Petition for approval of

# Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC), Tariff Revision for FY2013-14

Of

## Electricity Department, Government of Puducherry

Submitted to

## The Hon'ble Joint Electricity Regulatory Commission

Gurgaon

By

## Electricity Department, Government of Puducherry

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# 1 Introduction

1.1 The Union Territory of Puducherry is spread over an area of 492 sq.km, which comprises the four erstwhile French establishments of Puducherry, Karaikal, Mahe and Yanam. The total population of the UT of Puducherry is 12,44,464 as per provisional results of Census 2011.

i) Puducherry region, which is the largest of all four, lies on the east coast, consisting of 12 scattered areas, surrounded by the State of Tamil Nadu and by the Bay of Bengal on the East.

ii) Karaikal region is about 150 km South of Puducherry. Like Puducherry region, the Karaikal region is also surrounded by the State of Tamil Nadu and by the Bay of Bengal on the East.

iii) Yanam region is located approximately 840 km north-east of Puducherry near Kakinada in Andhra Pradesh.

iv) Mahe Region is located approximately 653 km away on the west coast of India, near Tellicherry in Kerala

Puducherry region is situated on the Coramandal Coast north of Pennaiyar River and is bounded by Bay of Bengal on the East and Cuddalore districts of Tamil Nadu on other sides. It has an area of 293 sq. km. Puducherry is not a contiguous area but interspersed with bits of territory of Tamil Nadu. Puducherry town is the capital of Union Territory.

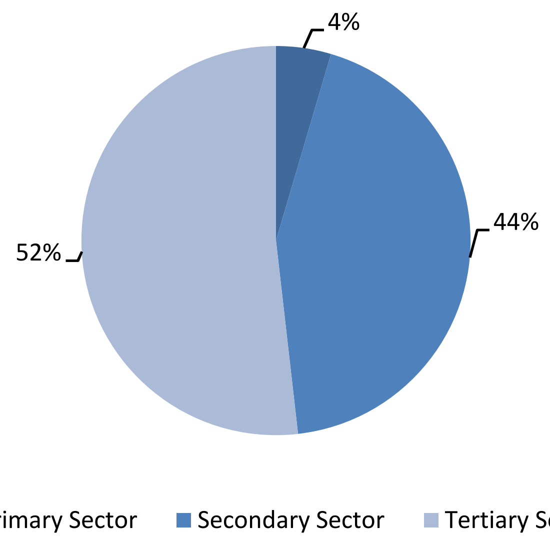
Karaikal region lies 150 kilometre south of Puducherry and it is bounded on north, south and west by the Nagapattinam district of Tamil Nadu and on the east by Bay of Bengal. It has an area of 160 sq. km lying in the Cauvery Delta being irrigated by the canals of the Cauvery River. The soil is composed of sand and alluvial deposits which is suitable for paddy cultivation.

Mahe region is isolated from Puducherry by about 653 km and has an area of 9 sq. km and is located at a distance of about 6 km south of Tellichery town. Mahe town is situated on the southern bank of Mahe region.

Yanam region is situated on the East coast as a pocket in the East Godavari District of Andhra Pradesh and Lies at a distance of 28 km south of Kakinada town. This is the smallest of the 4 regions in terms of population even though it has an area of 30sq. km. Yanam is built on the spot where the rivers of Godavari and Coringa separate and is bounded on the east and south by one or the other of these two rivers.

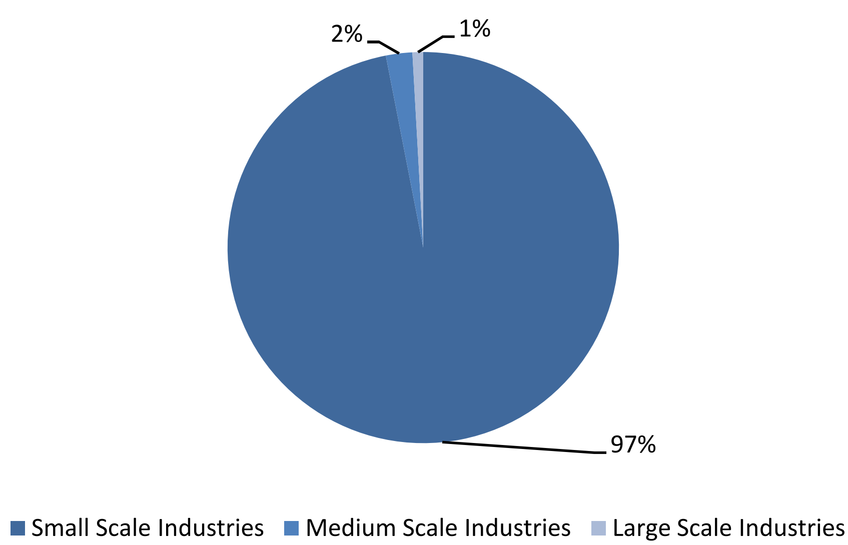
The Gross State Domestic Product (GSDP) of Pondicherry (CSO-2004-05 series) in 2011 – 12 was Rs. 13,724 crores[1] , with a sector wise split as shown below

**Figure 1: Gross State Domestic Product (11-12)**




The economy is heavily dependent on the Industries and Services sector, with the bulk of the Industries being small scale[2] as shown.

**Figure 2: Industry Split in Pondicherry (10-11)**




[1] Planning Commission of India Website (http://planningcommission.nic.in/data/datatable/0904/tab_104.pdf), accessed on 5th January, 2012

[2] Department of Industries and Commerce, Government of Pondicherry

## Electricity Department of Puducherry

Puducherry Electricity Departmentperforms thefunctions of transmission and distribution of electric power to the Union Territory. The sole generating station in Puducherry is a 32.5 MW combined cycle gas power plant in Karaikal owned by the Puducherry Power Corporation Limited. The entire power requirement of Puducherry is met from the power allocated from the Central Generating Stations, Tamil Nadu Electricity Board, Kerala State Electricity Board and from the Puducherry Power Corporation Limited

PED operates a transmission network of 110 kV and 230 kV and distribution network at 33 kV, 22 kV, 11 kV and LT levels. The network configuration as on 31st March, 2012 is as given below.

Table 1: Network Configuration (as on 31st march 2012)

| Voltage | Lines (Km) | Substations (Nos & capacity) | Transformation Capacity (MVA) |
|---|---|---|---|
| **Transmission** | | | |
| 230 kV/110kV | 46 | 2 | 360 |
| 132 kV/33-11 kV | 43.5 | 1 | 36 |
| 110 kV/22-11 kV | 241.06 | 13 | 499 |
| **Distribution** | | | |
| 33/11kV | | 1 | 10 |
| 22 kV & 11 kV (Overhead) | 926.5 | 2201 | 530 |
| 22 kV & 11 kV (Underground) | 65.76 | | |
| LT (Overhead) | 2456 | | |
| LT (Underground) | 788 | | |

The Transmission and Distribution Losses and the AT&C Losses are comparatively lower than in many of the other states and Union Territories. The Transmission & Distribution loss of the system is estimated to be around 13.18% for the financial year 2011-12.

## Consumer & Sales Mix

The number of consumers in each category is shown below.

Table 2: Consumer Mix

| Consumers [No] | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 |
|---|---|---|---|---|---|---|
| Domestic | 234,734 | 245,822 | 256,245 | 269,755 | 275847 | 281903 |
| Commercial | 36,205 | 37,407 | 38,427 | 40,539 | 40531 | 41943 |
| Agriculture | 8,834 | 8,897 | 8,960 | 6,810 | 6810 | 6828 |

| Consumers [No] | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 |
|---|---|---|---|---|---|---|
| Street lighting | 43,421 | 44,859 | 45,617 | 47,686 | 48167 | 48384 |
| Industrial | 5,516 | 5,643 | 5,769 | 5,885 | 5955 | 6035 |
| LT total | 328,710 | 342,628 | 355,018 | 370,675 | 377310 | 385093 |
| HT I | 402 | 408 | 420 | 379 | 394 | 401 |
| HT II | 32 | 32 | 32 | 40 | 41 | 43 |
| HT III | 5 | 5 | 5 | 6 | 7 | 7 |
| HT total | 439 | 445 | 457 | 425 | 442 | 451 |
| **Total consumers** | **329,149** | **343,073** | **355,475** | **371,100** | **377,752** | **385,544** |

The total consumption of power in Puducherry for 2011-12 across various categories is given below.

**Table 3: Power Consumption across categories (11-12)**

| Category | Actual [MU] |
|---|---|
| Domestic | 537.4 |
| Hut services | 9.8 |
| Commercial | 167.7 |
| Agriculture | 56.6 |
| Public lighting | 24.0 |
| Industrial | 133.6 |
| Water tank | 50.8 |
| Temporary supply | 10.0 |
| LT total | 989.9 |
| Industrial | 974.6 |
| State & Central government establishments | 45.0 |
| Industrial Extra High Tension | 307.8 |
| Commercial | - |
| Temporary supply | 3.7 |
| HT Total | 1,331.1 |
| **Total sales within UT** | **2,321.0** |

# 2 Review of Performance for FY 2011-12

Puducherry Electricity Department (PED) had filed a petition for approval of revised estimates of the ARR for the Financial Year 2011-12 before the Honourable Joint Electricity Regulatory Commission on 21st December 2011 along with the ARR for 2012-13.

The Honourable Joint Electricity Regulatory Commission after undertaking a thorough analysis had issued the ARR Order for Financial Year 2011-12 along with the ARR for FY 2009-10, FY 2010-11 and FY 2012-13 on 12th June 2012.

PED has now prepared its annual accounts for the year ending 2011-12. These accounts are yet to be audited. This chapter has been included in the petition to facilitate a review by the Commissionfor the financial year 2011-12 based on unaudited annual accounts.

The summary of the charges for FY 2011-12 as claimed by the petitioner in the revised estimates and as approved by the Honourable Commission in the Review Order is tabulated below:

Table 4: Summary of ARR for FY 2011-12 – Revised Estimates, - claimed and approved by Commission

| Particulars ( Rs. Cr) | Claimed by Petitioner for revised estimatesin its ARR petition in Review petition | Approved by Commission |
|---|---|---|
| **Cost of Power Purchase** | 997.30 | 901.73 |
| **Employee Costs** | 52.55 | 52.55 |
| **A&G Expenses** | 3.91 | 3.91 |
| **R&M Expenses** | 10.34 | 10.34 |
| **Depreciation** | 25.07 | 6.00 |
| **Advance Against Depreciation** | - | - |
| **Interest & Finance Charges** | 1.95 | 1.95 |
| **Interest on Working Capital** | 10.40 | - |
| **Provision for Bad Debts** | - | - |
| **Return @ 3 % of NFA** | 12.27 | 2.37 |

| Particulars ( Rs. Cr) | Claimed by Petitioner for revised estimatesin its ARR petition in Review petition | Approved by Commission |
|---|---|---|
| **Amortization of Regulatory Asset proposed for previous years** | - | - |
| **Total** | **1113.79** | **978.85** |
| **Less: Non-Tariff Income** | 147.10 | 139.07 |
| **Aggregate Revenue Requirement** | **966.69** | **839.78** |

The summary of the charges claimed by the petitioner as part of revised estimates, as approved by the Honourable Commission in its order on the ARR for FY 2011-12 and as per unaudited accounts for FY 2011-12 included in this Review is tabulated below:

**Table 5: Summary of ARR for FY 2011-12 in the ARR Petition, Commission's Order and Review**

| Particulars ( Rs. Cr) | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **Cost of Power Purchase** | 997.30 | 901.73 | 1110.2 |
| **Employee Cost** | 52.55 | 52.55 | 56.59 |
| **A&G Expenses** | 3.91 | 3.91 | 4.447 |
| **R&M Expenses** | 10.34 | 10.34 | 16.2 |
| **Depreciation** | 25.07 | 6.00 | 20.3 |
| **Advance Against Depreciation** | - | - | - |
| **Interest & Finance Charges** | 1.95 | 1.95 | 2.4 |
| **Interest on Working Capital** | 10.40 | - | 12.9 |
| **Provision for Bad Debts** | - | - | - |
| **Return @ 3 % of NFA** | 12.27 | 2.37 | 9.3 |

| Particulars ( Rs. Cr) | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **Amortization of Regulatory Asset proposed for previous years** | - | - | - |
| **Total** | **1113.79** | **978.85** | **1232.3** |
| **Less: Non-Tariff Income** | 147.10 | 139.07 | 170.8 |
| **Aggregate Revenue Requirement** | **966.69** | **839.78** | **1061.5** |

The details for each of these parameters along with the reasons for variations (if any) have been provided in subsequent sections of this chapter.

**Sales and Consumer Numbers**

**Consumer Numbers**

PED had provided a revised estimate of 391,380 consumers in its revised estimates for FY 2011-12 which had been approved by the Commission. Based on the unaudited accounts, PED submits before the Commission that the actual consumer numbers for FY 2011-12 stands at 385,544. A comparison of these numbers are shown below

Table 6: Consumer Numbers ; RE 2011-12, Commission Approved Numbers and based on unaudited accounts

| Category of Consumers | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **LT** | | | |
| **Domestic** | 287,899 | 287,899 | 246,437 |
| **Hut Services** | | | 35,466 |
| **Commercial** | 41,854 | 41,854 | 41,943 |
| **Agriculture** | 6,810 | 6,810 | 6,828 |

| Category of Consumers | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **Public Lighting** | 48,280 | 48,280 | 48,384 |
| **Industrial** | 6,086 | 6,086 | 5,955 |
| **Water Tanks** | | | 80 |
| **Temporary Supply** | - | - | - |
| **Total LT** | 390,929 | 390,929 | 385,093 |
| **HT** | | | |
| **Industrial** | **403** | **403** | **401** |
| **State & Central Govt Establishments** | 41 | 41 | 43 |
| **Industrial EHT** | **7** | **7** | **7** |
| **Temporary Supply** | **-** | **-** | **-** |
| **Total HT** | **451** | **451** | **451** |
| **Total** | **391,380** | **391,380** | **385,544** |

**Sales**

PED had provided a revised estimate of sales of 2317.5 MU for FY 2011-12. The Commission had approved sales of 2294.2 MU in its order. Based on the unaudited accounts, the petitioner hereby states that the sales for 2011-12 has been 2321 MU. The category wise sales is shown in the table below –

Table 7: Sales; RE 2011-12, Commission Approved Numbers and based on unaudited accounts

| Category of Consumers | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **LT** | | | |
| **Domestic** | 572.4 | 569.3 | 537.4 |
| **Hut Services** | | | 9.8 |
| **Commercial** | 172.1 | 172.1 | 167.7 |
| **Agriculture** | 76.7 | 56.6 | 56.6 |

| Category of Consumers | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **Public Lighting** | 23.4 | 23.4 | 24.0 |
| **Industrial** | 160.1 | 160.1 | 133.6 |
| **Water Tanks** | | | 50.8 |
| **Temporary Supply** | 22.6[3] | 22.6 | 10.0 |
| **Total LT** | **1027.3** | **1004.1** | **989.9** |
| **HT** | | | |
| **Industrial** | **1016.3** | **1016.3** | **974.6** |
| **State & Central Govt Establishments** | 37.3 | 37.3 | 45.0 |
| **Industrial EHT** | **236.5** | **236.5** | **307.8** |
| **Temporary Supply** | | | **3.7** |
| **Total HT** | **1290.1** | **1290.1** | **1,331.1** |
| **Total** | **2317.4** | **2294.2** | **2321.0** |

**Energy Losses**

PED has submitted revised estimate of 13.47% as the energy losses for FY 2011-12. Against this, the Commission had allowed a figure of 13%. Based on the unaudited accounts for FY 2011-12, the PED wishes to submit that its losses stand at 13.18%. The information regarding the loss levels based on unaudited accounts is shown in the table below –

**Table 8: ATC&C Loss**

| Particulars | Calculation | Units | FY 2011-12 actuals |
|---|---|---|---|
| **Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM.** | A | MU | 235.7 |

[3] This has not been split between LT and HT categories of temporary supply

| Particulars | Calculation | Units | FY 2011-12 actuals |
|---|---|---|---|
| **Input energy (metered Import) received at interface points of DISCOM network** | B | MU | 2,954.0 |
| **Input energy (metered Export) by the DISCOM at interface points of DISCOM network.** | C | MU | 516.5 |
| **Total energy available for sale within the licensed area to the consumers of the DISCOM** | D=A+B+C | MU | 2,673.3 |
| **Energy billed to metered consumers within the licensed area of the DISCOM** | E | MU | 2,254.6 |
| **Energy billed to unmetered consumers within the licensed area of the DISCOM** | F | MU | 66.4 |
| **Total energy billed** | G=E+F | MU | 2,321.0 |
| **Amount billed to consumer within the licensed area of DISCOM.** | H | Rs. | 690.5 |
| **Amount realized by the DISCOM out of the amount Billed at H#** | I | Rs. | 674.3 |
| **"Collection efficiency (%)= Revenue realized/ Amount billed"** | J=(I/H)x100 | % | 97.7% |
| **Energy realized by the DISCOM** | K=JxG | MU | 2,266.7 |
| **Distribution Loss** | L={(DG)/ D}x100 | % | 13.18% |
| **AT&C Loss** | M={(DK)/ D}x100 | % | 15.21% |

**Energy Balance**

PED hereby resubmits its Energy balance for the FY 2011-12. It is highlighted that the UI sales have only been 516.5 MU as against the approved figure of 574.38 MU as approved by the Commission in its order.

Table 9: Energy Balance FY 2011-12

| Particulars (MU) | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **Energy Requirement** | | | |
| **Total Sales within the UT** | 2317.53 | 2294.24 | 2321.0 |
| **Sales- UI** | 433.40 | 574.38 | 516.5 |
| **T&D Losses** | 13.47% | 13.00% | 13.18% |
| **Losses in MU** | 360.76 | 342.81 | 352.2 |
| **Total Energy Requirement** | 3111.70 | 3211.44 | 3189.7 |
| **Energy Availability** | | | |
| **Gross Energy Availability** | 3256.3 | 3359.99 | 3339.1 |
| **External Losses** | 144.6 | 148.55 | 149.35 |
| **Energy Availability at Periphery** | 3111.70 | 3211.44 | 3189.7 |

## Detailed Breakup of Costs

### Cost of Power Purchase

The Cost of Power Purchase as per the unaudited accounts is Rs. 1110.25 crores. There is a variation when compared to the Commission approved values of 901.73 crore. The major factor contributing to this increase is the additional amount of 117.8 Crores to TNEB in lieu of the increase in tariff to Rs. 3.10/kWh for the years 2009-10, 2010-11 and 2011-12 pursuant to the interim order of the Madras High Court. During the year 2012-13, the Hon'ble High Court of Madras (in an interim order) directed the PED to pay differential cost as per the revised CERC tariff order pertaining to NLC TS-I for the period from April 2009 to August 2012. Accordingly, PED has paid an amount of Rs. 143.58 Crores in November 2012, breakup of which is given hereunder:

**Table 10: Breakup of payments made to TNEB**

| Year (of power purchase) pertaining to which the differential amt. has been paid to TNEB | Differential Amt. Paid to TNEB (in Rs. Crores) |
|---|---|
| **2009-10** | 31.61 |
| **2010-11** | 40.67 |
| **2011-12** | 45.54 |
| ***Sub-Total (A)*** | *117.82* |
| **2012-13** | 25.76 |
| ***Sub-Total (B)*** | *25.76* |
| **Total = (A) + (B)** | **143.58** |

Based on the payment details given above, a provision for Rs. 117.82 Crores (relating to Power Purchased during 2009-10, 2010-11 and 2011-12) has been made in the books of accounts and the amount has been included in Power Purchase Cost for the year.

Apart from the above, an additional amount of 89.3 Crores has been included in the Power Purchase amount on account of revision invoices, debit and credit notes received from Power Suppliers (i.e. Power Generating, Transmission & Wheeling companies) in the financial year 2011-12 which include charges / credit pertaining to Power Purchased by the PED in 2011-12 as well as in prior financial years. These invoices were raised in the year 2011 – 2012 because of the orders passed by the respective regulatory commissions governing the respective Power Suppliers or due to the refunds / liabilities arising to the Power Suppliers on account of tax assessments, etc., which have to be recovered from (or credited to) the PED.

If these factors not be considered, the net power purchase cost comes to Rs. 906.6 crore.

While approving the power purchase costs for 2011-12, the Commission had also treated the power procurement pertaining to UI sales differently. The Commission had determined the net profit / loss on account of UI sales and shown the same in "Other Income". The unaudited accounts for 2011-12 show gross cost of all power purchased as power purchases in the Profit and Loss Account and the Sale proceeds on account of UI Sales in Other income. This is one other reason why there is a difference in the amounts approved by the Commission and the amounts claimed as per the unaudited accounts.

The summary of Cost of Power Purchase for the petitioner as per the revised estimates, the Commission approved Cost of Power Purchase in its Order and as per the unaudited accounts of FY 2011-12 is tabulated below:

**Table 11: Cost of Power Purchase for FY 2011-12 in the Revised Estimates, Commission's Order and Unaudited Accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in revised estimates | Approved by Commission in ARR Order | Claimed by petitioner based on unaudited accounts |
|---|---|---|---|
| **Power Purchase** | 3256.30 | 3359.99 | 3339.10 |
| **Cost of Power Purchase** | 997.30 | 901.73 | 1110.25 |

In view of above outlined reasons, the Honourable Commission is requested to kindly allow the above Cost of Power Purchase.

**Employee Cost**

The Employee Cost approved by the Honourable Commission in the Review of ARR for FY 2011-12 was Rs. 52.55 crore. The Employee Cost as per the unaudited accounts for FY 2011-12 comes to Rs. 56.59 crore and this has been included in this review. The summary of Employee Cost as claimed by the petitioner in the revised estimates, as approved by the Commission and as per the unaudited accounts for FY 2011-12 included in this review is tabulated below:

**Table 12: Employee Cost for FY 2011-12 in the Revised Estimates, Commission's Order and Unaudited Accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in Review Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Employee Cost** | 52.55 | 52.55 | 56.59 |

There is an increase of Rs. 4.04 crore in Employee Cost in this review from the Commission approved Employee Cost.

The Employee Cost in the unaudited accounts for FY 2011-12 is tabulated below:

**Table 13: Break-up of Employee Cost in unaudited accounts for FY 2011-12**

| Particulars ( Rs. Cr) | Unaudited Figures for FY 2011-12 |
|---|---|
| **Salary** | 66.37 |
| **Wages** | 0.12 |
| **Stipend** | 0.32 |
| **Overtime Payment** | 0.95 |
| **Subtotal** | 67.75 |
| **Less: Departmental Charges** | 1.75- |
| **Less: Salary Costs Capitalised** | 9.40 |
| **Total** | 56.59 |

The Honourable Commission is requested to kindly allow the above Employee Cost.

**Administrative & general Expenses**

The Administrative and General Expenses approved by the Honourable Commission in the Review of ARR for FY 2011-12 was Rs. 3.91 crore. The Administrative and General Expenses as per the unaudited accounts of FY 2011-12 is **Rs. 4.44** crore. The summary of Administrative and General Expenses as claimed by the petitioner in the revised estimates, as approved by the Commission and as per the unaudited accounts of FY 2011-12 included in this review, is tabulated below:

**Table 14: A&G Expenses for FY 2011-12 in the Revised Estimate, Commission's Order and Unaudited Accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **A&G Expenses** | 3.91 | 3.91 | 4.44 |

There is a slight increase in the Administrative and General Expenses as per the audited accounts over the figure approved by the Honourable Commission.

The Break-up of the Administrative and General Expenses as per the unaudited accounts for FY 2011-12 is tabulated below:

Table 15: Break-up of A&G Expenses in the unaudited accounts for FY 2011-12

| Particulars ( Rs. Cr) | Claimed by Petitioner as per unaudited accounts |
|---|---|
| **Office Expenses** | 1.60 |
| **Other Miscellaneous Expenses** | 2.84 |
| **Total** | **4.44** |

In view of the above, the Honourable Commission is requested to kindly allow the above Administrative and General Expenses.

**Repair and Maintenance Expenses**

The Repair and Maintenance Expenses approved by the Honourable Commission for FY 2011-12 was Rs. 10.34 crore. The Repair and Maintenance Expenses as per the unaudited accounts of FY 2011-12, is Rs. 16.17 crore. The summary of Repair and Maintenance Expenses as claimed by the petitioner in the revised estimate for FY 2011-12, as approved by the Commission and as per the unaudited accounts for FY 2011-12, is tabulated below:

Table 16: R&M Expenses for FY 2011-12 in the revised estimate, Commission's Order and Unaudited accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **R&M Expenses** | 10.34 | 10.34 | 16.17 |

There is an increase of Rs. 4.83 crore in Repair and Maintenance Expenses as per the unaudited accounts for FY 2011-12 over the figure approved by the Commission in the Review of the revised estimates. The increase has been mainly due to adjustments made for difference in classification of certain expenditure between capital expenditure and O&M expenditurein the unaudited annual accounts.

In view of the above, the Honourable Commission is requested to kindly allow the above Repair and Maintenance Expenses.

**Depreciation**

The Depreciation approved by the Honourable Commission in the Review of revised estimates for FY 2011-12 was Rs 6.00 crore. The Depreciation as per the unaudited accounts of FY 2011-12, which has been included in this review is Rs. 20.28 crore. The summary of Depreciation as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as per unaudited accounts of FY 2011-12, is tabulated below:

Table 17: Depreciation for FY 2011-12 in the revised estimates, Commission's Order and Unaudited accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Depreciation** | 25.07 | 6.00 | 20.28 |

There is a significant difference in the Depreciation as per the unaudited accounts of FY 2011-12 over the Depreciation approved by the Commission. The difference arises because the Commission had disallowed a significant portion of the GFA at the beginning of FY 2011-12 claimed by the petitioner in the revised estimates on the basis that the petitioner needed to submit audited accounts. The analysis presented by the Commission for fixing the GFA, Capitalisation and Depreciation in the Review of ARR for FY 2009-10, which is the basis for calculating the opening GFA for FY 2011-12 is reproduced below:

***GFA and Capitalisation***

*"The Commission is of the view that in absence of the Fixed Asset Register, the opening value of assets is driven by assumptions.*

*As per Regulation 26 of the JERC Tariff Regulations, "depreciation shall be computed on historical cost of the assets including additions during the year". Further, Regulation 22 mandates that "Investments made prior to and up o 31st March immediately preceding the date of the notification of these regulations or date of receipt of a petition of tariff determination whichever is earlier shall be considered on the basis of audited accounts or approval already granted by the Commission".*

*In this case, the Petitioner in unable to provide the actual value of the fixed assets. The Commission had directed in Tariff Order FY 2009-10 to provide the physical inventory of assets and construct asset/ depreciation registers and file the same along with next tariff petition but the same has not been submitted till date by the Petitioner and in absence of the same, the Commission is unable to provide any depreciation on the opening Gross Fixed Assets, as claimed by the Petitioner.*

*However, the Petitioner has projected the addition of assets of Rs. 31.88 crore for the FY 2009-10. The Commission, considering the reasonableness of the expenditure approves the capitalisation of Rs. 31.88* *crore for FY 2009-10. This has been considered as the closing balance of the GFA for FY 2009-10 and the same has been taken as the opening GFA approved for the subsequent year FY 2010-11."*

***Depreciation***

*"As per Regulation 26 of JERC Tariff Regulations, depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories. Depreciation for FY 2009-10 has been worked out at Rs. 0.84 crore on the basis of actual capital expenditure of Rs. 31.88 crore approved as part of the review for FY 2009-10".*

However, the Puducherry Electricity Department humbly states that the Asset and Depreciation registers have now been prepared and duly audited fixed assets' gross amount, accumulated depreciation and depreciation for the year have been shown in the audited accounts for the year 2009-10 and 2010-11.

The Auditor has also noted in his Audit Report as under:

***"Fixed Assets: The Fixed Assets Register has been prepared based on physical verification of Fixed Assets carried out by the Department".***

The Asset and Depreciation registers have been prepared after following a very comprehensive methodology.

The Gross Fixed Assets, Accumulated Depreciation and Net Fixed Assets for FY 2011-12 are tabulated below:

**Table 18: Net Fixed Asset for FY 2011-12**

| Particulars ( Rs. Cr) | FY 2011-12 |
|---|---|
| **Gross Fixed Assets** | 480.48 |
| **Less: Accumulated Depreciation** | 229.29 |
| **Net Fixed Assets** | 251.19 |

The rates of depreciation for various assets as used in preparation of the unaudited accounts for FY 2011-12 are tabulated below:

**Table 19: Rate of Depreciation applicable for various assets in FY 2011-12**

| Description of Assets | Rate of Depreciation |
|---|---|
| **Land and Land Rights** | - - |
| **Building** | 3.34% |
| **Plant and Machinery** | 5.28% |

| | |
|---|---|
| **Lines and Cables** | 5.28% |
| **Office Equipment** | 6.33% |
| **IT Equipment** | 15.00% |
| **Vehicles** | 9.50% |
| **Furniture and Fixtures** | 6.33% |
| **Testing and measuring equipment** | 5.3% |
| **SCADA centre** | 5.3% |

The Depreciation on various assets for the FY 2011-12, are tabulated below:

**Table 20: Break-up of Fixed Asset and Depreciation for FY 2011-12**

| Description of Assets | Depreciation for the year (Rs. Crs) |
|---|---|
| **Land and land rights** | |
| *Sub Stations* | |
| *Other* | |
| **Buildings** | |
| *Sub Stations* | 0.31 |
| *Other* | 0.14 |
| **Plant and machinery** | |
| *Sub Stations* | 6.23 |
| *Transformers* | 5.34 |
| **Lines and cable network** | |
| *Sub Station and Others* | 6.53 |
| **Vehicles** | |
| *Sub Station and Others* | 0.09 |
| **Furniture and fixtures** | |
| *Sub Station and Others* | 0.0048 |
| **Office equipment (Office equipment, telephones & Telephone lines, Radio and high frequency carrier system (VHF))** | |
| *Sub Station and Others* | 0.04 |

| Description of Assets | Depreciation for the year (Rs. Crs) |
|---|---|
| **IT equipment (Computers etc.)** | |
| *Sub Station and Others* | 0.16 |
| **Testing & Measuring Equipment** | |
| *Sub Station and Others* | 0.15 |
| **SCADA Centre** | |
| *Sub Station and Others* | 1.34 |
| **Total** | **20.28** |

In view of the fact that the Hon'ble Commission's directives regarding the Fixed Asset and Depreciation Registers has been complied with and duly audited accounts have been prepared for the past years, the Honourable Commission is requested to kindly allow the above Depreciation.

**Advance against Depreciation**

Advance against Depreciation has not been considered in this review. It was also not considered in the revised estimate of FY 2011-12. The summary of Advance against Depreciation as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as per unaudited accounts of FY 2011-12, is tabulated below:

**Table 21: Advance against Depreciation for FY 2011-12 in the revised estimates, Commission's Order and unaudited accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Advance Against Depreciation** | - | - | - |

In view of above, the Honourable Commission is requested to kindly allow the above Advance against Depreciation as Nil.

**Interest and Finance Charges**

The Interest and Finance Charges approved by the Honourable Commission in the revised estimates for FY 2011-12 was Rs. 1.95 crore. The Interest and Finance Charges as per the unaudited accounts for FY 2011-12 is Rs. 2.40 crore. The summary of Interest and Finance Charges as claimed by the petitioner in the revised estimate for FY 2011-12, as approved by the Commission and as per the unaudited accounts of FY 2011-12, is tabulated below:

**Table 22: Interest & Finance Charges for FY 2011-12 in the revised estimates, Commission's Order and unaudited accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Interest & Finance** | 1.95 | 1.95 | 2.40 |

There has been slight change in the Interest and Finance Charges in the audited accounts from the figure claimed in in the revised estimate for FY 2011-12.

In view of above, the Honourable Commission is requested to kindly allow the above Interest and Finance Charges.

**Interest on working capital**

Regulation No. 29 of the JERC Tariff Regulations stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable to Puducherry Electricity Department. This is as shown below:

*(1) For generation and transmission business, the working capital shall be as per CERC norms.*

*(2) Subject to prudence check, the working capital for distribution business shall be the sum of one month requirement for meeting:*

*(a) Power purchase cost.*

*(b) Employees cost.*

*(c) Administration & general expenses and*

*(d) Repair & Maintenance expenses.*

*(3) Subject to prudence check, the working capital for integrated utility shall be the sum of one month requirement for meeting :*

*(a) Power purchase cost*

*(b) Employees cost*

*(c) Administration & general expenses*

*(d) Repair & Maintenance expenses.*

*(e) Sum of two month requirement for meeting Fuel cost.*

*(4) The rate of interest on working capital shall be equal to the short term Prime Lending Rate of State Bank of India on the 1st April of the relevant financial year. The interest on working capital shall be payable on normative basis notwithstanding that the generating company / licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan amount worked out on the normative figures.*

The Interest on Working Capital approved by the Honourable Commission in the Review of revised estimates for FY 2011-12 was Nil. On the basis of the unaudited accounts for FY 2011-12, the working capital comes to Rs. 98.95 crore. The summary of the Working Capital as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as calculated from the unaudited accounts for FY 2011-12 included in the Truing Up, is tabulated below:

**Table 23Working Capital for FY 2011-12 in the Revised Estimates Petition, Commission's Order and Unaudited accounts:**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Working Capital** | 88.67 | (24.42) | 98.95 |

The Interest on Working Capital has been calculated in line with Regulation 29 of the JERC Tariff Regulations. The SBI Advance Rate on 1st April 2011 was 13.00 %. The Interest on Working Capital calculated on the basis of the unaudited accounts of FY 2011-12 using 13.00 % interest rate which is included in this chapter is Rs. 12.86 crore. The summary of the Interest on Working Capital as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as calculated as per the unaudited accounts for FY 2011-12, is tabulated below:

**Table 24: : Interest on Working Capital for FY 2011-12 in the Revised Estimates, Commission's Order and Unaudited Accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Interest on Working** | 10.40 | Nil | 12.86 |

The reason for variation from the figure approved by the Honourable Commission is given below:

When the Revised Estimates were filed by the petitioner before the Honourable Commission, the Working Capital calculated for FY 2011-12 and as per Regulation 29 of JERC Tariff Regulations came to Rs. 88.67 crore.

The Commission approved a figure of Rs. (24.42) crore against the same. The calculation carried out by the Honourable Commission is tabulated below

**Table 25: Calculation of IOWC for FY 2011-12 in the Commission's Order**

| Particulars ( Rs. Cr) | Approved by Commission in ARR |
|---|---|
| **Power Purchase Cost for One Month** | 75.14 |
| **Employee Cost for One Month** | 4.38 |
| **A&G Expenses for One Month** | 0.33 |
| **R&M Expenses for One Month** | 0.86 |
| **Total Working Capital for One Month** | **80.71** |
| **Consumer Security Deposit Considered for One** | **105.13** |
| **Total Working Capital Considered for one month** | **(24.42)** |
| **SBI Advance Rate** | **13.00%** |
| **Interest on working capital** | **NIL** |

The reasoning underlying the above calculation is encapsulated in the analysis provided by the Honourable Commission in the Review of ARR for FY 2009-10, which is reproduced below:

*The Commission has considered the calculation of the different components of the interest on working capital as per Regulation 29 of the JERC Tariff Regulations*

*Commission has considered the amount collected from the consumers as security deposit available with the Petitioner and has treated this as available to meet part of working capital requirement for FY 2012-13, assuming this amount equivalent to two months billing*

The calculation for the Working Capital and Interest on Working Capital included in the Truing Up petition on the basis of the audited accounts of FY 2011-12 and as per the Regulation 29 of JERC Tariff Regulations is tabulated below:

**Table 26: Calculation of IOWC for FY 2011-12 as per unaudited accounts**

| Particulars ( Rs. Cr) | Claimed by petitioner as per unaudited accounts |
|---|---|
| **Power Purchase Cost for One Month** | 92.52 |
| **Employee Cost for One Month** | 4.72 |

| | |
|---|---|
| **A&G Expenses for One Month** | 0.37 |
| **R&M Expenses for One Month** | 1.35 |
| **Total Working Capital for One Month** | **98.95** |
| **SBI Advance Rate** | **13.00%** |
| **Interest on Working Capital** | **12.86** |

The Puducherry Electricity Department humbly reiterates that the Security Deposit collected from the consumers had been deposited under a non-interest bearing head with the Government following the government system applicable to PED. According to this, the PED does not gain any interest from the amount. Therefore the Interest on Working Capital may be allowed to be recovered from the consumers as per the JERC Tariff Regulations.

In view of above, the Honourable Commission is requested to kindly allow the above Interest on Working Capital.

**Provision for bad debts**

Provision for Bad Debt has not been considered in this Review as no such provisions have been made in the unaudited accounts for FY 2011-12. It was also not considered in the revised estimates for ARR of FY 2011-12. The summary of Provision as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as per unaudited accounts of FY 2011-12, is tabulated below:

Table 27: Provision for Bad Debt for FY 2011-12 in the Revised Estimates, Commission's Order and Unaudited Accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Provision for Bad Debt** | - | - | - |

In view of above, the Honourable Commission is requested to kindly allow the above Provision for Bad Debt As Nil.

**Return on Capital base**

The Return on Net Fixed Assets approved by the Honourable Commission in the Review of revised estimates of ARR for FY 2011-12 was 2.37 Crores. The Return on Net Fixed Assets calculated on the basis of unaudited accounts for FY 2011-12 is Rs. 9.33 crore. For this purpose, a rate of 3 % return on Net Fixed Assets at the beginning of the FY 2011-12 had been considered. The summary of the Return on Net Fixed Assets as claimed by the petitioner in the revised estimates of FY 2011-12, as approved by the Commission and as calculated on the basis of unaudited accounts for FY 2011-12, is tabulated below:

Table 28: Return on NFA for FY 2011-12 in the Revised Estimates, Commission's Order and Unaudited Accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Return @ 3 % of NFA** | 12.27 | 2.37 | 9.33 |

There is a variation in the Return on Net Fixed Assets as claimed by the petitioner in this revised figure based on unaudited accounts from the figure approved by the Honourable Commission in the Review of ARR for FY 2011-12. The reason for this variance between the petitioner's and the Commission's value is the lower value of the gross block at the beginning of the year as considered by the Commission.

The Puducherry Electricity Department has prepared both Fixed Asset and Depreciation registers. The same has been audited and submitted to the Commission along with the audited accounts for 2009-10 and 2010-11. The Department has also prepared the accounts for FY 2011-12.

The Net Fixed Assets at the beginning of FY 2011-12 and the Return @ 3 % of the Net Fixed Assets as per the unaudited accounts of FY 2011-12 are tabulated below:

Table 29: Calculation of Return on NFA for FY 2011-12

| Particulars ( Rs. Cr) | Claimed by petitioner as per unaudited accounts |
|---|---|
| **Gross block at the beginning of the year** | 458.34 |
| **Opening CWIP** | 77.31 |
| **LESS Accumulated Depreciation** | 211.42 |
| **LESS Accumulated Consumer Contribution** | - |
| **LESS Opening Debt** | 13.16 |
| **Net Fixed Assets at beginning of year** | 311.07 |
| **Return @ 3 % of NFA** | **9.33** |

In view of above, the Honourable Commission is requested to kindly allow the above Return on Net Fixed Assets.

**Amortization of Regulatory Assets**

While there is an existence of revenue gap from the years 2011-12 onwards, the Honourable Commission has determined that regulatory asset of INR 320.56 crore would be amortized starting from the year 2013-14 only. Therefore it can be seen that no Regulatory Asset had been proposed in the previous years for Puducherry Electricity Department. Therefore, no Amortization of Regulatory Asset was charged and loaded on the ARR by the petitioner for FY 2011-12. However, with the change in the revenue gap that is determined for FY 2011-2012 as per the subsequent sections, the amortization figure is subject to change. The Commission is requested to consider this in its evaluation. Based on the unaudited accounts FY 2011-12, there is no Amortization of Regulatory Asset. The summary of the Amortization of Regulatory Asset as claimed by the petitioner in petition for FY 2011-12, as approved by the Commission in the Review of ARR for FY 2011-12 and as per the unaudited accounts for FY 2011-12 is tabulated below:

**Table 30: Amortization of Regulatory Asset for FY 2011-12 in the Revised estimates, Commission's Order and Unaudited accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Amortization of Regulatory Asset proposed for previous years** | - | - | - |

In view of above, the Honourable Commission is requested to kindly allow the above Amortization of Regulatory Asset as Nil.

### Revenue from Outside Sales/UI sales

The Revenue from Outside Sales/ UI Sales approved by the Honourable Commission in the Review of ARR for FY 2011-12 was Rs. 130.07 crore. The Revenue from Outside Sales/ UI Sales as per unaudited accounts for FY 2011-12 is Rs. 167.78 crore. This amounts to a UI revenue realization of Rs. 3.25/kWh as against Rs. 4.5/kWh considered by the Commission**(A detailed justification for not considering this charge of Rs. 4.5/kWh is provided in Annexure 5)**. The summary of Revenue from Outside Sales/ UI Sales as claimed by the petitioner in Review petition for FY 2011-12, as approved by the Commission and as per unaudited accounts for FY 2011-12 is tabulated below:

**Table 31: Revenue from Outside Sales/UI Sales for FY 2011-12 in the Revised Estimates, Commission's Order and Unaudited accounts**

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Revenue from Outside Sales/ UI Sales** | 138.10 | 130.07 | 167.78 |

As outlined in the section on Power Purchase, while approving the UI Sales for 2011-12, the Commission had also treated the power procurement pertaining to UI sales differently. The Commission had determined the net profit / loss on account of UI sales and shown the same in “Other Income”. The unaudited accounts for 2011-12 show gross cost of all power purchased as power purchases in the Profit and Loss Account and the Sale proceeds on account of UI Sales in Other income. This is one other reason why there is a difference in the amounts approved by the Commission and the amounts claimed as per the unaudited accounts.

In view of above, the Honourable Commission is requested to kindly allow the above Revenue from Outside Sales/ UI Sales.

**Non Tariff Income**

The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, income from trading, reconnection fee and miscellaneous income among others.

The Non-Tariff Income approved by the Honourable Commission in the Review of ARR for FY 2011-12 was Rs. 9 crore. The Non-Tariff Income as per unaudited accounts for FY 2011-12, is Rs. 3.05 crore. The summary of Non-Tariff Income as claimed by the petitioner in the revised estimates, as approved by the Commission and as per unaudited accounts of FY 2011-12 is tabulated below:

Table 32: Non-Tariff Income for FY 2011-12 in the revised estimates, Commission's Order and Unaudited Accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Non-Tariff Income** | 9.00 | 9.00 | 3.05 |

The Non-Tariff Income under this head is clubbed with Revenue from Outside Sales / UI Sales under the broad head of Non-Tariff Income. The summary of total Non-Tariff Income is tabulated below:

Table 33: Total Non-Tariff Income for FY 2011-12 in the Revised Estimate, Commission's Order and Unaudited Accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Revenue from Outside Sales/ UI Sales** | 138.10 | 130.07 | 167.78 |
| **Non-Tariff Income** | 9.00 | 9.00 | 3.05 |
| **Total (Non-Tariff** | **147.10** | **139.07** | **170.83** |

In view of above, the Honourable Commission is requested to kindly allow the above Non-Tariff Income.

**Aggregate Revenue Requirement for FY 2011-12**

The Aggregate Revenue Requirement for FY 2011-12 approved by the Honourable Commission in the Review of ARR for FY 2011-12 was Rs. 839.78 crore. The calculation for Aggregate Revenue Requirement on the basis of unaudited accounts for FY 2011-12 is shown below:

Table 34: Calculation of ARR for FY 2011-12 in the unaudited accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner for revised estimates in its ARR petition | Approved by Commission | Claimed by Petitione as per unaudited accountsr |
|---|---|---|---|
| Cost of Power Purchase | 997.30 | 901.73 | 1110.20 |
| Employee Cost | 52.55 | 52.55 | 56.59 |
| A&G Expenses | 3.91 | 3.91 | 4.44 |
| R&M Expenses | 10.34 | 10.34 | 16.20 |
| Depreciation | 25.07 | 6.00 | 20.3 |
| Advance Against Depreciation | - | - | - |
| Interest & Finance Charges | 1.95 | 1.95 | 2.40 |
| Interest on Working Capital | 10.40 | - | 12.90 |
| Provision for Bad Debts | - | - | - |
| Return @ 3 % of NFA | 12.27 | 2.37 | 9.30 |
| Amortization of Regulatory Asset proposed for previous | - | - | - |
| Total | 1113.79 | 978.85 | 1232.30 |
| Less: Non-Tariff Income | 147.10 | 139.07 | 170.83 |
| Aggregate Revenue | 966.69 | 839.78 | 1061.5 |

The summary of Aggregate Revenue Requirement for FY 2011-12 as claimed by the petitioner, as approved the Commission and as per the unaudited accounts for FY 2011-12 included in the Truing Up, is tabulated below:

Table 35: ARR for FY 2011-12 in the revised estimates, Commission's Order and Unaudited Accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Aggregate Revenue Requirement** | 966.69 | 839.78 | 1061.50 |

In view of above, the Honourable Commission is requested to kindly allow the above Aggregate Revenue Requirement for FY 2011-12.

**Average Cost to Serve**

PED in its revised estimates had proposed an average cost of supply as Rs. 4.17/kWh against which the Commission had approved Rs. 3.66/kWh. As per the unaudited accounts of FY 2011-12, the average cost of supply works out to Rs. 4.57/kWh. The details are provided below –

Table 36: Average Cost of Supply for FY 2011-12

| Particulars ( Rs/unit) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Average Cost of Supply** | 4.17 | 3.66 | 4.57 |

**Revenue from tariff for FY 2011-12**

The Revenue from Tariff for FY 2011-12 approved by the Honourable Commission was Rs. 692.51 crore. The Revenue from Tariff for FY 2011-12 as per unaudited accounts comes to Rs. 690.50 crore. The summary of Revenue from Tariff as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as per unaudited accounts for FY 2011-12 included in the Truing Up, is tabulated below:

Table 37: : Revenue from Tariff for 2011-12 in the Revised Estimates, Commission's Order and Unaudited Accounts

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Revenue from Tariff** | 696.60 | 692.51 | 690.5 |

There is a minor change in the Revenue from Tariff as per the unaudited accounts for FY 2011-12 and claimed as per the unaudited accounts from the figures approved by the Commission.

In view of above, the Honourable Commission is requested to kindly allow the above Revenue from Tariff for FY 2011-12.

**Revenue Gap for FY 2011-12**

The Revenue Gap approved by the Honourable Commission in the Review of ARR for FY 2011-12 was Rs. 147.27 crore. The Revenue Gap calculated on the basis of unaudited accounts for FY 2011-12 works out to Rs. 371 crore.

The Revenue Gap as claimed by the petitioner in the revised estimates for FY 2011-12, as approved by the Commission and as calculated on the basis of unaudited accounts for FY 2011-12 is shown in the table below:

| Particulars ( Rs. Cr) | Claimed by Petitioner in Revised Estimates | Approved by Commission in ARR Order | Claimed by Petitioner as per unaudited accounts |
|---|---|---|---|
| **Aggregate Revenue Requirement** | 966.69 | 839.78 | 1061.50 |
| **Revenue from Tariff** | 696.60 | 692.51 | 690.5 |
| **Revenue Gap/ (Surplus)** | 270.09 | 147.27 | 371.00 |

The Revenue Gap based on unaudited accounts for FY 2011-12 is higher than the figure approved by the Commission in the Review of ARR for FY 2011-12 and the Revenue Gap in the revised estimates for FY 2011-12 put up earlier by the petitioner. This is on account of the increase in ARR when calculated on the basis of the unaudited accounts for FY 2011-12 as explained in detail earlier since the Revenue from Tariff for FY 2011-12 has approximately remained the same and is based on actual bill data for the year.

In view of above, the Honourable Commission is requested to kindly allow the above Revenue Gap for FY 2011-12.

# 3 Revised estimate for FY2012-13

## Introduction

The ARR & ERC petition, along with a tariff petition for FY 2012 – 13 was filed on 21st December 2011. The tariff order for the year 2012-13 was issued by the Hon'ble Commission on 12th June 2012.

In this chapter, we present the actual performance of the PED for the first 6 months of FY2012-13 and revised projections, if any, for the full year.

## Capital expenditure

3.1 In its petition for FY2012-13, the PED had projected capital expenditure of 97.48 Crs across transmission and normal development schemes, and had proposed to capitalize 66.35 Crs. The details are given below for easy reference.

**Table 38: FY 2012-13 - Proposed capital expenditure & capitalisation**

| | Expenditure [Crs] | Capitalization [Crs] |
|---|---|---|
| Transmission | 72.48 | 0 |
| Distribution | 25.00 | |
| **Total** | **97.48** | **66.35** |

Though the proposed capital expenditure is indicated as 97.48 crores, PED is in a position to only commit 52.38 crores for capital expenditure in the year. This is mainly due to funding constraints.

The actual performance for the first half of the year which lends credence to the revised capex figures is presented below:

**Table 39: 1HFY 2012 - 13 - Actual achievement**

| | Expenditure [Crs] | Capitalization [Crs] |
|---|---|---|
| Transmission | 12.90 | 0 |
| Distribution | 8.79 | 2.04 |
| Others | 0 | 0 |
| | **21.69** | **2.04** |

PED proposes to go with the amount of 52.38 croresas its capital expenditure plan for FY 2012-13

## Sales

The table below shows the sales projections made by the PED in its ARR & ERC petition for FY

2012-13, and actual sales for the first 6 months of FY13.

**Table 40: FY 2012-13 – Projected sales vs. actual sales for 1HFY 2012-13**

| | FY 2012 - 13 (Approved by JERC) | | | 1HFY 2012 – 13 (actual) |
|---|---|---|---|---|
| **Description** | Consumers [No] | Connected load [HP / kVA] | Sales [MU] | Sales [MU] |
| **LT** | | | | |
| **Domestic** | 264,985 | | 613.9 | 278.8 |
| **Hut services** | 35,447 | | 9.3 | 4.9 |
| **Commercial** | 43,144 | | 184.0 | 92.23 |
| **Agriculture** | 6,810 | 59,538 | 56.63 | 28.28 |
| **Public lighting** | 49,438 | | 26.0 | 12.85 |
| **Industrial** | 6,152 | | 134.1 | 72.32 |
| **Water tanks** | 58 | | 35.0 | 24.60 |
| **Temporary supply** | 0 | | 25.0 | 7.29 |
| **Total LT** | 406,034 | 59,538 | 1083.93 | 521.27 |
| **HT** | | | | |
| **Industrial** | 412 | 250,492 | 1,027.3 | 511.35 |
| **State & Central government establishments** | 41 | 14,265 | 39.9 | 24.83 |
| **Industrial Extra High Tension** | 7 | 80,495 | 236.5 | 168.25 |
| **Total HT** | 461 | 345,252 | 1,303.7 | 704.43 |
| **Total metered** | 364,219 | | 2,302.5 | 1192.5 |
| **Total unmetered** | 42,296 | | 65.04 | 33.2 |
| **Total** | 406,515 | | 2387.6 | 1225.7 |

The first few months of the financial year are summer months in Puducherry, and typically witness higher than average consumption. This year has been no exception to this trend resulting in more sale of electricity than normal. As the monsoons arrive, consumption typically moderates. The PED has maintained a close watch of trends of electricity sales over the years and our revised numbers are based on these experiences. The revised numbers in LT are by and large only a few MUs lower than what was projected in the ARR petition for 2012-13 and subsequently approved by Hon'ble JERC. The major additions from these values are with LT Industrial, HT 2 and HT 3 categories. The overall net effect of the revisions are a very marginal 5 MU lower than the approved value of sales.

Therefore, the total sales estimate for FY2012-13 is revised to 2382.5 MUfrom2387.6 MU and is provided in the table below.

**Table 41: Revised estimates for FY 2012-13**

| Description | Consumers [No] | Connected load [HP / kVA] | Sales [MU] |
|---|---|---|---|
| **LT** | | | |
| Domestic | 254,005 | | 567.7 |
| Hut services | 35,474 | | 9.8 |
| Commercial | 43,195 | | 179.9 |
| Agriculture | 6,842 | 59,660 | 56.6 |
| Public lighting | 48,436 | | 26.1 |
| Industrial | 6,035 | | 141.0 |
| Water tanks | 80 | | 50.8 |
| Temporary supply | - | | 20 |
| **Total LT** | 394,067 | | 1,051.9 |
| | | | |
| **HT** | | | |
| Industrial | 418 | 256,043 | 969.9 |
| State & Central government establishments | 46 | 14,265 | 45.0 |
| Industrial Extra High Tension | 8 | 80,495 | 315.7 |
| Temporary supply | - | | |
| **Total HT** | 472 | 350,803 | 1,330.7 |
| | | | |
| **Total metered** | 352,223 | | 2,316.1 |
| **Total unmetered** | 42,316 | | 66.4 |
| **Total** | **394,539** | | **2,382.5** |

# Losses

The PED had proposed to achieve a T&D loss percentage of 13.35% for FY2012 – 13, based on the projected sales of 2,414.5MU and energy input of 2786.5 MU. The Hon'ble JERC had approved a loss level of 12.5%, based on approved sales of 2387.5 MU. With a view of the current power requirement and revised sales numbers, the loss level proposed to be achieved is 13.18%

Whilst the PED operates a relatively smaller system, reduction in losses becomes progressively more difficult due to technical parameters. This value can be conclusively determined only after all DTRs are metered under the approved R-APDRP scheme and a full load flow study is conducted.

Losses in the LT distribution system are higher, given the lower voltage and older assets. Considering that the HT:LT system ratio is 1:3.4, and much higher technical losses in the lower voltage system, significant improvement needs to be made in the LT distribution system to progressively reduce the losses. Given the paucity of funds required to make the requisite improvement in the LT system, we are proposing the revised loss figure for FY2012-13.

At present, the PED is not in a position to calculate feeder-wise loss levels, which it hopes to provide once the R-APDRP scheme proposed for the UT, for which the Hon'ble Commission has given its approval for, is implemented. The PED shall endeavour to provide this data as soon as the scheme is implemented and sufficient data is collected.

The actual sales for the first 6 months of FY13 are 1291.4 MU, with a net energy input of 1630 MU, showing a T&D loss of 13.10%. However, the collection efficiency for the same period was 96.95%, compared to the proposed collection efficiency of 96%. The summary of energy input and sales as per earlier estimates, actuals for the period and revised estimates is given below for easy reference.

**Table 42: FY 2012-13 – T&D and AT&C losses (Revised estimate)**

| Particulars | Units | FY2012 – 13 (Original estimate) | 1HFY2012 - 13 (Actual) | FY2012 - 13 (Revised estimate) |
|---|---|---|---|---|
| Generation (Connected generation – PPCL) | MU | 242.9 | 119.7 | 234.1 |
| Metered import at interface point | MU | 2,942.6 | 1,510.6 | 2,975.3 |
| Sale through Unscheduled interchange | MU | 398.9 | 145.9 | 470.9 |
| Energy available for sale within the UT | MU | 2,786.5 | 1,484.4 | 2,738.5 |
| Metered sales | MU | 2,328.5 | 1,255.4 | 2,316.1 |
| Unmetered sales | MU | 86.1 | 36.0 | 66.4 |
| Total energy sold | MU | 2,414.5 | 1,291.4 | 2,382.5 |
| Revenue from sales within UT | Rs | 675.9 | 427.20 | 772.3* |
| Amount realized from billed sales | Rs | 648.86 | 414.18 | 754.3 |
| Collection efficiency | % | 96.0% | 96.95% | 97.7% |
| Energy realized | MU | 2,317.9 | 1,247.5 | 2,326.7 |
| Distribution Loss | % | 13.35% | 13.10% | 13.00% |
| AT&C Loss | % | 16.82% | 15.96% | 15.04% |

**Revenue from sales of 772.3 crore does not include 20.3 crs to be collected as part of FPPCA*

In the last year, i.e. 2011-12, given the growth in demand in the UT, the PED earlier found itself short of power, which meant that it had to either overdraw or shed load. In order to fully serve the demand in the UT, which is also seeing rapid growth from LT services, additional power allocation was requested, which was granted to the UT. This has resulted in practically no load being shed since September 2010. Any load shedding that has happened since then has been on account of instantaneous requirement to maintain grid discipline, violation of which will incur heavy penalty in the form of UI charges for consumption above schedule.

Further, once capacity is allocated, it has to be paid for under the ABT mechanism. Given the fixed cost commitment required to fully serve load even if energy is not drawn and since allocation is from thermal / nuclear stations,PED has not requested for back-down of capacity allocated and instead chooses to sell through UI and use the entire earnings from UI sales, to offset the gross cost to serve in the license area.

For the year FY2012-13, the average cost of power purchase is Rs 3.01/kWh as against the proposed sale of power through UI at an average rate of Rs. 3.42/kWh expected to be received by the end of the year FY12.

Going as per the directives of the JERC in its tariff order for 2012-13, the PED have endeavoured to manage the increased demand for power by better PED of UI, rather than go for expensive power purchases. This has been shown in the half year actual UI sales of 145.87 MU.

Due to the current power supply position of the UT together with the allocations, PED would be in a comfortable position to serve load fully with only a very marginal increase in power purchase and expects that any excess power available will be sold through UI. The revenue realized from the sale of UI is reduced in arriving at the cost of sale to consumers in the license area.

The UI sales in the first 6 months have already reached 145.87 MU. The revised estimate for metered import and UI sales is 2,975.3MU &470.9 MU respectively.

The actual collection efficiency for FY 2011-12 was around 97.7%, which is a significant improvement over the estimated figure of 93.8% in the ARR petition for 2012-13. We believe that we will able to maintain a collection efficiency of 97.7% in FY 2012-13 as well.

## Cost of power purchase

The actual power purchase cost for the first 6 months of FY13 is shown below.

**Table 43: Actual power purchase cost Half Year 2012-13**

| Source | Purchase Approved by the Commission for FY 2012-13 (MU) | Purchase [MU] | Energy received [MU] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | PP Cost Approved by Commission for FY 2012-13 | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|
| NLC | | | | | | | | |
| TS II Stage I | 493.52 | 272.8 | 260.52 | 16.9 | 53.6 | 0.4 | 128.91 | 70.9 |

| Source | Purchase Approved by the Commission for FY 2012-13 (MU) | Purchase [MU] | Energy received [MU] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | PP Cost Approved by Commission for FY 2012-13 | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|
| TS II Stage II | 200.06 | 99.5 | 95.05 | 6.1 | 19.5 | - | 51.40 | 25.7 |
| TS I Expn | 110.97 | 66.6 | 63.59 | 8.4 | 11.9 | 0.2 | 35.42 | 20.4 |
| ***Sub-Total (NLC)*** | ***804.55*** | ***438.9*** | ***419.2*** | ***31.3*** | ***85.0*** | ***0.6*** | ***215.73*** | ***117.0*** |
| NTPC | | | | | | | | |
| Ramagundam STPS Stage I & II | 787.00 | 388.3 | 369.64 | 21.9 | 58.6 | 2.2 | 172.44 | 82.7 |
| Ramagundam STPS Stage III | 205.61 | 78.3 | 74.58 | 8.1 | 14.2 | 0.4 | 50.66 | 22.7 |
| Talcher STPS Stage II | 567.48 | 237.8 | 227.10 | 19.9 | 35.6 | 1.2 | 100.72 | 56.7 |
| Simhadri | 117.24 | 57.6 | 54.68 | 9.9 | 10.7 | 0.1 | 21.79 | 20.7 |
| ***Sub-Total (NTPC)*** | ***1677.33*** | ***762.1*** | ***726.0*** | ***59.9*** | ***119.0*** | ***3.9*** | ***345.61*** | ***182.8*** |
| NPC | | | | | | | | |
| Madras APS | 34.20 | 21.9 | 20.95 | - | 4.4 | 0.2 | 6.23 | 4.6 |
| Kaiga APS Stage I | 161.45 | 102.2 | 97.58 | - | 30.5 | 0.5 | 55.83 | 31.0 |
| ***Sub-Total (NPC)*** | ***195.65*** | ***124.1*** | ***118.5*** | ***-*** | ***34.9*** | ***0.7*** | ***62.06*** | ***35.5*** |
| Other Sources | | | | | | | | |
| Others | | | | | | | | |
| TNEB (Pondy) | 73.80 | 51.3 | 51.28 | - | 15.9 | 0.2 | 14.13 | 16.1 |
| TNEB (Karaikal) | 326.80 | 172.0 | 172.00 | - | 53.3 | 1.2 | 62.56 | 54.5 |
| PPCL | 234.07 | 117.0 | 117.05 | 13.4 | 29.6 | 0.2 | 72.42 | 43.2 |
| KSEB | 32.90 | 18.2 | 18.19 | 1.2 | 6.6 | 1.9 | 12.50 | 9.7 |
| UI | - | 8.0 | 8.03 | - | 2.9 | - | - | 2.9 |
| ***Sub-Total (Other Sources)*** | ***667.57*** | ***366.6*** | ***366.6*** | ***14.6*** | ***108.3*** | ***3.5*** | | ***126.4*** |
| Other Charges | | | | | | | | |
| PGCIL | - | - | 0.00 | - | 29.9 | - | 77.92 | 29.9 |
| POSOCO | - | - | 0.00 | - | 0.5 | - | | 0.5 |
| PCKL | - | - | 0.00 | - | 0.1 | - | | 0.1 |
| ***Total*** | ***3345.1*** | ***1,691.7*** | ***1,630.2*** | ***-*** | ***30.5*** | ***-*** | | ***30.5*** |
| Additional payment due to True-up | | | | | | | | |
| RPO compliance cost | | | | | | | 20.87 | |
| Rebate | | | | | | | 15.75 | (5.6) |
| Net PP cost | | | | | | | **868.02** | **486.6** |

Based on trends in power purchase from previous years and marginally higher allocations, the power purchase for 2HFY13 and the total for FY13 have been estimated. The revised purchase figures for the year 2012-13 is shown in Annexure 2 as per the regulatory formats.

The revised estimate for power purchase is 3,358.4 MU, as provided in tables of Annexure 2 in this petition. The power availability at periphery is revised to 3209.4 MU with estimated UI sales of 470.9 MU.

The revised detailed power purchase statement for FY 2012-13, in the regulatory format, is provided in Annexure 2 for the Hon'ble Commission's reference. The variation in power purchase cost in FY2012-13 is on account of increased allocation, revised tariffs, FPPCA and arrears that have become due in this fiscal.

The revised estimate for the energy balance statement is provided below.

**Table 44: Revised estimate for energy balance FY 2012-13**

| Item | FY 2012-13 (Original estimate) [MU] | FY 2012-13 Approved by the Commission | FY 2012 - 13 (Revised estimate) [MU] |
|---|---|---|---|
| ENERGY REQUIREMENT | | | |
| Metered sales | 2,328.5 | | 2,316.1 |
| Unmetered sales | 86.1 | | 66.4 |
| Total sales within the UT | 2,414.5 | 2387.56 | 2,382.5 |
| Sales – UI | 398.9 | 466.55 | 470.9 |
| Total sales | 2,813.5 | 2854.11 | 2,853.4 |
| T&D losses | | | |
| % | 13.35% | 12.50% | 13.00% |
| MU | 372.0 | 341.08 | 356.0 |
| Total energy requirement | 3185.5 | 3195.19 | 3,209.4 |
| ENERGY AVAILABILITY | | | |
| Net thermal generation (Own+ IPP + Share from Central Stations) | 2,658.2 | | 2,606.6 |
| Power Purchased from | | | |
| Common pool / UI | - | | 16.1 |
| Traders | | | |
| PX | | | |
| Others | 676.3 | | 735.7 |
| Net power purchase | 3,334.4 | 3345.09 | 3,358.4 |
| External Losses | 148.9 | 149.9 | 149 |
| **Total energy availability @ periphery** | **3,185.5** | **3195.19** | **3,209.4** |

## Operations & maintenance expenditure

In the petition for FY2012-13, total O&M expenses estimated was 69.48 Crs which was approved by the Commission.

Each of the expense heads under O&M are discussed separately below.

## Employee cost

In the petition for FY 2012-13, the total employee cost estimated was 54.8 Crs., net of capitalisation of 21.09 Crs. In the accounts prepared for 1HFY13, the employee cost works out to 26.54 Crs., and there was a capitalization of 9.72 Cr.

**Table 45: FY 2012-13 – Employee costs (Revised estimate)**

| | FY 2012-13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission | FY 2012 - 13 (Revised estimate) [Crs] |
|---|---|---|---|
| Salary | 74.05 | 74.05 | 71.48 |
| Wages | 0.85 | 0.85 | 0.13 |
| Stipend | 0.22 | 0.22 | 0.33 |
| Overtime | 0.76 | 0.76 | 0.58 |
| Total | 75.88 | 75.88 | 72.52 |
| Capitalized | 21.09 | 21.09 | 11.55 |
| Departmental Charges | - | - | - |
| Net amount | 54.80 | 54.80 | 60.97 |
| Prior period expenses | - | - | - |
| **Total employee costs** | **54.80** | **54.80** | **60.97** |

Historically, the rate of implementation of capital schemes, and associated capitalisation affect the applicable employee costs (which will also be capitalised). The PED expects that a conservative estimate of the capital expenditure and implementation for the rest of the year, would not be as much as that of 2011-12. This is in light of the fact that the PED is experiencing a paucity of funds for the same. Thus, the revised estimate of the component of employee cost to is projected at a slightly higher rate.

Therefore, PED would like torevise original estimation for employee costs upwards to 60.97 Crs.

## Repairs & Maintenance

In the petition for FY2012-13, the total R&M expenditure estimated was 10.77 Crs which was approved by the Commission.

In 1HFY13, the R&M expenditure works out to 8.53 Crs, and for the full year, we estimate double this value which works out to Rs. 17.06 Crs, which is approximately 3.4% of value of assets in service during the year.

**Administrative & General**

In the petition for FY2012-13, the total A&G expenditure estimated was 3.91 Crs which was approved by the Commission.

In 1HFY13, the A&G expenditure works out to 2.47 Crs, and for the full year, we estimate double this value which works out to Rs. 4.93 Crs, which is approximately 0.66% of value of revenue from normal tariff for the year.

## Depreciation

In the petition for FY 2012-13, the PED had projected depreciation of 33.04 Crs. for the full year against which the Honourable Commission had approved 9.38 Crs. We have now revised our original estimate to 23.4 Crores for FY 2012-13

The major difference arising between the Commission's approved amount and the revised estimate is on account of 2 factors. The Commission had not allowed depreciation on the opening GFA as on 1st April 2012 fully because the fixed asset registers were not ready at that time. These have now been prepared and submitted along with the True Up petition for 2009-10 and 2010-11. These have also been audited along with the Accounts for the above years. Secondly, the original estimate was based on an increased amount of GFA at the beginning of the year and the planned capitalisation during the year. The opening GFA has been reduce upon conduct of the audit and true up exercise to some extent and also the PED has not incurred capital expenditure as planned for 2012-13 due to paucity of funds.

Details of the Fixed Assets schedule and working of Depreciation has been provided in Annexure 2, as per the regulatory formats.

## Interest & finance charges

In its petition for FY 2012-13, the PED had estimated expenditure under this head of 1.88 Crs which was approved by the Commission.

In the accounts prepared for 1HFY13, the total expenditure under this head is 0.48 Crs to date, mainly on account of reduced finance charges. However, in light of expectations for higher repayments in the second half of the year we revise our original estimation for total expenditure under this head to Rs. 2.27 Crs.

## Interest on working capital

In the original petition for FY2012-13, the PED had projected expenditure under this head of 10.50 Crs which was totally disallowed by the Honourable Commission.

The normative interest on working capital for 1HFY 2012-13 is 6.44 Crs, and for the full year, the revised estimate of expenditure is 13.65 Crs.

**Table 46: FY 2012-13 – Interest on working capital (Revised estimate)**

| Particulars | FY 2012 - 13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission | 1HFY 2012-13 (Actual) [Crs] | FY 2012 - 13 (Revised estimate) [Crs] |
|---|---|---|---|---|
| One month's power purchase cost | 83.15 | 72.34 | 81.10 | 85.62 |
| One month's employee costs | 4.57 | 4.57 | 4.42 | 5.08 |
| One month's A&G expenses | 0.33 | 0.33 | 0.41 | 0.41 |
| One month's R&M cost | 0.90 | 0.90 | 1.42 | 1.42 |
| Total WC for one month | 88.94 | 78.12 | 87.36 | 92.53 |
| Closing Security Deposit (amount already with PED) | Not considered | 107.68 | | |
| Total WC considered | 88.94 | (29.56) | 87.36 | 92.53 |
| State Bank Advance Rate on 1st April | 11.75% | 14.75% | 14.75% | 14.75% |
| **Interest on working capital** | **10.45** | **Nil** | **6.44** | **13.65** |

We request the Hon'ble JERC to approve the revised estimate of 13.65 Crs.

## Provision for bad & doubtful debts

PED has already commenced on steps to analyse its sundry debtors and arrears, and obtain an age-wise breakup of the same from the revenue billing system. It also is in the process of reconciling the list of arrears with the sundry debtor balances as per the financial statements. This process is likely to take a significant amount of time and effort.

Therefore, as we have not been able to provide the analysis required, we are not claiming any provision for bad & doubtful debts for pass through in tariff to consumers.

## Return on capital base

In the original petition for FY2012-13, the PED had estimated return on NFA at 3% of capital base. The Commission had allowed only 4.04 Crs.The revised estimate is as shown below.

Table 47: FY 2012-13 – Return on capital base (Revised estimate)

| Particulars | FY 2012 - 13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission (Crs) | FY 2012 – 13 (Revised estimate) [Crs] |
|---|---|---|---|
| Gross block at beginning of the year | 564.69 | 144.38 | 480.48 |
| Opening CWIP | 87.86 | - | 94.69 |
| Working capital for the year | 88.94 | - | |
| Less accumulated depreciation | 259.65 | 9.87 | 229.29 |
| Less accumulated consumer contribution | - | - | - |
| Less opening debt | 11.51 | - | 11.51 |
| Net capital base at the beginning of the year | 470.33 | 134.51 | 334.38 |
| **Reasonable return @3% on capital base** | **14.11** | **4.04** | **10.03** |

The reason for the difference between the amounts approved by the Commission and the revised estimate is the disallowance of the Gross block at the beginning of 2009-10 by the Commission for the above NFA calculation because of the non-availability of the Fixed Assets registers. As indicated earlier, these have now been prepared and submitted along with the True Up petition for 2009-10 and 2010-11. These have also been audited along with the Accounts for the above years.

We request the Hon'ble Commission to approve the revised estimate of 10.03 Crs. for return on capital base.

## Revenue from UI sales

In the petition for FY2012-13, PED had estimated UI sales of 379.45 MU and revenue from UI sales of 132.05 Crs. at an average realization of Rs. 3.48/kWh against which the Commission has approved 86.94 Crs.at an average realization rate of Rs.4.50/KWh.**(A detailed justification for not considering this charge of Rs. 4.5/kWh is provided in Annexure 5)**

The UI sales for the 6 months of FY2012-13 has been 145.87 MU and revenue from UI sales has been 49.88 Crs. at an average of Rs. 3.42/kWh.

The revised estimate for total UI sales is 470.9 MU, the total revenue from UI sales for the year has been estimated at 161.02 Crs. This is based on an expected sales realisation of 3.42/kWh for the second half of the year.

We request the Hon'ble Commission to approve the UI sales at 470.9 MU, and revenue from UI sales at 161.02 Crs.

## Non-tariff income

The non-tariff income includes Reactive Energy Charges, STOA Charges, CTU Charges, Interest Income, Departmental charges on sale of material and UI Sales.

In the petition for FY2012-13, the PED had estimated UI sales of 379.45 MU and revenue from UI sales of 132.05 Crs., together with other income of 9 Crs., giving a total of 141.05 Crs. under non-tariff income.

The actual non-tariff income for 1HFY2012-13 is 50.07 Crs. consisting of other income of 0.19 Cr. and revenue from UI sales of 49.88 Crs.

Table 48: FY 2012-13 - Non tariff income (Revised estimate)

| | FY 2012-13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission | FY 2012-13 (Revised estimate) [Crs] |
|---|---|---|---|
| Reactive energy charges | | 9.00 | |
| STOA charges | | | |
| CTU charges | 9.00 | | 2.00 |
| Interest income | | | |
| Departmental charges on sale of material | | | |
| UI sales | 132.05 | 86.94 | 161.02 |
| **Total NTI** | **141.05** | **95.94** | **163.02** |

As explained in the section on revenue from UI sales, we have estimated the total revenue from UI sales as 161.02 Crs. for the full year. In addition to this, we estimate other income for the period to be 2 Crs., giving a total of 163.02 Crs.

We request the Hon'ble Commission to approve the revised estimate of non-tariff income for FY2012-13 at 163.02 Crs.

## Summary of Revenue Requirement

The revised estimate for aggregate revenue requirement for FY2012-13 is summarised below for easy reference.

Table 49: FY 2012-13 – Aggregate Revenue Requirement (Revised estimate)

| Item of expense | FY 2012-13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission (Crs) | FY 2012-13 (Revised estimate) [Crs] |
|---|---|---|---|
| Cost of power purchase | 997.8 | 868.02 | 1027.4 |
| Employee costs | 54.8 | 54.8 | 61 |

| Item of expense | FY 2012-13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission (Crs) | FY 2012-13 (Revised estimate) [Crs] |
|---|---|---|---|
| R&M expenses | 10.8 | 10.8 | 17.1 |
| A&G expenses | 3.9 | 3.9 | 4.9 |
| Depreciation | 33.0 | 9.38 | 23.4 |
| Interest & finance charges | 1.9 | 1.88 | 2.3 |
| Interest on working capital | 10.5 | 10.23[4] | 13.6 |
| Provision for bad debts | - | - | 0 |
| Return on NFA / Equity | 14.1 | 4.04 | 10.0 |
| Amortization of regulatory asset proposed for previous FYs | 57.8 | - | 0 |
| Aggregate revenue requirement | 1,184.6 | 963.02 | 1,159.7 |
| Non-tariff income | 141.0 | 95.94 | 163.0 |
| **Net revenue requirement** | **1043.6** | **867.08** | **996.7** |

The reasons for variances from petition for FY2012-13 have been explained in the relevant sections, wherever applicable. The revised estimate of net ARR is 996.7Crs.

We request the Hon'ble Commission to approve the revised estimate of net revenue requirement for FY 2012-13 at 996.7Crs.

## Average Cost to Serve

Based on the revised estimate for FY 2012-13, the average CoS works out to 4.18/kWh compared to the earlier estimate of 4.32/kWh. The details of this calculation are shown below

**Table 50: FY 2012-13 – Average CoS (Revised estimate)**

| Item | Unit | Original estimate | Approved by the Commission | Revised estimate |
|---|---|---|---|---|
| Net ARR | Crs. | 1,043.58 | 867.08 | 996.7 |
| Sales | MU | 2,414.53 | 2387.6 | 2,382.5 |
| **Avg CoS** | **Rs/kWh** | **4.32** | **3.63** | **4.18** |

## Revenue from charges & gap for FY2012-13

The original estimate for expected revenue from tariff for FY2012-13 was 675.9 Crs based on old tariff.

[4] The Commission has not approved interest on working capital; but has allowed a head called Interest on Consumer Security Deposit (CSD) to the tune of 10.23 crs.

The revised estimate for revenue from tariff is 772.3 Crs based on the old tariff for 2 months and the new tariff for balance 10 months as approved by the Commission in its Order dated 12th June 2012.A separate head of 20.3 Crs has been considered as revenue from FPPCA charges that are to be included in the consumer bills of November 2012, December 2012 and January 2012. This is as per the PED notification Number 4815/ED/B&E/2012-13/2510 dated 1st November 2012 for recovery of FPPCA claim for the second quarter of 2012-13.

The revised estimate for average realisation from tariff is 3.24/kWh compared to the Average CoS of 4.18/kWh, and the revised estimate of total gap for FY2012-13 is 204.0Crs.

**Table 51: FY 2012-13 - Revenue from charges & gap (Revised estimate)**

| | FY 2012-13 (Original estimate) [Crs] | FY 2012-13 Approved by Commission (Crs) | FY 2012-13 (Revised estimate) [Crs] |
|---|---|---|---|
| Revenue from tariff | 675.9 | 665.27 | 772.3 |
| Revenue from FCA | - | - | 20.3 |
| **Surplus / (Gap)** | **(367.7)** | **(201.81)** | **(204.0)** |

We request the Hon'ble Commission to approve the revised estimate for the gap of FY2012-13 at 204.0Crs.

# 4 Capital Expenditure for 2013-14

The present Transmission and Distribution infrastructure of the Electricity Department Puducherry (PED) does not have adequate standby transmission and distribution network for restoring the power supply in the event of major breakdowns. Further considering the increase in demand of power supply from HT and LT consumers, the PED would be required to undertake significant capital expenditure for system augmentation and strengthening. System augmentation would not only help the PED-PDY in handling increased load but would also ensure better quality of power supply and network reliability to all the consumers. The capital expenditure would help in further reduction of T&D losses.

The PED-PDY each year drafts an Annual Plan for the capital investment for the new and on-going schemes which it plans to incur in the ensuing year. But due to the lower allocation of funds from the Government of India as compared with the funds sought for, the actual capital expenditure has been lower than the planned capital expenditure in the previous years. Therefore, the capital expenditure in the subsequent years is higher as it includes the schemes for which the funds were not fully or partially allocated in the previous capital expenditure proposal.

For the Financial Year (FY) 2013-14, the PED has derived a Draft Annual Plan for various plan works to be carried out during the year. The details of capital expenditure plan for the FY 2013-14 is submitted below:

Table 52: Capital Expenditure for 2013-14

| SL No | Name of the work | Amount |
|---|---|---|
| I | **EHV Schemes** | |
| **1** | Establishment of 110/11 KV Venkata Nagar Sub-station at Puducherry and associated works. | 25.64 |
| **2** | Strengthening of 110 KV Villianur-Marapalam lines by replacing the existing Leopard conductor by Panther conductor. | 0.53 |
| **3** | Stringing of Second circuit of 110 KV Bahour-Eripakkam lines on existing towers along with 110 KV Bay extensions at both ends. | 0.87 |
| **4** | Strengthening of Villianur-Bahour line. | 1.98 |
| **5** | Augmentation of existing EHV Sub-station capacities of | |

| SL No | Name of the work | Amount |
|---|---|---|
| 6 | Thirubuanai 110/22 KV SS | 1.08 |
| | Kurumbapet 110/22 KV SS | 1.20 |
| | Villianur 110/22 KV SS | 2.95 |
| 7 | Upgradation of RTU at Karaikal along with associated communication infrastructure etc. | 0.09 |
| 8 | Provision of OPGW on the upcoming 110 KV Villianur-Bahour feeder along with associated Fibre Optic Terminal Equipment. | 0.25 |
| 9 | Renovation and Modernisation of 110/11 KV Surakudi Sub-station. | 2.00 |
| 10 | Renovation and Modernisation of 110/22 KV Villianur Sub-station. | 1.89 |
| 11 | Establishment 110/22 KV Thondamanatham Sub-station. | 1.10 |
| 12 | Procurement of vehicles for the 230/110 KV Thondamanatham Sub-station. | 0.15 |
| Sub-total – I EHV schemes | | **39.73** |
| II | **Cable Conversion Schemes** | |
| 1 | Conversion of HT over head lines into under ground cables, Modernisation and Augmentation of existing 11 KV Ring Main System and Rationalisation and Improvement of distribution in urban areas in the UT of Puducherry. | 4.05 |
| Sub-total – II Cable Conversion schemes | | **4.05** |
| III | **System Improvement schemes** | |
| 1 | Erection of new/enhancement of existing distribution transformers, improvements, re-routing, inter-linking, extending and strengthening of existing HT and LT lines and all the associated works in the UT of Puducherry. | 7.76 |
| 2 | Procurement of vehicles for transporting materials to the site and for inspection of sites during execution of works. | 0.15 |
| Sub-total – III System Improvement schemes | | **7.91** |

| SL No | Name of the work | Amount |
|---|---|---|
| IV | **Schemes for extending power supply** | |
| **1** | Extension and development of power supply to all categories of consumers and street lights in the UT of Puducherry. | 2.70 |
| **2** | Procurement of vehicles for transporting materials to the site and for inspection of sites during execution of works. | 0.66 |
| Sub-total – IV Schemes for extending power supply | | **3.36** |
| V | **Schemes for providing meters** | |
| **1** | Providing of meters in Agricultural and OHOB service connections, providing of metering facilities in the Distribution Transformers, Ring Fencing meters, Replacement of defective/burnt meters and providing of static meters in place of electro mechanical meters in the existing consumer services. | 5.67 |
| Sub-total – IV Schemes for providing meters | | **5.67** |
| VI | **Research and Development schemes** | |
| **1** | Procurement of Reference standard Energy meters, Tan Delta, BDV and other Testing Kits, procurement of Computerised meter test benches and hand held devices etc., and other infrastructural facilities like vehicle for Sub-station protection wing etc. | 2.68 |
| Sub-total – VI Research and Development Schemes | | **2.68** |
| VII | **Rural Electrification (Bharat Nirman Programme)** | |
| **1** | Erection of new/enhancement of existing distribution transformers, improvements, extending and strengthening of existing HT and LT lines and all associated works in the rural areas of the UT of Puducherry. | 0.66 |
| Sub-total – VII Rural Electrification Schemes | | **0.66** |
| VIII | **General schemes** | |
| **1** | To have control of the 110 KV Sub-stations for data acquisition and Tele-metering and Tele-operation, to modernize issue of bills for current consumption charges, payments and other commercial and technical activities by introducing computers, to establish effective | 11.00 |

| SL No | Name of the work | Amount |
|---|---|---|
| | communication network among various sub-stations and O&M sections for minimizing power interruption period | |
| Sub-total – VIII General Schemes | | **11.00** |
| IX | **Building Programme works** | |
| **1** | Construction of Office buildings | 0.80 |
| Sub-total – IX Building programme works | | **0.80** |
| Total Capital Expenditure | | **75.86** |

The capitalization of new schemes has been considered at 40% of the planned capital expenditure in the same year while the balance 60% has been capitalized in subsequent year. A summary of the capital expenditure and the capitalization for the FY 2013-14 is summarized in the table below:

**Table 53:Capital Expenditure and Capitalization**

| Sl No | Capital Expenditure and capitalization (Rs in Crores) | FY 2013-14 Projected |
|---|---|---|
| **1** | Capital Expenditure | 75.86 |
| **2** | Asset Capitalization | 34.51 |
| **3** | Capital work in progress (1-2) | 41.35 |

The petitioner prays the Hon'ble Commission allow the capitalization to be reviewed at the true – up stage

All the capital works schemes are geared towards improving service delivery to consumers, and we propose to step up the pace of implementation

All the capital works schemes are geared towards improving service delivery to consumers, and we propose to step up the pace of implementation.

# 5 Sales projection, losses & energy balance

## Approach to forecasting sales

We have adopted the historical trend method for projecting growth in consumers and sales for FY 2013-14, and applied a 6 year CAGR to the consumer and revised sales numbers of FY2012-13. In cases where the 6 year CAGR was negative, a zero growth has been assumed for the consumer class

The LT categories to which this approach was not applied are agricultural consumers and temporary supply connections.

> It is PED's observation that the net addition to the agricultural category is low over the last few years. Hence, the standard CAGR methodology will not apply to agricultural consumers. In addition, the PED is currently in the process of verifying the number of consumers and connected load in this category. The preliminary details of this verification exercise were presented to the Honourable Commission in the Petitioner's tariff proposal submitted in September 2011.
>
> In the case of temporary supply connections, we have by and large followed the trends of previous year to forecast the likely quantum of sale to this category as 20 MU.

Further, the number of consumers and sales for the HT categories has been taken mostly based on the actual data for 6 months of FY13. Growth rates for HT consumers are minimal, and these have been applied to the revised sales numbers for FY 13 to arrive at the sales for FY14.

The PED would like to appraise the Hon'ble Commission that the physical verification exercise of agricultural consumers, results of which have been presented to the Hon'ble JERC, is ongoing. Whilst no connection is given without a meter, there have been issues with malfunctioning meters etc., which need to be replaced before a truly representative study can be conducted. The replacement of meters is going on, in parallel with the R-APDRP program.

## Estimated consumers & sales

The number of LT consumers served by the PED, 6 year CAGR and the projected number of consumers is summarised in the table below.

Table 54:LT - Projected Consumer data for FY 2013-14

| Consumers [No] | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | 6 Year CAGR | Estimated no. of consumers in FY14 |
|---|---|---|---|---|---|---|---|---|---|
| Domestic | 234,734 | 245,822 | 256,245 | 269,755 | 275,847 | 281,903 | 289,479 | 4% | 299,772 |
| Commercial | 36,205 | 37,407 | 38,427 | 40,539 | 40,531 | 41,943 | 43,195 | 3% | 44,485 |
| Agriculture | 8,834 | 8,897 | 8,960 | 6,810 | 6,810 | 6,828 | 6,842 | 0% | 6,842 |
| Street lighting | 43,421 | 44,859 | 45,617 | 47,686 | 48,167 | 48,384 | 48,436 | 2% | 49,326 |
| Industrial | 5,516 | 5,643 | 5,769 | 5,885 | 5,955 | 6,035 | 6,115 | 2% | 6,221 |
| LT total | 328,710 | 342,628 | 355,018 | 370,675 | 377,310 | 385,093 | 394,067 | | 406,646 |

The number of domestic consumers projected is including OHOB consumers.Growth in other categories, is expected to be largely in line with the trend seen over the years.

The estimated sales for LT consumers have also been based on the 6 year CAGR and are shown in the table below.

Table 55: LT - Projected Sales Data – FY 2013-14

| Sales [MU] | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | 6 Year CAGR | Estimated sales in FY14 |
|---|---|---|---|---|---|---|---|---|---|
| Domestic | 357 | 393 | 426 | 513 | 519 | 547 | 578 | 8% | 626 |
| Commercial | 130 | 132 | 138 | 150 | 156 | 168 | 180 | 6% | 190 |
| Agriculture | 101 | 82 | 54 | 77 | 77 | 57 | 57 | 0% | 57 |
| Street lighting | 16 | 16 | 17 | 17 | 22 | 24 | 26 | 9% | 28 |
| Industrial | 126 | 133 | 135 | 147 | 150 | 184 | 192 | 7% | 206 |
| Temporary Supply | | | | | | | | | 20 |
| LT total | 729 | 756 | 770 | 904 | 923 | 980 | 1,032 | | 1,126 |

Sales to agricultural category of consumers has been maintained as constant for reasons explained earlier.

Sales to all other categories have been estimated based on the trend seen over the years. Temporary supply from LT has been estimated at 20 MU.

The number of consumers in the HT categories and the average billing demand has been based on the actual values extracted from the HT billing database for FY12 and first 6 months of FY13. The total number of consumers projected for the year 2013-14 in the HT category is 469.

The sales growth has been estimated on similar lines, and considering the marginal increase in HT consumers, the growth rates considered for the HT category are marginal. Though there is a reduction in the number of HT consumers, the estimated increase in sales to HT category is about 21 MU, with the bulk of additional sales expected from HT-1 & HT-2 category of consumers.

Table 56: HT - Projected Sales data – FY 2013-14

| Sales [MU] | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | 6 Year CAGR | Estimated Sales in FY14 |
|---|---|---|---|---|---|---|---|---|---|
| HT I | 998 | 1,020 | 954 | 958 | 1,006 | 975 | 970 | 0% | 970 |
| HT II | 26 | 26 | 26 | 34 | 35 | 45 | 45 | 12% | 50 |
| HT III | 271 | 270 | 249 | 262 | 239 | 308 | 316 | 3% | 324 |
| **HT total** | 1,296 | 1,316 | 1,229 | 1,255 | 1,278 | 1,327 | 1,323 | | 1,344 |

The total estimated sale in FY 2013-14 is2,470.3 MU, with and LT: HT sales mix of 45%:55%. While the ratio is positively leaning towards HT, it must be kept in mind that the LT numbers are fast catching up; and a reversal of the ratio is possible in the years to come. This reflects the reality of increasing number of LT consumers and their consumption, whereasthe consumption in HT categories is largely stagnant.

We request the Hon’ble Commission to approve the sales for FY2013-14 at 2,470.3MU.

## Losses

The T&D allowed by the Honourable Commission for FY2012-13 is 12.50%. Whilst the PED operates a relatively smaller system, reduction in losses becomes progressively more difficult due to technical parameters. Further, as detailed earlier, with the skewed growth of LT consumers vis-à-vis the HT consumers, it is expected that the network loading would not be absolutely balanced, thereby leading to increased losses.

Given this reality, the PED proposes to achieve a loss of 13.00% for FY2013-14. We request the Hon’ble Commission to approve the T&D loss for FY2013-14 at 13.00%.

The achieved collection efficiency in the first half of FY 2012-13 was 96.95%, slightly less than the figure proposed in the petition and allowed by the Commission. PED proposes to maintain the same efficiency of 97.7% in FY 2013-14 as well, which will be improved further in subsequent years. The comparative table indicating the above values is shown below

**Table 57: AT&C Loss Projection**

| Particulars | Calculation | Units | FY2011 - 12 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|---|---|
| **Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM.** | A | MU | 235.7 | 234.1 | 234.1 |
| **Input energy (metered Import) received at interface points of DISCOM network** | B | MU | 2,954.0 | 2,975.3 | 3,032.1 |
| **Input energy (metered Export) at interface points of DISCOM network.** | C | MU | 516.5 | 470.9 | 426.8 |
| **Total energy available for sale within the licensed area to the consumers of the DISCOM** | D=A+B-C | MU | 2,673.3 | 2,738.5 | 2,839.4 |
| **Energy billed to metered consumers within the licensed area of the DISCOM** | E | MU | 2,254.6 | 2,316.1 | 2,403.9 |
| **Energy billed to unmetered consumers within the licensed area of the DISCOM** | F | MU | 66.4 | 66.4 | 66.4 |
| **Total energy billed** | G=E+F | MU | 2,321.0 | 2,382.5 | 2,470.3 |
| **Amount billed to consumer within the licensed area of DISCOM.** | H | Rs | 690.5 | 772.3 | 833.8 |
| **Amount realized by the DISCOM out of the amount Billed at H#** | I | Rs | 674.3 | 754.3 | 814.3 |
| **Collection efficiency (%)= Revenue realized/ Amount billed** | J=(I/H)x 100 | % | 97.7% | 97.7% | 97.7% |
| **Energy realized by the DISCOM** | K=J x G | MU | 2,266.7 | 2,326.7 | 2,412.4 |
| **Distribution Loss** | L={(DG)/ D}x100 | % | 13.18% | 13.00% | 13.00% |
| **AT&C Loss** | M={(DK)/ D}x100 | % | 15.21% | 15.04% | 15.04% |

## Energy Balance

Considering the proposed sales of 2,470.3MU and the proposed T&D loss for FY2013-14, the energyrequirement at periphery works out to 2,839.4MU.

The total energy purchase expected is explained in the next chapter based on expected availability fromvarious sources of power purchase available to PED.

Considering the energy requirement to serve demand in the license area and the expected availability ofpower, the energy balance statement is shown below

**Table 58: Energy Balance Statement**

| Particulars | Units | FY2011 - 12 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|---|
| Energy Requirement | | | | |
| **Energy Sales in the UT** | MU | 2321 | 2382.5 | 2470.3 |
| **Distribution Losses** | MU | 13.18 | 356 | 369.1 |
| **Energy Required for the territory** | MU | 2673.3 | 2738.5 | 2839.4 |
| **ADD: Sales to common pool/consumers** | MU | 516.5 | 470.9 | 426.8 |
| **Energy Requirement at periphery** | MU | 3189.7 | 3209.4 | 3266.2 |
| | MU | | | |
| Energy Availability | | | | |
| **Gross Energy Availability** | MU | 3339.1 | 3358.4 | 3419.2 |
| **External Losses** | % | 149.3 | 148.9 | 153 |
| **Net Energy Availability** | MU | 3189.7 | 3209.4 | 3266.2 |

# 6 Aggregate revenue requirement for FY2013-14

## Projected cost of power purchase in 2013 – 14

Power purchase costs of the Electricity Department Puducherry is mainly due to purchase of power from the following sources

i) Central Generating Stations

ii) TNEB & KSEB

iii) PPCL

The assumptions made to arrive at the projections for each of the above sources are provided in detail below:

**Central generating Stations**

**NTPC Stations**

Electricity Department of Puducherry currently has firm allocation from the NTPC Thermal station of Ramagundam STPS Stages 1, 2 & 3 and NTPC Talcher Stage 2. Allocations from NTPC Simhadri have commenced from the month of September 2011. Similarly, allocations from NTECL Vallur, a joint venture between NTPC and Tamil nadu Electricity Board (TNEB) has commenced from the month of November 2012.

The following assumptions have been taken to arrive at the cost of power purchase from the thermal stations of NTPC –

i) Licensee share for FY 14 is assumed to be the same as the actuals of FY 12. To calculate the expected allocation from each of the NLC stations for the review of FY 13, Petitioner has considered the actual energy received from each of the stations during the first 6 months of previous year as against the total generation during that period, to arrive at the effective allocation that PED has received for FY13. The table below provides a summary of the PED's firm allocation and the actual allocation based on the energy received from each of these stations

Table 59: Power Purchase - NTPC Licensee Share Assumed

| Station | FY13 (Revised Estimate) | | FY14 (Projections) | |
|---|---|---|---|---|
| | Firm | Received | Firm | Received |
| **Ramagundam STPS Stage I & II** | 4.89% | 4.51% | 4.89% | 4.67% |

| Station | FY13 (Revised Estimate) | | FY14 (Projections) | |
|---|---|---|---|---|
| | Firm | Received | Firm | Received |
| **Ramagundam STPS Stage III** | 5.17% | 3.74% | 5.17% | 4.45% |
| **Talcher STPS Stage II** | 3.79% | 3.32% | 3.79% | 3.38% |
| **Simhadri** | 3.61% | 2.83% | 3.61% | 1.91% |
| **NTECL Vallur** | 0.48% | 0.48% | 0.48% | 0.48%s |

ii) PLF of the generating stations has been referred from the CEA reports issued for the considered operating month and has been used as the reference for projections. PLF for NTECL Vallur is prorated from CERC Normative PLF for 2012-13 and is assumed at normative PLF for 2013-14

**Table 60: Power Purchase - NTPC PLF Assumed**

| Station | FY 12(Actuals) | FY13 (Revised Estimate) | FY14 (Projections) |
|---|---|---|---|
| **Ramagundam STPS Stage I & II** | 93.60% | 93.09% | 93.09% |
| **Ramagundam STPS Stage III** | 98.10% | 93.09% | 93.09% |
| **Talcher STPS Stage II** | 90.90% | 83.00% | 83.00% |
| **Simhadri** | 77.80% | 92.78% | 92.78% |
| **NTECL Vallur** | - | 28.33% | 85% |

iii) External loss of 5% has been assumed for all stations

In order to arrive at an approximate figure for FY14 power purchase cost projection, the petitioner has assumed the energy charge & annual fixed cost as per the latest tariff orders and taking into account the first 6 months actuals for FY12-13.

iv) Other costs have been assumed same as the previous year i.e. FY13

**<u>NLC Stations</u>**

PED currently purchases power from NLC TS I expansion, TS II Stages 1 &2. The following assumptions have been taken to arrive at the cost of power purchase from the thermal stations of NLC:

i) Licensee share for FY 14 is assumed to be the same as the actuals of FY 12. To calculate the expected allocation from each of the NLC stations for the review of FY 13, Petitioner has considered the actual energy received from each of the stations during the first 6 months of previous year as against the total generation during that period, to arrive at the effective allocation that PED has received for FY13. The table below provides a summary of the PED's firm allocation and the actual allocation based on the energy received from each of these stations

Table 61: Power Purchase - NLC Licensee Share Assumed

| Station | FY13 (Revised Estimate) | | FY14 (Projections) | |
|---|---|---|---|---|
| | Firm | Received | Firm | Received |
| **TS II Stage I** | 12.15% | 10.81% | 12.15% | 10.88% |
| **TS II Stage II** | 3.60% | 3.18% | 3.60% | 3.36% |
| **TS I Expn** | 4.08% | 4.17% | 4.08% | 3.72% |

ii) PLF of the generating station taken as per the actual values reported in the corresponding CEA reports. Of 2011-12

Table 62: Power Purchase - NLC PLF Assumed

| Station | FY 12 (Actuals) | FY13 (Revised Estimate) | FY14 (Projections) |
|---|---|---|---|
| **TS II Stage I** | 84.91% | 85.87% | 85.87% |
| **TS II Stage II** | 85.65% | 85.87% | 85.87% |
| **TS I Expn** | 83.70% | 82.47% | 82.47% |

iii) External loss of 5% has been assumed for all stations

CERC, in its Orders dated 31/08/ 2010, 23/03/2011 and 27/06/2011 based on Petition numbers 230/2009 and 231/2009 has approved the annual fixed costs as well as the energy charges per unit for TS I expansion and TS II Stages 1 & 2 respectively for the year 2009- 14. Based on the Firm allocation to PED from each of these stations, the fixed costs have appropriately apportioned.

i) The total power purchase costs projected for the NLC stations have been computed on the basis of the projected quantum of energy allocated to PED and the charges applicable, as decided by CERC.

ii) Other costs have been assumed same as the previous year i.e. FY13

**<u>NPCIL Stations</u>**

PED currently receives power from NPCIL's nuclear plant, Madras Atomic Power Station (MAPS) and Kaiga Atomic Power Stations (KAPS) Stages 1-4. The following assumptions have been taken to arrive at the cost of power purchase from the atomic stations of NPCIL

i) Licensee share for FY 14 is assumed to be the same as the actuals of FY 12. To calculate the expected allocation from each of the NPCIL stations, the Petitioner has considered the actual energy received from each of the stations during the full year of 2011-12 as against the total generation during that period, to arrive at the effective allocation that PED has received for FY12. The table below provides a summary of the PED's firm allocation and the actual allocation based on the energy received from each of these stations

Table 63: Power Purchase - NPCIL Licensee Share Assumed

| Station | FY13 (Revised Estimated) | | FY14 (Projections) | |
|---|---|---|---|---|
| | Firm | Received | Firm | Received |
| **Madras APS** | 1.90% | 1.83% | 1.90% | 1.97% |
| **Kaiga APS** | 4.40% | 3.77% | 4.40% | 4.68% |

ii) PLF of the generating station has been taken as per the actual values reported in the CEA report for FY 2011-12.

Table 64: Power Purchase - NPCIL PLF Assumed

| Station | FY 12 (Actuals) | FY13 (Revised Estimate) | FY14 (Projections) |
|---|---|---|---|
| **Madras APS** | 53.10% | 65.10% | 65.10% |
| **Kaiga APS Stage I** | 55.10% | 67.41% | 67.41% |

iii) External loss of 5% has been assumed for all stations

iv) NPCIL has provided the single part tariff applicable to MAPS and KAIGA stages 1-4. The same rates have been applied to estimate the power purchase costs from these nuclear stations

v) Other costs have been assumed same as the previous year i.e. FY13

**<u>Other Stations</u>**

PED purchases power from TNEB at a mutually agreed rate. To arrive at the projected quantum of power purchase from TNEB for the FY2013- 14, the Petitioner has examined the power purchase units consumed for the past 2 periods, i.e. FY12 and FY13 to arrive at average monthly units procured. It is brought to the Commission's notice that there has been a revision in the tariff payable to TNEB from Rs. 1.90 /kWh to Rs. 3.10/kWh. The same figure has then been used to project the estimated power purchase for the entire year. External loss has been assumed to be 4%.

PED also purchases power from KSEB at the bulk supply tariff rate as approved by KSERC for KSEB. To arrive at the projected quantum of power purchase from KSEB for the FY2013- 14, the Petitioner has examined the power purchase units consumed for the past 2 periods, i.e. FY11 and FY12 to arrive at average monthly units procured. The same figure has then been used to project the estimated power purchase for the entire year.

PED also purchases power from PPCL at the rates approved by JERC vide its Order dated 06/ 08/ 2011 in response to Petition no. 18/210. The PLF assumed for this generating station is 88.32%, which is the PLF reported by CEA in its report for 2011-12.

PGCIL costs have been projected based on the per unit cost of transmission incurred by PED in FY13.

A summary of the power purchase cost for FY14 is given below.

**Table 65: Power Purchase Cost summary – FY2012-13 (Projected)**

| Source of power purchase | Station | Power Purchase Cost [Rs. Cr] |
|---|---|---|
| **NLC** | TS II Stage I | 134.4 |
| | TS II Stage II | 55.2 |
| | TS I Expn | 35.6 |
| **NTPC** | Ramagundam STPS Stage I & II | 179.7 |
| | Ramagundam STPS Stage III | 55.9 |
| | Talcher STPS Stage II | 142.0 |
| | Simhadri | 59.7 |
| | NTECL Valur | 8.6 |
| **NPCIL** | Madras APS | 9.0 |
| | Kaiga APS Stage I | 68.4 |
| **TNEB (Pondy)** | | 32.3 |
| **TNEB (Karaikal)** | | 107.8 |
| **PPCL** | | 84.4 |
| **KSEB** | | 14.6 |
| **PGCIL** | | 43.7 |
| **POSOCO and STUs** | | 4.8 |
| **Total** | | 1036.2 |

The increase in total power purchase cost from last year is approximately 2.12%

In addition to the above power purchase, the Petitioner is also committed to fulfilling its renewable purchase obligations (RPO) set by the Hon'ble Commission in the JERC Procurement of Renewal Energy

Regulations 2010 dated 15/12/ 2010. In order to meet the RPO obligations for the period of 2013-14, PED will have to purchase power at the defined 4% of the total of all sales in the UT for the FY 14. PED currently does not purchase power from renewable energy sources and hence proposes to meet this obligation through the purchase of Renewable Energy Certificates.

**RPO Compliance**

The petitioner has segregated the RPO into Solar and Non-Solar RECs for determination of RPO Compliance Cost. The petitioner has considered Solar REC to be trading at Rs. 9500 per REC and Non – Solar REC to be trading at Rs. 1500 per REC. As per the revised estimate of sales for FY13 and projections for FY14, PED stands to purchase 9530 Solar RECs along with 61945 Non – Solar REC for FY13 and 9881 Solar RECs along with 64228 Non – Solar REC for FY14. The RPO Compliance Cost for FY13 and FY14 works out to Rs. 18.35 Crore and Rs. 19.02 Crore respectively.

The petitioner wishes to appraise the Hon'ble Commission that towards satisfying the RPO for 2010-11 and partly for 2011-12, Rs. 7.2 Crore has been used to purchase 48,000 Non Solar RECs at Rs. 1500 per REC.

Further, we have estimated that we will receive approximately 5.6 Crs of rebates for prompt payment for power in FY2013-14. The rebate assumed is at the same value as that for 2012-13 based on half year projections.

The total power purchase costs projected for FY 2013- 14 have been provided as per Format 4 of the JERC Tariff Regulations in Annexure 2 of this petition. A summary of the total power purchase costs are provided below:

**Table 66: Total Power Purchase Cost – FY2013 – 14 (Projected)**

| Source of power purchase | Station | Power Purchase Cost [Rs. Cr] |
|---|---|---|
| **NLC** | TS II Stage I | 134.4 |
| | TS II Stage II | 55.2 |
| | TS I Expn | 35.6 |
| **NTPC** | Ramagundam STPS Stage I & II | 179.7 |
| | Ramagundam STPS Stage III | 55.9 |
| | Talcher STPS Stage II | 142.0 |
| | Simhadri | 59.7 |
| | NTECL Vallur | 8.6 |
| **NPCIL** | Madras APS | 9.0 |

| Source of power purchase | Station | Power Purchase Cost [Rs. Cr] |
|---|---|---|
| | Kaiga APS Stage I | 68.4 |
| **TNEB (Pondy)** | | 32.3 |
| **TNEB (Karaikal)** | | 107.8 |
| **PPCL** | | 84.4 |
| **KSEB** | | 14.6 |
| **PGCIL** | | 43.7 |
| **POSOCO and STUs** | | 4.8 |
| **RPO Compliance Cost** | | 19.0 |
| **Rebate on prompt payment** | | (5.6) |
| **Net Power Purchase Cost** | | 1049.6 |

We request the Hon'ble Commission to approve the estimated total power purchase cost for FY2013-14 at Rs.1049.6Crs.

## Operation & Maintenance expenses

O&M costs of the PED consist of Employee costs, Repairs & Maintenance expenses and Administrative & General expenses. A summary of the projections for each of these cost heads are provided below

Table 67: O&M Costs

| Item of expense | FY2011– 12 (Actuals )[Crs] | FY2012 - 13(Revised Estimate)[Crs] | FY2013– 14 (Projections)[Crs] |
|---|---|---|---|
| **Employee costs** | 58.35 | 60.97 | 67.60 |
| **R&M expenses** | 16.17 | 17.06 | 17.64 |
| **Administration & general expenses** | 4.67 | 5.19 | 5.35 |
| **Total O&M** | 79.19 | 83.22 | 90.58 |

As per the JERC Tariff regulations, O&M expenses for subsequent years are to be determined by adjusting the Base O&M expenses approved according to the variation in the rate of WPI per annum.

It can be seen that the WPI variation for the subsequent two years totals to 16.12% as furnished in Format F-24 of this petition. The actual increase in O&M cost from the base year is 15%.

Details of each of the heads under O&M expenses are provided below.

### Employee Costs

The employee cost expenses stated comprise all the costs related to employees like basic salary, dearness allowance, medical reimbursement charges, leave and travel allowance, honorariumetc.

The petitioner has not considered the pension and terminal benefits of the ex-employees as it does not maintain accounts related to pension benefits of ex-employees. Hence the same has not been included while calculating the employee costs.

A summary of the employee numbers of PED have been furnished as per Format 15 of the Regulations and provided below:

Table 68: Employee Strength Projection – FY 2013-14

| Particulars | FY2011 - 12 (Actuals) [Nos] | FY2012 – 13 (Revised Estimate) [Nos] | FY2013 - 14 (Projection) [Nos] |
|---|---|---|---|
| Number of employees as on 1st April | 2,293 | 2,361 | 2,179 |
| Employees on deputation/ foreign service as on 1st April | 10 | 10 | 54 |
| Total number of employees (1+2) | 2,303 | 2,371 | 2,233 |
| Number of employees retired/ retiring during the year | 43 | 138 | 84 |
| Net transfers [ In / (Out)] | (1) | - | - |
| Recruitment | 112 | - | - |
| Number of employees at the end of the year | 2,371 | 2,233 | 2,149 |

The summary of employee costs projected for FY 2013-14 is given below.

Table 69: Employee Cost - Summary

| | FY2011 – 12 (Actuals) [Crs] | FY2012 – 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| Salary | 66.37 | 71.48 | 76.97 |
| Wages | 0.12 | 0.13 | 0.13 |
| Stipend | 0.32 | 0.33 | 0.33 |
| Overtime | 0.95 | 0.58 | 0.58 |
| Total | 67.75 | 72.52 | 78.01 |
| Capitalized | 9.40 | 11.55 | 10.41 |
| Net amount | 58.35 | 60.97 | 67.60 |
| Prior period expenses | - | - | - |
| Total employee costs | 58.35 | 60.97 | 67.60 |

The projections for salaries and allowances for FY2013- 14 have been made on the basis of the salary costs incurred. The figures arrived at have also taken into account the increase in employee costs on account of promotions and the Modified Assured Career Progression (MACP) scheme of the PED. The total increase in salary cost for FY2013-14 is estimated at about 10.9%.

Estimated employee costs in relation to the execution of capital works is expected to amount to 10.41 Crs. for FY 2013-14 (a 14% capitalization of the capital expenditure). The net employee costs after deduction of the above mentioned capitalized amount would amount to 67.60 Crs.

We request the Hon'ble Commission to approve the employee cost for FY2013-14 at 67.60 Crs.

### Repairs & maintenance expenses

R&M expenses include expenses on repairs and maintenance of electrical equipment, distribution network vehicles, furniture and fixtures, office equipment, buildings etc. The summary of the R&M expenses projected for FY 2013-14 are shown below

Table 70: R&M Costs

| | FY2011 - 12 (Actuals) [Crs] | FY2012 – 13 (Revised Estimate) [Crs] | FY2013 – 14 (Projection) [Crs] |
|---|---|---|---|
| **R&M** | 16.17 | 17.06 | 17.64 |

The petitioner would like to submit that the reason for the increase is mainly due to the increases in maintenance necessitated in some of the EHV substations of the PED, periodic maintenances of PED owned buildings, increase in the maintenance costs of streetlights etc.

We request the Hon'ble Commission to approve the R&M expenses for FY2013-14 at 17.64 Crs.

### Administrative & General (A&G) expenses

The A&G expenses include rent rates and taxes, expenses on computerization, telephone expenses, taxes, legal charges etc. The summary of the projected A&G expenses are shown below.

Table 71: FY 2013-14 - A&G Expenses

| | FY2011 - 12 (Actuals) [Crs] | FY2012 – 13 (Revised Estimate) [Crs] | FY2013 – 14 (Projection) [Crs] |
|---|---|---|---|
| **Office expense** | 1.60 | 1.78 | 1.93 |
| **Miscellaneous expenses** | 3.07 | 3.41 | 3.42 |
| **Total** | 4.67 | 5.19 | 5.35 |

We request the Hon'ble Commission to approve the A&G expenses for FY 2013-14 at 5.35 crores.

## Depreciation

Depreciation has been calculated on the basis of straight-line method using the Gross Fixed Assets at the beginning of the year and addition in assets during the financial year. The depreciation is based on the original cost of the Gross Fixed Assets.

Regulation 26 of the JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009 specifies that depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The effective rate of depreciation used for computation of depreciation has been taken vide Appendix III (Depreciation schedule of CERC (Terms and Conditions of Tariff) Regulations, 2009. The rates used are as given below-

**Table 72: Depreciation Rates Applied**

| Name of the Assets | Rate of depreciation |
|---|---|
| **Land and land rights** | 0.0% |
| **Buildings** | 3.3% |
| **Plant and machinery** | 5.3% |
| **Lines and cable network** | 5.3% |
| **Vehicles** | 9.5% |
| **Furniture and fixtures** | 6.3% |
| **Office equipment** | 6.3% |
| **IT Equipment** | 15.0% |
| **Testing & measuring equipment** | 5.3% |
| **SCADA Centre** | 5.3% |

The projected depreciation for the year 2013-14 has been worked out based on the following assumptions:

1. Depreciation for 2013-14 has been projected based on the opening balance of assets for the year, without considering the assets that have reached 90% of their value during the year.
2. Additions of assets for the year 2013-14 have been considered based on thecapital expenditure proposed to be capitalized for the year.

The projected depreciation for 2013-14 is shown below.

Table 73: Projected Depreciation (FY14)

| Particulars | FY2011– 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| **GFA at the beginning of the year** | 458.34 | 480.48 | 545.84 |
| **Asset Additions through the year** | 22.15 | 65.36 | 34.63 |
| **Depreciation Charges** | 20.28 | 23.39 | 25.03 |

No advance against depreciation is being claimed for the year 2013-14.

## Interest & finance charges

The petitioner being a government department submits that the entire capital employed till date has been funded through equity infusion by the GoP through budgetary support

The Interest & Finance Charges relate to financial leases taken by PED and bank charges towards LCs for payment for power purchased. For the purpose of computation of the finance lease charges, the rate of interest applied is as per actuals at 8.22% p.a.

We request the Hon'ble Commission to approve 2.13 Crs. towards expenditure under this head

## Interest on working capital

The petitioner has computed the interest on working capital for FY 2013-14 on normative basis as provided by the JERC Tariff Regulations, 2009, which states that the working capital for integrated utility shall be the sum of one month requirement for meeting:

i. Power purchase cost
ii. Employees cost
iii. Administrative & General Expenses
iv. Repairs & Maintenance Expenses
v. Sum of two month requirement for meeting fuel cost

The PED, being a transmission and distribution utility, has no owned generationand therefore no fuel cost has been considered.

The rate of interest on working capital has been considered as SBI Advance rate as on 1st April of the respective years, which was 13.00% as on 1st April 2011 and 14.75% on 1st April 2012. A slightly reduced rate of 14.50% has been assumed for 2013-14.

The PED has projected the interest on working capital for 2013-14 at Rs. 13.78 Crs.

Table 74: Projections of Interest on Working Capital (FY14)

| Particulars | FY2011 – 12 (Actuals) [Crs] | FY2012 – 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| One month's power purchase cost | 92.52 | 87.31 | 87.47 |
| One month's employee costs | 4.86 | 5.08 | 5.63 |
| One month's A&G expenses | 0.39 | 0.43 | 0.45 |
| One month's R&M cost | 1.35 | 1.42 | 1.47 |
| Total | 99.12 | 94.24 | 95.02 |
| State Bank Advance Rate | 13.00% | 14.75% | 14.50% |
| Interest on working capital | 12.89 | 13.90 | 13.78 |

## Provision for bad & doubtful debts

The Hon’ble Commission had directed that the arrears receivable from various consumer categories is to be audited and the age-wise analysis is to be presented in the next filing.

PED has already commenced steps to analyse its sundry debtors and arrears, and obtain an age-wise breakup of the same from the revenue billing system. It also is in the process of reconciling the list of arrears with the sundry debtor balances as per the financial statements. This process is likely to take a significant amount of time and effort.

As PED is in the process of reconciling the list of arrears with the sundry debtor balances as per the financial statements, we are not claiming any provision for bad & doubtful debts in the ARR of FY2013-14, for pass through in tariff to consumers.

## Return on capital base

The Pondicherry Electricity Department is an integrated utility in its present form as defined in Regulation 2 (9) of the JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009. The ED- Pondicherry is not restructured and corporatized. As an integrated utility, it is entitled to return on capital base under the provisions of Schedule VI of the repealed Electricity (Supply) Act, 1948 vide proviso under Regulation 23 of JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009.

The basic requirement for consideration of return on capital base is the annual accounts and fixed assets record. The petitioner would like to bring to the notice of the Hon’ble Commission that the PED has already prepared Fixed Asset & Depreciation Registers for FY 2009-10 and FY 2010-11 and got their accounts audited. The audited reports were signed on 14th December 2012. The True up petitions for FY 2009-10 and FY 2010-11 submitted recently by the petitioner for due consideration by the Hon'ble Commission were prepared on the basis of these audited reports. The summary of the Fixed Assets as well as audited accounts for FY 2009-10 and FY 2010-11 were submitted along with the True up petitions as on 8th January 2013.

The PED has also updated the Fixed Asset Register and the assets capitalized for FY 2011-12. The PED will shortly get the accounts for 2011-12 audited and willsubmit the true up for FY 12 based on the same to the Hon'ble Commission. For the sake of this petition, the PED has computed reasonable return @ 3% of capital base for FY 2013-14 as shown below.

**Table 75: Return on Capital Base (FY14)**

| Particulars | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| **Gross block at beginning of the year** | 458.34 | 480.48 | 545.84 |
| **Opening CWIP** | 77.31 | 94.69 | 81.72 |
| **Less accumulated depreciation** | 211.42 | 229.29 | 252.68 |
| **Less opening debt** | 13.16 | 11.51 | 9.86 |
| **Net fixed assets at beginning of the year** | 311.07 | 334.38 | 365.02 |
| **Reasonable return @3% of NFA** | 9.33 | 10.03 | 10.95 |

We request the Hon'ble Commission to approve the return on capital base for FY2013-14 at projected value of 10.95 Crs.

The petitioner through the creation and updation of fixed asset register, now possesses vintage value of assets. It is however, unclear of the method of seeking a revised higher return based on rate of return linked to the vintage value of assets.The PED humbly submits to the Hon'ble Commission and seeks guidance in this regard.

## Amortization of Regulatory Asset proposed for previous years

Recently, True-up petitions for FY 2009-10 and FY 2010-11 were submitted before the Hon'ble Commission by the PED. In these petitions, it was prayed respectfully that the Commission approve the Revenue Gap proposed in these true up petitions. The Revenue Gaps for years from FY 2009-10 to FY 2012-13 are shown below.

Table 76: Revenue Gap for FY 2009-10 to FY 2012-13

| Item of expense | FY 2009 - 10 (Actuals)[Crs] | FY 2010 - 11 (Actuals)[Crs] | FY 2011 - 12 (Actuals)[Crs] | FY 2012 - 13 (Revised Estimate)[Crs] |
|---|---|---|---|---|
| | | | | |
| **Surplus / (Gap)** | (72.9) | (102.9) | (371.0) | (204.0) |
| **Surplus / (Gap) from previous year** | - | (72.9) | (175.8) | (546.9) |
| **Total surplus / (gap)** | (72.9) | (175.8) | (546.9) | (750.9) |

The Revenue Gap till the end of FY 2012-13 is 750.9 Crs.

## Non – Tariff Income

The non-tariff income includes Reactive Energy Charges, STOA Charges, CTU Charges, Interest Income, Departmental charges on sale of material and UI Sales.

For the year FY13-14, the average cost of power purchase is Rs 3.03/kWh as against the proposed sale of power through UI at a rate of Rs. 3.33/kWh.

The non – tariff income for the year 2013-14 has been computed to be 144.30 Crs as shown below.

Table 77: Non-Tariff Income (FY14)

| Item of Expense | FY2011 - 12 (Actuals) [Crs] | FY2012 – 13 (Revised Estimate) [Crs] | FY2013 – 14 (Projection) [Crs] |
|---|---|---|---|
| **Reactive energy charges** | 3.05 | 2.00 | 2.00 |
| **STOA charges** | | | |
| **CTU charges** | | | |
| **Interest Income** | | | |
| **Departmental charges on sale of material** | | | |
| **UI Sales** | 167.78 | 161.02 | 142.30 |
| **Total NTI** | 170.83 | 163.02 | 144.30 |

## Summary of Revenue Requirement

The aggregate revenue requirement for FY2013-14, and the comparison with FY2011-12 and FY2012-13 is shown below.

Table 78: Net Revenue Requirement (FY14)

| Item of expense | FY2011 - 12(Actuals)[Crs] | FY2012 - 13(Revised Estimate)[Crs] | FY2013 - 14(Projections)[Crs] |
|---|---|---|---|
| Cost of power purchase | 1110.2 | 1027.7 | 1049.6 |
| Employee costs | 58.3 | 61.0 | 67.6 |
| R&M expenses | 16.2 | 17.1 | 17.6 |
| Administration & general expenses | 4.4 | 4.9 | 5.3 |
| Depreciation | 20.3 | 23.4 | 25.0 |
| Interest & finance charges | 2.4 | 2.3 | 2.1 |
| Interest on working capital | 12.9 | 13.6 | 13.8 |
| Provision for bad debts | - | - | - |
| Return on NFA / Equity | 9.3 | 10.0 | 11.0 |
| Aggregate revenue requirement | 1,232.3 | 1159.7 | 1192.1 |
| LESS: Non-tariff income | 170.8 | 163.0 | 144.3 |
| ADD: Amortization of regulatory asset proposed for previous FYs | - | - | 92.6 |
| Net revenue requirement | 1061.5 | 996.7 | 1140.4 |

As can be seen, close to 90% of the gross aggregate revenue requirement is on account of power purchase costs. The % mix of the expense items are more or less the same as that for FY2012-13.

The PED, being a transmission and distribution utility, has no owned generation, and is primarily dependent on external sources of power, and hence has no control over the cost of power purchased.

Given this reality, we request the Hon'ble Commission to approve the net revenue requirement for FY2013-14 at 1,140.5 Crs.

## Average Cost to Serve

We have calculated the average Cost to Serve based on the total projected sales. This Avg. CoS captures the impact of T&D losses in the system, incurred to serve demand.

Based on the projected net ARR and the projected sales, the Average CoS works out to 4.62/kWh for FY2013-14.

Table 79: Average Cost to Serve

| | |
|---|---|
| Net ARR (Rs Cr) | 1,140.4 |
| Sales (MU) | 2,470.3 |
| **Avg CoS (Rs/Unit)** | **4.62** |

# 7 Expected revenue from charges & gap

The expected revenue from charges is based on sales projections & approved tariff rates that are currently applicable for different consumer categories and slabs. The detailed working is provided in Format F28 – Expected revenue from charges. The summary of the revenue from charges is given below.

**Table 80: Revenue from Charges – Summary**

| Item of expense | FY2011– 12 (Actuals)[Crs] | FY2012– 13 (Revised Estimate)[Crs] | FY2013– 14 (Projections)[Crs] |
|---|---|---|---|
| | | | |
| **Revenue from tariff** | 690.5 | 772.3 | 833.8 |
| **FPPCA** | | 20.3 | |
| **Surplus / (Gap)** | (371) | (204.0) | (306.6) |
| **Surplus / (Gap) from previous year** | (175.8) | (546.9) | (658.3) |
| **Total surplus / (gap)** | (546.9) | (750.9) | |

The expected revenue from tariff for FY2013-14 is 833.8 Crs.Considering the net ARR of 1,140.4 Crs., the gap for FY 2013-14 will be 306.6 Crs.

The aggregate gap of previous years. comprising the gap of 72.9 Crs. for FY 2009-10, 102.9 Crs. for FY 2010-11, 371.0 Crs. for FY 2011-12 and 204.0 Crs. For FY 2012-13 would result in total aggregate gap of Rs 750.9 Crores for the period from 2009-10 to 2012-13. Of these, the PED proposes to recover part of the proposed regulatory asset in the FY 2013-14 net ARR to the tune of 92.6 Crs. Thus the gap pending recovery from 2009-10 to 2013-14 will be Rs 658.3 Crores.

We request the Hon'ble Commission to approve the consolidated gap for recovery from tariff as 658.3Crs. .

# 8 Tariff petition

## Necessity for tariff petition

The average realisation from consumers at current tariff is only 3.37/kWh compared to the average CoS of 4.62/kWh leading to under realisation of 1.25/kWh

Therefore, there is an urgent need to revise tariff to ensure sustainable operations of the PED.

## Tariff philosophy

The tariff philosophy adopted in proposing revised tariffs draws upon the principles of

i) National Tariff Policy which indicates that cost recovery from consumers should be within ±20% of the Average CoS.

ii) Avoiding tariff shock to consumers, as far as possible.

iii) Recovery of fixed costs through demand charges and energy costs through energy charges.

The table below shows the category-wise cost recovery at existing tariffs as a percentage of Average CoS of 4.62/kWh.

Table 81: FY 2013-14 – Category-wise cost recovery at existing tariff

| Category | Avg. Realization [Rs/Unit] | Cost Recovery [%] |
|---|---|---|
| **Domestic** | 1.40 | 30.30% |
| **Commercial** | 4.03 | 87.23% |
| **Agriculture** | 0.22 | 4.76% |
| **Public lighting** | 3.50 | 75.76% |
| **LT Industrial** | 3.59 | 77.71% |
| **Temporary supply - LT** | 6.00 | 129.87% |
| **HT 1 Industrial** | 4.09 | 88.53% |
| **HT 2 - Government & water tank** | 4.24 | 91.77% |
| **HT 3 – EHT** | 4.20 | 90.91% |

Since more than 99.16% of electricity is being sold at less than Average CoS, the PED has no option but to propose a tariff hike across the board for all consumer categories.

## Proposed tariff

The category and slab-wise tariff has been proposed keeping in mind the tariff philosophy mentioned above.

Further, we are proposing to recover almost the entire gap for the current year of 306.6 Crs., (including regulatory asset of 92.6 Crore) and propose to treat the accumulated gap of previous years (net of approved amortization of

Rs. 320.56 Crores) amounting to 658.3Crs. as regulatory asset to be amortized in subsequent years. The summary of the existing and proposed tariff is presented below.

Table 82: FY 2013-14 – Summary of existing & proposed tariff

| | Fixed charges (Rs. Per month per connection/kW/KVA/HP) | | | Energy charges (Rs./kWh) | | |
|---|---|---|---|---|---|---|
| | Existing | Proposed (2013-14) | Change | Existing | Proposed (2013-14) | Change |
| **Domestic** | | | | | | |
| 0 - 100 | 10.00 | 20.00 | 10.00 | 0.60 | 1.50 | 0.90 |
| 101-200 | 10.00 | 50.00 | 40.00 | 0.95 | 2.50 | 1.55 |
| 201-300 | 15.00 | 75.00 | 60.00 | 1.80 | 3.50 | 1.70 |
| >300 | 15.00 | 100.00 | 85.00 | 2.35 | 4.50 | 2.15 |
| OHOB | 20.00 | 50.00 | 30.00 | - | - | - |
| | | | | | | |
| **Commercial** | | | | | | |
| 0 - 100 | 30.00 | 50.00 | 20.00 | 2.50 | 4.50 | 2.00 |
| 101 - 250 | 30.00 | 100.00 | 70.00 | 3.70 | 5.25 | 1.55 |
| 250-500 | 30.00 | 200.00 | 170.00 | 4.30 | 5.50 | 1.20 |
| | | | | | | |
| **Agriculture** | | | | | | |
| Small farmers | 50 | 100 | 50.00 | - | - | - |
| Other farmers | 200 | 300 | 100.00 | - | - | - |
| | | | | | | |
| **Public lighting** | - | - | - | 3.50 | 4.75 | 1.25 |
| | | | | | | |
| **LT Industrial** | | | | | | |
| 0 - 1000 | 30.00 | 200.00 | 170.00 | 3.40 | 4.25 | 0.85 |
| > 1000 | 30.00 | 200.00 | 170.00 | 3.65 | 4.50 | 0.85 |
| **Water tank** | 30.00 | 200.00 | 170.00 | 3.80 | 4.60 | 0.80 |

| | Fixed charges (Rs. Per month per connection/kW/KVA/HP) | | | Energy charges (Rs./kWh) | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| **Temporary supply - LT** | - | - | - | 6.00 | 10.00 | 4.00 |
| **HT 1 Industrial** | | | | | | |
| (A) - CD < 2000 | | | | | | |
| 0 - 100000 | 180.00 | 200.00 | 20.00 | 3.50 | 4.50 | 1.00 |
| >100000 | 180.00 | 200.00 | 20.00 | 3.65 | 4.60 | 0.95 |
| (B) - 2000 < CD < 5000 | | | | | | |
| >0 | 190.00 | 220.00 | 30.00 | 3.80 | 4.70 | 0.90 |
| (C) | | | | | | |
| >0 | 190.00 | 220.00 | 30.00 | 4.00 | 4.70 | 0.70 |
| **HT 2 - Government & water tank** | 220.00 | 220.00 | - | 3.40 | 4.60 | 1.20 |
| **HT 3 - EHT** | 180.00 | 220.00 | 40.00 | 3.65 | 4.50 | 0.85 |

The table below shows the category-wise cost recovery with the proposed tariff.

Table 83: Category-wise cost recovery at proposed tariff

| Category | Avg realization [Rs / kWh] | Cost recovery [%] |
|---|---|---|
| **Domestic** | 3.15 | 68% |
| **Commercial** | 5.78 | 125% |
| **Agriculture** | 0.32 | 7% |
| **Public lighting** | 4.75 | 103% |
| **LT Industrial** | 4.49 | 97% |
| **Temporary supply - LT** | 10.00 | 217% |
| **HT 1 Industrial** | 5.28 | 114% |
| **HT 2 - Government & water tank** | 5.35 | 116% |
| **HT 3 – EHT** | 5.16 | 112% |

The level of cost recovery from different consumer categories is broadly within the limits stipulated by the

National Tariff Policy.

Further, there is a need for some level of cross subsidy given the socio-economic reality of the consumer base in the UT. The amendment to the Electricity Act 2003 which eliminated the requirement to completely eliminate cross subsidy is also an acknowledgement of the requirement to continue with a certain level of cross subsidy for some more time.

We request the Hon’ble Commission to approve the proposed tariff in order to recover almost the entire gap of 306.6 Crs. for the year FY2013-14, and approve the consolidated gap of previous years of 658.3 Crs. as regulatory asset, subject to the final Orders on the petition for FY2013-14 and true-up of previous years.

# 9 Prayer

The Electricity Department, Government of Puducherry (PED) respectfully prays to the Hon'ble Commission to:

i) Admit this petition for approval of Aggregate Revenue Requirement (ARR), Expected Revenue from Charges and revision of Tariffs.

ii) Review the actual performance of FY2011-12, and approve the Aggregate Revenue Requirement (ARR), and gap for FY2011-12, subject to final approval on the basis of true-up based on audited accounts.

iii) Provisionally approve the consolidated gap upto end of FY2012-13 based on the revised estimates and projections, subject to final approval on the basis of true-up based on audited accounts.

iv) Approve the Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC) and the gap for FY2013-14.

v) Approve the proposed revision in tariff to recover the gap for FY2013-14 and the tariff schedule.

vi) Approve the amortization of revisedregulatory asset as per regulations.

vii) Grant approval for the proposed charges for services and approve the proposed schedule of charges.

viii) Grant any other relief as the Hon'ble Commission may consider appropriate. The petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time.

ix) To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

The petitioner declares that the subject matter of the petition has not been raised by the petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any order in relation thereto.

**Place: Puducherry**

**Dated: 12 February 2013** **Signature of Petitioner**

# 10 Proposed Tariff Schedule

## A. Low Tension Supply

### DomesticPurposes(A2)

Thistariffisapplicabletoservicesforlights,fans,Air-conditioning, Heating andothersmalldomesticappliancesetcusedfor:

Genuinedomesticpurposesincludingcommonservicesforstair-case,lifts,water tankswithmotornotexceeding3 H.Pinthedomesticapartments.

Supply to actual places of public worship such as temples, mosques, churches.

Ashrams and Mutts, Non-commercial orphanage homes and old people homes run by religious and charitable institutions, social welfare and voluntary organisations.

Government owned Youth hostels, Adi Dravida hostels, Rehabilitation Centres, Anganwadies and Balwadies run by Social Welfare Department.

Forownresidenceswhereoneroomissetapartforthepurposeofconsultation bydoctors,lawyers,engineers,architectsandauditors.

Tohandloominresidenceofhandloomweavers(regardlessofthefactwhether outsidelabourisemployedornot)andtohandloominshedserected.

Totheresidenceswheresupplyfromahouseisextendedtotailoringshops,Job typing,documentwriting,Laundrypressing,andsmallcatererssetup in the verandaofthehousewithsmalllightingloadonly(onetubelightonly).

The Proposedfixed and energychargesforDomesticServiceareasindicatedinthetablebelow.

| Consumption [kWh/month] | Fixed Charges (connection/month/KVA or HP or kW) | Rate [Rs/kWh/month] |
|---|---|---|
| 0 - 100 | 20 | 1.50 |
| 101-200 | 50 | 2.50 |
| 201-300 | 75 | 3.50 |
| >300 | 100 | 4.50 |

### HutServices(A3)

Forsupplytobonafidehutserviceswithonlytwonumbersof40WFlorescentTube lights.

TheenergychargesforhutserviceOHOB)areasindicatedinTablebelow:

| Description | Fixed Charges [connection/month/KVA or HP or kW] |
|---|---|
| Hut Services | 50 |

***Note:***

Hutisdefinedasalivingplacenotexceeding300sq.ft.or27.87sq.m.withmud wall/brickwallorthatchedwallandthatchedroofonly.Hutdoesnotincludefarm huts.Ifanyoftheconditionsischangedatalaterstage,thisconcessionalsupply willbediscontinuedandtheconsumerwillhavetotakemeteredsupply.

The tariff under this item is also applicable for houses constructed for economically weakersectionsunderthe"Chief Minister's5000 housesprogramme"andhousesconstructedbythe DistrictRuralDevelopmentAgency underIndiraAwaasYojanaandbytheAdiDravidarWelfareDepartmenthavinga livingspacenotexceeding300sq.ft.or27.87sq.

Theconsumerunderthiscategoryshoulduseonlytwonumbersof40 watts florescenttubelights.Heshouldnotusebulbs/tubelightsof higherwattageor connectany otherelectricalequipment/appliancesotherthanthosementioned above.Supplyfromsuchservicesshouldnot betappedforanyotherpurposes includingfunctions, publicmeetingsandalsofor neighbouringhuts.Ifatanytime, anyunauthorizedloadorextension,useofhigherwattagebulbsoruseofservice forotherpurposesisdetected,theservicewillbedisconnectedforthwith.

### Commercial(A1)

ThistariffisforLightsandcombined installation oflightsandfans,mixedloadsof lightsandpower,heatingandair-conditioningapplicableto:

i) Non-domesticandnon-industrialconsumers,tradeandcommercialpremises.

ii) Educational institutions, hostels, public libraries.

iii) Hotels, Restaurants, Boarding and Lodging Homes

iv) Hospitals, Private clinics, Nursing Homes, Diagnostic Centres, X-ray Units etc.

v) IT related development Centres and Service centres.

vi) Common services for Stair-case, lifts, water tanks with motor not exceeding 5 H.P. etc. in the purely commercial/combinationofcommercialanddomestic.

The proposedenergychargesareasindicatedinthetablebelow:

| Consumption [kWh/month] | Fixed Charge (connection/month/KVA or HP or | Rate [Rs/kWh/month] |
|---|---|---|
| 0 – 100 | 50 | 4.50 |
| 101 – 250 | 100 | 5.25 |
| >250 | 200 | 5.50 |

Other charges

| | |
|---|---|
| Service Charges | Rs. 25.00 per service per month |

## Agricultural Services (D)

Agriculture/CottageIndustries, etc. For supply to bonafide Agricultural Services with a connected load of not less than 3HP per service.

### *Agriculture(D1)*

| Description | Fixed Charges [connection/month/KVA or HP or kW] |
|---|---|
| Small Farmers | 100 |
| Other Farmers | 300 |

For other farmers, a service charge of 200/service/annum will be charged, in addition to charges as above

Electricitywillbesuppliedunderthetariffcategory“Smallfarmers”to those consumerswhosefamiliesaresolelydependentontheincomederivedfromtheir agriculturallandholding,whichshouldnotexceedtwoandhalfacresofwetland orfiveacresofdryland.AcertificatetothiseffectfromRevenueauthorityshall beproduced. "Small farmer means aperson whose totalholding, whether as owner,tenantormortgagedwithpossessionorpartlyinonecapacityandpartly inanother,doesnotexceedtwo-and-ahalfacresofwetlandsorfiveacresofdry land.Incomputingtheextentoflandheldbyapersonwhoholdsbothwetand drylands,twoacresofdrylandshallbetakenasequivalenttooneacreofwet land.

Theaboveconcessionwillbewithdrawnifresaleofenergy orunauthorizedload/extensionoruseforotherpurposeisdetectedbytheDepartment.

Agricultural powerloadsbelow3H.P.willbechargedunderGeneralCategory TariffA1.Abonafide farmermayusehismotorintheAgricultural Service foralliedagricultural purposessuchassugarcanecrushing,thrashingetc.withthe priorapprovalof concernedExecutiveEngineer(Operation&Maintenance), ElectricityDepartment.

However, power supply to Farm Houses shall be metered separately and chargedunderDomestictariff.

***PaymentofTariffChargesbyAgricultureconsumers***

TheTariffshallbecollectedinthreeequalinstalmentspayableinApril,August andDecemberineachyear.Theinstalmentsshallbepayablebeforethe15thof therespectivemonths.TheservicechargesofRs200 p e r annumshallalsobe collectedinthreeinstalmentsofRs.75,Rs.75andRs.50alongwithinstalmentofflatrateinApril,AugustandDecembermonths.

For new service, thefirst instalmentshall beproportionate tothenumber of whole months remaining till the month in which the first instalmentis due. Fractionofamonthshallbereckonedasa wholemonth.

**CottageIndustries/Horticulture /PoultryFarms(D2):**

Itisapplicabletocottage industries, private Horticultural nurseries including Plant tissue culture media and bonafidepoultryfarms.

Theenergychargesareasindicatedinthetablebelow:

| Description | Energy Charges |
|---|---|
| Cottage Industries | Tariff rates as applicable in case of Domestic Consumers |
| Horticulture | |
| Poultry Farms | |

***(a) Cottageindustries***

The following conditions should be satisfied in order that an industry may be classifiedasabonafidecottageindustry:

Itshouldbeconductedentirelywithinthehome,thehomebeingdeemedtobe permanentresidenceoftheproprietor.

The industry shall not cause any residence toconstitute afactory within the meaningoftheFactoriesAct,1948.

Notmorethantwopersonsoutsidetheimmediatefamilyoftheproprietorshallbe employedinthefactory.

It shouldbecertifiedbytheDirectorofIndustriesthattheindustryforwhichpower isusedisacottageindustry.

Theproduce isnotpurelyutilizedmainlyforthedomestic consumptionofthe proprietorbutshouldalsobeavailableforsaletothepublic.

### *(b) Poultryfarms*

The following conditions should be satisfied in order that the service may be classifiedasabonafidepoultryfarm.

Thecapacityofthefarmshallbeaminimumof100birdsandmaximumof5,000 birds(bothlayerandbroilerbirds).

Theapplicationofthebeneficiaryseekingsuchconcessionshallbeverifiedand recommendedbytheAnimalHusbandryDepartment.

### *(c)Horticultural*

Theapplicationsofthebeneficiaryseekingsuchconcessionshallbeverifiedand recommendedbytheDirector,AgricultureDepartment.

### Publiclighting

The Proposed tarifffforpubliclighting(exclusiveofinstallation,renewalcharges,etc.)shallbe asfollows:

| Description | Rate [Rs/kWh/month) |
|---|---|
| Public Lighting | 4.75 |

Thistariffwillalsoapplytopubliclightinginmarkets,busstands,trafficsignals,high mastlightsonpublicways,publicparks,publiclightinginnotifiedindustrialestates.

## Industrial(C)

### *LTIndustrial(C1)*

Applicable to low tension industrial consumers including lighting in the industrial servicesexceptthosementionedinTariff`C2'category.

The Proposed energychargesareasindicatedinthetablebelow.

| Consumption [kWh/month] | Rate [Rs/kWh/month] |
|---|---|
| 0 – 1000 | 4.25 |
| > 1000 | 4.50 |

Other charges

| | |
|---|---|
| Fixed Charges | Rs. 200/connection/month/KVA or HP or kW |
| Service Charges | Rs. 25 /service / month |

### *LTIndustrial(C2)- Water tanks*

Applicable to water tanks including lighting in the premises maintained by State GovernmentDepartments/UndertakingsandLocalBodies.

The Proposed energychargesareasindicatedinthetablebelow.

| Consumption [kWh / month] | Rate [Rs/kWh/Month] |
|---|---|

| | |
|---|---|
| Entire consumption | 4.60 |

Other charges

| | |
|---|---|
| Fixed Charges | Rs. 200connection/month/KVA or HP or kW |

***LT supply Limit***

For single phase connection, the connected load shall not exceed 4kW, and for 3 phase connection, the connected load shall not exceed 130 HP or 97 kW

## B. High tension supply

### HighTension–I (a)

Applicable to industrial establishments, registered under Factories Act with Contracted Maximum demand of 2000KVA &less, The Proposed DemandandtheEnergyChargesareasindicatedinthetablebelow

| Description | Unit | Slab | Charges |
|---|---|---|---|
| Demand Charges | Rs. / kVA / month | NA | 200 |
| Energy Charges | Rs. / kWh/ month | 0 – 100, 000 kWh / month | 4.50 |
| | Rs. / kWh/ month | > 100, 000 kWh / month | 4.60 |

### HighTension–I (b)

Applicable to industrial establishments, registered under Factories Act with Contracted Maximum demand of greaterthan2000&lessthanorequalto 5000KVA, The Proposed DemandandtheEnergyChargesareasindicatedinthetablebelow

| Description | Unit | Slab | Charges |
|---|---|---|---|
| Demand Charges | Rs. / kVA / month | NA | 220 |
| Energy Charges | Rs. / kWh/ month | Entire consumption | 4.70 |

### High Tension –I (C)

For Commercial Establishments including Laboratories, Hotels, Marriage Halls, Cinema Theatres, Private educational Institutions, Private Hospitals, shopping Malls, Telephone exchanges, broadcasting companies, IT companies.

| Description | Unit | Slab | Charges |
|---|---|---|---|
| Demand Charges | Rs. / kVA / month | NA | 220 |
| Energy Charges | Rs. / kWh/ month | Entire consumption | 4.70 |

The above tariff is subject to a monthly minimum payment of three fourth times the demand charges for the contracted load in KVA.

The billing demand shall be the maximum demand recorded during the month or 75% of contracted demand whichever is higher

If in anyone month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand will be billed at double the normal rate.

### *I. SupplyVoltage*

ThesupplyvoltageforHTconsumer'supto5000KVAwillbe33kV,22KVor11KV asthecasemaybe.NewHighTensionconsumerswhowantto availamaximum demandabove5000KVAorexistingHighTensionconsumerswhowanttoenhance theirdemandtotheabovelevelshouldavailpoweronlyat110KVor132KVasthe casemaybe.Incasetheexistingconsumers whosesanctioned demandexceeds theabove limitof5000KVAat33kV,22KVor11KVasthecasemaybe,the consumershallbechargedanextralevyoverandabovethenormaltariffatdouble thenormaltariffratefortheenergyconsumedinexcess,calculatedonthebasisof 500unitsperKVAovertheexcessdemand.

### *II.Seasonaldemand*

Forloadsstrictlyseasonalincharacter,themainplantisregularlytotallycloseddown duringcertainmonthsintheyear,theconsumptionoftheconsumerwillbecharged under"HighTensionI"category+10%forenergychargesonlyandnotfordemand charges.Thebillingdemandshallbe the actualmaximumdemandrecorded.This concessionishoweversubjecttotheexpressconditionthat-

vii) Fortheoff-seasonandtheworkingseasoninthesamemonth,thecalculationof billingdemandforworkingseasonshallbeproportionatetotheactualmaximum demandor75%whicheverishigherandforoff-seasonperiodtheproportionate actualmaximumdemandrecorded.

viii) TheconsumergivesadvancenoticeinwritingtotheSuperintendingEngineer, ElectricityDepartment,ofthetotalorpartialclosingdownoftheplant.

### HighTension-II

Applicable toState andCentral Governmentestablishmentsofnon-industrial andnon-commercialnature.

Thedemandandenergychargesareasindicatedinthetablebelow

| Description | Unit | Slab | Charges |
|---|---|---|---|
| Demand Charges | Rs. / kVA / month | NA | 220 |
| Energy Charges | Rs. / kWh/ month | Entire consumption | 4.60 |

Theabovetariffissubjecttoamonthlyminimumpaymentofthree-fourthtimesthe demandchargesforthecontractedloadinKVA.

**HighTension-III**

Applicabletoalltypesofindustriessuppliedat110KVor132KVasthecasemay be.

The proposed demandandenergychargesareasindicatedinthetablebelow.

| Description | Unit | Slab | Charges |
|---|---|---|---|
| Demand Charges | Rs. / kVA / month | NA | 220 |
| Energy Charges | Rs. / kWh/ month | Entire consumption | 4.50 |

Theabovetariffissubjecttoamonthlyminimumpaymentofthree-fourthtimesthe demandchargesforthecontractedloadinKVA.

Thebillingdemandshallbethemaximumdemandrecordedduringthemonthor75% of contracteddemandwhichever ishigher.

If in anyone month, the recorded maximum demandoftheconsumerexceedsitscontracteddemand,thatportionof thedemandinexcessofthecontracteddemandwillbebilledatdoublethenormal rate.

## C.Temporary supply

Thetariffapplicableandminimumchargesforthetemporary Services more than a period of fifteen days willbe asfollows:

| Category | Unit | Slab | Rate [Rs/kWh] | Minimum charges |
|---|---|---|---|---|
| Lights or combined installation of lights and fans, Motive Power, Heating and others | Rs / kWh / month | Entire consumption | 10.00 | Rs. 120 / service / month |
| Special Illumination | Rs / kWh / month | Entire Consumption | 10.00 | Rs. 300 / service / month |
| Construction and testing purpose for load exceeding 130 HP or 97 | Rs / kWh / month | Entire Consumption | 10.00 | As in High tension-I |

***Note:***

TherateforSpecialilluminationshallapplytoweddings,garden-partiesandother Private/Governmentfunctionswhentheilluminationis obtainedthroughbulbs fastenedin othersurfacesofwallofbuildings,ontreesandpolesinsidethe compoundandinpandaletc.,outsidethemainbuilding

IncaseswheresuchSpecialilluminationisdoneintheexistingregularservices theenergyutilizedforsuchilluminationshallbe meteredseparatelyandthe consumptionwillbe chargedunderSpecialilluminationchargeas leviedunder temporarysupply.

Wherever suchSpecial illumination isdone un-authorisedly, apenalcharge of Rs.100 for service shall be levied in addition to the existing tariff of the installation.

Other conditions for collection of line and service connection charges, dismantling,securitydepositetc.willbeaspertherulesnowinforce.

Forsupplyrequiredatshortnoticethatiswithinthreedaysfromthedateof applicationfortemporaryserviceconnections,anurgencychargeofRs.25shall bepaidalongwithothernormaltariffcharges.

# 11 Proposed schedule of services &charges

**Charges for service connections**

| | | Category | Proposed charges [Rs] |
|---|---|---|---|
| **(A)** | New LT overhead service lines | (i) One hut one Bulb | Nil |
| | | (ii) Other single phase Services | 250 |
| | | (iii) Three phase Services | 500 |
| | | (iv)L.T C.T operated Meter services | 3000 |
| | | (v) H.T Services | 5000 |
| **(B)** | New LT underground service lines | (i) Single Phase services - | 500 |
| | | (ii) Three phase Services | 1000 |
| **(C)** | Rating / re-rating of services | (i)Single phase Services | 125 |
| | | (ii)Three phase Services | 250 |
| | | (iii) L.T C.T operated Meter service | 1500 |
| | | (iv) H.T Service | 2500 |

Note: The above charges under (A) & (B) will be applicable for addition or alteration or reduction of connected load and enhancement or reduction of CMD or alteration of internal Electrical installations.

### Testing of installation

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

| | *Proposed Charges (Rs.)* |
|---|---|
| i) Domestic lighting/Commercial lighting/Agriculture Services | 200 |
| (ii) Other LT Services | 900 |
| (iii) HT/EHT Services | 7500 |

**Testing of meters & metering arrangements**

For testing of meter at the instance of the consumer:

| | *Proposed Charges (Rs.)* |
|---|---|
| (i) Single phase direct meter | 150 |
| (ii) Three phase direct meter upto 50 A | 200 |
| (iii) L.T C.T coil test | 800 |
| (iv) H.T Tri-vector Meter (0.5 class accuracy or CT operated LT meters. | 1500 |
| (v) H.T Tri-vector Meter (0.2 class accuracy) | 2000 |
| (vi) H.T Metering Cubicle | 3500 |

**Testing of HT/EHT consumer protective equipment**

| | *Proposed Charges (Rs.)* |
|---|---|
| Testing charges for protective relays (Earth fault,line fault etc.) | 4500 |
| Testing charges for one set of current transformer. | 4500 |
| Testing charges for one set of potential transformers. | 4500 |
| Testing charges for one set of circuit breaker | 4500 |
| Testing charges for measurement of earth resistance. | 3000 |
| Testing charges for Transformer oils | 500 |

**Disconnection / Re-connection charges**

| | Proposed Charges (Rs.) |
|---|---|
| (i)Disconnection of L.T service on request | 100 |
| (ii) Disconnection of HT service on request | 500 |
| (iii) Reconnection of L.T Service(on all occasions) . | 100 |
| (iv)Reconnection of HT Service ( on all occasions). | 500 |

**Title transfer of services**

| | Proposed Charges (Rs.) |
|---|---|
| (i) Domestic | 250 |
| (ii) Commercial lighting installation | 500 |
| (iii) All other LT installation | 1000 |
| (iv) HT/EHT Services | 2000 |

**Furnishing of certified copies**

(To be issued to the consumer only)

| | Proposed Charges (Rs.) |
|---|---|
| Issue of duplicate Monthly bills for a month. | 10.00 |
| (ii) Contractor's completion-cum-test report | 10.00 |
| (iii) Ledger extract | 20.00 / calendar year or part thereof. |
| (iv) Agreement | 50.00 |
| (v) Estimate | 50.00 |

**Meter rent charges**

| . | Particulars | *Proposed Charges (Rs.)* |
|---|---|---|
| (i) | single-phase meter | 10/- per meter/ month. or part thereof |
| (ii) | Three phase meter | 25/- per meter/ month. or part thereof |
| (iii) | LT C.T operated meters | 200/- per meter/ month. or part hereof |
| (iv) | HT/EHT metering equipments | 500/- per meter/ month .or part thereof |

**Fuse renewal charges**

| | *Proposed Charges (Rs.)* |
|---|---|
| (i) Domestic | -NIL |
| (ii) Commercial | 50 |
| (iii) L.T Industrial | 50 |
| (iv) High Tension/Extra High Tension installation | 250 |

**Shifting of meter board at consumer's request**

| | *Proposed Charges (Rs.)* |
|---|---|
| (i) LT single phase supply | 125 |
| (ii) LT Three phase supply | 250 |

**Belated payment surcharge**

All High Tension and low tension consumer bills shall be paid within the due date as specified in the respective bills. Bills not paid within this stipulated time will be subjected to a levy of 1.5% surcharges per month. Period of delay less than one month will be reckoned as one month. The above charges will be levied subject to a minimum of Rs 6/- for L.T domestic consumers , Rs 10 /-for other LT consumers and Rs 500/- for H.T /EHT consumers

# 12 Annexures

## Annexure 1

# Financial statements

**PUDUCHERRY ELECTRICITY DEPARTMENT**

**BALANCE SHEET AS ON 31st MARCH, 2012 (UNAUDITED)**

| PARTICULARS | SCHEDULE No. | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| **(1) Owner's Funds** | | | |
| Government Fund | | 7,803,722,286 | 6,046,807,686 |
| Calamity Relief Fund [Refer Note 4] | 1 | 41,694,731 | - |
| **(2) Loan Funds** | | | |
| Secured Loans | 2 | 115,055,158 | 131,573,049 |
| Unsecured Loan from PFC [Refer Note 6] | | 45,000,000 | - |
| **T O T A L** | | **8,005,472,175** | **6,178,380,735** |
| **APPLICATION OF FUNDS** | | | |
| **(1) Fixed Assets** | | | |
| (a) Gross Block | 3 | 4,804,839,546 | 4,583,375,068 |
| (b) Less : Accumulated Depreciation | | 2,292,938,358 | 2,114,236,608 |
| (c) Net Block | | 2,511,901,188 | 2,469,138,460 |
| (d) Capital Work in Progress | | 946,946,373 | 773,118,787 |
| **(2) Current Assets Loans & Advances** | | | |
| (a) Inventories | | 122,414,384 | 171,526,679 |
| (b) Sundry Debtors | 4 | 3,360,691,237 | 3,300,080,378 |
| (c) Cash and Bank Balances | 5 | 100,331,395 | 58,722,305 |
| (d) Loans and Advances | 6 | 99,266,971 | 60,097,798 |
| | | **3,682,703,988** | **3,590,427,160** |
| **Less: Current Liabilities and Provisions** | 7 | 3,941,737,428 | 2,096,648,008 |
| **N E T C U R R E N T A S S E T S** | | **(259,033,440)** | **1,493,779,152** |
| **Profit & Loss Account** | | **4,805,658,054** | **1,442,344,336** |
| **T O T A L** | | **8,005,472,175** | **6,178,380,735** |
| **Significant Accounting Policies and Notes to Accounts** | **13** | | |

**PUDUCHERRY ELECTRICITY DEPARTMENT**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2012 (UNAUDITED)**

| PARTICULARS | SCH. No. | Year Ended 31st March, 2012 | Year Ended 31st March, 2011 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Sale of Power [Refer Note 12] | 8 | 8,582,673,669 | 7,261,344,241 |
| Other Income | 9 | 30,526,566 | 66,145,002 |
| **TOTAL INCOME** | | **8,613,200,236** | **7,327,489,243** |
| **EXPENDITURE** | | | |
| Purchase of Power (For 2011-12, it includes Rs. 142.97 Crores Pertaining to Power Purchased in Previous Financial Years. [Refer Note 3 (b)]) | | 10,977,391,126 | 7,280,773,858 |
| Employee Costs | 10 | 566,651,278 | 554,416,724 |
| Operations & Maintenance Expenses | | 161,753,530 | 107,395,113 |
| Administration and General Expenses | 11 | 42,880,062 | 37,060,073 |
| Other Expenses | | 1,561,300 | 666,611 |
| Depreciation | | 202,822,460 | 192,264,163 |
| Interest and Finance Charges | 12 | 23,454,198 | 17,866,079 |
| **TOTAL EXPENDITURE** | | **11,976,513,954** | **8,190,442,622** |
| Net Profit / (Loss) before prior period adjustments | | (3,363,313,718) | (862,953,379) |
| Net Prior Period Credits / (Charges) | | - | - |
| **Profit / (Loss) before Extraordinary Items** | | **(3,363,313,718)** | **(862,953,379)** |
| Less : Extraordinary Items | | - | - |
| **Profit / (Loss) before Tax** | | **(3,363,313,718)** | **(862,953,379)** |
| Less : Provision for Tax | | - | - |
| **Profit / (Loss) After Tax** | | **(3,363,313,718)** | **(862,953,379)** |
| Profit / (Loss) brought forward from previous year | | (1,442,344,336) | (579,390,957) |
| Balance carried to Balance Sheet | | **(4,805,658,054)** | **(1,442,344,336)** |

| PUDUCHERRY ELECTRICITY DEPARTMENT | | |
|---|---|---|
| CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2012 (UNAUDITED) | | |
| **Particulars** | **2011-12** | **2010-11** |
| **A. Cash flow from operating activities** | | |
| **Net profit / (loss) before tax** | **(3,363,313,718)** | **(862,953,379)** |
| Adjustment for : | | |
| Depreciation | 202,822,460 | 192,264,163 |
| Interest Income | (2,636,453) | (1,490,037) |
| Interest Expenses / Financial Charges | 10,233,299 | 10,666,128 |
| **Operating profit / (loss) before working capital changes** | **(3,152,894,413)** | **(661,513,125)** |
| **Changes in Working Capital** | | |
| (Increase) / Decrease in Inventories | 49,112,295 | (39,737,424) |
| (Increase) / Decrease in Debtors | (60,610,859) | (658,877,280) |
| (Increase) / Decrease in Loans & Advances | (39,169,173) | 214,076,849 |
| Increase / (Decrease) in Trade Payables & Provisions | 1,845,089,419 | 44,114,914 |
| **Cash generated from operations** | **(1,358,472,731)** | **(1,101,936,066)** |
| Less: Direct taxes paid | | |
| - Income Tax | - | - |
| - Fringe Benefit Tax | - | - |
| - Wealth Tax | - | - |
| **Net cash from operating activities** | **(1,358,472,731)** | **(1,101,936,066)** |
| **B. Cash flow from investing activities** | | |
| (Increase) / Decrease in Fixed Assets | (263,933,456) | (348,457,006) |
| (Increase) / Decrease in Capital WIP | (173,827,586) | 30,395,368 |
| Interest received | 2,636,453 | 1,490,037 |
| **Net cash from investing activities** | **(435,124,589)** | **(316,571,601)** |
| **C. Cash flow from financing activities** | | |
| Increase in Government Fund | 1,756,914,600 | 1,449,968,843 |
| Increase in Long term loan from PFC | 45,000,000 | - |
| Increase in Calamity relief fund | 60,043,000 | - |
| Repayment of finance lease | (16,517,891) | (15,219,067) |
| Interest and Finance Charges | (10,233,299) | (10,666,128) |
| **Net cash flow from financing activities** | **1,835,206,411** | **1,424,083,648** |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 41,609,090 | 5,575,981 |
| Opening Balance of Cash and Cash Equivalents | 58,722,305 | 53,146,325 |
| **Closing Balance of Cash and Cash Equivalents** | **100,331,395** | **58,722,306** |

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR FY 2011-12

### SCHEDULE -1
### CALAMITY RELIEF FUND

| Sr.No. | Particulars | | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|---|
| 1 | Amount received from Prime Minister's Relief Fund for relief from damage caused by Thane Cyclone | 100,000,000 | | |
| 2 | Less: Operations & Maintenance Expenses incurred | 39,957,000 | | |
| 3 | Less: Book Loss on Fixed Assets Damaged | 18,348,269 | | |
| 4 | Closing Balance of Calamity Fund<br>[Refer Note 4 of Part B of Notes to Accounts] | | 41,694,731 | - |
| | **TOTAL** | | **41,694,731** | **-** |

### SCHEDULE - 2
### SECURED LOANS

| Sr.No. | Particulars | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| 1 | Finance Lease Liability [Refer Note 5]<br>(The lease is relating to the System Control Centre) | 115,055,158 | 131,573,049 |
| | **TOTAL** | **115,055,158** | **131,573,049** |

### SCHEDULE - 4
### SUNDRY DEBTORS

| Sr.No. | Particulars | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| 1 | Sundry Debtors for Sale of Power<br>[Refer Note 8] | 2,656,911,179 | 2,469,104,850 |
| 2 | UI Charges receivable | 207,265,354 | 257,473,304 |
| 3 | Receivable from Other Department for Sale of materials | 494,580 | 221,235 |
| 4 | Unbilled Debtors | 496,020,125 | 573,280,989 |
| | **TOTAL** | **3,360,691,237** | **3,300,080,378** |

## SCHEDULE - 5
## CASH & BANK BALANCES

| Sr.No. | Particulars | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| 1 | Cash in hand | 138,072 | 2,189,241 |
| 2 | Cheques in hand | 341,969 | 6,160,554 |
| 3 | Margin money with Bank | 54,851,354 | 50,372,510 |
| 4 | Balance with SBI | 45,000,000 | - |
| | **TOTAL** | **100,331,395** | **58,722,305** |

## SCHEDULE - 6
## LOANS & ADVANCES

| Sr.No. | Particulars | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| 1 | Other Income receivable | 273,417 | 9,022,862 |
| 2 | Lease advances | 3,181,591 | 3,100,000 |
| 3 | Advances to Creditors | 67,189,032 | 31,260,915 |
| 4 | Tariff Subsidy receivable | 28,622,931 | 16,714,021 |
| 5 | Prepaid Expenses | - | - |
| | **TOTAL** | **99,266,971** | **60,097,798** |

## SCHEDULE - 7
## CURRENT LIABILITIES & PROVISIONS

| Sr.No. | Particulars | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| 1 | Consumer Deposits<br>[Refer Note 10 of Part B of Notes to Accounts] | 730,291,046 | 642,474,352 |
| 2 | Consumer Contribution for Deposit Works | 53,457,709 | 32,201,521 |
| 3 | Sundry Creditors for power purchase | 1,925,498,861 | 1,380,200,281 |
| 4 | Interest Payable on Finance Lease | 787,890 | 901,003 |
| 5 | Other Liabilities | 899,973 | 1,011,604 |
| 6 | Vendor/Contractor Deposits | 4,222,782 | 2,432,268 |
| 7 | Provision for Power Purchase<br>[Refer Note 3(a) of Part B of Notes to Accounts] | 1,178,220,392 | - |
| 8 | Provision for Other Expenses | 22,783,170 | 2,208,179 |
| 9 | Sales Tax Payable<br>[Refer Note 11 of Part B of Notes to Accounts] | 25,575,605 | 26,983,117 |
| 10 | Un-reconciled balance on account of Fixed assets<br>[Refer Note 7 of Part B of Notes to Accounts] | - | 8,235,683 |
| | **TOTAL** | **3,941,737,428** | **2,096,648,008** |

## SCHEDULE - 8
## REVENUE FROM SALE OF POWER

| Sr.No. | Particulars | Year ended 31st March 2012 | Year ended 31st March 2011 |
|---|---|---|---|
| 1 | LT Consumers | 1,915,178,559 | 1,547,976,746 |
| 2 | HT Consumers | 4,986,227,173 | 4,639,827,062 |
| 3 | Government Buildings | - | 6,543,942 |
| 4 | Street Light Charges | 62,099,259 | 65,477,056 |
| 5 | Agriculture | 6,716,275 | 48,380,343 |
| 6 | Tariff Subsidy on Sale of Power | 11,908,910 | 15,102,883 |
| | | **6,982,130,176** | **6,323,308,032** |
| Add | Un-billed revenue as at the end of the year | 496,020,124 | 573,280,989 |
| Less | Un-billed revenue as at the beginning of the year | 573,280,989 | 505,761,812 |
| | **Revenue from Sale of Power** | **6,904,869,312** | **6,390,827,209** |
| 7 | UI Charges for the year | 1,677,804,358 | 870,517,032 |
| | | **8,582,673,669** | **7,261,344,241** |

## SCHEDULE - 9
## OTHER INCOME

| Sr.No. | Particulars | Year ended 31st March, 2012 | Year ended 31st March, 2011 |
|---|---|---|---|
| 1 | Sale of Trading Materials | 1,756,463 | 751,604 |
| 2 | Interest Income on Margin Money Deposit with Bank | 2,636,453 | 1,490,037 |
| 3 | Other receipts | 26,133,650 | 63,903,360 |
| | **TOTAL** | **30,526,566** | **66,145,002** |

## SCHEDULE - 10
## EMPLOYEE COSTS

| Sr.No. | Particulars | Year ended 31st March, 2012 | Year ended 31st March, 2011 |
|---|---|---|---|
| 1 | Salary | 664,373,642 | 673,809,932 |
| 2 | Wages | 1,200,000 | 8,520,000 |
| 3 | Stipend | 3,153,000 | 2,217,000 |
| 4 | Overtime Payment | 9,468,000 | 7,603,000 |
| | | 678,194,642 | 692,149,932 |
| Less | Departmental Charges [Refer Note 15] | 17,540,364 | 18,888,746 |
| Less | Salary Costs Capitalized [Refer Note 13] | 94,003,000 | 118,844,462 |
| | **TOTAL** | **566,651,278** | **554,416,724** |

## SCHEDULE - 11
## ADMINISTRATION & GENERAL EXPENSES

| Sr.No. | Particulars | Year ended 31st March, 2012 | Year ended 31st March, 2011 |
|---|---|---|---|
| 1 | Office Expenses | 16,012,537 | 16,888,223 |
| 2 | Other Miscellaneous Expenses | 26,867,525 | 20,171,850 |
| | **TOTAL** | **42,880,062** | **37,060,073** |

## SCHEDULE - 12
## INTEREST AND FINANCE CHARGES

| Sr.No. | Particulars | Year ended 31st March, 2012 | Year ended 31st March, 2011 |
|---|---|---|---|
| 1 | Interest Charges on Finance Lease [Refer Note 14 of Part B of Notes to Accounts] | 10,233,299 | 10,666,128 |
| 2 | Bank Charges | 13,220,899 | 7,199,951 |
| | **TOTAL** | **23,454,198** | **17,866,079** |

## SCHEDULE 3 - FIXED ASSETS SCHEDULE FOR FY2011-12

| | | Amounts in Rs. Lakhs | | | | Amounts in Rs. Lakhs | | | | | | Amounts in Rs. Lakhs | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Gross block | | | | Depreciation | | | | | | Net block | |
| Assets group number | Assets group description | Opening balance as on 1-4-2011 | Additions during the period | Deductions during the period | Cost at the end of the year | Opening balance as on 1-4-2011 | Depreciation on Opening Balance | Depreciation on additions during the period | Depreciation for the year | Depreciation On Deductions during the period | Total at the end of the year | At the end of current year – as on 31-3-2012 | At the end of previous year - as on 31-3-2011 |
| 1 | Land and land rights | | | | | | | | | | | | |
| | *Sub Stations* | 421.16 | 278.64 | - | 699.80 | - | - | - | - | - | - | 699.80 | 421.16 |
| | *Other* | 33.77 | 1.22 | - | 35.00 | - | - | - | - | - | - | 35.00 | 33.77 |
| | | | | | | | | | | | | | |
| 2 | Buildings | | | | | | | | | | | | |
| | *Sub Stations* | 869.48 | - | - | 869.48 | 307.25 | 30.95 | - | 30.95 | - | 338.20 | 531.27 | 562.23 |
| | *Other* | 500.74 | - | - | 500.74 | 179.49 | 13.98 | - | 13.98 | - | 193.47 | 307.26 | 321.25 |
| | | | | | | | | | | | | | |
| 3 | Plant and machinery | | | | | | | | | | | | |
| | *Sub Stations* | 14,159.49 | 35.66 | 118.66 | 14,076.50 | 6,936.59 | 621.21 | 1.69 | 622.90 | 71.18 | 7,488.32 | 6,588.18 | 7,222.90 |
| | *Transformers* | 10,261.45 | 1,402.08 | 150.77 | 11,512.77 | 3,949.98 | 467.71 | 66.63 | 534.34 | 69.34 | 4,414.99 | 7,097.78 | 6,311.47 |
| | | | | | | | | | | | | | |
| 4 | Lines and cable network | | | | | | | | | | | | |
| | *Sub Station and Others* | 16,162.60 | 875.24 | 155.26 | 16,882.57 | 8,073.12 | 611.77 | 41.59 | 653.36 | 100.70 | 8,625.78 | 8,256.79 | 8,089.48 |
| | | | | | | | | | | | | | |
| 5 | Vehicles | | | | | | | | | | | | |
| | *Sub Station and Others* | 182.44 | 6.50 | - | 188.94 | 138.52 | 8.33 | 0.62 | 8.95 | - | 147.47 | 41.47 | 43.92 |

| | | Amounts in Rs. Lakhs | | | | Amounts in Rs. Lakhs | | | | | | Amounts in Rs. Lakhs | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Gross block | | | | Depreciation | | | | | | Net block | |
| Assets group number | Assets group description | Opening balance as on 1-4-2011 | Additions during the period | Deductions during the period | Cost at the end of the year | Opening balance as on 1-4-2011 | Depreciation on Opening Balance | Depreciation on additions during the period | Depreciation for the year | Depreciation On Deductions during the period | Total at the end of the year | At the end of current year – as on 31-3-2012 | At the end of previous year - as on 31-3-2011 |
| 6 | Furniture and fixtures | | | | | | | | | | | | |
| | *Sub Station and Others* | 10.81 | - | - | 10.81 | 6.29 | 0.48 | - | 0.48 | - | 6.77 | 4.04 | 4.52 |
| 7 | Office equipment (Office equipment, telephones & Telephone lines, Radio and high frequency carrier system (VHF)) | | | | | | | | | | | | |
| | *Sub Station and Others* | 83.79 | - | - | 83.79 | 52.18 | 4.33 | - | 4.33 | - | 56.50 | 27.29 | 31.62 |
| 8 | IT equipment (Computers etc.) | | | | | | | | | | | | |
| | *Sub Station and Others* | 166.99 | 12.10 | - | 179.09 | 129.46 | 6.82 | 1.63 | 8.45 | - | 137.91 | 41.18 | 37.53 |
| 9 | Testing &Measuring Equipment | | | | | | | | | | | | |
| | *Sub Station and Others* | 304.26 | 27.89 | - | 332.15 | 176.37 | 15.27 | 1.33 | 16.59 | - | 192.96 | 139.19 | 127.89 |
| 10 | *SCADA Centre* | | | | | | | | | | | | |
| | *Sub Station and Others* | 2,676.78 | - | - | 2,676.78 | 1,193.12 | 133.89 | - | 133.89 | - | 1,327.01 | 1,349.77 | 1,483.66 |
| | **Total** | **45,833.75** | **2,639.33** | **424.69** | **48,048.40** | **21,142.37** | **1,914.74** | **113.49** | **2,028.22** | **241.21** | **22,929.38** | **25,119.01** | **24,691.38** |

***SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***

## 1. Background

Puducherry Electricity Department (PED) is a part of the Government of Puducherry. It is responsible for distribution and supply of electricity in Puducherry, Karaikkal, Mahe and Yanam regions of the Union Territory of Puducherry. PED is governed by the Electricity Act 2003, as a deemed licensee.

After the enactment of The Electricity Act 2003, it is mandatory for all electricity utilities to file their Annual Revenue Requirement and Tariff Proposal in the form of a petition before the respective State Electricity Regulatory Commission. The Commission after hearing all the stake holders, issues an appropriate order on the ARR and Tariff Proposal. The Department had filed its first proposal for tariff fixation /revision for the year 2009-10 and a Tariff Order was passed in February 2010.

Being a Government Department, the PED maintained its books of accounts as per the Government system of accounting, which essentially is cash based and to some extent a partial system of single and double entry accounting. In other words, as typical to any other entity that maintains its accounts based on a commercial accounting system, the PED did not prepare its Profit & Loss Account, Balance Sheet and Cash Flow Statement at the end of the year. Further since there was no concept of Balance Sheet, the fixed assets were not capitalized and fixed assets records were not kept in the manner required as in the case of any commercial organization.

In the Tariff Order which was passed in February 2010, the JERC had given a directive to the PED that it must prepare separate Financial Statements and get the same audited. The Department was directed to prepare Accounting Statements which includes Balance Sheet, Profit and Loss Account, Cash Flow Statement, Auditor's Report, etc., together with notes and such other supporting statements and submit the same along with the next ARR and Tariff Petition.

To comply with the directive given by JERC, accounts under accrual basis were first prepared by the PED for the financial year 2009-10 followed by 2010-11. The said accounts for these two years are accompanied by a detailed methodology on how the opening balance sheet was prepared as on 31st March 2009. The accrual based accounts were accompanied with a detailed asset register and depreciation register. These registers were prepared based on physical verification of the assets and ascertained their current condition and use.

It may be noted that the PED still continues to be a department of the Government of Puducherry and therefore as of date still continues to maintain its books of accounts as per the Government system of accounting. This would continue to be the case, till such time the PED is corporatized into a separate entity under the Companies Act 1956. Therefore, the Financial Statements attached as a part of this ARR petition have been prepared solely for the purposes of complying with the JERC's directives and must be read and interpreted in that context.

The paragraphs below outline the methodology adopted for the preparation of the Financial Statements. As indicated above, the base records continue to be the cash based Government system of accounting and books of accounts maintained therein. Several adjustments have been carried out to the base amounts indicated in the Government system of accounts to arrive at the Profit and Loss Account, Balance Sheet and Cash Flow Statement for the financial year2011-12. These will continue to be done till such time the corporatization of the PED is carried out. At that point of time, the corporatized entity will adopt the new commercial basis of accounting and carry out the process of first time conversion in its maintenance of its basic books of accounts on accrual basis.

## 2. Basis of the Financial Statements

The Department prepares its annual receipts and expenditure statement on cash basis, which is audited by the state unit of the Comptroller and Auditor General. These audited amounts are compiled across all departments by the Department of Treasury, Government of Puducherry and the Audited State Annual Accounts of the Government of Puducherry are prepared and published. On its part, the Electricity Department reconciles its annual receipts and expenditure statements (called as financial progress statements) with the Department of Treasury. Since the published Audited State Annual Accounts are prepared for the State as whole (taking all departments across the Government), some of the account heads and amounts pertaining to the Electricity Department are rolled up at a higher level. However the financial progress statements (duly reconciled with the Department of treasury) contain details of all the account heads used by the Electricity Department. **Thus it may be noted that the detailed head wise amounts as per the financial progress statements (which are on cash basis) are duly reconciled with the Department of Treasury and form part of published Audited State Annual Accounts by the CAG of India.**

The above duly reconciled figures on cash basis have formed the base documents for the compilation of the financial statements. The amounts reported in these financial progress statements are adjusted to reflect the accrual basis of accounting and other adjustments required for conforming to Generally Accepted Accounting Principles have been made. Therefore, whereas the amounts as per the financial progress statements are reconciled numbers as indicated above, the adjustments have made to these numbers based on a detailed review and scrutiny of the cash based accounts by the PED.

The accounts have been prepared under accrual basis and Financial Statements have been prepared using the formats generally followed by corporate bodies in India. It may be noted that the PED is not a company incorporated under the Companies Act 1956, and therefore is not necessarily required to adopt the new Schedule VI format. Further, the accounts have been prepared for the department as a whole being a single entity controlling all regions for both transmission and distribution business.

It may please be noted that for the financial year 2011-12, the State Accounts were not published till the date of preparation of these accrual based financial statements of the PED. Hence, differences (if any) between the State Accounts and these accrual based financial statements are unascertainable.

## 3. Revenue Recognition

Revenue from sale of power is accounted on accrual basis. The sale of power is as per the tariff fixed by concerned authority. Revenue is accounted for on the basis of demand bills raised on the consumers of the Union Territory of Puducherry. Revenue for the year is also adjusted for the un-billed revenue of the previous year and current year on estimated basis. Revenue from sale of power is recognized net of sales tax/value added tax.

## 4. Fixed Assets

All Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed assets includes cost incurred/money spent in acquiring or installing or constructing fixed asset, and the salary cost of the employees who are deployed on the project / work.

Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset is capitalized and included in the cost of fixed asset.

Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at NIL value. Cost of land improvements such as leveling, filling or any other developmental activity is capitalized as a part of the cost of building.

Transmission network assets (Sub Stations and transmission lines) and Distribution network assets are capitalized in the year of commissioning. All costs are taken at net of devolution. Devolution is the process by which materials are transferred to the store at a reduced rate and later reissued at a weighted average rate of all such items.Storage charges at 2.5% of material costs and supervision charges at 17% of total costs are capitalized as overhead allocations.

Fixed Assets are eliminated from the financial statement, either on disposal or on retirement from active use or on becoming redundant. Generally, such assets are disposed off thereafter as per the policy of the department. Depreciation

The CERC has notified the rates of depreciation on fixed assets with effect from 01.04.2009 as per Notification No. L-7/145/160/2008-CERC dated 19.01.2009 and the same have been adopted by the department in calculating the depreciation on fixed assets.

Based on the above, the depreciation is calculated at following rates:

| Description of Assets | Rate of Depreciation |
|---|---|
| Land and Land Rights | - - |
| Building | 3.34% |
| Plant and Machinery | 5.28% |
| Lines and Cables | 5.28% |
| Office Equipment | 6.33% |
| IT Equipment | 15.00% |
| Vehicles | 9.50% |
| Furniture and Fixtures | 6.33% |

Depreciation is calculated annually based on straight-line method over the useful life of the asset under historical cost. The residual value of all the assets is considered as 10%.

## 5. Capital Work in Progress

Materials issued to Capital Works in progress are valued at cost of purchase. Capital Work in Progress includes the stock of material received under Direct Debit to works as well as material at site and proportionate storage and supervision charges on the material issued for the works. Capital Advances given to vendors / contractors are also clubbed under the head of Capital Work in Progress. The sub-station related assets are capitalized in the year of commissioning.

## 6. Inventory

Inventories, stores and spares are valued at cost; which is determined based on Weighted Average. Inventories issued to the Sections under various Schemes / Work / Project are considered as consumed at the time of issue. The closing inventory as on year end with the sections is added back to the inventory by reversing the consumption.

## 7. Salary Costs and Retirement Benefits

Salary and other cost (other than retirement benefits) are recognized on accrual basis. The retirement benefits other than Pension are recognized on ‘Pay As You Go’ basis.  Pension payment is managed by the Government so the department does not account for the same in the accounts.

### 8. Provision for Bad and Doubtful debts

No provision for bad and doubtful debts has been made in the accounts as the reconciliation of the sundry debtors is in progress. On completion, the PED will decide on the policy for provisioning for bad and doubtful debts and accordingly give effect of the same in the accounts in the financial year in which the process of reconciliation is completed.

### 9. Consumer Contribution

Contribution received from consumers towards assets / works is disclosed as liabilities net of capital expenditure incurred till year end under Deposit Works. In case of completed works, the respective fixed assets created/acquired partly/wholly from consumer contribution, are accounted net of the consumer contribution.

### 10. Power Purchase

Power purchase costs are accounted based on the total number of units purchased during the year from the Power Generators allocated to PED by the Ministry of Power, Government of India. Apart from the power units purchased from Power Generators, Power Purchase Cost also includes transmission and wheeling charges paid to companies like Power Grid Corporation of India Ltd. and Karnataka Power Transmission Corporation Limited. The Power Purchase Cost is net of rebate received on account of advance and / or prompt payments made by the department.

All invoices, revision invoices, debit notes and credit notes received from Power Suppliers (i.e. Power Generating/Power Transmission / Power Wheeling Companies) are accounted in the same financial year in which they are received by PED.Many invoices, revision invoices, debits notes and credit notes contain charges (or credit) pertaining to Power Purchased by the PED in prior years. This is because of time lag between Power Purchase and orders passed by the respective regulatory commissions (governing the respective power suppliers) or due to the time lag between Power Purchase and refunds / liabilities arising to the power supplier on account of tax assessments, etc., which have to be recovered from the PED or refunded to the PED.

### 11. Finance Lease

Assets taken on finance lease are accounted for as fixed assets. Accordingly, the assets are accounted at the values certified by the developer. Lease payments are apportioned between finance chargeand outstanding liability. Interest expense on the outstanding amount is recognized in the Profit and Loss account as period cost.

### 12. Use of estimates

The preparation of financial statements requires the PED of the department to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The PED believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include unbilled revenue etc.

## PART B: NOTES FORMING PART OF ACCOUNTS

(1) The cash-based Financial Progress Statement (duly reconciled with Department of Accounts and Treasury) forms the basis of preparation of financial statements. Appropriate adjustments are made to it for converting the cash-based statement to accrual based accounts. The adjustments include provision for outstanding liabilities, accruing of receivables, accounting for unbilled revenue, accounting for loans and advances, capitalization of expenditure etc.

(2) Contingent Liabilities :

(a) Details of Unexpired Letters of Credit (L/Cs) are as follows :

| Name of the Generating Station | Value of the L/C As on 31.03.2012 Rs.Crores | Expiry Date | Value of the L/C As on 31.03.2011 Rs.Crores | Expiry Date |
|---|---|---|---|---|
| NPCIL - MAPS | Rs. 0.75 | 11-Oct-2012 | Rs.0.50 | 11-Oct-2011 |
| NPCIL - Kaiga | Rs. 5.37 | 09-Oct-2012 | Rs.2.50 | 09-Oct-2011 |
| PGCIL | Rs. 6.19 | 12-Oct-2012 | Rs.5.00 | 12-Oct-2011 |
| NTPC | Rs. 37.81 | 02-Oct-2012 | Rs.33.96 | 28-Oct-2011 |
| | | | Rs.36.91 | 02-Oct-2011 |
| **Total** | **Rs. 50.12 Crores** | | **Rs.78.87 Crores** | |

(b) Contingent Liability Related to Power Purchased from Pondicherry Power Corporation Ltd. (PPCL):
During the year 2011-12, the Puducherry Power Corporation Ltd. (PPCL) has demanded a surcharge of Rs. 26.52 Crores for outstanding amount not paid to it by PED. The total outstanding amount of Rs. 65.65 Crores relates to power purchased by PED during April 2008 to March 2011 which remains unpaid as on 31.3.2012. If this surcharge is not waived by PPCL, then PED may have to pay Rs. 26.52 Crores to PPCL.

(c) Contingent Liability Related to Power Purchase from Tamil Nadu Electricity Board (TNEB):
In respect of purchase of power from the Tamil Nadu Electricity Board (TNEB), the power availed are charged at the rate paid by TNEB to NLC plus wheeling charges. The TNEB has revised the tariff to Rs. 3.00 per kWh with effect from 01/12/2001 treating PED as a HT consumer. The PED has challenged this decision by filing a petition before Hon'ble TNERC. The Hon'ble TNERC concluded that the sale of power between PED and TNEB was in the nature of interstate sale of power and PED cannot be treated as a HT consumer and ordered to maintain Status quo. The PED has challenged this in the Hon'ble High Court of Judicature, at Madras and stay was granted and the Hon' High Court directed payment to TNEB at the rate charged by NLC plus wheeling charges.

During the year 2012-13, the Hon'ble High Court of Madras (in an interim order) directed the PED to pay differential cost as per the revised CERC tariff order pertaining to NLC TS-I for the period from April 2009 to August 2012. Accordingly, PED has paid an amount of Rs. 143.58 Crores in November 2012, breakup of which is given hereunder:

| Year (of power purchase) pertaining to which the differential amt. has been paid to TNEB | Differential Amt. Paid to TNEB (in Rs. Crores) |
|---|---|
| 2009-10 | 31.61 |
| 2010-11 | 40.67 |
| 2011-12 | 45.54 |
| *Sub-Total (A)* | *117.82* |
| 2012-13 | 25.76 |
| *Sub-Total (B)* | *25.76* |
| **Total = (A) + (B)** | **143.58** |

Based on the payment details given above, a provision for Rs. 117.82 Crores (relating to Power Purchased during 2009-10, 2010-11 and 2011-12) has been made in the books of accounts and the amount has been included in Power Purchase Cost for the year.

The dispute for power purchased before April 2009 and Late Payment Penalty charged by TNEB is still unresolved and the matter is pending with the High Court. The estimated differential amounts, which would be outstanding as on the respective dates, if the revised tariff and penalty for late payment (as sought by the TNEB) is approved by the Hon' High Court are as follows :

| Statement showing changes in Contingent Liability related to Power Purchased from TNEB | Rs. Crores |
|---|---|
| **Contingent Liability as on 31.03.2011** | **333.92** |
| Less: Provision made in 2011-12 accounts based on tariff differential amount paid to TNEB in November 2012 | 117.82 |
| Add: Late payment penalty levied by TNEB during the year but not paid by PED due to dispute | 4.12 |
| **Contingent Liability as on 31.03.2012** | **220.22** |

(3) Power Purchase Cost

(a) As indicated above in Note 2(c), Power Purchase Cost for the year includes Provision of Rs. 117.82 Crores made on account of tariff differential payment made to TNEB in November 2012.The amount of Rs. 117.82 Crores includes tariff differential related to Power Purchased by the PED in (i) 2011-12 = Rs. 45.54 Crores (ii) Prior financial years i.e. 2009-10 and 2010-11= Rs. 72.27 Crores

(b) Power Purchase invoices, revision invoices, debit and credit notes have been received from Power Suppliers (i.e. Power Generating, Transmission & Wheeling companies) in the financial year 2011-12 which include charges/credit pertaining to Power Purchased by the PED in prior financial years. These invoices were raised in the year 2011 – 2012 because of the orders passed by the respective regulatory commissions governing the respective Power Suppliers or due to the refunds / liabilities arising to the Power Suppliers on account of tax assessments, etc., which have to be recovered from (or credited to) the PED. The Power Suppliers from whom such invoices, revision invoices, debit and credit notes were received in 2011-12 are as follows:

| **Value of Invoices/Debit Notes/Credit Notes received in Current Financial Year but pertain to Power Purchased by the PED in Prior Financial Years** | |
|---|---|
| **Power Supplier** | **Rs.Crores** |
| NTPC | (7.38) |
| NLC | 53.07 |
| PGCIL | 22.65 |
| NPCIL – Kaiga | 1.85 |
| NPCIL – Madras | 0.24 |
| KSEB | 0.26 |
| **Total** | **70.69** |

In addition to the above figure of Rs. 70.69 Crores, Power Purchase cost for the year 2011-12 includes provision of Rs. 72.27 Crores which pertains to differential tariff payment made to TNEB for Power Purchased from it in 2009-10 and 2010-11 [See Note 3 (a)]. The total of these two amounts i.e. Rs. 142.97 Crores has been shown as an explanatory note on the face of Profit & Loss Account below the heading of "Purchase of Power".

(4) Calamity Relief Fund

In last week of December 2011, Thane Cyclone hit the coast of TamilNadu and Puducherry and damaged several transmission and distribution assets of the PED. Due to the impact of Thane Cyclone, Seven substations and several O&Ms were impaired.

To provide relief from the loss caused due to this natural calamity, the Government of India (through the State Government of Puducherry) gave a grant of Rs. 10 Crores to the PED from the Prime Minister's Relief Fund. Since the relief amount received can be used only for restoration and/or replacement of assets damaged by Thane Cyclone, a separate account head of "Calamity Relief Fund" has been created in the books of accounts and shown in the Financial Statements.

The accounting for Calamity Relief Fund has been done as under:

- O&M expenses incurred and Books Loss on Fixed Assets damaged - Since the loss caused by Thane Cyclone is of extraordinary nature and as a specific Government Grant was received for calamity relief, instead of charging the Profit & Loss account, the following items have been netted off against the Calamity Relief Fund:

| Details of amounts netted off against calamity fund | Rs. Crores |
|---|---|
| Amount received in Calamity Relief Fund | **10.00** |
| Less: Items netted off against Calamity Relief Fund | **5.83** |
| • *Operations & Maintenance Expenses for restoration of damaged assets* | *4.00* |
| • *Books Loss on Fixed Assets damaged due to Thane Cyclone (refer the succeeding table)* | *1.83* |
| **Closing Balance of Calamity Relief Fund taken to Balance Sheet** | **4.17** |

Table showing Books Loss onFixed Assets damaged due to Thane Cyclone:

| Particulars | Amt. in Rs. Crores |
|---|---|
| Gross Block of Fixed Assets damaged by Thane Cyclone | 4.24 |
| Accumulated Depreciation on above(including depreciation for the year) | 2.41 |
| Scrap value realized | ---- |
| Loss due to Fixed Assets damaged by Thane Cyclone | 1.83 |

Table showing quantitative details of the major fixed assets damaged by Thane Cyclone:

| Fixed Asset Damaged | Quantity | Unit of Measurement |
|---|---|---|
| Transformers | 31 | Nos. |
| Conductor | 527.25 | KMs |
| DP Structure | 53 | Nos. |

(5) In the financial year 2002 – 2003, the Department had entered into a finance lease with the Power Grid Corporation of India Ltd. (PGCIL) for development of System Control Centre. The total amount incurred for the development of the center is Rs. 24.36 Crores, of which Rs. 23.07 Crores has been covered under the finance lease. The liability towards the finance lease transaction has been shown as a Secured Loan in the Financial Statement.

(6) During the year, the PED has received first instalment of Rs 4.5 Crores under theR-APDRP (Restructured Accelerated Power Development Reforms Project) scheme. The scheme involves grant of loan from Government of India [through the nodal agency Power finance corporation (PFC)] to the Union Territory of Puducherry. Total tenure of the loan is 10 years (which includes a 3 year moratorium period). Further, as per the terms of the scheme, if the PED achieves objectives of the scheme within 3 years, then the loan shall be converted into a grant.

(7) During the year the opening balance of Fixed Assets Adjustment account was transferred to Government Fund account. The opening balance of Rs. 0.82 Crores pertained to un-reconciled difference between Total Capital Cost as per State Accounts and Fixed Assets Schedule of PED.

(8) Sundry Debtors

(a) Total collection from Sundry Debtors includes Rs. 0.001 Crores as on 31.3.2012 and Rs. 0.22 Crores as on 31.03.2011 as Cash In-hand. Similarly, it also includes Rs. 0.034 Crores as on 31.3.2012 and Rs. 0.62 Crores as on 31.03.2011 as Cheque-In-hand.

(b) The Sundry Debtors outstanding are calculated based on the following formula: Opening Balance + Billing for the Year – Collection during the Year. There is an un-reconciled difference of Rs. 38.10 Crores as on 31.3.2012 (Rs. 46.65 Crores as on 31.03.2011) between the arrears details given by the department and balance as per the above method.

(9) Investment in Puducherry Power Corporation Limited, a power generating company, is in the name of the Government of India; however the related shares are in the custody of PED. PED acts as the custodian of the shares. Hence, these shares are not considered as an investment of the PED.

(10) Consumers provide security deposits either in the form of cash or FDR or Bank Guarantee. As on 31.03.2012, the department is holding FDR of Rs. 53.18 Crores and Bank Guarantee of Rs. 33.20 Crores as security deposits. The amount received in the form of cash is deposited with the DAT in K Deposit account and the total amount outstanding on account of security deposit is included in the Consumer Deposit account along with other deposits disclosed in the Schedule 6 of the Balance Sheet.

As per the directives issued by JERC in its latest Tariff Order dated 16th June 2012, PED needs to pay / provide interest on the deposits taken from the consumers. However, PED has not made any provision for the interest in the accounts on the deposit amount because the total amount outstanding on account of Security Deposits is not ascertainable. The department is in the process of reconciling the deposit account to ascertain the liability toward the security deposit and the provision will be made once the liability is determined.

(11) Value Added Tax (sales tax) on sale of power became applicable to PED with effect from 7th November 2009. PED charges the tax on sale of power to the various consumers as per the provision of the relevant act and pays it to the commercial tax department accordingly. The PED recognizes the sales tax liability in the accounts on collection basis and pays to the commercial department within seven days of the next month. The amount which is collected from the consumers and not paid to the Commercial Tax department is shown as a Liability in the Balance Sheet.

(12) Sale of Power:

(a) The sale of power for the year includes Rs. 49.60 Crores as Un-billed revenue (previous year Rs. 57.33 Crores) and same is debited in Un-Billed Debtors account in Balance Sheet. It also includes UI income for the year Rs. 167.78 Crores (previous year Rs. 87.05 Crores).

(b) The subsidy on sale of Power for the year is Rs. 1.19 Crores (previous year Rs. 1.51 Crores) and included in the sale of power.

(c) PED, in April 2011, had petitioned the Hon'ble JERC to enable it to recover the increase in fuel prices for the period April 2010 to March 2011, from its consumers. The Hon'ble JERC has approved the same through its order issued in August 2011 and allowed it to recover an amount of Rs. 46.4 Crores as fuel adjustment charges over a period from September 2011 to March 2012. This recovery has been accounted in the financial year 2011-12 and is included under the head of Sale of Power.

(13)The Electricity Department has been accounting for procurement of office equipment, furniture, IT equipment and motor vehicles under O&M and Administration & General expenses heads. Since this constitutes fixed assets, the expenditure capitalized and not charged to the Profit and Loss account are as follows:

- Salary Expenses: Rs. 9.40 Crores (Rs. 11.88Crores previous year)
- Operations and Maintenance Expenditure: Rs. 0.35Crores(Rs. 2.17Crores previous year)
- Administration and General Expenses: Rs. 0.12 Crores (Rs. 0.09 Crores previous year)

(14)Total interest expense for the year on the lease transaction is Rs. 1.02Crores (Rs.1.07Crores previous year). It is net of Rs. 0.07Crores received (Rs. 0.07 Crores previous year) as rebate for early / prompt payment of Outstanding Loan on account of Finance Lease.

(15)For the financial year 2011-12, there is a difference of Rs. 1.55 Crores between the value of departmental charges credited to other receipts account as per manual workings done by the personnel of BED department and the corresponding value of departmental charges as per Work Order details generated by the system.

(16)The previous year figures have been regrouped or reclassified in the financial statements wherever required.

## Annexure 2

# Regulatory Formats

## Annual Revenue Requirement for the Year 2013-14

**Table 84: Format1: Energy Demand**

| | FY2011 - 12 (Actual) | | | FY2012 - 13 (Revised Estimate) | | | 1HY12-13 | FY2013 - 14 (Projections) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Consumers [No] | Connected load [HP / kVA] | Sales [MU] | Consumers [No] | Connected load [HP / kVA] | Sales [MU] | Sales [MU] | Consumers [No] | Connected load [HP / kVA] | Sales [MU] |
| **Domestic** | 246,437 | | 537.4 | 254,005 | | 567.7 | 278.8 | 264,298 | | 615.9 |
| **Hut services** | 35,466 | | 9.8 | 35,474 | | 9.8 | 4.9 | 35,474 | | 9.8 |
| **Commercial** | 41,943 | | 167.7 | 43,195 | | 179.9 | 92.2 | 44,485 | | 190.1 |
| **Agriculture** | 6,828 | 59,538 | 56.6 | 6,842 | 59,660 | 56.6 | 28.3 | 6,842 | 59,660 | 56.6 |
| **Public lighting** | 48,384 | | 24.0 | 48,436 | | 26.1 | 12.9 | 49,326 | | 28.4 |
| **Industrial** | 5,955 | | 133.6 | 6,035 | | 141.0 | 72.3 | 6,141 | | 154.8 |
| **Water tanks** | 80 | | 50.8 | 80 | | 50.8 | 24.6 | 80 | | 50.8 |
| **Temporary supply** | | | 10.0 | - | | 20.0 | 7.3 | - | | 20.0 |
| **Total LT** | 385,093 | 59,538 | 989.9 | 394,067 | 59,660 | 1,051.9 | 521.3 | 406,646 | 59,660 | 1,126.4 |
| **Industrial** | 401 | 245,630 | 974.6 | 418 | 256,043 | 969.9 | 511.4 | 411 | 251,969 | 969.9 |
| **State & Central govt establishments** | 43 | 14,265 | 45.0 | 46 | 14,265 | 45.0 | 24.8 | 49 | | 50.2 |
| **Industrial EHT** | 7 | 80,495 | 307.8 | 8 | 80,495 | 315.7 | 168.3 | 9 | 80,495 | 323.8 |
| **Temporary supply** | | | 3.7 | - | | | | - | | |
| **Total HT** | 451 | 340,390 | 1,331.1 | 472 | 350,803 | 1,330.7 | 704.4 | 469 | 332,464 | 1,343.9 |
| **Total metered** | 343,250 | | 2,254.6 | 352,223 | | 2,316.1 | 1,192.5 | 364,799 | | 2,403.9 |
| **Total unmetered** | 42,294 | | 66.4 | 42,316 | | 66.4 | 33.2 | 42,316 | | 66.4 |
| **Total** | **385,544** | | **2,321.0** | **394,539** | | **2,382.5** | **1,225.7** | **407,115** | | **2,470.3** |

## Information Regarding ATC&C Loss of the Licensee

Table 85: F2 AT&C Losses

| Particulars | Calculation | Units | FY2011 - 12 (Actuals) | 1HY13 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|---|---|---|
| **Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM.** | A | MU | 235.7 | 119.7 | 234.1 | 234.1 |
| **Input energy (metered Import) received at interface points of DISCOM network** | B | MU | 2,954.0 | 1,510.6 | 2,975.3 | 3,032.1 |
| **Input energy (metered Export) by the DISCOM at interface points of DISCOM network.** | C | MU | 516.5 | 145.9 | 470.9 | 426.8 |
| **Total energy available for sale within the licensed area to the consumers of the DISCOM** | D=A+B-C | MU | 2,673.3 | 1,484.4 | 2,738.5 | 2,839.4 |
| **Energy billed to metered consumers within the licensed area of the DISCOM** | E | MU | 2,254.6 | 1,192.5 | 2,316.1 | 2,403.9 |
| **Energy billed to unmetered consumers within the licensed area of the DISCOM** | F | MU | 66.4 | 33.2 | 66.4 | 66.4 |
| **Total energy billed** | G=E+F | MU | 2,321.0 | 1,225.7 | 2,382.5 | 2,470.3 |
| **Amount billed to consumer within the licensed area of DISCOM.** | H | Rs | 690.5 | 426.6 | 772.3 | 833.8 |
| **Amount realized by the DISCOM out of the amount Billed at H#** | I | Rs | 674.3 | 412.1 | 754.3 | 814.3 |
| **Collection efficiency (%)= Revenue realized/ Amount billed** | J=(I/H)x 100 | % | 97.7% | 96.6% | 97.7% | 97.7% |
| **Energy realized by the DISCOM** | K=J x G | MU | 2,266.7 | 1,184.0 | 2,326.7 | 2,412.4 |
| **Distribution Loss** | L={(DG)/ D}x100 | % | 13.18% | 13.10% | 13.00% | 13.00% |
| **AT&C Loss** | M={(DK)/ D}x100 | % | 15.21% | 20.23% | 15.04% | 15.04% |

## Energy Balance

Table 86: F3 - Energy Balance

| Item | FY2011 - 12 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|
| **ENERGY REQUIREMENT** | | | |
| **Metered sales** | 2,254.6 | 2,316.1 | 2,403.9 |
| **Unmetered sales** | 66.4 | 66.4 | 66.4 |
| **Total sales within the UT** | 2,321.0 | 2,382.5 | 2,470.3 |
| **Sales - UI** | 516.5 | 470.9 | 426.8 |
| **Total sales** | 2,837.5 | 2,853.4 | 2,897.1 |
| **T&D losses** | | | |
| **%** | 13.18% | 13.00% | 13.00% |
| **MU** | 352.2 | 356.0 | 369.1 |
| **Total energy requirement** | 3,189.7 | 3,209.4 | 3,266.2 |
| **ENERGY AVAILABILITY** | | | |
| **Net thermal generation (Own+ IPP + Share from Central Stations)** | 2,666.9 | 2,606.6 | 2,702.2 |
| **Power Purchased from** | | | |
| **Common pool / UI** | | 16.1 | - |
| **Traders** | | | |
| **PX** | | | |
| **Others** | 672.2 | 735.7 | 717.0 |
| **Net power purchase** | 3,339.1 | 3,358.4 | 3,419.2 |
| **External Losses** | 149.35 | 148.94 | 152.97 |
| **Energy availability @ periphery** | 3,189.7 | 3,209.4 | 3,266.2 |

## Power Purchase Cost for FY 2011-12

Table 87: F4 Power Purchase Cost for FY 2011-12 (Actuals – Unaudited Accounts)

| Source | Capacity [MW] | Firm Allocation to Licensee | | Generation [MU] | PLF [%] | Purchase [MU] | External Losses [%] | Energy received [MU] | VC [Rs/kWh] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % | MW | | | | | | | | | | |
| **NLC** | | | | | | | | | | | | | |
| **TS II Stage I** | 630.0 | 12.18% | 76.7 | 4,686.2 | 84.91% | 509.8 | 5.00% | 484.3 | 1.93 | 27.2 | 91.5 | 2.7 | 121.5 |
| **TS II Stage II** | 840.0 | 3.62% | 30.4 | 6,171.7 | 85.65% | 207.6 | 5.00% | 197.3 | 1.93 | 11.5 | 37.3 | 1.1 | 49.9 |
| **TS I Expn** | 420.0 | 4.08% | 17.1 | 2,999.6 | 83.70% | 111.6 | 5.00% | 106.0 | 1.80 | 16.0 | 20.3 | 0.4 | 36.7 |
| **Sub-Total (NLC)** | 1,890.0 | | 124.3 | 13,857.5 | | 829.0 | | 787.6 | | 54.7 | 149.1 | 4.2 | 208.1 |
| **NTPC** | | | | | | | | | | | | | |
| **Ramagundam STPS Stage I & II** | 2,100.0 | 5.20% | 109.2 | 17,213.1 | 93.60% | 804.3 | 5.00% | 764.1 | 1.60 | 38.4 | 112.2 | 17.7 | 168.3 |
| **Ramagundam STPS Stage III** | 500.0 | 5.40% | 27.0 | 4,296.5 | 98.10% | 191.4 | 5.00% | 181.8 | 1.71 | 17.6 | 30.6 | 5.8 | 53.9 |
| **Talcher STPS Stage II** | 2,000.0 | 4.00% | 80.0 | 15,926.3 | 90.90% | 538.3 | 5.00% | 511.4 | 2.35 | 40.7 | 86.8 | 28.0 | 155.5 |
| **Simhadri** | 500.0 | 1.85% | 9.3 | 3,407.6 | 77.80% | 65.0 | 5.00% | 61.7 | 2.65 | 10.6 | 14.1 | 0.0 | 24.7 |
| **Sub-Total (NTPC)** | 5,100.0 | | 225.5 | 40,843.5 | | 1,599.0 | | 1,519.1 | | 107.3 | 243.6 | 51.5 | 402.5 |
| **NPC** | | | | | | | | | | | | | |
| **Madras APS** | 440.0 | 1.90% | 8.4 | 2,046.0 | 53.10% | 40.2 | 5.00% | 38.2 | 1.79 | | 7.3 | 0.8 | 8.2 |
| **Kaiga APS Stage I** | 880.0 | 4.40% | 38.7 | 4,244.8 | 55.10% | 198.6 | 5.00% | 188.6 | 2.80 | | 56.2 | 4.6 | 60.7 |
| **Sub-Total (NPC)** | 1,320.0 | | 47.1 | 6,290.8 | | 238.8 | | 226.8 | | - | 63.5 | 5.4 | 68.9 |
| **Other Sources** | | | | | | | | | | | | | |
| **Others** | | | | | | | | | | | | | |
| **TNEB (Pondy)** | | | | | | 68.5 | 4.00% | 65.8 | 1.91 | | 12.6 | 0.0 | 12.6 |
| **TNEB (Karaikal)** | | | | | | 331.6 | 4.00% | 318.3 | 1.91 | | 60.9 | 0.0 | 60.9 |
| **PPCL** | 32.5 | 100.00 % | 32.5 | 249.7 | 87.70% | 235.7 | 0.00% | 235.7 | 1.91 | 17.5 | 44.4 | 11.8 | 73.7 |
| **KSEB** | | | | | | 36.4 | 0.00% | 36.4 | 3.16 | | 11.5 | 2.5 | 14.0 |
| **UI** | | | | | | | | | | | | | |

| Source | Capacity [MW] | Firm Allocation to Licensee | | Generation [MU] | PLF [%] | Purchase [MU] | External Losses [%] | Energy received [MU] | VC [Rs/kWh] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % | MW | | | | | | | | | | |
| **Sub-Total (Other Sources)** | 32.5 | | 32.5 | 249.7 | | 672.2 | | 656.2 | | 17.5 | 129.5 | 14.3 | 161.2 |
| **Other Charges** | | | | | | | | | | | | | 0.6 |
| **KPTCL** | | | | | | | | | | | | | 0.6 |
| **SRLDC** | | | | | | | | | | | | | 0.9 |
| **PGCIL** | | | | | | | | | | | | | 63.8 |
| **Total** | 8,342.5 | | 429.3 | 61,241.5 | | 3,339.1 | | 3,189.7 | | 179.6 | 585.7 | 75.4 | 906.6 |
| **Additional payment due to True-up** | | | | | | | | | | | | | 89.3 |
| **Additional payment due to TNEB Billing @ Rs. 3.10/kWh for the years 2009-10, 2010-11 and 2011-12** | | | | | | | | | | | | | 117.8 |
| **RPO compliance cost** | | | | | | | | | | | | | 12.5 |
| **Rebate** | | | | | | | | | | | | | 16.0 |
| **Net PP cost** | | | | | | | | | | | | | **1,110.25** |

**Table 88: F4 Power Purchase Cost for 2012-13 (Revised Estimates)**

| Source | Capacity [MW] | Firm Allocation to Licensee | | Generation [MU] | PLF [%] | Purchase [MU] | External Losses [%] | Energy received [MU] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % | MW | | | | | | | | | |
| **NLC** | | | | | | | | | | | | |
| **TS II Stage I** | 630.00 | 12.15% | 76.5 | 4,739.0 | 85.87% | 512.3 | 5.00% | 486.7 | 27.9 | 99.0 | 2.7 | 129.7 |
| **TS II Stage II** | 840.00 | 3.60% | 30.2 | 6,318.7 | 85.87% | 200.8 | 5.00% | 190.8 | 11.0 | 38.8 | 1.1 | 50.9 |
| **TS I Expn** | 420.00 | 4.08% | 17.1 | 3,034.2 | 82.47% | 126.6 | 5.00% | 120.3 | 15.1 | 22.2 | 0.4 | 37.8 |
| **Sub-Total (NLC)** | | | | 14,091.9 | | 839.8 | | 797.8 | 54.1 | 160.0 | 4.2 | 218.3 |
| **NTPC** | | | | | | | | | 2.7 | | | |
| **Ramagundam STPS Stage I & II** | 2,100.0 | 4.89% | 102.7 | 17,124.8 | 93.09% | 773.1 | 5.00% | 734.4 | 41.5 | 115.8 | 17.7 | 174.9 |
| **Ramagundam STPS Stage III** | 500.0 | 5.17% | 25.9 | 4,077.3 | 93.09% | 152.6 | 5.00% | 145.0 | 17.5 | 27.5 | 5.8 | 50.8 |
| **Talcher STPS Stage II** | 2,000.0 | 3.79% | 75.8 | 14,541.6 | 83.00% | 482.2 | 5.00% | 458.1 | 41.8 | 71.1 | 28.0 | 140.8 |
| **Simhadri** | 500.0 | 3.61% | 18.1 | 4,063.8 | 92.78% | 115.1 | 5.00% | 109.4 | 31.1 | 23.1 | 0.1 | 54.3 |
| **Sub-Total (NTPC)** | 5,100.0 | | 219.9 | 39,807.5 | | 1,523.0 | | 1,446.8 | 131.7 | 237.5 | 51.6 | 420.8 |
| **NTECL** | | | | | | | | | | | | |
| **Vallur** | 500.0 | 0.48% | 2.4 | 1,241.0 | 28.33% | 2.1 | 5.00% | 2.0 | 0.6 | 0.6 | - | 1.2 |
| **Sub-Total (NTPC)** | 500.0 | | 2.4 | 1,241.0 | | 2.1 | | 2.0 | 0.6 | 0.6 | - | 1.2 |
| **NPC** | | | | | | | | | | | | |
| **Madras APS** | 440.0 | 1.90% | 8.4 | 2,509.2 | 65.10% | 46.0 | 5.00% | 43.7 | - | 8.6 | 0.2 | 8.8 |
| **Kaiga APS Stage I** | 880.0 | 4.40% | 38.7 | 5,196.5 | 67.41% | 195.9 | 5.00% | 186.1 | - | 56.4 | 0.5 | 56.9 |
| **Sub-Total (NPC)** | 1,320.0 | | 47.4 | 7,705.7 | | 241.8 | | 229.7 | - | 65.0 | 0.7 | 65.7 |
| **Other Sources** | | | | | | | | | | | | |
| **Others** | | | | | | | | | | | | |
| **TNEB (Pondy)** | | | | | | 106.8 | 4.00% | 102.6 | - | 31.8 | 0.5 | 32.3 |
| **TNEB (Karaikal)** | | | | | | 358.3 | 4.00% | 344.0 | - | 106.6 | 1.2 | 107.8 |
| **PPCL** | 32.5 | 100.00% | 32.5 | 251.4 | 88.32% | 234.1 | | 234.1 | 26.7 | 58.4 | 0.2 | 85.2 |
| **KSEB** | | | | | | 36.4 | | 36.4 | 1.2 | 12.4 | 1.9 | 15.5 |
| **UI** | | | | | | 16.1 | | 16.1 | - | 5.8 | 0.5 | 6.3 |

| Source | Capacity [MW] | Firm Allocation to Licensee | | Generation [MU] | PLF [%] | Purchase [MU] | External Losses [%] | Energy received [MU] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % | MW | | | | | | | | | |
| **Sub-Total (Other Sources)** | 32.5 | | 32.5 | 251.4 | | 751.7 | | 733.1 | 27.9 | 215.0 | 4.3 | 247.1 |
| **Other Charges** | | | | | | | | | | | | 0.6 |
| **KPTCL** | | | | | | | | | - | 0.1 | - | 0.1 |
| **SRLDC** | | | | | | | | | - | 0.9 | - | 0.9 |
| **PGCIL** | | | | | | | | | - | 59.9 | - | 59.9 |
| **Total** | 8,342.5 | | 426.6 | 61,856.6 | | 3,358.4 | | 3,209.4 | 214.3 | 678.1 | 60.7 | 1,014.7 |
| **Additional payment due to True-up** | | | | | | | | | | | | |
| **RPO compliance cost** | | | | | | | | | | | | 18.3 |
| **Rebate** | | | | | | | | | | | | 5.6 |
| **Net PP cost** | | | | | | | | | | | | **1,027.4** |

**Table 89: F4 Power Purchase Cost FY 2013014 (Projections)**

| Source | Capacity [MW] | Firm Allocation to Licensee | | Generation [MU] | PLF [%] | Purchase [MU] | External Losses [%] | Energy received [MU] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % | MW | | | | | | | | | |
| **NLC** | | | | | | | | | | | | |
| **TS II Stage I** | 630.00 | 12.15% | 76.5 | 4,739.0 | 85.87% | 515.6 | 5.00% | 489.78 | 28.1 | 103.6 | 2.7 | 134.4 |
| **TS II Stage II** | 840.00 | 3.60% | 30.2 | 6,318.7 | 85.87% | 212.6 | 5.00% | 201.96 | 11.3 | 42.7 | 1.1 | 55.2 |
| **TS I Expn** | 420.00 | 4.08% | 17.1 | 3,034.2 | 82.47% | 112.9 | 5.00% | 107.2 | 14.7 | 20.5 | 0.4 | 35.6 |
| **Sub-Total (NLC)** | | | | 14,091.9 | | 841.0 | | 799.0 | 54.1 | 166.8 | 4.2 | 225.2 |
| **NTPC** | | | | | | | | | 5.5 | | | |
| **Ramagundam STPS Stage I & II** | 2,100.0 | 4.89% | 102.7 | 17,124.8 | 93.09% | 800.2 | 5.00% | 760.20 | 42.6 | 119.4 | 17.7 | 179.7 |
| **Ramagundam STPS Stage III** | 500.0 | 5.17% | 25.9 | 4,077.3 | 93.09% | 181.6 | 5.00% | 172.52 | 17.4 | 32.8 | 5.8 | 55.9 |
| **Talcher STPS Stage II** | 2,000.0 | 3.79% | 75.8 | 14,541.6 | 83.00% | 491.5 | 5.00% | 466.95 | 41.8 | 72.2 | 28.0 | 142.0 |
| **Simhadri** | 500.0 | 3.61% | 18.1 | 4,063.8 | 92.78% | 77.5 | 5.00% | 73.6 | 42.9 | 16.7 | 0.1 | 59.7 |
| **Sub-Total (NTPC)** | 5,100.0 | | 219.9 | 39,807.5 | | 1,550.9 | | 1,473.3 | 144.6 | 241.1 | 51.6 | 437.3 |
| **NTECL** | | | | | | | | | | | | |
| **Vallur** | 500.0 | 0.48% | 2.4 | 3,723.0 | 85.00% | 17.9 | 5.00% | 17.0 | 3.9 | 4.7 | - | 8.6 |
| **Sub-Total (NTPC)** | 500.0 | | 2.4 | 3,723.0 | | 17.9 | | 17.0 | 3.9 | 4.7 | - | 8.6 |
| **NPC** | | | | | | | | | | | | |
| **Madras APS** | 440.0 | 1.90% | 8.4 | 2,509.2 | 65.10% | 49.3 | 5.00% | 46.86 | - | 8.8 | 0.2 | 9.0 |
| **Kaiga APS Stage I** | 880.0 | 4.40% | 38.7 | 5,196.5 | 67.41% | 243.1 | 5.00% | 230.9 | - | 67.9 | 0.5 | 68.4 |
| **Sub-Total (NPC)** | 1,320.0 | | 47.4 | 7,705.7 | | 292.4 | | 277.8 | - | 76.8 | 0.7 | 77.5 |
| **Other Sources** | | | | | | | | | | | | |
| **Others** | | | | | | | | | | | | |
| **TNEB (Pondy)** | | | | | | 102.6 | 4.00% | 98.46 | - | 31.8 | 0.5 | 32.3 |
| **TNEB (Karaikal)** | | | | | | 344.0 | 4.00% | 330.24 | - | 106.6 | 1.2 | 107.8 |
| **PPCL** | 32.5 | 100.00% | 32.5 | 251.4 | 88.32% | 234.1 | 0.00% | 234.10 | 26.7 | 57.6 | 0.2 | 84.4 |
| **KSEB** | | | | | | 36.4 | 0.00% | 36.38 | 1.2 | 11.5 | 1.9 | 14.6 |
| **UI** | | | | | | | 0.00% | - | - | - | | - |

| Source | Capacity [MW] | Firm Allocation to Licensee | | Generation [MU] | PLF [%] | Purchase [MU] | External Losses [%] | Energy received [MU] | Fixed Charge [Rs Crs] | VC [Rs Crs] | Others [Rs Crs] | Total [Rs Crs] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % | MW | | | | | | | | | |
| **Sub-Total (Other Sources)** | 32.5 | | 32.5 | 251.4 | | 717.0 | | 699.2 | 27.9 | 207.5 | 3.8 | 239.1 |
| **Other Charges** | | | | | | | | | | | | 0.6 |
| **KPTCL** | | | | | | | | | | | | 2.5 |
| **SRLDC** | | | | | | | | | | | | 1.7 |
| **PGCIL** | | | | | | | | | | | | 43.7 |
| **Total** | 8,342.5 | | 426.6 | 61,856.6 | | 3,419.2 | | 3,266.2 | 230.5 | 696.9 | 60.2 | 1,036.2 |
| **Additional payment due to True-up** | | | | | | | | | | | | |
| **RPO compliance cost** | | | | | | | | | | | | 19.0 |
| **Rebate** | | | | | | | | | | | | 5.6 |
| **Net PP cost** | | | | | | | | | | | | **1,049.6** |

## Capital base and Return

Table 90: F6: Return on Capital base

| Particulars | FY2011 - 12 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|
| **Gross block at beginning of the year** | 458.34 | 480.48 | 545.84 |
| **Opening CWIP** | 77.31 | 94.69 | 81.72 |
| **Working capital for the year** | | | |
| **Less accumulated depreciation** | 211.42 | 229.29 | 252.68 |
| **Less accumulated consumer contribution** | - | - | - |
| **Less opening debt** | 13.16 | 11.51 | 9.86 |
| **Net fixed assets at beginning of the year** | 311.07 | 334.38 | 365.02 |
| **Reasonable return @3% of NFA** | 9.33 | 10.03 | 10.95 |

## Original Cost of Fixed Assets

Table 91: F7 Original Cost of Fixed Assets

| Assets group | FY2011 - 12 (Actuals) [Crs] | | | FY2012 - 13 (Revised Estimate) [Crs] | | FY2013 - 14 (Projection) [Crs] | |
|---|---|---|---|---|---|---|---|
| | Value of assets at the beginning of year | Addition during year | Closing balance at the end of year | Addition during the year | Closing balance at the end of year | Addition during year | Closing balance at end of year |
| **Transmission & Distribution** | 458.34 | 22.15 | 480.48 | 65.36 | 545.84 | 34.63 | 580.47 |
| **Others** | - | - | - | - | - | - | - |
| **Total** | 458.34 | 22.15 | 480.48 | 65.36 | 545.84 | 34.63 | 580.47 |

Works in Progress

Table 92: F8: Capital Works in Progress

| Particulars (Rs. Crs) | FY2011 - 12 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|
| **Opening balance** | 77.3 | 94.7 | 81.7 |
| **Add: New investments** | 39.5 | 52.4 | 86.6 |
| **Total** | **116.8** | **147.1** | **168.3** |
| **Less investment capitalized** | 22.1 | 65.4 | 34.6 |
| **Closing balance** | **94.7** | **81.7** | **133.7** |

## Interest Capitalized

Table 93: F9: Interest Capitalized

| Interest Capitalized (Rs. Crs) | FY2011 - 12 (Actuals) | FY2012 - 13 (Revised Estimate) | FY2013 - 14 (Projection) |
|---|---|---|---|
| **WIP** | 86.00 | 88.21 | 107.69 |
| **GFA at the end of the year** | 480.48 | 545.84 | 580.47 |
| **WIP+GFA at the end of the year** | 566.5 | 634.0 | 688.2 |
| **Interest(excluding interest on WCL)** | 1.08 | 0.95 | 0.81 |
| **Interest Capitalized** | - | - | - |

## Details of Loans for the Year

Table 94: F10 Loans for the year

| | FY2011 - 12 (Actuals) | | | | | | FY2012 - 13 (Revised Estimate) [Crs] | | | | | | FY2013 - 14 (Projections) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Particulars (source) | Opening balance [Crs] | Rate of interest [%] | Addition during the year [Crs] | Repayment during the year [Crs] | Closing balance [Crs] | Amount of interest paid [Crs] | Opening balance [Crs] | Rate of interest [%] | Addition during the year [Crs] | Repayment during the year [Crs] | Closing balance [Crs] | Amount of interest paid [Crs] | Opening balance [Crs] | Rate of interest [%] | Addition during the year [Crs] | Repayment during the year [Crs] | Closing balance [Crs] | Amount of interest paid [Crs] |
| **SLR Bonds** | | | | | | | | | | | | | | | | | | |
| **Non SLR Bonds** | | | | | | | | | | | | | | | | | | |
| **LIC** | | | | | | | | | | | | | | | | | | |
| **REC** | | | | | | | | | | | | | | | | | | |
| **Commercial Banks** | | | | | | | | | | | | | | | | | | |
| **Bills discounting** | | | | | | | | | | | | | | | | | | |
| **Lease rental** | 13.16 | 8.22% | - | 1.65 | 11.51 | 1.08 | 11.51 | 8.22% | - | 1.65 | 9.86 | 0.95 | 9.86 | 8.22% | - | 1.65 | 8.21 | 0.81 |
| **PFC** | | | | | | | | | | | | | | | | | | |
| **GPF** | | | | | | | | | | | | | | | | | | |
| **CSS** | | | | | | | | | | | | | | | | | | |
| **Working capital loan** | | | | | | | | | | | | | | | | | | |
| **Others** | | | | | | | | | | | | | | | | | | |
| **Total** | 13.16 | | - | 1.65 | 11.51 | 1.08 | 11.51 | | - | 1.65 | 9.86 | 0.95 | 9.86 | | - | 1.65 | 8.21 | 0.81 |
| **Add Govt. loan** | | | | | | | | | | | | | | | | | | |
| **-State Govt.** | | | | | | | | | | | | | | | | | | |
| **-Central Govt.** | | | | | | | | | | | | | | | | | | |
| **Total** | | | | | | | | | | | | | | | | | | |
| **Total (13+14)** | 13.16 | | - | 1.65 | 11.51 | 1.08 | 11.51 | | - | 1.65 | 9.86 | 0.95 | 9.86 | | - | 1.65 | 8.21 | 0.81 |
| **Less capitalization** | | | | | | | | | | | | | | | | | | |
| **Net interest** | | | | | | 1.08 | | | | | | 0.95 | | | | | | 0.81 |
| **Add prior period** | | | | | | | | | | | | | | | | | | |
| **Total interest** | | | | | | 1.08 | | | | | | 0.95 | | | | | | 0.81 |
| **Finance charges** | | | | | | 1.32 | | | | | | 1.32 | | | | | | 1.32 |

| | FY2011 - 12 (Actuals) | | | | | | FY2012 - 13 (Revised Estimate) [Crs] | | | | | | FY2013 - 14 (Projections) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Particulars (source) | Opening balance [Crs] | Rate of interest [%] | Addition during the year [Crs] | Repayment during the year [Crs] | Closing balance [Crs] | Amount of interest paid [Crs] | Opening balance [Crs] | Rate of interest [%] | Addition during the year [Crs] | Repayment during the year [Crs] | Closing balance [Crs] | Amount of interest paid [Crs] | Opening balance [Crs] | Rate of interest [%] | Addition during the year [Crs] | Repayment during the year [Crs] | Closing balance [Crs] | Amount of interest paid [Crs] |
| **Total interest and finance charges** | | | | | | 2.40 | | | | | | 2.27 | | | | | | 2.13 |

Information regarding restructuring of outstanding loans during the year

**Table 95: F11 Restructuring of Outstanding Loans**

| Source of loan | Sr. No. | Source of loan | Amount of original loan [Crs] | Old rate of interest [%] | Amount already restructured [Crs] | Revised rate of interest [%] | Amount now being restructured [Crs] | New rate of interest [%] |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | **Not applicable** | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

## Value of Assets and Depreciation Charges

Table 96: F12 Assets and Depreciation

| Particulars Name of the Assets | Rate of depreciation | FY2011 - 12 (Actuals) [Crs] | | | FY2012 - 13 (Revised Estimate) [Crs] | | | FY2013 - 14 (Projections) [Crs] | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Assets value at the beginning of year | Depreciation charges | Accumulated depreciation | Assets value at the beginning of year | Depreciation charges | Accumulated depreciation | Assets value at the beginning of year | Depreciation charges | Accumulated depreciation |
| **Land and land rights** | 0.0% | 4.55 | - | - | 7.35 | - | - | 7.35 | - | - |
| **Buildings** | 3.3% | 13.70 | 0.45 | 5.32 | 13.70 | 0.45 | 5.77 | 13.70 | 0.45 | 6.22 |
| **Plant and machinery** | 5.3% | 244.21 | 11.57 | 119.03 | 255.89 | 14.68 | 133.71 | 321.25 | 16.32 | 150.03 |
| **Lines and cable network** | 5.3% | 161.63 | 6.53 | 86.26 | 168.83 | 6.53 | 92.79 | 168.83 | 6.53 | 99.32 |
| **Vehicles** | 9.5% | 1.82 | 0.09 | 1.47 | 1.89 | 0.09 | 1.56 | 1.89 | 0.09 | 1.65 |
| **Furniture and fixtures** | 6.3% | 0.11 | 0.00 | 0.07 | 0.11 | 0.00 | 0.07 | 0.11 | 0.00 | 0.08 |
| **Office equipment** | 6.3% | 0.84 | 0.04 | 0.57 | 0.84 | 0.04 | 0.61 | 0.84 | 0.04 | 0.65 |
| **IT Equipment's** | 15.0% | 1.67 | 0.08 | 1.38 | 1.79 | 0.08 | 1.46 | 1.79 | 0.08 | 1.55 |
| **Testing & measuring Equipment** | 5.3% | 3.04 | 0.17 | 1.93 | 3.32 | 0.17 | 2.10 | 3.32 | 0.17 | 2.26 |
| **SCADA center** | 5.3% | 26.77 | 1.34 | 13.27 | 26.77 | 1.34 | 14.61 | 26.77 | 1.34 | 15.95 |
| **Total** | | 458.34 | 20.28 | 229.29 | 480.48 | 23.39 | 252.68 | 545.84 | 25.03 | 277.72 |
| **Others** | | - | - | - | - | - | - | | | |
| **Grand Total** | | 458.34 | 20.28 | 229.29 | 480.48 | 23.39 | 252.68 | 545.84 | 25.03 | 277.72 |

## Calculation of Advance against Depreciation

Table 97: F13 Advance Against Depreciation

| Particulars | FY2010 - 11 (Actuals) [Crs] | FY2011 - 12 (Revised Estimate) [Crs] | FY2012 - 13 (Projection) [Crs] |
|---|---|---|---|
| 1/10th of the Loan(s) | 1.32 | 1.15 | 0.99 |
| Repayment of the Loan(s) as considered for working out Interest on Loan | 1.65 | 1.65 | 1.65 |
| Minimum of the Above | 1.32 | 1.15 | 0.99 |
| Less: Depreciation during the year | 20.28 | 23.39 | 25.03 |
| A | (18.97) | (22.24) | (24.05) |
| Cumulative Repayment of the Loan(s) as considered for working out Interest on Loan | 10.74 | 12.39 | 14.04 |
| Less: Cumulative Depreciation | 229.29 | 252.68 | 277.72 |
| B | (218.56) | (240.29) | (263.68) |
| Advance Against Depreciation (minimum of A or B) | - | - | - |

## Repair and Maintenance Expenses

Table 98: F14:Repair and Maintenance

| | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Actual for 6 months) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|---|
| **R&M** | 16.17 | 8.53 | 17.06 | 17.64 |

## Total Number of Employees

Table 99: F15:Total Number of Employees

| Particulars | FY2011 - 12 (Actuals) [Nos] | FY2012 - 13 (Revised Estimate) [Nos] | FY2013 - 14 (Projection) [Nos] |
|---|---|---|---|
| Number of employees as on 1st April | 2,293 | 2,361 | 2,179 |
| Employees on deputation/ foreign service as on 1st April | 10 | 10 | 54 |
| Total number of employees (1+2) | 2,303 | 2,371 | 2,233 |
| Number of employees retired/ retiring during the year | 43 | 138 | 84 |
| Net transfers [ In / (Out)] | (1) | - | |
| Recruitment | 112 | - | |
| Number of employees at the end of the year (3-4+5+6) | 2,371 | 2,233 | 2,149 |

## Employee Cost

Table 100: F16 - Employee Cost

| | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| | | | |
| Salary | 66.37 | 71.48 | 76.97 |
| Wages | 0.12 | 0.13 | 0.13 |
| Stipend | 0.32 | 0.33 | 0.33 |
| Overtime | 0.95 | 0.58 | 0.58 |
| Total | 67.75 | 72.52 | 78.01 |
| Capitalised | 9.40 | 11.55 | 10.41 |
| Departmental Charges | 1.75 | | |
| Net amount | 56.59 | 60.97 | 67.60 |
| Prior period expenses | 0.00 | - | - |
| Total employee costs | 56.59 | 60.97 | 67.60 |

## Administration and General Expenses

Table 101: F17 A&G Expenses

| | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| Office expense | 1.60 | 1.78 | 1.93 |
| Miscellanous expenses | 2.84 | 3.16 | 3.42 |
| Total | 4.44 | 4.93 | 5.35 |

## Information regarding Bad and Doubtful Debts

Table 102: F18: Bad and Doubtful Debts

| Particulars | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| Amount of receivable bad & doubtful debts | | | |
| Provision made for debts in ARR | - | - | - |

## Information regarding Working Capital for the current and ensuing year

**Table 103: F19 Interest on Working Capital**

| Particulars | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| Fuel cost | | | |
| One month's power purchase cost | 92.52 | 85.62 | 87.47 |
| One month's employee costs | 4.72 | 5.08 | 5.63 |
| One month's A&G expenses | 0.37 | 0.41 | 0.45 |
| One month's R&M cost | 1.35 | 1.42 | 1.47 |
| Total | **98.95** | **92.53** | **95.02** |

## Information regarding Foreign Exchange Rate Variation (FERV)

**Table 104: F20: Foreign Exchange Rate Variation**

| Particulars | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| Amount of liability provided | Not Applicable | | |
| amount recovered | | | |
| Amount adjusted | | | |

## Non Tariff Income

**Table 105: F21: Non-Tariff Income**

| | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
|---|---|---|---|
| Reactive energy charges | 3.05 | 2.00 | 2.00 |
| STOA charges | | | |
| CTU charges | | | |
| Interest income | | | |
| Departmental charges on sale of material | | | |
| UI sales | 167.78 | 161.02 | 142.30 |
| Total | 170.83 | 163.02 | 144.30 |

## Information regarding Revenue from Other Business

Table 106: F22: Revenue from other businesses

| Particulars | Amount [Crs] | | |
|---|---|---|---|
| | FY2011 - 12 (Actuals) [Crs] | FY2012 - 13 (Revised Estimate) [Crs] | FY2013 - 14 (Projection) [Crs] |
| Total revenue from other business | Not Applicable | | |
| Income from other business to be considered for licensed business as per regulations | | | |

## Lease Details

Table 107: F23: Lease Details

| Name of lesser | Gross assets (Rs. In Crores) | Lease entered on | Lease rentals [Crs / pm] | Primary period ended/ ending by | Secondary period ending by |
|---|---|---|---|---|---|
| **Power Grid** | 23.07 | 7/1/2002 | 0.22 | 6/1/2017 | NA |

## Information regarding Wholesale Price Index (All Commodities)

Table 108: F24 Wholesale Price Index

| Period | WPI/ CPI* | Increase over previous year |
|---|---|---|
| As on April 1 of FY12 | 143.32 | 10% |
| As on April 1 of FY13 | 156.13 | 9% |
| As on april 1 of FY14 | 166.42 | 7% |

## Information regarding amount of equity and loan

Table 109: F25 Equity and Loans

| Period | Amount of equity [Crs] | Amount of loan [Crs] | Ratio of equity & loan |
|---|---|---|---|
| As on March 31 2012 | 786.62 | 13.16 | 2% |
| As on March 31 2013 | TBD | 11.51 | NA |
| As on March 31 2014 | TBD | 9.86 | NA |

## Cash flow statement for the ensuing year (projections)

Table 110: F26: Cash Flow for Ensuing Year

| Month | Sources of receipt | Amount | Particulars of payment | Amount |
|---|---|---|---|---|
| April | Sale of power | 81.51 | All expenses | 99.34 |
| May | Sale of power | 81.51 | All expenses | 99.34 |
| June | Sale of power | 81.51 | All expenses | 99.34 |
| July | Sale of power | 81.51 | All expenses | 99.34 |
| August | Sale of power | 81.51 | All expenses | 99.34 |
| September | Sale of power | 81.51 | All expenses | 99.34 |
| October | Sale of power | 81.51 | All expenses | 99.34 |
| November | Sale of power | 81.51 | All expenses | 99.34 |
| December | Sale of power | 81.51 | All expenses | 99.34 |
| January | Sale of power | 81.51 | All expenses | 99.34 |
| February | Sale of power | 81.51 | All expenses | 99.34 |
| March | Sale of power | 81.51 | All expenses | 99.34 |
| Total | | **978.09** | | **1,192.12** |

## Annual Revenue Requirement

Table 111: F27: ARR

| Item of expense | FY2011 - 12 [Crs] | FY2012 - 13 [Crs] | FY2013 - 14 [Crs] |
|---|---|---|---|
| | Actuals | Revised Estimate | Projections |
| Cost of power purchase | 1,110.2 | 1,027.4 | 1,049.6 |
| Employee costs | 56.6 | 61.0 | 67.6 |
| R&M expenses | 16.2 | 17.1 | 17.6 |
| Administration & general expenses | 4.4 | 4.9 | 5.3 |
| Depreciation | 20.3 | 23.4 | 25.0 |
| Interest & finance charges | 2.4 | 2.3 | 2.1 |
| Interest on working capital | 12.9 | 13.6 | 13.8 |
| Provision for bad debts | - | - | - |
| Return on NFA / Equity | 9.3 | 10.0 | 11.0 |
| **Aggregate revenue requirement** | **1,232.3** | **1,159.7** | **1,192.1** |
| Less: Non-tariff income | 170.8 | 163.0 | 144.3 |
| Add: Amortization of regulatory asset | | | 92.6 |
| **Net revenue requirement** | **1,061.5** | **996.7** | **1,140.4** |
| Revenue from tariff | 690.5 | 772.3 | 833.8 |
| Revenue from FPPCA | | 20.3 | |
| Surplus / (Gap) | (371.0) | (204.0) | (306.6) |
| Surplus / (Gap) from previous year | (175.8) | (546.9) | (658.3) |
| Total surplus / (gap) | (546.9) | (750.9) | |
| Revenue surplus carried over | - | - | - |
| Additional revenue from proposed tariff | | | 306.6 |
| Regulatory asset | | 320.6 | 658.3 |
| Energy sales (MU) | 2,321.0 | 2,382.5 | 2,470.3 |

## Expected Revenue from Tariff

Table 112: ERC from Tariff for FY 2011-2012 (Unaudited Actuals)

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| **Domestic** | | | | | | | | |
| **0 - 100** | 87,290 | 140 | - | - | 0.60 | - | 8.42 | 8.42 |
| **101 - 200** | 54,924 | 90 | - | - | 0.90 | - | 8.08 | 8.08 |
| **201 - 300** | 30,881 | 72 | | - | 1.65 | - | 11.94 | 11.94 |
| **>300** | 73,341 | 235 | | - | 2.00 | - | 46.99 | 46.99 |
| **OHOB** | 35,466 | 10 | - | 15.00 | - | 0.64 | - | 0.64 |
| **Total** | 281,903 | 547.2 | - | | | 0.64 | 75.42 | 76.06 |
| **Commercial** | | | | | | | | |
| **0 - 100** | 6,548 | 26 | - | 25.00 | 2.15 | 0.20 | 5.63 | 5.83 |
| **101 - 250** | 5,071 | 20 | - | 25.00 | 3.15 | 0.15 | 6.39 | 6.54 |
| **> 250** | 30,324 | 121 | - | 25.00 | 3.65 | 0.91 | 44.25 | 45.16 |
| **Total** | 41,943 | 167.7 | - | | | 1.26 | 56.26 | 57.52 |
| **Agriculture** | | | | | | | | |
| **Small farmers** | 956 | 5 | 5,438.99 | 25.00 | | 0.01 | - | 0.01 |
| **Other farmers** | 5,872 | 51 | 54,099.01 | 100.00 | | 0.66 | - | 0.66 |
| **Total** | 6,828 | 56.6 | 59,538.00 | | | 0.67 | - | 0.67 |
| **Public lighting** | | | | | | | | |
| **Total** | 48,384 | 24 | - | - | 2.90 | - | 6.96 | 6.96 |
| **LT Industrial** | | | | | | | | |
| **0 - 1000** | 3,499 | 18 | - | 25.00 | 2.60 | 0.10 | 4.71 | 4.81 |
| **> 1000** | 2,456 | 115 | - | 25.00 | 2.80 | 0.07 | 32.34 | 32.41 |
| **Water tank** | 80 | 51 | - | 25.00 | 2.90 | 0.00 | 14.73 | 14.73 |
| **Total** | 6,035 | 184.4 | - | | | 0.18 | 51.78 | 51.96 |
| **Temporary supply - LT** | - | | | | | | | |
| **Total** | | 14.0 | - | - | 5.00 | - | 7.00 | 7.00 |
| **HT 1 Industrial** | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **(A) - CD < 2000** | | | | | | | | |
| **0 - 100000** | 217 | 191 | 85,980 | 155.00 | 2.95 | 15.99 | 56.28 | 72.27 |
| **>100000** | 91 | 161 | 80,125 | 155.00 | 3.10 | 14.90 | 49.92 | 64.83 |
| **(B) - 2000 < CD < 5000** | | | | | | | | |
| **>0** | 93 | 623 | 119,236.67 | 160.00 | 3.15 | 22.89 | 196.17 | 219.07 |
| **Total** | 401 | 975 | 285,342 | | | 53.79 | 302.38 | 356.17 |
| **HT 2 - Government & water tank** | | | | | | | | |
| **Total** | 43 | 45 | 18,526 | 190.00 | 2.85 | 4.22 | 12.83 | 17.06 |
| **HT 3 - EHT** | | | | | | | | |
| **Total** | 7 | 308 | 104,540 | 160.00 | 3.15 | 20.07 | 96.96 | 117.03 |
| **Total HT** | 451 | 1,327.4 | 408,406.76 | | | 78.08 | 412.17 | 490.25 |
| **Total** | **385,544** | **2,321.3** | | | | **80.8** | **609.6** | **690.4** |

**Table 113: F28 ERC Existing Tariff FY 2012-2013 (Tariff prevalent fromJune 2012toMarch 2013 – prorated for full year)**

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| Domestic | | | | | | | | |
| 0 - 100 | 89,970 | 201 | - | 10.00 | 0.60 | 1.08 | 12.06 | 13.14 |
| 101 - 200 | 56,611 | 127 | - | 10.00 | 0.95 | 0.68 | 12.02 | 12.70 |
| 201 - 300 | 31,830 | 71 | | 15.00 | 1.80 | 0.57 | 12.80 | 13.38 |
| >300 | 75,594 | 169 | | 15.00 | 2.35 | 1.36 | 39.70 | 41.06 |
| OHOB | 35,474 | 10 | - | 20.00 | - | 0.85 | - | 0.85 |
| Total | 289,479 | 577.5 | - | | | 4.54 | 76.59 | 81.13 |
| Commercial | | | | | | | | |
| 0 - 100 | 6,744 | 28 | - | 30.00 | 2.50 | 0.24 | 7.02 | 7.27 |
| 101 - 250 | 5,222 | 22 | - | 30.00 | 3.70 | 0.19 | 8.05 | 8.24 |
| > 250 | 31,229 | 130 | - | 30.00 | 4.30 | 1.12 | 55.94 | 57.07 |
| Total | 43,195 | 179.9 | - | | | 1.56 | 71.02 | 72.57 |

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| Agriculture | | | | | | | | |
| Small farmers | 958 | 8 | 5,438.99 | 50.00 | | 0.03 | - | 0.03 |
| Other farmers | 5,884 | 49 | 54,099.01 | 200.00 | | 1.20 | - | 1.20 |
| Total | 6,842 | 56.6 | 59,538.00 | | | 1.23 | - | 1.23 |
| Public lighting | | | | | | | | |
| Total | 48,436 | 26 | - | - | 3.50 | - | 9.13 | 9.13 |
| LT Industrial | | | | | | | | |
| 0 - 1000 | 3,546 | 83 | - | 30.00 | 3.40 | 0.13 | 28.16 | 28.29 |
| > 1000 | 2,489 | 58 | - | 30.00 | 3.65 | 0.09 | 21.22 | 21.31 |
| Water tank | 80 | 51 | - | 30.00 | 3.80 | 0.00 | 19.30 | 19.31 |
| Total | 6,115 | 191.8 | - | | | 0.22 | 68.69 | 68.91 |
| Temporary supply - LT | | | | | | | | |
| Total | | 20.0 | - | - | 6.00 | - | 12.00 | 12.00 |
| | | | | | | | | |
| HT 1 Industrial | | | | | | | | |
| (A) - CD < 2000 | | | | | | | | |
| 0 - 100000 | 221 | 188 | 66,204 | 180.00 | 3.50 | 14.30 | 65.89 | 80.19 |
| >100000 | 94 | 159 | 72,113 | 180.00 | 3.65 | 15.58 | 58.00 | 73.58 |
| (B) - 2000 < CD < 5000 | | | | | | | | |
| >0 | 41 | 576 | 107,313 | 190.00 | 3.80 | 24.47 | 218.78 | 243.25 |
| (C ) CD > 5000 | | | | | | | | |
| >0 | 54 | 47 | - | 190.00 | 4.00 | - | 18.81 | 18.81 |
| Total | 410 | 970 | 245,630 | | | 54.34 | 342.68 | 397.02 |
| HT 2 - Government & water tank | | | | | | | | |
| Total | 46 | 45 | 14,265 | 220.00 | 3.40 | 3.77 | 15.31 | 19.07 |
| HT 3 - EHT | | | | | | | | |
| Total | 8 | 316 | 80,495 | 180.00 | 3.65 | 17.39 | 115.23 | 132.62 |
| Total HT | 464 | 1330.7 | 340,390.13 | | | 75.50 | 473.21 | 548.7 |
| **Total** | **394,531** | **2382.5** | | | | **83.0** | **710.6** | **793.7** |

**Table 114: F28: ERC FY 2012-2013 (Old Tariff – prevalent in April and May 2012, but prorated for full year)**

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| Domestic | | | | | | | | |
| 0 - 100 | 89,970 | 201 | - | - | 0.60 | - | 12.06 | 12.06 |
| 101 - 200 | 56,611 | 127 | - | - | 0.90 | - | 11.39 | 11.39 |
| 201 - 300 | 31,830 | 71 | | - | 1.65 | - | 11.74 | 11.74 |
| >300 | 75,594 | 169 | | - | 2.00 | - | 33.79 | 33.79 |
| OHOB | 35,474 | 10 | - | 15.00 | - | 0.64 | - | 0.64 |
| Total | 289,479 | 577.5 | - | | | 0.64 | 68.98 | 69.62 |
| Commercial | | | | | | | | |
| 0 - 100 | 6,744 | 28 | - | 25.00 | 2.15 | 0.20 | 6.04 | 6.24 |
| 101 - 250 | 5,222 | 22 | - | 25.00 | 3.15 | 0.16 | 6.85 | 7.01 |
| > 250 | 31,229 | 130 | - | 25.00 | 3.65 | 0.94 | 47.49 | 48.42 |
| Total | 43,195 | 179.9 | - | | | 1.30 | 60.38 | 61.67 |
| Agriculture | | | | | | | | |
| Small farmers | 958 | 8 | 5,438.99 | 25.00 | | 0.01 | - | 0.01 |
| Other farmers | 5,884 | 49 | 54,099.01 | 100.00 | | 0.66 | - | 0.66 |
| Total | 6,842 | 56.6 | 59,538.00 | | | 0.67 | - | 0.67 |
| Public lighting | | | | | | | | |
| Total | 48,436 | 26 | - | - | 2.90 | - | 7.56 | 7.56 |
| LT Industrial | | | | | | | | |
| 0 - 1000 | 3,546 | 83 | - | 25.00 | 2.60 | 0.11 | 21.53 | 21.64 |
| > 1000 | 2,489 | 58 | - | 25.00 | 2.80 | 0.07 | 16.28 | 16.35 |
| Water tank | 80 | 51 | - | 25.00 | 2.90 | 0.00 | 14.73 | 14.73 |
| Total | 6,115 | 191.8 | - | | | 0.18 | 52.55 | 52.73 |
| Temporary supply - LT | | | | | | | | |
| Total | | 20.0 | - | - | 5.00 | - | 10.00 | 10.00 |
| | | | | | | | | |
| HT 1 Industrial | | | | | | | | |
| (A) - CD < 2000 | | | | | | | | |
| 0 - 100000 | 221 | 188 | 66,204 | 155.00 | 2.95 | 12.31 | 55.54 | 67.85 |

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| >100000 | 94 | 159 | 72,113 | 155.00 | 3.10 | 13.41 | 49.26 | 62.68 |
| (B) - 2000 < CD < 5000 | | | | | | | | |
| >0 | 41 | 576 | 107,313 | 160.00 | 3.15 | 20.60 | 181.36 | 201.96 |
| (C ) CD > 5000 | | | | | | | | |
| >0 | 54 | 47 | - | 155.00 | 2.85 | - | 13.40 | 13.40 |
| Total | 410 | 970 | 245,630 | | | 46.33 | 286.16 | 332.49 |
| HT 2 - Government & water tank | | | | | | | | |
| Total | 46 | 45 | 14,265 | 190.00 | 2.85 | 3.25 | 12.83 | 16.08 |
| HT 3 - EHT | | | | | | | | |
| Total | 8 | 316 | 80,495 | 160.00 | 3.15 | 15.46 | 99.44 | 114.90 |
| Total HT | 464 | 1,330.7 | 340,390.13 | | | 65.04 | 398.43 | 463.5 |
| Total | **394,531** | **2,382.5** | | | | **67.8** | **597.9** | **665.7** |

Table 115: F28 ERC from Existing Tariff FY 2013-2014 .

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| Domestic | | | | | | | | |
| 0 - 100 | 93,616 | 218 | - | 10.00 | 0.60 | 1.12 | 13.09 | 14.21 |
| 101 - 200 | 58,905 | 137 | - | 10.00 | 0.95 | 0.71 | 13.04 | 13.75 |
| 201 - 300 | 33,119 | 77 | | 15.00 | 1.80 | 0.60 | 13.89 | 14.49 |
| >300 | 78,657 | 183 | | 15.00 | 2.35 | 1.42 | 43.07 | 44.49 |
| OHOB | 35,474 | 10 | - | 20.00 | - | 0.85 | - | 0.85 |
| Total | 299,772 | 625.7 | - | | | 4.69 | 83.09 | 87.79 |
| Commercial | | | | | | | | |
| 0 - 100 | 6,945 | 30 | - | 30.00 | 2.50 | 0.25 | 7.42 | 7.67 |
| 101 - 250 | 5,378 | 23 | - | 30.00 | 3.70 | 0.19 | 8.50 | 8.70 |
| > 250 | 32,162 | 137 | - | 30.00 | 4.30 | 1.16 | 59.09 | 60.25 |
| Total | 44,485 | 190.1 | - | | | 1.60 | 75.01 | 76.61 |
| Agriculture | | | | | | | | |
| Small farmers | 958 | 8 | 5,438.99 | 50.00 | | 0.03 | - | 0.03 |
| Other farmers | 5,884 | 49 | 54,099.01 | 200.00 | | 1.20 | - | 1.20 |
| Total | 6,842 | 56.6 | 59,538.00 | | | 1.23 | - | 1.23 |
| Public lighting | | | | | | | | |
| Total | 49,326 | 28 | - | - | 3.50 | - | 9.94 | 9.94 |
| LT Industrial | | | | | | | | |
| 0 - 1000 | 3,608 | 91 | - | 30.00 | 3.40 | 0.13 | 30.93 | 31.06 |
| > 1000 | 2,533 | 64 | - | 30.00 | 3.65 | 0.09 | 23.31 | 23.40 |
| Water tank | 80 | 51 | - | 30.00 | 3.80 | 0.00 | 19.30 | 19.31 |
| Total | 6,221 | 205.6 | - | | | 0.22 | 73.54 | 73.76 |
| Temporary supply - LT | | | | | | | | |
| Total | | 20.0 | - | - | 6.00 | - | 12.00 | 12.00 |
| | | | | | | | | |
| HT 1 Industrial | | | | | | | | |

| Category | Consumers | Sales [MU] | Contract demand / connected load [kW, kVA, HP] | FC [Rs per month per connection / kW / kVA / HP] | EC [Rs/kWh] | Total FC [Crs] | Total EC [Crs] | Total ERC [Crs] |
|---|---|---|---|---|---|---|---|---|
| (A) - CD < 2000 | | | | | | | | |
| 0 - 100000 | 222 | 187 | 59,204 | 180.00 | 3.50 | 12.79 | 65.50 | 78.29 |
| >100000 | 94 | 158 | 64,163 | 180.00 | 3.65 | 13.86 | 57.66 | 71.52 |
| (B) - 2000 < CD < 5000 | | | | | | | | |
| >0 | 41 | 578 | 107,313 | 190.00 | 3.80 | 24.47 | 219.50 | 243.97 |
| (C ) CD > 5000 | | | | | | | | |
| >0 | 54 | 47 | 14,950 | 190.00 | 4.00 | 3.41 | 18.87 | 22.28 |
| Total | 411 | 970 | 230,680 | | | 54.52 | 361.54 | 416.06 |
| HT 2 - Government & water tank | | | | | | | | |
| Total | 49 | 50 | 14,265 | 220.00 | 3.40 | 3.77 | 17.07 | 20.84 |
| HT 3 - EHT | | | | | | | | |
| Total | 9 | 324 | 80,495 | 180.00 | 3.65 | 17.39 | 118.18 | 135.57 |
| Total HT | 469 | 1,343.9 | 325,440.09 | | | 75.68 | 496.79 | 572.5 |
| **Total** | **407,115** | **2,470.3** | | | | **83.4** | **750.4** | **833.8** |

# Annexure 3: Response to JERC Directives

## Directives issued by the Commission in Tariff Order for FY 2009-10

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| 1. | **Annual Statement of Accounts**<br>Electricity Department Puducherry has not prepared accounts for the electricity business separately. As electricity business comes under the preview of Electricity Act, 2003, the accounts pertaining to electricity are required to be prepared separately and got audited. | The Commission has noted the action taken so far, but it is still not as per the direction given in the Tariff Order FY 2009-10.<br>It is directed that the accounts of the licensee need to be prepared on commercial principles for regulated business of electricity as per regulatory<br>requirement by 30th September, 2012 | The Accounts of the department for FY 2009-10 &2010-11 have been audited by an independent Auditing company (M/s Basha Narasimhan, Chennai) and the auditor's report was furnished on 14.12.2012.<br>The same was submitted to the Hon'ble Commission along with the true-up petition of the respective years. |
| 2. | **Preparation of Asset and Depreciation Register**<br>PED was directed to prepare Asset and Depreciation Register function wise and asset classification wise. | Petitioner is directed to submit quarterly progress report and the final completion date of the preparation of the asset and depreciation registers function wise after getting them audited. | The Asset & Depreciation Registers for the year 2009-10 & 2010-11 has been prepared and audited by the third Party Auditor. The abstract has been submitted along with the respective true –up petitions for the years. |
| 3. | **Accounting of security deposits etc. under appropriate head of accounts** | The action taken is noted. The Commission, however, would like to make it clear that the Petitioner has no choice as far as the payment of | Under R-APDRP scheme, the base line data of each consumer is being updated and programmed to be completed by 31.032013.The PED would comply the directives and necessary arrangement will be made to give interest credit to the respective consumers from 1st April 2012 after |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | PED has combined the security deposits, meter security deposits and consumer contribution for service lines from the consumers under one account head. PED was directed to separate these components and account them separately under relevant heads of account | interest on consumer security deposit is concerned. The EA Act 2003 itself mandates such payment. The Petitioner is ,therefore, directed to pay interest on the consumer security deposits with effect from 1st April 2012 to the consumers at the bank rate (presently @9.5% p.a.) | modifying the billing program under R-APDRP scheme. The H.T consumers would be advised to convert their existing fixed deposits into cash deposits before March 2013 and thereon interest would be paid to each H.T consumers. |
| **4.** | **Energy Audit and T&D Losses**<br>PED had projected the T&D losses at 14% for the FY 2009-10. The Commission had observed that this loss level for a small distribution system is high and there is scope for reduction of losses. PED was directed to get its distribution system studied by a third party with the approval of the Commission so that appropriate loss reduction trajectory could be fixed.<br>PED was also directed to get an energy audit conducted | Action taken so far is noted. The Petitioner is directed to furnish segregation of losses into transmission, distribution and commercial losses separately in their next petition along-with a status report on energy accounting and T&D losses.<br>As regards transmission and distribution losses, the Commission had allowed 14% losses for FY 2009-10 in the Tariff Order for FY 2009-10. Taking FY 2009-10 as the base year with14% T&D losses, the Commission has followed a progressive reduction of 0.5% every year i.e. 13.5% for FY 2010-11, 13% for FY 2011-12 and 12.5% for FY | In order to conduct Energy Audit and also for proper accounting of Energy, it is necessary to install meters at pre-determined levels including at DTR. At present, meters are available at the voltage levels of 230 KV, 110KV, 22 KV and 11 KV in all the EHT sub stations. Under R-APDRP programme, the provisions of meters in DTRs of entire Mahe and Yanam regions have been covered. As far as Puducherry and Karaikal regions are concerned, around 40% and 25% of the DTRs respectively have been covered in the R-APDRP programme. All the above works are programmed to be completed by March 2013. In respect of non- R-APDRP area, the department is in the process of providing of meters in the DTRs feeding the agriculture loads only and 50 nos. of DTRs are expected to be completed before end of the year. In respect of provision of meters in remaining DTRs of around 1000 nos. in Puducherry region and around 240 nos. in Karaikal region, the department has proposed to execute 50% each during the years 2013-14 and 2014-15 in view of huge capital cost involved over and above the other development works programmed. The approval of the Hon'ble Commission for the capital expenditure will be requested in the capex plan of the respective years. |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | by a third party at 11 kV feeder and distribution transformer levels to identify the high loss areas and undertake steps to reduce the technical losses and control pilferage of energy.<br>It was directed that the Petitioner shall furnish six monthly energy audit reports to the Commission as required under Regulation 15(4) of the Draft Regulations. | 2012-13.<br>The Commission would like further reduction in losses. The pace of reduction could be expedited as the Petitioner is implementing R-APDRP Scheme which would help bring down losses at a faster rate. The Commission would like the Petitioner to prepare a loss reduction road map for bringing down losses to 10% level and submit to the Commission by 31st October 2012. Loss reduction trajectory for subsequent years shall be approved by the Commission on receipt and acceptance of the loss reduction road map.<br>In order to understand the actual functioning of any organization, proper accounting and periodic audit is much needed. This is more relevant in the electricity sector where the commodity is in form of electrons and invisible to eye. Unfortunately, this is one aspect – which is most neglected in the sector. For any improvement to take place, it is essential that first we assess the factual position as it | In respect of road map for reduction of T&D losses to 10%, the department has proposed to implement the measures proposed under Part-B of R-APDRP scheme for the project areas. It is proposed to implement the HVDS, strengthening of Distribution system by provision of new sub-stations, DT's, provision of Wedge connector in the DT's, LT cut points, provision of Automatic Power Factor Correction units in DT's and provision of capacitor banks in various 110 KV sub-stations. The DPR for Puducherry town has already been submitted to Power Finance Corporation(PFC) and is under scrutiny by PFC. It is estimated that the T&D loss reduction would be achieved by 0.5% in the first year of execution of Part-B / approval of DPR, 1% in the second year and another 1% in the third year |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | | stands today. This can only be done by proper accounting of energy input-and output at each voltage level, accounting at feeder level and at the DTR level. For such an accounting to happen, it is necessary to install correct meters at all pre-identified locations and extracting data periodically. Analysis of such data would give actual level of losses, technical as well as commercial such as not taking meter reading, not raising bills, pilferage / un-authorized use of electricity, etc. The action plan should be submitted to the Commission by 31st October 2012. | |
| **5.** | **Estimation of the consumption by agriculture pump-sets** PED was directed to furnish the basis for arriving at the estimated consumption of agriculture consumers. PED was directed to furnish the actual connected load of agriculture consumers. | While the Petitioner has submitted the number of consumers and estimation of the connected load but the basis for arriving at the normative consumption is unacceptable as the same is not based on actual field data. The Petitioner is directed to install meters at DTRs (at least 10% in FY 2012-13) and provide data of actual energy consumption per HP of consumers fed from such | As directed by the Hon'ble Commission, the PED has taken initiatives to provide the meters at the distribution transformers feeding power supply predominantly to the Agriculture consumers and assess the actual energy consumption per HP of agriculture consumers. The PED submits that as per the directions given by the Hon'ble Commission to provide meters to an extent of 10% of the Distribution transformers exclusively feeding agriculture consumers. The PED has already initiated action to complete metering of 20% of these Distribution Transformers during the year 2012-13 and has programmed to complete metering of 40 % of these Distribution Transformers during each of the years 2013-14 and 2014-15. |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | | representative DTRs. | |
| 6. | **PED Information System** ED Puducherry was directed to undertake steps to build credible & accurate and verifiable data base and PED information system (MIS) to meet the requirements for filing ARR & Tariff Petition as per the regulatory requirements of the Commission & CERC (RIMS)and also to suit the Multi Year Tariff framework. | Petitioner is directed to submit quarterly progress report and the final completion date of the implementation plan of the MIS. | Under the R-APDRP Scheme, Letter of Award (LoA) has already been placed to the ITIA for implementation of the Power Sector Reforms in the UT of Puducherry. This includes an MBC (Metering, Billing and Collection) System by which the revenue information will be built into a versatile database. After this data base is developed / brought into operation, the MIS reports, as required for filing ARR & Tariff Petition as per the regulatory requirements of the Hon'ble Commission could be generated. The ITIA has already commenced the works related to development of the MBC system and the work is expected to be completed by March 2013. |
| 7. | **Metering of consumer installations / replacement of non-functional or defective Meters** Under Section 55 (1) of Electricity Act 2003, no licensee shall supply electricity after expiry of 2 years from the appointed date except through installation of correct meter in accordance with the regulation to be made in this behalf by the authority. | Even after 2 years, the petitioner has not given the status of the defective meters installed in this category of consumers. Procurement process to install meters should be expedited and action plan to install these meters be given by 30th September 2012. | Regarding replacement of non-functional and defective meters, the PED submits that action had already been initiated to procure fifty thousand numbers of single phase energy meters and nine thousand numbers of three phase energy meters for this purpose. Out of the total of around 21% of defective meters existing in the service connections, it is proposed to bring down the percentage of defective meters to the level of 12 % by the end of the year 2012-13 and to maintain standard of less than 3% as specified in the JERC (Standard of Performance), Regulations, 2010 by the end of 2013-14.<br>In respect of agriculture & OHOB services in the UT of Puducherry, to have proper accounting of utilization of energy under the above category of consumers, it is proposed to utilize the healthy meters released from the |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | Accordingly, metering is required to be done in line with CEA (installation and operation of meters) Regulations 2006 to all consumers. ED, Puducherry was directed in Tariff Order FY 2009-10 to provide meters to consumers such as one hut one bulb, agriculture etc. who are not metered for supply of electricity presently. The number of consumers should be metered to record energy consumption correctly. PED had been directed to furnish the status of metering and action plan for the same before30th June 2010. | | various consumer services in the town area, where the pilot Smart Grid Project is proposed to be implemented. It is proposed to cover around 87,000 Nos. of consumers of the town area of Puducherry region under the Smart Grid Pilot Project. This action would be more advantageous, as PED could make proper utilization of released healthy meters from the services in the town area. |
| 8. | **Billing and Collection Efficiency** ED, Puducherry was directed to initiate measures to improve billing efficiency in respect of metered services and enhance collection | The Commission is not satisfied with the reply of the Petitioner. The collection efficiency in ED Puducherry has been 85.70% for FY 2009-10, it is 93.80% for FY 2010-11 based on provisional accounts and 93.80% and 96% as projected by PED for FY 2011-12 and FY 2012-13 | Separate Metering, Billing and Collection (MBC) modules are proposed under R-APDRP to improve billing and collection efficiency. Hand held devices are proposed to be introduced for spot billing of LT consumers whereby manual intervention will be completely eliminated. For HT consumers, modems are proposed to be installed at the DTs of the consumers' premises and meter data would be acquired directly through online for billing and monitored continuously. Various modes of Collections are proposed to be introduced under R-APDRP |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | efficiency to hundred percent in a time bound manner. | respectively.<br>ED, Puducherry is directed to further improve the collection efficiency and submit an action plan on the steps taken by 30th September 2012. | such as<br>(a) Internet payment gateway of various banks;<br>(b) 24x7 bill collection counter at the customer care centre for any consumer to pay the dues at any time;<br>(c) Normal bill collection counter at the section offices for any consumer to pay the dues and;<br>(d) Common bill collection counter proposed to be located at select locations in Puducherry / Karaikal region.<br>Further the facility for online payment of current consumption bills through Internet Banking offered by the State Bank of India has been introduced for domestic, commercial and industrial categories of consumers of Electricity Department, Puducherry on 28-12-2011. Efforts are on to introduce payment through payment gateways of other banks also. HT bill payment through NEFT/RTGS is also proposed to be introduced shortly. MBC works have commenced and expected to be completed by 31st of March 2013.<br>With this the consumer will have the option to pay by various modes, will have the flexibility to pay round the clock outside office works and would have sufficient time to pay the bill before the due date.<br><br>The PED has also conducted a special drive on disconnection of service in order to improve the collection efficiency on 26.09.2012, under leadership of the Secretary to Government (Power) and the same will be continued in the months to come. The paper clipping of the Advertisements in the leading newspaper upon the conduct of special drive is enclosed for kind perusal of the Hon’ble Commission. |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| 9. | **Collection of arrears** ED, Puducherry was directed to provide age-wise analysis before the next ARR and initiate measures to liquidate the arrears by 31st December 2010. | The action taken so far has been noted but the Commission is not satisfied with the same. However, the Petitioner is directed to get its accounts audited so that the receivables maybe audited. They are also directed to prepare an action plan for the liquidation of the arrears and submit to the Commission by 31st October 2012. | The subject matter of liquidation of arrears has been discussed at the highest level of the Administration. The Chief Secretary to Government has also directed the Revenue officials of the Government to give top priority in the matter and take appropriate action to recover the arrears in respect of cases referred under the Revenue Recovery Act. The department has already started the special drive for disconnection of service in order to liquidate the arrears in respect of LT consumers. As the liquidation of arrears due to above mentioned action will definitely be improved, the PED requests the Hon'ble Commission to permit the department for the submission of status on the liquidation of arrears and also road map for the liquidation of arrears based on the action initiated by the department, by 31.03.2013. |
| 10. | **Load Shedding and ensuring proper service to the consumers** PED was directed to minimize load shedding. If there are any constraints in the system such as overloading of lines or power transformers, a detailed project report should be preparedimmediately to improve the system. PED was directed to do system strengthening wherever required to enhance the quality of supply. PED shall establish Consumer Service Centers | The Commission directs the Petitioner to establish customer care center at all the four locations i.e. Karaikal, Puducherry, Yanam and Mahe. | The U.T of Puducherry is having sufficient power to cater the growing demand and as such there is no scheduled load shedding.<br><br>Under the R-APDRP scheme, 24x7 call center is being opened at Puducherry likely before March 2013.The above call center would be made to serve for all regions until respective regional call centers are opened. |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | wherever required to attend to consumer complaints promptly on interruptions of power supply, billing etc. in order to improve service levels to consumers. | | |
| **11.** | **Demand Side PED and Energy Conservation**<br>Demand Side PED and Energy Conservation are very important areas, which should be in focus in ED Puducherry particularly in context of Peak load. PED was directed to examine the feasibility of introducing ToD tariff to the consumers and undertake othermeasures to reallocate and rationalize demand and conserve energy. | Action taken is noted. ED Puducherry is directed to conduct a detailed study on demand side PED and energy conservation through an external accredited agency for efficient use of electricity by various means.<br>PED should take further steps to develop and promote energy efficient technologies in line with the guidelines issued by the BEE. BEE, an autonomous body of MOP is taking several steps to make it mandatory to use 5-star equipment's such as Refrigerators, AC, Tube lights, lights, distribution transformers up to 200KVA etc. The same should be implemented by the utility in a phased manner and an action plan for the same be furnished by 30th September 2012. | The PED submits that to promote energy efficiency technologies, the PED has taken all effort to use star rated air-conditioner, and energy efficient light fittings in all the Government buildings and energy efficient Tube lights fittings for the street lights. Presently the consumers of the PED are advised to use energy efficient and standard electrical equipments / gadgets and the same would be made mandatory in consultation with the REAP a nodal agency for Puducherry for implementation of energy conservation act.<br><br>Now, the Electricity Department is using only the Star rated Distribution transformer of capacities 200 KVA and below, for expansion and strengthening of its distribution system. Further, the PED has envisaged using star rated Distribution Transformer of higher capacities subject to availability in the market.<br><br>The PED is also taking necessary action to engage an external accredited agency for conducting a detailed study on demand side PED and energy conservation. |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| 12. | **Pilferage of Energy**<br>The Commission in its last tariff order had said that illegal connections need to be revoked,check on meter tampering is required and steps to reduce AT&C losses need to beunder taken. An action plan in this regard had to be furnished | The Commission is not satisfied with the reply of the Petitioner. The Commission observes that the locals of all the four regions strongly protested against the inadequacy of the antitheft measures and directs the Petitioner to submit quarterly reports on the action taken and the revenue loss reduced. The first quarterly report should be submitted by 30thSeptember 2012. | During the second quarter of 2012-13, 961 Nos. of LT services were inspected and violations in respect of misuse of tariff have been noticed in 17 Nos. of services. In one of the LT service, the Multiplication Factor of 1 was found to be adopted instead of 1.5. Notices have also been issued for revision of bills. As far as the inspection of HT services, 32 Nos. of HT services have been inspected during the second quarter of 2012-13, and no violations / theft of energy has been noticed. With a view to strengthen the inspection of services, two separate squads have been formed within the department, each headed by an Executive Engineer. Hence, during the quarters to come, the department will intensify the inspection of services and submit the reports to the Hon'ble Commission. |
| 13. | **Employee Cost/Manpower Study**<br>PED was directed to analyse its employee strength and their relative deployment, and rationalize their requirement to reduce its manpower and related costs.<br>A report on the same had to be submitted to the Commission before November 2010. | The submission of the Petitioner is noted.<br>The Commission has analyzed the trends of the number of employees/1000 consumers since the year 2009-10. The ratio has been 6.22 and 6.10 for FY 2009-10 and FY 2010-11 based on the provisional actuals. Based on the estimates for the year 2011-12 and 2012-13,this ratio is 6.06 and 5.05. Considering an all India average number of employee per thousand consumers is 0.4012 as per the annual plan of FY 2011-12 published by the Planning Commission in October 2011; it can be construed that the Electricity Department, Puducherry is overstaffed. | The Department submits that no new recruitment was made since 2011.The existing man power is also gradually reducing in numbers as numbers of employees are retiring year on year. All the field works are being carried out by employees with minimal outsourcing. This is evident from significant low R&M expenses on comparing with other utilities as tabulated below.<br><br>Rationalization and re-organization of existing staff/Engineers had already been studied and a detailed project report was prepared by Electricity Department, Pondicherry and the Government of Puducherry had recommended and forwarded the same to Central Home Ministry's approval. Even in the above report, no new recruitment/creation of post is shown. Only the existing strength is restructured to give more responsibility/accountability to the Engineers &staff. The approval of the Central Government is awaited for the above proposed restructuring.<br><br>The UT of Puducherry is having four separate regions spread over in three neighbouring states and the existing staffs are also being deployed for non-core activities like street light maintenance etc., and hence the staff strength is not comparable with other neighbouring utilities. In spite of above, the |

| SL.NO. | DIRECTIVES | COMMISSION COMMENTS | COMPLIANCE BY THE DEPARTMENT |
|---|---|---|---|
| | | Also, in FY 2009-10 one employee was catering to 161 consumers, in FY 2010-11 it was 164consumers/employee, for FY 2011-12 it is 165 consumers/employee and for FY 2012-13 it is estimated to be 177 consumers/employee. The deployment of employees for catering to the number of consumers is improving;<br>however the Commission is not satisfied with the progress of the same. The Commission again directs the utility to have a look at its employee strength, its relative deployment and rationalize the staff requirement and the related costs. The excess manpower needs to bepruned and put to more efficient use such as improvement in customer services etc.A detailed manpower study should be conducted and submitted to the Commission by 30th<br>November 2012. | expenditure such as Employee Cost/unit and R&M expense/unit is still the lowest for PED on comparing with other utilities. |

| Utility | Tariff Order Year | Employee Expenses (Rs. Crore) | R&M Expenses (Rs. Crore) | Units MU | Employee Cost paise per unit | R&M expense paise per unit |
|---|---|---|---|---|---|---|
| PED | 2012-13 | 54.79 | 10.77 | 2388 | 22.95 | 4.51 |
| NDPL Delhi | 2012-13 | 252.09 | 95.52 | 7269 | 34.68 | 13.14 |
| BSES Rajdhani | 2012-13 | 264.78 | 114.16 | 9622 | 27.52 | 11.86 |
| BSES Yamuna | 2012-13 | 213.23 | 69.85 | 5244 | 40.66 | 13.32 |

# New Directives in the Tariff order 12-13:

| *Sl.NO.* | *Description of Directives* | *Reply by the Department* |
|---|---|---|
| 1. | **Load Forecasting study:**<br>The Petitioner is directed to conduct a detailed load forecasting study for short term (2-5 years), medium term (7-10 years) and long term (15-25 years) in order to understand the load requirements in their area at various periods and submit to the Commission along with the next tariff petition. | The load forecasting study would be carried out during the financial year 2013-14 and the same would be submitted to the Hon'ble Commission along with the next ARR petition. |
| 2. | **Interest on Security Deposit**<br>U/S 47(4) of the Electricity Act 2003, the distribution licensee shall pay interest on security deposit collected from the consumers, equivalent to the bank rate or more as may be specified by the Commission.<br>The Commission's regulations provide for the basis of calculation of security deposit to be collected from the different categories of consumers, which ranges from 2 months to 3 months of average past consumption.<br>ED Puducherry is directed to intimate the Commission the amount of security deposit collected from the consumers as on 31.3.2012 by 30th September 2012. In this regard, the PED is directed to segregate the amount of the security deposits, meter security deposits and consumer contribution for service lines from the consumers under separate heads of accounts as a first step if currently being accounted under one account head.<br>The Petitioner is directed to pay interest on consumer security deposit at the applicable bank rate (presently at 9.5% per annum). | The PED would comply with directives and necessary arrangement will be made to give interest credit to the respective consumers from 1st April 2012 after modifying the billing program under R-APDRP programme scheme. The H.T consumers would be advised to convert their existing fixed deposits into cash deposits before March 2013 and there on interest would be paid to each H.T consumers. |
| 3. | **Bill Payment:**<br>The facility of online payments should be introduced. The Petitioner is directed to introduce multiple payment gateways/agencies for online collection and action plan for the implementation of the above program be submitted within three months. In addition, the payment hours should be extended/alternative options explored so that the consumers can make the payment outside the working hours. The bill delivery mechanism should be | Various modes of Collections are proposed to be introduced under R-APDRP such as<br>(a) Internet payment gateway of various banks;<br>(b) 24x7 bill collection counter at the customer care centre for any consumer to pay the dues at any time;<br>(c) Normal bill collection counter at the section offices for any consumer to pay the dues and; |

| *Sl.N0.* | *Description of Directives* | *Reply by the Department* |
|---|---|---|
| | tuned to provide 15 days time to the consumer to make the payment as per the regulations of the Commission. | (d) Common bill collection counter proposed to be located at select locations in Puducherry / Karaikal region.<br><br>Further the facility for online payment of current consumption bills through Internet Banking offered by the State Bank of India has been introduced for domestic, commercial and industrial categories of consumers of Electricity Department, Puducherry on 28-12-2011. Efforts are on to introduce payment through payment gateways of other banks also. HT bill payment through NEFT/RTGS is also proposed to be introduced shortly. Metering Billing Collection works have commenced and expected to be completed by 31st of March 2013.<br>With this the consumer will have the option to pay by various modes, will have the flexibility to pay round the clock outside office works and would have sufficient time to pay the bill before the due date. |
| **4.** | **Rural Electrification:**<br>The Petitioner is directed to submit the status of rural electrification in their area along with the detailed plan for rural electrification with the timeline proposed to achieve the complete electrification of rural area. The same should be furnished by 31st October 2012. | All the villages in the Union Territory of Puducherry had already been electrified and as such, the PED submits no action plan in this regard. |
| **5.** | **Capital expenditure:**<br>The Commission directs the utility to furnish the capital expenditure plan of the utility prior to filing the petition for the respective year. The capex for FY 2013-14 as part of the petition for the respective year would not be considered without the prior approval of the Commission.<br>The capex plan should clearly highlight the cost benefit analysis of each of the schemes envisaged for the year. Benefits accruing to the consumers out of the schemes should be clearly brought out.<br>The Commission also directs the utility to furnish a certificate to the | The capital expenditure for the year 2013-14 is furnished along with the ARR petition for the year 13-14 highlighting the scheme-wise cost benefits.<br>The scheme wise cost benefits for the past years would be submitted to the Hon'ble Commission before 31st March 2013. |

| Sl.N0. | Description of Directives | Reply by the Department |
|---|---|---|
| | Commission showing how the capital expenditure of the previous years has benefited the consumers. | |
| 6. | **Gross Fixed Assets**<br>The Petitioner is directed to provide the break-up of the Gross Fixed Assets which are being put to active use by the utility. A detailed break-up of the GFA should be provided to the Commission along with the next year's petition. | The directives of the Hon'ble commission have been complied and the details are furnished in the un-audited accounts for the year 2011-12.<br>Audited functional wise Asset & Depreciation Registers are available with the department for the year 2009-10 & 2010-11. |
| 7. | **Enforcement Cell:**<br>The Petitioner is directed to submit the status of the functioning of enforcement cell and quarterly progress report detailing number of cases, amount involved, sub-judice cases and reduction in losses consequently. | During the second quarter of 2012-13, 961 Nos. of LT services were inspected and violations in respect of misuse of tariff have been noticed in 17 Nos. of services. In one of the LT service, the Multiplication Factor of 1 was found to be adopted instead of 1.5. Notices have also been issued for revision of bills. As far as the inspection of HT services, 32 Nos. of HT services have been inspected during the second quarter of 2012-13, and no violations / theft of energy has been noticed. With a view to strengthen the inspection of services, two separate squads have been formed within the department, each headed by an Executive Engineer. Hence, during the quarters to come, the department will intensify the inspection of services and submit the reports to the Hon'ble Commission. |
| 8. | **Voltage wise Categorization:**<br>There should be two major categorizations LT and HT based on voltage of supply. Within each voltage class, sub-categorization should be according to use by different consumer categories. This should be proposed in next ARR i.e. voltage wise, consumer wise and category wise. | The directive of the Hon'ble Commission is considered in the ARR for the year 2013-14. |
| 9. | **Data on the consumption and load profile of Advertisement Hoardings, Sign boards,Signages etc.**<br>The Petitioner is directed to separately capture the data regarding consumption and the load profile of the users of advertisement hoardings, signboards, signages etc. and propose tariff for this category separately in | Preliminary assessment at Puducherry is less than 1% and hence it is not possible to fix separate tariff for the category. |

| Sl.NO. | Description of Directives | Reply by the Department |
|---|---|---|
| | the next tariff filing, so that differential tariff for this category could be set as they draw power during the peak hours. | |
| 10. | **Supply of energy to agriculture consumers**<br>The Petitioner has mentioned in the petition that no connection is given without a meter. It is, however, seen that the meters have not been used either for working out consumption or for billing. It is not understood what purpose such meters serve when the same are not used. It may be mentioned that the cost of meters is borne by consumers directly or indirectly. So while the consumers have been burdened with the cost, no benefit is being derived from such assets.<br><br>Although the Petitioner has not offered any explanation in this regard, one of the possibilities could be that the meters may not be in proper working condition. Also, there could be the issue of reading such meters periodically, say once in 3-4 months, which are located in remote rural areas.<br>While the Commission is of the view that it is the responsibility of the licensee to ensure proper up keep of meters as well as periodic meter reading, the Commission recognizes that it is not as easy as it appears to be. In some other states, a very large number of agriculture consumers were provided with individual meters but the same had to the removed in a short time due to the fact that either the meters became unfunctional or were tampered thus not allowing to record actual consumption. Keeping the ground realities in view, the Commission directs the Petitioner to come up with a viable scheme, keeping the provisions of the Electricity Act as well as their practical difficulties in view, to suggest billing of such consumers on the basis of actual consumption and not on the basis of present practice of billing on assessed consumption. One option could be to provide meters on distribution transformers coupled with the consumer indexing. Thus the actual consumption recorded by the DTR meters and apportioning the total consumption in the ratio of load (in terms of horse-power) of individual consumers could be the basis for billing. This would alleviate the need to | As directed by the Hon'ble Commission, the PED has taken initiatives to provide the meters at the distribution transformers feeding power supply predominantly to the Agriculture consumers and assess the actual energy consumption per HP of agriculture consumers. The PED submits that as per the directions given by the Hon'ble Commission to provide meters to an extent of 10% of the Distribution transformers exclusively feeding agriculture consumers. The PED has already initiated action to complete metering of 20% of these Distribution Transformers during the year 2012-13 and has programmed to complete metering of 40 % of these Distribution Transformers during each of the years 2013-14 and 2014-15.<br>The PED has provided 82 nos. of Energy meters at DTRs feeding predominantly agricultural consumers. Necessary study would be made to ascertain the agriculture consumption after a period of one agri-year. |

| *Sl.N0.* | *Description of Directives* | *Reply by the Department* |
|---|---|---|
| | maintain and read large number of individual meters at consumer premises and would also satisfy the legal requirement of supply through a correct meter as provided in the Electricity Act 2003.<br>The Commission directs the Petitioner to prepare a proper scheme and submit to the Commission by 30th September 2012. | |
| **11.** | **Assessment of the open access consumers**<br>The Petitioner is directed to provide an assessment of the number of open access consumers greater than 1 MW to the Commission by 30th September 2012.The Petitioner to provide the detailed scheme to operationalize open access scheme including setting up of the STU and SLDC (nodal agency) by the power department of the appropriategovernment. | The road map for setting up of STU and SLDC has been furnished in the open access petition along with the proposed open access tariff by the Electricity Department to the Hon'ble commission on 7.12.2012. |
| **12.** | **Connected Load/Contract Demand based fixed charges for LT Industrial and Commercial categories.**<br>The Petitioner should furnish the connected load/contract demand data for the LT Industrial and Commercial categories and propose tariff based on connected load/contract demand to the Commission in the next tariff proposal.<br>The Fixed Charges for the LT industrial and Commercial (greater than 20 kW) should be based on connected load/contract demand. | On full implementation of R-APDRP programme the fixed charges based on the connected load would be implemented for both LT /Commercial and Industrial consumers. |
| **13.** | **True-up Petition for the respective years**<br>The Petitioner is directed to file 'true-up' for FY 2009-10, FY 2010-11 and FY 2011-12 and 'Review' for FY 2012-13 alongwith the petition for ARR and tariff determination for FY 2013-14. | The True-up petitions for the year 2009-10 & 2010-11 had already been submitted to the Hon'ble Commission on 07-01-2013.The accounts on accrual basis for 2011-12 have been prepared by the PED and submitted along with this petition for 2013-14. The true-up petition for the year 2011-12 would be submitted after the audit of 2011-12 accounts. The revised estimates of 2012-13 is submitted along with the ARR of 2013-14 |
| **14.** | **Short-term procurement of power by the licensee**<br>As per the Ministry of Power Resolution dated 15th May 2012, the licensee is directed to comply with the guidelines for short term procurement of power by distribution licensees through tariff based bidding process. | At present the department is not facing any power crisis in the Puducherry UT and the department is not buying any short term power .If any power crisis is faced by the Department the Department would follow the directives of the Hon'ble Commission. |

# Annexure 4: Peak Demand Reached on PED System for the year FY 2011-12

Table 116: Peak Demand in PED System

| Sl No | Month | 230 kV VIllanur ss | 230 kV Bahour ss | Total MD of 230 kV SS | TNEB Power Drawn at Pondy | Total for Pondy (5)+(6) | MD of power drawn at Karaikal | | Total for Karaikal (8)+(9) | Mahe | | | Yanam 132 kV SS | Total . |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Sorakudy | PPCL | | Total | KSEB Feeder | Net Mahe (11-12) | | |
| **(1)** | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| **1** | 04/11 | 166.20 | 133.70 | 299.90 | 16.68 | 316.58 | 48.50 | 32.50 | 81.00 | 5.87 | 5.90 | -0.03 | 16.50 | 414.05 |
| **2** | 05/11 | 165.60 | 143.50 | 309.10 | 16.84 | 325.94 | 48.12 | 32.50 | 80.62 | 6.90 | 5.95 | 0.95 | 23.00 | 430.51 |
| **3** | 06/11 | 166.60 | 153.80 | 320.40 | 18.13 | 338.53 | 48.24 | 32.50 | 80.74 | 6.44 | 6.34 | 0.10 | 15.90 | 435.27 |
| **4** | 07/11 | 169.30 | 142.10 | 311.40 | 16.38 | 327.78 | 50.82 | 32.50 | 83.32 | 5.90 | 5.93 | -0.03 | 15.70 | 426.77 |
| **5** | 08/11 | 166.20 | 142.80 | 309.00 | 17.00 | 326.00 | 51.26 | 32.50 | 83.76 | 5.95 | 5.95 | 0.00 | 17.30 | 427.06 |
| **6** | 09/11 | 163.20 | 148.70 | 311.90 | 16.19 | 328.09 | 49.05 | 32.50 | 81.55 | 6.34 | 6.34 | 0.00 | 15.50 | 425.14 |
| **7** | 10/11 | 163.90 | 137.20 | 301.10 | 16.85 | 327.95 | 48.38 | 32.50 | 80.88 | 5.93 | 5.93 | 0.00 | 16.50 | 415.33 |
| **8** | 11/11 | 165.90 | 120.90 | 286.80 | 16.48 | 303.28 | 44.60 | 32.50 | 77.10 | 5.85 | 5.85 | 0.00 | 16.40 | 396.78 |
| **9** | 12/11 | 147.10 | 132.80 | 279.90 | 18.14 | 298.04 | 49.34 | 32.50 | 81.84 | 5.88 | 5.88 | 0.00 | 14.40 | 394.28 |
| **10** | 01/12 | 169.90 | 120.90 | 290.80 | 12.36 | 303.16 | 46.64 | 0.00 | 46.64 | 5.94 | 5.94 | 0.00 | 14.50 | 264.30 |
| **11** | 02/12 | 161.90 | 128.60 | 290.50 | 14.57 | 305.07 | 48.47 | 0.00 | 48.47 | 6.37 | 6.37 | 0.00 | 12.00 | 365.54 |
| **12** | 03/12 | 166.20 | 137.20 | 303.40 | 14.57 | 317.97 | 49.74 | 32.50 | 82.24 | 6.19 | 6.19 | 0.00 | 15.60 | 415.81 |
| **Maximum Demand** | | 169.90 | 153.80 | 320.40 | 18.14 | 338.53 | 51.26 | 32.50 | 83.76 | 6.90 | 6.37 | 0.95 | 23.00 | 435.27 |

# Annexure 5 –Unscheduled Interchange Summary for PED System

Table 117: UI Statistics - Units Purchased and Sold (MU)

| Period | F<49.5 Hz | 49.5 Hz < F < 49.7 Hz | F>49.7 Hz | UI Energy Purchase | UI Energy Sales |
|---|---|---|---|---|---|
| **Apr 11 – Mar 12** | 0.54 | 2.23 | 3.61 | 6.38 | -516.47 |
| **Apr 12 – Sep 12** | 0.20 | 3.34 | 4.49 | 8.03 | -145.87 |

The Commission, in its tariff order had made the following statement in connection with UI sales – "*The excess units have been assumed to be sold through various short-term transactions at the average realization rate of Rs 4.5/kWh*". For this, the Commission has studied the rates prevalent in the short term market and arrived at the value of Rs.4.5/Kwh.

EDP wishes to bring the following two points to the notice of the Commission

a. Possibility of selling power on short term market by PED is remote because the maximum allocated power is 392 MW from central generating stations. Out of this, close to 231 MW only is the firm commitment. In the scenario that PED decides on its requirements and decides to sell the remaining non-required capacity on the short term market; and then if there is any loss of generation on the part of the CGS, there would be shortage of power in the PED license area. This would lead to over-drawal from the grid/load shedding both of which are not desired and will result in adverse public criticism. In addition, trading of CGS power would result in criticism by other electricity deficit states in the region and may result in reduction of allocation.

b. Commission fixing a rate of RS. 4.5/unit – For this, the Commission may please refer to Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) Regulations, 2009. Clause 4 of this regulation states that *The Cap Rate for the Unscheduled Interchange for the under drawls by the buyer or the beneficiaries in excess of 10% of the schedule or 250 MW whichever is less shall be the same as the charges for the Unscheduled Interchange corresponding to grid frequency interval of 'below 49.70 Hz and not below 49.68 Hz' as specified in Schedule "A" of these Regulations.* This value works out to Rs. 4.03/kWh. Upto 10% however, the rate prevalent for that frequency band would apply. Hence, the Commission may reconsider its decision to fix Rs. 4.5/kWh for under-drawl. At the same time, the Commission is requested to consider treating the average realization of UI as claimed in the petition

In the event of the Commission disallowing some power as per the merit order to account for UI sales, PED humbly requests that PPCL should not be disallowed as it is the sole source of supply to Karaikal region apart from TNEB. There are no alternate central sector power sources for this region and hence the PPCL plant should be effectively treated as must run. Merit order may be considered for Central Sector Stations alone.

# Annexure -6: Standard of Performance

Table 1187 Compliance of Standard of Performance

| Sl.No. | Parameter | 01.04.2012 to 30.6.2012 | | | 1.7.2012 to 30.09.2012 | | |
|---|---|---|---|---|---|---|---|
| | | No. of Complaints | Addressed as per Standard of Performance | Percentage of Compliance of SOP | No. of Complaints | Addressed as per Standard of Performance | Percentage of Compliance of SOP |
| 1 | **Restoration of Power Supply (Fuse of Calls)** | 8,135 | 8,092 | 99.47% | 12,517 | 12,382 | 98.92% |
| 2 | **Line Breakdowns** | 2,140 | 1,911 | 89.30% | 951 | 937 | 98.53% |
| 3 | **Distribution transformer failure** | 60 | 60 | 100.00% | 36 | 31 | 86.11% |
| 4 | **Scheduled outages** | | | | 52 | 49 | 94.23% |
| 5 | **Voltage variations** | 65 | 40 | 61.54% | 151 | 100 | 66.23% |
| 6 | **Meter Complaints** | 2,380 | 1,390 | 58.40% | 2,776 | 1,319 | 47.51% |
| 7 | **Approval for New Service Connections** | | | | 1,105 | 737 | 66.70% |
| 8 | **Erection Of Sub-station** | | | | 41 | 24 | 58.54% |
| 9 | **Transfer of Ownership** | 569 | 460 | 80.84% | 679 | 551 | 81.15% |
| 10 | **Conversion of Tariff Category** | 63 | 52 | 82.54% | 121 | 114 | 94.21% |
| 11 | **Billing Complaints** | 583 | 424 | 72.73% | 340 | 327 | 96.18% |
| 12 | **Re-connection** | | | | 3,437 | 3,299 | 95.98% |
| 13 | **Payment of Solatium** | | | | | | |
| 14 | **Refund of Deposits** | | | | | | |
| 15 | **Issue of Certificates.** | | | | | | |

# Annexure -7: Compliance of Distribution Code:-

The PED in compliance with distribution code notified by the Commission, has constituted a standing Committee for design, construction and Maintenance practises under the Chairmanship of Superintending Engineer-III on 29-03.2012 with the following members.

Executive Engineer-X - General Planning

Executive Engineer-VII – Material PED

Executive Engineer-VI – Design & Planning

Executive Engineer-IX – Member Secretary.