient.

There was no specific objection from any stakeholder. However, there was a general suggestion that the planning for the augmentation of the network and power should be done considering the growth in the Tourism Sector in next few years.

The Petitioner replied during the hearing itself that it has appropriately considered the growth in the tourism sector during the projections.

The Commission has noted the suggestions of the stakeholders and response of the Petitioner. The Commission is of the view that the planned capital expenditure should be inclusive of consideration of growth across all sectors.

The Commission has accordingly approved various components of the Business Plan.

5. Capital Investment Plan for the MYT Control Period FY 2016-17 to FY 2018-19

5.1. Details of Capital Expenditure

Petitioner View:

The Petitioner plans to carry out the capital expenditure during the Control Period for augmentation and expansion of its capacity and to reduce the transmission and distribution loss in the system. ED-A&N has undertaken significant capital expenditure during FY 2014-15 & FY 2015-16 and has plans to implement schemes for development of infrastructure during FY 2016-17, FY 2017-18 and FY 2018-19. The infrastructure inherited by ED-A&N is insufficient to cater to the present load and hence to meet the increasing demand, capital expenditure is absolutely necessary.

The capital expenditure plan envisaged will also assist in reducing system losses. ED-A&N proposes to incur the capital expenditure of Rs.13.02 Crores for FY 2015-16. Out of total capital expenditure of Rs. 13.02 Crores, approximately Rs. 10.42 Crores are to be capitalized during the FY-2015-16.

Further, estimated capital expenditure for FY 2016-17, FY 2017-18 and FY 2018-19 is Rs. 15.35 Crores, Rs. 18.05 Crores & Rs. 20.75 Crores respectively. The summary of the proposed capital expenditure and capitalization is outlined below:

Table 5.1: Summary of Proposed Capital Expenditure and Capitalization (Rs Crores)

Consumer Category	Projections		
	FY 2016-17	FY 2017-18	FY 2018-19
Opening balance	426.29	427.54	429.39
Add: New investments	15.35	18.05	20.75
Total	441.64	445.59	450.14
Less investment capitalized	14.10	16.20	18.30
Closing balance	427.54	429.39	431.84

Further, in response to the Commission data gaps raised in the data gaps dated 21st September 2015, the Petitioner has revised the capital expenditure along with funding pattern as follows:

Table 5.2: Summary of New Capital Expenditure and Funding Pattern for FY 2016-17 (Rs Crores)

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Strengthening of Admn. & Inf. In Electricity Department	2016-17	0.90	0.00	0.00	0.90	0.00	0.90
Construction/Strengthening of T&D System	2016-17	5.21	0.00	0.00	5.21	0.00	5.21
Strengthening of old T&D system with new systems in various Islands		3.00	0.00	0.00	3.00	0.00	3.00
T&D system at Havelock		2.21	0.00	0.00	2.21	0.00	2.21
Augmentation of DG capacity	2016-17	8.87	0.00	0.00	8.87	0.00	8.87
3 MW DG Power Plant at Havelock		8.55	0.00	0.00	8.55	0.00	8.55
Refurbishment of existing capacity		0.32	0.00	0.00	0.32	0.00	0.32
Construction & maintenance of Civil Infrastructures	2016-17	5.00	0.00	0.00	5.00	0.00	5.00
Augmentation of generating Capacity in South Andaman	2016-17	56.20	0.00	0.00	56.20	0.00	56.20
Feasibility study/study for alternative sources		0.20	0.00	0.00	0.20	0.00	0.20
1 MWp Rooftop Solar Power Plant in 13 Government Buildings		8.00	0.00	0.00	8.00	0.00	8.00
50 KWp Solar Power plant at Raj Niwas		0.64	0.00	0.00	0.64	0.00	0.64
30 MW LNG based Power Plant		47.36	0.00	0.00	47.36	0.00	47.36
Development of IT	2016-17	0.20	0.00	0.00	0.20	0.00	0.20
Establishment of A&N Grid Connecting Port Blair to Diglipur	2016-17	0.00	0.00	0.00	0.00	0.00	0.00
Feasibility Study for establishment of Nuclear/ Gas based power plants	2016-17	1.00	0.00	0.00	1.00	0.00	1.00
TOTAL		77.38	0.00	0.00	77.38	0.00	77.38

Table 5.3: Summary of New Capital Expenditure and Funding Pattern for FY 2017-18(Rs Crores)

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Strengthening of Admn. & Inf. In Electricity Department	2017-18	0.95	0.00	0.00	0.95	0.00	0.95

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Construction/Strengthening of T&D System	2017-18	5.71	0.00	0.00	5.71	0.00	5.71
Strengthening of old T&D system with new systems in various Islands		3.50	0.00	0.00	3.50	0.00	3.50
T&D system at Havelock		2.21	0.00	0.00	2.21	0.00	2.21
Augmentation of DG capacity	2017-18	8.87	0.00	0.00	8.87	0.00	8.87
RMU/refurbishment of existing power plant		8.87	0.00	0.00	8.87	0.00	8.87
Construction & maintenance of Civil Infrastructures	2017-18	5.50	0.00	0.00	5.50	0.00	5.50
Augmentation of generating Capacity in South Andaman	2017-18	47.66	0.00	0.00	47.66	0.00	47.66
Feasibility study/study for alternative sources		0.30	0.00	0.00	0.30	0.00	0.30
30 MW LNG based Power Plant		47.36	0.00	0.00	47.36	0.00	47.36
Development of IT	2017-18	0.25	0.00	0.00	0.25	0.00	0.25
Establishment of A&N Grid Connecting Port Blair to Diglipur	2017-18	0.00	0.00	0.00	0.00	0.00	0.00
Feasibility Study for establishment of Nuclear/ Gas based power plants	2017-18	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		68.94	0.00	0.00	68.94	0.00	68.94

Table 5.4: Summary of New Capital Expenditure and Funding Pattern for FY 2018-19 (Rs Crores)

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Strengthening of Admn. & Inf. In Electricity Department	2018-19	1.00	0.00	0.00	1.00	0.00	1.00
Construction/Strengthening of T&D System	2018-19	4.00	0.00	0.00	4.00	0.00	4.00
Strengthening of old T&D system with new systems in various Islands		4.00	0.00	0.00	4.00	0.00	4.00
Augmentation of DG capacity	2018-19	7.00	0.00	0.00	7.00	0.00	7.00
RMU/refurbishment of existing power plant		7.00	0.00	0.00	7.00	0.00	7.00
Construction & maintenance of Civil Infrastructures	2018-19	6.00	0.00	0.00	6.00	0.00	6.00

Name of Scheme	Start Year	Total	Equity Internal	Equity Infused	Capital Grant/Subsidy	Consumer Contribution	Proposed Capex
Augmentation of generating Capacity in South Andaman 75 MW	2018-19	47.76	0.00	0.00	47.76	0.00	47.76
Feasibility study/study for alternative sources		0.40	0.00	0.00	0.40	0.00	0.40
Other Renewable energy source (to be explored)		6.35	0.00	0.00	6.35	0.00	6.35
30 MW LNG based Power Plant		41.01	0.00	0.00	41.01	0.00	41.01
Development of IT	2018-19	0.30	0.00	0.00	0.30	0.00	0.30
Establishment of A&N Grid Connecting Port Blair to Diglipur	2018-19	0.00	0.00	0.00	0.00	0.00	0.00
Feasibility Study for establishment of Nuclear/ Gas based power plants	2018-19	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		66.06	0.00	0.00	66.06	0.00	66.06

The objective of incurring the capital expenditure is to continue the up-gradation and strengthening of the distribution network to meet the desirable standards of performance and provide better network reliability and sustainable performance to the consumers of ED-A&N.

Commission View:

The Petitioner has not submitted the details of the capital expenditure proposed during the Control Period from FY 2016-17 to FY 2018-19 along with cost benefit analysis and past capex schemes status. In reply to Commission data gaps dated 21st September 2015, the Petitioner submitted through its letter dated 1st December 2015 has submitted the revised capital expenditure. The Petitioner has broadly categorized their revised capital expenditure broadly into 8 categories as follows:

- Strengthening of Admin. & Infrastructure in Electricity Department
- Construction/Strengthening of T&D System
- Augmentation of DG capacity
- Construction & maintenance of Civil Infrastructures
- Augmentation of generating Capacity in South Andaman
- Development of IT
- Establishment of A&N Grid Connecting Port Blair to Diglipur
- Feasibility Study for establishment of Nuclear/ Gas based power plants

The scheme-wise details are as below.

A. Strengthening of Admin. & Infrastructure in Electricity Department

Petitioner Submission:

Capex under Administration and infra includes the provision kept for modernization/up-gradation, procurement of machineries and equipment, Special tools and Plants, communications systems etc. along with conducting various studies like System Improvement, Appointment of Consultants, Training Programmes, Energy Auditing, Energy Management Studies, EIA Studies, Training of Staff & Apprenticeship Training etc.

Commission View:

The Commission is of view that the said capital expenditure is necessary for normal functioning of the utility. However, the Commission would like to highlight that the some of the works like studies and trainings are a part of normal Administrative and General Expenses. In absence of further detailing by the Petitioner, the Commission provisionally approves the capital expenditure as proposed by the Petitioner for the Control Period.

Table 5.5: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Strengthening of Admin. & Infrastructure in Electricity Department	Capital Expenditure	0.90	0.95	1.00	0.90	0.95	1.00
	Capitalization	0.90	0.95	1.00	0.90	0.95	1.00

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

The Commission directs the Petitioner to submit the work wise details under this head along with the MYT Petition. The Commission will identify and segregate the revenue expenses and the capital expenses and accordingly will consider the revenue expense as a part of A&G expenses and the remaining as capital expenditure for the MYT Control Period.

B. Construction/Strengthening of T&D System

Petitioner Submission:

The scheme for strengthening of the T&D network particularly of two districts namely South Andaman and North & Middle Andaman under GOI's DDUGJY scheme of Ministry of Power for reduction of T&D Losses in the progress.

The Petitioner also submitted the details of actual progress for FY 2015-16 as follows:

Capex towards T&D during FY 2015-16 - Rs.9.50 Crores

- a. Construction/Extension of 33/11 KV HT Line – 90 Km.
- b. Construction/Extension of LT Line – 150 Km.
- c. Installation of Distribution Transformers – 80 Nos.
- d. Providing of service connection – 6200 Nos.
- e. Replacement of defective meters – 15000 Nos.
- f. Strengthening of Old T&D systems in all over the islands.

Commission View:

The scheme includes provision of Rs 2.21 Crores in FY 2016-17 and FY 2017-18 respectively for the T&D system in Havelock apart from strengthening of old T&D system with new systems in various islands. The Commission is of view that the said capital expenditure is necessary for maintaining the reliability and availability of the distribution infrastructure.

The Commission, thus, approves the capital expenditure as proposed by the Petitioner for the Control Period.

Table 5.6: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Construction/Strengthening of T&D System	Capital Expenditure	5.21	5.71	4.00	5.21	5.71	4.00
	Capitalization	5.21	5.71	4.00	5.21	5.71	4.00

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

C. Augmentation of DG capacity

Petitioner Submission:

The Petitioner has submitted the requirement of Rs 8.87 Crores, Rs 8.87 Crores and Rs 7 Crores in FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

Commission View:

The Commission sought further details of the proposed capital expenditure. The Petitioner in response submitted that the capital expenditure in FY 2016-17 includes the Rs 8.55 Crores towards new 3 MW DG set in Havelock set to be setup by NTPC.

The Petitioner submitted that the total cost of DG set is Rs. 15.52 Crores out of which Rs 6.97 Crores has already been paid as advance paid as per MOU - Rs. 6.97 crores

The DG sets are expected to be commissioned by end of March, 2016. Hence the balance amount of Rs 8.55 Crores could be paid on commissioning of DG sets during next 2-3 months.

The Commission is of view that as the utility is primarily dependent on the generation through the DG sets only, the capital expenditure towards refurbishment of existing capacity is essential for ensuring the availability of reliable supply. The Commission, thus, approves the capital expenditure as proposed by the Petitioner for the Control Period.

Table 5.7: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Construction/Strengthening of T&D System	Capital Expenditure	8.87	8.87	7.00	8.87	8.87	7.00
	Capitalization	8.87	8.87	7.00	8.87	8.87	7.00

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

D. Construction & Maintenance of Civil Infrastructures

Petitioner Submission:

The Petitioner submitted that expenditure incurred for construction/renovation/repairing of Power House Building, Site Offices, Store Building, Community Power Houses, construction of small power houses and foundation for small DG Sets & Solar Power Plants, accommodations for the staff of Electricity Department working in various islands/locations in A&N Islands for smooth functioning of DG Generation and associated T&D System.

The Petitioner has submitted the requirement of Rs 5 Crores, Rs 5.5 Crores and Rs 6 Crores in FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

Commission View:

The Commission is of view that as construction and maintenance of Civil Infrastructure is an ongoing and essential activity. The Commission, thus, approves the capital expenditure as proposed by the Petitioner for the Control Period.

Table 5.8: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Construction & maintenance of Civil Infrastructures	Capital Expenditure	5.00	5.50	6.00	5.00	5.50	6.00
	Capitalization	5.00	5.50	6.00	5.00	5.50	6.00

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

E. Augmentation of generating Capacity in South Andaman**Petitioner Submission:**

The Petitioner has submitted the requirement of Rs 56.20 Crores, Rs 47.66 Crores and Rs 47.76 Crores in FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

Commission View:

The Commission has sought further details of the works undertaken in this scheme.

The Petitioner submitted that it has considered a provision of Rs 8 Crores towards 1 MWp Rooftop Solar Power Plant in 13 Government Buildings in FY 2016-17. The Petitioner further submitted that

Quote

A MoU was signed on 17.02.2015 between A&N Administration and Solar Energy Corporation of India (SECI) for setting-up of Solar PV Based Rooftop/Ground Mounted SPV Power Plants in A&N Islands. LOA awarded by SECI to M/s. UJAAS Energy Ltd., Indore on 07.09.2015. As per the LOA the project cost is Rs. 83.49 per Wp.

However as per the request of Chief Secretary, A&N Administration made vide D.O No. EL/NRSE/Tech/1-1(6)/2014/256 dated 18.11.2015 (Exhibit-6), SECI on advice of MNRE and as a special case has offered a tariff of Rs. 9.30 per KWH vide letter No. SECI/PS/A&N/2015/5136 dated 19.11.2015. A proposal for obtaining approval of Administration is under preparation for seeking further approval of JERC.

Unquote

The Commission is of view that as the Petitioner is yet to submit the scheme for approval of the Commission. The Commission will take the decision on this scheme once the utility submits all the details for formal approval of the Commission separately.

The Commission further notes that the tariff for solar generation plants is to be determined as per the JERC Solar Regulations and amendments thereof. The Petitioner will recover tariff as per the JERC Solar Regulations for the capex incurred for such scheme and tariff for same will be determined through separate petitions to be filed for these sources considering these sources as separate generating business and not as expense towards distribution business.

Accordingly, the Commission finds it appropriate not to include the capital expenditure of Rs 0.64 Crores towards 50 KWp Solar Power plant at Raj Niwas in FY 2016-17 and Rs 6.35 Crores towards other Renewable energy source in the Business Plan as per the provisions of JERC Solar Regulations.

The Petitioner also submitted that Rs 135.73 Crores are proposed to be incurred towards 30 MW LNG based Power Plant. The Petitioner further submitted that:

Quote

“A MOU was signed between A&N Administration and Petronet LNG Ltd. on 29.08.2013 to assess / explore the feasibility of establishment of Re-gasified Liquefied Natural Gas (R-LNG) Power Plant at South Andaman. The feasibility study was carried out by Petronet LNG Ltd. and the report was handed over to A&N Administration on 23.09.2014. As per the feasibility report, a 30 MW (Expandable to 50 MW) Power Plant can be setup at Hathi Tapu, South Andaman along with a Small LNG Terminal to provide an affordable alternate energy source for substituting Diesel Based Power Generation.

M/s Petronet LNG Ltd., has further submitted a draft MOU to setup a LNG receiving, storage and re-gasification terminal (Project -1) and to generate electricity by setting up a gas engine based power plant of about 30 MW capacity expandable to 50 MW (Project -2) on a joint venture basis. In the joint venture the share of A&N Administration will be 20% and the balance 80% of M/s Petronet LNG Ltd.

The Finance Department of Administration has suggested for obtaining in-principle approval of the Govt. of India, Ministry of Power and Ministry of Finance through Ministry of Home Affairs as there is a huge financial investment in the project and Rs. 135.732 Crores has to be borne by A&N Administration. After obtaining of the in-principle approval of the Govt. of India, the approval of Hon’ble JERC will be obtained for signing of MOU / PPA.

In a meeting held recently at Raj Niwas on 16.11.2015, the Managing Director, Petronet LNG Ltd. has been asked to submit a fresh proposal to setup LNG Terminal and Power Plant along with the possibilities of switching over from the existing fuel i.e. HSD, Petrol and LPG to LNG / CNG in the Transport, Shipping and Domestic sector.”

Unquote

The Commission is of the view that the proposal is yet to be approved by Government of India and also the Commission as per the Regulation 22 (b) of the MYT Regulations 2014 which states that the Distribution Licensee shall seek prior approval of the Commission for capital expenditure greater than Rs.10 Crore (Rupees Ten Crore).

In absence of approval of the competent authority and subsequent prudence check by the Commission, the Commission does not find it appropriate to include the capital expenditure for 30 MW LNG based power plant in this Business Plan.

The Commission is also of the view that tariff for 30 MW LNG power plants is required to be approved considering it as a separate generating station.

In view of above, the Commission decides to review and approve the capital expenditure towards 30 MW LNG based power plant once the petitioner submits the requisite details and approval of the competent authorities for the review and concurrence of the Commission.

The Petitioner has also submitted the requirement of Rs 0.20 Crores, Rs 0.30 Crores and Rs 0.40 Crores in FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards feasibility

study/study for alternative sources which the Commission finds appropriate to approve for the Control Period.

Table 5.9: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Augmentation of generating Capacity in South Andaman	Capital Expenditure	56.20	47.66	47.76	0.20	0.30	0.40
	Capitalization	0	0	0	0.20	0.30	0.40

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

F. Development of IT

Petitioner Submission:

The Petitioner has submitted the requirement of Rs 0.20 Crores, Rs 0.25 Crores and Rs 0.30 Crores in FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

Commission View:

The Commission is of view that as construction and maintenance of Civil Infrastructure is an ongoing and essential activity. The Commission, thus, approves the capital expenditure as proposed by the Petitioner for the Control Period.

Table 5.10: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Development of IT	Capital Expenditure	0.20	0.25	0.30	0.20	0.25	0.30
	Capitalization	0.20	0.25	0.30	0.20	0.25	0.30

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

G. Establishment of A&N Grid Connecting Port Blair to Diglipur

Petitioner Submission:

The Petitioner has submitted that there was a proposal in the Annual Five Year Plan 2012-17 to conduct a feasibility study through PGCIL for establishing a grid interconnecting North, Middle and South Andaman. As per the feasibility study by PGCIL, the construction of the above grid is not feasible and economical. Moreover, the construction of the above grid will require lots of environmental clearances as it will pass through dense forest and also through "Protected Aboriginal Tribe" reserve. Hence the proposal is no more under consideration.

The Petitioner has submitted NIL requirement for the Control Period.

Commission View:

The Commission has noted the submission of the Petitioner.

H. Feasibility Study for establishment of Nuclear/ Gas based power plants

Petitioner Submission:

The Petitioner has submitted the requirement of Rs 1 Crores in FY 2016-17.

Commission View:

The Commission has noted the submission of the Petitioner as is of view that establishment of alternate fuel sources is the need of hour and thus approves the capital expenditure as proposed by the Petitioner for the Control Period.

Table 5.11: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Feasibility Study for establishment of Nuclear/ Gas based power plants	Capital Expenditure	1.00	0.00	0.00	1.00	0.00	0.00
	Capitalization	1.00	0.00	0.00	1.00	0.00	0.00

The Commission expects full capitalization of proposed capital expenditure within same year only and approves 100% capitalization during same year only.

The total capital expenditure and capitalization as proposed by the Petitioner and approved by the Commission is as follows:

Table 5.12: Capital Expenditure and Capitalization as proposed by the Petitioner and approved by the Commission (Rs. Crores)

Name of scheme	Particulars	Proposed			Approved		
		FY 17	FY 18	FY 19	FY 17	FY 18	FY 19
Grand Total	Capital Expenditure	77.38	68.94	66.06	21.38	21.58	18.70
	Capitalization	21.18	21.28	18.30	21.38	21.58	18.70

The Commission further approves the funding of complete capital expenditure through Capital Subsidies / grants/Budgetary Support as proposed by the Petitioner.

6. Approval of the various ARR components for the MYT Control Period FY 2016-17 to FY 2018-19

The Petitioner has submitted energy sales and no of consumer's growth projections, power procurement plan, T&D losses trajectory and energy balance for the Control Period. The following sub-sections of this chapter provide details of the submission made by the Petitioner and approval of the Commission for the above ARR components.

6.1. Category-wise Energy Sales for the MYT Control Period FY 2016-17 to FY 2018-19

Petitioner's Submission

The Petitioner has submitted the category-wise sales during the last five years (FY 2010-11 to FY 2014-15) based on the actual un-audited data and projected the sales for the Control Period. Category-wise energy sales during the last six (6) years as furnished by the Petitioner is shown in the table below:

Table 6.1: Category-wise energy sales FY 2010-11 to FY 2014-15 (MUs)

Sr. No.	Category of Consumer	FY 11	FY 12	FY 13	FY 14	FY 15
1	Domestic	83.96	90.20	101.36	107.38	115.54
2	Commercial	49.12	52.17	55.22	56.93	60.69
3	Industry	8.72	8.64	11.17	11.97	13.38
4	Bulk	25.99	26.02	28.98	29.32	29.93
5	Public Lighting	8.36	9.15	8.72	9.24	9.05
6	Irrigation, Pumps & Agriculture	0.74	0.83	0.91	0.87	0.87
Total Sales		176.89	187.01	206.36	215.71	229.46

The consumer base of ED-A&N consists of Domestic, Commercial and Industry, consumers. Sales mix is primarily dominated by Domestic consumers, followed by Commercial consumers. The total consumption of Domestic consumers is approximate 50 percent and Commercial consumers contribute to around 26 percent of total sales. Thus, the sales forecast would completely depend on the sales expected in the Domestic & Commercial Category. The sales forecast is based on the trends observed in the sales pattern of various categories over the past years, new developments on account of Government Policies, Socio economic changes, industrial growth etc. that would affect consumption across various categories of consumers. The CAGR (%) for period of five years (FY 2014-15 over FY 2010-11) for different categories has been adopted for estimating the energy sales for the FY 2015-16 & for projecting the energy sales for the Control Period i.e. FY 2016-17, FY 2017-18 and FY 2018-19. Energy sales towards temporary connections has been added to commercial

category as it is observed that temporary connection are predominantly availed for commercial purposes. Consumption in temporary connection category in 2014-15 was 1.11 MU. The same has been projected for the year FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 as CAGR for the category reflected abnormal growth trend. In addition to this, the growth trend in number of consumers and connected load have been taken as guiding factors in arriving at the requirement of demand and energy.

Consumer category-wise projected energy sales as submitted by the Petitioner for the Control Period is given below.

Table 6.2: Category-wise energy sales projected by the Petitioner for the MYT Control Period FY 2016-17 to FY 2018-19 (MU)

Category	Assumed Growth Rate for FY 16 & FY 19	FY 16 Estimated	FY 17 Projected	FY 18 Projected	FY 19 Projected
Domestic	5.08%	121.40	127.57	134.04	140.85
Commercial	3.04%	62.50	64.37	66.30	68.28
Industry	9.14%	14.60	15.94	17.39	18.98
Bulk	2.84%	30.78	31.66	32.56	33.48
Public Lighting	9.79%	9.04	9.02	9.00	8.98
Irrigation, Pumps & Agriculture	0.85%	0.87	0.88	0.89	0.90
Total		239.20	249.43	260.18	271.47

Commission's View

The Petitioner has projected sales, based on the last five year CAGR and also on estimate basis wherever any particular consumer category is indicating an abnormal growth pattern. The Commission, in Regulation 15 and 16 of MYT Regulations, 2014 has specified the methodology for projecting the metered and un-metered sales. The relevant extract of the MYT Regulations, 2014 is as follows:

"15.1 Forecasting Methodology

Metered sales shall be treated as an uncontrollable parameter:

Provided that open access transactions shall not form part of the sales:

Provided further that sales forecast shall be based on past trends in each of the slabs of consumer categories. The compounded annual growth rate (CAGR) of past 2 to 3 years of sales within each of the slabs of a consumer category as per audited books of account shall be used to forecast up to short and medium (5 years) time range.

Provided also that in cases where slab-wise sales to each consumer category are not available in audited books of accounts and only consolidated sales are available, the Distribution Licensee shall include the slab-wise sales in annexure to its Annual Report from next year onwards:

Provided also that if Audited books of accounts are not available, the Distribution Licensee shall get the accounts audited within a year of roll out of these tariff regulations so as to ensure that audited sales figures, by slab by consumer category, for last three preceding years are available for sales estimation from next year onwards

16 Un-metered Sales Forecast

Methodology for determination of un-metered sales

16.2 The Central Electricity Authority issued CEA (installation and operation of meters), Regulations 2006. However in some utilities under the jurisdiction of JERC 100% metering has not yet taken place. Till such time 100% metering is achieved, the energy sales to unmetered consumers shall be considered on normative and it will be a controllable parameter.”

It is very clear from the above provisions of the MYT Regulations, 2014 that the CAGR of past 2 to 3 years of sales within each of the slabs of a consumer category as per audited books of account shall be used to forecast up to short and medium (5 years) time range.

The Commission has adopted the same methodology for calculation of the CAGR and applied the CAGR of 2-3 year whichever is higher. The Commission has pointed out various aberrations in the Petition by way of a deficiency note, which were further discussed in detail during the Technical Validation Session (TVS) with the Petitioner.

The Commission have adopted the same methodology and applied the CAGR of 2-3 year whichever is on higher side. Further, if there is any kind of aberration i.e. a high decline or increase the Commission has allowed a normative increase or zero percent increase in the consumer category.

The appropriately considered either 2 year or 3 year CAGR across various categories to commensurate the actual growth in the past years as well as anticipated growth in future years based on the discussion with Petitioner during the TVS.

Table 6.3: Category-wise growth rate for energy sales as considered by the Commission

Sr. No.	Category of Consumer	CAGR					
		3 Years FY 12 to FY 15	2 Years FY 13 to FY 15	3 Years FY 11 to FY 14	2 Years FY 12 to FY 14	Proposed	Approved
1	Domestic	8.60%	6.77%	8.55%	9.11%	5.08%	6.77%
2	Commercial	5.17%	4.83%	5.04%	4.46%	3.04%	4.83%
3	Industry	15.69%	9.45%	11.14%	17.70%	9.14%	9.45%
4	Bulk	4.78%	1.63%	4.10%	6.15%	2.84%	1.63%
5	Public Lighting	-0.35%	1.90%	3.39%	0.49%	9.79%	1.90%
6	Irrigation, Pumps & Agriculture	1.42%	-2.46%	5.54%	2.38%	0.85%	1.42%

The Commission is of view that the with the increased availability of the power, especially renewable power, clubbed with the growth in the tourism in various islands of A&N, the sales in various categories will grow higher than the growth anticipated by the Petitioner.

The Commission has observed that in around past 2 years there is promotion of tourism in other islands also. As the tourism is prime revenue earning industry in the Andaman and Nicobar islands, the Commission finds it appropriate to approve the 2 years CAGR for the MYT Control Period as the sales in other categories are also expected to follow similar trend.

However, as irrigation, pumps & agriculture category is not directly linked to the growth in tourism industry, the Commission finds it appropriate to approve 3 years CAGR for this category.

Keeping in view the above submissions made by the Petitioner and views of the Commission, the Commission approves the sales for the MYT Control Period as follows:

Table 6.4: Category-wise Energy Sales as approved by the Commission for MYT Control Period (In MU)

Sr. No.	Category of Consumer	CAGR	FY 16	FY 17	FY 18	FY 19
		Approved	Base Year	MYT Control Period		
1	Domestic	6.77%	123.36	131.71	140.62	150.14
2	Commercial	4.83%	63.62	66.69	69.92	73.30
3	Industry	9.45%	14.64	16.03	17.54	19.20
4	Bulk	1.63%	30.42	30.92	31.42	31.93
5	Public Lighting	1.90%	9.23	9.40	9.58	9.76
6	Irrigation, Pumps & Agriculture	1.42%	0.88	0.89	0.90	0.92
Total Sales			242.15	255.64	269.98	285.24

6.2. Consumer profile

Petitioner's Submission

The Petitioner has submitted the category-wise number of consumers and CAGR growth rates for the past five years, as shown below:

Table 6.5: Category-wise number of consumers FY 2009-10 to FY 2014-15

Sr. No.	Category of Consumer	FY 11	FY 12	FY 13	FY 14	FY 15
1	Domestic	76479	81741	93757	97738	99888
2	Commercial	15626	16131	17291	17885	18304
3	Industry	461	457	501	514	533
4	Bulk	44	48	56	57	61
5	Public Lighting	434	505	649	626	624
6	Irrigation, Pumps & Agriculture	177	186	218	226	251
Total Sales		93221	99068	112472	117046	119661

The forecast of number of consumers is based on the trends observed in the connections pattern of various categories over the past years, new developments on account of Government Policies, Socio economic changes, industrial growth, etc. that would affect consumption across various categories of consumers. The CAGR (%) for period of five years (FY 2014-15 over FY 2010-11) for different categories has been adopted for estimating the number of consumers for the FY 2015-16 & for projection for the Control Period i.e. FY 2016-17, FY 2017-18 and FY 2018-19. However, normalization has been undertaken for certain categories where an abnormal rise or reduction has been observed. Temporary Connections has been added to commercial category as it is observed that temporary connections are predominantly availed for commercial purposes. The number of consumers estimated for the FY 2016-17, FY 2017-18 and FY 2018-19 are tabulated below:

Table 6.6: Category-wise number of projected consumers for the Control Period FY 2016-17 to FY 2018-19 (No.)

Category	Number of Consumers			
	FY 16 Estimated	FY 17 Projected	FY 18 Projected	FY 19 Projected
Domestic	103975	108229	112657	117266
Commercial	18689	19083	19485	19895
Industry	550	567	585	603
Bulk	64	67	70	74
Public Lighting	651	679	708	739
Irrigation, Pumps & Agriculture	267	283	300	319
Total	124195	128908	133805	138896

Commission's View

The Commission has considered same approach and methodology for approval of number of consumers as considered for approval of energy sales above.

Table 6.7: Category-wise growth rate for number of consumers as considered by the Commission

Sr. No.	Category of Consumer	CAGR				Proposed	Approved
		3 Years FY 12 to FY 15	2 Years FY 13 to FY 15	3 Years FY 11 to FY 14	2 Years FY 12 to FY 14		
1	Domestic	6.91%	3.22%	8.52%	9.35%	4.09%	3.22%
2	Commercial	4.30%	2.89%	4.60%	5.30%	2.11%	2.89%
3	Industry	5.26%	3.14%	3.69%	6.05%	3.12%	3.14%
4	Bulk	8.32%	4.37%	9.01%	8.97%	4.91%	4.37%
5	Public Lighting	7.31%	-1.94%	12.99%	11.34%	4.32%	5.00%
6	Irrigation, Pumps & Agriculture	10.51%	7.30%	8.49%	10.23%	6.18%	5.00%

The Commission is of view that with the increased availability of the power, especially renewable power, clubbed with the growth in the tourism in various islands of A&N, the sales in various categories will grow higher than the growth anticipated by the Petitioner.

The Commission has observed that in around past 2 years there is promotion of tourism in other islands also. As the tourism is prime revenue earning industry in the Andaman and Nicobar islands, the Commission finds it appropriate to approve the 2 years CAGR for the MYT Control Period as the sales in other categories are also expected to follow similar trend.

However, as public lighting and irrigation, pumps & agriculture categories is not directly linked to the growth in tourism industry, the Commission finds it appropriate to approve a nominal growth of 5% for this category.

The Commission approves the number of consumers for the MYT Control Period as follows:

Table 6.8: Category-wise number of consumers as approved by the Commission for MYT Control Period

Sr. No.	Category of Consumer	CAGR	FY 16	FY 17	FY 18	FY 19
		Approved	Base Year	MYT Control Period		
1	Domestic	3.22%	103102	106420	109844	113379
2	Commercial	2.89%	18833	19376	19936	20512
3	Industry	3.14%	550	567	585	603
4	Bulk	4.37%	64	66	69	72
5	Public Lighting	5.00%	655	688	722	758
6	Irrigation, Pumps & Agriculture	5.00%	264	277	291	305
Total Number of Consumers			123467	127394	131447	135630

6.3. Connected Load Growth

Petitioner's Submission

The Petitioner has not submitted the category wise connected load for the past 5 FYs.

Commission's View

The Petitioner has not submitted the details of the connected load proposed during the Control Period from FY 2016-17 to FY 2018-19 along with past actual connected load. The Commission raised the issue during the TVS. The Petitioner submitted that since the information pertaining to the connected load is under compilation, same will be submitted along with the MYT petition.

The Commission noted the submission of the Petitioner and directs to submit the complete information for the Connected Load along with the projections for MYT Control Period along with the MYT Petition.

6.4. Transmission and Distribution Losses

Petitioner's Submission

ED-A&N has been trying to reduce the distribution losses during recent years. ED-A&N submits that the system improvement works executed every year under the plan schemes have also contributed in restricting the distribution losses in the range of 18% to 20%. However, it may also be noted that reduction of distribution losses may not be possible beyond a certain level due to topographical conditions and technical limitations. Since the distribution losses in the ED-A&N distribution network have been in the range of approximately 18% to 20% in the past, for the purpose of FY 2016-17, FY 2017-18 and FY 2018-19, the losses have been retained within 20%.

Post the discussion with the Commission during the TVS the proposed trajectory was revised to 18.00%, 17.00% and 16.00 respectively for the FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

Commission's Analysis

The Commission has approved losses of 17% for FY 2015-16 as per order dated 31st March 2015. The Commission is of view that while achieving the higher reduction in T&D losses is difficult keeping in view of the fact that the network in various islands is not interconnected, the overall reduction is still possible by improving the infrastructure within the islands.

The Commission expects that with such huge capex being undertaken, the Petitioner should be able to achieve the T&D loss trajectory as set out in this business plan order for the Control Period FY 2016-17 to FY 2018-19.

The Commission has accordingly considered a reduction of 0.50% for the T&D loss trajectory for the Control Period to be reasonable.

In view of the above, the Commission approves the below mentioned T&D loss trajectory for the Control Period:

Table 6.9: T&D Loss Trajectory approved by the Commission for the Control Period

Particulars	FY 16	FY 17		FY 18		FY 19	
	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved
T&D Loss	17.00%	18.00%	16.50%	17.00%	16.00%	16.00%	15.50%

The gain/loss would be computed as per the approved trajectory of the T&D losses to be done in accordance with the Regulation 10 and 11 of the MYT Regulations 2014.

6.5. Aggregate Technical & Commercial (AT&C) Losses

Petitioner's Submission

The Petitioner has not submitted the AT&C losses for previous years as well as the MYT Control Period.

Commission's Analysis

The Commission is extremely concerned about the accuracy of the data being maintained. The Commission, while fixing the collection efficiency for the Control Period, expects the Petitioner to achieve 100% collection efficiency by the end of the Control Period i.e. FY 2018-19.

Based on the approved T&D loss levels as above and taking into consideration, the collection efficiency of 98%, 99% and 100% respectively for the FY 2016-17 to FY 2018-19, the Commission approves the AT&C loss of 18.17%, 16.84% and 15.50% for the FY 2016-17, FY 2017-18 and FY 2018-19.

The Petitioner is expected to initiate efforts to improve the collection efficiency and submit the quarterly status report before the Commission.

Table 6.10: AT&C Losses approved by the Commission for the Control Period

S. No.	Particulars	FY 17		FY 18		FY 19	
		Submitted	Approved	Submitted	Approved	Submitted	Approved
1	T&D Losses	18.00%	16.50%	17.00%	16.00%	16.00%	15.50%
2	Collection Efficiency		98%		99%		100%
3	AT&C Losses		18.17%		16.84%		15.50%

6.6. Energy Efficiency

Petitioner's Submission

The Petitioner has submitted that under the Demand Side Management, there is a proposal of distribution of four lakh LED bulbs of 7 Watt each at a cost of Rs. 10 each to around one lakh domestic consumers. The draft petition to be filed with Hon'ble JERC is under vetting and approval of Administration. However, the expenditure sanction for Rs. 20,000/- being the fees for filing the petition under DSM has already been sanctioned.

Commission's Analysis

The Commission has noted the submissions of the Petitioner and directs it to submit the details of roll out plan along with year-wise potential savings along with the MYT Petition.

6.7. Energy Requirement

Petitioner's Submission

The Petitioner has submitted the projection of demand by grossing up the above consumption projections with distribution loss trajectory proposed by ED-A&N.

Commission's Analysis

Based on the approved sales and T&D losses approved by the Commission, energy requirement approved is as below.

Table 6.11: Energy requirement for the Control Period approved by the Commission (MU)

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Submitted	Approved	Submitted	Approved	Submitted	Approved
1	Sales within State (MU)	249.43	255.64	260.18	269.98	271.47	285.24
2	Savings under DELP (MU)	-	-	-	-	-	-
3	Total Sales	249.43	255.64	260.18	269.98	271.47	285.24
4	Loss (%)	18.00%	16.50%	17.00%	16.00%	16.00%	15.50%
	Loss (MU)	54.75	50.52	53.29	51.43	51.71	52.32
5	Energy Requirement at periphery (MU)	304.18	306.15	313.47	321.41	323.18	337.57

6.8. Power Procurement Plan & Transmission Losses

Petitioner's Submission

The Petitioner has submitted the energy requirement of ED-A&N is mainly met from own generation and power purchase from IPP (M/s Surya Chakra Corporation Limited), HPPs & NTPC (SPV). There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc. Own generation accounts for around 36.68% & 39.92% of the total power requirement for FY 2013-14 & 2014-15 respectively and power purchase accounts for around 63.32% & 60.08% of the total power requirement for 2013-14 & 2014-15 respectively and is estimated that approximately 42.36% & 57.64% of the total energy requirement for FY 2015-16 shall be met by own generation and power purchase respectively. The present scenario is likely to continue and is projected that energy requirement for FY 2016-17, FY 2017-18 and FY 2018-19 and mix of own generation and power purchase shall be in approximately in the ratio of 45 – 49 : 55 - 51.

Commission's Analysis

As per the Regulation 9.1 of the MYT Regulations, 2014, power purchase is an uncontrollable parameter. Thus, the power purchase has to be revisited every year by the Commission based on the audited accounts and latest prevailing fuel rates. The Commission finds it

appropriate to review and approve the power purchase quantum and cost at the time of finalization of MYT Order/APR Orders only.

Accordingly, the Commission, for the purposes of the business plan finds it appropriate only to approve the sources of power purchase for the utility. However, as the Petitioner has to rely on the supply from the generating stations operational in the islands only and cannot purchase from any other sources, the Commission directs the Petitioner to submit the island wise details of operational plants/upcoming plants for FY 2016-17 at the time of filing of MYT Petition along with details of planned shutdowns/phasing out of existing plants and at the time of annual filings of other 2 years. The Commission will accordingly approve the sources, quantum and cost annually at the time of approval of Tariff Orders of respective years of the MYT Control Period.

6.9. Renewable Purchase Obligation (RPO)

Petitioner's Submission

The Petitioner has submitted that it is ensuring 100% compliance through available resources.

Commission's Analysis

The Commission has made note of the submission of the Petitioner and expect the Petitioner to comply the same. Actual compliance in respect of the pending RPO obligations would be reviewed at the time of true-up of the respective years and all pending RPOs up-to FY 2014-15 (balance based on actual compliance) must be accounted for while submitting the data for FY 2015-16. Supporting details such as purchase of RECs, bills from solar/non-solar plants for the respective years must be submitted alongside during the MYT filing.

The Commission approves the RPO obligation for each year of the Control Period based on the JERC (Procurement of Renewable Energy) First Amendment Regulations 2014 as below.

Table 6.12: RPO obligation for each year approved by the Commission for the Control Period

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Submitted	Approved	Submitted	Approved	Submitted	Approved
1	Sales (MU)	249.43	255.64	260.18	269.98	271.47	285.24
2	Percentage (%)	3.95%	3.95%	4.30%	4.30%	4.65%	4.65%
	Solar	1.15%	1.15%	1.50%	1.50%	1.85%	1.85%
	Non-Solar	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
3	Million Units (MU)	9.85	10.10	11.19	11.61	12.62	13.26
	Solar	2.87	2.94	3.90	4.05	5.02	5.28
	Non-solar	6.98	7.16	7.28	7.56	7.60	7.99

The Commission, directs, that all pending RPO obligations up-to FY 2015-16 must be fulfilled by the Petitioner by 31st March 2016 and no backlog would be allowed to be carried forward to the Control Period FY 2016-17 to FY 2018-19. The Commission

expects that the Petitioner would give priority to obtaining physical solar and non-solar power.

6.10. Norms for Employee Costs

Petitioner's Submission

The Petitioner has submitted the norms for the employee expenses based on the regulations. It has submitted the norms based on the employee expenses norms to be determined based on number of personnel per 1000 consumers and till date has not submitted number of personnel per substation. The following table shows the number of personnel per 1000 consumers.

Table 6.13: Employee Expense Parameters submitted by Petitioner

S. No.	Particulars	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Estimated	FY 17 Estimated	FY 18 Estimated	FY 19 Estimated
a	Number of personnel per 1000 consumers	23.144	21.265	20.057	18.592	17.315	15.911	14.406
b	Annual employee expenses per personnel	189396.85	216593.01	268750	296058.9	312410.39	334053.55	362568.72

The Petitioner has further submitted that ED-A&N is now gearing up for meeting the operational requirement of servicing existing and additional new consumers in line with the Standards of performance which the licensees have to adhere to. Hence there would be an increase in O&M expenditure to support full-fledged distribution business operations. It has considered increase at the rate of 2.00% i.e. (WPI from 2013-14 to 2014-15) over the approved cost for the year 2015-16 to project the cost of O&M expenses.

Commission's Analysis

As per the provision 21 (b) of the MYT Regulations 2014, norm for Employee Expenses shall be defined in terms of combination of number of personnel per 1000 consumers and number of personnel per substation along with annual expenses per personnel.

The Commission has observed various discrepancies in the information submitted by the Petitioner in the Business Plan and information submitted subsequently during the TVS. While, the Petitioner has originally estimated Employee Expenses at an average WIP increase without considering any norm, it has subsequently submitted the information for norms.

The Commission also observed that the Petitioner has not given information of number of employees per substation as mandated by the regulations.

Further, the Petitioner has not yet prepared the accounts on commercial principles as previously directed by the Commission and only has submitted the proforma accounts up to FY 2011-12.

In absence of authentic and complete information, the Commission is constrained to approve the norms for Employees Expenses on provisional basis.

Table 6.14: Norms for Employee Expense approved by the Commission

Particulars	FY 13	FY 14	FY 15	3 Years Average
Number of employees at the end of the year (in Nos.)	2603	2488	2400	
No. of consumers in '000	112	117	120	
No. of Employees per 1000 consumers	23.14	21.26	20.06	21.49
Employee Cost (In Rs. Crores)	49.30	53.89	64.50	
Annual employee expenses per personnel	1,89,397	2,16,593	2,68,750	2,24,913

The Commission has also compared the information submitted by ED-A&N viz a viz the information provided by other Union Territories. The Commission has observed that while ED-Puducherry and ED Chandigarh have managed with almost 5~6 employees per 1000 consumers, ED-Daman and Diu with 4~5 employees per 1000 consumers, ED-DNH with 1~2 employees per 1000 consumers, ED-A&N has submitted almost three to four time manpower requirement per 1000 consumers which is not comparable.

While the Commission acknowledges the fact that there is limited consumer base and the topography is also very different from other Union Territories, the number of employees per 1000 consumers is still very high.

Further, the accounts from FY 2012-13 onwards are also not available to validate the information submitted by the Petitioner.

In view of above the Commission is constrained to approve the norms for Employee Expenses provisionally.

The Commission provisionally approves the norm of 21.49 employee per 1000 consumers on the basis of last 3 years average.

The Commission also provisionally approves the employee expense of Rs 2,24,913 per personnel on the basis of last 3 years average as reasonable for the Control Period FY 2016-17 to FY 2018-19 and approves the same provisionally. The same shall be considered as the base employee expense as at the end of the FY 2014-15 suitably escalated by the Wholesale Price Index (WPI) for immediately preceding three years, as per the Regulation 21.1 of the MYT Regulations 2014 to arrive at the employee expenses for the Control Period.

6.11. Norms for A&G Expenses

Petitioner's Submission

The Petitioner has further submitted that ED-A&N is now gearing up for meeting the operational requirement of servicing existing and additional new consumers in line with the Standards of performance which the licensees have to adhere to. Hence there would be an increase in O&M expenditure to support full-fledged distribution business operations. It has considered increase at the rate of 2.00% i.e. (WPI from 2013-14 to 2014-15) over the approved cost for the year 2015-16 to project the cost of O&M expenses.

Table 6.15: A&G Expense Parameters submitted by Petitioner

S. No.	Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
1	A&G expense per personnel	9182	10486	11167	5977	6317
2	A&G expense per 1000 consumers	212497	222989	223966	111116	109380

Commission's Analysis

As per the provision 21 (b) of the MYT Regulations 2014, norm for A&G Expenses shall be defined in terms of combination of A&G expense per personnel and A&G expense per 1000 consumers.

Table 6.16: A&G Expense Parameters approved by the Commission

Particulars	FY 13	FY 14	FY 15	3 Years Average
A&G Cost (In Rs. Crores)*	2.25	1.23	1.30	
Number of employees at the end of the year (in Nos.)	2603	2488	2400	
No. of consumers in '000	112	117	120	
A&G expense per personnel	8,644	4,944	5,417	6,335
A&G expense per 1000 consumers	2,00,050	1,05,087	1,08,640	1,37,926

* As per the details submitted in the petition

As the accounts from FY 2012-13 onwards are not available to validate the information submitted by the Petitioner, the Commission is constrained to approve the norms for A&G Expenses provisionally.

For purposes of arriving at the A&G expenses trajectory, the Commission has computed the A&G expenses per personnel and A&G expenses per 1000 consumers based on the average employee expenses of last three years. Based on the average employee expenses so arrived, the Commission has worked out the A&G expenses per employee of Rs. Rs 6,335 and A&G expense per '000 consumers of Rs. 1,37,926, which are considered reasonable for the Control Period and approved provisionally by the Commission.

The Commission approves the weightage of these two factors in overall A&G computation as 50:50 and same should be considered by the Petitioner while arriving at the A&G expenses for the Control Period during the MYT filing.

The A&G expenses for the Control Period would be determined in accordance with Regulation 21.3 of the MYT Regulations 2014. The treatment of the A&G expenses during the true-up would be in accordance with the provisions of Regulation 9.2, 10 and 11 of the MYT Regulations 2014.

6.12. Norms for R&M Expenses

Petitioner's Submission

As per the regulations, Repairs and Maintenance expenses (R&M) are to be calculated as percentage (as per norm defined) of opening GFA for the year. The Petitioner has submitted the following actual R&M expenses as below.

Table 6.17: R&M expense submitted by Petitioner

S. No.	Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
1	R&M Expense as %age of GFA	0.22	0.23	0.21	0.20	0.19

Commission's Analysis

As per the Regulation 21 (b) and 21.2 of the Multiyear Distribution Tariff Regulations 2014, norm for R&M Expenses shall be defined in terms of percentage of opening gross fixed assets for estimation of R&M expenses.

The Commission has computed the value of R&M as percentage of Gross Fixed Assets for FY 2013-14 and FY 2014-15 as follows:

Table 6.18: R&M expense submitted by Petitioner

Particulars	FY 14	FY 15	2 Years Average
R&M Expenses	43.75	38.98	
Opening GFA	99.63	110.92	
R&M expense as percentage of gross fixed assets	43.91%	35.14%	39.53%

The Commission observes that while the R&M Expenses of other UTs is in range of 2~3%, the R&M Expenses for ED-A&N is at exceptionally high range. Further, the accounts from FY 2012-13 onwards are not available to validate the information submitted by the Petitioner.

The Commission is of view that there is a possibility that some expenses of capital nature are being booked as R&M Expenses.

In view of the above, the Commission is constrained not to approve any norms for R&M Expenses.

The Commission directs the Petitioner to come up with complete details of Expenses towards Repair & Maintenance Expenses for the past years along with supporting documents at the time filing of MYT petition. The Commission will decide the R&M norms post validation of the information only at the time of MYT Order.

6.13. Normative levels of Availability for Wires and Supply Business

Petitioner's Submission

The Petitioner has not submitted the availability for wires and supply business for the Control Period from FY 2016-17 to FY 2018-19 based on the last three FY average data for the Andaman and Nicobar Administration.

Commission's Analysis

As per the provision 34 of the Multiyear Distribution Tariff Regulations, 2014

- a) *The availability index of wheeling business & supply business shall be maintained separately by the Licensee and informed to the Commission. The Distribution Licensee shall maintain data on planned maintenance outages, load shedding, force majeure outages and tripping.*
- b) *The incentive/disincentive shall exclude the circumstances when the actual supply differs from the contracted supply due to force majeure situations, weather conditions, extreme monsoon failure, station outages, etc. which are beyond the control of the Distribution Licensee.*
- c) *The Commission shall specify progressively increasing normative levels of Availability for Wires and Supply Business of the Distribution Licensee on the basis of past performance over the Control Period. Provided that the Availability of Supply Business shall not be lower than 90% and shall gradually increase to 95% or 98% in no less than three years.*

During the TVS, it was observed that the utilities are not clear on the approach for computation of Wires and supply availability as JERC Regulations does not give details on the approach for computation of same.

The Commission notes the constraints faced by the utilities as the regulations do not detail about the methodology for computation of the same. Further, there is also an issue of availability of reliable information regarding the base load data, which can make the whole exercise of computation of the availability indices futile. The Commission, for the purposes of this business plan order is not fixing any wires and supply availability index, however, the Commission is setting out the guidelines for determination of the same as below.

The wires availability shall be computed as below.

Wires Availability = $(1 - (\text{SAIDI} / 8760)) \times 100$

The SAIDI shall be computed in line with the provisions of JERC (Standards of Performance) Regulations, 2009.

The Supply Availability shall comprise of the following parameters in the proportion as mentioned below:

- | | | |
|-----|-------------------------------|------------|
| (a) | Base load Supply Availability | 75 percent |
| (b) | Peak load Supply Availability | 25 percent |

Base load Supply Availability shall be computed in accordance with the following formula: = (Actual Contracted Base Load Supply in MW) ÷ (Base load in MW)

Provided that the base load shall be calculated based on unrestricted demand of a Distribution Licensee for the retail supply of electricity.

Peak load Supply Availability shall be computed in accordance with the following formula: = (Actual Contracted Peak Load Supply in MW) ÷ (Peak load in MW).

Provided that the peak load shall be calculated based on unrestricted demand of a Distribution Licensee for the retail supply of electricity

The incentive/disincentive for wires and supply availability shall be laid out separately.

The Commission is of the view that since the network of Andaman and Nicobar Islands neither connected with the national GRID nor it is connected within itself across various islands, it is practically difficult for the Petitioner to achieve very high supply reliability. Therefore, the Commission finds it appropriate to exempt the Petitioner for submission of information pertaining to supply availability and expects that it shall endeavor to maintain high supply availability within the operational constraints.

However, the Petitioner is directed to start maintaining the data for wires availability in accordance with the above guidelines so that data reliability issues are not faced next time when the Commission comes out with the amendments to the regulations in this regard.

7. Directives based on the Business Plan Analysis

The Commission, herein, below is listing out the directives based on the analysis of the business plan carried out by the Commission. The directives as spelt out in the last tariff order dated 31st March 2015 stand as it is and the compliance of the same should be submitted to the Commission alongside the MYT tariff petition for FY 2016-17 to FY 2018-19.

7.1. Demand Side Management

The Commission directs the Petitioner to submit the details of roll out plan along with year-wise potential savings along with the MYT Petition.

7.2. Power Purchase

The Commission directs the Petitioner to submit the island wise details of operational plants/upcoming plants for FY 2016-17 at the time of filing of MYT Petition along with details of planned shutdowns/phasing out of existing plants and provide similar information at the time of annual filings of other 2 years also. The Commission will accordingly approve the sources, quantum and cost annually at the time of approval of Tariff Orders of respective years of the MYT Control Period.

7.3. Repair and Maintenance Expenses

The Commission directs the petitioner to come up with complete details of Expenses towards Repair & Maintenance Expenses for the past years along with supporting documents at the time filing of MYT petition. The Commission will decide the R&M norms post validation of the information submitted only at the time of finalization of MYT Order.

7.4. Renewable Purchase Obligation (RPO)

The Commission appreciates efforts being made by the Petitioner to fulfil the RPO obligation. The Commission expects that the Petitioner would give priority to obtaining the physical solar and non-solar power. The actual RPO compliance would be reviewed at the time of true-up of the respective years and all pending RPOs up-to FY 2014-15 (based on actual) must be accounted for by the FY 2015-16. Supporting details such as purchase of RECs, Invoices from solar/non-solar plants for the respective years be also submitted along with the MYT Petition filing.

The Commission directs the Petitioner that all pending RPOs up-to FY 2015-16 must be fulfilled by 31st March 2016 and no backlog would be allowed to be carried forward to the Control Period FY 2016-17 to FY 2018-19.

7.5. Capital Expenditure

The Commission directs the Petitioner to submit the work wise details under the head strengthening of Admin. & Infrastructure in Electricity Department with the MYT filing.

7.6. Connected Load

The Commission directs to submit the complete information for the Connected Load along with the projections for MYT Control Period along with the MYT Petition.

7.7. Unbundling and Corporatisation

As part of the Power Sector reforms as envisaged by the Electricity Act, 2003, the transmission and distribution activities are to be separated and independent corporations are to be formed. The transmission companies and the distribution companies thus formed under the Companies Act will have a distinct legal identity, apart from providing the management with better financial autonomy and more delegation of powers. Further, the new management structure ensures financial accountability and better consumer satisfaction.

The steps taken by the department in this regard are noted. However, the Petitioner is directed to speed-up its efforts in this regard and submit quarterly progress report in this regard before the Commission.

7.8. 100 MW Solar Park

Government of India has recently proposed that Andaman and Nicobar Islands will soon be converted into green islands.

100 MW solar park has been sanctioned by MNRE in May 2015. As per the minutes of meeting dated 06th October 2015 (between Secretary MNRE, Chief Secretary A&N Administration and senior officials of NTPC, REIL and RECI) provided by the petitioner:

- a) Ministry has already approved change of developer from SECI (RECI) to NTPC in view of its past experience.

- b) IIT Bombay will finalize the draft feasibility report based on comments provided by MNRE and NTPC.
- c) NTPC was asked to expedite the implementation of 1st Phase of solar park with battery backup in Mithakhari where 42.0 hectares of land has been allotted for 20 MWp Solar Plant.

While the Commission appreciates the efforts of the GoI, A&N Administration, MNRE and other stakeholders for conversion into green islands, the Commission is of view that a prudence check must be kept on the total requirement viz-a-viz generation of solar power and utility should ensure even distribution of such solar projects across different islands.

Annexure 1: Public Notices published by the Petitioner

The Echo of India, Port Blair (02nd November 2015)

owner show caused

notice has been issued to the owner and a suitable action will be taken after completion of the investigation process, Mr. Vijay said.

Home Stay facilities of Standardized World Class Services to the tourists, and to supplement the availability of accommodation in tourist destination. The basic idea is to provide a clean and affordable place for foreigners and domestic tourists alike including an opportunity for foreign tourists to stay with an Indian family to experience Indian customs and traditions and relish authentic Indian cuisine.

Annual Talent Fest of Ummat Public School begins today

PORT BLAIR, NOV 2/- The Annual Talent Fest of Ummat Public School, MiddlePoint, "Udaan", begins on 3rd November, 2015. The theme of the fest is "Going beyond studies". This is a unique fest organized by the school and there will be 21 events in a span of 10 days for the primary and middle level students. The aim is to provide them with an opportunity to showcase their talents and develop them to greater perfection. The fest will take them beyond the scholastic areas by organizing colourful, educative, creative activities and competitions. UPS strives for the overall personality development of its students. The two-week programme will culminate on

opened the deal for ratification by members late last year.

Since the Preparatory Committee on Trade Facilitation (PCTF) met on June 11 this year, the total number of ratifications received now cover 49 WTO members or around 45 per cent of the total needed to bring the TFA into force. The

Timeliness and predictability in the delivery of intermediate goods are important to the successful management of global value chains. The report further observes that the TFA could expand the participation of their small and medium enterprises in global trade, help to attract more foreign direct investment, increase

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Electricity Dept. submits business plan to JERC

PORT BLAIR, NOV 2/- Notice is hereby given to all consumers and stake holders that the Electricity Department, UT of Andaman & Nicobar, a Deemed Licensee, has filed the Petition For approval of Business Plan for the MYT Control Period FY 2016-17 to 2018-19 before the Joint Electricity Regulatory Commission (JERC) for the State of Goa and Union Territories, on 14 th September, 2015 under section 61, 62 & 64 of the Electricity Act 2003. The petition has been admitted by the Commission on 12.10.2015 and numbered as 185/2015.

Copies of filings and application are available in the office of the Superintending Engineer, Electricity Department Port Blair - 744101. Interested parties may inspect / peruse the said petition for Business Plan and take note thereof during office hours at the office. Copies of the above documents can also be obtained from the above offices on payment of Rs.200/- for each set from "Accounts Officer, Electricity Department, Port Blair". The detailed petition document is also available on Electricity Department, A&N website\ <http://electricity.and.nic.in> Objections/suggestions, if any, on the Petition for the Business Plan ,together with supporting

material may be filed with the Secretary, Joint Electricity Regulatory Commission (JERC) for Goa & UTs, Second floor, HSIIDC Office complex, VanijyaNikunj, Complex, UdyogVihar, Phase-V, Gurgaon - 122016 (Haryana) in five copies in person or through registered post so as to reach him on or before 15.11.2015. The Objection/suggestions as above should be filed in five copies and carry full name and postal address of the person sending the objections and should be supported by and affidavit duly attested. If the objection is filed on behalf of any organization or any class of consumers, same should also be mentioned. It may also be mentioned if the person putting in objection/comments wants to be heard in person.

JERC, after perusing the written objection received in response to this notice may invite such objection as it considers appropriate for a hearing on the specified dates which will be notified by the commission in due course. The Joint Electricity Regulatory Commission (JERC) can change the ARR as proposed in the Business Plan of ED-A&N based on the interaction at the Public hearing and after scrutiny of the records of ED- A&N, said a communication from the accounts Officer.

Food safety measures in view of ensuing festival

PORT BLAIR, NOV 2/- For the ensuing Diwali festival, a meeting with the representatives of Bakery

The Officers and Officials of Food Safety Department, apprised the Food Safety Norms, to be followed by the

warned against malpractices in preparation of Sweet items/ Bakery products and if found involved action

State level competition

PORT BLAIR, NOV of Education is organi Competition (SLEPC) the Department of Sc November, 2015 in th Senior Secondary Sch programme implem Technology Governr of talent amongst the carrier with research from class VI to X is innovative projects : Level Exhibition. The get opportunity to Exhibition & Project held in New Delhi. TI gured at 10.00 am. (awardees participates UT along with their g at the venue on 3rd N the exhibits positively

Adhyaksha takes

PORT BLAIR, NOV Zilla Parishad, Souti Adhyaksh, Executive Tushnabad and Colli During the visit, the being carried out by tl of a community hall : visited the selected s munity hall at Benga Govt. Secondary Sch Ray, MP, along with Pradhan, Collinpur problems of Manpur Management Comm benches and desks ea ment to start smart c Fund. Mr. Ray instru

Annexure 2: Public Notices published by the Commission for intimation of Public Hearing

The Echo of India, Port Blair (25th November 2015)

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Shailesh
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fan club
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said even
over the
a troupe.



continue restrictions in some parts of the city was taken in view of the apprehensions of law and order problems. Police and paramilitary CRPF forces have been deployed in

the restrictions have been placed in the city as authorities apprehended that separatists might try to use the Muharram procession for getting political mileage.



JOINT ELECTRICITY REGULATORY COMMISSION
(For the state of Goa and Union territories)
2nd Floor, HSIIDC Office Complex, Vanijya Nikunj Complex,
Udyog Vihar, Phase V, Gurgaon (Haryana)
Ph: 0124-2342851, 2342852 Fax: 0124-2342853
Email: secy-jerc@nic.in, Website: www.jercuts.gov.in

PUBLIC NOTICE

Notice is hereby given to all interested persons that Electricity Department of UT of Andaman & Nicobar has filed a petition for approval of its Business Plan for the MYT Control Period (FY 2016-17 to FY 2018-19) under Joint Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014. The same has been admitted under Petition No. 185/2015 and is available on Commission's website www.jercuts.gov.in

Interested persons may file objections/suggestions in six copies on the above Petition in person or through e-mail/registered post on or before 10th November, 2015 addressed to The Secretary, JERC (for Goa & UTs) with a copy to The Superintending Engineer, Electricity Department, Andaman & Nicobar Administration, Port Blair-744 101

The Commission will conduct a Public Hearing on 18.11.2015 at Port Blair



davp 34124/11/0012/1516

(Keerti Tewari)
Secretary



The Echo of India, Port Blair (16th November 2015)

Prolapsed, Thyroid,
Stones, Paralysis,
Spondylosis, B.P.,
Cholesterol, Stress,
Diabetics and its
complications, etc.,
Vasumathy Yoga Clinic
Cell: 9474234252,
234225,9932083322

 Guidance for 
MATHEMATICS JOIN
SUN EASY MATHS
At Junglighat
CLASS
B.Sc. (Maths)
XI & XII (Maths)
Engineering Maths
(BE/B.Tech./Poly)
(M) 9679597754
9474202184

Village Rangat Tehsil,
Middle Andaman.
Contact No.:
9476009379

JOINT ELECTRICITY REGULATORY COMMISSION
(FOR THE STATE OF GOA & UNION TERRITORIES)

2nd Floor, HSIIDC Office Complex, Vanijya Nikunj, Udyog Vihar, Phase-V
Gurgaon-122016, Haryana



Ph. 0124-2875302, Fax:- 0124-2342853,
Email : secv-ierc@nic.in Website: www.iercuts.gov.in

PUBLIC NOTICE

Further to the Public Notice published on 24.10.2015, the stakeholders of the UT of Andaman & Nicobar are hereby informed that the **Public Hearing in Petition No. 185/ 2015 for approval of Business Plan of Electricity Department, Andaman & Nicobar for the Control Period FY 2016-17 to 2018-19 under the Joint Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014** is scheduled to be held as under:

Date and Time	Venue
18th November, 2015 at 1000hrs onwards	Andaman & Lakshadweep Harbour Works near Multipurpose Hall near Phoenix Bay Jetty, Port Blair,

Immediately after the Hearing, the Commission shall interact with various stakeholders on the provisions of JERC Solar Power Regulations, 2015.

The above mentioned Petition is available on the website of the Commission at www.iercuts.gov.in and of Electricity Department, of Andaman & Nicobar at www.electricity.andd.nic.in Interested persons may appear before the Commission and submit their written/oral comments for consideration of the Commission on the day of Public Hearing.

davp 3412 4/11/0014/1516

(Keerti Tewari)
Secretary

Annexure 3: List of Objectors/Stakeholders present during the public hearing

The following is the list of the stakeholders who were present in the public hearing at 18th November 2015 at Port Blair.

Sl No	Name	Contact No.	E-mail - ID	Organization / Affiliation	Date	Signature
1.	Aleena Devi	9531957117		Electricity Department		
2.	Tabassum Shamshad	9434288652		-do-		
3.	K. Jayashree	9434285551		-do-		
4.	Necchi	9474228995	joysa.kalin@gmail.com	-do-		
5.	Maderna Begum	9933294353		-do-		
6.	Shahjahan Bibi	9933285838		-do-		
7.	Sunitha Devi	9933290428		-do-		
8.	K. SULTANA	9434262661		-do-		
9.	Natar. Rao	9474215072		-do-		
10.	Potut DEY	9434299231		-do-		
11.	GOMATHI	9434271483		-do-		
12.	K. Kaloyan	9933249793		-do-		
13.	George George	9933238286		Public		
14.	S. Tabassum	9933216900		Public		
15.	Shelly P. Abraham	9474215665		Public		
16.	Shilpa P.S.	9474214890		Electricity Dept		
17.	Shashi	9679549661		Electricity Dept		
18.	K. C. Usha.	9434269768		-do-		
19.	P. Unnula	9933281291		Electricity Dept		
20.	Saravane Varshese	9434242390		-do-		
21.	Rukama	9933290873		Electricity Dept		
22.	ARTI DEY			-do-		
23.	Nakamma Balam.	9434287452		-do-		
24.	Raj Kamal	9933293405		-do-		
25.	Srinivas Rao	9474212406		Public		
26.	Bishwajit Ghosh.	9474205232		Electricity Dept		
27.	T. Vasudevan.	9933253411		-do-		
28.	C. ISHANI	9434282503		Electricity Dept		

S/No	Name	Contract no	e-mail - ID	Organization/ Assn. Dr.
29	Deepo Narayanan.	9434278383		
30	Sudhan Kr. Khedkar	9474218929		
31	R. Kalidas	9474220224		
32	Mahesh	9454262448		
33	Chelanskyan	9521887825		
34	Farook Khan	9474235254		
35	K.M. Ruddy	9434282822		
36	Sagar Dasi	9521853666		
37	Kyud Muthunellayy	9475075895		
38	Sudhan Johnson	9434248367		
39	G. BHASKER ACEJ	9434281560		
40	Rachakrishna T	9434260154		
41	M. Nagaswara Rao	9434282824		
42	Ramesh Chandan	9434272799		
43	B. Suresh Kumar	9434270346		
44	Anand Narasimhan	9434283476		
45	C. Ramarajam	9434273797		
46	P. Prasad	9474216133		
47	K. Madhava Rao	9434282064		
48	Pradeep Kumar	9531804274		
49	P. Rajesh Kumar	9434267526		
50	R. Raji Kumar	9434288607		
51	Suresh Kumar	9434263066		
52	O.K. Abdul Gaffar	94742869240		
53	A. Sudhakar	9434262633		
54	C.S. Praveen	9933214586		
55	Bipul Mishra	9474222230		
56	Abdul Khader	9434274206		

Elec. Dept -
 Elec. Dept
 Elec. Dept
 Elec. Dept
 Elec. Dept
 JE Electricity
 AE Electricity
 AD, ED
 AD, Elec. Dept
 JE Elec. Dept
 PwC

rajulakshmi@gmail.com
 prajulakshmi@gmail.com

[Handwritten signatures and initials at the top of the table]

Sl. No.	Name	Contact No	e-mail id	Measurement / Remarks
57	Anand Ram	9476011591		Elect. mch Deptts
58	Bobbinson John			Pulm
59	K Ramu Rao	9933298703		Pulm
60	Vishwanath			Pulm
61	P. Maideen			Esse Pulm
62	Ranjith K R	9976022165		Esse Pulm
63	Jacob Hota Andaman	9434280298		Esse Pulm
64	Residency, G/Chas			Esse Pulm
65	Prejeshwar Acc 1	9432275555		Esse Pulm
66	Naveen hall (J-E)	9434281700		Esse Pulm
77	B. Ajit Kumar	94342870751		Esse Pulm
78	Kanuna Jaythan	9434262900		Esse Pulm
79	K.G. Ravindran	9434266970		Esse Pulm
80	M. Jayaram	9434285767		Esse Pulm
81	Arun Saju gurava	9434288234		Esse Pulm
82	Mohd. Jafar	9932080315		Esse Pulm
83	Krushna	9932081252		Esse Pulm

classmate
Date _____
Page _____

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Date _____
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