

**Petition for True up for FY 2017-18 and FY 2018-19,  
Annual Performance Review for FY 2021-22 and  
MYT Petition for the control period FY 2022-23 to  
FY 2024-25 & Tariff Proposal for FY 2022-23**

**Submitted by:  
Lakshadweep Electricity Department  
Administration of Lakshadweep**

**December-2021**

**GENERAL HEADINGS OF PROCEEDINGS**

**BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION  
FOR THE STATE OF GOA & UNION TERRITORIES**

**FILE No:** \_\_\_\_\_

**CASE No:** \_\_\_\_\_

**IN THE MATTER OF** : **Petition for Approval of True up for FY 2017-18  
and FY 2018-19, APR for FY 2021-22 and MYT  
Petition for the control period FY 2022-23 to FY  
2024-25 & Tariff Proposal for FY 2022-23.**

**AND**

**IN THE MATTER OF** : **Lakshadweep Electricity Department,  
THE PETITIONER** **Kavaratti - 682555  
.....Petitioner**

Lakshadweep Electricity Department (hereinafter referred to as 'LED'), files Petition for Approval of True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for FY 2022-23.

**AFFIDAVIT**

**BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION  
FOR THE STATE OF GOA & UNION TERRITORIES**

**FILE No:** \_\_\_\_\_

**CASE No:** \_\_\_\_\_

**IN THE MATTER OF**

**Petition for Approval of True up for FY 2017-18  
and FY 2018-19, APR for FY 2021-22 and MYT  
Petition for the control period FY 2022-23 to FY  
2024-25 & Tariff Proposal for FY 2022-23.**

**AND**

**IN THE MATTER OF  
THE PETITIONER**

**Lakshadweep Electricity Department,  
Kavaratti - 682555**

**.....Petitioner**

I, P.V Hassan S/o, Late M. Thangakoya (aged 59 years),, Executive Engineer, Lakshadweep Electricity Department, U.T of Lakshadweep residing at Govt. Quarter, Kavaratti, Lakshadweep, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the Executive Engineer of Lakshadweep Electricity Department and is acquainted with the facts deposed to below.
2. I, the deponent named above do hereby verify that the contents of the accompanying petition are based on the records of Lakshadweep Electricity Department maintained in the ordinary course of business and believed by them to be true and I believe that no part of it is false and no material has been concealed there from.

Details of enclosures:

- a) Petition for Approval of Petition for Approval of True up for FY 2017-18 and FY 2018-19, APR for FY 2021-22 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for FY 2022-23.
- b) Fee for MYT petition is being transferred through RTGS.

*Vishal*  
*06/01/22*  
MAGISTRATE  
KAVARATTI

Place: Kavaratti, Lakshadweep,

Dated:

For Lakshadweep Electricity Department

*[Signature]*  
Petitioner

PROTECTIVE ENGINEER (E.E.)  
U.T. OF LAKSHADWEEP  
KAVARATTI-GE2 555

I, \_\_\_\_\_ Advocate, \_\_\_\_\_, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

**Advocate**

Solemnly affirmed before me on this ..... day of .....2021 at ..... a.m./p.m. by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.

*[Signature]*  
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BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION  
FOR THE STATE OF GOA & UNION TERRITORIES

FILE No: \_\_\_\_\_

CASE No: \_\_\_\_\_

IN THE MATTER OF :

Petition for Approval of True up for FY 2017-18  
and FY 2018-19, APR for FY 2021-22 and MYT  
Petition for the control period FY 2022-23 to FY  
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AND

IN THE MATTER OF :  
THE PETITIONER

Lakshadweep Electricity Department,  
Kavaratti-682555, U.T. of Lakshadweep.

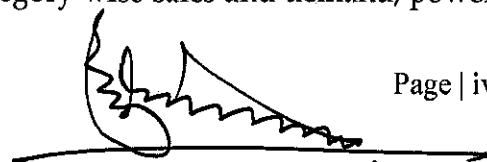
.....Petitioner

PETITIONER, UNDER JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA AND UNION TERRITORIES (MULTI YEAR TARIFF) REGULATIONS, 2018 READ WITH JERC (CONDUCT OF BUSINESS), REGULATIONS, 2009 FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR APPROVAL OF TRUE UP FOR FY 2017-18 & FY 2018-19, APR FOR FY 2021-22 AND MYT PETITION FOR THE CONTROL PERIOD FY 2022-23 TO FY 2024-25 & TARIFF PROPOSAL FOR FY 2022-23. OF LAKSHADWEEP ELECTRICITY DEPARTMENT (HEREIN AFTER REFERRED TO AS "LED").

**LAKSHADWEEP ELECTRICITY DEPARTMENT RESPECTFULLY SUBMITS:**

1. The Petitioner, Lakshadweep Electricity Department has been allowed to function as Distribution Utility for UT of Lakshadweep.
2. Pursuant to the enactment of the Electricity Act, 2003, LED is required to submit its Aggregate Revenue Requirement (ARR) and Tariff Petitions as per procedures outlined in section 61, 62 and 64, of EA 2003, and the governing regulations thereof.
3. The Joint Electricity Regulatory Commission For Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2021 requires the LED to file True-up for previous year, APR for current year i.e FY 2021-22 & ARR & tariff proposal, for FY 2022-23, which shall comprise but not be limited to detailed category-wise sales and demand, power

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EXECUTIVE ENGINEER  
U.T. OF LAKSHADWEEP  
KAVARATTI

procurement, capital investment, financing, physical targets, cost components etc..

4. Further, the regulation requires that, based on the approved Business Plan and MYT Petition for Control period FY 2022-23 to FY 2024-25, the forecast of revised Aggregate Revenue Requirement, expected revenue from tariff & proposed tariff is to be submitted.
5. LED is submitting its Petition for Approval of True up for FY 2017-18 & FY 2018-19 ( in accordance with JERC MYT Regulations, 2014), APR for FY 2021-22 ( in accordance with JERC MYT Regulations, 2018)and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for FY 2022-23 ( in accordance with JERC MYT Regulations, 2021)to Hon'ble Commission on the basis of the principles outlined in the respective tariff regulations notified by the Joint Electricity Regulatory Commission.
6. LED prays to the Hon'ble Commission to admit the attached Petition of True up for FY 2017-18 & FY 2018-19, APR for FY 2021-222 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for FY 2022-23 and would like to submit that:

**PRAYERS TO THE HON'BLE COMMISSION:**

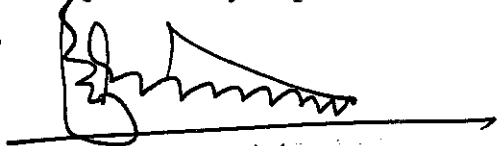
1. The petition provides, inter-alia, LED's approach for formulating the present petition, the broad basis for projections used, summary of the proposals being made to the Hon'ble Commission, performance of LED in the recent past, and certain issues impacting the performance of LED in the Licensed Area.
2. Broadly, in formulating the MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for FY 2022-23, the principles specified by the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2021 ("MYT Regulations") have been considered as the basis.
3. In order to align the thoughts and principles behind the MYT petition and Tariff Proposal, LED respectfully seeks an opportunity to present their case prior to the approval of the business plan. LED believes that such an approach would go a long way towards providing a fair treatment to all the stakeholders and may eliminate the need for a review or clarification.
4. LED may also be permitted to propose suitable changes to the petition and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.

In view of the above, the petitioner respectfully prays that Hon'ble Commission may:

- Approve the True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for FY 2022-23 for LED formulated in accordance with the guidelines outlined as per the regulation of Joint Electricity Regulatory Commission relating to Distribution Licensee and the principles contained in Tariff Regulations ;
- Condone any inadvertent delay/ omissions/ errors/ rounding off differences/shortcomings and LED may please be permitted to add/ change/ modify/ alter the petition;
- Permit LED to file additional data/ information as may be necessary;
- Pass such further and other orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

Lakshadweep Electricity Department

Petitioner



Place: Kavaratti, Lakshadweep

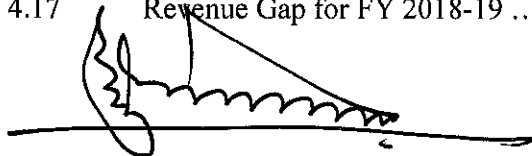
Dated: 06/01/2022

EXECUTIVE ENGINEER  
U.T. OF LAKSHADWEEP  
KAVARATTI

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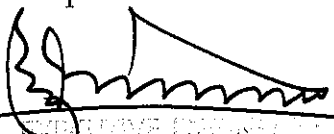


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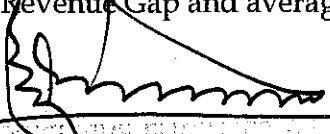
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~~INDUVE GROUP~~  
U.T. OF LAD-11-11  
KAVARAT

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 EXECUTIVE ENGINEER  
 U.T. OF LAMPETA  
 KARNATAKA  
 575 001

## LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administration & General
ARR	Annual Revenue Requirement
CAGR	Compound Annual Growth Rate
CD	Contract Demand
CoS	Cost of Supply
Crs	Crore
D/E	Debt Equity
LED	Electricity Department of Lakshadweep
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
JERC	Joint Electricity Regulatory Commission
KV	Kilovolt
KVA	KilovoltAmps
kWh	kilo Watt hour
LT	Low Tension
LTC	Leave Travel Concession
MU	Million Units
MVA	Million Volt Amps
MW	Mega Watt
O&M	Operation & Maintenance
PLF	Plant Load Factor
MCLR	Marginal Cost Lending Rate
R&M	Repairs and Maintenance
RoE	Rate of Return
Rs.	Rupees
S/s	Sub Station
SBI	State Bank of India
T&D	Transmission & Distribution
UT	Union Territory
MYT	Multi Year Tariff

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## **1. INTRODUCTION**

### **1.1 Historical Perspective**

Lakshadweep Electricity Department ("LED") is responsible for power supply in the union territory. Power requirement of LED is met by own generation station as well as power purchase.

The Union Territory (UT) of Lakshadweep is an archipelago consisting of 12 atolls, three reefs and five submerged banks. It is a uni-district Union Territory with an area of 32 Sq. Kms and is comprised of ten inhabited islands, 17 uninhabited islands attached islets, four newly formed islets and 5 submerged reefs. The inhabited islands are Kavaratti, Agatti, Amini, Kadmat, Kiltan, Chetlat, Bitra, Andrott, Kalpeni, and Minicoy.

Electrification of Lakshadweep Islands was initiated during the second Five Year Plan. Minicoy was the first Island electrified in 1962 followed by Kavaratti Island in 1964, then Amini and Andrott in 1965 and 1966 respectively. Bitra was the last Island electrified in 1982. Initially, power supply was limited to 6 - 12 hours till 1982-83 except in Kavaratti where 24 hours power supply was provided from 1964 itself. Round the clock power supply is provided in all the Islands since 1983.

Starting with modest capacity of 51.6 kilo Watts in 1962 from two Diesel Generating Sets, the generating capacity of Lakshadweep Electricity Department has grown up over the years with increase in demand. The power generated has been steadily increasing over the years to meet the demand of the people in the Islands. Since, the Diesel Generating sets were the only source of power, diesel has to be transported from Calicut (Kerala) in barrels. These barrels are transported in cargo barges to the Islands and stored for use. To alleviate this problem of transportation, oil storage facilities initially at Kavaratti and Minicoy Islands are under installation.

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

Lakshadweep Electricity Department is operates and maintains power generation, transmission & distribution system network in these islands for providing electric power supply to general public and implements various schemes under Plan & Non Plan for augmentation of DG Generating Capacity, establishment of new power houses, renewable sources of power and T&D Systems. Presently, the department is headed by Executive Engineer.

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
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**1.2 Power Scenario**

1.2.1 The salient features about development of electric power supply in these islands are provided below:

**ELECTRICITY DEPARTMENT AT A GLANCE (2020-21)**

Total Installed capacity	:	27.606 MW <i>(26.566 MW Diesel, 1.040 MW solar)</i>
No. of Power Houses	:	17 Nos <i>(11 nos. Diesel Power Plant and 6 nos. solar power plants)</i>
Total Staff strength	:	336 Nos
HT line	:	112 Kms
LT line	:	351 Kms
Distribution Transformers	:	109 Nos.
No. of consumers	:	25,422 Nos..
Total unit sold	:	53.10 MU

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
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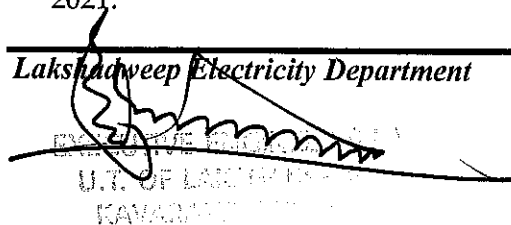
### 1.3 JERC Formation

In exercise of the powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all Union Territories to be known as "Joint Electricity Regulatory Commission for Union Territories" as notified on 2<sup>nd</sup> May 2005. Later with the joining of the State of Goa, the Commission came to be known as "Joint Electricity Regulatory Commission for the State of Goa and Union Territories" as notified on 30<sup>th</sup> May 2008.

The Hon'ble Commission is a two-member body designated to function as an autonomous authority responsible for regulation of the power sector in the State of Goa and Union Territories of Lakshadweep, Lakshadweep, Chandigarh, Daman & Diu, Dadra Nagar & Haveli and Puducherry. The powers and the functions' of the Hon'ble Commission are as prescribed in the Electricity Act 2003. The Head Office of the Commission presently is located in the district town of Gurgaon, Haryana and falls in the National Capital Region.

The Joint Electricity Regulatory Commission for the State of Goa and Union Territories started to function with effect from August 2008 with the objectives and purposes for which the Commission has been established. Presently the Hon'ble Commission is framing various regulations as mandated in the Electricity Act 2003 to facilitate its functioning. Some of the Regulations notified by the Hon'ble Commission include the following:

- JERC Conduct of Business Regulations 2009;
- JERC Electricity Supply Code Regulations 2010
  - (a) 1<sup>st</sup> Amendments
  - (b) 2<sup>nd</sup> Amendments
  - (c) Corrigendum dt. 6<sup>th</sup> Jan. 2014
- JERC State Grid Code Regulations 2010
- JERC Procurement of Renewal Energy Regulations 2010 along with amendments.
- JERC for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015
- JERC (Solar Power -Grid Connected Ground Mounted and Solar Rooftop and Metering ) Regulations, 2015
- JERC (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017
- JERC for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2018.
- JERC for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2021.





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**1.4 Filing under Tariff Regulations**

- 1.4.1 LED has been filing its ARR and Tariff petitions for the past years with the Hon'ble Commission based on the principles outlined by the Hon'ble Commission vide their Regulations on applicable terms and conditions of Tariff for Distribution Licensees as notified in 2009, filed the petition in accordance with the JERC for the State of Goa and Union Territories (Multi Year Distribution Tariff) Regulations, 2014 and filed the last petition in accordance with the JERC for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2018.
- 1.4.2 LED filed its petition for determination of Aggregate Revenue Requirement (ARR) for the control period FY 2016-17 to FY 2018-19 under section 61, 62 & 64 of the Electricity Act, 2003 and JERC (Multi Year Tariff) Regulations, 2014 on 13<sup>th</sup> January, 2016 against which Tariff Order was issued by the Hon'ble Commission on 31<sup>st</sup> March, 2016. As per the MYT Regulations, 2014, LED is required to file the True-up petition in respect of each year of the control period (FY 2016-17, FY 2017-18 & FY 2018-19). The true-up petition for the FY 2016-17 was filed vide petition Dt 26<sup>th</sup> November, 2019 against which Tariff Order was issued by the Hon'ble Commission on 18<sup>th</sup> May, 2020. The True-up petition for the FY 2017-18 FY 2018-19 is required to be filed as per the above Regulations.
- 1.4.3 Accordingly, true-up petition for the FY 2017-18 and FY 2018-19 as per audited accounts has been prepared in line with the JERC (Multi Year Distribution Tariff) Regulations, 2014. The Accounts for the FY 2019-20 is under compilation. The True-up in respect of the FY 2019-20 shall be submitted after the completion of Audit.
- 1.4.4 As per JERC (Multi Year Distribution Tariff) Regulations, 2018, LED is required to file the APR for the third year of the control period FY 2019-20 to FY 2021-22 and As per JERC (Multi Year Distribution Tariff) Regulations, 2021, LED is required to file MYT Petition for the control period FY 2022-23 to FY 2024-25 and Tariff proposal for the first year of the control period i.e. FY 2022-23.
- 1.4.5 Accordingly, this petition has been prepared in line with the MYT Regulations, 2014, 2<sup>nd</sup> MYT order, MYT Regulations, 2018 & MYT Regulation, 2021.

**1.5 Filing of True-up, APR and MYT Petition & Tariff proposal**

- 1.5.1 Under the provisions of Electricity Act, 2003, Licensee is required to submit its ARR and Tariff Petition as per procedures outlined in section 61, 62 and 64 of EA 2003, and the governing regulations of JERC of the relevant years thereof.
- 1.5.2 In line with the above, LED has adopted the principles of JERC (MYT Distribution Tariff) Regulations, 2014 for FY 2017-18 & FY 2018-19. Accordingly, LED is submitting the said petition for True-up of FY 2017-18 & FY 2018-19 based on audited accounts and above Regulations for the approval of the Hon'ble Commission.

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- 1.5.3 Also, along with the said Petition, petition for approval of APR for the FY 2020-21 is prepared in line with MYT Regulations, 2018 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff proposal for FY 2022-23 is prepared in the line with MYT Regulation, 2021.
- 1.5.4 LED hereby submits its petition for approval of True-up for the FY 2017-18 & FY 2018-19, APR for the FY 2021-22 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff proposal for FY 2022-23. The petitioner has attempted to comply with the various guidelines in the Act and regulations within the limitations of availability of data. The details are provided in the subsequent sections.

## **2. OVERALL APPROACH FOR PRESENT FILING**

The Hon'ble Commission had notified the Joint Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009, JERC (Multi Year Distribution Tariff) Regulations, 2014, JERC (Multi Year Tariff) Regulations, 2018 and JERC (Multi Year Tariff) Regulations, 2021. The Hon'ble Commission has notified the JERC (Multi Year Distribution Tariff) (First Amendment) Regulations, 2015 on 10th August, 2015. In line with the Tariff regulations, 2009, MYT Regulations, 2014, & MYT Regulations, 2018 as applicable, LED has been filing the ARR petitions for consideration of the Hon'ble Commission in the formats laid down for providing information relating to past, present and future performance. In this petition, LED is filing the True-up for FY 2017-18 & FY 2018-19, and Annual Performance Review for FY 2021-22 along with MYT Petition for the control period FY 2022-23 to FY 2023-24 & Tariff proposal for the FY 2023-24.

### **2.1. True-up for the FY 2017-18 & FY 2018-19**

As specified in the Tariff Regulations, the Hon'ble Commission shall undertake the truing-up exercise for the previous year based on audited accounts. LED submits that it has completed the audit of accounts of FY 2017-18 and FY 2018-19. Accordingly, LED is submitting the True-up petition of FY 2017-18 & FY 2018-19 with the audited accounts. Further, it is submitted that the Annual Accounts for the FY 2019-20 & FY 2020-21 are under preparation and LED seeks permission to submit the True-up after finalization of the Accounts for the year and its audit.

### **2.2. Annual Performance Review for the FY 2021-22**

2.2.1. As specified in the Tariff Regulations, the Hon'ble Commission shall undertake the Annual Performance Review by considering variations between the approved and revised estimates of sale of electricity, income and expenditure for the relevant year.

2.2.2. Accordingly, LED is filing this Annual Performance Review petition for the year FY 2021-22 based on the actual performance during the 1st half of the year and the revised estimates for the second half of the year of purchase and sales.

### **2.3. MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff Proposal for the FY 2022-23**

LED is filing the MYT Petition for the control period FY 2022-23 to FY 2024-25 for approval of ARR of FY 2022-23 to FY 2024-25 & Tariff for the FY 2022-23 based on the MYT Regulations, 2021.

2.3.1. True-up for FY 2017-18 & FY 2018-19, APR for FY 2021-22 and MYT Petition for the control period FY 2022-23 to FY 2024-25 & Tariff proposal for the FY 2022-23 have been carried out separately and details of the same are presented separately.

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
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**3. Truing Up of FY 2017-18**

**3.1 Preamble**

This section outlines the performance of LED for FY 2017-18. LED submits that the audit of the accounts has been completed by AG. Therefore, LED submits the actual for FY 2017-18 in this petition for truing up along with the comparison of the approved figures by Hon'ble Commission vide tariff order for the FY 2017-18.

3.1.1. This chapter summarizes each of the components of ARR for FY 2017-18 and thereby working out the revenue gap for the said year.

**3.2. ARR approved for the FY 2017-18**

3.2.1. The summary of the actual charges for FY 2017-18 in comparison to the figures as approved by the Hon'ble Commission in the Tariff Order for the FY 2017-18 is tabulated below:

**Table 3.1: ARR approved for the FY 2017-18**

(Rs. in crore)

S. No.	Particulars	Approved in T.O. dated 31st March, 2016
1	Cost of Fuel	74.76
2	Cost of Power Purchase	5.59
3	Employee costs	13.35
4	R&M expenses	4.52
5	A&G expenses	1.83
6	Depreciation	6.36
7	Interest on Loan	8.06
8	Interest on Consumer Security Deposit	0.01
9	Interest on working capital	1.24
10	Return on Equity	5.50
11	Provision for Bad Debt	0.00
<b>12</b>	<b>Total Revenue Requirement</b>	<b>121.22</b>
13	Less: Non-Tariff Income	0.45
<b>14</b>	<b>Net Revenue Requirement</b>	<b>120.77</b>

*(Signature)*  
EXCUTIVE ENGINEER  
U.E. OF LAKSHADWEEP  
MADRAS

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

**3.3. Number of consumers**

3.3.1. LED submits before the Hon'ble Commission the actual consumer numbers for FY 2017-18 in comparison to the approved numbers as highlighted below:

**Table 3.2: Number of consumers for the FY 2017-18**

Sl. No.	Category	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	2	3	4
1	Domestic	20198	19729
2	Commercial	3514	3620
3	Industrial	321	362
4	Public Lighting	73	76
5	Temporary Connection	0	160
6	<b>Total</b>	<b>24106</b>	<b>23947</b>

3.3.2. It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2017-18.

**3.4. Energy Sales**

3.4.1. LED submits before the Hon'ble Commission the category wise actual and approved sales for FY 2017-18 in the table below:

**Table 3.3: Energy Sales for the FY 2017-18**

(In MUs)

Sl. No.	Categories	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Domestic	47.45	35.90
2	Commercial	11.98	10.91
3	Industrial	0.42	0.96
4	Public Lighting	0.81	0.65
5	Others Temporary Supply		0.09
	<b>Grand Total</b>	<b>60.66</b>	<b>48.50</b>

3.4.2. It is requested to the Hon'ble Commission to approve the actual sales as submitted in the above table for FY 2017-18.

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**3.5. Energy Balance**

3.5.1. LED has submitted 13.03 % as the energy distribution losses for FY 2017-18 as compared to that approved by Hon'ble Commission at 12.75%. The comparison of energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

**Table 3.4: Energy Balance for the FY 2017-18**

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
A	<b>ENERGY REQUIREMENT (MU)</b>		
i)	Total Sales within UT	60.66	48.50
ii)	Transmission & Distribution Losses (%)	12.75	13.03
iii)	T&D Losses (MU)	8.87	7.27
	<b>Total Energy Requirement (for sale to retail consumers)</b>	<b>69.53</b>	<b>55.77</b>
B	<b>ENERGY AVAILABILITY AT PERIPHERY</b>		
i)	Power Purchase	-	-
ii)	Own Generation	69.53	55.77
	<b>Total Energy Availability</b>	<b>69.53</b>	<b>55.77</b>
	<b>ENERGY SURPLUS/(GAP)</b>	<b>-0.00</b>	<b>0.00</b>

3.5.2. LED submits that there is reduction in T&D loss as compared to earlier years. LED requests the Hon'ble Commission to approve the Distribution Loss as submitted above for FY 2017-18.

**3.6. Cost of fuel**

3.6.1. The energy requirement of LED is met from own generation. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

3.6.2. LED submits before the Hon'ble Commission the actual cost of fuel and the approved figures for FY 2017-18 in the table below:

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**Table 3.5: Cost of fuel for the FY 2017-18**

(Rs. in crore)

Sr.No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	2	3	4
1	Cost of Fuel	74.76	79.71
2	<b>Total</b>	<b>74.76</b>	<b>79.71</b>

3.6.3. The Hon'ble Commission is requested to approve the fuel cost as submitted above for FY 2017-18.

**3.7. GFA, Capitalisation & Depreciation**

3.7.1. GFA: The Opening Balance of GFA, additions and closing balance of GFA for FY 2017-18 as per annual accounts is submitted in the table below:

**Table 3.6: GFA, & Capitalisation for the FY 2017-18**

(Rs. in crore)

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening GFA	105.18	162.30
2	Capitalisation	18.95	6.44
3	Closing GFA	124.13	168.74

3.7.2. LED submits that the Asset and Depreciation registers have been prepared and duly audited fixed assets' gross amount, accumulated depreciation and depreciation for the year have been shown in the accounts for FY 2017-18. LED requests the Hon'ble Commission to approve the actual Gross Fixed Assets opening and additions as submitted above for FY 2017-18

3.7.3. Depreciation: "As per Regulation 23 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.

3.7.4. LED would like to submit that the depreciation arrived in annual accounts for FY 2017-18 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.

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3.7.5. The following table shows the depreciation arrived by LED for FY 2017-18 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for the year.

**Table 3.7: Depreciation for the FY 2017-18**

(Rs. in crore)

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening GFA	105.18	162.30
2	Capitalisation	18.95	6.44
3	Closing GFA	124.13	168.74
4	Average GFA	114.66	165.52
5	Average rate of Depreciation	5.54%	3.99%
6	Depreciation	6.36	6.61

3.7.6. The Hon'ble Commission is requested to approve the actual depreciation for FY 2017-18 as submitted in the table above.

**3.8. Operation & Maintenance expenses**

3.8.1. Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day to day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as well as in the reduction of losses in the system.

3.8.2. Regulation 21 of JERC MYT Regulations, 2014 provides for trajectory of norms for each of the component of O&M Expense viz., Employee Expenses, A&G Expense and R&M Expense. The Hon'ble Commission has approved the O&M expenses for the FY 2017-18 in the MYT order for the control period FY 2016-17 to FY 2018-19. LED has provided the component wise details of approved & actual figures for the FY 2017-18 in the subsequent section.



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**3.8.3. Employee Expenses**

3.8.3.1. LED has computed the O&M (Employee) expense for FY 2017-18 based on the actual employee expenses incurred during the entire year. The actual employee cost along with the approved figure for the FY 2017-18 is given below:

**Table 3.8: Employee Expenses for the FY 2017-18**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Employee Expenses	13.35	19.31
2	<b>Total Employee Expenses</b>	<b>13.35</b>	<b>19.31</b>

3.8.3.2. LED requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2017-18 as reflecting in audited annual accounts.

**3.8.4. Repair & Maintenance Expenses**

3.8.4.1. The Hon'ble Commission had approved Rs.4.52 Crores towards R&M expenses for the FY 2017-18 vide MYT order Dt. 31.03.2016. In this regard it is submitted that the accounts on commercial principles was not maintained by LED at the time of filing of MYT Petition for the 1<sup>st</sup> control period of FY 2016-17 to FY 2018-19. The same was prepared & audited subsequently hence, there is variance between the figures approved by the Hon'ble Commission & actual figures. The Hon'ble Commission may kindly consider the R&M figures as per the audited accounts submitted herewith for Trueing up of the FY 2017-18.

3.8.4.2. The actual repairs and maintenance cost as compared with the approved figures for the FY 2017-18 is provided in the table below:

**Table 3.9: Repair & Maintenance Expenses for the FY 2017-18**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	R & M Expenses	4.52	10.08
2	<b>Total R &amp; M Expenses</b>	<b>4.52</b>	<b>10.08</b>

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3.8.4.3. LED submits that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standards of Performance of the utility. There is a need for R&M expenses to be growing in line with the increase in GFA also. LED therefore requests the Hon'ble Commission to approve the R&M expenses as submitted in the table above for the FY 2017-18.

**3.8.5. Administrative & General Expenses**

3.8.5.1. The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2017-18 are shown in the table below.

**Table 3.10: Administrative & General Expenses for the FY 2017-18**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	A & G Expenses	1.83	4.26
2	<b>Total A &amp; G Expenses</b>	<b>1.83</b>	<b>4.26</b>

3.8.5.2. LED requests the Hon'ble Commission to approve the A&G expenses as submitted in the table above for the FY 2017-18.

3.8.6. O&M expenses summary - Based on the foregoing paragraphs, the O&M expenses for the year FY 2017-18 are summarized below:

**Table 3.11: O&M expenses summary for the FY 2017-18**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Employee Expenses	13.35	19.31
2	R & M Expenses	4.52	10.08
3	A & G Expenses	1.83	4.26
4	<b>Total O&amp;M Expenses</b>	<b>19.70</b>	<b>33.65</b>

3.8.7. The Hon'ble Commission is requested to approve the O&M Expenses for FY 2017-18 as shown in the table above.

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**3.9. Interest & Finance charges**

3.9.1. The Regulation 24 of JERC MYT Regulations, 2014 provides for Interest and Finance Charges on Loan. LED has submitted that all the capital assets are created out of the budgetary allocation from the Government of India. However, LED has been claiming interest charges based on normative loan calculation. The Interest and Finance Charges arrived is based on normative loan considered to the extent of capitalization during the year. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2017-18.

**Table 3.12: Interest & Finance charges for the FY 2017-18**

(Rs. in crore)

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening Normative Loan	53.92	21.65
2	Normative additions during the year (70% of Net additions to GFA)	13.27	4.51
3	Less: Loan Repayment	6.36	6.61
4	Closing Normative Loan	60.83	19.55
5	Average Normative Loan	57.38	20.60
6	Interest Rates – actual	14.05%	13.85%
7	<b>Interest on Loan</b>	<b>8.06</b>	<b>2.84</b>

3.9.2. It is submitted that LED has considered an addition in the Gross Fixed Assets to the extent of assets capitalized for FY 2017-18, which are considered funded through normative debt to the tune of 70% in line with the Tariff Regulations. Since, LED does not have any actual loan, Prime Lending Rate of the State Bank of India as on 1st April of the year has been considered for calculating the interest on loan.

3.9.3. The Hon'ble Commission is requested to approve the Interest & Finance Charges at as submitted above for FY 2017-18.

**3.10. Interest on Working Capital**

3.10.1. The Regulation 25 of JERC MYT Regulations, 2014 stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable. This is as shown below:

*Working capital for retail supply activity of the licensee shall consist of:*

- i. Receivables of two months of billing*
- ii. Less power purchase cost of one month*
- iii. Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt*
- iv. Inventory for two months based on annual requirement for previous year.*

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The rate of interest on working capital shall be equal to the base rate for the State Bank of India on the 1<sup>st</sup> April of the relevant financial year. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan worked out on the normative figures.

3.10.2. The rate of interest of 9.10% (SBI Base rate) as on 01.04.2017 has been considered the rate of interest for computation of interest on working capital.

3.10.3. The table below shows the Interest on working capital vis-a-vis approved by the Hon'ble Commission for FY 2017-18.

**Table 3.13: Interest on Working Capital for the FY 2017-18**

(Rs. in crore)

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Receivables of 2 Months Billing	20.13	21.94
2	Less: Power Purchase Cost 1 Month	6.70	-
3	Less: Consumer Security Deposit Excl. BG/FDR	0.14	0.90
4	Add: Inventory Based on Annual Requirement for Previous FY for 2 months	-	-
6	Total Working Capital Requirement	13.29	21.05
7	SBAR Rate (%)	9.30%	9.10%
8	<b>Interest on Working Capital</b>	1.24	1.92

3.10.4. The Hon'ble Commission is requested to approve the Interest on working capital as submitted above for FY 2017-18.

**3.11. Interest on Security deposits**

LED has considered interest rate of 7.75% as approved by the Commission in the tariff order for the year. Accordingly, interest on security deposit for the year has been calculated as detailed below.

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**Table 3.14: Interest on Security deposits for the FY 2017-18**

(Rs. in crore)

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening Consumer Security Deposit	0.12	0.64
2	Add: Deposit During the year	0.02	0.26
3	Closing Consumer Security Deposit	0.14	0.90
4	RBI Bank Rate	7.75%	7.75%
<b>5</b>	<b>Interest on Consumer Security Deposit</b>	<b>0.01</b>	<b>0.07</b>

3.11.1. The Hon'ble Commission is requested to approve the Interest on Security Deposit for FY 2017-18 as submitted in the table above.

**3.12. Return on Equity**

3.12.1. LED has calculated the Return on Equity in accordance with the regulation 27 of JERC MYT Regulations, 2014. Debt: Equity norm of 70:30 and RoE of 16% for FY 2017-18 has been considered and accordingly, the return on equity is calculated as given below.

3.12.2. The summary of the Return on Equity as approved by the Hon'ble Commission and as calculated for FY 2017-18 is tabulated below:

**Table 3.15: Return on Equity for the FY 2017-18**

(Rs. in crore)

Sl. No.	Return on Capital Base	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	2	3	4
1	Opening Equity Amount	31.55	48.69
2	Equity Addition during year (30% of Capitalization)	5.69	1.93
3	Closing Equity Amount	37.24	50.62
4	Average Equity Amount	34.39	49.66
5	Rate of Return on Equity	16.00%	16.00%
<b>6</b>	<b>Return on Equity</b>	<b>5.50</b>	<b>7.95</b>

3.12.3. The Hon'ble Commission is requested to kindly allow the above Return on Equity for FY 2017-18.

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**3.13. Provision for Bad & Doubtful Debts**

3.13.1. As per regulation 32. Bad and Doubtful Debt of the MYT Regulations

*Bad and doubtful debt shall be limited to 1% of the receivables in the true-up, subject to the condition that amount of bad and doubtful debt is actually written-off in the licensee's books of accounts.*

3.13.2. The LED has not written off any Bad and Doubtful debts in Accounts for the FY 2017-18. Accordingly, no claim towards Provision for Bad & Doubtful Debts has been made by the LED in the petition for the FY 2017-18

**3.14. Non-Tariff Income**

3.14.1. The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Hon'ble Commission for FY 2017-18 is provided in the table below:

**Table 3.16: Non-Tariff Income for the FY 2017-18**

(Rs. in crore)

Particulars	FY 2017-18	
	Approved in T.O. dated 31st March, 2016	Actual
<b>Non-Tariff Income</b>	0.45	1.07

3.14.2. The Hon'ble Commission is requested to kindly allow Non-Tariff Income for FY 2017-18 as submitted above.

**3.15. Revenue from sale of Power at Existing Tariff**

3.15.1. The actual Revenue from Tariff for FY 2017-18 at existing tariff is shown in the table below:

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
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**Table 3.17: Revenue from sale of Power at Existing Tariff for the FY 2017-18**

(Rs. in crore)

Sl. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Domestic		10.71
2	Commercial		8.83
3	Industrial		1.00
4	Public Lighting		0.35
5	Others Temporary Supply		0.26
6	<b>Total</b>		<b>21.14</b>

3.15.2. The Hon'ble Commission is requested to kindly allow Revenue from Tariff for FY 2017-18 at existing tariff as submitted above.

**3.16. Aggregate Revenue Requirement**

3.16.1. The Aggregate Revenue Requirement for FY 2017-18 as approved by the Hon'ble Commission and the calculation for Aggregate Revenue Requirement on the basis of actuals for FY 2017-18 is shown below:

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
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and Tariff proposal for FY 2022-23**

**Table 3.18: Aggregate Revenue Requirement for the FY 2017-18**

(Rs. in crore)

S. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
1	Cost of Fuel	74.76	79.71
2	Cost of Power Purchase	5.59	-
3	Employee costs	13.35	19.31
4	R&M expenses	4.52	10.08
5	A&G expenses	1.83	4.26
6	Depreciation	6.36	6.61
7	Interest on Loan	8.06	2.84
8	Interest on Consumer Security Deposit	0.01	0.07
9	Interest on working capital	1.24	1.92
10	Return on Equity	5.50	7.95
11	Provision for Bad Debt	0.00	0.00
<b>12</b>	<b>Total Revenue Requirement</b>	<b>121.22</b>	<b>132.74</b>
13	Less: Non-Tariff Income	0.45	1.07
<b>14</b>	<b>Net Revenue Requirement</b>	<b>120.77</b>	<b>131.67</b>

3.16.2. The Petitioner requests the Commission to approve the ARR for FY 2017-18 as submitted above.

**3.17. Revenue Gap for FY 2017-18**

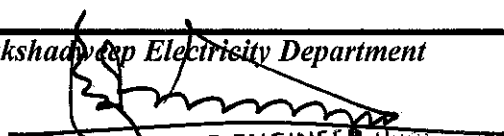
3.17.1. The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of true up of FY 2017-18 is shown in the table below:

**Table 3.19: Revenue Gap for FY 2017-18**

(Rs. in crore)

S. No.	Particulars	FY 2017-18	
		Approved in T.O. dated 31st March, 2016	Actual
<b>1</b>	<b>Net Revenue Requirement</b>	<b>120.77</b>	<b>131.67</b>
2	Revenue from retail sales at Revised Tariff	-	<b>22.75</b>
3	Net Revenue Gap (1-2)	120.77	108.92
4	Revenue Gap for the previous year	0.00	0.00
<b>5</b>	<b>Revenue Gap for the Year (3-4)</b>	<b>120.77</b>	<b>108.92</b>

3.17.2. Hon'ble Commission is requested to approve the revenue gap for FY 2017-18 as shown in the table above.

  
**EXECUTIVE ENGINEER (Elec)**  
**U.T. OF LAKSHADWEEP**  
**KAVARATTI-682 555**



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**4. Truing Up of FY 2018-19**

**4.1 Preamble**

This section outlines the performance of LED for FY 2018-19. LED submits that the audit of the accounts has been completed by AG. Therefore, LED submits the actual for FY 2018-19 in this petition for truing up along with the comparison of the approved figures by Hon'ble Commission vide tariff order for the FY 2018-19. LED submits that since the accounts has already been finalized & audited, there would be no variation in the figures. Also, the Audited accounts for FY 2018-19 will be submitted to the Hon'ble Commission during the present regulatory proceedings..

4.1.1. This chapter summarizes each of the components of ARR for FY 2018-19 and thereby working out the revenue gap for the said year.

**4.2. ARR approved for the FY 2018-19**

4.2.1. The summary of the actual charges for FY 2018-19 in comparison to the figures as approved by the Hon'ble Commission in the Tariff Order for the FY 2018-19 is tabulated below:

**Table 4.1: ARR approved for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	Approved in T.O dated 31st March, 2016
1	Cost of Fuel	79.94
2	Cost of Power Purchase	8.63
3	Employee costs	14.03
4	R&M expenses	5.33
5	A&G expenses	1.94
6	Depreciation	7.19
7	Interest on Loan	8.76
8	Interest on Consumer Security Deposit	0.01
9	Interest on working capital	1.36
10	Return on Equity	6.31
11	Provision for Bad Debt	0.00
<b>12</b>	<b>Total Revenue Requirement</b>	<b>133.51</b>
13	Less: Non-Tariff Income	0.47
<b>14</b>	<b>Net Revenue Requirement</b>	<b>133.04</b>

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**4.3. Number of consumers**

4.3.1. LED submits before the Hon'ble Commission the actual consumer numbers for FY 2018-19 in comparison to the approved numbers as highlighted below:

**Table 4.2: Number of consumers for the FY 2018-19**

Sl. No.	Category	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	2	3	4
1	Domestic	21082	19683
2	Commercial	3630	3944
3	Industrial	321	355
4	Public Lighting	73	75
5	Temporary Connection	0	246
6	<b>Total</b>	<b>25106</b>	<b>24303</b>

4.3.2. It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2018-19.

**4.4. Energy Sales**

4.4.1. LED submits before the Hon'ble Commission the category wise actual and approved sales for FY 2018-19 in the table below:

**Table 4.3: Energy Sales for the FY 2018-19**

(In MUs)

Sl. No.	Categories	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Domestic	53.25	35.97
2	Commercial	13.02	11.09
3	Industrial	0.42	1.08
4	Public Lighting	0.81	0.67
5	Others Temporary Supply	-	0.11
	<b>Grand Total</b>	<b>67.50</b>	<b>48.90</b>

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4.4.2. It is requested to the Hon'ble Commission to approve the actual sales as submitted in the above table for FY 2018-19.

**4.5. Energy Balance**

4.5.1. LED has submitted 13.01 % as the energy distribution losses for FY 2018-19 as compared to that approved by Hon'ble Commission at 12.25%. The comparison of energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

**Table 4.4: Energy Balance for the FY 2018-19**

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O dated 31st March, 2016	Actual
A	<b>ENERGY REQUIREMENT (MU)</b>		
i)	Total Sales within UT	67.50	48.90
ii)	Transmission & Distribution Losses (%)	12.25	13.01
iii)	T&D Losses (MU)	9.43	7.31
	<b>Total Energy Requirement (for sale to retail consumers)</b>	<b>76.93</b>	<b>56.22</b>
B	<b>ENERGY AVAILABILITY AT PERIPHERY</b>		
i)	Power Purchase		-
ii)	Own Generation	76.93	56.22
	<b>Total Energy Availability</b>	<b>76.93</b>	<b>56.22</b>
	<b>ENERGY SURPLUS/(GAP)</b>	<b>0.00</b>	<b>0.00</b>

4.5.2. LED submits that there is reduction in T&D loss as compared to earlier years. LED requests the Hon'ble Commission to approve the Distribution Loss as submitted above for FY 2018-19.

**4.6. Cost of fuel**

4.6.1. The energy requirement of LED is met from own generation. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

4.6.2. LED submits before the Hon'ble Commission the actual cost of fuel and the approved figures for FY 2018-19 in the table below:

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**Table 4.5: Cost of fuel for the FY 2018-19**

(Rs. in crore)

Sr.No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	2	3	4
1	Cost of Fuel	79.94	95.84
2	<b>Total</b>	<b>79.94</b>	<b>95.84</b>

4.6.3. The Hon'ble Commission is requested to approve the fuel cost as submitted above for FY 2018-19.

**4.7. GFA, Capitalisation & Depreciation**

4.7.1. GFA: The Opening Balance of GFA, additions and closing balance of GFA for FY 2018-19 as per annual accounts is submitted in the table below:

**Table 4.6: GFA, & Capitalisation for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening GFA	124.13	168.74
2	Capitalisation	14.60	5.66
3	Closing GFA	138.73	174.41

4.7.2. LED submits that the Asset and Depreciation registers have been prepared and duly audited fixed assets' gross amount, accumulated depreciation and depreciation for the year have been shown in the accounts for FY 2018-19. LED requests the Hon'ble Commission to approve the actual Gross Fixed Assets opening and additions as submitted above for FY 2018-19

4.7.3. Depreciation: "As per Regulation 23 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.

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- 4.7.4. LED would like to submit that the depreciation arrived in annual accounts for FY 2018-19 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.
- 4.7.5. The following table shows the depreciation arrived by LED for FY 2018-19 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for the year.

**Table 4.7: Depreciation for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O dated 31st March, 2016	Actual
1	Opening GFA	124.13	168.74
2	Capitalisation	14.60	5.66
3	Closing GFA	138.73	174.41
4	Average GFA	131.44	171.58
5	Average rate of Depreciation	5.47%	3.89%
6	Depreciation	7.19	6.68

- 4.7.6. The Hon'ble Commission is requested to approve the actual depreciation for FY 2018-19 as submitted in the table above.

**4.8. Operation & Maintenance expenses**

- 4.8.1. Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day to day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as well as in the reduction of losses in the system.

- 4.8.2. Regulation 21 of JERC MYT Regulations, 2014 provides for trajectory of norms for each of the component of O&M Expense viz., Employee Expenses, A&G

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Expense and R&M Expense. The Hon'ble Commission has approved the O&M expenses for the FY 2018-19 in the MYT order for the control period FY 2016-17 to FY 2018-19. LED has provided the component wise details of approved & actual figures for the FY 2018-19 in the subsequent section.

**4.8.3. Employee Expenses**

4.8.3.1. LED has computed the O&M (Employee) expense for FY 2018-19 based on the actual employee expenses incurred during the entire year. The actual employee cost along with the approved figure for the FY 2018-19 is given below:

**Table 4.8: Employee Expenses for the FY 2018-19**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Employee Expenses	14.03	19.98
2	Total Employee Expenses	14.03	19.98

4.8.3.2. LED requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2018-19 as reflecting in audited annual accounts.

**4.8.4. Repair & Maintenance Expenses**

4.8.4.1. The Hon'ble Commission had approved Rs.5.33 Crores towards R&M expenses for the FY 2018-19 vide MYT order Dt. 31.03.2016. In this regard it is submitted that the accounts on commercial principles was not maintained by LED at the time of filing of MYT Petition for the 1<sup>st</sup> control period of FY 2016-17 to FY 2018-19. The same was prepared & audited subsequently hence, there is variance between the figures approved by the Hon'ble Commission & actual figures. The Hon'ble Commission may kindly consider the R&M figures as per the audited accounts submitted herewith for Trueing up of the FY 2018-19.

4.8.4.2. The actual repairs and maintenance cost as compared with the approved figures for the FY 2018-19 is provided in the table below:

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**Table 4.9: Repair & Maintenance Expenses for the FY 2018-19**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	R & M Expenses	5.33	12.19
2	<b>Total R &amp; M Expenses</b>	<b>5.33</b>	<b>12.19</b>

4.8.4.3. LED submits that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standards of Performance of the utility. There is a need for R&M expenses to be growing in line with the increase in GFA also. LED therefore requests the Hon'ble Commission to approve the R&M expenses as submitted in the table above for the FY 2018-19.

**4.8.5. Administrative & General Expenses**

4.8.5.1. The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2018-19 are shown in the table below.

**Table 4.10: Administrative & General Expenses for the FY 2018-19**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	A & G Expenses	1.94	4.67
2	<b>Total A &amp; G Expenses</b>	<b>1.94</b>	<b>4.67</b>

4.8.5.2. LED requests the Hon'ble Commission to approve the A&G expenses as submitted in the table above for the FY 2018-19.

4.8.6. O&M expenses summary - Based on the foregoing paragraphs, the O&M expenses for the year FY 2018-19 are summarized below:

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**Table 4.11: O &M expenses summary for the FY 2018-19**

(Rs. in crore)

Sl. No.	O & M Expenses	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Employee Expenses	14.03	19.98
2	R & M Expenses	5.33	12.19
3	A & G Expenses	1.94	4.67
4	<b>Total O&amp;M Expenses</b>	<b>21.30</b>	<b>36.84</b>

4.8.7. The Hon'ble Commission is requested to approve the O&M Expenses for FY 2018-19 as shown in the table above.

**4.9. Interest & Finance charges**

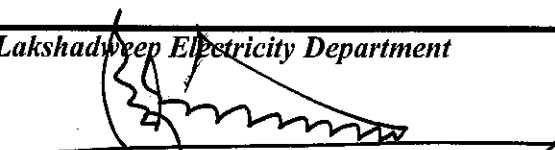
4.9.1. The Regulation 24 of JERC MYT Regulations, 2014 provides for Interest and Finance Charges on Loan. LED has submitted that all the capital assets are created out of the budgetary allocation from the Government of India. However, LED has been claiming interest charges based on normative loan calculation. The Interest and Finance Charges arrived is based on normative loan considered to the extent of capitalization during the year. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2018-19.

**Table 4.12: Interest & Finance charges for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening Normative Loan	60.83	19.55
2	Normative additions during the year (70% of Net additions to GFA)	10.22	3.96
3	Less: Normative Repayment for the year	7.19	6.68
4	Closing Normative Loan/GFA	63.86	16.83
5	Average Normative Loan	62.35	18.19
6	Interest Rates – actual	14.05%	13.45%
7	<b>Interest on Loan</b>	<b>8.76</b>	<b>2.44</b>

4.9.2. It is submitted that LED has considered an addition in the Gross Fixed Assets to the extent of assets capitalized for FY 2018-19, which are considered funded through normative debt to the tune of 70% in line with the Tariff Regulations. The rate of interest considered is prevailing Prime Lending Rate of the State Bank of India as

  
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on 1st April of the year.

4.9.3. The Hon'ble Commission is requested to approve the Interest & Finance Charges as submitted above for FY 2018-19.

**4.10. Interest on Working Capital**

4.10.1. The Regulation 25 of JERC MYT Regulations, 2014 stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable. This is as shown below:

*Working capital for retail supply activity of the licensee shall consist of:*

- i. Receivables of two months of billing*
- ii. Less power purchase cost of one month*
- iii. Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt*
- iv. Inventory for two months based on annual requirement for previous year.*

*The rate of interest on working capital shall be equal to the base rate for the State Bank of India on the 1<sup>st</sup> April of the relevant financial year. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan worked out on the normative figures.*

4.10.2. The rate of interest of 8.70% (SBI Base rate) as on 01.04.2018 has been considered the rate of interest for computation of interest on working capital.

4.10.3. The table below shows the Interest on working capital vis-a-vis approved by the Hon'ble Commission for FY 2018-19.

**Table 4.13: Interest on Working Capital for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Receivables of 2 Months Billing	22.17	25.18
2	Less: Power Purchase Cost 1 Month	7.38	-
3	Less: Consumer Security Deposit Excl. BG/FDR	0.16	0.91
4	Add: Inventory Based on Annual Requirement for Previous FY for 2 months	-	-
6	Total Working Capital Requirement	14.63	24.28
7	SBAR Rate (%)	9.30%	8.70%
8	<b>Interest on Working Capital</b>	1.36	2.11

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4.10.4. The Hon'ble Commission is requested to approve the Interest on working capital as submitted above for FY 2018-19.

**4.11. Interest on Security deposits**

LED has considered interest rate of 7.75% as approved by the Commission in the tariff order for the year. Accordingly, interest on security deposit for the year has been calculated as detailed below.

**Table 4.14: Interest on Security deposits for the FY 2018-19**  
(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Opening Consumer Security Deposit	0.14	0.90
2	Add: Deposit During the year	0.02	0.01
3	Closing Consumer Security Deposit	0.16	0.91
4	RBI Bank Rate	7.75%	7.75%
<b>5</b>	<b>Interest on Consumer Security Deposit</b>	<b>0.01</b>	<b>0.07</b>

4.11.1. The Hon'ble Commission is requested to approve the Interest on Security Deposit for FY 2018-19 as submitted in the table above.

**4.12. Return on Equity**

4.12.1. LED has calculated the Return on Equity in accordance with the regulation 27 of JERC MYT Regulations, 2014. Debt: Equity norm of 70:30 and RoE of 16% for FY 2018-19 has been considered and accordingly, the return on equity is calculated as given below.

4.12.2. The summary of the Return on Equity as approved by the Hon'ble Commission and as calculated for FY 2018-19 is tabulated below:

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**Table 4.15: Return on Equity for the FY 2018-19**

(Rs. in crore)

Sl. No.	Return on Capital Base	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	2	3	4
1	Opening Equity Amount	37.24	50.62
2	Equity Addition during year (30% of Capitalization)	4.38	1.70
3	Closing Equity Amount	41.62	52.32
4	Average Equity Amount	39.43	51.47
5	Rate of Return on Equity	16.00%	16.00%
<b>6</b>	<b>Return on Equity</b>	<b>6.31</b>	<b>8.24</b>

4.12.3. The Hon'ble Commission is requested to kindly allow the above Return on Equity for FY 2018-19.

**4.13. Provision for Bad & Doubtful Debts**

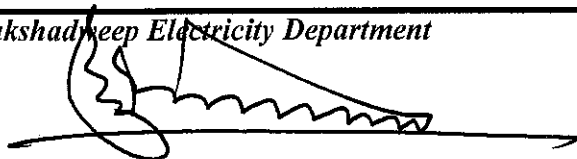
4.13.1. As per regulation 32. Bad and Doubtful Debt of the MYT Regulations

*Bad and doubtful debt shall be limited to 1% of the receivables in the true-up, subject to the condition that amount of bad and doubtful debt is actually written-off in the licensee's books of accounts.*

4.13.2. The LED has not written off any Bad and Doubtful debts in Accounts for the FY 2018-19. Accordingly, no claim towards Provision for Bad & Doubtful Debts has been made by the LED in the petition for the FY 2018-19

**4.14. Non-Tariff Income**

4.14.1. The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Hon'ble Commission for FY 2018-19 is provided in the table below:



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KAYAMANGURU

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**Table 4.16: Non-Tariff Income for the FY 2018-19**

(Rs. in crore)

Particulars	FY 2018-19	
	Approved in T.O. dated 31st March, 2016	Actual
<b>Non-Tariff Income</b>	0.47	1.11

4.14.2. The Hon'ble Commission is requested to kindly allow Non-Tariff Income for FY 2018-19 as submitted above.

**4.15. Revenue from sale of Power at Existing Tariff**

4.15.1. The actual Revenue from Tariff for FY 2018-19 at existing tariff is shown in the table below:

**Table 4.17: Revenue from sale of Power at Existing Tariff for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Domestic		11.52
2	Commercial		9.48
3	Industrial		1.13
4	HT Consumers		0.37
5	Public Lighting		0.24
6	Others Temporary Supply		
7	<b>Total</b>		<b>22.75</b>

4.15.2. The Hon'ble Commission is requested to kindly allow Revenue from Tariff for FY 2018-19 at existing tariff as submitted above.

**4.16. Aggregate Revenue Requirement**

4.16.1. The Aggregate Revenue Requirement for FY 2018-19 as approved by the Hon'ble Commission and the calculation for Aggregate Revenue Requirement on the basis of actuals for FY 2018-19 is shown below:

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**Table 4.18: Aggregate Revenue Requirement for the FY 2018-19**

(Rs. in crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 31st March, 2016	Actual
1	Cost of Fuel	79.94	95.84
2	Cost of Power Purchase	8.63	-
3	Employee costs	14.03	19.98
4	R&M expenses	5.33	12.19
5	A&G expenses	1.94	4.67
6	Depreciation	7.19	6.68
7	Interest on Loan	8.76	2.44
8	Interest on Consumer Security Deposit	0.01	0.07
9	Interest on working capital	1.36	2.11
10	Return on Equity	6.31	8.24
11	Provision for Bad Debt	0.00	0.00
<b>12</b>	<b>Total Revenue Requirement</b>	<b>133.51</b>	<b>152.22</b>
13	Less: Non-Tariff Income	0.47	1.11
<b>14</b>	<b>Net Revenue Requirement</b>	<b>133.04</b>	<b>151.11</b>

4.16.2. The Petitioner requests the Commission to approve the ARR for FY 2018-19 as submitted above.

**4.17. Revenue Gap for FY 2018-19**


4.17.1. The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of true up of FY 2018-19 is shown in the table below:

**Table 4.19: Revenue Gap for FY 2018-19**

(Rs. in crore)

S. No.	Particulars	FY 2018-19	
		Approved in T.O. dated 17th April, 2015	Actual
<b>1</b>	<b>Net Revenue Requirement</b>	<b>133.04</b>	<b>151.11</b>
2	Revenue from retail sales at Revised Tariff	-	<b>22.75</b>
3	Net Revenue Gap (1-2)	133.04	128.36
4	Revenue Gap for the previous year	0.00	0.00
<b>5</b>	<b>Revenue Gap for the Year (3-4)</b>	<b>133.04</b>	<b>128.36</b>

4.17.2. Hon'ble Commission is requested to approve the revenue gap for FY 2018-19 as shown in the table above.

  
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**5. Annual Performance Review for the FY 2021-22**

**5.1. Background to FY 2021-22 Tariff Petition**

5.1.1. LED filed the 2nd MYT Petition for the control period FY 2019-20 to FY 2021-22. FY 2021-22 is the last year of the control period. The ARR for the control period was approved by the Hon'ble Commission vide MYT order Dt. 20<sup>th</sup> May, 2019 along with the tariff for the FY 2019-20. Regulation 11(3) of the JERC MYT Regulations, 2018 provides as follows:

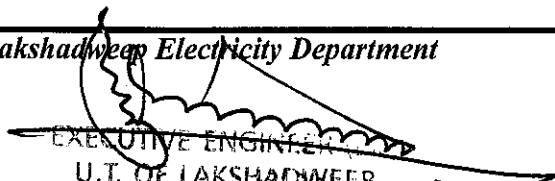
*“Annual Review: a comparison of the revised performance targets of the applicant for the current financial year with the approved forecast in the Tariff Order corresponding to the Control period for the current financial year subject to prudence check”*

In accordance with the above Regulation, LED is filing for Annual Performance Review for the FY 2021-22.

5.1.2. This chapter summarizes each of the components of ARR for FY 2021-22 and requests the Hon'ble Commission to review the performance for FY 2021-22. The Annual Performance Review for FY 2021-22 is based on actual data/ information for the FY 2020-21 & for the first 6 months (First Half – H1) of the FY 2021-22 and estimation/projections for remaining 6 months (Second Half – H2) of the FY 2021-22, wherever applicable. The projections for the second 6 months are arrived at based on the performance over the first half data/ information.

**5.2. Approved ARR for the FY 2021-22**

5.2.1. The summary of the charges for FY 2021-22 as approved by the Hon'ble Commission in the MYT Order is tabulated below:

  
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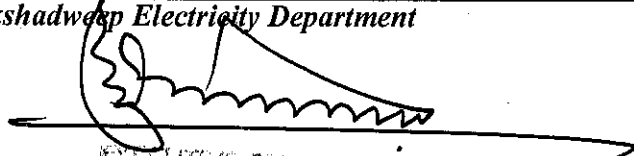
**Table 5.1: ARR approved for the FY 2021-22**

(Rs. in crore)

S. No.	Particulars	FY 2021-22	
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021
1	Cost of Fuel	83.74	110.47
2	Cost of power purchase	0.78	-
3	Depreciation	8.11	5.47
4	Employee costs	29.85	28.09
5	A&G expenses	3.03	3.09
6	R&M expenses	8.77	8.72
7	Interest and finance charges	5.64	1.82
8	Return on Equity	7.82	9.73
9	Interest on working capital	0.70	0.63
10	Interest on Consumer Security Deposit	0.08	0.06
11	Income Tax	0.00	0.00
<b>12</b>	<b>Total Revenue Requirement</b>	<b>148.52</b>	<b>168.08</b>
13	Less: Non-Tariff Income	1.31	1.31
<b>14</b>	<b>Net Revenue Requirement (12-13)</b>	<b>147.22</b>	<b>166.77</b>

**5.3. Number of consumers**

5.3.1. Hon'ble Commission has approved the number of consumers for the FY 2021-22 in the MYT order Dt. 20.05.2019. However, on the basis of the actual number of consumers for the FY 2020-21 & number of consumers during the first half of FY 2021-22, LED has recalculated the number of consumers for the FY 2021-22 considering the CAGR over the past 5 years/ 3years/2 years for different categories of consumers in line with the approach adopted by the Hon'ble Commission in the MYT Tariff order Dt. 20.05.2019. The revised estimates of category wise number of consumers for FY 2021-22 and comparison with the approved numbers are shown below:



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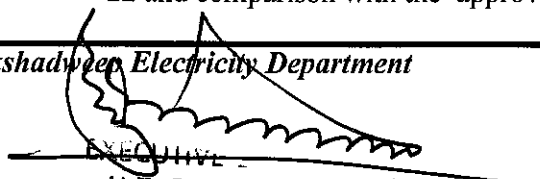
**Table 5.2: Number of consumers for the FY 2021-22**

Sl. No.	Category	FY 2021-22			
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
1	2	3	4	5	6
1	Domestic	22982	20891	20443	20587
2	Commercial	2871	3161	3792	3850
3	Govt. Connection	1354	1471	1165	1209
4	Industrial	409	359	358	364
5	HT Consumers	9	9	9	11
6	Public Lighting	80	75	76	76
7	Temporary Connection	160	184	107	136
8	<b>Total</b>	<b>27865</b>	<b>26150</b>	<b>25950</b>	<b>26233</b>

5.3.2. It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2021-22.

**5.4. Connected Load**

5.4.1 Hon'ble Commission has approved the connected load for the FY 2021-22 in the MYT order Dt. 20.05.2019. However, on the basis of the actual connected load for the FY 2020-21 & load during the first half of FY 2021-22, LED has recalculated the connected load for the FY 2021-22 considering the CAGR over the past 5 years/ 3years/2 years for different categories of consumers in line with the approach adopted by the Hon'ble Commission in the MYT Tariff order Dt. 20.05.2019. The revised estimates of category wise connected load for FY 2021-22 and comparison with the approved numbers are shown below:

  
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**Table 5.3: Connected Load for the FY 2021-22**

in kVA

Sl. No.	Category	FY 2021-22			
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
1	2	3	4	5	6
1	Domestic	22982	20891	20443	20587
2	Commercial	2871	3161	3792	3850
3	Govt. Connection	1354	1471	1165	1209
4	Industrial	409	359	358	364
5	HT Consumers	9	9	9	11
6	Public Lighting	80	75	76	76
7	Temporary Connection	160	184	107	136
8	<b>Total</b>	<b>27865</b>	<b>26150</b>	<b>25950</b>	<b>26233</b>

5.4.2 It is requested to the Hon'ble Commission to approve the connected load as submitted in the above table for FY 2021-22.

**5.5 Energy Sales**

5.5.1 Hon'ble Commission has approved the Energy Sales for the FY 2021-22 in the MYT order Dt. 20.05.2019. However, on the basis of the actual sales for the FY 2020-21 & sales during the first half of FY 2021-22, LED has recalculated the sales for the FY 2021-22 considering the CAGR over the past 5 years/ 3years/2 years for different categories of consumers in line with the approach adopted by the Hon'ble Commission in the MYT Tariff order Dt. 20.05.2019. The revised estimates of category wise energy sales for FY 2021-22 and comparison with the approved numbers are shown below:

**Table 5.4: Energy Sales for the FY 2021-22**

(In MUs)

S. No.	Categories	FY 2021-22			
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
1	Domestic	44.78	39.75	20.39	41.73
2	Commercial	3.66	3.52	1.47	3.49
3	Govt. Connection	8.52	7.84	3.43	7.64
4	Industrial	0.46	0.37	0.18	0.39
5	HT Consumers	0.78	0.98	0.77	0.93
6	Public Lighting	0.70	0.85	0.40	0.82
7	Temporary Connection	0.09	0.14	0.03	0.09
	<b>Grand Total</b>	<b>59.00</b>	<b>53.44</b>	<b>26.68</b>	<b>55.09</b>

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5.5.2 It is requested to the Hon'ble Commission to approve the sales as submitted in the above table for FY 2021-22.

**5.6 Energy Balance**

5.6.1 Hon'ble Commission has approved the Energy Balance and T&D loss for the FY 2021-22 in the MYT order Dt. 20.05.2019. However, on the basis of the actual figures during the first half of FY 2021-22, LED submits the revised estimates for FY 2021-22. A comparison of the revised estimates with earlier approved numbers is shown below:

**Table 5.5: Energy Balance for the FY 2021-22**

Sl. No.	Particulars	FY 2021-22			
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
A	<b>ENERGY REQUIREMENT (MU)</b>				
i)	Total Sales within UT	59.00	53.44	26.68	55.09
ii)	Transmission & Distribution Losses (%)	12.25	12.25	6.22	11.50
iii)	T&D Losses (MU)	8.24	7.46	1.77	7.16
	<b>Total Energy Requirement (for sale to retail consumers)</b>	<b>67.24</b>	<b>60.90</b>	<b>28.45</b>	<b>62.25</b>
B	<b>ENERGY AVAILABILITY AT PERIPHERY</b>				
i)	Power Purchase	7.83			
ii)	Own Generation	59.40	60.90	28.45	62.25
	<b>Total Energy Availability</b>	<b>67.24</b>	<b>60.90</b>	<b>28.45</b>	<b>62.25</b>
	<b>ENERGY SURPLUS/(GAP)</b>	<b>-0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

5.6.2 LED requests the Hon'ble Commission to approve the Energy Balance and T&D Loss as submitted above for FY 2021-22.

**5.7 Cost of fuel**

5.7.1 The energy requirement of LED is met from own generation. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

5.7.2 Hon'ble Commission has approved the Fuel Cost for the FY 2021-22 in the MYT order Dt. 20.05.2019. However, on the basis of the cost figures during the first half of FY 2021-22, LED submits the revised estimates for FY 2021-22. A comparison of the revised estimates with earlier approved numbers is shown below:

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**Table 5.6: Cost of fuel for the FY 2021-22**

Rs. In Cr.

Sr.No.	Particulars	FY 2021-22			
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
1	2	3	4	5	6
1	HSD Cost	82.72	109.37	43.04	141.06
2	Lub Cost	1.02	1.10	0.50	0.90
3	<b>Total</b>	<b>83.74</b>	<b>110.47</b>	<b>43.54</b>	<b>141.97</b>

5.7.3 The Hon'ble Commission is requested to approve the fuel cost as submitted above for FY 2021-22.

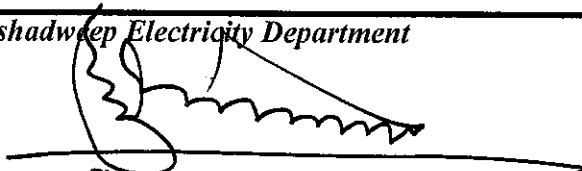
**5.8 GFA, Capitalisation & Depreciation**

5.8.1 Hon'ble Commission has approved the GFA for the FY 2021-22 in the MYT order Dt. 20.05.2019. LED has considered the actual GFA as on 31.03.2021 and actual additions during 1<sup>st</sup> half of FY 2021-22 & estimated additions during the 2<sup>nd</sup> half of the FY 2021-22 to arrive at the closing GFA for the year.

5.8.2 In view of the revision of the GFA as above, the depreciation for the FY 2021-22 is also recalculated in accordance with the MYT Regulations, 2018. The approved and the revised projections of depreciation for the FY 2021-22 is provided below.

*Lakshadweep Electricity Department*

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**EXECUTIVE ENGINEER (Ele)**  
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**Table 5.7: GFA, Capitalisation & Depreciation for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22			
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
Opening GFA	205.09	198.91	188.09	188.09
Less: Assets depreciated upto 90% till FY 2017-18	-	23.20	21.38	21.38
Net opening Gross Fixed Assets	205.09	175.71	166.71	166.71
Addition	7.75	7.75	0.99	9.50
Deletion	0.00	0.00	0.00	0.00
Closing GFA	212.84	183.46	167.70	176.21
Average GFA	208.97	179.58	167.21	171.46
Depreciation Rate	3.88%	3.04%	4.34%	4.34%
<b>Depreciation</b>	<b>8.11</b>	<b>5.47</b>	<b>3.63</b>	<b>7.44</b>

5.8.2.1 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.9 Operation & Maintenance expenses**

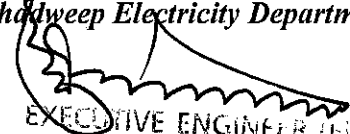
5.9.1 Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day to day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as well as in the reduction of losses in the system.

**5.9.2 Employee Expenses**

5.9.2.1 The Hon'ble Commission has approved the Employee cost for the FY 2021-22 based on the approved norms in accordance with Regulation 41 of the MYT Regulations, 2018.

5.9.2.2 LED is proposing the revised estimates of the employee cost based on the actual expenses for the FY 2020-21 & 1<sup>st</sup> Half ( April,21 to September,21 ) of the

  
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FY 2021-22. The cost as approved by the Hon'ble Commission for the FY 2021-22 and the revised proposal for the year is given below:

**Table 5.8: Employee Expenses for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22			
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
Employee Expenses	29.85	28.09	12.99	24.37
<b>Total Employee Expenses</b>	<b>29.85</b>	<b>28.09</b>	<b>12.99</b>	<b>24.37</b>

5.9.2.3 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.9.3 Repair & Maintenance Expenses**

5.9.3.1 The Hon'ble Commission has approved the Repair & Maintenance Expenses for the FY 2021-22 based on the approved norms in accordance with Regulation 41 of the MYT Regulations, 2018

5.9.3.2 LED is proposing the revised estimates of the Repair & Maintenance Expenses based on the actual expenses for the FY 2020-21 & 1<sup>st</sup> Half ( April,21 to September,21 ) of the FY 2021-22 The cost as approved by the Hon'ble Commission for the FY 2021-22 and the revised proposal for the year is given below:

**Table 5.9: Repair & Maintenance Expenses for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22			
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
R&M Expenses	8.77	8.72	5.60	13.21
<b>Total R&amp;M Expenses</b>	<b>8.77</b>	<b>8.72</b>	<b>5.60</b>	<b>13.21</b>

5.9.3.3 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.9.4 Administrative & General Expenses**

5.9.4.1 The Hon'ble Commission has approved the Administrative & General Expenses for the FY 2021-22 based on the approved norms in accordance with Regulation 41 of the MYT Regulations, 2018

5.9.4.2 LED is proposing the revised estimates of the Administrative & General Expenses based on the actual expenses for the FY 2020-21 & 1<sup>st</sup> Half (April,21 to September,21) of the FY 2021-22 The cost as approved by the Hon'ble Commission for the FY 2021-22 and the revised proposal for the year is given below:

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**Table 5.10: Administrative & General Expenses for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22			
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
A&G Expenses	3.03	3.09	1.44	2.49
<b>Total A&amp;G Expenses</b>	<b>3.03</b>	<b>3.09</b>	<b>1.44</b>	<b>2.49</b>

5.9.4.3 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

5.9.5 O&M expenses summary - Based on the foregoing paragraphs, the O&M expenses for the year FY 2021-22 are summarised below:

**Table 5.11: O&M expenses summary for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22			
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Actual 6 Months	Estimated for FY 2021-22
Employee Expenses	29.85	28.09	12.99	24.37
A&G Expenses	3.03	3.09	1.44	2.49
R&M Expenses	8.77	8.72	5.60	13.21
<b>Total O&amp;M Expenses</b>	<b>41.65</b>	<b>39.91</b>	<b>20.03</b>	<b>40.06</b>

5.9.5.1 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.10 Interest & Finance charges**

5.10.1 The LED being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. LED has considered the GFA as on 31.03.2021 and estimated additions during the FY 2021-22 to arrive at the closing GFA for the year. The normative loan for the FY 2021-22 has been arrived in accordance with the Regulation 26 of the MYT Regulations, 2018.

5.10.2 It is submitted that Regulation 28.4 of MYT Regulations, 2018 provides as below:

*“Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then 1 Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be applicable as on 1st April of the relevant Year plus 100*

*(Signature)*  
 DIRECTOR GENERAL  
 LAKSHADWEEP  
 COVARATTI-002 555

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*basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan."*

In view of the above Regulation, LED proposes to revise the interest charges based on the State Bank of India (SBI) MCLR – 1 year tenor as on 01.04.2021. The State Bank of India (SBI) MCLR – 1 year tenor as on 01.04.2021 was 7.00%. Accordingly, interest rate of 8.00% (7%+1%) has been considered for projecting the interest charges for the FY 2021-22.

**Table 5.12: Interest & Finance charges for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22		
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Estimated for FY 2021-22
Opening loan	62.99	22.76	12.05
Addition	5.43	5.43	6.65
Repayment	8.11	5.47	7.44
Closing Loan	60.31	22.71	11.26
Average Normative Loan	61.65	22.73	11.65
Interest Rate	9.15%	8.00%	8.00%
<b>Interest on Loan</b>	<b>5.64</b>	<b>1.82</b>	<b>0.93</b>

5.10.3 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.11 Interest on Working Capital**

5.11.1 The Hon'ble Commission has approved the Interest on Working Capital for the FY 2021-22 based on the cost parameters approved for MYT Control Period in accordance with the Regulation 63 of the MYT Regulations, 2018. The Regulation provides as follows:

*The Distribution Licensee shall be allowed interest on the estimated level of Working Capital for the Distribution Wires Business for the financial Year, computed as follows:*

- a) *Operation and maintenance expenses for one (1) month; plus*
- b) *Maintenance spares at 40% of R&M expenses for one (1) month; plus*
- c) *Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariffs;*

*Less*

- d) *Amount, if any, held as security deposits*

5.11.2 In view of the above Regulations, LED has recalculated the working capital requirement for the FY 2021-22.

5.11.3 Regulation 31.4 of MYT Regulations provides as follows:

*"The rate of interest on Working Capital shall be equal 1 Year State Bank of*

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*India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be applicable as on 1st April of the financial Year in which the Petition is filed plus 200 basis points.”*

- 5.11.4 In view of the above Regulation, LED proposes to revise the interest charges based on the State Bank of India (SBI) MCLR – 1 year tenor as on 01.04.2021. The State Bank of India (SBI) MCLR – 1 year tenor as on 01.04.2021 was 7.00%. Accordingly, interest rate of 9.00% ( 7%+2%) has been considered for projecting the interest charges for the FY 2021-22.
- 5.11.5 LED has calculated the revised interest on working capital for the FY 2021-22 in accordance with the above submission. The same is provided below along with the approved figures for the year:

**Table 5.13: Interest on Working Capital for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22		
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Estimated for FY 2021-22
O&M expenses for 1 month	3.47	3.33	3.34
Maintenance Spares @ 40% of R&M expense of 1 month	0.29	0.29	0.44
Receivables for two months	4.62	4.26	4.67
Less: Adjustments for security deposits	1.45	1.46	0.94
<b>Net Working Capital</b>	<b>6.93</b>	<b>6.42</b>	<b>7.51</b>
Rate of Interest on Working Capital	10.15%	9.75%	9.00%
<b>Interest on Working Capital</b>	<b>0.70</b>	<b>0.63</b>	<b>0.68</b>

- 5.11.6 LED requests the Hon’ble Commission to kindly approve the same for APR for FY 2021-22.

**5.12 Interest on Security deposits**

- 5.12.1 Hon’ble Commission has approved the Interest on Security deposits on the balance of Security Deposit from the consumers during the FY 2021-22 in the MYT order Dt. 20.05.2019. LED submits that it is not proposing any revision in the figures as approved by the Hon’ble Commission for the FY 2021-22.

- 5.12.2 LED has estimated the security deposits of the year on the basis of closing balance of FY 2020-21 and estimated addition during the year. LED has considered the rate of interest of 4.25% as approved by the Commission in the Tariff order Dt. 31.03.2021. The cost as approved by the Commission & revised estimate for the FY 2021-22 is given below:

*(Signature)*  
 EXECUTIVE  
 CHIEF OF LAKSHADWEEP  
 KAYARATTI-602 503



**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 5.14: Interest on Security deposits for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22		
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Estimated for FY 2021-22
Opening Security Deposit	1.20	1.20	0.93
Addition	0.26	0.26	0.01
Closing Security Deposit	1.45	1.46	0.94
Average Security Deposit	1.32	1.33	0.93
RBI Bank Rate	6.25%	4.25%	4.25%
<b>Interest on Consumer Security Deposit</b>	<b>0.08</b>	<b>0.06</b>	<b>0.04</b>

5.12.3 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.13 Return on Equity**

5.13.1 The LED being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support. LED has considered the GFA as on 31.03.2021 and estimated additions during the FY 2021-22 to arrive at the closing GFA for the year. The normative Equity for the FY 2021-22 has been considered at 30% of the above GFA in accordance with the Regulation 26 of the MYT Regulations, 2018.

5.13.2 Further, Regulation 27.3 of MYT Regulations, 2018 provides as follows:

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

5.13.3 In view of the above, the revised Return on Equity for the FY 2021-22 is calculated as below:

**Table 5.15: Return on Equity for the FY 2021-22**

(Rs. in crore)

Particulars	FY 2021-22		
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Estimated for FY 2021-22
Opening Equity	47.73	59.67	56.43
Addition	2.33	2.33	2.85
Deletion / Adjustment	0.00	0.00	0.00
<b>Closing Equity</b>	<b>50.05</b>	<b>62.00</b>	<b>59.28</b>
<b>Average Normative Equity</b>	<b>48.89</b>	<b>60.83</b>	<b>57.85</b>
Rate of Return on Equity	<b>16.00%</b>	<b>16.00%</b>	<b>16.00%</b>
<b>Return on Equity</b>	<b>7.82</b>	<b>9.73</b>	<b>9.26</b>

5.13.4 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

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**5.14 Provision for Bad & Doubtful Debts**

5.14.1 Regulation 62 of MYT Regulations provides that the Bad debt shall be allowed based on actual write off. The same is reproduced below:

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

5.14.2 In view of the above LED is not proposing any provision for Bad Debt. LED shall submit the claim towards bad and doubtful debts when audited figures are available for the consideration of the Hon’ble Commission at the time of true-up. Hon’ble Commission may kindly allow the same.

**5.15 Non-Tariff Income**

5.15.1 Hon’ble Commission has approved the Non-Tariff Income for the FY 2021-22 in the MYT order Dt. 20.05.2019 as 1.31 crores. LED is submitting the revised NTI for the FY 2021-22 based on actual NTI for the FY 2020-21 and 1<sup>st</sup> half of the FY 2021-22.

**Table 5.16: Non-Tariff Income for the FY 2021-22**

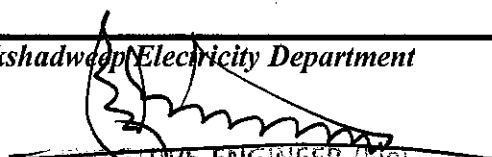
(Rs. in crore)

Particulars	FY 2021-22		
	Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Estimated for FY 2021-22
Non-Tariff Income	1.31	1.31	1.28

5.15.2 LED requests the Hon’ble Commission to kindly approve the same for APR for FY 2021-22.

**5.16 Aggregate Revenue Requirement**

5.16.1 The Aggregate Revenue Requirement for FY 2021-22 as approved by the Hon’ble Commission and the calculation for Aggregate Revenue Requirement on the basis of revised estimates as submitted in the above sections for FY 2021-22 is shown below:

  
EXECUTIVE ENGINEER (D/E)  
D.E. OF LAKSHADWEEP  
KAWARATTIHOODI

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 5.17: Aggregate Revenue Requirement for the FY 2021-22**

(Rs. in crore)

S. No.	Particulars	FY 2021-22		
		Approved in T.O. dated 20th May 2019	Approved in T.O. dated 31st March 2021	Estimated for FY 2021-22
1	Cost of Fuel	83.74	110.47	141.97
2	Cost of power purchase	0.78	-	-
3	Depreciation	8.11	5.47	7.44
4	Employee costs	29.85	28.09	24.37
5	A&G expenses	3.03	3.09	2.49
6	R&M expenses	8.77	8.72	13.21
7	Interest and finance charges	5.64	1.82	0.93
8	Return on Equity	7.82	9.73	9.26
9	Interest on working capital	0.70	0.63	0.68
10	Interest on Consumer Security Deposit	0.08	0.06	0.04
11	Income Tax	0.00	0.00	0.00
<b>12</b>	<b>Total Revenue Requirement</b>	<b>148.52</b>	<b>168.08</b>	<b>200.37</b>
13	Less: Non-Tariff Income	1.31	1.31	1.28
<b>14</b>	<b>Net Revenue Requirement (12-13)</b>	<b>147.22</b>	<b>166.77</b>	<b>199.08</b>

5.16.2 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

**5.17 Revenue from sale of Power at Existing Tariff**

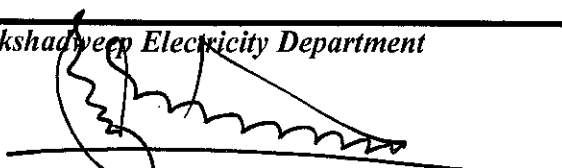
5.17.1 The revised estimate of Revenue from Tariff for FY 2021-22 as compared with the figures approved by the Hon'ble Commission in the MYT order Dt. 20.05.2019 is shown in the table below:

**Table 5.18: Revenue from sale of Power at Existing Tariff for the FY 2021-22**

(Rs. in crore)

S. No.	Particulars	FY 2021-22		
		Approved in T.O. dated 20th May 2019	Actual 6 Months	Estimated for FY 2021-22
A	Domestic	12.72	6.55	15.26
B	Commercial	2.98	1.42	3.27
C	Govt. Connection	8.03	3.45	7.40
D	Industrial	0.56	0.24	0.48
E	HT Consumers	0.71	0.47	1.03
F	Public Lighting	0.43	0.24	0.51
G	Temporary		0.14	0.05
	<b>Total</b>	<b>25.43</b>	<b>12.51</b>	<b>27.99</b>

5.17.2 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

  
**EXECUTIVE ENGINEER (Ele)**  
**U.T. OF LAKSHADWEEP**  
**KAVARATTI-682 555**

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**5.18 Revenue Gap for FY 2021-22**

5.18.1 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of the APR for the FY 2021-22 is shown in the table below:

**Table 5.19: Revenue Gap for the FY 2021-22**

(Rs. in crore)

S. No.	Particulars	FY 2021-22	
		Approved in T.O. dated 20th May 2019	Estimated for FY 2021-22
<b>1</b>	<b>Net Revenue Requirement</b>	<b>147.22</b>	<b>199.08</b>
2	Revenue from Sale of Power	25.43	27.99
<b>3</b>	<b>Net GAP during the year</b>	<b>121.79</b>	<b>171.09</b>
4	Add: Previous Year Gap	0	0
5	Total Gap	121.79	171.09

5.18.2 LED requests the Hon'ble Commission to kindly approve the same for APR for FY 2021-22.

## **6. MYT PETITION FOR CONTROL PERIOD I.E. FY 2022-23, FY2023-24 AND FY2024-25.**

This section outlines the MYT Petition of the LED for control period i.e. FY 2022-23, FY2023-24 AND FY2024-25, which takes into consideration:

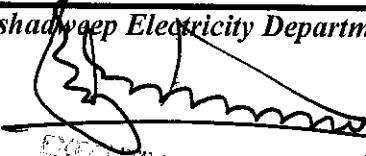
- i. The various parameters as per the Business Plan
- ii. Actual Performance in FY 2020-21;
- iii. Estimated Performance for FY 2021-22 based on the Actual performance for the first half year of the FY 2021-22;
- iv. Projection based on the Actual performance in FY 2020-21 and estimated performance in FY 2021-22;
- v. Principles outlined in Tariff Regulations of JERC.

Past trends have been taken into cognizance in case of certain elements as deemed necessary. The present section has been structured in the following manner:

- Energy Requirement
  - Sales Projections
  - Loss Trajectory
  - Energy Balance
- Capital Expenditure and capitalization
  - Capital Expenditure
  - Asset Capitalisation
- Determination of the Aggregate Revenue Requirement
  - Power Generation
  - Operation and Maintenance Expenses
  - Depreciation
  - Interest charges (including interest on working capital)
  - Provision for Bad and Doubtful Debts
  - Return on Equity
  - Non- Tariff Income

### **6.1 Energy Requirement**

The energy requirement of the license area is determined based on the expected sales in the area during the period under consideration and the expected distribution losses in the network. Accordingly, the energy requirement projected by the LED for the control period i.e. FY 2022-23, FY2023-24 and FY2024-25 is as given in the succeeding paragraphs.

  
EXECUTIVE ENGINEER (E/e)  
LED OF LAKSHADWEEP  
KAVARAYIL-577 506

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**6.1.1 Approach for Sales Projection**

LED has projected the category wise sales in the Business plan for the control period FY 2022-23, FY2023-24 and FY2024-25. The projected figures have been considered in the instant petition for determining ARR for the control period.

**6.1.2 Category wise Sales**

The category wise sales as per Business Plan for the control period FY 2022-23, FY2023-24 and FY2024-25 is provided below:

**Table 6.1: Energy Sales - FY 2022-23, FY2023-24 and FY2024-25**

(in MU's)

S. No.	Categories	FY 2022-23	FY 2023-24	FY 2024-25
1	Domestic	43.16	44.64	46.17
2	Commercial	3.68	3.88	4.09
3	Govt. Connection	8.02	8.42	8.85
4	Industrial	0.41	0.43	0.45
5	HT Consumers	0.97	1.02	1.07
6	Public Lighting	0.82	0.82	0.82
7	Others Temporary Supply	0.09	0.09	0.09
8	<b>Total</b>	<b>57.16</b>	<b>59.31</b>	<b>61.54</b>

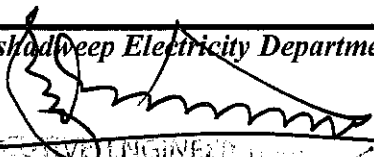
**6.1.3 Number of Consumers**

LED has projected the category wise number of consumers in the Business plan for the control period FY 2022-23, FY2023-24 and FY2024-25. The projected figures have been considered in the instant petition for determining ARR for the control period.

The category wise number of consumers for the control period FY 2022-23, FY2023-24 and FY2024-25 is provided below:

**Table 6.2: No. of Consumers - FY 2022-23, FY2023-24 and FY2024-25**

S. No.	Categories	FY 2022-23	FY 2023-24	FY 2024-25
1	Domestic	20,925	21,268	21,617
2	Commercial	4,333	4,875	5,486
3	Govt. Connection	1,246	1,284	1,323
4	Industrial	368	372	376
5	HT Consumers	12	15	17
6	Public Lighting	76	76	76
7	Others Temporary Supply	136	136	136
8	<b>Total</b>	<b>27,095</b>	<b>28,026</b>	<b>29,031</b>

  
 RECEIVED ENGINEER  
 M. OF LAKSHADWEEP  
 GOVT. OFFICE

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

**6.1.4 Connected Load**

LED has projected the category wise connected load in the Business plan for the control period FY 2022-23, FY2023-24 and FY2024-25. The projected figures have been considered in the instant petition for determining ARR for the control period.

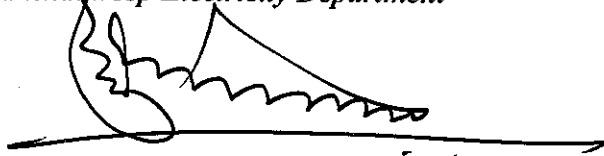
The category wise number of consumers for the control period FY 2022-23, FY2023-24 and FY2024-25 is provided below:

**Table 6.3: Connected Load - FY 2022-23, FY2023-24 and FY2024-25**

S. No.	Categories	FY 2022-23	FY 2023-24	FY 2024-25
1	Domestic	96,616	98,993	1,01,429
2	Commercial	8,880	9,037	9,196
3	Govt. Connection	12,287	12,419	12,553
4	Industrial	3,773	3,817	3,862
5	HT Consumers	1,014	1,063	1,114
6	Public Lighting	284	284	284
7	Others Temporary Supply	273	273	273
8	<b>Total</b>	<b>1,23,127</b>	<b>1,25,886</b>	<b>1,28,711</b>

*Lakshadweep Electricity Department*

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**EXECUTIVE ENGINEER (Ele)  
U.T. OF LAKSHADWEEP  
KAVARATTI-682 502**

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

### 6.1.5 Transmission & Distribution Losses

LED has projected the T&D loss trajectory in the Business plan for the control period FY 2022-23, FY2023-24 and FY2024-25. The projected figures have been considered in the instant petition for determining ARR for the control period.

The T&D loss trajectory for the control period FY 2022-23, FY2023-24 and FY2024-25 is provided below:

**Table 6.4: T & D Loss**

T & D Loss	FY 2022-23	FY 2023-24	FY 2024-25
Overall T & D Losses (%)	11.50	11.50	11.50
<b>Total (%)</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>

### 6.1.6 Energy Requirement & Sources of Power Purchase

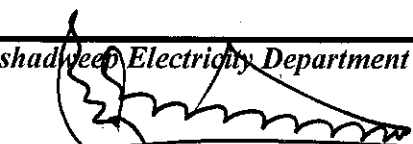
The energy requirement for LED is projected based on the retail sales, grossed up by projected loss levels. The projected energy balance for the FY 2022-23, FY2023-24 and FY2024-25 is as given below:

**Table 6.5: Energy Requirement - FY 2022-23, FY 2023-24 and FY 2024-25**

(In MU's)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
<b>ENERGY REQUIREMENT</b>			
<b>Energy Sales</b>			
LT Supply	56.18	58.28	60.47
HT Supply	0.97	1.02	1.07
<b>Total Energy Sales</b>	<b>57.16</b>	<b>59.31</b>	<b>61.54</b>
Overall T&D Losses (%)	11.50	11.50	11.50
Overall T&D Losses (in MUs)	7.43	7.71	7.99
<b>Total Energy Required at UT Periphery (MUs)</b>	<b>64.59</b>	<b>67.01</b>	<b>69.53</b>
<b>ENERGY AVAILABILITY AT PERIPHERY</b>			
Power Purchase	-	-	-
Own Generation	64.59	67.01	69.53
<b>Total Energy Availability</b>	<b>64.59</b>	<b>67.01</b>	<b>69.53</b>
<b>ENERGY SURPLUS/(GAP)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

The energy requirement of LED is met from own generation. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc. Based on the details of the sources of power and energy

  
 EXECUTIVE ENGINEER (E/e)  
 U.T. OF LAKSHADWEEP  
 KAVARATTI-002 550001



*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

available for the control period as submitted in the Business Plan, the projected power generation for FY 2022-23, FY2023-24 and FY2024-25 are provided in the table below.

Table 6.6: Details of Power Generation - FY 2022-23, FY 2023-24 and FY 2024-25

(In MU's)

S. No.	Name of Project	FY 2022-23	FY 2023-24	FY 2024-25
1	Unit Generated	64.95	67.39	69.92
2	Auxiliary Consumption	0.36	0.38	0.39
3	Net Generation (Sent Out)	64.59	67.01	69.53

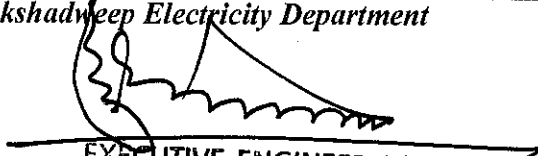
The estimated cost for power generation has been discussed in subsequent sections.

## 6.2 Capital Expenditure & Capitalisation

LED has undertaken significant capital expenditure during FY 2020-21 and the current FY 2021-22 and has plans to implement schemes for development of infrastructure during FY 2022-23, FY 2023-24 and FY 2024-25. The investment plan for the control period as per the Business Plan is provided below:

*Lakshadweep Electricity Department*

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EXECUTIVE ENGINEER (Etc)  
U.T. OF LAKSHADWEEP  
KAVARATTI-682 555

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 6.7: Details of schemes for FY 2022-23, FY 2023-24 & FY 2024-25**

Sl. No.	11 kV New Schemes	Proposed Expenditure & Capitalisation (Rs. in Crores)		
		FY 2022-23	FY 2023-24	FY 2024-25
1	Supply of DG sets at Kavaratti (2x1500KVA), Amini & Agatti (2 x 750) and Kiltan Chetlat and kalpeni	3.00	2.00	2.50
2	DG set major components of Coil Cooler ,Radiator and Essy GEN etc.	4.00	1.50	1.50
3	Supply and Installation of step up transformers at Agatti ,Kadmth, Chetlat & Kalpeni Island (Continuing), Kalpeni & Kiltan and Chetlat & Androth	1.00	0.50	0.50
4	Supply and Installation of Step down Transformers in all Islands except Bitra	5.00	1.00	1.00
5	Supply of Ring Main Unit at Androth -2 , Kadmth - 2 and Kavaratti-2 (Continuing )	0.50	0.50	0.50
6	Supply of Energy Meters/ smart meters	1.00	1.00	1.00
7	Supply of HT cables	0.75	0.75	0.75
8	Supply of LT cables	1.50	1.00	1.00
9	Supply of consumer cable / Street Light cable (Continuing)	1.50	1.00	1.00
10	Supply of Street light set	0.50	0.50	0.50
11	Supply of street light poles	1.50	1.00	1.00
12	Supply of Pole Mounting Street boxes (Continuing)	2.00	1.00	1.00
13	Power House Tools and Line Tools (Supply of Flow meters)	0.25	0.25	0.25
14	VCB Pannel for power House at Kavaratti and Androth	1.00	0.00	0.00
15	Modernisation and Augmentation of control Pannel at Power Houses	1.00	0.00	0.00
16	Multipurpose vehicle for Line at Electrical Sub Division, Kavaratti., Androth and kalpeni. And Minicoy and Amini	0.50	0.50	0.50
17	Construction/maintenance of office building and Power House building at Islands.	3.00	2.00	2.00
	<b>Total</b>	<b>28.00</b>	<b>14.50</b>	<b>15.00</b>

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

**Table 6.8: Summary of Proposed Capital Expenditure & Capitalisation for FY  
2022-23, FY 2023-24 and FY 2024-25**

(Rs. In Crores)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Balance	0.00	0.00	0.00
2	Add; New Investments	28.00	14.50	15.00
3	Total	28.00	14.50	15.00
4	Less; Investments Capitalized	28.00	14.50	15.00
5	Closing Balance	0.00	0.00	0.00

### **6.3 Aggregate Revenue Requirement for LED**

Based on the provisions of the Tariff Regulations, the estimate for the ARR would consist of the following elements:

- Power Generation
- Operation and Maintenance Expenses
- Depreciation
- Interest charges (including interest on working capital)
- Provision for Bad and Doubtful Debts
- Return on Equity
- Non-Tariff Income

#### **6.3.1 Power Purchase/Generation**

There are no sources for purchase of Power and the entire requirement of power is met by own generation. Accordingly, LED has considered the entire power available from own generation sources during FY 2022-23, FY 2023-24 and FY 2024-25 to meet the demand.

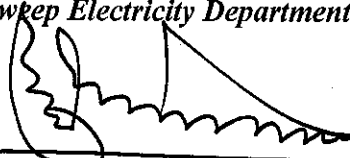
#### **6.3.2 Details Own Generation**

Details own Generating Stations with Installed Capacity and proposed addition, augmentation/replacement of the generating capacity is provided below:

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*Lakshadweep Electricity Department*

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EXECUTIVE ENGINEER (Ele)  
U.T. OF LAKSHADWEEP  
KAVARATTI-682 501

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 6.9: Existing Installed Capacity of DG Sets**

Sl. No.	Island	Capacity (Kw)	No. of units	Date of Commissioning	Remarks
1	Minicoy	1000	5	05.08.2009	
		1000		15.09.2020	
		808		03.12.2019	
		400		22.04.1995	
		400		03.12.2012	
2	Kavaratti	1000	5	11.11.2010	
		1000		13.10.2010	
		1200		27.01.2020	
		600		19.10.2009	
		600		18.09.2009	
3	Amini	750	5	31.08.2008	
		750		04.04.2010	
		400		22.05.1998	
		750		01.09.2013	
		750		07.01.2020	
4	Andrott	1056	6	09.02.2009	
		808		30.01.2013	
		520		01.08.2016	
		520		01.08.2016	
		600		18.02.2020	
		600		18.02.2020	
5	Kalpeni	250	5	01.01.1998	
		250		25.05.2009	
		250		25.05.2009	
		750		17.02.2016	
		750		29.01.2020	
6	Agatti	500	5	12.03.2008	
		500		02.06.2008	
		400		09.03.1998	
		808		10.01.2013	
		600		23.12.2020	
7	Kadmat	400	4	08.05.2011	
		750		03.02.2013	
		600		17.03.2020	
		808		08.05.2021	
8	Kiltan	505	4	13.08.2008	
		505		14.08.2008	
		480		22.02.2016	
		400		03.09.1998	
9	Chetlat	256	3	10.02.2012	
		256		11.02.2012	
		500		08.05.2011	
10	Bitra	250	2	30.12.2012	
		100		28.02.2013	
11	Bangaram	60	3	09.06.2005	
		60		09.06.2005	
		66		20.12.2009	
<b>TOTAL</b>		<b>26566</b>			

*(Signature)*  
EXECUTIVE ENGINEER  
U.D. OF LAKSHADWEEP  
KAVARATTI-682 505

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

**Table 6.10: Existing Installed Capacity of SPV Plants**

Sl. No.	Island	Capacity (Kw)	No. of units	Date of Commissioning	Remarks
1	Minicoy	210	1	01-09-2012	
2	Andrott	320	1	01-10-2012	
3	Kalpeni	100	1	01-03-2014	
4	Kadmat	260	1	01-11-2021	
5	Kiltan	100	1	06-02-2013	
6	Bitra	50	1	26-01-2018	
<b>TOTAL</b>		<b>1040</b>			

**Table 6.11 Augmentation of Installed Capacity**

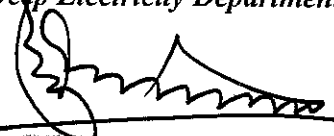
S. No.	Name of Island	Augmentation of Installed Capacity (KW)		
		FY 2022-23	FY 2023-24	FY 2024-25
1	Kavaratti	3000	0	0
2	Amini	0	750	0
3	Agatti	0	750	0
4	Kiltan	0	0	750
5	Chetlat	0	0	750
6	Kalpeni	0	0	750
<b>Total</b>		<b>3000</b>	<b>1500</b>	<b>2250</b>

**Summary of units generated**

The Generation forecast is based on the plant availability and energy demand for the period. Accordingly, generation for FY 2022-23, FY 2023-24 and FY 2024-25 is provided below:

**Table 6.12: Projected Power Generation- FY 2022-23, FY 2023-24 and FY 2024-25**

S. No.	Name of Project	(In MU's)		
		FY 2022-23	FY 2023-24	FY 2024-25
1	Unit Generated	64.95	67.39	69.92
2	Auxiliary Consumption	0.36	0.38	0.39
3	Net Generation (Sent Out)	64.59	67.01	69.53

  
**EXECUTIVE ENGINEER (ETC)**  
**U.T. OF LAKSHADWEEP**  
**KAVARATTI-022**

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

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### 6.3.3 Cost of Fuel:

Out of total own generation, approximately 99% is generated from Diesel power houses and generation from Solar Power Station accounts for only 1%. Hence, cost of fuel (HSD and lubricants) is a major component of the cost of generation. Details of cost of fuel are provided below:

**Table 6.13: Cost of Fuel for FY 2022-23, FY 2023-24 and FY 2024-25**

(Rs. In Crores)

S. No.	Type of Fuel	FY 2020-21 (Actual)	FY 2021-22 (Estimated)	FY 2022-23	FY 2023-24	FY 2024-25
1	HSD	107.18	141.06	146.40	151.93	157.68
2	Lubricant	0.83	0.90	0.98	1.07	1.17
3	Total	108.01	141.97	147.38	153.01	158.85

Cost of fuel for FY 2020-21 has been arrived at by taking the actual cost of fuel for the period April, 21 to September, 21. Further, the average price of HSD & LUB for H1 has been considered for projecting the fuel cost for the period of October, 2021 to March, 2022. Cost of fuel for FY 2022-23, FY 2023-24 and FY 2024-25 has been projected by considering the average rate for the FY 2021-22.

Considering the above, the Hon'ble Commission is requested to allow the cost of fuel as estimated by LED for FY 2022-23, FY 2023-24 and FY 2024-25.

### 6.3.4 Transmission and Other Charges

There are no separate transmission charges as the transmission and distribution system is being operated & maintained by LED and same is included in operation and maintenance cost.

### 6.4 Operation and Maintenance Expenses

Operation & Maintenance expenses comprise of the following heads of expenditure viz.

- Employee Expenses
- Administration & General Expenses
- Repairs & Maintenance Expenses

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**6.4.1 Employee Expenses**

The expense head of employee cost consists of salary, wages, pension contribution and other employee costs etc. In accordance with Regulation 61 of MYT Regulations, 2021, LED has projected the employee cost for the control period by taking the actual employee expenses for the FY 2020-21 as base and escalating the same at the rate of 5.35% year over year i.e. average increase in CPI from 2018-19 to 2020-21. Further, the growth factor (Gn) for the respective years has been considered for meeting additional manpower requirement.

It is therefore, kindly requested that Hon'ble Commission may approve the employee expenses as projected. The parameters adopted for projecting the employee cost is given below:

**Table 6.14: Employee Expenses parameter**

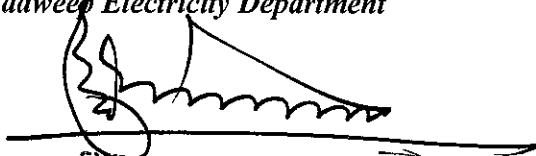
Particular	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening no. of employees	No.	336	336	336	344
Closing no. of employees	No.	336	336	344	344
Gn	In %	0%	0%	2%	0%
Employee Cost of Previous Year	Rs. Cr.	23.13	24.37	25.67	27.69
Growth Factor (Gn)	In %	0%	0%	2%	0%
CPI Inflation	In %	5.35%	5.35%	5.35%	5.35%
<b>Projected Employee Cost</b>	<b>Rs. Cr.</b>	<b>24.37</b>	<b>25.67</b>	<b>27.69</b>	<b>29.17</b>

**6.4.2 Administration and General Expenses**

A&G expenses comprise of the following broad subheads of expenditure, viz.

- Domestic Travelling Expenses
- Office Expenses
- Legal, Regulatory & Consultancy Fees
- Insurance etc.

The A&G expenses for the FY 2022-23, FY 2023-24 and FY 2024-25 has been projected in accordance with Regulation 61 of MYT Regulations, 2021 by escalating the A&G expenses for the FY FY2020-21 by 5.35% i.e. average increase in CPI from 2018-19 to 2020-21, year over year. It is therefore requested that the Hon'ble Commission may kindly approve the A&G expenses as proposed. The escalation is to absorb the normal inflationary increases in the costs. The parameters adopted for projecting the A&G expenses is given below:



*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

**Table 6.15: Administration & General Expenses Parameter**

Particular	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
A&G Expenses of Previous Year	Rs. Cr.	2.36	2.49	2.62	2.76
CPI Inflation	In %	5.35%	5.35%	5.35%	5.35%
<b>Projected A&amp;G expenses</b>	<b>Rs. Cr.</b>	<b>2.49</b>	<b>2.62</b>	<b>2.76</b>	<b>2.91</b>

### 6.4.3 Repairs and Maintenance Expenses

LED has been undertaking various Repairs and Maintenance activities as a step towards improvement of systems, reduction in breakdowns, reduction in response time and increasing preventive maintenance. The R&M expenses for the control period FY 2022-23, FY 2023-24 and FY 2024-25 has been projected in accordance with Regulation 61 of MYT Regulations, 2021 considering the following factors:

- i. 'K' factor calculated as per the Regulation 61.4 of MYT Regulations, 2021,
- ii. Average increase in WPI from 2018-19 to 2020-21 i.e 2.42% &
- iii. GFA at the beginning of the respective years.

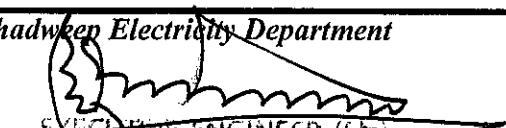
It is requested to Hon'ble Commission to kindly approve R&M expenses as proposed below:

**Table 6.16: Repairs & Maintenance Expenses parameter**

Particular	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening GFA	Rs. Cr.	188.09	197.59	225.59	240.09
Addition During the year	Rs. Cr.	9.50	28.00	14.50	15.00
Closing assets	Rs. Cr.	197.59	225.59	240.09	255.09
Average GFA	Rs. Cr.		211.59	232.84	247.59
K Factor	%		6.86%	6.86%	6.86%
WPI Inflation	%		2.42%	2.42%	2.42%
<b>Projected R&amp;M Expenses</b>	<b>Rs. Cr.</b>		<b>13.88</b>	<b>15.84</b>	<b>16.86</b>

### 6.4.4 O&M Expenditure

On the basis of the above parameters the estimated O&M Expenditure for FY 2022-23, FY 2023-24 and FY 2024-25 is tabulated below:

  
 EXECUTIVE ENGINEER (E&M)  
 U.T. OF LAKSHADWEEP  
 TRIVANENTRUM  
 KERALA



**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 6.17: O&M Expenditure - FY 2022-23, FY 2023-24 and FY 2024-25**

Particular	Rs. In Crores.		
	FY 2022-23	FY 2023-24	FY 2024-25
Employee Expenses	25.67	27.69	29.17
R&M Expenses	13.88	15.84	16.86
A&G Expenses	2.62	2.76	2.91
<b>Total O&amp;M Expenses</b>	<b>42.17</b>	<b>46.28</b>	<b>48.93</b>

It is submitted that LED is gearing up for meeting the operational requirement of servicing existing and additional new consumers in line with the Standards of performance which the licensees have to adhere to. Hence, there would be an increase in O&M expenditure to support full-fledged distribution business operations.

### 6.5 Gross Fixed Assets

It is submitted that opening value of gross fixed assets (GFA) for 2021-22 has been taken from the Fixed Asset Register for the FY 2020-21 and the same has been increased by estimated addition of assets during the FY 2021-22. Thereafter, planned additions during FY 2022-23, FY 2023-24 and FY 2024-25 as per the Business Plan have been considered and accordingly, GFA has been computed for the control period. The GFA for the control period is provided in the table below.

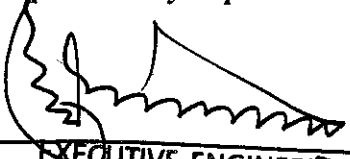
**Table 6.18: Gross Fixed Assets Movement**

(Rs. In Crores)

Particular	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening GFA	186.41	188.09	197.59	225.59	240.09
Asset Capitalized	1.68	9.50	28.00	14.50	15.00
<b>Closing GFA</b>	<b>188.09</b>	<b>197.59</b>	<b>225.59</b>	<b>240.09</b>	<b>255.09</b>

### 6.6 Depreciation

The depreciation for FY 2022-23, FY 2023-24 and FY 2024-25 is computed based on the average depreciation rates for the FY 2020-21 and the average assets for the respective financial year. The table below provides the summary of depreciation for the control period.

  
**EXECUTIVE ENGINEER (Ele)**  
**U.T. OF LAKSHADWEEP**  
**KAVARATTI-682 505**

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 6.19: Depreciation – FY 2022-23, FY 2023-24 and FY 2024-25**

(Rs. In Crores)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
Opening GFA	<b>197.59</b>	<b>225.59</b>	<b>240.09</b>
Less: Assets depreciated upto 90%	<b>21.38</b>	<b>21.38</b>	<b>21.38</b>
Net opening GFA	<b>176.21</b>	<b>204.21</b>	<b>218.71</b>
Addition during the year	<b>28.00</b>	<b>14.50</b>	<b>15.00</b>
Net Closing GFA	<b>204.21</b>	<b>218.71</b>	<b>233.71</b>
Net Average GFA	190.21	211.46	226.21
Rate of Depreciation	4.34%	4.34%	4.34%
<b>Depreciation for the year</b>	<b>8.25</b>	<b>9.18</b>	<b>9.82</b>

### 6.7 Interest and Financial Charges

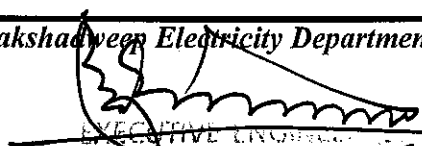
The Interest costs have been estimated under following three heads:

- Interest on Debt/ Long term loans
- Interest on Working Capital
- Interest on Security Deposit

#### 6.7.1 Interest on Loan/Debt

The LED being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. The interest on debt/loan has been calculated considering debt to be 70% of GFA. Repayment of loan has been considered equivalent to the depreciation of the respective years.

Interest on loan for the control period FY 2022-23, FY 2023-24 and FY 2024-25 has been calculated on the average loan for the respective year @ SBI MCLR for 1 year tenor as on 1<sup>st</sup> April, 2021 plus 100 basis points as provided in Regulation 29.4 of MYT Regulations, 2021. The SBI MCLR for 1 year tenor as on 1<sup>st</sup> April, 2021 was 7.00%, hence, rate of interest considered for calculating interest on loan has been considered as 8.00% (7%+1%). The interest calculation for the control period are detailed in the table below:

  
 EXECUTIVE ENGINEER  
 U.T. OF LAKSHADWEEP  
 KAVARATTI-682 555

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 6.20: Interest on Loan**

(Rs. In Crore)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
Opening Normative Loan	11.26	22.60	23.58
Add: Normative Loan during the year (70% of proposed capitalization)	19.60	10.15	10.50
Less: Normative Repayment	8.25	9.18	9.82
Closing Normative Loan	22.60	23.58	24.26
Average Normative Loan	16.93	23.09	23.92
Rate of Interest (@ SBI MCLR for 1 year tenor as on 1st April, 2021 plus 100 basis points)	8.00%	8.00%	8.00%
<b>Interest on Normative Loan</b>	<b>1.35</b>	<b>1.85</b>	<b>1.91</b>

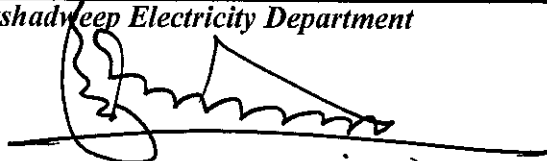
### 6.7.2 Interest on Working Capital

The LED has computed the Interest on Working Capital for FY 2022-23, FY 2023-24 and FY 2024-25 on normative basis. The normative working capital has been calculated in accordance with Regulations 64.1 of MYT Regulations, 2021 as follows:

- i. Operation and maintenance expenses for one (1) month;
- ii. Maintenance spares at 40% of R&M expenses for one (1) month;
- iii. Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariffs;
- iv. Less; Power purchase cost for one (1) month;
- v. Less: Security deposits from Consumers except the security deposits held in the form of Bank Guarantees:

Interest on working capital for the control period FY 2022-23, FY 2023-24 and FY 2024-25 has been calculated on the working capital for the respective year @ SBI MCLR for 1 year tenor as on 1<sup>st</sup> April, 2021 plus 200 basis points as provided in Regulation 32.4 of MYT Regulations, 2021. The SBI MCLR for 1 year tenor as on 1<sup>st</sup> April, 2021 was 7.00%, hence, rate of interest considered for calculating interest on loan is 9.00% (7%+2%).

The interest on normative working capital for FY 2022-23, FY 2023-24 and FY 2024-25 calculated on the basis of the above parameters is given in the table below:



EXECUTIVE ENGINEER (Ele)  
U.I. OF LAKSHADWEEP  
KAVARATTI-695 001

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& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

**Table 6.21: Interest on Working Capital**

(Rs. In Crore)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
Two months receivables	4.88	5.08	5.29
Add: One Month O&M Expenses	3.51	3.86	4.08
Add: 40% of repair and maintenance expenses for one month	0.46	0.53	0.56
Less: Consumer Security Deposit excl. BG/FDR	0.95	0.96	0.97
<b>Total Working after deduction of Security Deposit</b>	<b>7.91</b>	<b>8.51</b>	<b>8.96</b>
Rate of Interest (@ SBI MCLR for 1 year tenor as on 1st April, 2021 plus 200 basis points)	9.00%	9.00%	9.00%
<b>Interest on Working Capital</b>	<b>0.71</b>	<b>0.77</b>	<b>0.81</b>

The Hon'ble Commission is requested to kindly approve the interest on working capital as proposed.

### 6.7.3 Interest on Security Deposit

Interest on Security Deposits has been calculated on the projected average balance of Security Deposit from the consumers during the respective financial year.

The rate of interest on security deposit has been calculated at the bank rate as on 1<sup>st</sup> April, 2021 in accordance with Regulation 29.11 of MYT Regulations, 2021. The bank rate as on 1<sup>st</sup> April, 2021 was 4.25%.

The interest on security deposit for FY 2022-23, FY 2023-24 and FY 2024-25 calculated on the basis of the above parameters is given in the table below:

**Table 6.22: Interest on Security Deposit**

(Rs. In Crore)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
Opening Consumer Security Deposit	0.94	0.95	0.96
Net Addition During the year	0.01	0.01	0.01
Closing Consumer Security Deposit	0.95	0.96	0.97
Average Deposit	0.94	0.95	0.96
Bank Rate	4.25%	4.25%	4.25%
<b>Interest on Consumer Security Deposit</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>

### 6.8 Provision for Bad and Doubtful Debts

LED has not projected provision for bad debts for the control period. It is submitted that claim towards bad debts shall be made at the time of true-up based on the audited accounts of the respective years.

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

### 6.9 Return on Equity

In accordance with the Regulation 28, Debt: Equity norm of 70:30 and RoE of 16% for FY 2022-23, FY 2023-24 and FY 2024-25 has been considered and accordingly, the return on equity is calculated as given below:

**Table 6.23: Return on Equity - FY 2022-23, FY 2023-24 and FY 2024-25**

(Rs. In Crore)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
Opening Normative Equity	59.28	67.68	72.03
Addition During the year	8.40	4.35	4.50
Closing Normative Equity	67.68	72.03	76.53
Average Normative Equity	63.48	69.85	74.28
Return on Equity@16%	10.16	11.18	11.88

### 6.10 Non-Tariff Income

Non-tariff income for the FY 2022-23, FY 2023-24 and FY 2024-25 has been projected by escalating the actual Non-tariff income of FY 2020-21 by 5% YOY. Accordingly, Non-tariff income for the FY 2022-23, FY 2023-24 and FY 2024-25 is given in the table below:

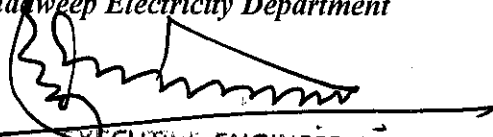
**Table 6.24: Non-Tariff Income**

(Rs. In Crore)

Particular	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Non-Tariff Income	1.22	1.28	1.35	1.42	1.49

### 6.11 Aggregate Revenue Requirement

Based on the above estimates and projections, the ARR for LED for FY 2022-23, FY 2023-24 and FY 2024-25 works out as under:

  
**EXECUTIVE ENGINEER (Eie)**  
 U.T. OF LAKSHADWEEP  
 KAVARATTI-682 555

**Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23**

**Table 6.25: Annual Revenue Requirement**

(Rs. In Crores)

S. No.	Particular	FY 2022-23	FY 2023-24	FY 2024-25
1	Cost of fuel for full year	147.38	153.01	158.85
2	Employee costs	25.67	27.69	29.17
3	Administration and general expenses	2.62	2.76	2.91
4	R&M expenses	13.88	15.84	16.86
5	Depreciation	8.25	9.18	9.82
6	Interest and finance charges	1.35	1.85	1.91
7	Interest on working capital	0.71	0.77	0.81
8	Interest on Security Deposit	0.04	0.04	0.04
9	Return on Equity	10.16	11.18	11.88
10	Provision for Bad Debt	-	-	-
<b>11</b>	<b>Total Revenue Requirement</b>	<b>210.07</b>	<b>222.30</b>	<b>232.24</b>
12	Less: Non-Tariff Income	1.35	1.42	1.49
<b>13</b>	<b>Net Revenue Requirement</b>	<b>208.72</b>	<b>220.88</b>	<b>230.75</b>

### 6.12 Average Cost to Supply

Based on the above computed ARR, the Average Cost of Supply for the control period is calculated in the table below.

**Table 6.26 : Average Cost of Supply for FY 2019-20, FY 2020-21 and FY 2021-22**

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	2	3	4	5
1	Net Revenue Requirement (Rs. In Crore)	208.72	220.88	230.75
2	Energy Sales (MU's)	57.16	59.31	61.54
3	Average cost of supply/unit (In Rs)	36.52	37.24	37.50

### 6.13 Revenue at Existing Tariff and Gap for the control period

The estimated revenue at Existing Tariff for FY 2022-23, FY 2023-24 and FY 2024-25 and gap is provided in the table below.

*Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23*

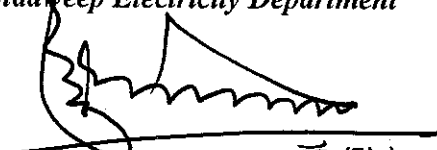
Table 6.27 : Revenue Gap at Existing Tariff FY 2022-23, FY 2023-24 and FY 2024-25

(Rs. In Crores)

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	2	3	4	5
1	Net Revenue Requirement	208.72	220.88	230.75
2	Revenue from Retail Sales at Existing Tariff	29.27	30.47	31.72
3	Net Gap (1-2)	179.45	190.41	199.03
4	Gap for the previous year	0	0	0
5	Total Gap (3+4)	179.45	190.41	199.03

Lakshadweep Electricity Department

66

  
EXECUTIVE ENGINEER (Ele)  
U.T. OF LAKSHADWEEP  
KAVARATTI-692 500

***Petition for True up for FY 2017-18 & FY 2018-19, APR for FY 2021-22  
& MYT Petition for the control period FY 2022-23 to FY 2024-25  
and Tariff proposal for FY 2022-23***

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## **7 TARIFF PROPOSAL FOR FY 2022-23**

LED in the previous sections has discussed the estimated performance for the FY 2022-23, FY 2023-24 and FY 2024-25 based on the past years performances and certain assumptions explained at appropriate places to determine the Aggregate Revenue Required for the control period.

### **7.1 Recovery of Revenue Gap for FY 2022-23**

The estimated gap in the FY 2022-23 has been computed by deducting the net ARR from Revenue at Existing Tariff. LED has projected gap for the FY 2022-23 at Rs. 179.45 Crores as detailed in the table above.

Tariff is a sensitive subject having substantial impact on social, economic and financial well being of the public at large as well as the viability and growth of power sector. LED proposes to recover a part of the gap through hike in tariff as recovery of the total gap would result in huge burden on the consumers. The proposed tariff for recovery of the gap is detailed in the subsequent section.

### **7.2 Proposed Tariff in FY 2022-23**

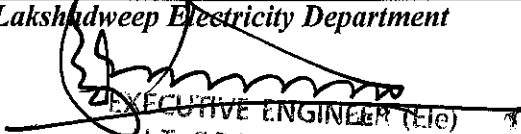
#### **7.2.1 Tariff Proposal for FY 2022-23**

The basic requirement of any Tariff proposal is that it has to be transparent and justifiable against various policy guidelines and the framework evolved by the JERC and various SERCs. In the light of the experience gained by other utilities in implementation of the tariff orders and regulatory requirements specified under various states and policy guidelines an attempt has been made to improve upon the present tariff design. The Cost of supply computes to Rs.36.52 per unit. Average revenue per unit at existing tariff is Rs.5.12. Thus, there is gap of Rs.31.40 per unit.

It is submitted that over 99% of power is generated from Diesel based generating stations. There is no other source of energy. Major component of cost of supply is cost of HSD and Lubricants. The above factor, apart from general rise in prices have necessitated the increase in tariff. However, in this Tariff proposal only partial recovery of cost is proposed. At the proposed tariff only 17.42% of the Annual Revenue requirement would be recovered.

Considering the above, the tariff proposal for FY 2022-23 for individual categories is given below along with the comparison of existing and proposed energy charges.

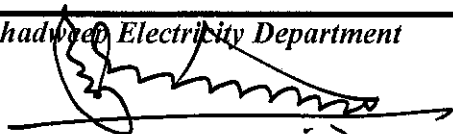
**Table 7.1 :Energy Charge Existing v/s Proposed Tariff**

  
EXECUTIVE ENGINEER (E/C)  
U.T. OF LAKSHADWEEP  
KAWARPOOTHU, LAKSHADWEEP



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Existing			Proposed		
Category	Energy Charge (Rs./Kwh)	Fixed Charges	Category	Energy Charge (Rs./Kwh)	Fixed Charges
<b>Life Line Connection</b>	<b>1.00</b>	Rs. 10/- per service connection per month or part thereof	<b>Life Line Connection</b>	<b>1.05</b>	Rs. 10/- per service connection per month or part thereof
<b>Domestic Connection</b>			<b>Domestic Connection</b>		
-0 to 100 units	1.35	Rs. 20/- per connection per month or part thereof for single phase Rs. 70/- per connection per month or part thereof for three phase	-0 to 100 units	2.50	Rs. 20/- per connection per month or part thereof for single phase Rs. 70/- per connection per month or part thereof for three phase
-101 to 200 units	3.10		-101 to 200 units	4.50	
-201 to 300 units	5.20		-201 to 300 units	7.00	
-301 units & above	6.85		-301 units & above	9.00	
<b>Commercial</b>			<b>Commercial</b>		
0-100 Units	6.30	Rs. 30/- per connection per month or part thereof for single phase Rs. 125/- per connection per month or part thereof for three phase	0-100 Units	7.00	Rs. 30/- per connection per month or part thereof for single phase Rs. 125/- per connection per month or part thereof for three phase
101 to 200 Units	7.65		101 to 200 Units	7.50	
201 Units & above	9.50		201 to 300 Units	9.50	
<b>Govt. Connection</b>			<b>Govt. Connection</b>		
0-200 Units	8.00	Rs. 35/- per connection per month or part thereof for single phase Rs. 125/- per connection per month or part thereof for three phase	0-200 Units	8.50	Rs. 35/- per connection per month or part thereof for single phase Rs. 125/- per connection per month or part thereof for three phase
201 units & above	9.70		201 units & above	10.00	
<b>Industrial</b>			<b>Industrial</b>		
All units	6.50	Rs. 50/- per KVA per month or part thereof	0 to 200 Units	8.00	Rs. 50/- per KVA per month or part thereof
<b>HT Consumers</b>	9.20	Rs. 150/- per KVA per month or part thereof	<b>HT Consumers</b>	10.00	Rs. 150/- per KVA per month or part thereof
<b>Public Lighting</b>	6.00	Rs. 50/- per KVA per month or part thereof	<b>Public Lighting</b>	6.50	Rs. 50/- per KVA per month or part thereof
<b>EV Charging Stations</b>	4.79	Rs. 100/- per KVA per month or part thereof	<b>EV Charging Stations</b>	5.00	Rs. 100/- per KVA per month or part thereof
<b>Temporary Connection</b>	5.53		<b>Temporary Connection</b>	10.42	



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### 7.3 Revenue at Proposed Tariff in FY 2022-23

Based on the tariff proposed above, following is the summary of the revenue from various consumer categories at the proposed tariff, which is being compared with the consumer category-wise revenue at existing tariff:

**Table 7.2: Comparison of Revenue at Existing Tariff with Proposed Tariff**

(Rs. In Crores)

Consumers Category	Energy Sales (MU's)	Revenue at Existing Tariff	Revenue at Proposed Tariff
Domestic	43.16	15.91	22.50
Commercial	3.68	3.46	3.49
Govt. Connection	8.02	7.77	8.02
Industrial	0.41	0.49	0.55
HT Consumers	0.97	1.08	1.16
Public Lighting	0.82	0.51	0.55
Others Temporary Supply	0.09	0.05	0.10
<b>Total</b>	<b>57.16</b>	<b>29.27</b>	<b>36.36</b>

#### 7.3.1 Impact of Tariff on Consumers

The revenue gap and the average tariff hike proposed are presented in the table below:

**Table 7.3 : Revenue Gap and average tariff hike**

Sr. No.	Particular	Units	FY 2022-23	
			Existing	Proposed
1	Net ARR for FY 2022-23	Rs., Crores	208.72	208.72
2	Revenue for FY 2022-23	Rs., Crores	29.27	36.36
3	Gap (1-2)	Rs., Crores	179.45	172.35
4	Total Sales	MU's	57.16	57.16
5	Average Cost of Supply (1/4x10)	Rs. per kWh	36.52	36.52
6	Average Revenue (2/4x10)	Rs. per kWh	5.12	6.36
7	Pure Gap (5-6)	Rs. per kWh	31.40	30.15
8	Average Hike in Tariff			1.24
	Hike %			24.24

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Hence, it is submitted that the average tariff required to recover the gap attributable to FY 2022-23 is Rs.31.40, but keeping in view the resultant burden on the consumers, the proposed hike has been restricted to Rs.1.24 per unit.

In view of the above, it is prayed to the Hon'ble Commission that considering the above submission, the proposed hike in tariff be allowed.

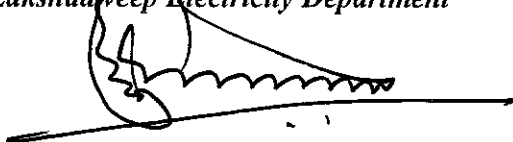
8 Compliance to Directives:

The replies to the directives issued by the Hon'ble Commission is being compiled and shall be submitted separately. The Hon'ble Commission may kindly allow the same.

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*Lakshadweep Electricity Department*

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EXECUTIVE ENGINEER (E.E.)  
U.T. OF LAKSHADWEEP  
KAVARATTI-682

