JOINT ELECTRICITY REGULATORY COMMISSION
For the State of Goa and Union Territories
Gurgaon

QUORUM

Sh. M. K. Goel (Chairperson)
Smt. Neerja Mathur (Member)

Review Petition No. 257/2018
Date of Hearing: 26.06.2018
Date of Order: 05.09.2018

In the matter of

Petition seeking review of Commission's Order dated 28th March 2018 for approval of True-up of the FY 2016-17, Annual Performance Review for the FY 2017-18 and Aggregate Revenue Requirements (ARR) and Tariff proposal for the FY 2018-19.

And in the matter of

Chandigarh Electricity Department…..Petitioner

Present:

For the Petitioner

1. Shri M.P. Singh, Superintending Engineer, CED
2. Shri U.K. Patel, AEE, CED
3. Shri Sanjib Majhi, Consultant, CED

ORDER

This Review Petition has been filed by Chandigarh Electricity Department (hereinafter referred to as the "CED" or the "Petitioner") seeking review of the Commission's Order dated 28th March 2018 on certain issues. The Commission has examined the Petition and a hearing in this matter was held on 26th June 2018. After hearing the parties, the Commission discussed certain issues emanating from the Review Petition which were crucial to bring out the clarity and justification and to understand the gravity of the situation.

Before proceeding to analyse the issues and concerns of the Petitioner, it is imperative to understand the powers of the Commission to review its own Order and the scope of review.

The Commission's Power to Review:

1. The Commission's power to review its own Order flows from Section 94(1)(f) of the Electricity Act, 2003 ("the Act") which provides that:

   … *"The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code or Civil Procedure,1908 (5 of 1908) in respect of the following matters, namely:*

   (f) reviewing its decisions, directions and orders;"

   These powers to review u/s 94(1)(f) of the Act are the same as conferred on a Civil Court by the Code of Civil Procedure (CPC). These have been spelt out in Section 114, read with Order 47, of the CPC.

   a) As per the said provisions, the specific grounds on which an Order already passed can be reviewed are:

a. if there are mistakes or errors apparent on the face of the record, or

b. on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or

c. if there exist other sufficient reasons.

b) The power of review, legally speaking, is permissible where some mistake or error apparent on the face of record is found and the error apparent on record must be such an error which may strike one merely by looking at the record and would not require any long drawn process of reasoning. A review cannot be equated with the original hearing of a case. A review petition has a limited purpose and cannot be allowed to be an appeal in disguise and it cannot be exercised on the ground that the decision was erroneous on merits. But simultaneously, the materials on record, which on proper consideration may justify the claim, cannot be ignored.

c) Clerical or arithmetical mistakes in Judgments or Orders, or errors arising therein from any accidental slip or omission may at any stage be corrected by the Commission under Section 152 of the CPC, either of its own motion or on the application of any of the parties. The use of the word "may" shows that no party has a right to have a clerical or arithmetical mistake corrected. The matter is left to the discretion of the Court. Such discretion is required to be exercised judiciously to make corrections necessary to meet the ends of justice. The word "accidental" qualifies the slip/ omission. Therefore, this provision cannot be invoked to correct an omission which is intentional, however erroneous. Because Section 152 does not countenance a re-argument on the merits of facts or law, the Commission has the limited powers to correct any clerical or arithmetical mistakes in Judgments or Orders, or errors arising therein from any accidental slip or omission.

2. Section 74 of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, specifies the following:

74. Review of the decisions, directions and orders

(a) The Commission may at any time on its own motion or on the application of any of the persons or parties concerned, within 45 days of the making of any decision, direction or order, review such decisions, directions or orders and pass such appropriate orders as the Commission thinks fit:

Provided that power of review by the Commission on its own motion shall be exercised limited to correction of clerical or typographical errors.

(b) An application for such review shall be filed in the same manner as a Petition under Chapter II of these regulations."

Therefore, the instant review application has to necessarily meet the requirements of Section 114 and Order 47 of the CPC to be eligible for review.

Accordingly, the issues raised by the Petitioner and the Commission's views there on are analysed as under:

1. Issue 1: Rate of interest on carrying/holding cost

Petitioner's Submission

The Commission has allowed 8% rate of interest on carrying/holding cost. As per the MYT Regulations 2014:

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

Therefore, the carrying/ holding cost, should be allowed at the interest rate approved for Working Capital borrowings for the respective years.

Commission's Analysis

The Petitioner, as per the Tariff Petition, has submitted that it has not availed any loans, whether for capital investment or for Working Capital requirement. In light of this submission, the Commission is of the view that the application of normative interest rates will unfairly burden the consumers since the cost of capital for the Petitioner is not commensurate with the normative rates. Further, it is emphasized that as per the MYT Regulations, 2014 the rate of interest for calculation of carrying cost shall be limited to the interest rate approved for Working Capital borrowings. The Petitioner has misinterpreted that rate of carrying cost shall be allowed at the same rate as approved for Working Capital borrowings, as the regulations only specify a ceiling. The interest rate to be considered is as per the Commission's discretion and since the entire capital infusion for the CED is through government equity, the Commission has decided to allow 8% interest rate towards the carrying/holding cost. This rate is in line with prevailing risk free rate of 10 year government securities.

As can be seen from above, this was a conscious decision taken by the Commission and hence this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

2. Issue 2: Methodology adopted for calculation of carrying cost

Petitioner's Submission

In the Tariff Order, the carrying/holding cost has been calculated on the average gap/surplus for the year. However, the Commission has been calculating carrying/holding cost on opening gap/surplus in the Tariff Order of FY 2017-18 and previous Orders. It is therefore requested that the same approach be taken in this Tariff Order as well.

Commission's Analysis

The carrying/holding cost applicable on the gap/surplus of the Petitioner accrues during the financial year depending on the amount of gap/surplus being carried by the Petitioner, an amount which is dynamic throughout the financial year. In order to account for this change in the base gap/surplus, the carrying/holding cost is calculated on the average gap/surplus for the relevant financial year. Moreover, the Commission's approach for working out the carrying cost is consistent across all Utilities under its jurisdiction.

Therefore, consideration of average gap / surplus for working out the carrying cost is part of the methodology adopted by the Commission and is in accordance with the generally accepted accounting principles. This issue, therefore, does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

3. Issue 3: 'K' factor for calculating FPPCA

Petitioner's Submission

1. K factor has not been specified for the following consumer slabs:

S. No.	Category	K Factor
1	151-400 units (single phase)	0.00
2	401 and above units (single phase)	0.00
3	0-150 units (three phase)	0.00

S. No.	Category	K Factor
4	Advertisement / Neon sign Boards- Advertisement boards, bill boards(apart from advertisement boards installed on commercial establishments and charged under commercial tariff)	0.00

2. Whether K factor, which has been specified for Agriculture category also, is to be used for working out FPPCA for Agriculture category.

Commission's Analysis

In Table 109: Revenue from approved retail tariff at page 112 and page 113 of the Commission's Order, the K factor for each of the consumer slabs has been calculated for FY 2018-19 as follows (*quote unquote*):

"

Table 109: Revenue from approved retail tariff determined by Commission (In Rs Cr)

S. No.	*Category*	*Fixed Charges (Rs Cr)*	*Energy charges (Rs Cr)*	*Total (Rs Cr)*	*ABR (Rs/unit)*	*K Factor*
1	***DOMESTIC SUPPLY (DS)***	***10.80***	***309.46***	***320.26***	***4.15***	***0.80***
1	*0-150 units*	*3.08*	*91.15*	*94.23*	*2.84*	*0.55*
2	*151-400 units*	*4.16*	*122.10*	*126.26*	*4.96*	*0.95*
3	*401 and above units*	*3.57*	*96.20*	*99.77*	*5.39*	*1.03*
2	***COMMERCIAL / NON RESIDENTIAL (NRS)***	***51.85***	***264.31***	***316.16***	***6.22***	***1.19***
1	*0-150 units (single phase)*	*1.11*	*114.28*	*115.39*	*5.05*	*0.97*
2	*151-400 units (single phase)*	*0.00*	*0.00*	*0.00*		*0.00*
3	*401 and above units (single phase)*	*0.00*	*0.00*	*0.00*		*0.00*
4	*0-150 units (three phase)*	*0.00*	*0.00*	*0.00*		*0.00*
5	*151-400 units (three phase)*	*4.22*	*113.06*	*117.28*	*5.50*	*1.05*
6	*401 and above units (three phase)*	*46.52*	*36.98*	*83.49*	*12.64*	*2.43*
3	***INDUSTRY***	***30.02***	***130.75***	***160.77***	***5.97***	***1.14***
1	*Large Industrial Power Supply (LS)*	*14.51*	*65.09*	*79.59*	*6.11*	*1.17*
2	*Medium Industrial Power Supply (MS)*	*14.80*	*56.03*	*70.83*	*5.94*	*1.14*
3	*Small Industrial Power Supply (SP)*	*0.72*	*9.63*	*10.34*	*5.16*	*0.99*
4	***AGRICULTURAL PUMPING SUPPLY(AR)***	***0.00***	***0.46***	***0.46***	***2.90***	***0.56***
1	*Agricultural Pumping Supply*	*0.00*	*0.46*	*0.46*	*2.90*	*0.56*
						0.00
5	***PUBLIC LIGHTING***	***0.85***	***10.89***	***11.75***	***5.77***	***1.11***

S. No.	Category	Fixed Charges (Rs Cr)	Energy charges (Rs Cr)	Total (Rs Cr)	ABR (Rs/unit)	K Factor
	(PL)					
1	Public Lighting system managed by Municipal Corporation, Panchayat and Street Lights maintained / outsourced to an external Agency	0.85	10.89	11.75	5.77	1.11
2	Advertisement / Neon sign Boards- Advertisement boards, bill boards(apart from advertisement boards installed on commercial establishments and charged under commercial tariff)	0.00	0.00	0.00		0.00
						0.00
6	**BULK SUPPLY (BS)**	**10.29**	**39.14**	**49.44**	**6.19**	**1.19**
1	Bulk Supply	10.29	39.14	49.44	6.19	1.19
						0.00
7	**TEMPORARY SUPPLY**	**0.00**	**3.76**	**3.76**	**8.10**	**1.55**
1	Temporary Supply	0.00	3.76	3.76	8.10	1.55
	SUB-TOTAL	**103.82**	**758.77**	**862.60**	**5.21**	
	GRAND TOTAL			**862.60**		

”

In Chapter 9: Fuel & Power Purchase Cost Adjustment Mechanism of the Order, the formula for calculation of K factor for FPPCA has been provided as follows:

$$K = \frac{Approved\ Retail\ Tariff\ for\ a\ category\ or\ sub\ category}{Weighted\ Average\ Retail\ Tariff\ (WART)}$$

Since the FPPCA is an adjustment for variation in the approved and actual power purchase cost for past periods, the Commission has considered the projected Average Billing Rate (ABR) of the consumer slabs for ‘Approved Retail Tariff for a category or sub category’ and the overall projected Average Billing Rate (ABR) for ‘Weighted Average Retail Tariff (WART)’ in the above mentioned formula.

The Petitioner, as per the Petition, had submitted that data is not available for the following consumer slabs:

a. Commercial/Non residential
   i. 151-400 units (single phase)
   ii. 401 and above units (single phase)
   iii. 0-150 units (three phase)
b. Public lighting
   i. Advertisement / Neon sign Boards- Advertisement boards, bill boards

Due to non-availability of the requisite information, the ABR and the K factor for the said consumer slabs could not be determined.

In additional submissions to the review petition, the Petitioner submitted the slab-wise data, which also had discrepancies, such as the ABR not matching with tariff approved by the Commission. Since, the Petitioner itself failed to submit the desired information there is no error apparent in this regard.

The Petitioner, is directed to submit the relevant data in these slabs for atleast three months, to enable the Commission to determine the 'K' factor accurately.

Till the time the Petitioner submits the requisite data, the 'K' factor shall be used as per the following:

S. No.	Category Slab	K factor
COMMERCIAL / NON RESIDENTIAL (NRS)		
1	151-400 units (single phase)	1.05
2	401 and above units (single phase)	2.43
3	0-150 units (three phase)	0.97

The above working has been carried out by Commission following similar approach as in the previous Tariff Order for above slabs, in order to enable the Petitioner to start charging FPPCA from the consumers falling under these slabs.

Further, the figure 0.00 appearing in Table 109: Revenue from approved retail tariff determined by the Commission (in Rs Cr.) at Sr, no. 2 Clause 2,3 & 4 be read as 'Not Available'

As the Petitioner could not provide any sales and revenue data for Advertisement category, K Factor has not been approved for the same. The Petitioner may however, calculate the K factor as per the given formula once the Sales are booked under this category.

With regard to the K factor specified for agriculture category consumers, it is clarified that K factor is not applicable for agriculture category consumers and the figure 0.56 appearing at Sl. No. 4, Column 7 of the Table 109 be ignored as not applicable to the Agricultural Pumping Supply (AR).

Issue 4: Intra-State distribution losses

Petitioner's Submission

The Intra-State distribution loss targets may be revised based on the submissions made hereunder and in the Tariff Petition. The Intra State Distribution loss for the past 6 years are as under:

S. No.	Financial Year	% T&D Loss
1	FY 2011-12	20.20%
2	FY 2012-13	18.42%
3	FY 2013-14	15.10%
4	FY 2014-15	15.17%
5	FY 2015-16	15.24%
6	FY 2016-17	13.65%

The Petitioner has contended that it has achieved significant loss reduction in past five years and there is no scope for further reduction.Petitioner has also contended that as a number of loss reduction programme like R-APDRP (Part-A & Part-B),IPDS ,SCADA etc. are not implemented in Chandigarh, the target as mandated by the Commission is not possible at this stage. The Petitioner further submitted that while the distribution area of the CED is small, the scope for addition of HT consumers is limited or negligible. As a result, the sales to such categories is generally restricted leading to stagnation of T&D losses. With over 80% of the sales to LT consumers, the Petitioner feels that further reduction in the T&D losses in the UT of Chandigarh shall be possible after implementation of its various IT/strengthening schemes under IPDS and Smart Grid project which are under approval with Government of India.

The energy input in CED is currently being metered at 400kV Nalagarh, 220kV Mohali and 220kV Dhoolkot (BBMB), which has resulted in higher T&D losses for CED. CED has to bear around 3% additional losses of interstate circuit due to absence of any Inter State (ISTS) point in its boundary. The Petitioner has also informed that the construction of a 220/66 kV substation at Hallo Majra is under progress by M/s PGCIL. This substation shall cater to the future load growth of Chandigarh resulting in lower losses due to commissioning ofISTS point within the UT periphery.

Further, as per the Tariff Order, the Commission has provided an explanation to set the distribution loss trajectory comparable to private utilities such as BRPL, BYPL, TPDDL, Tata Power Mumbai, CESC. The Petitioner has contended that the above mentioned utilities are either private/corporate entities or DISCOMs wherein probably a large amount of investment is already made by these utilities under T&D loss reduction programme like - R-APDRP (Part-A and Part-B),IPDS, SCADA ,Smart Grid etc. However, CED is a Government Department and since no such programme is implemented till date, CED can never be compared with these utilities. In view of the same, CED has requested to revise the loss target to achievable level.

Commission's Analysis

The Petitioner has reiterated most of the arguments already stated in the Tariff Petition, which were addressed by the Commission while recording its reasons for revising the loss targets in the Tariff Order as follows:

"The Commission accepts the actual Intra-State Distribution Loss level of 13.65% for the FY 2016-17 based on actual energy sales and the energy available at the periphery. However, the Commission has not considered the Petitioner's request for revising the Intra-State Distribution Loss trajectory and has maintained the same loss trajectory based on the previous Order and used the same for calculation of disincentive on non-achievement of T&D loss target. The Commission is of the view that the Intra-State Distribution Loss in the similar urban distribution companies, like BRPL, BYPL, TPDDL, Tata Power Mumbai, CESC, where majority of the sales is happening in LT level, is lower than the Intra-State Distribution Loss of the CED, hence there is significant potential of Intra-State Distribution Loss reduction in the CED license area."

Since the Distribution Loss trajectory was approved before hand, this issue, therefore, does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

4. Issue 5: Fuel and Power Purchase Cost Adjustment Mechanism (FPPCA)

Petitioner's Submission

The R_{app} specified by the Commission for the FY 2018-19 is on the higher side and will thus lead to negative FPPCA in most quarters of the FY 2018-19. The Commission is also requested to review the capping of 10% on recovery of FPPCA charges, by making the same to+/-10%.

Commission's Analysis

The Commission has already recorded the detailed reasons and the logical basis for the new FPPCA formula in Chapter 9 of the Tariff Order. The formula for R_{app} and the consequent value specified by the Commission is based on the same reasoning.

Accordingly, this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

5. *Issue 6: Carry forward of Renewable Purchase Obligation (RPO) surplus in the subsequent years.*

Petitioner's Submission

The RPO surplus for FY 2016-17 should be carried forward and be set off with the RPO targets of the subsequent years. It is therefore requested to revise the RPO compliance targets for the FY 2017-18 and FY 2018-19.

Commission's Analysis

The JERC (Procurement of Renewable Energy) Regulations, 2010 as well as the consequent amendments to the same do not provide for the carry forward of RPO surplus. In fact, the second amendment of the JERC (Procurement of Renewable Energy) Regulations, 2010 dated 22 December 2015 explicitly disallows the carry forward of any surplus compliance of RPO:

"That in case of genuine difficulty in complying with a Renewable Purchase Obligation the obligated entity can approach the Commission for carry forward of compliance requirement to the next year. ***However, credit for excess renewal energy purchase would not be adjusted in the next year****…"*

As the stated principles as per the applicable regulations have been followed, this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

6. *Issue 7: Non-tariff income and dis-incentive towards non-achievement of norms of distribution losses*

Petitioner's Submission

The Petitioner has achieved a Non-Tariff Income (NTI) of Rs 42.66 Cr against Rs 23.02 Cr approved for FY 2016-17. It is requested that over-achievement on NTI should be incentivized in a similar manner as the Commission has penalized for under-achievement of distribution loss target. The Commission should not impose disincentive towards underachievement of target distribution losses for FY 2016 – 17.

Commission's Analysis

The reasons for imposing the penalty on account of non-achievement of distribution loss targets have already been recorded in the Tariff Order. The Commission has relied on the following regulations of JERC MYT Regulations, 2014.

Regulation 10:

"10.1 The licensee shall pass on to the consumers, the 70% of the gain arising from over achievement of the norms laid down by the Commission in these Regulations or targets set by the Commission from time to time and retaining balance 30% with themselves.

10.2 The approved aggregate gain or loss to the Distribution Licensee on account of uncontrollable factors shall be passed through, as an adjustment in the tariff of the Distribution Licensee, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations"

Regulation 11:

"(1) The licensee shall bear the entire loss on account of its failure to achieve the norms laid down by the Commission on targets set by the Commission from time to time"

The above sharing regulations are applicable on all controllable factors as recorded in Regulation 9.2 of the JERC MYT Regulations, 2014:

"9.2 Some illustrative variations or expected variations in the performance of the applicant, which may be attributed by the Commission to controllable factors include, but are not limited to the following:

(a) Variations in capital expenditure on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;
(b) Variations in Transmission and Distribution Losses (T&D) losses in case of bundled utilities and Distribution losses in case of un-bundled utilities which shall be measured as the difference between the units input into the distribution system and the units supplied and billed;
(c) Depreciation and working capital requirements;
(d) Failure to meet the standards specified in the Joint Electricity Regulatory Commission (Standards of Performance) Regulations,2009 except where exempted;
(e) Variation in operation & maintenance expenses, except those attributable to directions of the Commission;
(f) Variation in Wires Availability and Supply Availability;
(g) Variation on account of inflation;"

Accordingly, Non-Tariff Income cannot be considered for sharing of gains/losses.

As the stated principles as per the applicable regulations have been followed this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

7. Issue 8: Power purchase cost for BBMB Pong and NTPC Anta power plants

Petitioner's Submission

The Commission has approved the power purchase cost per unit for FY 2017-18 for Anta at Rs 19.45/kWh and for BBMBPong at Rs 60.98/kWh, which are on the higher side. It is requested toreview the same.

Commission's Analysis

While arriving at the power purchase cost for the APR of FY 2017-18 the actual power purchase bills and formats as submitted by the Petitioner till December 2017 and the REA figures for January and February 2018 have been considered.

The data submitted by the Petitioner in its Tariff Petition and the consequent projections made by the Commission for BBMB power plants are as follows:

S.no.	Power plant	Units (MU) (Ex-bus)			Cost (Rs Cr)			Avg. per unit cost (Rs/kWh) (at Ex-Bus)
		Till Dec (As submitted by Petitioner)	Jan-Mar (Projected)	Total	Till Dec (As submitted by Petitioner)	Jan-Mar (Projected)	Total	
1	BBMB 3.5%	423.30	137.97	561.27	8.38	44.26	52.64	0.94
2	BBMB 1 LU-Dehar	76.95	6.13	83.08	13.81	1.97	15.78	1.90
3	BBMB 10 LU- Pong	16.94	5.61	22.55	135.68	1.80	137.47	60.98
4	**BBMB**	**517.19**	**149.71**	**666.90**	**157.87**	**48.02**	**205.89**	**3.09**

S.no.	Power plant	Units (MU) (Ex-bus)			Cost (Rs Cr)			Avg. per unit cost (Rs/kWh) (at Ex-Bus)
		Till Dec (As submitted by Petitioner)	Jan-Mar (Projected)	Total	Till Dec (As submitted by Petitioner)	Jan-Mar (Projected)	Total	
	Total							

As can be seen from the above table, the average per unit cost (at Ex-bus) for BBMB Pong is extremely high on account of the high cost of power from the said station in the first three quarters of the financial year. The said details have been submitted by the Petitioner based on the bills received by the Petitioner. It is to be noted that when the combined cost of BBMB power sources is considered, the average per unit cost is well within the expected range. The Commission has therefore approved the overall average per unit cost as Rs 3.09/kWh for BBMB as a whole for FY 2017-18. However, the Petitioner has to submit the detailed reasons for such high costs incurred for power purchased through BBMB Pong in the first three quarters in the True-up Petition for FY 2017-18.

In case of NTPC Anta power plant, the following table represents the data submitted by the Petitioner and the consequent projections made by the Commission:

S.no.	Power plant	Units (MU) (Ex-bus)			Cost (Rs Cr)			Avg. per unit cost (at Ex-Bus)
		Till Dec (As submitted by Petitioner)	Jan-Mar (Projected)	Total	Till Dec (As submitted by Petitioner)	Jan-Mar (Projected)	Total	
1	NTPC Anta	1.96	2.70	4.66	5.83	3.22	9.05	19.45

The reason for higher average per unit cost (at Ex-bus) for NTPC Anta Power plant is that negligible power has been drawn by the Petitioner from this source during FY 2017-18. Therefore, a major portion of the cost is attributable to fixed cost of the plant.

Accordingly, the issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

8. Issue 9: Various Typing /inadvertent Errors

The Petitioner has pointed out various typing errors in the Tariff Order which have been discussed as follows:

a. Section 2.2.4, Page 18 of the Tariff Order

Tariff Order

"Further, the Commission observes that only 581 connections have been checked till November 2017. The CED should strengthen the enforcement activities."

Petitioner's submission

The Petitioner has submitted that the '581 connections' as mentioned in the Tariff Order may be modified to '585 connections'.

Commission's analysis

The Commission accepts the Petitioner's submission that a total of 585 connections had been checked till November 2017. The sentence should therefore be read as:

'Further, the Commission observes that only 585 connections have been checked till November 2017. The CED should strengthen the enforcement activities.'

b. Section 4.9.3, Page 65 of the Tariff Order

Tariff Order

"Based on the actual R&M expenses incurred in the first 6 months of the FY 2017-18, the revised estimate for employee expenses of the FY 2017-18 has been submitted as Rs 12.97 Cr, the same as approved by the Commission in the ARR Order"

Petitioner's submission

The Petitioner has submitted that the employee expenses as inadvertently written in the Tariff Order should be read as 'R&M Expenses'.

Commission's analysis

The Commissions accepts the same and therefore the said statement should be read as:

"Based on the actual R&M expenses incurred in the first 6 months of the FY 2017-18, the revised estimate for R&M expenses of the FY 2017-18 has been submitted as Rs 12.97 Cr, the same as approved by the Commission in the ARR Order"

c. Section 5.6.4, Page 90 of the Tariff Order

Tariff Order

In Table 79, the per unit gross power purchase cost has been mentioned as Rs 3.84/kWh.

Petitioner's submission

The per unit gross power purchase cost in the table should be Rs 3.42/kWh.

Commission's analysis

The Commission has approved the power purchase quantum and cost for FY 2018-19 in Table 79 of the Order as follows (*quote unquote*):

"

Table 79: Power Purchase Quantum (MU) and cost (Rs Cr) approved by the Commission

Source	*Units Purchased (MU)*	*Fixed Charges (Rs Cr)*	*Variable Charges (Rs Cr)*	*Other Charges (Rs Cr)*	*Total charges (Rs Cr)*	*Per Unit Cost (Rs/kWh)*
NTPC Stations						
Singrauli	*36.51*	*2.06*	*4.79*	*0.00*	*6.85*	*1.88*
Rihand-I	*76.00*	*7.19*	*9.91*	*0.00*	*17.10*	*2.25*
Rihand-II	*75.23*	*5.16*	*9.82*	*0.00*	*14.98*	*1.99*
Rihand-III	*58.08*	*8.34*	*7.66*	*0.00*	*16.00*	*2.75*
Unchahar-I	*20.80*	*1.59*	*5.54*	*0.00*	*7.13*	*3.43*
Unchahar-II	*22.44*	*2.21*	*5.98*	*0.00*	*8.19*	*3.65*
Unchahar-III	*14.52*	*1.34*	*3.87*	*0.00*	*5.21*	*3.59*
Unchahar-IV	*1.72*	*0.61*	*0.42*	*0.00*	*1.03*	*6.02*
Anta	*23.49*	*3.91*	*16.46*	*0.00*	*20.36*	*8.67*
Auriya	*14.13*	*3.60*	*7.82*	*0.00*	*11.42*	*8.08*
Dadri GP	*26.96*	*3.12*	*8.58*	*0.00*	*11.70*	*4.34*
Kahalgaon-II	*26.20*	*2.30*	*5.84*	*0.00*	*8.13*	*3.10*
Dadri-II	*19.67*	*2.32*	*5.44*	*0.00*	*7.76*	*3.94*
Koldam- Hydro	*29.81*	*8.63*	*6.60*	*0.00*	*15.23*	*5.11*
Subtotal – NTPC	***445.57***	***52.38***	***98.72***	***0.00***	***151.10***	***3.39***

Source	Units Purchased (MU)	Fixed Charges (Rs Cr)	Variable Charges (Rs Cr)	Other Charges (Rs Cr)	Total charges (Rs Cr)	Per Unit Cost (Rs/kWh)
NHPC						
Salal	9.04	0.69	0.57	0.00	1.26	1.39
Tanakpur	3.86	1.66	0.62	0.00	2.28	5.91
Chamera-I	93.80	12.88	8.84	0.00	21.72	2.32
Chamera-II	19.97	3.64	2.06	0.00	5.70	2.85
Uri	18.44	2.29	2.24	0.00	4.53	2.46
Dhauliganga	11.88	3.16	1.84	0.00	5.01	4.22
Dulhasti	23.52	0.10	4.24	0.00	4.33	1.84
Sewa II	7.42	1.79	1.64	0.00	3.43	4.62
URI II	12.63	4.48	3.10	0.00	7.59	6.00
Chamara III	11.50	3.09	2.49	0.00	5.58	4.85
Parbati-III	7.49	2.06	2.08	0.00	4.14	5.53
Subtotal- NHPC	***219.57***	***35.85***	***29.72***	***0.00***	***65.57***	***2.99***
NPCIL						
NAPS	73.47	0.00	17.71	0.00	17.71	2.41
RAPP (Unit 3 & 4)-B	20.72	0.00	5.77	0.00	5.77	2.78
RAPP (Unit 5 & 6)-C	72.21	0.00	24.91	0.00	24.91	3.45
Subtotal- NPCIL	***166.40***	***0.00***	***48.40***	***0.00***	***48.40***	***2.91***
SJVNL						
NathpaJhakri	67.94	8.02	8.38	0.00	16.40	2.41
Rampur	7.53	1.34	1.25	0.00	2.58	3.43
Subtotal- SJVNL	***75.48***	***9.36***	***9.63***	***0.00***	***18.98***	***2.51***
BBMB						
BBMB 3.5%	561.27	0.00	180.03	0.00	180.03	3.21
BBMB 1 LU- Dehar	83.08	0.00	26.65	0.00	26.65	3.21
BBMB 10 LU- Pong	22.55	0.00	7.23	0.00	7.23	3.21
Subtotal- BBMB	***666.90***	***0.00***	***213.92***	***0.00***	***213.92***	***3.21***
APCPL						
Jajjar	54.24	5.60	16.94	0.00	22.54	4.15
Subtotal- APCPL	***54.24***	***5.60***	***16.94***	***0.00***	***22.54***	***4.15***
THDC						
Koteshwar	25.89	7.07	5.82	0.00	12.89	4.98
Tehri	87.49	38.61	21.82	0.00	60.43	6.91
Subtotal- THDC	***113.38***	***45.68***	***27.64***	***0.00***	***73.32***	***6.47***
Subtotal	***1,741.54***	***148.86***	***444.96***	***0.00***	***593.82***	***3.41***
Power purchase from Other Sources						
Crest	3.31	0.00	2.48	0.00	2.48	7.51
Pvt.solar	0.74	0.00	0.66	0.00	0.66	8.93
Solar REC	0.00	1.30	0.00	0.00	1.30	1.50
Non Solar	0.00	0.00	0.00	0.00	0.00	-

Source	***Units Purchased (MU)***	***Fixed Charges (Rs Cr)***	***Variable Charges (Rs Cr)***	***Other Charges (Rs Cr)***	***Total charges (Rs Cr)***	***Per Unit Cost (Rs/kWh)***
Non- Solar REC	*0.00*	*5.88*	*0.00*	*0.00*	*5.88*	*1.50*
Bilateral J&K	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*-*
UI	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*-*
Power purchase from Indian E. Exchange	*213.40*	*0.00*	*65.73*	*0.00*	*65.73*	*3.08*
Sale to Indian E. Exchange	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*-*
Subtotal- Other	***217.45***	***7.18***	***68.87***	***0.00***	***76.05***	***-***
Gross Power Purchase	***1,958.99***	***156.04***	***513.83***	***0.00***	***669.87***	***3.84***
PGCIL CHARGES	*-*	*62.71*	*-*	*-*	*62.71*	*-*
Other Transmission Charges	*-*	*4.44*	*-*	*-*	*4.44*	*-*
Grand Total of Charges – Net	***1,958.99***	***223.19***	***513.83***	***0.00***	***737.02***	***3.76***

"

The Commission accepts the Petitioner's submission that the per unit gross power purchase cost should be Rs 3.42/kWh in the above-mentioned table. The Commission had approved the per unit cost at the Ex-bus level and for this reason the Commission had not considered the power quantum purchased through power exchanges (213.40 MU) for calculating the Average Gross Power Purchase Per Unit Cost while considering the cost against the power purchased through exchanges. ***It is however to be noted that this does not have any impact on the total power purchase cost or source wise power purchase cost or consumer tariff***.

Table 79 of the Tariff Order may be read as follows:

Table 79: Power Purchase Quantum (MU) and cost (Rs Cr) approved by the Commission

Source	**Units Purchased (MU)**	**Fixed Charges (Rs Cr)**	**Variable Charges (Rs Cr)**	**Other Charges (Rs Cr)**	**Total charges (Rs Cr)**	**Per Unit Cost (Rs/kWh)**
NTPC Stations						
Singrauli	36.51	2.06	4.79	0.00	6.85	1.88
Rihand-I	76.00	7.19	9.91	0.00	17.10	2.25
Rihand-II	75.23	5.16	9.82	0.00	14.98	1.99
Rihand-III	58.08	8.34	7.66	0.00	16.00	2.75
Unchahar-I	20.80	1.59	5.54	0.00	7.13	3.43
Unchahar-II	22.44	2.21	5.98	0.00	8.19	3.65
Unchahar-III	14.52	1.34	3.87	0.00	5.21	3.59
Unchahar-IV	1.72	0.61	0.42	0.00	1.03	6.02
Anta	23.49	3.91	16.46	0.00	20.36	8.67
Auriya	14.13	3.60	7.82	0.00	11.42	8.08
Dadri GP	26.96	3.12	8.58	0.00	11.70	4.34
Kahalgaon-II	26.20	2.30	5.84	0.00	8.13	3.10
Dadri-II	19.67	2.32	5.44	0.00	7.76	3.94
Koldam- Hydro	29.81	8.63	6.60	0.00	15.23	5.11
Subtotal – NTPC	**445.57**	**52.38**	**98.72**	**0.00**	**151.10**	**3.39**

Source	Units Purchased (MU)	Fixed Charges (Rs Cr)	Variable Charges (Rs Cr)	Other Charges (Rs Cr)	Total charges (Rs Cr)	Per Unit Cost (Rs/kWh)
NHPC						
Salal	9.04	0.69	0.57	0.00	1.26	1.39
Tanakpur	3.86	1.66	0.62	0.00	2.28	5.91
Chamera-I	93.80	12.88	8.84	0.00	21.72	2.32
Chamera-II	19.97	3.64	2.06	0.00	5.70	2.85
Uri	18.44	2.29	2.24	0.00	4.53	2.46
Dhauliganga	11.88	3.16	1.84	0.00	5.01	4.22
Dulhasti	23.52	0.10	4.24	0.00	4.33	1.84
Sewa II	7.42	1.79	1.64	0.00	3.43	4.62
URI II	12.63	4.48	3.10	0.00	7.59	6.00
Chamara III	11.50	3.09	2.49	0.00	5.58	4.85
Parbati-III	7.49	2.06	2.08	0.00	4.14	5.53
Subtotal- NHPC	**219.57**	**35.85**	**29.72**	**0.00**	**65.57**	**2.99**
NPCIL						
NAPS	73.47	0.00	17.71	0.00	17.71	2.41
RAPP (Unit 3 & 4)-B	20.72	0.00	5.77	0.00	5.77	2.78
RAPP (Unit 5 & 6)-C	72.21	0.00	24.91	0.00	24.91	3.45
Subtotal- NPCIL	**166.40**	**0.00**	**48.40**	**0.00**	**48.40**	**2.91**
SJVNL						
NathpaJhakri	67.94	8.02	8.38	0.00	16.40	2.41
Rampur	7.53	1.34	1.25	0.00	2.58	3.43
Subtotal- SJVNL	**75.48**	**9.36**	**9.63**	**0.00**	**18.98**	**2.51**
BBMB						
BBMB 3.5%	561.27	0.00	180.03	0.00	180.03	3.21
BBMB 1 LU- Dehar	83.08	0.00	26.65	0.00	26.65	3.21
BBMB 10 LU- Pong	22.55	0.00	7.23	0.00	7.23	3.21
Subtotal- BBMB	**666.90**	**0.00**	**213.92**	**0.00**	**213.92**	**3.21**
APCPL						
Jajjar	54.24	5.60	16.94	0.00	22.54	4.15
Subtotal- APCPL	**54.24**	**5.60**	**16.94**	**0.00**	**22.54**	**4.15**
THDC						
Koteshwar	25.89	7.07	5.82	0.00	12.89	4.98
Tehri	87.49	38.61	21.82	0.00	60.43	6.91
Subtotal- THDC	**113.38**	**45.68**	**27.64**	**0.00**	**73.32**	**6.47**
Subtotal	**1,741.54**	**148.86**	**444.96**	**0.00**	**593.82**	**3.41**
Power purchase from Other Sources						
Crest	3.31	0.00	2.48	0.00	2.48	7.51
Pvt.solar	0.74	0.00	0.66	0.00	0.66	8.93
Solar REC	0.00	1.30	0.00	0.00	1.30	1.50
Non Solar	0.00	0.00	0.00	0.00	0.00	-
Non- Solar REC	0.00	5.88	0.00	0.00	5.88	1.50

Source	Units Purchased (MU)	Fixed Charges (Rs Cr)	Variable Charges (Rs Cr)	Other Charges (Rs Cr)	Total charges (Rs Cr)	Per Unit Cost (Rs/kWh)
Bilateral J&K	0.00	0.00	0.00	0.00	0.00	-
UI	0.00	0.00	0.00	0.00	0.00	-
Power purchase from Indian E. Exchange	213.40	0.00	65.73	0.00	65.73	3.08
Sale to Indian E. Exchange	0.00	0.00	0.00	0.00	0.00	-
Subtotal- Other	**217.45**	**7.18**	**68.87**	**0.00**	**76.05**	**3.50**
Gross Power Purchase	**1,958.99**	**156.04**	**513.83**	**0.00**	**669.87**	**3.42**
PGCIL CHARGES	-	62.71	-	-	62.71	-
Other Transmission Charges	-	4.44	-	-	4.44	-
Grand Total of Charges – Net	**1,958.99**	**223.19**	**513.83**	**0.00**	**737.02**	**3.76**

d. Section 6.4.2, Page 111 and Page 112 of the Tariff Order

Tariff Order

In Table 108: Existing and Approved Tariff, the column heading has been mentioned as *"Existing and Proposed"*.

Petitioner's submission

The column headings should read as "Existing and Approved".

Commission's analysis

The column heading may be read as ***Existing and Approved***.

e. Section 8.1, Page 122 of the Tariff Order

Tariff Order

In Table 121: Tariff Schedule, the Units in the Fixed Charges column has been mentioned asRs per kW/month.

Petitioner's submission

The units should be mentioned as Rs per kW/kVA/HP/Month.

Commission's analysis

Fixed Charges for all consumers in Tariff schedule, approved by the Commission, is in Rs per kW per Month. There is no consumer category, where Fixed Charge is approved as either Rs per kVA per month or Rs per HP per Month. In case, for any consumer, contract demand is in kVA, it can be converted into kW using the power factor of that month's bill. Similarly, if the contract demand for any consumer is in HP, it can be converted into kW.

Accordingly, the issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

f. Section 8.2, Page 126 of the Tariff Order

Tariff Order

In Table 122: Applicability of Tariff Schedule, the character of service for Medium Industrial Power Supply (MS) says "AC, 50 cycles, 3 phase, 400 volts, or at 11 kV for load above 100 KW."

Petitioner's submission

The character of service for MS category should be read as 'AC, 50 cycles, 3 phase, 400 volts'.

Commission's analysis

The Petitioner has not submitted any reasons in the Tariff Petition or the Review Petition for proposing this change. The Commission has thus not considered any revision to the Character of Service for MS consumer category, in line with the approach followed in the Previous Tariff Order.

Accordingly, the issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

g. Section 8.3, Page 128 of the Tariff Order

Tariff Order

Clause 14 regarding the Prompt Payment Rebate states
"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 (SOP +Fixed Charges +FPPCA) amount shall be given. Those consumers having arrears shall not be entitled for such rebate. Sample calculation for the same has been in 2Annexure 4 of this Order."

Petitioner's submission

The Petitioner has contended that the last line of the above mentioned paragraph may be omitted and the statement may be read as, '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 (SOP +Fixed Charges +FPPCA) amount shall be given. Those consumers having arrears shall not be entitled for such rebate. '

Commission's analysis

The Commission has provided the sample calculation in Annexure 4 of the Tariff Order and hence there is no need for removing the last line of the above mentioned paragraph. However, the Commission has rectified the inadvertent error in last line of the statement.

The said clause should be read as:

'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 (SOP +Fixed Charges +FPPCA) amount shall be given. Those consumers having arrears shall not be entitled for such rebate. Sample calculation for the same has been provided in Annexure 4 of this Order.'

9. *Issue 10: Calculation of Average Pooled Power Purchase Cost (APPC)*

Petitioner's Submission

A number of net metering solar power plants are already installed under the jurisdiction of CED and as per clause number 6.7.3.1 of Model Agreement for Solar Net Metering, the payments of net solar energy exported in excess of the imported energy is to be made by the Distribution Licensee as per APPC applicable during financial year prior to the financial year in which the solar plant started feeding the grid. However, the APPC rate is not mentioned anywhere in this Order and therefore it is difficult for the CED to make payments to solar net metering consumers. The CED has therefore requested that the applicable APPC may be approved by the Commission.

Commission's Analysis

The Petitioner had submitted the following Prayer as a part of its Tariff Petition:

"ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANDIGARH respectfully prays that the Commission may

a. *Condone the delay in filing the petition by ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANDIGARH AND ADMIT THIS PETITION.*

b. *Examine the proposal submitted by the Petitioner for a favourable dispensation as detailed in the enclosed proposal;*

c. *Consider the submissions and allow the True-Up 2016-17, revised estimateforFY2017-18andapproveAggregateRevenueRequirement and Retail Tariff for ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANDIGARH forFY 2018-19;*

d. *Approve the revenue gap and appropriate tariff increase as detailed in the enclosed proposal;*

e. *Pass suitable orders for implementation the tariff proposals for the FY*

   2018-19 for making it applicable from April 1, 2018 onwards;

f. *Approve the terms and conditions of Tariff Schedule and various other matters and the proposed changes therein;*

g. *Approve new Tariff Categories as proposed*

h. *Approve the Miscellaneous and General Charges as proposed;*

i. *Condone any in advertisement to omissions/errors/shortcomings and permit ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANFIGARHTO add/change/modify/alter his filing and make further submissions as may be required at a future date;*

j. *Pass such orders as the Commission may deem fit and proper, keeping in view the fact and circumstances of the case;"*

As can be seen from the above Prayer, the Petitioner has not made any request for determining the APPC for net metering. Besides, the Petitioner has also not submitted any details with regard to the number/category of consumers under net metering, the revenue implications envisaged, the technical constraints, if any. ***The Petitioner should therefore approach the Commission with a separate Petition for determination of APPC, duly submitting the commercial and technical details of the case.***

Accordingly, the Commission is of the opinion that this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

10. Issue 11: Illustration of FPPCA formula

Petitioner's submission

The FPPCA formula be explained with an example to avoid a financial implication at a later stage.

Commission's analysis

The Commission has already recorded the detailed reasons and logical basis for the new FPPCA formula in Chapter 9 of the Tariff Order, which should be diligently referred to for avoiding any confusion.

Accordingly, the Commission is of the opinion that this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

11. Issue 12:Applicability of regulatory surcharge

Petitioner's submission

The Commission has allowed for a regulatory surcharge of 5% on the total energy and fixed charges payable by the Consumer. The Petitioner has sought to clarify whether FPPCA should be considered a part of the energy charges for calculating the impact of regulatory surcharge.

Commission's analysis

It is clarified that regulatory surcharge is not applicable on FPPCA.

12. Issue 13:Recovery of arrears from defaulters

Petitioner's submissions

(a) The Commission has mentioned in clause 2.2.3 that "the defaulters of arrears are liable to pay late payment surcharge at 18% per annum." While in clause 8.3 (11), it is mentioned that 'in case of permanent disconnection, delayed payment surcharge shall be charged only upto the month of permanent disconnection.' The Petitioner has submitted that the above-mentioned clauses are in contradiction and the same may be clarified.

(b) The Petitioner had also contended during the public hearing that the Commission as per section 2.2.3 Pg 17 has mentioned that the defaulters are liable to pay late payment surcharge at 18% per annum, however, in section 8.3 General Conditions of HT & LT Supply point (10) Maximum Demand has mentioned that a late payment surcharge of 2% per month shall be applicable which adds up to 24% per annum.

Commission's analysis

Issue No. 13 (a)

The Petitioner is only supposed to collect the late payment surcharge from all its consumers as applicable. However, after permanent disconnection, the consumer ceases to exist for the Discom and in such a case the Discom cannot continue levying a late payment surcharge.

Accordingly, the Commission is of the opinion that this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

Issue No. 13 (b)

The Commission accepts that there is an error apparent in Clause 2.2.3 and therefore the said statement should be read as:

"Commission's View:

The Commission recognises the concerns of the stakeholder and the Commission has accordingly not allowed the provision for bad and doubtful debts to the Petitioner in the True-up of the FY 2016-17 and the projections for the FY 2017-18 and the FY 2018-19. Thus, the inefficiency of the Petitioner is not passed on to the consumer tariffs. Further, the Commission observes that the defaulters of arrears are liable to pay late payment surcharge at 24% per annum. The Petitioner is directed to take action against the defaulters by disconnecting the supply of defaulting consumers as per Section 56 of the Electricity Act, 2003."

13. Approval of Line Maintenance and Lamp renewal charges

Petitioner's submission

The Petitioner, vide its supplementary submission, has requested that the Commission may approve tariff for line maintenance and lamp renewal charges for public lighting as part of the Tariff Order for FY 2018-19.

Commission's analysis

The Commission in this regard would like to emphasize that line maintenance and lamp renewal of public lighting carried out by the Petitioner is a non-core business activity. Petitioner's core business is the supply of electricity in the territory of Chandigarh. Line maintenance and renewal of lamps for public lighting cannot be classified as regulated business of the Petitioner. The approval of these charges does not fall under the jurisdiction of the Commission and hence cannot become the part of this Regulatory proceeding and the Tariff Order.

Further, the Commission notes that Petitioner has been undertaking maintenance activities on behalf of some other Authority/ Government Body and has been levying charges from them in the past. The Commission believes that the income on account of this activity constitutes "Income from Other Business" and should be treated separately as specified in the relevant Regulations.

The Regulation 30 of the MYT Regulations, 2014 stipulates the following:

"30. Income from Other Business

Where the Licensee is engaged in any other business, the income from such business will be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement of the Licensee in the manner and in proposition as may be specified by the Commission.

Provided that the Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Business and the Other Business and shall submit the Allocation Statement as approved by the Board of Directors to the Commission along with his application for determination of tariff.

Provided further that where the sum total of the direct and indirect costs of such Other Business exceed the revenues from such Other Business or for any other reason, no amount shall be allowed to be added to the aggregate revenue requirement of the Licensee on account of such Other Business."

Thus, in accordance with the above the Petitioner is directed to maintain a separate account for expenditure and income under this head and submit the same in the tariff proceedings for next year.

Accordingly, the Commission is of the opinion that this issue does not warrant a review as it does not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

In view of the issues raised by the Petitioner in the foregoing paragraphs, the Commission is of the view that only Issue No. 3, 9(a),9(b),9(c),9(d),9(g), Issue No. 13 (b) warrant a review, while Issue No. 3 and Issue No. 12 require clarification. These issues have been appropriately dealt with individually in the Order. All the other issues raised do not warrant a review as they do not qualify under any of the criteria mentioned for the review, viz. if there are mistakes or errors apparent on the face of the record, or on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or if there exist other sufficient reasons.

The Petition stands disposed off accordingly.

Sd/-	Sd/-
(NEERJA MATHUR)	**(M.K. GOEL)**
MEMBER	**CHAIRPERSON**

Certified Copy

Sd/-
(Rakesh Kumar)
Secretary