JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES
GURGAON

Quorum
Shri S.K.Chaturvedi, Chairperson

1.
Petition No. 166/2015

Date of Order: 14.08.2015

In the matter of

Review Petition against Tariff Order (Petitions no. 160 & 161 of 2015) issued in respect of Annual Performance Review (APR) of FY 2014-15 and Aggregate Revenue Requirement (ARR) and Tariff Proposal for FY 2015-16 for Electricity Department, Goa dated 06th April, 2015.

And in the matter of

1. Zuari Foods & Farms Pvt. Ltd.,
   373 DB Marg, Miramar, Panaji, Goa – 403001.

2. Tropical Mushrooms (Goa) Pvt. Ltd.,
   373, DB Marg, Miramar, Panaji, Goa 403001. **…….…… Petitioners**

And in the matter of

Electricity Department, Goa **………… Respondent**

Present

For Petitioners

Shri P.K. Anvekar, Consultant Innovate Energy

For Respondent

1. Shri Jayesh Chauhan, Consultant, Feedback Infra
2. Shri Santosh Lolienkar, Executive Engineer, ED, Goa
3. Shri Laxmikant D. Kolveker, Superintending Engineer, ED, Goa
4. Shri Ramdas N. Bhat, Executive Engineer (Com), ED, Goa

2.

Petition No. 168/2015

In the matter of

Review Petition against Tariff Order (Petitions No. 160 & 161 of 2015) issued in respect of Annual Performance Review (APR) of FY 2014-15 and Aggregate Revenue Requirement (ARR) and Tariff Proposal for FY 2015-16 for Electricity Department, Goa dated 06th April, 2015.

And in the matter of

Electricity Department, Goa **………… Petitioner**

Present

For Petitioner

1. Shri Jayesh Chauhan, Consultant, Feedback Infra
2. Shri Santosh Lolienkar, Executive Engineer, ED, Goa
3. Shri Laxmikant D. Kolveker, Superintending Engineer, ED, Goa
4. Shri Ramdas N. Bhat, Executive Engineer (Com), ED, Goa

3.

Petition No. 169/2015

In the matter of

Review Petition against Tariff Order (Petitions No. 160 & 161 of 2015) issued in respect of Annual Performance Review (APR) of FY 2014-15 and Aggregate Revenue Requirement (ARR) and Tariff Proposal for FY 2015-16 for Electricity Department, Goa dated 06th April, 2015.

And in the matter of

1. Travel & Tourism Association of Goa
   609, Dempo Tower, 6th Floor,
   EDC Complex, Patto Plaza,
   Panaji, Goa – 403 001.

2. Riviera De Goa Resorts & Hotels Pvt. Ltd.,
   0-104, Gomes Catao Complex,
   2nd Floor, Near Cine Alankar,
   Mapusa, Goa – 403 507.

3. Nanu Resorts Pvt. Ltd.,
   'Nanu House' , Varde Valaulikar Road,
   P.O. Box 125, Margao,
   Goa – 403 601. , ………… **Petitioners**

And in the matter of

Electricity Department, Goa ………… **Respondent**

Present

For Petitioners

Shri P.K. Anvekar, Consultant, Innovate Energy

For Respondent

1. Shri Jayesh Chauhan, Consultant, Feedback Infra
2. Shri Santosh Lolienkar, Executive Engineer, ED, Goa
3. Shri Laxmikant D. Kolveker, Superintending Engineer, ED, Goa
4. Shri Ramdas N. Bhat, Executive Engineer (Com), ED, Goa

4.
Petition No. 172/2015

In the matter of

Review Petition against Tariff Order (Petitions No. 160 & 161 of 2015) issued in respect of Annual Performance Review (APR) of FY 2014-15 and Aggregate Revenue Requirement (ARR) and Tariff Proposal for FY 2015-16 for Electricity Department, Goa dated 06^{th} April, 2015.

And in the matter of

Jai Bhuvan Builders Private Limited, ………..… **Petitioner**
SM 101, Nova Cidade Complex, Alto Porvorim,
Goa- 403 521.

And in the matter of

Electricity Department, ………… **Respondent**
Vidyut Bhawan,
Panaji, Goa.

Present

For Petitioner

1. Shri P.K. Anvekar, Consultant Innovate Energy
2. Shri Rajesh Sheth, Director, Jai Bhuvan Builders Pvt. Ltd.

For Respondent

1. Shri Jayesh Chauhan, Consultant, Feedback Infra
2. Shri Santosh Lolienkar, Executive Engineer, ED, Goa
3. Shri Laxmikant D. Kolveker, Superintending Engineer, ED, Goa
4. Shri Ramdas N. Bhat, Executive Engineer (Com), ED, Goa

5.

Petition No. 173/2015

In the matter of

Review Petition against Tariff Order (Petitions No. 160 & 161 of 2015) issued in respect of Annual Performance Review (APR) of FY 2014-15 and Aggregate Revenue Requirement (ARR) and Tariff Proposal for FY 2015-16 for Electricity Department, Goa dated 06th April, 2015.

And in the matter of

1. Alcon Cement Company Pvt. Ltd.
   2nd Floor, Velho Building,
   Opp. Municipal Garden,
   Panaji, Goa 403 001.

2. Counto Microfine Products Pvt. Ltd.,
   2nd Floor, Velho Building,
   Opp. Municipal Garden,
   Panaji, Goa 403 001. **………… Petitioners**

And in the matter of

Electricity Department, **………… Respondent**
Vidyut Bhawan,
Panaji, Goa,

Present

For Petitioners

Shri P.K. Anvekar, Consultant Innovate Energy

For Respondent

1. Shri Jayesh Chauhan, Consultant, Feedback Infra
2. Shri Laxmikant D. Kolveker, Superintending Engineer, ED, Goa
3. Shri Santosh Lolienkar, Executive Engineer, ED, Goa
4. Shri Ramdas N. Bhat, Executive Engineer (Com), ED, Goa

ORDER

The Petitioners - Zuari Foods & Farms Pvt. Ltd. and Tropical Mushrooms (Goa) Pvt. Ltd. have filed Petition no. 166/2015, the Petitioner- Electricity Department, Goa has filed Petition no. 168/2015, the Petitioners- Travel and Tourism Association of Goa, Riviera De Goa Resorts & Hotels Pvt. Ltd. and Nanu Resorts Pvt. Ltd. have filed Petition no. 169/2015, the Petitioner- Jai Bhuvan Builders Private Limited has filed Petition no. 172/2015 and the Petitioners-Alcon Cement Company Pvt. Ltd. and Counto Microfine Products Pvt. Ltd. have filed Petition no. 173/2015 for Review of Order dated 06.04.2015 passed by Joint Electricity Regulatory Commission for the State of Goa and UTs in Petitions no. 160/2015 & 161/2015 for approval of Aggregate Revenue Requirement and Determination of Tariff of Electricity Department, Goa for FY 2015-16.

The brief facts giving rise to the present Petitions are that ED, Goa had filed Petitions no. 160/ 2015 and 161/2015 for approval of Business Plan for control period of FY 2015-16 to FY 2017–18 and determination of Multi Year Tariff for FY 2015-16 to FY 2017-18 of ED, Goa. The Commission after hearing all concerned decided the Petitions vide Order dated 06.04.2015 and determined tariff and approved ARR only for FY 2015-16 of ED, Goa.

Feeling aggrieved by the order dated 06.04.2015 the Petitioners - Zuari Foods & Farms Pvt. Ltd. and Tropical Mushrooms (Goa) Pvt. Ltd. have filed the Petition no. 166/2015, the Petitioner- Electricity Department, Goa has filed the Petition no. 168/2015,the Petitioners- Travel and Tourism Association of Goa, Riviera De Goa Resorts & Hotels Pvt. Ltd. and Nanu Resorts Pvt. Ltd. have filed the Petition no. 169/2015,the Petitioner- Jai Bhuvan Builders Private Limited have filed the Petition no. 172/2015 and the Petitioner-Alcon Cement Company Pvt. Ltd. and Counto Microfine Products Pvt. Ltd. have filed the Petition no. 173/2015 for Review of Order dated 06.04.2015 passed by Joint Electricity Regulatory Commission for the State of Goa and UTs in Petitions no. 160/2015 & 161/2015 for approval of Aggregate Revenue Requirement and Determination of Tariff of Electricity Department, Goa for FY 2015-16.

Brief about Petition No. 166/2015

That the Petitioners Zuari Foods & Farms Pvt. Ltd. and Tropical Mushrooms (Goa) Pvt. Ltd. are having their Head Office at 373 D.B. Marg, Miramar, Panaji, Goa and are in the business of cultivating mushrooms in the State of Goa. The Governments of India and State of Goa vide various policies and Regulatory frame work are promoting mushroom cultivation as agriculture / horticulture. Hence, cultivation of mushroom is an agricultural and horticultural activity.

That ED, Goa, Respondent was billing the Petitioners under HTAG/Agriculture Tariff Category and LTAG / Agriculture category. The Commission in Tariff Order dated 15.04.2014 passed in Petition no. 122/2014 for approval of ARR and determination of Tariff for FY 2014-15 and review of ARR for FY 2013-14 of ED, Goa kept the Petitioners under HTAG / Agriculture Tariff Category being producer of mushroom. The connected load / contract demand for Zuari Foods & Farms Pvt. Ltd. and Tropical Mushrooms (Goa) Pvt. Ltd. is 412 KVA 250 KVA and 613 KVA /460 KVA respectively

That ED, Goa filed Petitions no. 160 and 161/2015 for approval of Business Plan for Control Period of FY 2015-16 to FY 2017-18 and determination of MYT for FY 2015-16 to FY 2017-18. The Commission after hearing all concerned determined tariff and approved ARR for FY 2015-16 only of ED, Goa vide order dated 06.04.2015. The Commission in order dated 06.04.2015 specified some agricultural activities as part of "Tariff – HTC/Commercial", instead of "HTAG/Agriculture" as under:-

Quote

"11) TARIFF HTC/COMMERCIAL

APPLICABILITY*: This tariff is applicable to any HT supply activity not specifically covered in any other HT consumer categories or although covered in another activity, the use is made for a commercial category. It would include electricity used in all non-residential, nonindustrial premises and/or commercial premises for commercial consumption meant for operating various appliances. It would include the following categories but not limited to:*

- *Commercial complexes and Business premises, including Shopping malls/show rooms, offices / shops;*
- *Combined lighting and power services for Entertainment including film studios, cinemas and theatres, including multiplexes, Race Course, Meeting/Town Halls, Clubs, all types of Guest houses;*
- *Offices including Government Offices, Commercial Establishments;*
- *Marriage Halls (including halls attached to religious places), Hotels / Restaurants (without boarding facilities), Ice-cream parlours, Bakery, Coffee Shops, private educational institutions, private hospitals, private messes, Internet/Cyber Cafes,*

Mobile Towers, Microwave Towers, Satellite Antennas used for telecommunication activity, Telephone Booths, Fax/Xeros Shops, X-ray installation, bars and cold drink houses, Tailoring Shops, Computer Training Schools, Typing Institutes, Photo Laboratories, Photo Studio, Laundries, Beauty Parlour & Saloons, all types of nurseries, dry cleaners etc.

- *Automobile and any other type of repair centres, Retail Gas Filling stations, Petrol Pumps & Service Stations including Garages, Tyre Vulcanizing Units, Battery Charging Units, Tyre vulcanizing centres etc;*
- *Banks, Telephone Exchanges, TV Station, Micro Wave Stations, All India Radio (AIR) Stations, ATM Centres etc;*
- *For common facilities, like Water Pumping / Street Lighting / Lifts/Fire Fighting Pumps/Premises (Security) Lighting, etc. in Commercial Complexes;*
- *Sports Club, Health Club, Gymnasium, Swimming Pool;*
- ***Tissue Culture, Mushroom Activities, Aquaculture, Floriculture, Fisheries, Sericulture etc. (Emphasis added)***
- *Research & Development units situated outside Industrial premises;*
- *Airports, Railways, Railway Station, Bus stand of KTC etc."*

"2)TARIFF – LTC/COMMERCIAL

APPLICABILITY: *This category would apply to a LT category not specifically included elsewhere and also to a LT category although specifically included elsewhere, in a category commanding lower tariff, is misused and used for commercial purpose. It would include non-residential, non industrial premises and / or commercial premises where electricity is used for commercial purposes. It would include the following categories but not limited to:*

- *Commercial Complexes and Business premises, including Shopping malls/show rooms, offices / shops;*
- *Combined lighting and power services for Entertainment including film studios, cinemas and theatres, including multiplexes, Race Course, Meeting/Town Halls, Clubs, all types of Guest houses;*
- *Offices including Government Offices, Commercial Establishments;*
- *Marriage Halls (including halls attached to religious places), Hotels/Restaurants (without boarding facilities), Ice-cream parlours, Bakery, Coffee Shops, private educational institutions, private hospitals, private messes, Internet / Cyber Cafes, Mobile Towers, Microwave Towers, Satellite Antennas used for telecommunication activity, Telephone Booths, Fax/Xerox Shops, X-ray installation, bars and cold drink houses, Tailoring Shops, Computer Training Schools, Typing Institutes, Photo Laboratories, Photo Studio, Laundries, Beauty Parlour & Saloons, all types of nurseries, dry cleaners etc.*

- *Automobile and any other type of repair centres, Retail Gas Filling stations, Petrol Pumps & Service Stations including Garages, Tyre Vulcanizing units, Battery Charging Units, Tyre vulcanizing centres etc;*
- *Banks, Telephone Exchanges, TV Station, Micro Wave Stations, All India Radio (AIR) Stations, ATM Centres etc;*
- *For common facilities, like Water Pumping/Street Lighting/Lifts/Fire Fighting Pumps/Premises (Security)Lighting, etc. in Commercial Complexes;*
- *Sports Club, Health Club, Gymnasium, Swimming Pool'*
- ***Tissue Culture, Mushroom activities, Aquaculture, Floriculture, Fisheries, sericulture etc.***
- *Research & Development units situated outside Industrial Premises;*
- *Airports, Railways, Railway Station, Bus stand of KTC etc.."*

"5) LTAG /Agriculture

***APPLICABILITY**: This schedule shall apply to establishments for Irrigation pumping and Agriculture purposes. It would include the following categories but not limited to:*

- *Poultry, Piggery etc.*
- ***Horticulture,** Green Houses, Plantations etc;*
- *Cane crusher and / or folder cutter for self-use for agricultural processing purpose, but shall not be applicable for operating a flour mill, oil mill, or expeller in the same premises, either operated by a separate motor or change of belt drive.*

Note:

This tariff shall be applicable from the date of production of a certificate from the Directorate of Animal Husbandry or Agriculture Department of Government of Goa to the effect that the consumer carried on the said activity on regular basis. ***In case of failure to produce the certificate, the same shall be considered under Commercial category.***

Unquote

That the same has resulted in tariff shock to the Petitioner. The Table of comparison of tariff of both the orders is as under:-

Sr. No.	JERC Order	Consumer Tariff Category	Fixed Charge (Rs./kVA/Month Or (Rs./Conn/Month)	Energy Charge (Paise/kWh)
1.	For FY 2014-15	HTAG/ Agriculture	30	130
2.	For FY 2015-16	HTAG/ Commercial	250	440
3.	**Percentage Increase**		**733%**	**238%**

That monthly electricity bills of the Petitioners have increased from Rs 1.8 lacs to Rs 8.0 lacs i.e. 4.4 times and has made cultivation of mushroom totally unviable. The Petitioners are cultivating mushroom, which is an agricultural / horticultural activity, therefore, they be billed as HTAG / LTAG as the case may be and prayed for review and to modify / clarify the order dated 06.04.2015.

The Petition was received in the Commission on 22.05.2015. The Commission found the Petition generally in line with the Electricity Act and JERC (Conduct of Business Regulations), 2009. The Commission admitted the Petition on 25.05.2015 and numbered it as Petition no. 166/2015. The Commission scheduled hearing of the Petition on 29.06.2015 at Commission's HQ.

The Commission sent notice of hearing for 29.06.2015 with direction to the Respondent – ED, Goa to file reply. The Respondent submitted reply dated 24.06.2015 received in the Commission on 29.06.2015 stating that commercial activities of the Petitioners were brought to the notice of the Respondent, therefore, the Respondent consciously proposed HT/Commercial Tariff for mushroom activities. The Respondent carried site inspection of the Petitioners and found that the Petitioners are using same premises for mushroom cultivation (i.e. maintaining a cooled environment, putting seeds and providing moisture to plants) and for packaging and storing mushrooms for retail activities, which are commercial activities. The Petitioners have a separate spawn lab for storing the seeds and a separate cold storage for storing the mushrooms for sale in Goa and nearby areas which are again commercial activities in addition to cultivation process. The Petitioners have also a full fledged commercial office within the same premises. The Respondent is following the policy that if a consumer is using a connection for the activities other than authorized to do so or as per sanctioned process at the time of connection, the consumer is billed as per the higher tariff activity.

The case of the Respondent, ED, Goa further is that in the State of Karnataka mushroom cultivation activity is considered under industrial category. In the State of Maharashtra and Delhi separate tariff is charged for mushroom cultivation. The Respondent ED, Goa controverted all other issues raised by the Petitioners and submitted that the Commission after hearing all concerned has passed the order under review and there is no illegality or infirmity in the order under review. Therefore, the Petition is without any merit and deserves dismissal and prayed that the Petition be dismissed.

The Petitioners filed rejoinder to the reply of the Respondent dated 24.06.2015 received in the Commission on 29.06.2015 while converting the stand taken by the Respondent - ED, Goa and reiterated their stand taken in the Petition and once again prayed for review of the order.

The Commission heard the representative of the Petitioners. The Commission after going through the Petition and the order under review observed that Petitions no. 166/2015, 168/2015, 169/2015, 172/2015 and 173/2015 are against the same order dated 06.04.2015 passed by the Commission in Petitions no. 160/2015 & 161/2015. The Commission decided to dispose of all the five Petitions by one order.

Brief about Petition No. 168/2015

That ED, Goa – Petitioner filed Petitions No. 160 and 161/2015 for approval of Business Plan for Control Period of FY 2015-16 to FY 2017-18 and determination of MYT for FY 2015-16 to FY 2017-18. The Commission after hearing all concerned determined tariff for FY 2015-16 only of ED, Goa vide order dated 06.04.2015.

That ED, Goa – Petitioner has filed the present Petition for Review of Order dated 06.04.2015 passed by Joint Electricity Regulatory Commission for the State of Goa and UTs in Petitions no. 160/2015 & 161/2015 for approval of Aggregate Revenue Requirement and Determination of Tariff of Electricity Department, Goa for FY 2015-16 stating that ED, Goa is a deemed licensee under section 14 of the Electricity Act, 2003 and carrying on business of Transmission, Distribution and Retail supply of electricity in the State of Goa and is functioning as an integrated distribution licensee for the State of Goa.

That Reliance IPP PPA expired on 13.08.2014. However, payment of the same is yet to be settled. The Petitioner has prayed that the same may be allowed as pass through in the ARR during the true up once the payment is settled.

That the true up claim of the past years of FY 2011-12 to FY 2014-15 be allowed on submission of the audited accounts and fixed assets registers.

That the Commission has considered normative ratio of 70:30 for Loan and Equity on capitalization amount (after grants and ED Fund for FY 2014-15 and FY 2015-16. However, the interest rate is taken as per previous tariff order @ 7.99% for FY 2014-15 and FY 2015-16 in comparison to the

Petitioner's submission of 11.75%. The Petitioner has prayed to provide the basis for considering the interest rate of 7.99% and reconsider the rate of interest as per the JERC (Terms & Conditions for determination of Tariff) Regulations, 2009 i.e. the weighted average rate of interest for calculation of interest on Loans.

That the Petitioner as per the directive of the Commission submitted manpower study report with the tariff petition for FY 2014-15. However, the Commission has again directed the Petitioner to undertake the manpower study. The Petitioner prays to point out specific deficiencies in the report submitted earlier and what are the expectations of the Commission and suggest name of the agency who could be engaged by ED, Goa to carry out requisite study.

That the Commission under RPO for FY 2014-15 has inadvertently approved an additional amount of Rs 12.75 crores for Non Solar REC purchase which has increased the ARR and also the corresponding revenue gap and budgetary support. The detail is given under:-

Table 1: Approved Power Purchase for FY 2014-15

Sr. No	Particulars	Projection FY 2014-15(RE)			Approved FY 2014-15		
		Purchase	Total Cost	Rate	Purchase	Total Cost	Rate
		MUs	Rs. Cr	Rs./unit	MUs	Rs. Cr	Rs./unit
1	NTPC(incl RGPPL)	3088.00	761.00	2.46	3,132.88	750.55	2.39
2	NPCIL	235.00	52.17	2.22	204.56	48.14	2.35
3	Co - Generation sources	158.00	38.10	2.41	92.97	22.31	2.39
4	Traders	199.00	70.09	3.52	154.70	54.95	3.55
5	Renewable Energy	5.00	16.73	-	4.75	16.73	-
6	IPP	(21.00)	(2.76)		(21.40)	(2.76)	-
7	Overdrawal	100.00	51.21	5.12	100.03	51.21	5.12
8	Transmission Charges		136.70	-		136.70	-
9	**Grand Total**	**3764.00**	**1123.24**	**2.98**	**3733.96**	**1093.62**	**2.93**
10	**RPO**					**20.70**	
11	**Net Total**	**3764.00**	**1123.24**	**2.98**		**1114.32**	**2.98**

That Renewable Energy purchase of Rs 16.73 crores constitutes from Rs 12.75 crores of Non Solar REC purchase and Rs 3.98 crores of Solar Power Purchase. The Commission has inherently covered the Non Solar REC price of Rs 12.75 crores in the RPO of Rs 20.70 crores approved separately. The Petitioner prays to reconsider the calculation and allow a reduction of Rs 12.75 crores in the ARR and also the corresponding revenue gap and budgetary support for FY 2014-15.

That the Commission has approved Transmission charges for FY 2014-15 as submitted and for FY 2015-16 as approved in the revised estimate of FY 2014-15. The Petitioner prays that Transmission charges for FY 2015-16 are computed based on the RTA statements wherein rates and capacity in MW are considered and withdrawal charges have been arrived for ED, Goa. The Petitioner has worked out Transmission charges for the last three years and calculated three years CAGR and year on year CGAR for reference and calculation. The total PGCIL Transmission charges considering 10% escalation works out to Rs 153.67 crores for FY 2015-16 as against Rs 136.70 crores approved by the Commission. Therefore, the difference of Rs 16.97 crores is to be allowed under Transmission Charges for FY 2015-16. ED, Goa in alternative prays to allow deviation of PGCIL Charges in FPPCA mechanism.

That the Commission retained loss level 11.50%for FY 2014-15 and FY 2015-16 in the Tariff Order dated 15.04.2014 and rejected the higher level of losses projected 14% and 13.75% for FY 2014-15 and FY 2015-16 respectively with the observation that Petitioner has not substantiated higher T&D loss with sufficient reason. The case of the Petitioner is that meter reading, billing and collection process is being streamlined, therefore, actual T&D loss may be different than projected in the Petition. The higher level of capital / system improvement schemes are required to reduce the T&D losses. Hence, without proper loss reduction schemes the losses will keep on increasing on maintenance system only as the system has become old. The Petitioner be allowed to submit actual T&D loss level after energy audit is done and the same be taken for setting realistic level of loss reduction and capital expenditure be also accordingly allowed.

That the Commission in Tariff Order dated 15.04.2014 considered opening GFA value of assets for FY 2014-15 at Rs 398.74 crores as the Fixed Asset Register for FY 2013-14 has not been submitted to support the claim for opening GFA for FY 2013-14. The Petitioner submitted that gross block considered in APR of FY 2014-15 was based on the Fixed Asset Register prepared for the period of FY 2007-08 to FY 2012-13. FAR was prepared for the period by considering asset addition per year in each 17 Divisions of the State and once FAR up to 2012-13 is prepared gross block for subsequent years will be derived based on asset addition during the year. The FAR for FY 2013-14 is not yet prepared, FAR for FY 2008-09 to FY 2012-13 needs to be considered and the closing GFA of FY 2012-13 needs to be considered as the opening GFA for FY 2014-15. The Petitioner prays that atleast part amount of FARs up to FY 2012-13 as submitted by the Petitioner should be considered and if it is not considered the return on capitalized asset would get lumped up and as a result the consumer would get a tariff shock or regulatory assets created would accumulate to huge levels making it difficult to recover from the consumers. Therefore, the Petitioner be allowed return on capitalized assets and depreciation as per FAR submitted till FY 2012-13 until updated FAR till FY 2014-15 is submitted. The Petitioner would return back an over recovery that may happen in the process.

That to consider introduction of load factor incentives so as to incentivize the consumers consuming near contracted load and levying penalty for those who are significantly debiting there from. The Petitioner in support of its case has relied upon load factor incentives in the State of Maharashtra and Madhya Pradesh. The Petitioner suggested load factor incentive as under:-

Quote

"SUGGESTED LOAD FACTOR INCENTIVE FOR ED GOA:

a. All the HT consumers and all LT Industrial Consumers shall be eligible for Load Factor incentive on energy charges.

b. Load factor incentive shall not be allowed on the consumption for temporary connection.

*The **Load Factor** shall be calculated as per the following formula:*

$$\text{Load Factor (\%)} = \frac{\text{Consumption during the month}}{\text{Maximum Consumption Possible during the month}}$$

$$= \frac{\text{Monthly consumption}}{\text{No. of hours in the billing month} \times \text{Demand} \times \text{PF}} \times 100$$

Where:

i. Monthly consumption shall be units (kWh) consumed in the month excluding those received from sources other than Licensee. Thus, if the consumer is getting power through open access, units set off from other sources, the net energy (after deducting units set off from other sources, from the consumed units) billed to consumer shall only be taken for the purpose of working out load factor.

ii. The billing month shall be the period in number of days between the two consecutive dates of meter readings taken for the purpose of billing to the consumer.

iii. No. of Hours in billing month shall exclude period of scheduled outages in hours.

iv. *Demand shall be maximum demand recorded or contract demand (in KVA), whichever is higher.*

v. *For LT Industrial Consumers, maximum demand/ contracted demand shall be calculated by converting HP into KVA @ 1HP= (0.746*actual power factor of consumer) KVA.*

vi. *Power factor shall be 0.9 or actual monthly power factor, whichever is higher.*

Load Factor (LF) incentive *shall be calculated as per following scheme and shall be given to those categories of consumers where it is specified:*

LF Range	***Incentive***	***Computation of % incentive on energy charge (LF=x %)***
LF <= 75%	*No Incentive*	*= 0.00*
LF > 75%	*Incentive of 0.10 % for every 1% increase in LF above 75% on the energy charges for incremental consumption above 75% load factor*	*= (x-75)*0.10*

Note 1*:*

The load factor rebate will be available only if the consumer has no arrears with ED Goa, and payment is made within due time. However, this incentive will be applicable to consumers where payment of arrears in installments has been granted by ED Goa, and the same is being made as scheduled.

Note 2:

In case the billing demand exceeds the contract demand in any particular month, then the Load Factor Incentive will not be payable in that month. The billing demand definition excludes the demand recorded during the non-peak hours i.e. 23:00 hrs to 07:00 hrs and therefore, even if the maximum demand exceeds the contract demand in that duration, load factor incentive would be applicable. However, the consumer would be subjected to the penal charges for exceeding the contract demand and has to pay the applicable penal charges.

The advantage of such an incentive would be that the consumers will tend to contract a more realistic load. This would check against unwarranted capital investment in the electricity infrastructure by EDG and also allow EDG to contract a more realistic power supply. This would have a general beneficial impact on all the electricity consumers. "

Unquote

That the Commission has erred in calculating R&M expenses for FY 2015-16 in Table no. 6.45 at page no. 196 of the order under review. The Commission considered WPI Inflation Index of 5.98% over approved figures of FY 2014-15 to approve the elements of O&M expenses for FY 2015-16 as shown in the Table below:-

Table 2: Approved O&M Expenses for FY 2014-15 & FY 2015-16

(Rs. crore)

	Particulars	Projected for FY 2014-15	Approved for FY 2014-15	Projected for FY 2015-16	Approved for FY 2015-16
1	Employee Expenses	231.00	152.42	177.14	161.53
2	R&M Expenses	44.33	20.73	24.71	12.68
3	Admin & General Expenses	9.46	9.46	9.97	10.03
4	**Total O & M Expenses**	**284.80**	**182.61**	**211.82**	**184.24**

That value for approved R&M expenses taken by the Commission for revised estimates of FY 2014-15 is incorrect i.e. approved figure is Rs 20.73 crores whereas for calculation purposes in Table no. 6.45 on page no. 196 of order under review the Commission has considered R&M expenses for FY 2014-15 as Rs 11.96 crores and the inflation considered by the Commission is 5.98%.The correct calculation should be 5.98% increase over Rs 20.73 crores which will come to Rs 21.97 crores as shown in the Table below:-

(Rs.Crore)

Sl. No.	Particulars	Projected for FY 2014-15 (RE)	Inflation Index %	Inflationary Increase	Correction in Approved for FY 2015-16
1	Employee Expenses	152.42	5.98%	9.11	161.53
2	R&M Expenses	20.73	5.98%	1.24	21.97

Sl. No.	Particulars	Projected for FY 2014-15 (RE)	Inflation Index %	Inflationary Increase	Correction in Approved for FY 2015-16
3	Admin & General Expenses	9.46	5.98%	0.57	10.03
4	**Total O & M Expenses**	**182.61**		**10.92**	**193.53**

The Petitioner prays to reconsider the calculations of the O&M expenses approved for FY 2015-16 and approve O&M expenses as per Petitioner's calculation to Rs 193.53 crores instead of Rs 184.24 crores.

That the Commission has considered latest RBI bank rate while processing the Order under review i.e. 8.50% for FY 2014-15 and FY 2015-16 . Whereas RBI Bank prevailing rate during FY 2014-15 for major period is 8.75%(Source:- Sixth Bi-monthly Monetary Policy Statement, 2014-15 By Dr. Raghuram G. Rajan, Governor https://rbi.org.in/scripts/BSPressReleaseDisplay.aspx?prid=33144). The Petitioner prays to consider RBI Bank Rate of 8.75% for calculation of Interest on Security Deposits and Security Deposit of Rs 7.02 crore instead of Rs 6.82 crores for FY 2014-15 and Rs 7.64 crores instead of Rs 7.43 crores for FY 2015-16 as shown in the Table below:-

Table 3: Corrected/Recalculated Interest on Security Deposit (Rs.Crore)

Sl. No.	Particulars	Projected for FY 2014-15(RE)	Approved for FY 2014-15	Projected for FY 2015-16	Approved for FY 2015-16
1	Opening Security Deposit	80.88	73.73	90.71	86.83
2	Add: Deposits during year	10.90	15.96	1.14	1.14
3	Less: Deposits refunded	1.07	2.86		
4	**Closing Security Deposit**	**90.71**	**86.83**	**91.85**	**87.97**
5	Average Security Deposit	-	80.28	91.28	87.40
6	RBI Bank Rate	9.00%	8.50%	9.00%	8.50%
7	**Interest on Security Deposit**	**8.16**	**6.82**	**8.22**	**7.43**
6	RBI Bank Rate		**8.75%**		**8.75%**
7	**Interest on Security Deposit**		**7.02**		**7.64**

That the Commission considered figures of interest on working capital as approved in the previous Tariff Order and apparently erred in not considering the revised power purchase cost approved for FY 2014-15 in the order under review. The power purchase cost approved in the order under review is Rs 1093.62 crores i.e. Rs 91.14 crores for one month whereas the Commission approved Rs 77.83 crores for FY 2015-16 as detailed above and R&M cost is taken wrongly, therefore, the R&M cost for one month increases from Rs 15.35 crores to Rs 16.13 crores. The approach of the Commission is as per the JERC (Terms & Conditions for determination of Tariff) Regulations, 2009 and previous Tariff Order but the deduction of Security Deposit from working capital requirement is not mentioned in the JERC (Conduct of Business) Regulations, 2009. There is also ambiguity in considering Security Deposits amount for reducing working capital requirement for FY 2014-15 and FY 2015-16 i.e. for FY 2014-15 the Commission has considered the projected opening SD amount. However, for FY 2015-16 the Commission has considered the approved opening of SD amount as shown in the Table below:-

Table 4: Corrected/Recalculated IWC for FY 2014-15 & FY 2015-16

(Rs.Crore)

Sl. No.	Particulars	Approved for FY 2014-15 (RE)	Recalculated for FY 2014-15	Approved for FY 2015-16	Recalculated for FY 2015-16
1	Power Purchase Cost - 1 Month	77.83	91.14	87.36	87.36
2	O & M Cost - 1 Month	15.22	15.22	15.36	16.13
3	**Total working capital**	**93.05**	**106.36**	**102.72**	**103.49**
4	Less: Closing Security Deposit	80.88	**73.73**	**86.83**	**86.83**
5	**Net working capital requirement**	**12.17**	**32.63**	**15.89**	**16.66**
6	Rate of interest / SBI Base Rate	14.75%	14.75%	14.75%	14.75%
7	**Interest on working capital (IWC)**	**1.80**	**4.81**	**2.34**	**2.46**

The Petitioner prays to reconsider the calculations of the ICW and value of Security Deposit considered and the calculations of ICWC for FY 2014-15 should be Rs 4.81 crores instead of Rs 1.80 crores and for FY 2015-16 should be Rs 2.46 crores instead of Rs 2.34 crores.

That as per the revised O& M expenses and IWC calculations for FY 2014-15 and FY 2015-16 the ARR and revenue gap for FY 2014-15 and FY 2015-16 would be as shown in the tables below:-

Table 5: Recalculated APR for FY 2014-15

(Rs.Crore)

Sr. No.	Item of expense	Revised Estimates	Now Approved in T.O. (10.4.15)	After Correction	Basis of correction
1	Cost of power purchase	1123.23	1093.62	1093.62	-

Sr. No.	Item of expense	Revised Estimates	Now Approved in T.O. (10.4.15)	After Correction	Basis of correction
2	Employee costs	231	152.42	152.42	-
3	R&M expenses	44.33	20.73	20.73	-
4	Administration and General expenses	9.46	9.46	9.46	-
5	Depreciation	51.91	25.87	25.87	-
6	Interest on Loan & Finance charges	77.39	24.12	24.12	-
7	Interest on Working Capital	5.38	1.8	4.81	Refer column 2, Sl. No. 7 of Table 5 for calculations.
8	Interest on Security Deposit	8.16	6.82	7.02	Refer column 2, Sl. No. 7 of Table 4 for calculations.
9	Return on NFA /Equity	20.94	11.12	11.12	
10	CGRF Expenses	0.51	-	-	
11	**Total Revenue Requirement**	**1572.33**	**1345.96**	**1349.17**	
12	Less: Non-Tariff Income	6.74	6.74	6.74	
	Add- provision for RPO obligation		20.7	20.7	
13	**Net Revenue Requirement (11-12-13)**	1565.59	1359.92	1363.13	
14	Revenue from Retail Sales at Existing Tariff	1090.71	1147.44	1147.44	
15	**Net Gap (13-14)**	474.88	212.48	215.69	
	Support from Govt.	**59.04**	**212.48**	**215.69**	

Sr. No.	Item of expense	Revised Estimates	Now Approved in T.O. (10.4.15)	After Correction	Basis of correction
	Balance Revenue Gap	**415.83**	**0**	**0**	

Table 6: Corrected/Recalculated ARR for FY 2015-16

Rs.Crore)

Sr. No.	Item of expense	Projected	Now Approved in T.O. (10.4.15)	After Correction	Basis of Correction
1	Cost of power purchase	1,149.85	1048.34	1048.34	
2	Employee costs	232.45	161.53	161.53	
3	R&M expenses	37.3	12.68	21.97	**Refer Table 3 for calculations**
4	Administration and General expenses	16.27	10.03	10.03	
5	Depreciation	63.19	38.81	38.81	
6	Interest on Loan & Finance charges	88.2	33.49	33.49	
7	Interest on Working Capital	4.27	2.34	2.46	**Refer column 4, S.I.No. 7 of Table 5 for calculations.**
8	Interest on Security Deposit	8.27	7.43	7.64	**Refer column 4, S.I.No. 7 of Table 4 for calculations.**
9	Return on NFA /Equity	57.45	15.82	15.82	
10	CGRF Expenses	0	-	-	
11	**Total Revenue Requirement**	**1,657.26**	**1,330.47**	**1,340.09**	
12	Less: Non-Tariff Income	6.65	6.74	6.74	
13	**Net Revenue Requirement (11-12-13)**	**1,650.60**	**1,323.73**	**1,333.35**	
14	Revenue from Retail Sales at Existing Tariff	1,180.52	1,138.30	1,138.30	
15	**Net Gap (13-14)**	**470.08**	**185.43**	**195.05**	

Sr. No.	Item of expense	Projected	Now Approved in T.O. (10.4.15)	After Correction	Basis of Correction
16	**Gap Met Through Tariff Increase**		**184.32**	**184.32**	
17	**Net Final GAP**		**1.11**	**10.73**	

The Petitioner has prayed for approval of the recalculated ARR's of the Petitioner ED, Goa for FY 2014-15 and FY 2015-16 and gap (after tariff increase) for FY 2015-16 to be Rs 10.73 crores instead of Rs 1.11 crores.

That the Commission has considered letter dated 03.02.2014 from the Finance (Budget) Department, Government of Goa for ARR of FY 2014-15 for meeting the revenue gap of FY 2014-15 arrived in the APR process. The Government of Goa had provided only a general commitment for meeting the revenue gap so computed by the Commission in the particular ARR and Tariff Petition for FY 2014-15 only and the same was computed to Rs 49.04 crores by the Commission. However, it cannot be hold valid for the APR / True up process for FY 2014-15, for which the approved gap of Rs 212.48 crores has been computed by the Commission and no such budgetary support could be made to the Petitioner by Government of Goa.

That the Commission has approved 'K' factor for each category in revised tariff structure of FY 2015-16. However, the commission inadvertently did not provide the 'K' factor figure for HT domestic and HTTS temporary supply categories. The Commission against its own order dated 27.06.2012 on FPPCA provided 'K' factor values for LT , LIG Low Income Group and LT AG Agriculture Categories. The Commission also mentioned that for calculation purpose, for use in FPPCA formula, the per Unit cost of power purchase (R power – considered is 284 paise / unit). The Petitioner has prayed for approval of the 'K' factor figure for HTD Domestic and HTTS Temporary Supply categories also and calculation basis of considering 284 paise per unit as (R power) i.e. per unit cost of power purchase.

That to introduce power factor penalty / incentives for LT consumers also is a welcome step of the Commission. The power factor penalty covers power factor values only up to 0.7 and provides that if consumer's power factor falls below 0.70 (lagging) consecutively for three months, the licensee reserves the right to disconnect the consumer's service connection. However, the penalty for power factor below 0.7 has not been specified. The Petitioner prays to specify a stringent penalty for consumers with power factor lower than 0.7 for one or two months.

That the Petitioner submitted for allocation of billing and retail supply for FY 2015-16 in the Petition for approval of Business Plan for control period FY 2015-16 to FY 2017-18 as under:-

Quote

"Power Purchase Cost and Transmission Charges

The Power Purchase costs, including Transmission Charges are related partly related to Wheeling / Fixed and partly to Retail Supply business. ED-Goa based on the figures of fixed/ capacity charges of power purchase and Withdrawal charges of PGCIL Transmission charges, has computed allocation between Wheeling and Retail Supply Business as 30:70. ED-Goa would like to submit that in future if there are cases of Open access and power purchase capacity is stranded, the % would be reviewed and submitted to Commission for approval.

Capital Cost/ Fixed Assets

All Network Assets up to laying of service cables line have been taken for Wheeling Business and beyond that have been considered as part of Retail Supply Business;

The Common assets such as buildings, furniture etc have been considered 60% for Wheeling and 40% for Retail Supply Business;

ED-Goa submits that costs already incurred are sunk costs and need to be recovered from consumers who go out of system.

Based on the above, ED-Goa has analyzed the past GFA and has found that the ratio works out to be around 95:5 for Wheeling and Retail Supply business. Hence considering the same, Capital Cost/ Gross Fixed Assets are suggested to have an allocation of 95:5 for Wheeling and Retail Supply Business for first control period.

Employee Expenses

The employee expense includes costs such as wages & salaries of the employee who are directly engaged with ED-Goa and salaries of employees on contractual basis.

ED-Goa has segregated its employees in Pay Group of A, B, C & D into Wires, Supply and employees common for Wires & Supply. Basically the employees in Wires business are more of technical staff and related to field work.

ED-Goa submits that regular Government employee costs are fixed in nature and will have to be recovered from consumers who go out of system.

Based on above, it is suggested to have an allocation of 90:10 for Wheeling and Retail Supply Business for Employee Expenses for first control period.

Administrative and General Expenses

Administrative and General Expenses comprise of various sub-heads/ accounts and pertains to both Wheeling and Supply Business. ED-Goa submits that A&G expenses related to power purchase, metering, billing and collection, Legal & Professional charges, financing expenses on loan related to retail supply business might be allocated to retail supply business. Office expenses like telephone, stationery, electricity, lease rent, etc. might be apportioned between wires and retail supply business on the basis of predominant usage concept. Remaining heads of A&G expenses have been allocated in the ratio of 15% for retail supply and 85% for wires business. This is due to a fact that majority of expenses towards rent rates and taxes, telephone and postage, professional and consultancy fees, conveyance and travel charges, electricity charges, security arrangements, stationery and bank charges might be attributed to wires business.

Hence an allocation assumption of 75:25 for Wheeling and Retail Supply Business is considered for A&G Expenses for first control period.

Repairs and Maintenance Expenses

The Repairs and Maintenance expenses comprises of stores & spares, building repairs, Plant and Machinery repairs etc which are direct costs of ED-Goa. The majority of the expenses are related to distribution network / systems. However there are some expenses like office repairs, furniture repairs etc which are common for both i.e. Wires & Supply. Hence considering this element and ratio of GFA, R&M Expenses are suggested to have an allocation of 95:5 for Wheeling and Retail Supply Business for first control period.

Depreciation

Depreciation is a provision made as notional expenditure for wear and tear of asset and also to enable the replacement of asset after its useful life. Since it is linked to GFA, the depreciation should also be allocated in proportion to 95:5 for Wheeling and Retail Supply Business for first control period.

Interest on Loan and Return on Equity

The Licensee needs to arrange for the funding of Capital Expenditure that goes into the wires business, either in form of Loans or Equity or combination of both. Since the requirement of both is for capital assets, the Interest on Loan expense and Return on Equity should be allocated in proportion to 95:5 for Wheeling and Retail Supply Business for first control period.

Interest on Working Capital

The Working Capital would be computed as per JERC MYT Regulations 2014 for Retail Supply business. On the same lines, working capital for Wires business would be computed. Also considering the facts that ED Goa is under financial strain with CAPEX related costs and the working capital required for the fixed costs incurred, ED-Goa proposes to have allocation in proportion to 95:5 for Wheeling and Retail Supply Business for first control period.

Demand Side Management (DSM) Expenses

As per the provisions of Electricity Act 2003 and various regulations issued by JERC, licensee needs to undertake DSM activities. It is submitted that ED-Goa is undertaking DSM activities where capex incurred would be applicable for both Wheeling & Retail Supply business.

For eg. The replacement in Street Lights by LED lamps is a wheeling expenditure and cannot be attributed to Retail Supply business. Considering all such aspects, 25:75 costs are allocated to Wheeling and Retail Supply Business for first control period for DSM expenses.

Interest on Security Deposits

The Security deposits are collected from consumers as per provisions of EA 2003 and provisions of Supply Code Regulations issued by JERC in proportion to one / two months billing as the case may be. Since the billing amount comprises of both Wheeling and Retail Supply ARR, it would be incorrect to consider 100% amount in Retail Supply Business and logical approach would be to consider Wheeling and Retail Supply ARR ratio of all elements.

ED-Goa proposes allocation of 10:90 for Wheeling and Retail Supply Business is appropriate for Interest on Security Deposit for first control period.

Non-Tariff Income

There is no such trend or assurance for Non-Tariff income and is an effect of Retail Supply Business. It is suggested that same Wheeling and Retail Supply ARR ratio be used for Non-Tariff Income also for control period. Further Non-tariff Income also includes portion of Sale of fixed assets under scrap. The income from assets rented out will also qualify as NTI from wheeling business. Considering all such aspects, an allocation assumption of 75:25 for Wheeling and Retail Supply Business is considered for Non-Tariff Income for first control period.

Other Charges

During the course of business in the control period, there may be case where other elements such as Load Despatch Charges, Lease Charges, Income from Open Access Charges etc may happen and the allocation for the same will be decided on case to case basis keeping in mind above discussed allocations."

Unquote

That the Commission did not consider the logic given by the Petitioner and approved allocation with huge variation in comparison to the submission of the Petitioner shown in the table below:-

Table 7: Allocation Statement Wheeling & Retail Supply for FY 2015-16

Sr.	Cost Elements	Petitioner`s Submission		Approved by Commission in T.O	
		Wheeling %	Retail Supply %	Wheeling %	Retail Supply %
1	Power Purchase Cost & Transmission Charges	30%	70%	0%	100%
2	Employee Expenses	90%	10%	70%	30%
3	Administrative and General Expenses	75%	25%	90%	10%
4	Repairs and Maintenance Expenses	95%	5%	50%	50%
5	Depreciation	95%	5%	90%	10%
6	Interest on Loan	95%	5%	90%	10%
7	Interest on Working Capital	95%	5%	22%	78%
8	Return on Equity	95%	5%	90%	10%
9	DSM Expenses	25%	75%	100%	
10	Interest on Security Deposit	10%	90%	0%	100%
11	Non-Tariff Income	75%	25%	0%	100%

That the Commission for certain cost elements approved allocations beyond the comprehension of the Petitioner for example the DSM expenses are considered 100% for wheeling side, R&M expenses 50% each for Wheeling and Retail supply, Interest on Working Capital 22% & 78% between Wheeling and Retail Supply respectively. The Petitioner prays to provide basis / logic for considering the above approved allocation percentage into wheeling and retail supply and the logic as provided by the Petitioner considering the practical issues of Goa State and to approve the allocation % of wheeling and retail supply as submitted by the Petitioner. The approval of the same becomes increasingly important considering the upcoming Electricity Act Amendments.

That the Commission in Table no. 9.8 at Pages no. 253 and no. 254 determined input energy for network usage percentage and in Table no. 9.10 at Page no. 255 of the order under review for the wheeling charges and losses as shown in the Tables below:-

Table 8: Determination of Input Energy for Network Usage percentage for FY 2015-16 approved by Commission

S.I.No.	Particulars	Units	Amount
1	Total Input	MU	3,653
2	Input for HT & EHT Sales	MU	1,938
3	% of Total Input	%	53%
4	Losses for HT & EHT(% of HT Input)	%	3.636%
5	Losses for HT & EHT(% of Total Input)	%	1.929%
6	Losses	MU	70
7	Sales at 11 kV & above	MU	1,868
8	Input for LT	MU	1,715
9	% of Total Input	%	46.93%
10	Losses at LT Level% of LT input	%	22.60%
11	Losses	MU	388
12	Sales at 11KV & below	MU	1,327

Table 9: Wheeling Charges and Losses for FY 2015-16 approved by Commission

Particulars	Unit	Formula	FY 2015-16
Wheeling Cost	Rs.Crs	a	208.26
Wheeling Cost at EHT & HT	Rs.Crs	b=ax53%	110.38
Wheeling Cost at LT	Rs.Crs	c=ax47%	97.88

Energy Input at Discom Periphery	MU	d	3653
Energy Input at EHT & HT level	MU	e=I/(1-g)	1,938.48
Wheeling Charge at EHT & HT Level	Rs/kWh	f=b/dx10	0.57
EHT and HT Losses	%	g	3.64%
EHT and HT Losses	MU	h= e*g	70.48
Sales at EHT and HT Level	MU	i	1,868.00
Energy Input at LT	MU	j=d-e	1714.71
Wheeling Charge at LT Level	Rs/kWh	k=c/jx10	0.57
Sales at LT Level	MU	l	1355.00
LT Losses	MU	m=j-l	359.71
LT Losses	%	(m/j)*100	20.98%
Total Losses	MU	n=h+m	430.19
	%	(n/d)*100	11.78%

That the Commission has apparently erred and has taken 1355MU as Sales at LT level instead of 1327MUs, this reduces the LT losses from 22.6% to 20.98% and total losses from 12.54% to 11.78%. The correct calculations are given in the Table below:-

Table 10: Corrected/Recalculated Wheeling Charges and Losses for FY 2015-16

Particulars	Units	Formula	Calculations By Commission in T.O FY 2015-16	Recalculated by Petitioner FY 2015-16
Wheeling Cost	Rs.Crs	a	208.26	208.26
Wheeling Cost at EHT & HT	Rs.Crs	b=ax53%	110.38	110.89
Wheeling Cost at LT	Rs.Crs	c=ax47%	97.88	97.37
Energy Input at Discom Periphery	MU	d	3653	3,653.00
Energy Input at EHT & HT level		e=I/(1-g)	1,938.48	1,938.48

Particulars	Units	Formula	Calculations By Commission in T.O FY 2015-16	Recalculated by Petitioner FY 2015-16
Wheeling Charge at EHT & HT Level	Rs/kWh	f=b/dx10	0.57	0.57
EHT and HT Losses	%	g	3.64%	3.64%
EHT and HT Losses	MU	h= e*g	70.48	70.48
Sales at EHT and HT Level	MU	i	1,868.00	1,868.00
Energy Input at LT	MU	j=d-e	1714.71	1,714.52
Wheeling Charge at LT Level	Rs/kWh	k=c/jx10	0.57	0.57
Sales at LT Level	MU	l	1355.00	**1,327.00**
LT Losses	MU	m=j-l	359.71	**387.52**
LT Losses	%	(m/j)*100	20.98%	**22.60%**
Total Losses	MU	n=h+m	430.19	**458.00**
	%	(n/d)*100	11.78%	**12.54%**

That as per the calculations submitted above, the Total Losses comes out to be 12.54% instead of 11.78%. Therefore, the Petitioner prays to reconsider the T&D loss figure of 11.50% approved for FY 2015-16 and approve the losses of 12.54% as the T&D loss for ED Goa as derived above**.**

That the Commission has considered the Top 5% Power of 1191.94MU from the sources as shown in the Table below:-

Table 11: Computation of Top 5% Power for FY 2015-16 approved by Commission

S No	Source	Ex-bus Purchase (MU)	Reasons	VC (Rs/Unit)	Total Cost (Rs.Crs)	Cost per Unit (Rs/Unit)	Top 5% Energy (MU)	Cost of Top 5% Energy (Rs Cr)
1	Renewable Energy Sources	27.00	Must Run	6.42	17.34	6.42		-
2	Mouda	4.28		3.89	10.19	23.83	4.28	10.19
3	Barh-II	24.44		3.85	24.09	9.86	24.44	24.09

S No	Source	Ex-bus Purchase (MU)	Reasons	VC (Rs/Unit)	Total Cost (Rs.Crs)	Cost per Unit (Rs/Unit)	Top 5% Energy (MU)	Cost of Top 5% Energy (Rs Cr)
4	Traders / Open Market	77.15		3.70	28.53	3.70	77.15	28.53
5	KGPP	59.26		2.97	25.39	4.29		
6	TAPS Unit 3 and 4	105.68	Must Run	2.88	30.43	2.88		-
7	GGPP	33.83		2.85	19.65	5.81		-
8	Goa Energy Private Ltd	124.27		2.40	29.82	2.40		-
9	RSTPS	640.87		2.40	199.71	3.12	86.07	26.82
10	Goa Sponge & Power Ltd	6.68		2.40	1.60	2.40		-
11	Sesa Goa Limited	55.00		2.40	13.20	2.40		-
12	KAPS Unit 3 and 4	105.08	Must Run	2.38	24.98	2.38	-	-
13	KAPS Unit 1 and 2	109.25	Must Run	2.38	25.97	2.38		-
14	VSTPS – I	289.34		1.78	69.44	2.40		-
15	VSTPS – II	110.70		1.68	25.35	2.29		-
16	VSTPS –III	95.74		1.68	25.84	2.70		-
17	VSTPS –IV	93.93		1.68	22.69	2.42		-
18	SIPAT- I	198.88		1.37	45.93	2.31		-
19	SIPAT- II	87.53		1.34	22.32	2.55		-
20	KSTPS	1,545.92		0.92	225.85	1.46		-
21	KSTPS-III	43.70		0.91	9.94	2.28		-
22	**Total**	**3,838.52**			**898.25**		**191.94**	**89.64**
							TRUE	
Top 5% Volume of Energy		191.93	Must Run and Liquid Fuel based not considered while determining Top 5% Power Purchase Cost.					
Cost of Top 5% Energy		89.63						

S No	Source	Ex-bus Purchase (MU)	Reasons	VC (Rs/Unit)	Total Cost (Rs.Crs)	Cost per Unit (Rs/Unit)	Top 5% Energy (MU)	Cost of Top 5% Energy (Rs Cr)
Per Unit Cost		**4.6701**						

That the 5% Power i.e. 191.94 MUs is taken from the Plants namely Moudha, Barh-II, Open Market and RSTPS. However, KGPP and GGPP comes before RSTPS while considering Top 5% Power. Therefore, the Petitioner prays to provide the basis for considering power from RSTPS before KGPP and GGPP while considering the 86.07MUs in Top 5% Power.

That while calculating Cross subsidy surcharge 'S' for HT consumers in Tables no. 9.12, 9.13 & 9.14 on page no. 257 of the order under review, the Commission has considered an average tariff of HT categories as 4.81 Rs/kWh (on the basis of which the Cross subsidy surcharge 'S' comes out to be negative, hence considered NIL. However, it is submitted that the Cross subsidy surcharge needs to be calculated separately for each individual HT category so as to provide open access charges for each category. The Cross Subsidy Surcharge 'S' as calculated by the Petitioner is shown in the Table below:-

Table 12: Calculation of Total Cost i.e.[C(1+L/100)+D] at each voltage level

Calculation of Total Cost - Based on ARR FY 2014-15						
	Particulars	**Unit**	**Upto 33 kV**	**11 kV**	**LT Level**	**Basis**
C =	Weighted average cost of power purchase of 5% at the margin excluding UI and renewable power	Rs./Unit	4.67	4.67	4.67	
D =	Wheeling Charges	Rs./Unit	0.57	0.57	0.57	
L =	System Losses for the applicable voltage level	%	3.64%	3.64%	**22.60%**	**Refer Table No.11**
Total	**[C (1+ L / 100) + D]**	**Rs./Unit**	**5.41**	**5.41**	**6.29**	

Table 13: Computation of Cross Subsidy Surcharge {S= T-[C (1+ L / 100) + D]} for FY 2015-16

Computation of Cross Subsidy Surcharge S= T-[C (1+ L / 100) + D]					
S.NO.	**Major Consumer Categories**	**Approved Tariff (Rs/kWh)**	**Surcharge upto 33 kV (Rs/kWh)**	**Surcharge at 11 kV (Rs/kWh)**	**Surcharge at LT Level (Rs/kWh)**
1	Tariff HTI/Industrial	4.94	-	-	-
2	Tariff HTFS/ HT Industrial (Ferro Mettallurgical/ Steel Melting/ Power Intensive/Steel Rolling)	4.56	-	-	-
3	**HT Commercial**	**6.00**	**0.590**	**0.590**	**-**
4	HT Agriculture	2.12	-	-	-
5	HT MES Defence	4.25	-	-	-
Average HT		**4.81**	-	-	-
6	Tariff LTC/Commercial (above 20 kW)	4.700	-	-	-
7	Tariff LTI/Industrial	3.636	-	-	-

That even though the Cross Subsidy surcharge for average HT tariff comes out to be negative, the Cross Subsidy surcharge for HT Commercial Category comes out to be 59 paise/kWh. The petitioner prays to reconsider and recalculate the Cross Subsidy Surcharge 'S' for each individual HT category separately and approve the Cross Subsidy surcharge for HT Commercial Category as 59 paise/kWh.

The Petitioner has prayed for review of the order dated 06.04.2015 as prayed for and detailed above.

The Petition was received in the Commission on 22.05.2015. The Commission found the Petition generally in line with the Electricity Act and JERC (Conduct of Business Regulations), 2009. The Commission admitted the Petition on 03.06.2015 and numbered it as Petition no. 168/2015.

The Commission scheduled hearing of the Petition on 29.06.2015 at Commission's HQ. The Commission heard the representative of the Petitioner. The Commission after going through the Petition and the order under review observed that Petitions no. 166/2015, 168/2015, 169/2015, 172/2015 and 173/2015 are against the same order dated 06.04.2015 passed by the Commission in Petitions no. 160/2015 & 161/2015. The Commission decided to dispose of all the five Petitions by one order.

Brief about Petition No. 169/2015

That the Petitioner no. 1 Travel & Tourism Association of Goa hereinafter in short referred as TTAG having its Office at 609, Dempo Tower, 6th Floor, EDC Complex, Patto Plaza, Panaji, Goa – 403001 is an industry association of hotels and other entities engaged in the business of travel and tourism in the State of Goa, the Petitioner no. 2 Rivera de Goa Resorts & Hotels Pvt. Ltd. and Petitioner no. 3 Nanu Resorts Pvt. Ltd. are Members of TTAG. The Governments of India and State of Goa are promoting travel and tourism in the State of Goa through many policies and Regulatory frame work. The travel and tourism business in Goa is termed as an industry and electricity tariff applicable to these activities / business is industrial tariff in both HT & LT categories.

That in the order under review dated 06.04.2015 there is a steep increase in tariffs of HT and LT industrial consumers applicable to travel and tourism activities in the State of Goa and has resulted in 1.5 to 2 times in their electricity bills. The steep tariff rise has further been aggravated by introduction of Time of Day (TOD) tariff for HT industrial category consumers. The same has resulted in tariff shock to the Petitioners. The comparison based on tariff order for FY 2014-15 and tariff order for FY 2015-16 and impact in tariff of some members of TTAG is shown in the Table below:-

Year	**Heads of Billing**	**Jai Bhuvan Projects Pvt. Ltd., Porvorim**	**Pallette Haotel (India) Pvt. Ltd., Vasco**	**Riviera De Goa Resorts Pvt. Ltd.**	**Nanu Resorts Pvt. Ltd.**
FY 2014-15	Billing Demand (kVA)	188	375	300	225
	Total Fixed Charge (Rs)	37600	75000	60000	45000
	Electricity Consumption (kWh)	30428	69638	127145	46515
	Total Energy Charge (Rs)	100412	229779	419578	153499
	Total Electricity Billing (Rs)	167516	365069	592402	238157
	Total Cost of Electricity (Rs/kWh)	5.51	5.24	4.66	5.12
	Billing Demand (kVA)	188	375	310	225

FY 2015-16	Total Fixed Charge (Rs)	47000	93750	77500	56250
	Electricity Consumption (kWh)	35390	71690	142905	66260
	Total Energy Charge (Rs)	148376	282454	604738	261068
	Total Electricity Billing (Rs)	231220	452277	831804	385613
	Total Cost of Electricity (Rs/kWh)	6.53	6.31	5.82	5.82
Percentage increase in Total Fixed Charge (Rs)		25%	25%	29%	25%
Percentage increase in Total Energy Charge (Rs)		48%	23%	44%	70%
Percentage increase in Total Cost of Electricity (Rs/kWh)		19%	20%	25%	14%
Percentage increase in Total Electricity Billing (Rs)		38%	24%	40%	62%

That in addition to the above charges, certain other charges and government levies have also increased exponentially since they are based on the fixed and energy charges. The monthly electricity bills of the petitioners have increased from 38% to 62% making the business totally unviable and will lead to closure. However, recent trend of inflation in the country is 4% to 8% as shown in the table below:-

CPI Trend in recent months
(Source: www.global-rates.com)

Period	Inflation
March 2015	6.276%
February 2015	6.303%
January 2015	7.173%
December 2014	5.858%
November 2014	4.115%
October 2014	4.979%
September 2014	6.303%
August 2014	6.751%
July 2014	7.234%
June 2014	6.493%

The Petitioners pray for a tariff hike of about 10% for FY 2015-16 with respect to tariff of FY 2014-15.

That National Tariff Policy, 2006 provides for gradual increase in tariff so that there is no tariff shock to the consumers. The Tariff Policy also provides that the cross subsidies are to be reduced gradually and brought within ± 20% of average cost of supply by the end of year 2010-11. Thus the policy makers gave a transition period of 5 years to bring down the cross subsidies within reasonable and sustainable levels so as to reduce them gradually without giving 'Tariff Shock' to any category. However, the Hon'ble Commission in this case has substantially increased the tariff, giving 'Tariff Shock' to the Petitioners.

That the Commission in the order under review introduced TOD tariff for consumers in Goa as under:-

Quote

"19. Time of Day Tariff (TOD)

i. *Under the Time of Day (TOD) Tariff, electricity consumption and maximum demand in respect of HT/EHT consumers for different periods of the day, i.e. normal period, peak load period and off peak load period shall be recorded by installing a TOD meter.*

ii. *The maximum demand and consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer.*

iii.

Time of Use	***Demand Charges***	***Energy Charges***
Normal period (7.00 a.m. to 6.00 p.m.)	*Normal Rate*	*Normal rate of energy charges*
Evening peak load period (6.00 p.m. to 11.00 p.m.)	*Normal Rate*	*120% of normal rate of energy charges*
Off-peak load period (11.00 p.m. to 7.00 a.m.)	*Normal Rate*	*90% of normal rate of energy charges*

iv. *Applicability and Terms and Conditions of TOD tariff:*

a. TOD tariff is mandatory for HT/EHT consumers and shall be optional for LT industrial and commercial consumers.

b. *The facility of aforesaid TOD tariff shall not be available to HT/EHT consumers having captive power plants and / or availing supply from sources other than GED through wheeling of power.*
c. *The HT/EHT industrial consumers who have installed standby generating plants shall also be eligible for the aforesaid TOD tariff.*
d. *In the event of applicability of TOD tariff to a consumer, all other terms and conditions of the applicable tariff shall continue to apply."*

Unquote

That section 62(3) of the Electricity Act provides that the State Commission can differentiate in the tariff according to various factors which include the time at which the supply is required. Thus, the Commission can frame the tariff for consumption of electricity during any specified time. The National Tariff Policy also stipulates that State Commission has to increase TOD meters for consumers with a minimum load of 1 MVA. The TOD tariff frame work is critical tool for demand side management consumers. It is implemented to optimize consumption of electricity during peak hours. TOD is an economic / commercial intervention to shift electricity consumption to some other time of day i.e. of peak hours. However, with introduction of TOD tariff in the State of Goa it has resulted in another 20% increase in the cost of electricity consumed during evening peak hours.

That electricity consumption of hotels and food & beverage outlets / establishments is maximum between 6 pm to 11 pm, as all the tourists staying in the hotels return to their rooms during this time and also the tourists have their dinner and party between these hours. This results in increase in the use of air conditioning, lighting and other high power consuming equipments. Hence, the electricity consumption during these hours cannot be shifted to any other time of the day. However, in case of Travel and Tourism Industry in Goa, the peak business hours coincides with the peak hours as specified in the TOD tariff framework. Hence, the basic principle of shifting the load to some other hour of the day is impossible to achieve. The TOD tariff will only lead to increase in the cost of electricity for the members of TTAG. The Petitioner has prayed to rethink of introducing of TOD tariff for TTAG and prayed for review of the order dated 06.04.2015 accordingly.

The Petition was received in the Commission on 01.06.2015. The Commission found the Petition generally in line with the Electricity Act and JERC (Conduct of Business Regulations), 2009. The Commission admitted the Petition on 03.06.2015 and numbered it as Petition no. 169/2015.

The Respondent filed reply to the review petition while contesting the same stating that the Petitioners have provided the comparison of the electricity bills of the consumers/members for FY 2014-15 and FY 2015-16. However the comparison should be for the tariff and not the electricity bills. The electricity bills depend on various factors such as billing demand and energy consumption which vary as shown in the comparison by the petitioners. When consumption as well as the demand increases, electricity bill will in turn increase with or without the tariff increase.

The percentage of increase in tariff between FY 2014-15 to FY 2015-16 is shown in the table below:-

Sl. No.	Category of consumers	Approved Tariff		Sl. No.	Category of consumer	Old Tariff		% change in Fixed Charge	% change in Energy Charge
		Fixed Charge (Rs/kW/Rs/kVA Rs/BHP Rs/Month/ Connection)	Energy Charge (Rs/kWH)			Fixed Charge (Rs/kW/Rs/kVA Rs/BHP Rs/Month/ Connection)	Energy Charge (Rs/kWH)		
B	High Tension Supply				High Tension Supply				
9	Tariff HTI/Industrial				Tariff HTI/Industrial				
	Connected at 11/33 KV	250	3.90		Connected at 11/33 KV	200	3.3	25%	18%
	Connected at 110 kV	250.00	3.80		Connected at 110 kV	200	3.3	25%	15%
		250.00	3.80		Tariff HTI/Industrial	200	3.3	25%	15%
		250.00	3.80		Tariff HTI/Hotel Industries	200	3.3	25%	15%
		250.00	3.80		Tariff HTI/Ice manufacturing	200	3.3	25%	15%
		250.00	3.80		EHTI/Industrial	230	3.5	25%	15%

That as far as Government levies are concerned, it is beyond the control of the Respondent, ED, Goa, and Government levies are also not under the Regulatory System.

That the Tariff of ED, Goa is much lower in comparison to the neighboring states of Maharashtra and Karnataka as shown in the Table below:-

PARTICULARS	GOA	MAHARASHTRA	KARNATAKA
Fixed Charges (Rs/kVA/Month)	250	190	190
Energy Charges (Rs/unit)	3.90	6.33	7.35

That the CPI/WPI trend as shown by the petitioners is relevant for O&M expenses and other material and labour prices etc. There are other factors on which the tariff increase depends such as Power Purchase Cost, which in turn depends upon the fuel cost, which is beyond the control of ED, Goa and is around 80-85% of the total ARR expenses. Therefore, if recovery of revenue gap is deferred it will be additional burden on consumers at a later date, and also the fact that new consumers in future will have to bear the impact. It is important that present costs are recovered to the extent possible from the `present set of consumers only.

That the submission of the Petitioner TTAG and others regarding tariff shock is wrong. The Commission in the order under review has observed as under:-

"The commission has attempted to reduce the cross subsidy in the consumer categories in this order, by rationalizing the tariff for subsidized categories and suitably adjusting the tariff for subsidizing categories, vis-à-vis the prevailing average cost of supply, while at the same time, trying to ensure that there is no tariff shock to any consumer category"

The relevant table from the order under review is given below:-

Sl. No.	**Category/Consumption Slab**	**Revenue at Existing Tariff**		
		Average Realization	**ACoS**	**% of ACoS**
	High Tension Supply	**4.09**	3.52	116%
11	Tariff HTI/ Industrial	4.23	3.52	120%
12	H.T. Industrial Ferro Metallurgical/Steel Melting / Power Intensive	3.94	3.52	112%
13	Tariff HTAG/Agriculture	1.90	3.52	51%
14	H.T. MES / Defense Establishments	3.22	3.52	102%
15	Tariff HTC/Commercial		3.52	0%
16	Tariff HID/Domestic		3.52	0%
17	Tariff HT Industries (High Tech)	3.96	3.52	113%

Average revenue as percentage of ACOs at Revised Tariff for FY 2015-16

Sl. No.	**Category of consumer**	**Revised Tariff**		
		Average Realization	**ACoS**	**% of ACoS**
B	**High Tension Supply**	**4.81**	4.09	117.60%

9	**Tariff HTI/Industrial**	**4.94**	4.09	120.78%
	Connected at 11/33 Kv	4.99	4.09	122.00%
	Connected at 110 Kv	4.69	4.09	114.67%
10	Tariff HTFS Industrial (Ferro Metallurgical/Steel Melting / Power Intensive / Steel Rolling	4.56	4.09	111.49%
11	Tariff HTC / Commercial	6	4.09	146.70%
12	Tariff HTAG/Agriculture	1.98	4.09	48.41%
13	Tariff HTD / Domestic		4.09	0.00%
14	Tariff H.T. MES / Defense Establishments	4.25	4.09	103.91%

That TOD tariff for consumers was already in place in Goa since FY 2011-12 and was optional for HT consumers. The Petitioners should have planned and made necessary arrangements accordingly. It seems that the Petitioners have been waiting for filing Petition till the time TOD has been made mandatory. The TOD is mandatory for all HT consumers in the neighboring states of Maharashtra, Karnataka and Telegana.

That tourism industry is not passing through a severe recession. Whereas tourism industry is on constant increase for the last ten years and there has been an approximately 30% rise in tourism in FY 2014-15. The Petitioners are charging the consumers exorbitant prices during peak season i.e. higher tariff for hotel rooms and food and services where as cost of electricity remains same throughout the year. The tariff increase of approx 14% has been approved by Hon'ble Commission and that cost recovery and tariff increase should be done on regular basis otherwise the revenue gap will keep on increasing. The increased Gap adds up to the carrying cost and ultimately burdens the consumers. ED - Goa would like to refer to recent case of Tata Steel Ltd. (Jamshedpur licence area) tariff order recently where Rs 100 crores of carrying cost has been approved and passed on, as recoveries have been delayed.

Table 41:- Cumulative Revenue gap and carrying cost for FY 2015-16

Particular	FY 2014	FY 2015	FY 2016
Opening Revenue Gap as on Ist April	95.73	483.35	687.21
Revenue Gap / (Surplus) created during the Year	348.60	123.46	113.81
Closing Gap at end of the Year	**443.33**	**606.81**	**801.02**
Rate of Interest (As per prevailing SBI PLR rate)	14.45%	14.75%	14,75%
Carrying Cost on Opening Balance	13.83	71.29	101.36

Carrying Cost on Additional Gap Created	25.19	9.11	-
Total Carrying Cost	**39.02**	**80.40**	101.36
Total Gap including carrying cost	**483.35**	**687.21**	**902.38**

The Commission scheduled hearing of the Petition on 29.06.2015 at Commission's HQ. The Commission heard the representative of the Petitioners. The Commission after going through the Petition and the order under review observed that Petitions no. 166/2015, 168/2015, 169/2015, 172/2015 and 173/2015 are against the same order dated 06.04.2015 passed by the Commission in Petitions no. 160/2015 & 161/2015. The Commission decided to dispose of all the five Petitions by one order.

The Petitioners filed rejoinder dated 06.07.2015 received in the Commission on 08.07.2015 controverting the stand taken by the Respondent and reiterated their stand taken in the review petition and once again prayed for review of the order dated 06.04.2015 as prayed for.

Brief about Petition No. 172/2015

That Jai Bhuvan Builders Pvt. Ltd., hereinafter in short referred as JBBPL is developing shopping mall in Alto Porvorim, Panaji, Goa and has its Head Office at SM 101, Nova Cidade Complex, Alto Porvorim, Goa 403521. The Petitioner in the public hearing of the Petitions no. 160/2015 and 161/2015 submitted the following objections:-

- Load requirement of 4000 kVA
- Single Point Supply of 33 kV HT connection
- As per existing billing, the monthly bills will be approx. Rs 47.07 lakhs i.e. approx Rs 5.65 crores annually.
- As per proposed plan, monthly bills approx. Rs 60.94 lakhs i.e. approx Rs 7.31 crores annually.
- Difference in tariff will amount to additional Rs 1.66 crores annually or a whopping 30% increase in percentage terms.
- Entire infrastructure like 33kV HT cabling, RMU , Metering unit, HT Breaker (VCB), Transformers, LT panels, LT cabling with LT metering panel approx costing Rs 1.75 crores to Rs 2.0 crores being installed by us.
- Affidavit for SPS gives 5% rebate for losses/O&M charges that too only for LT consumers and timely payment. Plus there is no clarity on how to collect energy charges from the consumers.
- Other states give 7.5% - 8% on total billed amount + pay other charges for generating bills on behalf of ED.
- Request for Distribution Franchise Agreement as prevalent and working in neighboring states, that too at the existing rates.

That the Commission vide order dated 06.04.2015 determined tariff of ED, Goa for FY 2015-16 and introduced the concept of Single Point Tariff. The relevant paras of the order under review are as under:-

Quote

"Single Point Supply / Distribution Franchise Arrangement: ED, Goa has submitted that it has started receiving enquiries and applications for single point supply / Distribution Franchise arrangement from various consumers/applicants such as Townships, Residential Complexes, including Group Housing Societies, IT Park, Industrial Estates, Commercial Complexes, including Malls etc.

One of the applicants, falling in mixed category, has submitted that majority of its consumers qualify for LT connection but some also fall under HT connection by virtue of the sanctioned load limits and they indicated the desire of getting supply at single point. Another applicant has submitted that although some consumers by virtue of contracted demand would qualify for HT connection, yet they are desirous of LT supply by EDG owing to nature of their load. The applicant is willing to install substation, Distribution Transformer and its switchgear/equipment's at its own costs, and is also willing to bear the cost of supply as input at the HT end of DT. However, it wants EDG to bill all the consumers directly.

ED, Goa is willing to accommodate the practical needs of its consumers and submits that these consumers / applicants could be accommodated under Single Point Supply / Distribution Franchise Arrangement.

The Commission therefore approves Single Point Supply/Distribution Franchise Arrangement, along with Tariff Mechanism."

Unquote

That on 16.04.2015 the Commission issued an addendum in the order under review giving details of the framework for implementing the Single Point Supply Tariff for mix load for Group Housing Societies, Residential Housing Colonies, Cooperative Group Housing Societies, Township area, Commercial Complexes, including Malls, Industrial Complexes, including IT Park, Bio Parks, and other entities classified as industries by the Government of Goa. The relevant paragraph of the order is as under:-

Quote

"Tariff for Single Point Supply (SPS) at HT Level:

Applicability: *This schedule shall apply to a group of consumers who desire to take a HT connection at single point for consumption of energy within a Residential Complex, Group Housing Societies, Residential Housing Colonies, Cooperative Group Housing Societies, Township Area, Commercial*

Complexes, including Malls, Industrial Complexes, including IT Park, Bio Parks or other entities classified as Industries by Government of Goa.

Note: In case of a dispute on whether the complex can be classified as an industrial complex, a certificate from Industries Department, Government of Goa will be required.

The following shall be the different combinations for SPS in a defined area:

i. *An all LT consumers mix area*
ii. *All HT consumer mix area*
iii. *HT = LT consumer mix area*

Approved Tariff:

The SPS applicant shall pay to ED, Goa the tariff as mentioned below, corresponding to the demand and the input energy at the HY end of such supply:

Particulars	***Fixed Charges (Rs/kVA/Month)***	***Energy Charges (Rs/kWh)***
Residential Complexes (RC)	*100*	*3.10*
Commercial Complexes (CC)	*200*	*4.30*
Industrial Complexes (IC)	*200*	*3.90*

Note:

a. *……*
b. *Based on technical and administrative feasibility, the ED, Goa may consider providing SPS power supply at HV/EHV level to a complex at a mutually agreed injection point.*
c. *….*
d. *The SPS arrangement would be considered by ED, Goa only of the minimum sanctioned cumulative contracted demand of the complex (group of consumers) is 1.15 MVA/1MW.*
e. *The complete cost of erection and O&M for the sub transmission and distribution infrastructure within such complex would need to be borne by the said SPS applicant.*
f. *…..*
g. *…..*
h. *…..*
i. *The SPS applicant shall not charge tariff to the downstream consumers higher than the stipulated above.*

j. The applicant shall be obliged to pay the total tariff (total billed amount) due to EDG, as measured at HT end of SPS. However, to cover energy transformation losses and other O&M expenses, such applicant would be eligible to get rebates from ED, Goa on full bill payment, within the due time:

i. 5% on the overall billed amount in case of Residential Complexes.

ii. For Commercial Complexes (CC) and Industrial Complexes (IC) with LT consumers in downstream, a 5% rebate will be given on the billed amount of the LT consumers. The applicant would provide bill summary of all consumers every month while claiming rebate. EDG will finalize such format at the time of processing application. However, no rebate shall be given to applicant on the billed amount of any of the HT consumers of CC & IC.

iii. Any other loss would be to account of the applicant."

Unquote

That the concept of Single Point Supply of power at HT for supply to mixed load in downstream was in vogue in Maharashtra before 2010. However, as per EA, 2003, sub-distribution of power without a distribution license is not allowed. The Maharashtra Electricity Regulatory Commission (MERC) directed entities involved in SPS to either operate through Distribution Franchise route or the individual consumers need to take power supply directly from the local distribution licensee. The Ministry of Power issued a clarification on June 9, 2005 as the Electricity (Removal of Difficulties) 8th order, 2005 which permitted Single Point Supply and sub-distribution in the case of Group Housing Society only. The relevant para of the clarification is as under:-

Quote

"S.O. 798(E) – Whereas the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as the Act) came into force on the 10th June, 2003;

And whereas the sub-section (1) of section 43 of the Act provides that every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply;

And whereas difficulties have arisen in obtaining the supply of electricity at single point from the distribution licensee;

Now, therefore, the Central Government in exercise of its powers conferred by section 183 of the Act hereby makes this order in respect of obtaining supply of electricity at single point from the distribution licensee by the cooperative Group Housing Societies or by any person for their members or his employees residing in the same premises, not inconsistent with the provisions of the Act, to remove the difficulties, namely:-

1. *Short Title and Commencement:-*
   (1) *This order shall be called the Electricity (Removal of Difficulties) (Eighth) Order 2005.*
   (2) *This order shall come into force on the date of its publication in the Official Gazette.*
2. *Supply of electricity at single point by the distribution licensee to a Cooperative Group Housing Society:-*

   A distribution licensee shall give supply of electricity for residential purposes on an application by a Cooperative Group Housing Society which owns the premises at a single point for making electricity available to the members of such Society residing in the same premises on such terms and conditions as may be specified by the State Commission.

   Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area on such terms and conditions as may be specified by the State Commission."

Unquote

Therefore, sub distribution by HT Industrial and Commercial category consumer without a license under Section 12 of the Act electricity is not in consonance with the EA, 2003 and the order under review require modification allowing SPS in Goa for commercial and industrial complexes to bring it in consonance with EA, 2003. The Commission has also mandated that the SPS applicant shall not charge tariff to the downstream consumers higher than the stipulated above i.e same tariff as charged to Single Point Supplier. However, as per the EA 2003, same category of consumers of a particular distribution licensee cannot be charged different tariffs. The Commission has given following terms & conditions and charges payable by ED, Goa to Single Point Supplier:-

Quote

"J. The applicant shall be obliged to pay the total tariff (total billed amount) due to EDG, as measured at HT end of SPS. However, to cover energy transformation losses and other O&M expenses, such applicant would be eligible to get rebates from ED, Goa on full bill payment, within the due time:

- *i. 5% on the overall billed amount in case of Residential complexes*
- *ii. For Commercial Complexes (CC) and Industrial Complexes (IC) with LT consumers in downstream, a 5% rebate will be given on the billed amount of the LT consumers. The applicant would provide bill summary of all consumers every month while claiming rebate. EDG will finalize such format at the time of processing application. However no rebate shall be given to applicant on the billed amount of any of the HT consumers of CC & IC. (Emphasis added)*
- *iii. Any other loss would be to account of the applicant*

As directed by the Hon'ble Commission, for Commercial complexes, the rebate of 5% is given on the billed amount of the LT consumers only. However, this will not be enough to cover the Capital Expenditure, O&M expenses and other expenses of the Single Point Supplier."

Unquote

The Petitioner has prayed to allow the Petitioner 4% as Distribution Losses and 3% as Reimbursement Charges i.e. total 7% of total energy input as losses and reimbursement charges to the Distribution Franchisee.

That steep increase in energy charges and fixed charges and introduction of time of day (TOD) tariff for HT category of consumer has resulted in a tariff shock to the Petitioner. The comparison of tariff based on JERC tariff order for FY 2014-15 and JERC tariff order 2015-16 is shown in the table below:-

Sr. No.	JERC Order	Consumer Tariff Category	Fixed Charge (Rs./kVA/Month	Energy Charge (Paise/kWh)
1.	For FY 2014-15	HTC/ Mixed	200	315
2.	For FY 2015-16	HTC/ Commercial	250	440
3.	**Percentage Increase**		**25%**	**40%**

That in addition to above charges, certain other charges have also increased exponentially since they are based on the fixed and energy charges. The monthly electricity bills of the petitioner have steeply increased making the business totally unviable and will lead to closure. The steep increase in tariff will lead to significant increase in the cost of operating the various commercial businesses and other associated services. This will result in increased cost to the end consumers, making the business totally unviable. In view of the recent trend of inflation in the country, which is in the range of 4% to 8 % as reproduced in the table below The Petitioners submits that it is reasonable for ED, Goa to request for a tariff hike of about 10% for FY 2015-16.

CPI Trend in recent months
(Source: www.global-rates.com)

Period	Inflation
March 2015	6.276%
February 2015	6.303%
January 2015	7.173%
December 2014	5.858%
November 2014	4.115%
October 2014	4.979%
September 2014	6.303%
August 2014	6.751%
July 2014	7.234%
June 2014	6.493%

That National Tariff Policy, 2006 provides for gradual increase in tariff so that there is no tariff shock to the consumers. The Tariff Policy also provides that cross subsidies are to be reduced gradually and brought within ± 20% of average cost of supply by the end of FY 2010-11. Thus the policy makers gave a transition period of 5 years to bring down the cross subsidies within reasonable and sustainable levels so as to reduce it gradually without giving 'Tariff Shock' to any consumer category. However, the Hon'ble Commission in this case has substantially increased the tariff, giving 'Tariff Shock' to the Petitioners.

That the Commission in the order under review introduced TOD tariff for consumers in Goa as under:-

Quote

"19. Time of Day Tariff (TOD)

i. *Under the Time of Day (TOD) Tariff, electricity consumption and maximum demand in respect of HT/EHT consumers for different periods of the day, i.e. normal period, peak load period and off peak load period shall be recorded by installing a TOD meter.*

ii. *The maximum demand and consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer*

iii.

Time of Use	***Demand Charges***	***Energy Charges***
Normal period (7.00 a.m. to 6.00 p.m.)	*Normal Rate*	*Normal rate of energy charges*
Evening peak load period (6.00 p.m. to 11.00 p.m.)	*Normal Rate*	*120% of normal rate of energy charges*
Off-peak load period (11.00 p.m. to 7.00 a.m.)	*Normal Rate*	*90% of normal rate of energy charges*

iv. *Applicability and Terms and Conditions of TOD tariff:*

a. *TOD tariff is mandatory for HT/EHT consumers and shall be optional for LT industrial and commercial consumers.*
b. *The facility of aforesaid TOD tariff shall not be available to HT/EHT consumers having captive power plants and / or availing supply from sources other than GED through wheeling of power.*
c. *The HT/EHT industrial consumers who have installed standby generating plants shall also be eligible for the aforesaid TOD tariff.*
d. *In the event of applicability of TOD tariff to a consumer, all other terms and conditions of the applicable tariff shall continue to apply."*

Unquote

That section 62(3) of the Electricity Act provides that the State Commission can differentiate in the tariff according to various factors which include the time at which the supply is required. Thus, the Commission can frame the tariff for consumption of electricity during any specified time. The National Tariff Policy also stipulates that State Commission has to increase TOD meters for consumers with a minimum load of 1 MVA. The TOD tariff frame work is critical tool for demand side management consumers. It is implemented to optimize consumption of electricity during peak hours. TOD is an economic / commercial intervention to shift electricity consumption to some other time of day i.e. off peak hours. However, with introduction of TOD tariff in the State of Goa it has resulted in another 20% increase in the cost of electricity consumed during evening peak hours. Therefore, the Petitioner prays to the Commission to rethink the introduction of Time of Day (TOD) tariff for HT commercial/SPS/Distribution Franchise category of consumers and exempt them from the applicability of TOD tariff for FY 2015-16.

The Petition was received in the Commission on 04.06.2015. The Commission found the Petition generally in line with the Electricity Act and JERC (Conduct of Business Regulations), 2009 and numbered it as Petition no. 172/2015.

The Respondent filed reply to the review petition while contesting the same stating that the Respondent had introduced the SPS category on request of the petitioner as the petitioner wanted a single connection for his commercial complex. ED, Goa will bill the SPS consumer at the single point (mutually agreed injection point). The SPS applicant would be required to develop and maintain an efficient, coordinated and quality sub transmission and distribution system in its area of electricity supply and shall supply electricity to all the consumers within the premises. The SPS shall bill its consumers through sub meters installed for each consumer. To protect the interest of the consumers in the complex of the petitioner, the clause that the same tariff shall be applicable to each consumer as to the SPS applicant has been introduced so that the SPS applicant cannot charge any additional / higher tariff to the consumers. However to compensate for his O&M activities, a rebate of 5% has been facilitated on the bill amount of the LT consumer's only. ED, Goa is envisaging that HT SPS applicant would majorly have LT consumers only and there would not be equal or lop-sided LT:HT Ratio. Further ED, Goa is not willing to deviate from the Supply Code or Tariff Conditions w.r.t. Load criteria for LT or HT Supply (LT Connection is applicable with Sanctioned Load of less than 100 KVA or 90 KW or 120 HP as the case may be and HT Connection is applicable with Contract Demand of 100 kVA and above). ED, Goa submits that this HT SPS category is optional and each and every individual consumer, within the commercial complex can apply for a separate connection if he thinks he is being charged a higher tariff. Similar practice is followed in Delhi for Single Point Consumer. The relevant extracts from DERC Tariff Schedule for FY 2014-15 is given below:-

2.2	Non-Domestic High Tension (NDHT)*		
	For supply at 11 KV and above (for greater than 108 kVA)	125 Rs/kVA/month	840 Paise/kVah[3]

	* The Single Point Delivery Supplier shall Charge the NDHT tariff to its LT consumers and in addition shall charge an extra 5% of the bill amount at NDHT tariff to cover losses and all expenses.		
1.2	Single delivery point on 11kV for CGHS		
	First 40%	25 Rs/kW/month	595 Paise/kWh
	Next 30%	25 Rs/kW/month	730 Paise/kWh
	Next 20%	25 Rs/kW/month	810 Paise/kWh
	Balance 10%	25 Rs/kW/month	875 Paise/kWh
	In case of cooperative group housing societies having independent connection for common facilities through separate meter, energy charges shall be billed at domestic category. Rebate of 10% is admissible on energy charges having supply at 11kV and rebate is not applicable for supply at LT.		
3.2	Industrial power on 11 kV Single Point	90 Rs/kVA/month	710 Paise/kVah[3]
	Delivery for Group of SIP Consumers		

That other charges are levied by the Government of Goa and the same are beyond control of the Respondent and Regulatory System.

That CPI/WPI trend as shown by the petitioners is relevant for O&M expenses and other material and labour prices etc. There are other factors on which the tariff increase depends such as Power Purchase Cost, which in turn depends upon the fuel cost, which is beyond the control of ED, Goa and is around 80-85% of total ARR expenses. ED, Goa submits if recovery of revenue gap is deferred it will be additional burden to consumers at a later date, and also the fact that new consumers in future will have to bear the impact. It is important that present costs are recovered to the extent possible from present set of consumers only.

That the contention of the Petitioner that cross subsidies are not being reduced and brought within plus minus 20% of average of cost of supply is wrong which is evident from Tables 8.3 and 8.4 of the order under review. The relevant extracts of the order under review is as under:-

Quote

"The Commission has attempted to reduce the cross-subsidy in the consumer categories in this order, by rationalizing the tariff for subsidized categories and suitably adjusting the tariff for subsidizing categories, vis-à-vis the prevailing average cost of supply, while at the same time, trying to ensure that there is no tariff shock to any consumer category"

Unquote

The relevant table from the order under review is given below:-

Sl. No.	Category/Consumption Slab	Revenue at Existing Tariff		
		Average Realization	ACoS	% of ACoS
	High Tension Supply	**4.09**	3.52	116%
11	Tariff HTI/ Industrial	4.29	3.52	120%
12	H.T. Industrial Ferro Metallurgical/Steel Melting / Power Intensive	3.94	3.52	112%
13	Tariff HTAG/Agriculture	1.90	3.52	51%
14	H.T. MES / Defense Establishments	3.22	3.52	102%
15	Tariff HTC/Commercial		3.52	0%
16	Tariff HID/Domestic		3.52	0%
17	Tariff HT Industries (High Tech)	3.96	3.52	113%

Average revenue as percentage of ACOs at Revised Tariff for FY 2015-16

Sl. No.	Category of consumer	Revised Tariff		
		Average Realization	ACoS	% of ACoS
B	**High Tension Supply**	**4.81**	4.09	117.60%
9	**Tariff HTI/Industrial**	**4.94**	4.09	120.78%
	Connected at 11/33 Kv	4.99	4.09	122.0%
	Connected at 110 Kv	4.69	4.09	114.67%
10	Tariff HTFS Industrial (Ferro Metallurgical/Steel Melting / Power Intensive / Steel Rolling	4.56	4.09	111.49%
11	Tariff HTC / Commercial	6	4.09	146.70%

12	Tariff HTAG/Agriculture	1.98	4.09	48.41%
13	Tariff HTD / Domestic		4.09	0.00%
14	Tariff H.T. MES / Defense Establishm	4.25	4.09	103.91%

That TOD tariff was already in place in Goa since FY 2011-12 and was optional for HT consumers. The TOD tariff is mandatory for all HT consumers in the neighboring states of Maharashtra, Karnataka and Telegana. The TTAG is not passing through recession, but tourist flow is constantly increasing for the last ten years and there has been approximately 30% rise in FY 2014. The Table depicting constant rise of tourists is given below:-

Tourist Arrivals (Year Wise)
Source: https://www.goatourism.gov.in/statistics/225

Year	Domestic	Foreign	Total	% Change
2005	1965343	336803	2302146	-6.0
2006	2098654	380414	2479068	7.7
2007	2208986	388457	2597443	4.6
2008	2020416	351123	2371539	-9.5
2009	2127063	376640	2503703	5.5
2010	2201752	441053	2644805	5.6
2011	2225002	445935	2670937	0.98
2012	2337499	450530	2788029	4.20
2013	2629151	492322	3121473	10.68
2014	3544634	513592	4058226	30.01

All other allegations of the Petition are vehemently denied and prayed for dismissal of the Petition.

The Petitioner filed rejoinder / replication to the reply of the Respondent controverting the stand taken by the Respondent and once again prayed for review of the order dated 06.04.2015 as prayed for.

The Commission scheduled hearing of the Petition on 29.06.2015 at Commission's HQ. The Commission heard the representative of the Petitioner. The Commission after going through the Petition and the order under review observed that Petitions no. 166/2015, 168/2015, 169/2015, 172/2015 and 173/2015 are against the same order dated 06.04.2015 passed by the Commission in Petitions no. 160/2015 & 161/2015. The Commission decided to dispose of all the five Petitions by one order.

Brief about Petition No. 173/2015

That Alcon Cement Company Pvt. Ltd. hereinafter referred as ACCPL – Petitioner No. 1 is a Clinker Grinding Unit manufacturing Portland cement since 1994 with its Registered Office at Second Floor, Velho Building, Opp. Municipal Garden, Panaji, Goa 403001 and Counto Microfine Products Pvt. Ltd. hereinafter referred as CMPPL – Petitoner no. 2 is also a Cement Grinding Unit manufacturing Portland Slag Cement with its Head Office at Second Floor, Velho Building, Opposite Municipal Garden, Panaji, Goa 403001.

That the Petitioners started their Projects in 1994 and the Government of Goa gave a special status to the cement industry for fixing electricity tariff lower than the tariff applicable to other industries through separate tariff categories for cement industries. However in Dec. 1998 concessional tariff was withdrawn and tariff for cement industry was increased at par with other industries vide notification dated 31.12.1998.

That the Petitioners are producing cement and other associated products by using industrial waste produced in the State of Goa and are helping in managing and saving cost on disposal of such industrial waste. The Make in India Programme initiated by the Government of India is also promoting manufacturing in India. Therefore, for successful roll out of the Make in India Programme, it is essential that cheap and reliable power is made available to the industry. The State of Goa has enough opportunities in manufacturing and can leverage its unique position regarding availability of reliable and cheap power. However, the Commission in the Tariff Order dated 06.04.2015 has increased the electricity tariff (including the fact of TOD Tariff) by almost 40% as compared to the tariff applicable during FY 2014-15. Therefore, the Petitioners pray to create a separate tariff category for cement industry using industrial waste as raw material with tariff lower than that applicable to other industries.

That in the order under review there is a steep increase in tariff for HTI/Industrial applicable to the cement industry in the State of Goa. This has resulted steep increase in their electricity bills for FY 2015-16. This steep tariff rise has been further aggravated by introduction of Time of Day (TOD) tariff for HTI/Industrial category of consumers. The Table showing comparison and steep increase in tariff of the Petitioners is given below:-

Year	Heads of Billing	Alcon Cement Company Pvt. Ltd.	Counto Microfine Produts Pvt. Ltd.
FY 2014-15	Billing Demand (kVA)	1551	1500
	Total Fixed Charge (Rs)	310200	3000000
	Electricity Consumption (kWh)	531618	697080
	Total Energy Charge (Rs)	1754339	2300364
	Total Electricity Billing (Rs)	2507388	3235185
	Total Cost of Electricity (Rs/kWh)	4.72	4.64
FY 2015-16	Billing Demand (kVA)	1572	1500
	Total Fixed Charge (Rs)	393000	375000
	Electricity Consumption (kWh)	666840	705120
	Total Energy Charge (Rs)	2580400	2758322
	Total Electricity Billing (Rs)	3631344	3954561
	Total Cost of Electricity (Rs/kWh)	5045	5061
Percentage increase in Total Fixed Charge (Rs)		27%	25%
Percentage increase in Total Energy Charge (Rs)		47%	20%
Percentage increase in Total Electricity Billing (Rs)		45%	22%

That in addition to the above charges certain other charges have been also increased exponentially based on fixed energy charges. The monthly electricity bills of the Petitioners have increased from 22% to 45% making the business totally unviable and will lead to closure. The increase in tariff will lead to significant increase in cost of cement and other related products of the Petitioners and will lead to lower sales and loss of market share. The inflation in country is in range of 4% to 8% as shown in the table below. The hike of 10% of tariff for FY 2015-16 with respect to the tariff applicable during FY 2014-15 will be sufficient for the Respondent.

CPI Trend in recent months
(Source: www.global-rates.com)

Period	Inflation
March 2015	6.276%
February 2015	6.303%

January 2015	7.173%
December 2014	5.858%
November 2014	4.115%
October 2014	4.979%
September 2014	6.303%
August 2014	6.751%
July 2014	7.234%
June 2014	6.493%

That National Tariff Policy 2006 also states that any increase in tariff should be gradual so that there is no tariff shock to the consumers and the cross subsidies to be reduced gradually and brought within ±20% of average cost of supply by the end of year FY 2010-11. Thus the policy makers gave a transition period of 5 years to bring down the cross subsidies within reasonable and sustainable levels so as to reduce it gradually without giving "Tariff Shock' to any category. However, the Commission in this case has substantially increased the tariff, giving 'Tariff Shock' to these consumers. The Hon'ble APTEL in judgment dated 28.02.2012 in Appeal in 159 of 2011 in the matter of Shankarbhai Dhavlu waghmare Vs. JERC and another has held that cross subsidies are to be reduced gradually and brought down to a level of plus minus ±20% within five years and prayed for review of the order accordingly.

The Petition was received in the Commission on 05.06.2015. The Commission found the Petition generally in line with the Electricity Act and JERC (Conduct of Business Regulations), 2009 and numbered it as Petition no. 173/2015.

The Respondent ED, Goa filed reply to the Petition stating that the tariff in the State of Goa is much lower in comparison to neighboring states such as Maharashtra and Karnataka as shown in the table below:-

PARTICULARS	**GOA**	**MAHARASHTRA**	**KARNATAKA**	**Tamil Nadu**
Fixed Charges (Rs/kVA/Month)	250	190	170	350
Energy Charges (Rs/unit)	3.90	6.33	5.85	6.35

That the State of Goa depends for electricity on allocation of power from Central Generation Stations and does not have its own sources of generation. The Commission increased tariff approximately 14% and the recovery of tariff should be done on regular basis otherwise the revenue gap will keep on increasing. The increase gap adds to the carrying cost and ultimately burdens the consumers which is evident from the table below:-

Table 41 :- Cumulative Revenue gap and carrying cost for FY 2015-16

Particular	FY 2014	FY 2015	FY 2016
Opening Revenue Gap as on Ist April	95.73	483.35	687.21
Revenue Gap / (Surplus) created during the Year	348.60	123.46	113.81
Closing Gap at end of the Year	**443.33**	**606.81**	**801.02**
Rate of Interest (As per prevailing SBI PLR rate)	14.45%	14.75%	14,75%
Carrying Cost on Opening Balance	13.83	71.29	101.36
Carrying Cost on Additional Gap Created	25.19	9.11	-
Total Carrying Cost	**39.02**	**80.40**	101.36
Total Gap including carrying cost	**483.35**	**687.21**	**902.38**

That the prayer of the Petitioners for separate tariff category for cement plants is unreasonable as there may be various industries in Goa which may come up to create separate categories as per their usage. This will lead to creation of numerous tariff categories and defeat the purpose of creating a simple tariff structure for the consumers. The Hon'ble Commission had directed ED - Goa to rationalize the tariff structure in order dated 13.04.2012 of Petitions no. 40/2011 and 70/2012 (Para ref: point 5 on page no. 3). ED - Goa has been trying to rationalize the same in subsequent tariff orders and has proposed the same in latest tariff petition.

That the Petitioners have provided the comparison of the electricity bill for FY 2014-15 and FY 2015-16. However the comparison should be for the tariff and not the electricity bills. The electricity bills depend on various factors such as billing demand and energy consumption which vary as shown in the comparison by the Petitioner. When consumption as well as the demand increases, electricity bill will in turn increase with or without the tariff increase which is evident from the table below:-

The percentage of increase in tariff between FY 2014-15 to FY 2015-16 is shown in the Table below:-

Sl. No.	Category of consu	Approved Tariff		Sl. No.	Category of consumer	Old Tariff		% change in Fixed Charge	% change in Energy Charge
		Fixed Charge (Rs/kW/Rs/kVA Rs/BHP Rs/Month/ Connection)	Energy Charge (Rs/kWH)			Fixed Charge (Rs/kW/Rs/kVA Rs/BHP Rs/Month/ Connection)	Energy Charge (Rs/kWH)		
B	High Tension Supply				High Tension Supply				
9	Tariff				Tariff				

	HTI/Industrial				HTI/Industrial			
	Connected at 11/33 KV	250.00	3.90		Connected at 11/33 KV	200	3.3	25%	18%
	Connected at 110 kV	250.00	3.80		Connected at 110 kV	200	3.3	25%	15%
		250.00	3.80		Tariff HTI/Industrial	200	3.3	25%	15%
		250.00	3.80		Tariff HTI/Hotel Industries	200	3.3	25%	15%
		250.00	3.80		Tariff HTI/Ice manufacturing	200	3.3	25%	15%
		250.00	3.80		EHTI/Industrial	230	3.5		

The levies are recovered by the Government of Goa and the same are beyond control of Respondent and are also not under Regulatory System.

That the CPI/WPI trend as shown by the petitioners is relevant for O&M expenses and other material and labour prices etc. There are other factors on which the tariff increase depends such as Power Purchase Cost, which in turn depends upon the fuel cost, which is beyond the control of ED, Goa and is around 80-85% of total ARR expenses. ED - Goa submits if recovery of revenue gap is deferred it will be additional burden to consumers at a later date, and also the fact that new consumers in future will have to bear the impact. It is important that present costs are recovered to the extent possible from present set of consumers only. The contention of the Petitioners that the cross subsidies are not being reduced and brought within ± 20% of average cost of supply is wrong. The Respondent relies upon Tables no. 8.3 and 8.4 of the order under review showing ACOs of the previous order for FY 2014-15 and current order for FY 2015-16.

The relevant table from the order under review is given below:-

Sl. No.	Category/Consumption Slab	Revenue at Existing Tariff		
		Average Realization	ACoS	% of ACoS
	High Tension Supply	**4.09**	3.52	116%
11	Tariff HTI/ Industrial	4.23	3.52	120%
12	H.T. Industrial Ferro Metallurgical/Steel Melting / Power Intensive	3.94	3.52	112%
13	Tariff HTAG/Agriculture	1.90	3.52	51%
14	H.T. MES / Defense Establishments	3.22	3.52	102%
15	Tariff HTC/Commercial		3.52	0%

16	Tariff HID/Domestic		3.52	0%
17	Tariff HT Industries (High Tech)	3.96	3.52	113%

Average revenue as percentage of ACOs at Revised Tariff for FY 2015-16

Sl. No.	Category of consumer	Revised Tariff		
		Average Realization	ACoS	% of ACoS
B	**High Tension Supply**	**4.81**	4.09	117.60%
9	**Tariff HTI/Industrial**	**4.94**	4.09	120.78%
	Connected at 11/33 Kv	4.99	4.09	122.00%
	Connected at 110 Kv	4.69	4.09	114.67%
10	Tariff HTFS Industrial (Ferro Metallurgical/Steel Melting / Power Intensive / Steel Rolling	4.56	4.09	111.49%
11	Tariff HTC / Commercial	6	4.09	146.70%
12	Tariff HTAG/Agriculture	1.98	4.09	48.41%
13	Tariff HTD / Domestic		4.09	0.00%
14	Tariff H.T. MES / Defense Establishm	4.25	4.09	103.91%

That there is no dispute with the law laid down by Hon'ble APTEL in the judgment dated 28.02.2012 but the same is not applicable on the facts of the present petition and prayed for dismissal of the Petition.

The Commission scheduled hearing of the Petition on 29.06.2015 at Commission's HQ. The Commission heard the representative of the Petitioners. The Commission after going through the Petition and the order under review observed that Petitions no. 166/2015, 168/2015, 169/2015, 172/2015 and 173/2015 are against the same order dated 06.04.2015 passed by the Commission in Petitions no. 160/2015 & 161/2015. The Commission decided to dispose of all the five Petitions by one order.

Order on Review Petition

Law on Review

The Commission has heard Shri P.K. Anvekar,, Consultant for Petitioners - Zuari Foods & Farms Pvt. Ltd., Goa and another in Petition no. 166/2015 , Travel & Tourism Association of Goa and others in Petition no. 169/2015 , JAI Bhuvan Builders Pvt. Ltd., Goa in Petition No. 172/2015 , Alcon Cement

*Company Pvt. Ltd., Goa and another in Petition No. 173/2015 and S/Shri Jayesh Chauhan, Consultant, Laxmikant D.Kolveker, Superintending Engineer, Santosh Lolienkar, Executive Engineer and Ramdas N. Bhat, Executive Engineer for Petitioner ED, Goa in Petition no. 168/2015 and Respondent ED, Goa in Petitions no. 166/2015, 169/2015, 172/2015 & 173/2015 at length and has gone through the main Petitions no. 160/2015 and 161/2015, the order under review, the review petitions,*provisions of *Section 114 and order 47 Rules (1) and (2) of the Civil Procedure Code, Sections 94 and 95 of the Electricity Act, 2003 and Regulation 74 of the JERC* (Conduct of Business) Regulations, 2009.The Commission has applied its mind on the facts of the petitions and law on the point carefully and thoroughly.

The Commission is of the opinion that the Commission derives powers of review from Section 94 of the Electricity Act. The Commission as per the provisions of Section 94 of the Electricity Act has framed Regulation 74 of the JERC (Conduct of Business) Regulations, 2009 for review of its own orders*. Section 95 of the Electricity Act provides that all the proceedings before the Commission are judicial proceedings and the Commission has all powers of Civil Court. The Civil Court under section 114 and under order47 Rules (1) & (2) of C.P.C. has powers to review its own orders and judgments. The grounds for review of an order or judgment are given under order 47 Rules 1 & 2 of the Civil Procedure Code. Therefore, before proceeding further it will be appropriate to reproduce the provisions of Section 114 and order 47 Rules (1) and (2) of the Civil Procedure Code, Sections 94 and 95 of the Electricity Act, 2003 and Regulation 74 of the JERC* (Conduct of Business) Regulations, 2009 which run as under:-

Section 114 CPC Review

Subject as aforesaid, any person considering himself aggrieved,-

a. by a decree or order from which an appeal is allowed by this Code, but from which no appeal has been preferred,
b. by a decree or order from which no appeal is allowed by this Code, or
c. by a decision on a reference from a Court of Small Causes, may apply for a review of judgment to the Court which passed the decree or made the order, and the Court may make such order thereon as it thinks fit.

Order 47 Rules and 2 CPC

Application for review of judgment;-

(1) Any person considering himself aggrieved –

a. by a decree or order from which an appeal is allowed, but from which no appeal has been preferred,
a. by a decree or order from which no appeal is allowed, or
b. by a decision on a reference from a Court of Small Causes,
and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence was not within his knowledge or could not be produced by him at the time when the decree was passed or order made, or on account of some

mistake or error apparent on the face of the record, or for any other sufficient reason, desires to obtain a review of the decree passed or order made against him, may apply for a review of judgment to the Court which passed the decree or made the order.

(2) A party who is not appealing from a decree or order may apply for a review of judgment notwithstanding the pendency of an appeal by some other party except where the ground of such appeal is common to the applicant and the appellant, or when, being respondent, he can present to the Appellate Court the case on which he applies for the review.

Section 94 of the Electricity Act
Powers of Appropriate Commission

1. 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 of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely:-

a. summoning and enforcing the attendance of any person an examining him on oath;
b. discovery and production of any document or other material object producible as evidence;
c. receiving evidence on affidavits;
d. requisitioning of any public record;
e. issuing commission for the examination of witnesses;
f. reviewing its decisions, directions and orders;
g. any other matter which may be prescribed.

2. The Appropriate Commission shall have the powers to pass such interim order in any proceeding, hearing or matter before the Appropriate Commission, as that Commission may consider appropriate.
3. The Appropriate Commission may authorize any person, as it deems fit, to represent the interest of the consumers in the proceedings before it.

Section 95 of Electricity Act:-

Regulation – 74 of *the JERC* (Conduct of Business) Regulations, 2009
Review of the decisions, directions and order

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.

The petitioners have filed these petitions under the provisions of section 94 of the Electricity Act and Regulation 74 of JERC (Conduct of Business) Regulations, 2009 to review its order dated 06.04.2015. From bare reading of Section 94 (f) of EA, 2003 and Regulation 74 of JERC (Conduct of Business) Regulations, 2009, it is clear that this Commission has power to review its own orders or decisions as a Civil Court under the Civil Procedure Code. The same powers are vested in this Commission and same provisions of Order 47 Rule 1 of the CPC shall apply. From reading of provisions of Section 114 and Order 47 Rules 1 and 2 of the CPC it is clear that review is maintainable only on following grounds :-

a. Discovery of a new and important matter of evidence which even after exercise of due diligence was not within the knowledge of the Petitioner;
b. Discovery of new and important matter of evidence which even after exercise of due diligence could not be produced by the Petitioner during the original proceedings which culminated in the final order passed;
c. Order made on account of some mistake or error apparent on the face of the record;
d. Any other sufficient reasons.

The issues raised in the Review Petitions:

Petition No. 166/2015

Admittedly the Petitioners are cultivating mushroom and they were billed in HTAG/LTAG category as the case may be for the last twenty years. But in the order under review they are kept in commercial category and their tariff has substantially increased. The case of the Petitioners is that cultivation of mushroom is an agriculture /horticulture activity. The Petitioners in support of their case have relied upon copy of judgment dated 16.10.2006 passed by Hon'ble APTEL in Appeal No. 95/2006 titled Chhattisgarh Krishi Vaniki Samaj and another Vs Chhattigarh State Electricity Board and another, copy of Certificate no. 3/3/Hort/NHM/1A/2015-16/D.Agri/38 dated 15.05.2015 issued by Director of Agriculture, Govt. of Goa, and copy of Certificate no. 3/3/Hort/NHM/IA/2015-16/D.Agri/39 dated 15.05.2015 issued by Director of Agriculture, Govt. of Goa, Bill No. 69 of Electricity consumption for the month of March, 2015 of the Petitioners, Bill No. 71 of Electricity consumption for the month of April, 2015 of the Petitioners and Tariff Booklet of MSED Ltd. effective from 01.08.2012.

From perusal of the documents relied upon by the Petitioners it reveals that the Government of Goa has declared mushroom cultivation as Agricultural / Horticulture activity and Hon'ble APTEL in judgment dated 16.10.2006 has held that mushroom cultivation being agricultural / horticulture activity should be charged tariff in the category of as HTAG / LTAG

Agricultural category as the case may be. State of Maharashtra is also charging tariff from mushroom growers in category of HTAG or LTAG Agriculture as the case may be. The Respondent – ED - Goa did not dispute the fact that mushroom cultivation is Agriculture / Horticulture activity.

ED-Goa in the tariff petition proposed that the 'Mushroom Activities' be covered under commercial category and 'Horticulture' under agricultural category. The Commission after public hearing accepted the proposal. However, this created ambiguity in the Order under review in a way that Mushroom activities could be billed under both Agriculture as well as Commercial categories, and subsequently, the ED-Goa started billing them under commercial category. Therefore, the tariff of the Petitioners has increased substantially.

The Commission is of the opinion that since the 'Mushroom Activities' are classified as 'Horticulture' activity they are required to be covered under agriculture category only. Hence the Order under review to the extent that the 'Mushroom Activities' be charged electricity bills in Commercial Category requires review. The 'Mushroom Activities' should be charged tariff in HTAG or LTAG category as the case may be. Resultantly the order under review is modified to the extent that the 'Mushroom Activities' shall be charged tariff in the category of HTAG / Agricultural or LTAG Agriculture as the case may be. The Review Petition succeeds and is hereby allowed.

Petition No. 168/2015

The Petitioner submitted that IPP PPA of Reliance has expired on 13.08.2014. However, payment of the same has not been yet settled. The Petitioner prays that the same may be allowed as pass through in the ARR during true up once the payment is settled. The Commission considered the prayer of the Petitioner. The Commission observed that Reliance Industries has already filed Petition no. 167/2015 under Section 86 (1) of Electricity Act, 2003 for recovery under Power Purchase Agreement dated 10.01.1997 amended from time to time between Reliance Infrastructure Limited and Government of Goa through Electricity Department, Goa before this Commission. The matter is subjudice. The Commission reached the conclusion that the prayer of the Petitioner is genuine. Therefore, the Commission accedes to the prayer of the Petitioner and orders that the IPP PPA of Reliance fixed charges claim for FY 2014-15 should be considered at the time of true up once ED – Goa submits the audited accounts, files true up and petition is disposed of. The payment shall be settled accordingly. Therefore, the prayer of the Petitioner to allow payment of Reliance as pass through in the true up once the accounts are settled is allowed.

The prayer of the Petitioner further is that true up claim of the past FY 2011-12 to FY 2014-15 be allowed on submission of audited Accounts and Fixed Asset Register. The Commission considered the prayer of the Petitioner and reached the conclusion that the prayer of ED – Goa is as per the JERC Regulations. True up is done only on submission of audited accounts. Therefore, the Commission accedes to the prayer of the Petitioner, and observes that true up claim of the Petitioner for FY 2011-12 to FY 2014-15 shall be considered on submission of audited Accounts and Fixed Asset Register.

The Commission in the order under review at page no. 134 after considering the submissions of the Petitioner with accompanying documents held that "The Commission has considered the weighted average interest rate of 7.99% for the existing loans as approved in the Tariff Order for FY 2014-15 dated April 15, 2014 which is subject to actual true up.". The representatives for the Petitioner have failed to point out any error on the face of record on the findings of the Commission. The findings of the Commission are as per the JERC Regulations. Hence, the case of the Petitioner does not fall under the provisions of Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009 and does not **require** review. Hence the prayer of the Petitioner is repelled. However, the Commission observes that once the actual loan details as per the audited Accounts are made available average rate of interest would be accordingly calculated.

The Petitioner prayed to point out specific deficiencies in the manpower study report submitted by the Petitioner and expectations of the Commission from the manpower study report. The Commission may suggest name of the agency which can be engaged to carry out the requisite study. The Commission at page no. 220 of the order under review has observed and given categorical findings that the Commission has noted that ED- Goa has not done much in the context of manpower rationalization. Its manpower cost is relatively on higher side. Hence, JERC directs that ED - Goa will undertake a systematic manpower study report to identify areas where there is excess and work out a systematic plan to reduce the same. The revised Manpower study report to be submitted by September 30th, 2015." The Commission considered the prayer of the Petitioner and has come to the conclusion that the findings and directions of the Commission are specific. The Commission does not interfere in micromanagement of the licensee. The licensee can select any reputed agency to prepare the manpower study report as per the directions given by the Commission in the order under review. The Petitioner has failed to point out any error on the face of record in the observations and findings of the Commission. The representatives for the Petitioner have failed to show how the case of the Petitioners falls within the ambit of section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Hence, the prayer of the *Petitioner to review the order on this issue is repelled.*

The submission of the Petitioner is that the Commission under RPO obligation for FY 2014-15 has inadvertently approved an additional amount of Rs 12.75 crores for non solar REC purchase which has resulted in an increase of ARR and corresponding revenue gap and budgetary support. The Petitioner prays to reconsider the calculations and allow a reduction of Rs 12.75 crores in the ARR and corresponding revenue gap and budgetary support for FY 2014-15. The Commission has gone through the Table no. 5.19 at page no. 119 of the order under review and Table no.1 submitted by the Petitioner in the review petition carefully and thoroughly and reached the conclusion that the Commission inadvertently in Table no. 5.19 at page no. 119 has considered the figure of Rs 12.75 crores and in Table 5.20 at page no. 121 considered the figure of Rs 12.61 crores in the order under review as non solar RPO compliance. This has resulted in increase in ARR and corresponding revenue gap and budgetary support. The same is an error on the face of record. Therefore, the Commission replaces Table no. 5.19 at page no. 119 of the order under review with the following table:-

Table 5.19 – Power Purchase cost approved for FY 2014-15, Pg 119

Source	***Approved***					
	H1 FY 2014-15		***H2 FY 2014-15***		***FY 2014-15***	
	Purchase (MU)	***Total cost (Rs. Cr.)***	***Purchase (MU)***	***Total cost (Rs. Cr.)***	***Purchase (MU)***	***Total cost (Rs. Cr.)***
Renewable Energy	*0.75*	*0.63*	*4.00*	*16.10*	*4.75*	***3.98***
Total	*1885.33*	*568.16*	*1848.63*	*525.46*	*3733.96*	***1080.87***

The Petitioner submitted that the Commission approved Transmission charges for FY 2014-15 as submitted by the Petitioner. However, for FY 2015-16 the Commission has approved the Transmission charges as approved in the revised estimate of FY 2014-15. The Petitioner has prayed that ED – Goa be allowed 10% escalation in the PGCIL Transmission Charges for FY 2015-16. The PGCIL Transmission Charges for FY 2015-16 on calculation comes to Rs 136.70 crores and after escalation of 10% for FY 2015-16 comes to Rs 153.67 crores and the difference comes to Rs 16.97 crores. The Petitioner also prayed that as an alternative ED-Goa be allowed deviation of PGCIL Transmission Charges in FPPCA mechanism.

The Commission considered the prayer of the Petitioner and applied mind on the facts and circumstances of the case and reached to the conclusion that Petitioner has failed to show any ground to allow increase of 10% in PGCIL Transmission Charges for FY 2015-16. The Commission in the order under review has allowed PGCIL Transmission Charges for FY 2015-16 as per the revised estimate of FY 2014-15. The Petitioner has failed to point out any inherent illegality or infirmity and error on face of record on this issue. The powers of the Commission to review its own order are limited. The Commission can review its own order only when there is:-

i. Discovery of a new and important matter of evidence which even after exercise of due diligence was not within the knowledge of the Petitioner'
ii. Discovery of new and important matter of evidence which even after exercise of due diligence could not be produced by the Petitioner during the original proceedings which culminated in the final order passed;
iv. Order made on account of some mistake or error apparent on the face of the record and
v. Any other sufficient reasons.

The representatives for the Petitioner have failed to make out a case under any of the above grounds. Hence, the case of the Petitioner on this issue does not fall within the purview of Section 47 of the Electricity Act and Regulation 74 of JERC (Conduct of Business) Regulations, 2009. So, the prayer of the Petitioner to review the order on this issue is declined.

However, it is made clear that variation in the PGCIL Transmission charges shall be considered and dealt with separately at the time of true up.

The Petitioner submitted that the Commission retained loss level 11.50%for FY 2014-15 and FY 2015-16 in the Order under review and rejected the higher level of losses projected 14% and 13.75% for FY 2014-15 and FY 2015-16 respectively with the observation that Petitioner has not substantiated higher T&D loss with sufficient reason. Meter reading, billing and collection process is being streamlined. Therefore, actual T&D loss may be different from that projected in the Petition. Higher level of capital / system improvement schemes are required to reduce the T&D losses, and without proper loss reduction schemes the losses will keep on increasing on maintenance system only as the system has become old. The Petitioner be allowed to submit actual T&D loss level after energy audit is done and the same be taken for setting realistic level of loss reduction and capital expenditure be also accordingly allowed.

The Commission considered the prayer of the Petitioner and applied mind on the facts and circumstances of the case and reached the conclusion that the Petitioner has failed to show any ground to allow increase of 14% and 13.75% of T&D loss for FY 2014-15 and FY 2015-16 respectively. The Commission in the order under review has allowed T&D loss of 11.50% FY 2014-15 and FY 2015-16. The Petitioner in the order under review has been also directed to carry out energy audit division /sub division wise and submit a report to the Commission by 30.09.2015. The Petitioner has failed to point out any inherent illegality or infirmity and error on face of record in the order under review on this issue.

However, it is made clear that the Commission would consider deviation on T&D losses at the time of true up.

The representatives for the Petitioner submitted that the Commission in Order under review considered opening GFA value of assets for FY 2014-15 at Rs 398.74 crores as the Fixed Asset Register for FY 2013-14 has not been submitted to support the claim for opening GFA for FY 2013-14. The gross block considered in APR of FY 2014-15 was based on the Fixed Asset Register prepared for the period of FY 2007-08 to FY 2012-13. FAR was prepared for the period by considering asset addition per year in each 17 Divisions of the State and once FAR upto 2012-13 is prepared gross block for subsequent years will be derived based on asset addition during the year. The FAR for FY 2013-14 is not yet prepared. FAR for FY 2008-09 to FY 2012-13 needs to be considered and the closing GFA of FY 2012-13 needs to be considered as the opening GFA for FY 2014-15.

The prayer of the Petitioner is that atleast part amount of FARs up to FY 2012-13 as submitted by the Petitioner should be considered and if it is not considered the return on capitalized asset would get lumped up and as a result the consumer would get a tariff shock or regulatory assets created would accumulate to huge levels making it difficult to recover from the consumers. Therefore, the Petitioner be allowed return on capitalized assets and depreciation as per FAR submitted till FY 2012-13 until updated FAR till FY 2014-15 is submitted. The Petitioner would return any over recovery that may happen in the process.

After going through the main petition, order under review as well as the review petition carefully and thoroughly the Commission is of the opinion that the Petitioner has failed to submit audited accounts with FAR. The Petitioner has submitted unaudited FAR for FY 2007-08 to FY 2012-13 in terms of GFA. The FAR can be considered only along with the corresponding audited accounts. Therefore, the Commission rightly considered opening GFA value of assets for FY 2014-15 at Rs 398.74 crores as approved in tariff order dated 15.04.2014 as FAR for FY 2013-14 has not been submitted in support of claim of the opening GFA for FY 2014-15. The representatives for the Petitioner have failed to point out error on face of record on the issue under consideration. Hence, the case of the Petitioner under this issue does not fall under the purview Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Therefore, the prayer of the Petitioner to review the order under this issue is repelled.

The prayer of the Petitioner is to consider introduction of load factor incentives so as to incentivize the consumers consuming near contracted load and levying penalty for those who are significantly diverting therefrom. The Commission considered the prayer of the Petitioner and after going through the main petition, order under review and the petition for review is of the opinion that this issue was not included in the main petition, therefore, the Commission did not consider the same and allow load factor incentive in the order under review. However, the Commission may consider this as part of next year's review petition. This is an additional plea of the Petitioner in the review petition beyond pleadings of the main petition. Hence, there is no error on face of record in the order under review. The representatives for the Petitioner have failed to show how this issue falls within the purview of section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Therefore, there is no ground for review this issue and the prayer of the Petitioner to introduce load factor in the order under review is without merit. Hence, it is declined.

The Petitioner submitted that the Commission has apparently erred in calculation of R&M expenses for FY 2015-16 in Table no. 6.45 at page no. 196 of the order under review. The Commission has applied its mind and has gone through the main petition, order under review and the review petition carefully and thoroughly and came to the conclusion that the Commission considered the WPI inflation index of 5.98% over approved figures of FY 2014-15 to approve the elements of O&M expenses for FY 2015-16. The value of approved R&M expenses for FY 2014-15 has been taken wrongly as Rs 11.96 crores, whereas correct value to be taken is Rs 20.73 crores . For calculation in Table no. 6.45 at page no. 196 of the order under review the Commission considered R&M expenses for FY 2014-15 at Rs 11.96 crores and the inflation considered by the Commission is 5.89%, whereas the correct calculation is 5.98% increase over Rs 20.73 crores and the same comes to Rs 21.97 crores. Therefore, Table no. 6.45 at page no. 196 of the order under review is replaced by the Table given below:-

Table 14: Corrected/Recalculated O&M Expenses for FY 2015-16

(Rs.Crore)

Sl. No.	Particulars	Projected for FY 2014-15 (RE)	Inflation Index %	Inflationary Increase	Correction in Approved for FY 2015-16
1	Employee Expenses	152.42	5.98%	9.11	161.53
2	R&M Expenses	20.73	5.98%	1.24	21.97
3	Admin & General Expenses	9.46	5.98%	0.57	10.03
4	**Total O&M Expenses**	**182.61**		**10.92**	**193.53**

The case of the Petitioner is that the Commission considered latest RBI bank rate i.e. 8.50% for FY 2014-15 and FY 2015-16 on Security Deposits, whereas prevailing RBI Bank rate during FY 2014-15 for major period is 8.75%. The Petitioner prays to consider RBI Bank Rate of

8.75% for calculation of Interest on Security Deposits and Security Deposit of Rs 7.02 crore instead of Rs 6.82 crores for FY 2014-15 and Rs 7.64 crores instead of Rs 7.43 crores for FY 2015-16. The Commission after considering the submissions made by the Petitioner and arguments advanced by the representatives for the Petitioner is of the opinion that interest on Security Deposit is provisional and estimated. The interest is subject to review /true up. Therefore, the Commission observes that the interest on Security Deposit will be reconsidered at the time of review / true up. Hence, there is no scope for review the order on the present issue.

The submission of the Petitioner is that the Commission considered figures of interest on working capital as approved in the previous Tariff Order and apparently erred in not considering the revised power purchase cost approved for FY 2014-15. The power purchase cost approved in the order under review is Rs 1093.62 crores i.e. Rs 91.14 crores for one month. Whereas the Commission approved Rs 77.83 crores for FY 2015-16 and R&M cost is taken wrongly, therefore, the R&M cost for one month increases from Rs 15.35 crores to Rs 16.13 crores. The approach of the Commission is as per the JERC (Terms & Conditions for determination of Tariff) Regulations, 2009 and previous Tariff Order but the deduction of Security Deposit from working capital requirement is not mentioned in the JERC (Conduct of Business) Regulations, 2009. There is also ambiguity in considering Security Deposits amount for reducing working capital requirement for FY 2014-15 and FY 2015-16. The Petitioner prays to reconsider the calculations of IWC and value of Security Deposit considered and IWC for FY 2014-15 should be Rs 4.81 crores instead of Rs 1.80 crores and Rs 2.46 crores instead of Rs 2.34 crores for FY 2015-16.

The Commission considered the submission of the Petitioner at length and after hearing the representatives for the Petitioner as well as going through the main petition order under review and the petition for review with accompanying documents and calculations submitted by the Petitioner is of the opinion that the Commission inadvertently erred in making calculations for IWC for FY 2014-15 and FY 2015-16. Therefore, Table no. 5.39 at Page no. 137 AND Table No. 6.52 at Page no. 202 of the order under review is replaced with the following table:-

Table 15: Corrected/Recalculated IWC for FY 2014-15 & FY 2015-16

(Rs.Crore)

Sl. No.	Particulars	Approved for FY 2014-15 (RE)	Recalculated for FY 2014-15	Approved for FY 2015-16	Recalculated for FY 2015-16
1	Power Purchase Cost - 1 Month	77.83	90.07	87.36	87.36
2	O & M Cost - 1 Month	15.22	15.22	15.36	16.13
3	**Total working capital**	**93.05**	**105.29**	**102.72**	**103.49**
4	Less: Closing Security Deposit	80.88	**73.73**	**86.83**	**86.83**

Sl. No.	Particulars	Approved for FY 2014-15 (RE)	Recalculated for FY 2014-15	Approved for FY 2015-16	Recalculated for FY 2015-16
5	**Net working capital requirement**	**12.17**	**31.56**	**15.89**	**16.66**
6	Rate of interest / SBI Base Rate	14.75%	14.75%	14.75%	14.75%
7	**Interest on working capital (IWC)**	**1.80**	**4.65**	**2.34**	**2.46**

The case of the Petitioner is that due to changes in the above issues of O&M expenses and IWC calculations for FY 2014-15 and FY 2015-16 there shall be changes in the ARR and revenue gap FY 2014-15 and FY 2015-16. The Commission considered the prayer of the Petitioner carefully and thoroughly and after applying mind on the facts and circumstances of the Petition is of the opinion that due to changes in O&M expenses and IWC changes for FY 2015-15 and FY 2015-16 the ARR and revenue gap shall certainly change. Therefore, the Commission orders that Table No. 5.34 at Page no. 141 and Table No. 5.36 at Page no. 145 is replaced by the following recalculated Table on APR for FY 2014-15:-

Recalculated APR for FY 2014-15

(Rs.Crore)

Sr. No.	Item of expense	Revised Estimates	Now Approved in T.O. (10.4.15)	After Correction
1	Cost of power purchase	1123.23	1093.62	1080.87
2	Employee costs	231	152.42	152.42
3	R&M expenses	44.33	20.73	20.73
4	Administration and General expenses	9.46	9.46	9.46
5	Depreciation	51.91	25.87	25.87
6	Interest on Loan & Finance charges	77.39	24.12	24.12
7	Interest on Working Capital	5.38	1.8	4.65
8	Interest on Security Deposit	8.16	6.82	6.82
9	Return on NFA /Equity	20.94	11.12	11.12

Sr. No.	Item of expense	Revised Estimates	Now Approved in T.O. (10.4.15)	After Correction
10	CGRF Expenses	0.51	-	-
11	**Total Revenue Requirement**	**1572.33**	**1345.96**	**1336.06**
12	Less: Non-Tariff Income	6.74	6.74	6.74
	Add- provision for RPO obligation		20.7	20.7
13	**Net Revenue Requirement** **(11-12-13)**	1565.59	1359.92	1350.02
14	Revenue from Retail Sales at Existing Tariff	1090.71	1147.44	1147.44
15	**Net Gap (13-14)**	474.88	212.48	202.58
	Support from Govt.	**59.04**	**212.48**	**202.58**
	Balance Revenue Gap	**415.83**	**0**	**0**

Similarly, the Table no. 6.58 at Page no. 206 and Table no. 6.61 at Page no. 210 is also replaced by the following corrected Table of ARR for FY 2015-16:-

Corrected/Recalculated ARR for FY 2015-16

(Rs. Crore)

Sr. No.	Item of expense	Projected	Now Approved in T.O. (10.4.15)	After Correction
1	Cost of power purchase	1,149.85	1048.34	1048.34
2	Employee costs	232.45	161.53	161.53
3	R&M expenses	37.3	12.68	21.97
4	Administration and General expenses	16.27	10.03	10.03
5	Depreciation	63.19	38.81	38.81
6	Interest on Loan & Finance	88.2	33.49	33.49

Sr. No.	Item of expense	Projected	Now Approved in T.O. (10.4.15)	After Correction
	charges			
7	Interest on Working Capital	4.27	2.34	2.46
8	Interest on Security Deposit	8.27	7.43	7.43
9	Return on NFA /Equity	57.45	15.82	15.82
10	CGRF Expenses	0	-	-
11	**Total Revenue Requirement**	**1,657.26**	**1,330.47**	**1,339.88**
12	Less: Non-Tariff Income	6.65	6.74	6.74
13	**Net Revenue Requirement (11-12-13)**	**1,650.60**	**1,323.73**	**1,333.14**
14	Revenue from Retail Sales at Existing Tariff	1,180.52	1,138.30	1,138.30
15	**Net Gap (13-14)**	**470.08**	**185.43**	**194.84**
16	**Gap Met Through Tariff Increase**		**184.32**	**184.32**
17	**Net Final GAP**		**1.11**	**10.52**

The case of the Petitioner is that the Commission considered letter dated 03.02.2014 of Finance Dept., Govt. of Goa, for approval of ARR for FY 2014-15 for meeting revenue gap of FY 2014-15. The Govt. of Goa gave general commitment for meeting the revenue gap of Rs 59.04 crores. The same cannot be held valid for APR / true up for FY 2014-15 for which approved gap of Rs 212.48 crores has been computed by the Commission. The Govt. of Goa cannot give such budgetary support. The Petitioner prays to approve recalculated ARRs for FY 2014-15 approved gap of Rs 212.48 crores.

The Commission after applying mind on the submission of the Petitioner and going through the Tariff Order for FY 2014-15, main petition, order under review and the review petition is of the opinion that the Government of Goa vide letter dated 03.02.2014 from Finance Budget Dept. , intimated the Commission that adequate budgetary support will be provided to meet the deficit . Therefore, the Commission considered an amount of Rs 59.04 crores as budgetary support for FY 2014-15 as undertaken by the Finance (Budget Dept.) Govt. of Goa in the letter dated 03.02.2014. Thus Commission decides not to carry any net revenue gap for FY 2014-15 to FY 2015-16. The representatives for the Petitioner have failed to point out any error on face of record on the issue under review. Therefore, the issue under review does not fall under the provisions of section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. So the prayer of the Petitioner to review this issue is repelled.

The case of the Petitioner is that the Commission approved 'K' factor for each category of consumer. However, the Commission did not provide 'K' factor for HT domestic and HTTS temporary supply consumers categories. The Commission in contravention of its own order dated 27.06.2012 on FPPCA provided 'K' factor values for LT, LIG Low Income Group and LTAG Agriculture categories. The Commission also mentioned that for calculation purpose for use in FPPCA formula the per unit cost of power purchase (R Power – considered is 284 paise / unit). The Petitioner prays for approval of 'K' factor for HTD domestic and HTTS temporary supply categories and calculation basis of considering 284 paise / unit as (R Factor).

The Commission after hearing representatives for the Petitioner at length and going through the main petition , order under review and the review petition carefully and thoroughly observed that the Commission inadvertently did not provide 'K'' factor for HTD domestic category as average revenue realization is Nil. Therefore, the issue requires review. The Commission provides 1.00 'K' factor for HTD domestic category. However, 'K' factor for HTD domestic category in future will be based on actual revenue data.

The Commission also erred while providing 'K; factor value for LT LIG Low Income Group and LTAG agriculture categories. Value of 'K' factor for LT LIG Low Income Group and LTAG agriculture categories will be considered Nil and the order is corrected accordingly. However, 'K' factor for HTTS temporary supply is NA and has been rightly provided in the order under review.

The basis for considering 284 paise/unit (R power i.e. Per Unit cost of Power Purchase is provided in the formula below:-

$$\text{R Power} = \frac{(1048.34 - 136.70)}{\{3233 - (25+6+2)\}} = 284 \text{ paise}$$

The Petitioner submitted that introduction of power factor penalty / incentives for LT consumers is a welcome step. The power factor penalty covers power factor values up to 0.7 only and if consumer power factor falls below 0.70 (lagging) consecutively for three months the licensee reserves right to disconnect service connection of the consumers . However, the penalty for power factor below 0.7 has not been specified. The Petitioner prays to specify a stringent penalty for consumers with power factor lower than 0.7 for one or two months.

The Commission applied its mind on the issue of penalty for the power factor below 0.7 and came to the conclusion that the Petitioner has failed to make out a case under the Provisions of Section 74 of the EA and Regulation 74 of JERC (Conduct of Business) Regulations, 2009 . The representatives for the Petitioner also failed to show any illegality or infirmity and clerical /

typographical error or error on face of record. Therefore, the Commission is of the opinion that there is no ground to review the order on this issue.

The Petitioner prays for allocation of wheeling and retail supply for FY 2015-16 in the Petition for approval of Business Plan for control period of FY 2015-16 to FY 2017-18 as detailed in the main petition as well as review petition.

The Commission after considering the submissions made by the Petitioner and arguments advanced by the representatives for the Petitioner observed that the Commission in the order under review considered allocation matrix for bifurcation of Wheeling and Retail ARR as proposed in the staff paper on operationalization of open access in the State of Goa & UTs. . The Commission further observed that allocation of percentage (%) of Wheeling Retail supply is uniform in all the territories under the jurisdiction of this Commission. Therefore, without hearing all other licensees and stake holders this issue cannot be reviewed. The representative for the Petitioner has failed to point out any error on face of record on this issue as provided under section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. So, this issue does not fall within the purview of the provisions of review as stipulated under Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. So this prayer of the Petitioner stands repelled.

The Petitioner prays that the Commission in Table no. 9.8 at Pages no. 253 and no. 254 of the order under review determined input energy for network usage percentage and in Table no. 9.10 at page no. 255 of the order under review for wheeling charges and losses. The Commission has carefully and thoroughly gone through the main petition, order under review, Table no. 9.8 at Pages no. 253 and 254 and Table No. 9.10 at Page No. 255 of the order under review, the review petition and has considered the submissions made by the representatives for the Petitioner and reached the conclusion that the Commission in the Table no. 9.10 at Page no. 255 erred in computing sales at LT level and took 1355 MU as sales at LT level instead of 1327 MUs as given in Table no. 9.8 at Pages no. 253 and 254 and has reduced the LT losses from 22.6% to 20.98% and total losses from 12.54% to 11.78%. Therefore, the Table no. 9.10 at Page no. 255 is replaced by the following Table:-

Table 16: Corrected/Recalculated Wheeling Charges and Losses for FY 2015-16

Particulars	Units	Formula	Calculations By Commission in T.O FY 2015-16	Recalculated by Petitioner FY 2015-16
Wheeling Cost	Rs.Crs	a	208.26	208.26
Wheeling Cost at EHT & HT	Rs.Crs	b=ax53%	110.38	110.89

Particulars	Units	Formula	Calculations By Commission in T.O FY 2015-16	Recalculated by Petitioner FY 2015-16
Wheeling Cost at LT	Rs.Crs	c=ax47%	97.88	97.37
Energy Input at Discom Periphery	MU	d	3653	3,653.00
Energy Input at EHT & HT level		e=I/(1-g)	1,938.48	1,938.48
Wheeling Charge at EHT & HT Level	Rs/kWh	f=b/dx10	0.57	0.57
EHT and HT Losses	%	g	3.64%	3.64%
EHT and HT Losses	MU	h= e*g	70.48	70.48
Sales at EHT and HT Level	MU	i	1,868.00	1,868.00
Energy Input at LT	MU	j=d-e	1714.71	1,714.52
Wheeling Charge at LT Level	Rs/kWh	k=c/jx10	0.57	0.57
Sales at LT Level	MU	l	1355.00	**1,327.00**
LT Losses	MU	m=j-l	359.71	**387.52**
LT Losses	%	(m/j)*100	20.98%	**22.60%**
Total Losses	MU	n=h+m	430.19	**458.00**
	%	(n/d)*100	11.78%	**12.54%**

The case of the Petitioner is that top 5% power i.e. 191.94 MUs is taken from the plants i.e. Moudha, Barh-2 , open market and RSTPS . However, KGPP and GGPP comes before RSTPS considering top 5% power . The Petitioner prays to provide basis for considering power from RSTPS before KGPP and GGPP while considering 86.07MUs in top 5% power.

The Commission has gone through the main petition, order under review, the review petition and applied mind on the submission of the representatives of the Petitioner. Since KGPP and GGPP are RLNG based, therefore, the Commission has not considered them in the top 5%. The Commission observed that this issue has been dealt by the Commission at length in the order under review.

Besides, the present issue does not fall within the ambit of Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Hence this issue is repelled.

The case of the Petitioner further is that while calculating cross subsidy surcharge , 'S' for HT consumers in Tables no. 9.12, 9.13 and 9.14 at Page no. 257 of the order under review, the Commission considered average tariff for HT categories as 4.81 Rs /KW, on the basis of which cross subsidy surcharge 'S' comes out to be negative, therefore, considered – Nil. The representatives for the Petitioner submitted that cross subsidy surcharge needs to be calculated separately for each individual HT category so as to provide open access charges for each category. Though, cross subsidy surcharge for average HT tariff comes out to be negative, cross subsidy surcharge for HT commercial category comes out to be 59 paise /KW. The Petitioner prays to reconsider and recalculate the cross subsidy surcharge 'S' for each individual for HT category separately and approve cross subsidy surcharge for HT category as 59 paise/KW.

The Commission after going through the main petition, order under review, the review petition, relevant provisions of Electricity Act, 2003, the JERC (Terms & conditions for determination of Tariff) Regulations, 2009 and hearing the representatives for the Petitioner observed that the Commission in the order under review has rightly approved cross subsidy surcharge for HT and LT category. The representatives for the Petitioner have failed to show that how the Commission has committed error on face of records and how this issue comes within the purview of under Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Therefore, there is no merit on this issue also and prayer of the Petitioner to review this issue is negated.

The representatives for the Petitioner in the hearing further submitted that the Commission under head "1(A) Tariff LTD/Domestic" at Page no. 269 of the order under review held "The Applicable monthly minimum charges for Single Phase connection would be Rs 100/- per month for connected load and monthly minimum charges for three phase connection would be Rs 300/- " . They submitted that minimum charges for Single Phase of LTD/Domestic category of consumers is very higher side. The category of LTD/domestic Single Phase consumers belong to Lower Middle Income Group and poor strata of the society. Therefore, the increase in minimum charges of LTD/Domestic category of consumers has adversely affected the Lower Income Group of the Society, their monthly bills have risen and has given them tariff shock. They prayed that minimum charges for Single Phase of LTD/Domestic category of Consumers be revised and lowered to Rs 100/- per month for connected load above 2KW and Rs 300/- per month above 4KW connected load of consumers.

The Commission sympathetically considered the prayer of the Petitioner and observed that hike in monthly minimum charges of LTD/Domestic category has adversely affected lower income group of the society and their electricity bills have risen, which has financially affected the health of the LTD /Domestic consumers / Poor strata of the society. Therefore, the Commission is of the opinion that it is a fit case to review the order on minimum charges of LTD/Domestic consumers. The Commission ordered that under head 1(A) Tariff LTD/Domestic at Page no. 269 of the order under review, the minimum charges of the LTD/Domestic consumers will be replaced as under:-

"The Applicable monthly minimum charges for Single Phase connection would be Rs 100/- per month for connected load above 2KW and monthly minimum charges for three phase connection would be Rs 300/- per month."

In the light of above discussions, observations, findings and directions the review petition stands disposed of.

Petition No. 169/2015

The Petitioner has prayed for review of tariff of HT and LT industrial consumers applicable to travel and tourism activity on the ground of steep increase in tariffs. The Commission examined the main petition, order under review, the petition under review, accompanying documents and heard representative for the Petitioner at length and applied its mind on the facts and circumstances of the present petition and law on the point.

The Commission observed that the Petitioner has given comparison of electricity bills of the Petitioner for FY 2014-15 and FY 2015-16, whereas, the comparison should be for tariff of the electricity bills. The electricity bills depend on many factors such as billing demand and energy consumption. Therefore, if the consumption as well as demand increases, the electricity bills will in turn increase with or without the tariff increase. Besides, the levies imposed by the Government are beyond the control of the ED Department and are also not under the Regulatory system.

The tariff of ED, Goa is lower in comparison to neighbouring states of Maharashtra and Karnataka as evident from the Table below:-

PARTICULARS	GOA	MAHARASHTRA	KARNATAKA
Fixed Charges (Rs/kVA/Month)	250	190	190
Energy Charges (Rs/unit)	3.90	6.33	7.35

The CPI / WPI trend shown by the Petitioner is relevant for O&M expenses and other material and labour prices etc. The increase in tariff depends on power purchase cost and fuel cost, which is around 80-85% of total AR expenses of the Respondent and beyond the control of the Respondent. Therefore, if recovery of revenue gap is deferred it will be an additional burden on consumers at a later date, and also new consumers in future will have to bear the impact. It is important to note here that present cost is to be recovered to the extent possible from the present set of consumers only.

The Commission in the order under review has specifically observed as under:-

Quote

"The Commission has attempted to reduce the cross-subsidy in the consumer categories in this order, by rationalizing the tariff for subsidized categories and suitably adjusting the tariff for subsidizing categories, vis-à-vis the prevailing average cost of supply, while at the same time, trying to ensure that there is no tariff shock to any consumer category"

The TOD tariff for the consumers of ED, Goa was already in place since FY 2012-13 . The TOD tariff for HT consumers was optional. The Petitioner was required to plan and make necessary arrangements as per their demands. It seems that the Petitioner was waiting for filing the Petition till TOD has been made mandatory. It is also relevant to mention here that TOD is mandatory for all the HT consumers in the jurisdiction of this Commission and for all HT consumers in the neighboring states of Maharashtra, Karnataka and Telegana.

The Commission further observed that increase in the tariff for FY 2015-16 in comparison to FY 2014-15 is approximately 14%. The Commission is to reduce cross subsidy gradually without giving tariff shock to the consumers and bringing it to the level of ±20%. Therefore, the increase in tariff of 14% is not a tariff shock. The recovery of revenue gap cannot be deferred as the same will be an additional burden on consumers at a later date. The representative for the Petitioners has failed to make out a case under Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Therefore, the prayer of the Petitioner to review the tariff for HT and LT industrial consumers applicable to travel and tourism activity on the ground of steep increase in tariffs is without any merit and does not fall within the purview of under Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. So the Petition fails and is hereby dismissed.

Petition No. 172/2015

The Petitioner –JBBPL submitted that the Commission in the order dated 06.04.2015 (under review) approved Single Point Supply / distribution franchise arrangement along with tariff mechanism submitted by the ED-Goa. However, the Commission on 16.04.2015 issued addendum, approved tariff and rebate of 5% on billed amount of the LT consumers. The Petitioner prayed for 4% as distribution losses and 3% as reimbursement charges totalling 7% of total energy input as losses and reimbursement charges to the distribution franchise. The petitioner prayed that the condition related to tariff chargeable to downstream consumers also requires modification as there shall not be different tariffs for the same category of consumers. The Petitioner further prayed that introduction of TOD tariff for HT categories and some other charges have given steep increase in the tariff which has resulted in tariff shock. The steep increase in energy charges has also resulted in increase of cost to the end consumers and made the business totally unviable.

The Petitioner further submitted that National Tariff Policy provides for gradual increase in tariff to avoid tariff shock. The tariff policy further provides that cross subsidies are to be reduced gradually and brought within ±20% of average cost of supply by the end of FY 2010-11. But the Commission has substantially increased the tariff which has also resulted into tariff shock to the Petitioners.

The Commission carefully and thoroughly examined the main petition, order under review, the present petition for review and heard the representative for petitioner at length and reached the conclusion that the Commission as per the pleadings, Electricity Act, 2003, National Tariff Policy, 2006, JERC (Terms & Conditions for determination of Tariff) Regulations, 2009 and objections filed and raised by the Petitioner in the Public Hearing rightly approved the tariff. However, some modification are required for conditions related to rebate and tariff chargeable to downstream consumers. Accordingly, the Commission decides that rebate of 5% in the billed amount will be applicable to all consumers instead of LT consumers only. The Commission also clarifies that the SPS applicant shall not charge tariff from the downstream consumers higher than the tariff applicable to them as normal consumers of the ED-Goa. The levy / other charges are levied by the Government of Goa and the same are beyond control of the ED- Goa and the Regulatory system. The implementation of SPS arrangement should be in accordance with the Electricity Act, 2003 and APTEL judgements in this regard.

The CPI/WPI trend is relevant for O&M expenses and other material and labour prices etc. There are also other factors on which tariff increase depends i.e. power purchase cost, which in turn depends on the fuel cost, which is beyond the control of ED-Goa and constitutes around 80-85% of total ARR expenses. However, if recovery of revenue gap is deferred it will be an additional burden on the consumers at a later date and new consumers in future will have to bear the impact. The present costs are to be recovered to the extent possible from the present set of consumers only.

The Commission in the order under review has observed that it has attempted to reduce cross subsidy in the consumer categories by rationalising the tariff for subsidised categories and suitably adjusting the tariff for subsidising categories vis-a-vis the prevailing average cost of supply, while at the same time trying to ensure that there is no tariff shock to any consumer category. TOD tariff was already in place since 2012-13 and optional for HT consumers. The TOD tariff is mandatory for all HT consumers in the neighbouring states of Maharashtra, Karnataka and Telegana.

Resultantly, the review petition partly succeeds and is hereby disposed off accordingly.

Petition No. 173/2015

The case of the Petitioners - ACCPL and CMPPL is that they are manufacturing cement and associate products by using industrial waste and saving cost of disposal of industrial waste. They are also promoting 'Make in India Programme'. Therefore, it is essential that cheap and viable power be made available to them. However, the Commission in the order under review has increased the electricity tariff including TOD tariff by 14% in comparison to the tariff for FY 2014-15 and prayed for creation of separate tariff category for cement industry using industrial waste. The increase of tariff for HTI industrial and introduction of TOD tariff for HTI Industrial category and other charges has increased electricity bills of the Petitioner from 22% to 45% and made the business unviable. The Petitioner further submitted that National Tariff Policy, 2006 provides for gradual increase in tariff without giving tariff shock to the consumers and cross subsidies are to be reduced gradually and brought within ±20% of average cost of supply by the end of FY 2010-11. But, steep hike in the tariff of the Petitioner has resulted in tariff shock. The Petitioners in support of their claim relied upon judgment dated 28.02.2012 delivered by Hon'ble APTEL in Appeal No. 159/2011 in the matter of Shankarbhai Dhavlu waghmare Vs. JERC and another, wherein it is held that cross subsidies are to be reduced gradually and brought down to a level of ±20% within five years from commencement of the Electricity Act.

The Commission carefully and thoroughly examined the main petition, order under review, the present petition for review and heard the representative for petitioners at length and reached the conclusion that the prayer of the Petitioner for separate category for cement plants using waste material is not reasonable. There may be various categories of industries, who may want the Commission to create separate categories as per their usage. This will lead to creation of numerous tariff categories and defeat the purpose of rationalisation of the tariff structure which the ED-Goa and the Commission have been trying to carry out. The levy / other charges are levied by the Government of Goa and the same are beyond control of the ED, Goa and the Regulatory system.

The CPI/WPI trend is relevant for O&M expenses and other material and labour prices etc. There are also other factors on which tariff increase depends i.e. power purchase cost, which in turn depends on the fuel cost, which is beyond the control of ED-Goa and constitutes around 80-85% of total ARR expenses. However, if recovery of revenue gap is deferred it will be an additional burden on the consumers at a later date and new consumers in future will have to bear the impact. The present costs are to be recovered to the extent possible from the present set of consumers only.

The Commission in the order under review has observed that it has attempted to reduce cross subsidy in the consumer categories by rationalising the tariff for subsidised categories and suitably adjusting the tariff for subsidising categories vis-a-vis the prevailing average cost of supply, while at the same time trying to ensure that there is no tariff shock to any consumer category. TOD tariff was already in place since 2012-13 and optional for HT consumers. The TOD tariff is mandatory for all HT consumers in the neighbouring states of Maharashtra, Karnataka and Telegana.

The representative for the Petitioner has failed to point out any error on the face of record for review of the order as provided under Section 47 of the Electricity Act and Regulation 74 of the JERC (Conduct of Business) Regulations, 2009. Hence, there is no scope for review of the order and no merit in the review Petition. Resultantly, the review petition fails and is hereby dismissed.

In the light of above discussions, observations and findings all the five review Petitions nos. 166/2015, 168/2015, 169/2015, 172/2015 and 173/2015 stand disposed of.

Sd/-
(S.K. CHATURVEDI)
CHAIRPERSON

(CERTIFIED COPY)

(KEERTI TEWARI)
SECRETARY