Tariff Order

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

Petition No. 119/2023

For

Andaman & Nicobar Electricity Department ("EDA&N")

13th June, 2024

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

Abbreviation	Full Form
A&G	Administrative & 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 for Electricity
CAGR	Compound Annualized Growth rate
Capex	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
COD	Commercial Operation Date
Commission/JERC	Joint Electricity Regulatory Commission for the State of Goa and Union Territories
Cr.	Crore
Discom	Distribution Company
EA 2003	The Electricity Act, 2003
ED	Electricity Duty
EDF	Electricity Development Fund
ERP	Enterprise Resource Planning
FAR	Fixed Asset Register
FY	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HT	High Tension
RS.	Indian Rupee
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISTS	Inter-State Transmission System
JERC	Joint Electricity Regulatory Commission for the State of Goa and Union Territories
KVA	Kilo Volt Ampere
KWh	Kilo Watt Hour
LOI	Letter of Intent
LT	Low Tension
MU	Million Units
MW	Mega Watt
MYT	Multi-Year Tariff
NTPC	National Thermal Power Corporation
NVVNL	NTPC Vidyut Vyapar Nigam Limited

Abbreviation	Full Form
O&M	Operation and Maintenance
PF	Power Factor
PGCIL	Power Grid Corporation of India Ltd.
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
REC	Renewable Energy Certificate
RoE	Return on Equity
RPO	Renewable Purchase Obligation
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
T&D	Transmission & Distribution
TVS	Technical Validation Session
UT	Union Territory

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

CORAM

Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)
Petition No. 119/2023
Date: 13th June, 2024

In the matter of

Approval for the True-up for FY 2021-22, and Annual Perforance Review (APR) for FY 2023-24, and Aggregate Revenue Requiremnt (ARR) and determination of Retail Tariff for FY 2024-25

And in the matter of

Electricity Department, Andman & Nicobar ("EDA&N") .... Petitioner

ORDER

1. This Order is passed in respect of the Petition filed by the Department of Electricity of Andaman & Nicobar Administration ("EDA&N") (hereinafter referred to as "The Petitioner" or "EDA&N" or "The Licensee") for the approval of True- up of FY 2021-22 Annual Performance Review (APR) for FY 2023-24, and Aggregate Revenue Requirement (ARR) and determination of Retail Tariff for the FY 2024-25 before the Joint Electricity Regulatory Commission (herein after referred to as "The Commission" or "JERC").
2. The Commission scrutinized the said Petition and generally found it in order. The Commission admitted the Petition on 3rd January 2024. The Commission thereafter requisitioned further informations/ 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 informations submitted. Further, suggestions/comments/views and objections were invited from the Stakeholders and Electricity Consumers. The Public Hearing was held on 24th

January 2024, 25th January 2024, and 27th January 2024 at Swaraj dweep, Port Blair & Mayabundar respectively and all the Stakeholders/Electricity Consumers present in the Public Hearing were heard.

3. The Commission decided not to carry out the true-up for FY 2021–22 since the Petitioner has not been able to submit the requisite information asked for in TVS. The Commission directs the Petitioner to submit a separate petition for true-up for FY 2021–22.
4. The Commission based on the Petitioner's submission, relevant JERC MYT Regulations, facts of the matter, rules and provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved Annual Performance Review (APR) for FY 2023-24, and Aggregate Revenue Requirement (ARR) and determination of Retail Tariff for the FY 2024-25.
5. A summary has been provided as follows.

I. Annual Performance Review of FY 2023-24.

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

Table 1: Standalone Revenue Gap/ (Surplus) at existing tariff for the FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Petitioner's Submission	Approved by the Commission
1.	Net Revenue Requirement	1241.31	1022.37
2.	Revenue from Retail Sales at existing Tariff	254.68	243.89
3.	Net Gap /(Surplus)	986.63	778.48

II. Aggregate Revenue Requirement of FY 2024-25

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

Table 2: Standalone Revenue Gap/ (Surplus) at existing tariff for the FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Petitioner's Submission	Approved by the Commission
1.	Net Revenue Requirement	1340.58	1080.90
2.	Revenue from Retail Sales at existing Tariff	266.75	252.22
3.	Net Gap /(Surplus)	1073.83	828.68

b. The following table provides ARR, Revenue and Standalone Gap/ (Surplus) at tariff as approved by the Commission for the FY 2024-25:

Table 3: Standalone Revenue Gap/ (Surplus) at approved tariff for the FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Petitioner's Submission	Approved by the Commission
1.	Net Revenue Requirement	1340.88	1080.90
2.	Revenue from Retail Sales at approved Tariff	408.84	304.67
3.	Net Gap /(Surplus)	931.74	776.23

c. The Petitioner has proposed a tariff hike of 53.27% in the tariff schedule of FY 2024-25.

d. The Commission has approved an average tariff hike of 20.80 % in order to reduce the reliance of the Petitioner on budgetary support from the Administration of Andaman & Nicobar Islands. The Commission has approved the Average Billing Rate (ABR) of Rs. 10.21/kWh against the approved Average Cost of Supply (ACoS) of Rs. 36.21/kWh. The entire revenue gap shall be met through the budgetary support as per assurance letter of the Administration of UT of Andaman & Nicobar Islands dated 4th April 2024. The Commission acknowledges this letter of assurance from the Administration of UT of Andaman & Nicobar towards meeting any prospective revenue gap for FY 2024-25, and hence the revenue gap for FY 2024-25 has been considered as 'NIL'.

6. This Order shall come into force with effect from 16th June 2024 and shall, unless amended or revoked, continue to be in force till further orders of the Commission.
7. 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.
8. The attached documents giving detailed reasons, grounds and conditions are the Integral part of this Order.

Ordered accordingly.

Sd/-
(Jyoti Prasad)
Member (Law)

Sd/-
(Alok Tandon)
Chairperson

Place: Gurugram, Haryana
Date: 13th June, 2024

Chapter 1 : Introduction

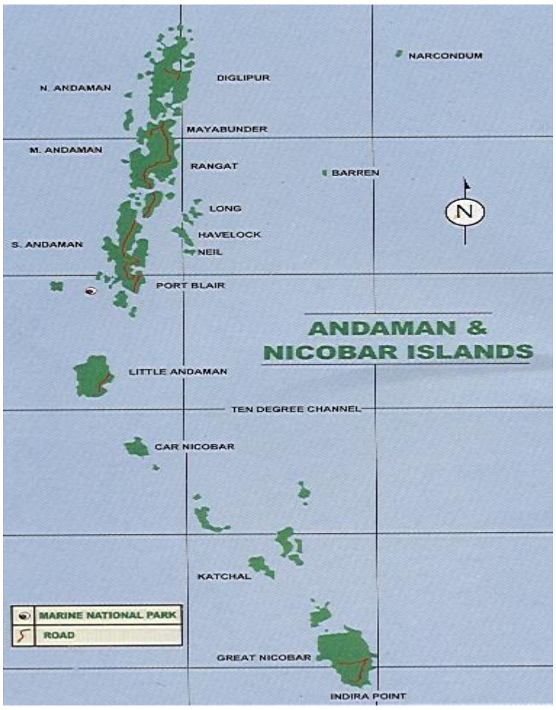
1.1. About Joint Electricity Regulatory Commission for the State of Goa and UT's (JERC)

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, Dadra and Nagar Haveli & Daman and Diu, and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity etc. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting the interests of consumers and ensuring uninterrupted and quality supply at affordable rates in to all the areas under its jurisdiction.

1.2. About Andaman & Nicobar Islands

Andaman & Nicobar Islands (hereinafter referred to as "A&N") is a cluster of islands scattered in the Bay of Bengal and a designated Union Territory of India. These islands are separated from the rest of India by more than 1000 kms. The total area of the territory is 8,249 sq.km out of which the forest cover is about 7,589 sq. km. (92%). A&N is having population of 3,80,581 as per census provisional records and average growth rate of population is 6.68%. These islands are divided in three districts, viz., Andaman, Nicobar and North & Middle Andaman. The seat of the Administration is at Port Blair (South Andaman) in which 14.14 sq. km. area is under the jurisdiction of Port Blair Municipal Council.



The tempo of economic development has tremendously accelerated along with all-round expansion in the areas/ sectors, viz., (i) Shipping Services, (ii) Civil Supplies, (iii) Education, (iv) Fisheries, (v) Tourism & Information Technology, (vi) Health, (vii) Industries, (viii) Rural Development, (ix) Social Welfare, (x)

Transport, (xi) Increase in District Headquarters, (xii) Central Government Department, (xiii) Public Undertaking & other offices, (xiv) Services & Utilities, (xv) Defence Establishment, (xvi) Commercial Organisations/ Business Centres, etc. Thus, these islands have reached the take off stage for total economic transformation. All these economic and infrastructure developments require power as a vital input and to play a key role for achieving overall transformation.

For operational purpose the area has been divided into 7 divisions and 26 sub-divisions.

1.3. About Electricity Department, Andaman & Nicobar ("EDA&N")

The Electricity Department of Andaman & Nicobar Administration (hereinafter referred to as "EDA&N" or "Utility" or "Petitioner") is solely responsible for power supply in the Union Territory of Andaman & Nicobar. Power requirements of "EDA&N" are met by own generating stations as well as power purchase as it is not connected to the National Grid.

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

EDA&N is operating and maintaining power generation, transmission and distribution system network in these islands for providing electric power supply to general public. It implements various Planned and Non-Planned schemes for augmentation of Diesel Generating Capacity, establishment of new power plants and T&D Systems. EDA&N is also functioning as a Nodal Agency for implementing renewable energy programme of the Ministry of New & Renewable Energy (MNRE) in these islands. Presently, EDA&N is headed by a Superintending Engineer, along with seven Executive Engineers and around thirty-eight Assistant Engineers for carrying out the task of power generation, transmission and distribution to the general public including schemes under renewable energy sources.

The key duties being discharged by EDA&N are:

- Laying and operating of electric lines, sub-stations and electrical plants that are primarily maintained for the purpose of distributing electricity in the area of Andaman & Nicobar Islands.
- Operating and maintaining sub-stations and dedicated transmission lines connected therewith as per the provisions of the Act and the rules framed there under;
- Generation of electricity for the supply of electricity required within the boundary of the UT and for the distribution of the same in the most economical and efficient manner;
- Supplying electricity, as soon as practicable to any person requiring such supply, within its competency to do so under the said Act;
- Implementation of schemes for distribution and generally for promoting the use of electricity within the UT;
- Preparation and implementation of schemes for distribution and generally for promoting the use of electricity within the UT.

The current demand mainly comprises of the domestic and commercial category, which contributed approximately 75% to the total sales of the EDA&N.

1.4. Multi-Year Tariff Regulations, 2018

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

1.5. Multi-Year Tariff Regulations, 2021

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

1.6. Filing and Admission of the present petition

The Petition was admitted on 3rd January 2024 and was marked as Petition No. 119/2023.

1.7. 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 informations /clarifications/ justifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petition and key data gaps, which included Energy Sales, revenue from retail tariff, capitalisation, tariff proposal etc. The Petitioner submitted its response on the issues identified by the Commission through various letters/ emails.

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

Table 4: Timelines of the interaction with the Petitioner

Sr. No.	Subject	Date
1	Issue of First Deficiency Note	22nd January, 2024
2	Reply of 1st deficiency note received from Petitioner	8th March, 2024
3	Issue of second deficiency note	30th January 2024
4	Reply of 2nd deficiency note received from Petitioner	15th April 2024
5	Technical Validation Session	21st May, 2021
6	Reply to issues mentioned during TVS	3rd June 2024

1.8. Notice for Public Hearing

Public Notices were published by the Commission in the leading newspapers as tabled below. The 1st Public Notice regarding present Petition was published by the Commission in the following newspapers inviting objections/ suggestions from the stakeholders on the Tariff Petition.

Table 5: Details of 1st Public Notice published by the Commission

Sr. No.	Date	Name of News Paper	Language	Place of Circulation
1	6th January 2024	The Andaman Express	English	Port Blair
2	6th January 2024	The Echo of India	English	Port Blair
3	6th January 2024	Sanmarg	Hindi	Port Blair
4	6th January 2024	Arthik Lipi	Bengali	Port Blair

The 2nd Public Notice intimating the stakeholders, consumers and the public at large, about the Public Hearing to be conducted by the Commission were also published in the following news papers. These notices were also uploaded on the Commission's website:

Table 6: Details of 2nd Public Notices published by the Commission

Sr. No.	Date	Name of News Paper	Language	Place of Circulation
1	22nd January 2024	The Andaman Express	English	Port Blair
2	22nd January 2024	The Echo of India	English	Port Blair
3	22nd January 2024	Sanmarg	Hindi	Port Blair
4	22nd January 2024	Arthik Lipi	Bengali	Port Blair

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

Table 7: Details of Public Notices published by the Petitioner

Sr. No.	Date	Name of News Paper	Language	Place of Circulation
1	13th January 2024	Daily Telegram	English	UT of Andaman & Nicobar
2	13th January 2024	Dweep Samachar	Hindi	UT of Andaman & Nicobar

The Petitioner uploaded the relevant Petition on its website (https://vidyut.andaman.gov.in) for inviting comments and suggestions on the Petition. The Commission also uploaded the Tariff Petition filed by the Petitioner and the Public Notice on its website www.jercuts.gov.in giving due intimation to stakeholders, consumers, objectors and the public at large about the Public Hearing to be conducted by the Commission on 24th January 2024, 25th January 2024 & 27th January 2024.

1.9. Public Hearing

The Public Hearings were held on 24th January 2024, 25th January 2024 & 27th January 2024 at Swarajdweep, Port Blair & Mayabundar respectively, to discuss the issues related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The major issues discussed during the Public Hearing, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2 of this Order.

1.10. Adherence to Model code of Conduct

The Commission has noted that in view of the General Elections 2024, the Model Code of Conduct (MCC) was imposed by the Election Commission of India. The MCC was effective from 16th March 2024 to 6th June 2024.

Therefore, in view of enforcement of Model Code of Conduct, the Commission decides to issue the tariff order once the Model Code of Conduct is over.

Chapter 2 : Public Hearing

2.1. Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, upload the Petition on the website and also publish the same in the newspapers in an abridged form in the given format duly inviting comments/objections from the public as per the provisions of the “JERC MYT Regulations, 2018” and “JERC MYT Regulations, 2021”.

The Public Hearings were held on 24th January 2024, 25th January 2024 & 27th January 2024 to discuss the issues, related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The names of the stakeholders who attended the Public Hearing are provided in Annexure-I.

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

The Commission is appreciative of the efforts of various stakeholders in providing their suggestions/comments/ observations to make the 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. Proposed tariff hike

Stakeholder’s Comment:

The stakeholder submitted that the proposed tariff hike, with an increase from Rs.12.25 per kWh to Rs.18.40 per kWh for the industrial LT Sector and Rs.11.75 per kWh to Rs.17.60 per kWh for the Industrial HT Sector, raises significant concerns. This sudden and significant rise in electricity costs will place the industries at par with the rates applicable to Commercial Consumers, hindering their competitiveness and sustainability.

Further, the Andaman & Nicobar Islands already face unique geographic challenges, including remote locations and challenging terrains which hinder industrial growth. Transportation of raw materials between islands and conveying finished goods to the mainland is challenging and expensive. The additional burden of a high-power tariff further increases production costs, making it economically unviable for local industries. The immediate impact is evident in the local poultry industry, where operations are declining due to the high-power costs. The coir industries have already shut down. Further, the Government of India (GoI) has proposed an undersea power connection to these remote islands as part of the 'One Nation, One Grid’ initiative, and it is expected to be completed by 2025.

Therefore, it is requested to refrain from hiking the power tariff for the next two years. The stakeholder strongly urged to reconsider and reject the proposed power consumption rates outlined in the subject petition.

One of the stakeholders further submitted that the proposal causing unprecedented, sudden and steep enhancement of the tariff of almost 100% hike, from Rs.11.75 per kWh (as it stands today for the Industrial HT Sector from 1001 units and above) to Rs.23.30 per kWh (as it has been proposed for Hotels/ Resorts at 1001 units and above) placing them at par with the rates applicable to Commercial Consumers by the EDA&N in the subject petition, i.e., 24.80 per kWh. Under the subject Petition, the Department is mischievously attempting to achieve what the Commission has repeatedly rejected under multiple judicial orders. It is pertinent to note that yet again, the Department has not put forth the complete and correct facts before the Commission in order to enable the Chairperson to adjudicate the tariff petition judiciously. At the outset, it is pertinent to throw light on the contemporaneous conduct of the Department, before this Hon'ble Commission:

(i) This Hon'ble Commission, with respect to FY 2019-20, had vide Order dt 2nd December .2020 passed in Review Petition No. 30 of 2020 directed the Department inter alia to charge the hotels in the Industrial Category in place of Commercial Category. The Department is in blatant violation of the directions passed by this Commission and has wilfully not complied with this Order.

(ii) This Commission, with respect to FY 2020-21, had vide Order dt 2 December 2020, passed in a similar Review Petition No. 31 of 2020, passed a similar direction to the Department inter alia to charge hotels in the Industrial Category in place of Commercial Category. The Department is in blatant violation of the directions passed by this Commission.

(iii) The above orders were assailed by the Department in a Review Petition before the JERC and were unsuccessful in the same. The Commission while dismissing their Review Petition vide Order dt. 23rd August 2021 with the direction to the Department "to comply with the impugned order dated 2nd December 2020, the violation of which would attract appropriate legal action". The Department is in blatant violation of the directions passed by this Commission and has wilfully not complied with this Order. It is pertinent to submit that this order remains unchallenged and holds water till date.

(iv) The Commission, with respect to FY 2021-22, had in its Tariff Order dt. 31st May 2021 passed in relation to the A&N Islands condemned the conduct of the Department and directed that: "The Commission noted the concerns of the stakeholder's and directs the Petitioner to strictly comply with the Review Order dated December 2, 2020 wherein the Hotel industry consumers have been categorized under the Industrial category and charging them under the Commercial category is considered as the non-compliance of the Commission's said Order which attracts penal action in the Electricity Act, 2003". The Department has wilfully not complied with this Order till date.

(v) For completeness, it is pertinent to submit that the Department has assailed all the above orders passed by this Commission under DFR No, 422/2021 (for FY 2021-22), DFR No. 417/2021 (for FY 2019-20) and DFR No. 419/2021 (for FY 2020-21) before the Hon'ble Appellate Tribunal for Electricity, New Delhi, where no stay has been granted to the Department and the same are pending adjudication.

(vi) The Department, in complete wilful disobedience of the aforesaid directions, continued to charge the Hotels as per commercial tariffs. This issue was again brought to the notice of the Hon'ble Calcutta High Court by way of Contempt Petition, wherein the Hon'ble High Court was pleased to issue a Rule against the officer to be present in court and directed the Department to raise bills as per industrial tariff. The Department is in blatant violation of the directions passed by the Hon'ble High Court as well and has wilfully not complied with this Order till date and continues to charge Hotels under Commercial tariff.

(vii) For the above-non-compliance the Department is also facing proceedings under Section 142 / 146 of the Electricity Act, 2003 before JERC, wherein both sides have argued at length, filed their respective pleadings and the case is now pending for final order/judgment.

Further, the top 5 MW & 20 MW Solar Power project of A & N Administration had miserably failed due to no power backup. The government needs to invest in more innovative alternative mechanism to generate green energy after taking input from other similar islands nations.

Due to the pandemic, the sales of the hotel industry had dropped to 0% occupancy, and there appears only a negligible hope of this recuperating depending on the traffic this year. Furthermore, after the recent wave of COVID this year, all hopes of revival of the Hotel industry were shattered. The Hotels are yet recovering at a very slow pace from the losses incurred from the past almost more than 3 years and the additional burden of such an unprecedented hike could even force to closure of businesses. In fact, many hotels (such as Coral Cove, GB Oceania, Hotel Dizzy Heights, Hotel Gold Star, Hotel Gold India etc.) have shut down and/or are into liquidation due to the financial stress. The rates proposed by the Electricity Department are extremely high even when compared with the rates being charged by the Electricity Department of other UTs. For instance, the Electricity charges for hotels operating in other UTs are as follows:

(a) Chandigarh 5.00 Rs/kWh

(b) Daman & Diu 4.05 Rs/kWh

(c) Puducherry 7.00 Rs/kWh

(d) Lakshadweep 9.50 Rs/kWh

(e) Andaman & Nicobar 25.00Rs/kWh

Firstly, it is submitted that those hotels which are recognized as an Industry under the MSME Act are to be charged industrial rate, presently capped at Rs.11.75 per/kWh. This applicability was confirmed by JERC, vide Order dt. 02.12.2020 in Petition No. 30 of 2020 titled "Sea Shell Hotels and Resorts & Anr. vs. Supt. Engineer, EDA&N', wherein the Commission was pleased to direct the Electricity Dept. to charge the hotels under industrial Category in place of Commercial Category as directed by JERC through its Tariff Order dated 20.05.2019. The aforesaid Order was passed on the basis of an Affidavit filed by the Electricity Dept. acknowledging its mistake of wrongly charging the Hotels under the Commercial category and in fact prayed before the Commission that Hotels, fulfilling the required criteria, be charged as an Industry. Despite the aforesaid acknowledgment by the

Dept. itself and in complete violation of the direction passed by JERC, the EDA&N has wrongfully been overcharging the Hotels at Commercial rates. To our shock and dismay, the Department served Notices to our member hotel, asking to pay the enhanced commercial rates, failing which it would disconnect their electricity connection. Such act by the Department is completely contrary and in derogation of the directions passed by the Commission. The stakeholder submitted that in its previous representation made in the public hearing for FY 2021-22, they had requested the Commission to exercise its power under Regulation 70(i) of the (Conduct of Business) Regulations, 2009 and take suo-moto cognizance of the blatant violation and take appropriate action against the Department.

Secondly, the Hotels are ought to be charged at the industrial rate at Rs.11.75 per/kWh. However, with the proposed enhancement and separate categorization of the Hotel, the rate would shoot up to Rs.23.30 per/kWh, thereby causing a sudden and steep hike of approx. 100% proposing yet again to cause a Tariff shock to the Hotel industry.

Thirdly, the introduction of a separate category for hotels proposing its tariff at par with that for commercial category, is a colourable exercise on behalf of department to treat and charge the hotels as commercial establishment is devoid of any reason or justification and is arbitrary which needs to be rejected by this Commission. It is submitted that if the proposal is accepted, there would effectively be no distinction between all the category of commercial and hotels both alike and therefore, disentitling the Hotel establishment, falling under the industrial category. It is submitted that this sudden hike is in clear violation of Regulation 67(4)(e) of the JERC Multi-Year Tariff Regulations, 2018 which stipulates that the "tariff shall be set by the Commission in such a manner that it may not present a tariff shock to any category of Consumers" [Emphasis supplied].

Fourthly, the Electricity Department is misusing its power and the discretion exercised by the Commission by proposing to cap the rates of hotels equivalent to that of Commercial for having usage of 1001 units and above. Therefore, despite having categorized as an Industry by the A&N Administration and also being registered under MSME, the hotels, now being categorized under a new category, will be expected to pay charges, equivalent to that of commercial category. As such, the Department is clandestinely trying to achieve indirectly through the subject petition what it could not achieve under the previous years' Tariff Petition and as such, misusing the discretionary power of the Commission by capping the industrial and commercial rates at the same price.

Fifthly, the steep hike proposed in the Fixed Charges is not acceptable. The unique geographical location of the Andaman and Nicobar Islands should not be equated with other Union Territories, particularly Goa. Upon reviewing the Goa Tariff Order dated 30.03.2023, it is observed that Hotels are categorized separately as "Industrial LT -Hotels." However, it is noteworthy that the tariff for "Industrial LT -Hotels," at Rs. 5.60/kWh for all units, surpasses the higher slab of the commercial category, which is Rs. 5.30/kWh for 400 units and above. This indicates that even in Goa, Hotels are classified above the commercial category. It is also relevant to mention that other UTs, namely Chandigarh, Daman & Diu, Puducherry, and Lakshadweep, under the jurisdiction of the JERC, also classify Hotel Establishments under the Commercial Category as reflected in Table 4.3.3.1 of the Petition. It is note-worthy that the Commission has in its previous Tariff Orders passed since 2012 has categorically mentioned that "Historically there has been a substantial gap between the Average Cost of Generation and Average Cost of Supply in the UT of A&N Islands, which cannot be transferred directly to the Consumers". In fact, the Hon'ble Commission has been trying to bridge the gap considering the requirement of the power department and simultaneously it ensures that the consumers are not over-burdened all of a sudden. In fact, the EDA&N, has acknowledged in their own petition that the basic requirement of any tariff proposal is that it has to be transparent and justifiable against the various policy guidelines and the frame work evolved by the JERC and various SERC . This genesis of the proposal is completely contrary to the rules and regulations followed by the Commission and ought not to be allowed, as the Department has not only failed to provide for reasons neither for such unprecedented hike in tariffs nor for introducing separate category for Hotels and proposing the tariffs for all Hotels, commercial and industrial establishment but also to appraise the Commission of the true facts and hardships faced by the hotels during COVID-19 pandemic. It is to be noted that for FY 2020-21, neither the Administration had proposed any tariff hike nor did the Commission hike the tariff in view of the Pandemic situation prevailing in entire world. In fact, taking cognizance of the situation, the Commission came out with an Order dated 10.04.2020 to mitigate the hardships being faced by the Electricity Consumers. It is also pertinent to submit that, a similar prayer for tariff hike was refused last year considering various aspects such as tariff shock, noncompliance of the old directions etc., and a similar prayer, with in fact a proposed hike by 100%, has been made without putting forth the correct facts and without considering the JERC Regulations applicable in this regard. Even in the other UT such as Goa, which is similarly placed as A&N Island and also falls under the purview of Commission, hotels with boarding facility are departmentalized under a separate “Industrial LT Hotels” category and giving them tariff benefits based on the recognition under the Goa Registration of Tourist Trade Act, 1982. Moreover, the tariff for such hotels last capped at Rs.5.60/kWh (after being enhanced from Rs.5.25/kWh) against the proposed tariff of 23.30 kWh for the Hotels in A&N Islands. On the other hand, the Electricity Department of A&N, in its Petition, neither proposes to retain Hotels the industrial tariff nor does it propose any such benefits based on their recognition under the MSME, which has been executed by the Administration for years. In the above difficult times faced by public, it would not at all be prudent to increase tariff at all.

Apart from above, the Commission also ought to consider that Hotels also carry out various ancillary activities on a daily basis such as procurement and treatment of water to make it potable and fit for consumption due to lack of supply from the authorities, undertaking treatment of sewage due to lack of sewage system etc. This too requires substantial electricity consumption which is a constant overhead all through the year, irrespective of hotel occupation. As a result, the overall impact of the sudden substantial increase in electricity tariff is exponential on the entire hotel industry, thereby making sustenance in the tourism industry difficult and unviable in the long run. It is further submitted there is a high cost incurred for electricity production by the department which is due to adopting ineffective methods of production viz. using high-cost raw material such as diesel as against other, more cost-effective material. It is this high production cost which creates a revenue gap. Passing the same on to the consumers, especially in an industry which supports and provides maximum employment in the islands, would wreak havoc to the entire hotel and tourism industry, and hence the entire economy.

The proposed electricity hike will have a crippling impact on the tourism/ hotel industry which is cyclical in nature and where the season is only eight month a year — which also is bleak given the COVID-19 pandemic. Other notable factors are that there is no water supply in the Island so water is obtained from a) ground water, b) rain water and c) sea water all of which require power. Therefore, with the hike in electricity rates, not only electricity but also water rates have gone up. Other than water, sewerage and drainage are similarly dependent on electricity so their cost has gone up as well.

By effectuating the proposed hike, the Hotel industry would be hampered because of high electricity tariff as the Hotels will have no other option but to realize the same directly from its consumers, who would then be paying higher charges for the same services. The instant tariff proposal is not at all in the larger interest of the people, especially the Hotel Sector of these islands, and should not be allowed at all.

Petitioner's Response:

The petitioner submitted that there is a huge gap between Net Revenue Requirement (NRR) & Revenue Realized (RR). Therefore, the department has proposed increase in the tariff rates. Even with this hike still the gap between NRR & RR has to be met by UT Budget which is a burden to the govt. exchequer. Moreover, the department always intend to promote and encourage high value consumers to move towards small scale renewable plants on their respective premises, which shall reduce their dependency on the grid and shall reduce their energy bills. Under Agriculture Category, the department has proposed a meagre hike in tariff i.e. from Rs. 1.75 per kWh to Rs. 2.60 per kWh. Further, the proposed undersea power connection is undertaken on war footing under able guidance of CEA. Accordingly, CEA has directed CTUIL to review the proposal to explore the feasibility of establishing terminals at the A&N Islands.

The plea to avoid increasing the power tariff over the next two years may not be needed, as such a proposition could impose a substantial financial burden on the government's treasury

Further, the claim of a nearly 100% tariff hike, as presented by the Petitioner, is inaccurate, as the data provided is misrepresented and misleading the Commission. The suggested tariff rates for Hotels/ Restaurants/ Resorts are as follows:

Table 8: Petitioner's submission regarding existing and proposed tariff rates for Hotel Category

Slabs	Existing	Proposed
Up to 200 units	8.75	13.10
201-500 units	11.00	16.50
501-1000 units	14.00	21.00
1001units & above	15.50	23.30

Therefore, it is evident that there is no hike of 100% on any slab.

The Order Dated 2nd December in Petition No. 30 of 2020 & 31 of 2020 have been challenged before Hon'ble APTEL on the ground that the said order came in view of unauthorized concession made by the official against whom competent authority has initiated action and the matter has been referred to CBI. It is apposite to mention that the reply affidavits in the Review Petition 30 of 2020 were filed by the concerned officer, who, in disobedience of the directions given by the Hon'ble Lieutenant Governor and without consulting the concerned departments of the A&N Administration filed affidavits /replies in support of the Hoteliers for charging the electricity on industrial rate. The concessions made before the Commission in the course of proceedings of review, were without instructions and authority of the Administration. The Hon'ble Lt. Governor, on the perusal of the pleadings, noticed that relevant facts were not placed before the Commission and the views of Law & Finance Departments of the Administration were not obtained before filing reply before the Commission.

The submission is denied and it is to stated that the Hotels are charged under “Hotel/ Restaurants/ Resorts” as approved by Commission.

Further, the Hon'ble High Court of Calcutta order dt. 31st August 2021 had been challenged before the Division Bench & the Hon’ble Division Bench vide order dated 17th December 2021 directed that: -

"*Since today, such appeals are pending, it would be appropriate to reiterate that the rates paid by the writ petitioners from December 2, 2020 at the industrial rate will be abide by the result of such appeals."* The Hon'ble High Court vide Order Dated 26th September 2022 disposed of the contempt petition.

It is denied that the 5 MW & 20 MW Solar Power has miserably failed. It is to submit that the 5 MW SPV has delivered 5.39 MU and 20 MW SPV has delivered 13.35 MU during FY 2022-23. Further, a proposal to augment BESS at 20 MW SPV is under pipeline.

The department is actively implementing measures within the renewable sector to enhance power generation.

Stake holders stated that many hotels are under shutdown as hotels are yet recovering at a very slow pace. In this context, bill statement of Hotel Coral Cove (G1/6088) was submitted and on its perusal, it is evident from their unit consumption that establishments are performing well. Moreover, any closure or liquidation of the mentioned establishments is attributed to another reason and must not be linked to the Electricity Department.

It is important to highlight that several UTs in their petition, have suggested almost recovering the entire Net Revenue Requirement (NRR) through sales. In contrast, the department has proposed a modest amount, merely 30%, to be recovered through sales i.e. Rs. 408.84 Crore of its proposed Net Revenue Requirement of Rs. 1540.59 Crore.

The Electricity Department sought separate category for Hotel Establishment being commercial activity with tariff less than that of Commercial Category, bearing in mind that charging hotels under industrial category would have huge financial implication on the state exchequer.

The Electricity Department has proposed a Tariff Hike to bridge its huge gap between NRR and RR. Further separate category for Hotel Establishment is sought as charging hotels under industrial category would have huge financial implication on the state exchequer.

The unique geographical location of the Andaman and Nicobar Islands should not be equated with other Union Territories, particularly Goa. Upon reviewing the Goa Tariff Order dated 30.03.2023, it is observed that Hotels are categorized separately as "Industrial LT Hotels." However, it is noteworthy that the tariff for "Industrial LT Hotels," at Rs. 5.60/kWh for all units, surpasses the higher slab of the commercial category, which is Rs. 5.30/kWh for 400 units and above. This indicates that even in Goa, Hotels are classified above the commercial category. It is also relevant to mention that other UTs, mainly Chandigarh, Daman & Diu, Puducherry, and Lakshadweep, under the jurisdiction of the JERC, also classify Hotel Establishments under the Commercial Category.

The Electricity Department under aegis of A&N Administration is already taking various steps exploring alternate source of energy.

Commission's View:

The Commission has noted the submission of the Stakeholders and Petitioner. The stakeholders opposed the tariff hike proposed by the Petitioner. The Commission decides the tariff based on ARR and average cost of supply (ACoS) approved for the relevant year. It is to be mentioned that the Petitioner supplies power through diesel-based plants, mostly, which are much costlier compared to other sources. The Commission has, from time to time, directed the Petitioner to explore other alternatives to reduce the power purchase cost. Due to this high-power cost, ACoS is also on higher side for the Petitioner. Hence, the budgetary support is required from the A&N Administration, which is duly considered by the Commission while approving the tariff recovery from consumers much lower than ACoS. Based on the detailed analysis, the Commission decides the tariff, and the approach of the Commission is given in chapter on Tariff Principles and Design.

With respect to the applicability of tariff category, the Commission has given detailed applicability for each consumer category under Tariff Schedule given in this order.

2.2.2. New Consumer category creation for religious places

Stakeholder's Comment:

One of the stakeholders submitted that, presently the religious places situated at Andaman & Nicobar Island have their electricity connection under the commercial category and are charged accordingly. Since all the religious place do not generate any income and function only through donation by the devotees, it would be unjust to place them under the commercial category. Therefore, it is requested for creation of a new category for the religious places accordingly.

Petitioner's Response:

The petitioner submitted that as per JERC Tariff Order Dated 28th March 2023 all the places of worship like temples, mosques, churches, gurudwaras, Buddhist Pongi Chung (except residential areas), public Pooja celebrations and religious ceremonies are classified under Commercial category. Any change in category may have financial burden on Govt. exchequer.

Commission's View:

The Stakeholders may note the submission of the Petitioner.

2.2.3. Provision of different tariff rates for different Islands as per the cost of transportation

Stakeholder's submission:

One of the stakeholders submitted that although the electricity tariff is same across all the islands, the transportation of diesel for the purpose of generating electricity is more expensive in the Nicobar group of islands, specifically in North and Middle Andaman, and the islanders of South Andaman bear the excess charges, which is unfair. Additionally, the tariff of the electric metre should be determined by the cost of diesel transportation across different islands.

Petitioner's Response:

The petitioner submitted that the approved tariff covers the entire A&N Islands and remains consistent across all locations within the region. Therefore, any request for separate electricity tariffs in different islands based on diesel transportation costs, regardless of location, has the potential to affect consumers in remote areas.

Commission's View:

Since there is only one distribution licensee for whole A&N Islands hence, the Commission decides a common tariff which is applicable for all consumers of respective category of A&N Islands, irrespective of its location.

2.2.4. Explore alternative source of Energy

Stakeholder's submission:

One of the Stakeholder submitted that, the Administration tells and suggest the Islanders to use the Solar Power Plant to make it green & environmentally friendly but provides with no subsidy for the usage of the Solar power plants in Commercial establishment/hotels. Also, the Department doesn't know what to do and what not to do in regard of the solar power plant & takes a period of almost 2 years for issue of the Solar plant which is extremely a long period & harassment to the local public/Islanders which should actually be helped out by the administration so that a greater number of commercial establishment /hotels will make use of the Solar Power Plant. Even for the normal electric meter negligence from the Electricity Departmental end.

Other stake holder submitted that the Electricity department has over the period failed to increase power generation through better cheaper and efficient modes and have instead moved towards purchasing from small private diesel generators which has increased the cost of Power Purchase, which appears to be one of the primary reasons for escalated costing, which the department wishes to recover through the consumers. The government needs to invest in more innovative alternative mechanism to generate green energy after taking input from other similar islands nations. A few such ways to generate cheaper green energy are mentioned below:

(i) Geo Thermal: Geo Thermal Power project is operational in the Aceh province of Indonesia which was jointly inspected by A & N Administration and Andaman Chamber of Commerce & Industry (ACCl). Since A & N Islands are also volcanic islands and are the only two volcanos are active in these islands. The option to explore the Geo thermal power plant may be explored at the earliest.

(ii) Tidal Energy: Many nations have successfully developed technology to harness power from the change of tides} (waves). The Andaman Islands are} surrounded by sea and it would be prudent to invest in such technology to generate cheap and green power.

(iii) Multi Grid: A combination of solar} with 100% Power backup, Bio Mass and Wind energy should be explored for smaller power plants ranging from 0.2 — 2 MW in remote islands.

(iv) Micro Nuclear Plant: Recently many developed countries have shown keen interest in developing and installing Micro Nuclear Plants at remote decentralized location and have successfully tested and implemented many such projects. This technology can be explored for our islands power plant requirement ranging between 20-50 MW. This will be the cleanest source of power generation with low carbon footprint.

(v) The power plant based on diesel, gas (CNG) & thermal will require transportation of raw materials from mainland, thereby increasing the cost of generation and adding to the carbon footprint. Therefore, A & N Administration should incentivize innovative means of power generation and invest heavily on green power generation

It is well known that all the departmental officers in the Administration & the State Transport Services are provided with Electric vehicles so that the use of petrol & diesel gets reduced & the level of pollution also gets reduced. But instead of using the diesel in the vehicles it is been used in the generators for charging the vehicles, then what is the use of investing huge amount of money in the solar power plant if diesel is to be used for charging the electric vehicles. Thus, there should be provision of solar power plants for charging of the electric vehicles thereby reducing the use of diesel.

Petitioner's Response:

The petitioner submitted that subsidy is offered for installation of rooftop solar. New electric connection is issued as per the prescribed timeline in JERC (Electricity Supply Code) Regulation, 2018.

Commission's View:

The Commission appreciates the concern of the stakeholder. The Commission directs the Petitioner to follow the timelines given in respective regulations for giving permission for solar projects and installation of new connections.

2.2.5. Interest on Security Deposit

Stakeholder's submission:

The Stakeholders submitted that for issuance of the electric meter connection throughout the islands, Security Deposit is being charged. There should be a provision that the interest of the Security Deposit can be credited directly into the consumers savings/current account which is blocked by the Andaman & Nicobar Cooperative Bank in lieu of Security Deposit. Therefore, the interest amount is utilized either by the bank or by the Electricity department which is completely unbearable & is a way of looting the general public.

Petitioner's Response:

The Petitioner submitted that the matter has been taken up for opening of interest-bearing deposit head of account for security deposit.

Commission's View:

As per Regulation 29.11 of the JERC MYT Tariff Regulations, 2021 stipulates as follows:

"29.11. Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed: Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

As per Petitioner submission in petition though the security deposit is not in cash, the Petitioner cannot deny about its moral responsibility to ensure credit of the interest on security deposit held in cash. The Petitioner is directed to develop a suitable mechanism for giving timely credit of interest on consumers security deposit on priority.

2.2.6. Reinstation of consumer category as industry category

Stakeholder's submission:

The stakeholder M/s Icy Spicy Foods Pvt. Ltd most humbly pray to reinstate its Consumer Category as Industry. The Petitioner, M/s Icy Spicy Foods Pvt. Ltd. (Manufacturing Unit), Birdline, Port Blair also requested for refund/adjustment (with future power consumption bills) of entire surplus amount that the Electricity Department collected from the Petitioner by whimsical change in Consumer category from Industry to Hotel/Restaurant/Resorts.

Another stakeholder submitted that scope for industrial activities in these islands are limited. Industrial activities are source of employment generation. Manufacturing of sweets and bakery items comes under the periphery of Industrial activities. Almost all such manufacturing units of these islands are registered with the MSME which encourage for industrial activities.

It has been noticed that establishments of Manufacturing Units for sweets and bakery items have been classified as Hotel/Restaurant/Resorts for the purpose of raising power consumption bills.

Owners of all such Manufacturing Units for sweets and bakery items have very vividly urged to raise this issue before the JERC while camp at Port Blair for consideration of their request for treating Manufacturing Units for sweets and bakery items as Industry.

One of the stakeholders also submitted that all manufacture factory /MSME should be included in Industry category [except product sales retail/ whole sale].

Petitioner's Response:

The petitioner submitted that a case has been filed before Hon'ble Ombudsman vide Appeal No. 201/2023 and the same was dismissed on the ground for lack of jurisdiction. The petitioner M/s Icy Spicy Foods Pvt. Ltd. operates bakery which is classified under Commercial category as per JERC Tariff Order Dated 28th March 2023.

Further, the petitioner submitted that as per JERC Tariff Order dated 28th March 2023 for FY 2023-24 following are placed under LT/HT Industrial category " supply of energy at Low Tension for lighting , fan and power to industrial establishments & industries such as wood -based, cottage, small scale , medium -scale , finishing shell based and any other establishments/organizations engaged in manufacturing and processing of goods for sale , rice mills , flour mills , workshops, dry docks , factories base repair organizations, public water works & gem cutting units.".

The petitioner submitted that bakeries have been designated under the Commercial category in accordance with the JERC Tariff Order dated 28th March 2023. Inclusion of bakeries under the Industrial Tariff may result in a financial burden on the government exchequer, considering that bakeries operate as commercial entities engaged in commercial business activities.

Commission's View:

The Commission has given detailed description of applicability of tariff for various consumer categories in chapter 7 of this order.

2.2.7. Electricity connection in encroached and forest land

Stakeholder comments:

One of the stakeholders submitted that Hybrid Solar Power model installation as a measure of Nonconventional source of energy is the necessity in remotely located villages of GP Swadesh Nagar by Govt. initiative to control the revenue expenditure/ deficit of GoI. The encroachment area under revenue land may be considered to enable electricity connection. The electricity connection must be provided to the household who has family identity card of CS & CA irrespective of the condition of his name is included in the land record joint mutation/ process of subdivision NOC is not availed due to land dispute in allotted land. Any Govt. establishment which has direct impact on public lives even if they are located in forest land should be provided electricity connection such as (i) Govt primary school Lauki Nallah-4 (ii) Govt primary school Lauki Nallah-3 (iii) Anganwadi Centre Lauki Nallah-4 (iv) Anganwadi Centre Lauki Nallah-4 (v) community playground at Thoraktang under GP swadesh Nagar, Solar connection may also work.

One of the stakeholders further submitted that it requests to provide new electric connection to all encroached land after verification of settled possession as per High Court Order and JERC Regulation No. 23/2018.

Petitioner's Response:

The petitioner submitted that as per order of Hon'ble High Court, electricity is provided in revenue encroached lands. However, as per the direction of Hon'ble Supreme Court electricity is not provided in forest encroached land. Electricity connection is provided as per JERC (Electricity Supply Code) Regulation, 2018.

Further, the petitioner submitted that the department in compliance to Hon'ble High Court Order, issued Circular dated 9th October 2023, for facilitating provision of electric connections to encroachers.

Commission's View:

The stakeholder is requested to note the submission of the Petitioner.

2.2.8. Smart-meter Implementation

Stakeholder comments:

One of the stakeholders submitted that Smart Meter, implemented by EESL, which was not implemented as per JERC Regulations.

Petitioner's Response:

The petitioner submitted that the Electricity Department, A&N Administration has executed an agreement Dt. 16th December 2019 with EESL for smart metering project in A&N Islands under DDUGJY & IPDS Scheme. Total 76000 Smart meters were installed of which 39200 under DDUGJY & 36800 under IPDS Schemes. The EESL is maintaining the HES (High End Server) & MDMS (Meter Data Management System) and all the vents are recorded in the meter and transferred to HES & MDMS. Only the kWh of communicated meter is being sent to Electricity Department for uploading in WBBS for monthly billing. The maximum demand of consumer is recorded in the HES & MDMS. All the data related to monthly maximum demand is available at database of EESL. The provision for sending notice to the consumer is to be processed by the site office in coordination with EESL. The mobile app to check the daily unit consumption, connected load etc is available at Google Play Store https://play.google.com/store/apps/details?id=andaman.com.

Commission's View:

The stakeholder is requested to note the submission of the Petitioner.

2.2.9. Issues related to new connection

Stakeholder comments:

A stakeholder submitted that Offline new connection application form is not accepted by the electricity Department in Andaman & Nicobar Islands, which is a violation of JERC Regulation.

Also, the stakeholder submitted the requirement for Creation/appointment of Electrical Inspector in A&N islands as per JERC Regulations.

Further, Electricity connection, certified and supervised by Electrical Inspector in Andaman and Nicobar Islands, is yet to be implemented as per JERC Regulation.

Furthermore, ELCB/RCCB mandatory for given new connection, safety aspects and excess consumption due to current leakage. Demand for amendment in JERC Regulation.

Lastly, the stakeholder raised that new connection issued on the basis of NOC from the legitimate owner should be considered as temporary until he submits the ownership documents. Subsequent withdrawal of NOC by the legal occupier should be considered as power disconnection.

Petitioner's Response:

The petitioner submitted that all new connection application of consumers is submitted at Sub Division Offices and the Sub Division officer is responsible for accepting the applications as per the JERC Regulation.

Further, JERC (Supply Code), Regulation specifies that if the electric installation exceeds 11 KV, requires to be inspected by Electrical Inspectors from CEA.

Furthermore, ELCB/RCCB mandate is not provisioned in JERC Regulation.

Lastly, the petitioner submitted that the new connection and the disconnection is implemented as per the JERC Regulations.

Commission's View:

The Petitioner, in all cases dealing with new connections, is directed to follow the provisions given under Supply Code, regarding the new connections.

Chapter 3 : True-up of the FY 2021-22

3.1. Background

The MYT Order for 2nd Control Period was issued by the Commission on 20th May 2019 (for FY 2019-20 to FY 2021-22) approving the Aggregate Revenue Requirement (ARR) for 2nd Control Period, and Determining the Retail Supply Tariff for FY 2019-2020. Subsequently, the Commission approved Annual Revenue Requirement (ARR) for FY 2021-2022 in its order dated 31st May 2021 while approving the retail supply tariff for FY 2021-22. Subsequently, the Commission conducted Annual Performance Review (APR) for FY 2021-22 in its order dated 1st August 2022.

The Commission, now, in this Chapter carries out the True-up of FY 2021-22 in accordance with the principles laid down in the "Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018", (hereinafter referred to as JERC MYT Regulations, 2018). The True up for the FY 2021-22 has to be carried out in accordance with Regulation 11 of the "JERC MYT Regulations, 2018", which states as follows:

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

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

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

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

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

a) True-up: a comparison of the audited performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check *b) Annual Performance Review: a comparison of the revised performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;*

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

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

e) Other relevant details, if any.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Commission has noted that the Petitioner has requested for True-up of FY 2021-22 based on annual audited accounts for FY 2021-22. The Petitioner has 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 ARR order dated 31st May 2021 of FY 2021-2022.

The Commission, having analysed various elements of the actual revenue and expenses for the FY 2021-22 based on the audited accounts, energy audit report, Fixed Asset register submitted by the Petitioner, raised various queries in deficiency notes, which were shared with the Petitioner. The Petitioner could not submit all the replies on deficiencies pointed out in the deficiency notes. Subsequently in TVS, the Commission raised query regarding Power Purchase and Fuel cost, reconciliation of fixed cost paid to various generators during FY 2020-21. The Petitioner submitted its response on 3rd June 2024. However, the Commission did not find the reply submitted by the Petitioner adequate enough for carrying out truing-up of the petition correctly and justifiably.

As Power Purchase and Fuel Cost are the major contributor in ARR, the Commission has decided not to take up the True-up for the FY 2021-22 in the current order, without proper reconciliation of power purchase and fuel cost and may issue True-up order separately after receipt of the required informations. **Accordingly, the Commission directs the Petitioner to arrange the required informations asked in TVS queries within one month failing which the Commission may pass the True-up order for FY 2021-22 based on the data/informations available on the record.**

Chapter 4 : Annual Performance Review of the FY 2023-24

4.1. Background

The MYT Order for the present control period (i.e. FY 2022-23 to FY 2024-25) was issued by the Commission on 1st August 2022. Subsequently, in Tariff Order dated 28th March 2023, the Commission revised the Aggregate Revenue requirement for FY 2023-24 and based on the same determined the Retail Tariff for FY 2023-24. This Chapter covers the Annual Performance Review (APR) of the FY 2023-24 vis-à-vis the cost parameters approved by the Commission in the ARR order dated 28th March 2023. The Annual Performance Review for the FY 2023-24 is to be carried out as per provisions of Regulation 12 of the "Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021" (hereinafter referred to as "JERC MYT Regulations, 2021").

4.2. Approach for Review for the FY 2023-24

The review of the Aggregate Revenue Requirement requires assessment of the quantum of Energy Sales, Energy Loss as well as the various cost elements like Power Purchase Cost/Fuel cost, O&M Expenses, Interest on long-term loans, Interest on working capital loans, Depreciation etc. The Annual Performance Review for the FY 2023-24 has been done based on the actual information as provided by the Petitioner for initial 9 months of FY 2023-24 of the Power Purchase Quantum and the Cost, Energy Sales, Capitalisation etc. depending on which the estimates for financial year 2023-24 have been made. The various cost elements constituting the Aggregate Revenue Requirement have been approved based on the actual information submitted by the Petitioner, the JERC MYT Regulations, 2021 and on the basis of the norms approved in the Tariff Order dated 28th March, 2023.

4.3. Energy Sales, Connected Load and Number of Consumers

Petitioner's submission:

The Petitioner has submitted a revised estimate of energy sales as 289.71 MUs for the FY 2023-24, based on the provisional energy sales of FY 2022-23 and CAGR for the past periods. Similarly, the Petitioner has proposed the connected load and consumer number of 3,87,093 kW and 1,51,118 Nos., respectively for FY 2023-24. Category-wise details of Energy Sales (MUs), No. of Consumers, Connected Load are as follows.

Table 9: Energy Sales (MUs) estimated by the Petitioner for FY 2023-24

Sr. No.	Category	As approved by the Commission in ARR order dated 28th March 2023	Energy Sales submitted by Petitioner
1	Domestic Consumers	162.56	162.60
2	Commercial Consumers	76.23	80.73
3	Industrial	12.85	12.59
4	Bulk Supply	33.45	26.88
5	Public Lighting	4.40	5.37
6	Irrigation, Pumps & Agriculture	1.61	1.54
7	Total Sales	291.11	289.71

Table 10: Number of Consumers estimated by Petitioner for FY 2023-24

Sr. No.	Category	As approved by the Commission in ARR order dated 28th March 2023	Consumer No. submitted by Petitioner
1	Domestic Consumers	1,20,915	1,26,356
2	Commercial Consumers	20,864	22,886
3	Industrial	391	429
4	Bulk Supply	58	70
5	Public Lighting	686	759
6	Irrigation, Pumps & Agriculture	657	618
7	Total Consumers	1,43,571	1,51,118

Table 11: Connected Load estimated by Petitioner for FY 2023-24 (kW)

Sr. No.	Category	As approved by the Commission in ARR order dated 28th March 2023	Connected Load (kW) submitted by Petitioner
1	Domestic Consumers	2,66,544	2,43,498
2	Commercial Consumers	1,17,932	1,08,931
3	Industrial	13,337	13,505
4	Bulk Supply	20,854	17,320
5	Public Lighting	3,111	2,524
6	Irrigation, Pumps & Agriculture	1,428	1,316
7	Total Consumers	4,23,207	3,87,093

Commission's analysis:

4.3.1. Energy Sales

The Commission has considered the actual/provisional category wise sales information of past period and has calculated the CAGR for past 5-year period. Now applying the said CAGR on provisional sales of FY 2022-23 submitted by the Petitioner, the Commission has arrived at the sales values for FY 2023-24:

Table 12: Computation of Energy Sales (MUs) for FY 2023-24

Energy Sales (MUs)								Estimated
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22**	FY 2022-23**	CAGR*	FY 2023-24
Domestic	127.38	133.66	142.93	139.30	155.95	163.22	5.08%	171.51
Commercial	56.86	62.14	72.41	48.55	60.93	65.36	2.83%	67.21
Industrial	17.49	21.03	12.82	8.53	11.17	11.53	0.00%	11.53
Bulk Supply	32.05	29.83	32.26	27.03	29.27	29.73	0.00%	29.73
Public Lighting	7.61	6.72	6.73	7.77	5.46	5.54	0.00%	5.54
Irrigation Pumps & Agriculture	0.98	1.02	1.12	1.08	1.41	1.82	13.18%	2.06
Total	242.37	254.40	268.27	232.26	265.68	277.20		287.58

** Negative CAGR is considered as zero.*

***Provisional sales (MUs) submitted by the Petitioner for FY 2021-22, FY 2022-23.*

The table below provides the energy sales approved by the Commission in the Tariff Order, the Petitioner's submission and now approved by the Commission.

Table 13: Energy Sales (MUs) approved by the Commission for FY 2023-24

Sr. No.	Category	Approved by the Commission in ARR Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Domestic	162.56	162.60	171.51
2	Commercial	76.23	80.73	67.21
3	Industrial	12.85	12.59	11.53
4	Bulk Supply	33.45	26.88	29.73
5	Public Lighting	4.4	5.37	5.54
6	Irrigation Pumps & Agriculture	1.61	1.54	2.06
7	Total Sales	291.11	289.71	287.58

4.3.2. Number of Consumers

The Commission has considered the actual/provisional category wise consumer information of past period and has calculated the CAGR for past 5-year period. Now applying the said CAGR on provisional no. of consumers of FY 2022-23 submitted by the Petitioner, the Commission has arrived at the no. of consumers for FY 2023-24:

Table 14: Computation of No. of Consumers for FY 2023-24

No. of Consumers								Estimated
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22**	FY 2022-23**	CAGR	FY 2023-24
Domestic	1,10,547	1,12,014	1,16,413	1,18,597	1,22,421	1,25,105	2.51%	1,28,245
Commercial	20,056	20,261	20,828	21,256	21,928	22,659	2.47%	23,219
Industrial	579	581	469	468	439	425	0.00%	425
Bulk Supply	64	64	66	70	69	69	1.52%	70
Public Lighting	688	689	738	807	750	751	1.77%	764
Irrigation Pumps & Agriculture	374	381	443	478	562	612	0.00%	612
Total	1,32,308	1,33,990	1,38,957	1,41,676	1,46,171	1,49,621		1,53,335

** Negative CAGR is considered as zero.*
***Provisional no. of consumers submitted by the Petitioner for FY 2021-22, FY 2022-23.*

The table below provides the number of consumers approved by the Commission in the MYT Order, the Petitioner's submission and now approved by the Commission.

Table 15: Number of Consumers approved by the Commission for FY 2023-24

Sr. No.	Category	Approved by the Commission in ARR Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Domestic	1,20,915	1,26,356	1,28,245
2	Commercial	20,864	22,886	23,219
3	Industrial	391	429	425
4	Bulk Supply	58	70	70
5	Public Lighting	686	759	764
6	Irrigation Pumps & Agriculture	657	618	612
7	Total Consumers	1,43,571	1,51,118	1,53,335

4.3.3. Connected Load

The Petitioner has submitted the information of actual/provisional connected load (in kW) of past periods, the Commission has considered the actual category wise information of FY 2022-23 and the Commission calculated the CAGR for past 5 year period. Now applying CAGR the Commission has arrived at the connected load for FY 2023-24:

Table 16: Computation of Connected Load (kW) for FY 2023-24

Actual Connected Load (kW)								Estimated (kW)
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	CAGR	FY 2023-24
Domestic	1,45,189	1,55,414	1,85,859	1,82,955	2,17,672	2,41,087	10.67%	2,66,811
Commercial	57,670	62,911	90,671	92,813	1,05,213	1,07,852	13.34%	1,22,240
Industrial	21,602	22,990	14,554	14,591	14,102	13,371	0.00%	13,371
Bulk Supply	12,388	12,388	1,293	14,331	17,240	17,149	6.72%	18,301
Public Lighting	2,832	2,870	2,990	2,786	3,078	2,499	0.00%	2,499
Irrigation Pumps & Agriculture	1,016	2,977	1,042	1,210	1,397	1,303	5.10%	1,369
Total Connected Load	2,40,697	2,59,550	2,96,409	3,08,686	3,59,502	3,83,261		4,24,591

***Provisional connected load submitted by the Petitioner for FY 2021-22, FY 2022-23.*

Now, the table below provides the connected load (kW) approved by the Commission in the MYT Order, the Petitioner's submission and now approved by the Commission.

Table 17: Connected Load approved by the Commission for FY 2023-24 (kW)

Sr. No.	Category	Approved by the Commission in ARR Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Domestic	2,66,544	2,43,498	2,66,811
2	Commercial	1,17,932	1,08,931	1,22,240
3	Industrial	13,337	13,505	13,371
4	Bulk Supply	20,854	17,320	18,301
5	Public Lighting	3,111	2,524	2,499
6	Irrigation Pumps & Agriculture	1,428	1,316	1,369
7	Total Connected Load	4,23,207	3,87,093	4,24,591

The Commission approves energy sales of 287.58 MUs, connected load of 4,24,591 kW and number of consumers as 1,53,335 Nos. in the APR of FY 2023-24.

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

Petitioner's submission:

The Petitioner has proposed Intra-State T&D loss level at 18.51% against an approved loss of 13.91% in the Tariff Order dated 28th March 2023.

Table 18: T&D Loss submitted by the Petitioner for FY 2023-24

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Intra-State distribution loss	13.91%	18.51%

Commission's analysis:

The Commission had approved loss level of 13.91% for FY 2023-24 in the Tariff Order dated 28th March, 2023 while determining ARR for the FY 2023-24. The Petitioner has not provided any justification to consider it as 18.51% in APR for FY 2023-24. The Commission finds it appropriate to consider the loss level of 13.91% as approved in the Tariff Order for FY 2023-24 dated 28th March 2023. The following table provides the Intra-State distribution loss approved in the MYT Order, the Petitioners submission and now approved by the Commission.

Table 19: Intra-State Distribution Loss (%)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Intra-State distribution loss	13.91%	18.51%	13.91%

The Commission approves Intra-State T&D loss of 13.91% in the APR of FY 2023-24.

4.5. Energy Balance

Petitioner's submission:

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

Table 20: Energy Balance (MUs) submitted by Petitioner

Sr. No.	Particulars	Petitioner's Submission
A	**Energy Requirement**	
1	Total Sales within the UT	289.71
2	Distribution losses (%)	18.51%
	Distribution losses (MUs)	65.81

Sr. No.	Particulars	Petitioner's Submission
3	**Energy Requirement at periphery**	**355.52**
B	**Energy Availability**	
1	Power Purchase	259.39
2	Own Generation	96.13
3	**Total Energy Availability**	**355.52**
C	**Total shortfall/(Surplus)**	**0.00**

Commission's analysis:

The Commission has determined the Energy Balance based on the revised estimates of energy sales and approved distribution losses for APR of FY 2023-24 (i.e.13.91%). The table below provides the Energy Balance as approved by the Commission in the Tariff order dated 28th March 2023, the Petitioner's submission and the Energy Balance now approved by the Commission.

Table 21: Energy Balance (MUs) approved by the Commission for FY 2023-24

Sr. No.	Particulars	Approved by the Commission in ARR Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
A	**Energy Requirement**			
1	Total Sales within the UT	291.71	289.71	287.58
2	Distribution losses (%)	13.91%	18.51%	13.91%
	Distribution losses (MU)	47.04	65.81	46.47
3	**Energy Requirement at periphery**	**338.14**	**355.52**	**334.05**
B	**Energy Availability**			
(a)	Renewable Generation (IPP)	22.90		22.87
(b)	Power purchase Generation (IPP/HPP)	245.76	**259.39**	236.51
(P)	**Total Power Purchase (IPP/HPP)**	**268.66**		**259.39**
(x)	Solar Generation (own)	14.71		0.02
(y)	Hydro Generation (own)			14.49
(z)	Diesel Generation (own)	54.78	**96.13**	60.15
(Q)	**Total own Generation**	**69.49**		**74.66**
	Total Energy Availability at periphery (P)+(Q)	**338.15**	**355.52**	**334.05**

Sr. No.	Particulars	Approved by the Commission in ARR Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
C	**Total shortfall/(Surplus)**	**0.00**	**0.00**	**0.00**

In the APR of FY 2023-24, the Commission has estimated a shortfall/(surplus) quantum of Nil.

4.6. Power Purchase Quantum & Fuel Cost

Petitioner's submission:

The energy requirement of EDA&N is met from own generation & purchase from local HPPs, IPP & other generators. There is no availability of power from Central Generating Stations or open market/ power exchanges etc.

The Commission has approved the Fuel Cost for the FY 2023-24 in the Tariff Order Dt. 28th March 2023. However, on the basis of the revised estimates of energy sales for the FY 2023-24 & cost figures available during the first half of FY 2023-24, ANED submits the revised estimates of fuel cost and also cost of power procured from various IPPs and other generators for FY 2023-24. The Petitioner has submitted the IPP and HPPs wise power generation, fuel consumption and power purchase cost including own generation for FY 2022-23, as presented in the following tables:

Table 22: Summary of Power Purchase Expenses submitted by the Petitioner for the FY 2023-24

Source	Installed Capacity MW	Energy Received by Licensee (kWh)	Unit cost as per PPA	FC (Rs. Crores)	SFC as per PPA (Litre/kWh)	HSD Consumption (Litre)	Average HSD Rate (Rs. / Litre)	VC (Rs. Crores)	Total (Rs. Crores)
HPP (10MW)-II SRGC - (5MW Stop gap)	5	29858229	0.92	2.75	0.27	8061722	103.8	83.70	86.45
HPP (10MW)-IV NBEW	10	32574710	1.03	3.36	0.27	8795172	103.8	91.31	94.67
HPP (10MW)-V SS&S	10	32366900	1.01	3.27	0.27	8739063	103.8	90.73	94.00
Aggreko Plan/NTPC (5 MW)	5	41171031	1.1	4.53	0.27	11116178	103.8	115.41	119.94
Express/NTPC (10 MW) B/flat	10	70305400	1.1	7.73	0.27	18982458	103.8	197.08	204.82
HPP (5MW) - Aggreko	5	4380000	1.02	0.45	0.26	1151940	103.8	11.96	12.41
HPP (5MW) - SRGC	5	2920000	0.92	0.27	0.27	788400	103.8	8.19	8.45
Secretariat	0.75	45141.95	20	0.09	-	-	-	-	0.09
5 MW Solar PV Plant,	5	5443985.9	9.35	5.09	-	-	-	-	5.09

Source	Installed Capacity MW	Energy Received by Licensee (kWh)	Unit cost as per PPA	FC (Rs. Crores)	SFC as per PPA (Litre/kWh)	HSD Consumption (Litre)	Average HSD Rate (Rs. / Litre)	VC (Rs. Crores)	Total (Rs. Crores)
Garacharma NTPC									
20 MW SPV Power Plant, NLC	20	13493026	6.85	9.24	-	-	-	-	9.24
1 MW Rooftop Solar, SECI	1	872800.59	4.56	0.40	-	-	-	-	0.40
2.84 MW Rooftop Solar, M/s Mundra Solar PV Ltd.	2.84	2760996.6	2.2	0.61	-	-	-	-	0.61
0.31 MW Rooftop Solar, M/s Mundra Solar PV Ltd. Car Nicobar	0.31	257842.9	2.2	0.06	-	-	-	-	0.06
Shaheed Dweep (Neil) Private	1.8	5400110.4	0.89	0.48	0.27	1582783	103.8	16.43	16.91
Swaraj Dweep (Havelok) Private	1	3573148.7	0.93	0.33	0.27	1108865	103.8	11.51	11.84
Baratang (Hiring)	3.25	4354110	1.06	0.46	0.26	1160600	103.8	12.05	12.51
Panighat, Mayabandar Private	3.2	9339954.8	0.96	0.90	0.26	2527545	103.8	26.24	27.14
Smith Island	0.082	61719.08	73*	0.45	0.27	48762	103.8	0.51	0.96
Gandhi Nagar	0.102	93365.41	74*	0.69	0.27	55211	103.8	0.57	1.26
Shanti Nagar	0.082	48220.43	72*	0.35	0.27	43886	103.8	0.46	0.80
Ganesh Nagar	0.196	67352.86	73*	0.49	0.27	47457	103.8	0.49	0.98
Total	89.612	259388046		41.99		64210042		666.65	708.64

**Per hour charges as submitted by the Petitioner in current Petition.*

Table 23: Own Generation cost submitted by the Petitioner for the FY 2023-24

Financial Year	Total Capacity (MW)	Gross Generation (MWh)	HSD Consumption (Litre)	Amount (Rs. Crores)	Lube (Litre)	Average Lube Rate	Amount (Rs. Crores)	Total Cost (Rs. Crores)
FY 2023-24	51.9	99.79	24499417	254.36	91793	224.90	2.06	256.43

Table 24: Own Generation & Power Purchase cost for the FY 2023-24 (Rs. Crores)

Sr. No	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Cost of Fuel/Power Purchase	899.88	965.07

Commission's analysis:

The Commission notes that as per Regulation 13.1 of the JERC MYT Regulations, 2021, power purchase and fuel cost are uncontrollable parameters. Thus, the power purchase and fuel cost must be revisited every year by the Commission. The Commission has considered that the power requirement shall be met mainly from own generation apart from procurement of power from the IPPs and other generators. The Petitioner has considered higher T&D loss compare to approved T&D loss in ARR Order dated 28th March 2023.The Commission has derived the energy requirement in Energy Balance section with approved T&D loss. The Commission has reviewed the power purchase projection given by the Petitioner and the provision given under PPAs. Considering past data of power generation from different power project, the Commission has approved the power purchase from different power stations including own generations. The Commission has considered power generation from renewable energy projects available from own and IPP project, including solar and hydro based projects. Accordingly, the Commission approves the power purchase quantum and own generation units as determined in the energy balance.

Considering the Petitioner's submission, details of power plants and quantum of Energy availability are as below:

Table 25: Details of power availability from the various Power generating Station for FY 2023-24

Sr. No.	Particulars	Power Generated (MUs)
A.	**Own (HSD) Generation**	**60.15**
B.	**Hired Power Plant (HSD) Generation**	
1	HPP- II SRGC (5MW stop gap), (10 MW)	29.86
2	HPP- IV NBEW (10MW)	32.57
3	HPP- V SS & S, (10 MW)	32.37
4	Aggreko Plan/NTPC, (5 MW)	41.17
5	Express/NTPC Bamboo flat, (10 MW)	70.31
6	HPP- Aggreko, (5MW)	4.38
7	HPP- SRGC, (5MW)	2.92
8	Shaheed Dweep (Neil) Private, (1.80 MW)	5.40
9	Swaraj Dweep (Havelok) Private, (1 MW)	3.57
10	Baratang (HPP), (3.25 MW)	4.35
11	Panighat, Mayabandar Private, (3.20 MW)	9.34
12	Sagar Dweep (Smith Island), (0.082 MW)	0.06
13	Gandhi Nagar, (0.102 MW)	0.09
14	Shanti Nagar, (0.082 MW)	0.05
15	Ganesh Nagar, (0.196 MW)	0.07
Total Power Generation (Hired Power Plant)		**236.51**
C.	**Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP)), 5.25 (MW)**	**14.49**
D.	**Solar Power Plant (Own)**	
1	Raj Niwas	0.025

Sr. No.	Particulars	Power Generated (MUs)
Total Power Generation (SPP, Own)		**0.025**
E.	**Solar Power Plant (Independent Power Producer)**	
1	NTPC GM Solar PV Plant, (5MWp)	5.44
2	SECI (Rooftop SPV) Port Blair, (1 MWp)	0.87
3	Mundra (Rooftop SPV) Port Blair, (2.84 MWp)	2.76
4	Mundra (Rooftop SPV) Car Nicobar, (0.31)	0.26
5	NLC Ground Mounted SPV Plant, (20 MWp)	13.49
6	Secretariat, (0.75 MWp)	0.05
Total Power Generation (SPP, IPP)		**22.87**
Total Power Generation (A+B+C+D+E)		**334.05**

The Commission has decided to allow the power purchase cost in the APR on provisional basis and directs the Petitioner to get the all PPAs approved on the priority basis failing which the Power Purchase Cost in respect to new PPAs signed but not approved shall be disallowed in the true-up of FY 2023-24. The Commission further directs the Petitioner to get PPA approved by the Commission before procuring power from any generating station in future.

Further, the Commission has noted that while claiming the power purchase cost for fully owned renewable generation, the Petitioner has submitted the cost as 'Nil' considering the fact that the same are being considered in other components of ARR, which are linked to GFA. Further, the Commission has observed that the Petitioner has claimed Rs. 41.99 Crores as "Power Purchase Cost". The Petitioner has submitted the PPAs for the Hired Power Plants and IPP Solar Power plants. Considering the projected generation approved, the Commission re-estimated the power purchase cost (Fixed cost) for Hired Power plants and IPP Solar Plants on the basis of per unit fixed cost as given in PPA. Details are in below table:

Table 26: Determination of Power Purchase Cost (Fixed cost of HPP, Solar (IPP) for FY 2023-24 (Rs. Crores)

Sr. No.	Power Plant	Unit Generated (MUs)	Per Unit Fixed Cost as Per PPA (Rs./kWh)	Total Power Purchase Cost (Fixed cost) (Rs. Crores)
1	2	3	4	5
A.	**Hired Power Plant (HSD) Generation**			
1	HPP- II SRGC (5MW stop gap), (10 MW)	29.86	0.92	2.75
2	HPP- IV NBEW (10MW)	32.57	1.03	3.36
3	HPP- V SS & S, (10 MW)	32.37	1.01	3.27
4	Aggreko Plan/NTPC, (5 MW)	41.17	1.10	4.53
5	Express/NTPC Bamboo flat, (10 MW)	70.31	1.10	7.73
6	HPP- Aggreko, (5MW)	4.38	1.02	0.45
7	HPP- SRGC, (5MW)	2.92	0.92	0.27

Sr. No.	Power Plant	Unit Generated (MUs)	Per Unit Fixed Cost as Per PPA (Rs./kWh)	Total Power Purchase Cost (Fixed cost) (Rs. Crores)
8	Shaheed Dweep (Neil) Private, (1.80 MW)	5.40	0.89	0.48
9	Swaraj Dweep (Havelok) Private, (1 MW)	3.57	0.93	0.33
10	Baratang (HPP), (3.25 MW)	4.35	1.06	0.46
11	Panighat, Mayabandar Private, (3.20 MW)	9.34	0.96	0.90
12	Sagar Dweep (Smith Island), (0.082 MW)	0.06	84.96*	0.07**
13	Gandhi Nagar, (0.102 MW)	0.09	88.50*	0.08**
14	Shanti Nagar, (0.082 MW)	0.05	87.32*	0.08**
15	Ganesh Nagar, (0.196 MW)	0.07	86.14*	0.08**
Total Power Generation (Hired Power Plant)		**236.51**		**24.82*** **
B.	**Solar Power Plant (Independent Power Producer)**			
1	NTPC GM Solar PV Plant, Garacharma (5MWp)	5.44	9.35	5.09
2	SECI (Rooftop SPV) Port Blair, (1 MWp)	0.87	4.56	0.40
3	Mundra (Rooftop SPV) Port Blair, (2.84 MWp)	2.76	2.20	0.61
4	Mundra (Rooftop SPV) Car Nicobar, (0.31)	0.26	2.20	0.06
5	NLC Ground Mounted SPV Plant, (20 MWp)	13.49	6.85	9.24
6	Secretariat, (0.75 MWp)	0.05	20.00	0.09
Total Power Generation (SPP, IPP)		**22.87**		**15.49**
Total (A)+(B)		**259.38**		**40.31**

**This is the per hour fixed cost only (inclusive of O&M cost and 18% GST).*
***power purchase cost for these plants has been determined by the formula ((per hour fixed cost inclusive of GST) x (No, of hours in a year)).*
**** This is the fixed cost only, as fuel has been provided by the department separately.*

The Commission has observed that the Petitioner has submitted different SFC of HSD and Lube oil for various IPPs and HPPs vis-à-vis the values approved by the Commission in the MYT Order and values available in PPAs for Hired Power Plant. For own generation, approved SFC given in MYT order and for HPPs, the values reflected in PPA are considered.

In Petition of APR for FY 2023-24 the Petitioner has only submitted the per litre HSD cost & Lube oil cost as Rs. 103.8 per litre, Rs. 224.90 respectively. The Commission in 1st & 2nd deficiency note asked the Petitioner to submit the methodology for determination of cost of HSD and Lube oil but the Petitioner failed to submit the same and in response to the Commission's specific query regarding the methodology for computation of fuel cost the

Petitioner has submitted only the sample bills for HSD and Lube oil. The Commission, based on the sample bills submitted by the Petitioner in reply to 1st & 2nd deficiency note (from April 2023 to December 2023), determines the per litre cost of HSD, Lube oil as Rs. 82.30 per Litre, Rs. 201.67 per Litre, respectively, by taking average. Now taking 5% inflation on per litre cost of HSD and Lube oil, the Commission considers per litre cost of HSD, Lube oil as Rs. 86.05/ Litre, Rs. 205.36/ Litre respectively for computation of total fuel cost. The Commission approves the following fuel cost for HSD based own generation plants and fuel cost for hired power plants:

Table 27: Fuel Requirement for various IPPs, HPPs, Own Generators as approved by the Commission for FY 2023-24

Sr. No.	Power Plant	Units generated (MUs)	SFC of HSD (ml./kWh)	Total Consumption of HSD (Litre)	SFC of Lube (ml./kWh)	Total consumption of Lube oil (Litre)
A.	**Own Generation**	60.15	288.54	1,73,54,330	0.98	58,942
B.	**Hired Power Plant (HSD) Generation**					
1	HPP- II SRGC (5MW stop gap), (10 MW)	29.86	270.00	80,61,722	-	-
2	HPP- IV NBEW (10MW)	32.57	270.00	87,95,172	-	-
3	HPP- V SS & S, (10 MW)	32.37	270.00	87,39,063	-	-
4	Aggreko Plan/NTPC, (5 MW)	41.17	270.00	1,11,16,179	-	-
5	Express/NTPC Bamboo flat, (10 MW)	70.31	270.00	1,89,82,458	-	-
6	HPP- Aggreko, (5MW)	4.38	263.00	11,51,940	-	-
7	HPP- SRGC, (5MW)	2.92	270.00	7,88,400	-	-
8	Shaheed Dweep (Neil) Private, (1.80 MW)	5.40	270.00	14,58,030	-	-
9	Swaraj Dweep (Havelok) Private, (1 MW)	3.57	270.00	9,64,750	-	-
10	Baratang (HPP), (3.25 MW)	4.35	263.00	11,45,131	-	-
11	Panighat, Mayabandar Private, (3.20 MW)	9.34	263.00	24,56,408	-	-
12	Sagar Dweep (Smith Island), (0.082 MW)	0.06	270.00*	16,664	-	-
13	Gandhi Nagar, (0.102 MW)	0.09	270.00*	25,209	-	-
14	Shanti Nagar, (0.082 MW)	0.05	270.00*	13,020	-	-
15	Ganesh Nagar, (0.196 MW)	0.07	270.00*	18,185	-	-
	Total HPP	**236.51**		**6,37,32,330**		
Total		**296.66**		**8,10,86,660**		**58,942**

**As SFC for these generation plants are not mentioned in PPA, so the Commission considered same SFC as submitted by the Petitioner. The Petitioner is directed to take prior approval for SFC from the Commission; only after that these generating plants shall be considered in True-up of FY 2023-24.*

Table 28: Computation of total cost for Power Purchase for FY 2023-24

Sr. No.	Power Plant	Units generated (MUs)	Total Consumption of HSD (Litre)	Cost of HSD (Rs. Crores) *	Total Consumption of Lube oil (Litre)	Cost of Lube (Rs. Crores) **	Fixed Charges (Rs. Crores) *(Refer Table 24)*	Total Cost (Rs. Crores)
A.	**Own (HSD) Generation**	**60.15**	**1,73,54,330**	**149.33**	**58,942**	**1.21**	**-**	**150.54**
B.	**Hired Power Plant (HSD) Generation**							
1	HPP- II SRGC (5MW stop gap), (10 MW)	29.86	80,61,722	69.37	-	-	2.75	72.12
2	HPP- IV NBEW (10MW)	32.57	87,95,172	75.68	-	-	3.36	79.04
3	HPP- V SS & S, (10 MW)	32.37	87,39,063	75.20	-	-	3.27	78.47
4	Aggreko Plan/NTPC, (5 MW)	41.17	1,11,16,179	95.65	-	-	4.53	100.18
5	Express/NTPC Bamboo flat, (10 MW)	70.31	1,89,82,458	163.34	-	-	7.73	171.07
6	HPP- Aggreko, (5MW)	4.38	11,51,940	9.91	-	-	0.45	10.36
7	HPP- SRGC, (5MW)	2.92	7,88,400	6.78	-	-	0.27	7.05
8	Shaheed Dweep (Neil) Private, (1.80 MW)	5.40	14,58,030	12.55	-	-	0.48	13.03
9	Swaraj Dweep (Havelok) Private, (1 MW)	3.57	9,64,750	8.30	-	-	0.33	8.63
10	Baratang (HPP), (3.25 MW)	4.35	11,45,131	9.85	-	-	0.46	10.32
11	Panighat, Mayabandar Private, (3.20 MW)	9.34	24,56,408	21.14	-	-	0.90	22.03
12	Sagar Dweep (Smith Island), (0.082 MW)	0.06	16,664	0.14	-	-	0.07	0.22

Sr. No.	Power Plant	Units generated (MUs)	Total Consumption of HSD (Litre)	Cost of HSD (Rs. Crores) *	Total Consumption of Lube oil (Litre)	Cost of Lube (Rs. Crores) **	Fixed Charges (Rs. Crores) *(Refer Table 24)*	Total Cost (Rs. Crores)
13	Gandhi Nagar, (0.102 MW)	0.09	25,209	0.22	-	-	0.08	0.29
14	Shanti Nagar, (0.082 MW)	0.05	13,020	0.11	-	-	0.08	0.19
15	Ganesh Nagar, (0.196 MW)	0.07	18,185	0.16	-	-	0.08	0.23
Total		**236.51**	**6,37,32,330**	**548.40**	-	-	**24.82**	**573.22**
C.	**Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP)), 5.25 (MW)**	**14.49**	**-**	**-**	**-**	**-**	**-**	**-**
D.	**Solar Power Plant (Own)**							
1	Raj Niwas	0.03	-	-	-	-	-	-
Total Power Generation (SPP, Own)		**0.03**	**-**	**-**	**-**	**-**	**-**	**-**
E	**Solar Power Plant (Independent Power Producer)**							
1	NTPC GM Solar PV Plant, Garacharma (5MWp)	5.44	-	-	-	-	5.09	5.09
2	SECI (Rooftop SPV) Port Blair, (1 MWp)	0.87	-	-	-	-	0.40	0.40
3	Mundra (Rooftop SPV) Port Blair, (2.84 MWp)	2.76	-	-	-	-	0.61	0.61
4	Mundra (Rooftop SPV)	0.26	-	-	-	-	0.06	0.06

Sr. No.	Power Plant	Units generated (MUs)	Total Consumption of HSD (Litre)	Cost of HSD (Rs. Crores) *	Total Consumption of Lube oil (Litre)	Cost of Lube (Rs. Crores) **	Fixed Charges (Rs. Crores) *(Refer Table 24)*	Total Cost (Rs. Crores)
	Car Nicobar, (0.31)							
5	NLC Ground Mounted SPV Plant, (20 MWp)	13.49	-	-	-	-	9.24	9.24
6	Secretariat, (0.75 MWp)	0.05	-	-	-	-	0.09	0.09
Total Power Generation (SPP, IPP)		**22.87**	-	-	-	-	**15.49**	**15.49**
Total		**334.05**	**8,10,86,660**	**697.73**	**58,942**	**1.21**	**40.31**	**739.25**

** Unit cost of HSD is Rs. 86.05 per litre.*
*** Units cost of Lube oil is Rs. 205.36 per litre.*

Table 29: Total Power Purchase Cost Approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by Commission
1.	Fuel Cost	899.88	965.07	698.94
2.	Power Purchase Cost			40.31
3	Total	899.88	965.07	739.25

The Commission approves total Fuel Cost of Rs. 698.94 Crores (i.e. inclusive of Rs. 697.73 Crores as HSD Cost and Rs. 1.21 Crores as Lube oil cost), and Rs. 40.31 Crores as Power Purchase Cost (i.e. inclusive of Fixed cost of HSD based Hired power plants and IPP Solar Power Plants) in the APR of FY 2023-24. As mentioned earlier, no separate cost has been approved for own renewable based generation.

4.7. Renewable Purchase Obligations (RPOs)

Regulation 1, Sub-regulation (1.1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010, provides the following:

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

The Commission notified the JERC (Procurement of Renewable Energy), (Fourth Amendment) Regulations, 2022 on 24th March 2022 and revised the RPO targets, according to which the Petitioner had to purchase 19.91% of its total consumption (including 10.00% from Solar) from renewable sources for the FY 2023-24.

For the FY 2023-24, the Commission approves the RPO target of 54.37 MUs comprising of 27.31 MUs Solar, 25.26 non-solar, and 1.80 MUs HPO. Out of which, the Petitioner has only claimed to purchase the solar energy of around 37.39 MUs. However, the Commission approves the solar purchase as 22.90 MUs, and non-solar as 14.49 MUs, thereby resulting in a shortfall in RPO compliance. Accordingly, the table below provides the cumulative shortfall in RPO compliance till FY 2023-24:

Table 30: Cumulative RPO compliance for FY 2023-24

Sr. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Solar Target	6.10%	8.00%	9.00%	10.00%
2	Non-Solar Target	8.00%	9.00%	9.00%	9.25%
3	HPO	NA	NA	0.35%	0.66%
4	**Total Target**	**14.10%**	**17.00%**	**18.35%**	**19.91%**
4	Sales Within UT (MUs)(excluding Hydro)	221.15	252.51*	263.00*	273.09
5	RPO Target (MUs)				
5(a).	Solar ((MUs))	13.49	20.20	23.67	27.31
5(b).	Non-Solar (MUs)	17.69	22.73	23.67	25.26
5(c).	HPO	NA	NA	0.92	1.80
	Total RPO Target (MUs)	**31.18**	**42.93**	**48.26**	**54.37**
6	RPO Compliance, (Actual Purchase), (MUs)				
6(a).	Solar (MUs)	18.95	21.02	22.71	22.90
6(b).	Non-Solar (MUs)	11.11	13.15	14.20	14.49
6(c).	HPO	-	-	0.00	0.00
	Total RPO Compliance (Actual Purchase), (MUs)	**30.06**	**34.17**	**36.91**	**37.39**
7	RPO Compliance (REC Certificate Purchase), (MUs)				
7(a).	Solar (MUs)	0.00	0.00	0.00	0.00
7(b).	Non-Solar (MUs)	0.00	0.00	0.00	0.00
7(c).	HPO	-	-	0.00	0.00
	Total RPO Compliance (REC Certificate) (MUs)	**0.00**	**0.00**	**0.00**	**0.00**
8	RPO Compliance (REC+ Actual) (MUs)				
8(a).	Solar (MUs)	18.95	21.02	22.71	22.90

Sr. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
8(b).	Non-Solar (MUs)	11.11	13.15	14.20	0.00
8(c).	HPO	-	-	0.00	14.49
	Total RPO Compliance (REC + Actual) (MUs)	**30.06**	**34.17**	**36.91**	**37.39**
9	Net Shortfall/(Surplus) for this year				
9(a).	Solar (MUs)	(5.46)	(0.82)	0.96	4.41
9(b).	Non-Solar (MUs)	6.58	9.58	9.47	10.77
9(c).	HPO	-	-	0.92	1.80
	Net Shortfall/(Surplus) for this year	**1.12**	**8.76**	**11.35**	**16.99**
10	**Cumulative Shortfall in RPO Compliance till current year**	**15.47**	**24.23**	**35.58**	**52.56**

**Provisional sales (excluding Hydro) submitted by the Petitioner for FY 2021-22 in current petition and for FY 2022-23 in reply to 2nd deficiency note.*

The Commission notes that there is a net shortfall of 16.99 MUs in RPO compliance for FY 2023-24, and cumulative shortfall of 52.56 MUs till FY 2023-24. The Commission directs the Petitioner to make its all-out efforts to complete the RPO obligation on priority.

4.8. 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 61 of the MYT Regulation, 2021 states the following:

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

61.2 O&M Expenses shall comprise of the following:

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

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

c) Repairs and Maintenance expenses.

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

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

given below:

$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n) + \text{Terminal Liabilities}$

Where,

$R\&M_n = K \times GFA_{n-1} \times (1+WPI_{inflation})$

$EMP_n = (EMP_{n-1}) \times (1+G_n) \times (1+CPI_{inflation})$

$A\&G_n = (A\&G_{n-1}) \times (1+CPI_{inflation})$

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

$CPI_{inflation}$ – is the average increase in Consumer Price Index (CPI) for immediately preceding

three (3) Years before the base Year;

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

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

$A\&G_n$ – Administrative and General expenses of the Distribution Licensee for the nth Year;

$R\&M_n$ – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFA_{n-1} – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;

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

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

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

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

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

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

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

4.8.1. Employee Expenses

Petitioner's submission:

The Petitioner has revised the estimates of employee expenses for FY2023-24 considering the actual employee expenses for FY 2022-23 & provisions given under Regulation 61 of the MYT Regulations, 2021.

ANED has considered the actual employee expenses for the FY 2022-23 as base. Further, the base value has been escalated by the Growth factor (Gn) & average increase in CPI for the immediately three preceding years (FY 2020-21, FY 2021-22 & FY 2022-23). Accordingly, the revised employee expenses for the FY 2023-24 have been proposed. The cost as approved by the Commission for the FY 2023-24 and the revised proposal for the year is given below:

Table 31: Employee Expenses submitted by the Petitioner for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Employee Cost	170.33	158.73

Commission's analysis:

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the Employee expenses. The Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

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

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

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

6.2 The Commission may revisit the performance targets for the Control Period during the Mid-term Review, carried out in accordance with the Regulation 11."

In accordance with JERC MYT Regulations, the Employee expenses shall be revised to the extent of change in inflation and growth rate during the control period. The Petitioner has submitted the information of employee expense in current petition for FY 2021-22 only. In reply to 2nd deficiency note, the Petitioner has submitted the provisional values of employee expense for FY 2022-23. Accordingly, the Commission has considered the average employee expenses value of FY 2020-21, FY 2021-22, and FY 2022-23 and considered the average value for FY 2022-23 for computation of revised employee expenses of FY 2023-24. The Commission has considered the employee growth rate (Gn) for FY 2023-24 as submitted by the Petitioner in Reply to 1st deficiency note along with the average CPI of previous three years to arrive at the employee expenses for FY 2023-24.

Table 32: Computation of CPI Inflation (%)

FY	Average Value of CPI for FY	Increase in CPI Index	Average increase in CPI Index over 3 years	Applicable CPI
2019-20	322.50			
2020-21	338.70	5.02%	5.40%	
2021-22	356.10	5.14%		
2022-23	377.60	6.04%		
2023-24				5.40%

Table 33: Employee Growth rate (%)

Sr. No.	Particulars	FY 2022-23	FY 2023-24
1	Opening Employee	1780	1642
2	Closing Employee	1642	2039
3	Growth rate		24.18%

Table 34: Re-estimation of Employee Expense for base year

	FY 2020-21	FY 2021-22 (Provisional Employee Expenses)	FY 2022-23 (Provisional Employee Expenses)	Average
Employee Expense	143.71	146.65	150.82	147.06

Table 35: Employee Expenses approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Employee Expense (Base year) (Rs. Crores)	170.33	158.73	147.06
2	Gn (%)			24.18%
3	CPI inflation (%)			5.40%
4	Employee Expenses = (EMP (Base year)) x (1+Gn) x ($CPI_{inflation}$)			192.48

The Commission now approves the revised normative employee expenses of Rs 192.48 Crores in the APR of the FY 2023-24.

4.8.2. Administrative and General (A&G) Expenses

Petitioner's submission:

The Petitioner has the revised estimates of the Administrative & General Expenses based on the actual expenses for the FY 2022-23. Further, average increase in CPI for the immediately three preceding years (FY 2020-21, FY 2021-22 & FY 2022-23) has been considered to arrive at the revised estimate for the FY 2023-24. The cost as approved by the Commission for the FY 2023-24 and the revised proposal for the year is given below:

Table 36: A&G Expenses submitted by the Petitioner for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Administration & General Expenses	13.80	2.95

Commission's analysis:

In accordance with JERC MYT Regulations, the A&G expenses shall be revised to the extent of change in inflation during the control period. the information of A&G expense in current petition for FY 2021-22 only. In reply to 2nd deficiency note the Petitioner has submitted the provisional values of A&G expense for FY 2022-23. Accordingly, the Commission has considered the average A&G expenses value of FY 2020-21, FY 2021-22, and FY 2022-23 for computation of revised employee expenses of FY 2023-24. The average A&G expenses has been escalated with the average CPI of previous three years as computed above to arrive at the A&G expenses for FY 2023-24.

Table 37: Computation of CPI

FY	Average Value of CPI for FY	Increase in CPI Index	Average increase in CPI Index over 3 years	Applicable CPI
2019-20	322.50			
2020-21	338.70	5.02%	5.40%	
2021-22	356.10	5.14%		
2022-23	377.60	6.04%		
2023-24				5.40%

Table 38: Re-estimation of A&G Expense for base year

	FY 2020-21	FY 2021-22 (Provisional A&G Expenses)	FY 2022-23 (Provisional A&G Expenses)	Average
A&G Expense	2.36	2.54	2.70	2.53

The table below provides the A&G expenses approved in Tariff Order dated 28th March 2023, Petitioner's Submission and now approved by the Commission:

Table 39: A&G Expenses approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	A&G (Base year) (Rs. Crore)	13.80	2.95	2.53
2	CPI inflation (%)			5.40%
3	Gross A & Gn = A&G (Base year) x (1+CPI$_{inflation}$) (Rs. Crore)			2.67

The Commission now approves the Administrative & General (A&G) expenses of Rs. 2.67 Crores in the APR of the FY 2023-24.

4.8.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission:

The Petitioner has revised estimates of the Repair & Maintenance Expenses based on the Regulation 61 of the MYT Regulations, 2021. ANED has considered the K factor as approved by the Commission in the Order dated 01.08.2022. Further, the closing balance of GFA as per audited Accounts for the FY 2021-22 has been taken as opening balance for FY 2022-23 and the asset addition during FY 2022-23 & estimated addition during the FY 2023-24has been considered to arrive at the closing GFA for the FY 2023-24. Further, average increase in WPI for the immediately three preceding years (FY 2020-21, FY 2021-22& FY 2022-23) has been considered. Thereafter, revised R&M expenses for the FY 2023-24has been calculated considering the opening GFA for the previous year and applying the 'K' factor & average WPI as above. The cost as approved by the Commission for the FY 2023-24 and the revised proposal for the year is given below:

Table 40: Repair & Maintenance Expenses submitted by the Petitioner for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Repair & Maintenance Expenses	55.84	58.83

Commission's analysis:

In accordance with JERC MYT Regulations, 2021 the R&M expenses shall be revised to the extent of change in inflation during the control period. The Commission has considered the (K-Factor) as approved in the MYT Order and multiplied the same with the closing GFA of FY 2022-23 (refer section 4.10). The resultant amount is then escalated by average WPI Inflation of previous three years to arrive at the R&M expenses for FY 2023-24.

The WPI Inflation has been computed as follows:

Table 41: Computation of WPI Inflation (%)

FY	Average Value of WPI for FY	Increase in WPI Index	Average increase in WPI Index over 3 years	Applicable WPI
2019-20	121.80			
2020-21	123.40	1.31%	7.89%	
2021-22	139.40	12.97%		
2022-23	152.50	9.40%		
2023-24				7.89%

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

Table 42: Re-estimation of normative R&M Expenses for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Normative R&M Expenses for FY 2023-24
1	Opening GFA for FY 2023-24	578.09*
2	K factor approved (K) (%)	9.46%
3	Avg. WPI Inflation (%)	7.89%
4	R&M Expenses K x (GFA n-1) x (1+WPI inflation)	59.00

**Refer section 4.10.*

The table below provides the R&M expenses approved in Tariff Order dated 28th March 2023, Petitioner's Submission and now approved by the Commission:

Table 43: R&M Expenses approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	R&M Expenses	55.84	58.83	59.00

The Commission approves the normative Repair & Maintenance (R&M) expenses of Rs. 59.00 Crores in the APR of FY 2023-24.

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

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

Table 44: O&M Expenses approved by Commission (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Employee Expenses	170.33	158.73	192.48
2	Administrative & General Expenses (A & G)	13.80	2.95	2.67
3	Repair & Maintenance Expenses	55.84	58.83	59.00
	Total Operation & Maintenance Expenses	239.97	220.51	254.15

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 254.15 Crores in the APR of FY 2023-24.

4.9. Capitalisation

Petitioner's submission:

The Petitioner has claimed the capitalisation of Rs. 37.73 Crores as against the capitalisation of Rs. 37.73 Crores approved in MYT order for FY 2023-24.

Commission's analysis:

The Commission, with regard to the capitalisation proposed to be undertaken during the year, directed the Petitioner to submit the details of the schemes to be undertaken during FY 2023-24 along with the supporting documents.

In accordance with the submission of the Petitioner and the Capital Expenditure and Capitalisation approved in Business Plan Order, the Commission approves capitalisation of those schemes which were approved in Business plan order and claimed by the Petitioner for FY 2023-24 under APR Petition as shown in the following table:

Table 45: Details of Schemes Approved by the Commission for APR of FY 2023-24

Sr. No.	Particulars	Capitalization approved by Commission in Business Plan	Capitalization for FY 2023-24, submitted by the Petitioner
1	Installation of 27,302 Prepaid Smart Meters and remaining 36,000 under RDSS scheme.	24.00	24.00
2	New Installation and Repairment & augmentation on the existing distribution transformers (Total 95 No's of Distribution Transformer) at 33 KV/11 KV existing substation including HT/LT Panels.	4.06	4.06
3	The scheme will provide commissioning of new substations and the replacement of existing 33/11 KV substation including HT/LT Panels, HT/ LT Shunt Capacitors etc, replacement of old and obsolete panels and other allied equipment etc.	-	-
4	Laying of HT/LT new cable line and also replacement of old and defective cables in all the Island.	9.67	9.67
	Total	**37.73**	**37.73**

Table 46: Capitalisation approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Business Plan Order	Petitioner's Submission	Approved by the Commission
1	Capitalisation	37.73	37.73	37.73

The Commission approves capitalisation of Rs. 37.73 Crores in the APR of FY 2023-24. The same shall be trued up at the time of True-up.

The Commission directs the Petitioner that the Petitioner shall submit Scheme wise Detailed Project Report (DPR) along with Cost benefit Analysis and also submit documentary proof like Asset put to use certificate/ Commission certificate at the time of True-up of FY 2023-24. Then only above schemes will be allowed in True-up.

4.10. Capital Structure

Petitioner's Submission

The Petitioner has submitted that all the capital assets have been created out of equity contribution from Andaman & Nicobar Administration.

Commission's analysis

The Commission notes that Regulation 27 of the JERC MYT Regulations, 2021 specifies the following about capital structure:

"27. Debt to Equity Ratio

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2022 shall be considered:

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

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

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of tariff:

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

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

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

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

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

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2022, 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."

For the purpose of calculating the closing value of GFA in FY 2022-23, the Commission has considered the closing value of GFA for FY 2020-21 as Trued-up by the Commission in Tariff Order dated 10th May 2022 and provisional capitalisation for FY 2021-22, FY 2022-23 as submitted by the Petitioner in current petition and reply to 1st deficiency note respectively. The details are shown below:

Table 47: Provisional Capitalization submitted by the Petitioner for FY 2021-22, FY 2022-23 (Rs. Crores)

Sr. No.	Particulars	FY 2021-22 (Provisional as per Petitioner)	FY 2022-23 (Provisional as per Petitioner)
1	Opening GFA	566.10	569.64
2	Additions during the FY	3.55	8.45
3	Adjustment/Retirement During the FY	-	-
4	Closing GFA	569.64	578.09

Further, in previous section the Commission has approved the capitalisation during FY 2023-24 amounting to Rs 37.73 Crores. Considering closing GFA for FY 2022-23 and addition during FY 2023-24, the Commission has determined the GFA for FY 2023-24 as follows:

Table 48: GFA addition approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Opening Gross Fixed Assets	582.40	576.35	578.09
2	Less: Un-serviceable assets	21.99	-	-
3	Adjustment/Retirement During the FY	38.47	-	-
4	Addition During the FY	37.73	37.73	37.73
5	Closing Gross Fixed Assets	559.67	614.08	615.82

The Commission has considered closing normative loan as approved for FY 2020-21 as opening normative loan for FY 2021-22. Further normative loan addition during the year is considered provisionally as 70% of GFA addition during the year for FY 2021-22 and FY 2022-23. Normative loan repayment is considered equivalent to depreciation amount. The details of Normative loan for FY 2021-22 and FY 2022-23 are given below:

Table 49: Provisional Normative loan addition for FY 2021-22, FY 2022-23 (Rs. Crores)

Sr. No.	Particulars	FY 2021-22 (Provisional as per Petitioner)	FY 2022-23 (Provisional as per Petitioner)
1	Opening Normative Loan	63.65	58.13
2	Add: Normative Loan During the year	2.48	5.92
3	Less: Normative Repayment equivalent to Depreciation	8.00	8.22
4	Closing Normative Loan	58.13	55.83

The Commission has considered closing equity as approved for FY 2020-21 as opening normative equity for FY 2021-22. Further equity addition during the year is considered provisionally as 30% of GFA addition during the year for FY 2021-22 and FY 2022-23. The details of equity for FY 2021-22 and FY 2022-23 are given below:

Table 50: Provisional Equity for FY 2021-22, FY 2022-23 (Rs. Crores)

Sr. No.	Particulars	FY 2021-22 (Provisional as per Petitioner)	FY 2022-23 (Provisional as per Petitioner)
1	Opening Equity	77.30	78.37
2	Additions on account of new capitalisation	1.06	2.54
3	Closing Equity	78.37	80.90

The closing value of normative loan in FY 2022-23 has been considered as the opening value of loan for FY 2023-24 and normative loan addition for FY 2023-24 is based on 70% of provisional GFA addition during the year. The normative loan repayment equal to depreciation for FY 2022-23 has been considered.

The normative loan approved in Tariff order dated 28th March 2023, Petitioner's submission and now approved by the commission in APR is given in the table below.

Table 51: Normative Loan addition approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Opening Normative Loan	100.67	98.05	55.83
2	Add: Normative Loan During the year (70% of GFA addition)	26.41	26.41	26.41
3	Less: Normative Repayment equivalent to Depreciation	19.21	18.31	9.04
4	Closing Normative Loan	107.87	106.15	73.19

Similarly, the closing value of equity in FY 2022-23 has been considered as the opening value of equity for FY 2023-24 and equity addition for FY 2023-24 is based on 30% of provisional GFA addition during the year.

The equity approved in Tariff order dated 28th March 2023, Petitioner's submission and now approved by the commission in APR is given in the table below.

Table 52: Normative Equity addition approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Opening Equity	168.12	166.31	80.90
2	Additions on account of new capitalisation	11.32	11.32	11.32
3	Closing Equity	179.44	177.63	92.22

4.11. Depreciation

Petitioner's submission:

The Petitioner has submitted the depreciation of Rs. 18.31 Crores as per JERC MYT Regulations, 2021 as against the approved depreciation of Rs. 19.21 crores in the Tariff Order dated 28th March, 2023.Depreciation has been calculated on the GFA for the FY 2023-24 at the rates prescribed in the MYT Regulations, 2021.

The approved and the revised projections of depreciation for the FY 2023-24 is provided below:

Table 53: Depreciation submitted by the Petitioner for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Depreciation	19.21	18.31

Commission's analysis:

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

"31. Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Commission has derived the weighted average rate of depreciation based on the asset wise depreciation rate prescribed in Annexure-I of "JERC MYT Regulations, 2021", provided in the following table:

Table 54: Depreciation Rate (%)

Description	Rate
Plant & Machinery	3.60%
Buildings	1.80%
Furniture & Fixtures	6.00%
Land	0.00%
Vehicles	18.00%
Office equipment (Computers, etc.)	6.00%

At the time of true-up of FY 2020-21, the Petitioner was unable to submit any proof regarding the nature of funding of assets created out of TRP (Tsunami Rehabilitation Programme) fund of worth Rs. 286.44 Crores. The Commission in its order dated 10th May 2022 had considered that these assets had been funded through special grant in the form of TRP fund only. Accordingly in True-up of FY 2020-21, the Commission had not approved the Return on Equity, Interest on Loan and Depreciation for the assets created out of TRP fund. Besides that, in true-up of FY 2020-21, the Commission had allowed one-time expense of Rs. 5.93 Crores for depreciation related to unserviceable assets. In current order the commission adheres the same.

The Commission considered the closing value of GFA for FY 2020-21 (without considering the assets created by the TRP fund, and unserviceable assets) as Opening value of GFA for FY 2021-22. In reply to 1st deficiency note, the Petitioner has submitted the Fixed Asset Register for FY 2021-22. As the JERC MYT Regulations, 2018 stipulates that the depreciation shall be allowed to a maximum of 90% of the original cost of the asset, therefore the total value of assets depreciated up to 90% as reflected in the FAR of FY 2021-22 has been deducted from the opening GFA of FY 2021-22 to derive opening net fixed asset for FY 2021-22.

The revised GFA has then been considered and the depreciation on average Gross Fixed Assets (GFA) during the year has been determined. The net addition during the year has been calculated after deducting the value of retired assets, which has been already been approved in previous section.

The following table provides the calculation of provisional depreciation for the year FY 2021-22, FY 2022-23.

Table 55: Computation of depreciation for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars		Approved in True-up order dated 10th May 2022 for FY 2020-21	FY 2021-22 (Provisional)	FY 2022-23 (Provisional)	FY 2023-24
1	Opening Gross Fixed Assets	P	226.57	257.67*	261.22	269.67

Sr. No.	Particulars		Approved in True-up order dated 10th May 2022 for FY 2020-21	FY 2021-22 (Provisional)	FY 2022-23 (Provisional)	FY 2023-24
2	Add: Additional assets recognized as per PV Report	Q	7.23	-	-	-
3	Less: Assets depreciated up to 90% till FY 2021-22	R	38.47	38.47	38.47	38.47
4	Less: Unserviceable assets		-	-	-	-
5	Adjustment/ retirement till FY 2023-24		-	-	-	-
6	Net Opening Gross Fixed Assets		-	219.20	222.75	231.20
7	Addition During the year	S	23.87	3.55	8.45**	37.73
8	Closing Gross Fixed Assets		219.20	222.75	231.20	268.93
9	Average Gross Fixed Assets		-	220.97	226.97	250.06
10	Weighted Average Depreciation rate (%)		-	3.62%	3.62%	3.62%
11	**Depreciation**		**7.52**	**8.00**	**8.22**	**9.05**
12	One-time expense for unserviceable assets		5.93			
13	Total depreciation allowed		13.45			

**Opening value for FY 2021-22 is determined as (P+Q+S) of previous year.*
*** As submitted by the Petitioner in reply to 2nd deficiency note.*

The following table provides the calculation of depreciation as approved in the MYT order, Petitioner's submission and now approved by the Commission.

Table 56: Depreciation approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Opening Gross Fixed Asset considered for depreciation	582.40	576.35	269.67
2	Less: Assets depreciated up to 90% till FY 2023-2024	38.47	-	38.47
3	Less: Unserviceable assets	21.99	-	-
4	Adjustment/ retirement till FY 2023-24	-	-	-

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
5	Net Opening Gross Fixed Assets considered for depreciation	521.94	576.35	231.20
6	Addition During the FY	37.73	37.73	37.73
7	Closing Gross Fixed Assets considered for depreciation	559.67	614.08	268.93
8	Average Gross Fixed Assets considered for depreciation	540.81	595.22	250.06
9	Weighted Average Depreciation rate (%)	3.55%	3.0%	3.62%
10	Depreciation	19.21	18.31	9.05

The Commission now approves depreciation of Rs. 9.05 Crores in the APR of the FY 2023-24.

4.12. Interest on Loan and Finance Charges

Petitioner's submission:

The Petitioner has estimated the Interest on loan and Finance charges as Rs 9.70 Crore as per the JERC MYT Regulations, 2021 for the FY 2023-24. The Petitioner has submitted that the majority of capital assets are created out of the equity contribution from Andaman & Nicobar Administration only. The rate of interest considered is SBI MCLR as on 1st April of that relevant year plus 100 basis points.

Commission's analysis:

Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

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

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

29.2 The normative loan outstanding as on April 1, 2022, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It is to be noted that, the rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, in absence of detailed data with respect to the actual loan portfolio, the Commission has considered the SBI 1 Year MCLR rate plus 100 basis points as Rate of Interest, in accordance with the JERC MYT Regulations, 2021.

The Interest on Loan has been has considered as the SBI 1 Year MCLR rate as on 1st April 2023 (8.5%) plus 100 basis points as Rate of Interest (i.e. 9.5%), in accordance with the JERC MYT Regulations, 2021. The details about normative opening loan and loan addition is already provided under Section 4.10, the same is considered here.

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

Table 57: Interest and Finance Charges approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Opening Normative Loan	100.67	98.05	55.83
2	Add: Normative Loan During the year	26.41	26.41	26.41
3	Less: Normative Repayment equivalent to Depreciation	19.21	18.31	9.05
4	Closing Normative Loan	107.87	106.15	73.19
5	Average Normative Loan	104.27	102.10	64.51
6	Rate of Interest (%)	8.00%	9.50%	9.50%
7	Interest on Loan	8.34	9.70	6.13

The Commission approves Interest and Finance Charges of Rs. 6.13 Crores in the APR of the FY 2023-24.

4.13. Return on Equity (RoE)

Petitioner's submission:

Return on Equity (RoE) is computed in accordance with the JERC MYT Regulations, 2021, RoE is computed on 30% of the capital base. Opening equity is considered equivalent to closing equity for FY 2022-23 and additional equity to the tune of 30% is proposed to be capitalized during the year. Accordingly, RoE is computed as Rs 27.52 Crore at 16% post-tax basis.

Commission's analysis:

Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following:

"28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum."

RoE has been calculated on the average of opening and closing of equity during the year at the rate of 15.5%/16% (on post-tax basis) with an opening equity considered equivalent to the closing equity of FY 2022-23 as derived in previous section (Capital Structure) above. The average equity is considered in the ratio of 90:10 for wheeling and retail supply business. Income Tax payable shall be considered on actual basis at the time of True-up. The following table provides the RoE approved in the ARR of FY 2023-24, the Petitioner's submission and RoE now approved by the Commission.

Table 58: RoE approved by the Commission for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved the by Commission
1	Opening Equity	168.12	166.31	80.90
2	Additions on account of new capitalisation	11.32	11.32	11.32
3	Closing Equity	179.44	177.63	92.22
4	Average Equity	173.78	171.97	86.56
5	Average Equity (Wires Business) (90%)			77.90
6	Average Equity (Retail supply Business) (10%)			8.66
7	Return on Equity for Wires Business (%)	16%	16%	15.50%
8	Return on Equity for Retail supply Business (%)			16.00%
9	Return on Equity for Wires Business			12.08

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved the by Commission
10	Return on Equity for Retail supply Business			1.38
11	Return on Equity	27.80	27.52	13.46

The Commission approves the Return on Equity of Rs. 13.46 Crores in the APR of the FY 2023-24.

4.14. Interest on Security Deposits

Petitioner's submission

The Petitioner has submitted that it does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount and a lien is created in favour of the ANED towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, ANED has not claimed Interest on Security deposit in the ARR.

Commission's analysis

Regulation 29.11 of the JERC MYT Regulations, 2021 stipulates the following:

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

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

However, the Petitioner has not considered any interest on consumer security deposit. Therefore, the Commission has not approved any Interest on Security Deposits as the interest amount on fixed deposits is not available with Petitioner in cash.

Accordingly, the Commission approves Interest on Security Deposit as NIL in the APR of the FY 2023-24.

4.15. Interest on Working Capital

Petitioner's submission

Interest on Working Capital has been calculated based on the normative principles outlined in the JERC MYT Regulations, 2021. The Petitioner has computed the Interest on Working Capital at rate of 10.50% as Rs. 6.22 Crores. EDA&N has calculated the revised interest on working capital for FY 2023-24 in accordance with the above submission. The same is provided below along with the approved figures for the year:

Table 59: Interest on Working Capital submitted by the Petitioner for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	O&M Expenses for 1 month	20.00	18.38
2	Maintenance of spares 40% of R&M for 1 month	1.86	1.96
3	Receivables for 2 months	49.65	42.45
4	Less: Power Purchase Cost for 1 month	3.42	3.50
5	Less: Amount held as Security Deposit	0.00	0.00
6	Net Working Capital	68.09	59.29
7	Rate of Interest for Working Capital	9%	10.50%
8	Interest on Working Capital	6.13	6.22

Commission's analysis

Regulation 53 of the JERC MYT Regulations, 2021 stipulates the following:

"53. Norms of Working Capital for Distribution Wires Business

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

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

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

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

wires at the prevailing tariff;

Less:

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

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

Further, Regulation 32.3 of the MYT Regulation, 2021 stipulates the following:

32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

The Commission has considered the components of working capital as per provisions given in Regulations. The receivables as proportionate revenue for 2 months as gap funding is done month on month basis from the Andaman & Nicobar Administration. The cost of maintenance spares has been considered @40% of R&M expenses for 1 month. The consumer security deposit amount during the year is not considered for computing the Working Capital Requirement for the year, as the same is not available in cash. The power purchase cost of one month is considered as per approved power purchase cost.

The Commission has considered the SBI Base rate as on 1st April 2023 (8.5%) plus 200 basis point for calculation of interest (i.e. 10.5%), as stipulated in the JERC MYT Regulations, 2021.

Accordingly, the Interest on Working Capital has been calculated, as shown in the table below:

Table 60: Interest on Working Capital approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	O&M Expense for 1 month	20.00	18.38	21.18
2	Maintenance spares at 40% of R&M expenses for one (1) month;	1.86	1.96	1.97
3	Receivables equivalent to two (2) months of the expected revenue at the prevailing tariff	49.65	42.45	40.65
4	Less: Amount held as security deposits	-	-	-
5	Less: Power purchase cost for one month	3.42	3.50	3.36
6	Net Working Capital	68.09	59.28	60.43
7	Rate of Interest (%)	9.00%	10.50%	10.50%
8	Interest on Working Capital	6.13	6.22	6.35

The Commission approves the Interest on Working Capital as Rs. 6.35 Crores in the APR of the FY 2023-24

4.16. Income Tax

Petitioner's submission:

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

Commission's analysis:

Regulation 33 of JERC MYT Regulations, 2021 stipulates the following:

"33. Tax on Income

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

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

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

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

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

Since the Petitioner has not projected any payment towards income tax for FY 2023-24. Hence, NIL amount is being considered for the same under APR, subject to true-up based on the actual income tax paid by the Petitioner, if any.

Table 61: Income Tax approved by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Petitioner's submission	Approved by the Commission
1	Income Tax	0.00	0.00

4.17. Provision for Bad & Doubtful Debts

Petitioner's submission:

The Petitioner has not earmarked any provision for bad and doubtful debts for the year.

Commission's analysis:

Regulation 63 of the JERC MYT Regulations, 2021 stipulates the following

"63. Provision for bad and doubtful debts

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

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

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

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

The Commission has not considered any provision towards Bad & Doubtful Debts, as the same has not been claimed by the Petitioner. The same shall be reviewed as per actuals in the True-up of FY 2023-24.

4.18. Non-Tariff Income

Petitioner's submission

The Petitioner has submitted the Non-Tariff Income of Rs. 6.01 Crores.

Commission's analysis

Regulation 65 of the JERC MYT Regulations, 2021 stipulates the following:

"65. Non-Tariff Income

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

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

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

(a) Income from rent of land or buildings;

(b) Income from sale of scrap;

(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 has considered the same NTI as submitted by the Petitioner. The NTI approved in the MYT Order, the Petitioner's submission and the NTI now approved by the Commission is shown in the table below:

Table 62: Non-Tariff Income approved by the Commission for FY 2023-24 (Rs Crores)

Sr. No	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Non-Tariff Income	3.66	6.01	6.01

The Commission approves Non-Tariff Income of Rs. 6.01 Crores in the APR of FY 2023-24.

4.19. Aggregate Revenue Requirement (ARR)

Petitioner's submission

Based on the expenses as detailed above, the Petitioner has submitted the net aggregate revenue requirement of Rs. 1241.31 Crores after adjusting the Non -Tariff Income for FY 2023-24. The details are in table below:

Table 63: Aggregate Revenue Requirement submitted by the Petitioner for FY 2023-24

Sr. No.	Particulars	As approved by the Commission in ARR order dated 28th March 2023	Petitioner's Submission
1	Cost of fuel	905.77	923.08
2	Cost of power purchase		41.99
3	Employee costs	239.97	158.73
4	R&M expenses		58.83
5	Administration and general expenses		2.95
6	Depreciation	19.21	18.31
7	Interest & Finance Charges	8.34	9.70
8	Interest on working Capital	6.13	6.22
9	Return on Equity	27.80	27.52
10	Provision for Bad Debit	0.00	0.00
11	Total revenue requirement	1207.22	1247.33
12	Less: Non-tariff income	3.66	6.01
13	Net revenue requirement (11-12)	1203.56	1241.31
14	Revenue from tariff	265.67	254.68
15	Total gap (13-14)	937.89	986.63

Commission's analysis:

On the basis of the detailed analysis of the cost parameters of the ARR, the Commission has considered and approved the revenue requirement in the APR of the FY 2023-24 as provided in the table below:

Table 64: Aggregate Revenue Requirement approved by the Commission for FY 2023-24 (Rs. Crores.)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	REC Purchase cost	905.77	-	-

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
2	Power Purchase Cost		41.99	40.31
3	Fuel Cost		923.08	698.94
4	Operation & Maintenance Expenses	239.97	220.51	254.15
5	Depreciation	19.21	18.31	9.05
6	Interest and Finance charges	8.34	9.70	6.13
7	Interest on Working Capital	6.13	6.22	6.35
8	Return on Equity	27.80	27.52	13.46
9	Interest on Security Deposit	-	-	-
10	Provision for Bad Debt	-	-	-
11	Income Tax	-	-	-
13	Total Revenue Requirement	**1207.22**	**1247.33**	**1028.38**
14	Less: Non-Tariff Income	3.66	6.01	6.01
15	Net Revenue Requirement	**1203.56**	**1241.31**	**1022.37**

The Commission now approves the net Aggregate Revenue Requirement of Rs. 1022.37 Crores in the APR of FY 2023-24.

4.20. Revenue at existing Retail Tariff

Petitioner's submission:

The Petitioner has submitted the revenue from the sale of power at existing tariff as Rs. 254.68 crores determined on the basis of energy sales in the territory for FY 2023-24.

In reply to 2nd deficiency note the Petitioner has submitted category-wise revenue from energy charges and fixed charges; the details are given in table below:

Table 65: Category-wise Revenue from Energy charges and fixed charges submitted by the Petitioner (Rs. Crores)

Sr. No.	Particulars	Revenue (Rs. Crores)	
		Revenue from Energy Charges	Revenue from Fixed Charged
1	Domestic	69.40	5.84
2	Commercial	60.75	5.72
3	Hotels/ Restaurants/ Resorts	17.22	
4	Government Connection	31.41	
5	Industrial	14.79	1.11
6	Bulk	39.65	2.86
7	Public Light	4.97	0.61
8	Agricultural	0.27	0.10

Sr. No.	Particulars	Revenue (Rs. Crores)	
		Revenue from Energy Charges	Revenue from Fixed Charged
9	Total	238.45	16.24
10	**Grand Total**	**254.68**	

Commission analysis:

The category wise revenue at existing retail tariff is calculated as per the tariff rates applicable for FY 2023-24 as per tariff order dated 28th March, 2023. The revenue from demand charges and the energy charges have been projected for each category. The Commission has considered the "Power Factor" of 0.9 for computing fixed charges (specified in kVA) linked with connected load as projected load is in kW terms. The revenue from category tariff as computed by the Commission for the FY 2023-24 has been shown in the following table:

Table 66: Revenue at existing tariff computed by the Commission for FY 2023-24 (Rs. Crores)

Sr. No.	Category	Sales (MUs)	Revenue from Fixed Charges	Revenue from Energy charges	Total Revenue
1	Life Line Connection	-	-	-	
2	Domestic	171.51	6.40	73.18	79.59
3	Commercial	39.24	3.09	50.58	53.67
4	Govt. Connections	18.28	1.45	26.15	27.60
5	Hotels/ Restaurants/Resorts	9.69	1.16	14.34	15.50
6	Industrial	11.53	0.98	13.54	14.52
7	Bulk Supply	29.73	2.98	43.85	46.83
8	Public Lighting	5.54	0.59	5.12	5.72
9	Irrigation Pumps & Agriculture	2.06	0.10	0.36	0.46
10	EV Charging	-	-	-	-
11	Temporary Supply	-	-	-	-
12	Total	287.58	16.77	227.12	243.89

The Commission has determined revenue from the sale of power at existing tariff as Rs. 243.89 Crores in the APR of FY 2023-24.

4.21. Standalone Revenue Gap/Surplus

Petitioner's submission

Based on the ARR and the revenue from Retail tariff, the standalone revenue gap of Rs. 986.63 Crores is projected by the Petitioner in the APR of FY 2023-24.

Commission analysis

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

Table 67: Standalone Revenue Gap/ Surplus at existing tariff (Rs. Crores)

Sr. No.	Particulars	Approved in Tariff Order dated 28th March 2023	Petitioner's Submission	Approved by the Commission
1	Net Revenue Requirement	1203.56	1241.31	1022.37
2	Revenue from Retail Sales at Existing Tariff	265.67	254.68	243.89
3	Net Gap /(Surplus)	937.89	986.63	778.48

The standalone revenue gap at existing retail tariff is Rs. 778.48 Crores in Annual Performance Review for the FY 2023-24, which will be met through the budgetary support from the Andaman & Nicobar Administration. The Petitioner has already confirmed the same vide Letter Reference No. M/3/2022-Plg-ELE-ELE dated March 24, 2023 at the time of Tariff determination, for FY 2023-24.

Chapter 5 : Aggregate Revenue Requirement for FY 2024-25

5.1. Background

The Business Plan for 3rd control period (i.e. FY 2022-23 to FY 2024-25) was issued on 1st August 2022. Subsequently, the MYT Order for the present control period (i.e. FY 2022-23 to FY 2024-25) and tariff for first year of present control period (FY 2022-23) was issued by the Commission on 1st August 2022. Afterwards, the Commission issued tariff order for second year of the present control period (i.e. FY 2023-24). In this Chapter, the Commission has determined the Aggregate Revenue Requirement (ARR) for the FY 2024-25, which is third year of present control period. The determination of Aggregate Revenue Requirement for FY 2024-25 has been done in accordance with the provisions given under "JERC MYT Regulations, 2021".

5.2. Approach for determination of ARR for the FY 2024-25

The Commission has computed the individual elements constituting the Aggregate Revenue Requirement for FY 2024-25 based on values approved in Business Plan Order dated 1st August 2022. The ARR and revenue at existing tariff has been determined for FY 2024-25 to arrive at the revenue gap/surplus for the FY 2024-25.

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

Petitioner's Submission:

The Petitioner has revised the number of consumers, connected load and energy sales considering the actual figures of FY 2022-23 and first half of FY 2023-24 and the CAGR for past periods.

Table 68: Number of consumers, Connected Load, and Energy Sales submitted by the Petitioner for the FY 2024-25

Sr. No.	Particulars	No. of Consumers	Connected Load (kW)	Energy Sales (MUs)
1	Domestic Consumers	1,27,620	2,45,933	169.83
2	Commercial Consumers	23,115	1,10,020	84.63
3	Industrial	434	13,640	13.15
4	Bulk Supply	71	17,493	28.07
5	Public Lighting	766	2,549	5.61
6	Irrigation, Pumps & Agriculture	624	1,329	1.61
7	Total Sales	1,52,630	3,90,964	302.89

Commission's Analysis

The Commission has considered the category wise sales data, connected load and number of consumers as approved above in APR of FY 2023-24 as base and CAGR for various categories as computed in the previous chapter, for calculating the category wise sales, connected load and number of consumers respectively for FY 2024-25.

5.3.1. Energy Sales

The Commission has extrapolated the approved sales data of the category wise sales figure of FY 2023-24 using the CAGR for various categories (for 5-year period) as computed in previous chapter. The following table provides the values of approved energy sales in various consumer category for FY 2024-25:

Table 69: Approved Energy Sales (MUs) for FY 2024-25

Sr. No.	Category	Approved Sales in APR of FY 2023-24	CAGR of 5 years (From FY 2017 18 to FY 2022 23) as computed in APR chapter	Projected Sales for FY 2024-25
1	Domestic	171.51	5.08%	180.22
2	Commercial	67.21	2.83%	69.11
3	Industrial	11.53	0.00%	11.53
4	Bulk Supply	29.73	0.00%	29.73
5	Public Lighting	5.54	0.00%	5.54
6	Irrigation Pumps & Agriculture	2.06	13.18%	2.33
7	Total Sales	287.58		298.47

The table below provides the energy sales approved by the Commission in the MYT Order, the Petitioner's submission and as now approved by the Commission.

Table 70: Energy Sales (MUs) approved by the Commission for FY 2024-25

Sr. No.	Category	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Domestic	177.72	169.83	180.22
2	Commercial	74.98	84.63	69.11*
3	Industrial	12.71	13.15	11.53
4	Bulk Supply	29.92	28.05	29.73
5	Public Lighting	5.55	5.61	5.54
6	Irrigation Pumps & Agriculture	2.01	1.61	2.33
7	Total Sales	302.89	302.89	298.47

**As Petitioner has not submitted past data of separate Energy sales for Commercial, Hotels/Restaurants, and Govt. Connection category; so, energy sales mentioned for Commercial category in above table is inclusive of Commercial,* *Hotels/Restaurants, and Govt. Connection category. As per Petitioner submission for revenue calculation the commission has considered 51.11% (i.e.35.32 MUs) sales for Commercial, 34.03% (i.e. 23.52 MUs) sales for Govt. Connection, 14.86% (i.e.10.27 MUs) sales for Hotels/ Restaurant category.*

5.3.2. Number of Consumers

The Commission has extrapolated the category wise number of consumers for FY 2023-24 using the CAGR for various categories as computed in chapter dealing with APR of FY 2023-24. The following table provides the values of projected number of consumers in various consumer category for FY 2024-25:

Table 71: Computation of Number of Consumers for FY 2024-25

Sr. No.	Category	Approved No. of consumers in APR of FY 2023-24	CAGR of 5 years (From FY 2017 18 to FY 2022 23) as computed in APR chapter	Projected Number of Consumers for FY 2024-25
1	Domestic	1,28,245	2.51%	1,31,464
2	Commercial	23,219	2.47%	23,792
3	Industrial	425	0.00%	425
4	Bulk Supply	70	1.52%	71
5	Public Lighting	764	1.77%	778
6	Irrigation Pumps & Agriculture	612	0.00%	612
7	Total No. of Consumers	1,53,335		1,57,142

The table below provides the number of consumers approved by the Commission in the MYT Order, the Petitioner's submission and as now approved by the Commission.

Table 72: Number of Consumers approved by the Commission for FY 2024-25

Sr. No.	Category	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Domestic	13,1,802	1,27,620	1,31,464
2	Commercial	23,298	23,115	23,792*
3	Industrial	446	434	425
4	Bulk Supply	72	71	71
5	Public Lighting	833	766	778
6	Irrigation Pumps & Agriculture	685	624	612
7	Total No. of Consumers	1,57,136	1,52,630	1,57,142

***As Petitioner has not submitted separate No. of Consumers for Commercial, Hotels/Restaurants, and Govt. Connection category; so, No. of Consumers mentioned for Commercial category in above table is inclusive of Commercial, Hotels/Restaurants, and Govt. Connection category.*

5.3.3. Connected Load

The Commission has extrapolated the approved category wise connected load for FY 2023-24, and considered the CAGR for various categories as computed in previous chapter of APR of FY 2023-24. The following table provides the values of proposed connected load in various consumer category for FY 2024-25:

Table 73: Computation of Connected Load for FY 2024-25

Sr. No.	Category	Approved No. of consumers in APR of FY 2023-24	CAGR of 5 years (From FY 2017 18 to FY 2022 23) as computed in APR chapter	Projected Number of Connected Load (kW) for FY 2024-25
1	Domestic	2,66,811	10.67%	2,95,280
2	Commercial	1,22,240	13.34%	1,38,547
3	Industrial	13,371	0.00%	13,371
4	Bulk Supply	18,301	6.72%	19,531
5	Public Lighting	2,499	0.00%	2,499
6	Irrigation Pumps & Agriculture	1,369	5.10%	1,439
7	Total Connected Load	4,24,591		4,70,666

The table below provides the category wise connected load approved by the Commission in the MYT Order, the Petitioner's submission and as now approved by the Commission.

Table 74: Connected Load approved by the Commission for FY 2024-25 (kW)

Sr. No.	Category	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Domestic	2,71,364	2,45,933	2,95,280
2	Commercial	1,31,907	1,10,020	1,38,547*
3	Industrial	14,830	13,640	13,371
4	Bulk Supply	17,982	17,493	19,531
5	Public Lighting	3,281	2,549	2,499
6	Irrigation Pumps & Agriculture	1,422	1,329	1,439
7	Total Connected Load	4,40,786	3,90,964	4,70,666

**As Petitioner has not submitted separate Connected Load for Commercial, Hotels/Restaurants, and Govt. Connection category; so, connected Load mentioned for Commercial category in above table is inclusive of Commercial, Hotels/Restaurants, and Govt. Connection category.*

The Commission approves energy sales of 298.47 (MUs), number of consumers as 1,57,142 and connected load of 4,70,666 kW in the ARR of FY 2024-25.

5.4. Intra-State Distribution Loss

Petitioner's submission:

The Petitioner has proposed the T&D loss as 18.53% against 11.91% approved by the Commission in the MYT Order dated 1st August 2022.

Table 75: Intra-State Transmission & Distribution losses (%)

Sr. No.	Particulars	Approved by the Commission in MYT Order dated 1st August 2022	Petitioner's Submission
1	T&D Losses (%)	11.91%	18.53%

Commission's analysis:

The Commission had approved loss level of 11.91% for FY 2024-25 in the MYT Order dated 1st August 2022 while determining ARR for the FY 2024-25 under MYT order. The Petitioner has not provided any justification to consider it as 18.53% in ARR for FY 2024-25. The Commission finds it appropriate to consider the loss level of 11.91% as approved in the MYT Order dated 1st August 2022 for FY 2024-25. The following table provides the Intra-State distribution loss approved in the MYT Order, the Petitioners submission and now approved by the Commission.

Table 76: Intra-State Distribution Loss approved by the Commission for FY 2024-25

Sr. No	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Intra-State Distribution Loss	11.91%	18.53%	11.91%

The Commission approves the Intra-State Distribution Loss of 11.91% for the FY 2024-25.

5.5. Energy Balance

Petitioner's submission:

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

Table 77: Energy Balance (MU) submitted by Petitioner

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission
A	**Energy Requirement**		
1	Total Sales within the UT	302.89	302.89

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission
2	Distribution losses (%)	11.91%	18.51%
	Distribution losses (MUs)	40.95	68.89
3	**Energy Requirement at periphery**	**343.85**	**371.78**
B	**Energy Availability**		
1	Power Purchase	295.60	274.41
2	Own Generation	48.25	97.37
3	**Total Energy Availability**	**343.85**	**371.78**
C	**Total shortfall/(Surplus)**	**0.00**	**0.00**

Commission's analysis:

The Commission has determined the Energy Balance based on the revised estimates of energy sales and approved T&D losses. Considering the fact that EDA&N is not connected with Central-Grid, the energy requirement shall be met out by own generation from Diesel generation along with Diesel based Hired Power plants and Renewable energy sources. The table below provides the Energy Balance as approved by the Commission in the MYT Order, the Petitioner's submission and the Energy Balance now approved by the Commission.

Table 78: Energy Balance (MUs) approved by the Commission for FY 2024-25

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
A	**Energy Requirement**			
1	Total Sales within the UT (MUs)	302.89	302.89	298.47
2	Distribution losses (%)	11.91%	18.53%	11.91%
	Distribution losses (MUs)	40.96	68.89	40.35
3	**Energy Requirement at UT periphery**	**343.85**	**371.78**	**338.82**
B	**Energy Availability at UT periphery**			
(a)	Renewable Generation (IPP/HPP)			23.10
(b)	Power Purchase Generation (IPP/HPP)			251.31
(I)	**Total Power Purchase (IPP/HPP) (MUs) (a+b)**	**295.60**	**274.41**	**274.41**
(x)	Solar Generation (own)			0.03
(y)	Hydro Generation(own)			14.63
(z)	Diesel Generation (own)			49.75
(II)	**Total own Generation (x+y+z)**	**48.25**	**97.37**	**64.41**
	Total Energy Availability (MUs) (I+II)	**343.85**	**371.78**	**338.82**

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
	Total shortfall/(Surplus)	**0.00**	**0.00**	**0.00**

In In the ARR of FY 2024-25, the Commission has estimated a shortfall/(surplus) quantum of Nil.

5.6. Power Purchase Quantum & Cost

Petitioner's submission:

The Petitioner submitted that the energy requirement of EDA&N is met from own generation & power purchase from IPPs & other generators. There is no availability of power from Central Generating Stations or open market/ power exchanges etc.

The Commission has approved the Fuel Cost for the FY 2024-25 in the MYT order dated 1st August 2022. However, on the basis of the actual cost figures for FY 2022-23 & first half of FY 2023-24, and projected energy requirement, EDA&N submits the revised estimates of fuel cost and also cost of power procured from various IPPs and other generators for FY 2024-25. A comparison of the revised estimates with earlier approved numbers is shown below:

Table 79: Summary of Power Purchase Expenses submitted by the Petitioner for the FY 2024-25

Source	Installed Capacity MW	Energy Received by Licensee (kWh)	Unit fixed cost as per PPA(Rs./kWh))	FC (Rs. Crores)	SFC as per PPA(Litre/kWh)	HSD Consumption (Litre)	Average HSD Rate (Rs./Litre)	VC (Rs. Crores)	Total (Rs. Crores)
HPP (10MW)-V SS&S	10	70080000	1.01	7.08	0.263	18431040	109.02	200.93	208.00
Aggreko Plant/NTPC (5 MW)	5	8526400	1.1	0.94	0.27	2302128	109.02	25.10	26.03
Express/NTPC (10 MW) B/flat	10	21053490	1.1	2.32	0.27	5684442.192	109.02	61.97	64.28
HPP (5MW) - Aggreko	5	35040000	1.02	3.57	0.263	9215520	109.02	100.46	104.04
HPP (5MW) – SRGC	5	35040000	0.92	3.22	0.27	9460800	109.02	103.14	106.36
HPP (10 MW) at Chatham Power House (Proposed)	10	42048000	0.92	3.87	0.263	11058624	109.02	120.56	124.42
HPP (5 MW) at P/Pur ND Office (Proposed)	5	16352000	0.92	1.50	0.263	4300576	109.02	46.88	48.39
Secretariat (Solar)	0.75	45593	20	0.09	0	0	0.00	0	0.09
5 MW Solar PV Plant, GaracharmaNTPC	5	5498426	9.35	5.14	0	0	0.00	0	5.14

Source	Installed Capacity MW	Energy Received by Licensee (kWh)	Unit fixed cost as per PPA(Rs./kWh))	FC (Rs. Crores)	SFC as per PPA(Litre/kWh)	HSD Consumption (Litre)	Average HSD Rate (Rs./Litre)	VC (Rs. Crores)	Total (Rs. Crores)
20 MW SPV Power Plant, NLC	20	13627957	6.99	9.53	0	0	0.00	0	9.53
1 MW Rooftop Solar, SECI	1	881529	4.5	0.40	0	0	0.00	0	0.40
2.84 MW Rooftop Solar, M/s Mundra Solar PV Ltd.	2.84	2788607	2.2	0.61	0	0	0.00	0	0.61
0.31 MW Rooftop Solar, M/s Mundra Solar PV Ltd. Car Nicobar	0.31	260421	2.2	0.06	0	0	0.00	0	0.06
Shaheed Dweep(Neil) Private	1.8	5454112	0.89	0.49	0.27	1598611	109.02	17.43	17.91
Swaraj Dweep(Havelok) Private	1	3608880	0.93	0.34	0.27	1119954	109.02	12.21	12.54
Baratang (Hiring)	3.25	4397651	1.06	0.47	0.263	1172206	109.02	12.78	13.24
Panighat, Mayabandar Private	3.2	9433354	0.96	0.91	0.263	2552820	109.02	27.83	28.74
Smith Island	0.082	62336	73*	0.46	0.27	49250	109.02	0.54	0.99
Gandhi Nagar	0.102	94299	74*	0.70	0.27	55763	109.02	0.61	1.31
Shanti Nagar	0.082	48703	72*	0.35	0.27	44325	109.02	0.48	0.83
Ganesh Nagar	0.196	68026	73*	0.50	0.27	47932	109.02	0.52	1.02
Total	89.612	274409784		42.52		67093991.19		731.43	773.95

**Per hour charges as submitted by the Petitioner in current Petition.*

Table 80: Own Generation submitted by the Petitioner for the FY 2024-25

Financial Year	Total Capacity MW	Gross Generation (MWh)	HSD (Litre)	Average HSD Rate	Amount HSD (Rs. Crores)	LUB (Litre)	Average LUB Rate	Amount Lube (Rs. Crores)	Total Cost (Rs. Crores)
FY 2024-25	51.900	101.08	24744413	109.02	269.75	92710	236.14	2.19	271.94

*LUB means Lube oil

Table 81: Own Generation & Power Purchase Cost submitted by the Petitioner for the FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved by the Commission in MYT Order dated 1st August 2022	Petitioner's Submission
1	Cost of Fuel/Power Purchase	817.48	1045.89

Commission's Analysis:

The Commission has noted that as per Regulation 13.1 of the JERC MYT Regulations, 2021, power purchase and fuel cost are uncontrollable parameters. Thus, the power purchase and fuel cost must be revisited every year by the Commission. The Commission has considered that the power requirement shall be met mainly from own generation apart from procurement of power from the IPPs and other generators. The Petitioner has considered higher T&D loss compare to approved T&D loss in MYT Order dated 1st August 2022.The Commission has derived the energy requirement in Energy Balance section with approved T&D loss. The Commission has reviewed the power purchase projection given by the Petitioner and the provision given under PPAs. Considering past data of power generation from different power project, the Commission has approved the power purchase from different power stations including own generations. The Commission has considered power generation from renewable energy projects available from own and IPP project, including solar and hydro based projects. Accordingly, the Commission approves the power purchase quantum and own generation units as determined in the energy balance.

Considering the Petitioner's submission, details of power plants and quantum of Energy availability are as below:

Table 82: Details of power availability from the various Power generating Station for FY 2024-25

Sr. No.	Particulars	Power Generated (MUs)
A.	**Own Diesel Generation (HSD)**	**49.75**
B.	**Hired Power Plant (HSD) Generation**	
1	HPP-V SS&S (10MW)	70.08
2	Aggreko Plant/NTPC (5 MW)	8.53
3	Express/NTPC B/flat (10 MW)	21.05
4	HPP - Aggreko (5MW)	35.04
5	HPP - SRGC (5MW)	35.04
6	HPP at Chatham Power House (Proposed) (10 MW)	42.05
7	HPP at P/Pur ND Office (Proposed) (5 MW)	16.35
8	Shaheed Dweep(Neil) Private	3.45
9	Swaraj Dweep(Havelok) Private	3.61
10	Baratang (Hiring)	4.40
11	Panighat, Mayabandar Private	9.43
12	Smith Island	0.06
13	Gandhi Nagar	0.09
14	Shanti Nagar	0.05
15	Ganesh Nagar	0.07
Total Power Generation (Hired Power Plant)		**251.31**
C.	**Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP)), 5.25 (MW)**	**14.63**
D.	**Solar Power Plant (Own)**	
1	Raj Niwas (0.05 MWp)	0.03

Sr. No.	Particulars	Power Generated (MUs)
Total Power Generation (SPP, Own)		**0.03**
E.	**Solar Power Plant (Independent Power Producer)**	
1	Secretariat	0.05
2	5 MW Solar PV Plant, Garacharma NTPC	5.50
3	20 MW SPV Power Plant, NLC	13.63
4	1 MW Rooftop Solar, SECI	0.88
5	2.84 MW Rooftop Solar, M/s Mundra Solar PV Ltd.	2.79
6	0.31 MW Rooftop Solar, M/s Mundra Solar PV Ltd. Car Nicobar	0.26
Total Power Generation (SPP, IPP)		**23.10**
Total Power Generation (A+B+C+D+E)		**338.82**

The Commission has decided to allow the power purchase cost in the ARR on provisional basis and directs the Petitioner to get the all PPAs approved on the priority basis failing which the Power Purchase Cost in respect to new PPAs signed shall be disallowed in the true-up of FY 2024-25. The Commission further directs the Petitioner to get PPA approved by the Commission before procuring power from any generating station in future.

Further, the Commission has noted that while claiming the power purchase cost for owned renewable generation, the petitioner has submitted the cost as 'Nil' considering the fact that the same are being considered under components of ARR in lieu of the power purchase fixed costs, as the renewable assets are part of GFA of the petitioner. The Commission accepts the submission and has not considered any fixed cost towards own renewable generation projects. The Petitioner has submitted the PPAs for the Hired Power Plants and IPP Solar Power plants. Considering the projected generation submitted by the Petitioner the Commission re-estimated the power purchase cost (Fixed cost) for Hired Power plants and IPP Solar Plants based on fixed cost mentioned in the PPA. Details are in below table

Table 83: Determination of Power Purchase Cost (Fixed cost of HPP, Solar (IPP) for FY 2024-25 (Rs. Crores)

Sr. No.	Power Plant	Unit Generated (MUs)	Per Unit Fixed Cost as Per PPA	Total Power Purchase Cost (Fixed cost) (Rs. Crores)
1	2	3	4	5
A.	**Hired Power Plant (HSD) Generation**			
1	HPP-V SS&S (10MW)	70.08	1.01	7.08
2	Aggreko Plant/NTPC (5 MW)	8.53	1.10	0.94
3	Express/NTPC B/flat (10 MW)	21.05	1.10	2.32
4	HPP - Aggreko (5MW)	35.04	1.02	3.57
5	HPP - SRGC (5MW)	35.04	0.92	3.22
6	HPP at Chatham Power House (Proposed) (10 MW)	42.05	0.92	3.87

Sr. No.	Power Plant	Unit Generated (MUs)	Per Unit Fixed Cost as Per PPA	Total Power Purchase Cost (Fixed cost) (Rs. Crores)
7	HPP at P/Pur ND Office (Proposed) (5 MW)	16.35	0.92	1.50
8	Shaheed Dweep(Neil) Private	3.45	0.89	0.49
9	Swaraj Dweep(Havelok) Private	3.61	0.93	0.34
10	Baratang (Hiring)	4.40	1.06	0.47
11	Panighat, Mayabandar Private	9.43	0.96	0.91
12	Smith Island	0.06	84.96*	0.07**
13	Gandhi Nagar	0.09	88.50*	0.08**
14	Shanti Nagar	0.05	87.32*	0.08**
15	Ganesh Nagar	0.07	86.14*	0.08**
Total Power Generation (Hired Power Plant)		**251.31**		**25.00*** **
B.	**Solar Power Plant (Independent Power Producer)**			
1	Secretariat	0.05	20.00	0.09
2	5 MW Solar PV Plant, Garacharma NTPC	5.50	9.35	5.14
3	20 MW SPV Power Plant, NLC	13.63	6.99	9.53
4	1 MW Rooftop Solar, SECI	0.88	4.50	0.40
5	2.84 MW Rooftop Solar, M/s Mundra Solar PV Ltd.	2.79	2.20	0.61
6	0.31 MW Rooftop Solar, M/s Mundra Solar PV Ltd. Car Nicobar	0.26	2.20	0.06
Total Power Generation (SPP, IPP)		**23.10**		**15.83**
Total (A)+(B)		**274.41**		**40.82**

**This is the per hour fixed cost only (inclusive of O&M cost and 18% GST), but fuel has been provided separately by EDA&N.*
***power purchase cost for these plants has been determined by the formula ((per hour fixed cost inclusive of GST) x (No, of hours in a year)).*
**** This is the fixed cost only, as fuel has been provided by the department separately.*

Further, the Commission has observed that the Petitioner has submitted different SFC of HSD and Lube oil for various IPPs / HPPs vis-à-vis the values approved by the Commission in the MYT Order and PPA for Hired Power Plant.

In Petition of ARR for FY 2024-25 the Petitioner has only submitted the per litre HSD cost & Lube oil cost as Rs. 109.02 per litre, Rs. 236.14 respectively per litre. The Commission in 1st & 2nd deficiency note asked the Petitioner to submit the methodology for determination of cost of HSD and Lube oil but the Petitioner failed to submit the same and in response to the Commission's specific query regarding the methodology for computation of fuel cost the

Petitioner has submitted only the sample bills for HSD and Lube oil. The Commission based on the sample bills from April 2023 to December 2023 submitted by the Petitioner in reply to 1st & 2nd deficiency note, determines the per litre cost of HSD, Lube oil by taking the weighted average, as Rs. 82.30/ Litre, Rs. 201.67/ Litre, respectively. Further, taking 5% inflation on per litre cost of HSD and Lube oil, the Commission considers per litre cost of HSD, Lube oil as Rs. 86.05/ Litre, Rs. 205.36/ Litre respectively for computation of Total Fuel cost for APR of FY 2023-24. Now the Commission has considered 5% inflation on fuel cost over APR for FY 2023-24 to arrive at the fuel cost for FY 2024-25. The Commission considers per litre cost of HSD, Lube oil as Rs. 90.35/ Litre, Rs. 216.63/ Litre respectively for FY 2024-25. The Commission approves the following fuel cost for HSD based own generation plants and fuel cost for hired power plants:

Table 84: Fuel Requirement for various IPPs, HPPs, Own Generators as approved by the Commission for FY 2024-25

Sr. No.	Power Plant	Units generated (MUs)	SFC of HSD (ml./kWh)	Total Consumption of HSD (Litre)	SFC of Lube (ml./kWh)	Total consumption of Lube oil (Litre)
A.	**Own Generation**	49.75	288.54	1,43,55,556	0.98	48,757
B.	**Hired Power Plant (HSD) Generation**					
1	HPP-V SS&S (10MW)	70.08	263	1,84,31,040	-	-
2	Aggreko Plant/NTPC (5 MW)	8.53	270	23,02,128	-	-
3	Express/NTPC B/flat (10 MW)	21.05	270	56,84,442	-	-
4	HPP - Aggreko (5MW)	35.04	263	92,15,520	-	-
5	HPP - SRGC (5MW)	35.04	270	94,60,800	-	-
6	HPP at Chatham Power House (Proposed) (10 MW)	42.05	263	1,10,58,624	-	-
7	HPP at P/Pur ND Office (Proposed) (5 MW)	16.35	263	43,00,576	-	-
8	Shaheed Dweep(Neil) Private	3.45	270	14,72,610	-	-
9	Swaraj Dweep(Havelok) Private	3.61	270	9,74,398	-	-
10	Baratang (Hiring)	4.40	263	11,56,582	-	-
11	Panighat, Mayabandar Private	9.43	263	24,80,972	-	-
12	Smith Island	0.06	270*	16,831	-	-
13	Gandhi Nagar	0.09	270*	25,461	-	-
14	Shanti Nagar	0.05	270*	13,150	-	-
15	Ganesh Nagar	0.07	270*	18,367	-	-
	Total HPP	**251.31**		**6,66,11,501**		
Total				**8,09,67,056**		**48,757**

**As SFC for these generation plants are not mentioned in PPA, so the Commission considered same SFC as submitted by the Petitioner. The Petitioner is directed to take prior approval for SFC from the Commission only after that these generating plants shall be considered in True-up of FY 2024-25.*

Table 85: Computation of total cost for Power Purchase approved by the Commission for FY 2024-25

Sr. No.	Power Plant	Units generated (MUs)	Total Consumption of HSD (Litre)	Cost of HSD (Rs. Crores) *	Total Consumption of Lube oil (Litre)	Cost of Lube (Rs. Crores) **	Fixed Charges (Rs. Crores)	Total Cost (Rs. Crores)
A.	**Own (HSD) Generation**	**49.75**	**1,43,55,556**	**129.70**	**48,757**	**1.05**	**-**	**130.75**
B.	**Hired Power Plant (HSD) Generation**							
1	HPP-V SS&S (10MW)	70.08	1,84,31,040	166.52	-	-	7.08	173.60
2	Aggreko Plant/NTPC (5 MW)	8.53	23,02,128	20.80	-	-	0.94	21.74
3	Express/NTPC B/flat (10 MW)	21.05	56,84,442	51.36	-	-	2.32	53.67
4	HPP - Aggreko (5MW)	35.04	92,15,520	83.26	-	-	3.57	86.84
5	HPP - SRGC (5MW)	35.04	94,60,800	85.48	-	-	3.22	88.70
6	HPP at Chatham Power House (Proposed) (10 MW)	42.05	1,10,58,624	99.91	-	-	3.87	103.78
7	HPP at P/Pur ND Office (Proposed) (5 MW)	16.35	43,00,576	38.86	-	-	1.50	40.36
8	Shaheed Dweep (Neil) Private	3.45	14,72,610	13.30	-	-	0.49	13.79
9	Swaraj Dweep (Havelok) Private	3.61	9,74,398	8.80	-	-	0.34	9.14
10	Baratang (Hiring)	4.40	11,56,582	10.45	-	-	0.47	10.92
11	Panighat, Mayabandar Private	9.43	24,80,972	22.42	-	-	0.91	23.32
12	Smith Island	0.06	16,831	0.15	-	-	0.07	0.23

Sr. No.	Power Plant	Units generated (MUs)	Total Consumption of HSD (Litre)	Cost of HSD (Rs. Crores) *	Total Consumption of Lube oil (Litre)	Cost of Lube (Rs. Crores) **	Fixed Charges (Rs. Crores)	Total Cost (Rs. Crores)
13	Gandhi Nagar	0.09	25,461	0.23	-	-	0.08	0.31
14	Shanti Nagar	0.05	13,150	0.12	-	-	0.08	0.20
15	Ganesh Nagar	0.07	18,367	0.17	-	-	0.08	0.24
Total		**251.31**	**6,66,11,501**	**601.83**	-		**25.00**	**626.83**
C.	**Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP)), 5.25 (MW)**	**14.63**	**-**	**-**		**-**	**-**	**-**
D.	**Solar Power Plant (Own)**							
1	Raj Niwas	0.025	-	-		-	-	-
Total Power Generation (SPP, Own)		**0.025**	**-**	**-**		**-**	**-**	**-**
E	**Solar Power Plant (Independent Power Producer)**							
1	NTPC GM Solar PV Plant, Garacharma (5MWp)	0.05	-	-	-	-	0.09	0.09
2	SECI (Rooftop SPV) Port Blair, (1 MWp)	5.50	-	-	-	-	5.14	5.14
3	Mundra (Rooftop SPV) Port Blair, (2.84 MWp)	13.63	-	-	-	-	9.53	9.53
4	Mundra (Rooftop SPV) Car Nicobar, (0.31)	0.88	-	-	-	-	0.40	0.40

Sr. No.	Power Plant	Units generated (MUs)	Total Consumption of HSD (Litre)	Cost of HSD (Rs. Crores) *	Total Consumption of Lube oil (Litre)	Cost of Lube (Rs. Crores) **	Fixed Charges (Rs. Crores)	Total Cost (Rs. Crores)
5	NLC Ground Mounted SPV Plant, (20 MWp)	2.79	-	-	-	-	0.61	0.61
6	Secretariat, (0.75 MWp)	0.26	-	-	-	-	0.06	0.06
Total Power Generation (SPP, IPP)		**23.10**	-	-	-	-	**15.83**	**15.83**
Total		**338.82**	**8,09,67,056**	**731.53**	**48,757**	**1.05**	**40.82**	**773.41**

** Unit cost of HSD is Rs. 90.35 per litre.*
*** Units cost of Lube oil is Rs. 216.63 per litre.*

Table 86: Total Power Purchase Cost Approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1.	Fuel Cost	817.48	1045.89	732.59
2.	Power Purchase Cost (Fixed cost for IPP projects)			40.82
3	**Total**	**817.48**	**1045.89**	**773.41**

The Commission approves total Fuel Cost of Rs. 732.59 Crores (i.e. inclusive of Rs. 731.53 Crores as HSD Cost and Rs. 1.05 Crores as Lube oil cost), and Rs. 40.82 Crores as Power Purchase Cost (i.e. inclusive of Fixed cost of HSD based Hired power plants and IPP Solar Power Plants) in the ARR of FY 2024-25. As mentioned earlier, no separate cost has been approved for own renewable based generation.

5.7. Renewable Purchase Obligation (RPO)

As per Regulation 1, Sub-regulation (1.1) 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 has notified the Joint Electricity Regulatory Commission for the State of Goa & Union Territories (Procurement of Renewable Energy) (Fifth Amendment), Regulations 2024 on 6th June 2024 and revised the RPO targets, according to which the Petitioner has to purchase 29.91 % of its total consumption from renewable sources for the FY 2024-25.

For the FY 2024-25, the Commission approves the RPO target of 89.27 MUs (i.e. 29.91% of Sales) comprising of 2.00 MUs Wind RPO, 1.13 MUs HPO, 4.48 MUs Distributed RPO and 81.63 MUs Other RPO Target. Out of which, the Petitioner has only claimed to procure 37.36 MUs to full fill other RPO Targets (as per new definition of Other RPO in aforesaid 5th amendment), thereby resulting in a shortfall in RPO compliance. Accordingly, the table below provides the cumulative shortfall in RPO compliance till FY 2024-25:

Table 87: Cumulative RPO compliance till FY 2024-25

Sr. No.	Particulars	FY 2024-25
	Renewable Purchase Obligation (%)	
1	Wind RPO	0.67%
2	HPO	0.38%
3	Distributed RPO	1.50%
4	Other RPO	27.35%
A	**Total Renewable Purchase Obligation (%)**	**29.91%**
B	**Sales Within UT (MUs)**	**298.47**
1	Wind RPO Target (MUs)	2.00
2	HPO Target (MUs)	1.13
3	Distributed RPO Target (MUs)	4.48
4	Other RPO Target (MUs)	81.63
C	**Total Renewable Purchase Obligation (MUs)**	**89.27**
1	Wind RPO Compliance (Actual & REC)	-
2	HPO Compliance (MUs)	-
3	Distributed RPO Compliance (MUs)	-
4	Other RPO Compliance (MUs)	37.76
D	**Total RPO Compliance (Actual Purchase + REC), (MUs)**	**37.76**
1	Wind RPO Shortfall (MUs)	2.00
2	HPO Shortfall (MUs)	1.13
3	Distributed RPO Shortfall (MUs)	4.48
4	Other RPO Shortfall (MUs)	43.87
E	**Net Shortfall in RPO Compliance for FY 2024-25**	**51.51**
F	**Cumulative Shortfall in RPO Compliance till end of FY 2023-24**	**52.56**
G	**Cumulative Shortfall in RPO Compliance till end of FY 2024-25**	**104.07**

The Commission notes that there is a net shortfall in RPO compliance for FY 2024-25 (standalone of 51.51 MUs) and cumulative shortfall of 104.07 MUs till FY 2024-25.

The Commission has been continuously directing the Petitioner to complete the RPO obligation on priority through purchase of REC in case of unavailability of physical RE power in the Islands of Andaman & Nicobar, but there has been no improvement. The Commission once again directs the Petitioner to procure REC to meet the standalone shortfall failing which it shall be constrained to take appropriate action u/s 142 of the E. Act 2003. The Commission accordingly has allowed the REC cost based on the average per kWh price from October 2023 to March 2024 of REC. The Commission shall review the progress of RPO compliance time to time. The cost approved towards REC purchase is as follows:

Table 88: REC Cost approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Average per kWh price from October 2023 to March 2024 (Rs. /kWh)	Shortfall (MUs) for FY 2024-25	Approved by the Commission
1	REC cost	0.347	51.51	1.79

5.8. 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 61 of the MYT Regulation, 2021 states the following:

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

61.2 O&M Expenses shall comprise of the following:

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

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

c) Repairs and Maintenance expenses.

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

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

given below:

$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n) + \text{Terminal Liabilities}$

Where,

$R\&M_n = K \times GFA_{n-1} \times (1+WPI_{inflation})$

$EMP_n = (EMP_{n-1}) \times (1+G_n) \times (1+CPI_{inflation})$

$A\&G_n = (A\&G_{n-1}) \times (1+CPI_{inflation})$

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

$CPI_{inflation}$ – is the average increase in Consumer Price Index (CPI) for immediately preceding

three (3) Years before the base Year;

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

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

$A\&G_n$ – Administrative and General expenses of the Distribution Licensee for the nth Year;

$R\&M_n$ – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFA_{n-1} – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;

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

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

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

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

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

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

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

5.8.1. Employee Expenses

Petitioner's submission:

The Commission has approved the Employee cost for the FY 2024-25 under MYT order based on the approved norms in accordance with Regulation 61 of the MYT Regulations, 2021.

EDA&N has considered the actual employee expenses for FY 2022-23 as base. Further, the base value has been escalated year over year by the Growth factor (Gn) of respective years &average increase in CPI for the immediately 3 preceding years (FY 2020-21, FY 2021-22& FY 2022-23). Accordingly, the revised employee expenses for FY 2024-25 have been proposed. The cost as approved by the Commission for the FY 2024-25 and the revised proposal for the year is given below:

Table 89: Employee Expenses submitted by the Petitioner for the FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved by the Commission in MYT Order dated 1st August 2022	Petitioner's Submission
1	Employee Cost	153.30	167.30

Commission's analysis:

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the Employee expenses. The Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

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

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

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

6.2 The Commission may revisit the performance targets for the Control Period during the Mid-term Review, carried out in accordance with the Regulation 11."

In accordance with JERC MYT Regulations, the Employee expenses may be revised to the extent of change in inflation and growth rate (G_n) during the control period. Accordingly, the Commission has considered the approved value of employee expenses for FY 2023-24 in APR (as given in the previous chapter) for computation of revised employee expenses of FY 2024-25. The Commission has considered the employee growth rate (G_n) for FY 2024-25 as submitted by the Petitioner in Reply to 1st deficiency note along with the average CPI of previous three years to arrive at the employee expenses for FY 2024-25.

The CPI Inflation has been computed as follows:

Table 90: Computation of CPI Inflation (%)

FY	Average Value of CPI for FY	Increase in CPI Index	Average increase in CPI Index over 3 years	Applicable CPI
2019-20	322.50			
2020-21	338.70	5.02%	5.40%	
2021-22	356.10	5.14%		
2022-23	377.60	6.04%		
2023-24 and 2024-25				5.40%

Table 91: Employee recruitment plan as submitted by the Petitioner

Sr. No.	Particulars	FY 2023-24	FY 2024-25
1	Opening Employee	1642	2039
2	Closing Employee	2039	2039
3	Growth rate		0.00%

Table 92: Employee Expenses approved by the Commission for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	$EMP_{(n-1)}$ (Rs. Crore)	153.30	167.30	192.48
2	Gn (%)			0.00%
3	$CPI_{inflation}$ (%)			5.40%
4	Employee Expenses = $(EMP_{(n-1)})$ x $(1+G_n)$ x $(CPI_{inflation})$			202.87

The Commission approves revised normative Employee Expenses of Rs. 202.87 Crores for FY 2024-25.

5.8.2. Administrative and General (A&G) Expenses

Petitioner's submission:

The Petitioner has submitted the Administrative & General Expenses of Rs. 3.11 Crores as against the approved figure of Rs. 14.67 Crores in the MYT Order.

The Commission has approved the Administrative & General Expenses for the FY 2024-25 under MYT order based on the approved norms in accordance with Regulation 61 of the MYT Regulations, 2021.

The Petitioner has proposed the revised estimates of the Administrative & General Expenses based on the actual expenses for FY 2022-23. Further, average increase in CPI for the immediately three preceding years (FY 2020-21, FY 2021-22 & FY 2022-23) has been considered to escalate the actual A & G expenses for FY 2022-23 year on year to arrive at the revised estimate for the FY 2024-25. The cost as approved by the Commission for the FY 2024-25 and the revised proposal for the year is given below:

Table 93: A&G Expenses submitted by the Petitioner for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved by the Commission in MYT Order dated 1st August 2022	Petitioner's Submission
1	Administration & General Expenses	14.67	3.11

Commission's analysis:

In accordance with JERC MYT Regulations, the A&G expenses shall be revised to the extent of change in inflation during the control period. Accordingly, the Commission has considered the approved value of A&G expenses for APR of FY 2023-24 for computation of revised A&G expenses of FY 2024-25. Approved value of A&G expenses for APR of FY 2023-24 has been escalated by average CPI of previous three years to arrive at the A&G Expenses for FY 2024-25.

Table 94: Computation of CPI Inflation (%)

FY	Average Value of CPI for FY	Increase in CPI Index	Average increase in CPI Index over 3 years	Applicable CPI
2019-20	322.50			
2020-21	338.70	5.02%	5.40%	
2021-22	356.10	5.14%		
2022-23	377.60	6.04%		
2023-24 and 2024-25				5.40%

The table below provides the A&G expenses approved in MYT Order, Petitioner's Submission and now approved by the Commission:

Table 95: A&G Expenses approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	A&G$_{(n-1)}$ (Rs. Crores)	14.67	3.11	2.67
2	CPI inflation (%)			5.40%
3	Gross A&G$_n$ = A&G$_{(n-1)}$ x (1+CPI inflation) (Rs. Crores)			2.81

The Commission approves the revised normative Administrative & General (A&G) expenses of Rs. 2.81 Crores for FY 2024-25.

5.8.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission:

The Petitioner has submitted the Repair & Maintenance Expenses of Rs. 62.68 Crores as against the approved figure of Rs. 59.86 Crores in the MYT Order.

The Petitioner has proposed the revised estimates of the Repair & Maintenance Expenses based on the Regulation 61 of the MYT Regulations, 2021. ANED has considered the 'K' factor as approved by the Commission in the MYT Order dated 1st August 2022. Further, the closing balance of GFA as per audited Accounts for the FY 2021-22 has been taken as opening balance for FY 2022-23 and the asset addition during FY 2022-23 & estimated addition during the FY 2023-24 & FY 2024-25 has been considered to arrive at the closing GFA for the FY 2024-25. Further, average increase in WPI for the immediately three preceding years (FY 2020-21, FY 2021-22& FY 2022-23) has been considered. Thereafter, revised R&M expenses for the FY 2024-25has been calculated considering the opening GFA for the previous year and applying the 'K' factor & average WPI as above. The cost as approved by the Commission for the FY 2024-25 and the revised proposal for the year is given below:

Table 96: Repair & Maintenance Expenses submitted by the Petitioner for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved by the Commission in MYT Order dated 1st August 2022	Petitioner's Submission
1	Repair & Maintenance Expenses	59.86	62.68

Commission's analysis:

In accordance with JERC MYT Regulations, 2021 the R&M expenses may be revised to the extent of change in inflation during the control period along with impact of k factor. The Commission has considered the k-Factor as approved in the MYT Order dated 1st August

2022 and multiplied the same with the closing GFA of FY 2023-24. The resultant amount is then escalated by average WPI Inflation of previous three years to arrive at the R&M expenses for FY 2024-25.

The WPI Inflation has been computed as follows:

Table 97: Computation of WPI Inflation (%)

<table>
<tr><th>FY</th><th>Average Value of WPI for FY</th><th>Increase in WPI Index</th><th>Average increase in WPI Index over 3 years</th><th>Applicable WPI</th></tr>
<tr><td>2019-20</td><td>121.80</td><td></td><td></td><td></td></tr>
<tr><td>2020-21</td><td>123.40</td><td>1.31%</td><td rowspan="3">7.89%</td><td></td></tr>
<tr><td>2021-22</td><td>139.40</td><td>12.97%</td><td></td></tr>
<tr><td>2022-23</td><td>152.50</td><td>9.40%</td><td></td></tr>
<tr><td>2023-24 and 2024-25</td><td></td><td></td><td></td><td>7.89%</td></tr>
</table>

The table below provides the R&M expenses approved in MYT Order, Petitioner's Submission and now approved by the Commission:

Table 98: R&M Expenses approved by the Commission for FY 2024-25 (Rs. Crores)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Approved in MYT Order dated 1st August 2022</th><th>Petitioner's Submission</th><th>Approved by the Commission</th></tr>
<tr><td>1</td><td>Opening GFA (GFAn-1)</td><td rowspan="4">59.86</td><td rowspan="4">62.68</td><td>615.82</td></tr>
<tr><td>2</td><td>K factor approved (K) (%)</td><td>9.46%</td></tr>
<tr><td>3</td><td>Avg. WPI Inflation (%)</td><td>7.89%</td></tr>
<tr><td>4</td><td>R&M Expenses =
K x (GFA n-1) x (1+WPIinflation)</td><td>62.85</td></tr>
</table>

The Commission approves the revised normative Repair & Maintenance (R&M) expenses of Rs. 62.85 Crores for the FY 2024-25.

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

The following table provides the total O&M expenses approved by the Commission for the FY 2024-25:

Table 99: O&M Expenses approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Employee Expenses	153.30	167.30	202.87

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
2	Administrative & General Expenses (A&G)	14.67	3.11	2.81
3	Repair & Maintenance Expenses	59.86	62.68	62.85
	Total Operation & Maintenance Expenses	227.83	233.09	268.54

The Commission approves Operation & Maintenance (O&M) expenses of Rs. 268.54 Crores in FY 2024-25.

5.9. Capitalization

Petitioner's submission:

The Petitioner has claimed the capitalisation of Rs. 72.88 Crores as against the capitalisation of Rs. 72.88 Crores approved in MYT order for FY 2024-25.

Commission's analysis:

The Commission has considered the approved closing value of the GFA for FY 2023-24 as the opening value of GFA for FY 2024-25. The Commission has reviewed the capitalisation for FY 2024-25 as approved by the Commission in the MYT order dated 1st August 2022 vis-à-vis as submitted by the Petitioner under present Petition. The Commission in its data deficiency note directed the Petitioner to submit the scheme wise details as well as schemes which are approved under MYT order and which are still not approved. After reviewing the submission, the Commission has arrived at the closing value of GFA for FY 2024-25 considering the approved capitalisation during FY 2024-25. The following table provides the summary of capitalization now approved by the Commission vis-à-vis the capitalisation approved by the Commission in the MYT Order:

Table 100: Details of Schemes approved by the Commission for ARR of FY 2024-25

Sr. No.	Particulars	Capitalization approved by Commission in Business Plan	Capitalization for FY 2024-25, submitted by the Petitioner
1	Installation of 27,302 Prepaid Smart Meters and remaining 36,000 under RDSS scheme.	16.00	16.00
2	New Installation and Repairment & augmentation on the existing distribution transformers (Total 95 No's of Distribution Transformer) at 33 KV/11 KV existing substation including HT/LT Panels.	4.65	4.65

Sr. No.	Particulars	Capitalization approved by Commission in Business Plan	Capitalization for FY 2024-25, submitted by the Petitioner
3	The scheme will provide commissioning of new substations and the replacement of existing 33/11 KV substation including HT/LT Panels, HT/ LT Shunt Capacitors etc, replacement of old and obsolete panels and other allied equipment etc.	43.72	43.72
4	Laying of HT/LT new cable line and also replacement of old and defective cables in all the Island.	8.51	8.51
		72.88	72.88

Table 101: Capitalisation now approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Capitalisation	72.88	72.88	72.88

The Commission approves the capitalisation of Rs. 72.88 Crores for FY 2024-25.

The Commission directs the Petitioner that the Petitioner shall submit Detailed Project Report (DPR) along with Cost benefit Analysis and also submit documentary proof like Asset put to use certificate/ Commission certificate at the time of True-up of FY 2024-25, so that the above schemes can be allowed in True-up.

5.10. Capital Structure

Petitioner's Submission

The Petitioner has submitted that all the capital assets have been created out of equity contribution from Andaman & Nicobar Administration.

Commission's analysis

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

"*27. Debt to Equity Ratio*

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2022 shall be considered:

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

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

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of tariff:

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

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

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

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

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

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2022, 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."

Therefore, in accordance with the JERC MYT Regulations, 2021, the Commission has determined the Capital Structure for the FY 2024-25 as follows:

Table 102: GFA addition approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	FY 2024-25
1	Opening Gross Fixed Assets (refer section 4.10 of this order)	615.82
2	Addition During the FY	72.88
3	Adjustment/Retirement During the FY	-
4	Closing Gross Fixed Assets	688.70

For the purpose of calculating the opening value of loan in FY 2024-25, the Commission has considered the closing value of loan for FY 2024-25 as approved in previous chapter. Normative loan addition is considered as 70% of approved capitalisation during the year.

Table 103: Loan addition approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	FY 2024-25
1	Opening Loan	73.19
2	Normative loan additions during the year	51.02
3	Less: Normative Repayment equivalent to Depreciation	11.04
4	Closing Loan	113.16

For calculating the opening value of equity in FY 2024-25, the Commission has considered the closing value of equity for FY 2023-24 as approved in the previous chapter. Further, 30% of capitalisation approved during the year is considered as addition in equity during the year.

Table 104: Normative Equity addition approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	FY 2024-25
1	Opening Equity	92.22
2	Additions during the year	21.86
3	Closing Equity	114.08

5.11. Depreciation

Petitioner's submission:

The Petitioner has submitted the depreciation of Rs. 8.67 crores as per JERC MYT Regulations, 2021 as against the approved depreciation of Rs. 7.10 crores in MYT Order dated 31st March 2022 for FY 2024-25.

Commission's analysis:

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

"31. Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For calculating the depreciation for FY 2024-25, the Commission has considered the weighted average rate of depreciation as approved by the Commission in the Tariff order dated 31st March 2022.

The opening gross fixed asset for FY 2024-25 is as per closing GFA of FY 2023-24 approved in the previous chapter. Further, assets depreciated up to 90% till FY 2021-22, is considered as per FAR for FY 2021-22 received from the Petitioner. Addition in GFA during the year is already approved by the Commission for FY 2024-25 in Section 5.9: Capitalisation.

The following table provides the calculation of depreciation as approved in the MYT order, Petitioner's submission and now approved by the Commission.

Table 105: Depreciation approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Opening Gross Fixed Assets	617.53	614.08	307.40
2	Less: Assets depreciated up to 90% till FY 2021-22	38.47	-	38.47
3	Net Opening Gross Fixed Assets	579.06	614.08	268.93
4	Addition During the FY 2024-25	72.88	72.88	72.88
5	Adjustment/Retirement during FY 2024-25	-	-	-
6	Closing Gross Fixed Assets	651.94	686.96	341.81
7	Average Gross Fixed Assets	615.50	650.52	305.37
8	Weighted Average Depreciation rate (%)	3.55%	-	3.62%
9	Depreciation	21.87	19.62	11.04

The Commission approves a depreciation of Rs. 11.04 Crores for the FY 2024-25.

5.12. Interest on Loan and Finance Charges

Petitioner's submission:

The EDA&N being a government department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. The interest on debt/loan has been approved by the Commission considering debt to be 70% of GFA.

EDA&N has considered the closing normative loan for the FY 2021-22 as the opening normative loan for the FY 2022-23. Thereafter, 70% of the actual asset capitalization/addition during FY 2022-23 & estimated addition during the FY 2023-24 & FY 2024-25 has been considered as debt addition for the respective years. Further, Normative repayment of loan for FY 2022-23, FY 2023-24& FY 2024-25 has been considered equivalent to depreciation for the respective years. Accordingly, the closing loan balance for the FY 2024-25 has been arrived.

Interest on loan for the FY 2024-25 has been arrived at based on the above normative loan & in-accordance with the MYT Regulations:

Table 106: Interest and Finance Charges submitted by the Petitioner for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission
1	Opening Normative Loan	119.95	106.15
2	Add: Normative Loan during the year @70% of GFA during the year	51.02	51.02

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission
3	Less: Normative Repayment	21.87	19.62
4	Closing Normative Loan	149.10	137.54
5	Average Normative Loan	134.53	121.84
6	Rate of Interest (@ SBI SBAR rate)	8.00%	9.50%
7	Interest on Normative Loan	10.76	11.58

Commission's analysis:

Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

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

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

29.2 The normative loan outstanding as on April 1, 2022, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, in absence of details data with respect to the actual loan portfolio, the Commission has considered the SBI 1 Year MCLR rate plus 100 basis points as Rate of Interest, in accordance with the JERC MYT Regulations, 2021. The SBI 1-year MCLR as on 1st April 2023 plus 100 basis points i.e. 9.50% (8.50% + 1%) has been considered for computation of interest on loan.

The opening normative loan is closing normative loan approved for FY 2023-24. Addition in normative loan is 70% of capitalisation approved during the year. In addition, normative loan repayment is considered as depreciation approved for FY 2024-25. Interest is calculated on average normative loan during FY 2024-25.

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

Table 107: Interest on Loan approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Opening Normative Loan	119.95	106.16	73.19
2	Add: Normative Loan During the year	51.02	51.02	51.02
3	Less: Normative Repayment equal to Depreciation	21.87	19.62	11.04
4	Closing Normative Loan	149.10	137.55	113.16
5	Average Normative Loan	134.52	121.85	93.18
6	Rate of Interest (%)	8.00%	9.50%	9.50%
7	Interest on Loan	10.76	11.58	8.85

Therefore, the Commission approves Interest on Loan as Rs. 8.85 Crores for the FY 2024-25.

5.13. Return on Equity (RoE)

Petitioner's submission:

The EDA&N being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support.

EDA&N has considered the closing normative equity for the FY 2021-22 as the opening normative equity for the FY 2022-23. Thereafter, 30% of the actual capitalization/addition during FY 2022-23, estimated asset capitalization/addition during FY 2023-24 & projected addition during FY 2024-25 has been considered as equity addition for the respective years. Accordingly, the closing equity balance for the FY 2024-25 has been arrived.

In view of the above, the revised Return on Equity for the FY 2024-25 is calculated as below:

Table 108: Return on equity as submitted by the Petitioner (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission
1	Opening Equity Amount	185.26	177.62
2	Equity Addition during year (30% of Capitalization)	21.86	21.86
3	Closing Equity Amount	207.12	199.49
4	Average Equity Amount	196.19	188.56
5	Rate of Return on Equity (%)	16.00%	16.00%
6	Total Return on Equity	31.39	30.17

Commission's analysis

Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following:

"28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum."

The Commission notes that for Distribution Wires Business ROE shall be calculated at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system. Presently the same is 15.5%. Further, return on equity for the Retail Supply Business shall be allowed at the rate of 16% per annum. The Commission has considered the rates as 15.5% and 16%. The Commission, on the average of opening and closing of equity during the year, has calculated RoE, with an opening equity considered equivalent to the closing equity of FY 2023-24 as approved in the APR. Further, 90% of average eqity is considered for wires business and remaining for retail supply business. The following table provides the RoE approved in the ARR of FY 2024-25, the Petitioner's submission and RoE now approved by the Commission.

Table 109: RoE approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Opening Equity	185.26	177.62	92.22
2	Additions in equity on account of new capitalisation	21.86	21.86	21.86
3	Closing Equity	207.12	199.49	114.08
4	Average Equity	196.19	188.56	103.15

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
5	Average Equity (Wires Business) (90%)			92.84
6	Average Equity (Retail supply Business) (10%)			10.32
7	Return on Equity for Wires Business (%)	16%	16%	15.50%
8	Return on Equity for Retail supply Business (%)			16.00%
9	Return on Equity for Wires Business			14.39
10	Return on Equity for Retail supply Business			1.65
11	Return on Equity	31.39	30.17	16.04

The Commission approves Return on Equity of Rs. 16.04 Crores for the FY 2024-25.

5.14. Interest on Security Deposits

Petitioner's submission:

The Petitioner has submitted that the Electricity Department collects deposits from consumers in the form of Fixed Deposits Receipts (FDR)/ Bank Guarantee and in case of FDR, the interest is directly paid to the consumer. Hence, no interest on security deposits has been projected in the petition.

Commission's analysis:

Regulation 29.11 of the JERC MYT Tariff Regulations, 2021 stipulates as follows:

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

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

Since, the Petitioner has not collected any consumer security deposit in cash, therefore, the Commission has not approved any Interest on Security Deposits, as the interest amount on fixed deposits is not available with Petitioner in cash.

5.15. Interest on Working Capital

Petitioner's submission:

The Commission has approved the Interest on Working Capital for FY 2024-25 based on the cost parameters approved for MYT Control Period in accordance with the Regulation 64 of the MYT Regulations, 2021.

The Petitioner has computed the Interest on Working Capital at rate of 10.50% as Rs. 6.55 Crores. EDA&N has calculated the revised interest on working capital for FY 2024-25 in accordance with the above submission. The same is provided below along with the approved figures for the year:

Table 110: Interest on Working Capital submitted by the Petitioner (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission
1.	O&M Expense for1 month;	18.99	19.42
2.	Maintenance Spare at 40% of R&M Expenses of month;	2.00	2.09
3.	Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;	39.50	44.46
4.	Less: Power Purchase Cost for 1 Month	4.30	3.54
5.	Less: Amount held as Security Deposit	-	-
6.	Total Working Capital	56.19	62.43
7.	Interest Rate	9.00%	10.50%
8.	Interest on Working Capital	5.06	6.55

Commission's analysis:

Regulation 53 of the JERC MYT Regulations, 2021 stipulates the following:

"53. Norms of Working Capital for Distribution Wires Business

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

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

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

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

wires at the prevailing tariff;

Less:

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

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

Further, Regulation 32.3 and 32.4 of the MYT Regulation, 2021 stipulates the following:

"32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

The Commission has computed the Interest on Working Capital for FY 2024-25 in accordance with the MYT Regulation, 2021. The interest rate has been considered as 10.50% (1-year MCLR as on 1st April 2023, i.e. 8.50% + 200 basis points). Further, the approved values for FY 2024-25 are considered while determining the components of working capital. One month power purchase cost is derived based on approved power purchase cost for FY 2024-25. As the Petitioner does not collect the security deposits as cash, no such amount is considered under working capital. The computation of interest on working capital is shown in the following table:

Table 111: Interest on Working Capital approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	O&M Expense for 1 month	18.99	19.42	22.38
2	Maintenance spares at 40% of R&M expenses for one (1) month;	2.00	2.09	2.10
3	Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff	39.50	44.46	50.78
4	Less: Power Purchase Cost for 1 Month	4.30	3.54	3.40
5	Less: Amount held as Security Deposit	-	-	-
6	Net Working Capital	56.19	62.43	71.85
7	Rate of Interest (%)	9.00%	10.50%	10.50%
8	Interest on Working Capital	5.06	6.55	7.54

The Commission approves the Interest on Working Capital as Rs. 7.54 Crores for the FY 2024-25.

5.16. Income Tax

Petitioner's submission:

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

Commission's analysis:

Regulation 33 of JERC MYT Regulations, 2021 stipulates the following:

"*33. Tax on Income*

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

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

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

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

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

Since the Petitioner has not projected any income tax and hence no Income tax for FY 2024-25 is considered by the Commission. Hence, NIL amount is being considered for the same subject to trued-up based on the actual income tax paid by the Petitioner.

Table 112: Income Tax approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Petitioner submission	Approved by the Commission
1	Income Tax	0.00	0.00

5.17. Provision for Bad & Doubtful Debts

Petitioner's submission:

The Petitioner has not proposed any provision for bad and doubtful debts during the FY 2024-25.

Commission's analysis

Regulation 63 of the JERC MYT Regulations, 2021 stipulates the following

"63. Provision for bad and doubtful debts

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

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

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

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

The Commission has not considered any Provision for Bad & Doubtful Debts for the FY 2024-25 as the Petitioner has not proposed any amount for the same. The same shall be accounted for as per actuals during the True-up of FY 2024-25.

5.18. Non-Tariff Income

Petitioner's submission:

The Petitioner has estimated the non-tariff income of Rs. 6.31 Crores for FY 2024-25.

Commission's analysis:

Regulation 65 of the JERC MYT Regulations, 2021 stipulates the following:

"65. Non-Tariff Income

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

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

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

(a) Income from rent of land or buildings;

(b) Income from sale of scrap;

(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 approves the NTI in line with the Petitioner's submission. The same shall be Trued-up on actual basis at the time of true-up. The NTI approved for FY 2024-25 has been shown in the following table:

Table 113: Non-tariff Income approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1	Non-Tariff Income	3.84	6.31	6.31

The Commission approves Non-Tariff Income of Rs. 6.31 Crores for the FY 2024-25.

5.19. Aggregate Revenue Requirement (ARR)

Petitioner's submission:

Based on the expenses as detailed above, the Petitioner has submitted the net aggregate revenue requirement of Rs. 1,340.89 Crores as against the approved net aggregate revenue requirement of Rs. 1,110.55 Crores in MYT Order dated 1st August 2022.

Commission's analysis:

On the basis of the detailed analysis of the cost parameters of the ARR, the net revenue requirement as approved in MYT order, Petitioner's submission and now approved by the Commission for FY 2024-25 is shown in table below:

Table 114: Aggregate Revenue Requirement approved by the Commission for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Approved in MYT Order dated 1st August 2022	Petitioner's Submission	Approved by the Commission
1.	REC cost	-	-	1.79
2.	Power Purchase Cost	723.24	1045.89	40.82
3.	Fuel Cost	94.25		732.59
4.	O&M Expenses	227.82	233.09	268.54
5.	Depreciation	21.87	19.62	11.04
6.	Interest and Finance charges	10.76	11.58	8.85
7.	Interest on Working Capital	5.06	6.55	7.54
8.	Return on Equity	31.39	30.17	16.04
9.	Interest on Security Deposit	-	-	-
10.	Income Tax	-	-	-
11.	**Total Revenue Requirement**	**1,114.38**	**1,346.89**	**1,087.21**
12.	Less: Non-Tariff Income	3.84	6.31	6.31
13.	**Net Revenue Requirement**	**1,110.55**	**1,340.58**	**1,080.90**

The Commission approves net ARR of Rs. 1,080.90 Crores for the FY 2024-25.

5.20. Revenue at existing Retail Tariff

Petitioner's submission:

The Petitioner has estimated revenue from sale of power at existing tariff as Rs. 266.75 Crores for the FY 2024-25 based on the projected energy sales, connected load and number of consumers.

Commission's analysis:

The category wise revenue at existing retail tariff is calculated as per the applicable tariff rates. The revenue from demand charges and the energy charges have been projected for each category. The Commission has considered number of single phase and three phase consumers in the ratio of 70%-30% and has considered the power factor of 0.9 for converting connected load from kVA to kW. The revenue from different consumer category as computed by the Commission for the FY 2024-25 has been shown in the following table:

Table 115: Revenue at existing tariff computed by the Commission for the FY 2024-25 (Rs. Crores)

Sr. No.	Category	Revenue from Fixed Charges (Rs. Crores)	Revenue from Energy charges (Rs. Crores)	Total (Rs. Crores)	ABR (Rs. /unit)
1	Life Line Connection	-	-	-	-
	Domestic	7.09	76.90	83.99	4.66
2	Commercial	3.50	45.52	49.03	13.88
3	Hotels/ Restaurant/ Resorts	1.32	15.19	16.51	16.08
	Government Connection	1.65	33.65	35.30	15.01
3	Industrial	0.98	13.54	14.52	12.59
4	Bulk Supply	2.86	43.85	46.72	15.71
5	Public Lighting	0.53	5.12	5.66	10.21
6	Irrigation, Pumps & Agriculture	0.10	0.41	0.50	2.16
7	Temporary Connection	-	-	-	-
	Total	**18.03**	**234.19**	**252.22**	**8.45**

The Commission has determined revenue from sale of power at existing tariff as Rs. 252.22 Crores in FY 2024-25.

5.21. Standalone Revenue Gap/ Surplus

Petitioner's submission:

Based on the ARR and the revenue from retail tariff projected by the Petitioner at existing tariff, the Petitioner has submitted a standalone revenue gap of Rs. 1073.83 Crores for the FY 2024-25.

Commission's analysis:

The Commission based on the approved ARR and existing retail tariff has derived the following Revenue Gap/Surplus:

Table 116: Standalone Revenue Gap/ Surplus approved at existing tariff for the FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Petitioners' submission	Now Approved by the Commission
1.	Annual Revenue Requirement	1340.58	1080.90

Sr. No.	Particulars	Petitioners' submission	Now Approved by the Commission
2.	Revenue from sale of power	266.75	252.22
3.	**Revenue Gap/(Surplus)**	**1073.83**	**828.68**

The Commission approves a standalone gap at existing tariff is Rs. 828.68 Crores in the ARR of FY 2024-25. The Commission's decision regarding meeting this revenue gap for FY 2024-25 is explained in the subsequent chapter.

Chapter 6 : Tariff Principles and Design

6.1. Overall Approach

The Commission while designing the retail tariff for the FY 2024-25 has kept in view the principles of determination of tariff set out in the Electricity Act, 2003 (EA 2003), Tariff Policy, 2016 and the JERC MYT Regulations, 2021.

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 Electricity Act, 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 public responses in these proceedings.

The provision of supply of electricity to all the people is an essential driver for development, and also influences social and economic change. Since the majority of the energy sales within EDA&N's jurisdiction is to tourism related businesses, the Commission has attempted to ensure that, while tourism is promoted, but not at the cost of other segments of society.

6.2. Applicable Regulations

Regulation 20 of JERC MYT Regulations, 2021 states the following:

"*20. Annual determination of tariff*

20.1 The Commission shall determine the tariff of a Generating Company, Transmission Licensee and Distribution Licensee covered under a Multi-Year Tariff framework for each Year during the Control Period, in accordance with timelines specified in Regulation 18, having regard to the following:

a) The approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges of the Generating Company, Transmission Licensee and Distribution Licensee for such Financial Year, including modifications approved at the time of Mid-term Review, if any; and

b) Approved gains and losses, including the incentive available, to be passed through in tariff, following the truing up of previous Year."

Further, Regulation 68 of the JERC MYT Tariff Regulations, 2021 stipulates as follows:

"*68. Determination of Tariff*

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

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

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

68.4 The tariff proposal by Licensee and the tariff determination by the Commission shall be based on the following principles:(a) The tariff for all categories shall preferably be two part, consisting of fixed and variable charges.

(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."

In case of Andaman & Nicobar Islands, the source of power is own generation (diesel, hydro, solar) and purchase from Diesel Power Projects [Hired Power Plants (HPP), Independent Power Producers (IPP)] and solar plants.

Since sales are predominantly in the LT category, the Commission is of the view that the functional demarcation of costs will not have substantial impact on the present tariff structure. Additionally, due to practical constraints, open access is not an option for the consumers of Andaman and Nicobar Islands.

In view of the above, the tariff needs to be designed in such a way that cross subsidy between different categories of consumers is progressively brought within ±20% of Average Cost of Supply (ACoS). However, it is relevant to mention that due to high cost of diesel-based generation, ACoS is significantly high in A&N. The Commission has taken a considerate view in this regard balancing the interest of the utility and the consumer, thus compensating the department with additional revenue and providing a reasonable hike in consumers' tariff.

Accordingly, the Commission has designed tariff for different categories of consumers as brought out subsequently.

6.3. Cumulative Revenue Gap/ (Surplus) at Existing Tariff

Petitioner's Submission:

The Petitioner has proposed revenue gap of Rs. 1073.83 Crores for FY 2024-25 at existing tariff. The revenue gap submitted by the Petitioner for FY 2024-25 is as follows:

Table 117: Revenue Gap at existing tariff submitted by the Petitioner for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	FY 2024-25
1	Net Revenue Requirement	1340.58
2	Revenue from Sale of Power at existing Tariff	266.75
3	Net Gap during the year	1073.83
4	Add: Previous Year Gap	-
5	Total Gap	1073.83

Commission's View:

The Commission based on the Aggregate Revenue Requirement and Revenue from sale of power computed above, has derived revenue gap for the FY 2024-25 at existing tariff as shown in table below:

Table 118: Revenue Gap determined by the Commission at existing tariff for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	FY 2024-25
1.	Net Revenue Requirement	1080.90
2.	Revenue from Sale of Power at existing Tariff	252.22
3.	Net Gap during the year	828.68
4.	Add: Previous Year Gap	-
5.	Total Gap	828.68

Accordingly, the Commission determined the revenue gap of Rs. 828.68 Crores for FY 2024-25 at existing tariff.

6.4. Creation of new Consumer Category

Petitioner Submission:

The Petitioner in Petition prayed for creation of new consumer category by submitting the following in reply to TVS Queries.

"Bed &Breakfast establishments, by their very nature, operate on a commercial basis. Unlike traditional residential properties, these establishments are engaged in providing lodging and breakfast services to paying guests. While they may be situated within residential areas, their function is distinctly commercial, as they generate revenue through the provision of hospitality services. In backdrop of commercial nature, it was proposed for creation of separate category with marginal hike of Rs. 2.0 higher than the proposed domestic tariff under each slab.

The proposed increase in fixed charges for all consumer categories is Flat Rs. 30 in the existing Fixed Charges for all consumer categories."

The Tariff rates submitted by the Petitioner are as below:

Table 119: Details of Tariff rates for new Consumer category (Domestic -Bed & Breakfast) submitted by the Petitioner for FY 2024-25

Sr. No.	Category	Fixed Charge	Energy Charge (Rs. /kWh)
1	0 to 100 units	Rs. 50/kW	6.10
2	101 to 200 units	Rs. 50/kW	11.00
3	201 to 500 units	Rs. 50/kW	14.80
4	501 to 1000 units	Rs. 50/kW	17.40

Commission View:

The Commission has considered the Petitioner's prayer to create new consumer category titled as "Domestic (Bed& Breakfast)". The Petitioner submits that although these consumers are covered under domestic category, they are providing hospitality services through Bed & Breakfast and generate revenue. Therefore, the activity carried out by them is commercial. However, considering their scale of operation, such consumers cannot be compared with commercial establishment. Hence, the Commission decides to create a separate consumer category of Domestic (Bed & Breakfast). The applicability of this category is given in Tariff Schedule. The Commission in next section approves the rates for such consumer.

6.5. Treatment of Gap /(Surplus) and Tariff Design

It can be seen that at existing tariff, there is revenue gap of Rs. 828.68 Crores for FY 2024-25. However, the Commission has appropriately revised the tariffs for FY 2024-25 as compared to tariffs for FY 2023-24, in view of the Petitioner's proposal for Tariff hike and the Letter dated 4th April 2024 with respect to the budgetary support by the Administration of UT of Andaman & Nicobar to meet the balance revenue gap.

6.5.1. Tariff Proposal

Petitioner Submission:

The Petitioner has submitted that the average cost of supply (ACoS) comes to Rs. 44.26 per unit, whereas Average revenue per unit at proposed tariff is Rs. 13.50 per unit. Thus, there is a gap of Rs. 30.76 per unit, even after tariff hike proposed by the Petitioner. The Petitioner has proposed a tariff hike of 53.27% (i.e. Rs 4.69/kWh increase in ABR).

Accordingly, the tariff proposal submitted by the Petitioner for FY 2024-25 for individual category is as follows:

Table 120: Tariff proposal submitted by the Petitioner for FY 2024-25

Existing			Proposed		
Category	**Fixed Charge**	**Energy Charge (Rs. /kWh)**	**Category**	**Fixed Charge**	**Energy Charge Rs. /kWh)**
Life Line Connection			**Life Line Connection**		
0 to 100 units	Rs. 20 /Connection /Month or part thereof	2.25	0 to 100 units	Rs. 50 per /Connection /Month or part thereof	3.40
Domestic Connection			**Domestic Connection**		
0 to 100 units	Rs. 20 /kW/Month or part thereof	2.75	0 to 100 units	Rs. 50/kW/Month or part thereof	4.10
101 to 200 units		6.00	101 to 200 units		9.00
201 to 500 units		8.50	201 to 500 units		12.80
501 units & above		10.25	501 units & above		15.40
			Domestic (Bed & Breakfast)*		
			0 to 100 units	Rs. 50/kW/Month or part thereof	6.10
			101 to 200 units		11.00
			201 to 500 units		14.80
			501 to 1000 units		17.40
Commercial			**Commercial**		
0-200 Units	Rs. 35/kVA/Month or part thereof	9.25	0-200 Units	Rs. 65/kVA/Month or part thereof	13.90
201 to 500 Units		11.50	201 to 500 Units		17.30
501 units & above		15.00	501 to 1000 units		22.50
1001 units & above		16.50	1001 units & above		24.80

Existing			Proposed		
Category	**Fixed Charge**	**Energy Charge (Rs. /kWh)**	**Category**	**Fixed Charge**	**Energy Charge Rs. /kWh)**
Govt. Connection			**Govt. Connection**		
0-500 Units	Rs. 35/kVA/Month or part thereof	11.75	0-500 Units	Rs. 65/kVA/Month or part thereof	17.60
501 units & above		15.50	501 units & above		23.30
Hotels/Resturants/Resorts			**Hotels/Resturants/Resorts**		
0-200 Units	Rs. 35/kVA/Month or part thereof	8.75	0-200 Units	Rs. 65/kVA/Month or part thereof	13.10
201 to 500 Units		11.00	201 to 500 Units		16.50
501 units & above		14.00	501 units & above		21.00
1001 units & above		15.50	1001 units & above		23.30
Industrial LT			**Industrial LT**		
0-500 Units	Rs. 55/kVA/Month or part thereof	7.75	0-500 Units	Rs. 85/kVA/Month or part thereof	11.60
501 to 1000 Units		11.00	501 to 1000 Units		16.50
1001 units & above		12.25	1001 units & above		18.40
Industrial HT			**Industrial HT**		
0-500 Units	Rs. 55/kVA/Month or part thereof	7.50	0-500 Units	Rs. 85/kVA/Month or part thereof	11.30
501 to 1000 Units		10.75	501 to 1000 Units		16.10
1001 units & above		11.75	1001 units & above		17.60
Bulk Supply	Rs. 110/kVA/Month or part thereof	14.75	**Bulk Supply**	Rs. 140/kVA/Month or part thereof	22.10

Existing			Proposed		
Category	**Fixed Charge**	**Energy Charge (Rs. /kWh)**	**Category**	**Fixed Charge**	**Energy Charge Rs. /kWh)**
Public Lighting	Rs. 160/kVA/Month or part thereof	9.25	**Public Lighting**	Rs. 190/kVA/Month or part thereof	13.90
Irrigation Pumps & Agriculture	Rs. 50/kVA/Month or part thereof	1.75	**Irrigation Pumps & Agriculture**	Rs. 80/kVA/Month or part thereof	2.60
EV Charging Stations	-	10.00	**EV Charging Stations**	-	15.00
Temporary Supply	1.5 times the rate applicable to the relevant category of consumers		**Temporary Supply**	1.5 times the rate applicable to the relevant category of consumers	

**Petitioner submitted the prayer for creation of new Consumer Category as Domestic (Bed & Breakfast)*

Accordingly, the computation of impact of proposed tariff on revenue for FY 2024-25 is as follows:

Table 121: Average Tariff Hike as submitted by the Petitioner for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	Units	FY 2024-25	
			Existing	Proposed
1	Net ARR for FY 2024-25	Rs. Crore	1340.58	1340.58
2	Revenue for FY 2024-25	Rs. Crore	266.75	408.84
3	Gap (1-2)	Rs. Crore	1073.83	931.74
4	Total Sales	MUs	298.47	298.47
5	Average Cost of Supply (1/4x10)	Rs. /kWh	44.26	44.26
6	Average Billing Rate (2/4x10)	Rs. /kWh	8.81	13.50
7	Per Unit Gap (5-6)	Rs. /kWh	35.45	30.76
8	Average Hike in Tariff	Rs. /kWh		4.69
9	Tariff Hike in (%)	%		53.27%

Commission View:

The Commission has determined the retail tariff for the FY 2024-25 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the "JERC MYT Regulations, 2021". The Tariff design in general is guided by the following principles:

Cost reflective: The tariffs determined should efficiently reflect the cost of supply for each consumer category, as far as possible.

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

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

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

Revenue stability: Tariff should ensure adequate fixed cost recovery for utilities from fixed/demand charges.

Avoiding tariff shocks: Tariff shocks should be avoided and stakeholders should be able to predict the future trends in tariffs.

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

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

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

While all the above parameters contribute significantly 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:

Cost of Supply

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 put EDA&N to severe imbalance between the tariffs levied vis-a-vis the cost of supply of the electricity, causing distress to the Distribution Licensee. For example, in order to ensure that tariffs are kept low for domestic consumers, while still allowing cost recovery for Distribution Licensees, cross subsidy has been built in between categories. The tariffs so determined, are skewed, with tariff for industrial and commercial consumers being higher and for other categories being lower than their respective costs of supply. The implications of this imbalance in tariffs are twofold – uncompetitive industries owing to higher input costs and inability of Distribution Licensees to recover sufficient tariffs from domestic consumers, resulting in financial distress. The issue is more pronounced for domestic supply where tariffs are highly subsidized, actual cost of supply is higher and revenue recovery is poor.

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

Approach:

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

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

As a next logical step, the Voltage wise cost of supply (VCoS) method provides a better reflection of cost to supply to consumers at different voltage levels.

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

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

The Commission is of the opinion that for determination of the Category wise Cost of Supply, the embedded cost methodology is an appropriate starting point.

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

Tariff Affordability

Context:

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

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

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

Approach:

On reviewing methodologies adopted for social impact assessment of electricity tariffs, the Commission found that Tariff Affordability Ratio (TAR) is a reliable parameter to measure affordability of electricity in households.

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

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

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

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

Based on the discussions above, the Commission is continuing with its existing approach of determination of tariff for various consumer categories based on the Average Cost of Supply (ACoS) and reduction of Cross Subsidy amongst various consumer categories, ensuring consumer tariffs progressively moving towards the cost.

Cross Subsidy

Context:

As per Section 61 (g) of the Electricity Act 2003

"(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;"

For reduction of cross subsidies, the Tariff Policy 2016 in Section 8.3 stipulates as below:

"For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."

In order to achieve the objectives of the Tariff Policy 2016 of bringing down the cross-subsidy levels amongst various consumer categories within ±20% of the average cost of supply, the Commission has tried to rationalize the tariff applicable to various consumer categories.

The limit of cross subsidy, as envisaged in the Tariff Policy 2016, cannot be achieved by rationalizing the tariff in a single year, as this may lead to tariff shock to the cross subsidized consumers. In this Tariff Order, the Commission has continued its approach of rationalization of the tariff for various consumer categories and reducing the cross subsidy.

Accordingly, in this Tariff Order, the Commission has designed tariff for various consumer categories considering the Average Cost of supply in line with the provisions of the Tariff Policy, 2016. However, The Commission, after analysis of the various components of the ARR for FY 2024-25, has come to the conclusion that the utility has to increase the average tariff from the existing level of Rs. 8.45 per unit to Rs. 36.11 per unit to recover the full amount of ARR as approved for FY 2024-25. Bringing the tariff to the prevalent Average Cost of Supply will cause the tariff shock to the consumers in the islands of Andaman & Nicobar. Therefore, the Commission has increased the tariff levels for categories with higher subsidy support higher than the average hike and either maintained the tariff levels or increased tariff at lower-than-average tariff hike for categories with comparatively lower subsidy support.

The approved tariff for FY 2024-25 is as follows:

Table 122: Existing vs. Tariff approved by the Commission for FY 2024-25

Existing			Approved		
Category	**Fixed Charge**	**Energy Charge (Rs. /kWh)**	**Category**	**Fixed Charge**	**Energy Charge Rs. /kWh)**
Life Line Connection			**Life Line Connection**		
0 to 100 units	Rs. 20 /Connection /Month or part thereof	2.25	0 to 100 units	Rs. 25 /Connection /Month or part thereof	2.50
Domestic Connection			**Domestic Connection**		
0 to 100 units	Rs. 20 /kW/Month or part thereof	2.75	0 to 100 units	Rs. 30/kW/Month or part thereof	3.25
101 to 200 units		6.00	101 to 200 units		6.75
201 to 500 units		8.50	201 to 500 units		9.50
501 units & above		10.25	501 units & above		11.50
			Domestic (Bed & Breakfast)*		
			0 to 100 units	Rs. 50/kW/Month or part thereof	6.75
			101 to 200 units		8.50

Existing			Approved		
Category	**Fixed Charge**	**Energy Charge (Rs. /kWh)**	**Category**	**Fixed Charge**	**Energy Charge Rs. /kWh)**
			201 to 500 units		11.25
			501 units & above		14.25
Commercial			**Commercial**		
0-200 Units	Rs. 35/kVA/Month or part thereof	9.25	0-200 Units	Rs. 50/kVA/Month or part thereof	10.00
201 to 500 Units		11.50	201 to 500 Units		12.75
501 units & above		15.00	501 to 1000 units		16.75
1001 units & above		16.50	1001 units & above		18.75
Govt. Connection			**Govt. Connection**		
0-500 Units	Rs. 35/kVA/Month or part thereof	11.75	0-500 Units	Rs. 50/kVA/Month or part thereof	13.75
501 units & above		15.50	501 units & above		18.00
Hotels/Resturants/Resorts			**Hotels/Resturants/Resorts**		
0-200 Units	Rs. 35/kVA/Month or part thereof	8.75	0-200 Units	Rs. 50/kVA/Month or part thereof	9.50
201 to 500 Units		11.00	201 to 500 Units		12.25
501 units & above		14.00	501 units & above		15.75
1001 units & above		15.50	1001 units & above		17.75
Industrial LT			**Industrial LT**		
0-500 Units	Rs. 55/kVA/Month or part thereof	7.75	0-500 Units	Rs. 75/kVA/Month or part	8.75
501 to 1000 Units		11.00	501 to 1000 Units		12.00

Existing			Approved		
Category	**Fixed Charge**	**Energy Charge (Rs. /kWh)**	**Category**	**Fixed Charge**	**Energy Charge Rs. /kWh)**
1001 units & above		12.25	1001 units & above	thereof	13.50
Industrial HT			**Industrial HT**		
0-500 Units	Rs. 55/kVA/Month or part thereof	7.50	0-500 Units	Rs. 75/kVA/Month or part thereof	8.50
501 to 1000 Units		10.75	501 to 1000 Units		11.75
1001 units & above		11.75	1001 units & above		13.00
Bulk Supply	Rs. 110/kVA/Month or part thereof	14.75	**Bulk Supply**	Rs. 125/kVA/Month or part thereof	16.50
Public Lighting	Rs. 160/kVA/Month or part thereof	9.25	**Public Lighting**	Rs. 175/kVA/Month or part thereof	11.50
Irrigation Pumps & Agriculture	Rs. 50/kVA/Month or part thereof	1.75	**Irrigation Pumps & Agriculture**	Rs. 60/kVA/Month or part thereof	2.25
EV Charging Stations	-	10.00	**EV Charging Stations**	-	12.00
Temporary Supply	1.5 times the rate applicable to the relevant category of consumers		**Temporary Supply**	1.5 times the rate applicable to the relevant category of consumers	

**Petitioner submitted the prayer for creation of New Consumer Category as Domestic (Bed & Breakfast)*

6.5.2. Revenue from Approved Retail Tariff for FY 2024-25

The Commission has decided that the approved tariff for FY 2024-25 will be applicable from 16th June 2024.

Based on the retail tariff approved above, the revenue at existing tariff has been estimated for 2.5 months (i.e. from 1st April 2024 to 15th June 2024) and revenue at revised tariff for 9.5 months (i.e. from 16th June 2024 to 31st March 2024) has been estimated by the Commission for FY 2024-25, as given in the following table:

Table 123: Estimation of Revenue for FY 2024-25 (2.5 Months at existing tariff rates approved by the commission for FY 2023-24 and for 9.5 months at approved tariff rates for 2024-25 in this Tariff Order)

Category	Estimation of Revenue for (2.5 Months at existing Tariff Rates)			Estimation of Revenue for (9.5 Months at approved Tariff Rates for FY 2024-25)			Total Revenue		
	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Cr.)	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Cr.)	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Cr.)
Life Line Connection	-	-	-	-	-	-	-	-	-
Domestic	1.48	16.02	17.50	8.42	91.18	99.59	9.89	107.09	117.09
Commercial	0.73	9.48	10.21	3.96	40.20	44.15	4.69	49.68	54.37
Government Connections	0.34	7.01	7.35	1.86	31.00	32.86	2.21	38.01	40.22
Hotels/Restaurants/Resorts	0.27	3.16	3.44	1.49	13.72	15.21	1.76	16.88	18.64
Industry	0.20	2.82	3.03	1.06	11.83	12.88	1.26	14.65	15.91
Bulk Supply	0.60	9.14	9.73	2.58	38.83	41.41	3.17	47.97	51.14
Public Lighting	0.11	1.07	1.18	0.46	5.04	5.51	0.57	6.11	6.68
Irrigation, Pumps & Agriculture	0.02	0.08	0.10	0.09	0.42	0.51	0.11	0.50	0.61
EV Charging	-	-	-	-	-	-	-	-	-
Temporary Connection	-	-	-	-	-	-	-	-	-

Category	Estimation of Revenue for (2.5 Months at existing Tariff Rates)			Estimation of Revenue for (9.5 Months at approved Tariff Rates for FY 2024-25)			Total Revenue		
	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Cr.)	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Cr.)	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Cr.)
Total	**3.76**	**48.79**	**52.55**	**19.92**	**232.21**	**252.12**	**23.67**	**281.00**	**304.67**

The total revenue approved by the Commission for FY 2024-25 given in following table:

Table 124: Revenue at tariff approved by the Commission for FY 2024-25

Sr. No.	Category	Revenue from Fixed charges (Rs. Crore.)	Revenue from Energy Charges (Rs. Crore)	Total (Rs. Crores)	ABR (Rs./unit)
1	Life Line Connection	-	-	-	-
2	Domestic	9.89	107.09	117.09	6.50
3	Commercial	4.69	49.68	54.37	15.39
4	Government Connections	2.21	38.01	40.22	17.10
5	Hotels/Resturants / Resorts	1.76	16.88	18.64	18.16
6	Industry	1.26	14.65	15.91	13.80
7	Bulk Supply	3.17	47.97	51.14	17.20
8	Public Lighting	0.57	6.11	6.68	12.06
9	Irrigation, Pumps & Agriculture	0.11	0.50	0.61	2.62
10	EV Charging	-	-	-	-
11	Temporary Connection	-	-	-	-
12	Total Revenue	23.67	281.00	304.67	10.21

The revenue gap at the revised tariff approved by the Commission is given in the Table below:

Table 125: Revenue gap at tariff approved by the Commission for FY 2024-25 (in Rs. crore)

Sr. No.	Particulars	FY 2024-25	
		Claimed by Petitioner	Approved by the Commission
1	Net Revenue Requirement	1340.58	1080.90
2	Revenue from Sale of Power at Revised Tariff	408.84	304.67
3	Net Gap during the year	931.74	776.23
4	Add: Previous Year Gap	-	-
5	Total Gap	931.74	776.23

The Petitioner has submitted a letter dated 4th April 2024, towards meeting the gap of FY 2024-25 as approved by the Commission through budgetary support provided by Administration of the UT of Andaman & Nicobar. Hence, The Commission has considered the same while approving the tariffs for FY 2024-25. Therefore final (Surplus)/Gap is approved as 'NIL' for FY 2024-25

The following comparative chart gives the overview of the category-wise levels of percentage recovery of Average Cost of Supply at existing and revised tariffs.

Table 126: Recovery of ACOS at tariff approved by the Commission for FY 2024-25

Sr. No.	Category	Average Cost of Supply (Rs./unit) (with fuel cost)	Average Billing Rate (ABR) at existing tariff (Rs./unit	Average Billing Rate at approved tariff (Rs./unit	ABR at existing tariff as % of ACoS	ABR at proposed tariff as % of ACoS
1	Life Line Connection	36.21	-	-	-	-
2	Domestic	36.21	4.66	6.50	12.87%	17.94%
3	Commercial	36.21	13.88	15.39	38.33%	42.50%
4	Government Connections	36.21	15.01	17.10	41.44%	47.21%
5	Hotels/Restaurants/Resorts	36.21	16.08	18.16	44.39%	50.14%
6	Industry	36.21	12.59	13.80	34.78%	38.10%

Sr. No.	Category	Average Cost of Supply (Rs./unit) (with fuel cost)	Average Billing Rate (ABR) at existing tariff (Rs./unit	Average Billing Rate at approved tariff (Rs./unit	ABR at existing tariff as % of ACoS	ABR at proposed tariff as % of ACoS
7	Bulk Supply	36.21	15.71	17.20	43.52%	47.50%
8	Public Lighting	36.21	10.21	12.06	28.20%	33.31%
9	Irrigation, Pumps & Agriculture	36.21	2.16	2.62	5.97%	7.24%
10	EV Charging	36.21	-	-	-	-
11	Temporary Connection	36.21	-	-	-	-
12	**Total**	**36.21**	**8.45**	**10.21**	**23.33%**	**28.19%**

Further, the Commission has computed the category wise cost coverage through the budgetary support at the approved tariffs for FY 2024-25 in the following table:

Table 127: Category wise cost coverage through the budgetary support at approved tariff for FY 2024-25

Sr. No.	Category	Average Cost of Supply (Rs. /unit)	Average Billing Rate at approved tariffs (Rs. /unit)	Budgetary Support at approved tariffs (Rs. /unit)
1	Life Line Connection	36.21	-	-
2	Domestic	36.21	6.50	29.72
3	Commercial	36.21	15.39	20.82
4	Government Connections	36.21	17.10	19.12
5	Hotels/Restaurants/Resorts	36.21	18.16	18.06
6	Industry	36.21	13.80	24.15
7	Bulk Supply	36.21	17.20	19.01
8	Public Lighting	36.21	12.06	24.15
9	Irrigation, Pumps & Agriculture	36.21	2.62	33.59

Sr. No.	Category	Average Cost of Supply (Rs. /unit)	Average Billing Rate at approved tariffs (Rs. /unit)	Budgetary Support at approved tariffs (Rs. /unit)
10	EV Charging	36.21	-	-
11	Temporary Connection	36.21	-	-
12	**Total**	**36.21**	**10.21**	**26.01**

The following table provides the ACoS and ABR at the tariff approved by the Commission:

Table 128: Approved ACoS and ABR by the Commission at approved tariff for FY 2024-25

Sr. No.	Particulars	At existing tariff	At approved tariff
1	Net Revenue Requirement (Rs. Crore)	1080.90	1080.90
2	Revenue from approved Tariff (Rs. Crore)	252.22	304.67
3	Gap (Rs. /kWh)	828.68	776.23*
4	Energy Sales (MU's)	298.47	298.47
5	Average cost of supply (ACoS) (Rs. /kWh)	36.21	36.21
6	Average Billing Rate (Rs. /kWh)	8.45	10.21
7	Average Tariff hike		20.80%

* *Remaining gap to be met from budgetary support from administration of the UT of Andaman & Nicobar*

The highlights of the tariff structure approved by the Commission for FY 2024-25 is as follows:

The Commission has approved tariff hike of 20.80% from existing rates for FY 2024-25.

The Commission has approved the average billing rate for FY 2024-25 as Rs. 10.21/kWh as against the approved Average Cost of Supply of Rs. 36.21/kWh.

The Petitioner has submitted a letter dated 4th April 2024, confirming the budgetary support from administration of the UT of Andaman & Nicobar. Hence, the Commission approves that standalone gap for FY 2024-25 to be met from the budgetary support by the Government of the gap. The Commission enhances the revenue of the Petitioner by tariff hike of 20.8% and approves that remaining gap to be met from budgetary support available from administration of the UT of Andaman & Nicobar. Hence, the Commission approves that standalone gap as 'NIL' for FY 2024-2025 after considering the budgetary support.

Chapter 7 : Tariff Schedule

7.1. Tariff Schedule:

Category	Fixed Charge	Energy Charge Rs. /kWh)
Life Line Connection		
0 to 100 units	Rs. 25 /Connection /Month or part thereof	2.50
Domestic Connection		
0 to 100 units	Rs. 30/kW/Month or part thereof	3.25
101 to 200 units		6.75
201 to 500 units		9.50
501 units & above		11.50
Domestic (Bed & Breakfast)		
0 to 100 units	Rs. 50/kW/Month or part thereof	6.75
101 to 200 units		8.50
201 to 500 units		11.25
501 units & above		14.25
Commercial		
0-200 Units	Rs. 50/kVA/Month or part thereof	10.00
201 to 500 Units		12.75
501 to 1000 units		16.75
1001 units & above		18.75
Govt. Connection		
0-500 Units	Rs. 50/kVA/Month or part thereof	13.75

Category	Fixed Charge	Energy Charge Rs. /kWh)
501 units & above		18.00
Hotels/Resturants/Resorts		
0-200 Units	Rs. 50/kVA/Month or part thereof	9.50
201 to 500 Units		12.25
501 units & above		15.75
1001 units & above		17.75
Industrial LT		
0-500 Units	Rs. 75/kVA/Month or part thereof	8.75
501 to 1000 Units		12.00
1001 units & above		13.50
Industrial HT		
0-500 Units	Rs. 75/kVA/Month or part thereof	8.50
501 to 1000 Units		11.75
1001 units & above		13.00
Bulk Supply	Rs. 125/kVA/Month or part thereof	16.50
Public Lighting	Rs. 175/kVA/Month or part thereof	11.50
Irrigation Pumps & Agriculture	Rs. 60/kVA/Month or part thereof	2.25
EV Charging Stations	-	12.00

Category	Fixed Charge	Energy Charge Rs. /kWh)
Temporary Supply	1.5 times the rate applicable to the relevant category of consumers	

7.2. Applicability:

Sr. No.	Category	Applicability	Point of Supply/ Remarks
1	Life Line	Applicable to domestic consumers with monthly consumption of up to 100 units and below.	Note: The Domestic Consumer having consumption above 100 units shall be charged according to the slabs defined under Domestic Category.
2	Domestic	This schedule will apply for single delivery point including light, fan, domestic pumping sets and household appliances. a) Single private house/flat b) Government schools along with related facilities. c) Housing colonies and multi-storeyed flats/buildings as defined in the Electricity Supply Code Regulations notified by the JERC.	Note: Where a portion of the dwelling is used for mixed load purposes, the connection will be billed for the purpose for which the tariffs are higher
3	Domestic (Bed & Breakfast)	Applicable to establishments engaged in providing lodging and breakfast services to guests (i.e. providing hospitality services).	Note: (a) A separate connection shall be provided for this category. (b) In case Domestic (Bed & Breakfast), having higher tariff, uses are found in a premise having Domestic connection, such connection shall be treated as un-authorized under section 126 of the Electricity Act, 2003 as such premises should have

Sr. No.	Category	Applicability	Point of Supply/ Remarks
			higher tariff i.e. Domestic (Bed & Breakfast Tariff).
4	Commercial	This schedule will apply to all consumers, using electrical energy for light, fans, and appliances like pumping sets, motors of up to 3 HP used for commercial purpose, central air conditioning plants, lifts, welding sets, small lathe machines, electric drills, heaters, battery chargers, embroidery machines, printing presses, ice candy, dry cleaning machines, power presses, small motors in commercial establishments/ non-residential private premises such as printing presses, rest houses, hostels, nursing homes, bus stands, clubs, auditoriums, communication, cinema theatres, operas, circus, exhibitions, and bakeries, and grinders and installations for private gains, etc. Commercial supply will also be applicable to multi-consumer complex including commercial complexes as defined in the Electricity Supply Code Regulations notified by JERC. This schedule will also apply to the places of worship like temples, mosques, churches, gurudwaras, Buddhist Pongi Chung (except residential areas), public Pooja celebrations and religious ceremonies. No separate circuit/connection for power load including pumping set/ central air conditioning plant, lifts, etc., is permitted.	
5	Hotels/ Restaurant/ Resorts	This schedule will apply to all consumers, using electrical energy for running their hotels, restaurants and resorts establishments.	The supply will be given through a single delivery and metering point and at a single voltage.
6	Government Connection	This schedule will apply to all government connections.	The supply will be given through a single delivery and metering point and at a single voltage.

Sr. No.	Category	Applicability	Point of Supply/ Remarks
7	Industrial Supply		
7(a)	LT Industrial	The schedule will apply for supply of energy at Low Tension for lighting, fan and power to industrial establishments & industries such as wood-based, cottage, small scale, medium scale, finishing shell based and any other establishments/ organisations engaged in the manufacturing and processing of goods for sale, rice mills, flour mills, workshops, dry docks, factories base repair organisations, public water works & gem cutting units.	The supply will be given through a single delivery and metering point and at a single voltage.
7(b)	HT Industrial	The schedule will apply for supply of energy at 11 kV and above levels for lighting, fan and power to industrial establishments & industries such as wood-based, cottage, small scale, medium-scale, finishing shell based and any other establishments/ organisations engaged in the manufacturing and processing of goods for sale, rice mills, flour mills, workshops, dry docks, factories base repair organisations, public water works & gem cutting units.	The supply will be given through a single delivery and metering point and at a single voltage.
8	Bulk Supply	This schedule will apply to general or mixed loads receiving supply of energy through a bulk energy meter at either HT or LT supply and distribution is maintained by them. For dedicated transformers, the complete cost of technical transmission lines of transformer sub-station, switch gear & installation is to be borne by the consumer.	The supply will be given through a single delivery and metering point and at a single voltage.
9	Public Lighting	This schedule will apply for lighting on public roads, footpaths, streets and thoroughfares in parks & markets, etc.	Cost of spares, materials and labour required for maintenance is to be borne by respective Panchayati raj institution / local body.
10	Irrigation Pumps & agriculture	This schedule will apply to all consumers for use of electrical energy for irrigation	The supply will be given

Sr. No.	Category	Applicability	Point of Supply/ Remarks
		and agricultural purposes including animal husbandry.	through a single delivery and metering point and at a single voltage.
11	Electric Vehicle Charging Station	This tariff schedule shall apply to the Public Charging Stations (PCS) and Captive Charging Stations (CCS) as defined below in accordance with the Ministry of Power, GoI revised consolidated guidelines, and standards for charging infrastructures for Electric Vehicles dated 14th January, 2022. Public Charging Stations (PCS) shall mean an EV charging station where any electric vehicle can get its battery recharged. Captive Charging Stations (CCS) shall mean an electric vehicle charging station exclusively for the electric vehicles owned or under the control of the owner of the charging station e.g., Government Departments, Corporate houses, Bus Depots, charging stations owned by the fleet owners etc. shall not be used for commercial purpose of charging other vehicles on paid basis. The tariff for respective category consumption shall be applicable for respective category charging (LT/HT).	
12	Temporary Supply	The supply may be given for a limited period as per the provisions of JERC Supply Code Regulations, 2018, and amendments thereon.	

7.3. General conditions of HT and LT Supply

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

1) The tariffs are exclusive of electricity duty, taxes and other charges levied by the Government or other competent authority from time to time which are payable by the consumers in addition to the charges levied as per the tariffs.

2) Unless otherwise agreed to, these tariffs for power supply are applicable for supply at one point only.
3) If energy supplied for a specific purpose under a particular tariff is used for a different purpose, not contemplated in the contract for supply and / or for which higher tariff is applicable, it will be deemed as unauthorized use of electricity and shall be dealt with for assessment under the provisions of section 126 of the Electricity Act, 2003 & Supply Code Regulation notified by JERC.
4) Fixed charges, as applicable, will be charged on pro-rata basis from the date of release of connection. load as a result of increase of load or due to replacement of lamps, fans, fuses, switches, low-voltage domestic appliances, fittings, etc., it will neither fall under unauthorised use of electricity (Section 126 of Electricity Act, 2003) nor under theft of electricity (Section 135 of Electricity Act, 2003). If the connected load of a domestic category is found to be at variance from the sanctioned/contracted.
5) The billing in case of HT shall be on the maximum demand recorded during the month or 85% of the contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulations, 2018 notified by JERC. If such over drawl is more than 20% of the contract demand then the connection shall be disconnected immediately.

   Explanation: Assuming the contract demand as 100 KVA, maximum demand at 120 KVA and total energy consumption as 12000 kWh, then the consumption corresponding to the contract demand will be 10000 kWh (12000*100/120) and consumption corresponding to the excess demand will be 2000 kWh. This excess demand of 20 KVA and excess consumption of 2000 kWh will be billed at twice the respective normal rate. Such connections drawing more than 120 kVA, shall be disconnected immediately.
6) Delayed payment surcharge shall be applicable to all categories of consumers. Delayed payment surcharge of 1.5% per month or part thereof shall be levied on all arrears of bills. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amounts less than 50 paisa shall be ignored and amounts of 50 paisa or more shall be rounded off to the next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.
7) **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 will be given on the amount (excluding security deposit), which remains with the licensee at the end of the month. Such rebate, after adjusting any amount payable to the licensee, will be credited to the account of the consumer.
8) **Prompt Payment Rebate:** If payment is made at least 7-days in advance of the due date of payment of the current bill a rebate for prompt payment @ 0.25 % of the bill amount shall be given. Those consumers having arrears shall not be entitled for such rebate.

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

9) Surcharge for Low Power Factor/Non-Installation of Required rated LT Shunt Capacitors

a) Consumers with L.T connections where the meter provided by the licensee has the power factor recording feature, shall install shunt capacitors of adequate rating to ensure power factor of 85% or above failing which low power factor surcharge at the rates noted below will be levied.

Sr. No.	Power Factor range	Surcharge
1.	85% and above	NIL
2.	Below 85% and up to 80%	2% of billed energy charges of that month for every 1% fall in P.F from 85%
3.	Below 80% and up to 75%	2.5% of billed energy charges of the month for every 1% fall in P.F from 80%
4.	Below 75%	3% of billed energy charges of that month for every 1% fall in P.F from 75%

The conditions for disconnection of a consumer supply in case of non-achievement of minimum level of power factor as prescribed in the Supply Code Regulations notified by JERC, shall apply.

10) Unauthorized use of Electricity: The unauthorized use of electricity shall be treated as specified in the Supply Code Regulations notified by JERC.

11) Taxes and duties: The tariff does not include any tax or duty etc. on electricity energy that may be payable at any time in accordance with any law then in force. Such charges, if any, shall be payable by the consumer in addition to the tariff charges.

7.4. Schedule of Miscellaneous Charges

Sr. No.	Particulars	Rate (Rs.)
A.	Reconnection charges after temporary disconnection	
1.	Single Phase LT Connection	Rs. 50
2.	Three Phase LT Connection	Rs. 100
3.	HT Connection	Rs. 500
4.	Meter Reading Cards/ Passbook (New/ Replacement)	Free
B.	Service Connection Charges	
1.	Single Phase LT Connection	Rs. 250
2.	Three Phase LT Connection	Rs. 500

Sr. No.	Particulars	Rate (Rs.)
3.	HT Connection (up to 150 kW/ 167 kVA)	Rs. 1,000
4.	HT Connection (above 150kW/167 kVA)	Rs. 1500
C.	Extra Length Charges	
1.	Single Phase	Rs. 50 per meter
2.	Three Phase	Rs. 100 per meter
Note: *Extra length chargeable will be beyond permissible 30 meters free length from existing network for new connection for all categories.*		
D.	Charges for Re-fixing/ Changing of meter/ Meter Board in the same premise on consumer request when no additional material is required. (When the cause leading to subsequent change/ replacement of meter is either manufacturing defect or Department's fault then, it shall be free of cost and further, if shifting of meter is done in the interest of department work then it is free of cost.)	
1.	Single phase meter	Rs. 385
2.	Three phase meters without CT	Rs. 570
E.	Meter Inspection & Testing Charges (In case correctness/ accuracy of a meter belonging to the Licensee is challenged by the consumer)	
1.	Single Phase	Rs. 100 per meter
2.	3-phase whole current i.e. without CT	Rs. 250 per meter
3.	L.T. meter with CTs	Rs. 400 per meter
4.	Three Phase Tri-vector Meter (0.5) Industrial LT Consumers	Rs. 500 per meter
5.	Three Phase Tri-vector Meter (0.5) 11kV HT Consumers	Rs. 500 per meter
6.	Combined CT-PT unit for 11kV Consumer	Rs. 500 per Unit
7.	Three Phase CT Block	Rs. 500 per Block
8.	CT Coil	Rs. 100 per coil
F.	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)	
1.	Meter cover or Meter Terminal cover (single phase) Push Type	Rs. 285
2.	Meter cover or Meter Terminal cover (single phase) Sintex Type	Rs. 1,530
3.	Meter cover or Meter Terminal cover (3-phase) Sintex Type	Rs. 5,030

Sr. No.	Particulars	Rate (Rs.)
G.	Amount of Security Deposit for new/ extension of load	As per procedure prescribed in Regulation 5.130 of the JERC Electricity Supply Code Regulation 2018.
H.	Charges recoverable from the consumer when the meter is found damaged/ burnt owing to negligence or default on the part of consumer	As per procedure prescribed in Regulation 8.50 of the JERC Electricity Supply Code Regulation 2018
I.	Special Meter reading charges in case of change in occupancy/ vacation of premises for domestic consumers	NIL
J.	Supply of Duplicate copies of Electricity Bills	Free
K.	Shifting of poles on consumer request	As per estimated
L.	Review of Electricity Bills (If the accuracy of licensee's bill is challenged by the consumer and a review of the bills is demanded)	Free

Chapter 8 : Directives

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

- The detailed action plan for compliance of all the directives within 1 month of the issuance of this Order.
- The quarterly progress report as per the detailed action plan for all the directives issued in the subsequent sections within 10 days of the end of each quarter of the financial year.
- The Commission shall review the progress based on quarterly report submitted by the Petitioner. In case of no-compliance and poor performance, the Commission may initiate action under Section 142 of the Act. The Petitioner should note the same and act accordingly.

8.1. Directives continued in this Order

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

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

8.1.1. Bill Payment

Originally issued in Tariff Order dated 4th June 2012
Commission's latest directive in Tariff Order dated 20th May 2019 The Commission appreciates the efforts taken by the Petitioner for implementation of the Web based billing / payment software. However, the Commission directs the Petitioner to expedite the process of initiation of bill payments through web services, which will not only ease out the problems faced by the consumers in bill payment, but also improve collection efficiency of the Petitioner. Accordingly, the Petitioner is directed to submit the quarterly report on the island wise status of the implementation of the web billing / payment software within 3 months of the completion of each quarter. **Commission's latest directive in Tariff Order dated 18th May 2020**

The Commission directs the Petitioner to submit the status report within a month of issuance of this order.

Commission's latest directive in Tariff Order dated 31st May 2021

The Commission has noted the Petitioner's submission and directs the Petitioner to expedite the enablement of web billing payment for Nicobar Division as well and submit the progress report within 3 months of issuance of this order.

Commission's latest directive in Tariff Order dated 1st August 2022

The Commission directs the Petitioner to get the accounts audited for FY 2019-20 and file the true up Petition for the years within two months from the issuance of this Tariff Order. Further, the Commission directs the Petitioner to prepare the accounts for FY 2020-21 and FY 2021-22 and get the same audited to file the true up petitions along with the next tariff filing for FY 2024-25.

Commission's latest directive in Tariff Order dated 28th March 2023

The Commission has noted the Petitioner's submission and directs the Petitioner to submit the progress report within 3 months of issuance of this order.

Petitioner's response in the present Tariff Petition

Petitioner in current Petition submitted that online bill payment is facilitated to all the consumers of South, North and Middle Andaman. Further, under Nicobar Division, the web-based billing is targeted to start from end of April, 2024.

Commission's response

The Petitioner is directed to introduce a smooth and efficient operation of the web-based billing system. As the Petitioner mentioned that web-based billing system will be introduced in Nicobar division, the same should be available to other divisions gradually. Additionally, the Commission directs that the Petitioner to undertake measures to enhance public awareness regarding the web-based billing system and submit the details of efforts made for public awareness in the next tariff petition.

8.1.2. Energy Audit

Originally issued in Tariff Order dated 4th June 2012
Commission's latest directive in Tariff Order dated 28th March 2023 The Commission has noted the Petitioner's submission and directs the Petitioner to submit the Progress report within three months from the issuance of this order. Further, the Petitioner is directed to submit the Energy Audit report along with the next tariff petition positively.
Petitioner's response in the present Tariff Petition The Petitioner submitted a copy of Energy Audit Report for FY 2021-22 to the Commission. In respect of Energy Audit Report for FY 2022-23 & 2023-24, it is stated that the Bureau of Energy Efficiency (BEE) has awarded M/s PPS Energy Solution Pvt. Ltd. to conduct Energy Audits for FY 2020-21 & 2021-22 in view of the challenges faced by the Electricity department, as well as other UTs and North Eastern States, in engaging Energy Auditors as required by regulations. Subsequently, in view of lack of participation for the RFP issued by the department to engage energy auditors, the department again sought BEE's assistance in nominating a third-party agency for upcoming years with all associated expenses to be covered by the UT Budget. However, no response was received from BEE. Accordingly, the department initiated a bidding process on the Gem Portal and likely to be finalized for appointment of the Energy Auditor by 1st week of June, 2024. Once a suitable energy auditor is selected and the energy audit is completed, the department will submit a report to the Hon'ble Commission.
Commission's response The Commission has noted submission of the Petitioner regarding initiation of bidding process on the Gem Portal. The Petitioner is directed to submit the Energy Audit report for true-up period of FY 2022-23, FY 2023-24 along with filing of true-up petition.

8.1.3. State Load Dispatch Centre

Originally issued in Tariff Order dated 26th February 2018
Commission's latest directive in Tariff Order dated 28th March 2023 The Commission has noted the Petitioner's submission and directs the Petitioner to expedite the work and complete the establishment of SLDC within six months and accordingly, submit the progress report every month from issuance of this order

Petitioner's response in the present Tariff Petition The Petitioner has submitted that an Energy Management Centre (EMC) has been established and is now functional with Supervisory Control and Data Acquisition (SCADA), Renewable Energy Forecasting system including power forecasting services for Solar generation etc. In addition to this technical member of RLDC were to be posted at Energy Management Centre (EMC) of Andaman Electricity department to train the EMC staff and subsequently engineers from EMC, Andaman Electricity department is planned to be deputed to SRLDC/ ERLDC for field exposure on grid operation by June, 2024.
Commission's response The Commission notes that the Petitioner has established Energy Management Centre (EMC) having SCADA, and Renewable Energy Forecasting system. The Progress regarding support from RLDC is noted by the Commission. The Petitioner has established decentralized energy projects in different islands which are meeting the Local demand of those islands. The separate SLDC is required to maintain the grid discipline of decentralized grid of each island. Hence, forecasting service from SLDC is very crucial. The Commission reiterates its decision to establish separate SLDC at the earliest. The Commission directs the Petitioner to initiate discussion with the Administration of UT of Andaman & Nicobar in this respect. The correspondence with the UT administration shall be submit with next tariff Petition.

8.1.4. T&D Losses

Originally issued in Tariff Order dated 26th February 2018
Commission's latest directive in Tariff Order dated 28th March 2023 Even though many efforts have been made by the Petitioner, the T&D loss is on the higher side as per the data. The Commission has noted the Petitioner's submission; however, the Petitioner is directed to make all out efforts such as identification of high loss areas, regular checking of connections, meter replacement in such areas etc. in order to bring the T&D losses in the range as approved by the Commission and submit the status report on the initiatives taken to reduce T&D loss within three months from the date of issuance of this Order.
Petitioner's response in the present Tariff Petition The department has initiated action for reduction of T&D Loss under RDSS Scheme. The RDSS comprises several components, including Smart Prepaid meters and Loss Reduction & Interconnection of South, N&M Andaman. Under the Loss Reduction component, the MoP has allocated Rs. 247.12 Crores for which tender was released on 20th February 2024, with the bid opening scheduled for 23rd February 2024. A pre-bid meeting took place on 5th March 2024. Subsequently, the bid opening deadline was extended to 3rd May 2024.

Commission's response

The Commission noted the submission and directs the Petitioner to submit phase wise plan to implement different sub-schemes in the RDSS scheme.

8.1.5. Approval for new Power Purchase Agreements

Originally issued in Tariff Order dated 31st May 2021

Commission's latest directive in Tariff Order dated 1st August 2022

The Commission was apprised that the Petitioner has signed the new Power Purchase Agreements (PPAs) to bridge the additional energy demand without taking the prior approval of the Commission. The Commission has allowed the power purchase cost in the APR on provisional basis and directs the Petitioner to get the PPAs approved on the priority basis of issuance of this order. Further, the Petitioner is directed to take the Commission's approval prior to signing any new PPA.

Commission's latest directive in Tariff Order dated 28th March 2023

The Commission has noted the Petitioner's submission and directs the Petitioner to comply with the Commission's directive.

Petitioner's response in the present Tariff Petition

The Petitioner submitted as following:

"The direction of Hon'ble Commission has been noted and accordingly all future Power Purchase Agreements shall be signed with the approval of Hon'ble Commission."

Commission's response

The Commission again directs the Petitioner to submit the requisite data. Regarding power purchase from various power plants, the Commission has allowed the power purchase cost in the APR and ARR on provisional basis and directs the Petitioner to get the PPAs approved on the priority basis. Further, the Petitioner is directed to take the Commission's approval prior to signing any new PPA, otherwise the power purchase cost from such sources shall be disallowed during truing-up process.

8.1.6. Tariff Determination for own Renewable Generation

Originally issued in Tariff Order dated 31st May 2021
Commission's latest directive in Tariff Order dated 1st August 2022 The Commission directs the Petitioner to file a separate tariff determination petition for fully owned renewable generation within three months of issuance of this Order to get the fixed charges notified in order to bring transparency in the power procurement plan and accordingly. **Commission's latest directive in Tariff Order dated 28th March 2023** The Commission has noted the Petitioner's submission and directs the Petitioner to file a separate tariff determination petition for fully owned renewable generation within three months of issuance of this Order to get the fixed charges notified in order to bring transparency in the power procurement plan and accordingly.
Petitioner's response in the present Tariff Petition The petition in respect of the fully owned renewable generation shall be submitted shortly and Hon'ble Commission is kindly requested to allow the same.
Commission's response The Commission once again directs the Petitioner to file a separate tariff determination petition for fully owned renewable generation projects.

8.1.7. Submission of slab wise category wise data

Originally issued in Tariff Order dated 1st August 2022
Commission's latest directive in Tariff Order dated 1st August 2022 The Commission directs the Petitioner to submit the historical category wise slab wise sales, number of consumers and connected load with adjustments pertaining to the shifting of hotel industry consumers between the Industrial and Commercial Category within 3 months from the issuance of this Order. **Commission's latest directive in Tariff Order dated 28th March 2023** The Commission has noted the submission of the Petitioner and directs the Petitioner to submit the historical category wise slab wise sales, number of consumers and connected load with adjustments pertaining to the shifting of hotel industry consumers between the Industrial and Commercial Category within 3 months from the issuance of this Order.
Petitioner's response in the present Tariff Petition The desired report is submitted in the deficiency note.

Commission's response The Petitioner has only submitted the category wise information, and not the slab-wise information in reply to deficiency note. The Commission directs the Petitioner to submit the historical slab wise sales, category wise, number of consumers and connected load with adjustments pertaining to the shifting of hotel industry consumers between the Industrial and Commercial Category within 3 months from the issuance of this order.

8.1.8. Fuel Consumption data for own DG sets

Originally issued in Tariff Order dated 1st August 2022
Commission's latest directive in Tariff Order dated 1st August 2022 The Petitioner is directed to submit the DG set wise monthly HSD and Lube oil consumption along with generation data for the DG sets owned and managed by the Department at the time of filing of next tariff petition. **Commission's directive in Tariff Order dated 28th March 2023** The details have not been submitted by the Petitioner and directs the Petitioner to submit the DG set wise monthly HSD and Lube oil consumption along with generation data for the DG sets owned and managed by the Department at the time of filing of next tariff petition.
Petitioner's response in the Tariff Petition The desired report is submitted in the deficiency note.
Commission's response The Petitioner has not submitted actual Fuel Consumption data for own DG set (along with the supporting documents like copy of stock register). The petitioner is directed to maintain the record for Plant wise fuel consumption and submit a quarterly report with supporting documents.

8.1.9. Promotion of renewable energy across Andaman & Nicobar Islands

Originally issued in Tariff Order dated 1st August 2022
Commission's latest directive in Tariff Order dated 1st August 2022 The Petitioner is directed to comply with RPO and prepare the action plan to meet the shortfall in RPO till FY 2022-23 and submit the same along with next tariff petition. The Petitioner may start by installing the solar PVs on the Government Buildings to promote its installation across the islands which will also bring down their power purchase cost.

Commission's latest directive in Tariff Order dated 28th March 2023

The Commission has noted the of the submission Petitioner and observed that the Petitioner has not been able to achieve its RPO compliance from last few years. The Petitioner is directed to comply with RPO and prepare the action plan to meet the shortfall in RPO till FY 2023-34 and submit the same along with next tariff petition.

Petitioner's response in the present Tariff Petition

The RPO Compliance Status for FY 2021-22 & FY 2022-23 and Action Plan for FY 2023-24 is submitted below:

Compliance FY 2021-22						
Sr. No.	RPO Obligation	RPO Target to be Met for FY 2021-22		Cumulative Target for FY 2021-22 including backlog (Till End of March 2022)	Total RPO Met for FY 2021-22 in MUs	Shortfall as on 31st March 2022
		%	MU	MU	MU	MU
1	Solar	8.00%	21.22	21.22	21.029	0.20
2	Non-Solar	9.00%	23.88	40.23	13.155	27.07
3	Total	17.00%	45.10	61.45	34.184	27.27

Compliance FY 2022-23						
Sr. No.	RPO Obligation	RPO Target to be Met for FY 2022-23 (Provisional)		Cumulative Target for FY 2022-23 including backlog (Till End of March 2023)	Total RPO Met from Various sources for FY 2022-23 in MUs	Shortfall as on 31st March 2022
		%	MU	MU	MU	MU
1	Solar	9.00%	25.56	25.76	22.707	3.05
2	Non-Solar	9.00%	25.56	52.64	14.203	38.44
3	HPO	0.35%	0.99	0.99	0.000	0.99
4	Total	18.35%	52.12	79.40	36.911	42.48

Action Plan for FY 2023-24						
Sr. No.	RPO Obligation	RPO Target to be Met for FY 2023-24 (Provisional)		Cumulative Target for FY 2023-24 including backlog (Till End of March 2024)	Total RPO Met from Various sources for FY 2023-24 in MUs (Projected)	Projected Shortfall on 31st March 2022
		%	MU	MU	MU	MU
1	Solar	10.00%	29.11	32.16	23.37	8.79
2	Non-Solar	9.25%	26.93	65.36	10.85	54.51
3	HPO	0.66%	1.92	2.92	0.00	2.92
4	Total	19.91%	57.96	100.44	34.22	66.22

Action Plan for FY 2024-25				
Sr. No.	**RPO Obligation**	**RPO Target to be Met for FY 2024-25**		**Projected RPO from Various sources for FY 2024-25 in MUs**
		%	MU	MU
1	Solar	11.00%	33.32	24
2	Non-Solar	9.50%	28.77	12
3	HPO	1.08%	3.27	0.00
4	Total	21.58%	65.36	36

Thus, it is evident from the above Table the department is not able to meet its past RPO Targets set by JERC and the shortfall has been consistently growing and accumulating each year. Furthermore, based on the RPO Targets set by MoP and JERC for upcoming years which kept on escalating every year, it is evident that meeting these future RPO targets with the current and upcoming power plants is not feasible especially under HPO and Non-RPO Targets. The same was submitted by the department during the Suo Moto hearing of RPO held on 6th November 2023 (copy enclosed).

Commission's response

The Petitioner is directed to comply with updated RPO targets for FY 2024-25 (as mentioned in Chapter-5) and prepare the action plan to meet the shortfall in RPO for FY 2024-25 and submit the same along with next tariff petition. The Petitioner may explore the possibility of establishing renewable energy projects with suitable storage to meet the local demand. The necessary preliminary assessment of resources to meet the local demand shall be initiated by the Petitioner.

8.1.10. kVAh based tariff

Originally issued in Tariff Order dated 28th March 2022

Commission's latest directive in Tariff Order dated 28th March 2023

The Petitioner is directed to submit a proposal for implementation of kVA/kVAh tariff for HT consumers in the tariff petition for the next year. The Petitioner is also required to submit whether it possesses the requisite infrastructure to implement the same. The Commission in its efforts of making the tariff more cost reflective is looking to implement kVA/kVAh based tariff for HT consumers for all the utilities under its jurisdiction.

Petitioner's response in the present Tariff Petition

As desired by JERC for kVAh based tariff, the department will thoroughly assess this during the preparation of the upcoming tariff proposal for the FY 2025-26 taking into account the current metering systems and IT infrastructure of the department. Accordingly, the matter is under process and assessment report has been sought from the Division and IT Cell for implementation of kVAh based Tariff.

Commission's response

The Petitioner is directed to submit a copy of aforesaid assessment report and to ensure that infrastructure is ready for kVAh billing before proposing the kVAh based billing for FY 2025-26.

Chapter 9 : Annexures

Annexure 1: List of Stakeholders who attended the public hearing on 14th March 2024 through Video Conference

Table 129: List of Stakeholders

Sr. No.	Name of Person (Mr./Ms.)
1	Ajit Kr. Roy
2	Apurba CH Roy
3	Agniv Nath
4	Deepak Halder
5	Sushantr Barkandes
6	Jyotsna Biswas
7	Sankari Sikder
8	Sankar Roy
9	Santana Mondal
10	Chanchala Das
11	Azar Ali
12	Puspa Bairagi
13	Susluban Sakar
14	Partha S Roy
15	R Binu
16	Amit
17	Sukhen Hazra
18	Ramen Majumder
19	Amit Kr. Mondal
20	Nibash Khah
21	Jeet
22	Mamta Mondal
23	Deepmala Nag
24	Krishna Mondal
25	Pridhan Mondal
26	Ruman Bepari
27	Ali Asgar
28	Abala Samaddar
29	Salma
30	Shananjoy Roy
31	Ret Kumar
32	Ashish Kumar Roy
33	Vikas Lall
34	Dakshin Bhasker
35	Ramamurthi
36	S Suresh Kumar
37	Surender Prahladka
38	Girish Arora
39	Zakir Jadwet
40	V Minu
41	Indu Devi
42	Mahesh Kishen

Sr. No.	Name of Person (Mr./Ms.)
43	Arijit Biswas
44	Rakesh Narayan
45	A Ganapathy
46	Prashob
47	Biswajit Halder
48	D Mohana Roy
49	Anub S
50	K Jogesh
51	Dr. Badal Dev Roy
52	Swapan Kr. Halder
53	Deep Narayan
54	Yogesh Tiwari
55	K Rajan
56	Deepak Mondal
57	Prasanta Mallick
58	C Ramajayam
59	T Vasudev
60	Krishna Roy
61	Haider Ali
62	Ajit Prasad
63	Gauga Lakshmi
64	Sumiya Arti
65	Sakeena
66	Anuj
67	Navin Krishna
68	Abdul Wahid
69	V Dinesh Kumar
70	Mehmood Ali
71	M A Sajid
72	Pushkar Anand
73	S Vineeth
74	Y Bhaskar Rao
75	Vallava Roy
76	Shivnanda Bairagi
77	Mukulsu
78	Hemawathi
79	Munira
80	Thompson
81	Abimanyu Bepari
82	Kumar
83	Deepak Mistry
84	Rajesh Paul
85	Kishore Kumar Bara
86	A Shyam Kumar
87	Shyam Lal Karmakar
88	Nikhil Halder
89	Somnath
90	Sanjetha Minj
91	B K Paul
92	Geeta Karmakar

Sr. No.	Name of Person (Mr./Ms.)
93	Mahrum Nisha
94	Debarata Das
95	K Chitravel
96	Shanmugam
97	Kotttaiswamy
98	K Divendra Rao
99	Ramamurthi
100	Vishal Jolly
101	Surendra Prahlad Kp