TARIFF ORDER

True-up of the FY 2015-16, Aggregate Revenue Requirements (ARR) and Determination of Retail Tariff for the FY 2020-21

Petition No. 21/2019

For

Electricity Department, Government of Goa (EDG)

19th May 2020

JOINT ELECTRICITY REGULATORY COMMISSION
For the State of Goa and Union Territories,
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List of abbreviations

Abbreviation	Full Form
A&G	Administration & General
ABR	Average Billing Rate
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
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
Ckt. Km	Circuit Kilometer
COD	Commercial Operation Date
Commission/JERC	Joint Electricity Regulatory Commission for the State of Goa and Union Territories
Cr	Crore
DELP	Domestic Efficient Lightening Program
Discom	Distribution Company
DSM	Deviation Settlement Mechanism
EA 2003	The Electricity Act, 2003
EDG	Electricity Department, Govt. of Goa
ED	Electricity Duty
EDF	Electricity Development Fund
EHT	Extra High Tension
ERP	Enterprise Resource Planning
FAR	Fixed Asset Register
FPPCA	Fuel and Power Purchase Cost Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
GGPP	Gandhar Gas based Power Plant
HP	Horse Power
HT	High Tension
IEX	Indian Energy Exchange Limited

Abbreviation	Full Form
INR	Indian Rupee
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISTS	Inter-State Transmission System
KAPS	Kakrapar Atomic Power Station
KGPP	Kawas Gas based Power Plant
KSTPS	Kota Super Thermal Power Station
KVA	Kilo Volt Ampere
KWh	Kilo Watt Hour
LT	Low Tension
MOD	Merit Order Dispatch
MU	Million Units
MW	Mega Watt
MYT	Multi-Year Tariff
NFA	Net Fixed Assets
NPCIL	Nuclear Power Corporation of India Limited
NTPC	National Thermal Power Corporation
NVVNL	NTPC Vidyut Vyapar Nigam Limited
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Ltd.
PLF	Plant Load Factor
PLR	Prime Lending Rate
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
R-APDRP	Restructured Accelerated Power Development and Reforms Programme
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RSTPS	Ramagundam Coal Based Thermal Power Stations
RTC	Round the Clock
SBI PLR	SBI Prime Lending Rate
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
SLDC	State Load Dispatch Centre
SOP	Standard of Performance
SRPC	Southern Regional Power Committee

Abbreviation	Full Form
TAPS	Tarapur Atomic Power Station
T&D	Transmission & Distribution
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory
VSTPS	Vindhyachal Super Thermal Power Station
WART	Weighted Average Retail Tariff
WRPC	Western Region Power Committee

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

QUORUM

Shri. M. K. Goel, Chairperson

Petition No. 21/2019

In the matter of

Approval for the True-up of the FY 2015-16, Annual Performance Review of the FY 2019-20, Aggregate Revenue Requirements (ARR) and determination of retail tariff for the FY 2020-21

And in the matter of

Electricity Department, Government of Goa (EDG)…………………………………………………………………………Petitioner

ORDER

Dated: 19th May 2020

1) This Order is passed in respect to the Petition filed by the Electricity Department, Government of Goa (EDG) (herein after referred to as "The Petitioner" or "EDG" or "The Licensee") for approval of True-up of the FY 2015-16, Annual Performance Review of the FY 2019-20, Aggregate Revenue Requirement (ARR) and Tariff Proposal for the FY 2020-21 before the Joint Electricity Regulatory Commission (herein after referred to as "The Commission" or "JERC").

2) The Commission scrutinised the said Petition and generally found it in order. The Commission admitted the Petition on 11th December 2019. The Commission thereafter requisitioned further information/ 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 submitted. Further, suggestions/ comments/ views and objections were invited from the Stakeholders and Electricity Consumers. A Public Hearing was also held on 05th February 2020, and all the Stakeholders/Electricity Consumers present in the Public Hearing were heard.

3) Ministry of Home Affairs (MHA), Govt. of India has imposed nationwide lockdown with certain exceptions in the entire country from 24th March 2020 onwards to contain Covid-19. The Commission acknowledges that the prevailing situation due to outbreak of Covid-19 has led to complete shutdown of a number of commercial, industrial and Institutional establishments. COVID-19 (Corona Virus) outbreak has posed an unprecedented and unconceivable situation which is causing wide spread concern and economic hardship for communities, businesses and consumers across the country. The delay in issuance of this Order is due to the above uncontrollable factor i.e. nationwide lockdown with effect from March 24, 2020 due to the pandemic COVID 19.

4) The Commission also recognises the fact that the lockdown announced in the country will certainly have impact on sales of Industrial and Commercial consumers, thereby impacting the computation of ARR. Even after the lockdown restrictions are lifted in entirety, it is going to take some time before the economic situation stabilises. Therefore, at this point of time it will not be possible to factor the impact of lockdown on sales and components of ARR for FY 2020-21 with desired accuracy and efficacy.

5) The Commission, vide its Order dated April 10, 2020 in SUO MOTU PETITION NO. JERC/LEGAL/SMP/27/2020 issued certain Directions to mitigate the hardship of Electricity consumers and DISCOMS/EDs in view of nationwide lockdown due to COVID-19. The Commission, in the said Order, ruled that the additional expenses that are likely to be incurred by the Distribution Licensees on compliance with the directions issued in the said Order, will be taken into account while evaluating the APR of FY 2020-21.

6) The Commission is issuing this Order considering the "Business as Usual" scenario on the basis of the Petition submitted by the Electricity Department, Government of Goa after detailed analysis of submissions made by the Petitioner for FY 2020-21 and without factoring the impact of lockdown. The Commission will duly consider the impact of lockdown on sales and ARR of the Petitioner for FY 2020-21 at the time of evaluating APR of FY 2020-21 and thereafter True-up of FY 2020-21.

7) The Petitioner has not submitted the true-up petition for FY 2016-17, FY 2017-18 and FY 2018-19; therefore, the Commission has not carried out the True-up for FY 2016-17, FY 2017-18 and FY 2018-19. The Commission shall revisit the ARR for the FY 2016-17, FY 2017-18 and FY 2018-19 after the submission of true petition along with audited accounts by the Petitioner.

8) The Commission based on the Petitioner's submission, relevant MYT Regulations, facts of the matter and after proper due diligence and prudence check has approved the True Up for FY 2015-16 and ARR along with the Retail Tariff for the FY 2020-21.

9) The summary has been provided as follows:

(a) The following table provides ARR, Revenue and gap as submitted by the Petitioner and approved by the Commission in the True-up of FY 2015-16:

Table 1: Standalone Revenue Gap/ (Surplus) approved for FY 2015-16 (INR Crore)

S. No	Particulars	Petitioner's Submission	Approved by Commission
1	Net Revenue Requirement	1,500.61	1,515.35
2	Revenue from Retail Sales at Existing Tariff	1,370.88	1,370.88
	Net Gap /(Surplus)	**129.74**	**144.47**

(b) The following table provides ARR, Revenue and gap as submitted by the Petitioner and approved by the Commission in the ARR of FY 2020-21:

Table 2: Standalone Revenue Gap/ (Surplus) approved for FY 2020-21 (In INR Cr)

S. No	Particulars	Petitioner's Submission	Approved by Commission
1	Net Revenue Requirement	2,211.37	2,327.65
2	Revenue from sale of power at Approved tariff	2,044.33	1,985.39
3	Gap / (Surplus) for the year	242.68	342.26
4	Upfront Budgetary support from Govt.	167.05	342.26
	Net Revenue Gap/ (Surplus)	**0.00**	**0.00**

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

(d) The Commission in accordance with the Petitioner' submission has limited the average tariff hike with the remaining gap to be recovered from Govt's budgetary support. The Commission has approved an average tariff hike of 5.31% for the FY 2020-21

(e) The Commission has approved the Average Billing Rate (ABR) of INR 5.57/kWh with Govt. Budgetary support and ABR of INR 4.75/kWh without Govt. Budgetary support against the approved Average Cost of Supply (ACoS) of INR 5.57/kWh.

(f) In order to promote the use of Electric Vehicles (E.V.), the Commission has introduced a single-part tariff for Electric Vehicle Charging Stations where the Demand/Fixed Charges have been removed and the Energy Charges have been rationalised on the basis of Average Power Purchase Cost (APPC).

(g) The connected load and limit on monthly energy consumption for Low Income Group Category (LIG) has been enhanced to 0.25 kW and 50 units/month respectively. Beyond 50 units/month, the entire consumption for such consumers shall be charged at Domestic tariff.

(h) This Order shall come into force with effect from 1st June, 2020 and shall, unless amended or revoked, continue to be in force till further orders of the Commission. As the tariff is being implemented with effect from 1st June, 2020 instead of 1st April, 2020, the Commission will duly consider the impact of under recovery of ARR for FY 2020-21 at the time of evaluating APR of FY 2020-21 and thereafter True-up of FY 2020-21.

10) 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

11) Ordered accordingly, the attached documents giving detailed reasons, grounds and conditions are the Integral part of this Order.

-Sd-

(M.K. Goel)

Chairperson

Place: Gurugram
Date: 19th May 2020

(Certified Copy)

RKumar

(Rakesh Kumar)

Secretary

1. Chapter 1: Introduction

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

In 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, Chandigarh, Daman & Diu, Dadra & Nagar Haveli 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 supply of electricity to all areas.

1.2. About Goa

Goa is a state on the southwestern coast of India within the region known as the Konkan, and geographically separated from the Deccan highlands by the Western Ghats. It is surrounded by the Indian states of Maharashtra to the north and Karnataka to the east and south, with the Arabian Sea forming its western coast. It is India's smallest state by area and the fourth-smallest by population. The state is divided into two districts: North Goa and South Goa. North Goa is divided into three subdivisions — Panaji, Mapusa, and Bicholim and further into five talukas (subdistricts). South Goa is divided into five subdivisions — Ponda, Mormugao-Vasco, Margao, Quepem, and Dharbandora and further into seven talukas (subdistricts).

Goa has the highest GDP per capita among all Indian states, two and a half times that of the country. The state of Goa is famous for its excellent beaches, churches, and temples. Tourism is Goa's primary industry, it gets 12% of foreign tourist arrivals in India. The state is also rich in minerals and ores, and mining forms the second largest industry. Iron, bauxite, manganese, clays, limestone, and silica are mined extensively in Goa.

Goa is often described as a fusion between Eastern and Western culture with Portuguese culture having a dominant position in the state in its architectural, cultural or social settings.

1.3. About Electricity Department, Government of Goa (EDG)

The Electricity Department, Government of Goa (hereinafter referred to as "ED-Goa" or "EDG" or 'Petitioner') is a deemed Distribution Licensee within the meaning of Section 2 (17) of Electricity Act 2003 and pursuant to the Section 14 of the Electricity Act. Further, Section 42 and 43 of the Electricity Act 2003 prescribes the following duties of the deemed Distribution Licensee:

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

The primary objective of EDG is to undertake the transmission, distribution and retail supply of electricity in its license area and for this purpose plan, construct, and manage the power system network in all its aspects. EDG is further responsible for carrying out the business of purchasing and selling of electricity along with activities such as billing and collection in the area.

1.4. JERC Tariff Regulations, 2009

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 on 9th February 2009 applicable to the whole of the State of Goa and the Union Territories of Andaman and Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep and Puducherry. The Regulations were applicable till the FY 2015-16 till the MYT Distribution Tariff Regulations, 2014 were notified by the Commission on 30th June 2014.

1.5. Multi-Year Distribution Tariff Regulations, 2014

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

1.6. 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 on 10th August 2018. These Regulations are applicable for the 2nd MYT Control Period comprising of three financial years from FY 2019- 20 to FY 2021-22. These Regulations are applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

1.7. Filing and Admission of the Present Petition

The present Petition was admitted on 11th December 2019 and was marked as Petition No. 21/2019. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

1.8. Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted and certain deficiencies were observed. Accordingly, deficiency notes were issued to the Petitioner. Further, additional information/clarifications/ justifications 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 Energy Sales, revenue from retail tariff, capitalisation, tariff proposal etc. The Petitioner submitted its response on the issue through various letters.

The Commission conducted the Technical Validation Session (TVS) with the Petitioner during which the discrepancies in the Petition were discussed and additional information required by the Commission were sought. Subsequently, the Petitioner submitted replies to the issues raised in these sessions 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 3: Timelines of the interaction with the Petitioner

S. No	Subject	Date
1	Issue of First Discrepancy Note	13th December 2019
2	Reply received from Petitioner	22nd January 2020
3	Technical Validation Session	6th February 2020
4	Issue of Second Discrepancy Note	14th February 2020
5	Reply received from Petitioner	24th February 2020

1.9. 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 4: Details of Public Notices published by the Commission

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1.	8th January 2020	Gomantak	Konkani	Goa
		Times of India	English	Goa
		The Navhind times	English	Goa
		oHeraldo	English	Goa
2.	11th January 2020	Gomantak	Konkani	Goa
		Times of India	English	Goa
		The Navhind times	English	Goa
		oHeraldo	English	Goa
3.	2nd February 2020	Gomantak	Konkani	Goa
		Times of India	English	Goa
		The Navhind times	English	Goa
		oHeraldo	English	Goa

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

Table 5: Details of Public Notices published by the Petitioner

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1.	10th January 2020	Gomantak	Konkani	Goa
2.		Times of India	English	Goa
3.		The Navhind times	English	Goa
		oHeraldo	English	Goa

1.10. Public Hearing

The Public Hearing was held on 5th February 2020 from 10:00 AM onwards at Nalanda Auditorium, EDC House 5th Floor Dr. Atmaram Borkar Road, Panaji, Goa to discuss the issues related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the hearing have been examined by the Commission. The issues discussed during the public hearing and/or written comments made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2 of this Order.

2. 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 its website and also publish the same in the newspapers in an abridged form in the given format duly inviting comments/objections from the public as per the provisions of MYT Regulations, 2018.

The Public Hearing was held on 5th February 2020 from 10:00 AM onwards at Goa. During the Public Hearing, some 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 of the Petition.

The list of the stakeholders is attached as Annexure 1 to this Order.

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 process responsive and efficient. The relevant observations of the stakeholders have been suitably considered by the Commission while finalizing this Tariff Order. The submissions of the stakeholders, response of the Petitioner and views of the Commission are summarized below:

2.2.1. Promotion of ground mounted solar project in the state

Stakeholder's Comment:

With RPO requirement expected to increase y-o-y, EDG should promote large scale ground mounted solar project that will benefit the consumers in terms of cheaper power purchase cost as there would be minimal need to procure power from short-term market and purchase REC's for fulfillment of RPO.

Petitioner's Response:

Net-Metering is applicable in the state and grid connectivity is given to solar prosumers under the JERC Net-metering Regulations, 2019 for Roof top solar and ground mounted solar within the premises. The Government of Goa also grants a subsidy of 50% on the benchmark cost as per the Goa Solar Policy 2017. Furthermore, Average Power Purchase Cost (APPC) rate for Net-metering is Rs.2.93/kWh is provided for Gross Metering.

Commission's View:

The Commission has formulated the necessary Regulatory Framework for ground mounted solar projects in the State. The Govt. of Goa also provides a subsidy to consumers opting for Rooftop Solar. The Commission has been time and again emphasizing on the need to procure physical power rather than purchase of REC's for RPO fulfillment. The Commission in the ARR of FY 2020-21 has also approved procurement of physical power for RPO fulfillment. The consumer is advised to avail the benefits of the policy applicable in the State that would promote solar power procurement.

2.2.2. Capturing data on reliability indices in the State

Stakeholder's Comment:

Latest data analytics tools should be used for capturing of reliability indices and improving the reliability and quality of supply to consumers.

Petitioner's Response:

ED-Goa submits that it is undertaking a lot of schemes and capital expenditure to improve the reliability of the system. Further, the area wise interruption details are available in the National Power Portal of Government of India.

Commission's View:

The Commission has approved the required capital expenditure schemes to improve the quality and reliability of supply to the consumers of Goa. The detailed capital expenditure schemes approved for improvement of quality and reliability of supply can be seen in the Business Plan Order dated 16th November 2018. The Petitioner is directed to undertake the schemes in a proactive manner and ensure regular monitoring.

2.2.3. Quality and Reliability of Power Supply in the State

Stakeholder's Comment:

The quality and reliability of supply is very poor in the State. The expenditure on sub-stations, underground cabling and improvement in overhead lines should be undertaken in order to reduce losses and improving the quality and reliability of supply.

Petitioner's Response:

ED-Goa submits that it has planned several schemes and capital expenditure in the MYT Control Period, which shall reduce the no of interruptions and improve the reliability of the system.

Commission's View:

The Commission has approved capital expenditure against various schemes such as underground cabling, augmentation of lines, construction of new sub-stations etc. that would gradually improve the quality and reliability of supply in the State. The Commission has noted the objections of the Stakeholder and directs the Petitioner to undertake monitoring of all the schemes approved in the Business Plan and MYT Order and ensure that all the schemes are implemented in the State. The Commission has received various complaints against the Petitioner with regards to the capital expenditure being undertaken in the State. The Petitioner during the past few years has been undertaking lower capitalisation and R&M expenses than approved by the Commission which clearly implies that enough efforts are not being made to supply quality/reliable power to the consumers. Infrastructure towards monitoring of various indices is necessary and the performance is governed by the Standards of Performance Regulations. The Commission directs the Petitioner to increase its efforts towards augmenting and maintaining the requisite infrastructure to meet the growing demand and avoid any kind of supply constraints to the consumers. The Commission further directs the Petitioner to upload the area- wise interruption details on its website.

2.2.4. Impact of standalone and cumulative revenue gap of previous years

Stakeholder's Comment:

The Petitioner has proposed to meet the revenue gap for the True-Up of FY 2015-16 by increase in tariff. Further the gap for the current year is proposed to be bridged by way of budgetary support from the Govt and tariff hike. The Commission should ensure that carrying cost of the gap for FY 2015-16 should not be passed on to the consumers.

Petitioner's Response:

Once Government of Goa has provided the letter for budgetary support, it applies to all the gaps of true-up of FY 2015-16 and FY 2020-21, hence, there will not be any cumulative carry over of the respective gaps and the same shall be met through Government Budgetary Support and will not have any impact on the consumers.

Commission's View:

During the tariff proceedings for each year, the Commission approves tariff for the upcoming year based on the ARR approved. Each year, the Petitioner submits the tariff proposal to recover the proposed ARR. In the previous years, the Petitioner has been proposing to recover the gap by way of budgetary support by the Government. In the revised submission as well the Petitioner has proposed to meet the gap in True-Up of FY 2015-16 by budgetary support. The Commission has dealt with the revenue gap in previous years in the Tariff Orders of respective years. The cumulative gap/surplus approved for the upcoming year is finalised based on the gap/surplus approved in the previous years (True-up/APR) and the gap/surplus for the upcoming year. In case the Government provides budgetary support to fund the gap for a certain year, the same is considered in the cumulative revenue gap determined also. In the current petition as well, the Government has provided budgetary support for certain amount of gap approved for FY 2020-21. The same has been discussed in detail in the Chapter 7 of this Order.

2.2.5. Impact of higher distribution losses should not be passed on to consumers

Stakeholder's Comment:

The inefficiency of the Discom on account of higher distribution losses as per actuals in FY 2015-16 should not be passed on the consumers.

Petitioner's Response:

ED-Goa submits that the Inter-State Losses are uncontrollable for the state. ED-Goa submits that it has made several efforts to reduce the distribution losses. However, in FY 2015-16, ED-Goa was going through transition in billing and collection agencies, hence, a lot of issues were there, which might have contributed to increase in losses.

Commission's View:

The Commission would like to clarify that the inefficiency on account of higher losses are not passed on to the consumers in the ARR approved for FY 2015-16. The entire revenue gap for FY 2015-16 which contains the impact of higher distribution loss is met by the budgetary support by the Govt and hence the revenue gap stands at nil at the end of FY 2015-16. The Intra-State Distribution losses approved for 2nd MYT Control Period (FY 2019-20 to FY 2021-22) are approved based on the status of losses for FY 2018-19 and are much lower. Any kind of inefficiency on account of higher losses shall be borne by the Petitioner.

2.2.6. Enormous increase in employee expenses in the True-up year

Stakeholder's Comment:

The JERC Tariff Order for 2015-16 clearly says that the Employee costs are high and needs to be decreased. But the Employee costs has increased from INR 161.53 Cr to INR 238.00 Cr as per actuals, an increase of Rs. 76.47 Cr. Further, ED Goa has not provided the number of employees to be added in the upcoming year.

Petitioner's Response:

ED-Goa submits that the employee expenses for FY 2015-16 is based on the actual employee expenses incurred during the entire year. Further the employee expenses are for FY 2015-16 is on higher side, which is due to increase in dearness allowance, HRA and travel allowance. Out of the same dearness allowance is uncontrollable factor, further it is submitted that dearness allowance amount is approximately 35% to 40% of the total employee cost. With regards to the projection of employee expenses for FY 2020-21, ED Goa has followed the methodology approved by the Commission in the MYT Order which is in accordance with the MYT Regulations, 2018.

Commission's View:

The Commission has verified the employee expenses from the audited annual accounts. It is to clarify that the Employee Expenses approved in the Tariff Order of FY 2015-16 were not accurate as the actual numbers were not available during that time. Hence, with no proper base year values in place, the employee expenses approved were based on certain assumptions. It is to clarify that the increased employee expenses shall have no impact on the consumers as any increase in employee expenses is to be borne by the Govt. budgetary support as discussed in the chapter of True-Up of FY 2015-16. With regards to the number of employees to be added during FY 2020-21 the figure was approved in the Business Plan/MYT Order and the same has been considered for the projections for FY 2020-21.

2.2.7. Efficient Power Procurement Planning

Stakeholder's Comment:

ED Goa should efficiently plan its power procurement. New tools and technologies should be used to optimize the power purchase cost and better forecasting of demand. Further, dependence on short-term procurement should be reduced.

Petitioner's Response:

ED-Goa submitted that it has considered the fixed cost and variable cost for FY 2020-21 as approved by the Hon'ble Commission vide its order dated 20th May 2019. The SLDC is fully operational from 5th December 2019. Power Procurement is done in an efficient manner and most of the power is procured through the long-term power purchase and the cost is lowest. Further ED-Goa submits the short-term power purchase is done through competitive bidding by DEEP Portal.

Commission's View:

The Commission has approved the Power Purchase Cost in accordance with the latest trends observed in FY 2019-20. The Petitioner is directed to implement the necessary tools and technologies for accurate forecasting and accordingly plan its requirement well in advance in order to optimize its cost.

2.2.8. Actual capital expenditure vis-à-vis planned capital expenditure

Stakeholder's Comment:

The Petitioner has not been able to undertake capital expenditure and capitalisation as approved by the Commission. The capitalisation levels are much lower than that were approved in the Tariff Order. In the current Petition, ED Goa has proposed capital expenditure and capitalisation levels which have not been achieved by the Petitioner in any of its previous years. It is suggested to form a consultative committee with representatives from stakeholders like Industry and Trade, which will meet twice in a year, to review the capital works.

Petitioner's Response:

ED-Goa submits that the scheme wise details of the capital expenditure and capitalisation for FY 2020-21 have been submitted to the Commission. ED-Goa is aggressively in the process of improving the electricity infrastructure throughout the State of Goa and is undertaking a lot of schemes and capital expenditure which will improve the reliability of the system. A lot of schemes could not be implemented as financial sanctions were not accorded by the Central Government, however, the same are being implemented in the new Control Period.

Commission's View:

The issue has been discussed in detail while approving the capital expenditure and capitalisation approved for the MYT Control Period in the Business Plan Order dated 16th November 2018. The Commission for FY 2020-21 has approved only those schemes which were approved in the Business Plan Order. No new schemes have been approved in this order.

2.2.9. Non-telescopic tariff for FY 2020-21

Stakeholder's Comment:

It is prayed to the Hon'ble Commission to reject the proposal to introduce non-telescopic tariff for all categories in line with other States which have avoided such structure.

Petitioner's Response:

ED-Goa has submitted that as per the Tariff Policy the cross subsidy has to be reduced eventually, so ED-Goa plans to introduce non-telescopic tariff approach for LT Domestic, LT Commercial and LT Industries.

For LT Domestic non-telescopic tariff has been introduced from the slab level of 201 and above units and does not affect the lower consumption group whose consumption is below 200 units and at the same time higher consumption group who gets the benefit of the lower consumption group will be eliminated. Further non-telescopic tariff for LT Commercial has been introduced from the slab level of 101 and above units and does not affect the lower consumption group, whose consumption is below 100 units and at the same time higher consumption group who gets the benefit of the lower consumption group will be eliminated. Non-telescopic tariff for LT industries has been introduced from slab level of 501 and above units and does not affect those consumers whose consumption is below 500 units.

ED-Goa requests the Hon'ble Commission to approve the proposed non-telescopic approach for the categories of consumers as mentioned above where slab wise tariff will be applicable.

Commission's View:

The Commission while designing retail tariffs for the FY 2020-21 has kept in view the principles of determination of tariff set out in the Electricity Act, 2003 (EA 2003), Tariff Policy, 2016 and the MYT Regulations, 2018.

The Commission, with this Tariff Order, has tried to meet the objectives of the EA 2003, as set out in its Preamble, including the protection of the interest of consumers, the supply of electricity to all areas and the rationalisation of tariffs. The EA, 2003 also directs to maintain a healthy balance between the interests of the Utilities and the reasonableness of the cost of power being supplied to consumers. The draft amendments in the Tariff Policy clearly allows for non-telescopic tariffs. Further, majority of the States across India follow the approach of telescopic tariffs. Hence, the Commission under the guidance of the Tariff Policy has kept the same approach and approved telescopic tariff for all the applicable categories.

2.2.10. Expenditure should be approved for Research & Development

Stakeholder's Comment:

The ED-Goa may be directed to provide 1% of total expenses for R&D (Rs.20.00 Cr).

Petitioner's Response:

ED-Goa has not provided any comments on the same.

Commission's View:

The Petitioner is free to undertake R&D activities if it feels appropriate. The Petitioner is directed to submit a detailed plan and cost benefit analysis for the same for consideration before the Commission.

2.2.11. Proposed tariff hike is not justified

Stakeholder's Comment:

The proposed tariff hike to recover the revenue gap is not justified. No tariff hike should be done similar to the previous year. Further, tariff hike for agriculture allied category is higher as compared to other categories.

Petitioner's Response:

It is submitted that out of total revenue gap computed for FY 2019-20, the tariff hike of less than 4% is sought and rest is funded from the budgetary support. Last year there was no tariff hike and the entire burden was borne by the Government of Goa. For HT Allied Agricultural category, the tariff in neighboring State is on much higher side and furthermore the said category is not being charged with Electricity Duty and FPPCA charges.

Commission's View:

The Commission has determined the Revenue gap for the FY 2020-21 based on the revised ARR. The Commission believes that the tariff should progressively reflect the cost of supply. The Commission while determining the tariff for FY 2020-21 has considered the prudent cost of the Petitioner and has accordingly determined the tariff for each consumer category.

2.2.12. Re-classification of Private Management institutes into HT Industry category.

Stakeholder's Comment:

The stakeholder has requested to re-classify category for Goa Institute of Management (GIM) to HT Industry from existing Commercial category at par with tariff for IIM and IITs.

Petitioner's Response:

ED-Goa has submitted that as per the applicability of commercial tariff, private educational institute cannot be categorised under HT Industrial. Institutes such as IIT's & IIM's of the country are billed under either domestic or separate category for the educational institute with the clause that they belong to Government aided institutes. GIM doesn't come under the category of government aided institutions. Even though it is run through a society, significant fee is being charged from the students and hence it cannot be compared with IIT's/ IIM's. Therefore ED-Goa requests the Hon'ble commission to retain the category of Goa Institute of Management (GIM) as HT-Commercial category.

Commission's View:

The Commission would like to clarify that the categorization of consumers is dependent on nature of consumption. Since Goa Institute of Management is a commercial organisation, the consumer has to fall under the Commercial category.

2.2.13. Submission of Energy Audit Report

Stakeholder's Comment:

EDG should provide an Action Plan with timelines for preparation of Energy Audit Report. In case of non-compliance, the Commission should initiate action.

Petitioner's Response:

ED-Goa submits that, to track real time data it has implemented SAP and AMR modules, further ED-Goa has planned to submit the Energy Audit report by September 2020.

Commission's View:

The Commission directs the Petitioner to expedite the process and submit the Energy Audit report on priority along with the Tariff Petition for FY 2021-22.

2.2.14. Replacement of faulty meters and electromagnetic wheel type meters with digital meters

Stakeholder's Comment:

The faulty meters and electromagnetic wheel type meters should be replaced with digital meters in an expedited manner.

Petitioner's Response:

Replacement of faulty meters and electro-mechanical meters are in progress. Most of meters are replaced with Electronic Digital Meters. EDG submits that 2.24 Lakhs meters have been already replaced. However, one more round of check shall be done and meters shall be replaced.

Commission's View:

The Commission directs the Petitioner to expedite the process and submit the quarterly progress of the same to the Commission.

2.2.15. Recovery of arrears from Govt. Departments

Stakeholder's Comment:

Justification should be provided for huge amount of arrears pending with Govt. Departments and restoration of connection of Panjim Municipal Market upon political intervention even though the same was disconnected on account of outstanding dues.

Petitioner's Response:

The power supply of Panjim Municipal Market was reconnected based on the written assurance provided by the Commissioner of CCP that the pending dues will be settled within a week. Since the Commissioner of CCP has failed to honor his commitment, the proposal was moved to Govt. of Goa for adjusting the dues against the grant in aid to be sanctioned to the CCP. The In-Principal approval for the same has been given by the Hon'ble Chief Minister of Goa to recover the dues of CCP and the funds are sanctioned by the Govt. of Goa.

As regard to the Government dues, the recovery could not be affected since most of the Govt. Departments have utilised the budgetary allocations during the current financial year. The remaining Govt. dues will be recovered in the 1st Quarter of FY 2020-21.

Commission's View:

The Petitioner is directed to expedite the matter and ensure recovery of dues from all the Govt. Departments. With regard to the dues outstanding against Panjim Muncipal Market, the Petitioner is directed to ensure all the procedures as prescribed in the Supply Code, Electricity Act 2003, MYT Regulations etc. are followed diligently and no kind of concession is provided to the consumer in this matter.

2.2.16. Introduction of computerized complaint facility

Stakeholder's Comment:

All the maintenance work should be pre-regulated and informed to the customers on their mobiles since the department takes our mobile numbers for any applications. Many a times the complaint number is unattended or deliberately put off the hook. It's time that the Petitioner should introduce computerized complain facility as in the case of telephones, cooking gas etc.

Petitioner's Response:

ED -Goa submits that the consumers who have registered their mobile no. with the department are receiving the notification for the planned maintenance taken by ED-Goa. In addition, the consumer can also call on Toll Free No. 1912 which is fully functional for 24X7 service. This helpline registers complaints with regards to power failures within Goa.

Commission's View:

The Petitioner is directed to ensure that the complaint centre is fully functional and adequately addresses the complaints of the consumers. Further, consumers should be notified of any kind of maintenance activity undertaken in the area on regular basis.

2.2.17. Grant of Seasonal Tariff to Mining industry consumer

Stakeholder's Comment:

The Commission may approve and define 'Seasonal Consumer' in Tariff Order and provide methodology for billing of demand and energy charges for seasonal consumers. Further, mining industry may be assigned under seasonal tariff.

Petitioner's Response:

EDG submits that the consumer has requested to classify its tariff category as a seasonal consumer. Currently, there is no such category classified under the existing Tariff Order for maintaining multiple contract demand as per seasons. The State of Goa does not have its own power generation, hence power has to be procured from Central Generating Stations of NTPC and department has to pay 85% or as per actuals whichever is higher of the capacity charges for drawing power from Long Term Agreement power stations. As this department has no control over generators / generation to meet the seasonal demand of consumer, the proposal is not viable on commercial basis.

Commission's View:

The Petitioner is required to submit the requisite information of energy sales, connected load and no. of consumers falling under seasonal category of consumers along with the next tariff petition. If the Stakeholder has higher contract demand, the consumer may get its load decreased in accordance with the provisions of Supply Code Regulations notified by JERC.

2.2.18. Waiver of Cross-Subsidy and Wheeling Charges

Stakeholder's Comment:

Cross Subsidy and wheeling charges on Open access on consumer to be waived-off.

Petitioner's Response:

Since EDG's tariff is lower compared to other States, tariff for Open Access consumer post considering open Access charges is on a higher side. Further since Average Cost of Supply is around Rs.5.56/Kwh, hence cross subsidy charges automatically becomes higher. EDG is having tie up with Central Generating Stations, in which EDG has to pay fixed cost. In case consumer opt for Open Access, the said quantum capacity will be stranded. Hence on account of the same additional surcharge is also required and mandatory as per the provision of Open Access and are to be recovered from OA consumers. Moreover, these charges are derived on the formulas which are in accordance with the JERC Regulations.

Commission's View:

The Open Access Charges are recovered from consumers opting for Open Access against the cost towards setting up of infrastructure to serve the consumer, recovery of cross- subsidy among tariffs and the cost of stranded capacity as the consumers opt for different source of power. These charges are towards the legitimate costs incurred by the Petitioner hence are allowed in tariff. The Commission determines the same as per prescribed methodology which is in accordance with the Electricity Act 2003, Tariff Policy and JERC MYT Regulations 2018 and their subsequent amendments.

2.2.19. Action towards electricity theft

Stakeholder's Comment:

EDG should submit the action plan on theft Cases.

Petitioner's Response:

ED-Goa submits that necessary action has been taken through Vigilance Cell of ED-Goa. The phone number, E-mail ID of vigilance team is displayed on website of ED-Goa and accordingly the theft cases are taken care. Theft cases are duly dealt as per provision of Supply Code.

Commission's View:

The Petitioner is directed to take a proactive approach towards electricity theft in its area. Proper cases should be lodged and recovery should be ensured in all these cases. The stakeholder is also requested to report any specific case to their nearest field office so that strict action can be taken against any such consumer.

2.2.20. Unbundling and Corporatisation

Stakeholder's Comment:

Unbundling and Corporatisation has still not happened despite repeated directives of the Commission.

Petitioner's Response:

EDG submits that it has not received any direction for corporatisation from Govt. of Goa. Hence ED-Goa requests to drop the said directive.

Commission's View:

The Commission directs the Petitioner to submit the proposal to the State Govt. by June 30th 2020. The Petitioner is further directed to expedite the process of formation of State Load Dispatch Center (SLDC) and make it fully operational.

2.2.21. Uniform Tariffs in line with Telecom Tariffs

Stakeholder's Comment:

Under Section 76 of the Electricity Act 2003, uniform tariff should be implemented in line with the TRAI (Telecom Regulatory Authority of India).

Petitioner's Response:

Each State has different power scenario and accordingly the power purchase costs are governed by the demand supply position which is different for different states. The Power sector cannot be compared with the telecom sector.

Commission's View:

It is to bring to the notice of the consumer that Power is a concurrent subject where both Centre and the State have authority towards the matter. Tariffs charged to a consumer is dependent on various costs of a utility such as power purchase cost, operational expenditure, capital expenditure, consumption mix etc. which varies from state to state. Hence having uniform tariffs across the country is difficult as a cost plus regime is followed in general across the territories under the jurisdiction of the Commission similar to approach followed in States across India.

3. Chapter 3: True-up of FY 2015-16

3.1. Applicable Provisions and Background

The Commission issued the Order on Aggregate Revenue Requirement (ARR) and Retail Tariff for the FY 2015-16 on 6th April 2015 (hereinafter referred to as the "ARR Order"). Subsequently, the Commission issued the MYT Order for the 1st Control Period, determining the Aggregate Revenue Requirements (ARR) of FY 2016-17 to FY 2018-19 and tariff for FY 2016-17 and Annual Performance Review of FY 2015-16 on 18th April 2016 (hereinafter referred to as the "APR Order").

True-up of the FY 2015-16 is being carried out as per Regulation 8 (2) of the JERC Tariff Regulations, 2009:

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

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

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

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

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

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

(7) The Commission may consider granting approval to such proposals provided the cost of additional supply is ordinarily met by the beneficiary category."

3.2. Approach for True-up for FY 2015-16

The Petitioner has requested for True-up of FY 2015-16 and submitted details of the expenditure and the revenue for the year based on its audited accounts along with a comparison of the actual revenue and expenditure against the corresponding figures previously approved by the Commission in the Tariff Order of FY 2015-16.

The Commission has analysed various elements of the actual revenue and expenses for the FY 2015-16 based on the audited accounts submitted by the Petitioner and has carried out the True-up exercise in accordance with the principles laid down in the JERC Tariff Regulations, 2009 after due prudence check. The Commission has allowed necessary adjustments in cases where variations are for reasonable and justifiable reasons.

3.3. Energy Sales

Petitioner's Submission

The Petitioner has submitted the total quantum of energy sales for FY 2015-16 as 3,420.90 MU as against approved energy sales quantum of 3,233 MU in the ARR Order.

Commission's Analysis

The Commission, after going through the submissions of the Petitioner including the audited accounts, has considered the energy sales as 3,420.90 MU as submitted by the Petitioner for the purpose of True-up of the FY 2015-16 as shown in the following table:

Table 6: Energy Sales (MU) trued-up by the Commission

S. No	Category	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
	A. LOW TENSION SUPPLY			
1	LTD/Domestic	764	1058.11	1058.11
2	LTD/L.I.G.	2	3.61	3.61
3	LTD Domestic Mixed	8	12.89	12.89
4	LTC/Commercial	281	332.11	332.11
5	LTP/Motive Power	188	89.21	89.21
6	LTP Mixed (Hotel Industries)	5	7.46	7.46
7	LTP Ice Manufacturing	8	3.45	3.45
8	LTAG/Agriculture	25	18.79	18.79
9	LTPL (Public lighting)	40	28.89	28.89
10	LTPWW/Public Water works	6	1.89	1.89
11	LT Temporary	38	19.13	19.13
	Sub-Total	**1365**	**1575.54**	**1575.54**
	B. HIGH TENSION SUPPLY			
12	HT (Mixed)	136	121.86	121.86
13	HTI (Industrial) Ferro Metallurgical/ Steel Melting/Power Intensive.	576	757.13	757.13
14	HTI Industrial	637	603.72	603.72
15	HTAG (Agriculture)	6	5.13	5.13
16	EHTI (Industrial)	175	144.05	144.05
17	HT P.W.W. & Sewage system	144	124.65	124.65
18	HT. M.E.'s Defence Estt.	27	25.84	25.84
19	HTI (Steel Rolling)	-	32.93	32.93
20	HTI / IT High Tech	21	1.68	1.68
21	HTI/Ice Manufacturing	2	2.27	2.27
22	Sale from EDG to GSPL (Div. VII)	-	17.03	17.03
23	Sale from EDG to GEPL (Div. V)	-	7.09	7.09
24	Sale from EDG to REL (Div. XIV)	-	1.8	1.8
25	HTI Hotel Industry	143	-	-
26	HT Temporary	-	-	-
27	Hoardings/Signboards	*0.3*	0.18	0.18
	Sub-Total	**1867.30**	**1845.36**	**1845.36**
	Total	**3233**	**3420.90**	**3420.90**

The Commission approves the energy sales as 3,420.90 MU in the True-up of FY 2015-16.

3.4. Open Access Sales and Purchase

Petitioner's Submission

The Petitioner has not submitted any energy sales under Open Access sales and purchase.

Commission's analysis

The following table provides the Open Access Sales and Purchase approved by the Commission in the ARR Order, the Petitioner's submission and sales now trued-up by the Commission.

Table 7: Open Access Sales (MU) and Purchase trued-up by the Commission

S. No	Category	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Open Access Sales	0.00	0.00	0.00
2	Open Access Purchase	0.00	0.00	0.00

The Commission approves nil energy sales and purchase under Open Access in the True-up of the FY 2015-16.

3.5. Inter-State Transmission loss

Petitioner's submission

Petitioner has submitted the Inter-State transmission loss of 4.23% against a loss of 5.21% approved in the ARR Order.

Commission's analysis

The Commission in this regard directed the Petitioner to submit the supporting documentary evidence to verify the loss levels. The Petitioner has submitted the required documents based on which the inter-state loss level is determined as 4.23% for FY 2015-16. The Commission accordingly trues-up the Inter-State Losses as shown in the following table.

Table 8: Inter-State transmission loss (%)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Inter-State Transmission Loss	5.21%	4.23%	4.23%

The Commission trues-up weighted average Inter-State Transmission Loss as 4.23% in the True-up of the FY 2015-16.

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

Petitioner's submission

The Petitioner has submitted that it has achieved an Intra-State T&D loss of 15.36% in the FY 2015-16 against an approved loss of 11.50%.

Commission's analysis

The Petitioner in its submission has failed to submit the Energy Audit Report of the State for FY 2015-16. 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 energy drawal at State periphery, available on the Western and Southern Region Power Committee websites and the energy sales as approved above. Therefore, in accordance with the information available in the public domain and the audited accounts, the Commission has determined the Intra-State T&D loss of 15.36% for the FY 2015-16 against an approved loss of 11.50% in the ARR Order.

The Petitioner in the Technical Validation Session (TVS) held at the Commission's office submitted that due to change in billing agencies, EDG has witnessed a transitional change in energy accounting and billing in the past few years upto FY 2017-18 which has resulted in distortion in energy sales. The impact of the same can be observed in FY 2015-16 as well. The Intra-State T&D Loss figure determined above seem to be misleading on account of distorted data. The Commission approves the Intra-State T&D Loss as per the information provided but directs the Petitioner to maintain and provide reliable data in the tariff proceedings of next year.

In the absence of reliable sales figures for FY 2015-16, the Commission similar to the approach followed in the previous Tariff Orders, has decided not to consider any dis-incentive for the under-achievement of T&D Loss target in the FY 2015-16.

The table below provides the Intra-State T&D loss approved in the APR of FY 2015-16, Petitioner's submission and as trued-up by the Commission now.

Table 9: Intra-State transmission and distribution loss (%)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	T&D Losses (%)	11.50%	15.36%	15.36%

The Commission, while Truing up for FY 2015-16, has considered the actual Intra-State T&D loss of 15.36% for the FY 2015-16.

3.7. Power Purchase Quantum & Cost

Petitioner's submission

The Petitioner submitted that it meets its total energy requirement from its allocation from the Central Generating Stations (CGS) and Co-generating Companies like Goa Energy Pvt. Ltd and Goa Sponge & Power Ltd. Energy requirement is also met through NVVNL and traders. The Power Purchase Cost has been submitted as incurred by the Petitioner in FY 2015-16. The Power Purchase cost also includes ED, Cess, Incentive etc. and supplementary charges considered on actual basis.

The transmission charges comprise of transmission charges of Western Region, Southern Region, KPTCL and other Licensees.

The Petitioner has also submitted the cost towards compliance of RPO along with the Power Purchase cost.

The power purchase quantum and cost for FY 2015-16, as submitted by the Petitioner has been shown in the following table:

Table 10: Power Purchase cost submitted by the Petitioner (in INR Cr)

S. No	Source	Power Purchase (MU)	Fixed Charges (INR Cr)	Variable Charges (INR Cr)	Other Charges (INR Cr)	Total Charges (INR Cr)
A	**Central Sector Power Stations**					
I	**NTPC**	**3,261.64**	**240.10**	**473.55**	**(8.15)**	**705.49**
	KSTPS	1,579.13	76.45	166.62	(0.04)	243.03
	KSTPS - III	43.76	6.28	4.56	(0.64)	10.19
	VSTPS - I	256.37	16.05	38.66	2.30	57.01
	VSTPS - II	99.31	6.09	14.85	0.62	21.56
	VSTPS -III	93.00	9.13	13.34	0.61	23.08
	VSTPS-IV	112.25	15.04	16.63	4.45	36.12
	VSTPS-V	17.92	2.22	2.58	0.13	4.93

S. No	Source	Power Purchase (MU)	Fixed Charges (INR Cr)	Variable Charges (INR Cr)	Other Charges (INR Cr)	Total Charges (INR Cr)
	KGPP	1.45	6.64	0.45	(0.63)	6.47
	GGPP	1.89	8.51	0.54	(0.72)	8.33
	SIPAT- I	184.54	24.36	22.61	(1.50)	45.46
	RSTPS	766.91	40.43	177.56	(6.99)	211.00
	SIPAT- II	94.27	10.40	11.74	(0.09)	22.05
	Mouda	10.86	18.51	3.40	4.78	26.69
	Add: Other Adjustments	-	-	-	(10.44)	(10.44)
					-	-
II	**RGPPL**	-	-	-	-	-
					-	
III	**NPCIL**	**168.40**		**46.52**	**(1.12)**	**45.40**
	KAPS	63.96	-	15.90	(0.38)	15.52
	TAPS	104.43	-	30.62	(0.74)	29.88
					-	-
IV	**Traders**	**178.69**	-	**66.25**	**(0.43)**	**65.82**
	Power Trading Company	27.30	-	10.24	(0.28)	9.96
	Adani Enterprises	28.79	-	10.53	(0.15)	10.38
	IEX Purchase and Sales	122.59	-	45.48	-	45.48
					-	-
V	**OVER-DRAWAL**	**166.39**	-	**56.51**	-	**56.51**
					-	
B	**Within State Generations**				-	
I	**CO- GENERATION**	**202.28**	-	**48.66**	**(0.45)**	**48.21**
	Goa Energy Private Limited	102.45	-	24.70	-	24.70
	Vedanta Plant -2(Sesa Goa Limited)	94.77	-	22.75	(0.45)	22.30
	Goa Sponge & Power Limited	5.06	-	1.21	-	1.21
					-	
C	**RPO Obligations**	**47.52**	-	**28.23**	**(0.29)**	**27.94**
	Non-Solar Power (Hydro)	12.62	-	5.67	(0.10)	5.56
	NVVN Solar (power)	11.72	-	9.79	(0.19)	9.60
	SECI Solar	23.18	-	12.77	-	12.77
D	**REC Certificates**	**120.00**	-	**27.50**	-	**27.50**
	Solar	45.00	-	15.90	-	15.90
	Non-Solar	75.00	-	11.60	-	11.60
					-	
E	**OTHER CHARGES**	-	-	**157.84**	-	**157.84**
	PGCIL Transmission Charges	-	-	157.84	-	157.84
F	**Total**	**4,144.92**	**240.10**	**905.05**	**(10.45)**	**1,134.70**

Commission's analysis

The Petitioner procures power mainly from NTPC Stations, NPCIL stations, Co-Generating Plants, IPP's, Exchange etc. The Petitioner has submitted the overall Power Purchase cost as INR 1134.70 Cr inclusive of transmission charges but exclusive of revenue from UI Under-drawal and sale of surplus power.

The Commission has verified the power purchase details as submitted by the Petitioner in its Petition with the publicly available information from the Regional Energy Accounts (REA) maintained by Western Region Power Committee (WRPC) for the Central Generating Stations (CGS). Apart from Western Region, the Petitioner also gets supply from the Southern Region from the NTPC's Ramagundam Thermal Power Station. The Commission has validated the power purchase details pertaining to this station from the publicly available information from the Regional Energy Accounts (REA) maintained by Southern Region Power Committee (SRPC). The Commission has verified the power purchase quantum and cost as per the station-wise monthly bills submitted by the Petitioner. The cost has further been reconciled with the audited annual accounts of FY 2015-16.

The Petitioner has accounted for the revenue from UI Under-drawal separately and Income from Trading/Power Exchange as part of the Non- Tariff Income (NTI) and adjusted both these revenues in the Overall ARR. The Commission, for the purpose of finalization of the Power Purchase Cost in the True up of FY 2015-16 has adjusted both the Income from UI Under-drawal and Trading/Power Exchange in the Power Purchase cost approved now.

Transmission Charges and the Other Charges submitted have been considered as Other Expenses as per actuals incurred by the Petitioner.

The Commission has considered the cost incurred towards the compliance of Renewable Purchase Obligation (RPO) in FY 2015-16 along with the Power Purchase cost. The compliance status of RPO has been discussed in detail in the subsequent section. The table below provides the summary of the power purchase quantum and the cost approved by the Commission for FY 2015-16.

Table 11: Power Purchase Quantum (MU) and cost (INR Cr) approved by the Commission

S. No	Source	Power Purchase (MU)	Fixed Charges (INR Cr)	Variable Charges (INR Cr)	Other Charges (INR Cr)	Total Charges (INR Cr)
A	**Central Sector Power Stations**					
I	**NTPC**	**3,261.64**	**240.10**	**473.55**	**(8.15)**	**705.49**
	KSTPS	1,579.13	76.45	166.62	(0.04)	243.03
	KSTPS - III	43.76	6.28	4.56	(0.64)	10.19
	VSTPS - I	256.37	16.05	38.66	2.30	57.01
	VSTPS - II	99.31	6.09	14.85	0.62	21.56
	VSTPS -III	93.00	9.13	13.34	0.61	23.08
	VSTPS-IV	112.25	15.04	16.63	4.45	36.12
	VSTPS-V	17.92	2.22	2.58	0.13	4.93
	KGPP	1.45	6.64	0.45	(0.63)	6.47
	GGPP	1.89	8.51	0.54	(0.72)	8.33
	SIPAT- I	184.54	24.36	22.61	(1.50)	45.46
	RSTPS	766.91	40.43	177.56	(6.99)	211.00
	SIPAT- II	94.27	10.40	11.74	(0.09)	22.05
	Mouda	10.86	18.51	3.40	4.78	26.69
	Add: Other Adjustments	-	-	-	(10.44)	(10.44)

S. No	Source	Power Purchase (MU)	Fixed Charges (INR Cr)	Variable Charges (INR Cr)	Other Charges (INR Cr)	Total Charges (INR Cr)
					-	-
II	**RGPPL**	**-**	**-**	**-**	**-**	**-**
III	**NPCIL**	**168.40**		**46.52**	**(1.12)**	**45.40**
	KAPS	63.96	-	15.90	(0.38)	15.52
	TAPS	104.43	-	30.62	(0.74)	29.88
					-	-
IV	**Traders**	**178.69**	**-**	**66.25**	**(0.43)**	**65.82**
	Power Trading Company	27.30	-	10.24	(0.28)	9.96
	Adani Enterprises	28.79	-	10.53	(0.15)	10.38
	IEX Purchase and Sales	122.59	-	45.48	-	45.48
					-	-
V	**Over- Drawal**	**190.61**	**-**	**60.09**	**-**	**60.09**
					-	
B	**Within State Generations**				-	
I	**Co- Generation**	**202.28**	**-**	**48.66**	**(0.45)**	**48.21**
	Goa Energy Private Limited	102.45	-	24.70	-	24.70
	Vedanta Plant -2 (Sesa Goa Limited)	94.77	-	22.75	(0.45)	22.30
	Goa Sponge & Power Limited	5.06	-	1.21	-	1.21
					-	
C	**RPO Obligations**	**47.52**	**-**	**28.23**	**(0.29)**	**27.94**
	Non-Solar Power (Hydro)	12.62	-	5.67	(0.10)	5.56
	NVVN Solar (power)	11.72	-	9.79	(0.19)	9.60
	SECI Solar	23.18	-	12.77	-	12.77
					-	
D	**REC Certificates**	**120.00**	**-**	**27.50**	**-**	**27.50**
	Solar	45.00	-	15.90	-	15.90
	Non-Solar	75.00	-	11.60	-	11.60
E	**Less: Revenue from Sale of Power**	**-**	**-**	**4.98**	**-**	**4.98**
	Revenue from sale under UI Under-drawal	24.22	-	3.58	-	3.58
	Revenue from sale in exchange/Trading	-	-	1.40	-	1.40
E	**Transmission Charges**	**-**	**-**	**157.84**	**-**	**157.84**
	PGCIL Transmission Charges	-	-	157.84	-	157.84
F	**Total**	**4,144.92**	**240.10**	**903.65**	**(10.45)**	**1,133.30**

The Commission approves power purchase quantum of 4,144.92 MU and cost of INR 1,133.30 Cr in the True-up of the FY 2015-16.

3.8. Renewable Purchase Obligation (RPO)

Petitioner's submission

The Petitioner has not made any submission towards Renewable Purchase Obligation (RPO) in the Petition.

Commission's analysis

As per Regulation 1, 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 in the previous Tariff Order had mentioned that since the Petitioner has fulfilled most of the cumulative RPO till FY 2015-16 only in FY 2015-16 therefore the overall compliance status till FY 2015-16 shall be finalised only in the True-Up of FY 2015-16. Accordingly, the cumulative obligation and fulfillment till FY 2015-16 has been determined in the following table.

Table 12: Summary of Renewable Purchase Obligation (RPO) (MU)

Description	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Sales within State (MU) (A)	2182.48	2880.11	2925.24	3070.56	3439.99	3420.90
Hydro Power available at State Periphery (MU) (B)	0.00	0.00	0.00	0.00	0.00	12.62
T&D Loss (%) (C)	13.50%	9.46%	13.15%	11.16%	8.23%	15.36%
T&D Loss (MU) (D = B * C)	0.00	0.00	0.00	0.00	0.00	1.94
Hydro Power Consumed (E = B - D)	0.00	0.00	0.00	0.00	0.00	10.68
Conventional Power Consumed (F = A - E)	**2182.48**	**2880.11**	**2925.24**	**3070.56**	**3439.99**	**3410.21**
RPO (%)	**1.00%**	**2.00%**	**3.00%**	**3.00%**	**3.30%**	**3.55%**
Solar (G)	0.25%	0.30%	0.40%	0.40%	0.60%	0.85%
Non-Solar (H)	0.75%	1.70%	2.60%	2.60%	2.70%	2.70%
RPO for the year (MU)	**21.82**	**57.60**	**87.76**	**92.12**	**113.52**	**121.06**
Solar (F * G)	5.46	8.64	11.70	12.28	20.64	28.99
Non-Solar (F * H)	16.37	48.96	76.06	79.83	92.88	92.08
Cumulative RPO (MU)	**21.82**	**79.43**	**167.18**	**259.30**	**372.82**	**493.88**
Solar	5.46	14.10	25.80	38.08	58.72	87.71
Non-Solar	16.37	65.33	141.39	221.22	314.10	406.18
RPO Compliance for the Year (Physical Power+ REC's) (MU)	**0.00**	**128.14**	**71.80**	**29.20**	**152.56**	**167.52**
Solar	0.00	0.00	0.00	0.00	6.58	79.90
Non-Solar	0.00	128.14	71.80	29.20	145.98	87.62
Cumulative RPO Compliance (MU)	**0.00**	**128.14**	**199.94**	**229.14**	**381.70**	**549.23**
Solar	0.00	0.00	0.00	0.00	6.58	86.48
Non-Solar	0.00	128.14	199.94	229.14	375.13	462.75
Cumulative RPO Shortfall (MU)	**21.82**	**14.10**	**30.05**	**92.97**	**53.93**	**7.47**
Solar	5.46	14.10	25.80	38.08	52.14	1.23
Non-Solar	16.37	-	4.25	54.89	1.78	6.24

As can be seen from the table as earlier, a cumulative gap of 7.47 MU is pending till the end of FY 2015-16. The same has to be carried forward to subsequent years and shall be taken up in the True-up's of respective years.

3.9. Energy Balance

Petitioner's submission

The Petitioner has submitted the energy balance for FY 2015-16 as shown in the following table.

Table 13: Energy Balance (MU) submitted by Petitioner

S. No	Particulars	Petitioner's Submission
1	**Energy Input at Goa Periphery**	**3,839.61**
2	**Total Power Scheduled/ Purchased at Goa Periphery**	
	Total Schedule Billed Drawal - CGS	3,430.04
	Add: Over-drawal	190.61
	Add: Power purchase from Traders/ Open Market	178.69
	Less: Under-drawal	24.22
	Add: Renewable Power	47.52
	Less: Power diverted to Exchange	-
	Total	3,822.64
3	**PGCIL Losses - MUs**	**161.71**
	PGCIL Losses - %	4.23%
4	**Total Power Purchased within Goa State**	
	Add: Co-generation	202.28
	Add: Independent Power Producers (IPP)	-
	Total	202.28
5	**Total Power Purchase availability after PGCIL Losses**	**4,041.89**
	Less: Retail Sales to Consumers	3,420.90
	Distribution Losses - MUs	621.00
6	**Distribution Losses - %**	**15.36%**

Commission's analysis

The information submitted by the Petitioner on power purchase quantum, UI over/ under drawl, IEX/ Bilateral purchase etc. has been examined and accordingly the energy balance for FY 2015-16 has been derived. In accordance with the publicly available information from the Regional Energy Accounts (REA) maintained by WRPC and SRPC and documentary evidence submitted by the Petitioner against the Inter-State Transmission Loss, the Commission has determined the energy balance at the Periphery of the State of Goa. The following table provides the energy balance as submitted by the Petitioner and now trued-up by the Commission.

Table 14: Energy Balance (MU) approved by Commission

S. No	Particulars	Petitioner's Submission	Trued-up by Commission
A	**Energy Requirement**		
1	Energy Sales (MU) (a)	3,420.90	3,420.90
2	Distribution Losses % (b)	15.36%	15.36%
3	Distribution Losses (MU)	621.00	621.00
4	**Total Energy Requirement (c=a/(1-b))**	**4,041.89**	**4,041.89**
B	**Energy Availability**		
1	Energy Drawal from firm sources at State Periphery (d)	3,447.01	3,447.01
2	UI Over-drawal (e)	190.61	190.61
3	Power purchase from Traders/ Open Market (f)	178.69	178.69
4	Renewable Power (g)	47.52	47.52
5	Less: Under-drawal (h)	24.22	24.22
6	Total Energy Availability from Outside State (i=d+e+f+g-h)	3,839.61	3,839.61
7	Energy availability within Goa State (k)	202.28	202.28
8	**Total Energy Availability (i+k=c)**	**4,041.89**	**4,041.89**

3.10. Operation & Maintenance (O&M) Expenses

The Operation & Maintenance Expenses comprise of the Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M). The O&M Expenses have been approved in accordance with the Tariff Regulations, 2009 and the audited accounts submitted by the Petitioner for FY 2015-16.

Regulation 27 of the JERC Tariff Regulations, 2009 stipulates the following

Provided further that the Commission may, if it considers it just, practical and proper considering the size of the total transmission system of, and the quantum of electricity handled by, an integrated utility, treat its transmission system as an integral part of its distribution system itself.

(3) O&M expenses for distribution functions shall be determined by the Commission as follows:

(a)O&M expenses as approved by the Commission for the first time for a year shall be considered as base O&M expenses for determination of O&M expenses for subsequent years;

(b)Base O&M expenses as above shall be adjusted according to variation in the rate of WPI per annum to determine the O&M expenses for subsequent year, where WPI is the Wholesale Price Index on April 1 of

the relevant year;

(c)In case of unbundling of the Electricity Department and formation of separate distribution companies, the Commission will make suitable assessment of base O&M expenses of individual distribution companies separately and allow O&M expenses for subsequent years for individual companies on the basis of such estimation and above principle.

3.10.1. Employee Expenses

Petitioner's submission

The Petitioner has incurred actual employee expenses of INR 238.50 Cr against the approved expenses of INR 161.53 Cr in the ARR of FY 2015-16.

The following table provides the employee expenses as submitted by the Petitioner:

Table 15: Employee Expenses submitted by the Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Salary	238.50
2	Wages	
3	Stipend	
4	Transport Allowance	
5	Overtime allowance	
6	Total	238.50
7	Less: Add/Deduct share of others	-
8	Total	238.50
9	Less: Amount capitalized	-
	Total Employee Expenses	**238.50**

The Petitioner further submitted that the Employee Expenses for FY 2015-16 are on the higher side, on account of increase in Dearness Allowance, HRA and travel allowance, out of which the Dearness Allowance is an uncontrollable factor. The Dearness Allowance accounts for approx. 35% to 40% of the total employee expenses.

Commission's analysis

The Commission observes that the employee expenses approved in the past were based on the estimates prepared on cash basis and not on accrual basis. The Petitioner had prepared and submitted the accounts on commercial principles for the first time in the Tariff Order dated 23rd May 2017 while undertaking the True-up of FY 2011-12 and FY 2012-13.

Since, the Base Employee Expenses considered while projecting the Employee Expenses for FY 2015-16 in the ARR of FY 2015-16 were determined differently, the Commission finds it appropriate to consider the actual employee costs as available in the audited accounts for the purpose of the True-up of the FY 2015-16.

The following table provides the employee expenses approved in the ARR Order, submitted by the Petitioner and now approved by the Commission.

Table 16: Employee Expenses approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	**Employee Expenses**	**161.53**	**238.50**	**238.50**

The Commission approves Employee Expenses of INR 238.50 Cr in the True-up of FY 2015-16.

3.10.2. Administrative and General (A&G) Expenses

Petitioner's submission

The Petitioner has incurred A&G expenses of INR 25.30 Cr in FY 2015-16. The following table provides the A&G expenses as submitted by the Petitioner:

Table 17: A&G Expenses submitted by Petitioner (In INR Cr)

S. No.	Particulars	Petitioner's Submission
1	Travelling Expenses	0.30
2	Office Expenses	14.70
3	Rent, Rates & Taxes	0.40
4	Advertisement & Publicity	0.31
5	Professional & Special Services	0.01
6	Other Charges	7.53
7	Minor Works	1.62
8	Overtime Allowance	0.003
9	Legal, Professional & Special Service Charges	0.42
	Total A&G Expenses	**25.30**

Commission's analysis

Similar to the approach followed while approving the Employee Expenses, the Commission approves the A&G Expenses as per the audited accounts for the purpose of True-up of the FY 2015-16. The table below provides the A&G Expenses approved in the ARR of FY 2015-16, the Petitioner's submission and the expenses now trued-up by the Commission.

Table 18: A&G Expenses approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	**Administration & General Expenses (A&G)**	**10.03**	**25.30**	**25.30**

The Commission approves the Administrative & General (A&G) expenses of INR 25.30 Cr in the True-up of FY 2015-16.

3.10.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission

The Petitioner has incurred R&M expenses of INR 16.28 Cr against the approved expenses of INR 12.68 Cr in the ARR Order. The Petitioner submitted that it has been undertaking various R&M activities as a step towards improvement of systems, reduction in breakdowns, and reduction in response time and increasing preventive maintenance. R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standards of Performance of the Petitioner.

Commission's analysis

Similar to the approach followed while approving the Employee expenses and A&G expenses above, the Commission approves the R&M Expenses as per audited accounts of FY 2015-16:

Table 19: R&M Expenses approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	**Repair & Maintenance Expenses (R&M)**	**12.68**	**16.28**	**16.28**

The Commission approves the Repair & Maintenance (R&M) expenses of INR 16.28 Cr in the True-up of FY 2015-16.

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

The following table provides the O&M Expenses approved in the ARR of FY 2015-16, Petitioner's submission and O&M now trued-up by the Commission.

Table 20: O&M Expenses approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Employee Expenses	161.53	238.50	238.50
2	Administrative & General Expenses (A&G)	10.03	25.30	25.30
3	Repair & Maintenance Expenses	12.68	16.28	16.28
	Total Operation & Maintenance Expenses	**184.24**	**280.09**	**280.09**

The Commission approves the Operation & Maintenance (O&M) expenses of INR 280.09 Cr in the True-up of FY 2015-16.

3.11. Capitalisation

Petitioner's submission

The Petitioner submitted the actual capitalisation for the FY 2015-16 as INR 162.91 Cr against an approved capitalization of INR 475.50 Cr

Commission's analysis:

The Commission with regards to capitalisation submitted by the Petitioner, sought details of the assets created out of Loan/ Equity/ Govt. Grant/ Consumer Contribution etc. In reply, the Petitioner submitted that majority of capital assets are created out of the equity contribution from Govt. of Goa and the actual borrowing of loan is only to the extent of the R-APDRP scheme. The capitalization is inclusive of assets created out of the Electricity Development Fund which is treated as Government Grant. The Petitioner has further submitted that there are no assets created out of Consumer Contribution.

It is observed that the capital expenditure and capitalisation achieved by the Petitioner is lower than approved by the Commission in the ARR Order. Lower capital expenditure signifies that enough efforts have not been undertaken in enhancing the reliability of supply to consumers. It also signifies that sufficient measures aren't being taken to provide electricity supply to un-electrified areas and equipping the distribution infrastructure with the growing demand. 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.

The Commission has examined the Fixed Asset Register (FAR) for FY 2015-16 as submitted by the Petitioner in detail and accordingly approves the capitalisation as shown in the following table.

Table 21: Capitalisation approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	*RAPDRP Scheme*	120.00	*19.21*	*19.21*
2	*Electricity Development Fund (EDF)*	48.00	*22.00*	*22.00*
3	*Other Plan Schemes*	307.50	*121.70*	*121.70*
	Total Capitalisation	**475.50**	**162.91**	**162.91**

The Commission approves Capitalisation of INR 162.91 Cr in the True-up of FY 2015-16.

3.12. Depreciation

Petitioner's submission

The Petitioner has submitted the actual depreciation of assets as per the audited annual accounts of FY 2015-16 excluding depreciation on assets created out of grants. The depreciation is arrived in annual accounts for FY 2015-16 based on the rates specified by the Commission in the Tariff Regulations, 2009.

The depreciation as claimed by the Petitioner has been tabulated in the table below:

Table 22: Depreciation submitted by Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Opening Gross Fixed Assets	956.82
2	Addition During the FY	162.91
3	Adjustment/Retirement During the FY	2.28
4	Closing Gross Fixed Assets	1,117.45
5	Rate of Depreciation	4.11%
	Depreciation	**42.61**

Commission's analysis

In respect of depreciation, the Commission has followed Regulation 26 of the Tariff Regulations 2009, as under:

"26. Depreciation

(1) For the purpose of tariff, depreciation shall be computed in the following manner:

(i) The value base for the purpose of depreciation shall be the historical cost of the assets, that is actual expenses limited to approved capital cost where such capital cost has been approved by the Commission:
Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing depreciation.
(ii) The historical cost of the asset shall include additional capitalization.
(iii) The historical cost shall include foreign currency funding converted into equivalent rupees at the exchange rate prevalent on the date when foreign currency was actually availed but not later than the date of commercial operation.
(iv) Depreciation for generation and transmission assets shall be calculated annually as per straight-line method over the useful life of the asset at the rate of depreciation specified by the Central Electricity Regulatory Commission from time to time."

As per the norms specified in the Tariff Regulations, 2009 the Commission has verified the asset wise capitalisation of the Petitioner and has accordingly derived the weighted average rate of depreciation based on the asset wise depreciation rate prescribed in the CERC Tariff Regulations, 2014, given in the following table:

Table 23: Depreciation Rate (%)

Description	Rate	Net Asset Addition/Deletion	Effective Rate
Plant & Machinery	5.28%	117.81	
Buildings	3.34%	-	
Vehicles	9.50%	0.01	
Furniture & Fixtures	6.33%	0.08	
Computers & Others	15.00%	42.73	
Land	0.00%	-	
Total		**160.64**	**5.48%**

Based on the above depreciation rates and actual asset addition during the year the weighted average depreciation rate is computed as 5.48% against a rate of 5.28% approved in the ARR Order. The Commission has not considered depreciation on assets created from only the Electricity Duty Fund, as the same has been treated as a Grant from the Government of Goa, in line with the approach adopted in the True-up of FY 2014-15, last year. The Commission has calculated the depreciation on average Gross Fixed Assets (GFA) with the opening GFA considered equivalent to the closing GFA as approved in the True-Up of FY 2014-15, in the previous Tariff Order. The following table provides the calculation of depreciation during the FY 2015-16:

Table 24: Depreciation approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Opening Gross Fixed Assets	581.37	956.82	916.81
2	Addition During the FY	307.50	162.91	162.91
3	Less: Capitalisation through EDF	-	-	22.00
4	Net Addition During the FY	307.50	162.91	140.91
5	Less: Retirement During the FY	-	2.28	2.28
6	Closing Gross Fixed Assets	888.87	1,117.45	1055.45
7	Average Gross Fixed Assets	735.12	1,037.14	986.13
8	Weighted average Rate of Depreciation (%)	5.28%	4.11%	5.48%
	Depreciation	**38.81**	**42.61**	**54.00**

The Commission approves depreciation of INR 54.00 Cr in the True-up of FY 2015-16.

3.13. Interest and Finance Charges

Petitioner's submission

The Petitioner submitted that majority of capital assets are created out of the equity contribution from the Government of Goa. Interest on Loan has been estimated based on the normative loan calculation whereby 70% of the opening GFA and the capitalization during the year have been considered as normative debt. The Interest expense arrived is based on normative loan considered to the extent of capitalization during the year after deducting the Electricity Duty available as Grant.

Opening balance of normative loan for FY 2015-16 considered as per the approved closing normative loan in truing up of FY 2014-15. Further, the rate of interest has been considered as State Bank of India Prime Lending Rate (SBI PLR) of 14.60% (rate as on 1st April 2015).

In addition to the above, the Petitioner has also claimed certain financial charges related to bank charges, LC charges, etc.

Commission's analysis:

Regulation 25 of the Tariff Regulations, 2009 states:

" 1) For existing loan capital interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the rate of interest and schedule of repayment as per the terms and conditions of relevant agreements.

2) Interest and finance charges on loan capital for new investments shall be computed on the loans, duly taking into account the rate of interest and the schedule of repayment as per the terms and conditions of relevant agreements. The rate of interest shall, however, be restricted to the prevailing Prime Lending Rate of the State Bank of India." (Read SBI Advance Rate)

Further as per Regulation 23 of the said Tariff Regulations 2009:

"23. Debt-Equity Ratio

1) For the purpose of determination of tariff, debt-equity ratio in case of existing, ongoing as well as new projects commencing after the date of notification of these Regulations shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. Where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff:

2) Provided that the Commission may, in appropriate cases, consider equity higher than 30% for the purpose of determination of tariff, where the generating company or the licensee is able to establish to the satisfaction of the Commission that deployment of equity more than 30% is in the interest of the general public: .

3) The debt and equity amounts arrived at in accordance with sub-regulation (1) above shall be used for all purposes including for determining interest on loan, return on equity, Advance against Depreciation and Foreign Exchange Rate Variation.

4) Provided that in the case of an Integrated Utility, till the time it remains Integrated Utility, it shall be entitled to return on its capital base as per Schedule VI to the repealed Electricity (Supply) Act, 1948."

Accordingly, the Commission for the purpose of funding of the capitalisation has considered the normative debt-equity ratio of 70:30. The addition in loan has been considered with respect to the total capitalization during the year excluding the assets created out of Grant.

The Commission for the purpose of calculation of Interest on Loan has considered an interest rate equivalent to the SBI PLR @ 14.75%, as on 1st April 2015. The interest has been calculated on the average loan during the year with the opening loan considered equivalent to the closing loan approved in the True-Up of FY 2014-15. Repayment of the loan has been considered at 10% of the opening loan amount. Additionally, the Commission allows expenditure towards financing charges as per actuals as reflected in the annual accounts.

The following table provides the Interest and Finance charges as approved by the Commission:

Table 25: Interest and Finance charges approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Opening Normative Loan	314.67	188.87	188.87
2	Add: Normative Loan During the year	215.25	85.19	98.64
3	Less: Normative Repayment	38.81	18.89	18.89
4	Closing Normative Loan	491.11	255.17	268.62
5	Average Normative Loan	402.89	222.02	228.75
6	Rate of Interest (%)	7.99%	14.60%	14.75%
7	**Interest on Loan**	**32.19**	**32.42**	**33.74**
8	Financing Charges	1.30	1.54	1.54
	Interest and Finance Charges	**33.49**	**33.96**	**35.28**

The Commission approves Interest and Finance Charges of INR 35.28 Cr in the True-up of the FY 2015-16.

3.14. Return on Capital Base

Petitioner's submission

The Petitioner has calculated the return on capital base @ 3%. The return is calculated on the Net Fixed Assets (NFA) considering Gross Block and deducting the accumulated depreciation.

Commission's analysis:

Regulation 24 (1) of the JERC Tariff Regulations, 2009 with regards to Return in Equity specifies the following:

"Subject to the proviso to Regulation 23(2), Return on Equity shall be computed on the paid up equity capital determined in accordance with Regulation 23 and shall be guided by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 as amended by the CERC from time to time. The same principles will apply for distribution business also as far as possible."

The Commission, similar to the methodology adopted in the True-up of FY 2014-15, in the previous Tariff Order, has determined the Return on Capital Base based on the Gross Fixed Assets excluding the assets created out of grants as approved above and the Opening Cumulative Depreciation as on 1st April 2015, as reflected in the audited annual accounts. The table below shows the computation of the Return on Capital Base as approved in the ARR Order, the Petitioner's submission and the Return now approved by the Commission.

Table 26: Return on Capital Base approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Gross Fixed Assets at the beginning of FY	581.27	956.82	916.81
2	Less: Opening accumulated depreciation as per annual audited accounts	53.99	297.09	297.09
3	Net Fixed Assets	527.28	659.73	619.72
	Return at 3% of NFA	**15.82**	**19.79**	**18.59**

The Commission approves a Return on Capital Base as INR 18.59 Cr in the True-up of FY 2015-16.

3.15. Interest on Consumer Security Deposits

Petitioner's submission

The Petitioner has determined the Interest on Security Deposit on normative basis as shown in the table below:

Table 27: Interest on Consumer Security Deposits submitted by Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Opening Security Deposit	23.61
2	Add: Deposits During the year	4.67
3	Less: Deposits refunded	3.03
4	Closing Security Deposit	25.25
5	Average Security Deposit	24.43
6	Rate of Interest (%)	9.85%
7	**Interest on Security Deposit**	**2.41**
8	**Interest paid to consumers**	**0.00**

The Petitioner has determined the Interest on Security Deposits on normative basis as per Tariff Regulations, 2009, but has not considered the same in the ARR as no interest has been paid to consumers in the FY 2015-16.

Commission's analysis:

As the Petitioner has not paid any Interest on Security Deposit to consumers, the Commission does not approve any Interest on Security Deposit in FY 2015-16. The following table provides the interest on security deposit as approved in the ARR of FY 2015-16, the Petitioner's submission and the interest now approved by the Commission:

Table 28: Interest on Consumer Security Deposits approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	**Interest on Security Deposit**	**7.43**	**0.00**	**0.00**

The Commission approves Interest on Security Deposit as nil in the True-up of FY 2015-16.

3.16. Interest on Working Capital

Petitioner's submission

The Petitioner has determined the Interest on Working Capital on normative basis considering sum of the following:

a. Power purchase cost
b. Employees cost
c. Administration & general expenses
d. Repair & Maintenance expenses.
e. Sum of two months requirement for meeting Fuel cost.

The Interest Rate has been considered as 14.60% i.e. the SBI Prime Lending Rate.

Commission's analysis:

As per Regulation 29 of the Tariff Regulations, 2009:

"*(3) Subject to prudence check, the working capital for integrated utility shall be the sum of one month requirement for meeting:*
a. Power purchase cost
b. Employees cost
c. Administration & general expenses
d. Repair & Maintenance expenses.
e. Sum of two month requirement for meeting Fuel cost.

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

The Commission has considered the calculation of the different components of the Working Capital on the basis of the stipulated norms. The Commission has deducted average consumer security deposit from the Working Capital requirement as reflected in the audited annual accounts of FY 2015-16. The Commission has considered the SBI PLR as applicable on 1st April 2015. Accordingly, the Interest on Working Capital has been calculated as shown in the table below:

Table 29: Interest on Working Capital approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Power Purchase Cost for one month	87.36	94.56	94.44
2	Employee Cost for 1 month	13.46	19.88	19.88
3	A&G Cost for 1 month	0.84	2.11	2.11
4	R&M Cost for 1 month	1.06	1.36	1.36
5	Total Working Capital for 1 month	102.72	117.91	117.78
6	Average Security Deposit	86.83	24.43	24.43
7	Total Working Capital considered for 1 month	15.89	93.47	93.35
8	SBI PLR	14.75%	14.60%	14.75%
	Interest on Working Capital	**2.34**	**13.65**	**13.77**

The Commission approves the Interest on Working Capital as INR 13.77 Cr in the True- up of FY 2015-16.

3.17. Provision for Bad & Doubtful Debts

Petitioner's submission

The Petitioner submitted that it has created a provision of INR 3.61 Cr towards Bad and Doubtful Debts in the annual accounts of FY 2015-16. However, the same has not been considered in the True-up.

Commission's analysis:

As specified in Regulation 28 of the Tariff Regulations, 2009 (to be read with the format):

"The Commission may, after the generating company/licensee gets the receivables audited, allow a provision for bad debts up to 1% of receivables in the revenue requirement of the generating company/licensee."

It is observed that as per the audited accounts, the licensee has not written off any amount in the FY 2015-16. Therefore, the Commission does not approve any amount under the provision for bad and doubtful debts.

The Commission approves provision of Bad & Doubtful Debts as nil in the True-up of FY 2015-16.

3.18. Non-Tariff Income (NTI)

Petitioner's submission

The Petitioner submitted NTI of INR 24.19 Cr in the True-Up of FY 2015-16 against INR 6.74 Cr approved by the Commission in the ARR for FY 2015-16. The Non–Tariff Income as submitted by the Petitioner has been shown in the following table:

Table 30: Non- Tariff Income submitted by Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Miscellaneous Revenue	10.56
2	Deferred Income (Electricity Development fund)	3.10
3	Meter Rent	9.12
4	UI Sales	1.37
5	Wheeling Charges under Open Access	0.01
6	Income from trading	0.03
	Total	**24.19**

Commission's analysis:

The Commission has verified the submission of the Petitioner from the audited accounts and found the same to be in order. Further, the Commission as discussed while truing up the Power Purchase Cost, in the earlier section, has considered the revenue from UI Sales and Income from trading as a part of the Power Purchase Cost due to their inherent nature. Further, it has been observed that the Petitioner has erroneously considered the Deferred Income on account of Electricity Duty Fund as part of the NTI. The Commission in this regard would like to clarify that in accordance with the generally accepted accounting principles the same has to be treated as an expense item rather than revenue item. Further, as per regulatory accounting the same can neither be treated as expense item nor revenue item. The nature of this head in the annual accounts is related to the assets created out of Electricity Duty Fund on which Petitioner does not receive any Depreciation.

Accordingly, the Commission approves the Non-Tariff Income as shown in the following table:

Table 31: Non- Tariff Income approved by Commission (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Miscellaneous Revenue	-	10.56	10.56
2	Deferred Income (Electricity Development fund)	-	3.10	-
3	Meter Rent	-	9.12	9.12
4	UI Sales	-	1.37	-
5	Wheeling Charges under open access	-	0.01	0.01
6	Income from trading	-	0.03	-
	Total	**6.74**	**24.19**	**19.68**

The Commission approves Non-Tariff Income of INR 19.68 Cr in the True-up of FY 2015-16.

3.19. Aggregate Revenue Requirement (ARR)

Petitioner's submission

Based on the expenses as detailed above, the net aggregate revenue requirement of INR 1,500.61 Cr is submitted for approval in the True-up of FY 2015-16.

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 True-up of FY 2015-16 as given in the following table:

Table 32: Aggregate Revenue Requirement approved by Commission for FY 2015-16 (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Power Purchase Cost inclusive of cost towards compliance of RPO	1,048.34	1,134.70	1,133.30
2	Operation & Maintenance Expenses	184.24	280.08	280.09
3	Depreciation	38.81	42.61	54.00
4	Interest and Finance charges	33.49	33.95	35.28
5	Interest on Working Capital	2.34	13.65	13.77
6	Interest on Security Deposit	7.43	0.00	0.00

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
7	Return on Capital Base	15.82	19.79	18.59
8	Provision for Bad Debt	0.00	0.00	0.00
9	**Total Revenue Requirement**	**1,330.47**	**1,524.80**	**1,535.03**
10	Less: Non-Tariff Income	6.74	24.19	19.68
11	**Net Revenue Requirement**	**1,323.73**	**1,500.61**	**1,515.35**

The Commission approves net Aggregate Revenue Requirement of INR 1,515.35 Cr in the True-up of FY 2015-16.

3.20. Revenue at existing Retail Tariff

Petitioner's submission

The Petitioner has submitted the net actual revenue for the FY 2015-16 as INR 1,370.88 Cr against revenue of 1,322.62 Cr approved by the Commission in the ARR Order. The following table provides the revenue at existing tariff as submitted by the Petitioner:

Table 33: Revenue at existing tariff submitted by the Petitioner for FY 2015-16 (In INR Cr)

S. No	Category	Sales (MU)	Total Revenue (INR Cr)
A	**LOW TENSION SUPPLY**		
1	LTD/Domestic	1,058.11	221.72
2	LTD/L.I.G.	3.61	0.64
3	LTD Domestic Mixed	12.89	4.52
4	LTC/Commercial	332.11	160.41
5	LTP/Motive Power	89.21	35.48
6	LTP Mixed (Hotel Industries)	7.46	3.20
7	LTP Ice Manufacturing	3.45	1.17
8	LTAG/Agriculture	18.79	2.40
9	LTPL (Public lighting)	28.88	17.50
10	LTPWW/Public Water works	1.89	(0.40)
11	L.T. Temporary	19.13	19.94
	Total LT	**1,575.54**	**466.58**
B	**HIGH TENSION SUPPLY**		
12	HT (Mixed)	121.86	67.72
13	HTI (Industrial) Ferro Metallurgical/ Steel Melting/Power Intensive.	757.13	371.88
14	HTI Industrial	603.72	284.75
15	HTAG (Agriculture)	5.13	1.79
16	EHTI (Industrial)	144.05	64.91
17	HT P.W.W. & Sewage system	124.65	76.10
18	HT. M.E.'s Defence Estt.	25.84	12.40
19	HTI (Steel Rolling)	32.93	14.38
20	HTI / IT High Tech	1.68	0.99
21	HTI/Ice Manufacturing	2.27	0.48

S. No	Category	Sales (MU)	Total Revenue (INR Cr)
22	Sale from EDG to GSPL (Div. VII)	17.03	2.62
23	Sale from EDG to GEPL (Div. V)	7.09	4.90
24	Sale from EDG to REL (Div. XIV)	1.80	1.22
25	Hoardings/Signboards	0.18	0.14
26	**Total HT**	**1,845.36**	**904.29**
	Total	**3,420.90**	**1,370.88**

Commission's analysis

The Commission has verified revenue from the sale of power within the State in the FY 2015-16 from the audited accounts. The category-wise revenue as approved in the ARR Order, the Petitioner's submission and the revenue now Trued-up by the Commission is shown in the following table:

Table 34: Revenue at existing tariff approved by Commission for FY 2015-16 (In INR Cr)

S. No	Category	Petitioner's Submission	Trued-up by Commission
A	**LOW TENSION SUPPLY**		
1	LTD/Domestic	221.72	221.72
2	LTD/L.I.G.	0.64	0.64
3	LTD Domestic Mixed	4.52	4.52
4	LTC/Commercial	160.41	160.41
5	LTP/Motive Power	35.48	35.48
6	LTP Mixed (Hotel Industries)	3.20	3.20
7	LTP Ice Manufacturing	1.17	1.17
8	LTAG/Agriculture	2.40	2.40
9	LTPL (Public lighting)	17.50	17.50
10	LTPWW/Public Water works	(0.40)	(0.40)
11	L.T. Temporary	19.94	19.94
	Total LT	**466.58**	**466.58**
B	**HIGH TENSION SUPPLY**		
12	HT (Mixed)	67.72	67.72
13	HTI (Industrial) Ferro Metallurgical/ Steel Melting/Power Intensive.	371.88	371.88
14	HTI Industrial	284.75	284.75
15	HTAG (Agriculture)	1.79	1.79
16	EHTI (Industrial)	64.91	64.91
17	HT P.W.W. & Sewage system	76.10	76.10
18	HT. M.E.'s Defence Estt.	12.40	12.40
19	HTI (Steel Rolling)	14.38	14.38
20	HTI / IT High Tech	0.99	0.99
21	HTI/Ice Manufacturing	0.48	0.48
22	Sale from EDG to GSPL (Div. VII)	2.62	2.62
23	Sale from EDG to GEPL (Div. V)	4.90	4.90
24	Sale from EDG to REL (Div. XIV)	1.22	1.22

S. No	Category	Petitioner's Submission	Trued-up by Commission
25	Hoardings/Signboards	0.14	0.14
26	**Total HT**	**904.29**	**904.29**
	Total	**1,370.88**	**1,370.88**

The Commission approves the revenue from the sale of power as INR 1,370.88 Cr in the True-up of the FY 2015-16.

3.21. Standalone Revenue Gap/ (Surplus)

Petitioner's submission

Based on the ARR submitted and the revenue from retail tariff, the standalone revenue gap of INR 129.74 Cr is arrived at in the True-up of FY 2015-16.

Commission's analysis

The Commission, based on the approved ARR and the retail tariff has arrived at the Revenue Gap/Surplus as follows:

Table 35: Standalone Revenue Gap/ (Surplus) determined by Commission for FY 2015-16 (In INR Cr)

S. No	Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
1	Net Revenue Requirement	1,323.73	1,500.61	1,515.35
2	Total Revenue	1,322.62	1,370.88	1,370.88
	Net Gap / (Surplus)	**1.11**	**129.74**	**144.47**

The Commission, in the True-up of FY 2015-16 approves a standalone gap of INR 144.47 Cr. The Petitioner as per the Petition had submitted that the gap of INR 129.74 Cr shall be carried forward to the subsequent year and shall be recovered from consumers. However, as per the revised submission, the Petitioner has submitted that the entire gap for the FY 2015-16 is committed to be funded by the Government of Goa by way of budgetary support. The Petitioner in this regard has submitted the letter dated 11th December 2019 from the Government of Goa wherein the Govt. had assured that it would provide the requisite budgetary support to meet the deficit at the existing tariff for the FY 2015-16. Accordingly, no revenue gap is carried forward in the future years.

4. Chapter 4: True-up of the FY 2016-17, FY 2017-18 and FY 2018-19

4.1. Applicable provisions

The True-ups of FY 2016-17, FY 2017-18 and FY 2018-19 are to be carried out as per Regulation 8 (2) of the MYT Regulations, 2014:

"8.Annual Review of Performance and True-up

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

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

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

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

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

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

4.2. Approach for the True-up of the FY 2016-17, FY 2017-18 and FY 2018-19

Petitioner's submission:

The Petitioner has not submitted the True-Up Petition for FY 2016-17, FY 2017-18 and FY 2018-19. Further, the Petitioner has submitted that the financial statements for FY 2016-17, FY 2017-18 and FY 2018-19 are under finalisation post which the audit shall be undertaken. The Petitioner has sought to condone the delay in filing the true-up petitions for the respective years and has requested the Commission to allow the submission of the True-up for FY 2016-17, FY 2017-18 and FY 2018-19 in the subsequent petition.

Commission's analysis:

The Commission notes that the Petitioner has not submitted the audited accounts prepared on commercial principles for the FY 2016-17, FY 2017-18 and FY 2018-19. The Commission in its previous Orders had stressed upon the requirement of the audited accounts to reflect the true picture and bring in accuracy in the estimates made by the Commission. The MYT Regulations, 2014 also require the licensee to file the True up along with the audited accounts in the filing.

The Commission directs the Petitioner to prepare and submit the audited accounts for FY 2016-17, FY 2017-18 and FY 2018-19 based on commercial principles along with the True-up Petitions by 30th November 2020.

The True-up would therefore be taken up only after submission of the audited accounts. Accordingly, the Commission has decided not to take up True-up for the FY 2016-17, FY 2017-18 and FY 2018-19 in the current Order.

5. Chapter 5: Annual Performance Review of FY 2019-20

5.1. Applicable Provisions and Background

The MYT Order for each year of the Control Period for the FY 2019-20 to FY 2021-22 was issued by the Commission on 20th May 2019 approving the Aggregate Revenue Requirement (ARR) and tariff for the FY 2019-20. The Annual Performance Review for the FY 2019-20 is to be carried out in accordance with the Regulation 11 of the MYT Regulations 2018:

"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;*

.........."

5.2. Approach for the Review for the FY 2019-20

Petitioner's submission:

The Petitioner has submitted the APR of FY 2019-20 based on the actual performance during the H1 (April-September 2019) of the year and the revised estimates for H2 (October - March 2020) of the year. The projections for H2 of FY 2019-20 are arrived at by expected escalation over performance of H1.

Commission's analysis:

The Commission for the purpose of estimating the energy demand of the State sought the information of historical sales, number of consumers and connected load of the previous 5 years till FY 2019-20 (till latest month available) from the Petitioner. Data on month on month information for the last 3 years from FY 2016-17 to FY 2018-19 was also sought from the Petitioner. Various anomalies and gaps are observed in the data provided, which are listed as follows:

- Data on Energy Sales, no. of consumers and connected load for FY 2016-17 was not submitted.
- Data on Connected Load was not submitted for FY 2014-15, FY 2015-16.
- In the data on Energy sales provided for FY 2017-18 and FY 2018-19, a decrease is observed in categories such as LT Domestic, LT Low Income Group (LIG), LT Commercial, LT Industrial, LT Mixed/Hotel Industries, LT Agriculture, LT Agriculture (Allied Activities) etc in FY 2018-19 over FY 2017-18. These categories constitute majority of consumption of the Petitioner.
- Even though in categories listed above a decreasing trend has been observed in FY 2018-19 over FY 2017-18, in FY 2019-20 (Upto Quarter III) a significant increase has been observed. For instance, in LT Domestic category, a decrease of 2% has been observed in FY 2018-19 (Upto Q3) over FY 2017-18 (Upto Q3) however an increase of 13% has been observed in FY 2019-20 (Upto Q3) vis-à-vis FY 2018-19 (Upto Q3). Such significant variation in energy sales is unlikely and cannot be considered for projections in energy sales for FY 2019-20.

From the various discrepancies as shown above coupled with the fact that information for only two complete years (FY 2017-18 and FY 2018-19) has been provided by the Petitioner limiting the Commission to extract any trends, it is evident that the base data for projecting the energy sales for FY 2019-20 is not sufficient and reliable.

In the previous Tariff Order, the issue was discussed in detail wherein the Petitioner had submitted that there were issues related to billing of energy to consumers for a number of months in H2 of FY 2015-16 due to changeover of the billing agencies and the transition period thereof. The primary problem was non-billing in certain months of FY 2015-16 and adjustment of the same in FY 2016-17 resulting in lower billing than what should have been in FY 2015-16 and higher billing in FY 2016-17. The Petitioner had submitted that the meter reading and billing was maintained by different agencies separately in each division, and each agency had its separate logic for bill calculation and bill generation. However, a common agency had taken over post FY 2016-17 and for all the billing and collection data for HT and LT consumers a common process is being followed for all the divisions to avoid any ambiguity. While the process was being streamlined, a lot of errors in the legacy data were discovered and the error rectification is being undertaken.

The Petitioner was further asked to provide the segregated quantum of month on month sales for previous years, however, the Petitioner expressed its inability to provide such segregated information at this stage as the information is present in the form of software dump and the analysis and segregation of the information will take considerable time.

The Commission is of the view that due to this distortion observed in energy sales, it is not possible to project the energy sales for FY 2019-20 as no definite trends can be observed. The Commission, due to these reasons is also not able to revise the Energy sales, Power Purchase quantum etc. in the ARR approved for FY 2019-20 in the MYT Order.

Therefore, the Commission believes that it is not prudent to approve the revised power purchase requirement and revenue from retail sale on the basis of the unreliable information presently available. Therefore, the Commission shall consider the actual performance at the time of the True-up of the FY 2019-20 once the audited accounts are submitted by the Petitioner.

Accordingly, the Commission has decided not to undertake the Annual Performance Review of the FY 2019-20. The Commission directs the Petitioner to submit the True-up of FY 2019-20 and the APR of FY 2020-21 based on reliable data by 30th November 2020.

6. Chapter 6: Determination of Aggregate Revenue Requirement for the FY 2020-21

6.1. Background

The ARR for FY 2020-21 was approved in the MYT Order issued for the 2nd Control Period (FY 2019-20 to FY 2021-22). In this Chapter the Commission determines the Aggregate Revenue Requirement (ARR) for the FY 2020-21 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 MYT Regulations, 2018.

6.2. Approach for determination of ARR for the FY 2020-21

The Petitioner has determined the ARR for the FY 2020-21 in accordance with the MYT Regulations, 2018. The Petitioner has computed revenue from the sale of power on the basis of the Retail Tariff approved by the Commission in the Tariff Order for FY 2019-20. The Commission has computed the individual elements constituting the Aggregate Revenue Requirement for FY 2020-21 based on figures approved in the MYT Order dated 20th May 2019 . Subsequently, the revenue at existing tariff is determined to arrive at the revenue gap/surplus for the FY 2020-21.

As the Commission is not undertaking the APR of FY 2019-20 for the reasons discussed in the previous chapter, the Commission is retaining the projections and consequently costs for the FY 2020-21 at the same level as approved in the MYT Order dated 20th May 2019 excluding the power purchase cost and O&M Expenses.

The Commission believes that the projections of Power Purchase Cost approved in the MYT Order were based on historical trends and figures. Since now the latest cost trends for fixed and variable components of the power purchase costs are available, it is prudent to revise the Power Purchase Cost. Accordingly, the Commission has determined the revised Power Purchase Cost based on the same energy sales and Intra-State T&D loss as approved in the MYT Order for FY 2020-21. Resultantly, the Commission has also determined the Renewable Purchase Obligation (RPO) and the Interest on Working Capital which are dependent on the Power Purchase Cost. Further, the O&M expenses as per the latest inflation numbers has been computed and approved. The Commission has determined the revenue from sale of power based on the approved energy sales, number of consumers and connected load in the FY 2020-21 to calculate the revenue gap for the year.

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

Petitioner's Submission

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

Table 36: No. of Consumer, Connected Load and Energy Sales submitted by Petitioner

Category	No. of Consumers	Connected Load (kW)	Energy Sales (MU)
LTD/Domestic	547,213	1,564,434	1,256.86
LT-LIG/Low Income Group	1,835	231	1.76
LTC/Commercial	101,972	340,731	536.20
LTI/Industrial	5,963	140,551	104.63

Category	No. of Consumers	Connected Load (kW)	Energy Sales (MU)
LT Mixed/ LT-P Hotel Industries	151	2,868	5.78
Low Tension-AG/LT-AGP (Pump Sets/Irrigation)	11,970	46,964	17.37
Low Tension-AG/LT-AGA (Allied Activities)	196	1,629	0.91
LT Temporary	5,181	20,684	20.51
HTD Domestic	3	300	0.29
HTC Commercial	240	73,507	127.11
HTI Industrial	864	551,853	1,620.19
High Tension-Ferro/SM/PI/SR	29	98,700	442.64
High Tension-AG/HT-AGP (Pump Sets/Irrigation)	41	8,240	4.85
High Tension-AG/HT-AG (Allied Activities)	3	1,310	4.52
Military Engineering Services/defense Establishments	12	7,060	27.07
Public Lighting	215	1,600	2.66
Hoardings/Signboards	63	619	0.24
HT Temporary	1	350	0.30
Single Point Supply	1	4,035	5.46
Total	**675,954**	**2,865,665**	**4,179.35**

Commission's Analysis

In absence of reliable information, the Commission decides to retain the same number of consumers, connected load and energy sales as approved in the Business Plan Order.

Table 37: No. of Consumer, Connected Load and Energy Sales approved by Commission

Category	No. of Consumers	Connected Load (kW)	Energy Sales (MU)
LTD/Domestic	547,213	1,564,434	1,256.86
LT-LIG/Low Income Group	1,835	231	1.76
LTC/Commercial	101,972	340,731	536.20
LTI/Industrial	5,963	140,551	104.63
LT Mixed/ LT-P Hotel Industries	151	2,868	5.78
Low Tension-AG/LT-AGP (Pump Sets/Irrigation)	11,970	46,964	17.37
Low Tension-AG/LT-AGA (Allied Activities)	196	1,629	0.91
LT Temporary	5,181	20,684	20.51
HTD Domestic	3	300	0.29
HTC Commercial	240	73,507	127.11
HTI Industrial	864	551,853	1,620.19
High Tension-Ferro/SM/PI/SR	29	98,700	442.64
High Tension-AG/HT-AGP (Pump Sets/Irrigation)	41	8,240	4.85
High Tension-AG/HT-AG (Allied Activities)	3	1,310	4.52
Military Engineering Services/defense Establishments	12	7,060	27.07
Public Lighting	215	1,600	2.66
Hoardings/Signboards	63	619	0.24

Category	No. of Consumers	Connected Load (kW)	Energy Sales (MU)
HT Temporary	1	350	0.30
Single Point Supply	1	4,035	5.46
Total	**675,954**	**2,865,665**	**4,179.35**

The Commission approves Number of consumers as 675,954, Connected Load as 2,865,665 kW and Energy Sales as 4,179.35 MU in the ARR of FY 2020-21.

6.4. Inter-State Transmission Loss

Petitioner's Submission

The Petitioner has considered the same Inter- State Transmission Loss as approved by the Commission in the MYT Order.

Commission's analysis

The Commission considers the transmission loss levels for FY 2020-21 at the same levels as approved in the MYT Order

Table 38: Inter-State Transmission Loss approved by the Commission (%)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	For Stations in Western Region (WRPC)	3.26%	3.26%	3.26%
2	For Stations in Southern Region (SRPC)	9.87%	9.87%	9.87%

The Commission approves Inter–State Transmission Loss of 3.26% for power received from stations of Western Region and 9.87% for power received from stations of Southern Region for FY 2020-21.

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

Petitioner's Submission

The Petitioner has considered the same Intra-State T&D Loss as approved in the MYT Order.

Commission's analysis

The Commission approves the Intra-State T&D loss for the FY 2020-21 at the same level as approved in the MYT Order. The following table provides the Intra-State T&D loss approved for FY 2020-21.

Table 39: Intra-State T&D loss approved by the Commission (%)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Intra-State T&D loss	10.50%	10.50%	10.50%

The Commission approves the Intra-State Distribution Loss of 10.50% for FY 2020-21.

6.6. Power Purchase Quantum & Cost

Petitioner's Submission

The Petitioner has considered the power purchase quantum based on the revised allocation of power as per WRPC Letter dated 29th October 2019. Further, the Petitioner has proposed to procure the deficit power required as per the revised availability from the Open Market.

With regards to the Power purchase Cost, the Petitioner has considered the following assumptions:

- The Fixed Cost and variable cost per unit has been considered the same as approved in the MYT Order.
- Cost of power purchase from Co-generation stations has been estimated based on the rate approved by the Commission in the MYT Order
- For fulfillment of RPO, the Petitioner has been procuring power from the Renewable Sources such as SECI Solar and NTPC Solar to meet its RPO obligations in line with that approved by the Hon'ble Commission in the MYT Order.
- Additionally, the Petitioner has proposed to purchase power from short term market at a rate of 5.00 Rs/kWh for FY 2020-21.
- The procurement from Hindustan Waste Energy Ltd is considered at cost as approved by the Hon'ble Commission in the MYT Order.
- Rate of procurement from SECI Wind and Tata Power STOA to fulfill the RPO has been considered as per actual rates of H1 FY 2019-20
- To fulfill the deficit in RPO, the Petitioner has proposed power purchase through DEEP portal at the rate of 5.12 Rs. /kWh as per actuals incurred in H1 FY 2019-20.
- Per Unit Cost of procurement from new stations has been considered same as approved by the Commission in the MYT Order.
- Per Unit Cost of procurement from Open market has been considered same as approved by the Commission in the MYT Order
- Transmission charges have been estimated by escalating the per unit transmission charges derived in H1 of FY 2019-20 by 2% y-o-y.

The projected power purchase quantum and cost for FY 2020-21 is as illustrated in the following table:

Table 40: Power Purchase cost submitted by the Petitioner for FY 2020-21 (in INR Cr)

S. No.	Source	Power Purchase (MU)	Variable Charges (INR Cr)	Fixed Charges (INR Cr)	Total Charges (INR Cr)
A	**Central Sector Power Stations**				
I	NTPC	3,615.92	638.95	333.38	972.33
1	KSTPS	1,555.26	212.03	105.60	317.63
2	VSTPS - I	264.67	41.86	22.78	64.64
3	VSTPS - II	103.81	16.18	7.11	23.29
4	VSTPS -III	90.51	14.20	9.19	23.39
5	VSTPS-IV	108.99	17.14	16.09	33.23
6	VSTPS-V	51.67	8.29	8.01	16.30

S. No.	Source	Power Purchase (MU)	Variable Charges (INR Cr)	Fixed Charges (INR Cr)	Total Charges (INR Cr)
7	KGPP	44.32	10.98	7.99	18.97
8	GGPP	58.48	12.53	10.13	22.66
9	SIPAT- I	206.83	28.18	24.29	52.47
10	KSTPS-III	51.24	7.15	6.36	13.51
11	RSTPS	705.75	172.13	52.58	224.71
12	SIPAT- II	91.69	12.88	10.80	23.68
13	Solapur	70.25	16.22	18.18	34.40
14	Gadarwara	80.64	28.70	-	28.70
15	Mouda I	57.24	17.34	19.23	36.57
16	Mouda II	74.57	23.14	15.04	38.18
					-
II	**RGPPL**	**-**	**-**	**-**	**-**
III	**NPCIL**	**82.95**	**27.76**	**-**	**27.76**
1	TAPS	82.95	27.76		27.76
					-
IV	**New Stations**	**145.72**	**70.49**	**-**	**70.49**
1	Kameng HEP	11.25	5.44		5.44
2	Lara STPP – I & II	51.57	24.95		24.95
3	Khargone STPP	82.90	40.10		40.10
IV	**Traders**	**266.84**	**100.67**		**100.67**
1	Open Market	266.84	100.67		100.67
B	**Within State Generations**				
I	**CO- GENERATION**	**168.19**	**40.37**	**-**	**40.37**
1	Vedanta Plant-1	92.90	22.30		22.30
2	Goa Sponge Private Limited	5.40	1.30		1.30
3	Vedanta Plant-2	69.89	16.77		16.77
C	**RPO Obligation**	**594.39**	**249.23**	**-**	**249.23**
I	Non-Solar				
1	SECI Wind Tranche II LTOA	120.00	32.64		32.64
2	SECI Wind Tranche III LTOA	89.28	22.50		22.50
3	Tata Power STOA	62.50	32.00		32.00
4	NSL Krishnaven STOA	-	-		-
5	STOA through e-Deep Portal	66.02	33.80		33.80

S. No.	Source	Power Purchase (MU)	Variable Charges (INR Cr)	Fixed Charges (INR Cr)	Total Charges (INR Cr)
6	Hindustan Waste Treatment Plant	2.00	1.00		1.00
II	Solar				
1	NVVNL Solar MTOA	14.27	7.85		7.85
2	SECI Solar LTOA	48.00	26.40		26.40
3	APPCL Solar STOA	-	-		-
4	Solar STOA through e-Deep Portal	186.08	93.04		93.04
5	Solar Net metering	6.25	-		-
					-
E	**Transmission Charges**	**-**	**200.98**	**-**	**200.98**
	PGCIL Transmission Charges		200.98		200.98
	Total	**4,874.01**	**1,328.45**	**333.38**	**1,661.83**

Commission's Analysis

The Commission has considered the same power purchase quantum for FY 2020-21 as approved in the MYT Order.

The source wise methodology followed for projecting the cost of power procurement has been detailed as follows:

1. **Variable Charges:**

   - The per unit variable costs for various power stations has been computed by taking the average of the actual per unit variable cost during the months of April- September 2019. An y-o-y escalation of 5% has been considered over the actual per unit variable cost to arrive upon the variable per unit cost for FY 2020-21.
   - For procurement of power from the Open Market, the Average Round the Clock (RTC) rate for the Western Region for the calendar year 2019 has been considered.
   - For Co-generation and Renewable Energy Stations, the tariff has been considered as per the PPA's and Tariff Orders of respective stations.
   - For new stations, since no source specifying the tariff is available in the public domain, the Commission has considered an average rate of INR 5.00/kwh and shall be considered as per actuals during the time of APR/True-up.

2. **Fixed Charges:**

   The fixed costs for CGS have been considered based on the Tariff Orders issued by the CERC for the respective Central Generating Stations. Since the Fixed Cost is available only till FY 2018-19, an y-o-y escalation of 2% has been considered twice over cost of FY 2018-19 to arrive at the fixed cost for FY 2020-21.

3. **Other Charges:**

   No other charges have been considered for FY 2020-21. The same shall be considered as per actuals during the True-up of each year.

6.6.1. Transmission Charges

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

The transmission charges are determined based on the latest quarterly Point of Connection (PoC) rates approved by the Central Electricity Regulatory Commission (CERC) in accordance with Regulation 17(2) of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 and the latest Regional Power Committee report stipulating the cumulative weighted average share allocated of Central Generating Stations to the Petitioner.

6.6.2. Total Power Purchase Quantum and Cost

The energy availability and the power purchase cost approved by the Commission for FY 2020-21 has been shown in the following table:

Table 41: Power Purchase Quantum (MU) and cost (INR Cr) approved for FY 2020-21

Details of the stations	Power Purchase at State periphery (after adjusting ISTS Losses) (MU)	Variable Charges (INR Cr)	Fixed Charges (INR Cr)	Total Charges (INR Cr)
NTPC				
KSTPS	1510.99	218.27	105.60	323.86
VSTPS - I	250.47	46.95	22.78	69.73
VSTPS - II	103.57	18.63	7.11	25.74
VSTPS -III	90.71	16.27	9.19	25.46
VSTPS-IV	109.36	19.32	16.09	35.41
VSTPS-V	52.11	9.47	8.01	17.48
KGPP	39.25	11.95	7.99	19.94
GGPP	48.14	14.69	10.13	24.82
SIPAT- I	208.10	30.61	24.29	54.90
KSTPS-III	51.74	7.37	6.36	13.73
RSTPS	636.09	197.33	52.58	249.90
SIPAT- II	91.88	13.92	10.80	24.72
Mouda II	34.78	11.94	18.80	30.74
Mouda I	51.69	17.87	19.56	37.43
Solapur	37.21	14.13	18.18	32.31
Gadarwara	77.61	29.98	15.89	45.87
Subtotal - NTPC	**3393.71**	**678.69**	**353.36**	**1032.05**
RGPPL	**0.00**	**0.00**	**0.00**	**0.00**
NPCIL				
KAPS	105.86	28.83	0.00	28.83
TAPS	80.25	27.53	0.00	27.53
Sub Total NPCIL	**186.11**	**56.36**	**0.00**	**56.36**
Within State Generations				
Vedanta Plant-1- Co-Gen	92.90	22.30	0.00	22.30
Vedanta Plant -2- Co-Gen	69.89	16.77	0.00	16.77
Goa Sponge and private limited	5.40	1.30	0.00	1.30
Sub Total - Within State Generation	**168.19**	**40.37**	**0.00**	**40.37**

Details of the stations	Power Purchase at State periphery (after adjusting ISTS Losses) (MU)	Variable Charges (INR Cr)	Fixed Charges (INR Cr)	Total Charges (INR Cr)
RPO				
NVVNL Solar	11.22	8.97	0.00	8.97
SECI Solar	49.43	27.19	0.00	27.19
NTPC Solar	132.42	62.90	0.00	62.90
SECI Wind (Non-Solar)	296.60	80.68	0.00	80.68
Hindustan Waste Treatment Plant Goa	2.00	1.00	0.00	1.00
Solar Net- Metering	6.25	0.00	0.00	0.00
Solar-REC		5.50	0.00	5.50
Non-Solar- REC		3.50	0.00	3.50
Sub Total - RPO	**497.93**	**189.73**	**0.00**	**189.73**
Open Market	**282.75**	**87.65**	**0.00**	**87.65**
New Stations				
Kameng HEP	10.88	5.44	0.00	5.44
Lara STPP – I & II	49.89	24.95	0.00	24.95
Khargone STPP	80.19	40.10	0.00	40.10
Sub Total - New Stations	**140.97**	**70.49**	**0.00**	**70.49**
Total	**4669.66**	**1123.29**	**353.36**	**1476.65**
Transmission Charges				**151.26**
PGCIL Charges				151.26
Total	**4669.66**	**1123.29**	**353.36**	**1627.91**

The Commission approves the quantum of power purchase as 4,669.66 MU at the State Periphery with a total cost of INR 1,627.91 Cr for the FY 2020-21.

The Average Power Purchase Cost (APPC) for FY 2020-21 has been determined as provided in the table below. The APPC has been computed at the State Periphery excluding the transmission charges and cost of purchase of renewable energy. The same shall be used for the purpose of compensation / payment of surplus power at the end of each settlement period in case of Net-metering consumers by the Petitioner.

Table 42: Average Power Purchase Cost (APPC) for FY 2020-21

Particular	FY 2020-21
Total Power Purchase Cost (INR Cr)	1627.91
Less: Transmission charges and Power Purchase cost from renewable energy sources (INR Cr)	340.99
Net Power Purchase Cost (INR Cr) (A)	**1286.92**
Total Power Purchase quantum (MU)	4669.66
Less: Quantum from renewable energy sources (MU)	497.93
Quantum of energy at State Periphery excluding quantum from renewable energy sources (MU) (B)	**4171.73**
APPC (Rs/kWh) (A/B)	**3.08**

The Commission approves the Average Power Purchase Cost (APPC) as INR 3.08/ kWh for the FY 2020-21.

6.7. Renewable Purchase Obligation (RPO)

Petitioner's Submission

The Petitioner is required to procure power from renewable sources for meeting the RPO. The RPO requirement for FY 2020-21 as submitted by the Petitioner has been provided in the following table:

Table 43: RPO and compliance for FY 2020-21 as submitted by Petitioner

Particulars	Petitioner's Submission
Sales within State (MU)	**4,183.39**
Hydro Power available at State Periphery (MU)	**10.88**
T&D Loss (%)	10.50%
Resultant Energy Sales for calculation of RPO (after adjustment of power from hydro sources) (MU)	**4,173.65**
RPO obligation (in %)	**14.10%**
Solar	6.10%
Non-Solar	8.00%
RPO obligation for the year (in MU)	**588.48**
Solar	254.59
Non-Solar	333.89
RPO compliance (Physical Power available at Consumer Periphery after adjusting Inter-State Transmission and Intra-State T&D Loss)	**588.48**
Solar	254.59
Non-Solar	333.89

The Petitioner has proposed to fulfill the RPO for FY 2020-21 by way of procuring physical power from open market and bilateral agreements. The Cost has been considered in the Power purchase cost estimated for FY 2020-21.

Commission's analysis:

Regulation 1, Sub-regulation (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010 provides-

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

The Commission notified the JERC (Procurement of Renewable Energy), (Third Amendment) Regulations, 2016 on 22nd August 2016 and approved the revised RPO targets. The quantum as per the revised target has to be determined on the effective energy sales i.e. effective of hydro generation.

The Petitioner is procuring physical power from solar and non-solar sources. However, the physical power is not enough to fulfill the standalone RPO for FY 2020-21. Therefore, the Commission has considered the remaining RPO to be fulfilled by the purchase of Renewable Energy Certificate (REC). The Commission has assumed the rate of purchase for both solar and non-solar REC as INR 1.00/ kWh (IEX Floor Price). The total cost towards RPO compliance has been considered in the total power purchase cost approved earlier.

In accordance with the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010 the Commission has determined the following Renewable Purchase Obligation for the Petitioner for FY 2020-21.

The following table provides the RPO as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21:

Table 44: Summary of Renewable Purchase Obligation (RPO) (MU)

Description	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
Sales within State (MU) (A)	4,179.35	4,183.39	4179.35
Hydro Power available at State Periphery (MU) (B)	10.88	10.88	10.88
T&D Loss (%) (C)	10.50%	10.50%	10.50%
T&D Loss (MU) (D = B * C)	1.14	1.14	1.14
Hydro Power Consumed (E = B - D)	9.74	9.74	9.74
Conventional Power Consumed (F = A - E)	**4,169.60**	**4,173.65**	**4169.60**
RPO obligation (%)	**14.10%**	**14.10%**	**14.10%**
Solar (G)	6.10%	6.10%	6.10%
Non-Solar (H)	8.00%	8.00%	8.00%
RPO obligation for the year (MU)	**587.91**	**588.48**	**587.91**
Solar (F * G)	254.35	254.59	254.35
Non-Solar (F * H)	333.57	333.89	333.57
RPO Compliance (Physical Power) (MU)	**480.46**	**594.39**	**497.93**
Solar	181.85	254.60	199.32
Non-Solar	298.60	339.80	298.60
RPO Compliance (REC certificate purchase) (MU)	**107.46**	**-**	**89.99**
Solar	72.49	-	55.02
Non-Solar	34.96	-	34.96

The cost towards compliance of RPO computed by the Commission has been shown in the following table.

Table 45: Cost towards compliance of Renewable Purchase Obligation (RPO) (In INR Cr)

Source	RPO Quantum (MU)	Total Cost (INR Cr)
NVVNL Solar	11.22	8.97
SECI Solar	49.43	27.19
NTPC Solar	132.42	62.90
SECI Wind (Non-Solar)	296.60	80.68
Hindustan Waste Treatment Plant Goa	2.00	1.00
Solar Net- Metering	6.25	0.00
Solar-REC	55.02	5.50
Non-Solar- REC	34.96	3.50
Sub Total - RPO	**587.91**	**189.73**

The cost towards RPO has been considered in the power purchase cost approved by the Commission in the previous section.

6.8. Energy Balance

Petitioner's submission

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

Table 46: Energy Balance submitted by Petitioner (MU)

S. No.	Particulars	Petitioner's Submission
1	**Energy Input at Goa Periphery**	**4,505.76**
2	**Total Power Scheduled/ Purchased at Goa Periphery**	
	Total Schedule Billed Drawal - CGS	3,833.34
	Add: Power purchase from Traders/ Open Market	266.84
	Add : Hydro Power	11.25
	Add: Renewable Power	594.39
	Total	**4,705.82**
3	**PGCIL Losses - MUs**	**200.06**
	PGCIL Losses - %	**4.25%**
4	**Total Power Purchased within Goa State**	
	Add: Co-generation	168.19
	Total	**168.19**
5	**Total Power Purchase availability after PGCIL Losses**	**4,674.18**
	Less: Retail Sales to Consumers	4,183.39
	Distribution Losses - MUs	490.79
6	**Distribution Losses - %**	**10.50%**

Commission's analysis

Based on the Energy sales, Power Procurement and Intra- State Loss as approved above the Energy Balance for FY 2020-21 has been shown in following table:

Table 47: Energy Balance approved by Commission at State Periphery (MU)

Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
Energy Requirement			
Energy sales within the State/UT (a)	4,179.35	4,183.39	4,179.35
Distribution losses (b)			
%	10.50%	10.50%	10.50%
MU	490.31	490.79	490.31
Energy required at State Periphery (c=a/(1-b))	4,669.66	4,674.18	4669.66
Energy Availability			
Availability from firm sources (d)	4,285.27	4,407.34	4386.91
Deficit/(Surplus) to be procured from Open Market (c-d)	**384.39**	**266.84**	**282.75**

The Commission estimates a deficit of 282.75 MU for FY 2020-21 to be procured from Open Market by the Petitioner. The cost of procuring deficit power has been included by the Commission in power procurement cost approved in the earlier section.

6.9. Operation & Maintenance Expenses

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

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

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

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

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

c) Repairs and Maintenance expenses.

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

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

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

Where,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.9.1. Employee Expenses

Petitioner's submission

The Petitioner has adopted the same approach for projecting employee cost for FY 2020-21 as followed by the Commission in the MYT Order. The Petitioner has computed the employee expenses for the base year FY 2018-19 based on the available audited data for FY 2013-14, FY 2014-15 & FY 2015-16. The average value of employee expenses has been considered as the employee expenses for FY 2014-15 (Median year). Further the computed employee expenses for median year has been escalated y-o-y with CPI Inflation (4.22%) up to the base year of FY 2018-19. An impact of 7^{th} Pay Commission of Rs. 69.27 Crore has been added to the employee expenses of the base year FY 2018-19. Thereafter the resultant employee expenses have been escalated by growth rate and CPI Inflation to arrive at the employee expenses for FY 2020-21.

Further, as per regulation 51 of JERC MYT Regulation, 2018, the Growth factor (Gn) is considered as -1.85% for FY 2020-21. The table below provides the employee expenses submitted by the Petitioner

Table 48: Employee Expenses submitted by Petitioner (In INR Cr)

Particular	Unit	FY 2018-19	FY 2019-20	FY 2020-21
Employee Cost for n-1 year	INR Cr		310.81	318.72
Growth Factor (Gn) (5 Yr CAGR)	In %		-1.61%	-1.85%
CPI Inflation	In %		4.22%	4.22%
Projected Employee Cost	**INR. Cr.**	**310.81**	**318.72**	**326.02**

Commission's analysis

The Regulation 6 of the MYT Regulations, 2018 stipulates the following:

"6. Values for Base Year

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

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

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

The MYT Regulations, 2018 stipulate that the values for the Base Year of the Control Period have to be determined based on the audited accounts of last three years. As submitted by the Petitioner, the audited accounts are only available latest for FY 2015-16. Further, the Petitioner has submitted that the accounts for FY 2016-17, FY 2017-18 and FY 2018-19 are under preparation and finalisation. The Commission believes that use of audited information is important in order to accurately determine the employee expenses for the Control Period (FY 2019-20 to FY 2021-22). The Commission further believes that the employee expenses for the base year have to be sacrosanct and therefore have to be determined only on the basis of audited data. The Commission in the MYT Order had determined the Employee expenses as per a certain methodology as discussed in the MYT Order. Since the Petitioner has still not been able to submit the audited accounts till FY 2018-19, the Commission finds no reason to revise the Employee expenses for the Base Year i.e. FY 2018-19. Hence, the Commission in absence of the actual audited data retains the same base year employee expenses as approved in the MYT Order for FY 2018-19. Further, based on the latest inflation and growth factor, the Employee Expenses for FY 2020-21 have been computed. Moreover, the Commission had already considered the impact of 7th Pay Commission while setting the trajectory for each year of the MYT period.

The CPI Inflation has been computed as follows:

Table 49: Computation of CPI Inflation (%)

FY	Average of (Apr-Mar)	Increase in CPI Index	Average increase in CPI indices over 3 years
2016-17	275.92	4.12%	
2017-18	284.42	3.08%	
2018-19	299.92	5.45%	
		CPI Inflation	**4.22%**

Accordingly, the employee expenses approved by the Commission for FY 2020-21 have been provided in the following table:

Table 50: Employee Expenses approved by Commission (In INR Cr)

S. No	Particulars	Employee Expenses for FY 2019-20 (As Approved in MYT Order	FY 2020-21
1	Employee Expenses	294.08	
2	Growth in number of employees (Gn)		-1.85%
3	CPI Inflation for preceding three years (CPI)		4.22%
	Employee Expenses		**300.81**

The Commission approves Employee Expenses of INR 300.81 Cr for FY 2020-21.

6.9.2. Administrative and General (A&G) Expenses

Petitioner's submission

The Petitioner similar to methodology followed for projection of A&G Expenses in the MYT Order has computed the A&G expenses for the base year FY 2018-19 based on the available audited data for FY 2013-14, FY 2014-15 & FY 2015-16. The average value for the median year is calculated and is escalated y-o-y with CPI Inflation. The table below provides the A&G expenses projected for FY 2020-21 along with various parameters considered.

Table 51: A&G submitted by Petitioner (In INR Cr)

Particular	Unit	FY 2018-19	FY 2019-20	FY 2020-21
Employee Cost for n-1 year	INR Cr		26.05	27.15
CPI Inflation	In %		4.22%	4.22%
Projected A&G expenses	**INR. Cr.**	**26.05**	**27.15**	**28.29**

Commission's analysis

Similar to the methodology followed while approving the Employee expenses, in absence of audited data available the A&G expenses for the base year cannot be revised. Hence, the Commission determines the A&G expenses for FY 2020-21 with FY 2019-20 as base expenses approved in the MYT Order and latest CPI Inflation trends. The following table provides the A&G expenses approved by the Commission for FY 2020-21

Table 52: A&G Expenses approved by Commission (In INR Cr)

S. No	Particulars	Employee Expenses for FY 2019-20 (As Approved in MYT Order	FY 2020-21
1	A&G Expenses	27.10	
2	CPI Inflation		4.22%
3	**A&G Expenses**		**28.24**

The Commission approves the Administrative & General (A&G) expenses of INR 28.24 Cr for FY 2020-21.

6.9.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission

The Petitioner has adopted the same methodology as followed while projecting the Employee and A&G expenses. The Petitioner has used the latest audited data and based on the norms specified in the MYT Regulations, 2018 computed the R&M Expenses for FY 2020-21. K factor is calculated as the ratio of R&M over GFA for FY 2013-14, FY 2014-15 & FY 2015-16, averaged for three years. The resultant 'K' factor is then multiplied with average GFA based on revised capitalisation for FY 2020-21. Thereafter, the resultant value has been escalated by average increase in Wholesale Price Index (WPI) for FY 2016-17, FY 2017-18 & FY 2018-19 to determine the R&M expense for FY 2020-21.

The table below provides the R&M expenses proposed for FY 2020-21 along with various parameters considered.

Table 53: R&M expenses submitted by Petitioner (In INR Cr)

Particular	Unit	FY 2019-20	FY 2020-21
Average GFA	INR. Cr.	1,461.50	1,376.10
K Factor	%	2.54%	2.54%
WPI Inflation	%	2.98%	2.98%
Projected R&M Expenses	**INR. Cr.**	**38.16**	**35.93**

Commission's analysis

Similar to the methodology adopted for estimating the Employee and A&G Expenses, the Commission has computed the R&M expenses for FY 2020-21 based on the revised WPI Inflation factor with 'K' factor and Opening GFA considered to be the same as approved by the Commission in the MYT Order.

The WPI Inflation has been computed as follows:

Table 54: Computation of WPI Inflation (%)

FY	Average of (Apr-Mar)	Increase in WPI Index	Average increase in WPI indices over 3 years
2016-17	111.62	1.73%	
2017-18	114.88	2.92%	
2018-19	119.84	4.32%	
		WPI Inflation	**2.99%**

The R&M expenses approved by the Commission for FY 2020-21 have been provided in the following table:

Table 55: R&M Expenses approved by Commission (In INR Cr)

S. No	Particulars	FY 2020-21
1	GFA (GFA_{n-1})	2,457.45
2	K factor approved (K)	2.91%
3	WPI Inflation	2.99%
	R&M Expenses = (K x (GFA_{n-1}) x (1+$WPI_{inflation}$)	**73.65**

The Commission approves the Repair & Maintenance (R&M) expenses of INR 73.65 Cr for FY 2020-21.

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

The following table provides the O&M expenses approved in the MYT Order, Petitioner's submission and now approved by the Commission

Table 56: O&M Expenses approved by Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Employee Expenses	300.35	326.02	300.81
2	Administrative & General Expenses (A&G)	28.26	28.29	28.24
3	Repair & Maintenance Expenses (R&M)	58.91	35.93	73.65
	Total Operation & Maintenance Expenses	**387.51**	**390.24**	**402.70**

The Commission approves Operation & Maintenance (O&M) expenses of INR 402.70 Cr in FY 2020-21.

6.10. Gross Fixed Assets (GFA) and Capitalisation

Petitioner's Submission

The Petitioner has projected the Capex and Capitalisation for FY 2020-21 as INR 1092.50 Cr and INR 683.50 Cr respectively as against the approved Capex and Capitalisation of INR 330.43 Cr and INR 303.13 Cr. by Commission vide order dated 20th May 2019.

Table 57: Capital Expenditure and Capitalisation submitted by the Petitioner (In INR Cr)

S. No	Particulars	FY 2020-21
1	Capital Expenditure	1092.50
2	Capitalisation	683.50

Commission's analysis:

The Regulation 8.5 (d) of the MYT Regulation, 2018 stipulates the following:

"d) In case, during the annual performance review, the cumulative (starting from first Year of the Control Period up to the current Year) actual capital expenditure incurred is less than 50% of the cumulative approved capital expenditure, the Commission shall true-up the ARR elements relevant to actual capital expenditure in the current Year and remaining Years of the Control Period;"

The Petitioner as per the petition has submitted some additional schemes to be taken up during FY 2020-21. The Commission in this regard sought justification from the Petitioner as to why these schemes weren't submitted for approval in the Business Plan Petition. The Commission further asked the Petitioner to submit a more realistic plan as the Petitioner has proposed more than twice the capitalisation as approved in the Business Plan Order for FY 2020-21 in its submission's. The Petitioner in reply although submitted a revised plan however the same was similar to what was proposed in the Petition with limited variation in the final capitalisation submitted in the Petition. Further, the Petitioner failed to provide a satisfactory justification for the new schemes proposed in the revised plan. The Commission believes that the purpose of the Business Plan Order is to plan the investments towards upgradation of infrastructure to be undertaken during the Control Period that in turn provides an overview of the costs to be incurred by the utility corresponding to the investments made. The Commission believes that at the time of submission of Business Plan Petition, the Petitioner should have planned all the schemes to be undertaken during the period important to serve consumers under its area. The Commission believes that at this point deviating from the plan approved in the Business Plan Order would defeat the very purpose of the Business Plan Order and MYT Regime in general. Hence, the Commission disallows any additional capital expenditure during FY 2020-21 and maintains the capex and capitalisation at the same levels as approved in the Business Plan Order. The same shall be trued-up as per actuals at the end of the current MYT Control Period.

The following table provides the capex and capitalisation as approved in the MYT Order, Petitioner's submission and now approved by the Commission:

Table 58: Capital Expenditure and Capitalisation approved by the Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Capital Expenditure	330.43	1092.50	330.43
1	Capitalisation	303.13	683.50	303.13

The Commission approves capital expenditure of INR 330.43 Cr and capitalisation of INR 303.13 Cr for FY 2020-21.

6.11. Capital Structure

Petitioner's Submission

The Petitioner has proposed that the capitalisation during the FY 2020-21 shall funded through Electricity Duty Fund, RAPDRP and through Equity infused by the Government.

Commission's analysis

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 modernisation expenditure for life extension shall be serviced in the manner specified in this Regulation."

As approved in the MYT and Business Plan Order, the entire capitalisation through the Electricity Duty Fund (EDF) and loans under RAPDRP upto 75% of the capitalisation amount is considered as Grant and no depreciation has been provided on the same, as discussed in the subsequent section. The remaining capitalisation has been proposed to be funded from Petitioner's equity inclusive of the remaining amount under RAPDRP which is provided by the Government of Goa in the form of equity. The equity addition has been considered on normative basis with equity higher than 30% of capitalisation considered as normative loan.

In the previous chapter the Commission has provided the reasons for not carrying out the True-up of FY 2016-17, FY 2017-18 and FY 2018-19 due to non-submission of the audited accounts for the respective years by the Petitioner. Further, the Commission has also not been able to carry out the APR of FY 2019-20 due to reasons as discussed in the Chapter 5 of this Order. Since the Petitioner has been unable to submit the audited accounts for the FY 2016-17, FY 2017-18 and FY 2018-19 and the provisional accounts till September 2019 for the FY 2019-20, the Commission has considered the opening GFA for FY 2020-21 same as closing GFA of FY 2019-20 as approved in the MYT Order. The same approach is followed for opening equity and loan considered for FY 2020-21. The same shall be revised in the True-up of the respective years based on audited accounts.

The table below provides the funding plan / capital structure as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21:

Table 59: Funding Plan approved by the Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Total Capitalisation	303.13	683.50	303.13
2	Less: Capitalisation through Grant	249.77	324.25	249.77
(a)	*Electricity Duty Fund*	*137.27*	*298.00*	*137.27*
(b)	*RAPDRP Grant*	*112.50*	*26.25*	*112.50*
3	Net Capitalisation excluding grant	53.36	359.25	53.36
4	Debt (%)	70%	70%	70%

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
5	Equity (%)	30%	30%	30%
6	Normative Loan	37.35	251.48	37.35
7	Equity	16.01	107.78	16.01

Table 60: GFA addition approved by the Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Opening Gross Fixed Assets	2,457.45	1038.44	2,457.45
2	Addition During the FY	303.13	683.50	303.13
3	Adjustment/Retirement During the FY	-	-	-
4	**Closing Gross Fixed Assets**	**2,760.58**	**1721.94**	**2,760.58**

Table 61: Normative Loan addition approved by the Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Opening Normative Loan	1,138.90	215.69	1,138.90
2	Add: Normative Loan During the year	37.35	251.48	37.35
3	Less: Normative Repayment	81.58	46.19	81.53
4	**Closing Normative Loan**	**1,094.67**	**420.97**	**1,094.72**

Table 62: Normative Equity addition approved by the Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Opening Equity	665.10	339.22	665.10
2	Additions on account of new capitalisation	16.01	107.78	16.01
3	**Closing Equity**	**681.11**	**446.99**	**681.11**

6.12. Depreciation

Petitioner's Submission

The Petitioner has determined the Opening GFA for FY 2020-21 based on the closing GFA as per the audited accounts of FY 2015-16. For each year since then, the addition in assets has been considered based on the provisional data available for capitalisation. The Petitioner has determined the weighted average rate of depreciation based on asset wise rates specified by the Commission in the MYT Regulations, 2018.

The following table provides the depreciation projected by the Petitioner for FY 2020-21.

Table 63: Depreciation submitted by the Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Opening Gross Fixed Assets	1038.44
2	Addition During the FY	683.50
3	Less: Capitalization through grants	324.25
4	Closing Gross Fixed Assets	1397.69
5	Average Gross Fixed Assets	1218.06
6	Weighted Average Depreciation rate (%)	3.79%
	Depreciation	**46.19**

Commission's analysis:

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

"30. Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 64: Depreciation Rate (%)

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

The depreciable Opening GFA considered for FY 2020-21 has been discussed in the section of Capital Structure above. Further, in accordance with the MYT Regulations, 2018, no depreciation has been considered for assets created out of Grants and EDF hence the same have been deducted from the GFA approved above to arrive at the Depreciable Opening GFA as shown in the following table. The funding plan has also been provided in detail in the Capital Structure section. The depreciation has been considered on average loan during each year.

The following table provides the calculation of depreciation as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21:

Table 65: Depreciation approved by Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
	Opening Gross Fixed Assets	-	-	2,457.45
	Less: Assets created from Grants	-	-	240.45
1	Opening Depreciable Gross Fixed Assets	2217.00	1038.44	2217.00
2	Addition During the FY	53.36	683.50	53.36
3	Adjustment/Retirement During the FY	0.00	324.25	0.00
4	Closing Gross Fixed Assets	2270.36	1397.69	2270.36
5	Average Gross Fixed Assets	2243.68	1218.06	2243.68
6	Rate of Depreciation (%)	3.64%	3.79%	3.63%
	Depreciation	**81.58**	**46.19**	**81.53**

The Commission approves a depreciation of INR 81.53 Cr for FY 2020-21.

6.13. Interest on Loan

Petitioner's Submission

The Petitioner, similar to the methodology followed in determining the opening GFA for FY 2020-21 above has determined the opening loan for FY 2020-21 considering the closing loan of FY 2015-16. The addition in loan for each year has been considered on normative basis assuming the provisional data available for the respective years. The addition in loan for FY 2020-21 has been considered on normative basis with 70% of the net addition excluding grant and electricity duty as normative loan. The Rate of Interest for long term loan has been considered at the rate of 9.55% including 100 basis points as per one-year SBI MCLR Interest rate applicable on the 1st April of the relevant year.

The following table provides the Interest on Loan as submitted by the Petitioner

Table 66: Interest on Loan as submitted by the Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Opening Normative Loan	215.69
2	Add: Normative Loan during the Year	251.48
3	Less: Normative Repayment	46.19
4	**Closing Normative Loan**	**420.97**
4	Average Normative Loan	318.33
5	Rate of Interest (@SBAR rate)	9.55%
6	**Interest on Normative Loan**	**30.40**
7	Other Finance Charges	-
8	**Total Interest & Finance Charges**	**30.40**

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."

The Opening Loan and loan addition have been considered as discussed in the section of Capital Structure.

The Petitioner does not have any loan and receives the entire financing in form of equity from Govt. of Goa excluding for schemes capitalized through Grants. In absence of any actual loans, the Commission has considered the SBI MCLR rate plus 100 basis points as Rate of Interest, in accordance with the MYT Regulations, 2018. The Interest on Loan has been calculated on the average loan during the year.

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

Table 67: Interest on loan approved by Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Opening Normative Loan	1,138.90	215.69	1138.90
2	Add: Normative Loan During the year	37.35	251.48	37.35
3	Less: Normative Repayment equal to Depreciation	81.58	46.19	81.53
4	Closing Normative Loan	1,094.67	420.97	1094.72
5	Average Normative Loan	1,116.78	318.33	1116.81
6	Rate of Interest (%)	9.55%	9.55%	8.85%
	Interest on Loan	**106.65**	**30.40**	**98.84**

The Commission approves Interest on Loan as INR 98.84 Cr for FY 2020-21.

6.14. Return on Equity (RoE)

Petitioner's submission

The Return on Equity (RoE) is computed in accordance with the MYT Regulations 2018, wherein RoE is computed on 30% of the capital base. The opening equity for the Control Period has been determined similar to the approach followed in determining the Opening GFA and Opening Loan above. Equity addition is considered to the tune of 30% of assets capitalized during the year excluding assets created out of Grants. Accordingly, the Petitioner has computed the Return on Equity separately for Wires and Distribution Business in accordance with the methodology followed by the Commission in the MYT Order. The following table provides the RoE submitted by the Petitioner for the MYT Control Period.

Table 68: RoE submitted by the Petitioner (In INR Cr)

Particulars	Petitioner's Submission
Opening Equity	339.22
Additions on account of new capitalisation	107.78
Closing Equity	446.99
Average Equity	393.11
Average Equity (Wires Business)	353.80
Average Equity (Retail Supply Business) Business)	39.31
Return on Equity for Wires Business (%)	15.50%
Return on Equity for Retail Supply Business (%)	16.00%
Return on Equity for Wires Business	54.84
Return on Equity for Retail Supply Business	6.29
Return on Equity	**61.13**

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."

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) and a rate of 16% for the Retail Supply Business. The equity component has been determined in accordance with capital structure as discussed in the section on capital structure. The rate of return on equity for the Distribution Wires Business shall be trued up based on the prevalent CERC Regulations during the True-up of the respective years. The following table provides the total return on equity as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21:

Table 69: RoE approved by Commission (In INR Cr)

Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
Opening Equity	665.10	339.22	665.10
Additions on account of new capitalisation	16.01	107.78	16.01
Closing Equity	681.11	446.99	681.11
Average Equity	673.11	393.11	673.11
Average Equity (Wires Business)	605.80	353.80	605.80
Average Equity (Retail Supply Business) Business)	67.31	39.31	67.31
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	93.90	54.84	93.90
Return on Equity for Retail Supply Business	10.77	6.29	10.77
Return on Equity	**104.67**	**61.13**	**104.67**

The Commission approves Return on Equity of INR 104.67 Cr for FY 2020-21. Any Income Tax, paid by the EDG on return on equity, shall be allowed by the Commission at the time of true up based on actual figures.

6.15. Interest on Consumer Security Deposits

Petitioner's submission:

The Petitioner has projected the Interest on Security deposit on normative basis with opening Security Deposit considered equivalent to revised closing of FY 2019-20 derived on the basis of provisional data. Addition/ reduction during each year has been considered on lumpsum basis based on new consumers to be added. However, the Petitioner has claimed the actual interest on consumer security deposit proposed to be paid during the FY 2020-21.

The following table provides the calculation of interest on consumer security deposits proposed for FY 2020-21 and the actual amount claimed in the ARR.

Table 70: Interest on Consumer Security Deposit submitted by the Petitioner (In INR Cr)

S. No.	Particulars	Petitioner's Submission
1	Opening Security Deposit	148.83
2	Add: Deposits during the Year	43.92
3	Less: Deposits refunded	6.32
4	Closing Security Deposit	186.43
5	Bank Rate	6.25%
6	**Interest on Security Deposit on normative basis**	**10.48**
7	**Interest on Security Deposit to be paid and claimed in ARR**	**13.99**

Commission's analysis:

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

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

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

The Interest on security deposits has been calculated in accordance with the MYT Regulations 2018, based on the average of the opening and closing consumer security deposits during the year. The Commission has considered the net addition same as approved in the MYT Order. The Opening amount of Security Deposit has been considered equivalent to the closing amount of FY 2019-20 as approved in the MYT Order.

The Commission has considered the prevalent RBI Bank Rate for determination of the interest however the same shall be considered in accordance with the MYT Regulations 2018 during the True-Up/APR of FY 2020-21.

With regards to the interest claimed by the Petitioner, the Commission will consider the interest paid on consumer security deposits on actual basis as and when paid to consumers during the time of True-up. The table below provides the interest on consumer security deposits as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21:

Table 71: Interest on Security Deposits approved by Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Opening Security Deposit	123.87	148.83	123.87
2	Net Additions during the year	39.32	43.92	39.32
	Less: Deposits Refunded	-	6.32	-
3	Closing Security Deposit	163.19	186.43	163.19
4	Average Security Deposit	143.53	167.63	143.53
5	Rate of Interest (%)	6.25%	6.25%	5.40%
	Interest on Security Deposit	**8.97**	**10.48**	**7.75**
	Interest on Security Deposit to be paid and claimed in ARR	**8.97**	**13.99**	**7.75**

The Commission approves Interest on Security Deposit as INR 7.75 Cr for FY 2020-21.

6.16. Interest on Working Capital

Petitioner's Submission

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

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

- Receivable of two months of billing
- O&M Expenses of one month
- Maintenance Spares at 40% of repair and maintenance expenses for one month

- Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt

The SBI 1 Year MCLR as on 10th April, 2019 plus 200 basis points i.e. 10.50% has been considered for computation of interest on working capital. The following table provides the Interest on working Capital proposed for each year of the Control Period.

Table 72: Interest on Working Capital submitted by the Petitioner (In INR Cr)

Particular	Petitioner's Submission
Two Months Receivable	368.56
O&M expense 1 month	32.52
Maintenance spares at 40% of R&M expenses for one (1) month;	1.20
Total working Capital requirement	402.28
Less: Security Deposit	167.63
Net working Capital requirement	234.65
Interest Rate	10.50%
Interest on working capital	**24.64**

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 2020-21. The following table provides the Interest on Working Capital as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21.

Table 73: Interest on Working Capital approved by the Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	O&M Expense for 1 month	32.29	32.52	33.56
2	Maintenance spares at 40% of R&M expenses for one (1) month;	1.96	1.20	2.46
3	Receivables equivalent to two (2) months of the expected revenue from charges at the prevailing tariff	395.22	368.56	387.94
4	Less: Amount, held as security deposits	143.53	167.63	143.53
5	Net Working Capital	285.95	234.65	280.43
6	Rate of Interest (%)	10.15%	10.50%	10.55%
	Interest on Working Capital	**29.02**	**24.64**	**29.58**

The Commission approves the Interest on Working Capital as INR 29.58 Cr for FY 2020-21.

6.17. Non-Tariff Income (NTI)

Petitioner's submission

The Petitioner has considered the NTI as shown in the table below:

Table 74: Non -tariff Income submitted by the Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	**Non-Tariff Income**	**17.06**

Commission's analysis:

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

"64. Non-Tariff Income

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

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

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

(a) Income from rent of land or buildings;
(b) Income from sale of scrap;
(c) Income from statutory investments;
(d) Interest on advances to suppliers/contractors;
(e) Rental from staff quarters;
(f) Rental from contractors;
(g) Income from hire charges from contactors and others;

(h) Income from advertisements, etc.;
(i) Meter/metering equipment/service line rentals;
(j) Service charges;
(k) Consumer charges;
(l) Recovery for theft and pilferage of energy;
(m) Rebate availed on account of timely payment of bills;
(n) Miscellaneous receipts;
(o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;
(p) Prior period income, etc.:

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

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

The Commission considers the same NTI as approved in the MYT Order. The same shall be considered on actual basis during True-up/ APR of FY 2020-21. The following table provides the NTI as approved in the MYT Order, Petitioner's submission and now approved by the Commission for FY 2020-21:

Table 75: Non -tariff Income approved by Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	**Non- Tariff Income**	**25.34**	**17.06**	**25.34**

The Commission approves the Non-Tariff Income as INR 25.34 Cr for FY 2020-21.

6.18. Aggregate Revenue Requirement (ARR)

Petitioner's submission

Based on the expenses as detailed above, the Petitioner submitted the net aggregate revenue requirement for FY 2020-21 as shown in the following table:

Table 76: Aggregate Revenue Requirement (ARR) submitted by the Petitioner (In INR Cr)

S. No	Particulars	Petitioner's Submission
1	Cost of power purchase along with Provision for RPO Compliance	1,661.83
2	Employee Expenses	326.02
3	Repair & Maintenance expenses (R&M)	35.93
4	Administration and General expenses (A&G)	28.29
5	Depreciation	46.19
6	Interest on Loan	30.40
7	Interest on Working Capital	24.64
8	Return on Equity	61.13
9	Interest on Consumer Security Deposit	13.99
10	**Total Revenue Requirement**	**2,228.43**
11	Less: Non-Tariff Income	17.06
12	**Net Revenue Requirement**	**2,211.37**

Commission's analysis

On the basis of the detailed analysis of the cost parameters of the ARR the net revenue requirement for FY 2020-21 is approved as provided in the following table:

Table 77: Aggregate Revenue Requirement approved by Commission (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Power Purchase Cost	1,678.28	1661.83	1,627.91
2	Operation & Maintenance Expenses	387.51	390.24	402.70
3	Depreciation	81.58	46.19	81.53
4	Interest on Loan	106.65	30.40	98.84
5	Return on Equity	104.67	61.13	104.67
6	Interest on Consumer Security Deposit	8.97	13.99	7.75
7	Interest on Working Capital	29.02	24.64	29.58
8	**Total Revenue Requirement**	**2,396.69**	**2,228.43**	**2,352.99**
9	Less: Non-Tariff Income	25.34	17.06	25.34
10	**Net Revenue Requirement**	**2,371.35**	**2,211.37**	**2,327.65**

The Commission approves net ARR of INR 2,327.65 Cr for FY 2020-21.

6.19. Revenue at existing Retail Tariff

Petitioner's submission

The Petitioner has estimated revenue from sale of power at existing tariff based on the energy sales, no. of consumers and connected load projected for FY 2020-21. In addition, the Petitioner has proposed revenue in Electric Vehicle Charging Station category created by the Commission in the MYT Order. The Petitioner has considered the energy sales and revenue while computing the revenue at retail tariff however the energy sales in Electric Vehicle Charging Station category have not been considered while proposing the energy sales in Section 6.3 above. The following table provides the category wise revenue computed by the Petitioner for FY 2020-21.

Table 78: Revenue at existing tariff submitted by Petitioner for FY 2020-21 (In INR Cr)

S. No.	Category	Energy Sales (MU)	Fixed Charges (INR Cr)	Energy Charges (INR Cr)	Total Charges (INR Cr)
1	Tariff LTD/Domestic and Non-Commercial	1,257	22.58	384.85	407.42
(a)	*0-100 units*	*114*	*7.28*	*15.95*	*23.24*
(b)	*101-200 units*	*262*	*4.73*	*55.02*	*59.76*
(c)	*201 to 300 units*	*223*	*5.44*	*59.03*	*64.47*
(d)	*301 to 400 units*	*153*	*2.33*	*52.76*	*55.10*
(e)	Above 400 units	*505*	*2.78*	*202.08*	*204.86*
2	Tariff LTD/Low Income Group	1.76	0.09	-	0.09
3	Tariff-LTC/Commercial	536.20	12.11	245.28	257.40
(a)	0-20 KW/Commercial Consumers				
	1-100 Units	*91*	*3.39*	*30.95*	*34.34*
	101-200 units	*52*	*0.94*	*21.36*	*22.30*
	201-400 Units	*62*	*0.76*	*28.38*	*29.13*
	Above 400 units	*199*	*0.89*	*99.68*	*100.57*
(b)	>20-90Kw Commercial Consumers				
	1-100 Units	*3*	*0.51*	*1.17*	*1.69*

S. No.	Category	Energy Sales (MU)	Fixed Charges (INR Cr)	Energy Charges (INR Cr)	Total Charges (INR Cr)
	101-200 units	*3*	*0.15*	*1.36*	*1.51*
	201-400 Units	*6*	*0.27*	*2.81*	*3.07*
	Above 400 units	*119*	*5.22*	*59.57*	*64.79*
4	LTI-Industry	104.63	5.90	38.78	44.68
	0-500 Units	*20*	*2.58*	*6.50*	*9.08*
	Above 500 units	*85*	*3.32*	*32.28*	*35.60*
5	Tariff-LTP/Mixed (Hotel Industries)	5.78	0.14	2.72	2.85
6	LT-Agriculture	18.28	0.88	2.59	3.47
	Tariff-LTAG/Agriculture (Pump Sets/Irrigation) (A)	*17.37*	*0.85*	*2.43*	*3.28*
	Tariff-LTAG/Agriculture Allied (B)	*0.91*	*0.04*	*0.15*	*0.19*
7	Tariff-LTPL/Public Lighting	2.66	0.10	1.09	1.19
8	Tariff-LT Hoarding and Signboard	0.24	0.04	0.24	0.28
					-
9	Tariff HTD/Domestic	0.29	0.04	0.10	0.14
10	Tariff HT-Commercial	127.11	22.05	69.91	91.96
11	Tariff HTI/Industrial	1,620.19	165.56	726.24	891.80
	Connected at 11/33 kV	*1,336*	*151.06*	*601.09*	*752.15*
	Connected at 110 kV	*284*	*14.50*	*125.15*	*139.65*
12	H.T. Industrial (Ferro Metallurgical/ Steel Melting/ Power Intensive)	442.64	29.61	199.19	228.80
13	HT-Agriculture	9.37	0.44	1.59	2.03
	Tariff-HTAG/Agriculture (Pump Sets/Irrigation) (A)	*4.85*	*0.35*	*0.73*	*1.07*
	Tariff-HTAG/Agriculture (Allied Activities) (B)	*4.52*	*0.09*	*0.86*	*0.95*
14	H.T. MES/Defence Establishments	27.07	1.48	13.54	15.02
					-
15	Tariff-LT/Temporary Domestic	**1.00**	**0.16**	**0.60**	**0.76**
16	Tariff-LT/Temporary Commercial	19.51	1.77	13.39	15.16
17	Tariff-HTTS/Temporary Supply	0.30	0.16	0.25	0.41
18	Commercial Complexes	5.46	0.97	2.51	3.48
19	Electric Vehicle Charging Station	4.04	0.07	1.70	1.76
	Total	**4,183.39**	**264**	**1,705**	**1,968.69**

Commission's analysis

The category wise/ sub-category wise and slab-wise revenue at existing retail tariff is calculated as per the tariff rates applicable tariff rates and as per existing slab mix of energy sales. The revenue from demand charges and the energy charges have been projected for each category/ sub-category and slab. The Commission has considered suitable assumptions wherever necessary. The Commission has not determined revenue from Electric Vehicle Charging System Category as no sales have been observed till the month of November in FY 2019-20. Hence, there is no method to project the energy sales in this category. The Commission shall approve the energy sales and revenue booked in this category, if any, as per actuals in the True-Up/APR of FY 2020-21. The revenue from category/ sub-category/ slab-wise revenue as computed by the Commission for FY 2020-21 has been shown in the following table:

Table 79: Revenue at existing tariff computed by Commission for FY 2020-21 (In INR Cr)

S. No.	Category	Energy Sales (MU)	Fixed Charges (INR Cr)	Energy Charges (INR Cr)	Total Charges (INR Cr)
1	**Domestic**	**1258.91**	**22.72**	**288.61**	**311.33**
(i)	LT-D Domestic	1256.86	22.59	288.51	311.11
	0-100 units	512	7.21	71.65	78.86
	101-200 units	295	4.79	62.04	66.83
	201-300 units	152	5.54	40.19	45.74
	301-400 units	83	2.38	28.55	30.93
	Above 400 units	215	2.67	86.08	88.75
(ii)	Low Income Group	1.76	0.09	-	0.09
(iii)	HT-D Domestic	0.29	0.04	0.10	0.14
2	**Commercial**	**663.31**	**40.99**	**315.58**	**356.57**
(i)	LT-C Commercial	536.20	18.93	245.67	264.60
	0-100 units	92	3.37	31.30	34.67
	101-200 units	55	0.93	22.59	23.51
	201-400 units	69	2.37	31.54	33.91
	Above 400 units	320	12.27	160.24	172.51
(ii)	HT-C Commercial	127.11	22.05	69.91	91.96
3	**Industrial**	**2173.24**	**201.21**	**967.08**	**1168.28**
(i)	LT-I Industrial	104.63	5.90	38.81	44.71
	0-500 units	19.07	2.57	6.29	8.86
	Above 500 units	85.56	3.33	32.51	35.84
(ii)	Low Tension-Mixed/LT-P (Hotel Industries)	5.78	0.14	2.72	2.86
(iii)	High Tension-I/HT-I	1620.19	165.56	726.36	891.92
	Connected at 11/33 kV	1348.15	141.03	606.67	747.70
	Connected at 110 kV	272.04	24.52	119.70	144.22
(iv)	High Tension-Ferro/SM/PI/SR	442.64	29.61	199.19	228.80
4	**Agriculture**	**27.65**	**1.32**	**4.17**	**5.50**
(i)	Low Tension-AG/LT-AGP (Pump Sets/Irrigation)	17.37	0.85	2.43	3.28
(ii)	Low Tension-AG/LT-AGA (Allied Activities)	0.91	0.04	0.15	0.19
(iii)	High Tension-AG/HT-AGP (Pump Sets/Irrigation)	4.85	0.35	0.73	1.07
(iv)	High Tension-AG/HT-AG (Allied Activities)	4.52	0.09	0.86	0.95
5	**Military Engineering Services/defense Establishments**	**27.07**	**1.48**	**13.53**	**15.02**

S. No.	Category	Energy Sales (MU)	Fixed Charges (INR Cr)	Energy Charges (INR Cr)	Total Charges (INR Cr)
6	**Public Lighting**	**2.66**	**0.10**	**1.09**	**1.18**
7	**Hoardings/Signboards**	**0.24**	**0.04**	**0.24**	**0.29**
8	**Temporary**	**20.81**	**-**	**23.65**	**23.65**
(i)	LT	20.51	-	23.29	23.29
	LT Domestic	1.26	-	1.14	1.14
	LT Commercial	19.25	-	22.16	22.16
(ii)	HT	**0.30**	-	0.36	0.36
9	**Single Point Supply**	**5.46**	**0.97**	**2.51**	**3.48**
(i)	Residential Complexes	**0.00**	0.00	0.00	0.00
(ii)	Commercial Complexes	**5.46**	0.97	2.51	3.48
(iii)	Industrial Complexes	**0.00**	0.00	0.00	0.00
	TOTAL	**4179.35**	**268.83**	**1616.47**	**1885.30**

The Commission has determined revenue from sale of power at existing tariff as INR 1,885.30 Cr in the FY 2020-21.

6.20. Standalone Revenue Gap/ (Surplus)

Petitioner's submission

Based on the ARR submitted and the revenue from retail tariff, a standalone revenue gap of INR 242.68 Cr has been determined by the Petitioner for FY 2020-21.

Commission analysis

Based on the approved ARR and existing retail tariff, the following Revenue Gap/Surplus is arrived at for the FY 2020-21:

Table 80: Standalone Revenue Gap/ (Surplus) at existing tariff approved by Commission for FY 2020-21 (In INR Cr)

S. No	Particulars	Petitioners submission	Now Approved
1	Net Revenue Requirement	2,211.37	2,327.65
2	Revenue from Retail Sales at Existing Tariff	1,968.69	1,885.30
	Net Gap /(Surplus)	**242.68**	**442.35**

The standalone gap at existing retail tariff is INR 442.35 Cr for FY 2020-21. This estimated gap is considered while determining the retail tariff for FY 2020-21, as discussed in the subsequent Chapter.

7. Chapter 7: Tariff Principles and Design

7.1. Overall Approach

The Commission while designing retail tariffs for the FY 2020-21 has kept in view the principles of determination of tariff set out in the Electricity Act, 2003 (EA 2003), Tariff Policy, 2016 and the MYT Regulations, 2018.

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

The provision of supply of electricity to all the people is an essential driver for development, and also influences social and economic change.

7.2. Applicable Regulations

Regulation 19 of MYT Regulations, 2018 states the following:

"***19. Annual determination of tariff***

19.1 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 17, 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 67 of MYT Regulations, 2018 states the following:

"

67. Determination of Tariff

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

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

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

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

(a) The tariff for all categories shall preferably be two part, consisting of fixed and variable charges.
(b) The fixed charges in tariff shall progressively reflect actual fixed cost incurred by Distribution Licensee;
(c) The overall retail supply tariff for different Consumer categories shall progressively reflect the cost of supply for respective categories of Consumers;
(d) The tariff for residential Consumers shall be set considering the affordability of tariff for various class of Consumers;
(e) The tariff shall be set in such a manner that it may not present a tariff shock to any category of Consumers."

7.3. Revenue Gap/ (Surplus) at Existing Tariff

Petitioner's Submission

The Petitioner has proposed a standalone revenue gap at existing tariff for FY 2020-21 as shown in the table below. The Petitioner has submitted that the cumulative revenue gap for previous years from FY 2016-17 is not being claimed, the same shall be submitted once the audited annual accounts are prepared for respective years. The standalone revenue gap as submitted by the Petitioner has been tabulated below:

Table 81: Standalone Revenue Gap/ Surplus submitted by Petitioner (In Rs Cr)

Particulars	FY 2020-21
Net Revenue Requirement	2,211.37
Revenue from Retail Sales at Existing Tariff	1,968.69
Standalone Gap /(Surplus) for the year	**242.68**

Commission's analysis

The Commission in the True-up of FY 2015-16 approved the revenue gap/surplus as nil. Further, the Commission has not approved any revenue gap for FY 2016-17 to FY 2018-19 due to non –availability of audited annual accounts and for FY 2019-20 due to unreliable data. The Commission has determined the tariff for FY 2020-21 as part of this Order. Therefore, the Commission approves the standalone revenue gap for FY 2020-21 as follows:

Table 82: Standalone Revenue Gap/ (Surplus) determined by Commission (In INR Cr)

Particulars	FY 2020-21
Net Revenue Requirement	**2327.65**
Revenue from Retail Sales at Existing Tariff	1885.30
Standalone Gap /(Surplus) for the year	**442.35**

The Commission has computed a standalone revenue gap of INR 442.35 Cr in the FY 2020-21 at the existing tariff.

7.4. Treatment of the Revenue Gap/ (Surplus) and Tariff Design

The revenue gap of INR 442.35 Cr, signifies that the revenue from the existing tariff is not commensurate with the costs incurred by the Petitioner. The Commission has accordingly dealt with this gap in the following section.

7.4.1. Designing of Tariff

Petitioner's Submission

The Petitioner has proposed to recover the revenue gap of Rs 242.68 Cr, partly from proposed tariff increase and partly from budgetary support from the Govt. of Goa. The Petitioner has proposed an average tariff hike of 3.84% that will earn an additional revenue of Rs 75.63 Cr. The remaining gap of Rs 167.05 Cr is proposed to be met from the budgetary support from the Government. Further, the Petitioner has proposed non-telescopic tariffs for LT Domestic, Commercial and Industry category.

The category wise existing and proposed tariff submitted by the Petitioner is as under:

Table 83: Retail Tariff proposed by Petitioner

S. No	Category	Existing Tariff		Proposed Tariff	
		Fixed Charges	Energy Charges (INR/kWh)	Fixed Charges	Energy Charges (INR/kWh)
1	**Domestic**				
A	**Low Tension-D/LT-D**				
	0-100 units	Single Phase INR 25/Connection/Month Three Phase INR 60/Connection/Month	1.40	Single Phase INR 25/Connection/Month Three Phase INR 60/Connection/Month	1.40
	101-200 units		2.10		2.10
	201 to 300 units		2.65		2.65
	301 to 400 units		3.45		3.45
	Above 400 units		4.00		4.00
B	**Low Tension-LIG/LT-LIG**	INR 40/Connection/Month		INR 40/Connection/Month	
C	**High Tension-D/HT-D**				
	All Units	INR 100/kVA/Month	3.45	INR 100/kVA/Month	3.45
2	**Commercial**				
A	**Low Tension-C/LT-C**				
	0-100 units	0-20 kW - INR 50/Conn/Month Above 20kW-90 kW INR 55/kW/month	3.40	0-20 kW - INR 50/Conn/Month Above 20kW-90 kW INR 55/kW/month	3.50
	101-200 units		4.10		4.20
	201 units- 400 units		4.60		4.70
	Above 400 units		5.00		5.10
B	**High Tension-C/HT-C**				
	All Units	INR 250/kVA/month	5.50	INR 250/kVA/month	5.60
3	**Industrial**				
A	**Low Tension-I/LT-I**				
	0-500 units	INR 35/HP/Month	3.30	INR 35/HP/Month	3.40
	Above 500 units	INR 35/HP/Month	3.80	INR 35/HP/Month	3.90
B	**Low Tension-Mixed/LT-P (Hotel Industries)**				
	All Units	INR 40/kW/Month	4.70	INR 40/kW/Month	4.80
C	**High Tension-I/HT-I**				
	Connected at 11/33 kV	INR 250/kVA/Month	4.50	INR 250/kVA/Month	4.60
	Connected at 110 kV	INR 250/kVA/Month	4.40	INR 250/kVA/Month	4.50

S. No	Category	Existing Tariff		Proposed Tariff	
		Fixed Charges	Energy Charges (INR/kWh)	Fixed Charges	Energy Charges (INR/kWh)
D	**High Tension-Ferro/SM/PI/SR**				
	All Units	INR 250/kVA/Month	4.50	INR 250/kVA/Month	4.60
4	**Agricultural**				
A	**Low Tension-AG/LT-AGP (Pump Sets/Irrigation)**				
	All Units	INR 15/HP/Month	1.40	INR 15/HP/Month	1.40
B	**Low Tension-AG/LT-AGA (Allied Activities)**				
	All Units	INR 20/HP/Month	1.70	INR 20/HP/Month	1.70
C	**High Tension-AG/HT-AGP (Pump Sets/Irrigation)**				
	All Units	INR 35/kVA/Month	1.50	INR 35/kVA/Month	1.50
D	**High Tension-AG/HT-AG (Allied Activities)**				
	All Units	INR 60/kVA/Month	1.90	INR 60/kVA/Month	1.90
5	**Military Engineering Services/defense Establishments**				
	All Units	INR 175/kVA/Month	5.00	INR 175/kVA/Month	5.10
6	**Public Lighting**				
	All Units	INR 50/kW/Month	4.10	INR 50/kW/Month	4.20
7	**Hoardings/Signboards**				
	All Units	INR 60/kVA/Month	9.90	INR 60/kVA/Month	10.00
8	**Temporary Supply**				
A	LT Temporary Domestic	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.	
B	LT Temporary Commercial				
C	HT Temporary				
9	**Single Point Supply**				
A	Residential Complexes	INR 100 per kVA per month or part thereof	3.45	INR 100 per kVA per month or part thereof	3.55
B	Commercial Complexes	INR 200 per kVA per month or part thereof	4.60	INR 200 per kVA per month or part thereof	4.70
C	Industrial Complexes	INR 200 per kVA per month or part thereof	4.20	INR 200 per kVA per month or part thereof	4.30
10	**Electric Vehicle Charging Station**	INR 100/ kVA/Month	4.20	INR 100/ kVA/Month	4.20

Commission's analysis

As discussed above, the Commission has determined the retail tariff for the FY 2020-21 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the MYT Regulations, 2018. The Tariff design in general is guided by the following principles:

1. Cost reflective: The tariffs determined should efficiently reflect the cost of supply for each consumer category.

2. Progressive tariffs: Ensuring progressivity among tariffs by having telescopic tariff slabs which encourages efficient consumption and at the same time promotes intra-category cross-subsidy by way of charging higher tariff for higher consumption to subsidise the lower consumption consumers

3. Revenue neutrality: There should be no impact on the utility's yearly revenue due to rationalization of tariffs i.e. the overall status quo should be maintained.

4. Affordability: Assessing affordability of electricity for Domestic & Commercial consumers for defining slab ranges and setting tariffs

5. Revenue stability: Utilities should ensure adequate fixed cost recovery from fixed/demand charges

6. Avoiding tariff shocks: Tariff shocks should be prevented and consumers should be kept informed about the future trends in tariffs

7. Demand management and grid stability: Demand management and grid stability should be ensured with demand-based tariffs

8. Simplified tariff structure: Tariff structure should be simplified to make it easily administrable by the utility and easy to understand for the consumer.

9. Smart tariff design: Tariff rate design should take into consideration trends in electric power such as small-scale renewable generation by consumers, energy efficiency, electric vehicle charging, etc.

While all the above parameters contribute significantly in 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:

1. 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 Discom. For example, in order to ensure that tariffs are kept in check for residential consumers, while still allowing cost recovery for Discoms, cross subsidy is built in between categories. The tariffs so determined, are skewed, with tariff for industrial and commercial consumers being higher and for other categories being lower than their respective costs of supply. The implications of this imbalance in tariffs is twofold – uncompetitive industries owing to higher input costs and inability of Discoms 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 utilities to determine the costs of supply (which cascade from generation to transmission and finally to distribution and retail supply of power) that should be prudently recovered from each consumer category. These costs should correspond to the actual costs being imposed by each consumer category on the Discom. By determining consumer category wise costs of supply, the Discom would be in a better position to allocate costs where relevant and determine how tariffs can be levied fairly on each category.

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

b) Approach:

Presently, the most commonly used approach for determining the cost of supply of electricity for tariff determination is the Average Cost of Supply (ACoS) method. The ACoS is computed by dividing the 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 ATE 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 Residential consumer. Thus, it believes that the most progressive way forward for EDG is to accurately determine the cost of supply is to attempt to determine Cost of Supply at various category level. The Commission notes that States like Andhra Pradesh and Telangana have determined Category wise Cost of Supply albeit with several assumptions and EDG must also attempt to determine the same.

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

This method involves three steps:

- Cost Functionalization

- Cost Classification
- Cost Allocation

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

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

2. *Tariff Affordability*

a) Context

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

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

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

b) Approach

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

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

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

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

Keeping in view the above principles and based on the category wise information submitted by the Petitioner, the Commission has approved the retail tariff for FY 2020-21 as follows:

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

2. The Commission in accordance with the Petitioner' submission has limited the average tariff hike with the remaining gap to be recovered from Govt's budgetary support. The Commission has approved an average tariff hike as shown in the subsequent sections.
3. In order to promote the use of Electric Vehicles (E.V.), the Commission has introduced a single-part tariff for Electric Vehicle Charging Stations where the Demand/Fixed Charges have been removed and the Energy Charges have been rationalised on the basis of APPC.

4. The connected load and limit on monthly energy consumption for Low Income Group Category (LIG) has been enhanced to 0.25 kW and 50 units/month respectively. Beyond 50 units/month, the entire consumption for such consumers shall be charged at Domestic tariff.

7.4.2. Tariff Adjustment and Schedule:

The existing retail tariff and tariff now approved by the Commission for each consumer category has been shown in the table below:

Table 84: Existing and approved tariff

	Category	Existing Tariff		Approved Tariff	
		Fixed Charges	Energy Charges (INR/kWh)	Fixed Charges	Energy Charges (INR/kWh)
1	**Domestic**				
A	**Low Tension-D/LT-D**				
	0-100 units	Single Phase INR 25/Con/Month Three Phase INR 60/Con/Month	1.40	Single Phase INR 25/Con/Month Three Phase INR 65/Con/Month	1.50
	101-200 units		2.10		2.25
	201 to 300 units		2.65		2.85
	301 to 400 units		3.45		3.65
	Above 400 units		4.00		4.25
B	**Low Tension-LIG/LT-LIG**	**INR 40/Con/Month**		**INR 50/Con/Month**	
C	**High Tension-D/HT-D**				
	All Units	INR 100/kVA/Month	3.45	INR 110/kVA/Month	3.65
2	**Commercial**				

	Category	Existing Tariff		Approved Tariff	
		Fixed Charges	Energy Charges (INR/kWh)	Fixed Charges	Energy Charges (INR/kWh)
A	**Low Tension-C/LT-C**				
	0-100 units	For consumers with Load upto 20 kW – INR 50/Con/Month	3.40	For consumers with Load upto 20 kW – INR 50/Con/Month	3.55
	101-200 units		4.10		4.35
	201 units- 400 units		4.60		4.85
	Above 400 units	For consumers with Load more than 20 kW and upto 90 kW- INR 55/kW/Month	5.00	For consumers with Load more than 20 kW and upto 90 kW- INR 60/kW/Month	5.25
B	**High Tension-C/HT-C**				
	All Units	INR 250/kVA/month	5.50	INR 250/kVA/month	5.50
3	**Industrial**				
A	**Low Tension-I/LT-I**				
	0-500 units	INR 35/HP/Month	3.30	INR 40/HP/Month	3.40
	Above 500 units	INR 35/HP/Month	3.80	INR 40/HP/Month	3.95
B	**Low Tension-Mixed/LT-P (Hotel Industries)**				
	All Units	INR 40/kW/Month	4.70	INR 50/kW/Month	4.95
C	**High Tension-I/HT-I**				
	Connected at 11/33 kV	INR 250/kVA/Month	4.50	INR 250/kVA/Month	4.80
	Connected at 110 kV	INR 250/kVA/Month	4.40	INR 250/kVA/Month	4.70
D	**High Tension- Ferro/SM/ PI/ SR**				
	All Units	INR 250/kVA/Month	4.50	INR 250/kVA/Month	4.80
4	**Agricultural**				
A	**Low Tension-AG/LT-AGP (Pump Sets/Irrigation)**				
	All Units	INR 15/HP/Month	1.40	INR 18/HP/Month	1.50
B	**Low Tension-AG/LT-AGA (Allied Activities)**				
	All Units	INR 20/HP/Month	1.70	INR 25/HP/Month	1.75
C	**High Tension-AG/HT-AGP (Pump Sets/Irrigation)**				
	All Units	INR 35/kVA/Month	1.50	INR 40/kVA/Month	1.60
D	**High Tension-AG/HT-AG (Allied Activities)**				
	All Units	INR 60/kVA/Month	1.90	INR 70/kVA/Month	1.95
5	**Military Engineering Services/defense Establishments**				
	All Units	INR 175/kVA/Month	5.00	INR 200/kVA/Month	5.20
6	**Public Lighting**				

	Category	Existing Tariff		Approved Tariff	
		Fixed Charges	Energy Charges (INR/kWh)	Fixed Charges	Energy Charges (INR/kWh)
	All Units	INR 50/kW/Month	4.10	INR 70/kW/Month	4.20
7	**Hoardings/Signboards**				
	All Units	INR 60/kVA/Month	9.90	INR 70/kVA/Month	10.00
8	**Temporary Supply**				
A	LT Temporary Domestic	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.	
B	LT Temporary Commercial				
C	HT Temporary				
9	**Single Point Supply**				
A	Residential Complexes	INR 100 per kVA per month or part thereof	3.45	INR 110 per kVA per month or part thereof	3.55
B	Commercial Complexes	INR 200 per kVA per month or part thereof	4.60	INR 220 per kVA per month or part thereof	4.80
C	Industrial Complexes	INR 200 per kVA per month or part thereof	4.20	INR 220 per kVA per month or part thereof	4.40
10	**Electric Vehicle Charging Station**	**INR 100/kVA/Month**	**4.20**	**-**	**3.50**

7.4.3. Revenue from Approved Retail Tariff for FY 2020-21

Based on the retail tariff approved above, the Revenue from approved tariff is shown in the following table. The Commission has not estimated any revenue for Electric Vehicle Charging Station, Residential Complexes and Industrial Complexes categories as no sales have been booked under the respective categories. The Commission as of now approves the k factor for the category as shown in the table, however, directs the Petitioner to submit the requisite data for energy sales, no. of consumers and connected load in case any consumers are identified under these categories.

Table 85: Revenue from approved retail tariff determined by Commission for FY 2020-21 (In INR Cr)

S. No.	Category	Sales (MUs)	Fixed Charges (INR Cr.)	Energy charges (INR Cr.)	Total Charges (INR. Cr.)	ABR (INR./unit)	K Factor
1	**Domestic**	**1258.91**	**23.63**	**308.24**	**331.86**	**2.64**	**0.55**
(i)	LT-D Domestic	1256.86	23.48	308.13	331.61	2.64	0.56
	0-100 units	512	7.21	76.77	83.98	1.64	0.35
	101-200 units	295	4.79	66.48	71.27	2.41	0.51
	201-300 units	152	6.00	43.23	49.23	3.25	0.68

S. No.	Category	Sales (MUs)	Fixed Charges (INR Cr.)	Energy charges (INR Cr.)	Total Charges (INR. Cr.)	ABR (INR./unit)	K Factor
	301-400 units	83	2.58	30.20	32.78	3.96	0.83
	Above 400 units	215	2.89	91.46	94.35	4.38	0.92
(ii)	Low Income Group	1.76	0.11	-	0.11	0.62	-
(iii)	HT-D Domestic	0.29	0.04	0.11	0.15	5.00	1.05
2	**Commercial**	**663.31**	**42.15**	**328.06**	**370.22**	**5.58**	**1.17**
(i)	LT-C Commercial	536.20	20.10	258.15	278.25	5.19	1.09
	0-100 units	92	3.37	32.68	36.05	3.92	0.82
	101-200 units	55	0.93	23.96	24.89	4.52	0.95
	201-400 units	69	2.51	33.26	35.77	5.22	1.10
	Above 400 units	320	13.29	168.25	181.54	5.66	1.19
(ii)	HT-C Commercial	127.11	22.05	69.91	91.96	7.23	1.52
3	**Industrial**	**2173.24**	**202.08**	**1030.58**	**1232.66**	**5.67**	**1.19**
(i)	LT-I Industrial	104.63	6.75	40.28	47.03	4.49	0.95
	0-500 units	19.07	2.94	6.48	9.42	4.94	1.04
	Above 500 units	85.56	3.81	33.80	37.60	4.39	0.93
(ii)	Low Tension-Mixed/LT-P (Hotel Industries)	5.78	0.17	2.86	3.04	5.25	1.10
(iii)	High Tension-I/HT-I	1620.19	165.56	774.97	940.53	5.81	1.22
	Connected at 11/33 kV	1348.15	141.03	647.11	788.14	5.85	1.23
	Connected at 110 kV	272.04	24.52	127.86	152.38	5.60	1.18
(iv)	High Tension-Ferro/SM/PI/SR	442.64	29.61	212.47	242.08	5.47	1.15
4	**Agriculture**	**27.65**	**1.57**	**4.42**	**5.99**	**2.17**	**-**
(i)	Low Tension-AG/LT-AGP (Pump Sets/Irrigation)	17.37	1.01	2.60	3.62	2.08	-
(ii)	Low Tension-AG/LT-AGA (Allied Activities)	0.91	0.05	0.16	0.21	2.29	-
(iii)	High Tension-AG/HT-AGP (Pump Sets/Irrigation)	4.85	0.40	0.78	1.17	2.41	-
(iv)	High Tension-AG/HT-AG (Allied Activities)	4.52	0.11	0.88	0.99	2.19	-
5	**Military Engineering Services/ defense Establishments**	**27.07**	**1.69**	**14.07**	**15.77**	**5.83**	**1.23**
6	**Public Lighting**	**2.66**	**0.13**	**1.12**	**1.25**	**4.71**	**0.99**

S. No.	Category	Sales (MUs)	Fixed Charges (INR Cr.)	Energy charges (INR Cr.)	Total Charges (INR. Cr.)	ABR (INR./unit)	K Factor
7	**Hoardings/Signboards**	**0.24**	**0.05**	**0.24**	**0.30**	**12.14**	**2.56**
8	**Temporary**	**20.81**	**0.00**	**23.65**	**23.65**	**11.37**	**1.50***
(i)	LT	20.51	0.00	23.29	23.29	11.36	1.50*
	LT Domestic	1.26	0.00	1.14	1.14	9.03	
	LT Commercial	19.25	0.00	22.16	22.16	11.51	
(ii)	HT	**0.30**	0.00	0.36	0.36	12.20	
9	**Single Point Supply**	**5.46**	**1.07**	**2.62**	**3.69**	**6.75**	**1.42**
(i)	Residential Complexes	-	-	-	-	-	1.00
(ii)	Commercial Complexes	**5.46**	1.07	2.62	3.69	6.75	1.42
(iii)	Industrial Complexes	-	-	-	-	-	1.00
10	**Electric Vehicle Charging Station**	-	-	-	-	-	**0.74**
	TOTAL	**4179.35**	**272.38**	**1713.01**	**1985.39**	**4.75**	**1.00**

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

The Commission approves revenue from approved Retail Tariff of INR 1,985.39 Cr for the FY 2020-21

The average increase in the retail tariff now approved by the Commission vis-à-vis the prevailing tariff is 5.31%. The table below provides the category wise Average Cost of Supply (ACoS), existing Average Billing Rate (ABR), Approved ABR and category wise increase in tariff approved by Commission.

Table 86: Tariff increase approved by Commission

Category	ACoS (Rs/kwh)	ABR at Existing Tariff (Rs/kwh)	ABR at Approved Tariff (Rs/kwh)	Increase (%)
Domestic	5.57	2.47	2.64	6.59%
Commercial	5.57	5.38	5.58	3.83%
Industrial	5.57	5.38	5.67	5.51%
Agriculture	5.57	1.99	2.17	8.97%
Military Engineering Services	5.57	5.55	5.83	5.02%
Public Lighting	5.57	4.46	4.71	5.48%
Hoardings/ Signboards	5.57	11.73	12.14	3.46%
Temporary	5.57	11.37	11.37	0.00%
Single Point Supply	5.57	6.37	6.75	5.92%
Total	**5.57**	**4.51**	**4.75**	**5.31%**

7.4.4. Revenue Gap/ (Surplus) at Approved Tariff

The Govt. of Goa through its letter No. 1/16/2018-Fin/(Bud)/ Government of Goa dated 11th December 2019 has conveyed its consent for providing the required budgetary support to meet the revenue gap for the year as may be approved by the Commission. Moreover, no gap is carried forward from FY 2019-20 to FY 2020-21 as the Govt. of Goa had provided an upfront budgetary support for the entire gap in FY 2019-20.

In view of above the Commission approves the revenue gap as follows:

Table 87: Revenue Gap/ (Surplus) approved by Commission for FY 2020-21 (In INR Cr)

S. No.	Particulars	FY 2020-21
1	Net Revenue Requirement	2,327.65
2	Revenue from Retail Sales at Existing Tariff	1,885.30
3	Revenue from Retail Sales at Approved Tariff	1,985.39
4	Revenue Gap/ (Surplus) at Existing Tariff	442.35
5	Revenue Gap/ (Surplus) at Approved Tariff	342.26
6	Gap/(Surplus) for the previous year	0.00
7	Total Gap/ (Surplus)	342.26
8	Budgetary support from Govt. of Goa	342.26
9	**Final Gap/ (Surplus) for FY 2020-21**	0.00

The Govt. of Goa has given an upfront commitment to bridge the revenue gap by way of budgetary support, in line with the practice followed in previous years.

7.4.5. Government Budgetary Support

The Commission has approved an overall revenue gap of INR 342.26 Cr at approved tariff in FY 2020-21. This gap is recovered partly by increase in retail tariff and partly by budgetary support from Govt. of Goa. In case this gap had to be entirely fulfilled by revenue from consumers then it would have demanded an overall average increase of 23.46%. The Commission, in FY 2020-21, has approved an average tariff increase of 5.31%. In case the Govt. had not provided the budgetary support, then an average increase of 17.24% over and above the approved tariff increase would have been required which would have led to a tariff shock to consumers.

It is observed that the Govt. of Goa has been providing budgetary assistance to the Petitioner during the past few years. The Commission in this matter would like to point out the over reliance of the Petitioner on Govt.'s budgetary support. The Petitioner should prepare itself of the repercussions in case the Govt. withdraws the budgetary support in the future.

The ABR without the Government Budgetary support has been calculated considering the same per unit Gap of INR 0.82/kWh (Difference between ACoS and ABR at Approved Tariff with Govt. Budgetary Support) loaded equally among all consumer categories. The table below provides the average tariff increase and ABR with and without Govt. budgetary support.

Table 88: Cost of Supply and tariff increase with and without Govt. Budgetary support

Category	ACoS (Rs/kwh)	ABR at Approved Tariff with Govt. Budgetary Support (Rs/kwh)	Increase with Budgetary Support (%)	ABR without Govt. Budgetary Support (Rs/kwh)	Additional Increase in case Govt. budgetary support would not have been provided (%)
Domestic	5.57	2.64	6.59%	3.46	31.07%
Commercial	5.57	5.58	3.83%	6.40	14.67%
Industrial	5.57	5.67	5.51%	6.49	14.44%

Category	ACoS (Rs/kwh)	ABR at Approved Tariff with Govt. Budgetary Support (Rs/kwh)	Increase with Budgetary Support (%)	ABR without Govt. Budgetary Support (Rs/kwh)	Additional Increase in case Govt. budgetary support would not have been provided (%)
Agriculture	5.57	2.17	8.97%	2.99	37.80%
Military Engineering Services	5.57	5.83	5.02%	6.64	14.06%
Public Lighting	5.57	4.71	5.48%	5.52	17.40%
Hoardings/ Signboards	5.57	12.14	3.46%	12.96	6.75%
Temporary	5.57	11.37	0.00%	12.19	7.20%
Single Point Supply	5.57	6.75	5.92%	7.57	12.13%
Total	**5.57**	**4.75**	**5.31%**	**5.57**	**17.24%**

In case this gap had to be entirely fulfilled by revenue from consumers then it would have demanded an additional average tariff increase of 17.24%.

7.4.6. Highlights of the Tariff Structure

The highlights of the tariff structure approved by the Commission for FY 2020-21 are as follows:

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

2. The Commission in accordance with the Petitioner' submission has limited the average tariff hike with the remaining gap to be recovered from Govt's budgetary support. The Commission has approved an average tariff hike of 5.31% for the FY 2020-21

3. The Commission has approved the Average Billing Rate (ABR) of INR 5.57/kWh with Govt. Budgetary support and ABR of INR 4.75/kWh without Govt. Budgetary support against the approved Average Cost of Supply (ACoS) of INR 5.57/kWh.

4. In order to promote the use of Electric Vehicles (E.V.), the Commission has introduced a single-part tariff for Electric Vehicle Charging Stations where the Demand/Fixed Charges have been removed and the Energy Charges have been rationalised on the basis of APPC.

5. The connected load and limit on monthly energy consumption for Low Income Group Category (LIG) has been enhanced to 0.25 kW and 50 units/month respectively. Beyond 50 units/month, the entire consumption for such consumers shall be charged at Domestic tariff.

8. Chapter 8. Open Access Charges for the FY 2020-21

8.1. Wheeling Charges

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

Petitioner's submission:

The Petitioner has adopted similar methodology as followed by the Commission in the MYT Order in line with the MYT Regulations 2018. The Petitioner has used the same allocation matrix as approved by the Commission in the MYT Order and stipulated in the MYT Regulations 2018. The allocation statement as submitted by the Petitioner has been provided below:

Table 89: Allocation Statement Wheeling and Retail Supply as submitted by Petitioner

Particulars	Allocation (%)		FY 2020-21		
	Wires Business (%)	Retail Supply Business (%)	Wires Business (INR Cr)	Retail Supply Business (INR Cr)	Total ARR (INR Cr)
Cost of Power Purchase along with RPO compliance	0%	100%	-	1,661.83	1,661.83
Employee costs	40%	60%	130.41	195.61	326.02
Repair and Maintenance Expenses	90%	10%	32.34	3.59	35.93
Administration and General Expenses	50%	50%	14.15	14.15	28.29
Depreciation	90%	10%	41.57	4.62	46.19
Interest and Finance Charges	90%	10%	27.36	3.04	30.40
Interest on Working Capital	10%	90%	2.46	22.17	24.64
Return on Equity	90%	10%	55.02	6.11	61.13
Interest on consumer security deposit	10%	90%	1.40	12.59	13.99
Provision of Bad & Doubtful Debt	0%	100%	-	-	-
Total Revenue Requirement			**304.71**	**1,923.72**	**2,228.43**
Less: Non-Tariff Income	10%	90%	1.71	15.35	17.06
Net Revenue Requirement			**303.00**	**1,908.37**	**2,211.37**

Further, in line with the Commission's approach in the MYT Order, the Petitioner has determined the wheeling charges for relevant categories as shown in the table below:

Table 90: Wheeling Charges as submitted by the Petitioner

Category	O&M (INR Cr)	Others (INR Cr)	Total (INR Cr)	Sales (MU)	Wheeling Charges (INR/kWh)
Low Tension (LT) Level	176.74	101.06	277.80	1,946.92	1.43
High Tension (HT)/ Extra High Tension (EHT) Level	0.16	25.05	25.21	2,236.47	0.11
Total			**303.00**	**4,183.39**	

Commission's analysis:

The Commission has a firm view that there has to be a proper bifurcation of all the expenses pertaining to the Petitioner between the functions of the wheeling business (wire business) and the retail supply business. The Regulation 48 of the MYT Regulations, 2018 stipulates the following:

"48. Separation of Accounts of Distribution Licensee

48.1 Every Distribution Licensee shall segregate accounts for Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement. The wheeling charges pertaining to Distribution Wires Business of the Distribution Licensee shall be determined by the Commission on the basis of these segregated accounts:

Provided that in case complete accounting segregation has not been done, the following Allocation Statement shall be applicable:

Table 1: Allocation Statement for segregation of Distribution Wires Business and Retail Supply Business

Particulars	***Wires Business (%)***	***Retail Supply Business (%)***
Power Purchase Expenses	*0%*	*100%*
Inter-State Transmission Charges	*0%*	*100%*
Intra-State Transmission Charges	*0%*	*100%*
Employee Expenses	*40%*	*60%*
Administration & General Expenses	*50%*	*50%*
Repair & Maintenance Expenses	*90%*	*10%*
Capital Cost	*90%*	*10%*
Depreciation	*90%*	*10%*
Interest on Long-term Loan Capital	*90%*	*10%*
Interest on working capital and on consumer security deposits	*10%*	*90%*
Bad Debts Written off	*0%*	*100%*
Income Tax	*90%*	*10%*
Non-Tariff Income	*10%*	*90%*
Income from Other Business	*50%*	*50%*

"

Therefore, in absence of segregated accounts, the Commission has considered the allocation matrix as provided in the MYT Regulations, 2018.

The allocation between wheeling and retail supply business for the FY 2020-21 as per the ARR approved in this Order is provided in the following table:

Table 91: Allocation matrix approved by Commission

Particulars	**Allocation (%)**		**FY 2020-21**		
	Wires Business (%)	**Retail Supply Business (%)**	**Wires Business (Rs Cr)**	**Retail Supply Business (Rs Cr)**	**Total ARR (Rs Cr)**
Power purchase expenses inclusive of Inter-State Transmission expenses	*0%*	*100%*	0.00	1627.91	1627.91
Employee costs	*40%*	*60%*	120.32	180.49	300.81
Administration and General Expenses	*50%*	*50%*	14.12	14.12	28.24

Particulars	Allocation (%)		FY 2020-21		
	Wires Business (%)	Retail Supply Business (%)	Wires Business (Rs Cr)	Retail Supply Business (Rs Cr)	Total ARR (Rs Cr)
Repair and Maintenance Expenses	*90%*	*10%*	66.29	7.37	73.65
Depreciation	*90%*	*10%*	73.38	8.15	81.53
Interest on Loan	*90%*	*10%*	88.95	9.88	98.84
Interest on Working Capital	*10%*	*90%*	2.96	26.63	29.58
Interest on consumer security deposit	*10%*	*90%*	0.78	6.98	7.75
Return on Equity	*90%*	*10%*	94.20	10.47	104.67
Bad & Doubtful Debt written off	*0%*	*100%*	0.00	0.00	0.00
Income Tax	*90%*	*10%*	0.00	0.00	0.00
Total Revenue Requirement			**461.00**	**1891.99**	**2352.99**
Less: Non-Tariff Income	*10%*	*90%*	2.53	22.81	25.34
Net Revenue Requirement			**458.47**	**1869.18**	**2327.65**

To determine the wheeling charges, the wheeling costs are allocated on the basis of voltage levels. The wheeling charges are levied for the 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.
- 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 energy input has been determined assuming the cumulative loss level of HT/EHT voltage as 3.64%, which is the same as approved in the MYT Order for FY 2019-20. 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 10.50% as approved in the ARR of FY 2020-21.

Table 92: Parameters assumed for voltage wise allocation of wheeling costs

Category	No. of Consumers	Asset Allocation (%)	Sales (MU)	Cumulative Voltage wise Losses (%)
Low Tension (LT) Level	674,760	60.00%	1,946.92	17.25%
High Tension (HT)/ Extra High Tension (EHT) Level	1,193	40.00%	2,232.43	3.64%
Total	**675,954**	**100.00%**	**4,179.35**	**10.50%**

Accordingly, the Commission approves the Wheeling Charges as shown in the table below:

Table 93: Allocation of costs based on voltage level

Category	O&M (INR Cr)	Others (INR Cr)	Total (INR Cr)	Sales (MU)
Low Tension (LT) Level	200.38	154.64	355.02	1,946.92
High Tension (HT)/ Extra High Tension(EHT) Level	0.35	103.09	103.45	2,232.43
Total	**200.73**	**257.74**	**458.47**	**4,179.35**

Table 94: Wheeling Charges approved by Commission

Category	O&M (INR Cr)	Others (INR Cr)	Total (INR Cr)	Sales (MU)	Wheeling Charges (INR/kWh)
Low Tension (LT) Level	200.56	206.59	407.14	1,946.92	2.09
High Tension (HT)/ Extra High Tension (EHT) Level	0.18	51.15	51.32	2,232.43	0.23
Total	**200.73**	**257.74**	**458.47**	**4,179.35**	

The Commission approves wheeling charge of INR 2.09/ kWh at LT voltage level and INR 0.23/kWh at HT/EHT voltage level

8.2. Additional Surcharge

Petitioner's submission:

The Petitioner has computed the additional surcharge based on the methodology followed by the Commission in MYT Order. The additional surcharge determined by the Petitioner for FY 2020-21 has been provided in the table as follows:

Table 95: Additional Surcharge calculation as submitted by Petitioner

Particulars	FY 2020-21
Total Power Purchase cost approved	1,661.83
Fixed Cost component in Power Purchase Cost (excluding Transmission Charges)	333.38
Energy Sales (MU)	4,183.39
Additional Surcharge (INR/kWh)	**0.80**

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. The Regulation 4.5 (1) of the said Regulations states the following:

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

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

Regulation 4.5 (2) of the said Regulations stipulates:

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 96: Additional Surcharge approved by Commission

Particulars	2020-21
Total Power Purchase cost approved	1,627.91
Fixed Cost component in Power Purchase Cost (excluding Transmission Charges)	353.36
Energy Sales (MU)	4,179.35
Additional Surcharge (INR/kWh)	**0.85**

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

The Commission approves an Additional Surcharge of INR 0.85/kwh for FY 2020-21.

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

8.3. Cross-Subsidy Surcharge

Petitioner's submission:

The Petitioner has adopted the same methodology for computation of Cross- Subsidy Surcharge as approved by the Commission in the MYT Order. The cross-subsidy surcharge determined by the Petitioner for FY 2020-21 has been provided in the table as follows:

Table 97: Cross-Subsidy Surcharge as proposed by the Petitioner

Category	VCoS (INR/kWh)	ABR (INR/kWh)	Cross- Subsidy (INR/kWh)
Low Tension (LT) Level	6.96	4.04	-
High Tension (HT)/ Extra High Tension(EHT) Level	3.83	5.62	1.79

Commission's analysis:

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

- Voltage Wise losses are assumed for HT/EHT voltage level. The remaining losses are adjusted in the LT voltage level in order to maintain the Intra-State T&D losses at 10.50%, as approved in the ARR for FY 2020-21. Voltage wise losses assumed at each level have been shown in the table below:

Table 98: Voltage wise losses assumed by Commission

Category	Voltage Level Loss (%)	Cumulative Losses upto that voltage level (%)
Low Tension (LT) Level	14.13%	17.25%
High Tension (HT)/ Extra High Tension(EHT) Level	3.64%	3.64%
Total	**10.50%**	**10.50%**

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

Table 99: Energy Input at each voltage level (MU)

Category	Energy Sales (MU)	Cumulative Losses (%)	Energy Input (MU)
Low Tension (LT) Level	1,946.92	17.25%	2,352.90
High Tension (HT)/ Extra High Tension(EHT) Level	2,232.43	3.64%	2,316.76
Total	**4,179.35**	**10.50%**	**4,669.66**

Now the overall ARR approved for FY 2020-21 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 100: Parameters used for allocation of fixed costs

Category	Energy Input (MU)	Voltage wise Asset Allocation (%)	Number of Consumers
Low Tension (LT) Level	2,352.90	60.00%	674,760
High Tension (HT)/ Extra High Tension(EHT) Level	2,316.76	40.00%	1,193
Total	**4,669.66**	**100.00%**	**675,954**

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 101: Voltage Wise Cost of Supply (VCoS)

Category	Allocated Fixed Cost (INR Cr)	Allocated Variable Cost (INR Cr)	Total Cost (INR Cr)	Energy Sales (MU)	VCoS (INR/kwh)
Low Tension (LT) Level	894.70	565.99	1460.69	1,946.92	7.50
High Tension (HT)/ Extra High Tension(EHT) Level	309.66	557.30	866.96	2,232.43	3.88
Total	**1204.36**	**1123.29**	**2327.65**	**4,179.35**	

This, VCoS is then used to determine the Cross-Subsidy Surcharge at each voltage level.

Table 102: Cross-Subsidy Surcharge approved by Commission (INR/kWh)

Category	VCoS (INR/kWh)	ABR (INR/kWh)	Cross- Subsidy (INR/kWh)
Low Tension (LT) Level	7.50	3.90	-
High Tension (HT)/ Extra High Tension(EHT) Level	3.88	5.89	2.01

The Commission approves nil Cross-Subsidy Surcharge at LT Voltage level and INR 2.01/kWh at HT/EHT Voltage level, in FY 2020-21.

9. Chapter 9. Fuel and Power Purchase Adjustment Mechanism

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

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

While determining retail tariff for any year, the Commission first determines the ARR based on the projection of various cost elements including power purchase cost. Power purchase cost of the distribution licensee is derived from the power purchase quantum and per unit power purchase cost. Quantum of power purchase depends upon the energy sales to the retail consumer and distribution losses, out of which energy sales is not under the control of the distribution licensee. There is also variation in actual per unit power purchase cost vis-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, True-up of the FY 2018-19 will be undertaken by the Commission once the audited accounts of the FY 2018-19 are available. If the audited accounts for the FY 2018-19 are prepared timely, the impact of True-up of various cost and revenue items is allowed in the tariff of the FY 2020-21, 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.

9.1. Legal Provisions

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

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

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

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

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

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

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

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

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

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

9.2. Formula

The following mechanism shall be followed for calculation and passing on of variations in the Fuel and Power Purchase Cost Adjustment (FPPCA) in the end consumer tariff, which shall come into force w.e.f. 1st April 2020 (i.e. Power Purchased by the Licensee from 1st April 2020 onwards).

1. Periodicity for recovery (Cycle)

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

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

2. Chargeability

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

3. Formula

The FPPCA formula shall contain the following three components:

1. Power Purchase Cost adjustments which shall contain the following elements:
    - Variation in the Power Purchased from long term/ firm sources viz. CGS, IPP's, State, Own generation etc. This may consist of fixed cost, variable costs, arrears, other charges but excluding any kind of penalties
    - Variation in Short term power purchase cost through IEX, Bilateral etc. (shall be allowed upto a certain ceiling rate as may be fixed in the Tariff Order by the Commission).

- Variation on account of Deviation Settlement Mechanism – Shall be allowed, but the incentive/penalty shall be excluded

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

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

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

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

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

Where:

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

- $DLapp\ (in\ \%)$: Approved T&D losses for the year in consideration as provided in the relevant Tariff Order
- $Zact\ (in\ MU)$: Actual energy sales for agriculture and BPL category consumers in the quarter

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

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

4. Other Terms and conditions

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

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

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

4. The per unit FPPCA so worked out is charged differentially as per the approved retail tariff of the consumers. The determination of differential per unit FPPCA is mentioned below:
   - Step 1: Determination of Value of K

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

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

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

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

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

For the purpose of calculation, the approved per unit cost of power purchase ($R_{approved}$) shall be taken as INR 3.92/kWh for the FY 2020-21.

Table 103: $R_{approved}$ determined by Commission for FY 2020-21

Particulars	Amount
Total Power Purchase Cost (INR Cr), P_{app}	1,476.65
Transmission Charges (INR Cr), T_{app}	151.26
Power Purchase Quantum from CGS Stations at Ex-Bus Periphery (NTPC, NPCIL,NEEPCO) (MU), PPO_{app}	4,400.98
Approved Weighted Average Inter-State Transmission Loss (%), TL_{app}	4.33%
Power Purchase Quantum from sources within State/ Open Market (Own Gen and Open Market) (MU), PPI_{app}	459.19
Quantum of Sale of Surplus Power (MU), PSO_{app}	-
Approved Intra-State T&D Loss (%), DL_{app}	10.50%
Energy Sales for LIG/BPL and Agriculture consumer category (MU), Z_{app} (MU)	29.41
R_{app} (INR/kWh)	**3.92**

10. Chapter 10: Tariff Schedule

10.1. Tariff Schedule

Table 104: Tariff Schedule

S. No.	Category	Approved Tariff	
		Fixed Charges	Energy Charges (INR/kWh)
1	**DOMESTIC**		
A	**Low Tension-D/LT-D**		
	0-100 units	Single Phase INR 25/Con/Month Three Phase INR 65/Con/Month	1.50
	101-200 units		2.25
	201 to 300 units		2.85
	301 to 400 units		3.65
	Above 400 units		4.25
B	**Low Tension-LIG/LT-LIG**	INR 50/Con/Month	
C	**High Tension-D/HT-D**	INR 110/kVA/Month	3.65
2	**COMMERCIAL**		
A	**Low Tension-C/LT-C**		
	0-100 units	For consumers with Load upto 20 kW INR 50/Con/Month For consumers with Load more than 20 kW and upto 90 kW INR 60/kW/Month	3.55
	101-200 units		4.35
	201 units- 400 units		4.85
	Above 400 units		5.25
B	**High Tension-C/HT-C**	INR 250/kVA/month	5.50
3	**INDUSTRIAL**		
A	**Low Tension-I/LT-I**		
	0-500 units	INR 40/HP/Month	3.40
	Above 500 units	INR 40/HP/Month	3.95
B	**Low Tension-Mixed/LT-P (Hotel Industries)**	INR 50/kW/Month	4.95
C	**High Tension-I/HT-I**		
	Connected at 11/33 kV	INR 250/kVA/Month	4.80
	Connected at 110 kV	INR 250/kVA/Month	4.70
D	**High Tension-Ferro/SM/PI/SR**	INR 250/kVA/Month	4.80
4	**AGRICULTURAL**		
A	**Low Tension-AG/LT-AGP (Pump Sets/Irrigation)**	INR 18/HP/Month	1.50
B	**Low Tension-AG/LT-AGA (Allied Activities)**	INR 25/HP/Month	1.75
C	**High Tension-AG/HT-AGP (Pump Sets/Irrigation)**	INR 40/kVA/Month	1.60

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S. No.	Category	Approved Tariff	
		Fixed Charges	Energy Charges (INR/kWh)
D	**High Tension-AG/HT-AG (Allied Activities)**	INR 70/kVA/Month	1.95
5	**MILITARY ENGINEERING SERVICES/DEFENSE ESTABLISHMENTS**	INR 200/kVA/Month	5.20
6	**PUBLIC LIGHTING**	INR 70/kW/Month	4.20
7	**HOARDINGS/SIGNBOARDS**	INR 70/kVA/Month	10.00
8	**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.	
9	**SINGLE POINT SUPPLY**		
A	Residential Complexes	INR 110 per kVA per month or part thereof	3.55
B	Commercial Complexes	INR 220 per kVA per month or part thereof	4.80
C	Industrial Complexes	INR 220 per kVA per month or part thereof	4.40
10	**ELECTRIC VEHICLE CHARGING STATION**	-	3.50

10.2. Applicability

Low Tension Category - Applicable to Power Supply of Voltages at 230V and 440V Voltages when the Sanctioned Load is below 100 KVA/90 KW / 120 HP and power is supplied at single/ three phase.

High Tension/ Extra High Tension Category - Applicable to Power Supply of Voltages at 11KV/ 33KV/ 110KV and above i.e. High/Extra High Voltages when the Contracted Demand is above 100 KVA/ 90 KW / 120 HP and power is supplied at three phase.

Table 105: Applicability of Tariff Schedule

Category	Applicability	Point of Supply/Notes
1. LT Domestic	This schedule shall apply to private residential houses, government residential quarters, Government schools and related facilities, charitable institutions, religious institutions etc. for consumption of energy using normal domestic appliances.	a. For the premises or flats which are closed or locked for a continuous period of more than three months and having sanctioned / connected load more than 10 kW, the monthly minimum charges would be Rs 1000/-.

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Category	Applicability	Point of Supply/Notes
	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.	
2. HT Domestic	This schedule shall apply to individual residential consumers of Bungalows, Villas, Cottages, etc. using normal domestic appliances and whose contract demand falls within the threshold limit of HT category.	
3. Low Income Group	This schedule shall apply to consumers of Low Income Group who have a sanctioned load of up to 0.25 kW and who consume up to 50 units per month only.	The applicability of the Low Income Group category will be assessed at the end of each month and in case the consumption exceeds 50 units per month, the entire consumption would be billed at the rate of LTD-/Domestic for that particular month.
4. Commercial – LT and HT	This tariff is applicable to any activity not specifically covered in any other consumer categories, or although covered in another activity, the use is made for a commercial category. It would include electricity used in all non- residential, non-industrial premises and/or commercial premises for commercial consumption meant for operating various appliances. It would include the following categories but not limited to: • Houses with rent back facilities • Government hospitals • Professionals not covered in domestic category. • Commercial Complexes and Business premises, including Shopping malls/show rooms, offices / shops; • Combined lighting and power services for Entertainment including film studios, cinemas and theatres, including multiplexes, Race Course, Meeting/Town Halls, Clubs, all types of Guest houses; • Offices including Government Offices, Commercial Establishments; • Marriage Halls (including halls attached to religious places), Hotels /Restaurants (without boarding facilities), Ice-cream parlours, Bakeries, Coffee Shops, private hospitals, private messes, Internet / Cyber Cafes, Mobile Towers, Microwave Towers, Satellite Antennas used for	Cold Storages which are solely attached to Agriculture and its allied activities shall be charged tariff of Agriculture Allied activities. All other cold storages which are partly or not attached with Agriculture and Allied activities shall be charged commercial tariff.

Category	Applicability	Point of Supply/Notes
	telecommunication activity, Telephone Booths, Fax / Xerox Shops, X-ray installations, bars and cold drink houses, Tailoring Shops, Computer Training Schools, Typing Institutes, Photo Laboratories, Photo Studios, Laundries, Beauty Parlours and Saloons, dry cleaners etc • Automobile and any other type of repair centers, Retail Gas Filling stations, Petrol Pumps and Service Stations including Garages, Tyre Vulcanizing units, Battery Charging Units, Tyre vulcanizing centres etc; • Banks, Telephone Exchanges, TV Station, Micro Wave Stations, All India Radio (AIR) Stations, ATM Centres etc; • For common facilities, like Water Pumping / Street Lighting / Lifts / Fire Fighting Pumps / Premises (Security) Lighting, etc. in Commercial Complexes; • Sports Clubs, Health Clubs, Gymnasium, Swimming Pools; • Research and Development units situated outside Industrial premises; • Airports, Railways, Railway Stations, Bus stands of KTC etc; • Educational institutions excluding Government Schools and related facilities	
5. LT Industrial	This tariff shall apply to industrial units engaged in industrial activities, manufacturing process etc. It would include the following categories but not limited to: • Flour Mills, wet grinding, Dal Mills, Rice Mills, Poha Mills, Masala Mills, Saw Mills, Power looms including other allied activities like Warping, Doubling, Twisting, etc. • Ice Factories, Ice Cream Manufacturing units/ Plants, Dairy Testing Process, Milk Dairies, Milk Processing/ Chilling Plants (Dairy) etc; • Engineering workshops, Engineering Goods Manufacturing units, Printing Presses, Transformer repairing Workshops, Tyre retreading units, Motive Power Loads etc; • Mining, Quarry and Stone Crushing units etc; • Garment Manufacturing units, • LPG/ CNG Bottling plants etc; • Sewage Water Treatment Plants/ Common Effluent Treatment Plants	The above mentioned tariff is based on the supply being given through a single delivery and metering point and at a single voltage.

Category	Applicability	Point of Supply/Notes
	owned, operated and managed by Industrial Associations and situated within industrial area. • Pumping of water for public water supply, Sewage Treatment Plants, activities related with public water Supply Schemes and Sewage Pumping Stations. • Use of electricity / power supply for activities/ facilities exclusively meant for employees of the industry within the premises of the Industry. • IT Industry, IT parks etc.	
6. LT Mixed – Hotel Industries	This schedule shall apply to Hotels/ restaurants with lodging and boarding facilities.	Hotel Industry consumers intending to avail the facility of this tariff should produce a certificate from the Tourism Department stating that the intending applicant is registered under Goa Registration of Tourist Trade Act, 1982 and in the Hotel business on a regular basis. On receipt of the certificate, such tariff shall be made effective from the date of original validity of the certificate. In case of failure to produce the certificate, the same shall be considered under Commercial category.
7. HT Industrial	This schedule shall apply to consumers taking electricity supply for Industrial purpose. It shall also include the following categories: • Bulk Supply of power at 11 KV, 33 kV /110 KV and above for industries, factories and other industrial purposes. • Bulk supply of power at 11 KV and above for educational institutions owned or aided by Government, non-industrial establishments, • Industrial units engaged in Ice Manufacturing Units; • Hotels with lodging and boarding facilities etc • Use of electricity / power supply by an establishment such as IT Industries, IT Parks, IT Units • Pumping of water, public water supply, public water treatment plant, activities related with Supply Schemes and Sewage Treatment Plants, Sewage Pumping Stations etc	
8. HT Ferro Metallurgical /Steel Rolling/Steel	This schedule shall apply to supply of power having a Contract Demand from 100 KVA up to 1000 KVA at 11 KV and above 1000 KVA at 33 KV for Steel rolling industry and Metal Alloy, Steel Melting,	

Category	Applicability	Point of Supply/Notes
Melting/Power Intensive	Ferro Alloy, and Ferro metallurgical industries where melting is involved using electric power.	
9. LT and HT Agriculture Pump sets	This schedule shall apply to establishments for Irrigation pumping, De-watering and Lift Irrigation for cultivation of food crops such as cereals, pulses, vegetables and fruits etc and Cane crusher and/or fodder cutter for self-use for Agricultural purposes.	This tariff shall be applicable from the date of production of a certificate from the Directorate of Animal Husbandry or Agriculture Department of Government of Goa to the effect that the consumer carried on the said activity on regular basis. In case of failure to produce the certificate, the same shall be considered under Commercial category. Cold Storages which are solely attached to Agriculture and its allied activities shall be charged tariff of Agriculture allied activities. All other cold storages which are partly or not attached with Agriculture and Allied activities shall be charged Commercial Tariff.
10. LT and HT Agriculture Allied Activities	This schedule shall apply to establishments for other allied activities related to Agriculture and shall include but not limited to: • Poultry farms, Livestock farms, Combination of livestock farms with dairy, Piggery etc • Horticulture, Green Houses, Plantations, all types of nurseries etc. • Fish farms including ornamental fish farms, prawn farms, other aqua farms etc • Tissue culture, Mushroom activities, Aquaculture, Floriculture, Fisheries, Sericulture, Floricultural nurseries, hatcheries etc • Any other agricultural activity not falling under HT-Agriculture (A) shall be covered under this category	
11. MES/Defense Establishments	This schedule shall apply to supply of power for defense installation establishments, having mixed load with predominantly lighting or non-industrial load of more than 50% of connected load.	
12. LT Public Lighting	This schedule shall apply to public lighting systems. It would include the following categories but not limited to: • Market Places, Roads, Pathways and Parking Lighting belonging to local authorities such as Municipality/ Panchayats/ Government; • Lighting in Public Gardens; • Traffic Signals and Traffic Islands; • State Transport Bus Shelters; • Public Sanitary Conveniences; and • Public Water Fountains and such other Public Places open for general public free of charge. • Street lighting in the colony of a factory which is situated separately from the main factory. • This shall also be applicable to public lighting of Government/ Semi Government Establishments but shall not be applicable in case of private establishments	

<table>
<tr><th>Category</th><th>Applicability</th><th>Point of Supply/Notes</th></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>13. LT Hoardings/ Sign Boards</td><td>This schedule shall apply to lighting advertisements, hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway Stations etc. and shall be separately metered and charged at the tariff applicable for "Hoardings / Sign Board" category. However use of electricity for displays for the purpose of indicating / displaying the name and other details of the shop, on commercial premises itself, shall be covered under the prevailing tariff for such shops or commercial premises.</td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>14. Temporary Supply</td><td>This schedule shall apply to usage of electricity for all temporary purposes.</td><td>i. The temporary connection shall be released through a proper meter
ii. 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 notified by JERC.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>15. HT SPS Single Point Supply</td><td>This schedule shall apply to a group of consumers who desire to take a HT connection at single point for consumption of energy within a Residential Complex – Group Housing Societies, Residential Housing Colonies, Cooperative Group Housing Societies, Township Areas; Commercial Complexes, including Malls; Industrial Complexes, including IT Parks, Bio-Parks or other entities classified as industries by the Government of Goa.</td><td>In case of a dispute on whether the complex can be classified as an industrial complex, a certificate from Industries Department, Government of Goa will be required.
The following shall be the different combinations for SPS in a defined area:
i. All LT consumer mix area
ii. All HT consumer mix area
iii. HT+LT consumer mix area
a. The General Conditions, Miscellaneous and General Charges would also be applicable for all SPS categories.
b. Based on technical and administrative feasibility, the ED-Goa may consider providing SPS power supply at HV/ EHV level to a complex at a mutually agreed injection point.
c. The SPS arrangement would be applicable for the application received from a Residential complex / Association of Persons (AOP) / Developer of the complex or any other such similar person.
d. The SPS arrangement would be considered by ED-Goa only if the minimum sanctioned cumulative contracted demand of the complex (group of consumers) is 1.15 MVA/ 1 MW.</td></tr>
</table>

Category	Applicability	Point of Supply/Notes
		e. The complete cost of erection and O&M for the sub-transmission and distribution infrastructure within such complex would need to be borne by the said SPS applicant. f. The SPS applicant would be required to develop and maintain an efficient, coordinated and quality sub-transmission and distribution system in its area of electricity supply. Further, the applicant would be responsible to comply with Standards of Performance and Supply Code Regulation as laid down under JERC Regulations and guidelines of Goa Electricity Department, if any. The network within the complex will need to be certified by the Chief Electrical Inspector. g. For Residential Complexes, SPS application shall be entertained for groups of LT consumers only. The loads of common amenities for such group may include pumps for pumping water supply, lifts and lighting of common area. However, the consumption of energy for common services shall be separately metered with meters installed by the consumer and tested and sealed by licensee. The consumption of such energy over and above 10% of the total consumption of energy shall be billed at LT Commercial 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 to the licensee at the time of seeking the connection or at the time of enhancement in contract demand, and shall seek a separate connection for the same in case the common load is more than 10%. h. Individual Domestic HT consumers in a residential complex that opt for SPS shall need to apply separately under HT Domestic category. i. The SPS applicant shall not charge tariff to the downstream consumers higher than stipulated. j. The applicant shall be obliged to pay the total tariff (total billed amount) due to ED-Goa, as

Category	Applicability	Point of Supply/Notes
		measured at HT end of SPS. However, to cover energy transformation losses and other O&M expenses, such applicant would be eligible to get rebates from ED-Goa on full bill payment, within the due time: i. 5% on the overall billed amount in all cases of LT and HT consumers ii. Any other loss would be to the account of the applicant. k. For CC and IC applicant, any LT / HT Consumer in the area should have minimum 80% pre-dominant load of their appropriate category i.e. mix load is allowed only upto 20%. For e.g. If a HT/ LT Industry Consumer has Factory, Residential Colony for its workers and also some Commercial facilities for his staff and the total of Residential and Commercial load is say around 30%, then separate Individual SPD connection may be taken for each such group as per activity. l. The implementation of SPS arrangement should be in accordance with the Electricity Act, 2003 and APTEL judgement dated 11th July 2011 in appeal no. 155 and 156 of 2010 in this regard.
16. Electric Vehicle Charging Stations	This tariff schedule shall apply to consumers that have set up Public Charging Stations (PCS) in accordance with the technical norms/ standards/specifications laid down by the Ministry of Power, GoI and Central Electricity Authority (CEA) from time to time. The tariff for domestic consumption shall be applicable for domestic charging (LT/HT)	

In order to mitigate the hardship of Electricity Consumers and DISCOMs/EDs in view of nation wide lockdown due to COVID-19. The Commission has issued SUO MOTU Order No. JERC/LEGAL/SMP/27/2020 on April 10, 2020 giving directions, wherein the Commission has provided relief to Industrial and Commercial consumers and acknowledged the need for additional working capital requirement by the Distribution Licensees. Further, the Commission is of the view that the lockdown will also impact certain other parameters of ARR like sales/sales mix, power purchase quantum and cost, revenue etc. However, it may not be possible to take into account all these impacts in totality with the desired accuracy and efficacy at this point of time. The Commission will consider all such additional costs and variations in parameters appropriately while evaluating the APR of FY 2020-21 and thereafter True-up of FY 2020-21.

10.3. 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) Unless specifically stated to the contrary the figures of energy charges relate to rupee per unit (kWh) charge for energy consumed and fixed charge relates to a month.

4) 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.

5) Fixed charges, wherever applicable, will be charged on pro-rata basis from the date of release of connection. These shall be double in case bi-monthly billing is carried out and shall be proportionately calculated as per the number of days of billing, Similarly slabs of energy consumption shall also be considered accordingly in case of bi-monthly or periodic billing.

6) The consumption for factory lighting/pump house lighting shall be billed as per respective main tariff category. A separate energy meter for recording energy consumed towards factory lighting for new installation need not be provided. For the existing installations, till the factory lighting meter's mains are shifted to main meter, the total energy consumption shall be arrived at by adding the energy consumption of the main energy meter and the factory lighting meter.

7) The conditions, definitions etc. shall be applicable as per the Electricity Act 2003 and various JERC Regulations, such as Standards of Performance, Supply Code, Conditions of Supply, Distribution Code etc., issued from time to time.

8) **Billing of Demand in excess of Contracted Demand**

   The billing shall be on the maximum demand recorded during the month or 85% of contracted demand whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal energy rate.

   The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations notified by JERC. If such over-drawal is more than 20% of the contracted 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 units, then the consumption corresponding to the contract demand will be 10,000 units (12000 X 100/ 120) and consumption corresponding to the excess demand will be 2000 units. This excess demand of 20 kVA and excess consumption of 2000 units will be billed at twice the respective normal rate. E.g. in case of HTI/Industrial category, excess demand and consumption will be billed at the rate of INR 500 per kVA per month and INR 9.00/kWh respectively. Connections drawing more than 120 kVA shall be disconnected immediately.

9) The adjustment because of Fuel and Power Purchase Cost variation shall be calculated in accordance with the FPPCA formula separately notified by the Commission under the Regulation. Such charges shall be recovered / refunded in accordance with the terms and conditions specified in the FPPCA formula.

10) The values of the 'K' factor applicable for the different consumer categories for use in the FPPCA formula shall be as specified in Chapter 9 of this Tariff Order.

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

a) **'Power Factor'** means, the average monthly power factor and shall be the ratio expressed as a percentage of the total kilowatt hours to the total kilovolt ampere hours supplied during the month; the ratio being rounded off to two decimal 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) 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 notified by JERC, shall apply.

12) For staff quarters, rest/guest houses, street lighting in the colony of a factory which is situated separately from the main factory and for distribution lines, service lines, etc. permitted to be owned and maintained by the HT consumer owning the factory, there shall be a separate connection and such energy consumed shall be charged under Single Point Supply.

13) **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.

14) **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.

15) **Delayed Payment Charges (DPC)**: In case the electricity bills are not paid within the due date mentioned on the bill, delayed payment charges of two percent (2%) (computed on a daily basis on the outstanding bill from the due date till the date of payment) shall be levied on the bill amount. However, if a consumer makes part payment of a bill (in exceptional circumstances, with prior approval of the Chief Electrical Engineer), within the due date, then the delayed payment charges shall be applicable only on the amount which was not paid within the due date.

Such surcharge shall be rounded off to the nearest multiple of one rupee. Amount less than 50 paise shall be ignored and amount of 50 paise or more shall be rounded off to the next rupee.

If the consumer fails to pay the energy bill presented to him by the due date the department shall have the right to disconnect the supply as per provision of the Electricity Act 2003 and Supply Code Regulations notified by JERC as amended from time to time.

In case of non-realization of payment through Cheque, a penalty of 5% of the cheque amount in addition to the Delayed Payment Charges (DPC) will be levied on the consumers

16) **Time of Day Tariff (ToD):**

i. 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.

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

Table 106: Applicability of ToD Tariff

Time of use	Demand Charges	Energy Charges
Normal period (7:00 a.m. to 6:00 p.m)	Normal Rate	Normal rate of energy charges
Evening peak load period (6:00 p.m to 11.00 p.m)	Normal Rate	120% of normal rate of energy charges
Off-peak load period (11:00 p.m to 7:00 a.m)	Normal Rate	90% of normal rate of energy charges

iii. Applicability and Terms and Conditions of TOD tariff:

a) TOD tariff is mandatory for HT/EHT consumers and shall be optional for LT industrial and commercial consumers

b) The facility of aforesaid TOD tariff shall not be available to HT/EHT consumers having captive power plants and/or availing supply from sources other than ED-Goa through wheeling of power.

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

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

10.4. Schedule of Miscellaneous Charges

Table 107: Schedule of Miscellaneous Charges

Description	Approved Charges
Monthly Meter Rental Charges(as per provisions of Supply Code Regulations notified by JERC)	
Single Phase LT meter	INR 15/month
Three Phase LT meter	INR 25/month
Three Phase LT meter with CTs	INR 75/month
LT Meter with MD Indicator	INR 30/month
LT Tri-vector meter with CT's	INR 75/month
Tri-vector Meter	INR 1200/month
Bi- directional meter	INR 1,500/month
Temporary Supply	Shall be twice as applicable in above meter types
Changing or moving a Meter board	Actual Cost + 15%
Note: a. For all domestic and other LT loads less than 50 kW loads in Urban and Rural areas - Static single phase / three phase meters b. For LT (contracted load ≥ 50 KW) / HT / EHT consumer – Static, 3 Phase Tri-vector meters with MDI (MD Display)	
Reconnection Charges (as per provisions of Supply Code Regulations notified by JERC)	

Description	Approved Charges
LT Services – At Cut outs	
• Single Phase	INR 25/-
• Three Phase	INR 50/-
LT Services – At Overhead Mains	
• Single Phase	INR 30/-
• Three Phase	INR 50/-
LT Services – At Underground Mains	
• Single Phase	INR 75/-
• Three Phase	INR 125/-
HT Services	INR 200/-
Note: If the same consumer seeks reconnection within 12 months from the date of reconnection or disconnection, 50% will be added to above charges	
Re-Rating of Installations	
Lighting Installation	INR 50/-
Motive Power Installation	INR 100/-
High Tension	INR 500/-
Testing Fee for Various Metering Equipments (as per provisions of Supply Code Regulations notified by JERC)	
Single phase LT	INR 25/energy meter
Poly Phase LT without CT	INR 50/energy meter
L.T. meter with CTs/Demand or Special Type Meters	INR 150/energy meter
H.T and E.H.T. metering equipment	INR 10,000/- at site
Transformer Oil	INR 200/- per sample
LT Current Transformer at Lab	INR 50/- per sample
3 – Ø Phase Tri-vector Meter Industrial LT Consumer	INR 1000/- for laboratory testing
3 – Ø Phase Tri-vector Meter 11 KV and 33kV HT Consumer	INR 5,000/- at site
Three Phase Tri-Vector Meter 110 KV EHT Consumers	INR 1,000/-at site
Combined CTPT Unit for 11kV and 33kV Consumer	INR 2,500/-
110KV CT / PT Unit	INR 10,000/-
Single Phase CT	INR 150/ unit
Three Phase TT Block	INR 500/unit
Distribution Transformer Testing (HT con.)	INR 6,000
Power Transformer Testing (EHT consumer)	INR 20,000
Service Connection Charges(as per provisions of Supply Code Regulations notified by JERC)	
Single Phase 1 ф	INR 250

Description	Approved Charges
Three Phase 3 ф	
Up to 5 HP	INR 500
5 HP to 20 HP	INR 800
Above 20 HP	INR 1,200
HT (First 500 KVA)	INR 10,000
HT (Beyond 500 KVA)	INR 20,000
HT Additional Load	INR 500/- for every addition of 100 KVA
Extra Length for 1 ф (beyond 30 meters)	INR 50 /meter
Extra Length for 1 ф for agricultural consumers (beyond 300 meters)	INR 25 /meter
Extra Length for 3 ф (beyond 30 meters)	INR 100 /meter
Extra Length for 3 ф for agricultural consumers (beyond 300 meters)	INR 50 /meter
Underground Service Cable	Actual Charges + 15%
Shunt Capacitor- 20 kW to 50 kW	INR 2,000
Shunt Capacitor- above 50 kW	INR 5,000
Testing Consumer's installation (as per provisions of Supply Code Regulations notified by JERC)	
For first test of the new installation on or off an extension to an existing installation if the installation is found to be defective.	NIL
For Subsequent test of the new installation or of an existing installation if the installation is found to be defective	
• Single phase LT	INR 100/-
• Three phase	INR 200/-
• MS/BS loads upto70kW	INR 4,000 + GST
• LS/BS/RT (loads Above 70kW)	INR 8,000 + GST
• Shunt Capacitor- 20 kW to 50 kW	INR 1,000 + GST
• Shunt Capacitor- above 50 kW	INR 4,000 + GST
Changing the Meter or its position in the same premises at the request of the consumer when no additional material is required (as per provisions of Supply Code Regulations notified by JERC)	
Single phase	INR 100/-
3-phase without C.Ts	INR 200/-
L.T. meter with C.T.s	INR 500/-
H.T and E.H.T. metering equipment	INR 8,000 + GST
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	
Meter cupboard / Meter Cubical / Box	INR 50/-
Where cut-out is independently sealed	INR 50/-
Meter cover or Meter Terminal cover	INR 50/-

Description	Approved Charges
Meter cover of Meter Terminal cover (3 phase).	INR 50/-
Maximum demand Indicator or C.T.s chamber	INR 50/-
Service Charges	
General Supply	
• Single Phase	INR 10/-
• Three phase below 70kW	INR 20/-
• Three phase above 70kW	INR 50/-
Industrial/bulk/ agriculture /Street Lightning Supply	
• Upto70kW	INR 25/-
• Above 70kW	INR 50/-
Replacement of broken glass	
Replacement of broken glass of meter cupboard (When there is default on Consumer Side)	INR 50/-
Replacement of broken Glass of single phase meter if the consumer has broken or tamper and with meter.	INR 50/-
Replacement of broken Glass of three phase meter if the consumer has broken or tamper and with meter	INR 50/-
Supply of duplicate copies of electricity bills	
Domestic Consumers	INR 5 per bill
Non Domestic consumers	INR 10 per bill
LT Industrial upto 20kW and AP Consumer	INR 5 per bill
H.T Industrial and Bulk supply consumer	INR 10 per bill
Stand by Meter	
HT	INR 10,000/-
EHT	INR 20,000/-
Check Meter	
HT	INR 10,000/-
EHT	INR 20,000/-
Load Enhancement	Actual Cost + 15% Supervision Charges
System Strengthening charges or capacity building charges,	Actual Cost + 15% Supervision Charges
Advance for Temporary Connections (Except for Prepaid meters)	
• Single phase LT	INR 2,000/-
• Three phase	INR 5,000/-
• HT	INR 20,000/-
• EHT	INR 20,000/-

Description	Approved Charges
Note : this shall be adjusted in bills	
Non-Refundable Registration-cum-processing fees	As per Supply Code Regulations notified by JERC

In case of bonafide agricultural pumping loads, the department shall provide overhead service lines at a free of cost upto 300 meters from the nearest distribution point i.e. existing rural transformer sub-station or from a service line already laid for supply to any other consumer, provided the latter has sufficient current carrying capacity. Any length in excess of the specified length shall be payable at a fixed cost of INR 25 / metre for single phase and INR.50/ meter for Three phase as approved under Schedule of General and Miscellaneous Charges.

11. Chapter 11: 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 submit:

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

11.1. Directives continued in this Order

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

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

11.1.1. Annual Statement of Accounts

Originally Issued in Tariff Order dated 27th June 2012
Commission's Latest Directive in Tariff Order dated 20th May 2019 *The Commission appreciates the effort undertaken by the Petitioner for the preparation of audited accounts on commercial principles.* *The Commission has undertaken the True-up for the FY 2014-15 in this Order, even though in normal course and as per the provisions of Tariff Regulations 2009 and MYT Regulations, 2014, the True-up upto FY 2017-18 should have been done in this Order.* *The Commission has taken a serious note of this and directs the Petitioner to submit the true up petition along with the audited accounts for FY 2015-16 within two months of issuance of this order and from FY 2016-17 onwards by 30th November 2019.* *The Commission shall be constrained to take appropriate action against the Petitioner in case of further non-compliance.*
Petitioner's Response in the Present Tariff Petition *The Audit for Financial Year 2015-16 is completed & CAG Certificate is awaited, the same will be submitted on or before Public Hearing. Further, the data collection for Financial Year 2016-17 to 2018-19 is completed & the process of finalisation of Account shall be completed before the next Tariff Petition.*
Commission's Response *The Commission has undertaken the True-up for the FY 2015-16 in this Order, even though in normal course and as per the provisions of Tariff Regulations 2009 and MYT Regulations, 2014, the True-up upto FY 2018-19 should have been done in this Order.* *The Commission has taken a serious note of this and directs the Petitioner to submit the true up petition along with the audited accounts for FY 2016-17 and FY 2017-18 within two months of issuance of this order and those of FY 2018-19 and FY 2019-20 by 30th November 2020.*

11.1.2. Preparation of Fixed Asset Register

Originally Issued in Tariff Order dated 27th June 2012
Commission's Latest Directive in Tariff Order dated 20th May 2019 *The Commission has noted with serious concern that the Petitioner is yet to submit the Fixed Asset Register upto FY 2017-18. The Petitioner is directed expedite the process and submit the FAR upto FY 2018-19 along with the next tariff petition. The Petitioner is required to ensure that the FAR submitted in the next petition should provide the details (nature and value) of assets depreciated upto 90% in the relevant year.*
Petitioner's Response in the Present Tariff Petition *FAR for FY 2017-18 and 2018-19 are prepared and finalized and the same have been provided.*
Commission's Response *The Petitioner has although submitted the Fixed Asset Register, the information with regards to type, nature and value of assets depreciated upto 90% in the relevant year has not been provided the purpose for which FAR is prepared. The Petitioner is directed to submit the information upto FY 2019-20 in the next tariff petition*

11.1.3. Energy Audit Reports

Originally Issued in Tariff Order dated 27th June 2012
Commission's Latest Directive in Tariff Order dated 20th May 2019 *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 expedite the process to resolve the long pending communication/modem issues and complete the Energy Audit of the State on priority.*
Petitioner's Response in the Present Tariff Petition *EDG submits that report on Energy Audit for the whole Department shall be submitted along with next tariff petition.*
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 expedite the process and complete the Energy Audit of the State on priority.*

11.1.4. Employee Cost / Manpower study

Originally Issued in Tariff Order dated 27th June 2012
Commission's Latest Directive in Tariff Order dated 20th May 2019 *The Commission has noted with serious concern that the Petitioner is yet to submit a systematic manpower study report with a specific focus on manpower rationalization.* *The Commission directs the Petitioner to finalise the draft report and submit the same for the decision of the State Govt. with the next quarterly progress report.*
Petitioner's Response in the Present Tariff Petition *The Government has decided to conduct comprehensive work study to workout requirement of manpower in consultation with the department of administrative reforms and by application of yardstick adopted by various electricity Distribution Companies of neighbouring states..*
Commission's Response

The Commission has noted with serious concern that the Petitioner is yet to submit a systematic manpower study report with a specific focus on manpower rationalization. The Commission directs the Petitioner to finalise the draft report and submit the same for the decision of the State Govt. with the next quarterly progress report

11.1.5. Interest on Consumer Security Deposit

Originally Issued in Tariff Order dated 31st March 2013

Commission's Latest Directive in Tariff Order dated 20th May 2019

The Commission directs the Petitioner to pay the interest on consumer security deposit in the bills of as per the provisions of JERC Supply Code regulations.

The Commission observes that while the Petitioner has undertaken some efforts towards compliance of this directive, a substantial payment is yet to be credited to the consumers. The Commission is of the view that adequate time has already been given to the Petitioner. The Commission directs the Petitioner to ensure payment of interest on security deposit upto FY 2018-19 latest by 31st August 2019 in accordance with the MYT Regulations, 2018.

Petitioner's Response in the Present Tariff Petition

EDG has paid Interest on Consumer Security deposit till FY 2017-18. Disbursement of Interest on consumer Security Deposit for FY 2018-19 shall be completed by 31st March 20.

Commission's Response

The Commission observes that while the Petitioner has undertaken some efforts towards compliance of this directive, a substantial payment is yet to be credited to the consumers. The Commission is of the view that adequate time has already been given to the Petitioner. The Commission directs the Petitioner to ensure payment of interest on security deposit upto FY 2019-20 latest by 31st August 2020 in accordance with the MYT Regulations, 2018.

11.1.6. Sub Divisions as Strategic Business Units

Originally Issued in Tariff Order dated 06th April 2015

Commission's Latest Directive in Tariff Order dated 20th May 2019

The Commission has noted the submission of the Petitioner. The Commission directs the Petitioner to submit the report of this pilot project along with the sub-division wise status report of readiness of all the sub-divisions towards introduction of the system of Cost-Revenue Centre Oriented Sub Divisions within 3 months of issuance of this Order.

Petitioner's Response in the Present Tariff Petition

Division 3 and Sub Division I (Verna) under Division 14 is selected as a Pilot project. Based on the data collected, EDG has computed Individual ARR for these respective Division/Sub Division. Details of the ARR Computed have been submitted.

Commission's Response

The Commission is reviewing the information submitted by the Petitioner. The Petitioner is required to provide the action plan for increasing collection in these two divisions and an overall strategic plan to implement the same in the entire area/ all subdivisions of Petitioner's serving area.

11.1.7. Installation of Pre-Paid Meters

Originally Issued in Tariff Order dated 06th April 2015
Commission's Latest Directive in Tariff Order dated 20th May 2019 *The Commission in earlier orders had directed the Petitioner to finalize and submit a proposal for installation of smart meters for following consumers:* *1. All HT and EHT Consumers* *2. LT Industries and Hotel Industries* *3. All Government Connections* *4. All connections whose premises remain locked for 3 or more months in a year.* *The Commission in the latest order directed the Petitioner to expedite the process of installation of prepaid meters and submit a compliance report along with the filing of the next tariff petition.*
Petitioner's Response in the Present Tariff Petition *Technical specifications for the said meters have been freezed. Department is in the process of obtaining market rate approval. Once market rate approval is obtained, the tender will be floated for the procurement of said meters.*
Commission's Response *The Commission directs the Petitioner to expedite the process and submit an updated status by 1 month of issue of this Order.*

11.1.8. Unbundling of Electricity Department

Originally Issued in Tariff Order dated 06th April 2015
Commission's Latest Directive in Tariff Order dated 20th May 2019 *The Commission directs the Petitioner to submit the proposal to the State Govt. by June 30th 2019. Till such time a decision is taken by the State Govt. ring fencing of the transmission functions should be initiated. Further, it is directed that the Petitioner should increase its efforts towards making the State Load Dispatch Center (SLDC) fully operational.*
Petitioner's Response in the Present Tariff Petition *ED-Goa submits that there is no directives from the state Government yet for the unbundling of ED-Goa. Necessary manpower for full operationalization of SLDC is arranged and SLDC will be made fully operational from 5th December' 19.*
Commission's Response *The Commission directs the Petitioner to submit the proposal to the State Govt. even if no directive is given by the Govt. by June 30th 2020. Further, it is directed that the Petitioner should submit the updated status and increase its efforts towards making the State Load Dispatch Center (SLDC) fully operational.*

11.1.9. Renewable Purchase Obligation

Originally Issued in Tariff Order dated 06th April 2015
Commission's Latest Directive in Tariff Order dated 20th May 2019 *The Commission directed the Petitioner that the Solar policy may be utilized for increasing the solar installations in the State. More efforts should be made to purchase physical power instead of REC's.*
Petitioner's Response in the Present Tariff Petition

Action plan for fulfilment for RPO has been made and RPO will be fulfilled as per target set by JERC.

Commission's Response

The Commission appreciates the efforts undertaken by the Petitioner towards fulfillment of RPO. The Petitioner is emphasizing on procuring more physical power than purchase REC's in accordance with the Commissions directions. The Petitioner is directed to continue its efforts towards fulfillment of RPO and ensure yearly obligation is fulfilled.

11.1.10. Billing and Collection Efficiency

Originally Issued in Tariff Order dated 06th April 2015

Commission's Latest Directive in Tariff Order dated 20th May 2019

The Commission notes with serious concern that the billing and collection efficiency in the State is very low The Commission in the MYT Order had approved the collection efficiency of 100% for FY 2018-19 and T&D loss level of 10.75%. The Commission directs the Petitioner to take all necessary actions on priority so as to resolve all the issues pertaining to billing and collection and report the status along with next Tariff Filing.

Petitioner's Response in the Present Tariff Petition

EDG-Goa has taken actions on priority to increase billing efficiency by doing monthly billing. Arrears from Government department which not get settled is one of the reason for lower Collection efficiency. In view of the same, necessary transfer entries are being passed in order to settle the dues from Government connections. The same shall help to improve the collection efficiency.

Commission's Response

The Commission notes with serious concern that the billing and collection efficiency in the State is very low The Commission in the MYT Order had approved the collection efficiency of 100% for FY 2019-20 and T&D loss level of 10.75%. The Commission directs the Petitioner to take all necessary actions on priority to settle all pending dues from the Govt Departments and to resolve all the issues pertaining to billing and collection and report the status in the next Tariff Filing.

11.1.11. Creation of SLDC

Originally issued in Tariff Order dated 28th March 2018

Commission's Directive in Tariff Order dated 20th May 2019

A time bound Action Plan for fully operationalizing the SLDC may be drawn up. This shall facilitate the efficient power procurement .Further it shall also help in safeguarding the interests of ED,Goa once Open access is operationalized besides facilitating the open access. The Petitioner is directed to streamline the SLDC operations and strengthen the manpower..

Petitioner's Response in the Present Tariff Petition

EDG submits that SLDC will be made fully operational from 5th December'19.

Commission's Response

The Petitioner is directed to submit the updated status and increase its efforts towards making the State Load Dispatch Center (SLDC) fully operational.

11.1.12. kVAh based tariff

Issued in Tariff Order dated 28th March 2018
Commission's Directive in Tariff Order dated 20th May 2019 *The Petitioner in the proceedings for the Tariff Order of FY 2018-19 failed to submit the requisite data such as Power factor, kVAh readings etc. to implement kVAh based energy charges for HT/EHT consumers The Petitioner was directed to submit the status of technological readiness of these high voltage consumers and the requisite information of incentive/disincentive on account of power factor rebate/ penalty, power factor for different categories and kVAh based readings of FY 2017-18 along with the filing of the next tariff petition.* *In the Tariff Order dated 20th May 2019, the Commission observed that the data submitted by the Petitioner was not reliable of the previous years due to change in billing agencies. However, the Petitioner in the tariff proceedings had submitted that the billing system has been put in place and reliable data would be available in the coming period. The Commission directed the Petitioner to submit a proposal for kVA/kVAh based tariff for all HT/EHT categories along with the next tariff petition.*
Petitioner's Response in the Present Tariff Petition *EDG has extracted billing data of HT and EHT consumers for FY 2016-17, FY 2017-18 and FY 2018-19 and worked out the financial impact of KVAh Vs KWh billing. The said data is attached as Annexure 5 for Hon'ble Commission's perusal.* *Based on Hon'ble Commission's direction considering above data being submitted in Annexure 5, EDG shall submit the proposal of KVAh tariff for HT and EHT consumers along with next Tariff Petition.*
Commission's Response *The Commission believes that the data submitted by the Petitioner is not reliable of the previous years due to change in billing agencies. However, the Petitioner in the tariff proceedings has submitted that the billing system has been put in place and reliable data would be available in the coming period. The Petitioner is directed to submit a proposal for kVA/kVAh based tariff for all HT/EHT categories positively along with the next tariff petition.*

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

Issued in Tariff Order dated 20th May 2019
Commission's Directive 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.*
Petitioner's Response in the Present Tariff Petition *Considering the time required to complete the Energy Audit of whole Electricity Department. EDG submits that extension for submission of a proposal for category wise cost of supply be granted. EDG will submit the proposal of category wise cost of supply on completion of Energy Audit for the whole department.*
Commission's Response *The Petitioner is directed to expedite the process of energy audit and submit the requisite data and the proposal along with the next tariff petition.*

11.1.14. Submission of Petition for True up of FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 and APR of FY 2019-20

Issued in Tariff Order dated 20th May 2019
Commission's Directive in Tariff Order dated 20th May 2019 *The Petitioner is hereby directed to submit the true-up petition along with the audited accounts for FY 2015-16 within two months of issuance of this order. Further the Petitioner is directed to submit the petition on true-up from FY 2016-17 to FY 2018-19 along with the APR of FY 2019-20 based on reliable data by 30th November 2019.*
Petitioner's Response in the Present Tariff Petition *The Audit for Financial Year 2015-16 is completed & CAG Certificate is awaited, the same will be submitted on or before Public Hearing. Further, the data collection for Financial Year 2016-17 to 2018-19 is completed & the process of finalisation of Account shall be completed before the next Tariff Petition.*
Commission's Response *Despite of repeated directive by the Commission, the Petitioner is failed to meet the deadlines for submission of true-up Petitions. The Commission has taken a serious note of this and directs the Petitioner to submit the true up petition along with the audited accounts for FY 2016-17 and FY 2017-18 within two months of issuance of this order and those of FY 2018-19 and FY 2019-20 by 30th November 2020.*

11.2. New Directives issued in this Order

10.2.1 Collection of data based on consumer type

The Petitioner is hereby directed to start collecting information of energy sales, connected load, number of consumers, power factor, ToD sales etc., wherever applicable, for different type of consumers such as Hotel Industries, Govt./Private educational institutions, Govt./Private hospitals etc. within the existing categories and submit the same by 30th September 2020.

Annexures

Annexure 1: List of Stakeholders who attended the Public hearing on 5th February 2020 in Goa

Table 108: List of Stakeholders

S.No.	Name of Person (Mr/Ms)	Designation	Address
1	R.M. Pai Angle	AGM	Chowgule Co.Pvt.Ltd.
2	Shri Ashish Marathe	CFO	Goa Institute of Management
3	Lorua Fernandes	Secretary	CONCOWM
4	Martin Rodrigues	Secretary	RAIA
5	Ramona Almeida	Conuenoe Civic & Consumer Forum, Velim	Velim Goa
6	Maria Magdalena	-	RAIA
7	Neil Dsouza	-	
8	Prashant Anvekar	Consultant	Zuari Foods
9	Genard D'Mello	-	GCCI, Panaji, Goa
10	P. Lotlikar	-	GCCI, Panaji, Goa
11	Ankit Singh	Developer	Gurugram
12	Rama Kankonkar	Social Worker	Goa
13	S. K. Tendulkar	Farmer	Goa
14	Deepak A. Ghatge	Manager	SWPI
15	Dr. S. Dutta	Dean	Goa Institute of Management
16	Shri Dilip Desai	-	Panaji
17	Satish Arolkar	-	
18	Waman k Nayak	-	Margao
19	Celes Fernandes	-	
20	Ramdas Morje	-	
21	Sohan Kelekar	-	GSIA