TARIFF ORDER

Aggregate Revenue Requirement (ARR) for the 2nd MYT Control Period (FY 2019-20 to FY 2021-22) and Determination of Retail Tariff for the FY 2019-20

Petition No. 268/2018

For

Electricity Department, Government of Puducherry (PED)

20th May 2019

JOINT ELECTRICITY REGULATORY COMMISSION
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List of abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
AMR	Automatic Meter Reading
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal of Electricity
BPL	Below Poverty Line
CAGR	Compound Annualized Growth rate
Capex	Capital Expenditure
CC	Current Consumption
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
COD	Commercial Operation Date
Cr	Crores
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
Discom	Distribution Company
DSM	Deviation Settlement Mechanism
DT	Distribution Transformer
ED	Electricity Department
EHT	Extra High Tension
ERP	Enterprise Resource Planning
FPPCA	Fuel and Power Purchase Cost Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
IEX	Indian Energy Exchange Limited
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISTS	Inter-State Transmission System
JERC	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
KSEB	Kerala State Electricity Board Limited
LT	Low Tension
MCLR	Marginal Cost of funds based Lending Rate
MU	Million Units
MYT	Multi-Year Tariff
NFA	Net Fixed Assets
NTI	Non-Tariff Income

Abbreviation	Full Form
NTPC	NTPC Ltd.
OHOB	One Hut One Bulb
O&M	Operation and Maintenance
PLF	Plant Load Factor
PLR	Prime Lending Rate
PSDF	Power System Development Fund
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
R-APDRP	Restructured Accelerated Power Development and Reforms Programme
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI PLR	SBI Prime Lending Rate
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Center
SOP	Standard of Performance
T&D	Transmission & Distribution
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory

Before the

Joint Electricity Regulatory Commission

For the State of Goa and Union Territories, Gurugram

QUORUM

Sh. M. K. Goel, Chairperson

Smt. Neerja Mathur, Member

Petition No. 268/2018

In the matter of

Approval for the True-up of the FY 2017-18, Annual Performance Review for the FY 2018-19, Aggregate Revenue Requirement (ARR) for the 2nd MYT Control Period (FY 2019-20 to FY 2021-22) and Retail Tariff for the FY 2019-20.

And in the matter of

Electricity Department, Government of Puducherry (PED)..Petitioner

ORDER

Dated: 20th May 2019

1) This Order is passed in respect of a Petition filed by the Electricity Department, Government of Puducherry (PED) for approval of True-up of the FY 2017-18, Annual Performance Review for the FY 2018-19, Aggregate Revenue Requirement (ARR) for the 2nd MYT Control Period (FY 2019-20 to FY 2021-22) and Retail Tariff for the FY 2019-20.

2) On receipt of the Petition, the Commission scrutinised its contents and requisitioned further information/ clarifications on the data gaps observed in the Petition to take a prudent view of the Petition. The Commission also held a Technical Validation Session to determine sufficiency of data and the veracity of the information submitted. Further, suggestions/ comments/ views were invited from the public/ stakeholders. A Public Hearing was also held and the stakeholders/ public were heard.

3) The tariff, as detailed in the Chapter "Tariff Schedule", Open Access Charges and other provisions as approved in this Order shall come into force from 1st June 2019 and shall remain valid till further Orders of the Commission.

4) The licensee shall publish the revised Tariff Schedule and its salient features within one week of receipt of the Order in three daily newspapers in the respective local languages of the region, besides English, having wide circulation in their respective areas of supply and also upload the Tariff Order on its website.

5) The Commission has not carried out the True-up for the FY 2017-18 and the Annual Performance Review (APR) of the FY 2018-19 due to non-submission of requisite accounts and information by the Petitioner. The Commission shall revisit the ARR for the FY 2017-18 after the submission of audited accounts by the Petitioner.

6) The Commission based on the Petitioner's submission, relevant MYT Regulations, facts of the matter and after proper due diligence has approved the ARR for the 2nd MYT Control Period along with the Retail Tariff for the FY 2019-20.

7) A Summary has been provided as follows:

(a) The following table provides ARR, Revenue and Standalone Gap/ (Surplus) at existing tariff (excluding Regulatory Surcharge) as submitted by the Petitioner and approved by the Commission for the FY 2019-20:

Table 1: Standalone Revenue Gap/ (Surplus) at existing tariff for the FY 2019-20 (INR Cr)

S. No	Particulars	Petitioners Submission	Now Approved
1	Annual Revenue Requirement	1,496.96	1,508.94
2	Revenue from sale of power at existing tariff	1,417.73	1,441.85
	Standalone Revenue Gap/ (Surplus)	**79.24**	**67.10**

(b) On account of the projected standalone revenue gap during the FY 2019-20, average retail tariff for the FY 2019-20 has been marginally increased by 4.59%. Furthermore, the Commission retains the Regulatory Surcharge of 4% in order to continue to recover the cumulative revenue gap of INR 152.47 Cr approved till FY 2018-19. The following table provides the standalone revenue gap/ (surplus) (including Regulatory Surcharge) at approved tariff for the FY 2019-20:

Table 2: Standalone Revenue Gap/ (Surplus) at approved tariff for the FY 2019-20 (INR Cr)

Particulars	Petitioner's Submission	Now Approved
Net Revenue Requirement (a)	1,496.96	1,508.94
Revenue from Retail Sales at Approved Tariff (b)	1,417.73	1,508.03
Revenue from Regulatory Surcharge (c)	141.77	60.32
Revenue from Open Access Charges (d)	-	-
Total Revenue (e= b+c+d)	1,559.50	1,568.35
Standalone Gap /(Surplus) for the year (f=a-e)	**(62.54)**	**(59.40)**

(c) Accordingly, the cumulative revenue gap/ (surplus) at approved tariff by the end of the FY 2019-20, as approved by the Commission is given in the following table:

Table 3: Cumulative Revenue Gap/ (Surplus) now approved by the Commission (INR Cr)

Particulars	FY 2018-19*	FY 2019-20
Opening Gap/ (Surplus) (g)	198.85	152.47
Add: Gap/ (Surplus) (h)	(59.89)	(59.40)
Closing Gap/ (Surplus) (i=g+h)	138.95	93.06
Carrying Cost (j)	13.51	-
Final Closing Gap/ (Surplus) (i+j)	**152.47**	**93.06**

*As approved in the ARR Order for the FY 2018-19

8) The Commission, in this Order, has made every effort to rationalize the tariffs so that they gradually reflect the true cost to service a category of consumer in accordance with the provisions of the Act. Accordingly, the Commission has approved relatively higher increase in tariff for the cross-subsidized categories than the cross-subsidizing categories.

9) The Commission has approved an average tariff hike of 4.59% while retaining the regulatory surcharge of 4% for the FY 2019-20.

10) The Commission believes that the demand for charging infrastructure for electric vehicles will increase in the near future due to increased commercialization. Furthermore, the Commission is of the opinion that to impart the necessary impetus for the adoption of E-Vehicles in the UT, a sustainable framework has to be developed and having a designated electricity tariff is the first step towards achieving it. Therefore, keeping in view the anticipated demand and need, the Commission introduces a new category namely Electric Vehicle Charging Stations for consumers setting up infrastructure for charging of Electric vehicles/ Electric rickshaws etc. and has fixed the tariff as per the guidelines of Ministry of Power, Govt. of India.

11) Ordered as above, read with the attached document giving detailed reasons, grounds and conditions.

-Sd-	-Sd-
(Neerja Mathur)	**(M.K. Goel)**
Member	**Chairperson**

Place: Gurugram
Date: 20th May 2019

(Certified Copy)

Rakesh Kumar

1. Chapter 1: Introduction

1.1. About Joint Electricity Regulatory Commission (JERC)

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

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

1.2. About Electricity Department, Govt. of Puducherry

The Electricity Department of the UT Administration of Puducherry (hereinafter referred to as 'ED Puducherry' or 'EDP' or 'PED'), is a deemed licensee under Section 14 of the Electricity Act 2003 and is carrying out the business of transmission, distribution and retail supply of electricity in Puducherry, Karaikal, Yanam and Mahe regions of the Union Territory of Puducherry. ED Puducherry is divided into three circles, each headed by a Superintending Engineer. There are ten Technical Divisions across the three circles, each headed by an Executive Engineer.

The region wise profile (as on FY 2018-19) of the regions served by ED Puducherry is given below:

Table 4: Region wise profile (as on FY 2018-19) of the regions served by ED Puducherry

Sl. No.	Puducherry Region	Karaikal Region	Mahe Region	Yanam Region	Total UT of Puducherry
Consumers Nos. Dispersion	74%	18%	4%	4%	100%
Connected Load (kW)	75%	15%	5%	5%	100%
Energy Sales (MU)	79%	16%	2%	2%	100%
Area (Sq. Km)	60%	32%	2%	6%	100%
T&D Losses (%)	13%	13%	10%	10%	12.52%

The key duties being discharged by ED Puducherry are:

- To develop and maintain an efficient, coordinated and economical transmission and distribution system;
- To supply electricity on an application of the consumer in accordance with the provisions specified in the Electricity Act 2003;
- To provide non-discriminatory open access to the consumers;
- To establish a forum for redressal of grievances of the consumers.

The EDP does not have its own generation and procures power from various Central Generating Stations (CGS), neighbouring state utilities and the state-owned Puducherry Power Corporation Limited (PPCL), which runs a 32.5 MW gas-based combined cycle power plant in the Karaikal region. The entire power generated from PPCL is consumed within the Karaikal region.

EDP operates a transmission network of 230 kV & 110 kV and distribution network at 33 kV, 22 kV, 11 kV and at LT levels. It supplies power to consumers through its 18 EHV substations, 489 km of EHT line, 2294 km of HT line, 2877 distribution transformers and 3845 km of LT line. EDP also has 90 km of HT and 535 km of LT underground cabling for certain urban areas.

State Load Dispatch Center (SLDC), which is under the control of the ED (Puducherry), interacts with Regional Load Dispatch Centre (RLDC) for optimum scheduling and dispatch of electricity. It monitors grid operation on real time basis and passes on necessary instructions to field staff to control the flow of energy.

1.3. Multi Year Distribution Tariff Regulations, 2014

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi) (Multi-Year Distribution Tariff) Regulations, 2014 (hereinafter referred to as MYT Regulations, 2014) on 30th June 2014 applicable for a three year Control period starting from FY 2015-16 till FY 2017-18. The Commission subsequently notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi) (Multi-Year Distribution Tariff) (First Amendment) Regulations, 2015 on 10th August 2015 shifting the MYT Control Period to FY 2016-17 to FY 2018-19. These Regulations are applicable to all the distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

1.4. Multi Year Tariff Regulations, 2018

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

1.5. Approval of Business Plan for 2nd MYT Control Period

In accordance with the Clause 8.1 of the JERC MYT Regulations, the Petitioner filed the Petition for approval of Business Plan for 2nd Multi-Year Control Period from FY 2019-20 to FY 2021-22 on 31st August 2018. The Commission issued the Business Plan Order for the MYT Control Period (hereinafter referred to as 'Business Plan Order') on 31st October 2018.

1.6. Filing and Admission of the Present Petition

The present Petition was filed vide letter dated 3rd December 2018, received at the Commission's office on 3rd December 2018 (soft copy) and 5th December 2018 (hard copy), admitted on 10th December 2018 and marked as Petition No. 268/2018.

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 the Secretariat of the Commission responsible for carrying out technical due diligence and validation of data of the Petitions filed by the utilities, obtaining and analysing information/clarifications received from the utilities, and submitting relevant issues for consideration of the Commission.

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

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

Table 1: List of interactions with the Petitioner

S. No	Subject	Date
1	Issue of First Discrepancy Note	11.12.2018
2	Public hearing	22.01.2019
3	Petitioner's reply to the Stakeholders' comments sought by the Commission	28.01.2019, 05.02.2019
4	Technical Validation Session	03.01.2019
5	Issue of 2nd Discrepancy Note	04.01.2019
6	Replies received from the Petitioner with regard to Discrepancy Notes	31.01.2019, 02.02.2019, 03.02.2019, 04.02.2019, 18.02.2019, 19.02.2019
7	Replies received from the Petitioner with regard to Stakeholders' comments	07.02.2019, 15.02.2019

1.8. Notice for Public Hearing

The Petitioner published the Public Notices for inviting suggestions/ comments from stakeholders on the Tariff Petition as given below:

Table 5: Details of Public Notices published by the Petitioner

S. No.	Date	Name of Newspaper	Language	Place of circulation
1	26.12.2018	New Indian Express	English	Puducherry, Karaikal, Mahe & Yanam
2	26.12.2018	The Daily Thanthi	Tamil	Puducherry & Karaikal
3	26.12.2018	Dinakaran (M/s KAL Publications Ltd.)	Tamil	Puducherry & Karaikal
4	30.12.2018	Kerala Kaumudi	Malayalam	Mahe
5	29.12.2018	Janamitra	Telugu	Yanam

Copy of each of the Public Notices published by the Petitioner is attached as **Annexure 1** of this Order.

The Commission also published Public Notices in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearing conducted by the Commission on 22nd January 2019 from 10 AM onwards at Puducherry State Co-operative Union Building, Suffren Street, Puducherry.

Table 6: Details of Public Notices published by the Commission

Sl. No.	Date	Name of Newspaper	Language	Place of Circulation
1	25.12.2018, 19.01.2019	The New Indian Express	English	Tamil Nadu, Kozhikode & Vijayawada
2	25.12.2018, 19.01.2019	Kerala Kaumudi	Malayalam	Thrissur
3	25.12.2018, 19.01.2019	Dina Thanthi	Tamil	Puducherry
4	25.12.2018, 19.01.2019	Malai Malar	Tamil	Puducherry
5	18.01.2019	Andhra Jyoti	Telugu	Vijayawada

Copy of each of the Public Notices published by the Commission for intimation of the Public Hearing is attached as **Annexure 2** to this Order. These notices were also uploaded on the Commission's website.

1.9. Public Hearing

The Public Hearing was held on 22nd January 2019 at Puducherry State Co-operative Union Building, Suffren Street, Puducherry to discuss the issues related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2.

2. Chapter 2: Summary of Suggestions/ Comments received, Response from the Petitioner and the Commission's Views

2.1. Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, upload the Petition on the website and also publish the same in the newspapers in an abridged form in the given format duly inviting suggestions/ comments from the public as per the provisions of the MYT Regulations, 2014 and MYT Regulations, 2018.

The Public Hearing was held on 22nd January 2019 at Puducherry State Co-operative Union Building, Suffren Street, Puducherry on the Petition for the True-up of the FY 2017-18, APR of the FY 2018-19, Aggregate Revenue Requirement (ARR) for the 2nd MYT Control Period (FY 2019-20 to FY 2021-22) and Retail Tariff for the FY 2019-20. During the Public Hearing, a few of the stakeholders who had submitted their comments in writing also presented their views in person before the Commission. Other participants from the general public, who had not submitted written suggestions/ comments earlier, were also given an equal opportunity to present their views/ suggestions in respect to the Petition.

The list of the Stakeholders is attached as **Annexure 3** to this Order.

2.2. Suggestions/ Comments of the Stakeholders, Petitioner's Response and Commission's Views

The Commission is appreciative of the efforts of various stakeholders in providing their suggestions/ comments/ observations to make the Electricity Distribution Sector responsive and efficient. The Commission has noted the concerns of all the stakeholders and has tried to address them to the extent possible in the Chapters on tariff design and Directives. The Commission while finalizing the Tariff Order has suitably considered relevant observations. The submissions of the stakeholders, Petitioner's response and views of the Commission are summarized below:

2.2.1. Increase in Regulatory Surcharge

Stakeholders' Comments:

Proposal for a steep increase of surcharge from 4% to 10% will severely affect existing businesses, including closure of large industries and MSME units. The Commission should not consider this proposal.

Petitioner's Response:

Surcharge is levied for not only the gap of the current year but also the unrecovered gap of previous years, carried forward until the current year. Hence, an increase in regulatory surcharge to 10% would ensure faster recovery of previous years' gap, i.e. for the FY 2016-17,FY 2017-18 and FY 2018-19 (INR 192.44 Cr) and current year gap of INR 79.24 Cr for the FY 2019-20, so that it does not affect the future years.

Commission's View:

After examining the submissions of the Petitioner, the Commission has taken a prudent view to retain the 4% Regulatory Surcharge for the FY 2019-20 in order to recover the revenue gap carried over from the preceding years. However, the Commission has marginally increased the average retail tariff for the FY 2019-20 in order to recover the standalone revenue gap for the FY 2019-20. The Commission has detailed its reasoning for the same in Chapter 6 of this Order.

2.2.2. Minimum Demand Charge

Stakeholders' Comments:

Considering the signs of economic recession, industries require minimum demand charge of 75% of contracted demand as against 85% finalized by the Commission. This will help them during times of lower orders and bad market conditions.

Petitioner's Response:

The minimum demand charges were increased from FY 2018-19 onwards and the increase in charges was made to ensure the optimum operation of the industries.

Commission's View:

The Commission notes the Stakeholders' concern. However, the minimum demand charge of 85% of the contracted demand for the FY 2019-20 has been retained to ensure adequate recovery of fixed charges. Further, the industries that currently have very high contract demand can get it reduced as per the latest Supply Code Regulations notified by JERC.

2.2.3. Time of Day Tariff Rates

Stakeholders' Comments:

As per the Time of Day tariff proposal by the PED, the Peak rate is proposed as 120% of normal rate. Similarly, the off-peak rate should be 80% of the normal rate instead of the proposed 90% of normal rate to encourage industries to plan their electricity usage accordingly.

Petitioner's Response:

The request of the consumers to fix the off-peak rate at 80% of normal rate is not reasonable.

Commission's View:

The off-peak energy charges as 90% of normal rate of energy charges has been retained, as the Commission is of the opinion that the current off-peak energy charges provide adequate incentive to the consumers to shift their consumption pattern.

2.2.4. Cross Subsidy

Stakeholders' Comments:

While the stakeholders understand that they are socially required to aid agriculture consumers with subsidized electricity charges, they opine that this should not be burdened on industries and commercial establishments. The Government of Puducherry should instead provide the subsidy for the agriculture consumers.

Petitioner's Response:

The tariff for the agricultural consumers are being increased gradually and since the tariff for other Government categories are relatively high, it does not agree with the stakeholders' contention.

Commission's View:

The Stakeholders' reasoning concerning elimination of cross subsidies is noted. The Commission is making every effort to gradually reduce the cross-subsidy between consumer categories with respect to the cost of supply in accordance with the provisions of the Act. The Commission, in this Order, has ensured relatively higher increase in tariff for the cross-subsidized categories than the cross-subsidizing categories. Further, the decision to provide direct subsidies is upto the Government of Puducherry and is beyond the ambit of the Commission's jurisdiction.

2.2.5. Audited accounts for the FY 2017-18

Stakeholders' Comments:

The stakeholders requested the timely submission of the audited/provisional accounts for the FY 2017-18.

Petitioner's Response:

PED was not able to submit the audited accounts for the FY 2017-18 due to constraints with regard to timely approvals from the Government of Puducherry.

Commission's View:

The Stakeholders' concern with regard to this topic is noted. The Commission, in this Order, has directed the Petitioner to submit its audited accounts for the FY 2017-18 and FY 2018-19 along with its Petition for determination of tariff for the FY 2020-21 in Chapter 3 of this Order.

2.2.6. Improper Metering

Stakeholders' Comments:

Improper and inefficient metering practices are among the major reasons for exorbitantly high monthly energy bills.

Petitioner's Response:

The Department has already initiated action to inspect all the services for updating the connected load, the status of the meters and to identify the non-existence of the services. These inspections would also facilitate the Department to curb the misuse of power by consumers. The Department has also initiated action to upgrade the existing billing software incorporating the regulatory requirements.

Commission's View:

The Petitioner's efforts to curb the misuse of power are noted. The Petitioner is directed to submit a detailed status report to the Commission on the action taken within two months of the issuance of this Order.

2.2.7. Infrastructure and Connectivity

Stakeholders' Comments:

The current distribution system is inadequate for the UT. Numerous T&D lines are in a dilapidated condition, many transformers need replacement and the connectivity is poor in rural areas. The stakeholders also indicated that the Petitioner's R&M expenses were lower than approved and questioned the department's commitment towards ensuring reliability of the distribution network.

Petitioner's Response:

The existing Transmission and Distribution system has the flexibility to provide stable, reliable and uninterrupted power supply to all types of consumers and has spare capacity to meet the growing power demand for the following 2-3 years. Regarding R&M expenses, the department generally carries out all the required maintenance works based on the fund allocation made by the Government and ensures the 24x7 availability of power to all the consumers including agriculture consumers. Further, the fund allocation to R&M works will be enhanced in the coming years as per requirement. The department is also carrying out infrastructure development under the schemes of R-APDRP, IPDS & DDUGJY introduced by the Government of India.

Commission's View:

The Petitioner is directed to ensure that the service levels to the consumers are maintained in line with the JERC (Standards of Performance) Regulations applicable from time to time. With regard to the current infrastructure, the Commission would like to point out that considerable capital expenditure investments for the ensuing MYT Control Period (~INR 635 Cr) have been approved in this Order to improve the existing infrastructure. Further details of the approved capital expenditure plan are available in the Commission's Business Plan Order dated 31st October 2018 and section 5.10 of this Order.

2.2.8. Frequency of CGRF meetings

Stakeholders' Comments:

The number of CGRF meetings held are not sufficient to address all the consumer grievances and request for an increase in the frequency of the same.

Petitioner's Response:

The details of the CGRF meetings conducted in FY 2018-19 were presented to the Stakeholders during the Public Hearing.

Commission's View:

The Stakeholders are advised to bring their grievances to the notice of PED and if the same are not addressed, the Stakeholders may approach the CGRF. The CGRF is expected to conduct the hearings at various geographic locations based on the locations of the consumers. It is also expected to adequately publicize the meetings so that the public is sufficiently aware of the details of the meetings. The redressal of grievances is monitored by the Commission on a quarterly basis to ensure that they are being addressed in a timely manner.

2.2.9. Use of subsidized energy to OHOB/Agricultural Consumers

Stakeholders' Comments:

The subsidized energy supplied to OHOB/ Agricultural consumers is being used for purposes other than intended use of the connections. Agricultural consumers are using their subsidized energy for commercial activities, which is not justified.

Petitioner's Response:

The Department has already initiated action to inspect all the services for updating the connected load, the status of the meters and to identify the misuse of the services. These inspections would also facilitate the Department to curb the misuse of power by consumers. The Department has also initiated action to upgrade the existing billing software incorporating the regulatory requirement.

Commission's View:

The Petitioner's efforts to curb the unauthorized use of power are noted. The Petitioner is directed to inspect the relevant premises as per the provisions of the Act, the prevalent Supply Code Regulations notified by the JERC and this Order.

2.2.10. Collection of Arrears

Stakeholders' Comments:

The arrears due from bill defaulters need to be collected at the earliest to ensure efficient recovery of the revenue gap.

Petitioner's Response:

The Department is conducting a special disconnection drive after making prior announcement in the public media to recover dues. Even the Govt. departments/ local bodies are being pursued to make the payments towards the arrears.

Commission's View:

The Petitioner's efforts are noted. The Petitioner is directed to act proactively and in accordance with Section 56 of the Act and the JERC (Electricity Supply Code) Regulations, 2018 applicable from time to time, to address such issues of default.

2.2.11. Manpower deployment

Stakeholders' Comments:

The various substations owned by the PED are poorly staffed and do not have adequate manpower to meet the demands of the region. This results in inefficiency in the distribution network.

Petitioner's Response:

The requirement of additional manpower for the new sub-stations/new works will be considered in the project report for the JICA.

Commission's View:

The Petitioner is directed to ensure that the service levels are maintained in line with the JERC (Standards of Performance) Regulations applicable from time to time. Accordingly, the Petitioner is expected to have adequate manpower for maintenance of the existing transmission and distribution network. In light of the above, the Commission in Chapter 9 of this Order has directed the Petitioner to submit the employee cost/manpower study along with a detailed proposal indicating the requisite manpower required at each level while filing the tariff petition for the FY 2020-21.

2.2.12. Lack of energy saving efforts

Stakeholders' Comments:

PED lacks in its efforts to promote power savings and energy efficiency. Only 2 LED bulbs were provided to the consumers and the PED itself is using conventional and inefficient lighting.

Petitioner's Response:

The Department is already in the process of procuring the energy efficient/ star rated electrical equipment as per the guidelines of BEE and all the Government Departments have also been requested to use LED bulbs and star rated fans as per the guidelines issued by MOP.

Commission's View:

The Petitioner's efforts are noted. The Petitioner is directed to expedite the procurement and distribution of energy efficient/ star rated electrical equipment.

3. Chapter 3: True-up for the FY 2017-18

3.1. Applicable Regulations for True-up

The True-up for the FY 2017-18 has to be carried out in accordance with Regulation 8(2) of the MYT Regulations, 2014, stated as follows:

"(2) After audited accounts of a year are made available, the Commission shall undertake similar exercise as above with reference to the final actual figures or the provisional actual accounts as available as per the audited accounts. This exercise with reference to audited accounts shall be called 'Truing Up'.

The Truing Up for any year will ordinarily not be considered after more than one year of 'Review'.

(3) The revenue gap/surplus, if any, of the ensuing year shall be adjusted as a result of review and truing up exercises.

(4) While approving such expenses/revenue to be adjusted in the future years as arising out of the Review and/or Truing up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenue. Carrying costs shall be limited to the interest rate approved for working capital borrowings.

(5) For any revision in approvals, the licensee would be required to satisfy the Commission that the revision is due to conditions beyond its control.

(6) In case additional supply is required to be made to any particular category, the licensee may, any time during the year make an application to the Commission for its approval. The application will demonstrate the need for such additional supply of power and also indicate the manner in which the licensee proposes to meet the cost for such additional supply of power."

3.2. Approach for Truing-up of the FY 2017-18

The Regulations quoted above require audited accounts be made available for the 'Truing Up' exercise of the appropriate year to be carried out. However, the Petitioner has failed to submit audited accounts for the FY 2017-18. The Petitioner, during the Technical Validation Session (TVS), has communicated to the Commission that the audited accounts for the FY 2017-18 could not be submitted due to constraints related to timely approvals from the Government of Puducherry.

Accordingly, the Commission is not carrying out the Truing Up exercise in the current Order. Any parameter considered for the determination of ARR and revenue gap/surplus in the subsequent chapters will be considered as per the Commission's True-up Order for the FY 2016-17 dated 28th March 2018 and the Commission's APR Order for the FY 2017-18 dated 28th March 2018. Further, the Commission directs the Petitioner to submit the audited accounts for the FY 2017-18 and FY 2018-19 along with Petition for determination of ARR for the FY 2020-21.

4. Chapter 4: Annual Performance Review for the FY 2018-19

4.1. Applicable Regulations for Annual Performance Review

The Annual Performance Review (APR) for the FY 2018-19 is to be carried out as per the following provisions of Regulation 8 of the JERC for the State of Goa and Union Territories (except Delhi) (Multi Year Distribution Tariff) Regulations, 2014:

"(1) The Commission shall undertake a review along with the next Tariff Order of the expenses and revenue approved by the Commission in the Tariff Order. While doing so, the Commission shall consider variations between approvals and revised estimates/actuals of sale of electricity, income and expenditure for the relevant year and permit necessary adjustments/ changes in case such variations are for adequate and justifiable reasons. Such an exercise shall be called 'Review'.

…

(3) The revenue gap/surplus, if any, of the ensuing year shall be adjusted as a result of review and truing up exercises.

(4) While approving such expenses/revenue to be adjusted in the future years as arising out of the Review and/or Truing-up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenue. Carrying costs shall be limited to the interest rate approved for working capital borrowings.

(5) For any revision in approvals, the licensee would be required to satisfy the Commission that the revision is due to conditions beyond its control.

(6) In case additional supply is required to be made to any particular category, the licensee may, any time during the year make an application to the Commission for its approval. The application will demonstrate the need for such additional supply of power and also indicate the manner in which the licensee proposes to meet the cost for such additional supply of power."

4.2. Approach for Annual Performance Review of the FY 2018-19

The review of the Aggregate Revenue Requirement requires assessment of the quantum of energy sales, T&D loss level achieved as well as various cost elements like Power Purchase Cost, O&M expenses, capital expenditure, capitalization, interest on long-term loans, interest on working capital loans, etc. However, the Petitioner has failed to submit all the requisite information necessary to conduct the APR exercise for the FY 2018-19. In view of the above, the Commission has not carried out the APR exercise for the FY 2018-19. Further, the Commission directs the Petitioner to submit the requisite data for APR of the FY 2019-20 along with Petition for determination of ARR for the FY 2020-21.

5. Chapter 5: Determination of Aggregate Revenue Requirement for the FY 2019-20, FY 2020-21 and FY 2021-22 (2nd MYT Control Period)

5.1. Background

In this Chapter, the Commission has determined the Aggregate Revenue Requirement (ARR) for the FY 2019-20, FY 2020-21 and FY 2021-22 (2nd MYT Control Period). The determination of Aggregate Revenue Requirement has been done in accordance with the MYT Regulations, 2018.

5.2. Approach for determination of ARR for each year of the 2nd MYT Control period

The Commission has computed the individual elements constituting the Aggregate Revenue Requirement for each year based on figures approved in the Business Plan Order dated 31st October 2018, the actual available information of various parameters for the FY 2016-17 as per the audited accounts and the provisional information available for the FY 2017-18 and the FY 2018-19. The ARR has been determined for each year of the Control Period whereas the revenue at existing tariff is determined only for the FY 2019-20 to arrive at the revenue gap/surplus for the FY 2019-20.

5.3. Projection of Number of consumers, Connected Load and Energy Sales

Petitioner's Submission

The Petitioner has considered the same number of consumers, connected load and energy sales as approved by the Commission in the Business Plan Order.

Table 7: Number of consumers submitted by the Petitioner for the 2nd MYT Control Period

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
		Approved	Approved	Approved
1	Domestic	346,562	357,410	368,596
2	OHOB	35,537	35,537	35,537
3	Commercial	56,351	575,86	58,847
4	Agriculture	7,005	7,038	7,071
5	Public Lighting	50,899	51,133	51,368
6	LT Industrial	6,782	6,839	6,898
8	HT I	474	485	496
9	HT II	68	72	76
10	HT III	7	7	7
	Total	**503,685**	**516,107**	**528,896**

Table 8: Connected load submitted by the Petitioner for the 2nd MYT Control Period (kW)

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
		Approved	Approved	Approved
1	Domestic	580,218	606,966	634,947
2	OHOB	2,843	2,843	2,843
3	Commercial	138,600	149,522	161,304
4	Agriculture	44,654	44,654	44,654
5	Public lighting	6,242	6,304	6,367
6	LT Industrial & water tank	130,242	132,821	135,451
7	HT I	366,965	378,964	391,356
8	HT II	36,910	40,601	44,661
9	HT III	133,280	139,931	146,913
12	**Total**	**1,439,954**	**1,502,606**	**1,568,496**

Table 9: Energy sales submitted by the Petitioner for the 2nd MYT Control Period (MU)

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
		Approved	Approved	Approved
1	Domestic	774.95	802.15	830.30
2	OHOB	10.49	10.61	10.74
3	Commercial	236.55	247.31	258.57
4	Agriculture	57.92	58.08	58.23
5	Public Lighting	24.48	24.48	24.48
6	LT Industrial	185.61	185.61	185.61
7	Temp	10.27	11.31	12.44
8	HT I	902.73	905.44	908.16
9	HT II	119.08	130.98	144.08
10	HT III	327.03	327.10	327.16
	Total	**2,649.11**	**2,703.07**	**2,759.77**

Commission's Analysis

The Commission in the Business Plan Order had estimated the category wise energy sales, number of consumers and connected load based on historical trends and actual data available for the last 4-5 years. The detailed methodology has been discussed in the Business Plan Order. The Commission retains the same number of consumers, connected load and energy sales as approved in the Business Plan Order.

Table 10: Number of consumers approved by the Commission for the 2nd MYT Control Period

Consumer Category	FY 2019-20	FY 2020-21	FY 2021-22
Domestic	346,562	357,410	368,596
OHOB	35,537	35,537	35,537
Commercial	56,351	57,586	58,847
Agriculture	7,005	7,038	7,071
Street lighting	50,899	51,133	51,368
LT industrial + water tank	6,782	6,839	6,898
HT-I	474	485	496
HT-II	68	72	76
HT-III	7	7	7
Total	**503,685**	**516,107**	**528,896**

Table 11: Connected load approved by the Commission for the 2nd MYT Control Period (kW)

Consumer Category	FY 2019-20	FY 2020-21	FY 2021-22
Domestic	580,218	606,966	634,947
OHOB	2,843	2,843	2,843
Commercial	138,600	149,522	161,304
Agriculture	44,654	44,654	44,654
Street lighting	6,242	6,304	6,367
LT industrial + water tank	130,242	132,821	135,451
HT-I	366,965	378,964	391,356
HT-II	36,910	40,601	44,661
HT-III	133,280	139,931	146,913
Total	**1,439,954**	**1,502,606**	**1,568,496**

Table 12: Energy sales approved by the Commission for the 2nd MYT Control Period (MU)

Consumer Category	FY 2019-20	FY 2020-21	FY 2021-22
Domestic	774.95	802.15	830.30
OHOB	10.49	10.61	10.74
Commercial	236.55	247.31	258.57
Agriculture	57.92	58.08	58.23
Street lighting	24.48	24.48	24.48
LT industrial + water tank	185.61	185.61	185.61
Temp LT	10.27	11.31	12.44
HT-I	902.73	905.44	908.16
HT-II	119.08	130.98	144.08
HT-III	327.03	327.10	327.16
Total	**2,649.10**	**2,703.06**	**2,759.77**

The Commission approves the number of consumers, connected load and energy sales as shown in the tables above for the FY 2019-20, FY 2020-21 and FY 2021-22.

5.4. Inter-State transmission loss

Petitioner's submission

The Petitioner had submitted Inter-State Transmission Losses of 4.07% in its Business Plan Petition for each year of the 2nd Control Period. However, it has now revised it downward to 3.00% for each year, considering the provisional actual losses of 2.92% for the FY 2017-18.

Commission's analysis

The Commission considers the provisional actual Inter-State Transmission Loss of 2.92% for the FY 2017-18 for each year of the Control Period. The same shall be revised based on actuals during the True-up exercise of the respective years.

The following table provides the Inter-State Transmission Losses approved by the Commission for the 2nd MYT Control Period.

Table 13: Inter-State transmission loss (%)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Inter-State Transmission Losses	2.92%	2.92%	2.92%

The Commission approves an Inter-State Transmission Loss of 2.92% for each year of the MYT Control Period.

5.5. Intra-State Distribution Loss

Petitioner's submission

The Petitioner has proposed the loss trajectory approved by the Commission in the Business Plan Order.

Commission's analysis

The Commission, in the Business Plan Order, had set the loss trajectory for the 2nd Control Period considering the actual loss of 13.75% in FY 2017-18, as the Petitioner had already been penalized in the 1st Control Period for failing to meet the loss targets. However, the Commission decided to set a steeper loss trajectory than the proposed one, as the proposed trajectory is not commensurate with the capital expenditure plan and capitalization plan approved by the Commission. Detailed reasoning has been provided in the Commission's Business Plan Order for the 2nd Control Period.

The following provides the Intra-State Distribution Loss approved for the 2nd MYT Control Period.

Table 14: Intra-State Distribution Loss (%)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Intra-State Distribution Loss	12.50%	11.75%	11.00%

The Commission approves the Intra-State Distribution Loss of 12.50% for the FY 2019-20, 11.75% for the FY 2020-21 and 11.00% for the FY 2021-22.

5.6. Power Purchase Quantum & Cost

Petitioners Submission

1. **Power Purchase Quantum**

The Petitioner has considered the power purchase quantum approved by the Commission in the Business Plan Order for the 2nd Control Period.

2. **Power Purchase Cost**

The Petitioner has estimated the Power Purchase Cost for the MYT Period based on the station wise provisional power purchase cost for the first six months of the FY 2018-19. For new power plants and renewable sources, the Petitioner has considered fixed and variable charges based on the currently observed price trends.

The assumptions considered for projection of power purchase cost from various generating stations are detailed as follows:

- The Fixed Cost for existing plants is computed based upon the provisional fixed costs for the first six months of the FY 2018-19. The Petitioner has considered an escalation of 4% from the estimated fixed costs of the FY 2018-19 for each year of the 2nd Control Period.
- The Variable Cost for existing plants is computed based upon the provisional variable costs for the first six months of the FY 2018-19. The Petitioner has considered an escalation of 4% for the FY 2019-20 from the estimated variable costs of the FY 2018-19 and an escalation of 2% for the FY 2020-21 and FY 2021-22.
- In respect of sale of surplus power, the Petitioner has considered a rate of INR 3.17/unit (as approved by the Commission in its Tariff Order for the FY 2018-19), which has been deducted from the net power purchase cost.

- Renewable power (Solar and Non-solar) purchase has been considered at INR 3.0/unit and REC (Solar and Non-solar) purchase has been considered at INR 1.0/unit.
- The Petitioner has calculated the transmission charges for the MYT Control period based on the actual per-unit transmission charges for the first six months of the FY 2018-19.

The projected power purchase quantum and cost are as illustrated in the following table:

Table 15: Power Purchase quantum (MU) and Cost (In INR Cr) submitted by Petitioner for the 2nd MYT Control Period

Sr. No.	Source	Power Purchase (MUs)			Variable Cost (INR Cr)			Fixed Cost (INR Cr)			Total Power Purchase Cost (INR Cr)		
		2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
A	**Central Sector Power Stations**												
I	**NTPC**	**1,171.17**	**1,171.17**	**1,171.17**	**262.94**	**268.20**	**273.56**	**99.31**	**99.31**	**99.31**	**362.25**	**367.51**	**372.87**
	KSTPS												
	RSTPS Stage I & II	490.59	490.59	490.59	122.45	124.90	127.40	38.63	38.63	38.63	161.08	163.53	166.02
	RSTPS Stage -III	137.33	137.33	137.33	33.49	34.16	34.84	10.55	10.55	10.55	44.03	44.70	45.39
	Talcher Stage- II	433.63	433.63	433.63	73.85	75.33	76.83	32.90	32.90	32.90	106.75	108.22	109.73
	Simhadri Stage- II	109.62	109.62	109.62	33.15	33.81	34.49	17.24	17.24	17.24	50.39	51.06	51.73
II	***NLC***	**961.46**	**961.46**	**961.46**	**296.09**	**302.02**	**308.06**	**91.07**	**91.07**	**91.07**	**387.17**	**393.09**	**399.13**
	NLC TPS II Stage I	469.59	469.59	469.59	146.91	149.85	152.84	35.14	35.14	35.14	182.05	184.99	187.98
	NLC TPS II Stage II	179.75	179.75	179.75	56.07	57.19	58.34	13.97	13.97	13.97	70.04	71.16	72.30
	NLC TPS I (Expn)	88.41	88.41	88.41	25.52	26.03	26.56	11.35	11.35	11.35	36.87	37.38	37.90
	NLC TPS II (Expn)	44.71	44.71	44.71	12.94	13.20	13.46	4.43	4.43	4.43	17.37	17.63	17.89
	NTPL	178.99	178.99	178.99	54.65	55.74	56.86	26.19	26.19	26.19	80.84	81.93	83.05
III	***NPCIL***	**595.67**	**595.67**	**595.67**	**197.07**	**201.01**	**205.04**				**197.07**	**201.01**	**205.04**
	MAPS	46.77	46.77	46.77	10.08	10.29	10.49				10.08	10.29	10.49
	KAPS Stage I	137.70	137.70	137.70	81.70	83.33	85.00				81.70	83.33	85.00
	KAPS Stage II	125.60	125.60	125.60									
	Kudankulam U1	127.13	127.13	127.13	105.29	107.40	109.54				105.29	107.40	109.54
	Kudankulam U2	158.47	158.47	158.47									
IV	***Others***	**274.25**	**387.07**	**387.07**	**85.61**	**87.32**	**89.07**	**24.09**	**24.09**	**24.09**	**149.18**	**190.38**	**192.13**
	TNEB (Pondy)	-	-	-							-	-	-
	TNEB (Karaikal)	-	-	-	-	-	-	-	-	-	-	-	-
	KSEB	-	-	-				-	-	-			
	Vallur Thermal Project	161.43	161.43	161.43	85.61	87.32	89.07	24.09	24.09	24.09	109.69	111.41	113.15
	New NLC TS-I	*112.82*	225.64	225.64							39.49	78.97	78.97

Sr. No.	Source	Power Purchase (MUs)			Variable Cost (INR Cr)			Fixed Cost (INR Cr)			Total Power Purchase Cost (INR Cr)		
		2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
V	**Renewable Sources**	**71.61**	**69.50**	**198.69**	**21.48**	**20.85**	**59.61**	**52.23**	**34.90**	**30.29**	**73.71**	**55.75**	**89.90**
	Solar	71.61	69.50	100.00	21.48	20.85	30.00				21.48	20.85	30.00
	Non-solar			98.69			29.61				-	-	29.61
	RECs							52.23	34.90	30.29	52.23	34.90	30.29
B	**Within State Generations**	216.37	216.37	216.37	53.56	54.63	55.73	36.96	38.44	39.98	**90.53**	**93.07**	**95.71**
I	**PPCL**	216.37	216.37	216.37	53.56	54.63	55.73	36.96	38.44	39.98	90.53	93.07	95.71
C	**OTHER CHARGES**												
	PGCIL Transmission Charges, Wheeling & Other Charges										70.02	70.89	71.74
	POSOCO												
	PCKL												
D	*UI*												
	Sale of Surplus power	(172.90)	(244.81)	(336.10)	(54.81)	(77.60)	(106.54)				(54.81)	(77.60)	(106.54)
	open access												
E	**Total**	**3,117.63**	**3,156.43**	**3,194.32**	**861.95**	**856.43**	**884.51**	**251.43**	**252.91**	**254.45**	**1,275.12**	**1,294.10**	**1,319.96**

Commission's Analysis

5.6.1. Power Purchase Quantum

The Commission, in the Business Plan Order, had considered the firm and infirm allocation from central generating stations based on SRPC's Regional Energy Account for August 2018 vide SRPC Order No: SRPC/SE-1/4(REA)/2018/ dated 20th September 2018 (against the REA for July 2018 as considered by the Petitioner). The same share of allocation as per the aforementioned SRPC Order has been assumed for all the years of the Control Period.

The Commission has further considered actual energy availability for the FY 2015-16, FY 2016-17 and FY 2017-18, provisional energy availability for first six months (H1) of the FY 2018-19, actual Plant availability factor (PAF) and Plant Load Factor (PLF) for last 2-5 years for each station to arrive at the final projections of power purchase quantum for the 2nd Control Period. The detailed methodology adopted by the Commission is discussed in the Business Plan Order.

5.6.2. Power Purchase Cost

Variable Charges:

The Variable Cost for existing plants has been computed based upon the provisional variable costs for the first eight months of the FY 2018-19 (Apr'18 to Nov'18). The Commission has considered an escalation of 5% for each year of the 2nd Control Period from the estimated variable costs of the FY 2018-19.

For the new NLC TS-I station, total cost has been considered as INR 3.50/unit (as per Petitioner's submission) and variable cost has been considered as INR 2.74/unit (average of variable costs for NLC plants in FY 2019-20) for each year of the 2nd Control Period.

Fixed Charges:

The Fixed Cost for existing plants has been computed based on the latest Tariff Orders issued by the CERC for respective Central Generating Stations. The fixed cost has been apportioned as per PED's share in each station and annual plant availability factor considered in the Business Plan Order. The plant availability factor has been limited to 85% for plants having higher availability, in line with the norms specified by CERC. The Commission has considered an escalation of 2% for each year of the 2nd Control Period from the estimated fixed costs of the FY 2018-19.

Other Charges:

Other charges have not been considered for the 2nd MYT Control Period. The same shall be considered as per actuals during the True-up of the respective years.

RPO Charges:

Renewable power (Solar and Non-solar) purchase has been considered at INR 3.0/unit and REC (Solar and Non-solar) purchase has been considered at INR 1.0/unit, as per the Petitioner's submission. The quantum of REC purchase considered is explained in the subsequent section on Renewable Purchase Obligation (RPO).

Sale of Surplus Power:

The Commission has considered a rate of INR 4.00/unit, based on the average RTC (round the clock) price for Southern regions in 2018.

5.6.3. Transmission Charges

The Commission has projected the transmission charges payable to PGCIL based on the total capacity allocation of the Petitioner of the transmission network.

The transmission charges are determined based on the latest quarterly Point of Connection (PoC) rates approved by the Central Electricity Regulatory Commission (CERC) as per Regulation 17(2) of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010. Further, the firm and infirm allocations from central generating stations have been considered based on SRPC's Regional Energy Account for August 2018 vide SRPC Order No: SRPC/SE-1/4(REA)/2018/ dated 20th September 2018, as per the Business Plan Order.

5.6.4. Total power purchase quantum and cost

The energy availability and the power purchase cost approved by the Commission for each year of the Control Period have been shown in the following tables:

Table 16: Power Purchase Quantum (MU) and cost (INR Cr) approved for the FY 2019-20

Details of the stations	Ex-bus power purchase (MUs)	Variable Charges (INR/kWh)	Variable Charges (INR. Cr.)	Fixed Charges (INR. Cr.)	Total Charges (INR. Cr.)	Avg. rate (INR/ kWh)
NTPC						
RSTPS Stage I & II	490.59	2.51	123.04	38.34	161.38	3.29
RSTPS Stage - III	137.33	2.52	34.61	10.37	44.98	3.28
Talcher Stage - II	433.63	1.81	78.70	33.39	112.09	2.58
Simhadri Stage - II	109.62	2.92	31.98	23.42	55.41	5.05
Subtotal - NTPC	**1171.17**	**2.29**	**268.33**	**105.52**	**373.85**	**3.19**
NLC						
NLC TPS II Stage I	469.59	2.70	126.76	37.04	163.80	3.49
NLC TPS II Stage II	179.75	2.70	48.52	15.27	63.79	3.55
NLC TPS I (Expn)	88.41	2.51	22.19	11.10	33.29	3.77
NLC TPS II (Expn)	44.71	2.50	11.17	4.49	15.66	3.50
NTPL	178.99	3.32	59.38	33.82	93.20	5.21
Subtotal- NLC	**961.46**	**2.79**	**268.02**	**101.72**	**369.74**	**3.85**
NPCIL						
Madras Atomic Power Station	46.77	2.38	11.13	0.00	11.13	2.38
Kaiga Stage I & II	263.30	3.66	96.35	0.00	96.35	3.66
Kundakulum Unit I & II	285.60	3.71	106.04	0.00	106.04	3.71
Subtotal- NPCIL	**595.67**	**3.58**	**213.52**	**0.00**	**213.52**	**3.58**
Others						
TANGEDCO	0.00	5.74	0.00	0.00	0.00	0.00
NTECL-Vallur Thermal Project	161.43	3.25	52.54	31.17	83.71	5.19
New NLC TS-I	112.82	2.74	30.97	8.52	39.49	3.50
Subtotal- Others	**274.25**	**3.04**	**83.50**	**39.69**	**123.19**	**4.49**
UT Generation						
PPCL	216.37	2.84[1]	61.38	34.15	95.53	4.42

[1] The slight variation in variable charges considered for PPCL compared to the variable charges illustrated in FY 20 ARR Order for PPCL is due to usage of different methodologies to compute the rate

Details of the stations	Ex-bus power purchase (MUs)	Variable Charges (INR/kWh)	Variable Charges (INR. Cr.)	Fixed Charges (INR. Cr.)	Total Charges (INR. Cr.)	Avg. rate (INR/ kWh)
Subtotal - UT Generation	**216.37**	**2.84**	**61.38**	**34.15**	**95.53**	**4.42**
Renewable Power/RPO						
Solar	71.61	3.00	21.48	-	21.48	3.00
Non-solar	0.00	3.00	0.00	-	0.00	3.00
REC[2]		1.00	79.98	-	79.98	1.00
Subtotal - Renewable Power/RPO	**71.61**		**101.47**	**0.00**	**101.47**	
Sale of Surplus Power	(175.31)	4.00	(70.12)	-	(70.12)	4.00
Unscheduled Interchange (UI) Overdrawal/Underdrawal						
Total	**3115.22**		**926.10**	**281.08**	**1207.18**	**3.88**
Transmission Charges						
PGCIL Charges		-	-	75.78	75.78	
Other Transmission Charges		-	-	0.00	0.00	
Subtotal			**0.00**	**75.78**	**75.78**	
Total Power Purchase Cost	**3115.22**		**926.10**	**356.86**	**1282.96**	**4.12**

The Commission approves the quantum of power purchase as 3115.22 MUs at the Generator Periphery with a total cost of INR 1282.96 Cr for the FY 2019-20.

The Average Power Purchase Cost (APPC) for the FY 2019-20 has been determined as provided in the table below. The APPC has been computed at the UT Periphery excluding the transmission charges and cost of purchase of renewable energy. The Petitioner shall use the same for the purpose of compensation/ payment of surplus power at the end of each settlement period in case of Solar Net-metering consumers.

Table 17: Average Power Purchase Cost (APPC) for the FY 2019-20

Particulars	Amount
Total Power Purchase Cost (INR Cr)	1282.96
Less: Transmission charges and Power Purchase cost from renewable energy sources (INR Cr)	177.24
Net Power Purchase Cost (INR Cr)	1105.72
Quantum of Ex-bus Power Purchase (MU)	3115.22
Quantum of energy at UT Periphery (MU)	3027.54
Quantum of energy at UT Periphery excluding from renewable energy sources (MU)	2955.94
APPC (INR/kWh)	**3.74**

The Commission approves the Average Power Purchase Cost (APPC) as INR 3.74/ kWh for the FY 2019-20.

[2] The detailed computation of REC costs is shown in the next chapter on RPO

Table 18: Power Purchase Quantum (MU) and cost (INR Cr) approved for the FY 2020-21

Details of the stations	Ex-bus power purchase (MUs)	Variable Charges (INR/kWh)	Variable Charges (INR. Cr.)	Fixed Charges (INR. Cr.)	Total Charges (INR. Cr.)	Avg. rate (INR/ kWh)
NTPC						
RSTPS Stage I & II	490.59	2.63	129.19	39.11	168.30	3.43
RSTPS Stage - III	137.33	2.65	36.34	10.57	46.91	3.42
Talcher Stage - II	433.63	1.91	82.64	34.06	116.69	2.69
Simhadri Stage - II	109.62	3.06	33.58	23.89	57.47	5.24
Subtotal - NTPC	**1171.17**	**2.41**	**281.75**	**107.63**	**389.38**	**3.32**
NLC						
NLC TPS II Stage I	469.59	2.83	133.10	37.78	170.88	3.64
NLC TPS II Stage II	179.75	2.83	50.94	15.58	66.52	3.70
NLC TPS I (Expn)	88.41	2.64	23.30	11.32	34.62	3.92
NLC TPS II (Expn)	44.71	2.62	11.73	4.58	16.31	3.65
NTPL	178.99	3.48	62.35	34.49	96.85	5.41
Subtotal- NLC	**961.46**	**2.93**	**281.42**	**103.75**	**385.17**	**4.01**
NPCIL						
Madras Atomic Power Station	46.77	2.50	11.68	0.00	11.68	2.50
Kaiga Stage I & II	263.30	3.84	101.17	0.00	101.17	3.84
Kundakulum Unit I & II	285.60	3.90	111.35	0.00	111.35	3.90
Subtotal- NPCIL	**595.67**	**3.76**	**224.20**	**0.00**	**224.20**	**3.76**
Others						
TANGEDCO	0.00	6.03	0.00	0.00	0.00	
NTECL-Vallur Thermal Project	161.43	3.42	55.16	31.79	86.96	5.39
New NLC TS-I	225.64	2.74	61.94	17.04	78.97	3.50
Subtotal- Others	**387.07**	**3.03**	**117.10**	**48.83**	**165.93**	**4.29**
UT Generation						
PPCL	216.37	2.98	64.45	34.83	99.28	4.59
Subtotal - UT Generation	**216.37**	**2.98**	**64.45**	**34.83**	**99.28**	**4.59**
Renewable Power/RPO						
Solar	69.50	3.00	20.85	-	20.85	3.00
Non-solar	0.00	3.00	0.00	-	0.00	3.00
REC		1.00	31.16	-	31.16	1.00
Subtotal - Renewable Power/RPO	**69.50**		**52.01**	**0.00**	**52.01**	
Sale of Surplus Power	(247.31)	4.00	(98.92)	-	(98.92)	4.00
Unscheduled Interchange (UI) Overdrawal/Underdrawal						

Details of the stations	Ex-bus power purchase (MUs)	Variable Charges (INR/kWh)	Variable Charges (INR. Cr.)	Fixed Charges (INR. Cr.)	Total Charges (INR. Cr.)	Avg. rate (INR/ kWh)
Total	**3,153.93**		**922.01**	**295.05**	**1217.05**	**3.86**
Transmission Charges						
PGCIL Charges		-	-	75.78	75.78	
Other Transmission Charges		-	-	0.00	0.00	
Subtotal			**0.00**	**75.78**	**75.78**	
Total Power Purchase Cost	**3,153.93**		**922.01**	**370.83**	**1292.83**	**4.10**

The Commission approves the quantum of power purchase as 3,153.93 MUs at the Generator Periphery with a total cost of INR 1,292.83 Cr for the FY 2020-21.

Table 19: Power Purchase Quantum (MU) and cost (INR Cr) approved for the FY 2021-22

Details of the stations	Ex-bus power purchase (MUs)	Variable Charges (INR/kWh)	Variable Charges (INR. Cr.)	Fixed Charges (INR. Cr.)	Total Charges (INR. Cr.)	Avg. rate (INR/ kWh)
NTPC						
RSTPS Stage I & II	490.59	2.77	135.65	39.89	175.54	3.69
RSTPS Stage - III	137.33	2.78	38.16	10.78	48.94	3.67
Talcher Stage - II	433.63	2.00	86.77	34.74	121.51	2.89
Simhadri Stage - II	109.62	3.22	35.26	24.37	59.63	5.60
Subtotal - NTPC	**1,171.17**	**2.53**	**295.84**	**109.78**	**405.62**	**3.57**
NLC						
NLC TPS II Stage I	469.59	2.98	139.75	38.54	178.29	3.91
NLC TPS II Stage II	179.75	2.98	53.49	15.89	69.38	3.98
NLC TPS I (Expn)	88.41	2.77	24.47	11.54	36.01	4.20
NLC TPS II (Expn)	44.71	2.75	12.32	4.67	16.99	3.91
NTPL	178.99	3.66	65.47	35.18	100.65	5.79
Subtotal- NLC	**961.46**	**3.07**	**295.49**	**105.83**	**401.32**	**4.30**
NPCIL						
Madras Atomic Power Station	46.77	2.62	12.27	0.00	12.27	2.70
Kaiga Stage I & II	263.30	4.03	106.23	0.00	106.23	4.16
Kundakulum Unit I & II	285.60	4.09	116.91	0.00	116.91	4.22
Subtotal- NPCIL	**595.67**	**3.95**	**235.41**	**0.00**	**235.41**	**4.07**
Others						
TANGEDCO	0.00	6.33	0.00	0.00	0.00	
NTECL-Vallur Thermal Project	161.43	3.59	57.92	32.43	90.35	5.77
New NLC TS-I	225.64	2.74	61.94	17.04	78.97	3.50
Subtotal- Others	**387.07**	**3.10**	**119.86**	**49.47**	**169.32**	**4.51**

Details of the stations	Ex-bus power purchase (MUs)	Variable Charges (INR/kWh)	Variable Charges (INR. Cr.)	Fixed Charges (INR. Cr.)	Total Charges (INR. Cr.)	Avg. rate (INR/ kWh)
UT Generation						
PPCL	216.37	3.13	67.67	35.53	103.20	4.77
Subtotal - UT Generation	**216.37**	**3.13**	**67.67**	**35.53**	**103.20**	**4.77**
Renewable Power/RPO						
Solar	100.00	3.00	30.00	-	30.00	3.00
Non-solar	98.69	3.00	29.61	-	29.61	3.00
REC		1.00	27.05	-	27.05	1.00
Subtotal - Renewable Power/RPO	**198.69**		**86.65**	**0.00**	**86.65**	
Sale of Surplus Power	(338.59)	4.00	(135.44)	-	(135.44)	4.00
Unscheduled Interchange (UI) Overdrawal/Underdrawal						
Total	**3,191.83**		**965.49**	**300.61**	**1,266.09**	**3.97**
Transmission Charges						
PGCIL Charges		-	-	75.78	75.78	
Other Transmission Charges		-	-	0.00	0.00	
Subtotal			**0.00**	**75.78**	**75.78**	
Total Power Purchase Cost	**3,191.83**		**965.49**	**376.39**	**1,341.87**	**4.20**

The Commission approves the quantum of power purchase as 3,191.83 MUs at the Generator Periphery with a total cost of INR 1,341.87 Cr for the FY 2021-22.

5.7. Renewable Purchase Obligation (RPO)

Petitioner's submission:

The Petitioner has considered a cumulative RPO backlog of 233.32 MUs as on 1st April 2019 and has proposed to clear the same in FY 2019-20 along with the standalone obligations of the FY 2019-20. The detailed plan submitted by the Petitioner is shown in the following table:

Table 20: RPO Compliance Plan submitted by the Petitioner for the 2nd MYT Control Period

S. No.	Description	Unit	FY 2019-20		FY 2020-21		FY 2021-22	
			Physical	REC	Physical	REC	Physical	REC
1	Sales Within State	MUs	2,649.11		2,703.07		2,759.78	
2	RPO Obligation	%	**11.50%**		**14.10%**		**17.00%**	
	- Solar	%	4.70%		6.10%		8.00%	
	- Non Solar	%	6.80%		8.00%		9.00%	
3	RPO Obligation	**MUs**	**304.65**		**381.13**		**469.16**	
	- Solar	MUs	124.51		164.89		220.78	
	- Non Solar	MUs	180.14		216.25		248.38	

S. No.	Description	Unit	FY 2019-20		FY 2020-21		FY 2021-22	
			Physical	REC	Physical	REC	Physical	REC
4	RPO Purchase	**MUs**						
	- Solar	MUs	71.61	148.91	69.50		100.00	
	- Non Solar	MUs		317.45	0.00	311.64	98.69	270.48
5	Cumulative RPO Obligation LEFT							
	- Solar	MUs		-				
	- Non Solar	MUs		-				
6	Floor Price of REC Certificates /MWH							
	- Solar	INR/MWh		1000		1000		1000
	- Non Solar	INR/MWh		1000		1000		1000
7	Amount for RPO Compliance							
	- Solar	INR Cr	21.48	16.88	20.85	-	30.00	-
	- Non Solar	INR Cr	-	35.55	-	34.90	29.61	30.29
8	**Total (INR Crores)**	**INR Cr**	**21.48**	**52.23**	**20.85**	**34.90**	**59.61**	**30.29**

Commission's analysis:

As per Clause 1, Sub-clause (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010

"Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

The Commission notified the JERC (Procurement of Renewable Energy), (Third Amendment) Regulations, 2016 on 22nd August 2016 and approved the revised RPO targets. In accordance with the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010 and the Petitioner's submission, the Commission has determined the following Renewable Purchase Obligation for the Petitioner for each year of the Control Period.

Table 21: Summary of Renewable Purchase Obligation (RPO) (MU)

Description	FY 2019-20	FY 2020-21	FY 2021-22
Sales within UT (MU)	2,649.10	2,703.06	2,759.77
RPO obligation (in %)	**11.50%**	**14.10%**	**17.00%**
Solar	4.70%	6.10%	8.00%
Non-solar	6.80%	8.00%	9.00%
RPO obligation for the year (in MU)	**304.65**	**381.13**	**469.16**
Solar	124.51	164.89	220.78
Non-solar	180.14	216.24	248.38
Backlog upto FY 2018-19	**566.80**	**-**	**-**
Solar	195.01	-	-
Non-Solar	371.79	-	-
Total RPO to be fulfilled for the year	**871.45**	**381.13**	**469.16**
Solar	319.52	164.89	220.78
Non Solar	551.93	216.24	248.38
RPO compliance (proposed actual purchase)	**71.61**	**69.50**	**198.69**
Solar	71.61	69.50	100.00
Non-Solar	0.00	0.00	98.69

Description	FY 2019-20	FY 2020-21	FY 2021-22
RPO compliance (REC certificate purchase)	**799.84**	**311.63**	**270.47**
Solar	247.91	95.39	120.78
Non-Solar	551.93	216.24	149.69

The cost of compliance of RPO has been approved as provided in Table 22, Table 23 and Table 24. The cost has already been considered in the total power purchase cost approved by the Commission in the previous section.

The quantum for each year has been considered as per the approved quantum in the Business Plan Order. The Commission has considered the shortfall to be fulfilled by way of REC purchase and has assumed the rate of purchase for Solar and Non-solar REC as INR 1.00/kWh (IEX Floor Price). The rate of purchase for physical renewable power (Solar and Non-solar) has been considered at INR 3.00/kWh. A cumulative backlog of 566.80 MUs has also been considered upto FY 2018-19. The Commission directs the Petitioner to clear the cumulative backlog upto FY 2018-19 along with its standalone RPO obligations for the FY 2019-20 in FY 2019-20. The Commission takes serious note on the Petitioner's non-compliance of its obligations upto FY 2018-19. The Petitioner is directed to provide quarterly status updates (within 10 days of the completion of each quarter in the FY) to the Commission on the progress made with respect to RPO.

The compliance and cost status towards RPO for each year of the MYT Control Period as approved by the Commission is provided in the following table:

Table 22: Cost towards compliance of Renewable Purchase Obligation for the FY 2019-20

S. No	Description	Physical Power		REC		Total Cost (INR Cr)
		Quantum (MU)	Cost (INR Cr)	Quantum (MU)[3]	Cost (INR Cr)	
1	Solar	71.61	21.48	247.91	24.79	46.27
2	Non-solar	0.00	0.00	551.93	55.19	55.19
	Total	**71.61**	**21.48**	**799.84**	**79.98**	**101.47**[4]

The Commission approves INR 101.47 Cr towards compliance of RPO in the ARR of the FY 2019-20.

Table 23: Cost towards compliance of Renewable Purchase Obligation for the FY 2020-21

S. No	Description	Physical Power		REC		Total Cost (INR Cr)
		Quantum (MU)	Cost (INR Cr)	Quantum (MU)[3]	Cost (INR Cr)	
1	Solar	69.50	20.85	95.39	9.54	30.39
2	Non-solar	0.00	0.00	216.24	21.62	21.62
	Total	**69.50**	**20.85**	**311.63**	**31.16**	**52.01**

The Commission approves INR 52.01 Cr towards compliance of RPO in the ARR of the FY 2020-21.

[3] The quantum of REC approved has not been considered in the Power Purchase Quantum approved in the previous section
[4] INR 56.68 Cr out of INR 101.47 Cr is towards clearance of RPO backlog upto FY 2018-19

Table 24: Cost towards compliance of Renewable Purchase Obligation for the FY 2021-22

S. No	Description	Physical Power		REC		Total Cost (INR Cr)
		Quantum (MU)	Cost (INR Cr)	Quantum (MU)[3]	Cost (INR Cr)	
1	Solar	100.00	30.00	120.78	12.08	42.08
2	Non-solar	98.69	29.61	149.69	14.97	44.58
	Total	**198.69**	**59.61**	**270.47**	**27.05**	**86.65**

The Commission approves INR 86.65 Cr towards compliance of RPO in the ARR of the FY 2021-22.

5.8. Energy Balance

Petitioner's submission

The Petitioner has submitted the energy balance as shown in the following table:

Table 25: Energy Balance submitted by the Petitioner (MU)

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
A	**ENERGY REQUIREMENT**			
1	Sales within UT (MUs)	2,649.11	2,703.07	2,759.77
2	Sales to Electricity Traders / Power Exchange (MUs)	172.90	244.81	336.10
3	Loss (%)	12.50%	11.75%	11.00%
4	Loss(MUs)	378	360	341
5	Sales to common pool consumer/UI(MUs)	-	-	-
6	**Energy requirement at periphery(MUs)**	**3,200.45**	**3,307.78**	**3,436.97**
B	**ENERGY AVAILABILITY**			
1	Gross Energy Purchase(MUs)	3,290.53	3,401.24	3,530.43
2	External Loss (MUs)	90.08	93.46	93.46
	Loss (%)	3.00%	3.00%	3.00%
3	**Net Energy Availability(MUs)**	**3,200.45**	**3,307.78**	**3,436.97**

Commission's analysis

Based on the Energy sales, Power Procurement and Inter & Intra-State Loss as approved above the Energy Balance for each year of the MYT Control Period has been shown in following table:

Table 26: Energy Balance approved by Commission (MU)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
ENERGY REQUIREMENT			
Energy sales within the UT (a)	2,649.10	2,703.06	2,759.77
Distribution losses			
% (b)	12.50%	11.75%	11.00%
MU (c-a)	378.44	359.90	341.10
Energy required at the UT Periphery (c=a/(1-b))	3,027.54	3,062.96	3,100.87
Energy Availability at the UT Periphery			
Availability from firm sources (d)	3,202.85	3,310.27	3,439.46

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Availability from UI Overdrawal/Underdrawal (e)	0.00	0.00	0.00
Deficit/ (Surplus) (d-c)	**(175.31)**	**(247.31)**	**(338.59)**

The Commission approves the Total Energy Requirement at the UT Periphery for each year of the Control Period as shown in the table above. The Commission has estimated a surplus of 175.31 MU for the FY 2019-20, 247.31 MU for the FY 2020-21 and 338.51 MU for the FY 2021-22 to be sold in the Open Market by the Petitioner.

5.9. Operation & Maintenance Expenses

The Operation & Maintenance Expenses comprise of the Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M). Regulation 51 of the MYT Regulation, 2018 states the following:

"51.1 The Operation and Maintenance expenses for the Distribution Wires Business shall be computed in accordance with this Regulation.

51.2 Operation and Maintenance (O&M) expenses shall comprise of the following:

a) Employee expenses - salaries, wages, pension contribution and other employee costs;

b) Administrative and General expenses including insurance charges if any; and

c) Repairs and Maintenance expenses.

51.3 The Distribution Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the transmission Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

51.4 O&M expenses for the nthYear of the Control Period shall be approved based on the formula given below:

O&Mn = (R&Mn + EMPn + A&Gn) x (1 - Xn) + Terminal Liabilities

Where,

R&Mn = K x GFAn-1 x (WPIinflation)

EMPn = (EMPn-1) x (1+Gn) x (CPIinflation)

A&Gn = (A&Gn-1) x (CPIinflation)

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPIinflation – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPIinflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMPn – Employee expenses of the Distribution Licensee for the nth Year;

A&Gn – Administrative and General expenses of the Distribution Licensee for the nth Year;

R&Mn – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFAn-1 – Gross Fixed Asset of the transmission Licensee for the n-1th Year;

Xn is an efficiency factor for nth Year. Value of Xn shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;

Gn is a growth factor for the nthYear. Value of Gn shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that in case the Distribution Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, O&M Expenses shall be determined on case to case basis.

51.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

51.6 For the purpose of estimation, the same value of factors – CPIinflation and WPIinflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPIinflation and WPIinflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation."

5.9.1. Employee Expenses

Petitioner's submission

The Petitioner has determined the employee expenses for each year of the Control Period based on the norms specified in the MYT Regulations, 2018. The employee expenses for the Base Year FY 2018-19 have been estimated based on the actual data from FY 2014-15 to FY 2016-17 and the provisional actuals for the FY 2017-18. The growth factor (G_n) has been calculated from the projected growth in expenses per employee year over year during the Control Period. The average increase in Consumer Price Index (CPI) has been calculated based on the average increase in the Consumer Price Index (CPI) for the FY 2015-16, FY 2016-17 & FY 2017-18. The following table provides the employee expenses projected for each year of the MYT Control Period along with various parameters considered.

Table 27: Employee Expenses submitted by Petitioner

Particular	Unit	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Employee Expenses	INR Cr	**101.62**	**110.64**	**120.47**	**131.16**
G_n	%		4.41%	4.41%	4.41%
CPI Inflation	%		4.28%	4.28%	4.28%

Commission's analysis

In accordance with the MYT Regulations, 2018, the Commission has determined the Employee expenses for each year of the MYT Control Period. The Regulation 6 of the MYT Regulations, 2018 stipulates the following:

"6. Values for Base Year

6.1 The values for the Base Year of the Control Period shall be determined on the basis of the audited accounts or provisional accounts of last three (3) Years, and other factors considered relevant by the Commission:

Provided that, in absence of availability of audited accounts or provisional accounts of last three (3) Years, the Commission may benchmark the parameters with other similar utilities to establish the values for Base Year:

Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts."

The Commission has considered the actual audited employee expenses from FY 2014-15 to FY 2016-17 to arrive at the Base Year estimates i.e. for the FY 2018-19 (PED has not submitted audited accounts for the FY 2017-18). The impact of 7th Pay Commission has been deducted for the FY 2016-17 while computing the average employee expenses for these three years. The average of these three years i.e. FY 2014-15 to FY 2016-17 has been considered as employee expenses for the FY 2015-16. This has been escalated with the CPI of respective years (with the actual impact of 7th Pay Commission added back in FY 2016-17) to arrive at the employee expenses for the Base Year i.e. FY 2018-19. The resultant employee expenses of the Base Year have been escalated by Growth Rate determined based on the manpower plan approved in the Business Plan Order and the average CPI Inflation of the last three years to arrive upon the employee expenses of each year of the 2nd Control Period.

The CPI Inflation has been computed as follows:

Table 28: Computation of CPI Inflation (%)

<table>
<tr><th>FY</th><th>Increase in CPI Index</th><th>Average increase in CPI Index over 3 years</th></tr>
<tr><td>2015-16</td><td>5.65%</td><td rowspan="3">4.28%</td></tr>
<tr><td>2016-17</td><td>4.12%</td></tr>
<tr><td>2017-18</td><td>3.08%</td></tr>
</table>

Accordingly, the employee expenses approved by the Commission in the MYT Control Period have been provided in the following table:

Table 29: Employee Expenses approved by Commission (In INR Cr)

<table>
<tr><th rowspan="2">#</th><th rowspan="2">Particulars</th><th colspan="3">As per Audited Accounts</th><th colspan="2">RE</th><th colspan="3">Now Approved</th></tr>
<tr><th>FY 2014-15</th><th>FY 2015-16</th><th>FY 2016-17</th><th>FY 2017-18</th><th>FY 2018-19 (Base Year)</th><th>FY 2019-20</th><th>FY 2020-21</th><th>FY 2021-22</th></tr>
<tr><td>1</td><td>G_n[5] (%)</td><td></td><td></td><td></td><td></td><td></td><td>-1.34%</td><td>-3.00%</td><td>4.91%</td></tr>
<tr><td>2</td><td>CPI (%)</td><td></td><td></td><td>4.12%</td><td>3.08%</td><td>4.53%[6]</td><td>4.28%</td><td>4.28%</td><td>4.28%</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Actual Employee Expenses (excluding 7th Pay Impact)</td><td>75.93</td><td>77.66</td><td>77.72</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">77.10 (Avg.)</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>4</td><td>Impact of 7th Pay Commission</td><td>-</td><td>-</td><td>15.48</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>5</td><td>Total Employee Expenses</td><td></td><td>77.10</td><td>95.76</td><td>98.71</td><td>103.18</td><td>106.16</td><td>107.39</td><td>117.49</td></tr>
</table>

The Commission approves Employee Expenses of INR 106.16 Cr for the FY 2019-20, INR 107.39 Cr for the FY 2020-21 and INR 117.49 Cr for the FY 2021-22.

5.9.2. Administrative and General (A&G) Expenses

Petitioner's submission

The Petitioner has determined the A&G expenses for each year of the Control Period based on the norms specified in the MYT Regulations, 2018. The A&G expenses for the FY 2018-19 have been taken as base, estimated based on actual A&G Expenses for the FY 2017-18 (excluding EESL Charges) and revised estimates for the FY 2018-19. EESL Charges are then added separately to the calculated expenses as they are not regular expenses. The average increase in Consumer Price Index (CPI) has been considered the same as that for projecting the employee expenses. The expenses related to EESL Charges and payment towards Smart Grid Works have been added

[5] G_n – Growth in number of employees compared to the previous FY
[6] Average from Apr'18 to Dec'18 has been considered

separately for each year of the Control Period. The following table provides the A&G expenses projected for each year of the MYT Control Period along with various parameters considered.

Table 30: A&G submitted by Petitioner (In INR Cr)

Particular	Unit	FY 2019-20	FY 2020-21	FY 2021-22
A&G Expenses of Previous Year	INR Cr	9.64	10.05	10.48
CPI Inflation	In %	4.28%	4.28%	4.28%
A&G Expenses (excluding EESL Charges and payment towards Smart Grid Works)	INR Cr	10.05	10.48	10.93
EESL/DSM Expenses	INR Cr	4.484	4.012	3.776
Payment towards Smart Grid Works	INR Cr	3.93	3.93	3.93
Total A&G expenses	**INR Cr**	**18.47**	**18.42**	**18.64**

Commission's analysis

The Commission has determined the A&G expenses for the Base Year FY 2018-19 by considering the actual expenses from FY 2014-15 to FY 2016-17 (PED has not submitted audited accounts for the FY 2017-18). The A&G expenses for the FY 2016-17 are ~17% higher than the A&G expenses for the FY 2015-16 due to higher than approved EESL charges. The average A&G expenses of these three years i.e. FY 2014-15 to FY 2016-17 has been considered as A&G expense for the FY 2015-16. This is escalated with CPI of the respective years to arrive at the Base Year estimates. Thereafter, the Base Year estimate has been escalated by average CPI Inflation of the last three years to determine the A&G expense for each year of the Control Period. The Commission has included EESL/DSM charges in the projected A&G expenses. However, payment towards Smart Grid Works has not been considered as the Petitioner has not provided justification for the same. The same shall be revisited as per actuals during the True-up of the respective years.

The A&G expenses approved by the Commission in the MYT Control Period have been provided in the following table:

Table 31: A&G Expenses approved by Commission (In INR Cr)

S. No	Particulars	As per Audited Accounts			RE		Now Approved		
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 (Base Year)	FY 2019-20	FY 2020-21	FY 2021-22
1	CPI Inflation (%)	-	-	4.12%	3.08%	4.53%[7]	4.28%	4.28%	4.28%
2	**A&G Expenses**	**10.05**	**10.54**	**12.30**	**11.77**	**12.30**	**12.83**	**13.38**	**13.95**
		10.96 (avg.)							

The Commission approves the Administrative & General (A&G) expenses of INR 12.83 Cr for the FY 2019-20, INR 13.38 Cr for the FY 2020-21 and INR 13.95 Cr for the FY 2021-22.

5.9.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission

The Petitioner has determined the R&M expenses for each year of the Control Period based on the norms specified in the MYT Regulations, 2018. The R&M expenses for the FY 2018-19 have been taken as base. The average increase in Wholesale Price Index (WPI) has been calculated based on the increase in the Wholesale Price Index (WPI) for the FY 2015-16, FY 2016-17 & FY 2017-18. The 'K' factor as prescribed in the regulations has been

[7] Average of CPI Inflation has been considered for the months of Apr'18 to Dec'18

calculated as ratio of R&M and average GFA of the last five years. The computed K factor has been considered the same for all the years.

The following table provides the R&M expenses proposed for each year of the MYT Control Period along with various parameters considered.

Table 32: R&M expenses submitted by Petitioner

Particular	Unit	FY 2019-20	FY 2020-21	FY 2021-22
Avg. GFA_{n-1}	INR. Cr.	758.59	838.83	917.93
K Factor	%	1.61%	1.61%	1.61%
Avg. WPI Inflation	%	0.33%	0.33%	0.33%
Projected R&M Expenses	**INR. Cr.**	**12.24**	**13.53**	**14.81**

Commission's analysis

The 'K' factor has been determined as the ratio of R&M to opening GFA for the FY 2014-15, FY 2015-16 and FY 2016-17 (last three available audited accounts) and averaged for three years. The 'K' factor has been computed as follows:

Table 33: Computation of 'K' factor for the 2nd MYT Control Period (In INR Cr)

S. No	Particulars	FY 2014-15	FY 2015-16	FY 2016-17
1	R&M Expenses	7.71	9.62	9.38
2	Opening GFA (GFA_{n-1})	563.59	633.98	660.92
3	K Factor (%)	1.37%	1.52%	1.42%
	K Factor Approved by the Commission (Average of 3 years) (%)	**1.43%**		

The 'K' factor is kept constant for all the years and multiplied with the opening GFA approved for the $(n-1)^{th}$ year. The resultant amount is then escalated by WPI Inflation to arrive upon the R&M Expenses for each year of the Control Period.

The WPI Inflation has been computed as follows:

Table 34: Computation of WPI Inflation (%)

FY	Increase in WPI Index	Average increase in WPI index over 3 years
2015-16	-3.65%	**0.33%**
2016-17	1.73%	
2017-18	2.92%	

The R&M expenses approved by the Commission for each year of the MYT Control Period have been provided in the following table:

Table 35: R&M Expenses approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening GFA (GFA_{n-1})	794.97	878.22	982.78
4	K factor approved (K) (%)	1.43%	1.43%	1.43%
5	Avg. WPI Inflation (%)	0.33%	0.33%	0.33%
	R&M Expenses = K x (GFA_{n-1}) x ($1+WPI_{inflation}$)	**11.44**	**12.64**	**14.15**

The Commission approves the Repair & Maintenance (R&M) expenses of INR 11.44 Cr for the FY 2019-20, INR 12.64 Cr for the FY 2020-21 and INR 14.15 Cr for the FY 2021-22.

5.9.4. Total Operation and Maintenance Expenses (O&M)

The following table provides the total O&M expenses approved by the Commission for the 2nd MYT Control Period:

Table 36: O&M Expenses approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Employee Expenses	106.16	107.39	117.49
2	Administrative & General Expenses	12.83	13.38	13.95
3	Repair & Maintenance Expenses	11.44	12.64	14.15
	Total Operation & Maintenance Expenses	**130.43**	**133.40**	**145.58**

The Commission approves Operation & Maintenance (O&M) expenses of INR 130.43 Cr in FY 2019-20, INR 133.40 Cr in FY 2020-21 and INR 145.58 Cr in FY 2021-22.

5.10. Gross Fixed Assets (GFA) and Capitalization

Petitioner's submission

The Petitioner has submitted that the approved works with respect to R-APDRP shall be completed in FY 2018-19 (instead of the FY 2019-20 as proposed in the Business Plan Petition) based on the MoP directive. It has therefore proposed capitalization of INR 83.25 Cr in FY 2019-20, after deducting the capitalization approved in the Business Plan Order for the R-APDRP scheme in FY 2019-20 (INR 42.61 Cr) from the total approved capitalization in FY 2019-20 (INR 125.86 Cr). However, the Petitioner has proposed capitalization of INR 104.56 Cr in FY 2020-21 and INR 315.66 Cr in FY 2021-22, as per the approved figures in the Business Plan Order.

Commission's analysis:

The Commission has considered the Petitioner's submission and has accordingly reduced the capital expenditure and capitalization approved for R-APDRP works in the 2nd Control Period. Further, the actual capital expenditure and capitalisation for the FY 2018-19 shall be considered during the True-up of the FY 2018-19. The following table provides the summary of capital expenditure and capitalization now approved by the Commission vis-à-vis the capital expenditure and capitalisation approved by the Commission in the Business Plan Order (a more detailed description of the capital expenditure plan is given in the Business Plan Order):

Table 37: Capital Expenditure and Capitalization now approved by the Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	Total
	Capital Expenditure				
1	Capital Expenditure approved in Business Plan Order	216.59	242.70	217.18	676.47
2	**Capital Expenditure now approved**	**175.55**	**242.70**	**217.18**	**635.43**
	Capitalization				
1	Capitalization approved in Business Plan Order	125.86	104.56	315.66	546.08
2	**Capitalization now approved**	**83.25**	**104.56**	**315.66**	**503.47**

The Commission approves the capital expenditure and capitalization for the 2nd MYT Control Period as shown in the table above.

5.11. Capital Structure

Petitioner's Submission

The Petitioner has proposed that the capital structure based on the funding plan approved by the Commission in the Business Plan Order.

Commission's analysis

Regulation 26 of the MYT Regulations, 2018 specifies the following:

"26. Debt to Equity Ratio

26.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2018 shall be considered:

Provided that in case of retirement or replacement or De-capitalization of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or De-capitalization of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

26.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 23, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

26.3 Any expenditure incurred or projected to be incurred on or after April 1, 2019, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in this Regulation."

The Commission has determined the capital structure for the 2nd Control Period based on the following assumptions:

- For JICA funded schemes, 100% debt from JICA
- For DDUGJY, 75% Grant from GoI and balance 25% debt from REC

- For IPDS, 75% Grant from GoI and balance 25% equity from Budgetary Allocation
- For PSDF, entire funding from Budgetary Allocation i.e. considered as 70% normative debt and 30% normative equity as per the Regulations quoted above
- For all other schemes, 70% normative debt and 30% normative equity as they have been completely funded through equity

Further, in accordance with the Regulations quoted above, Grant of INR 6.54 Cr provided by the Government of India has not been considered while computing interest on loan, return on equity and depreciation (next section).

Therefore, in accordance with the MYT Regulations, 2018, the Commission has determined the Capital Structure for each year of the MYT Control Period as follows:

Table 38: GFA addition approved by the Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Gross Fixed Assets	794.97	878.22	982.78
2	Addition During the FY	83.25	104.56	315.66
3	Adjustment/Retirement During the FY	-	-	-
4	Closing Gross Fixed Assets	878.22	982.78	1,298.44

Table 39: Loan addition approved by the Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Loan	112.22	143.14	209.03
2	Additions during the year	61.52	99.82	311.16
3	Less: Normative Repayment equivalent to Depreciation	30.60	33.93	41.65
4	Closing Loan	143.14	209.03	478.54

Table 40: Normative Equity addition approved by the Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Equity	238.49	253.68	258.42
2	Additions during the year	15.19	4.74	4.50
3	Closing Equity	253.68	258.42	262.92

5.12. Depreciation

Petitioner's submission

The Petitioner has determined the depreciation on normative basis considering proposed capitalization during the year and average of opening and closing GFA for each year. The Depreciation rates have been considered as per the depreciation schedule specified in the MYT Regulations, 2018.

Commission's analysis

Regulation 30 of the MYT Regulations, 2018 stipulates the following:

"30. Depreciation

30.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.

30.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.

30.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.

30.4 In case of existing assets, the balance depreciable value as on April 1, 2019, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2018, from the gross depreciable value of the assets.

30.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalised at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalised by the Applicant, subject to the prudence check of the Commission.

30.6 For Transmission Licensee, the depreciation shall be calculated at rates and norms specified in the prevalent CERC Tariff Regulations for transmission system.

30.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified in Appendix I of the Regulations.

30.8 In addition to allowable depreciation, the Distribution Licensee shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder:

AAD = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these Regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular Year exceeds the cumulative depreciation upto that Year:

Provided further that advance against depreciation in a Year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that Year.

30.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.

30.10 The remaining depreciable value for a Distribution Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."

The Commission has derived the weighted average rate of depreciation based on the asset wise depreciation rate prescribed in MYT Regulations, 2018, provided in the following table:

Table 41: Depreciation Rate (%)

Description	Rate
Land & Land Rights	0.00%
Buildings	1.80%
Plant & Machinery	3.60%

Description	Rate
Transformer	3.60%
Lines & Cables (HT & LT)	3.60%
Vehicles	18.00%
Furniture & Fixtures	6.00%
Office Equipment	6.00%
IT Equipment	6.00%
Testing & Measuring Equipment	6.00%
SCADA P&M	6.00%
SCADA Building	1.80%

The closing GFA of the FY 2018-19 as approved in the APR has been considered as opening GFA of the FY 2019-20. However, grants provided by GoI have been deducted from the GFA, as discussed in the previous section. Further, depreciation for each year has been computed on average Gross Fixed Assets (GFA) after considering the net addition proposed during each year. Cumulative depreciation upto the respective years has not been deducted from the closing GFA of each year due to unavailability of requisite data. Accordingly, the Commission shall consider the same during the True-up of the respective years.

The following table provides the calculation of depreciation during the MYT Control Period.

Table 42: Depreciation approved by the Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening GFA (net of Grants)	794.97	871.68	976.24
2	Addition During the FY	83.25	104.56	315.66
3	Less: Grant Provided by GoI	6.54	0.00	0.00
4	Closing GFA (net of Grants)	871.68	976.24	1291.90
5	Average GFA (net of Grants)	833.33	923.96	1134.07
6	Weighted Average Rate of Depreciation (%)	3.67%	3.67%	3.67%
7	**Depreciation**	**30.60**	**33.93**	**41.65**

The Commission approves a depreciation of INR 30.60 Cr for the FY 2019-20, INR 33.93 Cr for the FY 2020-21 and INR 41.65 Cr for the FY 2021-22.

5.13. Interest on Loan

Petitioner's submission

The Petitioner has considered the actual proportion of loan from GFA additions (net of Grants from GoI) to arrive at the loan additions for each year of the Control Period. Repayment of the loan has been considered equivalent to the depreciation for the respective years in line with the MYT Regulations, 2018. The interest rate has been calculated based on the actual weighted average rates of loans from PFC, JICA and REC to project the interest on normative loans for the Control Period.

The following table provides the Interest on Loan projected for each year of the Control Period.

Table 43: Interest on Loan submitted by the Petitioner (In INR Cr)

Sr. No.	Particulars	MYT Projections		
		FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Normative Loan	115.64	160.60	240.84
2	Add: Normative Loan during the Year	58.93	97.41	293.86

Sr. No.	Particulars	MYT Projections		
		FY 2019-20	FY 2020-21	FY 2021-22
3	Less: Normative Repayment	13.97	17.17	24.89
4	**Closing Normative Loan**	160.60	240.84	509.81
4	Average Normative Loan	**138.12**	**200.72**	**375.33**
5	Rate of Interest (@SBAR rate)	9.23%	9.23%	9.23%
6	**Interest on Normative Loan**	**12.75**	**18.53**	**34.65**
7	Other Finance Charges	-	-	-
8	**Total Interest & Finance Charges**	**12.75**	**18.53**	**34.65**

Commission's analysis:

Regulation 28 of the MYT Regulations, 2018 stipulates the following:

"28. Interest on Loan

28.1 The loans arrived at in the manner indicated in Regulation 26 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided further that in case of De-capitalization or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the de-capitalised or retired or replaced assets, based on documentary evidence.

28.2 The normative loan outstanding as on April 1, 2019, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2018, from the gross normative loan.

28.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 30.

28.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest:

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1)Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

28.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest:

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalization approved by the Commission for the Year.

28.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1)Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points, and (ii) weighted average rate of interest proposed by the Distribution Licensee.

28.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee.

28.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

28.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

28.10 The Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the equally between the beneficiaries and the Transmission Licensee or the Distribution Licensee and the Consumers of Distribution Licensee.

28.11 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

Hence, the rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, in absence of detailed data with respect to the actual loan portfolio, the Commission has considered the SBI 1 Year MCLR rate[8] plus 100 basis points as Rate of Interest, in accordance with the MYT Regulations, 2018

As per the MYT Regulations, 2018, if the equity deployed is more than 30% of the capital cost, then equity in excess of 30% is considered as normative loan. The Interest on Loan has been calculated on the average loan during the year with the opening loan for the first year of the Control Period considered equivalent to the closing loan approved in the ARR for the FY 2018-19.

The following table provides the Interest on Loan approved by the Commission.

[8] SBI 1 Year MCLR rate as on 10th January 2019

Table 44: Interest on loan approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Normative Loan	112.22	143.14	209.03
2	Add: Normative Loan During the year	61.52	99.82	311.16
3	Less: Normative Repayment equal to Depreciation	30.60	33.93	41.65
4	Closing Normative Loan	143.14	209.03	478.54
5	Average Normative Loan	127.68	176.08	343.78
6	Rate of Interest (%)	9.55%	9.55%	9.55%
	Interest on Loan	**12.19**	**16.82**	**32.83**

The Commission approves Interest on Loan as INR 12.19 Cr for the FY 2019-20, INR 16.82 Cr for the FY 2020-21 and INR 32.83 Cr for the FY 2021-22.

5.14. Return on Equity (RoE)

Petitioner's submission

The Return on Equity (RoE) is computed in accordance with the MYT Regulations, 2018, wherein RoE is computed on 30% of the capital base if the actual equity deployed is more than 30% and the actual equity base if the equity deployed is less than 30%. The opening equity for the Control Period is considered equivalent to the closing equity for the FY 2018-19. Accordingly, the Petitioner has computed the Return on Equity at 16% on post-tax basis.

Commission's analysis:

Regulations 27.2 and 27.3 of the MYT Regulations, 2018 stipulate the following:

"27.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

27.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use, at the rate of sixteen (16) per cent per annum."

The Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the MYT Regulations, 2018 i.e. 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a post-tax rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations) and a post-tax rate of 16% for the Retail Supply Business. The equity component has been determined in accordance with the capital structure as discussed in the section on capital structure. The rate of return on equity for the Distribution Wires Business shall be trued up based on the prevalent CERC Regulations during the True-up of the respective years. The following table provides the total return on equity approved for the 2nd Control Period.

Table 45: RoE approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Equity	238.49	253.68	258.42
2	Additions on account of new capitalisation	15.19	4.74	4.50
3	Closing Equity	253.68	258.42	262.92
4	Average Equity	246.09	256.05	260.67

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
5	Average Equity (Wires Business)	221.48	230.45	234.61
6	Average Equity (Retail Supply Business) Business)	24.61	25.61	26.07
7	Return on Equity for Wires Business (%)	15.50%	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%	16.00%
9	Return on Equity for Wires Business	34.33	35.72	36.36
10	Return on Equity for Retail Supply Business	3.94	4.10	4.17
	Total Return on Equity	**38.27**	**39.82**	**40.53**

The Commission approves Return on Equity of INR 38.27 Cr for the FY 2019-20, INR 39.82 Cr for the FY 2020-21 and INR 40.53 Cr for the FY 2021-22.

5.15. Interest on Security Deposits

Petitioner's submission

The Petitioner has considered the provisional actual addition of consumers' security deposit for the FY 2017-18 and has escalated it by 5% each year to arrive at the projected addition of security deposit for each year of the 2nd Control Period. The following table provides the calculation of interest on consumer security deposits proposed for each year of the MYT Control Period.

Table 46: Interest on Consumer Security Deposit submitted by the Petitioner (In INR Cr)

Particular	FY 2019-20	FY 2020-21	FY 2021-22
Opening Consumer Security Deposit	220.06	242.83	266.75
Net Addition During the year	22.78	23.92	25.11
Closing Consumer Security Deposit	242.83	266.75	291.86
Average Security Deposit	231.44	254.79	279.31
Bank Rate (%)	8.70%	8.70%	8.70%
Interest on Consumer Security Deposit	**20.14**	**22.17**	**24.30**

Commission's analysis:

Regulation 28.11 of the MYT Regulations, 2018 stipulates the following:

" Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission. "

The Interest on security deposits has been calculated in accordance with the MYT Regulations 2018, based on the average of the opening and closing consumer security deposits during the year. The rate of interest has been considered equivalent to the prevailing RBI Bank rate. Net additions during the year have been considered for each year of the Control Period based on the provisional actual addition of security deposit for the FY 2017-18, with 5% escalation for each year thereafter, similar to the methodology considered by the Petitioner.

The following table provides the calculation of interest on consumer security deposits approved for each year of the MYT Control Period.

Table 47: Interest on Security Deposits approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Security Deposit	185.05	207.83	231.74
2	Net addition during the year	22.78	23.92	25.11
3	Closing Security Deposit	207.83	231.74	256.86
4	Average Security Deposit	196.44	219.79	244.30
5	Rate of Interest (%)[9]	6.25%	6.25%	6.25%
6	**Interest on Security Deposit**	**12.28**	**13.74**	**15.27**

The Commission approves Interest on Security Deposit as INR 12.28 Cr for the FY 2019-20, INR 13.74 Cr for the FY 2020-21 and INR 15.27 Cr for the FY 2021-22.

5.16. Interest on Working Capital

Petitioner's submission

The interest on working capital has been calculated based on the normative principles outlined in the MYT Regulations, 2018.

The working capital requirement for the Control Period has been computed considering the following

- Receivable of two months of billing
- O&M Expenses of one month
- Maintenance Spares at 40% of repair and maintenance expenses for one month
- Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt

The SBI 1 year MCLR as on 1st April 2018 plus 200 basis points i.e. 10.15% has been considered for computation of interest on working capital. The following table provides the Interest on working Capital proposed for each year of the Control Period.

Table 48: Interest on Working Capital submitted by the Petitioner (In INR Cr)

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Two Months Receivable	249.49	256.25	267.02
2	O&M Expense - 1 month	11.78	12.70	13.72
3	Maintenance Spare @ 40% of R&M Exp - one month	0.41	0.45	0.49
4	Less : Amount held as Security Deposit	(231.44)	(254.79)	(279.31)
5	Total	30.24	14.61	1.92
6	Interest Rate	10.15%	10.15%	10.15%
7	**Interest on Working Capital**	**3.07**	**1.48**	**0.20**

Commission's analysis:

Regulation 52 of the MYT Regulations, 2018 stipulates the following:

"52. Norms of Working Capital for Distribution Wires Business

52.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:

[9] Bank Rate as on 1st April 2018

(a) O&M Expenses for one (1) month; plus

(b) Maintenance spares at 40% of repair and maintenance expenses for one (1) month; plus

(c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution

wires at the prevailing tariff;

Less:

(d) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Further, Regulation 31.3 of the MYT Regulation, 2018 stipulates the following:

31.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures. 31.4 The rate of interest on working capital shall be equal one (1)Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1)Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points.

The Commission has computed the Interest on Working Capital for each year of the Control Period in accordance with the MYT Regulation, 2018. The interest rate has been considered as 10.15% (1 year MCLR as on 1st April 2018 i.e. 8.15% + 200 basis points). The computation of interest on working capital is shown in the following table:

Table 49: Interest on Working Capital approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	O&M Expense for 1 month	10.87	11.12	12.13
2	Maintenance spares at 40% of R&M expenses for one (1) month;	0.38	0.42	0.47
3	Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff	251.49	255.13	269.51
4	Less: Amount held as security deposits	196.44	219.79	244.30
5	Net Working Capital	66.30	46.88	37.81
6	Rate of Interest (%)	10.15%	10.15%	10.15%
	Interest on Working Capital	**6.73**	**4.76**	**3.84**

The Commission approves the Interest on Working Capital as INR 6.73 Cr for the FY 2019-20, INR 4.76 Cr for the FY 2020-21 and INR 3.84 Cr for the FY 2021-22.

5.17. Income Tax

Petitioner's submission

The Petitioner has not made any submission has been made in this regard.

Commission's analysis:

Regulation 32 of MYT Regulations, 2018 stipulates the following:

"32. Tax on Income

32.1 The treatment of tax on income for a Transmission Licensee shall be in accordance with the prevalent CERC Tariff Regulations.

32.2 The Commission in its MYT Order shall provisionally approve Income Tax payable for each Year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check.

32.3 Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the Licensed business of the Distribution Licensees shall be reimbursed to/recovered from the Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each Year of the Control Period, subject to prudence check.

32.4 Under-recovery or over-recovery of any amount from the Consumers on account of such tax having been passed on to them shall be adjusted every Year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. The Distribution Licensee may include this variation in its truing up Petition:

Provided that tax on any income stream other than the core business shall not be a pass-through component in tariff and tax on such other income shall be borne by the Distribution Licensee."

Since the Petitioner has paid no Income tax in the previous years, no income tax liability is computed for the 2nd MYT Control Period and the same shall be Trued-up based on the actual income tax paid by the Petitioner.

Table 50: Income Tax approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Income Tax	0.00	0.00	0.00

5.18. Provision for Bad & Doubtful Debts

Petitioner's submission

The Petitioner has not proposed any provision for bad and doubtful debts during the MYT Control Period.

Commission's analysis

Regulation 62 of the MYT Regulations, 2018 stipulates the following

"62. Provision for bad and doubtful debts

62.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of write off of bad debts in the previous years, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:

Provided also that the provision for bad and doubtful debts shall be limited to 1% of the annual Revenue Requirement of the Distribution Licensee:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."

The Commission also has not considered any Provision for Bad & Doubtful Debts for the 2nd MYT Control Period. The same shall be accounted for as per actuals during the True-up of respective years.

5.19. Non-Tariff Income

Petitioner's submission

The Petitioner has estimated the non-tariff income for each year of the Control Period as shown in the following table:

Table 51: Non-Tariff Income submitted by the Petitioner (In INR Cr)

Particular	FY 2019-20	FY 2020-21	FY 2021-22
Non-Tariff Income	8.18	8.59	9.02

Commission's analysis:

Regulation 64 of the MYT Regulations, 2018 stipulates the following:

"64. Non-Tariff Income

64.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of tariff.

64.2 The Non-Tariff Income shall inter-alia include:

(a) Income from rent of land or buildings;

(b) Income from sale of scrap;

(c) Income from statutory investments;

(d) Interest on advances to suppliers/contractors;

(e) Rental from staff quarters;

(f) Rental from contractors;

(g) Income from hire charges from contactors and others;

(h) Income from advertisements, etc.;

(i) Meter/metering equipment/service line rentals;

(j) Service charges;

(k) Consumer charges;

(l) Recovery for theft and pilferage of energy;

(m) Rebate availed on account of timely payment of bills;

(n) Miscellaneous receipts;

(o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;

(p) Prior period income, etc.:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:

Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."

The Commission considers the same NTI as approved for the FY 2018-19 for each year of the Control Period. The same shall be Trued-up on actual basis.

The NTI approved for each year of the MYT Control Period has been shown in the following table:

Table 52: Non -tariff Income approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Non- Tariff Income	4.51	4.51	4.51

The Commission approves Non-Tariff Income of INR 4.51 Cr for each year of the 2nd MYT Control Period.

5.20. Aggregate Revenue Requirement (ARR)

Petitioner's submission

Based on the expenses as detailed above, the Petitioner submitted the net aggregate revenue requirement for each year as shown in the following table:

Table 53: Aggregate Revenue Requirement (ARR) submitted by the Petitioner (In INR Cr)

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Cost of power purchase	1,275.12	1,294.10	1,319.96
2	Employee Costs	110.64	120.47	131.16
3	R&M Expenses	12.24	13.53	14.81
4	Administration and General Expenses	18.47	18.42	18.64
5	Depreciation	13.97	17.17	24.89
6	Interest & Finance Charges	12.75	18.53	34.65
7	Interest on Working Capital	3.07	1.48	0.20
8	Return on Equity	38.76	40.21	42.53
9	Provision for Bad debt	0.00	0.00	0.00
10	Interest on consumer security deposit	20.14	22.17	24.30

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
11	**Total Revenue Requirement**	**1,505.14**	**1,546.09**	**1,611.13**
12	Less: Non- Tariff Income	8.18	8.59	9.02
13	**Net Aggregate Revenue Requirement**	**1,496.96**	**1,537.50**	**1,602.11**

Commission's analysis

On the basis of the detailed analysis of the cost parameters of the ARR the net revenue requirement for each year of the MYT Control Period is approved as provided in the following table:

Table 54: Aggregate Revenue Requirement approved by Commission (In INR Cr)

S. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Power Purchase Cost inclusive of cost towards RPO	1,282.96	1,292.83	1,341.87
3	Operation & Maintenance Expenses	130.43	133.40	145.58
4	Depreciation	30.60	33.93	41.65
5	Interest and Finance charges	12.19	16.82	32.83
6	Return on Equity	38.27	39.82	40.53
7	Interest on Security Deposit	12.28	13.74	15.27
8	Interest on Working Capital	6.73	4.76	3.84
9	Income Tax	0.00	0.00	0.00
10	Provision for Bad Debt	0.00	0.00	0.00
11	**Total Revenue Requirement**	**1,513.45**	**1,535.29**	**1,621.57**
12	Less: Non-Tariff Income	4.51	4.51	4.51
13	**Net Revenue Requirement**	**1,508.94**	**1,530.78**	**1,617.06**

The Commission approves net ARR of INR 1,508.94 Cr for the FY 2019-20, INR 1,530.78 Cr for the FY 2020-21 and INR 1,617.06 Cr for the FY 2021-22.

5.21. Revenue at existing Retail Tariff

Petitioner's submission

The Petitioner has estimated revenue from sale of power at existing tariff as INR 1,417.73 Cr for the FY 2019-20 based on the projected energy sales, connected load and number of consumers.

Commission's analysis

The category wise/ sub-category wise and slab-wise revenue at existing retail tariff is calculated as per the applicable tariff rates. The revenue from demand charges and the energy charges have been projected for each category/ sub-category and slab. The Commission has not considered the revenue from Regulatory Surcharge along with revenue from Retail Tariff due to its diverse nature. The same has been considered while approving the revenue gap/ surplus for the FY 2019-20. The Commission has considered suitable assumptions wherever necessary. The revenue from category/ sub-category/ slab wise tariff as computed by the Commission for the FY 2019-20 has been shown in the following table:

Table 55: Revenue at existing tariff computed by the Commission for the FY 2019-20 (In INR Cr)

S. No	Consumer Category	Energy Charges (INR Cr)	Fixed Charges (INR Cr)	Total (INR Cr)	ABR (INR/unit)
1	**DOMESTIC PURPOSES (including Cottage Industries / Poultry Farms/ Horticulture/ Pisciculture)**	**204.52**	**16.38**	**220.90**	**2.85**
a.	0-100 units per month	42.28	6.43	48.71	1.50
b.	101-200 units per month	43.68	4.79	48.47	2.50
c.	201-300 units per month	40.50	2.56	43.06	4.20
d.	Above 300 units per month	78.05	2.60	80.65	5.27
2	**HUT SERVICES (OHOB)**	**0.00**	**1.49**	**1.49**	**1.42**
a.	Hut Services	0.00	1.49	1.49	1.42
3	**COMMERCIAL**	**186.02**	**19.52**	**205.54**	**6.68**
I	**LT Commercial**	**147.71**	**8.03**	**155.74**	**6.58**
a.	0-100 units per month	32.15	3.26	35.42	5.67
b.	101-250 units per month	32.62	1.33	33.95	6.40
c.	Above 250 units per month	82.94	3.43	86.37	7.13
II	**HT Commercial (For contract demand up to 5000 kVA)**	38.31	11.49	49.81	7.02
4	**AGRICULTURE SERVICES**	**0.00**	**2.15**	**2.15**	**0.37**
I	**Agriculture**	**0.00**	**2.15**	**2.15**	**0.37**
a.	Small Farmers	0.00	0.07	0.07	0.09
b.	Other Farmers	0.00	2.07	2.07	0.42
5	**PUBLIC LIGHTING**	**16.52**	**6.09**	**22.62**	**9.24**
a.	Public Lighting	16.52	6.09	22.62	9.24
6	**INDUSTRIES**	**687.25**	**173.97**	**861.22**	**6.59**
a.	LT Industries	82.89	0.79	83.68	5.65
b.	HT Industries (For Supply at 11 kV, 22 kV or 33 kV)	440.85	117.44	558.28	6.71
c.	EHT Industries (For Supply at 110 kV or 132 kV)	163.52	55.74	219.26	6.70
7	**LT WATER WORKS**	**24.06**	**0.02**	**24.08**	**6.41**
8	**HT OTHERS**	**77.40**	**16.17**	**93.57**	**7.86**
9	**TEMPORARY SUPPLY**	**10.27**	**0.00**	**10.27**	**10.00**
10	**HOARDINGS/ SIGNBOARDS**	**0.00**	**0.00**	**0.00**	**0.00**
a.	Hoardings/ signboards[10]	0.00	0.00	0.00	0.00
	Total	**1,206.04**	**235.80**	**1,441.85**	**5.44**

[10] No sales has been projected for the Hoardings/ signboards category in FY 2019-20

The Commission has determined revenue from sale of power at existing tariff as INR 1,441.85 Cr in the FY 2019-20.

5.22. Standalone Revenue Gap/ Surplus

Petitioner's submission

Based on the ARR and the revenue from retail tariff projected by the Petitioner, the Petitioner has submitted a standalone revenue gap of INR 79.24 Cr (excluding revenue from Regulatory Surcharge) for the FY 2019-20.

Commission's analysis

The Commission based on the approved ARR and existing retail tariff (excluding Regulatory Surcharge) has derived the following Revenue Gap/Surplus:

Table 56: Standalone Revenue Gap/ Surplus approved at existing tariff (excluding Regulatory Surcharge) for the FY 2019-20 (In INR Cr)

S. No	Particulars	Petitioners submission	Now Approved
1	Annual Revenue Requirement	1,496.96	1,508.94
2	Revenue from sale of power	1,417.73	1,441.85
	Revenue Gap/(Surplus)	**79.24**	**67.10**

The standalone revenue gap at existing retail tariff is INR 67.10 Cr for the FY 2019-20 (excluding Regulatory Surcharge). This gap has been considered while determining the retail tariff for the FY 2019-20, as discussed in the subsequent Chapter.

6. Chapter 6: Tariff Principles and Design

6.1. Overall Approach

The Commission while designing retail tariffs for the FY 2019-20 has kept in view the principles of determination of tariff set out in the Electricity Act, 2003 (EA, 2003), Tariff Policy, 2016 and the MYT Regulations, 2018.

The Commission, with this Tariff Order, has tried to meet the objectives of the EA 2003, as set out in its Preamble, including the protection of the interest of consumers, the supply of electricity to all areas and the rationalisation of tariffs. The EA, 2003 also directs to maintain a healthy balance between the interests of the Utilities and the reasonableness of the cost of power being supplied to consumers. The Commission has also taken into consideration PED's submissions as well as the public responses in these proceedings.

The provision of supply of electricity to all the people is an essential driver for development, and also influences social and economic change. Since the majority of the energy sales within PED's jurisdiction is towards industries, the Commission has attempted to ensure that, while industries and commerce are promoted, it is not at the cost of other segments of society.

6.2. Applicable Regulations

Regulation 67 of the MYT Regulations, 2018 states the following:

"67.1 The Commission may categorize Consumers on the basis of their load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required and any other factor as considered appropriate by the Commission.

67.2 The Commission shall endeavour to determine cost of supply for each category/ sub-category of Consumers.

67.3 The Commission shall endeavour to reduce gradually the cross-subsidy between Consumer categories with respect to the cost of supply in accordance with the provisions of the Act.

67.4 The tariff proposal by Licensee and the tariff determination by the Commission shall be based on the following principles:

(a) The tariff for all categories shall preferably be two part, consisting of fixed and variable charges.

(b) The fixed charges in tariff shall progressively reflect actual fixed cost incurred by Distribution Licensee;

(c) The overall retail supply tariff for different Consumer categories shall progressively reflect the cost of supply for respective categories of Consumers;

(d) The tariff for residential Consumers shall be set considering the affordability of tariff for various class of Consumers;

(e) The tariff shall be set in such a manner that it may not present a tariff shock to any category of Consumers."

6.3. Cumulative Revenue Gap/ Surplus

Petitioner's Submission

The Petitioner has proposed a cumulative revenue gap of INR 271.68 Cr (excluding Regulatory Surcharge for the FY 2019-20) till FY 2019-20. The standalone and cumulative revenue gap as submitted by the Petitioner has been tabulated in the following tables:

Table 57: Standalone Revenue Gap/ (Surplus) submitted by the Petitioner (excluding Regulatory Surcharge) (INR Cr)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Aggregate Revenue Requirement (ARR)	1,496.96	1,537.50	1,602.11
Less: Revenue at Existing Tariffs excluding Surcharge	1,417.73	1,451.23	1,487.77
Less: Revenue from Open Access	-	-	-
Revenue Gap/ (Surplus) for the year (excluding surcharge)	**79.24**	**86.27**	**114.35**

Table 58: Cumulative Revenue Gap/ (Surplus) till FY 2018-19 as proposed by the Petitioner (including Regulatory Surcharge) (INR Cr)

Particulars	Previous Year (Provisional Actuals)	APR
	FY 2017-18	FY 2018-19
Opening Balance of Gap (previous years)	94.05	251.84
Revenue Gap for the year (including surcharge)	157.79	(59.39)
Closing Gap	251.84	192.44
Total Cumulative Gap/ (Surplus)	**251.84**	**192.44**

Table 59: Cumulative Revenue Gap/ (Surplus) submitted by the Petitioner (excluding Regulatory Surcharge) (INR Cr)

Particulars	Ensuing Year (Projections)		
	FY 2019-20	FY 2020-21	FY 2021-22
Net ARR	1,496.96	1,537.50	1,602.11
Less: Revenue at Existing Tariffs excluding Surcharge	1,417.73	1,451.23	1,487.77
Less: Revenue from Open Access			
Revenue Gap for the year (excluding surcharge)	**79.24**	**86.27**	**114.35**
Opening Balance of Gap (previous years)	**192.44**	**271.68**	**357.95**
Add: Gap During the year	79.24	86.27	114.35
Total Cumulative Gap/ (Surplus)	**271.68**	**357.95**	**472.30**

Commission's analysis

Regulation 8.4 of the MYT Regulation, 2014 stipulates the following:

"While approving such expenses/revenue to be adjusted in the future years as arising out of the Review and / or Truing up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenue. Carrying costs shall be limited to the interest rate approved for working capital borrowings."

Further, Regulation 11.5 (c) of the MYT Regulation, 2018 stipulates the following:

"11.5 Upon completion of the exercise, the Commission shall pass an order recording:

...

c) Carrying cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end of the Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

Provided that carrying cost on the amount of revenue gap shall be allowed subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in *which the revenue gap is addressed:*

Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR /any replacement there of as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points;

Provided further that in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost from the date on which such surplus has become due, i.e., from the end of the Year for which trueup has been done, till the end of the Year in which it is addressed on simple interest basis at one(1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points."

The Commission has not undertaken the True-up of the FY 2017-18 and the APR for the FY 2018-19, the reasoning for which are explained in Chapter 3 and Chapter 4 of this Order respectively. Accordingly, the Commission has not considered any carrying cost in the current Order. The same shall be considered during the True-up of the respective years. The Commission has considered the cumulative closing gap for the FY 2018-19 as the opening gap for the FY 2019-20, as per the Commission's ARR Order dated 28th March 2018. The same shall be revised as per actuals during the True-up of the FY 2017-18 and FY 2018-19 respectively.

The Commission, in the ARR Order for the FY 2018-19 had approved a cumulative revenue gap of INR 152.47 Cr till 31st March 2019, which has now been considered as the opening revenue gap for the FY 2019-20. The detailed computation is shown in the following tables:

Table 60: Standalone Revenue Gap/ (Surplus) for the FY 2019-20 at Existing Tariff determined by Commission (INR Cr)

Particulars	FY 2019-20
Net Revenue Requirement	1,508.94
Revenue from Retail Sales at Existing Tariff	1,441.85
Revenue from Open Access	-
Standalone Gap/ (Surplus) for the year (excluding Regulatory Surcharge)	**67.10**

Table 61: Cumulative Revenue Gap/ (Surplus) at Existing Tariff determined by Commission (INR Cr)

Particulars	FY 2018-19[11]	FY 2019-20
Opening Gap/ (Surplus)	198.85	152.47
Add: Standalone Gap/ (Surplus)	(4.71)	67.10
Less: Revenue from Regulatory Surcharge	55.18	57.67
Closing Gap/ (Surplus)	138.95	161.89
Average Gap/ (Surplus)	168.90	157.18
Carrying Cost	13.51	-
Final Closing Gap/ (Surplus)	**152.47**	**161.89**

The Commission determines a cumulative revenue gap of INR 161.89 Cr till FY 2019-20 at existing tariff.

6.4. Treatment of the Cumulative Gap/ Surplus and Tariff Design

As derived from above, the resultant cumulative revenue gap till the end of the FY 2019-20 is INR 161.89 Cr, signifying that the revenue from existing tariff is not commensurate with the costs incurred by the Petitioner. In

[11] As per the figures approved by the Commission in the Tariff Order dated 28th March 2018

this present situation, in order to cover this revenue deficit and to be financially sustainable, the retail consumer tariffs demand a tariff increase. However, the revenue gap being substantial, recovering this entirely from increase in consumer tariffs may lead to a tariff shock. Hence, the Commission proposes to continue to recover a certain proportion of the revenue gap carried over from the preceding years by the Regulatory Surcharge imposed in the Tariff Order of the FY 2018-19 and recover the standalone revenue gap (excluding Regulatory Surcharge) for the FY 2019-20 through increase in retail tariff. The individual approach adopted and the applicability of the same has been discussed in the following sections.

6.4.1. Designing of Tariff

Petitioner's Submission

In order to bridge the cumulative revenue gap of INR 472.30 Cr (excluding Regulatory Surcharge) proposed by the Petitioner till FY 2021-22, the Petitioner has proposed to increase the Regulatory Surcharge from 4% to 10% for each year of the 2nd Control Period, with no tariff hike for the FY 2019-20. The Petitioner envisages the increase in Regulatory Surcharge to reduce the cumulative revenue gap to INR 130.25 Cr by FY 2019-20 and INR 37.66 Cr by FY 2021-22.

Commission's analysis

As discussed above, the Commission has determined the retail tariff for the FY 2019-20 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the MYT Regulations, 2018.

Tariff design in general is guided by the following principles:

1. Cost reflective: The tariffs determined should efficiently reflect the cost of supply for each consumer category.
2. Progressive tariffs: Ensuring progressivity among tariffs by having telescopic tariff slabs which encourages efficient consumption and at the same time promotes intra-category cross-subsidy by way of charging higher tariff for higher consumption to subsidize the lower consumption consumers
3. Revenue neutrality: There should be no impact on the utility's yearly revenue due to rationalization of tariffs i.e. the overall status quo should be maintained.
4. Affordability: Assessing affordability of electricity for Domestic & Commercial consumers for defining slab ranges and setting tariffs
5. Revenue stability: Utilities should ensure adequate fixed cost recovery from fixed/ demand charges
6. Avoiding tariff shocks: Tariff shocks should be prevented and consumers should be kept informed about the future trends in tariffs
7. Demand management and grid stability: Demand management and grid stability should be ensured with demand-based tariffs
8. Simplified tariff structure: Tariff structure should be simplified to make it easily administrable by the utility and easy to understand for the consumer.
9. Smart tariff design: Tariff rate design should take into consideration trends in electric power such as small scale renewable generation by consumers, energy efficiency, electric vehicle charging, etc.

While all the above principles contribute significantly in developing a sustainable tariff framework, other principles like Cost of Supply and Tariff Affordability are also essential and constitute the building blocks in achieving the overall objective. The context and the approach for these parameters have been discussed as follows:

1. Cost of Supply

a) Context

Due to electricity being an essential utility item for all consumers, over the period of time, various socio-economic issues have been factored in to determine the end users' tariffs. This has unfortunately led to a severe imbalance between the tariffs levied vis-à-vis the cost of supply of the electricity, causing distress to the Discom. For example, in order to ensure that tariffs are kept in check for residential consumers, while still allowing cost recovery for Discoms, cross-subsidy is built in between categories. The tariffs so determined, are skewed, with tariff for industrial and commercial consumers being higher and for other consumer categories being lower than their respective costs of supply. The implication of this imbalance in tariffs is twofold – uncompetitive industries owing to higher input costs and inability of Discoms to recover sufficient revenue from domestic consumers, resulting in financial distress. The issue is more pronounced for rural supply where the tariffs are highly subsidized, the actual cost of supply is higher and the revenue recovery is poor.

It is thus essential that tariffs reflect the true cost to service a category of consumer. As a crucial first step towards cost-reflective tariffs, it is important for distribution utilities to determine the costs of supply (which cascade from generation to transmission and finally to distribution and retail supply of power) that should be prudently recovered from each consumer category. These costs should correspond to the actual costs being imposed by each consumer category on the Discom. By determining consumer category wise costs of supply, the Discom would be in a better position to allocate costs where relevant and determine how tariffs can be levied fairly on each category.

The overall approach that can be followed for accurately determining the Cost of Supply has been discussed as follows.

b) Approach

Presently, the most commonly used approach for determining the cost of supply of electricity for tariff determination is the Average Cost of Supply (ACoS) method. The ACoS is computed by dividing the Aggregate Revenue Requirement (ARR) determined by the Commission for recovery through tariffs by the total energy sales for the year. However, this methodology does not indicate the costs incurred by consumers at different voltage levels using different assets of the network. Therefore, it does not help in determining accurate tariffs for particular consumers, eventually resulting in insufficient cost coverage.

As a next logical step, the Voltage wise cost of supply (VCoS) method provides a better reflection of cost of supply to consumers at different voltage levels. The Hon'ble ATE suggested a simplified version of the same in 2010, to determine VCoS in the absence of all necessary data. In this method, the power purchase costs and other costs (such as network costs, wheeling costs etc.) are allocated to various consumer categories based on energy input or energy sales (as considered appropriate by the State Commission). This approach factors in the voltage level differentiation based on losses, however, it does not factor in asset utilization at different voltage levels.

A more refined version of determination of VCoS uses three parameters for allocating various costs to voltage levels – energy input at each voltage level, energy sales and asset allocation to voltage levels. The losses segregated voltage wise (as a percentage of input energy) are to be allocated to different voltage levels based on energy input to each voltage level (as explained in subsequent sections). Subsequently, the cost elements such as power procurement costs, employee expenses, administrative and general expenses and income tax can be allocated to each voltage levels based on total sales at each voltage level. The cost elements, which are dependent on assets such as depreciation, interest costs, return allowed to utility etc. are allocated in ratio of assets allocated to each voltage level. The sum of all the cost components at each voltage level is the cost to supply the particular voltage (EHT/ HT/ LT).

The Commission is of the opinion that while VCoS differentiates cost allocation based on voltage levels, it does not factor in differentiation at consumer category level. For instance, at the same LT level, cost of supplying electricity to a Commercial consumer may be different from that of a Residential consumer. Thus, it believes that the most progressive way forward for PED is to accurately determine the cost of supply is to attempt to determine Cost of Supply at various category level. The Commission notes that States like Andhra Pradesh and Telangana have determined Category wise Cost of Supply albeit with several assumptions and PED must also attempt to determine the same.

On studying the existing methodologies followed internationally, among developing nations with energy access situations like India's, the Commission is of the opinion that the Category wise Cost of Supply methodology is an appropriate starting point. The embedded cost method identifies and appropriately assigns the historical or accounting costs that make up a Discom's revenue requirement to all categories and sub-categories of consumers.

This method involves three steps:

- Cost Functionalization
- Cost Classification
- Cost Allocation

Cost functionalization separates cost data into the functional activities performed in the operation of a utility system - power generation/supply, transmission, distribution and retail supply. Classification determines the portion of the cost that is related to specific cost-causal factors, such as those that are demand-related, energy-related, or customer-related. Finally, the cost allocation step assigns the costs to specific customer categories based on the customer's contribution to the specific classifier selected.

The Commission as part of this Order has determined the tariff according to the Average Cost of Supply (ACoS) due to lack of requisite data. The Commission strongly believes that determination of Category wise Cost of Supply is essential to ensure cost reflectivity in tariffs fixed for different categories. However, the Commission feels that to carry out this exercise a lot of field level information would be required such as Category wise co-incident and non-co-incident demand, Voltage wise value of assets (Voltage wise asset ratio), Voltage wise losses, Category wise break-up of costs related to Metering, Billing and Collection etc., which currently the Petitioner doesn't maintain. Therefore, in absence of the same, the Commission is unable to determine the Category wise CoS in this Order but directs the Petitioner to start maintaining this data and submit the same in the tariff proceeding of the upcoming year.

2. *Tariff Affordability*

a) Context

The Commission understands that the consumer base of PED, particularly the domestic category consumers, is varied and covers a wide spectrum of socio-economic backgrounds. It is aware that most low income households spend a substantial share of their income on utility services such as electricity, heating and water. However, any envisaged tariff reforms are often objected to avoid further burdening of these consumers. However, to improve the quality of service of electricity, the Discom has to undergo significant capital expenditure, which eventually deteriorates the affordability of tariffs. Thus to tackle this problem and in the spirit of economic wellbeing of all consumer classes, the concept of cross-subsidies has been built into the current tariff structure.

However, the Commission believes that a more scientific and logical approach can be adopted to identify the right categories of consumers and the right cross-subsidy/ subsidy requirement that will benefit the end consumers at the same time. Hence, the Commission believes that there is a strong need to develop a scientific methodology to assess the social impact of electricity tariffs.

The overall approach that can be followed for determining the tariff affordability has been discussed as follows.

b) Approach

On reviewing methodologies adopted globally for social impact assessment of electricity tariffs by studying international research reports and studying model practices internationally, the Commission found that Tariff Affordability Ratio (TAR) is a reliable parameter to measure affordability of electricity in households.

TAR is defined by obtaining the burden incurred by a household for electricity as compared to the overall household expenditure. The rationale behind this concept is that the electricity is a basic utility and is unavoidable in today's scenario. However, this does not ensure that the expenditure level is in line with the overall household expenditure. Hence, this concept helps to understand the affordability level of electricity on households with different economic levels.

The electricity expenditure can be determined initially for domestic consumers by computing the average consumption levels across each slab and the household expenditure can be estimated from national surveys of household expenditure across economic levels conducted by organizations like NSSO. Thereafter the distribution of consumers of the Discom across tariff slabs can be mapped across the established economic levels to develop the final affordability ratio matrix for the Discom's domestic consumer base.

Following the identification of the current ratio of Tariff Affordability, the Commission in consultation with the stakeholders will develop benchmarks for acceptable affordability levels by studying trends across countries with a demography and energy scenario similar to that of India and propose appropriate tariffs. The final output shall help understand the Commission to modify tariffs in cases where there is more room for tariff increase or a need to correct tariffs. The exercise would also help the Commission in setting tariff slabs as per the paying capacity of the consumers, which would be beneficial particularly for Domestic category consumers. Additionally, this shall also help the Government to formulate better schemes to channelize its intended benefits effectively.

The Commission in these tariff proceedings is not carrying out this exercise due to unavailability of accurate data. The Petitioner is directed to ensure the sanctity of the data maintained pertaining to various categories.

Keeping in view the above principles and based on the category wise information submitted by the Petitioner, the Commission has determined the retail tariff applicable for the FY 2019-20 as per the following:

1. Relatively higher tariff increase has been done for the Domestic category, which is cross-subsidized, rather than increasing the tariff for cross-subsidizing categories such as Commercial, LT and HT categories, in order to ensure that tariffs progressively reflect the cost of supply.

2. The Commission believes that the demand for charging infrastructure for electric vehicles will increase in the near future due to increased commercialization. Furthermore, the Commission is of the opinion that to impart the necessary impetus for the adoption of E-Vehicles in the UT, a sustainable framework has to be developed and having a designated electricity tariff is the first step towards achieving it. Therefore, keeping in view the anticipated demand and need, the Commission introduces a new category namely Electric Vehicle Charging Stations for consumers setting up infrastructure for charging of Electric vehicles/ Electric rickshaws etc. and has fixed the tariff as per the guidelines of Ministry of Power, Govt. of India.

6.4.2. Tariff Increase and Schedule:

As described in the earlier section, the current tariff does not cover the entire cost of the Petitioner for the FY 2019-20. The substantial standalone revenue gap (excluding Regulatory Surcharge) at the end of the FY 2019-20 i.e. INR 67.10 Cr necessitates an increase in retail tariff. The existing retail tariff and the retail tariff now approved by the Commission for each consumer category has been shown in the following table:

Table 62: Existing and approved tariff

S. No	Consumer Category	Existing Tariff		Approved Tariff	
		Fixed Charge	Energy Charge INR/kWh	Fixed Charge	Energy Charge INR/kWh
1	**DOMESTIC PURPOSES**				
a.	0-100 units per month	INR 40/connection/ month	1.30	INR 40/connection/ month	1.50
b.	101-200 units per month		2.25		2.50
c.	201-300 units per month		3.95		4.35
d.	Above 300 units per month		5.10		5.60
2	**HUT SERVICES (OHOB)**				
a.	Hut Services	INR 35/connection/ month	-	INR 35/connection/ month	-

S. No	Consumer Category	Existing Tariff		Approved Tariff	
		Fixed Charge	Energy Charge INR/kWh	Fixed Charge	Energy Charge INR/kWh
3	**COMMERCIAL**				
I	**LT Commercial**				
a.	0-100 units per month	INR 120/connection/ month	5.15	INR 120/connection/ month	5.50
b.	101-250 units per month		6.15		6.50
c.	Above 250 units per month		6.85		7.20
II	**HT Commercial (For contract demand up to 5000 kVA)**	**INR 350 per kVA per month**	**5.40**	**INR 400 per kVA per month**	**5.50**
4	**AGRICULTURE SERVICES**				
I	**Agriculture**				
a.	Small Farmers	INR 10/HP/month	-	INR 10/HP/month	-
b.	Other Farmers	INR 45/HP/month	-	INR 45/HP/month	-
II	**Cottage Industries /Poultry Farms/ Horticulture/Pisciculture**				
a.	0-100 units per month	INR 40/connection/ month	1.30	INR 40/connection/ month	1.50
b.	101-200 units per month		2.25		2.50
c.	201-300 units per month		3.95		4.35
d.	Above 300 units per month		5.10		5.60
5	**PUBLIC LIGHTING**				
a.	Public Lighting	INR 100/pole/ month	6.75	INR 100/pole/ month	6.75
6	**INDUSTRIES**				
a.	LT Industries	INR 100 /connection/ month	5.60	INR 120 /connection/ month	5.80
b.	HT Industries (For Supply at 11 kV, 22 kV or 33 kV)	INR 350 per kVA per month	5.30	INR 400 per kVA per month	5.35
c.	EHT Industries (For Supply at 110 kV or 132 kV)	INR 420 per kVA per month	5.00	INR 450 per kVA per month	5.10
7	**LT WATER WORKS**	**INR 120/connection/ month**	**6.40**	**INR 140/connection/ month**	**6.70**
8	**HT OTHERS**	**INR 450 per kVA per month**	**6.50**	**INR 450 per kVA per month**	**6.50**
9	**ELECTRIC VEHICLE CHARGING STATION**	-	-	**INR 200 per kVA per month**	**5.20**
10	**HOARDINGS/SIGNBOARDS**				
a.	Hoardings/signboards	INR 120 per kVA per month or part thereof	8.00	INR 120 per kVA per month or part thereof	8.00
11	**TEMPORARY SUPPLY**				
a.	Lights or combined installation of lights and fans, motive power, heating and others	Minimum charges of INR 200 per connection per month or part thereof	9.75	Tariff for Temporary Connection shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of non-domestic category for permanent supply.	
b.	Special Illumination	Minimum charges of INR 500 per connection per month or part thereof	10.00		
c.	Construction and testing purpose for load exceeding 130 HP or 97 kW	Minimum charges of INR 500 per connection per month or part thereof	10.00		

6.4.3. Revenue from Approved Retail Tariff for the FY 2019-20

Based on the retail tariff approved above, the revenue from approved tariff is shown in the following table. The Commission has not estimated any revenue for Electric Vehicle Charging Station category due to unavailability of requisite data. The Commission as of now approves the K factor for the category as 1. However, the Petitioner is directed to submit the requisite data for energy sales, no. of consumers and connected load in case any consumers are identified under this category.

Table 63: Revenue from approved retail tariff determined by Commission (INR Cr)

S. No.	Category	Sales (MUs)	Energy Charges (Rs Cr)	Fixed charges (Rs Cr)	Total Charges (Rs Cr)	ABR (Rs/unit)	K Factor
1	**DOMESTIC & COTTAGE**	**774.95**	**227.63**	**16.38**	**244.01**	**3.15**	
	0-100 units	325.24	48.79	6.43	55.21	1.70	0.30
	101-200 units	194.13	48.53	4.79	53.33	2.75	0.48
	201-300 units	102.54	44.60	2.56	47.16	4.60	0.81
	Above 300 units	153.04	85.70	2.60	88.31	5.77	1.01
2	**HUT SERVICES/ OHOB**	**10.49**	**0.00**	**1.49**	**1.49**	**1.42**	**-**
3	**COMMERCIAL**	**307.50**	**195.01**	**21.16**	**216.17**	**7.03**	**1.23**
(i)	**LT Commercial**	**236.55**	**155.99**	**8.03**	**164.02**	**6.93**	
	0-100 units	62.44	34.34	3.26	37.60	6.02	1.06
	101-250 units	53.04	34.47	1.33	35.80	6.75	1.19
	Above 250 units	121.08	87.18	3.43	90.61	7.48	1.31
(ii)	**HT Commercial for contract demand up to 5000 kVA**	**70.95**	**39.02**	**13.14**	**52.16**	**7.35**	**1.29**
4	**AGRICULTURE SERVICES**	**57.92**	**0.00**	**2.15**	**2.15**	**0.37**	**-**
	Small Farmers	8.09	0.00	0.07	0.07	0.09	-
	Other farmers	49.83	0.00	2.07	2.07	0.42	-
5	**PUBLIC LIGHTING**	**24.48**	**16.52**	**6.09**	**22.62**	**9.24**	**1.62**
6	**INDUSTRIES**	**1,306.83**	**697.64**	**194.89**	**892.53**	**6.83**	**1.20**
(i)	LT Industrial	148.02	85.85	0.95	86.80	5.86	1.03
(ii)	HT Industries (For Supply at 11 kV, 22 kV or 33 kV)	831.78	445.00	134.22	579.22	6.96	1.22
(iii)	**EHT Industries (For Supply at 110 kV or 132 kV)**	**327.03**	**166.79**	**59.72**	**226.51**	**6.93**	**1.22**
7	**LT Water Tanks**	**37.59**	**25.19**	**0.02**	**25.21**	**6.71**	**1.18**
8	**HT OTHERS**	**119.08**	**77.40**	**16.17**	**93.57**	**7.86**	**1.38**
9	**ELECTRIC VEHICLE CHARGING STATION**	**-**	**-**	**-**	**-**	**-**	**1.00**
10	**HOARDINGS/SIGNBOARDS**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.00**
11	**TEMPRORARY**	**10.27**	**10.27**	**0.00**	**10.27**	**10.00**	*

S. No.	Category	Sales (MUs)	Energy Charges (Rs Cr)	Fixed charges (Rs Cr)	Total Charges (Rs Cr)	ABR (Rs/unit)	K Factor
	TOTAL	**2,649.11**	**1,249.66**	**258.37**	**1,508.03**	**5.69**	

* *1.50 times the k factor of the relevant category in which the connection falls

The Commission approves revenue from approved retail tariff of Rs 1508.03 Cr for the FY 2019-20 against a Net Revenue Requirement of Rs 1508.94 Cr.

The following table provides the category wise Average Cost of Supply (ACoS), Existing Average Billing Rate (ABR), Approved ABR and the existing and approved recovery vis-à-vis the (ACoS).

Table 64: Tariff increase approved by Commission

Category	ACoS (INR/kWh)	ABR at Existing Tariff (INR/kWh)	ABR at Approved Tariff (INR/kWh)	Increase (%)
Domestic	5.68	2.85	3.15	10.46%
OHOB	5.68	1.42	1.42	0.00%
Commercial	5.68	6.68	7.03	5.17%
Agriculture	5.68	0.37	0.37	0.00%
Public Lighting	5.68	9.24	9.24	0.00%
Industries	5.68	6.59	6.83	3.64%
LT Water Works	5.68	6.41	6.71	4.70%
HT Others	5.68	7.86	7.86	0.00%
Temporary Supply	5.68	10.00	10.00	0.00%
Total	**5.68**	**5.44**	**5.69**	**4.59%**

The average increase in the retail tariff now approved by the Commission vis-à-vis prevailing tariff is 4.59%.

6.4.4. Regulatory Surcharge

As is evident from the above, with an average tariff increase of 4.59%, the revenue from Approved Retail Tariff recovers the standalone Net Revenue Requirement of the FY 2019-20. The Commission has tried to limit the tariff increase in each category in order to safeguard the interests of consumers by avoiding an abnormal increase in tariffs. However, the cumulative revenue gap till the end of the FY 2018-19 (as approved in the ARR Order for the FY 2018-19) is yet to be recovered. The following table provides the cumulative revenue gap till FY 2019-20 excluding Regulatory Surcharge at approved tariff.

Table 65: Cumulative Revenue Gap/ (Surplus) excluding Regulatory Surcharge at Approved Tariff (INR Cr)

Particulars	FY 2018-19	FY 2019-20
Net Revenue Requirement (a)	1,374.75	1,508.94
Revenue from Retail Sales at Approved Tariff (b)	1,367.89	1,508.03
Revenue from Regulatory Surcharge (c)	55.18	-
Revenue from Open Access Charges (d)	11.57	-
Total Revenue (e= b+c+d)	1,434.64	1,508.03
Standalone Gap /(Surplus) for the year (f=a-e)	**(59.89)**	**0.92**
Opening Gap/ (Surplus) (g)	198.85	152.47

Particulars	FY 2018-19	FY 2019-20
Add: Gap/ (Surplus) (h)	(59.89)	0.92
Closing Gap/ (Surplus) (i=g+h)	138.95	153.38
Carrying Cost (j)	13.51	-
Final Closing Gap/ (Surplus) (i+j)	**152.47**	**153.38**

It can be observed from the table above that the increase in tariff is not enough to recover the cumulative revenue gap. Therefore, the Commission, in order to recover approved revenue gap till FY 2018-19, has decided to continue with the Regulatory Surcharge of 4.00%. The Surcharge shall be applicable to all consumers. The revenue from the Regulatory Surcharge and the resultant gap after factoring both the additional revenue from Regulatory Surcharge has been discussed subsequently. In order to moderate the tariff increase to consumers, the Commission has decided to recover this cumulative gap till FY 2018-19, till further Orders of the Commission.

Applicability and Conditions of the Regulatory Surcharge

- This Regulatory Surcharge shall be applicable to all consumer categories served by the Petitioner.
- The Surcharge shall also be applicable to consumers opting for open access.
- The Regulatory Surcharge shall be levied in the monthly/ bimonthly bill as a percentage of the total Energy and Demand charges payable by the consumer.

6.4.5. Cumulative Revenue Gap/ Surplus

On considering the additional revenue from tariff increase and Regulatory Surcharge, the resultant Revenue Gap/Surplus has been shown in the following table:

Table 66: Cumulative Revenue Gap/ Surplus with Regulatory Surcharge approved by Commission (INR Cr)

Particulars	FY 2018-19*	FY 2019-20
Net Revenue Requirement (a)	1,374.75	1,508.94
Revenue from Retail Sales at Approved Tariff (b)	1,367.89	1,508.03
Revenue from Regulatory Surcharge (c)	55.18	60.32
Revenue from Open Access Charges (d)	11.57	-
Total Revenue (e= b+c+d)	1,434.64	1,568.35
Standalone Gap /(Surplus) for the year (f=a-e)	**(59.89)**	**(59.40)**
Opening Gap/ (Surplus) (g)	198.85	152.47
Add: Gap/ (Surplus) (h)	(59.89)	(59.40)
Closing Gap/ (Surplus) (i=g+h)	138.95	93.06
Carrying Cost (j)	13.51	-
Final Closing Gap/ (Surplus) (i+j)	**152.47**	**93.06**

*As approved in the ARR Order for the FY 2018-19

The Commission approves a cumulative revenue gap of Rs 93.06 Cr till FY 2019-20.

6.4.6. Highlights of the Tariff Structure

The highlights of the tariff structure approved by the Commission for FY 2019-20 are as follows:

1. The Commission has made every effort to rationalize the tariffs so that they gradually reflect the true cost to service a category of consumer in accordance with the provisions of the Act. Accordingly, the Commission has approved relatively higher increase in tariff for the cross-subsidized categories than the cross-subsidizing categories.

2. The Commission has approved an average tariff hike of 4.59% while retaining the regulatory surcharge of 4% for the FY 2019-20.

3. The Commission has introduced a new category namely Electric Vehicle Charging Stations for consumers setting up infrastructure for charging of Electric vehicles/ Electric rickshaws etc. and has fixed the tariff as per the guidelines of Ministry of Power, Govt. of India.

7. Chapter 7: Open Access Charges for the FY 2019-20

7.1. Wheeling Charges

7.1.1. Allocation Matrix - Allocation of ARR into Wheeling and Retail Supply of Electricity

Petitioner's submission:

The Petitioner has considered the Allocation Statement as per the Tariff Order approved by the Commission for the FY 2018-19. Accordingly, the segregation of accounts is shown in the following table:

Table 67: Allocation Statement as considered by the Petitioner

Particulars	Allocation (%)		FY 2019-20		
	Wheeling	Supply	Wheeling (INR Cr)	Supply (INR Cr)	Total (INR Cr)
Cost of power purchase	*0%*	*100%*	-	1,294.10	1,294.10
Employee costs	*70%*	*30%*	84.33	36.14	120.47
Repair and Maintenance Expenses	*90%*	*10%*	12.18	1.35	13.53
Administration and General Expenses	*50%*	*50%*	9.21	9.21	18.42
Depreciation	*90%*	*10%*	15.45	1.72	17.17
Interest and Finance charges	*90%*	*10%*	16.68	1.85	18.53
Interest on Working Capital	*22%*	*78%*	0.33	1.16	1.48
Return on Equity	*90%*	*10%*	36.19	4.02	40.21
Provision for Bad Debt	*0%*	*100%*	-	-	-
Interest on consumer security deposit	*0%*	*100%*	-	22.17	22.17
Total Revenue Requirement			**174.37**	**1,371.72**	**1,546.09**
Less: Non-Tariff Income	*0%*	*100%*	-	8.59	8.59
Net Revenue Requirement			**174.37**	**1,363.13**	**1,537.50**

The Petitioner has allocated O&M cost between LT, HT and EHT level based on number of consumers, whereas other costs have been allocated between LT, HT and EHT level as per asset allocation ratio shown in the following table:

Table 68: Voltage wise allocation of Consumers, Sales and Asset Allocation as assumed by the Petitioner

Category	Consumers	Asset Allocation (%)	Sales (MU)	Cumulative Voltage wise Losses (%)
Low Tension (LT) Level	503,136	50.00%	1,300.27	19.49%
High Tension (HT)	542	40.00%	1,021.81	5.44%
Extra High Tension(EHT) Level	7	10.00%	327.03	1.50%
Total	**503,685**	**100%**	**2,649.11**	**12.5%**

Accordingly, the Petitioner has submitted wheeling charges of INR 0.73/kWh at LT Voltage level, INR 0.24/kWh at HT Voltage level and INR 0.18/kWh at EHT Voltage level for the FY 2019-20. The computation of Wheeling charges as submitted by the Petitioner has been shown in the following table:

Table 69: Wheeling Charge calculation as submitted by Petitioner

Category	O&M (INR Cr)	Others (INR Cr)	Total (INR Cr)	Sales (MU)	Wheeling Charges (INR/kWh)
Low Tension (LT) Level	64.43	30.22	94.65	1,300.27	0.73
High Tension (HT)	0.07	24.17	24.24	1,021.81	0.24
Extra High Tension(EHT) Level	0.001	6.04	6.04	327.03	0.18
Total	**64.50**	**60.43**	**124.93**	**2,649.11**	**0.47**

Commission's analysis:

The Commission has considered the Allocation Statement for bifurcation of wheeling and retail ARR as per Regulation 48 of the MYT Regulations, 2018. The allocation between wheeling and retail supply business for the FY 2019-20 as per the ARR approved in this Order is provided in the following table:

Table 70: Allocation Statement approved by Commission

Particulars	Allocation (%)		FY 2019-20		
	Wheeling	Supply	Wheeling (INR Cr)	Supply (INR Cr)	Total (INR Cr)
Cost of power purchase for full year	*0%*	*100%*	0.00	1,282.96	1,282.96
Employee costs	*40%*	*60%*	42.46	63.69	106.16
Administration and General Expenses	*50%*	*50%*	6.41	6.41	12.83
Repair and Maintenance Expenses	*90%*	*10%*	10.30	1.14	11.44
Depreciation	*90%*	*10%*	27.54	3.06	30.60
Interest and Finance charges	*90%*	*10%*	10.97	1.22	12.19
Interest on Working Capital	*10%*	*90%*	0.67	6.06	6.73
Interest on consumer security deposit	*10%*	*90%*	1.23	11.05	12.28
Return on Equity	-	-	34.33	3.94	38.27
Provision of Bad & Doubtful Debt	*0%*	*100%*	0.00	0.00	0.00
Income Tax	*90%*	*10%*	0.00	0.00	0.00
Total Revenue Requirement			**133.92**	**1,379.53**	**1,513.45**
Less: Non-Tariff Income	*10%*	*90%*	0.45	4.06	4.51
Net Revenue Requirement			**133.47**	**1,375.48**	**1,508.94**

To determine the wheeling charges, the wheeling costs are allocated on the basis of voltage levels. The wheeling charges are levied for distribution network utilized by the Open Access consumers and primarily comprises of O&M Expenses and other costs as provided in the table above.

The methodology adopted for allocating the derived wheeling costs at respective voltage levels has been elaborated as follows:

- O&M Expenses consisting of Employee, A&G and R&M expenses are allocated to each voltage level on the basis of number of consumers.
- All expenses other than the O&M expenses are allocated to each voltage level on the basis of voltage wise asset allocation. The Petitioner in this regard was directed to submit the voltage wise asset allocation but has failed to submit the desired information and in the absence of such information, the Commission has assumed the voltage wise asset allocation shown in Table 71.
- The resultant cost at EHT voltage level is divided among LT, HT and EHT voltage levels on the basis of input energy at respective voltage levels as the EHT network is used by consumers at all voltage levels. Similarly, allocated cost at HT voltage level is divided between HT and LT voltage levels. The cost at LT voltage level is allocated completely to LT voltage level.

The energy input has been determined assuming the loss level of EHT voltage as 1.50% and loss level at HT voltage as 4.00%, the same as approved in the Tariff Order of the FY 2018-19. The Petitioner in this regard has failed to submit the voltage wise losses. The resultant losses have been loaded to the LT voltage level in order to maintain the overall Intra-State T&D loss at 12.50% as approved in the Business Plan Order.

Table 71: Parameters assumed for voltage wise allocation of wheeling charges

Category	No. of Consumers	Asset Allocation (%)	Sales (MU)	Cumulative Voltage wise Losses (%)	Energy Input (MU)
Low Tension (LT) Level	503,136	50.00%	1,300.27	19.49%	1,614.95
High Tension (HT) Level	542	40.00%	1,021.81	5.44%	1,080.59
Extra High Tension (EHT) Level	7	10.00%	327.03	1.50%	332.01
Total	**503,685**	**100.00%**	**2,649.11**	**12.50%**	**3,027.55**

Accordingly, the Commission approves the Wheeling Charges as follows:

Table 72: Wheeling Charges approved by Commission

Category	O&M (INR Cr)	Others (INR Cr)	Total (INR Cr)	Energy Sales (MU)	Wheeling Charges (INR/kWh)
Low Tension (LT) Level	59.14	57.03	116.18	1,300.27	0.89
High Tension (HT) Level	0.03	16.54	16.57	1021.81	0.16
Extra High Tension (EHT) Level	0.00	0.82	0.82	327.03	0.02
Total	**59.17**	**74.39**	**133.56**	**2,649.11**	

The Commission approves wheeling charge of INR 0.89/kWh at LT voltage level, INR 0.16/kWh at HT voltage level and INR 0.02/kWh at EHT voltage level

7.2. Additional Surcharge

Petitioner's submission:

The Petitioner has proposed an Additional Surcharge of INR 0.95/kWh. The Additional Surcharge computed by the Petitioner is shown in the followed table:

Table 73: Additional Surcharge for the FY 2019-20 as submitted by the Petitioner

Particulars	FY 2019-20
Total Power Purchase cost (INR Cr)	1,275.12
Fixed Cost component in Power Purchase Cost (excluding Transmission Charges) (INR Cr)	251.43
Energy Sales (MU)	2,649.11
Additional Surcharge (INR/kWh)	**0.95**

Commission's analysis:

The Commission has notified the Joint Electricity Regulatory Commission for the State of Goa And Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017. Regulation 4.5 (1) of the said Regulations states the following:

"An Open Access Consumer, receiving supply of electricity from a person other than the Distribution Licensee of his area of supply, shall pay to the Distribution Licensee an additional surcharge in addition to wheeling charges and cross-subsidy surcharge, to meet the fixed cost of such Distribution Licensee arising out of his obligation to supply as provided under sub-section (4) of Section 42 of the Act:

Provided that such additional surcharge shall not be levied in case Open Access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use."

Regulation 4.5 (2) of the said Regulations stipulate:

"This additional surcharge shall become applicable only if the obligation of the Licensee in terms of power purchase commitments has been and continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs by the Licensee consequent to such a contract. However, the fixed costs related to network assets would be recovered through wheeling charges."

Further, Regulation 5.2 (1) (b) states the following:

"The quantum of drawal of electricity by a partial Open Access Consumer from the Distribution Licensee during any Time Block of a Day should not exceed the "Admissible Drawl of Electricity by the Open Access Consumer" which is the difference of Contract Demand and maximum quantum of Open Access for which approval has been granted by the Nodal Agency.

[Illustration: If an Open Access Consumer with a Contract Demand of 10 MW has been given an approval for a maximum Open Access quantum of 6MW for a period of 3 Months, the Admissible Drawl of Electricity from the Distribution Licensee during any Time Block shall be 4 MW for any Day during a period of 3 Months.]"

Therefore, in accordance with the above Regulations, the Commission has determined the Additional Surcharge as per the following:

Table 74: Additional Surcharge approved by Commission

Particulars	FY 2019-20
Fixed Cost component in Power Purchase Cost (excluding Transmission Charges) (INR Cr)	281.08
Energy Sales (MUs)	2,649.10
Additional Surcharge (INR/kWh)	1.06

As per the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Open Access in Transmission and Distribution) Regulations, 2009, a consumer availing Open Access was required to pay fixed charges on contracted load even when the load was drawn partially from the Distribution Licensee. In addition, the consumer was also required to pay wheeling charges, additional surcharge and the cross-subsidy surcharge. **As per the new "Open Access Regulations, 2017", a consumer is now required to pay fixed charges on reduced demand after adjusting for demand drawn through Open Access in accordance with the Regulation. The Commission approves an Additional Surcharge of INR 1.06/kWh for the FY 2019-20.**

The Commission directs the Petitioner to submit quarterly details of the power stranded on account of consumers opting for open access along with the Additional Surcharge recovered from these consumers. The Commission will analyse the information and change the applicable Additional Surcharge, if required.

7.3. Cross-Subsidy Surcharge

Petitioner's submission:

The Cross-Subsidy Surcharge submitted by the Petitioner is shown in the following table:

Table 75: Cross-Subsidy Surcharge as proposed by the Petitioner

Category	VCoS (INR/kWh)	ABR (INR/kWh)	Cross- Subsidy (INR/kWh)
Low Tension (LT) Level	6.65	4.41	(2.24)
High Tension (HT)	4.74	7.47	2.73
Extra High Tension(EHT) Level	4.55	6.81	2.27

Commission's analysis:

The Commission in this Order has calculated the cross-subsidy surcharge with respect to voltage wise cost of supply. The following approach has been adopted to determine the voltage wise cost of supply:

- Voltage Wise losses at each voltage level are assumed for LT, HT & EHT voltage categories. The remaining losses are adjusted in the LT voltage level in order to maintain the Intra-State T&D losses at 12.50%, as approved in the Business Pan Order. Voltage wise losses assumed at each level have been shown in the following table:

Table 76: Voltage Wise Losses considered by the Commission

Category	Voltage Level Loss (%)	Cumulative Losses upto that voltage level (%)
Low Tension (LT) Level	14.85%	19.49%
High Tension (HT) Level	4.00%	5.44%
Extra High Tension (EHT) Level	1.50%	1.50%
Total	**12.50%**	**12.50%**

Using these losses the energy input at each voltage level is determined based on the energy sales. The following table shows the energy input at each voltage level

Table 77: Energy Input at each voltage level (MU)

Category	Energy Sales (MU)	Cumulative Losses (%)	Energy Input (MU)
Low Tension (LT) Level	1,300.27	19.49%	1,614.95
High Tension (HT) Level	1,021.81	4.00%	1,080.59
Extra High Tension (EHT) Level	327.03	1.50%	332.01
Total	**2,649.11**	**12.50%**	**3,027.55**

Now the overall ARR approved for the FY 2019-20 is divided into variable and fixed ARR with variable ARR comprising of variable power purchase cost and fixed ARR comprising of all the other costs.

The fixed component comprising of fixed cost of power purchase, O&M etc. is further allocated to each voltage category as per the following principles:

- The fixed cost of power purchase is assigned to each voltage level on the basis of energy input at respective voltage levels.

- The O&M expenses are allocated to each voltage level on the basis of the number of consumers. The resultant cost allocated to EHT level is then further allocated to EHT, HT and LT levels on the basis of input energy, as the EHT network is utilized by all EHT, HT and LT network consumers. Similarly, the cost allocated to HT is distributed to both HT and LT voltage level.

- The remaining fixed costs are allocated on the basis of voltage wise asset allocation assumed earlier and further allocated to respective voltage levels on the basis of input energy.

Table 78: Parameters used for allocation of fixed costs

Category	Energy Input (MU)	Voltage wise Asset Allocation (%)	No. of Consumers
Low Tension (LT) Level	1,614.95	50%	503,136
High Tension (HT) Level	1,080.59	40%	542
Extra High Tension (EHT) Level	332.01	10%	7
Total	**3,027.55**	**100%**	**503,685**

The Variable component of the Power purchase cost is allocated on the basis of energy input. The Voltage wise cost of supply (VCoS) is then determined on the basis of energy sales of respective categories. Accordingly, the VCoS is determined as shown in the following table:

Table 79: Voltage Wise Cost of Supply (VCoS)

Category	Allocated Fixed Cost (INR Cr)	Allocated Variable Cost (INR Cr)	Total Cost (INR Cr)	Energy Sales (MU)	VCoS (INR/kwh)
Low Tension (LT) Level	393.98	494.00	887.98	1,300.27	6.83
High Tension (HT) Level	148.68	330.54	479.23	1,021.81	4.69
Extra High Tension (EHT) Level	40.18	101.56	141.74	327.03	4.33
Total	**582.84**	**926.10**	**1,508.94**	**2,649.11**	

The VCoS as determined is used to determine the Cross-Subsidy Surcharge

Table 80: Cross-Subsidy Surcharge

Category	VCoS (INR/kWh)	ABR (INR/kWh)	Cross- Subsidy (INR/kWh)
Low Tension (LT) Level	6.83	4.28	(2.55)
High Tension (HT) Level	4.69	7.09	2.40
Extra High Tension (EHT) Level	4.33	6.93	2.59

The Cross-Subsidy Surcharge is coming out to be negative for LT voltage level, INR 2.40/kWh for HT and INR 2.59/kWh for EHT voltage levels.

Therefore, the Commission approves nil Cross-Subsidy Surcharge at LT Voltage level, INR 2.40/kWh at HT Voltage Level and INR 2.59/kWh at EHT Voltage levels, in FY 2019-20.

8. Chapter 8: Fuel and Power Purchase Cost Adjustment Mechanism

The State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry receive power from the Central Generating Stations, State Generating Stations, Independent Power Producer's (IPP's) through the long-term power purchase agreements and short-term purchases – through exchange, bilateral purchases etc. The distribution licensees procure power from various available sources and supply power to the consumers at retail tariffs determined by the Commission. Power purchase cost accounts for more than 80% of the Annual Revenue Requirements (ARR) of the distribution licensees and includes the cost paid for procurement of power, transmission charges, Deviation Settlement Mechanism (DSM) charges, State Load Despatch Center (SLDC)/ Regional Load Despatch Center (RLDC) charges and is netted off with revenue earned from the sale of surplus power.

The cost of the long-term power being procured by the distribution licensees is fixed by the Central Electricity Regulatory Commission (CERC) for plants supplying power to more than one State/UT (for example NTPC, NHPC etc.) and by the JERC for plants located within the region (for IPP's, licensees own generation and other State generating sources). Charges for the Over-drawal/Under-drawal from the Grid, Inter-State Transmission charges and RLDC charges are fixed by the CERC, while Intra-State Transmission charges and SLDC charges are fixed by the JERC. Short-term purchase/ sale of power is done through traders, bilateral contracts, banking and power exchanges at market-determined prices.

While determining retail tariff for any year, the Commission first determines the ARR based on the projection of various cost elements including power purchase cost. Power purchase cost of the distribution licensee is derived from the power purchase quantum and per unit power purchase cost. Quantum of power purchase depends upon the energy sales to the retail consumer and distribution losses, out of which energy sales is not under the control of the distribution licensee. There is also variation in actual per unit power purchase cost vis-à-vis projected per unit power purchase cost due to change in fuel cost, change in power purchase mix i.e. thermal /hydel/renewable mix, long term/short term power mix etc. This makes power purchase cost uncontrollable in nature.

The Commission undertakes the truing up exercise for the variation in the cost and revenue once the audited accounts of the distribution licensee are available. For example, the Commission will undertake True-up of the FY 2017-18 once the audited accounts of the FY 2017-18 are available. If the audited accounts for the FY 2017-18 are prepared timely, the impact of True-up of various cost and revenue items is allowed in the tariff of the FY 2019-20, along with the carrying cost for 2 years. As the power purchase cost is the major cost element of the ARR of the distribution licensee, adjustment due to change in power purchase cost at regular intervals is important in order to avoid the burden of carrying cost on the additional power purchase cost incurred during the year.

In the section below, the Commission has discussed the FPPCA formula for computing fuel and power procurement cost variations on a quarterly basis.

8.1. Legal Provisions

The relevant provisions of the Electricity Act, Regulations, Policy document and the ATE judgments, which enable the Commission to devise, adopt and implement a power purchase/ fuel price adjustment mechanism are as follows:-

(a) Indian Electricity Act, 2003- Section 62 (4)

"No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified."

(b) Tariff Policy, 2016, clause 5.11 – sub clause (h-4)

"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of adverse natural events."

(c) Tariff Policy, 2016, clause 8.2– sub clause 8.2.1-(1)

"8.2 Framework for revenue requirements and costs
Actual level of retail sales should be grossed up by normative level of T&D losses as indicated in MYT trajectory for allowing power purchase cost subject to justifiable power purchase mix variation (for example, more energy may be purchased from thermal generation in the event of poor rainfall) and fuel surcharge adjustment as per regulations of the SERC."

(d) Hon'ble ATE judgement in OP1 of 2011 dated 11 November 2011

The Hon'ble ATE directed the SERCs to develop a power purchase cost adjustment mechanism within six months of the date of the Order. The relevant excerpt of the Order is shown as follows:

"(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this Order must put in place such formula/mechanism."

8.2. Formula

The following mechanism shall be followed for calculation and adjusting variations on account of Fuel and Power Purchase Cost in the end consumer tariff, which shall come into force w.e.f. 1st April 2019 (i.e. Power Purchased by the Licensee from 1st April 2019 onwards).

1. Periodicity for recovery (Cycle)

The licensee shall compute the fuel and power procurement cost variations on a quarterly basis. The adjustment shall be made in the consumers bills starting after a month following the end of the quarter on the units billed in the months following the quarter.

For example, FPPCA for the quarter April- June shall be done in the month of July and shall be reflected in the consumer bills raised in the months of August, September and October on the units billed for the months of July, August and September respectively.

2. Chargeability

FPPCA charges shall be levied on all consumer categories excluding Below Poverty Line (BPL) and Agriculture category consumers on per unit basis on monthly/ bi-monthly consumption depending on the billing cycle.

3. Formula

The FPPCA formula shall contain the following three components:

1. Power Purchase Cost adjustments which shall contain the following elements:
   - Variation in the Power Purchased from long term/ firm sources viz. CGS, IPP's, State, Own generation etc. This may consist of fixed cost, variable costs, arrears, other charges but excluding any kind of penalties

- Variation in Short term power purchase cost through IEX, Bilateral etc. (shall be allowed upto a certain ceiling rate as may be fixed in the Tariff Order by the Commission).
- Variation on account of Deviation Settlement Mechanism – shall be allowed, but the incentive/penalty shall be excluded

2. Transmission cost adjustments which shall contain the following elements:
   - Variation on account of Central Transmission Charges including arrears/ revisions.
   - Variation on account of State Transmission charges including arrears/revisions

3. Other Charges which shall contain all the other elements not forming part of the above two components for example:
   - Any adjustments /reversals due to over recovery of charges
   - Any adjustments due to under recovery of charges in case the Commission decides to limit the FPPCA charges in previous quarters to avoid tariff shock or other reasons
   - Any other adjustments on account of factors not envisaged at the time of tariff fixation

4. Less any revenue from Additional Surcharge collected from Open Access consumer towards the stranded power purchase cost.

Based on the components as defined above, the new FPPCA formula can be represented as follows:

$$\boldsymbol{FPPCA\left(\frac{INR}{Unit}\right) =. \left(\frac{(Pact + Tact + Oact - ASact) * 10}{\{[PPOact * (1 - TLapp) + PPIact - PSOact] * (1 - DLapp)\} - Zact}\right) - Rapp}$$

Where:

- $Pact(in\ INR\ Cr.)$: Actual Power purchase cost inclusive of fixed cost, variable costs, arrears, and other charges excluding any kind of penalties incurred in the quarter. This shall include:
  - Cost of procurement from sources outside the State,
  - Cost of procurement from sources within the State,
  - Cost of DSM excluding any penal charges,
  - Cost of procurement from the Bilateral/ exchange etc.
  - Less: Revenue from sale of surplus power/ DSM
- $Tact\ (in\ INR\ Cr.)$: Actual Transmission cost inclusive of any kind of arrears, other charges etc. and excluding any kind of penalties incurred in the quarter. This shall include:
  - Inter-State transmission cost (PGCIL charges),
  - Intra-State transmission cost
- $Oact\ (in\ INR\ Cr.)$: Adjustments from the previous FPPCA quarter on account of over/ under recovery and any other incidental costs not accounted for at the time of retail tariff fixation
- $ASact\ (in\ INR\ Cr.)$: Revenue from Additional Surcharge collected from Open Access consumer towards the stranded power purchase cost
- $PPOact\ (in\ MU)$: Quantum of power purchased in the quarter from sources outside State/ Union Territory
- $TLapp\ (in\ \%)$: Approved Inter- State transmission losses for the year in consideration as provided in the relevant Tariff Order
- $PPIact\ (in\ MU)$: Quantum of power purchased in the quarter from sources within State/Union Territory, Bilateral/ Exchange and Over-drawal under the DSM

- $PSOact\ \ (in\ MU)$: Actual quantum of sale of surplus power/ under-drawal under the DSM in the quarter
- $DLapp\ (in\ \%)$: Approved T&D losses for the year in consideration as provided in the relevant Tariff Order
- $Zact\ (in\ MU)$: Actual energy sales for agriculture and BPL category consumers in the quarter

$$Rapp\ (\frac{INR}{unit}) = \left(\frac{(Papp + \ Tapp\ ) * 10}{\{[PPOapp * \ (1 - TLapp) + PPIapp - PSOapp] * (1 - DLapp)\} - Zapp}\right)$$

- $Papp\ \ (in\ INR\ Cr.)$: Total power purchase cost approved in the Tariff Order for a quarter inclusive of fixed costs, variable costs etc. and containing the following elements:
  - Cost of procurement from sources outside the State,
  - Cost of procurement from sources within the State,
  - Cost of procurement from the Bilateral/ exchange etc.
  - Less: Revenue from sale of surplus power
- $Tapp\ (in\ INR\ Cr.)$: Total transmission charges approved in the Tariff Order for a quarter consisting of the following elements:
  - Inter-State transmission charges (PGCIL charges),
  - Intra-State transmission charges
- $PPOapp\ \ (in\ MU)$: Quantum of power to be procured from sources outside State/ Union Territory in a quarter as approved in the Tariff Order
- $TLapp\ \ (in\ \%)$: Approved Inter- State transmission losses for the year in consideration as provided in the relevant Tariff Order
- $PPIapp\ \ (in\ MU)$: Quantum of power to be procured from sources within the State, bilateral/ exchange in a quarter as approved in the Tariff Order
- $DLapp\ (in\ \%)$: Approved T&D losses for the year in consideration as provided in the Tariff Order
- $PSOapp\ \ (in\ MU)$: Quantum of sale of surplus power approved in the Tariff Order for a quarter
- $Zapp\ (in\ MU)$: Sales for agriculture and BPL category consumers for a quarter as approved in the relevant Tariff Order

4. Other Terms and conditions

1. For the purpose of the Fuel and Power Purchase Cost Adjustment, the Commission suggests that all the bills admitted and credits, if any, received by the distribution licensee during the period in consideration, irrespective of the period to which they pertain, may be considered.

2. The FPPCA charges determined as per the formula above may be recovered from the consumers of all categories based on their billed units excluding the BPL and the agriculture category consumers.

3. The FPPCA charges for a quarter shall be limited to ±10% of the ABR for a consumer category. The distribution licensee shall be allowed to collect the FPPCA without obtaining approval from the Commission. However, the distribution licensee shall be required to submit the FPPCA calculation to the Commission at least one week before levying the same on the consumers.

4. The per unit FPPCA so worked out is charged differentially as per the approved retail tariff of the consumers. The determination of differential per unit FPPCA is mentioned below:

- Step 1: Determination of Value of K

$$\frac{Approved\ Retail\ Tariff\ for\ a\ category\ or\ sub\ category\ (\frac{INR}{unit})}{Weighted\ Average\ Retail\ Tariff\ (WART)(\frac{INR}{unit})}$$

The value of K for different consumer category or sub-category for the year in consideration is considered as approved in this Tariff Order.

- Step 2: Determination of proportionate FPPCA (INR/unit) consumer category/sub-category wise

$$FPPCA\left(\frac{INR}{Unit}\right) = Average\ FPPCA * K\ for\ that\ consumer\ category\ or\ sub - category$$

5. The Petitioner shall compute the fuel and power procurement cost variations, and adjustments shall be made in the consumer bills based on the FPPCA formula as approved by the Commission in this Order.

For the purpose of calculation, the approved per unit cost of power purchase ($R_{approved}$) shall be taken as INR 4.97/kWh for the FY 2019-20.

Table 137: $R_{approved}$ determined by Commission for the FY 2019-20

Particulars	Amount
Total Power Purchase Cost (INR Cr), P_{app}	1,207.18
Transmission Charges (INR Cr), T_{app}	75.78
Power Purchase Quantum from CGS Stations at Generator Periphery (NTPC, NPCIL, NLC, Vallur) (MU), PPO_{app}	3,002.55
Approved Inter-State Transmission Loss (%), TL_{app}	2.92%
Power Purchase Quantum from sources within State (PPCL) and Renewable Sources (MU), PPI_{app}	287.98
Quantum of Sale of Surplus Power (MU), PSO_{app}	175.31
Approved Intra-State T&D Loss (%), DL_{app}	12.50%
Energy Sales for Hut Services and Agriculture consumer category (MU), Z_{app} (MU)	68.41
R_{app} (INR/kWh)	**4.97**

9. Chapter 9: Directives

Over the years, the Commission has issued various directives to the Petitioner for necessary action at its end. It has been observed that the Petitioner is not fully complying with many of the directives issued by the Commission. In order to strengthen the effective monitoring and ensure timely implementation of all the directives in true spirit, the Commission hereby directs that the Petitioner shall now compulsorily submit:

- The detailed action plan for compliance of all the directives within 1 month of the issuance of this Order.
- The quarterly progress report as per the detailed action plan for all the directives issued in the subsequent sections within 10 days of the end of each quarter of the calendar year.

9.1. Directives continued in this Order

While examining the compliance note and supporting documents submitted by the Petitioner in the present Petition, it is observed that some of the directives issued in the previous Tariff Orders have not been fully complied with by the Petitioner.

The Commission is of the view that substantial time has already been given to the utility for compliance with these directions. Thus, the Commission hereby directs the utility to comply with the directions mentioned below in the given timeframe, failing which the Commission shall be constrained to initiate necessary action under Section 142 of the Electricity Act 2003 read with other provisions of the Act, and the Regulations made thereunder.

9.1.1. Preparation of Asset and Depreciation Register

Originally Issued in Tariff Order dated 5th February 2010
Commission's Directive in Tariff Order for the FY 2018-19 *The Commission observes that the Petitioner is yet to ensure full compliance of this directive. The Commission directs the Petitioner to update the asset register till FY 2017-18 before filing of the Tariff Petition in the next year.*
Petitioner's Response in Present Tariff Petition *The Asset and Depreciation Register has been updated upto FY 2016-17. The Government Orders to engage consultants for the preparation of Asset register upto FY 2017-18 and preparation of accounts for the FY 2017-18 is awaited. The same shall be filed along with the Tariff Petition for the FY 2020-21.*
Commission's Response *The Commission observes that the Petitioner is yet to ensure full compliance of this directive. The Commission directs the Petitioner to update the asset register for the FY 2017-18 and FY 2018-19 before filing of the Tariff Petition for the FY 2020-21.*

9.1.2. Accounting of Consumer Security Deposits etc. under appropriate head of accounts

Originally Issued in Tariff Order dated 5th February 2010
Commission's Directive in Tariff Order for the FY 2018-19 *The Commission observes that the Petitioner is yet to ensure full compliance of this directive. In the FY 2016-17 the Petitioner has only paid INR 3.50 Cr to consumers against an approved amount of INR 4.00 Cr. The Commission directs the Petitioner to pay the full interest on consumer deposit in the FY 2018-19, as computed, to the eligible consumers and update the status to the Commission within 3 months of issue of this Order.*

Petitioner's Response in Present Tariff Petition
It is submitted that an amount of Rs. 3.2 Crores out of allocation of INR 5.00 Cr in the Budget has already been paid to the consumers and the action for payment of balance amount is in process.
Commission's Response
The Commission observes that the Petitioner, in its Petition for provisional True-up of the FY 2017-18, has claimed that only INR 3.50 Cr of interest on security deposits was actually paid against the total of INR 12.22 Cr. As separate accounts have been maintained for security deposits since FY 2012-13, the Petitioner should be able to make the requisite payments on a regular basis. The Commission therefore directs the Petitioner to pay the full interest on consumer deposit to the eligible consumers and update the status to the Commission within three months of issue of this Order.

9.1.3. Energy Audit and T&D Losses

Originally Issued in Tariff Order dated 5th February 2010
Commission's Latest Directive in Tariff Order for the FY 2018-19
The Commission has taken a serious view of the fact that the Petitioner is yet to ensure full compliance despite repeated directives of the Commission. The Commission directs the Petitioner to expedite the process to complete energy audit of all distribution transformers in the said areas within 3 months of issuance of this Order and report the compliance to the Commission.
Petitioner's Response in Present Tariff Petition
It is submitted that all the feeders have been provided with DLMS meters as per the requirement of Ministry of Power and the provision of DLMS meters in the Distribution Transformers under various central schemes are in progress. As such, the department will conduct feeder wise energy audit and furnish the requisite details during the time of TVS.
Commission's Response
The Commission has taken a serious view of the fact that the Petitioner has been unable to submit the Energy Audit Report during the TVS. Since most of the central schemes are planned to be capitalized by FY 2019-20 as per the approved capital expenditure plan, the Commission directs the Petitioner to complete the energy audit of all distribution transformers and submit the same along with the tariff petition for the FY 2020-21.

9.1.4. Estimation of the consumption by agriculture pump-sets

Originally Issued in Tariff Order dated 5th February 2010
Commission's Latest Directive in Tariff Order for the FY 2018-19
The Commission observes that the Petitioner is yet to ensure full compliance of this directive. The Commission directs the Petitioner to submit the status report regarding metering of the distribution transformers connected to agriculture consumers before 31st July 2018 and complete the work of metering in the FY 2018-19.
Petitioner's Response in Present Tariff Petition
The percentage consumption of the Agriculture sector is only around 2%. As such, the department will take action to provide metering to the Agriculture consumers on completion of replacement of all defective static/ electro-mechanical meters in the service connections to ensure the proper energy accounting and improve the AT&C losses.
Commission's Response
The Commission observes that the Petitioner is yet to ensure full compliance of this directive. Since most of the central schemes are planned to be capitalized by FY 2019-20 as per the approved capital expenditure plan, the Commission directs the Petitioner to complete the work of metering in 30th September 2019.

9.1.5. Metering of consumer installations/ replacement of non-functional or defective Meters

Originally Issued in Tariff Order dated 5th February 2010
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission has taken a serious view of the fact that the Petitioner is yet to ensure full compliance despite repeated directives of the Commission. Since the Petitioner has proposed to replace all defective meters in FY 2017-18, the compliance status of the same has to be submitted by the Petitioner on or before 30th April 2018.*
Petitioner's Response in Present Tariff Petition *The orders have been placed for supply of 35,000 Energy meters under IPDS and 75,609 Energy meters under DDUGJY schemes. All the meters procured under R-APDRP have been installed. The Smart Grid Pilot Project covering provision of 34,000 Smart Meters is nearing completion. It is expected that the replacement of defective / electromechanical meters will be completed before first quarter of the FY 2019-20.*
Commission's Response The action taken is noted. The Petitioner is directed to submit the compliance of the complete directive before 30th June 2019.

9.1.6. Load Shedding and ensuring proper service to the consumers

Originally Issued in Tariff Order dated 5th February 2010
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The action taken is noted. The Petitioner is directed to submit the compliance of the directive before 30th May 2018.*
Petitioner's Response in Present Tariff Petition *The operationalisation of 24X7 call centre is getting delayed due to the litigation between TANGEDCO and M/s Navayuga Infotech (P) Ltd, the consortium partner of the IT Implementing Agency (ITIA), which is yet to be resolved. As such, project implementation work is completely stalled. However, effective grievances redressal mechanism has been put in place and grievances are being received through toll free no. 1912 round the clock and are being attended on priority.*
Commission's Response The Commission directs the Petitioner to ensure that the service levels are maintained in line with the JERC (Standards of Performance) Regulations applicable from time to time. The Petitioner is also directed to submit a detailed report on the nature and status of the aforementioned litigation within one month of the issue of this Order.

9.1.7. Employee Cost/ Manpower Study

Originally Issued in Tariff Order dated 5th February 2010
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission has noted the efforts taken by the Petitioner. The Commission directs the Petitioner that the employee cost/manpower study should be submitted along with the filing of the next tariff petition.*
Petitioner's Response in Present Tariff Petition *As directed by the Hon'ble Commission in the approval for the Business Plan, the department will study the requirement of manpower for the implementation of various schemes under JICA and other schemes and submit the same along with the cost estimates for consideration of the Hon'ble Commission.*
Commission's Response

The Commission, in the Business Plan Order dated 31st October 2018, had also directed the Petitioner to submit a detailed proposal duly indicating the requisite manpower required at each level. The Commission therefore directs the Petitioner to submit the employee cost/manpower study along with a detailed proposal indicating the requisite manpower required at each level while filing the tariff petition for the FY 2020-21.

9.1.8. Connected Load/ Contract Demand-based fixed charges for LT Industrial and Commercial categories

Originally Issued in Tariff Order dated 12th June 2012
Commission's Latest Directive in Tariff Order for the FY 2018-19 *Action taken by the Petitioner is noted. The Petitioner is directed to have effective project management and complete the compliance of the directive before filing of next Tariff Petition.*
Petitioner's Response in Present Tariff Petition *The PED requests the Hon'ble Commission to permit the Department to provide connected load/ contract demand based fixed charges for LT Industrial and Commercial categories from FY 2020-21 onwards, as implementation of R-APDRP Part-A is being delayed.*
Commission's Response The Petitioner, in the current MYT petition, has submitted that all related works with respect to R-APDRP is expected to be completed in FY 2018-19 (instead of the FY 2019-20 as proposed in the Business Plan Petition) as per the directive given by the MoP. The Commission therefore directs the Petitioner to submit the compliance of the directive before 31st May 2019.

9.1.9. Proposal of the Energy Charges for the agriculture category

Originally Issued in Tariff Order dated 10th April 2013
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission noted that the directive has not been complied with in the present Tariff Petition also. The Commission directs the Petitioner to submit an action plan for 100% metering of agriculture consumers by 31st July 2018 and submit a proposal for energy tariff based billing for agricultural consumers along with the next Tariff Petition.*
Petitioner's Response in Present Tariff Petition *The percentage consumption of the Agriculture sector is only around 2% and as such, it is submitted that the existing flat rate system be continued.*
Commission's Response The Commission observes that the Petitioner is yet to ensure full compliance of this directive. With regard to the continuation of the existing billing structure based on fixed charges, the Commission opines that the billing rate for each category shall gradually reflect its actual cost of supply in accordance with the provisions of the Act. This endeavour is not possible without adequate metering. Further, since most of the central schemes are planned to be capitalized by FY 2019-20 as per the approved capital expenditure plan, the Commission directs the Petitioner to complete the work of metering by 30th September 2019 and submit a proposal for introduction of energy charges in the Agriculture category in its next Tariff Petition, so that billing of energy charges can be implemented in the tariff petition for the FY 2020-21.

9.1.10. Information for determination of voltage wise wheeling charges

Originally Issued in Tariff Order dated 24th May 2016
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission notes that Petitioner has not complied with the directive and has given reasons for non-compliance which are not tenable. The Commission in this Tariff Order has determined the voltage wise wheeling charges based on certain assumptions. However, in order to determine the voltage wise wheeling charges more prudently, the Commission directs the Petitioner to submit a proposal supported by the study of the relevant parameters.*
Petitioner's Response in Present Tariff Petition *The PED has already initiated the process of engaging consultants for the preparation of asset register and as well as the financial accounts up to the FY 2017-18 and the same will be submitted on their finalization.*
Commission's Response The Commission has taken a serious view of the fact that the Petitioner has been unable to submit the Voltage wise Asset Register or the Energy Audit Report. In light of the same, the Commission in this Tariff Order has again determined the voltage wise wheeling charges based on certain assumptions. The Commission directs the Petitioner to submit all the requisite information for determination of voltage wise wheeling charges along with the tariff petition for the FY 2020-21.

9.1.11. New Bill Format

Originally Issued in Tariff Order dated 24th May 2016
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission observes that the Petitioner has not fully complied with the directive. The Commission now directs the Petitioner to finalize and introduce the new bill format (including the adjustment of the Solar Power fed to the Grid) within 2 months of issuance of this Order and report the compliance to the Commission.*
Petitioner's Response in Present Tariff Petition *The present billing system adopted in the department is spot billing. On the other hand, the Bill Format proposed by the Commission requires major modification in the billing software that has been contemplated in Part-A of R-APDRP project. As such, the department may be permitted to continue with the existing bill format till such time R-APDRP Part- A project is completed. In order to avoid the complaints of the public on the billing and collection matters, the department has already initiated action to upgrade the existing billing software through National Informatics Centre, Puducherry and the same is expected to be ready in the first quarter of the FY 2019-20.*
Commission's Response The Petitioner, in the current MYT petition, has submitted that all related works with respect to R-APDRP is expected to be completed in FY 2018-19 (instead of the FY 2019-20 as proposed in the Business Plan Petition) as per the directive given by the MoP. The Commission therefore directs the Petitioner to submit the compliance of the directive before 31st May 2019 and include all requirements of billing format as per the latest Supply Code Regulations notified by the JERC.

9.1.12. Time of Day (ToD) Tariff for HT/ EHT consumers

Originally Issued in Tariff Order dated 24th May 2016
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The action taken is noted. The Petitioner is directed to complete the work of installing ToD compatible smart meters for all HT/EHT consumers along with necessary modifications in software within 3 months of*

issuance of this Order and report the compliance to the Commission. The Petitioner is also directed to widely publicize the implementation of ToD tariff to the HT/EHT consumers so that they can immediately start availing the benefits of ToD tariff mechanism.
Petitioner's Response in Present Tariff Petition *The PED requests the Hon'ble Commission to allow the Department to implement ToD metering for all HT/EHT consumers from the FY 2020-21. However, the Department will adopt the ToD tariff for HT/EHT consumers who are willing to avail the TOD tariff as 60% of the consumers have been provided with the TOD meters.*
Commission's Response The Commission directs the Petitioner to adopt ToD tariff for all the eligible HT/EHT consumers as per the charges specified in Chapter 10 of this Order. The Petitioner is also directed to complete the work of installing ToD compatible smart meters for all HT/EHT consumers in the first quarter of the FY 2019-20 and submit a status report by 30th July 2019. The Commission also reiterates that the Petitioner is expected to widely publicize the implementation of ToD tariff to the HT/EHT consumers so that they can immediately start availing the benefits of ToD tariff mechanism.

9.1.13. Open Access

Originally Issued in Tariff Order dated 12th June 2012
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission has noted the submission of the Petitioner. The Petitioner is directed to submit a status report within 2 months of issuance of this Order and submit monthly progress updates for the review of the Commission.*
Petitioner's Response in Present Tariff Petition *The PED submits that none of the HT / EHT consumers have preferred for open access in the year 2018-19. In case of any requirement by the consumers, the department will allow them as was done in the year 2017-18. Regarding setting up of STU and SLDC, the department will take up the matter with the Government and take action accordingly.*
Commission's Response The Commission has noted the submission of the Petitioner. The Petitioner is directed to submit a status report within 2 months of issuance of this Order and submit monthly progress updates for the review of the Commission with regard to setting up of STU and SLDC.

9.1.14. Category wise Connected Load

Originally Issued in Tariff Order of the FY 2017-18
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Commission has noted the submission of the Petitioner. The Petitioner is directed to maintain and submit the data for connected load for all categories in all future filing of tariff petition.*
Petitioner's Response in Present Tariff Petition *The PED requests the Hon'ble Commission to permit the Department to provide Category wise connected load/ contract demand from the FY 2020-21, as R-APDRP Part-A is getting delayed.*
Commission's Response The Petitioner has provided the requisite details of sanctioned load/ contract load for each consumer category. In light of the above, the Commission has decided to drop this directive in this Order.

9.1.15. Capital Expenditure and Capitalisation

Originally Issued in Tariff Order of the FY 2018-19
Commission's Latest Directive in Tariff Order for the FY 2018-19 *It is noticed that the Petitioner for the FY 2017-18 and FY 2018-19 has proposed a capitalization of only Rs 64.49 Cr and Rs 54.31 Cr against the approved capitalisation of Rs 156.14 Cr and Rs 143.86 Cr respectively, in the MYT Order. Lower capital expenditure has direct impact on the reliability and quality of supply to consumers. Therefore, the Petitioner is directed to improve its efforts towards capital expenditure and further take steps towards strengthening the distribution network. The Petitioner is directed to submit quarterly status report on capital expenditure and capitalization from FY 2018-19 onwards.*
Petitioner's Response in Present Tariff Petition *The PED submits that approval of the CEA has already been obtained to implement various development works under JICA loan and capital works to an extent of INR 550 Cr has been proposed during the 2nd Control Period.*
Commission's Response The Commission directs the Petitioner to ensure implementation of all proposed schemes, as approved by the Commission for the 2nd Control Period, in a timely manner. The Commission also directs the Petitioner to provide quarterly updates with regard to the capital expenditure and capitalisation achieved as per Clause 8.5 (f) of the MYT Regulations, 2018.

9.1.16. Determination of Category wise/ Voltage wise Cost of supply

Originally Issued in Tariff Order of the FY 2018-19
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Petitioner is hereby directed to submit a proposal for category wise cost of supply along with the Tariff Petition for the next year. The Petitioner in this regard is directed to start collecting category wise and voltage wise data on losses, connected load, asset allocation etc. for prudent determination of the cost of supply.*
Petitioner's Response in Present Tariff Petition *The PED requests the Hon'ble Commission to permit the Department to provide Category wise/Voltage wise cost of supply from the FY 2020-21, as R-APDRP Part-A is getting delayed.*
Commission's Response The Petitioner, in the current MYT petition, has submitted that all related works with respect to R-APDRP is expected to be completed in FY 2018-19 (instead of the FY 2019-20 as proposed in the Business Plan Petition) as per the directive given by the MoP. The Commission also observes that most of the centrally sanctioned schemes are expected to be capitalized by FY 2019-20. The Petitioner is therefore directed to submit the category wise and voltage wise data on losses, connected load, asset allocation etc. along with the tariff petition for the FY 2020-21.

9.1.17. Replacement of defective meters

Originally Issued in Tariff Order of the FY 2018-19
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Petitioner is directed to ensure that all the defective meters in the State are replaced at the earliest. Further, the Petitioner should ensure installation of electronic meters for all its consumers. The Petitioner in this regard is directed to submit a status report of the same within 3 months of issue of this Order.*
Petitioner's Response in Present Tariff Petition *The orders have been placed for supply of 35,000 Energy meters under IPDS and 75,609 Energy meters under DDUGJY schemes. All the meters procured under R-APDRP have been installed. The Smart Grid Pilot Project covering provision of 34,000 Smart Meters is nearing completion. It is expected that the replacement of defective / electromechanical meters will be completed before first quarter of the FY 2019-20.*
Commission's Response The action taken is noted. The Petitioner is directed to submit the compliance of the directive before 30th June 2019.

9.1.18. Compliance towards Renewable Purchase Obligation (RPO)

Originally Issued in Tariff Order of the FY 2018-19
Commission's Latest Directive in Tariff Order for the FY 2018-19 *The Petitioner has a pending RPO backlog of 164.75 MU till FY 2016-17. In its submission, the Petitioner has assured of clearing the cumulative backlog till FY 2016-17 by the end of the FY 2017-18 along with the standalone target for the FY 2017-18. Further, the Commission had also imposed penalty of Rs 13.53 Cr on the Petitioner in the previous Order for non-compliance of RPO targets upto FY 2015-16, which the Petitioner has failed to deposit. The Petitioner in this regard is directed to submit a compliance statement of the same within 1 month of issue of this Order.*
Petitioner's Response in Present Tariff Petition *The PED submits that request has already been made to MNRE / SECI to allocate 100 MW Wind Power and signing of the PPA is in process for the same. Similarly, request has also been made to both NTPC and MNRE / SECI for allocation of 100 MW and 50 MW of Solar Power respectively from government and the same is in process. Until such time the physical power is made available, the department will procure RECs to meet the RPO compliance till 2019-20.*
Commission's Response The Commission notes the planned procurement of ~340 MUs of Solar and Non-solar power approved for the 2nd Control Period. However, the Commission observes that the Petitioner is yet to clear a backlog of ~567 MUs till FY 2018-19 in order to fully comply with the RPO targets set by the Commission. The Petitioner is directed to clear the complete RPO backlog in FY 2019-20 in addition to fulfilling the standalone RPO targets set by the Commission for the FY 2019-20, as the Commission has allowed expenses for the same as part of the power procurement cost approved for the FY 2019-20.

9.2. New Directives issued in this Order

9.2.1. Utilising the provision of FPPCA formula

The Commission observes that the Petitioner is yet to utilize the provision of Fuel and Power Purchase Cost Adjustment Mechanism in its billing. As power purchase cost is the major cost element of the ARR of the distribution licensee, the Commission considers adjustment due to change in power purchase cost at regular intervals to be vital in order to avoid the burden of carrying cost on the additional power purchase cost incurred during the year. The Commission therefore directs the Petitioner to make use of the FPPCA formula specified in

Chapter 8 of this Order for any adjustment on account of fuel and power purchase cost variation. A status report on the same is to be submitted to the Commission by 31st August 2019.

9.2.2. Proposal of the Energy Charges for the OHOB category

The Commission is endeavoring to move to a tariff regime where the billing rate for each category reflects its actual cost of supply in accordance with the provisions of the Act (discussed in detail in Chapter 6 of this Order). Accordingly, adequate metering of all categories is vital in achieving this objective to determine the revenue and cost of supply accurately for each of the categories. Therefore, the Commission directs the Petitioner to complete the work of metering by 30th September 2019, so that billing of energy charges can be implemented in the tariff petition for the FY 2020-21.

9.2.3. Filing of the True-up Petitions upto FY 2018-19 and the APR Petition for FY 2019-20

The Commission directs the Petitioner to complete the filing of the True-up Petitions upto FY 2018-19 and the APR Petition for FY 2019-20 by 30th November, 2019.

10. Chapter 10: Tariff Schedule

10.1. Tariff Schedule

Table 81: Tariff Schedule*

S. No	Consumer Category	Fixed Charge	Energy Charge
1	**DOMESTIC PURPOSES**		
a.	0-100 units per month	INR 40.00/connection/ month	1.50 INR/kWh
b.	101-200 units per month		2.50 INR/kWh
c.	201-300 units per month		4.35 INR/kWh
d.	Above 300 units per month		5.60 INR/kWh
2	**HUT SERVICES (OHOB)**		
a.	Hut Services	INR 35.00/connection/ month	-
3	**COMMERCIAL**		
I	**LT Commercial**		
a.	0-100 units per month	INR 120.00/connection/ month	5.50 INR/kWh
b.	101-250 units per month		6.50 INR/kWh
c.	Above 250 units per month		7.20 INR/kWh
II.	**HT Commercial (For contract demand up to 5000 kVA)**	400.00 INR/kVA/month	5.50 INR/kWh
4	**AGRICULTURE SERVICES**		
I	**Agriculture**		
a.	Small Farmers	INR 10.00/HP/month	-
b.	Other Farmers	INR 45.00/HP/month	-
II	**Cottage Industries /Poultry Farms/ Horticulture/Pisciculture**		
a.	0-100 units per month	INR 40.00/connection/ month	1.50 INR/kWh
b.	101-200 units per month		2.50 INR/kWh
c.	201-300 units per month		4.35 INR/kWh
d.	Above 300 units per month		5.60 INR/kWh
5	**PUBLIC LIGHTING**		
a.	Public Lighting	INR 100.00/pole/ month	6.75 INR/kWh
6	**INDUSTRIES**		
a.	LT Industries	INR 120.00 /connection/ month	5.80 INR/kWh
b.	HT Industries (For Supply at 11 kV, 22 kV or 33 kV)	400.00 INR/kVA/month	5.35 INR/kWh
c.	EHT Industries (For Supply at 110 kV or 132 kV)	450.00 INR/kVA/month	5.10 INR/kWh
7	**LT Water Tanks**	INR 140.00/connection/ month	6.70 INR/kWh

S. No	Consumer Category	Fixed Charge	Energy Charge
8	**HT Others**	450.00 INR/kVA/month	6.50 INR/kWh
9	**ELECTRIC VEHICLE CHARGING STATION**	200.00 INR/kVA/month	5.20 INR/kWh
10	**HOARDINGS/SIGNBOARDS**		
a.	Hoardings/signboards	120.00 INR/kVA/month or part thereof	8.00 INR/kWh
11	**TEMPORARY SUPPLY**		
	Tariff for Temporary Connection shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of non-domestic category for permanent supply.		

**A Regulatory Surcharge of 4.00% shall be applicable to all the consumer categories as a percentage of the total Energy and Demand charges payable by the consumer towards recovery of past accumulated deficit.*

10.2. Applicability

Table 82: Applicability of Tariff Schedule

LT Supply Limit for all LT categories

For single phase connection, the connected load shall be upto 5 kW, and for three phase connection, the connected load shall be upto 100 kVA

DOMESTIC PURPOSES

This tariff is applicable to services for lights, fans, Air-conditioning, Heating and other small domestic appliances etc. used for:

a) Genuine domestic purposes including common services for staircase, lifts, water tanks in the purely domestic apartments.
b) Supply to actual places of public worship such as temples, mosques, churches etc.
c) Ashrams and Mutts, Non-commercial orphanage homes and old people homes run by religious and charitable institutions, social welfare and voluntary organizations.
d) Government recognized educational institutions, viz. schools, colleges, universities, ITI hostels, canteens, and residential quarters attached to the educational institutions.
e) Youth hostels, Harijan hostels, Rehabilitation Centres, Anganwadies and Balwadies run by Social Welfare Department.
f) For own residences where one room is set apart for the purpose of consultation by doctors, lawyers, engineers, architects and auditors.
g) To handloom in residence of handloom weavers (regardless of the fact whether outside labour is employed or not) and to handloom in sheds erected.
h) To the residences where supply from a house is extended to tailoring shops, job typing, document writing, laundry pressing, and small caterers set up in the verandah of the house with small lighting load only (one tube light only).

HUT SERVICES

For supply to bonafide hut services with only two numbers of 40 W Florescent Tube lights

Note

1. Hut is defined as a living place not exceeding 300 sq. ft. or 27.87 sq. m. with mud wall/brick wall or thatched wall and thatched roof only. Hut does not include farm huts. If any of the conditions is changed at a later stage, this concessional supply will be discontinued and the consumer will have to take metered supply.
2. The tariff under this item is also applicable for houses constructed for economically weaker sections under the "Chief Minister's 5000 houses programme" and houses constructed by the District Rural Development Agency under Indira Awaas Yojana and by the Adi Dravidar Welfare Department having a living space not exceeding 300 sq. ft. or 27.87 sq. m.

3. The consumer under this category should use only two numbers of 40 watts florescent tube lights. He should not use bulbs/tube lights of higher wattage or connect any other electrical equipment/ appliances other than those mentioned above. Supply from such services should not be tapped for any other purposes including functions, public meetings and also for neighboring huts. If at any time, any unauthorized load or extension, use of higher wattage bulbs or use of service for other purposes is detected, the service will be disconnected forthwith.
COMMERCIAL
LT Commercial
This tariff is for Lights and combined installation of lights and fans, mixed loads of lights and power, heating and air-conditioning applicable to: a) Non-domestic and non-industrial consumers, trade and commercial premises b) Educational institutions (excluding Government recognized educational institutions), hostels, public libraries c) Hotels, Restaurants, Boarding and Lodging Homes d) Hospitals, Private clinics, Nursing Homes, Diagnostic Centres, X-ray Units etc. e) IT related development Centres and Service Centres f) Common services for Stair-case, lifts, water tanks etc. in the purely commercial/ combination of commercial and domestic.
HT Commercial
For Commercial Establishments including Laboratories, Hotels, Marriage Halls, Cinema Theatres, Private educational Institutions, Private Hospitals, shopping Malls, Telephone exchanges, broadcasting companies with contracted maximum demand upto 5000 kVA. New High Tension consumers who want to avail a contract demand above 5000 kVA or existing High Tension consumers who want to enhance their demand beyond total contract demand of 5000 kVA should avail power at 110 kV or 132 kV as the case may be.
AGRICULTURE SERVICES
Agriculture
For supply to bonafide agricultural services with a connected load of not less than 3 HP per service **Note** 1. Electricity will be supplied under the tariff category “Small farmers” to those consumers whose families are solely dependent on the income derived from their agricultural land holding, which should not exceed two and half acres of wet land or five acres of dry land. A certificate to this effect from Revenue authority shall be produced. "Small farmer” means a person whose total holding, whether as owner, tenant or mortgaged with possession or partly in one capacity and partly in another, does not exceed two-and-a half acres of wet lands or five acres of dry land. In computing the extent of land held by a person who owns both wet and dry lands, two acres of dry land shall be taken as equivalent to one acre of wet land. 2. The above concession will be withdrawn if resale of energy or unauthorized load / extension or use for other purpose is detected by the Department. 3. Agricultural power loads below 3 H.P. will be charged under Tariff Category A1. A bonafide farmer may use his motor in the Agricultural Service for allied agricultural purposes such as sugarcane crushing, thrashing etc. 4. Power supply to Farm Houses shall be metered separately and charged under domestic tariff (A2). **Payment of Tariff Charges by Agriculture Consumers** 1. The Tariff shall be collected in three equal installments payable in April August and December in each year. The installments shall be payable before the 15th of the respective months. 2. For new service, the first installment shall be proportionate to the number of whole months remaining till the month in which the first installment is due. Fraction of a month shall be reckoned as a whole month.
Cottage Industries /Poultry Farms/ Horticulture/Pisciculture
It is applicable to bonafide cottage industries, horticultural nurseries including plant tissue culture media, bona fide poultry farms and Pisciculture.

Note:

(a) Cottage industries

The following conditions should be satisfied in order that an industry may be classified as a bonafide cottage industry:

1) It should be conducted entirely within the home, the home being deemed to be permanent residence of the proprietor.
2) The industry shall not cause any residence to constitute a factory within the meaning of the Factories Act, 1948 or any amendment thereof.
3) Not more than two persons outside the immediate family of the proprietor shall be employed in the factory.
4) It should be certified by the Director of Industries that the industry for which power is used is a cottage industry.
5) The produce is not purely utilized mainly for the domestic consumption of the proprietor but should also be available for sale to the public.

(b) Poultry farms

The following conditions should be satisfied in order that the service may be classified as a bona fide poultry farm.

1) The capacity of the farm shall be a minimum of 100 birds and maximum of 5,000 birds (both layer and broiler birds).
2) The application of the beneficiary seeking such concession shall be verified and recommended by the Animal Husbandry Department.

(c) Horticultural/Pisciculture

1) The applications of the beneficiary seeking such concession shall be verified and recommended by the Director, Agriculture Department. For Pisciculture, applications of the beneficiary seeking such concession shall be verified and recommended by the Director, Fisheries Department.

PUBLIC LIGHTING
This tariff will apply to public lighting in markets, bus stands, traffic signals, high mast lights on public ways, public parks, public lighting in notified industrial estates
INDUSTRIES
LT Industries
Applicable to low tension industrial consumers including lighting in the industrial services.
HT Industries (For Supply at 11 kV, 22 kV or 33 kV)
The supply voltage for HT consumer's upto 5000 kVA will be 33 kV, 22 kV or 11 kV as the case may be. Applicable to industrial establishments, IT and ITES based Companies registered under Factories Act/ Companies Act with contracted maximum demand upto 5000 kVA. New High Tension consumers who want to avail a contract demand above 5000 kVA or existing High Tension consumers who want to enhance their demand beyond total contract demand of 5000 kVA should avail power at 110 kV or 132 kV as the case may be.
EHT Industries (For Supply at 110 kV or 132 kV)
Applicable to all types of industries supplied at 110 KV or 132 KV as the case may be.
LT WATERWORKS
Applicable to low tension consumers with Water Tanks including lighting in the premises maintained by State Government Departments/Undertakings and Local Bodies.
HT OTHERS
Applicable to State and Central Government establishments of non-industrial and non-commercial nature.
ELECTRIC VEHICLE CHARGING STATIONS
This tariff schedule shall apply to consumers that have set up Public Charging Stations (PCS) in accordance with the technical norms/ standards/ specifications laid down by the Ministry of Power, GoI and Central Electricity Authority (CEA) from time to time.

The tariff for domestic purposes shall be applicable for domestic charging.
TEMPORARY SUPPLY
NOTE: 1. The rate for Special illumination shall apply to weddings, garden-parties and other Private/Government functions when the illumination is obtained through bulbs fastened in other surfaces of wall of buildings, on trees and poles inside the compound and in pandal etc., outside the main building. 2. In cases where such Special illumination is done in the existing regular services the energy utilized for such illumination shall be metered separately and the consumption will be charged under Special illumination charge as levied under temporary supply. 3. Wherever such Special illumination is done without authorization, a penal charge of Rs 500 for service shall be levied in addition to the existing tariff of the installation. 4. Other conditions for connection of line and service connection charges, dismantling, security deposit etc. will be as per the latest Supply Code Regulations notified by JERC.
HOARDINGS/SIGNBOARDS
Electricity for lighting external advertisements, external hoardings and displays at departments stores, malls , multiplexes, theatres, clubs, hotels, bus shelters, Railway Stations shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings" category, except such displays which are for the purpose of indicating / displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises. The connection for "Advertisements and Hoardings" category would be covered under the permanent supply of connection under commercial category.

10.3. General Terms and Conditions

The above mentioned LT/HT Tariffs are subjected to the following conditions, applicable to all category of consumers.

1) The tariff indicated in this tariff schedule is the tariff rate payable by the consumers of Union Territory of Puducherry.

2) A Regulatory Surcharge of 4.00% shall be applicable to all the consumer categories as a percentage of the total Energy and Demand charges payable by the consumer towards recovery of past accumulated deficit.

3) These tariffs are exclusive of electricity duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time.

4) Unless otherwise agreed to, these tariffs for power supply are applicable to single point of supply.

5) The power supplied to a consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff. If energy supplied for a specific purpose under a particular tariff is used for a different purpose not contemplated in the contract for supply and/ or for which higher tariff is applicable, it will be deemed as unauthorized use of electricity and shall be dealt with for assessment under the provisions of Section 126 of the Electricity Act, 2003 and the Supply Code Regulations notified by JERC.

   Provided that

   (a) if a portion of the domestic premises limited to only one room is used for running small household business having connection under domestic category, such connection shall be billed under domestic category provided that the total monthly consumption of the consumer (including consumption for above mentioned small household business) does not exceed 150 kWh

   (b) if either more than one room or only one room having monthly consumption exceeding 150 kWh for consecutive three months is detected in the domestic premises being used for mixed purposes having domestic connection, such connection shall further be billed under commercial category until a separate connection of appropriate tariff is taken for that portion used for non-domestic purpose.

6) **Power Factor Charges for HT and EHT**

(a) Power factor means, the average monthly power factor and shall be the ratio expressed as percentage of total kWh to total kVAh supplied during the month. The ratio shall be rounded up to two figures.

(b) The consumer shall maintain the monthly average power factor of the supply not less than 90% (lagging). If the monthly average power factor of (a) consumer falls below 90% (0.9 lagging), such consumer shall pay a surcharge in addition to his normal tariff @ 1% on billed demand and energy charges for each fall of 1% in power factor upto 70%(lagging).

(c) In case the monthly average power factor of the consumer is more than 95% (95% lagging), a power factor incentive @ 1% on demand and energy charges shall be given for each increase of 1% in power factor above 95% (lagging).

(d) If the average power factor falls below 70% (lagging) consecutively for 3 months, the licensee reserves the right to disconnect the consumer's service connection without prejudice for the levy of the surcharge.

7) If the consumer fails to pay the energy bill presented to him by the due date, the Department shall have the right to disconnect the supply as per the Act & Supply Code Regulations notified by JERC.

8) Fixed charges, wherever applicable, will be charged on pro-rata basis from the date of release of connection. Fixed charges, wherever applicable, will be double as and when bi-monthly billing is carried out. Similarly, slabs of energy consumption will also be considered accordingly in case of bi-monthly billing.

9) The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations notified by JERC. If such over-drawal is more than 20% of the contract demand then the connections shall be disconnected immediately.

Explanation: Assuming the contract demand as 100 KVA, maximum demand at 120 KVA and total energy consumption as 12000 kWh, then the consumption corresponding to the contract demand will be 10000 kWh (12000*100/120) and consumption corresponding to the excess demand will be 2000 kWh. This excess demand of 20 KVA and excess consumption of 2000 kWh will be billed at twice the respective normal rate. Such connections drawing more than 120 kVA, shall be disconnected immediately.

10) Unless specifically stated to the contrary, the figures of energy charges relates to INR per unit (kWh) charge for energy consumed during the month.

11) **Late Payment Surcharge** shall be applicable to all categories of consumers. Late payment surcharge of 2% per month or part thereof shall be levied on all arrears of bills. In case the delay is less than a month, the surcharge will be levied at 2% per month on proportionate basis considering a month consists of 30 days. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amount less than 50 paisa shall be ignored and amount of 50 paisa or more shall be rounded off to next rupee. In case of permanent disconnection, late payment surcharge shall be charged only up to the month of permanent disconnection.

12) **Advance Payment Rebate:** If payment is made in advance well before commencement of consumption period for which bill is prepared, a rebate @ 1% per month shall be given on the amount (excluding Consumer Security Deposit) which remains with the licensee at the end of the month. Such a rebate, after adjusting any amount payable to the licensee, shall be credited to the account of the consumer.

13) **Prompt Payment Rebate:** If payment is made at least 7 days in advance of the due date of payment a rebate for prompt payment @ 0.25 % of the bill amount shall be given. Those consumers having arrears shall not be entitled for such rebate.

Provided that in case the payment is made by cheque, the prompt payment discount will be applicable only if the payment by cheque is made 3 days prior to date of availing the prompt payment discount i.e. before 10 days from the due date of payment.

14) **Time of Day (TOD) Tariff**

(a) Under the Time of Day (ToD) Tariff, electricity consumption and maximum demand in respect of HT/EHT consumers for different periods of the day, i.e. normal period, peak load period and off-peak load period, shall be recorded by installing a ToD meter.

(b) The maximum demand and consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer.

Table 83: Applicability of ToD Tariff

Time of use	Demand Charges	Energy Charges
Normal period (6:00 a.m. to 6:00 p.m.)	Normal Rate	Normal rate of energy charges
Evening peak load period (6:00 p.m. to 10.00 p.m.)	Normal Rate	120% of normal rate of energy charges
Off-peak load period (10:00 p.m. to 6:00 a.m.)	Normal Rate	90% of normal rate of energy charges

(c) Applicability and Terms and Conditions of TOD tariff:

i. The Commission directs the Petitioner to introduce the TOD tariff as mentioned above urgently including installation of the Smart Meters to capture ToD consumption.

ii. The facility of aforesaid TOD tariff shall not be available to the HT/EHT consumers having captive power plants and/or availing supply from other sources through wheeling of power

iii. The HT/EHT industrial consumers who have installed standby generating plants shall also be eligible for the aforesaid TOD tariff

iv. In the event of applicability of the TOD tariff to a consumer, all other terms and conditions of the applicable tariff shall continue to apply.

15) The adjustment on account of Fuel and Power Purchase Cost variation shall be calculated in accordance with the FPPCA formula specified in Chapter 8 of this Tariff Order. Such charges shall be recovered / refunded/adjusted in accordance with the terms and conditions specified in the FPPCA mechanism.

16) The values of the 'K' factor applicable for the different consumer categories for use in the FPPCA formula shall be as specified in this Tariff Order.

17) Schedule of service charges and other charges would be as approved in this Tariff Order.

10.4. Schedule of Other Charges

Table 84: Schedule of Other Charges

S. No.	Description	Charges (INR)
A	**Charges for Service Connections**	
A1	**New LT overhead service lines**	
1	One hut one Bulb	Nil
2	Other single phase Services	250
3	Three phase Services	500
4	L.T C.T operated Meter services	3,000
5	H.T Services	10,000
A2	**New LT underground service lines**	
1	Single Phase services	500
2	Three phase Services	1,000
A3	**Rating / re-rating of services**	
1	Single phase Services	125
2	Three phase Services	250
3	L.T C.T operated Meter service	1,500
4	H.T Service	2,500
Note: The above charges under (A1) & (A2) will be applicable for addition or alteration or reduction of connected load and enhancement or reduction of CMD or alteration of internal Electrical installations.		
B	**Testing for Installation**	
1	Domestic lighting / Commercial lighting / Agriculture Services	200
2	Other LT Services	900
3	HT/EHT Services	7,500
Note: Testing for servicing a new installation (or of an extension or alteration) - For the first test No Charge. Subsequent testing warranted due to absence of contractor or his representative (or) due to defects in wiring of consumer's premises or at the request of the consumer or at occasions that warrant testing of installations for the second time for reasons attributable to the consumers		
C	**Testing for meters and metering arrangements**	
1	Single phase direct meter	150
2	Three phase direct meter up to 50 A	200
3	L.T C.T coil test	800
4	H.T Tri-vector Meter (0.5 class accuracy or CT operated LT meters)	1,500
5	H.T Tri-vector Meter (0.2 class accuracy)	2,000
6	H.T Metering Cubicle	3,500
D	**Testing of HT/EHT Consumer Protective Equipment**	
1	Testing charges for protective relays (Earth fault, line fault etc.)	4,500
2	Testing charges for one set of current transformer	4,500
3	Testing charges for one set of potential transformer	4,500
4	Testing charges for one set of EHT current transformer	6,000
5	Testing charges for one set of EHT potential transformer/ CVT	6,000
6	Testing charges for one set of HT circuit breaker	4,500
7	Testing charges for one set of EHT circuit breaker	6,000
8	Testing charges for measurement of earth resistance	3,000
9	Testing charges for Transformer oils	500

S. No.	Description	Charges (INR)
E	**Disconnection/Re-connection Charges**	
1	Disconnection of L.T service on request	100
2	Disconnection of HT service on request	500
3	Reconnection of L.T Service (on all occasions)	100
4	Reconnection of HT Service (on all occasions)	1,000
F	**Title Transfer of Services**	
1	Domestic	250
2	Commercial Lighting Installation	500
3	All other LT installation	1,000
4	HT/EHT Services	2,000
G	**Furnishing of Certified Copies (To be issued to the consumer only)**	
1	Issue of duplicate Monthly bills for a month	10
2	Contractor's completion-cum test report	10
3	Ledger Extract	20/calendar year or part thereof
4	Agreement	50
5	Estimate	50
H	**Charges for Replacement of Burnt Meters**	
1	LT Single Phase meters	700
2	LT Three Phase meters	1,300
3	Three Phase LT meters with CTs	3,000
4	HT Meter 0.5s class of accuracy	6,500
5	HT Meter 0.2s class of accuracy	30,000
6	HT Metering Cubicle (CT/PT Unit)	70,000
I	**Fuse Renewal Charges**	
1	Domestic	NIL
2	Commercial	50
3	L.T Industrial	50
4	High Tension/Extra High Tension Installation	250
J	**Shifting of Meter Board at Consumer's Request**	
1	LT Single Phase Supply	125
2	LT Three Phase Supply	250

Annexures

Annexure 1: Copies of the Public Notices published by the Petitioner

സിൽക്ക് അഴീക്കൽ യൂണിറ്റിൽ സ്ലിപ് വേയുടെ ശിലാസ്ഥാപനം
മന്ത്രി ഇ.പി.ജയരാജൻ നിർവഹിക്കുന്നു

പുതുച്ചേരി സർക്കാർ
വൈദ്യുതി വകുപ്പ്
നം: 137, നേതാജി സുബാഷ് ചന്ദ്രബോസ് വീഥി
പുതുച്ചേരി

പൊതു അറിയിപ്പ്

2019-20 To 2021-22 നിയന്ത്രിത കാലാവധിക്കുള്ള മൊത്തം റവന്യൂ ആവശ്യകതയും ബഹുവർഷതീരുവയും സംബന്ധിച്ച് സൂപ്രണ്ടിങ്ങ് ഇഞ്ചിനിയർ-കം വകുപ്പ് മേധാവി ഇലക്ട്രിസിറ്റി വകുപ്പ്, പുതുച്ചേരി ഗോവയ്ക്കും കേന്ദ്ര ഭരണ പ്രദേശങ്ങൾക്കും കൂടിയുള്ള ജോയിന്റ് ഇലക്ട്രിസിറ്റി റഗുലേറ്ററി കമ്മീഷൻ മുമ്പാകെ സമർപ്പിച്ച ഹരജിയുമായി ബന്ധപ്പെട്ട 22-01-2019 ന് കാലത്ത് 10 മണിക്ക് പുതുച്ചേരി സ്റ്റേറ്റ്കോ-ഓപ്പറേറ്റീവ് യൂണിയൻ ബിൽഡിങ്ങ് നമ്പർ 62 സഫ്റിൻ വീഥി പുതുച്ചേരിയിൽ വെച്ച് പൊതുവാദം കേൾക്കൽ.

പുതുച്ചേരി യൂനിയൻ ടെറിട്ടറിക്കകത്ത് വൈദ്യുതി വിതരണ പ്രസരണ പ്രവർത്തനങ്ങൾ നിർവ്വഹിക്കുന്നതിന് 2003 ലെ വൈദ്യുതി ആക്ട് 45,46,61,64 86 സെക്ഷനുകൾ പ്രകാരവും (JERC) (ഉത്പാദനം, പ്രസരണ വിതരണ, ബഹുവർഷ നിരക്ക്) റെഗുലേഷൻ 2018, 9-ാം റെഗുലേഷൻ പ്രകാരവും ഒരു കല്പിത ലൈസൻസി ആയ പുതുച്ചേരി ഗവർമെന്റ് മൊത്ത വരുമാന ആവശ്യകതയും ചില്ലറ വൈദ്യുതി വിൽപ്പനയ്ക്കുമുള്ള ബഹുവർഷ നിരക്കിനുള്ള അപേക്ഷയും 2019-20, To 21-22 വർഷത്തിലേക്കുള്ള തീരുവയ്ക്ക് വേണ്ടി യൂണിയൻ ടെറിട്ടറി വൈദ്യുതി നിയന്ത്രണ കമ്മീഷൻ മുമ്പാകെ (JERC) സമർപ്പിച്ചു. ബഹുമാനപ്പെട്ട കമ്മീഷൻ നമ്പർ 268/1018 നമ്പർ ആയി അപേക്ഷ സ്വീകരിക്കുകയും ചെയ്തു. മുകളിൽ പറഞ്ഞ നിയന്ത്രണ കാലയളവിൽ വേണ്ടുന്ന മൊത്ത വരുമാന ആവശ്യകതയുടെ ചുരുക്ക താഴെ പടികയിൽ കൊടുത്ത പ്രകാരം ആണ്.

(കോടി രൂപയിൽ)

ക്രമ നം	ചിലവിന്റെ ഇനം	ലൈസൻസി നിർദ്ദേശിച്ചത് 2019–20	2020 –21	2021–22
01	ഇന്ധനച്ചിലവ്			
02	ഊർജ്ജം വാങ്ങിയ ചിലവ്	1275.12	1294.10	1319.96
03	ജോലിക്കാരുടെ ചിലവ്	110.64	120.47	131.16
04	ആർ ആന്റ് എം	12.24	13.53	14.81
05	ഭരണനിർവാഹണവും മറ്റ് പൊതു ചിലവുകളിലും	18.47	18.42	18.64
06	തേയ്മാനം	13.97	17.17	24.89
07	പലിശ	12.75	18.53	34.65
08	പ്രവർത്തനമൂലധനത്തിൽ മേലുള്ള പലിശ	3.07	1.48	0.20
09	റിട്ടേൺ ഓൺ NFA/Equity	38.76	40.21	42.53
10	കിട്ടാക്കടം	-	-	-
11	ഉപഭോക്തൃ സുരക്ഷാ നിക്ഷേപത്തിനുള്ള പലിശ	20.14	22.17	24.30
12	മൊത്തം വരുമാന ആവശ്യകത	1,505.14	1,546.09	1,611.13
13	തീരുവ ഇതര വരുമാനം (കിഴിവ്)	8.18	8.59	9.02
14	യഥാർത്ഥ വരുമാന			

[illegible]	[illegible]	8.18	8.59	9.02
[illegible]	[illegible]	1,496.86	1,537.50	1,602.11
[illegible]	[illegible]	1,417.72	1,451.23	1,487.77
[illegible]	[illegible]	79.24	86.27	114.35
[illegible]	[illegible]	3,648.11	3,703.07	3,759.77
[illegible]	[illegible]	5.53	5.68	5.81

[illegible]

[illegible]

[illegible]	2019-20	2020-21	2021-22
[illegible] (%)	12.50%	11.75%	11.00%
[illegible] (%)	16.88%	15.28%	13.67%

[illegible]

[illegible]	[illegible]		
	2019-20	2020-21	2021-22
[illegible]	1496.96	1537.50	1602.11
[illegible]	1417.72	1451.23	1487.77
[illegible]	79.24	86.27	114.35
[illegible]	192.44	130.35	71.74
[illegible]	79.24	86.27	114.35
[illegible]	271.68	216.57	186.09
[illegible]	271.63	216.57	186.09
[illegible]	141.45	144.78	148.43
[illegible]	130.75	71.94	37.66

നമ്പർ 268/1018 നമ്പർ ആയി അപേക്ഷ സ്വീകരിക്കുകയും ചെയ്തു. മുകളിൽ പറഞ്ഞ നിയന്ത്രണ കാലയളവിൽ വേണ്ടുന്ന മൊത്ത വരുമാന ആവശ്യകതയുടെ ചുരുക്കം താഴെ പട്ടികയിൽ കൊടുത്ത പ്രകാരം ആണ്.

(കോടി രൂപയിൽ)

ക്രമ നം	ചിലവിന്റെ ഇനം	ലൈസൻസി നിർദ്ദേശിച്ചത്		
		2019–20	2020 –21	2021–22
01	ഇന്ധനച്ചിലവ്			
02	ഊർജ്ജം വാങ്ങിയ ചിലവ്	1275.12	1294.10	1319.96
03	ജോലിക്കാരുടെ ചിലവ്	110.64	120.47	132.16
04	ആർ ആന്റ് എം	12.24	13.53	14.81
05	ഭരണനിർവാഹണവും മറ്റ് പൊതു ചിലവുകളിലും	18.47	18.42	18.64
06	തേയ്മാനം	13.97	17.17	24.89
07	പലിശ	12.75	18.53	34.65
08	പ്രവർത്തനമൂലധനത്തിൽ മേലുള്ള പലിശ	3.07	1.48	0.20
09	റിട്ടേൺ ഓൺ NFA/Equity	38.76	40.21	42.53
10	കിട്ടാക്കടം	-	-	-
11	ഉപഭോക്തൃ സുരക്ഷാ നിക്ഷേപത്തിനുള്ള പലിശ	20.14	22.17	24.30
12	മൊത്തം വരുമാന ആവശ്യകത	1,505.14	1,546.09	1,611.13
13	തീരുവ ഇതര വരുമാനം (കിഴിവ്)	8.18	8.59	9.02
14	യഥാർത്ഥ വരുമാന ആവശ്യകത	1,496.96	1,537.50	1,602.11
15	നിലവിലുള്ള തീരുവയിൽ നിന്നുള്ള വരുമാനം	1,417.73	1,451.23	1,487.77
16	വരുമാന കമ്മി (14–15)	79.24	86.27	114.35
17	ഊർജ്ജ വിൽപ്പന (ദശലക്ഷം യൂണിറ്റ്)	2,649.11	2,703.07	2,759.77
18	ശരാശരി വിതരണ നിരക്ക്	5.65	5.69	5.81

മൊത്തം വാണിജ്യ സാങ്കേതിക നഷ്ടം

പ്രസരണ വിതരണ നഷ്ടത്തിന്റെയും മൊത്ത സാങ്കേതിക വാണിജ്യ നഷ്ടത്തിന്റെയും കണക്കുകൾ താഴെ കൊടുക്കുന്നു.

വിവരണം	2019–20	2020–21	2021–22
വിതരണ നഷ്ടം(%)	12.50%	11.75%	11.00%
മൊത്തം സാങ്കേതിക വാണിജ്യനഷ്ടങ്ങൾ (%)	16.88%	15.28%	13.67%

വർദ്ധിത വരുമാന കമ്മിയുടെ വിവരങ്ങൾ ബഹുവർഷ നിയന്ത്രണ കാലയളവിലുള്ള വരുമാന കമ്മിയുടെ വിവരങ്ങൾ വർഷം അനുസരിച്ച്

സിൽക്ക് അഴിക്കൽ യൂണിറ്റിൽ സ്ലിപ് വേയുടെ ശിലാസ്ഥാപനം മന്ത്രി ഇ.പി.ജയരാജൻ നിർവഹിക്കുന്നു

പുതുശ്ശേരി സർക്കാർ
വൈദ്യുതി വകുപ്പ്
നം: 137, നേതാജി സുബാഷ് ചന്ദ്രബോസ് വീഥി
പുതുശ്ശേരി

പൊതു അറിയിപ്പ്

2019-20 To 2021-22 നിയന്ത്രിത കാലാവധിക്കുള്ള മൊത്തം റവന്യൂ ആവശ്യകതയും ബഹുവർഷതീരുവയും സംബന്ധിച്ച് സൂപ്രണ്ടിങ്ങ് എഞ്ചിനീയർ-കം വകുപ്പ് മേധാവി ഇലക്ട്രിസിറ്റി വകുപ്പ്, പുതുശ്ശേരി ഗോവയും കേന്ദ്ര ഭരണ പ്രദേശങ്ങൾക്കും കൂടിയുള്ള ജോയിന്റ് ഇലക്ട്രിസിറ്റി റഗുലേറ്ററി കമ്മീഷൻ മുമ്പാകെ സമർപ്പിച്ച ഹരജിയുമായി ബന്ധപ്പെട്ട 22-01-2019 ന് കാലത്ത് 10 മണിക്ക് പുതുച്ചേരി സ്റ്റേറ്റ്കോ-ഓപ്പറേറ്റീവ് യൂണിയൻ ബിൽഡിങ്ങ് നമ്പർ 62 സഫ്റിൻ വീഥി പുതുച്ചേരിയിൽ വെച്ച് പൊതുവാദം കേൾക്കൽ.

പുതുശ്ശേരി യൂനിയൻ ടെറിട്ടറിക്കകത്ത് വൈദ്യുതി വിതരണ പ്രസരണ പ്രവർത്തനങ്ങൾ നിർവ്വഹിക്കുന്നതിന് 2003 ലെ വൈദ്യുതി ആക്ട് 45,46,61,64 86 സെക്ഷനുകൾ പ്രകാരവും (JERC) (ഉത്പാദനം, പ്രസരണ വിതരണ, ബഹുവർഷ നിരക്ക്) റെഗുലേഷൻ 2018, 9-ാം റെഗുലേഷൻ പ്രകാരവും ഒരു കല്പിത ലൈസൻസി ആയ പുതുശ്ശേരി ഗവർമെന്റ് മൊത്ത വരുമാന ആവശ്യകതയും ചില്ലറ വൈദ്യുതി വിൽപനയ്ക്കുമുള്ള ബഹുവർഷ നിരക്കിനുള്ള അപേക്ഷയും 2019-20, To 21-22 വർഷത്തിലേക്കുള്ള തീരുവയ്ക്ക് വേണ്ടിയൂണിയൻ ടെറിട്ടറി വൈദ്യുതി നിയന്ത്രണ കമ്മീഷൻ മുമ്പാകെ (JERC) സമർപ്പിച്ചു. ബഹുമാനപ്പെട്ട കമ്മീഷൻ നമ്പർ 268/1018 നമ്പർ ആയി അപേക്ഷ സ്വീകരിക്കുകയും ചെയ്തു. മുകളിൽ പറഞ്ഞ നിയന്ത്രണ കാലയളവിൽ വേണ്ടുന്ന മൊത്ത വരുമാന ആവശ്യകതയുടെ ചുരുക്കം താഴെ പടികയിൽ കൊടുത്ത പ്രകാരം ആണ്.

(കോടി രൂപയിൽ)

ക്രമ നം	ചിലവിന്റെ ഇനം	ലൈസൻസി നിർദ്ദേശിച്ചത് 2019-20	2020 -21	2021-22
01	ഇന്ധനച്ചിലവ്			
02	ഊർജ്ജം വാങ്ങിയ ചിലവ്	1275.12	1294.10	1319.96
03	ജോലിക്കാരുടെ ചിലവ്	110.64	120.47	131.16
04	ആർ ആന്റ് എം	12.24	13.53	14.81
05	ഭരണനിർവാഹണവും മറ്റ് പൊതു ചിലവുകളിലും	18.47	18.42	18.64
06	തേയ്മാനം	13.97	17.17	24.89
07	പലിശ	12.75	18.53	34.65
08	പ്രവർത്തനമൂലധനത്തിൽ മേലുള്ള പലിശ	3.07	1.48	0.20
09	റി ട്ടേൺ ഓൺ NFA/Equity	38.76	40.21	42.53
10	കിട്ടാക്കടം	-	-	-
11	ഉപഭോക്തൃ സുരക്ഷാ നിക്ഷേപത്തിനുള്ള പലിശ	20.14	22.17	24.30
12	മൊത്തം വരുമാന ആവശ്യകത	1,505.14	1,546.09	1,611.13
13	തീരുവ ഇതര വരുമാനം (കിഴിവ്)	8.18	8.59	9.02
14	യഥാർത്ഥ വരുമാന			

14	മൊത്തം വരുമാന ആവശ്യകത	1,496.96	1,537.50	1,602.11
15	നിലവിലുള്ള തീരുവയിൽ നിന്നുള്ള വരുമാനം	1,417.73	1,451.23	1,487.77
16	വരുമാന കമ്മി (14-15)	79.24	86.27	114.35
17	ഊർജ്ജ വില്പന (ദശലക്ഷം യൂണിറ്റ്)	2,649.11	2,703.07	2,759.77
18	ശരാശരി വിതരണ നിരക്ക്	5.65	5.69	5.81

<u>മൊത്തം വാണിജ്യ സാങ്കേതിക നഷ്ടം</u>

പ്രസരണ വിതരണ നഷ്ടത്തിന്റെയും മൊത്ത സാങ്കേതിക വാണിജ്യ നഷ്ടത്തിന്റെയും കണക്കുകൾ താഴെ കൊടുക്കുന്നു.

വിവരണം	2019-20	2020-21	2021-22
വിതരണ നഷ്ടം(%)	12.50%	11.75%	11.00%
മൊത്തം സാങ്കേതിക വാണിജ്യ നഷ്ടങ്ങൾ (%)	16.88%	15.28%	13.67%

വർദ്ധിത വരുമാന കമ്മിയുടെ വിവരങ്ങൾ ബഹുവർഷ നിയന്ത്രണ കാലയളവിലുള്ള വരുമാന കമ്മിയുടെ വിവരങ്ങൾ വർഷം അനുസരിച്ച്

വിവരങ്ങൾ	നടപ്പ് വർഷം (ഊന്നൽ)		
	2019-20	2020-21	2021-22
മൊത്തം വരുമാന ആവശ്യകത	1496.96	1537.50	1602.11
സർപ്ലസ് കൂടാതെ നിലവിലെ നിരക്കിൽ നിന്നുള്ള വരുമാനം (കിഴിവ്)	1417.73	1451.23	1487.77
വരുമാന കമ്മി (വർഷത്തിൽ സർപ്ലസ് കൂടാതെ)	79.24	86.27	114.35
വിടവിന്റെ പ്രാരംഭ മിച്ചം (മുൻ വർഷങ്ങളിൽ	192.44	130.25	71.74
നടപ്പ് വർഷത്തെ വിടവ് (ചേർക്കുക)	79.24	86.27	114.35
അവസാന വിടവ്	271.68	216.57	186.09
വർഷങ്ങളിലെ മൊത്ത വർദ്ധിത കമ്മി (രൂപ കോടിയിൽ)	271.63	216.57	186.09
അധിക സർപ്ലസിൽ നിന്നുള്ള വരുമാനം 100%	141.43	144.78	148.43
വർഷങ്ങളിലെ യഥാർത്ഥ വർദ്ധിത കമ്മി (രൂപ (കോടിയിൽ)	130.25	71.24	37.66

29-12-2018 • [illegible]

[illegible]

[illegible]	[illegible]	2019-20	2020-21	2021-22
1	[illegible]			
2	[illegible]	1275.12	1294.10	1319.96
3	[illegible]	110.64	120.47	131.16
4	[illegible]	18.47	18.42	18.64
5	[illegible]	12.24	13.53	14.81
6	[illegible]	13.97	17.17	24.89
7	[illegible]	12.75	18.53	34.65
8	[illegible]	3.07	1.46	0.20
9	[illegible]	36.76	40.21	42.53
10	[illegible]	---	---	---
11	[illegible]	20.14	22.17	24.30
12	[illegible]	1505.14	1546.09	1611.13
13	[illegible]	8.18	8.59	9.02
14	[illegible] (12-13)	1496.96	1537.50	1602.11
15	[illegible]	1417.73	1451.23	1487.77
16	[illegible] (14-15)	79.24	86.27	114.35
17	[illegible]	2649.11	2702.07	2759.77
18	[illegible]	5.65	5.69	5.81

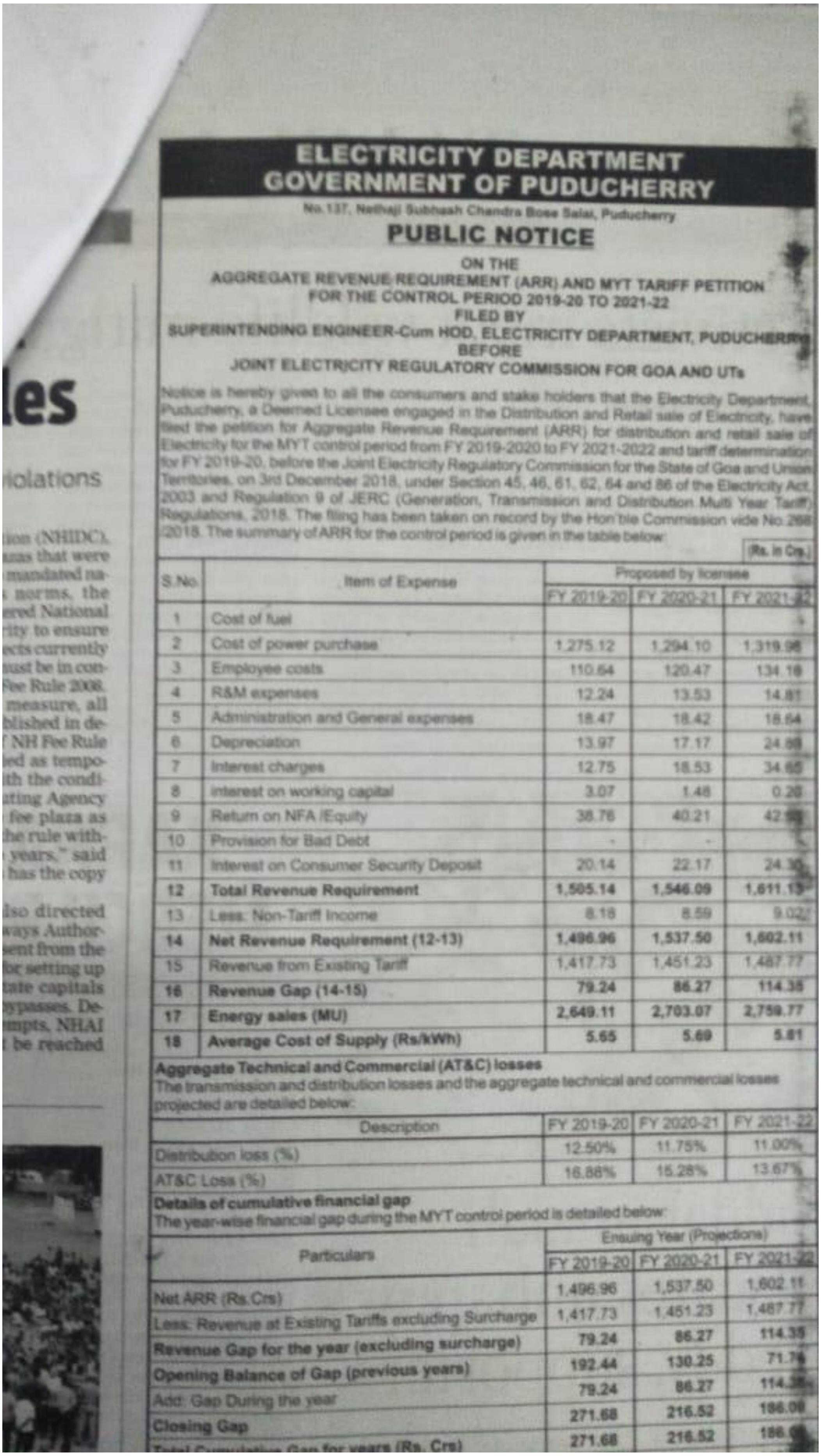
[illegible]

[illegible]	2019-20	2020-21	2021-22
[illegible] (%)	12.50%	11.75%	11.00%
[illegible] (%)	16.88%	16.38%	15.67%

[illegible]

[illegible]	2019-20	2020-21	2021-22
[illegible]	1496.96	1537.50	1602.11
[illegible]	1417.73	1451.23	1487.77
[illegible]	79.24	86.27	114.35
[illegible]	[illegible]	130.35	71.74
[illegible]	79.24	86.27	114.35
[illegible]	271.68	216.63	186.09
[illegible]	271.68	216.63	186.09
[illegible]	143.43	144.78	148.43
[illegible]	[illegible]	71.74	37.66

[illegible]



ELECTRICITY DEPARTMENT
GOVERNMENT OF PUDUCHERRY

No.137, Nethaji Subhash Chandra Bose Salai, Puducherry

PUBLIC NOTICE

ON THE
AGGREGATE REVENUE REQUIREMENT (ARR) AND MYT TARIFF PETITION
FOR THE CONTROL PERIOD 2019-20 TO 2021-22
FILED BY
SUPERINTENDING ENGINEER-Cum HOD, ELECTRICITY DEPARTMENT, PUDUCHERRY
BEFORE
JOINT ELECTRICITY REGULATORY COMMISSION FOR GOA AND UTs

Notice is hereby given to all the consumers and stake holders that the Electricity Department, Puducherry, a Deemed Licensee engaged in the Distribution and Retail sale of Electricity, have filed the petition for Aggregate Revenue Requirement (ARR) for distribution and retail sale of Electricity for the MYT control period from FY 2019-2020 to FY 2021-2022 and tariff determination for FY 2019-20, before the Joint Electricity Regulatory Commission for the State of Goa and Union Territories, on 3rd December 2018, under Section 45, 46, 61, 62, 64 and 86 of the Electricity Act, 2003 and Regulation 9 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018. The filing has been taken on record by the Hon'ble Commission vide No.268/2018. The summary of ARR for the control period is given in the table below:

(Rs. in Crs.)

S.No.	Item of Expense	Proposed by licensee		
		FY 2019-20	FY 2020-21	FY 2021-22
1	Cost of fuel			-
2	Cost of power purchase	1,275.12	1,294.10	1,319.98
3	Employee costs	110.64	120.47	134.18
4	R&M expenses	12.24	13.53	14.81
5	Administration and General expenses	18.47	18.42	18.64
6	Depreciation	13.97	17.17	24.[illegible]
7	Interest charges	12.75	18.53	34.65
8	interest on working capital	3.07	1.48	0.20
9	Return on NFA /Equity	38.76	40.21	42.[illegible]
10	Provision for Bad Debt	-	-	
11	Interest on Consumer Security Deposit	20.14	22.17	24.3[illegible]
12	**Total Revenue Requirement**	**1,505.14**	**1,546.09**	**1,611.1[illegible]**
13	Less: Non-Tariff Income	8.18	8.59	9.02
14	**Net Revenue Requirement (12-13)**	**1,496.96**	**1,537.50**	**1,602.11**
15	Revenue from Existing Tariff	1,417.73	1,451.23	1,487.77
16	**Revenue Gap (14-15)**	**79.24**	**86.27**	**114.35**
17	**Energy sales (MU)**	**2,649.11**	**2,703.07**	**2,759.77**
18	**Average Cost of Supply (Rs/kWh)**	**5.65**	**5.69**	**5.81**

Aggregate Technical and Commercial (AT&C) losses
The transmission and distribution losses and the aggregate technical and commercial losses projected are detailed below:

Description	FY 2019-20	FY 2020-21	FY 2021-22
Distribution loss (%)	12.50%	11.75%	11.00%
AT&C Loss (%)	16.88%	15.28%	13.67%

Details of cumulative financial gap
The year-wise financial gap during the MYT control period is detailed below:

Particulars	Ensuing Year (Projections)		
	FY 2019-20	FY 2020-21	FY 2021-22
Net ARR (Rs.Crs)	1,496.96	1,537.50	1,602.11
Less: Revenue at Existing Tariffs excluding Surcharge	1,417.73	1,451.23	1,487.77
Revenue Gap for the year (excluding surcharge)	**79.24**	**86.27**	**114.35**
Opening Balance of Gap (previous years)	**192.44**	**130.25**	**71.7[illegible]**
Add: Gap During the year	**79.24**	**86.27**	**114.3[illegible]**
Closing Gap	**271.68**	**216.52**	**186.0[illegible]**
Total Cumulative Gap for years (Rs. Crs)	**271.68**	**216.52**	**186.[illegible]**

Annexure 2: Copies of the Public Notices published by the Commission

இணை மின்சார ஒழுங்கு முறை ஆணையம்

(கோவா & யூனியன் பிரதேச மாநிலங்களுக்காக)

3வது & 4வது தளம், ப்ளாட் எண்.55-56, சர்வீஸ் லேன், பேஸ் IV, உத்யோக் விகார், செக்டர் 18, குருகிராம், அரியானா - 122015

ஈமெயில்: secretaryjerc@gmail.com, இணையதளம்: www.jercuts.gov.in

போன் எண்: 0124-2342853

பொது அறிவிப்பு

1. நிதி ஆண்டு 2019-20க்கான கட்டண தீர்மானிப்பதற்கான பரிந்துரை, 2017-18 நிதி ஆண்டிற்கான ட்ரு அப் & 2018-2019 நிதி ஆண்டிற்கான வருடாந்திர செயல் திறன் ஆய்வு மற்றும் MYT கட்டுப்படுத்தும் கால நிதி ஆண்டு 2019-20 முதல் நிதியாண்டு 2021-22 ஆண்டிற்கு பரிந்துரைக்கப்பட்ட கட்டணத்துடன் ஒட்டு மொத்த வருவாய் தேவை ஆகியவற்றை அங்கீகரிப்பதற்கு மின்துறை, புதுச்சேரியில் மனு தாக்கல் செய்யப்பட்டது. மின்சார சட்டம் 2003 மற்றும் JERC யின் ஒழுங்குமுறை 9 (உற்பத்தி செய்தல், மின் கடத்தல் மற்றும் வழங்குதல் பல ஆண்டு கட்டணம்) ஒழுங்குமுறை, 2018 பிரிவு 61, 62 மற்றும் 64-ன் கீழ் மனு எண்.268/2018 படி இது அனுமதிக்கப்பட்டது.
2. நிதி ஆண்டு 2019-20 முதல் நிதி ஆண்டு 2021-22 வரை நிலையான கட்டணத்தை தீர்மானிப்பதற்காக மற்றும் நிதி ஆண்டு 2019-20 ஆண்டுக்கான மின்சார கட்டணம் மற்றும் நிதி ஆண்டு 2016-17க்கான ட்ரு-அப்க்காக புதுச்சேரி பவர் கார்ப்பரேஷன் லிமிட்டெட் (PPCL) மனுவை தாக்கல் செய்துள்ளது. மின்சார சட்டம் 2003 மற்றும் JERC-யின் ஒழுங்குமுறை 9 (உற்பத்தி செய்தல், மின் கடத்தல் மற்றும் வழங்குதல் பல ஆண்டு கட்டணம்) ஒழுங்குமுறை 2018 பிரிவு 61, 62 மற்றும் 64-ன் கீழ் மனு எண்.269/2018 படி இது அனுமதிக்கப்பட்டது.
3. இரண்டு மனுக்களும் ஆணையத்தின் இணையதளம் www.jercuts.gov.in-ல் கிடைக்கும். விருப்பமுள்ள நபர்கள் மேற்படி மனுவின் மீதான தங்கள் ஆட்சேபனைகள் / ஆலோசனைகளை நேரடியாக அல்லது ஈமெயில் secretaryjerc@gmail.com அல்லது பதிவு அஞ்சல் மூலம், தி செகரட்டரி, JERC (for Goa & UTS)க்கு 18-1-2019-ந் தேதியோ (வெள்ளிக்கிழமை) அல்லது அதற்கு முன்னரோ கீழ்கண்டவர்களுக்கு நகலுடன் வந்து சேரும்படி அனுப்ப வேண்டும்.

i) சூப்பர் ரின்டன்டிங் என்ஜினியர் மற்றும் துறையின் தலைவர், மின்சார துறை, புதுச்சேரி யூனியன் பிரதேசம், 137 நேதாஜி சுபாஷ் சந்திர போஸ் சாலை, புதுச்சேரி - 605 001. (ஈமெயில் - ppclpdy@gmail.com)

ii) தி மேனேஜிங் டைரக்டர், புதுச்சேரி பவர் கார்ப்பரேஷன் லிமிட்டெட் (PPCL) # 10, செகண்ட் கிராஸ், இலஹார் நகர், பூமியான்பேட்டை, புதுச்சேரி - 605 005. (ஈமெயில் - ppclpdy@gmail.com)

22 ஜனவரி, 2019 (செவ்வாய்கிழமை) காலை 10.00 மணிக்கு புதுச்சேரி மாநில கோ-ஆப்பரேட்டிங் யூனியன் பில்டிங் எண்.62, கம்பிரேன் தெரு, புதுச்சேரி - 605 001-யில் பொதுமக்கள் கருத்து கேட்பை நடத்த ஆணையம் தீர்மானித்துள்ளது.

ஒம்/-

ராகேஷ் குமார்

സാഹിത്യ അക്കാദമി ഹാ

വൈസ് പ്രസിഡന്റ്, എൻ.
ബാലകൃഷ്ണൻ (വൈസ് പ്രസി
, ഗോപിനാഥ് കൊളങ്ങാട്ടി
സെക്രട്ടറി), എൻ. ഉണ്ണികൃഷ്ണ
സെക്രട്ടറി) എന്നിവരെ യോ
തെരഞ്ഞെടുത്തു.

ിക്കും: മന്ത്രി

, സിനിമാതാരം ജോളു ജോ
ന്നിവർക്ക് നൽകി ആദരി
റി വി. എസ് സുനിൽ കുമാർ
ക്ഷത വഹിച്ചു. കോർപറേഷ
ർ അജിത വിജയൻ, സ്പോ
കൗൺസിൽ സെക്രട്ടറി സ
ർ കുമാർ, സ്പോർട്സ് കൗ
ൽ പ്രസിഡന്റ് ടി.പി ദാസൻ
വർ പ്രസംഗിച്ചു.

ജോയിന്റ് ഇലക്ട്രിസിറ്റി റഗുലേറ്ററി കമ്മീഷൻ
(ഗോവ സംസ്ഥാനത്തിനും യൂണിയൻ ടെറിട്ടറികൾക്കും വേണ്ടി)
3&4-ാം നില, പ്ലോട്ട് നം.55-56, സർവിസ് സെക്ടർ, ഫേസ് IV, ഉദ്യോഗ് വിഹാർ, സെക്ടർ 18, ഗുരുഗ്രാം, ഹരിയാന-122015
ഇ-മെയിൽ: secretaryjerc@gmail.com, വെബ്സൈറ്റ് www.jercuts.gov.in ഫോൺ നം: 0124-2342853

പൊതുവിജ്ഞാപനം

1. FY 2019-20 ലെ താരിഫ് നിർണ്ണയം, FY 2017-18 ലെ ട്രൂ-അപ്, FY 2018-19 ലെ വാർഷിക പെർഫോമൻസ് റിവ്യൂ, FY 2019-20 മുതൽ FY 2021-22 വരെ MYT കൺട്രോൾ പീരിയഡിനുള്ള മൊത്തം റവന്യൂ റിക്വയർമെന്റ് (ARR) എന്നിവയുടെ അംഗീകാരത്തിനായി പുതുച്ചേരി വൈദ്യുത വകുപ്പ് ഒരു പെറ്റിഷൻ ഫയൽ ചെയ്തിട്ടുണ്ട്. ആയത്, ഇലക്ട്രിസിറ്റി ആക്ട് 2003 ന്റെ സെക്ഷൻ 61, 62 & 64 ഉം ജെ.ഇ.ആർ.സി (ജനറേഷൻ, ട്രാൻസ്മിഷൻ ആൻഡ് ഡിസ്ട്രിബ്യൂഷൻ മൾട്ടി ഇയർ താരിഫ്) റഗുലേഷൻസ് 2018 ന്റെ റഗുലേഷൻ 9 ഉം പ്രകാരം പെറ്റിഷൻ നം. 268/2018 ആയി പരിഗണിച്ചിട്ടുണ്ട്.
2. FY 2019-2020 മുതൽ FY 2021-22 വരെ ഫിക്സഡ് ചാർജ്, FY 2019-20 ലെ എനർജി ചാർജ്, FY 2016-17 ലെ ട്രൂ-അപ് എന്നിവ നിശ്ചയിക്കുന്നതിന് പുതുച്ചേരി പവർ കോർപറേഷൻ ലിമിറ്റഡ് (PPCL) ഒരു അപേക്ഷ ഫയൽ ചെയ്തിട്ടുണ്ട്. ആയത്, ഇലക്ട്രിസിറ്റി ആക്ട് 2003 ന്റെ സെക്ഷൻ 61, 62 & 64 ഉം ജെ.ഇ.ആർ.സി (ജനറേഷൻ, ട്രാൻസ്മിഷൻ ആൻഡ് ഡിസ്ട്രിബ്യൂഷൻ മൾട്ടി ഇയർ താരിഫ്) റഗുലേഷൻസ് 2018 ന്റെ റഗുലേഷൻ 9 ഉം പ്രകാരം പെറ്റിഷൻ നം. 269/2018 ആയി പരിഗണിച്ചിട്ടുണ്ട്.
3. പ്രസ്തുത രണ്ടു പെറ്റിഷനുകളും കമ്മീഷന്റെ വെബ്സൈറ്റായ www.jercuts.gov.in ൽ ലഭ്യമാണ്. താല്പര്യമുള്ള വ്യക്തികൾക്ക് പ്രസ്തുത പെറ്റിഷനുകളിന്മേലുള്ള എതിർപ്പുകൾ/നിർദ്ദേശങ്ങൾ നേരിട്ടോ secretaryjerc@gmail.com എന്ന ഇ-മെയിൽ മുഖേനയോ സെക്രട്ടറി, JERC (for Goa & UTs) എന്ന വിലാസത്തിൽ രജിസ്റ്റേർഡ് പോസ്റ്റ് മുഖേനയോ 18.01.2019 (വെള്ളിയാഴ്ച) നു മുൻപ് ലഭിക്കത്തക്കവിധം ഫയൽ ചെയ്യാവുന്നതാണ്. അതോടൊപ്പം പകർപ്പ് അയയ്ക്കേണ്ട വിലാസം:
(i) സൂപ്രണ്ടിംഗ് എൻജിനീയർ - കം - ഹെഡ് ഓഫ് ഡിപ്പാർട്ട്മെന്റ്, ഇലക്ട്രിസിറ്റി ഡിപ്പാർട്ട്മെന്റ് - പുതുച്ചേരി യൂണിയൻ ടെറിട്ടറി, 137, നേതാജി സുഭാഷ് ചന്ദ്രബോസ് സാലൈ, പുതുച്ചേരി - 605 001 (ഇ-മെയിൽ: se1ped.pon@nic.in
(ii) മാനേജിംഗ് ഡയറക്ടർ, പുതുച്ചേരി പവർ കോർപറേഷൻ ലിമിറ്റഡ് (PPCL), 10, സെക്കൻഡ് ക്രോസ്, ജവഹർനഗർ, ബൂളിയാർപേട്ട്, പുതുച്ചേരി - 605 005 (ഇ-മെയിൽ - ppclpdy@gmail.com)

പുതുച്ചേരി സ്റ്റേറ്റ് കോ-ഓപ്പറേറ്റീവ് യൂണിയൻ ബിൽഡിംഗ് നം. 62, സഫ്റൻ സ്ട്രീറ്റ്, പുതുച്ചേരി - 605 001 ൽ 2019 ജനുവരി 22 (ചൊവ്വ) 10.00 a.m. ന് കമ്മീഷൻ ഒരു പൊതുഹിയറിംഗ് നടത്തുന്നതാണ്.

ഒപ്പ്
(രാകേഷ് കുമാർ) സെക്രട്ടറി

6
Kamala Kannan
28/12/18

The New Indian Express

Joint Electricity Regulatory Commission
(for The State of Goa and Union Territories)
3rd & 4th Floor, Plot No. 55- 56, Service Lane, Phase IV,
Udyog Vihar, Sector 18, Gurugram, Haryana 122015
Phone No. 0124-2342853
Website: www.jercuts.gov.in, Email: secretaryjerc@gmail.com

PUBLIC NOTICE

Public Hearing on 22nd January 2019, at 1000 Hrs.

Further to the Public Notice published on 25.12.2018, the stakeholders of the UT of Puducherry are hereby informed that Public Hearing will be held on the following Petitions:-

1. The Electricity Department, Puducherry has filed a Petition for approval of for Determination of Tariff Proposal for FY 2019 -20, True-Up of FY 2017-18 & Annual Performance Review of FY 2018-19 and Aggregate Revenue Requirement (ARR) for MYT Control Period of FY 2019-20 to FY 2021-22. The same has been admitted as Petition No. 268/2018, u/s 61, 62 & 64 of the Electricity Act, 2003 and Regulation 9 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018.
2. Puducherry Power Corporation Limited (PPCL) has filed a Petition for Determination of fixed Charges for FY 2019-20 to FY 2021-22 and Energy Charges for the FY 2019-20 and the True Up for FY 2016-17. The same has been admitted bearing Petition No. 269/2018, u/s 61, 62 & 64 of the Electricity Act, 2003 and Regulation 9 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018.

   Both the Petitions are available on the Commission's website **www.jercuts.gov.in** Interested persons may file objections/suggestions on the above Petition in person during the hearing or through E-mail **secretaryjerc@gmail.com** or through registered post addressed to The Secretary, JERC (for Goa & UTs) immediately with a copy to:

   a. The Superintending Engineer cum Head of Department, Electricity Department-UT of Puducherry, 137, Nethaji Subhash Chandra Bose Salai, Puducherry- 605001. (E-mail **se1ped.pon@nic.in**)
   b. The Managing Director, Puducherry Power Corporation Limited (PPCL), #10, Second Cross, Jawahar Nagar, Boomiyanpet, Puducherry- 605 005. (Email: **ppclpdy@gmail.com**)

The Commission shall hold the Public Hearing on the above Petitions as per the schedule given below:

Date/Day/Year	Time	Venue
22nd January, 2019 (Tuesday)	10.00 AM	Puducherry State Co- operative Union Building No. 62, Suffren Street, Puducherry- 605 001.

(Rakesh Kumar)
Secretary

The New Indian Express (Vijayawada)

Joint Electricity Regulatory Commission
(for The State of Goa and Union Territories)
3rd & 4th Floor, Plot No. 55- 56, Service Lane, Phase IV,
Udyog Vihar, Sector 18, Gurugram, Haryana 122015
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(Rakesh Kumar)
Secretary

The New Indian Express (Kozhikode)

Joint Electricity Regulatory Commission

(for The State of Goa and Union Territories)
3rd & 4th Floor, Plot No. 55- 56, Service Lane, Phase IV,
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2. Puducherry Power Corporation Limited (PPCL) has filed a Petition for Determination of fixed Charges for FY 2019-20 to FY 2021-22 and Energy Charges for the FY 2019-20 and the True Up for FY 2016-17. The same has been admitted bearing Petition No. 269/2018, u/s 61, 62 & 64 of the Electricity Act, 2003 and Regulation 9 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018.

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a. The Superintending Engineer cum Head of Department, Electricity Department-UT of Puducherry, 137, Nethaji Subhash Chandra Bose Salai, Puducherry- 605 001. (E-mail **se1ped.pon@nic.in**)
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(Rakesh Kumar)
Secretary

Annexure 3: List of Stakeholders

The following is the list of the participants in Public Hearing conducted on 22nd January 2019 in Puducherry:

Table 85: List of participants in Public Hearing

S. No.	Name of Stakeholder
1	Rajendiran
2	Nandakumar
3	R. Gopal
4	R. Danaraju
5	V.R. Raghuraman
6	M. Narayanassamy
7	T. Geethanathan
8	G. Vazhumuni
9	P. Raghupathy
10	M. Umashankar
11	R.M. Bairavan
12	Govindasamy
13	Prabhakaran
14	Segar
15	S. Lenin Durai
16	Perumal
17	Balasubramanian
18	M. Nagaraj
19	U. Muthu