TARIFF ORDER

Approval for True-up of FY 2021-22, Annual Performance Review (APR) of FY 2023-24, Aggregate Revenue Requirement (ARR), and Determination of Retail Tariff for FY 2024-25

Petition No. 125/2024

for

Electricity Wing of Engineering Department, Chandigarh (EWEDC)

25th July, 2024

JOINT ELECTRICITY REGULATORY COMMISSION
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List of abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal of Electricity
BPL	Below Poverty Line
BBMB	Bhakra Beas Management Board
CAGR	Compound Annualized Growth Rate
Capex	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
COD	Commercial Operation Date
Cr	Crore
CREST	Chandigarh Renewal Energy and Science & Technology
CAG	Comptroller and Auditor General of India
CUF	Capacity Utilization Factor
CPI	Consumer Price Index
Discom	Distribution Company
DST	Daylight Savings Time
EWEDC	Electricity Wing of Engineering Department, Chandigarh
DSM	Deviation Settlement Mechanism
EHT	Extra High Tension
ERP	Enterprise Resource Planning
FPPCAS	Fuel and Power Purchase Cost Adjustment Surcharge
FY	Financial Year
GFA	Gross Fixed Assets
GeM	Government e Marketplace
GPF	General Provident Fund
G-TAM	Green- Term Ahead Market
HT	High Tension
HPO	Hydro Power Obligation
IEX	Indian Energy Exchange Limited
IPP	Independent Power Producer
ISTS	Inter State Transmission System
JERC	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
LT	Low Tension
MU	Million Units
MYT	Multi Year Tariff
MNRE	Ministry of New and Renewable Energy
MUNPL	Meja Urja Nigam Private Limited
NFA	Net Fixed Assets
NSGM	National Smart Grid Mission
NIC	National Informatics Centre
NOC	No Objection Certificate
NHPC	National Hydro Power Corporation
NPCL	Noida Power Company Limited
NTI	Non-Tariff Income

Abbreviation	Full Form
NTPC	National Thermal Power Corporation
O&M	Operation and Maintenance
PCS	Provincial Civil Service
PEPSU	Patiala and East Punjab States Union
PGCIL	Power Grid Corporation of India Limited
PGI	Post Graduate Institute
PLF	Plant Load Factor
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
PSEB	Punjab State Electricity Board
PSPCL	Punjab State Power Corporation Limited
R&M	Repair and Maintenance
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI MCLR	SBI Marginal Cost Lending Rate
SCADA	Supervisory Control and Data Acquisition
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SOP	Standard of Performance
T&D Loss	Transmission & Distribution Loss
THDC	Tehri Hydro Development Corporation
TOD	Time of Day
UI	Unscheduled Interchange
UT	Union Territory
UT ED	Union Territory Electricity Department
VCoS	Voltage-wise Cost of Supply
WPI	Wholesale Price Index

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

CORAM
Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)
Petition No. 125/2024
Date: 25th July, 2024

In the matter of

Approval for True-up of FY 2021-22, Annual Performance Review (APR) of FY 2023-24, Aggregate Revenue Requirements (ARR) & Determination of Retail Tariff for FY 2024-25.

And in the matter of

Electricity Wing of Engineering Department, Chandigarh (EWEDC) ……………… **Petitioner**

ORDER

1. This Order is passed in respect of the Petition filed by the Electricity Wing of Engineering Department, Chandigarh (EWEDC) (herein after referred to as "The Petitioner" or "EWEDC" or "The Licensee") for approval of True-up of FY 2021-22, Annual Performance Review (APR) of FY 2023-24, Aggregate Revenue Requirements (ARR) & Determination of Retail Tariff for FY 2024-25 before the Joint Electricity Regulatory Commission (herein after referred to as "The Commission" or "JERC").

2. The Commission scrutinised the said Petition and found it generally in order. The Commission admitted the Petition on 4th June 2024. The Commission thereafter requisitioned further information's/clarifications on the data gaps observed to take a prudent view of the said Petition. The Commission also held a Technical Validation Session to determine sufficiency of data and the veracity of the information's submitted. Further, suggestions/ comments/ views and objections were invited from the Stakeholders and Electricity Consumers. The Public Hearing was held on 21st June 2024 at Chandigarh and the Stakeholders/Electricity Consumers present in the Public Hearing were heard.

3. The Commission based on the Petitioner's submission, relevant JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, facts of the matter, Rules and provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved the True-up for FY 2021-22, Annual Performance Review (APR) for FY 2023-24, Aggregate Revenue Requirement (ARR) & determination of Retail Tariff for FY 2024-25.

4. A Summary has been provided as follows:

I. True-up of FY 2021-22

(a) The following table provides ARR, Revenue and Standalone Gap/(Surplus) at existing tariff as submitted by the Petitioner and approved by the Commission in True-up for FY 2021-22:

Table 1: Standalone Revenue Gap/ (Surplus) at existing tariff for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	Approved by the Commission
1	Net Revenue Requirement	877.06	852.23
2	Revenue from Retail Sales	690.68	690.68
	Net Revenue Gap/(Surplus)	**186.38**	**161.56**

II. Annual Performance Review of FY 2023-24

(a) The following table provides ARR, Revenue and Standalone Gap/(Surplus) at existing tariff as submitted by the Petitioner and approved by the Commission in APR for FY 2023-24:

Table 2: Standalone Revenue Gap/ (Surplus) at existing tariff for FY 2023-24 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	Approved by the Commission
1	Net Revenue Requirement	1002.22	1011.24
2	Revenue from Retail Sales	830.78	852.33
	Net Revenue Gap/(Surplus)	**171.44**	**158.91**

III. Aggregate Revenue Requirement and Retail Tariff Determination for FY 2024-25

(a) The following table provides ARR, Revenue and Standalone Gap/(Surplus) at existing tariff as submitted by the Petitioner and approved by the Commission FY 2024-25:

Table 3: Standalone Revenue Gap/ (Surplus) at existing tariff for FY 2024-25 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	Approved by Commission
1	Net Revenue Requirement	1,081.49	1,059.25
2	Revenue from Retail Sales at Existing Tariff	886.67	860.54
	Net Revenue Gap/(Surplus)	**194.82**	**198.71**

(b) Accordingly, the following table provides the cumulative revenue gap/(surplus) at existing tariff by the end of FY 2024-25:

Table 4: Cumulative Revenue Gap/(Surplus) approved by Commission (Rs. Cr.)

Sr. No.	Particulars	FY 2024-25
1	Net Revenue Requirement	1059.25
2	Revenue from Retail Sales at Existing Tariff	860.54
3	Gap/(Surplus)	198.71
4	Previous year cumulative Gap/ (Surplus)	(97.28)
5	Carrying cost up-to FY 2024-25 for 3 years	(23.35)
6	Total Cumulative gap / (surplus) with carrying cost to be passed on in ARR of FY 2024-25	(120.63)
7	**Net Gap/(Surplus)**	**78.09**

(c) The Commission approves the standalone revenue gap for FY 2024-25 and cumulative revenue gap at the end of FY 2024-25 at existing tariff at Rs. 198.71 Cr and Rs. 78.09 Cr respectively.

(d) The Commission, to bridge the aforesaid cumulative gap of Rs.78.09 Cr., approves an average hike of 9.40% in the retail tariff.

(e) The Commission has approved the Average Billing Rate (ABR) of Rs. 5.61/kWh against the approved Average Cost of Supply (ACoS) of Rs. 6.32/kWh.

5. This Order shall come into force with effect from 1st August 2024 and shall, unless amended or revoked, continue to be in force till further orders of the Commission.

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

7. The attached documents giving detailed reasons, grounds and conditions are the Integral part of this Order.

Ordered accordingly.

Sd/-	**Sd/-**
(Jyoti Prasad)	**(Alok Tandon)**
Member (Law)	**Chairperson**

Place: Gurugram, Haryana
Date: 25th July, 2024

Chapter 1 : Introduction

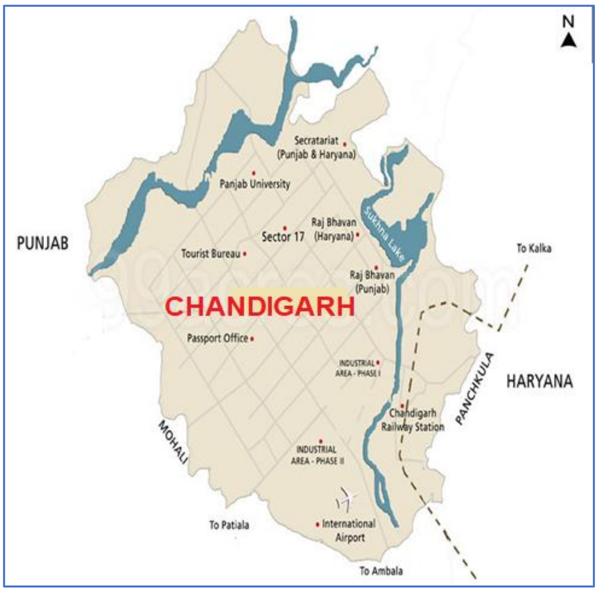
1.1. About Joint Electricity Regulatory Commission for the State of Goa and UT's (JERC)

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

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

1.2. About Union Territory of Chandigarh

Chandigarh is a city, district and union territory in India that serves as the capital of the two neighbouring states of Punjab and Haryana. It is bordered by the state of Punjab to the north, the west and the south, and by the state of Haryana to the east. The city is unique as it is not a part of either of the two states but is governed directly by the Union Government, which administers all such territories in the country. Chandigarh is located near the foothills of the Shivalik range of the Himalayas in northwest India. It covers an area of approximately 114 km^2. The metropolitan area of Chandigarh–Mohali–Panchkula collectively forms a Tri-city, with a combined population of over 2 million.



Chandigarh has been rated as one of the "Wealthiest Towns" of India. The city has one of the highest per capita incomes in the country. The city was reported to be one of the cleanest in

India based on a national government study. The union territory also heads the list of Indian states and territories according to Human Development Index.

1.3. About Electricity Wing of Engineering Department, Chandigarh (EWEDC)

The Electricity Wing of Engineering Department of UT Administration of Chandigarh, hereinafter referred to as ‘EWEDC’ or as the ‘Petitioner’, a deemed licensee under Section 14 of the Electricity Act 2003, is carrying out the business of transmission, distribution and retail supply of electricity in Chandigarh (UT). EWEDC is functioning as an integrated distribution licensee of the Union Territory of Chandigarh. EWEDC procures most of its power through its allocation from Central Generating Stations (CGS) such as NTPC, NHPC, NPCIL BBMB, SJVNL and THDC. The EWEDC also buys short-term power for meeting the demand-supply shortfall during peak hours.

Chandigarh has been divided into various sectors and all the sectors of Chandigarh are electrified and any desiring consumer can avail power supply by submitting a requisition in the prescribed form to the appropriate office of the Department subject to fulfilment of the requisite conditions and payment of charges. The EWEDC is under the control of the Administration of the Union Territory of Chandigarh.

1.4. Multi Year Tariff Regulations, 2018

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

1.5. Multi Year Tariff Regulations, 2021

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

1.6. Filing and Admission of the Present Petition

The present Petition was admitted on 4th June 2024 and marked as Petition No. 125 of 2024. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

1.7. Interaction with the Petitioner

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

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

Table 5: Timelines of the interaction with the Petitioner

Sr. No.	Subject	Date
1	Issue of First Deficiency Note	16th May 2024
2	Reply received from Petitioner	4th June 2024
3	Technical Validation Session	9th July 2024
4	Public Hearing	21st June 2024
5	Issue of Second Deficiency Note	26th June 2024
6	Replies received from Petitioner	2nd July 2024
7	Issue of TVS queries	9th July 2024
8	Replies to TVS queries	10th July 2024

1.8. Notice for Public Hearing

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

Table 6: Details of Public Notices published by the Commission

Sr. No.	Date	Name of Newspaper	Language	Place of Circulation
1	6th June 2024 & 19th June 2024	Ajit	Punjabi	Chandigarh
2		Dainik Jagran	Hindi	Chandigarh
3		The Tribune	English	Chandigarh
4		Hindustan Times	English	Chandigarh

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

Table 7: Details of Public Notices published by the Petitioner

Sr. No.	Date	Name of Newspaper	Language	Place of Circulation
1	7th June 2024	Ajit	Punjabi	Chandigarh
2		Dainik Bhaskar	Hindi	Chandigarh
3		The Tribune	English	Chandigarh
4		Hindustan Times	English	Chandigarh

1.9. Public Hearing

The Public Hearing was held on 21st June 2024 at the Auditorium Hall, Government Museum and Art Gallery, Chandigarh to discuss the issues related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders/public in writing and as voiced by them during the Public Hearing have been examined by the Commission. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2 of this Order.

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

2.1. Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, upload the Petition on the website and also publish the same in the newspapers duly inviting comments/ objections from the public as per the provisions of the MYT Regulations, 2021.

The Public Hearing was held at Auditorium Hall, Government Museum and Art Gallery, Chandigarh on 21st June 2024 on the Petition for the True-up of the FY 2021-22, APR of the FY 2023-24, ARR and retail tariff for the FY 2024-25. During the Public Hearing, a few of the stakeholders who had submitted their comments in writing also presented their views in person before the Commission. Other participants from the general public, who had not submitted written comments/objections earlier, were also given an equal opportunity to present their views/suggestions in respect to the Petition. The names of the stakeholders who attended the Public Hearing are provided in Annexure-I.

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

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

2.2.1. Tariff hike proposed by the Electricity Department.

Stakeholder's Comment:

Various stakeholders strongly oppose the hike in tariff proposed by the Electricity Department. They stated that should improve its functioning in cutting the costs by purchasing cheaper power and should improve their functioning to provide quality of power at cheaper rates.

Necessity to propose average increase of 19.44% tariff on existing retail supply tariff has arisen due to ED delaying Energy Audit every year from last few years. The example is that True-Up of FY 2021-22 is being taken up for approval in this petition while the True-up of FY 2022-23 is still pending.

Some of the stakeholders raised the concern about no improvement in Services of the Discom. There are still very high unscheduled power cuts due to poor maintenance by Discom. This practice must come to an end especially when installation of smart meters

PAN India will not take place in coming few years. It is therefore recommended that tariff should not be increased.

Another Stakeholder Submitted that, “Fixed Charges are routinely changed at nominal increase of 5% per annum and should be done at this fixed rate every year, increase more than this is not justified. Moreover, those who follow govt guidelines and install solar units should be rewarded by keeping fixed charges at the same rate unchanged”

One of the Stakeholders opposed the Tariff hike in Domestic Consumer category. He submitted that:

“The proposed average increase of 19.44% in the existing retail supply tariff is excessive and places an undue financial burden on consumers. This increase comes at a time when many households and businesses are already facing significant financial burdens in every commodity. A more gradual and justified increase should be considered, taking into account the current economic conditions.

He further submitted that the significant increase in fixed charges for domestic consumers, Rs. 15.00 to Rs. 40.00, disproportionately affects low-income households. It is imperative to reconsider this hike and explore alternative ways to distribute the financial burden more equitably.

For example, if the customers, who typically use around 8 kW of electricity, the impact of these updated charges becomes strikingly clear. Under the proposed changes, the cost for using 8 kW over two months would jump from Rs. 240 to Rs. 640, marking a 166% increase. Such a significant hike in fixed charges penalizes those who use energy efficiently and undermines efforts to encourage conservation among consumers.

The stakeholder requested the Commission to consider the objections seriously and take appropriate action to ensure that the interests of all stakeholders, especially the consumers, are safeguarded.”

Petitioner’s Response:

The Petitioner in reply to stakeholder’s comment submitted that: “The tariff in U.T. Chandigarh has not been hiked from last many years by EWEDC, therefore, the tariff hike of approx. 19.44% has been proposed to bridge the revenue gap for FY 2024-25.”

In reply to other stakeholder’s comment regarding increase in fixed charges the Petitioner submitted that “The revision in Tariff is proposed based on the provisions specified in the JERC MYT Regulations 2021, National Tariff Policy 2016 and Electricity Rules 2005 and its amendments issued from time to time. The Tariff Design clause specified in the National Tariff Policy (NTP), 2016, provides that the tariff should progressively reflect the cost of supply of electricity to consumers and level of cross subsidy in tariff shall be brought within +/-20% of the average cost of supply. The existing fixed charges are not cost reflective in nature. Thus, to ensure the recovery of fixed operating cost of EWEDC in adequate manner the increase in Fixed Charges is proposed. Besides, in consideration to the aggregate revenue requirement for FY 2024-25 overall increase in tariff is proposed for FY 2024-25"

In reply to one of the Stakehlder regarding the tariff hike in Domestic category the Petitioner submitted that,

"The Petitioner based on the demand tied up the generation and transmission resources on long term basis for supply of power to consumers on 24x7 basis. The distribution network is accordingly being laid down to cater the growing demand of the consumers. It is evident from the billing determinants for FY 2021-22 that domestic consumer category attributes significant share in the overall load requirement (approximately 57%). Thereby the same is required to be passed on the domestic category as incurred by the Petitioner. The Average Billing Rate for domestic category is Rs 3.58/kWh (Revenue- Rs 270.97 Crores and Sales 706.19 MU) against the Average Cost of Supply of Rs 6.11/kWh (ARR -Rs 877.06 Crores and Sales 1435.80 MU) proposed in True Up for FY 2021-22. The revenue from Fixed Charges is Rs 95.61 Crore against the Fixed Operation Cost of Rs 524 Crore (ARR – Rs 877.06 Crore minus Variable Power Purchase Cost Rs 352.73) proposed for True Up for FY 2021-22. Thus, to ensure the Tariff Proposal to be unbiased in nature the increase in Fixed Charges based on the above grounds has been proposed for Domestic Category and for overall basis for FY 2024-25."

Commission's View:

The Commission has noted the concerns of the Stakeholders and submission of the Petitioner. The Commission has approved the True-up of FY 2021-22 and the ARR for FY 2024-25 in this order. It is to be noted that the Commission has considered the cumulative surplus available with the Petitioner after True-up of FY 2020-21 and adjusted the same with Revenue gap approved for FY 2021-22. Afterwards the Commission approved the standalone ARR and standalone revenue gap/ surplus for FY 2024-25. Accordingly, the Commission has revised the category-wise tariff for FY 2024-25. The details are provided in the Tariff Principles and Design chapter. Based on Approved Cost of Supply for FY 2024-25, the category-wise tariff in terms of fixed and variable charges has been approved.

2.2.2. High Intra-state Transmission and Distribution Losses.

Stakeholder's Comment:

One of the stakeholder submitted that the Commission has approved the T&D Losses in respect of the FY 2020-21 to 9.30%; whereas, the Electricity Department has failed to meet the targets set up by the Commission and as per the True-up for the year 2021-22, the T&D Losses has been shown at 12.88% and for the Annual Performance Review for the FY 2023-24, the T&D Losses has been shown as 10.17%, which is much more than the one approved by the Commission. So, the consumer like the present objector cannot be made liable to pay for the inefficiencies of the Discom.

Petitioner's Response:

The Petitioner submitted that EWEDC is a land locked union territory and geographical expansion of the same is not possible. Due to higher energy sales to LT Consumer Categories, approximately 70% of total energy sold, drastic reduction in T&D losses would not be possible without any capital or policy subventions by the Govt. Nevertheless, the T&D Losses has been reduced significantly from 13.81% in FY 2020-21 to 12.88% in FY 2021-22.

The approved figure of 9.2% has been taken on the basis of losses of 9.51% as achieved in FY 2017-18. The same was inadvertently understated due to adjustment of banking power of 48MUs related to FY 2015-16 & FY 2016-17 to J&K which were accounted in FY 2017-18. Thus, power purchase has reduced with respect to energy sold. Therefore, the trajectory of 9.2% was fixed and is not achievable based on historical data. It is pertinent to mention that in last ten years T&D losses have reduced from 20.20% to 12.88% from FY 2011-12 to FY 2021-22 regularly, and EWEDC is making all out efforts to further reduce T&D losses even under the staff crunch.

Commission's View:

The Commission had approved the loss trajectory in its MYT Order for the Control period. The Commission, while approving the true-up for FY 2021-22, has derived the energy balance based on the data available with the Commission. While approving the ARR, the Commission has considered the approved distribution loss and accordingly disincentived for the higher distribution loss of the Petitioner. Hence, the Commission has penalized the Petitioner for under-achievement and therefore, inefficiencies of the Petitioner have not been passed on to the Consumers as per the Provisions mentioned under JERC MYT Regulation 2018.

2.2.3. Regarding the availability of Audit Certificate for FY 2021-22.

Stakeholder's Comment:

Another stakeholder submitted that True up of two Financial Years 2020-21 and 2021-22 was taken for approval without getting approval of energy Audit. Since EWEDC was revenue deficit on standalone basis for FY 2023-24, it was revenue surplus due to accumulated revenue surplus in previous year, the existing retail supply tariff was retained. True up of FY 2021- 22 should not be considered till submission of Auditor certificate by AG UT on annual accounts. Similarly, EWEDC should not be permitted to file petition for True up of FY 2022-23 till receipt of audit certificate.

Petitioner's Response:

The audit certificate for FY 2021-22 has been received and submitted to JERC. Accordingly, the True-up of FY 2021-22 has been submitted to the Commission for its approval. Further, the Accounts of FY 2022-23 are under process.

Commission's View:

The Commission has received the Audited Account for FY 2021-22 from the Stakeholder. The Commission has approved the true-up for FY 2021-22 based on the Audited Account and reply / explanation given by the Petitioner on the various issues. Therefore, the figures approved is based solely on audited account for FY 2021-22.

2.2.4. Compliance of Directives issued in Tariff Order dated 11th July 2022.

Stakeholder's Comment:

Dropping of Smart Grid Project by MOP, the reason quoted by petitioner for not getting proper Audit of Energy is not convincing. Faulty 11 KV meters should have been replaced by now in accordance with supply code 2018 Regulations. The progress given by the petitioner on various directives (including those mentioned in Tariff Order dated 30th March 2023) is lukewarm and does not indicate any target dates for completing action. JERC may kindly note.

Petitioner's Response:

The Smart Grid Project under Operation Sub division-5 has been completed except installation of 61Nos. Feeder meters. So far 24213 smart meters have been installed. Also, SCADA center for online monitoring of various activities has been established. The replacement of 11 KV feeder meters with smart meters (61 Nos.) is to be carried out by M/s REC (implementing agency) and the same is expected to be completed shortly.

Further, the Electricity Wing of Engineering Department Chandigarh is The Smart Grid Project under Operation Sub division-5 has been completed except installation of 61Nos. Feeder meters. So far 24213 smart meters have been installed. Also, SCADA center for online monitoring of various activities has been established. The replacement of 11 KV feeder meters with smart meters (61 Nos.) is to be carried out by M/s REC (implementing agency) and the same is expected to be completed shortly.

Further, the Electricity Wing of Engineering Department Chandigarh is under process of privatization as per directions of Govt. of India, therefore, Ministry of Power has dropped the Pan City Smart Grid project in the 8th Meeting of the Empowered Committee of NSGM held on 12th October, 2022. The Minutes of Meeting was conveyed by NSGM vide letter F. No. 27/3/2016-NSGM (230074) dated 18th October, 2022.

Furthermore, the Ministry of Power has appointed consultant for this department to carryout energy Audit for FY 2020-21 & FY 2021-22. The department has submitted the data/ information in the revised format to the consultant on dated 15.11.2023 for certifying the same & onwards submission to BEE, MoP. The annual energy audit reports have been submitted by consultant to the BEE. Further, the tender for Energy Audit for year 2022-23 and 2023-24 is under technical evaluation.

Commission's View:

The stakeholder may note the reply of the Petitioner. Further, the Petitioner has submitted that the tender for energy audit for FY 2022-23 and FY 2023-24 is under technical evaluation. The Commission directs the Petitioner to complete the process as soon as possible and submit the energy audit reports along with the true-up petitions.

2.2.5. Unlawful charging rentals for Energy Meters.

Stakeholder's Comment:

There is no provision for charging rentals for meters provided by the department to the consumers (whether single phase or three phase). The consumers are being billed from 01st April 2023 till date. This needs clarification.

Petitioner's Response:

The EWEDC in Tariff Petition for FY 2023-24 filed before the Commission has proposed meter rental charges as per prevailing practice. However, the same has not been approved by the Commission. Thereafter, EWEDC has requested JERC that meter rental charges may be approved by issuing appropriate clarification/ addendum to avoid any contradiction.

Commission's View:

The Commission in its previous tariff order dated 30.03.2023 has not mentioned the charging any recovery towards meter rental. directed the Petitioner not to recover the meter rent. Accordingy, the Petitioner is directed to comply with the Tariff Schedule approved by the Commission.

2.2.6. Consideration of captive charging stations under the special tariff category of Electric Vehicle Charging Station.

Stakeholder's Comment:

One of the Stakeholder submitted that, "Clarify that the special tariff category of Electric Vehicle Charging Station must include captive charging stations of fleet owners for charging E-buses transportation.

The tariff proposed by the Chandigarh Electricity Department under Paragraph 8.13 and the Table appended thereto, be made applicable for captive charging stations of fleet owners for charging E-buses / E-taxis, etc. for public transportation"

Petitioner's Response:

The Commission vide its order dated 15.01.2024 in respect of Petition No. 107/2023 filed by VE Commercial Limited has already disposed of the matter and any change in Tariff Category falls under the purview of JERC.

Commission's View:

The Commission already made clear its view at the time of addressing the Petition no. 107/2023. The details of applicability of tariff category is mentioned under Tariff Schedule given in this order.

2.2.7. Provision of Free electricity to underprivileged members of society.

Stakeholder's Comment:

One of the Stakeholder requested regarding the provision of free electricity to underprivileged members of society. The Stakeholder mentioned that in today's times when many neighboring states including the state of Punjab and also New Delhi encouraging the citizens by protecting their fundamental rights especially Right to Life under Article 21 of the Constitution by providing them various benefits qua the supply of electricity (for example providing 300 free units of electricity), it can safely be presumed that the conduct of the Petitioner in wanting to burden the residents of Chandigarh by a callous approach and whimsical and arbitrary actions, which are not based on empirical analysis are deplorable and deserved to be set aside.

Petitioner's Response:

There is no policy of Chandigarh Administration to give free electricity to the consumer of EWEDC.

Commission's View:

The Commission has finalized the tariff based on ARR and the approved Average Cost of Supply for FY 2024-25. The Government is the appropriate authority to take decision about providing free electricity.

2.2.8. Request to consider telecom towers under Industrial Category.

Stakeholder's Comment:

One of the Stakeholder submitted the connection to telecom towers shall be considered under Industrial Categories and not in Commercial Categories.

Petitioner's Response:

The EWEDC follows the tariff structure approved vide Tariff order every year by the Commission and as per latest tariff order for FY 2023-24 the electricity connection to Telecom towers is to be charged under commercial category and there is no provision of charging the electricity connection to Telecom towers under industrial category. The change of category to said type of connection comes under the purview of JERC.

Commission's View:

The Stakeholder should take note of the petitioner's response. The Commission has given detailed applicability of the tariff categories under the tariff schedule, the same may be referred.

2.2.9. Regarding compliance of the Right of Consumers Rules, 2020 and lack in consumer complaint redressal.

Stakeholder's Comment:

The Stakeholder submitted that the Petitioner has failed in its responsibility towards it's consumers by not following the guidelines as specified by the Ministry of Power, Government of India, Rights of Consumer Rules, 2020 under section 176 of Electricity Act, 2003, wherein, the Petitioner is responsible to supply a 24 x 7 power supply and also to provide with the platform to lodge a complaint which could be duly registered and accepted as and when such complaints with regard to unscheduled power cuts, issues of low voltage supply and other services which entitled the stakeholder to claim compensation in terms of the aforementioned rules. There is no specified method of lodging such complaints (WhatsApp No., Email id or dedicated website) with the Petitioner, thus denying the undersigned of the rightful claim as granted by the existing laws under Electricity Act, 2003.

Petitioner's Response:

The Petitioner response on stakeholders' comments are as follows: A 24x7 centre (CFC) for registration of complaint is already established and working under Chandigarh Administration, where consumers are given proper number of their registered compliant. Further, proposal of setting up of 24X7 smart centralize customer service call centre on SaaS (System as a Service) Basis which will support entire process from registration of complaints till redressal of complaints for CFC is under process. The proposal will support multi points complaint registration (by IVRS, Mobile App, Web Portal, Call Centre, Missed Call, SMS, Live Chat, Chat Bot, Email, Sub Divisional Complaint centre/ technical staff etc.). The system under the proposal will automatically communicate with technical staff/ complaint centre through SMS, telephonic message, mobile app etc. and alerting them about the grievances. This will help the line staff to redress the complaint in minimum possible time. The grievance are being redressed within the time frame as defined in Standard of Performance Regulation, 2019 and its Amendments notified by JERC.

Commission's View:

The stakeholder may note the submission of the Petitioner. The Commission directs the Petitioner to submit a report on services available to address the consumer complaints along with the details of complaints resolved as per provisions given under applicable Regulation. The Petitioner is also directed to resolve the complaint in time frame mentioned in Standard of Performance Regulation, 2019 and its amendments thereof.

2.2.10. Revision in existing bill format

Stakeholder's Comment:

The Existing bill format does not meet requirements as spelt out in para 7.8 of the Supply code 2018. This needs to be critically revised so that the bill contains all elements either on the front page or on the back page.

Petitioner's Response:

The simplified bill format for EWEDC is under process of approval & shall be implemented by end of this month.

Commission's View:

The Stake holder may note the reply of the Petitioner. The Petitioner is directed to ensure availability of all required information as per Supply Code 2018 and subsequent amendments thereof, in new bill format.

2.2.11. Replacement of existing landline telephones at various sub-divisions controls centre from Copper to Fibre.

Stakeholder's Comment:

Replacement of existing landline telephones at various sub-divisions controls centre from Copper to Fibre is required. Only few of the telephones at various subdivision control stations have been converted from copper to fibre. As understood from BSNL, the remaining cannot be converted till the electricity department projects the requirement in writing. The faults on these telephones are not booked by the staff as an when these occur. The result is that telephones remain faulty for long thus directly effecting the consumers. This needs serious thought by SE electricity

Petitioner's Response:

The necessary directions have been issued to field offices to keep all the landline telephones at various sub divisions in working order by taking up the matter concerned telecom service provider.

Commission's View:

The Stakeholder may note the reply of the Petitioner. The Petitioner is directed to submit a copy of the instruction issued to field officers and action taken by the field officers within one month from the date of issuance of this Tariff Order.

2.2.12. Provision of authorized Safety Fuses on poles providing electricity (440V) to about 3-4 consumers from single pole.

Stakeholder's Comment:

One of the stakeholders submitted that naked wire fuses (for three phases) going to consumers are provided at man height and this is incorrect practice. These wire fuses to be replaced as safety precaution and mounted at safer heights so that undesirable elements may not disconnect supply to the consumers by cutting these fuses.

Petitioner's Response:

The necessary directions have been issued to field offices in this regard.

Commission's View:

The Petitioner is directed to follow the prevalent IS standards. The Petitioner is directed to submit a copy of the instruction issued to field officers and action taken by the field officers within one month from the date of issuance of this Tariff Order.

2.2.13. Utilization of SCADA Centre

Stakeholder's Comment:

SCADA Centre for online monitoring of various activities has been established. How the consumers get benefits by way of SCADA functioning needs to be explained through website/newspapers.

Petitioner's Response:

The point has been noted and necessary action will be taken accordingly.

Commission's View:

The Stakeholder may note the reply of the Petitioner. Further the Petitioner is directed to make arrangements in SCADA to monitor the power supply parameters like (SAIFI, SAIDI, CAIFI, CAIDI) as per prevalent IEEE Standards.

2.2.14. Availability of digital payment modes

Stakeholder's Comment:

Progress on efforts of EWEDC for exploring options of direct gateway to allow consumers to make payment through online mode without going through Sampark Portal be given. No action seems to have been taken by petitioner to publicize the payment method through their website / newspapers.

Petitioner's Response:

The EWEDC is already have the option of direct gateway such as QR Code for making the payment of electricity bills. The EWEDC is also exploring the options of direct gateway to allow consumers to make payments of electricity bills through online mode without going through the Sampark Portal.

Commission's View:

The Stakeholder may note the reply of the Petitioner. The Petitioner is directed to publicize the payment methods available to the customers through their website/ newspaper as well as in the electricity bill.

2.2.15. Shortage of manpower in the Electricity Department

Stakeholder's Comment:

Empowering Electricity consumers by way of Electricity (Rights of Consumers) rules 2020, there shall be no gratuitous /willful load shedding by distribution companies. A number of power transformers have become faulty during last year and no procurement has been made till date. To be frank, there is a concept of VIP sectors / other sectors for providing reliable electricity to consumers. This results in unannounced load shedding in various common sectors due to increased load in summer. Electricity Department is probably waiting for Privatization to take place (which nobody knows when). During recent hailstorm in first week of June 2024, a number of trees fell on 33 KV line from sector 52 to sector 37. The supply went off in southern sectors (36, 37 etc.) at about 20.00 hrs. Electricity staff restored the supply by about 0300 hrs next day working on the line throughout the night beyond their call of duty. This was commendable. Notwithstanding this, manpower shortage is to be made good as per authorized scale. Standard performance Directive is never brought to the notice of consumers and hardly any public hearing is being held. Latest position on revival of 612 No. posts of Group C and filling up on regular basis is requested.

Petitioner's Response:

Most of the required material such as ACSR conductor, HT/ LT Cables, etc. have been purchased last year and also during the current financial year and there is no shortage of material in the department store and case for procurement of 1000 KVA Transformers and 66/11 KV Power Transformers are also under process of approval. Further, it is intimated that public hearing for redressal of consumer grievances have been held successfully under all divisions during FY 2023-24.

Further, the concurrence to the recommendations dated 29.12.2014 of the Joint Electricity Regulatory Commission (JERC) was submitted to the Govt. of India, MoP, New Delhi vide Secy. Engg. Chandigarh Admn. Memo No.4981, dated 14.07.2015. The Govt. of India, MoP vide letter dated 05.05.2017 had raised certain observations which were remained under consideration of the competent authority and the matter remained in abeyance and is under process. Further, in view of decision taken at different stages due to Privatization

/corporatization of EWEDC, number of posts under various categories have fallen under the category of deemed abolished. However, 55 Nos. Assistant Lineman (ALM) have been recruited on regular basis in the month of November-2023. Further, case for creation of 898 (including posts under Group 'C') posts of various categories have been sent to competent authority vide letter dated 28.02.2024, so that these posts can be filled up on regular basis.

Commission's View:

The Stakeholder may note the reply of the Petitioner. The Petitioner is directed to ensure that sufficient manpower is available for proper functioning of the department.

2.2.16. Functioning of the Electricity Department.

Stakeholder's Comment:

JERC has approved posts of 3 Chief Engineers against none existing. The request to designate SE (Electricity) as Head of the Department in place of Chief Engineer (Admin) has not been considered at all. This drawback is affecting services to consumers. This needs to be deliberated at level of Secretary Power and Advisor UT Chandigarh. No progress has been made in this regard.

The Stakeholder submitted that EWEDC is headed by SE rank officer and he does not have powers of Head of Department which are vested with CE(Admin). This causes delay. Similar appeal was made in last year to designate him as Head of Department.

Petitioner's Response:

The Petitioner submitted that the concurrence to the recommendations dated 29.12.2014 of the Joint Electricity Regulatory Commission (JERC) has been submitted to the Govt. of India, MoP, New Delhi vide Secy. Engg. Chandigarh Admn. Memo No.4981, dated 14.07.2015. The Govt. of India, MoP vide letter dated 05.05.2017 had raised certain observations which were remained under consideration of the competent authority and the matter remained in abeyance.

Commission's View:

The Stakeholder may note the reply of the Petitioner. The Petitioner is directed to ensure that sufficient manpower is available for proper functioning of the department.

2.2.17. Electricity Supply Code Review Panel

Stakeholder's Comment:

An immediate meeting is requested to consider urgently needed amendments to existing supply code, since last one of Electricity Supply Code Review Panel was held on 15-01-2021.

Petitioner's Response:

The point/suggestion may be considered only at the time of any amendments in the Supply code, as the same not pertains to ARR petition.

Commission's View:

The Commission has noted the submission made by the Stakeholder. The panel for the review of the electricity supply code regulations has been made and accordingly, the draft Regulations was published for comments by stakeholders/public. The same has been reviewed and the JERC electricity supply code Regulations is being amended accordingly.

2.2.18. Pilot Project for laying U/G Power cable in Sector-8, Chandigarh at a cost of few crores.

Stakeholder's Comment:

Pilot Project (worth about 40 Cr. spent from EWEDC budget) started from year 2021 has almost been completed in sector-8 which has taken more than 3 years. Can consumers of other sectors get same facilities at the earliest possible (if required by way of allotment of funds from Ministry of Power) as waiting for Privatization of electricity decision will not solve problems.

Petitioner's Response:

The work has been allotted to the firm and is under execution. Further, the conversion of the existing O/H lines/cables with U/G cables will be done as per requirement.

Commission's View:

The Petitioner is directed to submit a timeline for completion of work within one month from the issuance of this order.

2.2.19. Effect of Midway termination of Smart Grid Project (241 Crores) for installation of Smart Meter in PAN City.

Stakeholder's Comment:

Pilot Project (worth about 40 Cr. spent from EWEDC budget) started from year 2021 has almost been completed in sector-8 which has taken more than 3 years. Can consumers of other sectors get same facilities at the earliest possible (if required by way of allotment of funds from Ministry of Power) as waiting for Privatization of electricity decision will not solve problems.

Petitioner's Response:

The Chandigarh Administration vide Memo No. 4058 dated 10.10.2023 has taken up the matter with Ministry of Power (MoP) to revive the Smart metering Project for Pan City Chandigarh, so that Key performance parameters & benchmarking could be improved to bring more efficiency & reliability of power supply in U.T. Chandigarh. In reply, MoP has informed to explore the possibility for revival of the aforesaid Smart metering Project under the Revamped Distribution Sector Scheme (RDSS) of the Ministry of power. Accordingly, the Chandigarh Administration vide DO No. 20 dated 01.02.2024 has taken up the matter with MoP for according approval to implement Smart metering under RDSS in U.T. Chandigarh. DPR has been prepared in consultation with PFC Limited (Nodal agency) and is under approval of competent authority, thereafter DPR shall be submitted before Monitoring Committee of RDSS for approval from MoP.

Commission's View:

The concern of the stakeholder is noted. The Petitioner is directed to ensure that installation of smart meters is done on priority.

2.2.20. Refund of excess Electricity Duty charges from Solar consumers.

Stakeholder's Comment:

With regard to refund of excess ED charges from solar consumers, one stakeholder mentioned about taking up the matter with CGRF. Though factual, the appeal has been rejected by CGRF on grounds of filing appeal after passage of 2 years period from Cause of action. No action taken by petitioner on directive given by JERC till date for all consumers.

Petitioner's Response:

The amount received on account of levy of ED is deposited in Consolidated Funds of India (CFI) which is not refundable. Further, as per Punjab Electricity (Duty) Act-2005 the ED is payable to the State Govt. on every unit generated/ supplied by any person and Board or Licensee, etc. JERC will be apprised accordingly.

Commission's View:

The Petitioner is directed to furnish its justification for charging to recover within 15 days of the issuance of this order.

2.2.21. Over charging of fixed charges w.e.f. 4th April, 2015.

Stakeholder's Comment:

Till date, no action in this regard has been taken by the Commission. Though my reasoning was accepted by CGRF, it was turned down on the plea that I have represented to CGRF much after 2 years from the date of Cause of action. This is an urgent issue which needs to be decided from back date as ED was Quoting Gazette notification dated 13th May 1991 whereas JERC had issued clear amendment on 27th August 2013 to the effect that fractional load below 0.5 KW will be ignored.

Petitioner's Response:

The Electricity Wing of Engineering Department, UT, Chandigarh (EWEDC) follows the tariff structure as approved by Hon'ble Commission through its Tariff Orders on yearly basis and as per latest Tariff Order approved for FY 2022-23 the fixed charge is charged at respective rates for each category on load of per KW and no such bifurcation of charging fixed charge at fraction of load is approved by Hon'ble Commission. Further, EWEDC has submitted comments/ suggestions to Hon'ble JERC for reviewing the issue to consider load above 0.5 KW as 1KW and load below 0.5 KW may be ignored.

Commission's View:

This being an individual case does not come under the jurisdiction of the Commission.

2.2.22. Public Hearings

Stakeholder's Comment:

Only one public hearing on Annual Tariff fixation is being held once a year. Even if a public hearing is held by an Executive Engineer, no minutes of the meeting held are issued.

Petitioner's Response:

It is intimated that public hearing at the level of Divisions for redressal of consumer grievances have been held successfully during FY 2023-24.

Commission's View:

The Comments of stakeholder is noted. The Petitioner is directed that the minutes of meeting of public hearing at divisional level to be appropriately communicated to the public at large and uploaded on their website of the Electricity Department of Chandigarh.

2.2.23. Central Complaint Centre

Stakeholder's Comment:

Chapter 10.4 of Supply Code 2018 pertains to complaint management system. Central complaint centre (Tele No. 0172-4639999) in sector-9 is of no use practically for the reasons below:

a) The centre is not manned fully. If there is a minor problem in any sector, you cannot get this number. It is suggested that one mobile telephone number along with two other landline telephones in each sub-division control station be provided and Central complaint system may be abolished. Also, there should be e-mail id facility, WhatsApp facility on which the consumers can put complaint without any delay for immediate fault rectification. In case Central complaint centre is to be of any use, there should be provision for staff on duty to get back to the consumer without repeated calls from consumers.

b) Staff employed on duty are under paid as compared to their job. DC rate probably has been approved only w.e.f. 01st April 2024. This aspect is directly affecting the consumers.

Petitioner's Response:

The functioning of IT infrastructure such as Telephone, Computer, etc. at CFC is being monitored regularly and CCTV cameras have also been installed in the CFC. Further, proposal of setting up of 24X7 smart centralize customer service call centre on SaaS (System as a Service) Basis which will support entire process from registration of complaints till redressal of complaints for CFC is under process. The proposal will support multi points complaint registration (by IVRS, Mobile App, Web Portal, Call Centre, Missed Call, SMS, Live Chat, Chat Bot, Email, Sub Divisional Complaint centre/ technical staff etc.). The system under the proposal will automatically communicate with technical staff/ complaint centre through SMS, telephonic message, mobile app etc. and alerting them about the grievances. This will help the line staff to redress the complaint in minimum possible time.

The directions have been issued to the concerned XEN to sign the fresh agreement with M/s NIELIT as per approval given by higher authorities and same is under progress.

Commission's View:

The Commission has noted the concerns of the Stakeholder. The Stakeholder may note the reply of the Petitioner, where the Petitioner has mentioned about present status and future action plan. The Petitioner is directed to complete the process of setting up of 24X7 smart centralize customer service call centre on top priority and the compliance report on the same to be send within 1 months of the issuance of the order.

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Chapter 3 : True-up for FY 2021-22

3.1. Applicable Provisions and Background

The MYT Order for 2nd Control Period was issued by the Commission on 20th May 2019 approving the ARR for FY 2019-20 (hereinafter referred to as 'MYT Order'). Subsequently, the Tariff Order approving True-up of FY 2018-19, APR of FY 2019-20, ARR and determination of retail tariff for FY 2020-21 was issued on 19th May 2020. Thereafter, the Tariff Order approving True-up of FY 2019-20, APR of FY 2020-21, ARR & determination of retail tariff for FY 2021-22 was issued on 30th March 2021. The Petitioner had submitted for True-up of FY 2020-21 vide Petition No. 80/2022 without audited accounts along with APR of FY 2021-22, and ARR & determination of retail tariff of FY 2022-23 wherein the Commission decided that the true-up would be taken up only after submission of the Auditors' Certificate. The true-up of FY 2020-21 was finalized vide order dated 30th March 2023 along with APR of FY 2022-23, ARR & determination of retail tariff for FY 2023-24.

The Petitioner has submitted the petition for True-up of FY 2021-22, Annual Performance Review (APR) of FY 2023-24, Aggregate Revenue Requirement (ARR) & Determination of Retail Tariff for FY 2024-25.

The True up for FY 2021-22 has to be carried out in accordance with Regulation 11 of the MYT Regulations, 2018, the relevant excerpts are given below:

"11. Annual Performance Review, Truing-up and tariff determination during the Control Period

11.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.

11.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.

11.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

a) True-up: a comparison of the audited performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;

b) Annual Performance 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;

c) Tariff determination for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;

d) Review of compliance with directives issued by the Commission from time to time;

e) Other relevant details, if any.

11.4 Upon completion of the exercise, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 12below, to factors within the control of the Applicant (controllable factors) or to factors beyond the control of the Applicant (uncontrollable factors):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 12below shall be attributed entirely to controllable factors.

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

a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 13 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

b) Approved aggregate gain or loss to the Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 14 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

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

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

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

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

d) Revision of estimates and tariff for the ensuing Financial Year."

3.2. Approach for True-up of FY 2021-22

The Petitioner has requested for True-up of FY 2021-22 on the basis of audited annual accounts as submitted by the Petitioner for FY 2021-22. The Petitioner has submitted the audited accounts based on audit conducted by Comptroller and Auditor General (CAG) of India. The Commission notes that the Petitioner had initially mentioned the following in its Petition:

"5) EWEDC is submitting the True-up for FY 2021-22 based on the annual accounts prepared on the commercial accounting principles and duly vetted by the Asst. Controller (Finance and accounts), Electricity Department.

The EWEDC has already submitted the annual accounts for FY 2021-22 to the AG UT. Also, the response on the final findings and comments of the AG UT on annual accounts has been supplied. The issuance of auditor certificate by AG UT on the annual accounts for FY 2021-22 is under process and shall be submitted shortly."

Subsequently, the Petitioner submitted the Audit report for FY 2021-22. It has been noticed by the Commission that several comments were made by CAG against the entries made by the Petitioner. The Comments are given below:

"3. Based on our audit, we report that:

- *i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except as commented at Sl. Nos. B.3.1(v), B.3.1(vi), B.3.2, D.3(ii), D.4, D.5 and D.7 as given below;*
- *ii) The format in which the Balance Sheet and Profit and Loss Account dealt with by this Report have been drawn is not approved from the Comptroller & Auditor General of India (C&AG) as commented at Sl. No. D.2 below;*

iii) *In our opinion, proper books of accounts and other relevant records have been maintained except as commented at Sl. no. B.3.1(i), B.3.1(ii), B.3.2, B.3.3, C.2, D.3(i), D.3(iii), D.3(iv), D.3(vii), D.5 and D.6 below by the Electricity Wing of Engineering Department, UT Chandigarh in so far as it appears from our examination of such books."*

Accordingly, the Petitioner was directed to (a) submit the reply against the comments made by CAG, (b) original and revised proforma audited account with all corresponding notes.

The Commission asked the Petitioner to reconcile the account as per the comments made by the Auditor and submit the reconciled figures. The Petitioner has submitted the requisite data along with the correspondence with "The Office of Director General of Audit (central), Indian Audit and Accounts Department", dated 17th May 2024. In the said letter the Petitioner has replied to the observations made in the Audit Report. Further, the Petitioner has mentioned in its reply that *"Further, adjustments/ entries (if any) required as per the audit observations will be made in the Annual accounts for the FY 2022-23"*. Based on the same, the Commission in this chapter has carried out the True-up of FY 2021-22 in accordance with the principles laid down in the MYT Regulations, 2018.

3.3. Energy Sales

Petitioner's Submission:

The Petitioner has submitted the total quantum of energy sales for FY 2021-22 as 1,435.80 MUs as against the approved energy sales quantum of 1,667.99 MUs in ARR Tariff order dated 30th March 2021.

Table 8: Category-wise Energy sales as per Petitioner Submission for FY 2021-22 (MUs)

Sr. No.	Categories	Approved in ARR Tariff Order dated 30th March 2021 (for FY 2021-22)	Approved in APR Tariff Order dated 11th July 2022 (for FY 2021-22)	Petitioner's Submission
1	Domestic – (LT+HT)	815.21	770.27	706.19
2	Commercial – (LT+HT)	494.56	402.16	401.74
3	Large Industrial Supply	126.49	117.48	116.66
4	Medium Industrial Supply	106.38	98.26	98.29
5	Small Industrial Supply	18.43	16.35	16.36
6	Agriculture	1.47	1.44	1.33
7	Public Lighting	15.37	14.75	14.26
8	Bulk Supply	85.88	77.17	76.96
9	Temporary Supply	4.20	3.56	4.01
Total		**1,667.99**	**1501.44**	**1,435.80**

Commission's Analysis:

The Commission notes that Regulation 12.1 of the MYT Regulations, 2018 provides the following about uncontrollable factors including energy sales:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

- *a) Force Majeure events;*
- *b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;*
- *c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;*
- *d) Transmission loss;*
- *e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;*
- *f) Variation in fuel cost;*
- *g) Change in power purchase mix;*
- *h) Inflation;*
- *i) Transmission Charges for a Distribution Licensee;*
- *j) Variation in market interest rates for long-term loans;*
- *k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;*
- *l) Taxes and Statutory levies;*
- *m) Taxes on income;*
- *n) Income from the realisation of bad debts written off:*

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission had approved the energy sales of 1,667.99 MUs for FY 2021-22 during tariff determination of FY 2021-22 in Tariff order dated 30th March 2021, against which the

Petitioner has now submitted the actual energy sales of 1,435.80 MUs. The quantum of energy sales has been considered from the annual audited accounts submitted by the Petitioner for FY 2021-22 and the same has been approved under True-up for FY 2021-22.

The following table provides the energy sales approved by the Commission in the ARR Tariff Order dated 30th March 2021 for FY 2021-22, the Petitioner's submission, and quantum of energy sales now trued-up by the Commission.

Table 9: Energy Sales (MUs) Trued-up by the Commission for FY 2021-22

Sr. No.	Category	Approved in ARR Tariff Order dated 30th March 2021 for FY 2021-22	Petitioner's Submission	Trued-up by the Commission
1	Domestic -LT	815.21	685.96	685.95
2	Domestic -HT		20.25	20.25
3	**Domestic -Total**	**815.21**	**706.19**	**706.19**
4	Commercial - LT	494.56	189.42	189.42
5	Commercial - HT		212.32	211.64
6	**Commercial - Total**	**494.56**	**401.74**	**401.06**
7	Large Industrial Supply	126.49	116.66	116.66
8	Medium Industrial Supply	106.38	98.29	98.29
9	Small Industrial Supply	18.43	16.36	16.36
10	Agriculture	1.47	1.33	1.33
11	Public Lighting	15.39	14.26	14.26
12	Bulk Supply	85.88	76.96	76.96
13	Temporary Supply	4.20	4.01	4.01
14	Electric Vehicle Charging Station	0.00	0.00	0.68
15	**Total Sales**	**1,667.99**	**1,435.80**	**1,435.80**

The Commission approves 1,435.80 MUs as Energy Sales in the True-Up of FY 2021-22.

3.4. Inter-State Transmission Loss

Petitioner's submission:

The Petitioner has submitted the Inter-State Transmission Loss of 3.67%.

Commission's analysis:

Based on the power purchased by the Petitioner and the power available to the Petitioner, the Commission finds the methodology for Inter-State Transmission Loss as submitted by the Petitioner to be in order. However, although the Commission found the absolute value of transmission loss (in Mus) in order but its representation in percentage (%) was not found in order. The Commission, accordingly approves the Inter-State Transmission loss based on the Energy available at the bus-bar and energy available at state/UT periphery as approved in this order for FY 2021-22.

The following table provides the Inter-State Transmission Loss as approved in the MYT Order, the Petitioner's submission and now trued-up by the Commission.

Table 10: Inter-State Transmission Loss Trued-up by the Commission for FY 2021-22 (%)

Sr. No.	Particulars	Approved in ARR Tariff Order dated 30th March 2021 for FY 2021-22	Petitioner's Submission	Trued-up by the Commission
1	Inter-State Transmission Loss	4.03%	3.67%	3.62%

The Commission approves the Inter-State Transmission Loss at 3.62% in the True-Up of FY 2021-22.

3.5. Intra-State Transmission & Distribution Loss

Petitioner's submission:

The Petitioner mentioned that actual Intra-State Distribution Loss for the FY 2021-22 has been arrived at 12.88%.

The Petitioner submitted that the UT of Chandigarh is a locked territory and it has no further possibility of geographical expansion. Despite this, it has been one of the best urbanised and well-planned cities across the nation. In terms of per capita income, it has been ranked as one of the five best States/Union territories in the nation. The per capita average electricity consumption of UT of Chandigarh has been higher than the national average. All these parameters have caused saturation in the consumer mix and energy sales mix of UT of Chandigarh. This state of saturation will only be shifted with the introduction of change in technological landscape or through some policy intervention by the Govt. Therefore, EWEDC submitted that keeping in view the existing situations drastic reduction in transmission and distribution losses over a short span would not be possible.

Further, the Petitioner submitted that transmission and distribution losses has reduced from 20.20% to 12.88% during FY 2011-12 to FY 2021-22. This evidently reflects that average reduction in transmission and distribution losses ~0.60% on annual basis can only be possible under the existing circumstances.

The Petitioner also submitted that around 70% of total energy sales is being contributed by LT Consumers due to which steep reduction in transmission and distribution losses over a short span is not possible.

The Petitioner also submitted the recommendations of Abraham Committee on fixation of loss reduction targets for Distribution Utilities while roll out of the APDRP Scheme. The Committee suggested that distribution utilities having losses more than 40% shall be given the loss reduction targets of 4% per year; for loss level between 30%-40% target of 3% per years; for loss level between 20%-30% target of 2% per year and for loss level below 20% target of 1% per year shall be given. Therefore, EWEDC requested the Commission that taking a pragmatic approach the targets for transmission & distribution losses may kindly be realigned.

The Petitioner has proposed the actual T&D losses of 12.88% for the FY 2021-22 and has requested the Commission to kindly consider the above submissions & approve the actual distribution losses.

Commission's analysis:

The Petitioner in its submission has failed to submit the Energy Audit Report for FY 2021-22. In the absence of the Energy Audit Report, the Commission, for verification of the Intra-State T&D loss levels has relied on the information of actual energy drawal at the UT periphery, and the energy sales as approved above.

The Commission has considered the net energy available for sales to retail consumers by the Petitioner consisting of energy available from firm sources, energy under the Deviation Settlement Account (DSA), energy purchased from Open market and energy procured from Solar sources within the UT. The Commission has further considered actual sales of 1,435.80 MUs as approved in the previous section. Considering the difference in energy available at the UT periphery and the sales approved, actual Intra-State T&D Loss of FY 2021-22 stands at 12.88%, as shown in the following table:

Table 11: Intra-State T&D Loss calculation

Sr. No.	Particulars	Trued-up by the Commission
1	Energy Sales within the UT (MUs)	1,435.80
2	Energy Available at State Periphery (MU)	1,648.16
3	T&D Losses (MU)	212.36
4	**T&D Loss (%)**	**12.88%**

Since, the Petitioner has under-achieved the Intra-State T&D Loss target of 9.20% for FY 2021-22, the Petitioner has been dis-incentivized in accordance with the MYT Regulations, 2018. The calculation of the same has been discussed in detail in Section 3.21.1 of this Order.

The following table provides the Intra-State T&D loss approved in the ARR Tariff order dated 30th March 2021 for the FY 2021-22, the Petitioner's submission and now trued-up by the Commission.

Table 12: Intra-State T&D Loss Trued-up by the Commission for FY 2021-22 (%)

Sr. No.	Particulars	Approved in ARR Tariff Order dated 30th March 2021 for FY 2021-22	Petitioner's Submission	Trued-up by the Commission
1	Intra-State T&D Loss	9.20%	12.88%	12.88%

The Commission, while Truing-up for FY 2021-22 has considered the actual intra-state T&D loss of 12.88% and hence considered a dis-incentive in Section 3.21.1 in accordance with the MYT Regulations, 2018 for under-achievement of Intra-State T&D Loss target approved by the Commission in the ARR Tariff Order.

3.6. Power Purchase Quantum & Cost

Petitioner's submission:

The Petitioner submitted that the Petitioner meets its annual energy requirement from the allocations from Central Generating Stations (CGS) such as NTPC, NHPC, NPCIL, BBMB, SJVNL, THDC along with bilateral agreement and banking arrangements. The allocation from CGS is consisted of two parts, fixed and variable, the variable share keeps changing as the per allocation statement of unallocated power issued by the Govt. of India. Since, during the peak summer season the allocation of power from various sources is inadequate, therefore the EWEDC procures power under short–term power arrangement through power exchanges.

The following table shows the summary of actual Power Purchase from various sources for the FY 2021-22 including Transmission Charges, power sale and purchase in power exchanges and transaction under Deviation Settlement Mechanism:

Table 13: Power Purchase quantum and cost submitted by the Petitioner for FY 2021-22

Sr. No.	Source	Approved by the Commission ARR Tariff Order dated 30th March 2021		Approved by the Commission APR Tariff Order dated 11th July 2022		Petitioner's Submission	
		Power Purchase Quantity (MUs)	Power Purchase Cost (Rs. Cr.)	Power Purchase Quantity (MUs)	Power Purchase Cost (Rs. Cr.)	Power Purchase Quantity (MUs)	Power Purchase Cost (Rs. Cr.)
1	NTPC Stations	346.52	151.68	299.50	139.58	298.54	144.67
2	MUNPL	16.49	14.64	61.62	31.73	62.09	32.55
3	NHPC Stations	296.32	116.38	302.03	98.76	302.03	110.12
4	NPCIL	176.40	67.23	191.09	63.96	189.73	66.08
5	SJVNL	118.06	28.84	131.92	35.56	131.93	36.16
6	BBMB	648.67	141.68	644.70	154.58	644.70	167.58
7	THDC	177.90	81.42	186.99	74.83	186.99	77.62

Sr. No.	Source	Approved by the Commission ARR Tariff Order dated 30th March 2021		Approved by the Commission APR Tariff Order dated 11th July 2022		Petitioner's Submission	
		Power Purchase Quantity (MUs)	Power Purchase Cost (Rs. Cr.)	Power Purchase Quantity (MUs)	Power Purchase Cost (Rs. Cr.)	Power Purchase Quantity (MUs)	Power Purchas e Cost (Rs. Cr.)
8	CREST	8.10	6.37	15.78	12.16	15.82	12.19
9	Pvt. Solar (Gross-Metering)	1.18	1.01	1.31	1.19	1.31	1.19
10	Pvt. Solar (Net-Metering)	0.33	0.10	0.90	0.30	0.90	0.30
11	Aravali Power	38.75	23.59	27.41	22.51	27.41	23.65
12	PX (Buy)		0.00	18.08	10.37	17.83	7.63
13	PX (Sell)	-111.67		-182.87	-76.15	-181.03	-74.62
14	UI (Overdrawl)		0.00	51.84	20.99	51.84	17.33
15	UI (Underdrawl)			-139.01	-49.47	-139.01	-49.47
16	Non-Solar (SECI)	83.33	24.17	99.27	28.32	99.26	28.46
17	PTC	36.60	13.21	0.00	0.00		
18	PGCIL Charges		75.67		103.72		106.25
19	UPTCCL Charges				0.67		0.67
20	Rebate on timely payment of bills						-14.20
21	Bill Adjustments						-0.71
	Grand Total	**1837.00**	**715.35**	**1,710.56**	**672.94**	**1,710.33**	**693.44**

The Petitioner submitted that as shown in the above table the actual power purchase cost has marginally increased than the approved (in APR Tariff Order 11th July 2022) power purchase cost for FY 2021-22. The increase in power purchase cost is primarily due to the coal crisis situation occurred across the entire nation during FY 2021-22. The Petitioner submitted that Regulation 13 of the MYT Regulations, 2018, provides the variation in power purchase cost due to the variation in rate of power purchase from the approved sources and variation in fuel cost shall be treated as uncontrollable factors. Therefore, EWEDC humbly prayed before the Commission that the entire actual power purchase cost may kindly be approved in True of ARR for FY 2021-22.

Commission's analysis:

The Commission observed that the JERC MYT Regulations, 2018 stipulate that any variation in the cost of power generation and/or power purchase shall be treated as an uncontrollable factor. The relevant provisions of Regulations 12.1 of JERC MYT Regulations, 2018 is provided below.

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

………

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

……….;

It is noted that the Petitioner procures power mainly from NTPC Stations, Hydro Stations, NPCIL stations, and IPPs. The Petitioner has submitted the overall power purchase cost as Rs. 693.44 Cr. against a procurement of 1710.33 MUs.

The Commission observed that there were discrepancies in the Power Purchase quantum and cost as submitted by the Petitioner and as given in the audited accounts. In response to the query raised by the commission during Technical Validation Session, the Petitioner submitted a reconciliation of the Power purchase quantum and cost and the Commission has considered the same. The Re-conciliation of Power Purchase with Audited accounts submitted by the Petitioner in reply to queries raised by the Commission in 2nd deficiency note are as follows:

Table 14: Reconciliation of Power Purchase with Audited Accounts

Particulars	Audited Accounts		Power Purchase Format	
	Quantity (MUs)	Cost (Rs. Cr.)	Quantity (MUs)	Cost (Rs. Cr.)
NTPC				
NTPC	360.63	176.46	298.54	144.67
MUNPL	-	-	62.09	32.55
Adjustment	-	-	-	-0.76
Total (A)	360.63	176.46	360.63	176.46
NHPC				
NHPC	302.03	110.41	302.03	110.12
Adjustment	-	-	-	0.04
LPS	-	-	-	0.25
Total(B)	302.03	110.41	302.03	110.41
Power Grid				
Power Grid	-	105.95	-	105.87
ULDC BBMB	-	-	-	0.08
Total (C)	-	105.95	-	105.95
Total (A, B & C)	662.66	392.82	662.66	392.82

Further, the Commission observed that the Petitioner has also considered and deducted the rebate of Rs. 14.20 Cr. on timely payment of energy bills while allowing the Power Purchase cost. The Commission has addressed the aforesaid rebate under non-tariff income.

The following table provides the summary of the power purchase quantum and the cost approved by the Commission during FY 2021-22.

Table 15: Power Purchase quantum and cost Trued-up by the Commission for FY 2021-22

Sr. No.	Name of Project	FY 2021-22				
		Energy Units (MUs)	Fixed Charges (Cr.)	Energy Charges (Cr.)	Other Charges (Cr.)	Total Cost (Cr.)
1	NTPC	298.54	74.65	64.93	5.09	144.67
2	NHPC	302.03	51.68	47.08	11.36	110.12
3	MUNPL	62.09	16.80	14.93	0.82	32.55
4	APCPL	27.41	12.89	9.62	1.14	23.65
5	NPCIL	189.73	-	63.96	2.11	66.08
6	SJVNL	131.93	18.52	17.04	0.60	36.16
7	BBMB	644.70	-	154.58	13.00	167.58
8	THDC	186.99	37.02	37.82	2.79	77.62
9	SECI (Wind, Tranche-VI)	99.26	-	28.32	0.14	28.46
10	CREST	15.82	-	12.19	-	12.19
11	Solar (Gross-Metering), (Intra)	1.31	-	1.19	-	1.19
12	Solar (Net- Metering), (Intra)	0.90	-	0.30	-	0.30
A	**Annual Total**	**1,960.70**	**211.55**	**451.96**	**37.04**	**700.55**
1	PXIL - Buy	17.83	-	7.63	-	7.63
2	PXIL - Sell	(181.03)	-	(74.62)	-	(74.62)
3	UI - Over-drawl	51.84	-	17.23	-	17.23
4	UI (Under-drawl)	(139.01)	-	(49.47)	-	(49.47)
B	**Bilateral/ Power Exchange**	**(250.37)**	**-**	**(99.23)**	**-**	**(99.23)**
C	**Grand Total (A+B)**	**1,710.33**	**211.55**	**352.73**	**37.04**	**601.33**
1	PGCIL Transmission Charges	-	105.87	-	-	105.87
2	UPPTCL Transmission Charges		0.67			0.67
3	Reactive Energy Charges		0.01			0.01
4	ULDC BBMB		0.08			0.08
5	NRLDC Charges		0.29			0.29
6	NRPC		0.10			0.10
D	Total Transmission & SLDC Charges		107.02			107.02
E	Prior Period Bill Adjustment		-	-	-	(0.71)
F	**Total Power Purchase Cost**	**1,710.33**	**318.57**	**352.73**	**37.04**	**707.64**

The Commission approves power purchase cost of Rs. 707.64 Cr. duly adjusted the cost of power and energy towards sale of surplus power/UI Under-drawl) in the True-up of FY 2021-22.

3.7. Renewable Purchase Obligation (RPO)

Petitioner's submission:

The Petitioner submitted that the amendment to the JERC (Procurement of Renewable Energy) Regulations, 2010 dated 22nd August, 2016 provides the RPO targets for FY 2021-22. The Petitioner need to procure 17.00% of total energy from renewable sources which entails 8.00% from Solar and 9.00% from Non-Solar sources.

The details of compliance to RPO targets for FY 2021-22 are as follows:

Table 16: RPO compliance for FY 2021-22 submitted by the Petitioner

Sr. No.	Particulars	RPO %	Target		Backlog	Actual
			Conventional Power consumed (MUs)	Units (MUs)	Units (MUs)	Units (MUs)
1	Solar	8.00%	337.59	27.01	-	45.22
1(a)	*Solar Rooftop (Gross Metering)*	-	-	-	-	*17.58*
1(b)	*CREST*	-	-	-	-	*27.65*
2	Non-Solar (SECI Wind)	9.00%	337.59	30.39	22.78	99.60
3	**Total**	**17%**		**57.39**	**22.78**	**144.82**

Commission's analysis

As per Regulation 3, Sub-Regulation (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010:

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

The Commission notified the JERC (Procurement of Renewable Energy), (Third Amendment) Regulations, 2016 on 22nd August 2016 and revised the RPO targets. In accordance with the Regulations, the Petitioner had to purchase total 17 % of its total consumption (excluding hydro) from renewable sources for the FY 2021-22.

The effective energy sales used for calculation of the RPO have been arrived as follows:

Table 17: Effective energy sales (except hydro) for calculation of RPO for FY 2021-22

Sr. No.	Particular	Formula	FY 2021-22
1	Energy Sales within UT (MUs)	a	1,435.80
2	Hydro Power Purchase (MUs)	b	1,313.53
3	Inter-State Loss (%)	c	3.62%
4	Inter-State Loss (MUs)	d= c*b	47.56
5	Intra-State Loss (%)	e	12.88%
6	Intra-State Loss (MUs)	f=e*(b-d)	163.11
7	Hydro Power Consumed (MUs)	g=b-d-f	1,102.86
8	Conventional Power Consumed (MUs)	h= a-g	332.94

The cumulative RPO target for FY 2021-22 has been provided in the following table:

Table 18: Summary of Renewable Purchase Obligation (RPO) (MU)

Description	FY 2020-21	FY 2021-22
Conventional Power Consumed (X) as derived in the above table	**265.59**	**332.94**
RPO obligation (%)	**14.10%**	**17.00%**
Solar (Y)	6.10%	8.00%
Non-Solar (Z)	8.00%	9.00%
RPO obligation for the year (MUs)	**37.45**	**56.60**
Solar (X* Y)	16.20	26.64
Non-Solar (X * Z)	21.25	29.96
Backlog upto previous FY	**1.70**	**22.73**
Solar	0.00	0.00
Non-Solar	1.70	22.73
Cumulative RPO target to be fulfilled in FY 2021-22 (MUs)	**39.15**	**79.33**
Solar	16.20	26.64
Non-Solar	22.95	52.69
RPO Compliance in FY 2021-22 (MUs)	**50.93**	**144.53**
Solar	50.71	45.22
Non-Solar	0.22	99.31
Standalone RPO Shortfall/(Surplus) (MUs)	**21.03**	**-**
Solar	-	-
Non-Solar	21.03	-
Cumulative RPO Shortfall/(Surplus) (MUs)	**22.73**	**-**
Solar	-	-
Non-Solar	22.73	-

The RPO compliance status in the FY 2021-22 has been done based on the renewable energy purchased by the Petitioner. The Commission approves standalone shortfall and cumulative shortfall as “NIL” in the True-up of FY 2021-22.

3.8. Energy Balance

Petitioner’s submission:

The Petitioner has submitted the energy requirement as shown in the following table.

Table 19: Energy Balance submitted by the Petitioner for FY 2021-22 (in MUs)

Sr. No.	Particulars	Quantity
1	**Net Energy Input Received/Required (Ex bus)**	**1,960.70**
1.a	**Total Power Purchase from Inter State Sources**	**1,942.67**
	Central Sector Power Stations (HYDRO)	1,313.53
	Central Sector Power Stations (THERMAL/ GAS/ NUCLEAR)	529.88
	SECI (WIND)	99.26
	Short Term Purchase/Sale	**(163.20)**

Sr. No.	Particulars	Quantity
	-IEX/PXIL Purchase	17.83
	-IEX/PXIL Sale	(180.03)
	Unscheduled Interchange	**(87.17)**
	-UI Purchase (Overdrawal)	51.84
	-UI Sale (Underdrawal)	(139.01)
1.b	**Total Power Purchase at UT periphery**	**1,692.30**
2	CTU Losses – MU	**62.18**
	CTU Losses - %	*3.67%*
3	**Total Power Purchase availability after PGCIL Losses**	**1,630.12**
4	**Total Power Purchased within UT**	
	Add: Net-Metering/Within State Solar	18.03
5	**Power Purchase at DISCOM Periphery**	**1,648.16**
	Less: Retail Sales to Consumers	1,435.80
	Distribution Losses – MU	212.36
6	**Distribution Losses - %**	**12.88%**

Commission's analysis:

The information submitted by the Petitioner regarding power purchase quantum, UI over/ under drawl, IEX/ Bilateral purchase has been considered and accordingly the energy balance has been derived for FY 2021-22 by the Commission.

The following table provides the energy balance approved in the Tariff Order for ARR of FY 2021-22 issued on 30th March 2021, submitted by the Petitioner and now trued-up by the Commission.

Table 20: Energy balance Trued-up by the Commission for FY 2021-22 (MUs)

Sr. No.	Particulars	Approved in ARR Order dated 30th March 2021	Petitioner's Submission	Trued-up by the Commission
A	**Energy requirement for Discom**			
1	Total Sales within the State/UT	1,667.99	1,435.80	1,435.80
2	Distribution losses (%)	9.20%	12.88%	12.88%
3	Distribution losses (MUs)	169.00	212.36	212.36
4	**Energy required at State Periphery for Discom sales**	**1,837**	**1,648.16**	**1,648.16**
B	**Energy Availability**			
1	**Energy Scheduled at Ex-Bus (2+8a)**		1,960.70	**1,960.70**

Sr. No.	Particulars	Approved in ARR Order dated 30th March 2021	Petitioner's Submission	Trued-up by the Commission
2	**Total Power Scheduled/ Purchased at Ex-Bus from CGS and SECI**		**1,942.67**	**1,942.67**
2a	Central Generating Station (Hydro)		1,313.53	1,313.53
2b	Central Generating Station (Thermal/Gas/Nuclear)		529.88	529.88
2c	SECI (Wind)		99.26	99.26
2d	Solar+ Non-Solar GTAM/GDAM		-	
3	**Short term Purchase/ Sale**		(163.20)	**(163.20)**
3a	IEX/PXIL Purchase		17.83	17.83
3b	IEX/PXIL Sale		(181.03)	(181.03)
4	**Total power scheduled/purchased at ex bus bar (2+3)**			**1,779.47**
5a	**PGCIL Losses – Mus**		62.18	62.18
5b	**PGCIL Losses - %**		3.67%	3.62%
6	Energy Scheduled at state periphery (4-5a)			1,717.29
7	**Unscheduled Interchange**			**(87.17)**
7a	UI Purchase (+)		51.84	51.84
7b	UI Sale (-)		(139.01)	(139.01)
8	**Total energy purchase at UT periphery from outside of the UT (6+7)**		**1,630.12**	**1,630.12**
8a	Net-Metering, Gross metering/Within State Solar		**18.03**	**18.03**
9	**Total Power Availability at UT Periphery (8+8a)**	**1,948.67**	**1,648.16**	**1,648.16**
10	**Deficit/(Surplus)**	**(111.67)**	**-**	**-**

3.9. Operation & Maintenance Expenses

The Operation & Maintenance Expenses comprise of the Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M). The MYT Regulations, 2018 considers the variation of O&M Expenses except to the extent of inflation to be controllable. Regulation 12.2 of the MYT Regulation, 2018 states the following:

"For the purpose of these Regulations, the term "controllable factors" for a Transmission or Distribution Licensee shall comprise of the factors which were within the control of the Licensee, shall inter-alia include:

a) Variations in capitalisation on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;

b) Variation in Interest and Finance Charges, Return on Equity, and Depreciation on account of variation in capitalisation, as specified in clause (a) above;

c) Variations in technical and commercial losses of Distribution Licensee;

d) Availability of transmission system;

e) Variations in performance parameters;

f) Failure to meet the standards specified in the Joint Electricity Regulatory Commission for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015, as amended from time to time;

g) Variations in labour productivity;

h) Variation in O&M Expenses, except to the extent of inflation;

i) Bad debts written off, in accordance with the provisions of Regulation 62:

Provided further that the controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations."

Therefore, any variation in O&M Expenses is attributable to the Petitioner is not passed on in the ARR, other than any cost which is beyond the control of the Petitioner.

Further Regulations 60 provides as follows:

"60.1 The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation.

60.2 O&M Expenses shall comprise of the following:

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

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

(c) Repairs and Maintenance expenses.

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

60.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

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

Where,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

60.6 For the purpose of estimation, the same value of factors – CPI inflation and WPI inflation *shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPI inflation."*

In accordance with above Regulations, the Commission has approved the Employee Expenses, A&G Expenses and R&M Expenses as elaborated below:

3.9.1. Employee Expenses

Petitioner's submission:

The employee expenses comprise of Salaries, Dearness allowance, Bonus, Terminal benefits in the form of Pension and Gratuity, Leave encashment and staff welfare expenses. As reflected in the audited accounts actual Employee expenses for FY 2021-22 are Rs. 71.91 Cr. The Petitioner has claimed the Employee expenses of Rs. 82.36 Cr. (after sharing of Gain/loss) against approved expenses of Rs. 85.09 Cr. in the APR Tariff order dated 11th July 2022. The Employee Expenses submitted by the Petitioner are as follows:

Table 21: Employee Expenses submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff order' dated 11th July 2022	Actual (as per annual audited accounts)	Normative (revised by Petitioner)	Gain/Loss Sharing	Proposed by the Petitioner
1	Employee Expenses for Previous Year	79.16		87.07		
2	Growth Factor (Gn) approved in MYT Order	1.40%		1.40%		
3	CPI Inflation	6.00%		5.13%		
4	Employee Expenses	85.09	71.91	92.81	10.45	82.36

Commission's analysis:

As per the audited accounts submitted by the Petitioner, the employee expenses during the FY 2021-22 are reflected as Rs. 71.91 Cr.

In accordance with JERC MYT Regulations, 2018, the Employee expenses shall be revised to the extent of change in inflation and growth rate during the control period as per the following formula:

EMPn = (EMPn-1) x (1+Gn) x (CPI inflation)

The CPI Inflation has been computed as follows:

Table 22: Computation of CPI Inflation (%)

FY	Average Value of CPI for FY	Increase in CPI Index	Average increase in CPI Index over 3 years	Applicable CPI
2018-19	299.90			
2019-20	322.50	7.54%	5.90%	
2020-21	338.70	5.02%		
2021-22	356.10	5.14%		5.90%

The growth factor has been computed as follows:

Table 23: Computation of Employee Growth factor (%)

Sr. No.	Particulars	FY 2020-21	FY 2021-22
1	Opening Employee	977	1,071
2	Recruitment during the year	184	108
3	Retirement during the year	90	93
4	Closing Employee	1,071	1,086
5	Growth rate		1.40%

For the re-estimation of normative employee expenses, the Commission has considered the trued-up value for FY 2020-21, and escalated it with growth factor and CPI inflation values as determines in above tables. Re-estimated normative employee expenses have been provided in the following table:

Table 24: Re-estimation of normative Employee Expenses (Rs. Cr.)

Sr. No.	Particulars	Normative (Approved) Employee Expenses for FY 2020-21	FY 2021-22
1	Employee Expenses for Previous Year (Normative as approved by the Commission)		87.07
2	Growth in number of employees (Gn)		1.40%
3	CPI Inflation for FY 2021-22		5.90%
4	Employee Expenses	87.07	93.50

Accordingly, the employee expenses approved by the Commission for FY 2021-22 have been provided in the following table:

Table 25: Employee Expenses Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission (After Gain/Loss)	Actual Employee Expenses	Re-estimated normative Employee Expense	Trued-up by the Commission
1	Employee Expenses	80.48	82.3	71.91	93.50	71.91

As the actual employee expenses submitted by the Petitioner are less than re-estimated normative expenses, the Commission approves the Employee Expenses of Rs. 71.91 Cr. before sharing of gain/(loss) in the True-up of FY 2021-22. The sharing of gain/(loss) is discussed in later part of this chapter.

3.9.2. Administrative and General (A&G) Expenses

Petitioner's submission:

The Petitioner has submitted the actual A&G expenses of Rs. 5.76 Cr. as reflected in audited accounts and the normative A&G expenses of Rs. 7.65. The Petitioner claimed Rs. 6.70 Cr. (after sharing of Gain/Loss) against the approved expenses of Rs. 5.34 Cr. in the APR Tariff order dated 11th July 2022.

Table 26: A&G Expenses submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff order' dated 11th July 2022	Actual as per audited accounts	Normative (revised by Petitioner)	Gain/Loss Sharing	Proposed by the Petitioner
1	Administration & General Expenses for Previous Year	5.04		7.28		
2	CPI Inflation	6.00%		5.13%		
3	Administration & General Expenses	5.34	5.76	7.65	0.95	6.70

Commission's analysis:

A&G expenses mainly comprise of telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. As per the audited accounts submitted by the Petitioner, the A&G expenses for FY 2021-22 are reflected as Rs. 5.76 Cr.

Similar to the methodology followed while estimating the employee expenses, the Commission has determined the normative A&G expenses for the FY 2021-22 using the CPI Inflation for three years. The Commission has considered the following formula to determine the normative A&G Expenses for FY 2021-22:

A&Gn = (A&Gn-1) x (CPI inflation)

The CPI Inflation to estimate the A&G expenses by the Commission in FY 2021-22 have been provided in the following table:

Table 27:Computation of CPI Inflation (%)

FY	Average Value of CPI for FY	Increase in CPI Index	Average increase in CPI Index over 3 years	Applicable CPI
2018-19	299.90			
2019-20	322.50	7.54%	5.90%	
2020-21	338.70	5.02%		
2021-22	356.10	5.14%		5.90%

Re-estimation of normative A&G expenses for FY 2021-22 have been provided in the following table:

Table 28: Re-estimation of A&G Expenses for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Normative (Approved) A&G Expenses for FY 2020-21 in true-up order dated 30th March 2023	FY 2021-22
1	A&G Expenses base year		7.28
2	CPI Inflation for FY 2021-22		5.90%
3	**A&G Expenses**	**7.28**	**7.71**

The A&G expenses approved by the Commission for FY 2021-22 have been provided in the following table:

Table 29: A&G Expenses Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission (After Gain/Loss)	Actual A&G Expenses	Re-estimated normative A&G Expenses	Trued-up by the Commission
1	A&G Expenses	7.69	6.70	5.76	7.71	5.76

As the actual A&G expenses submitted by the Petitioner are less than re-estimated normative A&G expenses, the Commission approves the A&G Expenses of Rs. 5.76 Cr. in the True-up of FY 2021-22. before sharing of gain/(loss). The sharing of gai/(loss) has been dealt in later section of this Order.

3.9.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission:

The Petitioner has submitted the Actual R&M expenses of Rs. 20.24 Cr. as reflected in the audited accounts submitted by the Petitioner. The Petitioner has submitted the revised normative R&M expenses of Rs. 12.47 Cr. against approved expenses of Rs. 11.00 Cr. in the APR Tariff order dated 11th July 2022 for FY 2021-22.

Table 30: R&M Expenses submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff order' dated 11th July 2022	Actual as per audited accounts	Normative (revised by Petitioner)	Gain/Loss Sharing	Proposed by the Petitioner
1	GFA for Previous year (n-1 year)	462.92		475.85		
2	K factor approved in MYT order	2.32%		2.32%		
3	WPI Inflation	2.42%		13.00%		
4	Repair and Maintenance Expenses	11.00	20.24	12.47	-	12.47

Commission's analysis:

In accordance with the MYT Regulations, 2018, to estimate the R&M expenses for FY 2021-22, the Commission has considered the following formula:

R&Mn = K x GFAn-1 x (WPI inflation)

The 'K' factor has been considered same as approved in the MYT Order dated 20th May 2019. The 'K' factor is then multiplied with the closing GFA approved for (n-1)th year. The resultant amount is then escalated by the three years average WPI for FY 2021-22 to arrive upon the revised normative R&M Expenses for FY 2021-22.

The WPI Inflation has been computed as follows:

Table 31: Computation of WPI Inflation (%)

FY	Average Value of WPI for FY	Increase in WPI Index	Average increase in WPI Index over 3 years	Applicable WPI
2018-19	119.80			
2019-20	121.80	1.67%	5.32%	
2020-21	123.40	1.31%		
2021-22	139.40	12.97%		5.32%

The R&M expenses approved by the Commission in FY 2021-22 have been provided in the following table:

Table 32: Re-estimation of normative R&M Expenses for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22
1	Opening GFA for FY 2021-22 (closing GFAn-1 Year)	475.85
2	K factor approved (K) in MYT Order	2.32%
3	WPI Inflation for FY 2021-22	5.32%
4	R&M Expenses = K x (GFA $_{n-1}$) x (1+WPI$_{inflation}$)	11.63

Table 33: R&M Expenses Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission (After Gain/Loss)	Actual R&M Expenses	Re-estimated normative R&M Expenses	Trued-up by the Commission
1	R&M Expenses	11.06	12.47	20.24	11.63	11.63

The Commission approves the Repair & Maintenance (R&M) expenses of Rs. 11.63 Cr. in the True-up of FY 2021-22, before sharing of gain/(loss). The sharing of gain/(loss) has been dealt in later section of this Order.

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

The following table provides the O&M expenses approved in the ARR of FY 2021-22, Petitioner's submission and now approved by the Commission in True-up of FY 2021-22.

Table 34: O&M Expenses Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission (After Gain/Loss)	Trued-up by the Commission
1.	Employee Expenses	80.48	82.36	71.91
2.	Administrative & General Expenses (A&G)	7.69	6.70	5.76
3.	Repair & Maintenance Expenses	11.06	12.47	11.63
Total Operation & Maintenance Expenses		99.22	101.54	89.30

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 89.30 Cr. in the True-up of FY 2021-22.

The gain/(loss) after comparing the actual values and normative values has been addressed separately in Section 3.21.2 of this Order.

3.10. Capitalisation

Petitioner's submission:

The Petitioner submitted the capitalisation of Rs. 3.37 Cr. during the FY 2021-22 against approved capitalisation of Rs. 8.60 Cr. in the APR Tariff order dated 11th July 2022 of FY 2021-22.

Commission's analysis:

The Commission reviews the submission of the Petitioner and approves the Capitalisation as per the submission made by the Petitioner and as reflected in the audited accounts. The

Commission observed that the Petitioner consistently has not been able to meet the capitalisation targets, which is necessary for efficient and reliable operations of the system. **Accordingly, the Commission directs the Petitioner to achieve the capitalisation targets.**

The table below provides the capitalisation approved in the Tariff Order, the Petitioner's submission and the capitalisation approved by the Commission in the True-up:

Table 35: Capitalisation approved by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Approved in APR order dated 11th July, 2022	Petitioner's Submission	Trued-up by the Commission
1	Capitalisation	57.38	8.60	3.37	3.37

The Commission approves Capitalisation of Rs. 3.37 Cr. in the True-up of the FY 2021-22.

3.11. Capital Structure

Petitioner's Submission:

The entire capital deployment at the Petitioner is through equity for the FY 2021-22.

Commission's analysis:

The Commissions vide 2nd deficiency note directed the Petitioner to submit the relevant documents specifying the nature of capital deployed for creation of assets. The Petitioner submitted that the entire capital is infused as equity by the Government. Further, the Petitioner also submitted that no assets have been created through consumer contribution.

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

"26. Debt to Equity Ratio

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

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

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

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

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

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

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

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

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

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

In accordance with the MYT Regulations, 2018 the Commission has determined the Capital Structure for FY 2021-22 as shown in the following tables.

Table 36: Funding Plan Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Capitalisation	57.38	3.37	3.37
2	Debt (%)	70%	70%	70%
3	Equity (%)	30%	30%	30%
4	Normative Loan	40.17	2.36	2.36
5	Equity	17.21	1.01	1.01

Table 37: GFA addition Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Opening Gross Fixed Assets	462.92	475.85	475.85
2	Addition During the FY	57.38	3.37	3.37
3	Adjustment/Retirement During the FY	-	-	-
4	Closing Gross Fixed Assets	520.30	479.22	479.22

Table 38: Normative Loan addition Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Opening Normative Loan	0.00	2.91	2.91
2	Add: Normative Loan During the year	40.17	2.36	2.36
3	Less: Normative Repayment equivalent to Depreciation	12.65	10.15	9.56
4	Closing Normative Loan	27.52	-	-

Table 39: Equity addition Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Opening Equity	132.93	136.80	136.80
2	Additions on account of new capitalisation	17.21	1.01	1.01
3	Closing Equity	150.14	137.81	137.81

3.12. Depreciation

Petitioner's submission:

The Petitioner has submitted that the Depreciation for FY 2021-22 has been estimated based on assets addition during the year as per the annual account and depreciation rates specified in Appendix-I of the MYT Regulations, 2018. The details of calculations for estimating the depreciation for FY 2021-22 are shown in the table below:

Table 40: Asset wise and overall effective depreciation rate (%) as submitted by the Petitioner for FY 2021-22

Sr. No.	Particulars	Rate	Approved in ARR order dated 30th March, 2021	Asset Addition	Closing Depreciable GFA	Average Depreciable GFA	Effective Rate
1	Land	0.00%	-	-	-	-	
2	Buildings	1.80%	29.84	-	29.84	29.84	
3	Plant & Machinery	3.60%	262.95	3.30	266.25	264.60	
4	Vehicles	18.00%	0.32	0.07	0.39	0.35	
5	Furniture & Fixtures	6.00%	0.10	-	0.10	0.10	
6	Computers & Others	6.00%	0.23	-	0.23	0.23	
7	**Total**		**293.44**	**3.37**	**296.81**	**295.12**	**3.44%**

Table 41: Depreciation during FY 2021-22 as submitted by the Petitioner (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Order dated 11th July 2022	Petitioner's Submission	
			Actual	Normative
1	Opening Gross Fixed Assets	337.89	475.85	293.44
2	Addition During the FY	8.60	3.37	3.37
3	Adjustment/Retirement during the FY	-	-	-
4	**Closing Gross Fixed Assets**	**346.49**	**479.22**	**296.81**
5	Average Gross Fixed Assets	342.19	477.53	295.12
6	Weighted Avg. rate of Depreciation (%)	3.45%	2.90%	3.44%
7	**Depreciation**	**11.82**	**13.84**	**10.15**

Commission's analysis:

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

"30. Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 42: Depreciation Rate (%)

Description	Rates
Plant & Machinery	3.60%
Buildings	1.80%
Vehicles	18.00%
Furniture & Fixtures	6.00%
Computers & Others	6.00%
Land	0.00%

The closing GFA of FY 2020-21 as approved in the True-Up of FY 2020-21 has been considered as opening GFA of FY 2021-22. The Petitioner in reply to the Commissions query regarding the details of asset depreciated up to 90% during the FY 2021-22, has submitted the details in Fixed Asset Register (FAR). The Commission observed that Rs 200.17 Crore is the amount of asset depreciated up to 90% and therefore, opening GFA has been derived accordingly. Further, depreciation has been computed on average Gross Fixed Assets (GFA) after considering the net addition approved for FY 2021-22. Accordingly, the weighted average rate of depreciation is derived as per details given in the following table:

Table 43: Asset wise and overall effective Depreciation Rate (%)

Particulars	Opening GFA	Value of assets depreciated upto 90%	Opening GFA after deducting assets depreciated up to 90 %	Addition	Closing GFA	Average GFA	Rate of depreciation	Depreciation
	x	y	a = x-y	B	c	d=(a+c)/2	e=f/d	f
Plant & Machinery	437.36	189.47	247.89	3.30	251.19	249.54	3.60%	8.98
Buildings	36.42	9.25	27.17	-	27.17	27.17	1.80%	0.49
Vehicles	1.03	0.71	0.32	0.07	0.39	0.36	18.00%	0.06
Furniture & Fixtures	0.18	0.27	-	-	-	-	6.00%	-
Computers & Others	0.86	0.46	0.39	-	0.39	0.39	6.00%	0.02
Land	-	-	-	-	-			-
Total	475.85	200.17	275.78	3.37	279.14	277.46	3.45%	9.56

The following table provides the depreciation as approved in the ARR Tariff Order dated 30th March 2021 for FY 2020-21, Petitioner's submission and now approved by the Commission:

Table 44: Depreciation approved by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Opening GFA for FY 2021-22 (a)	337.89		475.85
2	Less: Assets depreciated upto 90% (b)	0.00		200.17
3	Revised opening Gross Fixed Assets (c) = (a-b)	337.89	293.44	275.78
4	Addition During the FY 2021-22 (d)	57.38	3.37	3.37
5	Adjustment/Retirement During the FY (e)	0.00	0.00	0.00
6	Closing Gross Fixed Assets (Not considering the assets depreciated up to 90%)-(f) = c+d+e	395.27	296.81	279.14
7	Average Gross Fixed Assets (g) =(c+f)/2	366.58	295.12	277.46
8	Effective Rate of Depreciation (%) (h)	3.45%	3.44%	3.45%
	Depreciation (i) = h*g	**12.65**	**10.15**	**9.56**

The Commission now approves depreciation of Rs. 9.56 Cr. in the True-up of FY 2021-22.

3.13. Interest on Loan

Petitioner's submission:

The Petitioner has submitted that the closing of normative loans approved for FY 2020-21 in True-up order for FY 2020-21 has been considered as the opening loans for FY 2021-22. The addition in normative loans is calculated by considering the debt-equity ratio of 70:30, as per the Regulations 26 of MYT Regulations, 2018, and capitalisation of assets during the year in FY 2021-22. The loan repayment to the extent of outstanding loans has been funded through depreciation during the year.

Interest rate equivalent to 1 Year SBI MCLR rate applicable on 1st April plus 100 basis points and average amount of normative loans have been considered for determining the Interest on Loans for FY 2021-22.

Accordingly, the Petitioner has submitted the interest on normative loans as Rs. 0.12 Cr. for FY 2021-22 against NIL as approved in APR Tariff order dated 11th July 2022.

Further, the Petitioner has claimed Bank Charges of Rs. 1.66 Cr. as incurred during FY 2021-22.

Table 45 : Interest and finance charges as submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022	Petitioner's Submission	
			Actual	Normative
1	Opening Normative Loan	-	-	2.91
2	Add: Normative Loan During the year	6.02	2.36	2.36
3	Less: Normative Repayment (i.e. equal to Depreciation)	6.02	13.84	9.55
4	Closing Normative Loan	-	-	-
5	Average Normative Loan	-	-	1.45
6	Rate of Interest (%) - 1 Year SBI MCLR+ 100 Pts	8.00%	8.00%	8.00%
7	Interest on loans	-	-	0.12
8	Add: Bank and financing Charges		1.66	1.66
9	Interest and Finance Charges		1.66	1.78

Commission's analysis:

The Regulation 28 of the MYT Regulations, 2018 specifies the following:

"28. Interest on Loan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hence, the rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, the Petitioner has submitted that capitalisation during each year has been funded by the Petitioner's equity and no loan has been taken against any of the capitalised assets. In absence of any actual loans, the Commission has considered the SBI MCLR rate (i.e. 7% as on 1st April 2021), as on 1st April 2021, plus 100 basis points as Rate of Interest (7%+100 basis points, i.e. 8%), in accordance with the MYT Regulations, 2018.

As per the MYT Regulations 2018, if the equity actually deployed is more than 30% of the capital cost, then equity in excess of 30% would be considered as normative loan. Further, the Commission has considered the capitalisation of assets as approved in the foregoing paragraphs. The Commission for the purpose of funding of the capitalisation has considered the normative debt equity ratio of 70:30.

The Interest on Loan has been calculated on the average loan during the year with the opening loan considered equivalent to the closing loan approved for FY 2020-21 in the True-up order for FY 2020-21. The total normative loan has been considered to be repaid through depreciation during the year. Further, Bank charges of Rs. 1.66 Cr. is approved as reflected in audited accounts of FY 2021-22.

The following table provides the Interest on Loan approved in ARR Tariff Order dated 30th March 2021, Petitioner's submission and now approved by the Commission:

Table 46: Interest on Loan approved by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-Up by the Commission
1	Opening Normative Loan	0.00	2.91	2.91
2	Add: Normative Loan During the year	40.17	2.36	2.36
3	Less: Normative Repayment	12.65	10.15	9.56
4	Closing Normative Loan	27.52	0.00	0.00
5	Average Normative Loan	13.76	1.45	1.45
6	Rate of Interest (%)	8.00%	8.00%	8.00%
7	Interest on Loan	1.10	0.12	0.12
8	Bank Charges	0.00	1.66	1.66

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-Up by the Commission
9	**Total Interest and Finance Charges**	**1.10**	**1.78**	**1.78**

The Commission approves Interest on Loan of Rs. 1.78 Cr. in the True-up of FY 2021-22.

3.14. Return on Equity (RoE)

Petitioner's submission

The RoE is calculated in accordance with the Regulation 27 of MYT Regulations, 2018. The Petitioner has submitted that the closing equity approved in True Up for FY 2020-21 has been considered as the opening Equity for FY 2021-22 and 30% of the capitalisation for the FY 2021-22 has been considered for arriving at the total equity for the year. Accordingly, the Petitioner has computed the Return on Equity at 15.50% for Wire Business and 16.00% for Retail Supply Business.

Accordingly, the Petitioner has submitted that the return on equity as Rs. 21.35 Cr. for FY 2021-22 against Rs. 20.87 Cr. as approved in APR Tariff order dated 11th July 2022.

Table 47: Return on Equity as submitted by the Pettioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022	Petitioner's Submission
1	Opening Equity	**132.93**	**136.80**
2	Addition in Equity	2.58	1.01
3	Closing Equity	**135.51**	**137.81**
4	Average Equity	134.22	137.31
5	Average Equity (Wire Business)	120.79	123.58
6	Average Equity (Retail Supply Business)	13.42	13.73
7	Return on Equity for Wire Business (%)	*15.50%*	*15.50%*
8	Return on Equity for Retail Supply Business (%)	*16.00%*	*16.00%*
9	Return on Equity for Wire Business	18.72	19.15
10	Return on Equity for Retail Supply Business	2.15	2.20
	Return on Equity	20.87	21.35

Commission's analysis:

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

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

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

Further, in this regard, the Regulation 30(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 stipulates the following:

"30. Return on Equity: ....

30.2 Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage: ....." **(Emphasis supplied)**

The Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the MYT Regulations, 2018 i.e. 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations as mentioned above) and a rate of 16.00% for the Retail Supply Business.

As the complete asset capitalisation during the year has been funded through equity, the Commission, for the purpose of equity addition during the year, has limited it to 30% of the total capitalisation in line with the MYT Regulations, 2018. The opening equity for FY 2021-22 is considered as closing equity of FY 2020-21 as approved under true-up order for FY 2020-21. The following table provides the total return on equity approved in the ARR, Petitioner's submission and now approved by the Commission:

Table 48: RoE approved by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Opening Equity	132.93	136.80	136.80
2	Additions on account of new capitalisation	17.21	1.01	1.01
3	Closing Equity	150.14	137.81	137.81
4	Average Equity	141.53	137.31	137.31
5	Average Equity (Wires Business) (90%)	127.38	123.58	123.58
6	Average Equity (Retail Supply Business) Business) (10%)	14.15	13.73	13.73
7	Return on Equity for Wires Business (%)	15.50%	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%	16.00%
9	Return on Equity for Wires Business	19.74	19.15	19.15
10	Return on Equity for Retail Supply Business	2.26	2.20	2.20

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
11	Return on Equity	22.01	21.35	21.35

The Commission approves the Return on Equity of Rs. 21.35 Cr. for FY 2021-22.

3.15. Interest on Consumer Security Deposits

Petitioner's submission

The Petitioner submitted that the opening balance of consumer security deposit and net addition during the year are as per the annual accounts and RBI Bank Rate applicable on 1st April has been considered to calculate the interest on consumer security deposit for FY 2021-22. However, the actual interest on consumer security deposit paid during the year has been claimed for FY 2021-22. The details of calculations for estimating the Interest on Security Deposit for FY 2021-22 are shown in the table below:

Table 49: Interest on Security Deposit as submitted by the Petitioner (FY 2021-22) (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022	Petitioner's Submission
1	Opening Consumer Security Deposit	203.72	190.10
2	Net Addition During the year	3.66	(16.87)
3	Closing Consumer Security Deposit	207.38	173.23
4	Average Security Deposit	205.55	181.66
5	Rate of Interest (%) (RBI Bank Rate @ 1st Apr)	4.25%	6.75%
6	Interest on Security Deposit as per norms	8.74	12.26
7	Interest on security deposit paid in actual		4.61
8	Interest on Security Deposit		4.61

Commission's analysis:

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

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

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

The auditor in audit report for FY 2021-22 had raised the query regarding the security deposit Rs. 173.23 Cr. In section B.3.3 of the audit report for FY 2021-22 which is as follows:

"The Balance decreased from Rs. 190.10 Cr. to Rs. 173.23 Cr. during FY 2021-22 showing a reduction in balance by Rs. 16.87 Cr. which seems improbable in view of the ever-increasing trend of electricity connections generating additional security deposit with EWEDC. Further, the balance of consumer security deposits did not tally with "Abstract Account of receipts, adjustments and balances of deposits" of four divisions (Form PWA 35) indicating a difference of Rs. 119.40 Crore, which needs justification".

In reply to auditor query the Petitioner had submitted as follows:

"As pointed out by the Audit, the justification is as under: -

The Clause 5.136 of JERC Supply Code Regulation, 2018 (Copy Enclosed) states that at the beginning of the financial year, the Licensee shall review the consumption pattern of the consumer for the adequacy of the security deposit from April to March of the previous year. Consumer is required to maintain a sum equivalent to his average payment for the period of one billing cycle plus one month, where 'average payment' shall be equal to the average of actual bills paid in the last financial yar: Provided that for a consumer whose electricity connection is less than 1 year old, the security deposit shall not be revised at the beginning of the financial year.

It is pertinent to mention here that the Advance Consumption Deposit (ACD) of existing consumer is depicted in their bills as well as in ledger/records of the department. The ACD so received is reviewed as per above cited clause of JERC Supply code regulation 2018. Therefore, ACD amount may increase or decrease accordingly.

It is also submitted that the amount of security (Advance Consumption Deposit) from consumer of Rs. 173.23 Cr. as shown in the monthly cash account of Divisions pertains to the FY 2021-22 is an account of Initial Security received from new consumers and from existing consumers who applied or extension of load.

Therefore, the figure of Rs. 173.23 Crore of Security consumer deposits include the new security received during the year and the existing ACD appearing in the ledgers/records of the preceding year. This is in compliance to the JERC regulations on security deposits as explained above. As explained above the Para may be dropped, please."

The Commission has considered the actual interest on security deposit disbursed to the consumers in their bills, as reflected in the audited accounts of the FY 2021-22 for Truing-up of FY 2021-22.

The following table provides the interest on security deposit as approved in the ARR Tariff Order dated 30th March 2021, the Petitioner's submission and the interest on security deposit trued-up by the Commission:

Table 50: Interest on Consumer Security Deposits Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Opening Security Deposit	203.72	190.10	190.10
2	Add: Deposits During the year	8.00	(16.87)	-
3	Less: Deposits refunded	-	-	16.87
4	Closing Security Deposit	211.72	173.23	173.23
5	Average Security Deposit	207.72	181.66	181.66
6	Rate of Interest (%)	4.65%	6.75%	4.25%
7	Interest on Security Deposit on Normative Basis	9.66	12.26	7.72
8	Interest on Security Deposit paid to Consumers	9.66	4.61	4.61

The Commission approves interest on security deposit as Rs. 4.61 Cr. in the True-up of FY 2021-22.

3.16. Interest on Working Capital

Petitioner's submission

The Petitioner submitted that as per the Regulation 63 of MYT Regulation 2018, the working capital for FY 2021-22 consisting the following elements has been calculated:

(a) Receivable of two months of billing

(b) O&M Expenses of one month

(c) 40% of Repair & maintenance expenses for one month

(d) Less: Consumer security deposit but excluding Bank Guarantee

The interest on working capital is computed at 9.00% (SBI base rate as on 1st April 2021 plus 200 basis point, i.e. 7% plus 200 basis points) and the computation in this regard has been shown in the following table:

Table 51: Interest on Working Capital submitted by Petitioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022	Petitioner's Submission
1	O&M Expense for 1 month	8.45	8.21
2	Add: Maintenance spares at 40% of R&M expenses for one (1) month	0.37	0.67

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022	Petitioner's Submission
3	Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff	130.69	146.36
4	Less: Consumer Security Deposit excl. BG	205.55	191.33
5	**Total Working Capital after deduction of Consumer Security Deposit**	(66.04)	(36.09)
6	SBI MCLR plus 200 Basis Point (%)	9.00%	9.00%
7	**Interest on Working Capital**	**-**	**-**

Commission's analysis:

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

"52. Norms of Working Capital for Distribution Wires Business

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

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

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

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

wires at the prevailing tariff;

Less:

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

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

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

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

In accordance with the MYT Regulation, 2018, the Commission has computed the Interest on Working Capital for FY 2021-22. The actual Working Capital requirement, after deduction of the average amount of Consumer Security Deposit is coming out to be negative. Thus, the Interest on Working Capital has been considered as Nil, as shown in the following table:

Table 52: Interest on Working Capital approved by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	O&M Expense for 1 month	8.27	8.21	7.44
2	Maintenance spares at 40% of R&M expenses for one (1) month;	0.37	0.67	0.39
3	Receivables equivalent to two (2) months of the expected revenue from charges at the prevailing tariff	141.72	146.36	115.11
4	Less: Amount, held as security deposits	207.72	191.33	181.66
5	Net Working Capital	(57.35)	(36.09)	0.00
6	Rate of Interest (%)	9.75%	9.00%	9.00%
7	Interest on Working Capital	-	-	-

The Commission approves the Interest on Working Capital as NIL for FY 2021-22.

3.17. Income Tax

Petitioner's submission

No submission has been made in this regard.

Commission's analysis:

Regulation 32 of the MYT Regulations, 2018, states the following:

"32. Tax on Income

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

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

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

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

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

As the Regulation above stipulates that the income tax shall be approved as per actuals, the Commission considers the income tax payable for the year as nil as no Income Tax has been paid by the Petitioner for FY 2021-22.

Table 53: Income Tax Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Income Tax	0.00	0.00	0.00

The Commission approves Income Tax liability as NIL for FY 2021-22.

3.18. Provision for Bad & Doubtful Debts

Petitioner's submission

The Petitioner has submitted that the audited accounts for FY 2021-22 had no book entry related to the written off of bad debts. Hence no claim against the Provision for Bad and Doubtful Debts has been made for FY 2021-22.

Commission's analysis:

As per Regulation 62.1 of the MYT Regulations, 2018:

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

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

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

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

The Commission had enquired for details of actual write off bad and doubtful debts for the FY 2021-22. The Petitioner has submitted that no bad debts are written off during the year.

The Commission therefore has not considered any bad and doubtful debts in the True-up of FY 2021-22.

3.19. Non-Tariff Income (NTI)

Petitioner's submission

The Petitioner has submitted that the Non-Tariff Income for FY 2021-22 is calculated as per the provisions of Regulation 64 of MYT Regulations, 2018.

The Petitioner has submitted that the delay payment surcharge should not be treated as the part of non-tariff income, as the same commensurate the burden of interest cost incurred on the excess drawl of working capital on account of the shortfall of revenue collected during the concerned billing cycle. Hence, the same should not be included in the non-tariff income.

The recovery from the doubtful debts is not considered as non-tariff income as provisioning of bad and doubtful debts have not been allowed at the time of approval of ARR.

Accordingly, the Petitioner has submitted the Non-Tariff Income of Rs. 15.69 Cr. and has been shown in the following table:

Table 54: Non-Tariff Income approved by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission
1	Miscellaneous Charges	9.09
2	Miscellaneous Receipts	6.61
3	Total	15.69

In reply to Commissions query regarding the break-up of miscellaneous charges and miscellaneous receipts in 2nd deficiency note, the Petitioner has submitted the details of Miscellaneous Charges, Miscellaneous Receipt.

Table 55: Details of Miscellaneous receipt as submitted by the Petitioner

Sr. No.	Particulars	Amount (Rs.)
1	Consumer Fee	4,30,90,408
2	AEE Store	12,59,028
3	Solar Fee/Solar Rebate & Subsidy	2,44,949
4	Incentive or O&M Charges/SCED	2,13,64,008
5	Post office	1,31,960
6	Gross Total	6,60,90,353

Table 56: Details of Miscellaneous charges as submitted by the Petitioner

Sr. No.	Particulars	Amount (Rs.)
1	Meter rental	6,71,06,642
2	Service rental	4,831
3	Lamp MTC & Renewal Charge	2,08,04,496
4	Solar Govt. Charges	29,41,800
5	Total	9,08,57,769

Commission's analysis:

Regulation 64.2 of JERC MYT Regulation, 2018 states the following:

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

(a) Income from rent of land or buildings;

(b) Income from sale of scrap;

(c) Income from statutory investments;

(d) Interest on advances to suppliers/contractors;

(e) Rental from staff quarters;

(f) Rental from contractors;

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

(h) Income from advertisements, etc.;

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

(j) Service charges;

(k) Consumer charges;

(l) Recovery for theft and pilferage of energy;

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

(n) Miscellaneous receipts;

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

(p) Prior period income, etc.:

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

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

The Commission observed that the Petitioner has considered Miscellaneous Receipts of Rs. 6.61 Cr. and Miscellaneous Charge of Rs. 9.09 Cr. in Non-Tariff income the same are reflected in the audited accounts of the FY 2021-22 and the Commission has considered the same as NTI.

As per Regulation 33 of the MYT Regulations, 2018:

"33.1 The rebate to be provided by a Generating Company or Transmission Licensee to a Distribution Licensee for early payment of bills shall be in accordance with the prevalent CERC Tariff Regulations.

33.2 Such rebate earned by the Distribution Licensee shall be considered under Non-Tariff Income for the Distribution Licensee."

So, the Commission has decided to consider the rebate of Rs 14.20 Cr. on timely payment of energy bills as reflected in audited accounts, under Non-Tariff Income.

As regards to the Petitioner's submission that delayed payment surcharge should not be treated as part of Non-tariff Income as the same commensurate the burden of interest cost incurred on the excess drawal of working capital on the account of the shortfall of revenue collected during the concerned billing cycle, the Commission appreciates the concern of the Petitioner and has not considered the delayed payment surcharge under Non-Tariff Income and at the same time the Commission has not considered rebate given to its consumers as an expense keeping the fact that the two will set off each other and will not impact the ARR.

Further the Commission has neither allowed the Regulatory surcharge in MYT order, nor in ARR tariff order. So, the Commission has decided to consider it under Non-Tariff Income.

Accordingly, the Non-Tariff Income considered by the Commission is shown in the following table:

Table 57: Non-Tariff Income considered by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount (Rs.)
1	Miscellaneous Charges	9.09
2	Miscellaneous Receipts	6.61
3	Rebate due to timely payment	14.20
4	Regulatory Surcharge	0.003
5	Total	29.89

The NTI approved in the ARR Tariff order dated 30th March 2021, Petitioner's submission and now trued-up by the Commission is shown in the following table:

Table 58: Non- Tariff Income Trued-up by the Commission for FY 2021-22 (R Cr)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Non-tariff income	17.77	15.69	29.89

The Commission approves Non-Tariff Income of Rs. 29.89 Cr. in the True-up of FY 2021-22.

3.20. Prior Period Expenses

Petitioner's submission:

The Petitioner submitted the income from Sale of Power to Power Exchange through PTC and to Grid under UI/DSM were accounted twice, as Revenue from Sale of Power under *"Unscheduled Interchange Charges/Exchange Sale"* and another as Other Income under *"Miscellaneous Receipts*". The Cheques received from PTC and NRPC for Sale of Power to Power Exchange & UI, respectively, were accounted as Other Income under Miscellaneous Receipts. This amount was reconciled from the Cash Book and debited later as Prior Period Expenses in P&L of FY 2021-22. The details of Prior Period expenses claimed for FY 2021-22 are shown in the table below:

Table 59: Prior Period Expenses as submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022)	Petitioner's Submission
1	Sell of Power to Power Exchange	-	59.22
2	NRPC UI	-	0.66
3	Total Prior Period Expenses	-	59.88

Commission's analysis:

The Commission analysed the Petitioner submission regarding the prior period expenses & considered the audited accounts submitted by the Petitioner for FY 2021-22.

The Commission in 1st deficiency note had raised a query and directed the Petitioner to submit the reconciliation with values reflected in Annual account of FY 2020-21 and values as approved by the Commission for true-up of FY 2020-21 and the details of adjustment in Power purchase cost and Income from Ul in FY 2021-22. In the reply of 1st deficiency note the Petitioner has submitted as following:

"It is submitted that the income from Sale of Power to Power Exchange through PTC and to Grid under UI/DSM were accounted twice, as Revenue from Sale of Power under "Unscheduled Interchange Charges/Exchange Sale" and another as Other Income under "Miscellaneous

Receipts". The Cheques received from PTC and NRPC for Sale of Power to Power Exchange & UI, respectively, we recounted as Other Income under Miscellaneous Receipts. This amount was reconciled from the Cash Book and debited later as Prior Period Expenses in P&L of FY 2021-22. The Reconciliation and adjustment of this amount is tabulated below:

Table 60: Bifurcation of Miscellaneous Receipt for FY 2020-21 submitted by the Petitioner (In Rs.)

Sr. No.	***Particulars***	***Annual Accounts***	***Approved under Non-Tariff Income in True-up order for FY 2020-21, dated 30th March 2023)***
1	*Consumer Fee*	*1,68,80,455*	*69,61,46,756*
2	***Selling of power & NRPC U.I.***	***59,87,97,881***	
3	*Reactive Energy/Deposit Work/Medical & Other*	*7,13,89,695*	
4	*Solar Fee/Solar Rebate & Subsidy*	*87,33,800*	
5	*Incentive or O&M Charges/SCED*	*3,44,760*	
6	*Post office*	*165*	
7	***Gross Total***	***69,61,46,756***	***69,61,46,756***

Table 61: Prior Period Expenses for FY 2021-22 submitted by the Petitioner (In Rs.)

Sr. No.	***Particulars***	***Amount***
1	*Selling of Power (PTC Sale)*	*59,22,44,092*
2	*NRPC-UI*	*65,53,789*
3	*Total*	*59,87,97,881*

"

The Commission considered the Petitioner's submission and after considering the Annual Audited accounts, has approved the prior period expenses. The details of prior period expenses considered by the Commission are in the table below.

Table 62: Prior Period Expenses Trued-up by the Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	**Particulars**	**Approved in ARR order dated 30th March, 2021**	**Petitioner's Submission**	**Trued-up by the Commission**
1	Selling of Power (PTC Sale)	-	59.22	59.22
2	NRPC-UI	-	0.66	0.66
3	**Total**	**-**	**59.88**	**59.88**

The Commission approves the Prior Period expenses of Rs. 59.88 Cr. in FY 2021-22.

3.21. Incentive/Disincentive towards over/under-achievement of norms

3.21.1. Disincentive towards under-achievement of norms of T&D Losses

Petitioner's submission:

No submission has been made in this regard.

Commission's analysis:

In the ARR Tariff order dated 30th march 2021 for FY 2021-22, the Commission had approved the T&D loss level of 9.20%. The Petitioner has achieved T&D loss of 12.88% against the approved loss level of 9.20%. The Commission, in accordance with Regulation 14.2 of the JERC MYT Regulations, 2018 (reproduced below) has determined the dis- incentive towards the under-achievement of the target of Intra-State distribution loss for the FY 2021-22 as follows:

As per Regulation 14.2 of the MYT Regulations 2018,

"14.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers"

The dis-incentive has been considered at Rs. 3.55/kWh, which is the Average Power Purchase cost (APPC) of the Petitioner. The APPC has been derived at State/UT Periphery based on the Power Purchase cost approved in the True-up and the Energy at the State/UT Periphery has been computed after grossing up the retail energy sales (1,435.80 MUs) with the actual Intra-State T&D Loss (12.88%). The Commission approves the Average Power Purchase cost (APPC) as given below:

Table 63 Average Power Purchase Cost (APPC) for FY 2021-22

Sr. No.	Particulars	Trued-up by Commission
1	Total Power Purchase Cost (Rs Cr)	707.64
2	Less: Transmission charges and Power Purchase cost from renewable energy sources (Rs Cr)	135.38
3	Net Power Purchase Cost (Rs Cr)	572.26
4	Total Power Purchase quantum at ex-bus net of power sold (MU)	1710.33
5	Less: Quantum from renewable energy sources (MU)	99.26
6	Quantum of energy at State Periphery excluding quantum from renewable energy sources (MU) (B)	1611.08
7	APPC (Rs/kWh) (A/B)	3.55

The assessment of Dis-incentive for lower T&D losses is shown in the following table:

Table 64: Dis-incentive due to under-achievement of Intra-State T&D Loss target (Rs. Cr.)

Sr. No.	Particulars	As per Approved Intra-State T&D Loss	Trued-up by Commission
1	Retail Sales	1,435.80	1,435.80
2	T&D Loss (%)	9.20%	12.88%
3	Power Purchase at State/UT Periphery	1581.28	1,648.16
4	Gain/(Loss) (MU)	-	(66.38)
5	Average Power Purchase Cost (APPC)	-	3.55
6	Gain/ (Loss) (INR Cr)	-	(23.76)
7	**Sharing of 100% of Loss with the Petitioner**	**-**	**(23.76)**

The Commission approves Rs. 23.76 Cr. as dis-incentive towards under-achievement of Intra-State T&D Loss target for FY 2021-22.

3.21.2. Sharing of Gain/(Loss) on account of norms for Operation & Maintenance (O&M) Expenses

Petitioner's submission:

No submission has been made in this regard.

Commission's analysis:

The Regulation 14 of the JERC MYT Regulations, 2018 stipulates the following:

"14. Mechanism for sharing of gains or losses on account of controllable factors

14.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

Provided that the mechanism for sharing of gains or losses on account of controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.

14.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers."

The following table provides the O&M expenses, approved by the Commission in the MYT Order, Petitioner's submission and O&M expenses trued-up by the Commission after sharing of gain or loss.

Table 65: O&M Expenses (after Gain/Loss) approved by Commission (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Revised Normative Expenses	Actual Expenses (As per Audited accounts)	Approved by the Commission in true-up	Gain/ (Loss) [Normative – Actual Considered]	Gain/ (Loss) Sharing	O&M Expenses after Gain/Loss
1.	Employee Expenses	80.48	82.36	93.50	71.91	71.91	21.59	10.79	82.70
2.	A&G Expenses	7.69	6.70	7.71	5.76	5.76	1.95	0.98	6.73
3.	R&M Expenses	11.06	12.47	11.63	20.24	11.63	(8.61)	-	11.63
4.	**Total O&M Expenses**	**99.22**	**101.54**	**112.83**	**97.91**	**89.30**		**11.77**	**101.07**

The Commission approves an incentive of Rs. 11.77 Cr. on account of over achievement of norms of Operation & Maintenance (O&M) expenses in the True-up of FY 2021-22.

3.22. Aggregate Revenue Requirement (ARR)

Petitioner's submission

Based on the expenses as detailed above, the Petitioner has submitted the net aggregate revenue requirement of Rs. 877.06 Cr. for approval in the True-up of FY 2021-22.

Commission's analysis

The Commission on the basis of the detailed analysis of the cost parameters of the ARR approves the net revenue requirement in the True-up of FY 2021-22 as given in the following table:

Table 66: Aggregate Revenue Requirement Trued-up by Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Power Purchase Cost	715.35	693.44	707.64
2	Operation & Maintenance Expenses	99.22	101.54	89.30
3	Depreciation	12.65	10.15	9.56
4	Interest on Finance Charges	1.10	1.78	1.78
5	Return on Equity	22.01	21.35	21.35
6	Interest on Security Deposit	9.66	4.61	4.61
7	Interest on Working Capital	-	-	-
8	Income Tax	-	-	-
9	Provision for Bad & Doubtful Debt	-	-	-
10	(Disincentive) on under-achievement of norms of T&D Loss Target	-	-	(23.76)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
11	Sharing of Gain on account of O&M Expenses	-	-	11.77
12	Prior Period Expenses	-	-	59.88
13	**Total Revenue Requirement**	**860.00**	**892.75**	**882.13**
14	Less: Non-Tariff Income	17.77	15.69	29.89
15	**Net Revenue Requirement**	**842.23**	**877.06**	**852.23**

The Commission approves net Aggregate Revenue Requirement of Rs. 852.23 Cr. in the True-up of FY 2021-22.

3.23. Revenue at existing Retail Tariff

Petitioner's submission:

The actual revenue from retail sale for the FY 2021-22 is Rs. 690.68 Cr. as against Rs. 784.13 Cr. approved by the Commission in the APR of FY 2021-22. The details submitted by the Petitioner are in following table:

Table 67: Revenue at existing tariff submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Particulars	Approved in APR Tariff Order dated 11th July 2022)	Petitioner's Submission
Domestic – LT	332.66	261.57
Domestic – HT	13.26	9.40
Domestic – Total	**345.92**	**270.97**
Commercial – LT	116.09	116.99
Commercial – HT	134.43	121.29
Commercial – Total	**250.52**	**238.28**
Large Supply	67.27	64.91
Medium Supply	57.55	58.29
Small Power	7.90	7.90
Agriculture	0.38	0.35
Public Lighting	7.64	7.56
Bulk Supply	44.07	39.17
Others Temporary Supply	2.88	3.00
EV Charging Stations	-	0.24
Total	**784.13**	**690.68**

The Petitioner has also considered revenue recovered through FPPCA of Rs. (0.002) Cr. The detailed reconciled statement of revenue from the sale of power at existing tariff and FPPCA with reference to the final actual figures of income & expenditure as per the audited accounts of the FY 2021-22 has also been submitted.

Table 68: FPPCA for FY 2021-22 Submitted by the Petitioner (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022)	Petitioner's Submission
1	FPPCA	-	(0.002)

Further, an amount of Rs. 0.0030 Cr. on account of Regulatory Surcharge billed by the Petitioner has also been considered

Table 69: Regulatory Surcharge for FY 2021-22 submitted by the Petitioner (Rs. Cr.)

Sr. No.	Particulars	Approved in APR Tariff Order dated 11th July 2022)	Petitioner's Submission
1	Regulatory Surcharge	-	0.003

Commission's analysis:

The Commission has considered the sales and revenue figures for each consumer category based on the audited accounts as submitted by the Petitioner. As the Commission in ARR order dated 30th March 2021 has not approved regulatory surcharge, the Commission has considered the Regulatory surcharge under non-tariff income. The consumer category-wise revenue as submitted by the Petitioner and approved by the Commission is shown in the following table:

Table 70: Revenue at existing tariff Trued-up by Commission for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Domestic	365.56	270.97	270.97
2	Commercial	286.76	238.28	238.28
3	Large Industrial supply	70.92	64.91	64.91
4	Medium Industrial supply	58.87	58.29	58.29
5	Small Industrial Supply	8.73	7.90	7.90
6	Agriculture	0.38	0.35	0.35
7	Public lighting	7.95	7.56	7.56
8	Bulk supply	47.79	39.17	39.17
9	Temporary Supply	3.40	3.00	3.00
10	EV Charging Stations	-	0.24	0.24
11	**Sub-total**	**850.35**	**690.68**	**690.68**
12	FPPCA	-	(0.002)	(0.002)
13	**Grand total**	**850.35**	**690.68**	**690.68**

The Commission approves the revenue from sale of power as Rs. 690.68 Cr. (including FPPCA charges) in the True-up of FY 2021-22.

3.24. Standalone Revenue Gap/ (Surplus)

Petitioner's submission:

Based on the ARR and the revenue from retail tariff, the standalone revenue gap of Rs. 186.38 Cr. is arrived at in the True-up of the FY 2021-22.

Commission analysis:

The Commission based on the approved ARR and revenue from retail tariff has arrived at the Revenue Gap/(Surplus) for FY 2021-22 as follows:

Table 71: Standalone Revenue Gap/(Surplus) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Net Revenue Requirement	842.23	877.06	852.23
2	Revenue from Retail Sales at Existing Tariff	850.35	690.68	690.68
3	FPPCA Charges	-	(0.002)	(0.002)
4	**Total Revenue**	850.35	690.68	690.68
	Net Gap/(Surplus)	**(8.12)**	**186.38**	**161.56**

The Commission, in the True-up of FY 2021-22 approves a standalone gap of Rs. 161.56 Cr. This standalone gap has been carried over to the subsequent years and has been dealt with while determining the tariff for FY 2024-25.

Further, considering the cumulative surplus approved by the Commission after true-up of FY 2020-21 of Rs 258.85 Cr, the cumulative surplus derives as Rs. 97.28 Cr at the end of FY 2021-22.

Table 72 Cumulative Gap/ (surplus) approved for FY 2021-22 (Rs Cr.)

Sr. No.	Particulars	Approved in ARR order dated 30th March, 2021	Petitioner's Submission	Trued-up by the Commission
1	Net Revenue Requirement	842.23	877.06	852.23
2	Revenue from Retail Sales at Existing Tariff	850.35	690.68	690.68
3	**Net Gap /(Surplus)**	**(8.12)**	**186.38**	**161.56**
4	Previous year (surplus)			(258.85)
5	**Cumulative gap/ (surplus)**			**(97.28)**

Chapter 4 : Annual Performance Review of FY 2023-24

4.1. Background

This Chapter covers the Annual Performance Review (APR) for the FY 2023-24 vis-à-vis the cost parameters approved by the Commission in the Tariff Order for FY 2023-24 in its order dated 30th March, 2023. The Annual Performance Review for the FY 2023-24 is to be carried out as per the provisions of Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, hereinafter referred to as the 'JERC MYT Regulations, 2021'.

4.2. Applicable Provisions and Background

The Annual Performance Review for the FY 2023-24 is to be carried out in accordance with the Regulation 12 of the JERC MYT Regulations 2021. The relevant extract of the said Regulations is reproduced below:

"12. Annual Performance Review, Truing-up and tariff determination during the Control Period

12.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.

12.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.
12.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:
…
b) Annual Performance Review: a comparison of the revised estimates of 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;

………"

4.3. Approach for the Review for FY 2023-24

The review of the Aggregate Revenue Requirement for FY 2023-24 requires assessment of the quantum of energy sales, energy loss as well as the various cost elements like Power Purchase Cost, O&M Expenses, interest on long- term loans, interest on working capital loans, depreciation etc. The Annual Performance Review for the FY 2023-24 has been conducted based on the 6 months' actual data as provided by the Petitioner for the FY 2023-24 of the Power Purchase Quantum and the Cost, Energy Sales, Capitalisation etc. Based on such data, the estimates for the remaining months of the financial year have been made. The various cost elements constituting the Aggregate Revenue Requirement have been approved based on the actual information of first six months submitted by the Petitioner, in accordance with the JERC MYT Regulations, 2021 and on the basis of the norms approved in the Tariff Order dated 30th March, 2023.

4.4. Energy Sales

Petitioner's Submission:

The Petitioner has submitted the re-estimate of energy sales for FY 2023-24, which has been calculated based on the actual energy sales for first half of the year and projected energy sales for second half of the year based on Compound Annual Growth Rate (CAGR) approach. The CAGR of five/three/two-year is determined and applied on the category wise actual energy sales of second half of FY 2022-23 to determine the energy sales of second half for FY 2023-24. For categories having abnormal/negative CAGR, nil growth rate for those categories have been considered for estimation purpose. Energy Sales for EV Charging Stations Category in second half is projected by considering the equivalent consumption in remaining months as provisionally billed in the month of October, 2023. The details of revised estimates of energy sales for FY 2023-24 are shown in the tables below:

Table 73: Projected Sales for APR of FY 2023-24 (MUs) as submitted by the Petitioner

Sr. No.	Categories	Approved in ARR tariff order dated 30th March 2023	FY 2023-24		
			H1 (Actual)	H2 (Estimated)	Revised Estimates
1	Domestic – LT	825.34	373.35	333.32	706.67
2	Domestic – HT		15.70	10.70	26.40
3	Domestic – Total	825.34	389.05	344.02	733.07
4	Commercial – LT	492.25	120.79	110.06	230.85
5	Commercial – HT		158.17	106.41	264.57
6	Commercial – Total	492.25	278.96	216.47	495.42
7	Large Supply	127.84	73.81	60.65	134.45
8	Medium Supply	103.30	48.99	49.75	98.75
9	Small Power	18.42	9.25	8.55	17.80
10	Agriculture	1.62	0.73	0.64	1.37
11	Public Lighting	15.22	7.54	9.24	16.77

Sr. No.	Categories	Approved in ARR tariff order dated 30th March 2023	FY 2023-24		
			H1 (Actual)	H2 (Estimated)	Revised Estimates
12	Bulk Supply	85.90	46.57	34.96	81.53
13	Others Temp. Supply	3.57	2.46	2.29	4.76
14	EV Charging	0.68	0.00	4.51	4.51
Grand Total		1,674.13	857.36	731.08	1,588.43

The Petitioner has prayed to approve the revised sales of 1,588.43 MUs for FY 2023-24.

Commission's analysis:

The Commission has reviewed the data submitted by the Petitioner and observed that the Petitioner has projected the sales for second half of the year (H2) by escalating the H2 sales of previous year with appropriate CAGR. The Commission has determined the compound annual growth rate (CAGR) based on past year's actual sales. Based on the analysis of the actual sales information for FY 2022-23 (immediate past year) and the provisional information provided by the Petitioner for the initial 6 months of the FY 2023-24, the Commission has projected the sales for FY 2023-24 by extrapolating the actual sales data of FY 2022-23 with 5-year CAGR figure. In case of negative growth rate of sales, the Commission has considered zero growth for the relevant consumer category. The approved figures are given below:

Table 74 : Energy Sales (MUs) approved by the Commission for APR of FY 2023-24

Sr. No.	Categories	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	FY 2022-23 Actual	CAGR (%)	Approved by the Commission
1	Domestic – LT	825.34	706.67			804.86
2	Domestic – HT		26.40			
3	Domestic – Total	825.34	733.07	792.22	1.60	804.86
4	Commercial – LT	492.25	230.85			497.60
5	Commercial – HT		264.57			
6	Commercial – Total	492.25	495.42	497	0.12	497.60
7	Large Supply	127.84	134.45	123.85	0.66	124.67
8	Medium Supply	103.30	98.75	104.13	0.00	104.13
9	Small Power	18.42	17.80	18.85	0.00	18.85
10	Agriculture	1.62	1.37	1.57	1.88	1.60
11	Public Lighting	15.22	16.77	15.93	0.00	15.93
12	Bulk Supply	85.90	81.53	84.69	0.99	85.53
13	Others Temp. Supply	3.57	4.76	4.44	0.18	4.45
14	EV Charging	0.68	4.51	4.51	0.00	4.51
Grand Total		**1,674.13**	**1,588.43**	**1,647.19**		**1,662.12**

The Commission approves 1,662.12 MUs as energy sales in the APR of FY 2023-24.

4.5. Inter-State Transmission Loss

Petitioner's Submission:

The petitioner submitted the inter-state transmission losses as 4.03 % which is same as per the tariff order dated 30th March 2023.

Table 75: Inter-State Transmission Loss submitted by the Petitioner

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
Inter-State Transmission Loss (%)	4.03%	4.03%

Commission's analysis:

The Commission in the ARR of FY 2023-24 considers the inter-state transmission loss levels same as approved in the MYT Order dated 11th July 2022. The same inter-state transmission loss is considered for APR of FY 2023-24. The table below provides the Inter-State Transmission Losses submitted by the Petitioner and now approved by the Commission.

Table 76: Approved Inter-State Transmission Loss (%) for FY 2023-24

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
Inter-State Transmission Loss (%)	4.03%	4.03%	4.03%

The Commission approves the Inter-State Transmission Loss as 4.03 % in the APR of FY 2023-24.

4.6. Intra-State Transmission and Distribution (T&D) loss

Petitioner's Submission:

EWEDC submits the recommendation of Abraham Committee given for fixing the loss reduction targets for Distribution Utilities given at time of roll-out of APDRP Scheme which suggested that distribution utilities having losses more than 40% shall be given loss reduction targets of 4% per year; for utilities having losses between 30%-40% target of 3% per years; for utilities having losses between 20%-30% target of 2% per year and for utilities having losses below 20% target of 1% per year shall be given. Therefore, EWEDC has submitted the proposed target of T&D losses as 10.17%.

Commission's analysis:

The Commission in the ARR of FY 2023-24 considered the Intra-State T&D loss levels in line with the T&D loss levels approved in the MYT tariff Order dated 11.07.2022. The Commission continues to approve the T&D loss for APR of FY 2023-24 as per the same level. The table below provides the T&D Losses submitted by the Petitioner and now approved by the Commission.

Table 77: Approved Intra-State T&D loss (%) for FY 2023-24

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1	Intra-State distribution loss	8.40%	10.17%	8.40%

The Commission approves Intra-State T&D loss of 8.40 % in the APR of FY 2023-24.

4.7. Energy Balance

Petitioner's Submission:

The Petitioner has submitted the energy balance for FY 2023-24 as shown in the table below:

Table 78: Energy Balance (MUs) submitted by Petitioner

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
(A)	**Energy Availability**		
1	Availability from firm sources outside state	1,896.79	2,217.84
2	Less: Short Term Purchase/(Sale) incl. UI	(69.13)	(377.07)
3	Total Availability of Energy from outside the state		1,840.77
4	PGCIL Losses – MU		4.03%
5	PGCIL Losses - %		89.38
6	Total Availability of Energy at State Periphery from outside state after Interstate Losses		1,751.39
7	Availability from sources inside the state		16.92
8	Total Availability of Energy for the State	1,827.66	1,768.31
(B)	**Energy Requirement**		
1	Energy sales to metered category within the State	1,674.13	1,588.43

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
2	Total sales within the State	1,674.13	1,588.43
3	Distribution Losses (MU)	8.40%	10.17%
4	Distribution Losses (%)		179.87
5	**Total Energy Requirement at State Periphery**	**1,827.66**	**1,768.31**

Commission's analysis:

The JERC MYT Regulations, 2021 stipulate that the variation in sales constitutes "uncontrollable factors" that are beyond the control of the Petitioner and cannot be mitigated. Regulation 13.1 of the JERC MYT Regulations, 2021 in this regard stipulates the following:

"For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Inter- State Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission has determined the energy requirement under Energy Balance based on the revised estimates of energy sales and approved loss as discussed above. The rational for finalizing the approved availability from various sources, as considered under energy balance by the Commission, is discussed in subsequent section. The following table provides the Energy Balance now approved by the Commission for FY 2023-24.

Table 79: Energy Balance (MUs) approved by the Commission for FY 2023-24

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Approved by the Commission
(A)	**Energy Requirement**		
1	Energy sales to metered category within the State	1,674.13	1662.12
2	Total sales within the State	1,674.13	1662.12
3	Distribution Losses (%)	8.40%	8.40%
7	Total Energy Requirement at State Periphery	1,827.66	1814.54
5	Own Generation		16.91
6	Energy Required at State Periphery for sale from outside of the state		1797.63
(B)	**Energy Availability**		
1	Availability from firm sources outside of the state	1727.27	2125.06
2	CTU Losses - %		4.03%
3	Energy Scheduled at state periphery through CGS		2039.42
4	Power purchase from Renewable sources outside the state	169.51	158.27
5	Energy availability at state periphery	1896.79	2197.69
6	Less: Short Term Purchase/(Sale) incl. UI	(69.13)	(400.05)
7	**Total Availability of Energy for the State**	**1,827.66**	**1,797.63***

** (2125.06+158.27+16.91-400.05= 1900.19 which is matched as power purchase quantum in table no-81)*

In the APR of FY 2023-24, the Commission has approved energy requirement at the UT periphery as 1,797.63 MUs.

4.8. Power Purchase Quantum & Cost

Petitioner's Submission:

EWEDC submits that power purchase cost for FY 2023-24 has been re-estimated by considering the three components: capacity charges, energy charges and other charges. The approach for projecting each element to calculate the re-estimated power purchase cost for FY 2023-24 are listed below:

- Capacity charges for FY 2022-23 are escalated by 5%
- Rebate and Late Payment Charges are not considered as part of power purchase cost.
- Other Charges (comprising RLDC charges, Incentive, Arrears, Taxes and Supplementary Bills) for FY 2022-23 are escalated by 5%
- Energy charges realised on average basis in first half of FY 2023-24 are escalated by 2.5%
- Transmission Charges for FY 2022-23 are escalated by 5%
- Surplus energy considered to be sold at average variable rate, as the capacity charges irrespective of energy drawl have to be entirely borne by the distribution licensee.

The Petitioner has also estimated the energy availability from the different generating sources for FY 2023-24 based on their respective energy schedule in FY 2022-23 and FY 2021-22. Further, the Energy availability from BBMB has been computed by first considering their commitment of 1 LU/Day and 10 LU/Day and thereafter apportioning the balance quantum among the generating units as per their REA schedule. Therefore, the Petitioner has projected the power purchase quantum and power purchase cost given below:

Table 80: Power Purchase Quantum and cost submitted by the Petitioner

Sr. No.	Generating Stations	Approved				Revised Estimates				
		Qty	Capacity Charges	Energy Charges	Total	Qty	Capacity Charges	Other Charges	Energy Charges	Total
		MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.
A	Central Sector Power Stations (Hydro)									
I	NTPC (Hydro)									
1	KOLDAM HYDRO	49.12	13.84	12.05	25.89	47.76	13.71	0.27	11.67	25.64
2	SINGRAULI HYDRO	0.34	-	0.17	0.17	0.46	-	0.00	0.23	0.23
	Subtotal	49.46	13.84	12.22	26.06	48.22	13.71	0.27	11.90	25.87
II	NHPC									
3	DULHASTI	42.29	10.42	9.88	20.30	43.78	9.29	-3.91	10.02	15.40
4	PARBATI-III	14.05	6.31	2.16	8.47	14.13	6.43	0.17	2.18	8.77
5	URI II	20.91	6.18	4.44	10.62	27.84	5.34	2.55	5.69	13.59
6	SEWA II	6.91	3.81	1.83	5.65	12.15	3.78	0.54	3.22	7.53
7	CHAMERA III	22.53	4.31	4.70	9.01	22.77	4.96	0.10	4.73	9.79
8	TANAKPUR	5.26	1.36	0.87	2.22	5.41	1.21	0.91	0.97	3.09
9	DHAULIGANGA	29.02	4.24	3.58	7.82	29.38	4.02	1.66	3.62	9.30
10	CHAMERA I	69.73	8.19	7.95	16.14	73.41	7.90	-2.45	8.35	13.80
11	CHAMERA II	22.81	4.31	2.29	6.61	35.34	4.10	1.26	3.55	8.91

Sr. No.	Generating Stations	Approved				Revised Estimates				
		Qty	Capacity Charges	Energy Charges	Total	Qty	Capacity Charges	Other Charges	Energy Charges	Total
		MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.
12	URI	16.88	1.69	1.39	3.08	17.39	1.69	1.42	1.42	4.53
13	SALAL	8.54	0.77	0.53	1.30	8.68	0.77	2.22	0.54	3.54
14	Kishan Ganga	21.88	5.88	4.31	10.19	24.52	5.12	0.38	4.77	10.27
	Subtotal	280.81	57.47	43.92	101.39	314.80	54.61	4.85	49.07	108.52
III	THDC									
15	TEHRI	152.21	33.69	31.64	65.33	178.57	34.98	5.36	34.93	75.26
16	KOTESHWAR	15.04	3.99	3.61	7.60	16.25	3.99	2.57	3.89	10.45
	Subtotal	167.25	37.68	35.25	72.93	194.82	38.97	7.93	38.82	85.71
IV	SJVNL									
17	RAMPUR	19.21	5.02	3.89	8.91	19.25	4.67	1.72	3.88	10.26
18	NATHPA JHAKRI	102.09	15.94	11.36	27.30	114.44	15.18	-0.15	12.79	27.82
	Subtotal	121.31	20.97	15.25	36.21	133.69	19.86	1.57	16.66	38.09
V	BBMB									
19	BBMB 1 LU	-	-	-	-	38.14	-	-	14.68	14.68
20	BBMB 10 LU	-	-	-	-	381.37	-	-	146.83	146.83
21	Bhakhra	490.32	-	-	-	247.88	-	8.79	-	8.79
22	Dehar	80.68	-	11.54	11.54	37.20	-	6.57	-	6.57
23	Pong	19.58	-	130.50	130.50	8.33	-	2.39	-	2.39
	Subtotal	590.58	-	142.04	142.04	712.92	-	17.75	161.51	179.26
B	Central Sector Power Stations (Thermal/Gas/Nuclear)									
VI	APCPL									
24	JAJJAR	28.57	14.05	12.14	26.19	41.70	13.34	0.57	20.08	33.99
	Subtotal	28.57	14.05	12.14	26.19	41.70	13.34	0.57	20.08	33.99
VII	NTPC (Thermal)									
25	DADRI II	6.29	2.09	2.50	4.59	9.50	2.31	0.60	4.63	7.54
26	UNCHAHAR I	7.46	1.68	2.98	4.67	8.93	1.76	0.66	4.08	6.50
27	UNCHAHAR II	14.51	2.91	5.92	8.83	18.63	3.09	1.41	7.95	12.46
28	UNCHAHAR III	7.77	1.32	3.13	4.45	9.39	1.37	0.42	4.30	6.09
29	UNCHAHAR IV	20.55	6.18	7.75	13.93	24.61	6.59	4.31	10.52	21.42
30	KAHALGAON II	19.69	2.28	5.80	8.08	20.94	2.36	1.03	14.12	17.51
31	SINGRAULI	14.67	1.79	2.19	3.98	21.58	1.96	0.44	3.26	5.66
32	RIHAND III	41.76	7.83	6.33	14.15	49.67	8.32	0.89	7.77	16.98
33	RIHAND I	54.76	6.65	8.07	14.72	67.61	7.28	-0.13	10.45	17.60
34	RIHAND II	51.64	5.40	7.48	12.88	62.72	5.72	0.82	9.92	16.46
35	Tanda II	24.97	7.45	8.27	15.72	31.06	7.91	1.01	12.37	21.29
	Subtotal	264.07	45.58	60.43	106.01	324.65	48.68	11.46	89.37	149.52

Sr. No.	Generating Stations	Approved				Revised Estimates				
		Qty	Capacity Charges	Energy Charges	Total	Qty	Capacity Charges	Other Charges	Energy Charges	Total
		MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.
VII	MUNPL									
36	MEJA I	47.34	15.40	14.47	29.88	75.15	15.95	-0.22	23.77	39.51
	Subtotal	47.34	15.40	14.47	29.88	75.15	15.95	-0.22	23.77	39.51
IX	NTPC (Gas)									
37	DADRI	9.38	6.42	0.19	6.60	3.31	6.64	0.01	1.09	7.74
38	AURIYA	3.57	7.06	-	7.06	1.98	6.98	0.05	0.83	7.86
39	ANTA	2.66	5.73	5.41	11.15	0.43	5.87	-0.02	0.11	5.96
	Subtotal	15.61	19.21	5.60	24.81	5.72	19.49	0.04	2.03	21.56
X	NPCIL									
40	RAPP (Unit 5 & 6)-C	77.03	-	3.76	3.76	102.15	-	1.77	39.30	41.06
41	RAPP (Unit 3 & 4)-B	14.98	-	4.66	4.66	17.39	-	0.45	5.67	6.13
42	NAPS	70.26	-	3.95	3.95	88.35	-	0.22	26.99	27.21
	Subtotal	162.27	-	12.37	12.37	207.89	-	2.44	71.96	74.40
C	RPO Obligation									
XI	SECI									
43	Tranche-VI	151.48	0.14	43.78	43.92	158.27	-	0.01	45.75	45.75
	Subtotal	151.48	0.14	43.78	43.92	158.27	-	0.01	45.75	45.75
XII	Intra Solar									
44	Crest	18.03	-	11.49	11.49	14.31	-	-	10.10	10.10
45	Pvt. Solar	-	-	-	-	1.42	-	-	1.24	1.24
46	Net Solar	-	-	-	-	1.18	-	-	0.41	0.41
	Subtotal	18.03	-	11.49	11.49	16.92	-		11.75	11.75
D	Subtotal	1,896.79	224.35	423.03	647.38	2,234.76	224.60	46.67	542.66	813.93
XIII	Short-Term									
47	Short Term & UI	(69.13)	-	(22.74)	(22.74)	-377.07	-	-	-95.38	-95.38
	Subtotal	(69.13)	-	(22.74)	(22.74)	(377.07)	-	-	(95.38)	(95.38)
XIV	Transmission, RLDC & SLDC Charges									
48	PGCIL	-	117.87	-	117.87		132.54			132.54
49	UPPTCL						1.05			1.05
50	ULDC BBMB						0.16			0.16
51	NRLDC Charges						0.39			0.39
	Subtotal	-	117.87	-	117.87	-	134.14	-	-	134.14
52	Total Power Purchase Cost	1,827.66	342.22	400.30	742.52	1,857.68	358.75	46.67	447.29	852.70

The Petitioner requested the Commission to approve the revised estimate of power purchase cost of Rs. 852.70 Cr. for FY 2023-24 as submitted above.

Commission's analysis:

The Commission while estimating the power purchase quantum and cost for FY 2023-24 has reviewed the actual quantum and cost of power for first six-months, as submitted by the Petitioner. The Commission has projected the quantum of energy and corresponding cost for the remaining six-months of the FY 2023-24, as per the total energy availability approved for FY 2023-24. The methodology followed for projecting the quantum and cost for the remaining months has been discussed as follows:

A. Power Purchase Quantum

i. **Must-run plants (Renewable):** For renewable projects, energy availability estimation as submitted by the Petitioner is considered after verifying actual H1 data and H2 data projected by the Petitioner.

ii. **Availability of energy from NHPC, BBMB, THDC, SJVNL:** The Commission analysed the energy availability from above Power Stations as submitted by the Petitioner and the plant wise average plant availability factor is derived based on last three-year PLF data. The average plant availability factor is considered for projecting the energy availability during FY 2023-24 from above mentioned sources.

iii. **Availability of energy from NTPC Stations:** The Commission has analysed the total energy requirement, availability from various projects (which are must run), as approved above, and decides the remaining power requirement from NTPC Power Stations, following MOD Principle. The plant wise availability of NTPC is derived based on technical minimum criteria.

iv. **Availability of energy from NPCIL and NTPC Gas Power Plant:** The Commission analysed the energy availability from NPCIL and NTPC Gas based Power Stations as submitted by the Petitioner and found it prudent to consider the Petitioner's projections for FY 2023-24.

B. Power Purchase Cost

The Commission has computed the power purchase cost for the FY 2023-24 based on the following assumptions:

i. **Variable Charges:** The Commission has considered the latest per unit variable cost (i.e., Sept, 2023) as submitted by the Petitioner for FY 2023-24 for estimation of energy charges.

ii. **Fixed Charges:** The Commission has considered the fixed charges based on the provisional cost submitted by the Petitioner for FY 2023-24 for NTPC, BBMB, NHPC, THDC, NTPC (gas) and SJVNL plants.

iii. **Other Charges:** The Commission has reviewed the actual data of other charges related to all power plant for FY 2023-24 and approved the cost as per the data submitted by the Petitioner in this regard.

iv. **Renewable energy:** The Commission has reviewed the actual data related to renewable energy for FY 2023-24 and approved the cost as per recent months data submitted by the Petitioner in this regard.

v. **Transmission Charges:** The Commission has approved the transmission charges payable to CTU based on the projected cost submitted by the Petitioner for FY 2023-24.

vi. **Surplus Power:** Based on the availability and requirement, the Commission considers (400.05) MU as surplus power, which can be sold in the open market by the Petitioner. The Commission has considered the same rate as proposed by the Petitioner for sale of surplus power in the short-term market. Based upon such rate of sale of surplus power, the revenue from sale of surplus power would be Rs. 100.81 Cr. This amount is deducted from power purchase cost to find out the net power purchase cost for FY 2023-24.

C. Total power purchase quantum and cost

The power purchase quantum and cost approved by the Commission for the FY 2023-24 have been shown in the following tables:

Table 81: Power Purchase Quantum and cost approved by the Commission for FY 2023-24

Sr. No.	Generating Stations	Approved in APR				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.
I	NTPC (Hydro)					
1	KOLDAM HYDRO	54.89	13.71	13.45	0.27	27.43
2	SINGRAULI HYDRO	0.40	0.00	0.20	0.00	0.20
II	NHPC					
3	DULHASTI	49.04	9.29	11.43	(3.91)	16.81
4	PARBATI-III	15.86	6.43	2.44	0.17	9.04
5	URI II	28.81	5.34	6.14	2.55	14.03
6	SEWA II	8.30	3.78	1.83	0.54	6.15
7	CHAMERA III	25.08	4.96	5.24	0.10	10.30
8	TANAKPUR	5.87	1.21	1.45	0.91	3.57
9	DHAULIGANGA	32.03	4.02	4.10	1.66	9.78
10	CHAMERA I	89.94	7.90	10.25	-2.45	15.70
11	CHAMERA II	32.90	4.10	3.29	1.26	8.65
12	URI	20.21	1.69	1.94	1.42	5.05
13	SALAL	10.20	0.77	0.80	2.22	3.79
14	Kishan Ganga	24.35	5.12	4.80	0.38	10.30
III	THDC					

Sr. No.	Generating Stations	Approved in APR				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.
15	TEHRI	199.28	34.98	42.05	5.36	82.39
16	KOTESHWAR	17.58	3.99	4.83	2.57	11.39
IV	SJVNL					
17	RAMPUR	21.32	4.67	4.43	1.72	10.82
18	NATHPA JHAKRI	127.42	15.18	15.29	(0.15)	30.32
V	BBMB					
19	BBMB 1 LU	38.14	0.00	14.68	-	14.68
20	BBMB 10 LU	381.37	0.00	146.83	-	146.83
21	Bhakhra	260.33	0.00	0.00	11.40	11.40
22	Dehar	38.09	0.00	0.00	10.57	10.57
23	Pong	9.60	0.00	0.00	1.78	1.78
VI	APCPL					
24	JAJJAR	50.60	13.34	22.06	0.57	35.97
VII	NTPC (Thermal)					
25	DADRI II	15.68	2.31	6.07	0.60	8.98
26	UNCHAHAR I	12.05	1.76	5.78	0.66	8.20
27	UNCHAHAR II	21.71	3.09	8.45	1.41	12.95
28	UNCHAHAR III	8.47	1.37	3.88	0.42	5.67
29	UNCHAHAR IV	28.93	6.59	12.38	4.31	23.28
30	KAHALGAON II	14.45	2.36	4.25	1.03	7.64
31	SINGRAULI	29.14	1.96	3.67	0.44	6.07
32	RIHAND III	43.74	8.32	4.86	0.89	14.07
33	RIHAND I	62.66	7.28	9.34	(0.13)	16.49
34	RIHAND II	54.28	5.72	7.87	0.82	14.41
35	Tanda II	20.16	7.91	7.74	1.01	16.66
VII	MUNPL					
36	MEJA I	58.57	15.95	17.75	(0.22)	33.48
IX	NTPC (Gas)					
37	DADRI	3.31	6.64	3.70	0.01	10.35
38	AURIYA	1.98	6.98	2.35	0.05	9.38
39	ANTA	0.43	5.87	0.49	(0.02)	6.34
X	NPCIL					
40	RAPP (Unit 5 & 6)-C	102.15	0.00	38.20	1.77	39.97
41	RAPP (Unit 3 & 4)-B	17.39	0.00	5.51	0.45	5.96
42	NAPS	88.35	0.00	26.24	0.22	26.46
XI	SECI					
43	Tranche-VI	158.27	0.00	45.74	0.01	45.75
	Subtotal					
XII	Intra Solar					
44	Crest	14.31	0.00	9.75	0.00	9.75
45	Pvt. Solar	1.42	0.00	1.24	0.00	1.24
46	Net Solar	1.18	0.00	0.39	0.00	0.39
XIII	Short-Term					
47	Short Term & UI	(400.05)		(100.81)	0.00	(100.81)

Sr. No.	Generating Stations	Approved in APR				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.
XIV	Transmission, RLDC & SLDC Charges					
48	CTU /PGCIL		132.54			132.54
49	UPPTCL		1.05			1.05
50	ULDC BBMB		0.16			0.16
51	NRLDC Charges		0.39			0.39
52	**Total Power Purchase Cost**	**1900.18**	**358.73**	**442.37**	**52.67**	**853.77**

The Commission approves the revised quantum of power purchase as 1900.18 MUs at ex-bus with total cost of Rs. 853.77 Cr. in the APR of FY 2023-24.

4.9. Renewable Purchase Obligations (RPOs)

Petitioner's Submission:

EWEDC submits that in the past the solar generation from gross & net metering plants at the end of the fiscal year become sufficient enough for compliance of Solar RPO targets. Hence, solar generation achieved in FY 2022-23 has been considered for re-estimation of Solar RPO compliance for FY 2023-24. However, the Petitioner has also submitted that for compliance of HPO, concerted efforts to contract power from an eligible Hydro generation source is under process. Thus, EWEDC prays the Commission that as a one-time measure the shortfall in HPO may be allowed to meet from the excess achieved RPO as allowed once to meet non solar RPO with excess achieved solar RPO. The following tables are given below:

Table 82: Effective Energy Sales (Excluding Hydro) for FY 2023-24

Sr. No.	Particular	Formula	FY 2023-24
1	Energy Sales within UT (In MU)	a	1,588.43
2	Hydro Power Purchase (In MU)	b	1,404.46
3	Inter-State Loss (In Percentage)	c	4.03%
4	Inter-State Loss (In MU)	d=b*c	56.60
5	Intra-State Loss (In Percentage)	E	10.17%
6	Intra-State Loss (In MU)	f=e*(b-d)	137.10
7	Hydro Power Consumed (In MU)	g=b-d-f	1,210.76
8	Conventional Power Consumed (In MU)	h=a-g	377.68

Table 83: RPO (Solar and Non-Solar) Compliance for FY 2023-24

Particulars	RPO %	Target		*Backlog (FY 2022-23)			Total RPO (MU)	RPO Met (MU)	RPO Balance (MU)
		Conventional Power Consumed (MU)	Units (MU)	RPO Target (MU)	RPO Met (MU)	RPO Balance (MU)			
Solar	10.00%	377.68	37.77	55.49	57.27	-	37.77	57.27	-
Non-Solar	9.25%	377.68	34.94	55.49	132.34	-	34.94	158.73	-
Total	19.25%		72.70	110.98	189.61	-	72.70	216.00	-

Table 84: HPO Compliance for FY 2023-24

Particulars	Units	Approved	Petitioner's Submission
Sales within State (MU)	MU	1,632.68	1,588.43
HPO obligation (%)	%	0.66%	0.66%
HPO obligation for the year	MU	10.78	10.48
Energy from LHP (COD after 8th March, 2019)	MU	-	-
HPO Shortfall	MU	10.78	10.48
HPO Backlog of FY 2022-23	MU	5.73	5.73
Total HPO Targets	MU		16.21

Commission Analysis:

The Commission notes that as per Regulation 3, Sub-regulation (1) of the JERC (Procurement of Renewable Energy) Regulations, 2010:

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

The Commission notified the JERC (Procurement of Renewable Energy), (Fourth Amendment) Regulations, 2022 on 24th March 2022 and revised the RPO targets, according to which for FY 2023-24, the Petitioner is obligated to purchase power from renewable sources at minimum percentage of 19.91% of its total annual consumption, out of which 10.00% must be from Solar Power.

Further, the cumulative backlog of solar and non-solar compliance up to FY 2021-22 has been considered as per the true-up for FY 2021-22. Accordingly, the RPO approved by the Commission in the APR of FY 2023-24 is as follows:

Table 85: Renewable Purchase Obligation (RPO) (MUs) approved by the Commission for FY 2023-24

Description	Approved by the Commission
Sales within State (MU) (A)	1662.12
Hydro Power available at gen (MU) (B)	1259.84
Inter-State Loss (%)	4.03%
Inter-State Loss (MU)	50.77
Intra-State Loss (%)	8.40%
Intra-State Loss (MU)	101.56
Hydro Power Consumed (E = B -C- D)	1107.51
Conventional Power Consumed (F = A - E)	554.61
RPO obligation (%)	19.91%
Solar (G)	10.00%
Non-Solar (H)	9.25%
HPO (I)	0.66%
RPO obligation for the year (MU)	110.42
Solar (F * G)	55.46
Non-Solar (F * H)	51.30
HPO (F*I)	3.66
Backlog up to previous FY	2.19
Solar	0.00
Non-Solar	0.00
HPO	2.19
Cumulative RPO target to be fulfilled in FY (MUs)	112.62
Solar	55.46
Non-Solar	51.30
HPO	5.85
RPO Compliance in FY (MU)	216.00
Solar	57.27
Non-Solar	158.73
HPO	0.00
Standalone RPO Shortfall/(Surplus) (MU)	3.66
Solar	-
Non-Solar	-
HPO	3.66
Cumulative RPO Shortfall/(Surplus) (MUs)	5.85
Solar	-
Non-Solar	-
HPO	5.85

The Commission notes that there is a net shortfall of 5.85 MUs in RPO compliance till FY 2023-24. The same has to be carried forward to the subsequent years.

4.10. Operation & Maintenance Expenses

As per Regulation 61 of JERC MYT Regulations, 2021, the Commission shall stipulate separate trajectory of norms for each component of O&M expenses.

"*61 Operation and Maintenance (O&M) expenses for Retail Supply Business*

61.1 The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation.

61.2 O&M Expenses shall comprise of the following:

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

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

c) Repairs and Maintenance expenses.

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

61.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

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

Where,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 15."

Accordingly, the various components of O&M expenses have been dealt with in subsequent sections.

4.10.1. Employee Expenses

Petitioner's Submission:

The Petitioner has submitted that the normative value of various components of Operation and Maintenance expenses approved in the APR for FY 2022-23 in Tariff Order dated 30th March, 2023 are escalated with appropriate inflation factor and other factors as the case may be for estimating the O&M expenses for FY 2023-24. Details of calculations for estimating the Employee Expenses for FY 2023-24 are shown in the table below:

Table 86: Employee Expenses submitted by the Petitioner for FY 2023-24 (Rs Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
Employee Expenses for Previous Year	92.82	92.82
Growth factor (Gn) approved in 3rd MYT Order	-4.70%	-4.70%
CPI Inflation	5.89%	5.40%
Employee Expenses	93.68	93.23

Commission's analysis:

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the Employee expenses for the FY 2023-24 under APR. Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

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

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

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

Therefore, the Commission determines the employee expenses for FY 2023-24 based on the base value, manpower plan and CPI of respective year. In the present order, the Commission has finalised the true-up expenses of FY 2021-22 and finds its prudent to consider the normative expense for FY 2022-23 as base for APR of FY 2023-24.

The employee expenses of the Base Year have been escalated by Growth Rate as per manpower submitted by the Petitioner and the average CPI Inflation of the last three years. The CPI inflation has been computed as follows:

Table 87: CPI Inflation Index

FY	Average of (April – March)	Increase in CPI Index	Average increase In CPI indices over 3 years
FY 2019-20	322.50		
FY 2020-21	338.70	5.02 %	
FY 2021-22	356.10	5.13 %	
FY 2022-23	377.60	6.05 %	5.40%

Further, the Petitioner has provided the details of manpower details including the recruitment and retirement for FY 2022-23 and FY 2023-24. The Commission has considered the same while approving the normative expense for FY 2023-24. The details are given below:

Table 88: Computation of Employee expenses (Rs Cr)

Particulars	FY 2022-23	Approved
		FY 2023-24
Base Employee Expenses	93.50**	100.56
Gn (Growth factor) *	1.57%	5.44%
CPI (in %)	5.90%	5.40 %
Total Employee Expenses	100.56	111.76

** For FY 2021-22 the total employee is 1,086, FY 2022-23 is 1,103 and for FY 2023-24 is 1,163.*

*** This is approved normative expenses for FY 2021-22 as per true-up of FY 2021-22 finalised by the Commission in this order.*

Accordingly, the employee expenses approved by the Commission in the APR of FY 2023-24 have been provided in the following table:

Table 89: Approved Employee expenses for FY 2023-24 (Rs Cr)

Particulars	Approved in Tariff Order	Petitioner's Submission	Approved by the Commission
Employee Expenses	93.68	93.23	111.76

The Commission approves Employee Expenses of Rs. 111.76 Cr. in APR for FY 2023-24.

4.10.2. Repair and Maintenance Expenses (R&M)

Petitioner's Submission:

The estimated R&M expenses for FY 2023-24, as projected by the Petitioner, are shown in the following Table:

Table 90: R&M expenses for FY 2023-24 as submitted by the Petitioner (Rs Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
GFA for Previous Year (n-1)	543.70	488.81
K factor (K) in MYT Order 3rd Control Period	3.21%	3.21%
WPI Inflation	5.32%	7.90%
R&M Expenses	18.40	16.93

Commission's analysis:

For APR of FY 2023-24, the Commission has considered the K factor as 3.21% as approved in the MYT order dated 11th July, 2022. Considering the formula given in the JERC MYT Regulations 2021, GFA of previous year is multiplied with K factor. The resultant amount has been escalated by 3 years' average WPI Inflation to arrive upon the R&M Expenses for FY 2023-24. The WPI Inflation has been computed as follows:

Table 91: Computation of WPI Inflation

FY	Average of (Apr-Mar)	Increase in (%)	Average increase in WPI indices over 3 years
2019-20	121.80		
2020-21	123.40	1.31%	
2021-22	139.40	12.97%	
2022-23	152.50	9.40 %	7.89%

The R&M expenses approved by the Commission for FY 2023-24 have been provided in the following table:

Table 92: Computation for R&M Expenses for FY 2023-24 (Rs Cr)

Particulars	Values
Opening GFA (GFAn-1)	488.80
K factor approved (K) (%)	3.21%
WPI Inflation (%)	7.89%
R&M Expenses = K x (GFA n-1) x (1+WPIinflation)	16.93

Table 93: R&M Expenses approved by the Commission for FY 2023-24 (Rs Cr)

Sr. No	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1	Repair & Maintenance Expenses (R&M)	18.40	16.93	16.93

The Commission estimates the Repair & Maintenance (R&M) expenses of Rs. 16.93 Cr in the APR of FY 2023-24.

4.10.3. Administrative and General (A&G) Expenses

Petitioner's Submission:

The calculations for estimating the A&G Expenses for FY 2023-24 as submitted by the Petitioner are shown in the table below:

Table 94: A&G Expenses for FY 2023-24 (Rs. Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
A&G Expenses for Previous Year	6.65	6.65
CPI Inflation	5.89%	5.40%
Administrative & General Expenses	7.04	7.01

Commission's analysis:

As explained under employee expenses, the Commission has considered the base value as normative expense for FY 2022-23. Therefore, the Commission finds it prudent to revise the A&G expenses for FY 2023-24 by considering FY 2022-23 normative expenses with escalation by the average CPI Inflation of the last three years. The A&G expenses approved by the Commission for FY 2023-24 (under APR) have been provided in the following table:

Table 95: Computation of A&G expenses (Rs Cr)

Sr. No.	Particulars	FY 2022-23	Approved
			FY 2023-24
1	Base A&G Expenses	7.71*	8.16
2	CPI (in %)	5.90%	5.40%
3	A&G Expenses	8.16	8.61

*** This is approved normative expenses for FY 2021-22 as per true-up of FY 2021-22 finalised by the Commission in this order.*

Table 96: A&G Expenses approved by Commission (Rs Cr) for FY 2023-24

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1	A&G Expenses	7.04	7.01	8.61

The Commission estimates the Administrative & General (A&G) expenses of Rs. 8.61 Cr in the APR of FY 2023-24.

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

The following table provides the O&M expenses approved in the ARR of FY 2023-24, Petitioner's Submission and now approved by the Commission.

Table 97: Total O&M Expenses approved by the Commission for FY 2023-24 (Rs Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
A&G Costs	7.04	7.01	8.61
R&M Expenses	18.40	16.93	16.93
Employee Cost	93.68	92.33	111.76
Total O&M Expenses	119.12	117.17	137.29

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 137.29 Cr in the APR of FY 2023-24.

4.11. Capital Expenditure & Capitalization

Petitioner's Submission:

EWEDC submits that approved capital expenditure plan and capitalisation as per the planned work schedule of various existing and new schemes have been considered for re-estimating the Capital Expenditure and Capitalisation Plan for FY 2023-24. Details of re-estimates of capital expenditure and capitalisation plan for FY 2023-24 are shown in table below.

Table 98: GFA Revised Estimates for FY 2023-24 (Rs. Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
Capital Expenditure	50.94	50.94
Capitalization	47.39	52.55

Commission's analysis:

The Commission has noted that the Petitioner has claimed for capitalization of existing and new schemes with associated capital cost of Rs. 52.55 Cr. However, the Petitioner has not replied with respect to the overcapitalization against the approved schemes. The Commission is of the opinion that such excess expenditure is nothing but on account of cost overrun and/or time-over-run and directs the Petitioner to file a separate petition before the Commission for approval of additional costs incurred on account of cost overrun and/or time-over-run giving proper justification for time-over-run/cost-over-run. However, the Commission had a serious concern regarding the lower capitalization of FY 2021-22. Accordingly, the Petitioner is directed to take prior approval of such capitalization along with associated capex and also directs the Petitioner to implement their work within the time. In view of the above, the Capital Structure approved by the Commission for FY 2023-24 is shown in the following tables:

Table 99: Capitalisation approved by the Commission (Rs. Cr.) for FY 2023-24

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1	Capitalisation	47.39	52.55	47.39

The Commission approves capitalization of Rs. 47.39 Cr in the APR of FY 2023-24. The same will be reviewed at the time of True-up.

4.12. Capital Structure

Petitioner's Submission:

The Petitioner has proposed that the entire capitalisation for FY 2023-24 shall be through deployment of equity.

Commission's analysis:

Regulation 27 of the JERC MYT Regulations, 2021 specifies the following:

"27. Debt to Equity Ratio

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

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

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

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

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

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

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

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

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

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

The Commission notes that the Petitioner proposed to fund the capitalization through equity only. However, as mentioned above, if the actual equity deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff. Hence, the Commission follows the same and considered a standard 70:30 ratio for loan: equity. Accordingly, the capital structure for capitalization of Rs. 47.39 Cr. as approved in previous order dated 30th March, 2023 is given in the following table:

Table 100 : Capital Structure approved by Commission (Rs Cr) for FY 2023-24

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
Capitalization during the year	47.39	52.55	47.39
Normative loan addition During the FY @70% of GFA addition during year	33.18	36.79	33.18
Equity addition on account of new Capitalisation @30% of GFA addition during the year	14.22	15.77	14.22

4.13. Depreciation

Petitioner's Submission:

EWEDC submitted that revised estimates of Opening and Closing Balance of GFA for FY 2023-24 has been calculated by considering the Closing Balance of Gross Fixed Assets (GFA) for FY 2021-22 as per the annual accounts (Rs. 296.25 Cr.) and subsequent addition in assets during the year as per actual for FY 2022-23 (Rs. 9.58 Cr) & proposed for FY 2023-24 (Rs. 52.55 Cr.). The details of calculations of revised estimates of Gross Fixed Assets for FY 2023-24 are shown in the table below:

Table 101: Depreciation for FY 2023-24 submitted by the Petitioner (Rs. Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
Opening Gross Fixed Assets	343.67	306.40
Addition of Assets during the year	47.39	52.55
Adjustment	-	-
Closing Gross Fixed Assets	391.07	358.95
Average Gross Fixed Assets	367.37	332.67

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
Average Rate of Depreciation	3.51%	3.46%
Depreciation for the Year	12.91	11.52

Commission's Analysis:

Regulation 31 of the JERC MYT Regulations, 2021 stipulates the following:

"31. Depreciation

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

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

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

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

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) per cent of the allowable capital cost.

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

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

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

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

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

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

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

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

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

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

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

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

The opening GFA of the FY 2023-24 is considered as the closing GFA of FY 2022-23. The closing GFA of FY 2022-23 has been derived based on the data submitted by the Petitioner. Therefore, depreciation for the year has been computed on average Gross Fixed Assets (GFA) after considering the net addition approved during the year. The approved depreciation for APR of FY 2023-24 is given below.

Table 102: Gross Fixed Asset for FY 2022-23 (Rs. Cr)

Particulars	Opening GFA	Addition of Assets	Closing GFA
Land	-	-	-
Building	27.17	-	27.17
Plant & Machinery	251.19	9.55	260.74
Vehicles	0.39	0.02	0.41
Furniture and Fixtures	-	-	-
Office Equipment	0.39	0.01	0.40
Total	279.14	9.58	288.72

Table 103: Gross Fixed Asset for FY 2023-24 (Rs. Cr)

Particulars	Dep. Rate	Opening GFA	Addition of Assets	Depreciation	Closing GFA	Avg. Dep. Rate
Land	0.00%	-	-	-	-	
Building	1.80%	27.17	-	0.49	27.17	
Plant & Machinery	3.60%	260.74	47.14	10.24	307.88	
Vehicles	18.00%	0.41	0.13	0.09	0.54	
Furniture and Fixtures	6.00%	-	0.02	-	0.02	

Particulars	Dep. Rate	Opening GFA	Addition of Assets	Depreciation	Closing GFA	Avg. Dep. Rate
Office Equipment	6.00%	0.40	0.10	0.03	0.50	
Total		288.72	47.39	10.84	336.11	3.47%

Table 104 : Depreciation approved by Commission (Rs Cr) for FY 2023-24

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved in APR
Opening Gross Fixed Assets	343.67	306.40	288.72
Addition of Assets during the year	47.39	52.55	47.39
Adjustment	-	-	0.00
Closing Gross Fixed Assets	391.07	358.95	336.11
Average Gross Fixed Assets	367.37	332.67	312.42
Average Rate of Depreciation	3.51%	3.46%	3.47%
Depreciation for the Year	12.91	11.52	10.84

The Commission now approves depreciation of Rs. 10.84 Cr in the APR of FY 2023-24.

4.14. Interest and Finance Charges

Petitioner's Submission:

The Petitioner has considered the closing balance of normative loans as submitted in above section of True Up for FY 2021-22 and subsequent normative additions in loans during the year @ 70% of capitalisation as per actual for FY 2022-23 and proposed for FY 2023-24, normative repayment of loans equivalent to the depreciation as per actual for FY 2022-23 and re-estimates proposed for FY 2023-24 and 1 Year SBI MCLR rate applicable on 1st April 2023 plus 100 basis points has been considered to re-estimate the interest on loans for FY 2023-24. The details of calculations of re-estimates of Interest on Loans for FY 2023-24 are shown in the table below:

Table 105 : Interest & Finance Charges for FY 2023-24, Petitioner's submission (Rs. Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Normative Loans for FY 2022-23	Petitioner's Submission
Opening Normative Loans	34.19	-	-
Add: Normative Loans	33.17	6.72	36.79
Less: Normative Repayment	12.91	10.94	11.52
Closing Normative Loans	54.45	-	25.27
Average Normative Loans	44.32		12.63
Rate of Interest	8.00%		9.50%
Interest on Normative Loans	3.55		1.20

Commission's analysis:

Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

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

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

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

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Commission has finalised the true-up for FY 2021-22 and approved NIL normative loan at the end of FY 2021-22. For FY 2022-23, the addition in normative loan and repayment has been calculated by the Commission based on the data submitted by the Petitioner for the relevant year. Subsequently, for FY 2023-24, 70% of approved capitalization is considered as addition in normative loan for FY 2023-24.

As the Petitioner only has normative loan and no actual loan i.e., no fixed assets in operation which are funded through loans, the Commission has considered the SBI 1 Year MCLR rate as on 1st April 2023, plus 100 basis points (i.e., 8.50% + 1%) as Rate of Interest, in accordance with the JERC MYT Regulations, 2021. The Interest on Loan has been calculated on the basis of average loan during the year. The detailed approved interest on loan is given below.

Table 106: Interest and Finance charges approved by Commission (Rs Cr) for FY 2023-24

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission	Approved by the Commission
Opening loan for FY 2022-23			0.00
Add: Normative Loans FY 22-23			6.71
Less: Normative Repayment FY 22-23			9.80
Opening Normative Loan for FY 2023-24	34.19	-	0.00
Add: Normative Loans FY 23-24	33.17	36.79	33.17
Less: Normative Repayment FY 23-24	12.91	11.52	10.84
Closing Normative Loans	54.45	25.27	22.34
Average Normative Loans	44.32	12.63	11.17
Rate of Interest	8.00%	9.50%	9.50%
Interest on Normative Loans	3.55	1.20	1.06

The Commission approves Interest and Finance Charges of Rs. 1.06 Cr in the APR of FY 2023-24.

4.15. Return on Equity (RoE)

Petitioner's Submission:

The re-estimates of Return on Equity for FY 2023-24 has been calculated as per the Regulation 28 of MYT Regulations, 2021. The closing balance of equity as submitted in above section of True Up for FY 2021-22, addition of normative equity in subsequent year as per 30% of capitalisation in actual for FY 2022-23 and proposed for FY 2023-24 has been considered for calculating the re-estimates of opening balance of normative equity for FY 2023-24. The details of calculation for re-estimating the Return on Equity for FY 2023-24 are shown in the table below:

Table 107: Return on Equity for FY 2023-24, Petitioner submission (Rs. Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
Closing Equity for FY 2022-23	137.82	137.81
Equity Addition during the year for FY 2022-23	19.34	2.88
Opening Equity for FY 2023-24	157.16	140.69
Additions on account of new capitalization	14.22	15.77
Closing Equity for FY 2023-24	171.38	156.45
Average Equity	164.27	148.57

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
Average Equity (Wires Business)	147.84	133.71
Average Equity (Retail Supply Business)	16.43	14.86
Return on Equity for Wires Business (%)	15.50%	15.50%
Return on Equity for Retail Supply Business (%)	16.00%	16.00%
Return on Equity for Wires Business	22.92	20.73
Return on Equity for Retail Supply Business	2.63	2.38
Return on Equity	25.54	23.10

Commission's analysis:

The Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following:

"28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum."

The Commission has approved the addition in GFA during the year and corresponding equity for FY 2023-24, under APR, by considering 30% of the approved GFA during FY 2023-24 as equity. The opening equity is considered as closing equity for FY 2022-23 which is based on the data submitted by the Petitioner. Further, the Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the JERC MYT Regulations, 2021 i.e., 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a post-tax rate of 15.50% for the Distribution Wires Business and a post-tax rate of 16% for the Retail Supply Business. The details of approved RoE for FY 2023-24 are given below.

Table 108: ROE approved by the Commission for FY 2023-24 (Rs Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission	Approved in APR
Opening Equity for FY 2022-23	137.82	137.81	137.81
Equity Addition during the year for FY 2022-23	19.34	2.88	2.87
Opening Equity for FY 2023-24	157.16	140.69	140.68
Additions on account of new capitalisation	14.22	15.77	14.22
Closing Equity for FY 2023-24	171.38	156.45	154.90
Average Equity	164.27	148.57	147.79
Average Equity (Wires Business)	147.84	133.71	133.01

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission	Approved in APR
Average Equity (Retail Supply Business)	16.43	14.86	14.78
Return on Equity for Wires Business (%)	15.50%	15.50%	15.50%
Return on Equity for Retail Supply Business (%)	16.00%	16.00%	16.00%
Return on Equity for Wires Business	22.92	20.73	20.62
Return on Equity for Retail Supply Business	2.63	2.38	2.36
Return on Equity	25.54	23.10	22.98

The Commission approves the Return on Equity of Rs. 22.98 Cr in the APR of FY 2023-24.

4.16. Interest On Security Deposit

Petitioner's Submission:

The closing balance of Consumer Security Deposit as submitted in the True Up for FY 2021-22, subsequent addition in consumer security deposit during the year as per actual for FY 2022-23 and proposed for FY 2023-24 by considering the percentage increase in the number of consumers during the year on the opening balance of security deposit for FY 2023-24 and RBI Bank Rate prevailing on 1st April 2023 have been considered for calculating the revised estimates of Interest on Consumer Security Deposit for FY 2023-24. The details of calculations for re-estimating the Interest on Consumer Security Deposit for FY 2023-24 are shown in the table below:

Table 109: Interest on Security Deposit for FY 2023-24, Petitioner submission (Rs. Cr)

Particulars	Approved in ARR tariff order dated 30th March 2023	Actual for FY 2022-23	Petitioner's Submission
Opening Consumer Security Deposit	174.92	173.23	169.65
Add: Deposit Addition	1.71	11.62	1.43
Less: Deposit Refunded	-	15.20	
Closing Consumer Security Deposit	176.63	169.65	171.08
Average Deposit	175.78		170.37
Bank Rate	4.25%		6.75%
Interest on Consumer Security Deposit	7.47		11.50

The Petitioner has requested to allow the Interest on Security Deposit for FY 2023-24 is Rs.11.50 Cr.

Commission's analysis:

Interest on Security Deposits has been calculated in accordance with the JERC MYT Regulations, 2021 based on the average of opening and closing consumer security deposits during the year. Regulation 29.11 of the JERC MYT Regulations, 2021 stipulates the following:

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

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

The opening security deposit of FY 2023-24 is considered as per closing security deposit for FY 2022-23 which is based on the data submitted by the Petitioner. The deposit addition during the FY 2022-23 is considered as per the submission by the Petitioner. The addition during the year (FY 2023-24) has been considered as per the Petitioner's submission regarding security deposit during the year for FY 2023-24. The same shall be trued up by the Commission. The rate of interest has been considered equivalent to the prevailing RBI Bank rate. The following table provides the calculation of interest on consumer security deposits approved for the FY 2023- 24:

Table 110: Interest on Consumer Security Deposits approved by Commission (Rs Cr) for FY 2023-24

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1	Opening security deposit for FY 2022-23			173.23
2	Add: Deposits During the year for FY 2022-23			-3.58
3	Opening Security Deposit	174.92	173.23	169.65
4	Add: Deposits During the year for FY 2023-24	1.71	11.62	1.43
5	Less: Deposits refunded	-	15.20	-
6	Closing Security Deposit	176.63	169.65	171.08
7	Average Security Deposit	175.78		170.37
8	Rate of Interest (%)	4.25%		6.75%
9	Interest on Security Deposit on normative basis	7.47	11.50	11.50

The Commission approves Interest on Security Deposit as Rs. 11.50 Cr in the APR of FY 2023-24.

4.17. Interest on Working Capital

Petitioner's Submission:

The computation of Interest on Working Capital for FY 2023-24, as submitted by the Petitioner, is provided in the table below:

Table 111: Interest on Working Capital for FY 2023-24 for Wire Business (Rs. Cr.), submitted by the Petitioner

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
Two months receivables from consumers @ existing tariff	148.31	138.46
Add: One month O&M Expenses	9.93	9.76
Add: 40% of repair & maintenance expenses for one month	0.61	0.56
Less: Consumer Security Deposit excl. BG	175.77	170.37
Less: Power Purchase cost for one (1) month	62.20	71.06
Total Working Capital after deduction of Consumer Security Deposit	(79.12)	(92.63)
Interest Rate (%)	9.00%	10.50%
Interest on Working Capital	-	-

Commission's analysis:

The Regulation 53 of the JERC MYT Regulations, 2021 stipulates the following:

"53. Norms of Working Capital for Distribution Wires Business

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

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

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

(c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff;

Less:

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

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

Further, Regulation 64 of the JERC MYT Regulation, 2021 stipulates the following:

"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail

Supply Business for the Financial Year, computed as follows:

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

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

(c) Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;

Less

(d) Power Purchase cost for one (1) month; plus

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

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

Further, Regulation 32.3 of the JERC MYT Regulation, 2021 stipulates the following:

"32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

The Commission has computed the Interest on Working Capital for FY 2023-24 in accordance with the JERC MYT Regulations, 2021. The components of working capital are derived based on the approved values given in APR of FY 2023-24 by the Commission. The interest rate has been considered as 10.50% (1year MCLR as on 1st April 2023 i.e., 8.50% + 200 basis points). The following table provides the Interest on working Capital considered for the FY 2023-24.

Table 112: Interest on Working Capital approved by Commission (Rs Cr) for FY 2023-24

Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
O&M Expense for 1 month	9.93	9.76	11.44
Maintenance spares at 40% of R&M expenses for one (1) month;	0.61	0.56	0.56
Receivables equivalent to two (2) months of the expected revenue at prevailing tariff	148.31	138.46	142.06
Less: Amount held as security deposits	175.77	170.37	170.37
Less: Power Purchase Cost	62.20	71.06	71.15
Net Working Capital	(79.12)	(92.63)	(87.45)
Rate of Interest (%)	9.00%	10.50%	10.50%
Interest on Working Capital	-	-	-

Accordingly, the Commission approves NIL Interest on Working Capital in the APR of FY 2023-24, after deducting one month power purchase expenses from working capital requirement.

4.18. Provisional for Bad & Doubtful Debts

Petitioner's Submission:

The Petitioner has claimed the Bad and Doubt debts amounting Rs 10.12 Cr., equivalent to 1% of revised estimates of Aggregate Revenue Requirement claimed for FY 2023-24.

Commission's analysis:

As per Regulation 63 of the JERC MYT Regulations, 2021:

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

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

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

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

The Commission has not considered any provision towards bad and doubtful debts for APR of FY 2023-24 keeping in view the past trends. The same shall be accounted for as per actuals during the True-up of FY 2023-24.

4.19. Non-Tariff Income (NTI)

Petitioner's Submission:

EWEDC submits that Non-Tariff Income for FY 2023-24 has been re-estimated as per provision specified in Regulation 65 of MYT Regulation, 2021. The Non-Tariff Income amounting Rs 25.09 Cr. as approved in ARR for FY 2023-24 in Tariff Order dated 30th March 2023 is considered in APR for FY 2023-24.

Table 113: NTI submitted by the Petitioner (Rs Cr)

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission
1.	Miscellaneous Receipts	17.66	17.66
2.	Rebates from Generators	7.43	7.43
	Total	25.09	25.09

Commission's analysis:

Regulation 65 of JERC MYT Regulation, 2021 states the following:

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

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

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

a) Income from rent of land or buildings;

b) Income from sale of scrap in excess of 10% of the salvage value;

c) Income from statutory investments;

d) Interest on advances to suppliers/contractors;

e) Rental from staff quarters;

f) Rental from contractors;

g) Income from hire charges from contactors and others;

h) Income from advertisements, etc.;

i) Meter/metering equipment/service line rentals;

j) Service charges;

k) Consumer charges;

l) Recovery for theft and pilferage of energy;

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

n) Miscellaneous receipts;

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

p) Prior period income, etc.:

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

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

The Commission considers the same NTI as projected by the Petitioner. The same shall be Trued-up on actual basis. Further, the Commission has computed the rebate on power purchase @1% and the same has been considered as a part of NTI. The NTI approved for FY 2023-24 has been shown in the following table:

Table 114: Non-Tariff Income approved by Commission (Rs Cr) for FY 2023-24

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1.	Miscellaneous Receipts	17.66	17.66	17.66
2.	Rebates from Generators	7.43	7.43	8.54
	Total	25.09	25.09	26.20

The Commission approves Non-Tariff Income of Rs. 26.20 Cr in the APR of FY 2023-24. The same shall be considered at actuals at the time of True-up.

4.20. Aggregate Revenue Requirement (ARR)

Petitioner's Submission:

The petitioner submitted that based on the submissions made in the foregoing paragraphs, the net Aggregate Revenue Requirement for FY 2023-24 is shown in the table below:

Table 115: ARR submitted by the Petitioner for FY 2023-24, under APR (Rs Cr)

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
1	Cost of power purchase for full year	746.38	852.70
2	Employee costs	93.68	93.23
3	Administration and general expenses	7.04	7.01
4	R&M expenses	18.40	16.93
5	Depreciation	12.91	11.52
6	Interest and finance charges	3.55	1.20
7	Interest on working capital	-	-
8	Interest on Consumer Security Deposit	7.47	11.50
9	Return on Equity	25.54	23.10
10	Provision for Bad Debt	-	10.12
11	Total Revenue Requirement	914.97	1,027.21
12	Less: Non-Tariff Income	25.09	25.09
13	Net Revenue Requirement (11-12-13)	889.88	1,002.12
14	Revenue from retail sales	853.19	830.78
15	Revenue (Surplus)/Gap for the Year	36.69	171.35

Commission's analysis:

The Commission on the basis of the detailed analysis of the cost parameters of the ARR has considered and approved the revenue requirement in the APR of FY 2023-24 as given in the following table:

Table 116: Approved APR of FY 2023-24 (Rs Cr)

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023)	Petitioner's submission	Approved by the Commission
1	Power purchase cost	746.38	852.70	853.77
2	Employee expenses	93.68	93.23	111.76
3	A&G expenses	7.04	7.01	8.61

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023)	Petitioner's submission	Approved by the Commission
4	R&M expenses	18.40	16.93	16.93
5	Depreciation	12.91	11.52	10.84
6	Interest and finance charges	3.55	1.20	1.06
7	Interest on working capital	-	-	-
8	Interest on Consumer Security Deposit	7.47	11.50	11.50
9	Return on Equity	25.54	23.10	22.98
10	Provision for Bad Debt	-	10.12	-
11	Total Revenue Requirement	914.97	1,027.31	1037.44
12	Less: Non-Tariff Income	25.09	25.09	26.20
13	Net Revenue Requirement (11-12-13)	889.88	1,002.22	1011.24

The Commission approves net Aggregate Revenue Requirement of Rs. 1011.24 Cr in the APR of FY 2023-24.

4.21. Revenue at existing Retail Tariff

Petitioner's Submission:

The petitioner submitted that the Revenue at Current Tariff for FY 2023-24 has been re-estimation based on the proposed estimates of energy sales and approved retail supply tariff schedule for FY 2023-24. The details of Revenue at Current Tariff re-estimated for FY 2023-24 on category wise basis are shown in the table below:

Table 117: Revenue at existing tariff submitted by Petitioner (Rs Cr) for FY 2023-24

Sr. No.	Consumer Category	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
A	Domestic – LT	363.17	328.53
B	Domestic – HT	14.30	11.53
C	Commercial – LT	139.89	135.18
D	Commercial – HT	142.95	151.40
E	Large Supply	71.69	76.91
F	Medium Supply	57.51	61.45
G	Small Power	8.74	8.54
H	Agriculture	0.42	0.36
I	Public Lighting	7.85	9.94
J	Bulk Supply	43.51	41.67
K	Others Temporary Supply	2.89	3.64
L	EV Charging Stations	0.24	1.63

Sr. No.	Consumer Category	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
M	Total	853.19	830.78

Commission's Analysis:

The category wise/ sub-category wise and slab-wise revenue at existing retail tariff for FY 2023-24 under APR, is calculated as per the applicable tariff rates. The revenue from demand charges and the energy charges have been projected for each category/ sub-category and slab-wise calculation has been made. The revenue at existing tariff as computed by the Commission for FY 2023-24 has been shown in the following table:

Table 118: Revenue at existing tariff approved by Commission (Rs Cr) for FY 2023-24

Sr. No.	Consumer Category	Sales (MU)	Fixed Charge	Energy Charge	Total Charges	ABR
A	Domestic – LT	804.86	16.87	351.07	367.93	4.57
I	LT Domestic	781.79				
1	0-150 units	66.39	4.54	18.26	22.79	3.43
2	151-400 units	251.61	5.68	106.93	112.61	4.48
3	401 and above units	463.79	6.05	215.66	221.72	4.78
B	Domestic – HT	23.76	0.60	10.21	10.81	4.55
C	Commercial – LT	497.60	48.53	234.74	283.27	5.69
II	LT Commercial	235.02				
1	0-150 units (Single Phase)	6.25	0.25	2.81	3.07	4.91
2	151-400 units (Single Phase)	13.85	0.13	6.51	6.64	4.79
3	401 and above units (Single Phase)	23.59	3.55	11.79	15.34	6.51
4	0-150 units (Three Phase)	0.04	2.93	0.02	2.95	762.37
5	151-400 units (Three Phase)	6.63	2.70	3.12	5.82	8.77
6	401 and above units (Three Phase)	184.65	13.69	92.32	106.01	5.74
D	Commercial – HT	262.58	25.28	118.16	143.44	5.46
E	Industry	247.65	37.31	107.94	145.25	5.87
1	Large Supply	124.67	16.38	56.10	72.47	5.81
2	Medium Supply	104.13	20.03	43.73	63.77	6.12
3	Small Power	18.85	0.90	8.11	9.01	4.78
F	Agriculture	1.60	0.00	0.42	0.42	2.60
G	Public Lighting	15.93	0.54	7.65	8.19	5.14
H	Bulk Supply	85.53	7.42	35.92	43.35	5.07
I	Others Temporary Supply	4.45	0.00	2.30	2.30	5.17
J	EV Charging Stations	4.51	0.00	1.62	1.62	3.60

Sr. No.	Consumer Category	Sales (MU)	Fixed Charge	Energy Charge	Total Charges	ABR
	Total	1662.12	110.68	741.66	852.33	5.13

The Commission has determined revenue from sale of power at existing tariff as Rs. 852.33 Cr. in FY 2023-24.

4.22. Standalone Revenue Gap/ (Surplus)

Petitioner's Submission:

The Petitioner submitted that it has estimated the Net Revenue Gap for FY 2023-24 after considering the revenue at existing tariff and the same is presented in the table given below.

Table 119: Revenue Gap/(Surplus)for FY 2023-24, Petitioner submission (Rs. Cr)

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's submission
1	Aggregate Revenue Requirement	889.88	1002.22
2	Revenue from Sale of Power	853.19	830.78
3	Revenue Gap/ (Surplus)	36.69	171.44

Commission's Analysis:

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

Table 120: Standalone gap/ (surplus) approved by the Commission (Rs Cr.)

Sr. No.	Particulars	Approved in ARR tariff order dated 30th March 2023	Petitioner's Submission	Approved by the Commission
1	Aggregate Revenue Requirement	889.88	1002.22	1011.24
2	Revenue from Sale of Power	853.19	830.78	852.33
3	Revenue Gap/ (Surplus)	36.69	171.44	158.91

The Commission, in the APR of FY 2023-24 approves standalone gap of Rs 158.91 Cr.

As per the Regulation 12.5 of the JERC (MYT Tariff) Regulations, 2021, the gap/ (surplus) of the trued-up year only shall be carried forward in the tariff for the year for which tariff is to be determined. The relevant excerpt of the aforesaid regulation is stipulated as under:

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

(a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 14 of these Regulations:"

Thus, in accordance with above clause, the Commission has not considered the gap/ (surplus) for the APR of FY 2023-24 to be carried forward in the ARR of FY 2024-25.

Chapter 5 : Aggregate Revenue Requirement for FY 2024-25

5.1. Background

The ARR for FY 2024-25 was approved in the MYT Order dated 11th July, 2022 (herein referred as "MYT Order") issued for the 3rd Control Period (FY 2022-23 to FY 2024-25). In this Chapter the Commission determines the Aggregate Revenue Requirement (ARR) for FY 2024-25 based on the information made available for the previous years and the various norms defined in the MYT Order. The determination of Aggregate Revenue Requirement has been done in accordance with the JERC MYT Regulations, 2021.

5.2. Approach for determination of ARR for the FY 2024-25

The Commission has computed the individual elements constituting the Aggregate Revenue Requirement for FY 2024-25 based on figures approved in the Business Plan and MYT Order dated 11 July, 2022, the actual information available of various parameters for FY 2022-23 and FY 2023-24. The ARR and revenue at existing tariff has been determined for FY 2024-25 to arrive at the revenue gap/(surplus) for FY 2024-25.

5.3. Projection of Number of Consumers, Connected Load and Energy Sales for FY 2024-25

Petitioner's Submission:

The Petitioner submitted that the actual annual figures of FY 2017-18 to FY 2022-23 have been considered for determination of CAGR of five/three/two-year for all the billing determinants. In case of negative/ abnormal CAGR, nil growth rate has been considered for the purpose of estimation the figures for FY 2024-25. However, the billing determinants for EV Charging Station has been projected by considering escalations as 10% growth for energy sales, one and half times growth for number of consumer and twice times growth for number of consumers on billing determinations of FY 2023-24. The detailed calculations for forecasting the number of consumers, connected load & energy sales for FY 2024-25 are shown in the tables below:

Table 121: Number of Consumers proposed by the Petitioner for FY 2024-25

Sr. No.	Category	2022-23	CAGR		2024-25
		Unaudited	Selected	Rate	Projected
1	Domestic (LT)	2,01,435	3 Year	0.66%	2,04,089
2	Domestic (HT)	70	5 Year	3.13%	74
3	Commercial (LT)	26,559	3 Year	1.56%	27,396
4	Commercial (HT)	493	5 Year	4.53%	539
5	Large Supply	95	3 Year	0.00%	95
6	Medium Supply	1,488	5 Year	2.66%	1,568

Sr. No.	Category	2022-23	CAGR		2024-25
		Unaudited	Selected	Rate	Projected
7	Small Power	1,538	5 Year	3.72%	1,655
8	Agriculture	121	2 Year	0.42%	122
9	Public Lighting	1,551	3 Year	5.84%	1,738
10	Bulk Supply	521	3 Year	0.00%	521
11	Temporary Supply	398	5 Year	0.61%	403
12	EV Charging Station (LT)	-	-	-	42
13	EV Charging Station (HT)	-	-	-	14
14	Total	2,34,269	-	-	2,38,255

Table 122: Connected Load (kW) proposed by the Petitioner for FY 2024-25

Sr. No.	Category	2022-23	CAGR		2024-25
		Unaudited	Selected	Rate	Projected
1	Domestic (LT)	8,99,313	3 Year	1.17%	9,20,426
2	Domestic (HT)	32,986	5 Year	2.93%	34,949
3	Commercial (LT)	2,30,755	3 Year	3.20%	2,45,774
4	Commercial (HT)	2,62,049	3 Year	2.32%	2,74,332
5	Large Supply	68,230	2 Year	0.18%	68,478
6	Medium Supply	81,514	3 Year	2.12%	85,002
7	Small Power	24,057	3 Year	2.53%	25,288
8	Agriculture	924	3 Year	3.44%	988
9	Public Lighting	4,535	2 Year	0.00%	4,535
10	Bulk Supply	41,246	2 Year	0.00%	41,246
11	Others Temporary Supply	1,701	5 Year	0.00%	1,701
12	EV Charging Station (LT)	-			2,492
13	EV Charging Station (LT)	-			11,501
14	Total	16,47,308		0.00%	17,16,709

Table 123: Energy Sale proposed by the Petitioner for FY 2024-25 (MUs)

Sr. No.	Category	2022-23	CAGR		2024-25
		Unaudited	Selected	Rate	Projected
1	Domestic (LT)	764.74	4 Year	3.07%	812.46
2	Domestic (HT)	27.47	4 Year	0.32%	27.65
3	Commercial (LT)	229.49	3 Year	1.09%	234.52
4	Commercial (HT)	267.51	3 Year	0.65%	271.01
5	Large Supply	123.85	5 Year	0.66%	125.48
6	Medium Supply	104.13	2 Year	1.21%	106.67
7	Small Power	18.85	3 Year	0.75%	19.13
8	Agriculture	1.57	3 Year	3.49%	1.68
9	Public Lighting	15.93	3 Year	2.54%	16.75
10	Bulk Supply	84.69	3 Year	0.72%	85.91
11	Temporary Supply	4.44	3 Year	1.89%	4.61
12	EV Charging LT	-	-	10.00%	0.54
13	EV Charging HT	-	-	10.00%	4.43

Sr. No.	Category	2022-23	CAGR		2024-25
		Unaudited	Selected	Rate	Projected
14	Total	1,642.67			1,710.84

Commission's analysis:

The Commission has examined the Petitioner's submission. Based on the past period data on number of consumers, connected load and energy sales, the Commission considers it prudent to determine the Energy Sales, No. of Consumer and Connected Load on the basis of CAGR. The projections have been made considering the values approved in APR of FY 2023-24, and the same has been escalated with 5 year's CAGR of respective consumer category. In case of negative growth rate, the Commission has kept unchanged the figure of FY 2023-24 for the relevant consumer category.

The following table provides the projections of number of consumers, connected load, and energy sales approved by the Commission in the MYT Order dated 11 July, 2022, the Petitioner's submission and now approved by the Commission.

Table 124: Energy Sales (MUs) approved by the Commission for FY 2024-25

Sr. No.	Particulars	Approved for FY 2024-25 in MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Domestic (LT + HT)	856.99	840.11	817.70
2	Commercial (LT + HT)	415.83	505.53	498.20
3	Agriculture	1.57	1.68	1.63
4	Public Lighting	14.75	16.75	15.93
5	Large supply	121.40	125.48	125.49
6	Medium supply	98.26	106.67	104.13
7	Small Power	16.35	19.13	18.85
8	Bulk supply	80.45	85.91	86.38
9	Temp. Supply	3.56	4.61	4.46
10	Electric Vehicle	0.00	4.97	4.51
11	Total	1,609.16	1,710.84	1,677.27

Table 125: No. of Consumers approved by the Commission for FY 2024-25

Sr. No.	Particulars	Approved for FY 2024-25 in MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Domestic (LT+HT)	2,08,266	2,04,163	2,01,505
2	Commercial (LT+HT)	29,213	27,935	27,509
3	Agriculture	123	122	121
4	Public Lighting	1,886	1738	1,737
5	Large supply	112	95	95
6	Medium supply	1,487	1,568	1,568

Sr. No.	Particulars	Approved for FY 2024-25 in MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
7	Small Power	1,539	1,655	1,654
8	Bulk supply	533	521	521
9	Temp. Supply	446	403	402
10	Electric Vehicle	0.00	56.00	0.00
11	Total	2,43,605	2,38,255	2,35,114

Table 126: Connected Load (kW) approved by the Commission for FY 2024-25

Sr. No.	Particulars	Approved for FY 2024-25 in MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Domestic (LT+HT)	9,80,512	9,55,375	9,41,756
2	Commercial (LT+HT)	5,38,167	5,20,106	5,12,870
3	Agriculture	1,006	988	958
4	Public Lighting	4,709	4,535	4,535
5	Large supply	73,244	68,478	68,230
6	Medium supply	80,859	85,002	85,491
7	Small Power	26,302	25,288	26,049
8	Bulk supply	42,648	41,246	41,246
9	Temp. Supply	1,539	1,701	1,701
10	Electric Vehicle	0.00	13,993	0.00
11	Total	17,48,987	17,16,709	16,82,838

5.4. Inter- State Transmission Loss

Petitioner’s Submission:

The Petitioner has submitted Inter-State Transmission Losses of 4.03 % in its petition for FY 2024-25.

Table 127: Inter-State Transmission Loss (%) for FY 2024-25 submitted by the Petitioner

Sr. No.	Particulars	Approved for FY 2024-25 in MYT Order dt. 11.07.2022	Petitioner’s Submission
1	Inter-State Transmission Loss (%)	4.03%	4.03%

Commission's analysis:

The Commission in the ARR of FY 2024-25 considers the Inter-State transmission loss in line with the approved Inter-State transmission loss in MYT order dated 11th July, 2022. The table below provides the Inter-State Transmission Losses submitted by the Petitioner and now approved by the Commission.

Table 128 : Approved Inter-State Transmission Loss (%) for FY 2024-25

Sr. No.	Particulars	Approved for FY 2024-25 in MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Inter-State Transmission Loss (%)	4.03%	4.03%	4.03%

The Commission approves the Inter-State Transmission Loss as 4.03 % in the ARR of FY 2024-25.

5.5. Intra-State Transmission and Distribution (T&D) Loss

Petitioner's Submission:

EWEDC prays the Hon'ble Commission to consider the loss reduction of 0.04% on annual basis, undertaken while approving T&D loss trajectory for 3rd MYT Control Period in Tariff Order dated 11th July 2022 and existing T&D losses level of 10.57% achieved in FY 2022-23, the T&D losses target of 9.77% against approved level of 8.00% has been proposed for FY 2024-25. The T&D Loss target for FY 2024-25, approved vis-à-vis proposed, are shown in the table below:

Table 129: Intra-State T&D Losses (%) for FY 2024-25

Sr. No.	Particular	Approved for FY 2024-25 in MYT Order dated 11.07.2022	Petitioner's Submission
1	Transmission & Distribution losses	8.00%	9.77%

Commission's analysis:

The Commission in the ARR of FY 2024-25 considers the Intra-State T & D loss levels in line with T&D loss levels approved in the MYT Order dated 11th July, 2022. The table below provides the T&D Losses submitted by the Petitioner and now approved by the Commission.

Table 130: Approved Intra-State T&D loss (%) for FY 2024-25

Sr. No.	Particulars	Approved in MYT Order dated 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Intra-State T&D loss	8.00%	9.77%	8.00%

The Commission approves Intra-State T&D loss of 8.00 % in the ARR of FY 2024-25.

5.6. Energy Balance

Petitioner's Submission:

The Petitioner submitted the Energy balance for FY 2024-25 as shown in the following table:

Table 131: Energy Balance submitted by the Petitioner for FY 2024-25

Sr. No.	Particular	Approved in MYT Order dated 11.07.2022	Petitioner's Submission
1	Energy Procured (MUs)	2,179.67	2,213.00
2	Less: Outside Sale – Trading (MUs)	(430.59)	(244.56)
3	Energy Available (MUs)	1,749.08	1,968.44
4	Inter-State Transmission Loss (%)		4.03%
5	Transmission Loss (MUs)		89.18
6	Net Energy Available at UT Periphery (MUs)	1,749.08	1,879.26
7	Power from Gross & NET Metering Mode (MU)		16.87
8	Total Energy Available (MUs)	1,749.08	1,896.13
9	Actual Energy Sales (MUs)	1,609.16	1,710.84
10	T&D Loss (%)	8.00%	9.77%
11	T&D Loss (in MUs)	139.92	185.29
12	Energy Required at UT Periphery (MUs)	1,749.08	1,896.13
13	Demand Supply (Gap) / Surplus (MUs)	0.00	0.00

Commission's analysis:

The JERC MYT Regulations, 2021 stipulate that the variation in sales constitutes "uncontrollable factors" that are beyond the control of the Petitioner and cannot be mitigated. Regulation 13.1 of the JERC MYT Regulations, 2021 in this regard stipulates the following:

"For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Inter- State Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission has determined the energy requirement under Energy Balance based on the revised estimates of energy sales and approved losses as discussed above. The rational for finalising the approved availability from various sources, as considered under energy balance by the Commission, is discussed in next section. The following table provides the Energy Balance now approved by the Commission for FY 2024-25.

Table 132: Energy Balance approved by the Commission for FY 2024-25

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Approved by the Commission
(A)	Energy Requirement		
1	Energy sales to metered category within the State	1,609.16	1,677.27
2	Total sales within the State	1,609.16	1,677.27
3	Distribution Losses (%)	8.00%	8.00%
7	Total Energy Requirement at State Periphery	1,749.08	1,823.12

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Approved by the Commission
5	Own Generation	0.00	16.88
6	Energy Required at State Periphery for sale from outside of the state	1,749.08	1,806.24
(B)	Energy Availability		
1	Availability from firm sources outside of the state	2,046.55	2,124.49
2	CTU Losses - %		4.03%
3	Energy Scheduled at state periphery through CGS		2038.87
4	Power purchase from Renewable sources outside the state	133.12	157.84
5	Energy availability at state periphery	2,179.67	2,196.71
6	Less: Short Term Purchase/(Sale) incl. UI	(430.59)	(390.47)
7	Total Availability of Energy for the State	1,749.08	1,806.24

The Commission approves energy requirement at the UT periphery as 1,806.24 MUs for the ARR of FY 2024-25.

5.7. Power Purchase Quantum & Cost

Petitioner's Submission

EWEDC submits that power purchase cost for FY 2023-24 has been re-estimated by considering the three components: capacity charges, energy charges and other charges. The approach for projecting each element to calculate the re-estimated power purchase cost for FY 2023-24 are listed below:

- Capacity charges for FY 2022-23 are escalated by 5%;
- Rebate and Late Payment Surcharges has not been accounted;
- Other Charges (including RLDC charges, Incentive, Arrears, Taxes and Supplementary Bills) have not been clubbed together with capacity charges and the amount for FY 2022-23 has been escalated by 5% on YoY basis;
- Energy charges realised on average basis in first half of FY 2023-24 are escalated by 2.5% for one year and thereafter by 5% to arrive the figures;
- Transmission Charges for FY 2022-23 are escalated by 5%;
- Surplus energy has been considered to be sold at average variable rate, as the capacity charges irrespective of quantity of energy drawl have to be entirely borne by the distribution licensee;

Therefore, the Petitioner has projected the power purchase quantum and power purchase cost given below:

Table 133: Power Purchase Quantum and Cost submitted by the Petitioner

Sr. No.	Generating Stations	Approved for FY 2024-25 in MYT Order dated 11.07.2022				Petitioner's submission				
		Qty	Capacity Charges	Energy Charges	Total	Qty	Capacity Charges	Other Charges	Energy Charges	Total
		MU	Rs Cr.	Rs Cr.	Rs Cr.	MU	Rs Cr.	Rs Cr.	Rs Cr.	Rs Cr.
A	**Central Sector Power Stations (Hydro)**									
I	NTPC (Hydro)									
1	KOLDAM HYDRO	50.50	14.13	14.33	28.46	47.63	14.39	0.28	11.64	26.31
2	SINGRAULI HYDRO	1.22	-	0.71	0.71	0.46	-	0.00	0.23	0.23
	Subtotal	51.72	14.13	15.04	29.17	48.09	14.39	0.28	11.86	26.54
II	NHPC									
3	DULHASTI	47.81	12.14	14.54	26.68	43.66	9.75	-4.10	9.99	15.64
4	PARBATI-III	14.69	6.64	2.62	9.25	14.09	6.76	0.17	2.17	9.10
5	URI II	39.27	5.54	9.32	14.86	27.76	5.61	2.68	5.68	13.97
6	SEWA II	12.84	0.23	3.94	4.17	12.11	3.97	0.56	3.21	7.74
7	CHAMERA III	23.25	5.52	5.30	10.82	22.71	5.21	0.10	4.72	10.03
8	TANAKPUR	6.35	1.17	1.19	2.36	5.39	1.27	0.95	0.97	3.19
9	DHAULIGANGA	29.60	4.11	4.16	8.27	29.30	4.22	1.74	3.61	9.57
10	CHAMERA I	84.06	7.75	11.10	18.85	73.21	8.29	-2.57	8.33	14.05
11	CHAMERA II	36.04	4.20	4.19	8.39	35.24	4.31	1.32	3.54	9.17
12	URI	18.45	1.78	1.76	3.53	17.34	1.78	1.49	1.42	4.68
13	SALAL	9.50	0.75	0.68	1.43	8.65	0.81	2.33	0.54	3.68
14	Kishan Ganga	26.00	5.02	5.93	10.95	24.46	5.37	0.40	4.76	10.53
	Subtotal	347.87	54.85	64.73	119.57	313.94	57.34	5.09	48.93	111.36
III	THDC									
15	TEHRI	168.13	35.50	38.86	74.36	178.08	36.73	5.63	34.83	77.19
16	KOTESHWAR	17.85	3.79	4.76	8.54	16.21	4.19	2.70	3.88	10.77
	Subtotal	185.98	39.29	43.62	82.90	194.29	40.91	8.33	38.71	87.95
IV	SJVNL									
17	RAMPUR	21.56	4.97	5.33	10.30	19.20	4.90	1.80	3.87	10.57
18	NATHPA JHAKRI	119.48	14.68	15.88	30.56	114.13	15.94	-0.16	12.75	28.54
	Subtotal	141.04	19.65	21.21	40.86	133.33	20.85	1.65	16.62	39.11
V	BBMB									
19	BBMB 1 LU					38.03	-	-	14.64	14.64
20	BBMB 10 LU					380.33	-	-	146.43	146.43
21	Bhakhra	523.12	-	-	-	247.20	-	9.23	-	9.23
22	Dehar	80.97	-	15.61	15.61	37.10	-	6.90	-	6.90
23	Pong	14.63	-	156.12	156.12	8.31	-	2.51	-	2.51
	Subtotal	618.72	-	171.73	171.73	710.97	-	18.64	161.07	179.71
B	**Central Sector Power Stations (Thermal/Gas/Nuclear)**									
VI	APCPL									
24	JAJJAR	40.43	13.68	16.43	30.11	41.70	14.01	0.59	21.08	35.69
	Subtotal	40.43	13.68	16.43	30.11	41.70	14.01	0.59	21.08	35.69
VII	NTPC (Thermal)									
25	DADRI II	8.53	1.87	3.25	5.12	9.50	2.42	0.63	4.86	7.92
26	UNCHAHAR I	9.77	1.76	3.74	5.49	8.93	1.85	0.69	4.29	6.83

Sr. No.	Generating Stations	Approved for FY 2024-25 in MYT Order dated 11.07.2022				Petitioner's submission				
		Qty	Capacity Charges	Energy Charges	Total	Qty	Capacity Charges	Other Charges	Energy Charges	Total
		MU	Rs Cr.	Rs Cr.	Rs Cr.	MU	Rs Cr.	Rs Cr.	Rs Cr.	Rs Cr.
27	UNCHAHAR II	18.00	2.80	7.02	9.82	18.63	3.24	1.49	8.35	13.08
28	UNCHAHAR III	7.53	1.37	2.90	4.28	9.39	1.44	0.44	4.51	6.40
29	UNCHAHAR IV	27.38	5.93	9.88	15.81	24.61	6.92	4.53	11.04	22.49
30	KAHALGAON II	18.03	2.42	4.65	7.08	20.94	2.48	1.08	14.83	18.39
31	SINGRAULI	30.23	1.50	5.33	6.83	21.58	2.06	0.46	3.43	5.94
32	RIHAND III	59.80	7.90	9.65	17.55	49.67	8.74	0.93	8.16	17.83
33	RIHAND I	81.24	7.06	13.34	20.40	67.61	7.65	-0.14	10.97	18.48
34	RIHAND II	69.99	4.81	11.53	16.34	62.72	6.01	0.86	10.41	17.28
35	Tanda II	21.25	6.70	6.76	13.46	31.06	8.31	1.06	12.99	22.36
	Subtotal	351.75	44.12	78.07	122.19	324.65	51.11	12.04	93.84	156.99
VII	MUNPL									
36	MEJA I	54.26	17.82	15.22	33.04	75.15	16.75	-0.23	24.96	41.49
	Subtotal	54.26	17.82	15.22	33.04	75.15	16.75	-0.23	24.96	41.49
IX	NTPC (Gas)									
37	DADRI	18.63	7.59	7.01	14.60	3.31	6.98	0.01	1.14	8.13
38	AURIYA	12.11	7.24	5.78	13.02	1.98	7.33	0.05	0.88	8.26
39	ANTA	7.43	6.13	2.13	8.26	0.43	6.16	-0.02	0.11	6.25
	Subtotal	38.17	20.97	14.92	35.89	5.72	20.47	0.04	2.13	22.64
X	NPCIL									
40	RAPP (Unit 5 & 6)-C	108.64	-	46.92	46.92	101.87	-	1.85	41.15	43.00
41	RAPP (Unit 3 & 4)-B	19.84	-	7.26	7.26	17.34	-	0.48	5.94	6.42
42	NAPS	88.14	-	30.32	30.32	88.11	-	0.23	28.26	28.49
	Subtotal	216.62	-	84.50	84.50	207.32	-	2.56	75.35	77.91
C	RPO Obligation									
XI	SECI									
43	Tranche-VI	120.66	-	34.43	34.43	157.84	-	0.01	45.62	45.63
	Subtotal	120.66	-	34.43	34.43	157.84	-	0.01	45.62	45.63
XII	Intra Solar									
44	Crest	12.46	-	9.46	9.46	14.28	-	-	10.07	10.07
45	Pvt. Solar					1.42	-	-	1.24	1.24
46	Net Solar					1.18	-	-	0.41	0.41
	Subtotal	12.46	-	9.46	9.46	16.87	-	-	11.72	11.72
D	Subtotal	2,179.67	224.50	569.35	793.85	2,229.87	235.83	49.00	551.90	836.74
XIII	Short-Term									
47	Short Term & UI	(430.59)	-	(178.57)	(178.57)	(244.56)	-	-	-63.05	-63.05
	Subtotal	(430.59)	-	(178.57)	(178.57)	(244.56)	-	-	(63.05)	(63.05)
XIV	Transmission, RLDC & SLDC Charges									
48	PGCIL	-	110.07	-	110.07		139.17			139.17
49	UPPTCL						1.10			1.10
50	ULDC BBMB						0.16			0.16
51	NRLDC Charges						0.41			0.41
	Subtotal	-	110.07	-	110.07	-	140.85		-	140.85

Sr. No.	Generating Stations	Approved for FY 2024-25 in MYT Order dated 11.07.2022				Petitioner's submission				
		Qty	Capacity Charges	Energy Charges	Total	Qty	Capacity Charges	Other Charges	Energy Charges	Total
		MU	Rs Cr.	Rs Cr.	Rs Cr.	MU	Rs Cr.	Rs Cr.	Rs Cr.	Rs Cr.
52	Total Power Purchase Cost	1,749.08	334.56	390.79	725.35	1,985.32	376.68	49.00	488.85	914.53

The Petitioner requested the Commission to approve the revised estimate of power purchase cost of Rs. 914.53 Cr for FY 2024-25 as submitted above.

Commission's analysis:

The Commission while estimating the power purchase quantum and cost for FY 2024-25 has reviewed the submissions as made by the Petitioner. The methodology followed for projecting the Power purchase quantum and cost for FY 2024-25 has been discussed as follows:

A. Power Purchase Quantum

i. **Must-run plants (Renewable):**
For renewable projects, energy availability estimation as submitted by the Petitioner is considered after verifying the data projected by the Petitioner.

ii. **Availability of energy from NHPC, BBMB, THDC, SJVNL:** The Commission analysed the energy availability from above Power Stations as submitted by the Petitioner and the plant wise average plant availability factor is derived based on last three-year PLF. The average plant availability factor is considered for projecting the energy availability during FY 2024-25 from above mentioned sources.

iii. **Availability of energy from NTPC Stations:** The Commission has analysed the total energy requirement, availability from various projects (which are must run), as approved above, and decides the remaining power requirement from NTPC Power Stations following MOD principle. The plant wise availability (of NTPC) is derived based on technical minimum criteria.

iv. **Availability of energy from NPCIL and NTPC gas:**

The Commission analysed the energy availability from NPCIL and NTPC Gas based Power Stations as submitted by the Petitioner and found it prudent to accept the Petitioner's projections for FY 2024-25.

B. Power Purchase Cost

The Commission has computed the power purchase cost for the FY 2024-25 based on the following assumptions:

i. **Variable Charges:**
The variable charges for the existing plants have been considered based on the 3% escalation on the approved per unit variable cost of FY 2023-24 to estimate for FY 2024-25.

ii. **Fixed Charges:**
The fixed charges for the existing plants have been considered based on the 3% escalation on the approved per unit cost of FY 2023-24 to estimate for FY 2024-25.

iii. **Other Charges:**
The Commission has approved other charges already in APR section. Further, for FY 2024-25, considering the approved APR value, the Commission has approved other charges for FY 2024-25.

iv. **Renewable energy:** The Commission has reviewed the data related to renewable energy for FY 2024-25 and approved the cost as submitted by the Petitioner in this regard.

v. **Transmission Charges:** The Commission has approved the transmission charges payable to CTU based on the projected cost submitted by the Petitioner for FY 2024-25.

vi. **Surplus Power:** Based on the availability and requirement, the Commission considers (390.47) MUs as surplus power, which can be sold in the open market by the Petitioner. The Commission has considered the same rate as proposed by the Petitioner for sale of surplus power in the short-term market. Based upon such rate of sale of surplus power, the revenue from sale of surplus power would be Rs. 100.35 Cr. This amount is deducted from power purchase cost to find out the net power purchase cost for FY 2024-25.

C. Total power purchase quantum and cost

The power purchase quantum and cost approved by the Commission for FY 2024-25 have been shown in the following table:

Table 134: Power Purchase Quantum and Cost approved by the Commission for FY 2024-25

Sr. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
I	NTPC (Hydro)					
1	KOLDAM HYDRO	54.89	14.12	13.85	0.27	28.24
2	SINGRAULI HYDRO	0.40	0.00	0.21	0.00	0.21
II	NHPC					
3	DULHASTI	49.04	9.57	11.77	(3.91)	17.43
4	PARBATI-III	15.86	6.62	2.52	0.17	9.31
5	URI II	28.81	5.50	6.32	2.55	14.37
6	SEWA II	8.30	3.89	1.89	0.54	6.32
7	CHAMERA III	25.08	5.11	5.40	0.10	10.61

Sr. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
8	TANAKPUR	5.87	1.25	1.50	0.91	3.65
9	DHAULIGANGA	32.03	4.14	4.22	1.66	10.02
10	CHAMERA I	89.94	8.14	10.56	(2.45)	16.25
11	CHAMERA II	32.90	4.22	3.39	1.26	8.87
12	URI	20.21	1.74	2.00	1.42	5.16
13	SALAL	10.20	0.79	0.82	2.22	3.83
14	Kishan Ganga	24.35	5.27	4.94	0.38	10.59
III	THDC					
15	TEHRI	199.28	36.03	43.31	5.36	84.70
16	KOTESHWAR	17.58	4.11	4.98	2.57	11.66
IV	SJVNL					
17	RAMPUR	21.32	4.81	4.57	1.72	11.10
18	NATHPA JHAKRI	127.42	15.64	15.75	(0.15)	31.23
V	BBMB					
19	BBMB 1 LU	38.14	0.00	14.68	0.00	14.68
20	BBMB 10 LU	381.37	0.00	146.83	0.00	146.83
21	Bhakhra	260.33	0.00	0.00	11.40	11.40
22	Dehar	38.09	0.00	0.00	10.57	10.57
23	Pong	9.60	0.00	0.00	1.78	1.78
VI	APCPL					
24	JAJJAR	50.60	13.74	22.73	0.57	37.04
VI	NTPC (Thermal)					
25	DADRI II	15.68	2.38	6.25	0.60	9.23
26	UNCHAHAR I	12.05	1.81	5.96	0.66	8.43
27	UNCHAHAR II	21.71	3.18	8.70	1.41	13.29
28	UNCHAHAR III	8.47	1.41	4.00	0.42	5.83
29	UNCHAHAR IV	28.93	6.79	12.75	4.31	23.85
30	KAHALGAON II	14.45	2.43	4.38	1.03	7.84
31	SINGRAULI	29.14	2.02	3.78	0.44	6.24
32	RIHAND III	43.74	8.57	5.00	0.89	14.46
33	RIHAND I	62.66	7.50	9.62	(0.13)	16.98
34	RIHAND II	54.28	5.89	8.11	0.82	14.82
35	Tanda II	20.16	8.15	7.97	1.01	17.13
VI	MUNPL					
36	MEJA I	58.57	16.43	18.28	(0.22)	34.49
VII	NTPC (Gas)					
37	DADRI	3.31	6.84	3.82	0.01	10.66
38	AURIYA	1.98	7.19	2.42	0.05	9.66
39	ANTA	0.43	6.05	0.51	(0.02)	6.54
IX	NPCIL					
40	RAPP (Unit 5 & 6)-C	101.87	0.00	39.24	1.77	41.01
41	RAPP (Unit 3 & 4)-B	17.34	0.00	5.66	0.45	6.11
42	NAPS	88.11	0.00	26.95	0.22	27.17
X	SECI					
43	Tranche-VI	157.84	0.00	46.98	0.01	46.99

Sr. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
XI	Intra Solar					
44	Crest	14.28	0.00	10.02	0.00	10.02
45	Pvt. Solar	1.42	0.00	1.27	0.00	1.27
46	Net Solar	1.18	0.00	0.40	0.00	0.40
XII	Short-Term					
47	Short Term & UI	(390.47)	0.00	(100.35)	0.00	(100.35)
XIV	Transmission, RLDC & SLDC Charges					
48	CTU /PGCIL		139.17			139.17
49	UPPTCL		1.10			1.10
50	ULDC BBMB		0.17			0.17
51	NRLDC Charges		0.41			0.41
52	Total Power Purchase Cost	1908.74	372.17	453.93	52.67	878.78

The Commission approves the quantum of power purchase as 1908.74 MUs at ex-bus with total cost of Rs. 878.78 Cr in the ARR of FY 2024-25.

The Average Power Purchase Cost (APPC) for the FY 2024-25 has been determined as provided in the table below. The APPC has been computed at the Chandigarh Periphery excluding the transmission charges and cost of purchase of renewable energy. The Petitioner shall use the same for the purpose of compensation/ payment of surplus power at the end of each settlement period in case of Solar Net-metering consumers.

Table 135: APPC approved by the Commission for FY 2024-25

Sr. No.	Particulars		Amount
1	Total Power Purchase Cost (Rs. Cr.)	A	878.78
2	Less: Transmission charges and Power Purchase cost from renewable energy sources (Rs. Cr.)	B	187.84
3	Net Power Purchase Cost (Rs. Cr.)	C=A-B	690.94
4	Quantum of Ex-bus Power Purchase (MUs)	D	1,908.74
5	Quantum of energy at UT Periphery excluding from renewable energy sources (MUs)	E	1,750.90
6	APPC (Rs. /kWh)	F=C/E*10	3.95

The Commission approves the APPC of Rs.3.95/kWh for FY 2024-25 for the purpose of compensation/ payment of excess solar generation by the Prosumers.

5.8. Renewable Purchase Obligation (RPOs)

Petitioner's Submission:

EWEDC submits that adequate generating sources have been tied up for compliance of RPO targets for FY 2024-25. As present, the solar plants installed under gross and net metering mechanism will be sufficient for complaining Solar RPO targets for FY 2024-25. Hence, the solar generation achieved in FY 2022-23 has been considered for compliance of Solar RPO targets for FY 2024-25. Similarly, the wind plants tied up through SECI will be sufficient for meeting Non-Solar RPO targets for FY 2024-25. The compliance of Solar and Non-Solar RPO targets for FY 2024-25 is shown in table below:

Table 136: Effective Convention Power Consumption for FY 2024-25

Sr. No.	Particular	Unit	Formula	Projection
1	Energy Sales within UT	MU	A	1,710.84
2	Hydro Power Purchase	MU	B	1,400.62
3	Inter-State Loss	%	C	4.03%
4	Inter-State Loss	MU	d=b*c	56.45
5	Intra-State Loss	%	E	9.77%
6	Intra-State Loss	MU	f=e*(b-d)	131.35
7	Hydro Power Consumed	MU	g=b-d-f	1,212.83
8	Conventional Power Consumed	MU	h=a-g	498.02

Table 137: Solar and Non-Solar RPO Compliance for FY 2024-25

Sr. No.	Particulars	RPO %	Target		RPO Backlog (in MU)	Total RPO (in MU)	RPO Target Met (in MU)	RPO Balance (in MU)
			Conventional Power (in MU)	Units (in MU)				
1	Solar	11.00%	498.02	54.78	-	54.78	57.27	-
2	Non-Solar	9.50%	498.02	47.31	-	47.31	158.30	-
3	Total	20.50%		102.09	-	102.09	215.57	-

Table 138: HPO Compliance for FY 2024-25

Sr. No.	Particulars	Units	Approved	Revised Estimates
1	Sales within State	MU	1,609.16	1,710.84
2	HPO obligation	%	1.08%	1.08%
3	HPO obligation for the year	MU	17.38	18.48
4	HPO backlog	MU		16.21
5	Energy from LHP (COD after 8th March, 2019)	MU	-	-
6	HPO Shortfall	MU	17.38	34.69

Commission's Analysis:

Regulation 3, Sub-regulation (1) of the JERC (Procurement of Renewable Energy) Regulations, 2010 mentioned that:

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

The Commission notified the JERC (Procurement of Renewable Energy), (Fifth Amendment) Regulations, 2024 on 06.06.2024 and revised the RPO targets, according to which for FY 2024-25 the Petitioner is obligated to purchase power from renewable sources at minimum percentage of 29.91 % of its total annual consumption.

Accordingly, the RPO and HPO approved by the Commission for FY 2024-25 is as follows:

Table 139: Renewable Purchase Obligation (RPO) (MUs) approved by the Commission for FY 2024-25

Sr. No.	Description	Approved by the Commission
1.	Sales within State (MU) (A)	1677.27
2	RPO obligation (%)	29.91%
3	Wind RPO (B)	0.67%
4	Other RPO (C)	27.35%
5	HPO (D)	0.38%
6	Distributed renewable energy RPO (E)	1.50%
7	RPO obligation for the year (MU)	501.67
8	Wind RPO (A*B)	11.24
9	Other RPO (A*C)	458.73
10	HPO (A*D)	6.37
11	Distributed renewable energy RPO (A*E)	25.16

In view of the above, the Commission directs the Petitioner to comply with the RPO targets as provided above in accordance with the JERC (Procurement of Renewable Energy) (Fifth Amendment) Regulations, 2024 for the next true-up.

5.9. Operation & Maintenances Expenses

Regulation 61 of JERC MYT Regulations, 2021 provides the following:

"*61 Operation and Maintenance (O&M) expenses for Retail Supply Business*

61.1 The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation.

61.2 O&M Expenses shall comprise of the following:

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

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

c) Repairs and Maintenance expenses.

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

61.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

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

Where,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 15."

Accordingly, the various components of O&M expenses have been dealt with in subsequent sections.

5.9.1. Employee Expenses

Petitioner's Submission:

The Petitioner has estimated the Employee Expenses for FY 2024-25 by considering the normative values of employee expenses for FY 2023-24, CPI Inflation Indices of past three years and Growth Factors as approved in MYT Order dated 11th July 2022. The details of Employee Expenses projected for FY 2024-25 are shown in the tables below:

Table 140: Employee expenses submitted by the Petitioner for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Unit	Approved (T.O. dt 11.07.2022)	Petitioner's Submission
1	Employee Expenses for Previous Year	Rs Cr	93.87	93.23
2	Growth Factor (Gn) approved in MYT Order	%	-5.02%	-5.02%
3	CPI Inflation (previous three years)	%	6.00%	5.40%
4	Employee Expenses	Rs Cr	94.51	93.34

Commission's analysis:

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the Employee expenses for FY 2023-24. Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

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

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

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

The Commission derived the base value (i.e. for FY 2021-22) on the basis of true-up value of past period which is already approved in previous section. Therefore, the Commission revised the employee expenses for FY 2024-25 based on the base value, manpower plan and CPI of respective year. In the present order, the Commission has finalised the APR expenses of FY 2023-24 and finds its prudent to consider the same as base year employee expenses for FY 2024-25.

The employee expenses of the Base Year have been escalated by Growth Rate as per manpower plan submitted by the Petitioner and the average CPI Inflation of the last three years to arrive upon the employee expenses of FY 2024-25. The CPI inflation has been computed as follows:

Table 141: CPI Inflation Index

FY	Average of (April – March)	Increase in CPI Index	Average increase In CPI indices over 3 years
FY 2019-20	322.50		
FY 2020-21	338.70	5.02 %	
FY 2021-22	356.10	5.13 %	
FY 2022-23	377.60	6.05 %	5.40%

Table 142: Computation of Employee Expenses for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved FY 2024-25
1	Base year expenses	111.76
2	Gn (Growth factor) *	7.91%
3	CPI (Actuals for FY 2024-25) (in %)	5.40%
4	Total Employee Expenses	127.11

** Based on Petitioner submission, Manpower for FY 23-24 is 1163 Manpower for FY 24-25 is projected as 1255*

Table 143: Approved Employee Expenses for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved in MYT Order dated 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Employee Expenses	94.51	93.34	127.11

The Commission has approved Rs. 127.11 Cr. as employee expenses for ARR of FY 2024-25.

5.9.2. Administrative and General Expenses

Petitioner's Submission:

The Petitioner has estimated the A&G expenses for FY 2024-25 by considering the normative value of A&G Expenses for FY 2023-24 and CPI Inflation Indices of past three years. The details of calculation for projecting A&G Expenses for FY 2024-25 are shown in the table below:

Table 144: A&G Expenses submitted by the Petitioner for FY 2024-25 (Rs Cr)

Particulars	Unit	Approved (T.O. dt 11.07.2022)	Petitioner's Submission
A&G Expenses for Previous Year	Rs Cr	7.05	7.01
CPI Inflation (previous three years)	%	6.00%	5.40%
A& G Expenses	Rs Cr	7.48	7.39

Commission's Analysis:

As explained under employee expenses, the Commission has considered the A&G expense of FY 2023-24 as the base value for FY 2024-25. Therefore, the Commission finds it prudent to revise the A&G expenses for FY 2024-25 by escalating the A&G expense of base year with the average CPI Inflation of the last three years. The A&G expenses approved by the Commission for FY 2024-25 have been provided in the following table:

Table 145: Computation of A&G expenses (Rs Cr)

Sr. No.	Particulars	Approved
		FY 2024-25
1	Base A&G expenses	8.61
2	CPI (in %)	5.40%
3	A&G Expenses	9.07

Table 146: A&G Expenses approved by Commission (Rs Cr) for FY 2024-25

Sr. No.	Particulars	Approved in MYT Order dt 11.07.2022	Petitioner's Submission	Approved by the Commission
1	A&G Expenses	7.48	7.39	9.07

The Commission estimates the Administrative & General (A&G) expenses of Rs. 9.07 Cr in the ARR of FY 2024-25.

5.9.3. Repair and Maintenance Expenses

Petitioner's Submission:

The estimated R&M expenses for FY 2024-25, as projected by the Petitioner, are shown in the following Table.

Table 147: R&M Expenses submitted by the Petitioner (Rs Cr)

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Petitioner's Submission
1	GFA for Previous Year (n-1)	543.70	541.36
2	K factor (K) in MYT Order 3rd Control Period	3.21%	3.21%
3	WPI Inflation	5.32%	7.90%
4	R&M Expenses	18.40	18.75

Commission's Analysis:

The Commission has considered the K factor of 3.21% as approved in the MYT order dated 11th July 2022. Considering the formula given in the JERC MYT Regulations 2021, the closing GFA of previous year is multiplied with K factor. The resultant amount has been escalated by 3 years' average WPI Inflation to arrive upon the R&M Expenses for FY 2024-25. The WPI Inflation has been computed as follows:

Table 148: WPI Index

FY	Average of (Apr-Mar)	Increase in (%)	Average increase in WPI indices over 3 years
2019-20	121.80		
2020-21	123.40	1.31%	
2021-22	139.40	12.97%	
2022-23	152.50	9.40 %	7.89%

The R&M expenses approved by the Commission for FY 2024-25 have been provided in the following table:

Table 149: Computation for R&M Expenses for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	FY 2024-25
1	Opening GFA (GFAn-1)	536.19
2	K factor approved (K) (%)	3.21%
3	WPI Inflation (Actuals for FY 2023-24) (%)	7.89%
4	R&M Expenses = K x (GFA n-1) x (1+WPIinflation)	18.57

Table 150: R&M Expenses approved by the commission for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved I MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
1	Repair & Maintenance Expenses (R&M)	20.56	18.75	18.57

The Commission estimates the Repair & Maintenance (R&M) expenses of Rs. 18.57 Cr in the ARR of FY 2024-25.

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

The following table provides the O&M expenses approved in the MYT order of FY 2024-25, Petitioner's Submission and now approved by the Commission.

Table 151: Total O&M Expenses approved by the Commission for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved in MYT Order dt. 11.07.2022	Petitioner's Submission	Approved by the Commission
1	A&G Costs	7.48	7.39	9.07
2	R&M Expenses	20.56	18.75	18.57
3	Employee Cost	94.51	93.34	127.11
4	Total O&M Expenses	122.55	119.48	154.75

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 154.75 Cr in the ARR of FY 2024-25.

5.10. Gross Fixed Assets (GFA) and Capitalization

Petitioner's Submission:

EWEDC submits that based on revised work wise schedule of the various schemes submitted in the Capital Investment Plan for 3rd Control Period, the Capital Expenditure Plan and Capitalisation has been projected for FY 2024-25. The details of Capital Expenditure Plan and Capitalisation projected for FY 2024-25 on consolidated basis are shown in the table below:

Table 152: Capital Expenditure and Capitalization for FY 2024-25 (Rs. Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission
1	Capital Expenditure	37.26	37.26
2	Capitalization	43.49	55.64

Commission's Analysis:

The Commission has noted that the Petitioner has claimed for capitalization of existing and new schemes with associated capital cost of Rs. 55.64 Cr. However, the Petitioner has not replied with respect to the over-capitalization against the approved schemes. The Commission is of the opinion that such excess expenditure is nothing but on account of cost overrun and/or time-over-run and directs the Petitioner to file a separate petition before the Commission for approval of additional costs incurred on account of cost overrun and/or time-over-run giving proper justification for time-over-run/cost-over-run. The Petitioner is directed to take prior approval of such capitalization along with associated capex and also directed to implement their work within the time. In view of the above, the Capital Structure approved by the Commission for FY 2024-25 is shown in the following tables:

In accordance with the submission of the Petitioner, the Capitalisation approved by the Commission for FY 2024-25 is shown in the following tables:

Table 153: Capitalization approved by the Commission (Rs. Cr.)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission	Approved by the Commission
1	Capitalization	43.49	55.64	43.49

The Commission approves Capitalization of Rs. 43.49 Cr. for the FY 2024-25.

5.11. Capital Structure

Petitioner's Submission:

The Petitioner has proposed that the entire capitalisation for FY 2023-24 shall be through deployment of equity.

Commission's analysis:

Regulation 27 of the JERC MYT Regulations, 2021 specifies the following:

"27. Debt to Equity Ratio

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

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

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

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

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

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

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

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

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

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

The Commission notes that the Petitioner proposed to fund the capitalization through equity only. However, as mentioned above, if the actual equity deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff. Hence, the Commission follows the same and considered a standard 70:30 ratio for loan: equity. Accordingly, the capital structure for capitalization of Rs. 43.49 Cr. as approved in MYT order dated 11th July, 2022 is given in the following table:

Table 154: Capital Structure approved by Commission (Rs Cr.)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission	Approved by the Commission
1	Capitalization during the year	43.49	55.64	43.49
2	Normative loan addition During the FY @70% of GFA addition during year	30.44	38.94	30.44
3	Equity addition on account of new Capitalisation @30% of GFA addition during the year	13.05	16.70	13.05

5.12. Depreciation

Petitioner's Submission:

The Depreciation for FY 2024-25 has been projected by considering the revised estimates of closing balance of normative GFA for FY 2023-24, Capitalisation proposed for FY 2024-25 and Depreciation rates as specified in the MYT Regulations, 2021. The Details of calculation for projecting the Depreciation for FY 2024-25 are shown in the table below:

Table 155: Depreciation submitted by the Petitioner for FY 2024-25 (Rs Cr.)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission
1	Opening Gross Fixed Assets	491.22	358.95
2	Addition of Assets during the year	43.49	55.64
3	Adjustment	-	-
4	Closing Gross Fixed Assets	534.71	414.59
5	Average Gross Fixed Assets	512.97	386.77
6	Average Rate of Depreciation	3.45%	3.49%
7	Depreciation for the Year	17.70	13.49

Commission's analysis:

As per the Regulation 31 of the JERC MYT Regulations, 2021 stipulates the following:

"31. Depreciation

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

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

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

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

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) per cent of the allowable capital cost.

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

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

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

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

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

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

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

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

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

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

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

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

The opening GFA of the FY 2024-25 is considered as the closing GFA of FY 2023-24. Therefore, depreciation for the year has been computed on average Gross Fixed Assets (GFA) after considering the net addition approved during the year. The approved depreciation for ARR of FY 2024-25 is given below.

Table 156: Gross Fixed Asset for FY 2024 - 25 (Rs. Cr)

Particulars	Dep. Rate	Opening GFA	Addition of Assets	Depreciation	Closing GFA	Avg. Dep.Rate
Land	0.00%	-	-	-	-	
Building	1.80%	27.17	-	0.49	27.17	
Plant & Machinery	3.60%	307.88	43.22	11.86	351.10	
Vehicles	18.00%	0.54	0.14	0.11	0.68	
Furniture and Fixtures	6.00%	0.02	0.02	-	0.04	
Office Equipment	6.00%	0.50	0.11	0.03	0.61	
Total		336.11	43.49	12.50	379.60	3.49%

Table 157: Depreciation approved by the Commission for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission	Approved by the Commission
1	Opening Gross Fixed Assets	491.22	358.95	336.11
2	Addition of Assets during the year	43.49	55.64	43.49
3	Adjustment/Retirement During the year	-	-	0.00
4	Closing Gross Fixed Assets	534.71	414.59	379.60
5	Average Gross Fixed Assets	512.97	386.77	357.86
6	Average Rate of Depreciation	3.45%	3.49%	3.49%
7	Depreciation for the Year	17.70	13.49	12.50

The Commission approves depreciation of Rs. 12.50 Cr in the ARR of FY 2024-25.

5.13. Interest on Loan

Petitioner's Submission:

The Interest on Loans for FY 2024-25 has been projected by considering the revised estimates of the closing balance of the normative loans for FY 2023-24, addition in loans during the year @70% of proposed Capitalisation for FY 2024-25, normative repayment of loans equivalent to proposed depreciation and One Year State Bank of India (SBI) MCLR Rate applicable on 1st April 2023 plus 100 basis points. The details of calculation for projecting Interest on Loans for FY 2024-25 are shown in the table below:

Table 158: Interest on Loan submitted by the Petitioner for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission
1	Opening Normative Loans	72.34	25.27

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's Submission
2	Add: Normative Loan during the year	30.44	38.95
3	Less: Normative Repayment	17.71	13.49
4	Closing Normative Loans	85.07	50.73
5	Average Normative Loans	78.71	38.00
6	Rate of Interest	8.00%	9.50%
7	Interest on Loans	6.30	3.61

Commission's Analysis:

Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

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

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

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

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As the Petitioner only has normative loan and no actual loan i.e., no fixed assets in operation which are funded through loans, the Commission has considered the SBI 1 Year MCLR rate as on 1st April 2023, plus 100 basis points (i.e. 8.50% plus 1%) as Rate of Interest, in accordance with the JERC MYT Regulations, 2021. The Interest on Loan has been calculated on the basis of average loan during the year. The detailed approved interest on loan is given below.

Table 159: Interest on Loan approved by the Commission for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission	Approved by the Commission
1	Opening Normative Loans	72.34	25.27	22.34
2	Add: Normative Loan during the year	30.44	38.95	30.44
3	Less: Normative Repayment	17.71	13.49	12.50
4	Closing Normative Loans	85.07	50.73	40.28
5	Average Normative Loans	78.71	38.00	31.31
6	Rate of Interest	8.00%	9.50%	9.50%
7	Interest on Loans	6.30	3.61	2.97

The Commission approves Interest and Finance Charges of Rs. 2.97 Cr in the ARR of FY 2024-25.

5.14. Return on Equity (ROE)

Petitioner's Submission

The Return on Equity for FY 2024-25 has been projected by considering the revised estimated of closing balance of normative equity for FY 2022-23, addition of equity during the year @ 30% of proposed capitalisation and the rate of return on equity specified in above for Retail Supply of Business. The details of calculation for projecting the Return on Equity for FY 2024-25 are shown in the table below:

Table 160: RoE submitted by the Petitioner (Rs Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission
1	Opening Equity	178.94	156.45
2	Additions on account of new capitalisation	13.05	16.69
3	Closing Equity	191.99	173.14
4	Average Equity	185.47	164.80
5	Average Equity (Wires Business)	166.91	148.32
6	Average Equity (Retail Supply Business)	18.55	16.48
7	Return on Equity for Wires Business (%)	15.50%	15.50%

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%
9	Return on Equity for Wires Business	25.87	22.99
10	Return on Equity for Retail Supply Business	2.97	2.64
11	Return on Equity	28.84	25.63

Commission's Analysis

The Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following:

"28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum."

The Commission has approved the addition in GFA during the year and corresponding equity for FY 2024-25, by considering 30% of the GFA as equity. The opening equity for FY 2024-25 is considered as approved value of closing equity for FY 2023-24. Further, the Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the JERC MYT Regulations, 2021 i.e., 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a post-tax rate of 15.50% for the Distribution Wires Business and a post-tax rate of 16% for the Retail Supply Business. The details of approved RoE for FY 2024-25 are given below.

Table 161: ROE Approved by the Commission for FY 2024-25 (Rs Cr.)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission	Approved by the Commission
1	Opening Equity	178.94	156.45	154.90
2	Equity Addition during the year for FY 2024-25	13.05	16.69	13.05
3	Closing Equity	191.99	173.14	167.95
4	Average Equity	185.47	164.80	161.42
5	Average Equity (Wires Business)	166.91	148.32	145.28
6	Average Equity (Retail Supply Business)	18.55	16.48	16.14
7	Return on Equity for Wires Business (%)	15.50%	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%	16.00%

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission	Approved by the Commission
9	Return on Equity for Wires Business	25.87	22.99	22.52
10	Return on Equity for Retail Supply Business	2.97	2.64	2.58
11	Return on Equity	28.84	25.63	25.10

The Commission approves the Return on Equity of Rs. 25.10 Cr in the ARR of FY 2024-25.

5.15. Interest on Security Deposit

Petitioner's Submission:

The Interest on the Consumer Security Deposits for FY 2024-25 has been projected by considering the revised estimates of closing balances of consumer security deposits for FY 2023-24, net addition in consumer security deposit during the year equivalent to percentage increase in number of consumers during the year and RBI Bank rate applicable on 1st April of 2023. Details of calculation of Interest on Security Deposits projected for FY 2024-25 are shown in the table below:

Table 162: Interest on Consumer Security Deposit submitted by the Petitioner for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission
1	Opening Consumer Security Deposits	214.97	171.08
2	Net Addition During the year	3.93	1.45
3	Closing Consumer Security Deposits	218.90	172.54
4	Average Deposits	216.94	171.81
5	Bank Rate	4.25%	6.75%
6	Interest on Consumer Security Deposits	9.22	11.60

Commission's analysis:

Interest on Security Deposits has been calculated in accordance with the JERC MYT Regulations, 2021 based on the average of opening and closing consumer security deposits during the year. Regulation 29.11 of the JERC MYT Regulations, 2021 stipulates the following:

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

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

The opening security deposit of FY 2024-25 is considered as per closing security deposit for FY 2023-24. The deposit addition during the FY 2024-25 is considered as per the submission by the Petitioner. The same shall be trued up by the Commission. The rate of interest has been considered equivalent to the prevailing RBI Bank rate. The following table provides the calculation of interest on consumer security deposits approved for the FY 2024-25:

Table 163: Interest on Consumer Security Deposit approved by the commission for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission	Approved by the Commission
1	Opening Consumer Security Deposits	214.97	171.08	171.08
2	Net Addition During the year	3.93	1.45	1.45
3	Closing Consumer Security Deposits	218.90	172.54	172.53
4	Average Deposits	216.94	171.81	171.81
5	Bank Rate	4.25%	6.75%	6.75%
6	Interest on Consumer Security Deposits	9.22	11.60	11.60

The Commission approves Interest on Security Deposit as Rs. 11.60 Cr in the ARR of the FY 2024-25.

5.16. Interest on Working Capital

Petitioner's Submission:

The Interest on the Working Capital for FY 2024-25 has been projected by considering the One Year SBI MCLR rate applicable on 1st April 2023 plus 200 basis point and normative working capital requirement as specified in above regulations. The details of calculation for projecting the Interest on Working Capital for FY 2024-25 are shown in the table below:

Table 164: Interest on Working Capital for FY 2024-25 (Rs. Cr.), submitted by the Petitioner

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission
1	Two months receivables	148.72	147.78
2	Add: One month O&M Expenses	10.21	9.96
3	Add: 40% of R& M expenses for one month	0.69	0.63
4	Less: Consumer Security Deposit excl. BG	216.94	171.81
5	Less: Power Purchase cost for one (1) month	60.45	76.21
6	Total Working Capital	(117.77)	(89.66)
7	Interest Rate (%)	9.00%	10.50%
8	Interest on Working Capital	-	-

Commission's Analysis:

The Commission notes that the Regulation 53 of the JERC MYT Regulations, 2021 stipulates the following regarding interest on working capital:

"53. Norms of Working Capital for Distribution Wires Business

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

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

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

(c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff;

Less:

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

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

Further, Regulation 64 of the JERC MYT Regulation, 2021 stipulates the following:

"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail

Supply Business for the Financial Year, computed as follows:

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

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

(c) Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;

Less

(d) Power Purchase cost for one (1) month; plus

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

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

Further, Regulation 32.3 of the JERC MYT Regulation, 2021 stipulates the following:

"32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal one (1)Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1)Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

The Commission has computed the Interest on Working Capital for FY 2024-25 in accordance with the JERC MYT Regulations, 2021. The components of working capital are derived based on the approved values given in ARR of FY 2024-25 by the Commission. The interest rate has been considered as 10.50% (1year MCLR as on 1st April 2023 i.e., 8.50% + 200 basis points). The following table provides the Interest on working Capital considered for the FY 2024-25.

Table 165: Interest on Working Capital approved by Commission (Rs Cr) for FY 2024-25

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission	Approved by the Commission
1	Two months receivables	148.72	147.78	143.42
2	Add: One month O&M Expenses	10.21	9.96	12.90
3	Add: 40% of R& M expenses for one month	0.69	0.63	0.62
4	Less: Consumer Security Deposit excl. BG	216.94	171.81	171.81
5	Less: Power Purchase cost for one (1) month	60.45	76.21	73.23
6	Net Working Capital	(117.77)	(89.66)	(88.10)
7	Interest Rate (%)	9.00%	10.50%	10.50%
8	Interest on Working Capital	-	-	-

Accordingly, the Commission approves NIL Interest on Working Capital in the ARR of FY 2024-25.

5.17. Income Tax

Petitioner's Submission:

The Petitioner has not made any submission in this regard.

Commission's analysis:

Regulation 33 of MYT Regulations, 2021 stipulates the following:

"33. Tax on Income

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

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

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

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

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

Since the Petitioner has paid no Income tax in the previous years, no income tax liability is computed for the FY 2024-25 and the same shall be Trued-up based on the actual income tax paid by the Petitioner.

5.18. Provision for Bad & Doubtful Debts

Petitioner's Submission:

The Provisions for Bad and Doubtful Debts for FY 2024-25 has been projected by considering the 1% of the Aggregate Revenue Requirement projected for FY 2024-25.

Table 166: Bad and Doubtful Debts for FY 2024-25 (Rs. Cr.)

Sr. No.	Particulars	Approved (TO dt 11.07.2022)	Petitioner's submission
1	Proposed ARR for FY 2024-25	-	1081.48
2	Provision for Bad & Doubtful Debts (%)	-	1%
3	Bad and Doubtful Debt	-	10.81

Commission's analysis:

Regulation 63 of the MYT Regulations, 2021 stipulates the following:

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

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

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

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

The Commission has not considered any Provision for Bad & Doubtful Debts for FY 2024-25 considering previous trends. The same shall be accounted for as per actuals during the True-up of respective year.

5.19. Non-Tariff Income

Petitioner's Submission:

The Non-Tariff Income for FY 2024-25 has been kept equivalent to the approved amount in Tariff Order dated 11th July 2022. Details of Non-Tariff Income for FY 2024-25 is shown in the table below:

Table 167: Non-Tariff Income Submitted by the Petitioner (Rs Cr.)

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Petitioner's submission
1	Non-Tariff Income	17.66	17.66

Commission's analysis:

Regulation 65 of JERC MYT Regulation, 2021 states the following:

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

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

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

a) Income from rent of land or buildings;

b) Income from sale of scrap in excess of 10% of the salvage value;

c) Income from statutory investments;

d) Interest on advances to suppliers/contractors;

e) Rental from staff quarters;

f) Rental from contractors;

g) Income from hire charges from contactors and others;

h) Income from advertisements, etc.;

i) Meter/metering equipment/service line rentals;

j) Service charges;

k) Consumer charges;

l) Recovery for theft and pilferage of energy;

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

n) Miscellaneous receipts;

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

p) Prior period income, etc.:

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

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

The Commission considers the same NTI as projected by the Petitioner. Further, the Commission has computed the rebate on power purchase @1% and the same has been considered as part of NTI. Therefore, the NTI approved for FY 2024-25 has been shown in the following table:

Table 168: Non-Tariff Income approved by the Commission for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Petitioner's submission	Approved by the Commission
1	Misc/Other Receipts			17.66
2	Normative Rebate			8.79
3	Non-Tariff Income	17.66	17.66	26.45

The Commission approves Non-Tariff Income of Rs. 26.45 Cr in the ARR of the FY 2024-25. The same shall be considered at actuals at the time of True-up.

5.20. Aggregate Revenue Requirement (ARR)

Petitioner's Submission:

Based on the expenses as submitted above, the Petitioner submitted the net aggregate revenue requirement as Rs. 1,081.48 Cr as shown in the following table:

Table 169: ARR submitted by the Petitioner (Rs Cr.)

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Petitioner's submission
1	Power Purchase Cost	725.35	914.53
1a	Power purchase	615.28	773.69
1b	Transmission Charges	110.07	140.85
2	O&M Expenses	122.54	119.47
2a	Employee costs	94.51	93.34
2b	Administration and General expenses	7.48	7.39
2c	R&M expenses	20.56	18.75
3	Depreciation	17.71	13.49
4	Interest & Finance Charges	15.52	15.21
4a	Interest and finance charges	6.30	3.61
4b	Interest on working capital	-	-
4c	Bank Charges	-	-
4d	Interest on Consumer Security Deposit	9.22	11.60
5	Return on Equity	28.84	25.63
6	Provision for Bad Debt	-	10.81
7	Total Revenue Requirement	909.96	1,099.14
8	Less: Non-Tariff Income	17.66	17.66
9	Net Revenue Requirement	892.30	1,081.48

Commission's analysis:

The Commission on the basis of the detailed analysis of the cost parameters of the ARR has considered and approved the revenue requirement in the APR of FY 2024-25 as given in the following table:

Table 170: Approved ARR od FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Petitioner's submission	Approved by the Commission
1	Power Purchase Cost	725.35	914.53	878.78
2	O&M Expenses	122.54	119.47	154.75
2a	Employee costs	94.51	93.34	127.11
2b	Administration and General expenses	7.48	7.39	9.07
2c	R&M expenses	20.56	18.75	18.57
3	Depreciation	17.71	13.49	12.50

Sr. No.	Particulars	Approved (T.O. dt 11.07.2022)	Petitioner's submission	Approved by the Commission
4a	Interest and finance charges	6.30	3.61	2.97
4b	Interest on working capital	-	-	-
4d	Interest on Consumer Security Deposit	9.22	11.60	11.60
5	Return on Equity	28.84	25.63	25.10
6	Provision for Bad Debt	-	10.81	-
7	Total Revenue Requirement	909.96	1,099.14	1085.70
8	Less: Non-Tariff Income	17.66	17.66	26.45
9	Net Revenue Requirement	892.30	1,081.48	1,059.25

The Commission approves net Aggregate Revenue Requirement of Rs. 1,059.25 Cr in the ARR of FY 2024-25.

5.21. Revenue at existing Retail Tariff

Petitioner's Submission:

The Revenue at existing Tariff for FY 2024-25 has been projected by considering the projected sales and approved Retail Supply Tariff Schedule in Tariff Order dated 30th March 2023. Details of Revenue at existing Tariff on category wise basis for FY 2024-25 are shown in the table below:

Table 171: Revenue from Sale of Power at existing tariff for FY 2024-25 submitted by the Petitioner (Rs. Cr.)

Sr. No.	Consumer Category	Petitioner's submission
1	Domestic – LT	374.31
2	Domestic – HT	13.14
3	Commercial – LT	138.07
4	Commercial – HT	154.71
5	Large Supply	72.90
6	Medium Supply	65.20
7	Small Power	9.14
8	Agriculture	0.44
9	Public Lighting	9.92
10	Bulk Supply	43.51
11	Others Temporary Supply	3.53
12	EV Charging Station	1.80
13	Total	886.67

Commission's Analysis:

The category wise/ sub-category wise and slab-wise revenue at existing retail tariff is calculated as per the applicable tariff rates i.e tariff applicable for FY 2024-25. The revenue from demand charges and the energy charges have been projected for each category/ sub-category and slab-wise. The total revenue from existing tariff as computed by the Commission for the FY 2024-25 has been shown in the following table:

Table 172: Revenue from Sale of Power at existing tariff for FY 2024-25 approved by the Commission (Rs. Cr.)

Sr. No.	Consumer Category	Sales (MU)	Fixed Charge	Energy Charge	Total Charges	ABR
A	Domestic – LT	817.70	16.95	356.67	373.62	4.57
I	LT Domestic	794.26				
1	0-150 units	67.45	4.56	18.55	23.11	3.43
2	151-400 units	255.62	5.71	108.64	114.35	4.47
3	401 and above units	471.19	6.08	219.10	225.19	4.78
B	Domestic – HT	24.13	0.60	10.38	10.98	4.55
C	Commercial – LT	498.20	49.51	235.02	284.53	5.71
II	LT Commercial	235.30				
1	0-150 units (Single Phase)	6.26	0.26	2.82	3.08	4.92
2	151-400 units (Single Phase)	13.87	0.13	6.52	6.65	4.79
3	401 and above units (Single Phase)	23.62	3.62	11.81	15.43	6.53
4	0-150 units (Three Phase)	0.04	2.99	0.02	3.01	776.72
5	151-400 units (Three Phase)	6.64	2.76	3.12	5.88	8.85
6	401 and above units (Three Phase)	184.87	13.96	92.44	106.40	5.76
D	Commercial – HT	262.90	25.79	118.30	144.09	5.48
E	Industry	248.47	37.83	108.31	146.14	5.88
1	Large Supply	125.49	16.38	56.47	72.84	5.80
2	Medium Supply	104.13	20.52	43.73	64.25	6.17
3	Small Power	18.85	0.94	8.11	9.04	4.80
F	Agriculture	1.63	0.00	0.42	0.42	2.60
G	Public Lighting	15.93	0.54	7.65	8.19	5.14
H	Bulk Supply	86.38	7.42	36.28	43.70	5.06
I	Others Temporary Supply	4.46	0.00	2.30	2.30	5.17
J	EV Charging Stations	4.51	0.00	1.62	1.62	3.60
	Total	1,677.27	112.26	748.28	860.54	5.13

The Commission has determined revenue from sale of power at existing tariff as Rs. 860.54 Cr in FY 2024-25.

5.22. Standalone Revenue Gap/ (Surplus) for FY 2024-25

Petitioner's Submission:

EWEDC submits that based on the projections of various components submitted in above sections, the Revenue Gap/(Surplus) projected for FY 2024-25 are shown in table below:

Table 173: Revenue Gap/(Surplus) for FY 2024-25 (Rs. Cr)

Sr. No.	Particulars	Petitioner's submission
1	Net Revenue Requirement	1,081.49
2	Revenue from Sale of Power	886.67
3	Standalone Revenue Gap	194.82

Commission's Analysis:

The Commission based on the approved ARR and existing retail tariff has derived the following Revenue Gap/(Surplus) for FY 2024-25:

Table 174: Revenue Gap/(Surplus) for FY 2024-25 at existing Tariff (Rs. Cr) approved by the Commission

Sr. No.	Particulars	Petitioner's Submission	Approved by the Commission
1	Aggregate Revenue Requirement	1,081.49	1,059.25
2	Revenue from Sale of Power	886.67	860.54
3	**Revenue Gap/ (Surplus)**	**194.82**	**198.71**

The Commission, in the ARR of FY 2024-25 approves the standalone gap at existing retail tariff as Rs. 198.71 Cr.

Chapter 6 : Tariff Principles and Design

6.1. Overall Approach

The Commission while designing retail tariffs for FY 2024-25 has kept in view the principles of determination of tariff as set out in the Electricity Act, 2003 (EA 2003), Tariff Policy, 2016 and the JERC MYT Regulations, 2021.

The provision of supply of electricity to all the people is an essential driver for development, and also influences social and economic change. In this Tariff Order, the Commission has continued with its endeavour to meet the objectives of the EA 2003, as set out in its Preamble, including the protection of the interest of consumers, the supply of electricity to all areas and the rationalisation of tariffs. The EA, 2003 also mandates the Commission to strike a fine balance between the interests of various stakeholders including Utilities and consumers. The Commission has also taken into consideration the Petitioner's submissions as well as the public responses in these proceedings.

6.2. Applicable Regulations

Regulation 20 of the JERC MYT Regulations, 2021 states the following:

"20. Annual determination of tariff

20.1 The Commission shall determine the tariff of a Generating Company, Transmission Licensee and Distribution Licensee covered under a Multi Year Tariff framework for each Year during the Control Period, in accordance with timelines specified in Regulation 18, having regard to the following:

a) The approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges of the Generating Company, Transmission Licensee and Distribution Licensee for such Financial Year, including modifications approved at the time of Mid-term Review, if any; and

b) Approved gains and losses, including the incentive available, to be passed through in tariff, following the truing up of previous Year."

Further, Regulation 68 of the JERC MYT Regulations, 2021 states the following:

"68. Determination of Tariff

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

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

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

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

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

6.3. Standalone and Consolidated Revenue Gap/ (Surplus) at existing tariff

Petitioner's Submission:

The Petitioner has proposed a standalone revenue gap of Rs 194.81 Cr for FY 2024-25.

Table 175: Standalone Revenue Gap/ (Surplus) at existing tariff (Rs. Cr) submitted by the petitioner

Sr. No.	Particulars	FY 2024-25
1	Aggregate Revenue Requirement	1,081.48
2	Revenue from Sale of Power	886.67
3	Revenue Gap/ (Surplus)	194.81

Table 176: Cumulative Revenue Gap/(Surplus) submitted by the Petitioner (Rs. Cr)

Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Gap/(Surplus) for the Year	(258.86)	(85.73)	5.91	185.96
2	Addition during the Year	186.38	94.71	171.35	194.81
3	Closing cumulative Revenue Gap/(Surplus)	(72.48)	8.98	177.26	380.77
4	Interest on Working Capital	8.00%	8.00%	9.50%	9.50%
5	Average of Revenue Gap/(Surplus)	(165.67)	38.37	91.58	283.36
6	Add: Interest on Gap/(Surplus) of Previous Year	(13.25)	(3.07)	8.70	26.92
7	Closing Gap/(Surplus) for the Year	(85.73)	5.91	185.96	407.69

Commission's analysis:

Regulation 12.5 of the JERC MYT Regulation, 2021 states the following:

"12. Annual Performance Review, Truing-up and tariff determination during the Control Period

12.5

… (c) Carrying Cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end

of the Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

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

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

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

The Commission approves the standalone revenue gap at existing tariff for FY 2024-25 as follows:

Table 177: Standalone Revenue Gap/(Surplus) for FY 2024-25 (Rs. Cr) approved by the Commission

Sr. No.	Particulars	FY 2024-25
1	Net Revenue Requirement	1059.25
2	Revenue from Sale of Power	860.54
3	Revenue Gap during the Year	198.71

Table 178: Cumulative Revenue Gap/(Surplus) approved by the Commission at existing tariff (Rs. Cr)

Sr. No.	Particulars	FY 2024-25
1	Net Revenue Requirement	1059.25
2	Revenue from Retail Sales at Existing Tariff	860.54
3	Standalone Gap	198.71
4	Previous year cumulative (Surplus)	(97.28)
5	Carrying cost for FY 2024-25 for 3 years	(23.35)
6	Total cumulative gap/(Surplus) with carrying cost to be passed on in ARR of FY 2024-25	(120.63)
7	**Net Gap**	**78.09**

The Commission determines a cumulative revenue gap of Rs. 78.09 Cr till the FY 2024-25 at existing tariff.

6.4. Treatment of the Revenue Gap/ (Surplus) and Tariff Design

The revenue gap of Rs. 78.09 Crore as determined above typically signifies that the revenue from the existing tariff is not commensurate with the costs incurred by the Petitioner. In order to cover this revenue deficit and to be financially sustainable, the retail consumer tariffs demand a tariff increase. The Commission has accordingly dealt with this issue in the following section.

6.4.1.Tariff Design

Petitioner's Submission:

EWEDC submits that the Retail Supply Tariff for FY 2024-25 has been proposed based on the provisions specified in the National Tariff Policy, 2016 and Net Revenue Requirement for FY 2024-25 and also submits that the National Tariff Policy, 2016 states that the rational and economic pricing of electricity has been widely recognised as one of the major tools for energy conservation. Further, tariff should progressively reflect the efficient and prudence cost of supply of electricity. Also, for achieving the above objective, tariff ought to be within the range of + 20% of the average cost of supply. Accordingly, EWEDC has proposed revision in fixed and energy charges in Retail Supply Tariff Schedule for FY 2024-25. An average increase of approximately 19.44% in the existing retail supply tariff has been proposed for FY 2024-25.

Table 179: Tariff schedule proposed by the Petitioner

Sr. No.	Category	Existing Tariff		Proposed Tariff by EWEDC	
		Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)
1	Domestic Supply				
A	Domestic LT				
1	0-150 Units	15.00	2.75	40.00	2.75
2	151-400 Units		4.25		4.90
3	401 and above units		4.65		5.50
B	Domestic HT		4.30		5.00
2	Commercial				
A	Commercial LT				
1	0-150 Units	Rs. 25/kW/Month for Single Phase and Rs. 100/kW/Month for Three Phase	4.50	Rs. 50/kW/Month for Single Phase and Rs. 130/kW/Month for Three Phase	4.50
2	151-400 Units		4.70		4.70
3	401 and above Units		5.00		6.00
B	Commercial HT	100.00	4.50	130.00	5.00
3	Industry				
A	Large Industry	200.00	4.50	240.00	5.00
B	Medium Industry	200.00	4.20	240.00	4.35
C	Small Industry	30.00	4.30	100.00	4.50
4	Agriculture				
A	Agriculture	0.00	2.60	0.00	3.50
5	Public Lighting				
A	Public Lighting system managed by Municipal Corporation, Panchayat and Street Lights maintained/ outsourced to an	100.00	4.80	160.00	5.60

Sr. No.	Category	Existing Tariff		Proposed Tariff by EWEDC	
		Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)
	external agency				
B	Advertisement/ Neon-sign Boards Advertisement boards, billboards (apart from advertisement boards installed on commercial establishments and charged under commercial tariff)	100.00	6.40	200.00	6.80
6	Bulk Supply				
A	Bulk Supply	150.00	4.20	250.00	4.60
7	Temporary Supply				
A	Temporary Supply	Tariff shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of commercial category for permanent supply.		Tariff shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of commercial category for permanent supply.	
8	EV Charging Station				
A	EV Charging Station	0.00	3.60	0.00	4.00*
	* This tariff is applicable only for supply at HT. In case of LT supply, tariff will be INR 0.30/kWh higher than the above tariff.				

Commission's analysis

The Commission has determined the retail tariff for the FY 2024-25 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the JERC MYT Regulations, 2021. The Tariff design in general is guided by the following principles:

- **Cost reflective:** The tariffs determined should efficiently reflect the cost of supply for each consumer category.
- **Progressive tariffs:** Ensuring progressivity among tariffs by having telescopic tariff slabs which encourages efficient consumption and at the same time allows intra-category cross-subsidy by way of charging higher tariff for higher consumption to subsidise the lower consumption consumers
- **Revenue neutrality:** There should be no impact on the utility's yearly revenue due to rationalization of tariffs i.e. the overall status quo should be maintained.

- **Affordability:** Assessing affordability of electricity for Domestic and Commercial consumers for defining slab ranges and setting tariffs
- **Revenue stability:** Tariff should ensure adequate fixed cost recovery for utilities from fixed/demand charges
- Avoiding tariff shocks: Tariff shocks should be avoided and stakeholders should be able to predict the future trends in tariffs
- Demand management and grid stability: Demand management and grid stability should be ensured with demand-based tariffs
- Simplified tariff structure: Tariff structure should be simplified to make it easily administrable by the utility and easy to understand for the consumer.
- Smart tariff design: Tariff rate design should take into consideration trends in electric power such as small-scale renewable generation by consumers, energy efficiency, electric vehicle charging, etc.

While all the above parameters contribute significantly to developing a sustainable tariff framework, there are certain parameters namely Cost of Supply and Tariff Affordability which are of importance and constitute the building blocks in achieving the overall objective. The context and the approach for these parameters have been discussed as follows:

Cost of Supply

a) Context

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

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

b) Approach:

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

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

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

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

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

On studying the existing methodologies followed internationally, among developing nations with energy access situations like India's, the Commission is of the opinion that for determination of the Category wise Cost of Supply, the embedded cost methodology is an appropriate starting point.

The embedded cost method identifies and appropriately assigns the historical or accounting costs that make up a Distribution Licensee's revenue requirement to all categories and sub-categories of consumers. This method involves three steps:

- Cost Functionalization
- Cost Classification
- Cost Allocation

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

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

Tariff Affordability

a) Context

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

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

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

b) Approach

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

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

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

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

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

Based on the discussions above, the Commission is continuing with its existing approach of determination of tariff for various consumer categories based on the Average Cost of Supply (ACoS) and reduction of Cross Subsidy amongst various consumer categories, ensuring consumer tariffs progressively moving towards the cost.

Cross Subsidy

As per Section 61 (g) of the Electricity Act 2003

"(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;"

For reduction of cross subsidies, the Tariff Policy 2016 in Section 8.3 stipulates as below:

"For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."

In order to achieve the objectives of the Tariff Policy 2016 of bringing down the cross-subsidy levels amongst various consumer categories within ±20% of the average cost of supply, the Commission has tried to rationalize the tariff applicable to various consumer categories.

The limit of cross subsidy, as envisaged in the Tariff Policy 2016, can't be achieved by rationalizing the tariff in a single year, as this may lead to tariff shock to the cross subsidized consumers. In this Tariff Order, the Commission has continued its approach of rationalization of the tariff for various consumer categories and reducing the cross subsidy.

Accordingly, in this Tariff Order, the Commission has designed tariff for various consumer categories considering the Average Cost of supply in line with the provisions of the Tariff Policy, 2016. While designing the tariff for FY 2024-25, the Commission has reduced the cross-subsidy levels with an endeavour to bring the same within range specified in Tariff Policy 2016. To achieve this objective, the Commission has increased the tariff levels for cross-subsidized categories by higher than the average hike and either reduced/maintained the tariff levels or increased tariff at lower-than-average tariff hike for cross-subsidizing categories.

6.4.2. Approved Final Tariff Schedule

The existing retail tariff and tariff now approved by the Commission for each consumer category has been shown in the table below:

Table 180: Tariff schedule approved by the commission for FY 2024-25

Sr. No.	Consumer Category	Existing Tariff		Approved Tariff	
		Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)
1.	Domestic Supply (DS)				
I	LT Domestic				
a.	0-150 kWh per month	15.00	2.75	30.00	2.75
b.	151-400 kWh per month		4.25		4.80
c.	Above 400 kWh per month		4.65		5.40
II	HT Domestic		4.30		4.90
2.	Commercial/Non-Residential (NRS)				
I	LT Commercial				
a.	0-150 kWh per month	INR. 25/kW/Month or part thereof for Single Phase and INR. 100/kW/Month or part thereof for Three Phase	4.50	INR. 50/kW/Month or part thereof for Single Phase and INR. 120/kW/Month for Three Phase	4.50
b.	151-400 kWh per month		4.70		4.70
c.	Above 400 kWh per month		5.00		5.90
II	HT Commercial	100.00	4.50	120.00	4.65
3.	Industry				
I	Large Industry Power Supply (LS)	200.00	4.50	240.00	4.35
II	Medium Industry Power Supply (MS)	200.00	4.20	240.00	4.50
III	Small Industry Power Supply (SP)	30.00	4.30	50.00	4.50
4.	Agricultural Pumping Supply (AR)				
A	Agriculture	-	2.60	-	2.85
5.	Public Lighting (PL)				

Sr. No.	Consumer Category	Existing Tariff		Approved Tariff	
		Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./kW/month)	Energy Charge (Rs./kWh)
I	Public Lighting system managed by Municipal Corporation, Panchayat and Street Lights maintained/ outsourced to an external agency	100.00	4.80	150.00	5.50
II	Advertisement/ Neon-sign Boards Advertisement boards, billboards (apart from advertisement boards installed on commercial establishments and charged under commercial tariff)	100.00	6.40	160.00	6.60
6.	Bulk Supply (BS)	150.00	4.20	220.00	4.50
7.	Temporary Supply	Tariff shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of commercial category for permanent supply.		Tariff shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of commercial category for permanent supply.	
8.	Electric Vehicle Charging Station	-	3.60*		
I	Electric Vehicle Charging Station (LT)	* This tariff is applicable only for supply at HT. In case of LT supply, tariff will be INR 0.20/kWh higher than the above tariff		-	4.30
II	Electric Vehicle Charging Station (HT)			-	4.00

6.4.3.Revenue from Approved Retail Tariff for FY 2024-25

The approved tariff shall be applicable from 01st August 2024. Therefore, the revenue to be recovered in FY 2024-25 has been computed based on the existing retail tariff of four months and at approved Tariff for 8 months. The details are shown in the table below:

Table 181: Revenue from Approved Retail Tariff determined by the Commission for FY 2024-25

Sr. No.	Consumer Category	Sales (MU)	Fixed Charge at existing tariff for 04 months	Energy Charge at existing tariff for 04 months	Fixed Charge at approved tariff for 08 months	Energy Charge at approved tariff for 08 months	Total Charges	ABR
A	Domestic	817.70	5.65	118.89	22.60	271.68	418.82	5.12
a	LT Domestic	794.26	5.45	115.43	21.80	263.79	406.47	5.12
1	0-150 units	67.45	1.52	6.18	6.08	12.37	26.15	3.88
2	151-400 units	255.62	1.90	36.21	7.61	81.80	127.52	4.99
3	401 and above units	471.19	2.03	73.30	8.11	169.63	252.80	5.37
b	Domestic – HT	24.13	0.20	3.46	0.80	7.88	12.34	5.11
B	Commercial	498.20	16.50	78.34	41.75	171.82	308.41	6.19
a	LT Commercial	235.30	7.91	38.91	21.12	90.32	158.25	6.73
1	0-150 units (Single Phase)	6.26	0.09	0.94	0.35	1.88	3.25	5.19
2	151-400 units (Single Phase)	13.87	0.04	2.17	0.17	4.35	6.74	4.86
3	401 and above units (Single Phase)	23.62	1.21	3.94	4.83	9.29	19.26	8.16
4	0-150 units (Three Phase)	0.04	1.00	0.01	2.39	0.01	3.41	879.68
5	151-400 units (Three Phase)	6.64	0.92	1.04	2.21	2.08	6.25	9.40
6	401 and above units (Three Phase)	184.87	4.65	30.81	11.17	72.72	119.35	6.46
b	Commercial – HT	262.90	8.60	39.43	20.63	81.50	150.16	5.71
C	Industry	248.47	12.61	36.10	30.56	73.28	152.55	6.14
1	Large Supply	125.49	5.46	18.82	13.10	36.39	73.77	5.88
2	Medium Supply	104.13	6.84	14.58	16.41	31.24	69.07	6.63
3	Small Power	18.85	0.31	2.70	1.04	5.66	9.71	5.15
D	Agriculture	1.63	0.00	0.14	0.00	0.31	0.45	2.77
E	Public Lighting	15.93	0.18	2.55	0.54	5.84	9.12	5.72
F	Bulk Supply	86.38	2.47	12.09	7.26	25.91	47.74	5.53

Sr. No.	Consumer Category	Sales (MU)	Fixed Charge at existing tariff for 04 months	Energy Charge at existing tariff for 04 months	Fixed Charge at approved tariff for 08 months	Energy Charge at approved tariff for 08 months	Total Charges	ABR
G	Temporary Supply	4.46	0.00	0.77	0.00	1.69	2.46	5.52
H	EV Charging Stations	4.51	0.00	0.54	0.00	1.29	1.83	4.07
	Total	1677.27	37.42	249.43	102.71	551.83	941.39	5.61

The Commission approves revenue from approved Retail Tariff as Rs 941.39 Cr for FY 2024-25.

The percentage recovery of cost of supply for various consumer categories at existing and approved tariff are shown in the table below:

Table 182: Percentage recovery of cost of supply for consumer categories at existing and approved tariff for FY 2024-25

Sr. No.	Category	ACoS	ABR at Existing Tariff	ABR at Approved Tariff	% recovery of cost of supply at existing tariff	% recovery of cost of supply at approved tariff
		(Rs/kwh)	(Rs/kwh)	(Rs/kwh)		
1	Domestic	6.32	4.57	5.12	72.35%	81.10%
2	Commercial	6.32	5.71	6.19	90.43%	98.02%
3	Industrial	6.32	5.88	6.14	93.13%	97.22%
4	Agriculture	6.32	2.60	2.77	41.17%	43.81%
5	Public Lighting	6.32	5.14	5.72	81.42%	90.61%
6	Bulk supply	6.32	5.06	5.53	80.11%	87.52%
7	EV	6.32	3.60	4.07	57.00%	64.39%

6.4.4. Average Cost of Supply (ACoS) and Average Billing Rate (ABR)

The Commission based on the approved ARR and approved retail tariff has derived the ACoS and overall ABR as given below:

Table 183: ACoS at approved tariff for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Now Approved
1	Annual Revenue Requirement	1059.25
2	Sales (MUs)	1677.27
3	ACoS (Rs./kWh)	6.32
4	ABR at Approved Tariff	5.61

Sr. No.	Particulars	Now Approved
5	ABR at existing tariff	5.13
6	Average Tariff increase approved	9.40 %

The Commission has approved an average increase of 9.40% in the existing retail tariff for FY 2024-25.

6.4.5. Cumulative Revenue Gap/ (Surplus) at approved Tariff

Accordingly, Commission approves the cumulative revenue gap/(surplus) as follows:

Table 184:Cumulative Revenue Gap/ (Surplus) at revised tariff approved by Commission till FY 2024-25 (Rs Cr.)

Sr. No	Particulars	FY 2024-25
1	Net Revenue Requirement	1059.25
2	Revenue from Retail Sales at revised tariff	941.39
3	Standalone Gap/(Surplus) at revised tariff	117.86
4	Previous year cumulative (Surplus)	(97.28)
5	Carrying cost for FY 2024-25 for 3 years	(23.35)
6	Total carrying cost to be passed on in ARR of FY 2024-25	(120.63)
7	Net Gap /(Surplus)	(2.77)

The Commission approves a cumulative revenue surplus of Rs. 2.77 Cr till FY 2024-25.

6.4.6. Highlights of the Tariff Structure

The highlights of the tariff structure approved by the Commission for FY 2024-25 are as follows:

a) The Commission approves the standalone revenue gap for FY 2024-25 and cumulative revenue gap at the end of FY 2024-25 at existing tariff at Rs. 198.71 Cr and Rs. 78.09 Cr respectively. Also, the Commission approves the cumulative revenue surplus at the end of FY 2024-25 at approved tariff at Rs. 2.77 Cr.
b) The Commission has approved the Average Billing Rate (ABR) of Rs. 5.61/kWh against the approved Average Cost of Supply (ACoS) of Rs. 6.32/kWh.
c) The Commission approves an average tariff hike of 9.40 %.

Chapter 7 : Open Access and Green Energy Open Access Charges for FY 2024-25

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

Petitioner's Submission:

The allocation between wheeling and retail supply business has been done as per the revised projection of ARR for FY 2024-25. Details of allocation of ARR between wheeling and retail supply business for FY 2024-25 are shown in the table below:

Table 185: Allocation Statement Wheeling and Retail Supply for FY 2024-25 submitted by the Petitioner

Sr. No.	Particulars	ARR Projected for FY 2024-25 (Rs. Crore)	Allocation %		ARR Allocation for FY 2024-25 (Rs. Crore)	
			Wire Business	Retail Supply	Wire Business	Retail Supply
1	Power Purchase Expense	914.53	0%	100%	914.53	914.53
2	Employee Cost	93.34	40%	60%	56.00	93.34
3	A&G Expenses	7.39	50%	50%	3.69	7.39
4	R&M Expenses	20.47	90%	10%	1.88	18.75
5	Depreciation	15.08	90%	10%	1.35	13.49
6	Interest on Loan	5.85	90%	10%	0.36	3.61
7	Interest on Working Capital	0.00	10%	90%	0.00	0.00
8	Interest on Consumer Security Deposit	11.96	10%	90%	10.44	11.60
9	Return on Equity	27.66	90%	10%	2.56	25.63
10	Bad and Doubtful Debt	10.90	0%	100%	10.81	10.81
11	Income Tax	0.00	90%	10%	0.00	0.00
12	**Annual Revenue Requirement**	**1,107.18**			**1,001.63**	**1,099.14**
13	Less: Non-Tariff Income	17.66	10%	90%	15.89	17.66
14	**Aggregate Revenue Requirement**	**1,089.52**			**985.73**	**1,081.48**

Table 186: Wheeling Charge calculation as submitted by Petitioner

Sr. No.	Category	O&M Expenses	Others	Total	Energy Sales	Wheeling Charges
		Rs Cr	Rs Cr	Rs Cr	MU	Rs/kWh
1	LT Level	57.73	33.11	90.84	1175.61	0.77
2	HT/EHT Level	0.17	4.74	4.91	535.24	0.09
3	Total	57.90	37.84	95.75	1710.84	

Commission's analysis:

The allocation between wheeling and retail supply business for FY 2024-25 as per the ARR approved in this Order and allocation statement given in the JERC MYT Regulations, 2021, is provided in the table below:

Table 187: Allocation Statement Wheeling and Retail Supply for FY 2024-25 approved by the Commission

Sr. No.	Item of expense	Wheeling Business	Retail Supply Business	FY 2024-25		
		%	%	Wheeling Business (Rs. Cr)	Retail Supply Business (Rs. Cr)	Total (Rs. Cr)
1	Cost of power purchase	0%	100%	-	878.78	878.78
2	Employee costs	40%	60%	50.84	76.27	127.11
3	R&M expenses	90%	10%	16.71	1.86	18.57
4	Administration and General expenses	50%	50%	4.53	4.53	9.07
5	Depreciation	90%	10%	11.24	1.25	12.50
6	Interest & Financial charges	90%	10%	2.68	0.30	2.97
7	Interest on Working Capital	10%	90%	0.00	0.00	0.00
8	Return on NFA /Equity	90%	10%	22.59	2.51	25.10
9	Provision for Bad Debt	0%	100%	0.00	0.00	0.00
10	Interest on Consumer Security Deposit	10%	90%	1.16	10.44	11.60
11	**Total Revenue Requirement**			**109.76**	**975.93**	**1085.70**
12	Less: Non-Tariff Income	10%	90%	2.64	23.80	26.45
13	**Net Revenue Requirement**			**107.12**	**952.13**	**1059.25**

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

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

- O&M Expenses consisting of Employee, A&G and R&M expenses are allocated to each voltage level on the basis of number of consumers.

- All expenses other than the O&M expenses are allocated to each voltage level on the basis of voltage wise asset allocation. The Petitioner in this regard was directed to submit the voltage wise asset allocation but has failed to submit the desired information and in the absence of such information, the Commission has assumed the voltage wise asset allocation shown in the table below.

- The energy input has been determined assuming the cumulative loss level of HT/EHT voltage as 4.03%, which is the same as considered by the Commission in its previous tariff order dated 30.03.2023. The Petitioner in this regard has failed to submit the voltage wise losses. The resultant losses have been loaded to the LT voltage level in order to maintain the overall Intra-State T&D loss at 8.00 % as approved in the MYT trajectory

- The resultant cost at HT/EHT voltage level derived after performing the above steps is then divided between LT and HT/EHT voltage level on the basis of input energy at respective voltage levels, since the HT/EHT network is used by consumers of both HT/EHT and LT voltage levels.

The Parameters assumed for voltage wise allocation of wheeling charges as given below:

Table 188: Parameters assumed for voltage wise allocation of wheeling charges approved by the commission

Sr. No.	Input	Consumers	Asset Allocation (%)	Sales (MU)	Cumulative Voltage Wise Losses (%)	Energy Input (MU)
1	Low Tension (LT) Level	2,32,932	60%	1,160.62	9.66%	1,284.78
2	High Tension (HT)/ Extra High Tension (EHT) Level	2,183	40%	516.65	4.03%	538.34
3	Total	2,35,114	100%	1,677.27	8.00%	1,823.12

Accordingly, the Commission approves the Wheeling Charges as follows:

Table 189: Wheeling Charges approved by Commission for FY 2024-25

Sr. No.	Category	O&M Expenses (Rs. Cr)	Other Expenses (Rs. Cr)	Total Expenses (Rs. Cr)	Sales (MU)	Wheeling Charges (Rs./kWh)
1	Low Tension (LT) Level	153.31	15.43	168.74	1160.62	1.45
2	High Tension (HT)/ Extra High Tension (EHT) Level	1.44	10.29	11.72	516.65	0.23
3	Total	154.75	25.72	180.47	1677.27	1.08

The Commission approves wheeling charge of Rs. 1.45 /kWh at LT voltage level and Rs. 0.23/kWh at HT/EHT voltage level.

7.2. Additional Surcharge

Petitioner's Submission:

The Petitioner had proposed an Additional Surcharge of Rs 1.38/kWh for FY 2024-25 as under:

Table 190: Additional Surcharge submitted by the Petitioner

Sr. No.	Particulars	Unit	Amount
1	Total Power Purchase Cost	Rs Cr	914.53
2	Fixed Cost Component (excl. Transmission Charges)	Rs Cr.	235.83
3	Energy Sales	MUs	1710.84
4	Additional Surcharge	Rs/kWh	1.38

Commission's analysis:

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

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

Regulation 4.5 (2) of the said Regulations stipulate:

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

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

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

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

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

Table 191: Additional Surcharge approved by the Commission for FY 2024-25

Sr. No.	Particulars	FY 2024-25
1	Total Power Purchase Cost	878.78
2	Fixed cost component in Power Purchase Cost (excluding transmission charges)	231.33
3	Energy Sales (MU)	1,677.27
4	Additional Surcharge (Rs/kWh)	1.38

Earlier, a consumer availing Open Access was required to pay fixed charges on contracted load even when the load was drawn partially from the Distribution Licensee. In addition, the consumer was also required to pay wheeling charges, additional surcharge.

As per the new "Open Access Regulations, 2017", a consumer is now required to pay fixed charges on reduced demand after adjusting for demand drawn through Open Access in accordance with the Regulation. The Commission approves an Additional Surcharge of Rs 1.38/kWh for the FY 2024-25.

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

7.3. Cross-Subsidy Surcharge

Petitioner's Submission:

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

Table 192: Voltage Wise Cost of Supply (VCoS) for FY 2024-25

Sr. No.	Category	Energy Sales (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. Crore.)	Total Cost (Rs. Crore)	VCoS (Rs./kWh)
1	LT	1,175.61	447.29	345.06	792.35	6.74
2	HT & EHT	535.24	145.35	143.79	289.13	5.40
3	Total	1,710.84	592.63	488.85	1,081.48	6.32

Table 193: Cross-Subsidy Surcharge as proposed by the Petitioner

Sr. No.	Category	VCoS (Rs. /kWh)	ABR (Rs. /kWh)	CSS (Rs. /kWh)
1	LT	6.74	4.93	
2	HT & EHT	5.40	5.74	0.34

Commission's analysis:

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

Using cumulative loss as provided below, the energy input at each voltage level is determined based on the energy sales. The table below shows the energy input at each voltage level.

Table 194: Energy Input at each Voltage level (MUs)

Sr. No.	Category	Sales (MU)	Cumulative Loss up-to that voltage level (%)	Energy Input (MU)
1	Low Tension (LT) Level	1,160.62	9.66%	1,284.78
2	High Tension (HT)/ Extra High Tension (EHT) Level	516.65	4.03%	538.34
3	Total	1,677.27	8.00%	1,823.12

Now, the overall ARR approved for FY 2024-25 is divided into variable and fixed ARR with variable ARR comprising of variable component of the power purchase cost and fixed ARR comprising of all the other costs.

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

- The fixed cost of power purchase is assigned to each voltage level on the basis of energy input at respective voltage levels.
- The O&M expenses are allocated to each voltage level on the basis of the number of consumers. The resultant cost allocated to HT/EHT level is then further allocated between HT/EHT and LT level on the basis of input energy, as the HT/EHT network is utilized by both LT and HT/EHT network consumers.
- The remaining fixed costs are allocated on the basis of voltage wise asset allocation assumed earlier and further allocated to respective voltage levels on the basis of input energy.

Table 195: Parameters used for allocation of fixed cost for FY 2024-25

Sr. No.	Category	Energy Input (MU)	Voltage Wise Allocation (%)	Number of Consumers
1	Low Tension (LT) Level	1,284.78	60%	2,32,932
2	High Tension (HT)/ Extra High Tension (EHT) Level	538.34	40%	2,183
3	Total	1,823.12	100%	2,35,114

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

Table 196: Voltage Wise Cost of Supply (VCoS) approved by the Commission for FY 2024-25

Sr. No.	Category	Allocated Fixed Cost (Rs.Cr.)	Allocated Variable Cost (Rs.Cr.)	Total Cost (Rs.Cr.)	Energy Sales (MU)	VCoS (Rs.kWh)
1	Low Tension (LT) Level	431.02	319.89	750.91	1160.62	6.47

Sr. No.	Category	Allocated Fixed Cost (Rs.Cr.)	Allocated Variable Cost (Rs.Cr.)	Total Cost (Rs.Cr.)	Energy Sales (MU)	VCoS (Rs.kWh)
2	High Tension (HT)/ Extra High Tension (EHT)Level	121.62	134.04	255.66	516.65	4.95
3	Total	552.64	453.93	3057.54	1677.27	

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

Table 197: Cross Subsidy Surcharge approved by the Commission for FY 2024-25

Sr. No.	Category	VCoS (Rs. kWh)	ABR (Rs. kWh)	Cross Subsidy Surcharge (Rs. kWh)
1	Low Tension (LT) Level	6.47	5.48	-0.99
2	High Tension (HT)/ Extra High Tension (EHT)Level	4.95	5.91	0.96

The Cross-Subsidy Surcharge is coming out to be negative for LT voltage level, Rs 0.96/kWh for HT voltage levels.

Therefore, the Commission approves "NIL" Cross-Subsidy Surcharge at LT Voltage level, Rs 0.96/kWh for HT voltage levels for FY 2024-25.

The same Open Access Charges will also be applicable for Green Energy open Access Consumers.

Chapter 8 : Fuel and Power Price Adjustment Mechanism

The State of Goa and Union Territories of Chandigarh, Dadra & Nagar Haveli and Daman & Diu, and Puducherry receive power from the Central Generating Stations, State Generating Stations, Independent Power Producers (IPPs) through the long-term power purchase agreements and short-term-purchase through exchange, bilateral purchases etc. However, the Union Territories of Andaman & Nicobar Islands and Lakshadweep Islands receive power from Intra-State generation as these two Islands are not connected with the national grid. The distribution licensees procure power from various available sources and supply power to the consumers at retail tariffs determined by the Commission. Power purchase cost is the substantial component of the Annual Revenue Requirements (ARR) of the distribution licensees and includes the cost paid for procurement of power, transmission charges, Deviation Settlement Mechanism (DSM) charges, State Load Despatch Center (SLDC)/ Regional Load Despatch Center (RLDC) charges as the case may be, and is netted off with revenue earned from the sale of surplus power.

The cost of the long-term power being procured by the distribution licensees is fixed by the Central Electricity Regulatory Commission (CERC) for plants supplying power to more than one State/UT (other than Andaman & Nicobar Islands and Lakshadweep Islands) (for example NTPC, NHPC etc.), and by JERC for the power plants located within the regions under jurisdiction of this Commission (for IPP's, licensees own generation and other State/UT generating sources).

While determining retail tariff for the ensuing year, the Commission first determines the ARR based on the projection of various cost elements including power purchase cost. The power purchase cost of the distribution licensee is derived from the power purchase quantum and per unit power purchase cost. Quantum of power purchase depends upon the energy sales projected by the distribution licensee after accounting for the distribution losses, which is purely a projection for the ensuing year. Hence, a likely variation in actual per unit power purchase cost vis-a-vis projected per unit power purchase cost due to change in fuel cost, change in power purchase mix i.e. thermal /hydel/renewable mix, long-term/short-term power mix, etc. This makes power purchase cost uncontrollable in nature.

The Commission undertakes the truing up exercise for the variation in the cost and revenue once the audited accounts of the distribution licensee are available. For example, the True-up of the FY 2024-25 will be undertaken by the Commission once the audited accounts of the FY 2024-25 are available. If the audited accounts for the FY 2024-25 are prepared timely, the impact of True-up of various cost and revenue items is allowed in the tariff of the FY 2027-28, along with the carrying cost for 2 years. As the power purchase cost is the major cost element of the ARR of the distribution licensee, adjustment due to change in power purchase cost at regular intervals is important in order to avoid the burden of carrying cost on the additional power purchase cost incurred during the year.

8.1 Relevant Provisions

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

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

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

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

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

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

“8.2 Framework for revenue requirements and costs

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

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

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

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

(e) The Electricity (Amendment) Rules, 2022 - Schedule-II

The Ministry of Power vide notification dated 29th December, 2022 notified the Electricity (Amendment) Rules, 2022 which prescribes the Fuel and Power Purchase Cost Adjustment (FPPCA) Surcharge mechanism.

8.2 Mechanism for Fuel and Power Purchase Cost Adjustment (FPPCA) Surcharge:

The following mechanism shall be followed for calculation and adjusting variations on account of Fuel and Power Purchase Cost Adjustment (FPPCA) Surcharge in the end consumer tariff, which shall come into force w.e.f. the implementation of this tariff order.

8.2.1 Periodicity for Recovery (Cycle), Chargeability and related Terms & Conditions:

i. Fuel and Power Purchase Cost Adjustment (FPPCA) surcharge shall be calculated and billed to consumers automatically, without going through the regulatory approval process, on a monthly basis, according to the formula specified at 8.2.2 subject to true-up, on an annual basis.

Provided that the automatic pass-through shall be adjusted in the monthly billing as mentioned below.

ii. FPPCA surcharge shall be computed and charged by the distribution licensee, in (n+2) th month, on the basis of actual variation, in the cost of fuel and power purchase and Inter-State Transmission Charges for the power procured during the nth month. (For example, the FPPCA surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year):

Provided that in case the distribution licensee fails to compute and charge fuel and power purchase cost adjustment surcharge within the timeline as specified above, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and, in such cases, the right to recover the FPPCA surcharge determined during true-up shall also be forfeited.

iii. The distribution licensee shall submit detailed computation, on monthly basis, of the variation between expenses incurred and the fuel and power purchase cost adjustment surcharge/billed, along with supporting documents to the Commission, for verification/examination of the fuel and power purchase cost adjustment surcharge billed/to be billed.

iv. Upon verification/examination, if any discrepancies are found by the Commission, in the computation of fuel and power purchase cost adjustment surcharge, the Commission shall inform the Distribution Licensee, of such discrepancy, directing it for counter adjustment in the subsequent month’s fuel and power purchase cost adjustment surcharge to be charged.

v. The revenue recovered on account of pass-through fuel and power purchase cost adjustment surcharge by the distribution licensee, shall be trued up while truing up the expenses of the relevant financial year.

vi. To ensure smooth implementation of the fuel and power purchase cost adjustment surcharge mechanism and its recovery, the distribution licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open-source software as available.

vii. The distribution licensee shall publish all details including the fuel and power purchase cost adjustment surcharge formula, calculation of monthly fuel and power purchase cost adjustment surcharge, and recovery of fuel and power purchase cost adjustment surcharge on its website and archive the same through a dedicated web address.

8.2.2 Fuel and Power Purchase Cost Adjustment Surcharge Formula:

$$\textbf{Monthly FPPAS for nth Month (\%)} = \frac{(\mathbf{A-B})*\mathbf{C}+(\mathbf{D-E})}{\{\mathbf{Z}*(\mathbf{1-Distribution\ losses\ in\ \%/100})\}*\mathbf{ABR}}$$

where,

n^{th} month = the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in (n-2) th month

A (in kWh) = Total units procured in (n-2) th Month from all sources including Long-term, medium-term–term and Short-term Power purchases

B (in kWh) = Bulk sale of power from all Sources in (n-2)th Month

C (in Rs. /kWh) = Incremental Average Power Purchase Cost = Actual Average Power Purchase Cost (APPC) from all Sources in (n-2) month - Approved Average Power Purchase Cost (APPC) from all Sources

D (in Rs.) = Actual Inter-State and Intra-State Transmission Charges in the (n-2) th Month

E (in Rs.) = Approved Cost of Transmission Charges for (n-2) th Month = (Approved Transmission Charges (in Rs.)/12)

Z (in kWh) = [{Actual Power purchased from all the sources outside the State in (n-2) th Month. (in kWh) * (1 – Approved Inter-State transmission losses in % /100) + Power purchased from all sources within the State (in kWh)} *(1 – Approved Intra state losses in %) – B]/100

ABR (in Rs. /kWh) = Approved Average Billing Rate for the year

Distribution Losses (in %) = Approved Distribution Losses

Chapter 9 : Tariff Schedule

9.1 Tariff Schedule

Table 198: Tariff Schedule approved by the Commission for FY 2024-25

Sr. No.	Consumer Category	Approved Tariff	
		Fixed Charge (Rs./kW/month)	**Energy Charge (Rs. /kWh)**
1.	Domestic Supply (DS)		
I	LT Domestic		
a.	0-150 kWh per month	30.00	2.75
b.	151-400 kWh per month		4.80
c.	Above 400 kWh per month		5.40
II	HT Domestic		4.90
2.	Commercial/Non-Residential (NRS)		
I	LT Commercial		
a.	0-150 kWh per month	Rs. 50/kW/Month or part thereof for Single Phase and Rs. 120/kW/Month for Three Phase	4.50
b.	151-400 kWh per month		4.70
c.	Above 400 kWh per month		5.90
II	HT Commercial	120.00	4.65
3.	Industry		
I	Large Industry Power Supply (LS)	240.00	4.35
II	Medium Industry Power Supply (MS)	240.00	4.50
III	Small Industry Power Supply (SP)	50.00	4.50
4.	Agricultural Pumping Supply (AR)		
A	Agriculture	-	2.85
5.	Public Lighting (PL)		
I	Public Lighting system managed by Municipal Corporation, Panchayat and Street Lights maintained/ outsourced to an external agency	150.00	5.50
II	Advertisement/ Neon-sign Boards Advertisement boards, billboards (apart from advertisement boards installed on commercial establishments and charged under commercial tariff)	160.00	6.60
6.	Bulk Supply (BS)	220.00	4.50
7.	Temporary Supply	Tariff shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable Tariff for temporary connection shall be with reference to that of commercial category for permanent supply.	
8.	Electric Vehicle Charging Station		
I	Electric Vehicle Charging Station (LT)	-	4.30
II	Electric Vehicle Charging Station (HT)	-	4.00

9.2 Applicability of Tariff Schedule

Table 199: Applicability of Tariff Schedule

Applicability	Character of service
DOMESTIC SUPPLY (DS)	
LT Domestic	
This schedule shall apply for light, fan, domestic pumping sets and household appliances in the following premises: a) Single private houses/flats. b) Government schools along with related facilities. c) Supply to hostels and /or residential quarter attached with the private educational institutions where separately metered. d) Paying Guest (PG) authorized by the Chandigarh Administration e) Administrative Training Institutes/Correctional Institutes/Training Centers exclusively run/managed by the UT/State/Central Government to undertake research, consultancy/Training and allied activities to improve management efficiency f) Government and public sports institutions/Gymnasium halls etc. banks and PCOs exclusively for the use of educational institutions. g) Religious Institutions viz. Temples, Gurudwaras, Mosques, Churches, provided that the Sub Divisional officer concerned authenticates the genuineness of the place being exclusively used for worship by the general public. h) Housing colonies and multi storied flats/buildings as defined in the Electricity Supply Code Regulations, 2018 notified by JERC and as amended from time to time. i) Dispensaries / Hospitals / Public Libraries / Schools / Colleges / Working Women's Hostels / run by the Chandigarh Administration. j) Recognized Centers/ societies for t h e welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Chandigarh Administration.	AC, 50 cycles, Single phase 230 volts or three phase 400 volts. For loads up to 5 KW supply shall be connected on single phase 230 volts and above 5 KW up to 100 kVA supply shall be given on three phase 400 volts.

Applicability	Character of service
k) Orphanages/ Cheshire Homes/ Old age homes/ charitable homes and Gaushalas. l) Charitable Organizations viz. Schools, Hospitals, Dispensaries, Education and Research Institutes and Hostels attached to such Institutions registered with the Income Tax authorities under Section 80G, or 80 GGA, or 35 AC. The individual organization shall apply in writing to the Electricity Department along with a certificate from the IT Department or getting considered for the tariff in the Domestic Category m) Shelter Homes (including Night Shelters) approved by Chandigarh Administration. n) Crematoriums (including electric) and Burial Grounds. The Halls or Gardens/ Lawns or any portion of the premises listed in Para (i) above let out for consideration or used for Commercial activities at any time shall be charged at Commercial Rate of Electricity Tariff. **NOTES:** i. Where a portion of the dwelling is used for mixed load purposes the connection shall be billed for the purpose for which the tariff is higher. ii. Hostels shall be considered as one unit and billed under domestic supply tariff without compounding. iii. Private education institutions not recognized by the Chandigarh Administration shall be billed under Non-Domestic Tariff. iv. STD/PCOs, shops attached to Religious Institutions will be billed under Non- Domestic Tariff. v. A room or a part of a residential house utilized by a teacher for imparting tuition work, self-occupied handicapped persons operating from their residences, cooking classes taken by house ladies, beauty parlour run by house ladies, ladies doing tailoring work etc. shall be covered under domestic tariff. vi. For cottage & commercial activities operating in residences such as repair of shoes by cobbler, dhobi, ironing of clothes, stitching/ knitting, paan-shop and bakery products etc. small shops, tea shops etc. with total load (maximum demand) of 5 kW domestic tariff shall be applicable subject to installation of MDI Meters. In cases where total load is more than 5 kW, separate metering shall be done for commercial and domestic use and consumption shall be charged according to the	

Applicability	Character of service
tariff applicable. vii. Professionals such as Doctors, Engineers, Lawyers, CAs, Journalists and Consultants practicing from their residence irrespective of location provided that such use shall not exceed 25% of the area of the premises or as specified in the rules/regulations of their respective State or Union Territory. viii. The load of common amenities for consumers of housing societies may include pumps for pumping water supply, lifts and lighting of common area. The consumption of energy for common services shall be separately metered with meters installed and sealed by the licensee and shall be billed at Domestic Tariff. The user shall inform the details of every non-domestic activity within the residential complex, such as commercial complex, industrial activity, and recreation club, along with the connected load, and shall seek a separate connection for the same under the commercial category.	
HT Domestic	
This schedule shall apply to all the consumer falling under the LT Domestic category but connected at 11 kV or above voltage level	AC, 50 cycles, Three phase 11 Kilo volts. For loads above 100 KVA, supply shall be connected on 11 KV and a separate transformer of adequate capacity shall be installed at consumers cost as per Electricity Supply Code Regulations, 2018 notified by JERC and as amended from time to time. In case of consumers where the metering is being done on the low voltage side of the transformer instead of the high voltage side, the consumption should be computed by adding 3% extra on account of transformation/ losses. This arrangement shall be continued for a maximum of one year within which metering shall be shifted to HT (11KV) side of the transformers
COMMERCIAL / NON-RESIDENTIAL SUPPLY (NRS)	
LT Commercial	
This schedule shall apply to all consumers, using electrical energy for light, fans appliances like pumping sets, central air conditioning plant, lift, welding set, small lathe, electric drill, heater, battery charger, embroidery machine, printing press, ice candy, dry cleaning machines, power press, small motors in non-residential premises such as defined below: a) Hostels (other than those recognized/aided institutions of	AC, 50 cycles, single phase at 230 Volts or 3 Phase at 400 VoltsFor loads up to 5 KW, supply shall be connected on single phase 230 volts and above 5 KW up to 100 KVA, supply shall be given on 3 phase 400 volts.

Applicability	Character of service
Chandigarh Administration) b) Schools and colleges (excluding Government schools and related facilities c) Coaching institutes and research institutes (Other than those recognized by the Chandigarh Administration) d) Auditoriums, Hospitals, clinics, dispensaries, nursing homes / diagnostic centers other than those run by the Chandigarh Administration. e) Railways (other than traction) f) Hotels, restaurants, guest houses, boarding / lodging houses, marriage houses g) Cinemas h) Banks i) Petrol pumps. j) Government / Public Sector offices and undertakings k) Public halls, auditoriums, exhibitions, theatres, circus, cinemas etc. l) All other establishments, i.e., shops, chemists, tailors, washing, dyeing etc. which do not come under the Factories Act. m) Cattle farms, fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery Farm houses being used for commercial activity. n) Ice-cream parlors, bars, coffee houses etc. o) Any other category of commercial consumers not specified/covered in any other category in this Schedule. NRS supply shall also be applicable to multi consumer complexes including commercial complexes as defined in the Electricity Supply Code Regulations, 2018 notified by JERC and as amended from time to time. No separate circuit/connection for power load including pumping set/central air conditioning plant, lifts etc. is permitted.	
HT Commercial	AC, 50 cycles, Three phase 11 Kilo volts.
This schedule shall apply to all the consumers falling under the LT Commercial category but connected at 11 kV or above voltage level	For loads above 100 KVA, supply shall be given on 11 KV in case of multi consumer complex including commercial complex and in other cases for load above 100 KVA the supply shall be on 11 KV. In case of consumers where

Applicability	Character of service
	metering is done on the low voltage side of the transformer instead of the high voltage side, the consumption should be computed by adding 3% extra on account of transformation losses.
LARGE INDUSTRIAL POWER SUPPLY (LS)	
The schedule shall apply for consumers having industrial connected load above 100kVA.Their contract demand shall not be less than 100 kVA. No consumers shall increase their connected load without prior approval of the Electricity department. The consumer availing supply at high tension shall indicate rated capacity of all the step down transformers installed in his premises and shall not increase the capacity of such step down transformers without prior approval of the department. **NOTE** i. The above tariff covers supply at 11 kV. Surcharge at 20% on the tariff shall be leviable for all the existing consumers which are being given supply at 400 volts. A consumer getting supply at 33 kV and above will get a rebate of 3%. ii. Surcharge @ 17.5% on the tariff shall be leviable for all the arc furnace consumers which are being given supply at 11 kV. This surcharge at 17.5% shall also be leviable on other industrial consumers having contract demand exceeding 5000 kVA and running at 11kV. iii. In case of steel rolling mills having supply at 400 volts, an additional surcharge of 5% shall be leviable. iv. In case of HT consumers (11kV and above) where maximum demand and energy consumption is recorded on the lower voltage side of the consumer transformer instead of the high voltage side, maximum demand and energy consumption for billing purpose should be computed by adding 3% extra on units on account of transformation/cables losses. However, this agreement shall in no case continue for more than three months and the meter shall be installed on the HT side of the transformer	AC, 50 Cycles, 3 phase 11 kV supply for loads above 100 kVA Supply can be given at 33/66/220kV depending on quantum/type of load and contract demand and availability of bus voltage and transformer winding capacity at the feeding substation wherever possible at the discretion of supplier. For arc furnace loads and other loads of equally violent fluctuating nature, voltage of supply will be 33kV and above depending upon availability of bus voltage and transformer winding capacity at the feeding substation wherever possible, at the discretion of supplier. **Contract Demand** is the load kW, kVA or HP, as the case may be agreed to be supplied by the licenses and contracted by the consumer and specified in the agreement. If the consumer in a month exceeds the contract demand, such excess shall be charged at an additional rate of INR 250/kVA.

Applicability	**Character of service**
within the said period including such existing connection. v. For new connections, all metering will be on HT side only.	
MEDIUM INDUSTRIAL POWER SUPPLY (MS)	
This tariff schedule shall apply to all industrial power supply consumers having connected load ranging from 21 kVA to 100 kVA	AC, 50 cycles, 3 phase, 400 volts
SMALL INDUSTRIAL POWER SUPPLY (SP)	
This schedule shall apply to small power industries with connected load not exceeding 20 KW (26BHP) in urban and rural areas	AC, 50 cycles, single phase 230 volts, or 3 phase, 400 volts.
AGRICULTURAL PUMPING SUPPLY (AP)	
This schedule shall apply to all consumers for use of electrical energy for irrigation pumping load upto 20 kW (26 BHP). Supply for loads above 26 BHP/20 KW shall be charged in accordance with the relevant industrial tariff (Govt. Tubewells meant for water supply are covered under the relevant Industrial Tariff) **NOTE** • Pumping sets shall be ISI marked. The responsibility for ensuring installation of ISI marked pumping sets as well as shunt capacitors shall be that of the Junior Engineer concerned, who shall verify the same at the time of verification of test reports before the release of the connection. • Supply for agriculture/Irrigation pump sets, at one point, may also be given to a registered co-operative society or to a group of farmers recognized by the competent authority. • An agriculture consumer, if he so desires, may shift the location within his premises of his connection, with the approval of the competent authority, after payment of applicable charges.	AC, 50 Cycles, three phase, 400 volts, Single Phase at 230 volts.
PUBLIC LIGHTING (PL)	
This tariff schedule shall apply for use of Public Lighting system including signaling system, road and park lighting managed by municipal corporation, panchayats, institutions (at the discretion of the supplier) etc. The tariff schedule shall also apply for use of electricity by street lights	AC, 50 cycles, Single phase at 230 Volts or three phase at 400 Volts.

Applicability	Character of service
managed/outsourced to an external agency and advertisement boards, sign boards, bill boards, signages etc., (apart from the advertisement boards installed on commercial establishments & charged under commercial tariff).	
BULK SUPPLY (BS)	
This tariff schedule shall apply to general or mixed loads exceeding 10 kW to MES, Defense establishments, Railways, Central PWD, Institutions, Hospitals, Departmental Colonies and other similar establishments where further distribution is to be done by the consumer. Above schedule shall not be applicable, if 50 % or more of the total sanctioned load is motive/ manufacturing load	AC, 50 cycles, three phase, 400 volts or 11 kV & above. For connections to Load exceeding 100 kVA shall be released on HT only.
TEMPORARY SUPPLY	
Available to any person requiring power supply for a purpose temporary in nature. The Temporary Tariff is applicable for a temporary period of supply for a period of maximum one (1) year at a time, which may be further extended, as per the provisions of Supply Code Regulations, 2018 notified by JERC and as amended from time to time.	AC, 50 cycles, Single phase at 230 Volts or three phase at 400 Volts, or 11 kV & above.
ELECTRIC VEHICLE CHARGING STATIONS	
This tariff schedule shall apply to the Public Charging Stations (PCS) and Captive Charging Stations (CCS) as defined below in accordance with the Ministry of Power, GoI revised consolidated guidelines, and standards for charging infrastructures for Electric Vehicles dated 14th January, 2022. Public Charging Stations (PCS) shall mean an EV charging station where any electric vehicle can get its battery recharged. Captive Charging Stations (CCS) shall mean an electric vehicle charging station exclusively for the electric vehicles owned or under the control of the owner of the charging station e.g., Government Departments, Corporate houses, Bus Depots, charging stations owned by the fleet owners etc. shall not be used for commercial purpose of charging other vehicles on paid basis. The tariff for respective consumption shall be applicable for respective charging (LT/HT).	AC, 50 cycles, Single phase at 230 Volts or three phase at 400 Volts, 11 kV & above.

9.3 General Terms and Conditions

1) The tariffs are exclusive of electricity duty and taxes levied by the Government or other competent authority from time to time which are payable by the consumers in addition to the charges levied as per the tariffs.

2) Unless otherwise agreed to, these tariffs for power supply are applicable for supply at one point only.

3) If the energy supplied for a specific purpose under a particular tariff is used for a different purpose not contemplated in the contract for supply and / or for which a higher tariff is applicable, it shall be deemed as unauthorized use of electricity and shall be assessed under the provisions of section 126 of the Electricity Act, 2003 and Supply Code Regulation notified by the JERC and as amended from time to time.

4) Fixed charges, as applicable, will be charged on pro-rata basis from the date of release of connection.

5) The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of the contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations, 2018 notified by JERC and as amended from time to time. If such over-drawl is more than 20% of the contract demand then the connection shall be disconnected immediately.

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

6) Power Factor Charges for HT and EHT

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

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

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

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

7) Delayed payment Surcharge:

Delayed payment surcharge shall be applicable to all categories of consumers. Delayed payment surcharge of 1.5% per month or part thereof shall be levied on all arrears of bills. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amounts less than 50 paisa shall be ignored and amounts of 50 paisa or more shall be rounded off to the next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.

8) Advance Payment Rebate:

If payment is made in advance well before commencement of the consumption period for which the bill is prepared, a rebate @ 1% per month shall be given on the amount (excluding security deposit, taxes and duties) which remains with the licensee at the end of the month. Such rebate, after adjusting any amount payable to the licensee, shall be credited to the account of the consumer. If payment is made in advance along with prior declaration of premises to be closed for a certain period of time, a rebate of 1% per month shall be given on the amount (excluding security deposit, taxes and duties) which remains with the licensee at the end of the month. Such rebate, after adjusting any amount payable to the licensee, shall be credited to the account of the consumer.

9) Prompt Payment Rebate:

If payment is made at least 7 days in advance of the due date of payment a rebate for prompt payment @ 0.25 % of the bill amount (excluding taxes and duties) shall be given in case of cash payment and those consumers having arrears shall not be entitled for such rebate and the amount paid will first be used to set off past liabilities. Provided that in case the payment is made by cheque, the prompt payment discount will be applicable only if the payment by cheque is made 3 days prior to date of availing the prompt payment discount i.e. before 10 days from the due date of payment.

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

11) Surcharge for Low Power Factor/Non-Installation of Required rated LT Shunt Capacitors

(a) Consumers with L.T connections where the meter provided by the licensee has the power factor recording feature, shall install shunt capacitors of adequate rating to ensure power factor of 85% or above failing which low power factor surcharge at the rates noted below will be levied.

S. No.	Power Factor range	Surcharge
1.	85% and above	NIL
2.	Below 85% and upto 80%	2% of billed energy charges of that month for every 1% fall in P.F from 85%
3.	Below 80% and upto 75%	2.5% of billed energy charges of the month for every 1% fall in P.F from 80%
4.	Below 75%	3% of billed energy charges of that month for every 1% fall in P.F from 75%

The conditions for disconnection of a consumer supply in case of non-achievement of minimum level of power factor as prescribed in the Supply Code Regulations, 2018 notified by JERC and as amended from time to time, shall apply.

13) Unauthorized use of Electricity: The unauthorized use of electricity shall be treated as specified in the Supply Code Regulations, 2018 notified by JERC and as amended from time to time. The penalty applicable shall continue unless the unauthorized use is stopped.

14) Taxes and duties

The tariff does not include any tax or duty etc. on electricity energy that may be payable at any time in accordance with any law then in force. Such charges, if any, shall be payable by the consumer in addition to the tariff charges.

15) Time of Day (TOD) Tariff

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

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

Table 200: Applicability of TOD Tariff

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

c) Applicability and Terms and Conditions of TOD tariff:

i. TOD tariff shall be applicable for HT/EHT consumers subject to the installation of TOD compliant meter and shall be optional for LT industrial and commercial consumers.
ii. The facility of aforesaid TOD tariff shall not be available to HT/EHT consumers having captive power plants and/or availing supply from other sources through wheeling of power.
iii. The HT/EHT industrial consumers who have installed standby generating plants shall also be eligible for the aforesaid TOD tariff.
iv. In the event of applicability of TOD tariff to a consumer, all other terms and conditions of the applicable tariff shall continue to apply.

9.4 Schedule of Miscellaneous Charges

Table 201: Schedule Charges for other charges

Sr. No.	Description	Approved
A	**Application processing charges for new connection/ enhancement of load/ reduction of load**	
i	Domestic supply (LT)	Rs. 25/-
ii	Non-Domestic Supply (LT)	Rs. 100/-
iii	Small Power, Medium Supply and street lighting supply (LT)	Rs. 250/-
iv	Agriculture Power supply (LT)	Rs. 25/-
v	Temporary metered supply (LT)	Two times the normal rates of category of permanent supply
vi	HT/EHT Supply	As specified in Supply Code Regulations specified by JERC
B	**Charges for Re-fixing/ Changing of meter/Meter Board in the same premise on consumer request when no additional material is required. (When the cause leading to subsequent change/replacement of meter is either manufacturing defect or Department's fault then, it shall be free of cost and further, if shifting of meter is done in the interest of department work then it is free of cost.)**	
i	Single Phase Meter	Rs. 250/- per meter
ii	Three Phase Meter without CT	Rs. 500/- per meter
iii	Three Phase Meter (with CTs & PTs)	Rs. 1,000/- per meter
iv	Tri-vector and special type meters	Rs. 1,200/- per meter
v	HT/ EHV metering equipment	Rs. 3,000/- per meter
C	**Meter Inspection & Testing Charges**	
	(In case correctness/accuracy of a meter belonging to the Licensee is challenged by the consumer)	
i	Single phase	Rs. 150/- per meter

Sr. No.	Description	Approved
ii	3-phase whole current i.e. without C.T	Rs. 500/- per meter
iii	L.T. meter with CTs	Rs. 1,500/- per meter
iv	H.T. & E.H.F metering equipment.	Rs. 3,000/- per meter
	NOTE: If the challenged meter is found to be incorrect / defective, the credit of these charges will be given to the consumer, otherwise these will be forfeited.	
D	**Re-sealing charges (irrespective of the number of seals involved against each item below and where seals found to have been broken by the consumer):**	
i	Meter cupboard	Rs. 50/-
ii	Where cut-out is independently sealed	Rs. 50/-
iii	Meter cover or Meter Terminal cover (Single phase)	Rs. 150/-
iv	Meter cover or Meter Terminal cover (3- phase)	Rs. 375/-
v	Maximum Demand Indicator or C.T.s Chamber	Rs. 900/-
vi	Potential fuses	Rs. 900/-
	Note: If M&T and ME seals are found to be broken/tampered cost of meter shall be recoverable and the case shall be treated as theft case.	
E	**Reconnection Charges**	
A	Reconnecting/connecting the premises of any consumer who was previously disconnected on account of breach of his agreement with the department or of any other provisions of the Act as may be relevant.	
i	Domestic supply	Rs. 250/-
ii	Non-Domestic Supply	Rs. 500/-
iii	Small Power, Medium Supply and street lighting supply	Rs. 500/-
iv	Large Supply and bulk supply	Rs. 1000/-
v	Agriculture Power supply	Rs. 250/-
vi	Temporary metered supply	Rs. 1,500/-
F	**Testing/ Inspection of Consumer's installation**	
A	Initial Test/ Inspection	Free of Cost.
B	For subsequent test of a new installation or an extension to an existing installation if the installation is found to be defective or the wiring contractor or his representative fails to be present	
i	Single Phase	Rs. 150/- (Payable in advance for each subsequent visit for the purpose of testing the installation.)
ii	Three Phase	Rs. 200/- (Payable in advance for each

Sr. No.	Description	Approved
		subsequent visit for the purpose of testing the installation)
iii	Medium Supply/Bulk Supply loads upto 100 kVA	Rs. 500/- (Payable in advance for each subsequent visit for the purpose of testing the installation.)
iv	Large Supply/Bulk Supply (loads above 100 kVA)	Rs. 1,000/- (Payable in advance for each subsequent visit for the purpose of testing the installation.)
G	**Meter Reading Cards/ Passbook (New/ Replacement)**	
i	Provision of meter reading cards including PVC jacket	Rs. 5/- per card
ii	Replacement of meter card found to be missing on consumer's premises	
iii	Domestic & NRS	Rs. 5/- per card
iv	SP and AP	Rs. 10/- per card
v	MS	Rs. 25/- per card
vi	LS	Rs. 45/- per card
vii	Replacement of Passbook in case it is lost by AP Consumer	Rs. 60/- each
viii	Replacement of identification card missing on the premises of AP Consumer	Rs. 25/- each
ix	Temporary	Rs. 60/- per card
H	**Replacement of broken glass**	
a	Replacement of broken glass of meter cupboard (when the cause of the breakage is considered to be an act or fault of the consumer).	Rs. 60/- each
b	Replacement of meter glass where the same has been tampered with or broken by the consumer	
i	Single phase meter	Rs. 250/-
ii	Three phase meter	Rs. 450/-
I	**Amount of Security deposit for new/ extension of load**	**As per the procedure prescribed in clause 5.130 to clause 5.134 of JERC Electricity Supply Code Regulation 2018.**
J	**Charges recoverable from the consumer when the meter is found damaged / burnt owing to negligence or default on the part of consumer**	
i	Single Phase Meter	Rs. 700/- each
ii	Three Phase Meter	Rs. 1,550/- each
iii	LT CT operated Solid State Meter. (Without CTs)	Rs. 3,000/- each

Sr. No.	Description	Approved
iv	LT CTs	
	a) Upto 50/5A	Rs. 1,580/- each
	b) Above 50/5 A	Rs. 600/- each
	c) Solid State HT TPT metering equipment (without CT/PT unit)	Rs. 20,000/- each
	d) H.T.C.T./P.T. Unit	Rs. 40,470/-
K	**Special Meter reading charges in case of change in occupancy/ vacation of premises**	
i	Domestic	Rs. 50/-
ii	Other Consumer-Single phase meter	Rs. 250/-
iii	Other Consumer-Three phase meter	Rs. 450/-
L	**Supply of duplicate copies of electricity bills**	
i	Domestic consumers	Rs. 5/-
ii	Non-Domestic consumers	Rs. 10/-
iii	Temporary consumers	Rs. 10/-
iv	L.T. Industrial (upto 20 kW) & AP consumer	Rs. 10/-
v	L.T. Industrial (above 20 kW) & Street lighting consumer	Rs. 15/-
vi	H.T. Industrial & bulk supply consumer	Rs. 20/-
M	**Review of electricity bills (If the accuracy of licensee's bill is challenged by the consumer and a review of the bills is demanded)**	
i	Single Phase Supply	Rs. 10/-
ii	Three Phase Supply	
	load upto 20 kW	Rs. 250/-
	load above 20 kW upto 60 kW	Rs. 450/-
	load above 60 kW upto 100 kVA	Rs. 750/-
iii	Large Supply (above 100 kVA)	Rs. 1,000/-
	NOTE: If the challenged bill is found to be incorrect, the credit of the fee will be given to the consumer, otherwise these will be forfeited.	
N	**Testing and calibration including sealing of energy meter owned /supplied by the consumer**	
i	Single Phase	Rs. 100/-
ii	Polyphase whole current meter	Rs. 500/-
iii	Polyphase meters with CTs	Rs. 1200/-
iv	HT and EHT metering equipment	Rs. 3,500/-
O	**Checking of the capacitors at the request of the consumer**	
i	Consumer receiving supply at 230/440 V	Rs. 250/- per visit

Sr. No.	Description	Approved
ii	Consumer receiving supply at Above 400 V and up to 11 KV	Rs. 500/- per visit
P	**Demand notice extension fee (for each period of two months)**	
i	DS and NRS	Rs. 50/-
ii	AP	Rs. 500/-
iii	SP	Rs. 200/-
iv	MS/LS/BS	Rs. 2,500/-
	Note: Demand notice shall be valid for two months initially with an extended/grace period of further two months. After the expiry of grace/extended period of two months, the application shall be deemed as cancelled. Revival fee (one time only) for cancelled application shall be twice the demand notice extension fee as prescribed above and will be done by load sanctioning authority for another two months only	

9.5 Schedule for service connection charges and service rentals

Service connection charges are provided in the schedule of general and service connection charges and are to be recovered from all prospective consumers and existing consumers seeking extension in load. These charges won't be payable by consumers who have got the works executed at their own expense. Schedule of service connection charges as applicable is given under:

A. Service connection charges for domestic supply

Sr. No.	Particulars	Category	Rs.
1	Single Phase Fixed Per kW Charges		
A	Up to 1 kW	Domestic	250/-
		Non-Residential Supply	250/-
B	Above 1 kW and up to 3 kW	Domestic	300/-
		Non-Residential Supply	300/-
C	Above 3 kW and 5 kW	Domestic	500/-
		Non-Residential Supply	750/-
2	Three Phase Fixed Per kW Charges		
A	Above 5 kW	Domestic	750/-
		Non-Residential Supply	1,000/-

B. Variable Charges

- No variable charges are leviable upto 75 meters of service line length from the point of interconnection. Beyond 75 meters for all loads variable charges @ INR 125 per meter length of service line shall be recoverable for loads in excess of 5 kW.

a. Domestic and Non-Residential consumers falling under the following categories have the option, either to pay in lump sum the service connection charge as mentioned in the preceding clause or to pay monthly service rentals at 1.6 paisa per rupee of the estimated cost of the service line beyond the cost of 30.48 meters.

i. Members of Schedule Castes.
ii. Religious and Charitable institutions run by recognized/ registered associations or societies registered with Register of Societies

b. All such prospective and existing consumers who will pay or have paid service connection charges in full, shall be exempted from the payment of monthly service rentals.

c. The service rentals to the consumers existing prior to 1st November 2002, if applicable already shall continue.

C. Service connection charges for industrial and bulk Supply (For new Connections):

Table 202: Service Connection Charges for Industrial and Bulk Load Supply

Sr. No.	Load	Service Connection
1	Up to 150 kW (167 kVA)	Rs. 750/kW
2	Above 150 kW (167 kVA)	Rs. 1000/kW

Extension of Load

a) Where the consumer is either paying service rentals or had paid the service connection charges on kW basis for the original load.

i) Extension in load bringing to be charged at Rs. 750/- per the total load up to 100 kVA for extension part only. However, charges for service line in excess of 100 meters shall be charged @ Rs. 125 per meter for length of service line (new or augmented or both) feeding such consumer. Rentals on original load, if applicable, already shall continue.

b) Where the consumers had paid the service connection charge in full.

i) No charges for extension shall be recoverable where the cost of service/common part of service line had been paid by the applicant at the time of release of t h e original connection provided. No augmentation of service/common portion of service lines had been carried out ever since the release of connection and also the additional load can be released from the existing line without augmentation and the cost deposited by the consumer at the time of release of original connection is not less than 'per kW charges' payable on the basis of total connected load (including extension in load). For calculating per kW charges, the rate as applicable at the time of release of original connection shall apply for the existing load and prevailing rates for the extension in load. Difference, if any, between the actual cost paid and the recoverable amount 'per KW charges' shall be payable by such consumers at the time of extension in load. This shall also apply to the cases fed through an independent feeder laid at the cost of the consumer. The cost of line/bay (33/66/132/220kV) paid by the consumer or at the time of clubbing/conversion paid by the consumer at the time of clubbing of supply to higher voltage shall be appropriated towards service connection charges at the time of subsequent release of extension in load, if applicable. However, for calculating total 'per kW charges' service connection charges already recovered from the consumer in respect of clubbing cases, applicable rates to different connections as existing immediately prior to clubbing are to be taken into account.

Cases involving augmentation of service/Common portion of service line or if the augmentation had taken place subsequent to release of connection shall be default with as per provisions of sub-Para (a)

c) While accessing the connected load for working out service connection charges, both general and industrial loads of an individual consumer at one location shall be taken into account.

d) The "per kW", service charges for extension in load shall be as contained in above and those shall be in addition to the service rentals on the original load, if applicable thereon.

e) An increase in the connected load even without increase in the contract demand shall call for payment of service connection charges on "per kW" basis as applicable to the category in which total connected load after extension falls and shall be recoverable for extension of the electrical part only. Consumers seeking extension in contract demand within the sanctioned connected load shall not be required to pay service connection charges on KW basis.

f) Consumers seeking contract demand higher than 60% of the connected load, shall be charged one time charge termed 'Contract Demand Charges' as follows:

Table 203: Charges applicable for contract demand higher than 60% of connected load

Sr. No.	Particulars	Rs./kVA
1	For Contract Demand above 60% and up to 80% of connected load	200/-
2	For Contract Demand above 80% and up to 100% of connected load	300/-
3	Large Supply Consumers getting at 33 kV and above are exempted from the payment of one time contract demand charges for purpose of increasing contract demand	

g) In case of LT connections, Service rentals to the consumer existing prior to 1-11- 2002, if applicable already shall continue.

D. Recovery of service connection charges for extension of load by consumers who had paid the full cost of the line Industrial and Bulk supply consumers availing connection for load exceeding 1 MW have to pay the entire cost of service line laid for them. By virtue of paying the entire cost of the line involved in releasing the connection, the consumer is entitled to avail (within five years) extension in load upto 100% of the original line for which the line had been erected provided that line so erected is capable of carrying the load i.e. original load and extended load up to 100% of the original load. If, however, line already erected is unable to take 100% extension of load, extension in load shall be limited to the capacity of the line. In such an event, the consumer is not required to pay service connection charges for the extension in load, provided the cost of the line already provided by him is more than the per kW charges calculated at the applicable rate from time to time on the total load including extension in load applied by the consumer.

a) If the extension in load applied by the consumer is in excess of the capacity of line already erected or more than 100 % of the original load, consumer shall pay the service connection charges as applicable to the new applicants.

b) If during the period of 5 years from the date of connection some load has already been released from the line, whose entire cost has been paid by the consumer, who seeks extension in load within five years up to the extent of the capacity of the line or 100% of the original load within 5 years up to the extent of the capacity of the line or 100 % of the original load, whichever is lesser, release of additional load shall be regulated as under:

Load released on voltage above 11 kV and loads 1MW and above:

Extension in load to the original consumer shall be allowed (within the contract demand for which the line was originally erected for the said consumer) at the cost of the electricity department, even if augmentation/ erection of new lines is required.

Load less than 1MW released on 11 kV

In this case care should be taken for a period of 5 years that a margin of 100 % of the load of the original consumer is available in the capacity of the line. If other consumer(s) want connection(s) to be released by utilizing the available margin, new consumer(s) singly or jointly, as the case may be shall pay towards the cost of augmentation of t h e line so that sufficient margin in electricity carrying capacity is available to cater to the additional requirement of the original consumer.

a) Provisions of the preceding Para's of this schedule shall not be applicable where as a result of extension in load the supply voltage level of the consumer changes or when the consumer changes the site of the premises.

E. Service connection charges for agriculture power

All prospective tube well consumers covered under general category shall pay INR 3,000 per BHP as service connection charges. The above charges are recoverable where the total length of t h e service line including new 11 kV line, LT line (new/augmented) and service cable is upto 1 Km (out of which LT line/Service cable route length should not exceed 500 meters from the common pole).Where the total length of t h e service line is more than 1 km (out of which LT line/Service cable route length should not exceed 500 meters), any applicant under this category shall be required to pay the cost of the new 11 kV line beyond this limit at INR 125 per meter as additional service connection charges. However, no component of distribution substation/transmission cost would be charged.

Note: The meter rent has been abolished by the Commission vide its Tariff Order dated 30th March 2023.

Chapter 10 : Directives

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

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

10.1 Directives continued in this Order

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

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

10.1.1. Metering /replacement of Non-Functional or defective/ 11KV Meters

Originally issued in Tariff Order dated 16th July 2011 *"Under Section 55 (1) of Electricity Act 2003, no licensee shall supply electricity after expiry of 2 years from the appointed date except through installation of correct meter in accordance with the regulation to be made in this behalf by the authority. Accordingly, metering is required to be done in line with CEA (installation and operation of meters) Regulations 2006 to all consumers.* *Procurement process be expedited and action plan to install these meters be given by 30th September 2012."*
Commission's directive in Tariff Order dated 11th July 2022. *The Petitioner is directed to expedite the Smart Grid Project and submit the quarterly progress report.*
Petitioner's Response

The Smart Grid Project under Operation Subdivision-5 is about to get completed. So far, 24,213 nos. smart meters at consumers premises has been installed and commissioned. Also, SCADA centre for online monitoring of various activities has been established. However, replacement of 11 KV feeder meters with smart meters is yet to be done by M/s REC (implementing agency) and the same is expected to be completed within 06 months by them.

Further, due to the privatisation award in process, the Ministry of Power, Govt. of India has dropped the Pan City Smart Grid project in the 8th Meeting of the Empowered Committee of NSGM held on 12th October, 2022. The minutes of meeting was conveyed by NSGM vide letter F.No.27/3/2016-NSGM (230074) dated 18th October, 2022.

Commission latest directive in Tariff order dated 30th March 2023

The Petitioner is directed to expedite the Smart Grid Project and submit the quarterly progress report.

Petitioner's Response in the Present Tariff Petition

The Smart Grid Project in Operation Subdivision-5 has been completed except installation of 11 KV Feeder Meters (61Nos). M/s REC Ltd. (implementing agency) will install the Feeder Meters along with the Facility Management Services (FMS) Phase. So far, 24213 Nos of Smart Meters have been installed. Besides, SCADA center for online monitoring of various activities has been established.

Further, the EWEDC is under process of privatization, therefore, the Ministry of Power has dropped the Pan City Smart Grid project in the 8th Meeting of the Empowered Committee of NSGM held on 12thOctober, 2022. The Minutes of Meeting had been conveyed by NSGM vide letter F.No.27/3/2016-NSGM (230074) dated 18th October, 2022.

Also, Chandigarh Administration vide Memo No. 4058 dated 10th October 2023 has taken up the matter with Ministry of Power (MoP) to revive the Smart Grid Project for Pan City Chandigarh so that Key performance parameters & benchmarking could be improved to bring more efficiency & reliability of power supply in U.T. Chandigarh. In reply, MoP has informed to explore the possibility for revival of the aforesaid Smart Grid Project under the ongoing Revamped Distribution Sector Scheme (RDSS) of the Ministry. Accordingly, Chandigarh Administration vide DO No. 20 dated 1st February 2024 has taken up the matter with MoP for according approval to implement RDSS in U.T. Chandigarh.

Commission's Response:

Petititioner is directed to submit the response from MoP regarding the approval within 15 days of issuance of this order and submit a Monthly Report.

10.1.2. Energy Audit

Originally Issued in Tariff Order dated 16th July 2011 *"The ED Chandigarh is directed to get an Energy Audit conducted through an accredited agency to assess actual technical and commercial losses. Based on the studies, ED Chandigarh shall propose reduction of losses in subsequent years.* *The investment required to reduce the losses be included in the investment plan for augmentation of T&D system to be submitted to the Commission. Effective technical and administrative measures shall be taken to reduce the commercial losses. The action plan for energy audit and loss reduction measures shall be furnished to the Commission by 30th September 2012."*
Commission's Directive in Tariff Order Dated 11th July 2022 *The Commission has noted that Energy Audit report for FY 2022-23 has not been submitted by the Petitioner. The Commission has further noted with serious concern that the Petitioner is yet to submit the Energy Audit Reports for previous years despite repeated directions. The Commission directs the Petitioner to submit quarterly report of the action plan within one month of issuance of this Order and complete the Annual Energy Audit of the UT on priority.*
Petitioner's Response in the Tariff Petition *The Smart Grid Project in OP Subdivision-5 is about to get completed. So far 24213 nos. of smart meters at consumer premises have been installed & commissioned. Also, SCADA Centre for online operation and monitoring of various activities has been established. However, replacement of 11 KV feeder meters with smart meters is yet to be done by M/s REC (implementing agency) and the same is expected to get completed within 06 months.* *Further, due to privatisation award in process the Smart Grid Project for Pan City has been dropped by the NSGM. However, the RFP for appointment of consultant for carrying out of energy audit of UT of Chandigarh is prepared in accordance to the guidelines and model* RFP *issued by the Bureau of Energy Efficiency and submitted for accord of revised principal approval from the competent authority.*
Commission latest directive in Tariff order dated 30th March 2023 The Commission has noted with serious concern that the Petitioner is yet to submit the Energy Audit Reports for previous years despite repeated directions. The Commission directs the Petitioner to submit the consultant's report as soon as its prepared and meanwhile submit quarterly report of the action plan within one month of issuance of this Order and complete the Annual Energy Audit of the UT on priority.

Petitioner's Response in the Present Tariff Petition

The Smart Grid Project under Operation Sub division-5 has been completed except installation of 61Nos. Feeder meters which are to be installed in Facility Management Services (FMS) phase. So far 24,213 smart meters have been installed. Also, SCADA centre for online monitoring of various activities has been established. However, replacement of 11 KV feeder meters with smart meters (61 Nos.) is to be done by M/s REC (implementing agency) and the same is expected to be completed in FMS Phase.

Further, the Electricity Wing of Engineering Department Chandigarh is under process of privatization as per directions of Govt. of India, therefore, Ministry of Power has dropped the Pan City Smart Grid project in the 8th Meeting of the Empowered Committee of NSGM held on 12th October, 2022. The Minutes of Meeting was conveyed by NSGM vide letter F. No. 27/3/2016-NSGM (230074) dated 18th October, 2022.

Furthermore, the Ministry of Power has appointed consultant for this department to carryout energy Audit for FY 2020-21 & FY 2021-22. The department has submitted the data/ information in the revised format to the consultant on dated 15.11.2023 for certifying the same & onwards submission to BEE, MoP. Further, the tender for Energy Audit for year 2022-23 and 2023-24 has been floated.

Commission's Response

The Commission has noted with serious concern that the Petitioner is yet to submit the Energy Audit Reports for previous years despite repeated directions. The Commission directs the Petitioner to submit the consultant's report as soon as its prepared and meanwhile submit quarterly report of the action plan within one month of issuance of this Order and complete the Annual Energy Audit of the UT on priority.

10.1.3. Demand Side Management and Energy Conservation

Originally Issued in Tariff Order dated 16th July 2011

Demand Side Management and Energy Conservation are very important areas, which should be in focus in ED Chandigarh particularly in context of Peak load. ED Chandigarh is directed to conduct a detailed study on demand side management and energy conservation through an external accredited agency for efficient use of electricity by various means.

The Petitioner is directed to inform the time bound action plan for installation of TOD meters

Commission's directive in Tariff Order Dated 11th July 2022

The Commission appreciates the effort undertaken by the Petitioner for compliance of this directive. The Petitioner is directed to expedite the process and submit quarterly reports to the Commission.

Petitioner's Response in the Tariff Petition

Under the UJJALA Scheme, in FY 2021-22, 6,554 LED bulbs, 203 LED tube lights and 233 energy efficient fans have been distributed. So far up till FY 2021-22, 6,04,071 LED bulbs, 58,750 LED tube lights & 17,149 energy efficient fans have been distributed. This has led to energy saving of 75,932 MWh along with cost saving of over 30 Cr. on annual basis.

However, the sale of appliances under UJALA scheme is halted presently due to MoU signed between DoP & EESL for sale of appliances has been expired and further extension is under consideration (as intimated by implementing agency).

Commission latest directive in Tariff order dated 30th March 2023

Though the efforts undertaken by the Petitioner for compliance of this directive is appreciative, however, on-submission of quarterly report is a lapse on the part of the Petitioner, and it is expected that the directives be followed in true spirit and reports to be submitted as directed. The Petitioner is directed to expedite the process and submit the progress report on quarterly basis.

Petitioner's Response in the Present Tariff Petition

Under the UJJALA Scheme 6,04,071 LED bulbs, 58,750 LED tube lights & 17,149 energy efficient fans have been distributed by EESL.

Commission's Response

The Commission expresses its displeasure regrading no response from the Petitioner on the study related to Demand Side Management. Non submission of quarterly report regarding measures related to energy efficiency is a lapse on the part of the Petitioner, and it is expected that the directives would be followed in true spirit and reports be submitted as directed.

10.1.4. Creation of SLDC

Originally Issued in Tariff Order dated 28th March 2018

"Currently the functions of scheduling of power are being performed by the CED itself. The Commission directs the Petitioner to form a separate SLDC which is ring fenced from the CED. The Petitioner is directed to deploy employees dedicated to the SLDC operations, which are independent from the CED. Till the operationalization of SLDC, the Petitioner is directed

to immediately appoint an officer responsible for receipt and processing of Open Access applications."

Commission's Latest Directive in Tariff Order Dated 11th July 2022

The Commission directed the Petitioner to expedite the process of creation of SLDC.

Petitioner's Response in the Present Tariff Petition

The Ministry of Power, Govt. of India has advised in its letter dated 8th October 2020 that the operation of STU and SLDC shall remain with UT Administration. Accordingly, the proposal for creation of SLDC along with organizational structure has been proposed and is under consideration of Chandigarh Administration and as per the directions given by the competent authority the same will be created after its approval.

Commission latest directive in Tariff order dated 30th March 2023

The Commission directs the Petitioner to take up the matter with topmost priority and ensure that the process of creation of SLDC be expedited with help from Chandigarh Administration.

Petitioner's Response in the Present Tariff Petition

The Ministry of Power, Govt. of India has advised in its letter dated 8th October 2020 that the operation of STU and SLDC shall remain with UT Administration. Accordingly, a team of EWEDC has visited NRLDC, New Delhi, to get familiar with the functioning of SLDC and the proposal for creation of SLDC along with organizational structure is under consideration and after its approval the same will be created.

Commission's Response

The Commission directs the Petitioner to take up the matter with topmost priority and ensure that the process of creation of SLDC be expedited with help from Chandigarh Administration

10.1.5. Operational safety and policy for accidents and compensation

Originally Issued in Tariff Order dated 28th March 2018

The Commission directs the Petitioner to ensure that proper safety manuals are in place and are updated on a regular basis. To check enforcement of established safety procedures, the CED is directed to ensure periodic Safety Audits through independent professional agencies and adequate training of construction supervisory staff. The Commission also directs the Petitioner to develop a compensation policy for the victims of accidents caused due to the working of the Petitioner

Commission's Latest Directive in Tariff Order Dated 11th July 2022 The Commission directs the Petitioner to secure the necessary approvals from the Chandigarh Administration and submit the training plan before the Commission within three months of issuance of the order.
Petitioner's Response in the Present Tariff Petition The matter regarding finalization of training schedule for first batch of Lineman of Electricity Wing of Engineering Department, UT, Chandigarh (EWEDC) in the month of November, 2022 onwards, has been taken up with PSPCL Training Institute vide office memo no.1658 dated 10.10.2022. As soon as the training schedule is received, the proposal will be submitted to the competent authority for final approval.
Commission latest directive in Tariff order dated 30th March 2023 The Commission directs the Petitioner to secure the necessary approvals from the Chandigarh Administration and submit the training plan before the Commission within three months of issuance of the order.
Petitioner's Response in the Present Tariff Petition This office has taken up matter with PSPCL Training Institute, Patiala regarding finalization of training schedule for training of Lineman of EWEDC. Now, PSPCL vide their letter dated 25.01.2024 have decided to conduct training program and have forwarded the financial implications for said training program. The same are being forwarded to higher authorities for its approval and after approval of the same from competent authority the training of the Linemen under EWEDC will commence.
Commission's Response The Commission expresses its dissatisfaction with the Petitioner's careless strategy. The initial directive was issued by the Commission in a Tariff Order dated March 28, 2018. The petitioner hasn't made much headway since then. The staff members' safety and the dependability of the system are closely tied to their training. The department's casual attitude towards employee safety demonstrates the negligent conduct of the accountable officers. The petitioner is required to provide data on the number of human fatalities from 2018, as well as a breakdown of the number of incidents involving staff and outside parties and the compensation awarded to impacted individuals.

10.1.6. Non-achievement of capitalization target

Originally issued in Tariff Order dated 28th March 2018

The Commission observes that the capitalisation achieved by the Petitioner in the FY 2016-17 is much lower, almost one-tenth, than approved by the Commission in the APR Order. The Petitioner has also submitted that a capitalisation of only Rs 2.40 Cr has been achieved till January 2018 in the FY 2017-18 against a total approved capitalisation of Rs 38.52 Cr as approved by the Commission in the ARR Order. Lower capitalisation signifies that not enough efforts have been undertaken in enhancing the reliability and quality of supply to the consumers. Accordingly, the Commission directs the Petitioner to increase its efforts towards undertaking capital expenditure activities necessary for improving the service quality and targeting 24x7 supply to all consumers.
Commission's Directive in Tariff Order Dated 11th July 2022 The Commission directed the Petitioner to increase its efforts towards undertaking capital expenditure activities necessary to improve the service quality and target 24x7 supply to all consumers. Further, the Petitioner is directed to ensure that the capitalisation targets approved in the complete MYT Period as a whole are achieved by the end of FY 2022-23.
Petitioner's Response in the Present Tariff Petition To improve the achievement of capitalisation target concerted efforts are being made. Asset capitalisation of Rs 18.08 Crore was achieved in FY 2020-21. However, due to COVID-19 Pandemic and Privatisation award in process the capitalization target approved by Hon'ble Commission could not be achieved for FY 2021-22. It is submitted that the asset capitalisation target to the larger extend would be achieved in FY 2022-23 & FY 2023-24.
Commission latest directive in Tariff order dated 30th March 2023 The Commission directs the Petitioner to increase its efforts towards undertaking capital expenditure activities necessary to improve the service quality and target 24x7 supply to all consumers. Further, the Petitioner is directed to ensure that the capitalisation targets approved in the complete MYT Period as a whole are achieved by the end of FY 2022-23.
Petitioner's Response in the Present Tariff Petition To improve the achievement of target for assets capitalization during the year, concerted efforts are being made. Asset capitalization of Rs 9.59 Crore and Rs 2.943 Crore has been achieved in FY 2022-23 and FY 2023-24 upto 2nd quarter, respectively. It is submitted that best efforts are being made to achieve the asset capitalization target of FY 2023-24.
Commission's Response The Commission directs the Petitioner to increase its efforts towards undertaking capital expenditure activities as envisaged in Business Plan Order to improve the service quality

and target 24x7 supply to all consumers. Further, the Petitioner is directed to ensure that the capitalisation targets approved are completed in the MYT Period.

10.1.7. Monthly Billing for Domestic and Commercial/ Non-Residential category consumers

Originally Issued in Tariff Order dated 2oth May 2019 It has been observed that despite repeated directions of the Commission, the Petitioner has not yet moved to monthly billing from bi-monthly billing for Domestic and Commercial/ Non-Residential category consumers. The Commission takes serious note of this and directs the Petitioner to implement monthly billing for all category of consumers (except Agriculture) with immediate effect in accordance with the Supply Code Regulations, 2018 and submit the quarterly progress of the same to the Commission.
Commission's Latest Directive in Tariff Order Dated 11th July 2022 The Petitioner was directed to expedite the Smart Grid Pilot project and submit the progress report within one month of issuance of this order.
Petitioner's Response in the Present Tariff Petition The Smart Grid Project in OP Subdivision-5 is about to get completed. So far 24213 smart meters at consumer premises have been installed & commissioned. Also, SCADA Centre for online operation and monitoring of various activities has been established. Further, due to privatisation award in process the Smart Grid Project for Pan City has been dropped by the NSGM. Therefore, the implementation of monthly billing for domestic and commercial category of consumers at this stage is not feasible.
Commission latest directive in Tariff order dated 30th March 2023 The Petitioner is directed to expedite the Smart Grid Pilot project and submit the progress report within one month of issuance of this order.
Petitioner's Response in the Present Tariff Petition The Smart Grid Project in Operation Subdivision-5 has been completed except installation of 11 KV Feeder Meters (61Nos). M/s REC Ltd. (implementing agency) will install the Feeder Meters along with the Facility Management Services (FMS) Phase. So far, 24213 Nos of Smart Meters have been installed. Besides, SCADA centre for online monitoring of various activities has been established.

Further, the EWEDC is under process of privatization, therefore, the Ministry of Power has dropped the Pan City Smart Grid project in the 8th Meeting of the Empowered Committee of NSGM held on 12th October, 2022. The Minutes of Meeting had been conveyed by NSGM vide letter F.No.27/3/2016-NSGM (230074) dated 18th October, 2022.

Also, Chandigarh Administration vide Memo No. 4058 dated 10.10.2023 has taken up the matter with Ministry of Power (MoP) to revive the Smart Grid Project for Pan City Chandigarh so that Key performance parameters & benchmarking could be improved to bring more efficiency & reliability of power supply in U.T. Chandigarh. In reply, MoP has informed to explore the possibility for revival of the aforesaid Smart Grid Project under the ongoing Revamped Distribution Sector Scheme (RDSS) of the Ministry. Accordingly, Chandigarh Administration vide DO No. 20 dated 01.02.2024 has taken up the matter with MoP for according approval to implement RDSS in U.T. Chandigarh.

Commission's Response

The Petitioner is directed to submit the number of domestic consumers and Commercial/ Non-domestic consumers. The electricity bills of consumers are to be issued on monthly basis. The Petitioner is directed to expedite the smart grid project and start monthly billing on priority.

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

Originally Issued in Tariff Order dated 20th May 2019

The Petitioner is hereby directed to submit a proposal for category wise cost of supply along with the Tariff Petition for the next year. The Petitioner in this regard is directed to start collecting category wise and voltage wise data on losses, connected load, asset allocation etc. for prudent determination of the cost of supply.

Commission's Latest Directive in Tariff Order Dated 11th July 2022

The Petitioner was again directed to expedite the process and ensure that the study/report for the same is submitted along with the next tariff petition.

Petitioner's Response in the Present Tariff Petition

The RFP for category wise cost of supply to start collecting category wise and voltage wise data on losses, connected load and assets allocation was submitted to the higher authorities for the accord of principal approval from the competent authority and on receipt of the approval the same will be implemented, accordingly.

Commission latest directive in Tariff order dated 30th March 2023

Originally Issued in Tariff Order dated 20th May 2019 The Petitioner is hereby directed to submit a proposal for category wise cost of supply along with the Tariff Petition for the next year. The Petitioner in this regard is directed to start collecting category wise and voltage wise data on losses, connected load, asset allocation etc. for prudent determination of the cost of supply.
The Petitioner is directed to expedite the process and ensure that the study/report for the same is submitted along with the next tariff petition.
Commission's Response The Petitioner is directed to submit a progress report within one month from the issuance of this order and ensure the implementation.

10.1.9. kVAh based tariff

Originally Issued in Tariff Order dated 2oth May 2019 The Petitioner is directed to submit a proposal for implementation of kVA/kVAh tariff for HT/EHT consumers in the tariff petition for the next year. The Petitioner is also required to submit whether it possesses the requisite infrastructure to implement the same. The Commission in its efforts of making the tariff more cost reflective is looking to implement kVA/kVAh based tariff for HT/EHT consumers for all the utilities under its jurisdiction.
Commission's Latest Directive in Tariff Order Dated 11th July 2022 The Petitioner was directed to expedite the Smart Grid Pilot project and submit the progress report within one month of issuance of this order.
Petitioner's Response in the Present Tariff Petition The Smart Grid project in S/Divn. No.5 is about to get completed. So far, 24213 smart meters at consumers premises has been installed and commissioned. Also, setting up of SCADA centre for online monitoring of various activities has been completed. Further, due to privatisation award in process the Smart Grid Project for Pan City has been dropped by the NSGM. Therefore, the implementation of KVAH based tariff at this stage is not feasible.
Commission latest directive in Tariff order dated 30th March 2023 The Petitioner is directed to expedite the Smart Grid Pilot project and submit the progress report within one month of issuance of this order. Further, the Commission directs the

Originally Issued in Tariff Order dated 2oth May 2019 The Petitioner is directed to submit a proposal for implementation of kVA/kVAh tariff for HT/EHT consumers in the tariff petition for the next year. The Petitioner is also required to submit whether it possesses the requisite infrastructure to implement the same. The Commission in its efforts of making the tariff more cost reflective is looking to implement kVA/kVAh based tariff for HT/EHT consumers for all the utilities under its jurisdiction.
Petitioner to submit a proposal for implementation of kVA/kVAh tariff for HT/EHT consumers and LT consumers with Connected Load above 20 kW. The Petitioner is directed to submit the same in the tariff petition for the next year.
Petitioner's Response in the Present Tariff Petition As per direction of Hon'ble Commission, the required material for developing infrastructure for implementation of KVAH base billing for LT Industrial and LT Commercial category for load above 20 KW has been worked out and same is under process of procurement. After development of the said infrastructure and approval of KVAH tariff from the Hon'ble Commission, the KAVH billing in aforesaid category of consumer shall be implemented.
Commission's Response The Petitioner is directed to submit the progress report along with a proposed timeline to complete the aforesaid work.

10.1.10. Hydro Purchase Obligation

Originally Issued in Tariff Order dated 11th July 2022 In order to fulfil the HPO, the Petitioner is directed to procure power from large hydropower projects commissioned on and after 08.03.2019 and upto 31.03.2030.
Petitioner's Response in the Present Tariff Petition It is most respectfully submitted that the best efforts are being made to allocate a hydro generating source to meet the HPO compliance. However, this process may take some time to get finalise, therefore for the interim measure, adjustment of excess achieved solar and non-solar RPO targets may be allowed to meet the HPO targets.
Commission latest directive in Tariff order dated 30th March 2023 The Petitioner is directed to procure power from large hydropower projects commissioned on and after 08.03.2019 and upto 31.03.2030.
Petitioner's Response in the Present Tariff Petition

It is submitted that the matter is being taken with hydro generating source to meet the HPO compliance. However, this process may take some time to get finalize, therefore for the interim measure, adjustment of excess achieved solar and non-solar RPO targets may be allowed to meet the HPO targets.
Commission's Response The Petitioner is directed to comply RPO trajectory as specified under the JERC (Procurement of Renewable Energy) Regulations as amended from time to time.

Chapter 11 : Annexures

Annexure 1: List of Stakeholders

The following is the list of the participants in Public Hearings conducted on 21st June 2024:

Table 204: List of participants in Public Hearing

Sr. No.	Name	Organization/Address
1.	Sh. R.S Thapar	Voice of house society sec.48-51, Chd.
2.	Sh. J.J Singh	RWA 48, CHD
3.	Group Captain, Sh. R.C. Goyal	1579/36-D, CHD
4.	Sh. Vijay Kumar Singh	Chamber of Chandigarh Industries
5.	Sh. Pallav Mukherjee	
6.	Sh. Vivek Sharma S/o Sh. Rampal Sharma	440 village – Daria, CHD.
7.	Sh. Pardeep Singh	116-A village- Maloya, CHD.
8.	Major General Sh. Inderjit Singh Dhillon	1080/8C, CHD
9.	Sh. Manmohan Singh Kohli	Hotel & Restaurant Associations of CHD. C/o Aroma Hotel, CHD
10.	Sh. Arun Mahajan	Residence Industry Association CHD.
11.	Sh. Gurinder Singh Sandhu	74. Ind. Area Ph-I CHD.
12.	Ms. Saloni Mehta	H.No. 1010 Sec-#46-B, CHD.
13.	Sh. Gopal Dutt Joshi	Electricity colony welfare association & Powerman Union
14.	Sh. MPS Chawla	President CHD industrial Association
15.	Sh. Chander Mukhi Sharma	81, Sector 27A, CHD
16.	Sh. varinder Saluja	Joint Forum of Industries Association
17.	Jugaad singh Sobti	204, Sec-36A Chd.(WTP)
18.	Sh. Raja Sanman Bir Singh	573, Village Kishangarh (Saarth NGO)
19.	Sh. Roopinder Singh	152 Sec. 27-A, CHD
20.	Sh. Rajiv Sharma, (for and of behalf of Chandigarh congress)	Congress Bhawan Sec. 35- Chd.
21.	Sh. Jasbir Singh	595/48A Chd.
22.	Sh. Gurdarshan Singh	1082, Sec. 21-B
23.	Sh. Lakhvir Singh	1172, Vill. Burail
24.	Sh. Gyan Chand Pendu Sngharsh committee, CHD.	1505, Vill Burail, CHD
25.	Sh. Ram Paul	1067 Vill. Burail
26.	Sh. Hardeep Singh MC councilor	111, Vill. Buterla
27.	Sh. Gurmail Khan	1160 Vill. Burail
28.	Sh.S.K Nayar	Indian Citizen fourm
29.	Sh. Sitar Mal	811 Vill Burail
30.	Sh. Jagdishan Singh	Sh. Nirankari Darbar
31.	Sh. Kernail Kesri	474, 20/A, CHD.
32.	Sh. Jagdish Singh	Vill. Burail U.T., CHD
33.	Sh.Narinder Sharma	I.C.F (Regd)
34.	Sh. Daljit Singh	Vill. Palsora
35.	Sh. Sahil Kahlon	854, Sec. - 40A
36.	Sh. Siman Sharma	4, Sec. 10

Sr. No.	Name	Organization/Address
37.	Sh. Anil Kumar Chauhan	4, Sec. 10
38.	Sh. L.R. Budaniya	
39.	Sh. Sanjeev	
40.	Sh. Mandeep Singh	
41.	Sh. Ranjit Singh	106/33A CHD
42.	Sh. Mandeep Singh	2912/56 CHD
43.	Sh. Surinder Gupta	182/60, I/A Phase 1, Chd.
44.	Sh. Radhe Shyam Yadav	4513, Vill. Maloya, CHD.
45.	Sh.Rajesh Kumar	835, NIC, M.M, CHD.
46.	Smt. Gurukual	209 NIC M.M CHD
47.	Sh. Amreek Singh	5369 Maloya Colony, CHD
48.	Sh. Rajwinder Singh	3250/2 Sec – 40D
49.	Sh. Hoshiar Singh	3231/35D
50.	Baba Dayal Singh	Khuda Alisher, CHD
51.	Sh. Joga Singh	161 Vill. Kajheri
52.	Sh. Jagdeep Singh	Vill. Palsora
53.	Dr. Amrit	
54.	Er. Raj Pal Singh	Consumer Association
55.	Sh. Jasmer Singh	
57.	Sh. Vikram Yadav	Samaj wadi Party, CHD
58.	Sh. Surinder Thakur ADV.	Samaj wadi Party, CHD
59.	Sh. Ramesh chand	2074/A Dhanas, CHD
60.	Smt. Pammi Devi	28,Vikas Nagar Mauli Jagran, CHD
61.	Sh. Rajat Malhotra	Chd. residential Association Welfare Federation
62.	Sh. N.S Malhi	Chd. residential Association Welfare Federation
63.	Sh. Hitesh Puri	Chairman Chd. Residential Association Welfare Federation
64.	Sh. Ram Rup Pal	2423 Vikas Nagar, Mauli Jagran CHD
65.	Sh. Manmohan Singh	VE Commercial Vehicle Ltd. Sec. 25 , CHD
66.	Sh. O.D Gupta	R.W.O Sec. 38A, CHD
67.	Sh. Bhupinder Singh	145 Vill. Dadu majara, CHD
68.	Sh. J.S. Gogia	Gen. Secretary FOSWAC
69.	Sh. Balijinder Singh	Chairman FOSWAC
70.	Sh. Pardeep Chopra	Secretary Citizen Association Sec. 21
71..	Sh. Arun Sood	BJP
72.	Sh. Amardeep Singh	RWA 39B, CHD
73.	Sh. Harbans Singh	66, Khuda Lahora, CHD
74.	Sh. Sandeep Kumar	2340, Sec-37, CHD
75.	Sh. Tejinder Singh	(Gen. Sect. Chd. Industrial Assocation, CHD), Plot No. 28/9 Industrial area Phase-II, CHD
76.	Sh. Umesh Ghai	2680, Sec- 37C
77.	J.P Singh	226/11A CHD, President RWA Sec.- 11, CHD.
78.	Sh. Rudraksh Kapuria and Sh. Vishal Adhikari	3390, Sec. 23-D
79.	Sh. Gurinder Singh	Plot No. 74, I/A Phase-1 CHD
80.	Sh. Sucha Singh, JE(R)	3181/40D, CHD
81.	Sh. Badan Singh	180, Phase-1 Ramdarbar, Chd.
82.	Sh. Vinod Vashisht	City Forum of Resident welfare Org.
83.	Sh. Avtar Singh	589 Deep Nagar, Vill. Kajheri
84.	Sh.Mam Chand Chhokar	1038/18C, CHD

Sr. No.	Name	Organization/Address
85.	Smt. Prem Lata	Councilor Ward No. 23, Sec. 35, CHD
86.	Sh. jasbir Singh	Councilor Ward No. 24, Atawa, CHD
87.	Sh. Gurcharan Singh	Vill. Khuda Alisher CHD.
88.	Sh. Sajjan Singh	Secretary RMPI, CHD
89.	Sh. Maheshinder Singh Sidhu	Councilor Ward No. 2, Sec. 1 to 10, MC, CHD
90.	Dr. S.S. Ahluwalia	Punjab Water Supply & Sewrage Board
91.	Sh. R.S Randhawa	1581 Sec. 38B