Petition for approval of

Aggregate Revenue Requirement (ARR), Expected Revenue fromCharges (ERC)

And

Tariff Revision for FY2012-13

Of

Electricity Department, Government of Puducherry

Submitted to

The Hon'ble Joint Electricity Regulatory Commission
Gurgaon

By

Electricity Department, Government of Puducherry

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1 Introduction

1.1 The Union Territory of Puducherry is spread over an area of 492 sq.km., which consists of the four erstwhile French establishments of Puducherry, Karaikal, Mahe and Yanam. The total population of the UT of Puducherry is 12, 44, 464 as per provisional results of Census 2011

i) Puducherry region, which is the largest of all the four, lies on the east coast, consisting of 12 scattered areas, surrounded by the State of Tamil Nadu and by the Bay of Bengal on the East

ii) Karaikal region is about 150 km South of Puducherry. Like Puducherry region, the Karaikal region is also surrounded by the State of Tamil Nadu and by the Bay of Bengal on the East

iii) Yanam region is located approximately 840 km north-east of Puducherry near Kakinada in Andhra Pradesh

1.2 Puducherry region is situated on the Coramandal Coast north of Pennaiyar River and is bounded by Bay of Bengal on the East and South Arkot districts of Tamil Nadu on other sides. It has an area of 293 sq. kms. Puducherry is not a contiguous area but interspersed with bits of territory of Tamil Nadu. Puducherry town is the capital of Union Territory

1.3 Karaikal region lies 150 kilometers south of Puducherry and it is bounded on North, South and West by the Thanjavur district of Tamil Nadu and on the East by Bay of Bengal. It has an area of 160 sq. kms lying in the Cauvery Delta being irrigated by the canals of the Cauvery River. The soil is composed of sand and alluvial deposits which is suitable for paddy cultivation.

1.4 Mahe region is isolated from Puducherry by about 500 miles and has an area of 9 sq. kms and is located at a distance of about 6 kms South of Tellichery town. Mahe town is situated on the Southern bank of Mahe region.

1.5 Yanam region is situated on the East coast as a pocket in the East Godavari District of Andhra Pradesh and Lies at a distance of 28 kms. south of Kakinada town. This is the smallest of the 4 regions in terms of population even though it has an area of 30sq. kms. Yanam is built on the spot where the rivers of Godavari and Coringa separate and is bounded on the east and south by one or the other of these two rivers.

1.6 The Gross State Domestic Product (GSDP) of Pondicherry (CSO-2004-05 series) in 2010 – 11 was Rs. 12929.05 crores[1] , with a sector wise split as shown below.

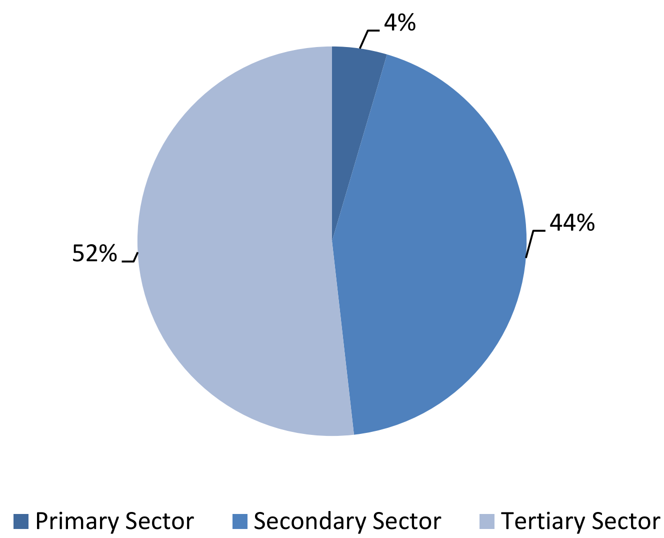

Figure 1: Gross State Domestic Product (10-11)

1.7 The economy is heavily dependent on the Industries and Services sector, with the bulk of the Industries being small scale2 as shown.

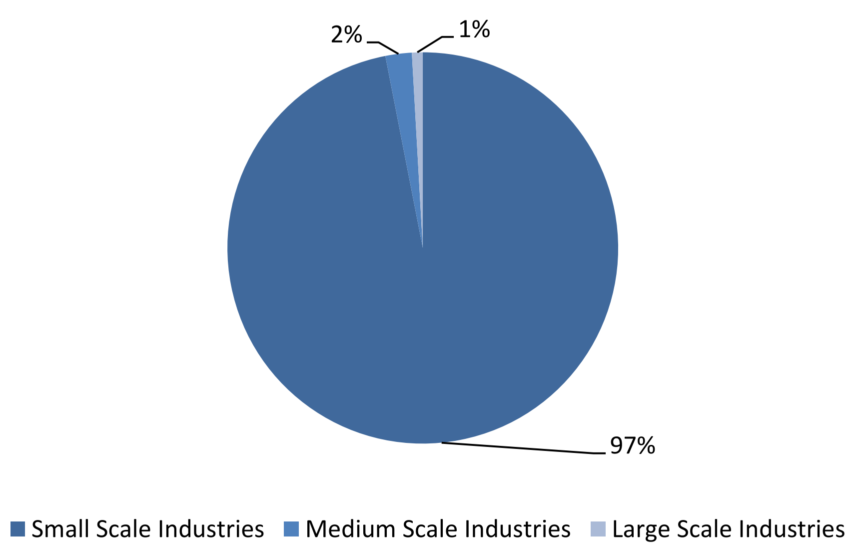

Figure 2: Industry Split in Pondicherry (09-10)

1.1

[1]Ministry Of Statistics and Programme Implementation, Government Of India
[2] Department of Industries and Commerce, Government of Pondicherry

Electricity Department of Puducherry

1.9 Electricity Department of Puducherry performs thefunctions of transmission and distribution of electric power to the Union Territory. The sole generating station in Puducherry is a 32.5 MW combined cycle gas power plant in Karaikal owned by the Puducherry Power Corporation Limited. The entire power requirement of Puducherry is met from the power allocated from the Central Generating Stations, Tamil Nadu Electricity Board, Kerala State Electricity Board and from the Puducherry Power Corporation Limited

1.10 EDP operates a transmission network of 110 kV and 230 kV and distribution network at 33 kV, 22 kV, 11 kV and LT levels. The network configuration as on 31st March, 2011 is as given below.

Voltage	Lines (Ckt Km)	Substations (Nos & capacity)	Transformation Capacity (MVA)
Transmission			
230 kV/110kV	45	2	360
132 kV/33-11 kV	30	1	36
110 kV/22-11 kV	182	13	499
Distribution			
33/11kV	10.2	1	10
22 kV & 11 kV (Overhead)	1208.27	2071	
22 kV & 11 kV (Underground)	67.72		
LT (Overhead)	4425.5		
LT (Underground)	794.89		

Table 1: Network Configuration (as on 31st march 2011)

1.11 The Transmission and Distribution Losses and the AT & C losses are comparatively lower than many of the other States. The Transmission & distribution loss of the system is estimated to be around 13.6% for the year 2010-11.

Consumer & Sales Mix

1.12 The number of consumers in each category is shown below

Consumers [No]	FY06	FY07	FY08	FY09	FY10	FY11
Domestic	222,914	234,734	245,822	256,245	269,755	275,847
Commercial	34,824	36,205	37,407	38,427	40,539	40,531
Agriculture	8,772	8,834	8,897	8,960	6,810	6,810
Street lighting	41,880	43,421	44,859	45,617	47,686	48,167
Industrial	5,383	5,516	5,643	5,769	5,885	5,955
LT total	313,773	328,710	342,628	355,018	370,675	377,310

Consumers [No]	FY06	FY07	FY08	FY09	FY10	FY11
HT I	354	402	408	420	379	394
HT II	32	32	32	32	40	41
HT III	5	5	5	5	6	7
HT total	391	439	445	457	425	442
Total consumers	**314,164**	**329,149**	**343,073**	**355,475**	**371,100**	**377,752**

Table 2: Consumer & Sales Mix

1.13 The total consumption of power in Puducherry for 2010-11 across various categories is given below.

Category	Actual [MU]
Domestic	508.3
Hut services	10.2
Commercial	156.3
Agriculture	76.7
Public lighting	22.1
Industrial	114.5
Water tanks	35.2
Temporary supply	7.9
LT total	931.2
Industrial	1,005.7
State & Central government establishments	34.9
Industrial Extra High Tension	237.4
Commercial	-
Temporary supply	-
HT Total	1,278.0
Total sales within UT	**2,209.3**

Table 3: Power Consumption across categories (10-11)

2 Revised estimate for FY2011-12

Introduction

2.1 The ARR & ERC petition, along with a tariff petition for FY2011 – 12 was filed on 30th September 2011, and is currently under the consideration of the Hon'ble Commission

2.2 In this chapter, we present the actual performance of the EDP for the first 6 months of FY2011-12 and revised projections, if any, for the full year

Capital expenditure

2.3 In its petition for FY2011-12, the EDP had projected capital expenditure of 84.58 Crs across transmission and normal development schemes, and had proposed to capitalize 61.64 Crs. The details are given below for easy reference

	Expenditure [Crs]	Capitalization [Crs]
Transmission	63.65	40.71
Distribution	20.93	20.93
Total	**84.58**	**61.64**

Table 4: FY2011-12 - Proposed capital expenditure & capitalisation

2.4 The actual performance for the first half of the year is presented below

	Expenditure [Crs]	Capitalization [Crs]
Transmission	2.76	3.53
Distribution	7.85	7.85
Others	0.14	0.14
	10.74	**11.51**

Table 5: 1HFY2011 - 12 - Actual achievement

2.5 Historically, implementation of capital schemes, and associated capitalisation pick up pace in the second half of the year. Therefore, we propose no changes to the earlier projection of capital expenditure & capitalisation

Sales

2.6 The table below shows the sales projections made by the EDP in its ARR & ERC petition for FY2011-12, and actual sales for the first 6 months of FY12.

	FY2011 - 12 (Original estimate)			1HFY2011 – 12 (actual)
Description	Consumers [No]	Connected load [HP / kVA]	Sales [MU]	Sales [MU]
LT				
Domestic	252,452		563.1	292.0
Hut services	35,447		9.3	4.4
Commercial	41,854		172.1	90.5
Agriculture	6,810	59,538	76.7	37.8
Public lighting	48,280		23.4	12.5
Industrial	6,028		124.9	63.1
Water tanks	58		35.2	27.4
Temporary supply			15	9.2
Total LT	390,928	59,538	1019.7	536.9
HT				
Industrial	402	245,630	1,016.3	509.7
State & Central government establishments	42	14,265	37.3	20.9
Industrial Extra High Tension	7	80,495	236.5	153.5
Total HT	451	340,390	1,290.0	684.1
Total metered	349,122		2,223.8	1,178.8
Total unmetered	42,257		86.1	42.2
Total	**391,379**		**2,309.7**	**1,221.0**

Table 6: FY2011-12 – Projected sales vs actual sales for 1HFY12

2.7 The first few months of the financial year are summer months in Puducherry, and typically witness higher than average consumption. As the monsoons arrive, consumption typically moderates and therefore, we have largely maintained our original projection for sales in FY2011-12. The only change expected is in temporary supply, where the first 6 months have already shown a sale of 9.2 MU. For this category, the expected sale for the year has been revised to approximately 23 MU.

2.8 Therefore, the total sales estimate for FY2011-12 is revised to 2317.5 MU compared to 2309.9 MU and is provided in the table below.

Description	Consumers [No]	Connected load [HP / kVA]	Sales [MU]
LT			
Domestic	252,452		563.1
Hut services	35,447		9.3
Commercial	41,854		172.1
Agriculture	6,810	59,538	76.7
Public lighting	48,280		23.4
Industrial	6,028		124.9
Water tanks	58		35.2

Temporary supply			22.6
Total LT	390,928	59,538	1,027.5
HT			
Industrial	403	245,630	1,016.3
State & Central government establishments	41	14,265	37.3
Industrial Extra High Tension	7	80,495	236.5
Temporary supply			
Total HT	451	340,390	1,290.0
Total metered	349,122		2,231.4
Total unmetered	42,257		86.1
Total	**391,379**		**2,317.5**

Table 7: Revised estimates for FY12

Losses

2.9 The EDP had proposed to achieve a T&D loss percentage of 13.47% for FY2011 – 12, based on the projected sales of 2309.9MU and energy input of 2669.5 MU

2.10 Whilst the EDP operates a relatively smaller system, reduction in losses becomes progressively more difficult due to technical parameters. A rough estimate of the losses in the HT system, up till 11kV level is 4%. This value can be conclusively determined only after all DTRs are metered under the approved R-APDRP scheme and a full load flow study is conducted.

Losses in the LT distribution system are higher, given the lower voltage and older assets. Further, the EDP is experiencing an increasingly adverse LT:HT sales mix. Considering that the HT:LT system ratio is 1:3.4, and much higher technical losses in the lower voltage system, significant improvement needs to be made in the LT distribution system to progressively reduce the losses. Given the paucity of funds required to make the requisite improvement in the LT system, we are proposing only marginal decrease in losses for FY2011-12

2.11 Presently, the EDP is not in a position to calculate feeder-wise loss levels, which it hopes to provide once the R-APDRP scheme proposed for the UT, for which the Hon'ble Commission has given its approval for, is implemented. The EDP shall endeavour to provide this data as soon as the scheme is implemented and sufficient data is collected

2.12 The actual sales for the first 6 months of FY12 is 1221MU, with a net energy input of 1411.5 MU, showing a T&D loss of 13.50%. However, the collection efficiency for the same period was only 84%, compared to the proposed collection efficiency of 93.8%. The summary of energy input and sales as per earlier estimates, actuals for the period and revised estimates is given below for easy reference

Particulars	Units	FY2011 – 12 (Original estimate)	1HFY2011 - 12 (Actual)	FY2011 - 12 (Revised estimate)
Generation (Connected generation – PPCL)	MU	242.9	119.7	242.9
Metered import at interface point	MU	2,817.8	1,477.6	2,868.8
Sale through Unscheduled interchange	MU	391.2	185.8	433.4
Energy available for sale within the UT	MU	2,669.5	1,411.5	2,678.2
Metered sales	MU	2,223.8	1,178.8	2,231.4
Unmetered sales	MU	86.1	42.2	86.1
Total energy sold	MU	2,309.9	1,221.0	2,317.5
Revenue from sales within UT	Rs	692.8	362.6	696.6
Amount realized from billed sales	Rs	649.8	304.6	653.4
Collection efficiency	%	93.8%	84.0%	93.8%
Energy realized	MU	2,166.6	1,025.8	2,173.7
Distribution Loss	%	13.47%	13.50%	13.47%
AT&C Loss	%	18.84%	27.32%	18.84%

Table 8: FY2011-12 – T&D and AT&C losses (Revised estimate)

2.13 Given the growth in demand in the UT, the EDP earlier found itself short of power, which meant that it had to either overdraw and incur significant penalty or shed load, causing inconvenience and hardship to consumers & revenue loss to the licensee. In order to fully serve the demand in the UT, which is also seeing rapid growth from LT services, additional power allocation was requested, which was granted to the UT. This has resulted in practically no load being shed since September 2010. Any load shedding that has happened since then has been on account of instantaneous requirement to maintain grid discipline, violation of which will incur heavy penalty in the form of UI charges for consumption above schedule.

Further, once capacity is allocated, it has to be paid for under the ABT mechanism. Given the fixed cost commitment required to fully serve load even if energy is not drawn and since allocation is from thermal / nuclear stations. EDP has not requested for back-down of capacity allocated and instead chooses to sell through UI and use the entire earnings from UI sales, to offset the gross cost to serve in the license area. For the year FY11-12, the average cost of power purchase is Rs 2.88/kWh as against the proposed sale of power through UI at an average rate of Rs. 3.48/kWh expected to be received by the end of the year FY12.

Due to the current power supply position of the UT together with the allocations, EDP would be in a comfortable position to serve load fully and expects that any excess power available will be sold through UI. The revenue realized from the sale of UI is reduced in arriving at the cost of sale to consumers in the license area.

As we are largely maintaining our forecast for sales in FY12, the increased availability of power at the periphery will largely translate into higher UI sales. This is borne out by the fact that the UI sales in the first 6 months have already reached 186 MU. The revised estimate for metered import and UI sales is 2,868.8 MU & 433.4MU respectively.

2.14 Even though the collection efficiency has not been satisfactory during the first 6 months of the fiscal, mainly on account of a delay in raising of bills through the system, incorporating the relevant FCA adjustments.This has been addressed currently and we believe our original target for collection efficiency of 93.8% for the full year can be achieved.

Cost of power purchase

2.15 The actual power purchase cost for the first 6 months of FY12 was filed in response to letter Ref.No.16/15/2011-JERC dated 20th October 2011. As the compilation of accounts for the first half of FY2011-12 has just been concluded, there are slight changes to the payment due to true-up for previous years. The summary of debit & credit notes accounted in 1HFY12 is shown below

Date	Debit / Credit notes	Amount [Rs Crs]
	PGCIL	
1/6/2011	PG/SR/PED/2011-12/DNOTE/02	2.11
1/6/2011	PG/ER/PED/2011-12/DNOTE/04	0.03
1/7/2011	PG/SR/PED/2011-12/DNOTE/03	0.45
1/8/2011	PG/SR/PED/2011-12/DNOTE/05	9.80
1/10/2011	PG/ER/PED/2011-12/DNOTE/10	0.00
1/10/2011	PG/SR/PED/2011-12/DNOTE/07	2.34
2/5/2011	PG/SR/PED/2011-12/DNOTE/01	0.64
2/9/2011	PG/ER/PED/2011-12/DNOTE/09	0.06
2/9/2011	PG/SR/PED/2011-12/DNOTE/06	1.19
16/05/2011	PG/ER/PED/2011-12/DNOTE/03	0.02
13/07/2011	PG/SR/PED/2011-12/DNOTE/04	7.15
21/10/2011	PG/SR/PED/2011-12/CNOTE/08	(5.54)
Total		18.25
	NLC	
16/07/2011	Debit Note - Invoice No. 86/ CERC Arrears/ Comml/ TPS II/ PED/ 2011-12	85.04

8/8/2011	Credit Note - Invoice No. 125/ Comml/ Mine Closure/ PED/ 2011-12	(22.29)
	Total	62.75
NTPC		
5/5/2011	For the month of April	(5.16)
6/6/2011	For the month of May	0.54
5/7/2011	For the month of June	0.24
6/8/2011	For the month of July 2011	(16.19)
	Total	(20.56)
Total		**60.43**

Table 9: Summary of credit & debit notes accounted in 1HFY12

2.16 The tariff charged by NLC stations for the period 1.4.2004 to 31.3.2009 was fixed by the Hon'ble CERC in its Order on Petition No. 68/2005 dated 17th August 2006 and Petition No. 118/2007 dated 26th February 2008. Mine closure costs, at higher rates as approved by earlier Ministry of Coal guidelines, was included in the lignite transfer price and hence, energy charges approved in the Orders. As this was a valid tariff notified by the Hon'ble CERC, bills at this tariff were paid from budgetary allocations provided to the EDP during respective years. Details of the credit note received are provided below

Date	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	TOTAL
8/8/2011	-	(2.38)	(2.40)	(2.10)	(3.04)	(2.71)	(3.98)	(4.38)	(1.31)	(22.29)

Table 9a: Details of NLC credit note received

2.17 Further, there have been adjustments relating to the current period by PGCIL & NTPC, amounting to 4.7 Crs. Also, the total rebate on prompt payment for power for the first half of the year is 8.1 Crs. The revised cost of power purchase for the first half is as presented below

Source	Purchase [MU]	Energy received [MU]	Fixed Charge [Rs Crs]	VC [Rs Crs]	Others [Rs Crs]	Total [Rs Crs]
NLC						
TS II Stage I	272.9	259.9	13.5	45.7	2.7	61.8
TS II Stage II	103.5	98.5	5.2	17.1	1.1	23.5
TS I Expn	59.0	56.2	8.4	10.6	0.3	19.4
Sub-Total (NLC)	435.3	414.6	27.1	73.4	4.1	104.7
NTPC						
Ramagundam STPS Stage I & II	404.8	385.7	17.1	49.1	17.8	84.0
Ramagundam STPS Stage III	98.5	93.7	8.9	12.0	5.6	26.5
Talcher STPS Stage II	266.9	254.0	19.5	37.8	25.1	82.5
Simhadri	2.1	2.0	0.4	0.6	-	1.0
Sub-Total (NTPC)	772.3	735.5	45.9	99.5	48.5	192.1

NPC						
Madras APS	19.3	18.4	-	3.5	0.0	3.9
Kaiga APS Stage I	104.1	99.2	-	29.1	5.3	34.4
Sub-Total (NPC)	123.4	117.5	-	32.6	5.4	38.3
Other Sources						
Others						
TNEB (Pondy)	30.7	29.3	-	5.9	0.0	5.9
TNEB (Karaikal)	166.0	158.2	-	31.8	0.0	31.8
PPCL	119.7	119.7	4.4	21.4	11.8	37.6
KSEB	17.8	17.8	1.0	5.6	0.0	6.6
UI	4.8	4.8		0.3		0.3
Sub-Total (Other Sources)	338.9	329.7	5.3	64.9	11.9	82.1
Other Charges						
PGCIL	-	-	-	-	-	38.9
Total	1,670.0	1,597.3	78.4	270.4	69.9	456.1
Additional payment due to True-up						60.4
RPO compliance cost						-
Rebate						8.1
Net PP cost						508.5

Table 10: 1HFY12 - Power purchase cost (Actual)

2.18 Based on trends in power purchase from previous years and marginally higher allocations, the power purchase for 2HFY12 and the total for FY12 have been estimated.

2.19 The revised estimate for power purchase is 3,256.3MU, as provided in tables of Annexure 2 in this petition. The power availability at periphery is revised to 2,868.8MU with estimated UI salesof 433.4MU. The variation in power purchase cost in FY2011-12 is on account of increased allocation, revised tariffs and arrears that have become due in this fiscal. A detailed view of the tariff orders that have contributed to this increase are provided below.

Source	Original Order (2004-05)	Revised Order (2004-05) increasing AFC	2010-11
NLC			
NLC TS I Expn	As per CERC Order in response to Petition No. 68/2005 dated 23rd March 2007	As per CERC orders dated 28.5.2008 and 18.12.2009 in Petition Nos.126/2007 and 14/2009	As per CERC Tariff order dated 31/8/ 2010 based on Petition no. 230/ 2009. Energy Charges based on TO dated 23.3.2011
NLC TS II Stage I	As per CERC Order in response to Petition No. 118/2007 dated 4th June 2008	As per CERC order dated 30.12.2009 in Petition No.11/2009	The Energy charges &Capacity Charges are claimed as per CERC Order dated 27.6.2011 and the CERC Notification dated 21.6.2011 on CERC (Terms & Conditions of Tariff)(Second Amendment) Regulations 2011

NLC TS II Stage II	As per CERC Order in response to Petition No. 118/2007 dated 4th June 2008	As per CERC order dated 30.12.2009 in Petition No.11/2009	The Energy charges &Capacity Charges are claimed as per CERC Order dated 27.6.2011 and the CERC Notification dated 21.6.2011 on CERC (Terms & Conditions of Tariff)(Second Amendment) Regulations 2012
NTPC			
NTPC, Ramagundam Stage I & II	As per CERC Order dated 30th June 2006 in response to Petition No. 148/2004 with IA No. 39/2005	As per CERC Order dated 11.1.2010	As per CERC Tariff order dated 6/7/ 2011 based on Petition no. 278/ 2009. Annual fixed charge is subject to adjustment as per proviso of Clause (3) of Regulation 5 of 2009 Regulations after final order is issued. Energy charges shall be determined in terms of clause (5) and 6(a) of Regulation 21 of the 2009 regulations on a month to month basis
NTPC, Ramagundam Stage III	As per CERC Order dated 15th October 2007 in response to Petition No. 140/2005	As per CERC Order dated 12.10.2011 in response Petition No. 123/2009. This was a Revision of order dated 11.1.2010 and 12.10.2010 in the light of the judgment of the Appellate Tribunal for Electricity dated 19.4.2011 in Appeal No. 76/2010	As per CERC Tariff order dated 6/7/ 2011 based on Petition no. 256/ 2009. Annual fixed charge is subject to adjustment as per proviso of Clause (3) of Regulation 5 of 2009 Regulations after final order is issued. Energy charges shall be determined in terms of clause (5) and 6(a) of Regulation 21 of the 2009 regulations on a month to month basis
NTPC, Talcher Stage II	As per CERC Order dated 31st January 2008 in response to Petition No.179/2004	As per CERC Order dated 19.2.2010 in Petition No. 138/2009 with I.A. 49/2009	As per CERC Tariff order dated 6/7/ 2011 based on Petition no. 269/ 2009. Annual fixed charge is subject to adjustment as per proviso of Clause (3) of Regulation 5 of 2009 Regulations after final order is issued. Energy charges shall be determined in terms of clause (5) and 6(a) of Regulation 21 of the 2009 regulations on a month to month basis
NPC			
Madras Atomic Power Station	The Tariff is a one part tariff. 1.7918 Rs/Unit		

Kaiga Atomic Power Station Stages 1&2	The Tariff is a one part tariff. 2.795 Rs/Unit		
Kaiga Atomic Power Station Stages 3&4	The Tariff is a one part tariff. 2.795 Rs/Unit		
Other Sources			
PPCL			As per JERC Tariff order dated 6/8/2011 based on Petition no. 18/ 2010

Table 10a: Tariff Orders for AFC Revision

2.20 The revised detailed power purchase statement for FY2011-12, in the regulatory format, is provided in Annexure 2 for the Hon'ble Commission's reference

2.21 The revised estimate for the energy balance statement is provided below

Item	FY2011-12 (Original estimate) [MU]	1HFY2011 - 12 (Actual) [MU]	FY2011 - 12 (Revised estimate) [MU]
ENERGY REQUIREMENT			
Metered sales	2,223.8	1,178.8	2,231.4
Unmetered sales	86.1	42.2	86.1
Total sales within the UT	2,309.9	1,221.0	2,317.5
Sales – UI	391.2	185.8	433.4
Total sales	2,701.1	1,406.8	2,750.9
T&D losses			
%	13.47%	13.50%	13.47%
MU	359.6	190.5	360.8
Total energy requirement	3,060.7	1,597.3	3,111.7
ENERGY AVAILABILITY			
Net thermal generation (Own+ IPP + Share from Central Stations)	2,538.0	1,450.7	2,581.0
Power Purchased from			
Common pool / UI	10.0	4.8	10.0
Traders			
PX			
Others	665.2	214.5	665.3
Net power purchase	3213.2	1,670.0	3,256.3
Total energy availability @ periphery	**3060.7**	**1,597.3**	**3,111.7**

Table 11: FY2011-12 – Energy balance statement (Revised estimate)

Operations & maintenance expenditure

2.22 In the petition for FY2011-12, total O&M expenses estimated was 66.8 Crs. In 1HFY12, the total expenses under the head amount to 42.3 Crs.

2.23 Each of the expense heads under O&M are discussed separately below

Employee cost

2.24 In the petition for FY2011-12, the total employee cost estimated was 52.55 Crs, net of capitalisation of 18.04 Crs. In the accounts prepared for 1HFY12, the employee cost works out to 35.80Crs, net of capitalisation of 1.86 Crs

Table 12: FY2011-12 – Employee costs (Revised estimate)

	FY2011-12 (Original estimate) [Crs]	1HFY2011-12 (Actual) [Crs]	FY2011 - 12 (Revised estimate) [Crs]
Salary	68.77	37.14	68.77
Wages	0.85	0.07	0.85
Stipend	0.22	0.17	0.22
Overtime	0.76	0.29	0.76
Total	70.60	37.66	70.60
Capitalized	18.04	1.86	18.04
Net amount	52.55	35.80	52.55
Prior period expenses	-	-	-
Total employee costs	**52.55**	**35.80**	**52.55**

2.25 Historically, implementation of capital schemes, and associated capitalisation pick up pace in the second half of the year. Along with the actual capitalisation, applicable employee costs will also be capitalised, thus reducing the component of employee cost to be charged to ARR for FY2011-12

2.26 Therefore, EDP would like to maintain the original estimation for employee costs

Repairs & Maintenance

2.27 In the petition for FY2011-12, the total R&M expenditure estimated was 10.34 Crs

2.28 In the accounts prepared for 1HFY12, the R&M expenditure works out to 4.68 Crs, and for the full year, we maintain our original projection of 10.34 Crs, working out to approximately 1.9% of value of assets in service during the year

Administrative & General

2.29 In the petition for FY2011-12, the total A&G expenditure estimated was 3.91 Crs

2.30 In the accounts prepared for 1HFY12, the A&G expenditure works out to 1.84 Crs, and for the full year, we maintain our original projection of 3.91 Crs, working out to approximately 0.6% of value of revenue from normal tariff for the year

Depreciation

2.31 In the petition for FY2011-12, the EDP had projected depreciation of 25.07 Crs for the full year

2.32 The actual depreciation for the first half of the year on the basis of opening GFA and capitalisation during the year works out to 11.15 Crs as detailed below

Class of Assets	Rate of depreciation	1HFY2011 - 12 (Actual) [Crs]		
		Opening GFA	Addition during first half	Depreciation for first half
Land and land rights	0.0%	5.25	1.10	-
Buildings	3.3%	16.10	0.06	0.3
Plant and machinery	5.3%	180.92	1.84	4.1
Lines and cable network	5.3%	261.70	7.12	5.9
Vehicles	9.5%	3.00	0.07	0.0
Furniture and fixtures	6.3%	0.10	-	0.0
Office equipment	6.3%	1.77	-	0.0
IT Equipment	15.0%	1.63	-	0.0
Testing & measuring equipment	5.3%	8.21	0.01	0.2
SCADA center	5.3%	24.36	-	0.6
Total		**503.05**	**10.19**	**11.15**

Table 13: 1HFY2011-12 – Depreciation

2.33 Additional projects are expected to be completed and capitalised during the second half of the year. In light of the above, we maintain our original estimate of 25.07 Crs for FY2011-12

Interest & finance charges

2.34 In its petition for FY2011-12, the EDP had estimated expenditure under this head of 1.95 Crs

2.35 In the accounts prepared for 1HFY12, the total expenditure under this head is 0.48 Crs to date, mainly on account of reduced finance charges. However, we maintain our original estimation for total expenditure under this head in light of expectations for higher requirements in the second half of the year

Interest on working capital

2.36 In the original petition for FY2011-12, the EDP had projected expenditure under this head of 10.18 Crs. For the first 6 months of FY2011-12, the working capital requirements have been higher, primarily on account of higher cost of power purchase

2.37 The actual interest on working capital for 1HFY2011-12 is 5.39 Crs, and for the full year, the revised estimate of expenditure is 10.42 Crs

Table 14: FY2011-12 – Interest on working capital (Revised estimate)

Particulars	FY2011 - 12 (Original estimate) [Crs]	1HFY2011-12 (Actual) [Crs]	FY2011 - 12 (Revised estimate) [Crs]
One month's power purchase cost	81.22	84.74	83.11
One month's employee costs	4.38	5.97	4.38
One month's A&G expenses	0.29	0.32	0.32
One month's R&M cost	0.78	0.78	0.86
Total	86.67	91.80	88.68
State Bank PLR on 1st March	11.75%	11.75%	11.75%
Interest on working capital	**10.18**	**5.39**	**10.42**

2.38 As the higher requirement for interest on working capital is on account of increase in power purchase costs, mainly due to new allocations and revised tariffs as per the orders mentioned earlier, we request the Hon'ble JERC to approve the revised estimate of 10.42 Crs

Provision for bad & doubtful debts

2.39 EDP has already commenced steps to analyse its sundry debtors and arrears, and obtain an age-wise breakup of the same from the revenue billing system. It also is in the process of reconciling the list of arrears with the sundry debtor balances as per the financial statements. This process is likely to take a significant amount of time and effort

2.40 Therefore, as we have not been able to provide the analysis required, we are not claiming any provision for bad & doubtful debts for pass through in tariff to consumers

Return on capital base

2.41 In the original petition for FY2011-12, the EDP had estimated return on NFA at 3% of capital base. The revised estimate is as shown below

Table 15: FY2011-12 – Return on capital base (Revised estimate)

Particulars	FY2011 - 12 (original estimate) [Crs]	FY2011 - 12 (Revised estimate) [Crs]
Gross block at beginning of the year	503.08	503.05
Opening CWIP	64.92	64.92
Working capital for the year	86.67	88.68

Less accumulated depreciation	234.58	234.57
Less accumulated consumer contribution	-	-
Less opening debt	13.16	13.16
Net capital base at the beginning of the year	406.91	408.92
Reasonable return @3% on capital base	**12.21**	**12.27**

2.42 We request the Hon'ble Commission to approve the revised estimate of 12.27 Crs for return on capital base

Revenue from UI sales

2.43 In the petition for FY2011-12, the EDP had estimated UI sales of 391.2 MU and revenue from UI sales of 136.25 Crs at an average realization of Rs. 3.48/kWh

2.44 As explained earlier, the UI sales for the 6 months of FY2011-12 has been 185.8 MU and revenue from UI sales has been 52.1 Crs at an average of Rs. 2.80/kWh

2.45 The revised estimate for total UI sales is 433.4 MU, the total revenue from UI sales for the year has been estimated at 138.1 Crs. This is based on an expected sales realisation of 3.48/kWh for the second half of the year

2.46 We request the Hon'ble Commission to approve the UI sales at 433.4 MU, and revenue from UI sales at 138.1 Crs

Non-tariff income

2.47 The non-tariff income includes Reactive Energy Charges, STOA Charges, CTU Charges, Interest Income, Departmental charges on sale of material and UI Sales

2.48 In the petition for FY2011-12, the EDP had estimated UI sales of 391.2 MU and revenue from UI sales of 136.25 Crs, together with other income of 7 Crs, giving a total of 143.25 Crs under non-tariff income

2.49 The actual non-tariff income for 1HFY2011-12 is 57.09 Crs consisting of other income of 5.31 Crs and revenue from UI sales of 51.78 Crs

	FY2011-12 (Original estimate) [Crs]	1HFY2011-12 (Actual) [Crs]	FY2011-12 (Revised estimate) [Crs]
Reactive energy charges STOA charges	7.00	5.31	9.00

CTU charges			
Interest income			
Departmental charges on sale of material			
UI sales	136.25	51.78	138.10
Total NTI	**143.25**	**57.09**	**147.10**

Table 16: FY2011-12 - Non tariff income (Revised estimate)

2.50 As explained in the section on revenue from UI sales, we have estimated the total revenue from UI sales as 138.1 Crs for the full year. In addition to this, we estimate other income for the period to be 9 Crs, giving a total of 147.1 Crs

2.51 We request the Hon'ble Commission to approve the revised estimate of non-tariff income for FY2011-12 at 147.1 Crs

Summary of revenue requirement

2.52 The revised estimate for aggregate revenue requirement for FY2011-12 is summarised below for easy reference

Item of expense	FY2011-12 (Original estimate) [Crs]	FY2011-12 (Revised estimate) [Crs]
Cost of power purchase	975.5	997.3
Employee costs	52.6	52.6
R&M expenses	10.3	10.3
A&G expenses	3.9	3.9
Depreciation	25.1	25.1
Interest & finance charges	2.0	2.0
Interest on working capital	10.2	10.4
Provision for bad debts	-	-
Return on NFA / Equity	12.2	12.3
Aggregate revenue requirement	1,091.7	1,113.8
Non-tariff income	143.2	147.1
Net revenue requirement	**948.4**	**966.7**

Table 17: FY2011-12 – Aggregate Revenue Requirement (Revised estimate)

2.53 The reasons for variances from petition for FY2011-12 have been explained in the relevant sections, where applicable. The revised estimate of net ARR is 966.7 Crs

2.54 We request the Hon'ble Commission to approve the revised estimate of net revenue requirement for FY2011-12 at 966.7 Crs

Average Cost to Serve

2.55 Based on the revised estimate for 2011-12, the average CoS works out to 4.17/kWh compared to the earlier estimate of 4.11/kWh. The details of this calculation are shown below

Table 18: FY2011-12 – Average CoS (Revised estimate)

Item	Unit	Original estimate	Revised estimate
Net ARR	Crs	948.4	966.7
Sales	MU	2,309.9	2,317.53
Avg CoS	**Rs/kWh**	**4.11**	**4.17**

Revenue from charges & gap for FY2011-12

2.56 The original estimate for expected revenue from tariff for FY2011-12 was 646.4 Crs. Additional revenue, of 46.4 Crs towards recovery of fuel charges was considered, giving the total expected revenue from charges of 692.8 Crs for FY2011-12

2.57 The revised estimate for revenue from tariff is 650.2 Crs, with additional revenue as approved of 46.4 Crs, giving a total expected revenue from charges of 696.6 Crs. This variance is largely on account of additional sales to the temporary category estimated

2.58 The revised estimate for average realisation from tariff is 3.01/kWh compared to the average CoS of 4.17/kWh, and the revised estimate of total gap for FY2011-12 is 270.1 Crs

Table 19: FY2011-12 - Revenue from charges & gap (Revised estimate)

	FY2011-12 (Original estimate) [Crs]	FY2011-12 (Revised estimate) [Crs]
Revenue from tariff	646.4	650.2
Revenue from FCA	46.4	46.4
Surplus / (Gap)	**(255.6)**	**(270.1)**

2.59 We request the Hon'ble Commission to approve the revised estimate for the gap of FY2011-12 at 270.1 Crs

3 Capital Expenditure for 2012-13

3.1 The capital expenditure, CWIP and capitalization was arrived at based on accounts prepared as per accounting principles, with data drawn from the work order system (distribution works) and manual accounts (transmission works) of the EDP.

	2011		2012	
	Expenditure (Rs. Cr)	Capitalization (Rs. Cr)	Expenditure (Rs. Cr)	Capitalization (Rs. Cr)
Transmission				
Thondamanatham lines				
Upgradation	7.56	26.82	2.76	3.53
Distribution	-	-	-	-
EOS to services and lights	12.77	12.77	5.36	5.36
HT & LT	6.60	6.60	2.60	2.60
Cable Conversion	4.08	4.08	2.10	2.10
100% metering programme	0.33	0.33	0.20	0.20
Others	-	-	-	-
Testing and Measuring Equipments	1.05	1.05	0.01	0.01
IT Equipments	0.03	0.03	-	-
Furniture	0.03	0.03	-	-
Vehicles	0.00	0.00	0.07	0.07
Building	0.09	0.09	0.06	0.06
Office equipment	0.01	0.01	-	-

Table 20: Capital Expenditure (FY11, HY12)

3.2 For the year FY2012-13, the EDP proposes capital expenditure & capitalisation as shown in the table below

Name of Scheme	**Estimated Cost (Rs Cr)**	**Outlay for 2012-13**
Normal Development schemes		
Extension of supply to services & Street lights		4.00
Improvement of HT & LT Distribution network		8.00
Cable conversion works		3.50
General schemes		8.00
10% metering programme		1.50
Transmission schemes		
Establishment of new 110KV substation	159.23	22.54
Augmentation of existing 110KV substation	124.4	30.26
Erection of new 230KV substation	156.58	14.22

Erection/Extension of 110KV/132KV lines	21.76	5.46
Total		**97.48**

Table 21: Proposed Capital Expenditure in FY13

3.3 The petitioner plans to capitalize Rs. 66.35 Crores of this outlay in the year 2012-13. The petitioner prays the Hon’ble Commission allow the capitalization to be reviewed at the true – up stage

3.4 All the capital works schemes are geared towards improving service delivery to consumers, and we propose to step up the pace of implementation

3.5 Therefore, we request the Hon’ble Commission to approve the proposed capital expenditure and capitalisation for FY2012-13

4 Sales projection, losses & energy balance

Introduction

4.1 The Electricity Department Puducherry, in response to the changed legal & regulatory framework governing the electricity sector, is making changes to its various processes and procedures to ensure compliance to regulatory requirements, as well as to discharge its primary duty of supplying quality electricity at competitive prices to its consumers

4.2 One of the key requirements of operating on efficient, commercial principles is the presence of a robust database of the consumers served by the EDP, capturing relevant information that ensures effective billing, management of receivables and feeds into better projection of energy demand to be served

4.3 In order to achieve the above, EDP understands the need to have accurate data being fed in to the system. Towards this end, we have initiated a stringent verification procedure to verify the compliance to tariff conditions by One Hut One Bulb (OHOB) consumers. Any current OHOB consumer found to be violating the conditions for availing highly subsidized electricity will be converted to a domestic consumer and billed accordingly. Given the large number of consumer connections to be verified, this process will take longer to complete. We expect that this process will be complete by March 2012. The results of the study will be reported to the Hon'ble Commission upon completion, and will aim to show the revenue impact in the ARR & ERC filing for FY2013-14, which is to be filed by November 30th 2012

Approach to forecasting sales

4.4 We have adopted the historical trend method for projecting growth in consumers and sales for FY2012- 13, and applied a 6 year CAGR to the consumer and sales numbers for the FY2011-12.

4.5 The LT categories to which this approach was not applied are agricultural consumers and temporary supply connections

The reason for not applying this method to agricultural consumers is that the EDP is currently in the process of verifying the number of consumers and connected load in this category. The preliminary details of this verification exercise were presented to the Honourable Commission in the Petitioner's tariff proposal submitted in September earlier this year. In addition, the net additions to the agricultural category are approximately zero in every year

In the case of temporary supply connections, we have by and large followed the trends of previous years to forecast the likely quantum of sale to this category

4.6 Further, the number of consumers and sales for the HT categories has been taken based on the actual data for 6 months of FY12. Growth rates for HT consumers are minimal, and these have been applied to the billed sales numbers for FY12 to arrive at the sales for FY13.

4.7 The EDP would like to appraise the Hon'ble Commission that the physical verification exercise of agricultural consumers, results of which have been presented to the Hon'ble JERC, is ongoing. Whilst no connection is given without a meter, there have been issues with malfunctioning meters etc., which need to be replaced before a truly representative study can be conducted. The replacement of meters is ongoing, in parallel with the R-APDRP program, and the final study results are expected to be filed with the petition for FY2013-14. Hence, the estimation of sales to agriculture has been done on the basis of connected load, no of hours, no of days, diversity factor & PF basis. The sales figures have been estimated based on the following assumptions:

- Hours – 8 / day
    - In taking 8 hours/day of operation, the load factor has been considered and is 0.33
- Days – 270 / year
    - In taking 270 days/year of operation, the seasonality factor has been considered and is 0.74
- PF – 0.8

Diversity factor is relevant to calculate peak load in the system, and not for energy calculation. Hence, implicitly it is considered as 1

Estimated consumers & sales

4.8 The number of consumers served by the EDP, 6 year CAGR and the projected number of consumers is summarised in the table below

Consumers [No]	FY06	FY07	FY08	FY09	FY10	FY11	FY12	6 Year CAGR	Estimated no. of consumers in FY13
Domestic	222,914	234,734	245,822	256,245	269,755	275,847	287,899	4%	300,439
Commercial	34,824	36,205	37,407	38,427	40,539	40,531	41,854	3%	43,156
Agriculture	8,772	8,834	8,897	8,960	6,810	6,810	6,810	0%	6,810

Street lighting	41,880	43,421	44,859	45,617	47,686	48,167	48,280	2%	49,438
Industrial	5,383	5,516	5,643	5,769	5,885	5,955	6,086	2%	6,212
LT total	**313,773**	**328,710**	**342,628**	**355,018**	**370,675**	**377,310**	**390,928**	**4%**	**406,055**

Table 22: LT - Projected Consumer data for FY13

4.9 The number of domestic consumers projected is including OHOB consumers.Growth in other categories, is expected to be largely in line with the trend seen over the years, with the exception of the agricultural category for the reason mentioned earlier

4.10 The estimated sales for LT consumers has also been based on the 6 year CAGR and is shown in the table below

Sales [MU]	FY06	FY07	FY08	FY09	FY10	FY11	FY12	6 Year CAGR	Estimated sales in FY13
Domestic	324	357	393	426	513	519	572	10%	629
Commercial	112	130	132	138	150	156	172	7%	185
Agriculture	89	101	82	54	77	77	77	0%	76.7
Street lighting	13	16	16	17	17	22	23	11%	26
Industrial	114	126	133	135	147	150	160	6%	169
Temporary Supply						7.9	22.6		25
LT total	**652**	**729**	**756**	**770**	**904**	**923**	**1,005**	**7%**	**1111.26**

Table 23: LT - Projected Sales Data - FY13

4.11 Sales to agricultural category of consumers has been maintained as constant for reasons explained earlier

4.12 Sales to all other categories has been estimated based on the trend seen over the years. Temporary supply from LT has been estimated at 25 MU.

4.13 The number of consumers in the HT categories and the average billing demand has been based on the actual values extracted from the HT billing database for FY11 and first 6 months of FY12. The total number of consumers projected for the year 2012-13 in the HT category is 461

4.14 The sales has been estimated on similar lines, and considering the marginal increase in HT consumers, the growth rates considered for the HT category are marginal. The estimated increase in sales to HT category is only 13 MU, with the bulk of additional sales expected from HT1 category of consumers

Sales [MU]	FY06	FY07	FY08	FY09	FY10	FY11	FY12	6 Year CAGR	Estimated Sales in FY13
HT I	953	998	1,020	954	958	1,002	1,016	1%	1,027
HT II	25	26	26	26	34	35	37	7%	40

HT III	238	271	270	249	262	239	236	0%	236
HT total	**1,216**	**1,296**	**1,316**	**1,229**	**1,255**	**1,276**	**1,290**	**1%**	**1,303**

Table 24: HT - Projected Sales data - FY13

4.15 The total estimated sale in FY2012-13 is2414.5 MU, with and LT: HT sales mix of 45%:55%. This reflects the reality of increasing number of LT consumers and their consumption, whereasthe consumption in HT categories is largely stagnant

4.16 We request the Hon'ble Commission to approve the sales for FY2012-13 at 2414.5 MU

Losses

4.17 The T&D loss estimated for FY2011-12 is 13.47%. Whilst the EDP operates a relatively smaller system, reduction in losses becomes progressively more difficult due to technical parameters. Further, as detailed earlier, the EDP is experiencing an increasingly adverse LT: HT sales mix.

4.18 Given this reality, the EDP proposes to achieve a loss of 13.35% for FY2012-13. We request the Hon'ble Commission to approve the T&D loss for FY2012-13 at 13.35%

4.19 The achieved collection efficiency in FY2010-11 was 93.8%, a marked improvement from FY2009-10. The same efficiency is proposed to be met in 2011-12. Keeping in line with the proposal of the EDP to corporatize operations soon, the petitioner proposes to increase the collection efficiency to 96% in FY2012-13

Energy Balance

4.20 Considering the proposed sales of 2414.5 MU and the proposed T&D loss for FY2012-13, the energyrequirement at periphery works out to 2,786.5MU

4.21 The total energy purchase expected is explained in the next chapter based on expected availability fromvarious sources of power purchase available to EDP

4.22 Considering the energy requirement to serve demand in the license area and the expected availability ofpower, the energy balance statement is shown below

Particulars	Units	FY2010 - 11 (Actuals)	FY2011 - 12 (Revised Estimate)	FY2012 - 13 (Projection)
Generation (Connected Generation – PPCL)	MU	182.8	242.9	242.9
Metered Import at interface point	MU	2,635.8	2,868.8	2,942.6
Sale through Unscheduled Interchange	MU	262.4	433.4	398.9
Energy available for sale within the UT	MU	2,556.2	2,678.3	2,786.5

Metered Sales	MU	2,122.3	2,231.5	2,328.5
Unmetered Sales	MU	87.0	86.1	86.1
Total energy sold	MU	2,209.3	2,317.5	2,414.5
Revenue from sales within UT	Rs	630.8	696.6	675.9
Amount realized by billed sales	Rs	591.7	653.4	648.86
Collection efficiency	%	93.8%	93.8%	96.0%
Energy realized	MU	2,072.2	2,173.7	2,317.9
Distribution Loss	%	13.57%	13.47%	13.35%
AT&C Loss	%	18.93%	18.84%	16.82%

Table 25: Energy Balance Statement

5 Aggregate revenue requirement for FY2012-13

Projected cost of power purchase in 2012 – 13

5.1 Power purchase of the Electricity Department Puducherry is mainly from the following sources

i) Central Generating Stations

ii) TNEB & KSEB

iii) PPCL

5.2 The assumptions made to arrive at the projections for each of the above sources are provided in detail below:

Central generating Stations

NTPC Stations

5.3 Electricity Department of Puducherry currently has firm allocation from the NTPC Thermal station of Ramagundam STPS Stages 1, 2 & 3 and NTPC Talcher Stage 2. Allocations from NTPC Simhadri have commenced from the month of September 2011.

5.4 The following assumptions have been taken to arrive at the cost of power purchase from the thermal stations of NTPC –

i) Licensee share assumed to be the same as 2011-12, except for Simhadri where the firm allocation has been taken for calculation. To calculate the expected allocation from each of the NTPC stations, the Petitioner has considered the actual energy received from each of the stations during the first 6 months of previous year as against the total generation during that period, to arrive at the effective allocation that EDP has received for FY12. The table below provides a summary of the EDP's firm allocation and the actual allocation based on the energy received from each of these stations

Station	FY12 (Revised Estimate)		FY13 (Projections)	
	Firm	Received	Firm	Received
Ramagundam STPS Stage I & II	5.20%	4.45%	5.16%	4.45%
Ramagundam STPS Stage III	5.40%	4.70%	5.44%	4.70%
Talcher STPS Stage II	4.00%	3.54%	3.95%	3.54%
Simhadri	1.85%	1.85%	3.69%	3.69%

Table 26: Power Purchase - NTPC Licensee Share Assumed

ii) PLF of the generating station taken as average of the previous 2 years i.e. 2010 – 11 and 2011 – 12

Station	FY 11 (Actuals)	FY12 (Revised Estimate)	FY13 (Projections)
Ramagundam STPS Stage I & II	93.80%	93.60%	93.70%
Ramagundam STPS Stage III	95.00%	98.10%	96.55%
Talcher STPS Stage II	90.00%	90.90%	90.45%
Simhadri		77.80%	77.80%

Table 27: Power Purchase - NTPC PLF Assumed

iii) External loss of 5% has been assumed for all stations

iv) CERC in its recent Provisional Orders dated 06/07/ 2011 based on Petition numbers 278/2009, 269/2009 and 256/2009 has stated that the energy charges shall be determined on a month to month basis for Ramagundam Stage 1 &2, Talcher Stage 2 and Ramagundam Stage 3 respectively for the year 2011- 12.

5.5 In order to arrive at an approximate figure for FY13 power purchase cost projection, the petitioner has assumed the energy charge for each station as follows:

a. NTPC RSTPS - Avg of 3 months of new tariff considered

b. NTPC TSTPS - Avg of 3 months of new tariff considered

c. NTPC SSTPS - VC for September assumed

v) Other costs have been assumed same as the previous year i.e. FY12

NLC Stations

5.6 EDP currently purchases power from NLC TS I expansion, TS II Stages 1 &2. The following assumptions have been taken to arrive at the cost of power purchase from the thermal stations of NLC:

i) Licensee share assumed to be the same as last year. To calculate the expected allocation from each of the NLC stations, Petitioner has considered the actual energy received from each of the stations during the first 6 months of previous year as against the total generation during that period, to arrive at the effective allocation that EDP has received for FY12. The table below provides a summary of the EDP's firm allocation and the actual allocation based on the energy received from each of these stations

Station	FY12 (Revised Estimate)	FY13 (Projections)

	Firm	Received	Firm	Received
TS II Stage I	12.30%	10.82%	12.32%	10.82%
TS II Stage II	3.80%	3.21%	3.76%	3.21%
TS I Expn	4.20%	3.77%	4.21%	3.77%

Table 28: Power Purchase - NLC Licensee Share Assumed

ii) PLF of the generating station taken as average of the previous 2 years i.e. 2010 – 11 and 2011 – 12

Station	FY 11 (Actuals)	FY12 (Revised Estimate)	FY13 (Projections)
TS II Stage I	83.00%	80.20%	81.60%
TS II Stage II	83.00%	83.90%	83.45%
TS I Expn	82.00%	81.50%	81.75%

Table 29: Power Purchase - NLC PLF Assumed

iii) External loss of 5% has been assumed for all stations

5.7 CERC, in its Orders dated 31/08/ 2010 based on Petition numbers 230/2009 and 231/2009 and has approved the annual fixed costs as well as the energy charges per unit TS I expansion and TS II Stages 1 & 2 respectively for the year 2001- 12. Based on the Firm allocation to EDP from each of these stations, the fixed costs have appropriately apportioned.

i) The total power purchase costs projected for the NLC stations have been computed on the basis of the projected quantum of energy allocated to EDP and the charges applicable, as decided by CERC. In order to arrive at an approximate figure for FY13 power purchase cost projection, the petitioner has assumed the energy charge for each station as follows:

a. NLC Stage 1 & 2 - Avg of 4 months of new tariff considered

b. NLC TS 1 Exp - Avg of 6 months of new tariff considered

ii) Other costs have been assumed same as the previous year i.e. FY12

NPCIL Stations

5.8 EDP currently receives power from NPCIL's nuclear plant, Madras Atomic Power Station (MAPS) and Kaiga Atomic Power Stations (KAPS) Stages 1-4. The following assumptions have been taken to arrive at the cost of power purchase from the atomic stations of NPCIL

i) Licensee share assumed to be the same as last year. To calculate the expected allocation from each of the NPCIL stations, the Petitioner has considered the actual energy received from each of the stations during the first 6 months of previous year as against the total generation during that period, to arrive at the effective allocation that EDP has received for FY12. The table below provides a summary of the EDP's firm allocation and the actual allocation based on the energy received from each of these stations

Station	FY12 (Revised Estimated)		FY13 (Projections)	
	Firm	Received	Firm	Received
Madras APS	1.90%	1.44%	1.91%	1.44%
Kaiga APS	4.40%	4.19%	4.43%	4.19%

Table 30: Power Purchase - NPCIL Licensee Share Assumed

ii) PLF of the generating station taken as average of the previous 2 years i.e. 2010 – 11 and 2011 – 12

Station	FY 11 (Actuals)	FY12 (Revised Estimate)	FY13 (Projections)
Madras APS	53.10%	53.10%	53.10%
Kaiga APS Stage I	55.10%	55.10%	55.10%

Table 31: Power Purchase - NPCIL PLF Assumed

iii) External loss of 5% has been assumed for all stations

iv) NPCIL has provided the single part tariff applicable to MAPS and KAIGA stages 1-4. The same rates have been applied to estimate the power purchase costs from these nuclear stations

v) Other costs have been assumed same as the previous year i.e. FY12

5.9 EDP purchases power from TNEB to service the regions of Karaikal and Pondicherry at a mutually agreed rate. To arrive at the projected quantum of power purchase from TNEB for the FY2012- 13, the Petitioner has examined the power purchase units consumed for the past 2 periods, i.e. FY11 and FY12 to arrive at average monthly units procured. The same figure has then been used to project the estimated power purchase for the entire year. External loss has been assumed to be 4%.

5.10 EDP also purchases power from KSEB to service the region of Mahe at the bulk supply tariff rate as approved by KSERC for KSEB. To arrive at the projected quantum of power purchase from TNEB for the FY2012- 13, the Petitioner has examined the power purchase units consumed for the past 2 periods, i.e. FY11 and FY12 to arrive at average monthly units procured. The same figure has then been used to project the estimated power purchase for the entire year.

5.11 EDP also purchases power from PPCL at the rates approved by JERC vide its Order dated 06/ 08/ 2011in response to Petition no. 18/210. The PLF assumed for this generating station is 87%, which is the NAPAF set by the Hon'ble Commission based on the average PLF between the CERC norm of 85% for fixed cost recovery and 90% NAPAF corresponding to the generation of 257MU's of PPCL.

5.12 PGCIL costs have been projected based on the per unit cost of transmission incurred by EDP in FY12.

5.13 A summary of the power purchase cost for FY13 is given below.

Source of power purchase	Station	Power Purchase Cost [Rs. Cr]
NLC	TS II Stage I	125.0
	TS II Stage II	50.7
	TS I Expn	36.7
NTPC	Ramagundam STPS Stage I & II	167.1
	Ramagundam STPS Stage III	49.4
	Talcher STPS Stage II	194.8
	Simhadri	55.2
NPCIL	Madras APS	5.3
	Kaiga APS Stage I	60.5
TNEB (Pondy)		14.1
TNEB (Karaikal)		62.6
PPCL		83.4
KSEB		12.5
PGCIL		79.7
Total		**997**

Table 32: Power Purchase Cost summary – FY2012-13 (Projected)

5.14 The increase in total power purchase cost from last year is approximately 3%

5.15 In addition to the above power purchase, the Petitioner is also committed to fulfilling its renewable purchase obligations (RPO) set by the Hon'ble Commission in the JERC Procurement of Renewal Energy Regulations 2010 dated 15/12/ 2010. In order to meet the RPO obligations for the period of 2012-13, EDP will have to purchase power at the defined 3% of the total of all sales in its areas for the FY 13. EDP currently does not purchase power from renewable energy sources and hence proposes to meet this obligation through the purchase of Renewable Energy Certificates. Solar RECs are not being traded currently in the Power Exchange market in India. EDP would hence request the Hon'ble Commission to approve of the entire RPO of EDP to be met through the purchase of non- solar RECs.

5.16 Figure shows the equilibrium price of RECs traded at IEX

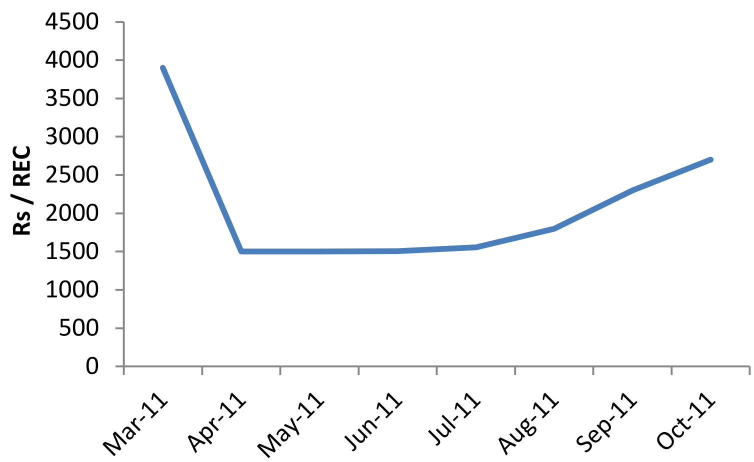

Figure 3: REC Equilibrium Price of RECs (Source: IEX)

5.17 The Renewable Energy Certificate trading session scheduled for 31 August 2011 was postponed to 2 September 2011.

5.18 As can be seen from the figure, the price of RECs has seen a steep rise in the past 2 months, owing to growing demand from states in order to comply with the RPO. This demand is seasonal and can be expected to wane from April 2012, once the deadline for the RPO compliance is over. Given this, the Petitioner has assumed that EDP would purchase RECs at an average price of Rs. 2550 per REC. The table below provides a summary of the RPO of EDP and the estimated costs that EDP would incur to comply with its RPO, which amounts to Rs. 18.5 crores

Sales for 2012-13 (MU)	RPO for 2012-13 (MU)	No of RECs to be purchased	REC Equilibrium Price (Rs./REC)	Cost of RPO Compliance [Crs]
2,414.50	72.44	72,435.15	2550	18.5

Table 33: RPO Compliance Cost FY12-13 (Projected)

5.19 Further, we have estimated that we will receive approximately 17 Crs of rebates for prompt payment for power in FY2012-13. The rebate assumed is at the same percentage as that for 2010-11 and 2011-12.

5.20 The total power purchase costs projected for FY 2012- 13 have been provided as per Format 4 of the JERC Tariff Regulations in Annexure 2 of this petition. A summary of the total power purchase costs are provided below:

Source of power purchase	Station	Power Purchase Cost [Rs. Cr]
NLC	TS II Stage I	125.0
	TS II Stage II	50.7
	TS I Expn	36.7
NTPC	Ramagundam STPS Stage I & II	167.1
	Ramagundam STPS Stage III	49.4
	Talcher STPS Stage II	194.8
	Simhadri	55.2
NPCIL	Madras APS	5.3
	Kaiga APS Stage I	60.5
TNEB (Pondy)		14.1
TNEB (Karaikal)		62.6
PPCL		83.4
KSEB		12.5
PGCIL		79.7
RPO Compliance Cost		18.5
Rebate on prompt payment		(17.7)
Net Power Purchase Cost		**997.8**

Table 34: Total Power Purchase Cost – FY2012 –13 (Projected)

5.21 We request the Hon'ble Commission to approve the estimated total power purchase cost for FY2012-13 at Rs.997.8Crs.

Operation & Maintenance expenses

5.22 O&M costs of the EDP consist of Employee costs, Repairs & Maintenance expenses and Administrative & General expenses. A summary of the projections for each of these cost heads are provided below

Item of expense	FY2010 - 11 (Actuals)[Crs]	FY2011 - 12 (Revised Estimate)[Crs]	FY2012 - 13 (Projections)[Crs]
			Projections
Employee costs	49.88	52.55	54.8
R&M expenses	7.95	10.34	10.77
Administration & general expenses	3.53	3.91	3.91

Total O&M	**61.36**	**66.80**	**69.48**

Table 35: O&M Costs

5.23 As per the JERC Tariff regulations, O&M expenses for subsequent years are to be determined by adjusting the Base O&M expenses approved according to the variation in the rate of WPI per annum.

5.24 It can be seen that the WPI variation for the subsequent two years totals to 13.36% as furnished in Table 81: F24 - Wholesale price indexof this petition. The actual increase in O&M cost from the base year is only 13.22%.

5.25 Details of each of the heads under O&M expenses are provided below

Employee Costs

5.26 The employee cost expenses stated comprise of all the costs related to employees like basic salary, dearness allowance, medical reimbursement charges, leave and travel allowance, honorariumetc.

5.27 The petitioner has not considered the pension and terminal benefits of the ex-employees as it does not maintain accounts related to pension benefits of ex-employees. Hence the same has not been included while calculating the employee costs.

5.28 A summary of the employee numbers of EDP have been furnished as per Format 15 of the Regulations and provided below:

Particulars	FY2010 - 11 (Actuals) [Nos]	FY2011 – 12 (Revised Estimate) [Nos]	FY2012 - 13 (Projection) [Nos]
Number of employees as on 1st April	2,298	2,293	2,361
Employees on deputation/ foreign service as on 1st April	10	10	10
Total number of employees (1+2)	2,308	2,303	2,371
Number of employees retired/ retiring during the year	55	43	73
Net transfers [In / (Out)]	12	(1)	-
Recruitment	38	112	-
Number of employees at the end of the year (3-4+5+6)	**2,303**	**2,371**	**2,298**

Table 36: Employee Strength Projection – FY2012-13

5.29 The summary of employee costs projected for 2012-13 is given below.

	FY2010 – 11 (Actuals)	FY2011 – 12 (Revised Estimate)	FY2012 - 13 (Projection)

	[Crs]	[Crs]	[Crs]
Salary	65.49	68.77	74.05
Wages	0.85	0.85	0.85
Stipend	0.22	0.22	0.22
Overtime	0.76	0.76	0.76
Total	67.32	70.60	75.88
Capitalized	17.44	18.04	21.09
Net amount	49.88	52.55	54.80
Prior period expenses	-	-	-
Total employee costs	**49.88**	**52.55**	**54.80**

Table 37: Employee Cost - Summary

5.30 The projections for salaries and allowances for FY2012- 13 have been made on the basis of the salary costs incurred in line with the 6th Pay commission revision for the respective grades. The figures arrived at have also taken into account the increase in employee costs on account of promotions and the proposed Modified Assured Career Progression (MACP) scheme of the EDP. The total increase in salary cost for FY2012-13 is estimated at about 8%.

5.31 Estimated employee costs in relation to the execution of capital works is expected to amount to 21.09 Crs for FY2012- 13. The net employee costs after deduction of the above mentioned capitalized amount would amount to 54.80 Crs

5.32 We request the Hon'ble Commission to approve the employee cost for FY2012-13 at 54.80 Crs

Repairs & maintenance expenses

5.33 R&M expenses include expenses on repairs and maintenance of electrical equipment, distribution network vehicles, furniture and fixtures, office equipment, buildings etc. The summary of the R&M expenses projected for FY 2012- 13 are shown below

	FY2010 - 11 (Actuals) [Crs]	FY2011 – 12 (Revised Estimate) [Crs]	FY2012 – 13 (Projection) [Crs]
R&M	7.95	10.34	10.77

Table 38: R&M Costs

5.34 The petitioner would like to submit that the reason for the increase is mainly due to the increases in maintenance necessitated in some of the EHV substations of the EDP, periodic maintenances of EDP owned buildings, increase in the maintenance costs of streetlights etc

5.35 We request the Hon'ble Commission to approve the R&M expenses for FY2012-13 at 10.77 Crs

Administrative & General (A&G) expenses

5.36 The A&G expenses include rent rates and taxes, expenses on computerization, telephone expenses, taxes, legal charges etc. The summary of the projected A&G expenses are shown below

	FY2010 - 11 (Actuals) [Crs]	FY2011 – 12 (Revised Estimate) [Crs]	FY2012 – 13 (Projection) [Crs]
Office expense	1.49	1.58	1.61
Miscellaneous expenses	2.04	2.34	2.30
Total	**3.53**	**3.91**	**3.91**

Table 39: FY2012- 13 - A&G Expenses

Depreciation

5.37 Depreciation has been calculated on the basis of straight-line method using the Gross Fixed Assets at the beginning of the year and addition in assets during the financial year. The depreciation is based on the original cost of the Gross Fixed Assets.

5.38 Regulation 26 of the JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009 specifies that depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The effective rate of depreciation used for computation of depreciation has been taken vide Appendix III (Depreciation schedule of CERC (Terms and Conditions of Tariff) Regulations, 2009. The rates used are as given below-

Name of the Assets	Rate of depreciation
Land and land rights	0.0%
Buildings	3.3%
Plant and machinery	5.3%
Lines and cable network	5.3%
Vehicles	9.5%
Furniture and fixtures	6.3%
Office equipment	6.3%
IT Equipments	15.0%
Testing & measuring equipment	5.3%
SCADA centre	5.3%

Table 40: Depreciation Rates Applied

5.39 The projected depreciation for the year 2012-13 has been worked out based on the following assumptions:

1. Depreciation for 2012-13 has been projected based on the opening balance of assets for the year, without considering the assets that have reached 90% of their value during the year

2. Additionof assets for the year 2012-13 have been considered based on thecapital expenditure proposed to be capitalized for the year
3. Additions in each category of assets have been taken in the same proportion as the previous year i.e. 2011-12

5.40 The projected depreciation for 2012-13 is shown below.

Particulars	FY2010 – 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
GFA at the beginning of the year	452.19	503.05	564.69
Asset Additions through the year	50.86	61.64	66.36
Depreciation Charges	22.13	25.07	33.04

Table 41: Projected Depreciation (FY13)

5.41 No advance against depreciation is being claimed for the year 2012-13.

Interest & finance charges

5.42 The petitioner being a government department submits that the entire capital employed till date has been funded through equity infusion by the GoP through budgetary support and without any external borrowings

5.43 The Interest & Finance Charges relate to financial leases taken by EDP and bank charges towards LCs for payment for power purchased. For the purpose of computation of the finance lease charges, the rate of interest applied is as per actuals at 8.22% p.a.

5.44 We request the Hon'ble Commission to approve 1.88 Crs towards expenditure under this head

Interest on working capital

5.45 The petitioner has computed the interest on working capital for FY 2012-13 on normative basis as provided by the JERC Tariff Regulations, 2009, which states that the working capital for integrated utility shall be the sum of one month requirement for meeting:

i. Power purchase cost
ii. Employees cost
iii. Administrative & General Expenses
iv. Repairs & Maintenance Expenses
v. Sum of two month requirement for meeting fuel cost

5.46 The EDP has no generation facility and therefore no fuel cost has been assumed

5.47 The rate of interest on working capital has been considered as SBI Prime lending rate as on 1st April of the respective years, which was 11.75% as on 1st April 2010 and 11.75% on 1st April 2011. The same rate i.e. 11.75% has been assumed for 2012-13.

5.48 The EDP has projected the interest on working capital for 2012-13 at Rs. 10.45 Crs

Particulars	FY2010 – 11 (Actuals) [Crs]	FY2011 – 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
One month's power purchase cost	60.61	83.11	83.15
One month's employee costs	4.16	4.38	4.57
One month's A&G expenses	0.29	0.32	0.33
One month's R&M cost	0.66	0.86	0.90
Total	65.72	88.68	88.94
State Bank Advance Rate	11.75%	11.75%	11.75%
Interest on working capital	7.72	10.42	10.45

Table 42: Projections of Interest on Working Capital (FY13)

Provision for bad & doubtful debts

5.49 The Hon'ble Commission had directed that the arrears receivable from various consumer categories is to be audited and the age-wise analysis is to be presented in the next filing

5.50 EDP has already commenced steps to analyse its sundry debtors and arrears, and obtain an age-wise breakup of the same from the revenue billing system. It also is in the process of reconciling the list of arrears with the sundry debtor balances as per the financial statements. This process is likely to take a significant amount of time and effort

5.51 Further, bills raised on permanently disconnected consumers are being identified by EDP and would be reversed accordingly. The segregated figures of outstanding dues from permanently disconnected HT consumers is provided below

Table 43: Segregated figures of outstanding dues from permanently disconnected HT consumers

S. No	Name of the Consumer	Amount (Rs.)
1	East Coast Steels	56,765,432
2	Rouri Madhu	2,947
3	Chemcol Dye Chem	27,562
4	Associated Ceramics	5,546
5	Phoenix Glass	16,572
6	PYG Organics	4,746
7	Vega Alloys	61,619

8	Sapthagiri Industries	129,459
9	Coromandel Pigments	141,709
10	Sri Gomathi Steels Ltd	3,409,168
11	Universal Carbides	932,002
12	Shakti Alloys	99,899
13	Shibi Capsules	229,228
14	VSK Ferro Alloys	15,460,392
15	Kaundinya Udyog	243,311
16	Silcal Metallurgics	14,367,927
17	Bhuvaneshwari Chemicals	1,960,132
18	Zenith Food Industries	331,782
19	Alternative Energy Industries	11,487
20	JBF Industries	61,719
21	Vijaya Industries Alcohol	40,094
22	Amaravathi Chemicals	384,685
Total		**94,687,418**

5.52 As EDP is in the process of reconciling the list of arrears with the sundry debtor balances as per the financial statements, we are not claiming any provision for bad & doubtful debts in the ARR of FY2012-13, for pass through in tariff to consumers

Return on capital base

5.53 The ED-Pondicherry is an integrated utility in its present form as defined in Regulation 2 (9) of the JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009. The ED- Pondicherry is not restructured and corporatized. As an integrated utility, it is entitled to return on capital base under the provisions of Schedule VI of the repealed Electricity (Supply) Act, 1948 vide proviso under Regulation 23 of JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009

5.54 The basic requirement for consideration of return on capital base is the annual accounts and fixed assets record. The petitioner would like to bring to the notice of the Hon'ble Commission that the ED – Pondicherry has prepared the opening balance sheet as on April 1, 2009, annual financial statements for the years 2009-10 and 2010-11 and Fixed Assets Statement with the advice and assistance of a professional firm. The accounts for the 1st half of FY2011-12 have also been prepared

5.55 The EDP is in the process of selecting an auditor. The department has sent out tenders on an invitational basis to various firms interested in providing audit services. The EDP would like to submit to the Hon'ble Commission that the auditor to audit the financial statements specified above, would soon be in place. The EDP would provide the Hon'ble Commission with the audited financial statements as soon as the selected firm has audited the same.The EDP has computed reasonable return @ 3% of capital base as shown below.

Particulars	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
Gross block at beginning of the year	452.19	503.05	564.69
Opening CWIP	75.46	64.92	87.86
Working capital for the year	65.72	88.68	88.94
Less accumulated depreciation	212.45	234.57	259.65
Less accumulated consumer contribution	-	-	-
Less opening debt	14.68	13.16	11.51
Net fixed assets at beginning of the year	366.25	408.92	470.33
Reasonable return @3% of NFA	**10.99**	**12.27**	**14.11**

Table 44: Return on Capital Base (FY13)

5.56 We request the Hon'ble Commission to approve the return on capital base for FY2012-13 at projected value of 14.11 Crs.

5.57 The petitioner has at present requested for only 3% rate of return on capital base. However, the Petitioner also humbly requests the Hon'ble Commission to allow EDP to seek a revised higher return to be admitted at the time of the review/ true up petition based on rate of return linked to the vintage value of assets.

Non – Tariff Income

5.58 The non-tariff income includes Reactive Energy Charges, STOA Charges, CTU Charges, Interest Income, Departmental charges on sale of material and UI Sales

STOA Charges

Short term open access charges are charges paid to EDP by PGCIL, for use of PGCIL capacity allocated to EDP by STOA consumers. This does not relate to open access in the EDP system. Revenue received from PGCIL is currently being verified by the SCC.

There is no firm commitment from PGCIL regarding the disbursement of arrears. STOA charges are split up and distributed to the long term licensees of the grid as and when the arrear amount reaches a critical mass. In view of this process followed by PGCIL, EDP would not have the requisite details to furnish a detailed response on whether there are any arrears pending from PGCIL

CTU Charges

The transmission charges collected by the nodal agency for use of the transmission system other than State network, for both bilateral and collective transaction shall be given to the CTU (Central Transmission Unit) for further disbursement to long-term customers in accordance to Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010, and the approved detailed procedure there under for Billing, Collection and Disbursement.

The transmission charges collected for use of the transmission system other than State network for a bilateral or collective transaction for each point of injection and each point of drawal shall be disbursed by the CTU after adjusting against the charges for Long Term Access without identified beneficiaries in the same region in accordance with detailed procedure for Billing, Collection and Disbursement in the following manner, namely-

(a) Central Transmission Utility: 25%

(b) Long-term customers of the synchronously connected grid: 75%

The transmission charges for use of State network shall be disbursed to the State transmission Utility concerned.

In case a State utility is the short-term customer, the operating charges and the transmission charges collected by the nodal agency shall not include the charges for use of the State network and operating charges for the State Load Despatch Centre

5.59 For the year FY12-13, the average cost of power purchase is Rs 2.99/kWh as against the proposed sale of power through UI at a rate of Rs. 3.48/kWh.

5.60 The non – tariff income for the year 2012 – 13 has been computed to be 141.05 Crs as shown below

	FY2010 - 11 (Actuals) [Crs]	FY2011 – 12 (Revised Estimate) [Crs]	FY2012 – 13 (Projection) [Crs]
reactive energy charges	6.61	9.00	9.00
stoa charges			
ctu charges			
interest income			
departmental charges on sale of material			

UI sales	90.11	138.1	132.05
Total NTI	**96.72**	**147.1**	**141.05**

Table 45: Non-Tariff Income (FY13)

Summary of Revenue Requirement

5.61 The aggregate revenue requirement for FY2012-13, and the comparison with FY2010-11 and FY2011-12 is shown below

Item of expense	FY2010 - 11 (Actuals)[Crs]	FY2011 - 12 (Revised Estimate)[Crs]	FY2012 - 13 (Projections)[Crs]
Cost of power purchase	727.3	997.3	997.8
Employee costs	49.9	52.6	54.8
R&M expenses	8.0	10.3	10.8
Administration & general expenses	3.5	3.9	3.9
Depreciation	22.1	25.1	33.0
Interest & finance charges	1.9	2.0	1.9
Interest on working capital	7.7	10.4	10.5
Provision for bad debts	-	-	-
Return on NFA / Equity	11.0	12.3	14.1
Amortization ofregulatory asset proposed for previous FYs			57.8
Aggregate revenue requirement	831.4	1,113.8	1,184.6
Non-tariff income	96.7	147.1	141.0
Net revenue requirement	**734.6**	**966.7**	**1043.6**

Table 46: Net Revenue Requirement (FY13)

5.62 EDP proposes to amortize the regulatory asset proposed for previous FYs to the tune of Rs. 57.8 Crores in FY12-13

5.63 The cost structure of the EDP, showing the contribution of different components of aggregate revenue requirement, towards the total costs incurred is given below for easy reference

Item of Expense	FY2010 - 11 (Actuals)	FY2011 - 12 (Revised Estimate)	FY2012 - 13 (Projections)
Cost of power purchase	87%	90%	89%
Employee costs	6%	5%	5%
R&M expenses	1%	1%	1%
Administration & general expenses	0%	0%	0%
Depreciation	3%	2%	3%
Interest & finance charges	0%	0%	0%
Interest on working capital	1%	1%	1%

Provision for bad debts	0%	0%	0%
Return on NFA / Equity	1%	1%	1%

Table 47: Change in proportion of costs in gross ARR

5.64 As can be seen, close to 90% of the gross aggregate revenue requirement is on account of power purchase costs. The % mix of the expense items are more or less the same as that for FY2011-12.

5.65 The EDP, being a transmission and distribution utility, has no owned generation, and is primarily dependent on external sources of power, and hence has no control over the cost of power purchased

5.66 Given this reality, we request the Hon'ble Commission to approve the net revenue requirement for FY2012-13 at 1043.6 Crs

Average Cost to Serve

5.67 We have calculated the average Cost to Serve based on the total projected sales. This avg CoS captures the impact of T&D losses in the system, incurred to serve demand.

5.68 Based on the projected net ARR and the projected sales, the average CoS works out to 4.32/kWh for FY2012-13

Net ARR (Rs Cr)	1043.58
Sales (MU)	2414.53
Avg CoS (Rs/Unit)	**4.32**

Table 48: Average Cost to Serve

6 Expected revenue from charges & gap

6.1 The expected revenue from charges is based on sales projections & approved tariff rates that are currently applicable for different consumer categories and slabs. The detailed working is provided in format F28 – Expected revenue from charges. The summary of the revenue from charges is given below

Item of expense	FY2010 - 11 (Actuals)[Crs]	FY2011 - 12 (Revised Estimate)[Crs]	FY2012 - 13 (Projections)[Crs]
Revenue from tariff	630.8	650.2	675.9
Revenue from FCA		46.4	
Surplus / (Gap)	(104.5)	(270.1)	(367.4)
Surplus / (Gap) from previous year	(68.2)	(172.7)	(385.2)
Total surplus / (gap)	**(172.7)**	**(442.8)**	**(752.6)**

Table 49: Revenue from Charges - Summary

6.2 The expected revenue from tariff for FY2012-13 is 675.9 Crs

6.3 Considering the net ARR of 1043.6 Crs,the gap for FY2012-13 will be 367.4 Crs. In addition, the aggregate gap of previous years of 385.2 Crs, comprising of the gap of 68.2 Crs for FY2009-10, 104.5 Crs for FY2010-11 and 270.1 Crs for FY2011-12 would result in an total aggregate gap of Rs 752.6 Crs from FY2009- 10 to FY 2012- 13.

6.4 EDP proposes to recover part of the proposed regulatory asset requested for approval upto 2011-12 during the FY12- 13 to the tune of Rs 57.8 Cr.

6.5 We request the Hon'ble Commission to approve the consolidated gap for recovery from tariff as 752.6 Crs

7 Tariff petition

Necessity for tariff petition

7.1 The gap for FY2012-13 alone is 367.4 Crs. Adding the gap from FY2009-10, FY2010-11 &FY2011-12 of68 Crs, 105 Crs &270 Crs respectively, the total gap to be recovered is 752.6 Crs

7.2 The average realisation from consumers at current tariff is only 2.80/kWh compared to the average CoS of 4.32/kWh leading to under realisation of 1.52/kWh

7.3 This is in addition to under realisation in earlier years including FY2009-10 as well, which will lead to accumulated losses of 385.2 Crs at the beginning of FY2012-13

7.4 Therefore, there is an urgent need to revise tariff to ensure sustainable operations of the EDP

Tariff philosophy

7.5 The tariff philosophy adopted in proposing revised tariffs draws upon the principles of

i) National Tariff Policy which indicates that cost recovery from consumers should be within ±20% of the average CoS

ii) Avoiding tariff shock to consumers, as far as possible

iii) Recovery of fixed costs through demand charges and energy costs through energy charges

7.6 The table below shows the category-wise cost recovery at existing tariffs as a percentage of average CoS of 4.32/kWh

Category	Avg. Realization [Rs/Unit]	Cost Recovery [%]
Domestic	1.17	27%
OHOB	0.68	16%
Commercial	3.60	83%
Agriculture	0.09	2%
Public lighting	2.90	67%
LT Industrial	2.72	63%
Temporary supply - LT	5.00	116%
HT 1 Industrial	3.55	82%
HT 2 - Government & water tank	3.67	85%
HT 3 - EHT	3.80	88%

Table 50: FY2012-13 – Category-wise cost recovery at existing tariff

7.7 Since more than 99.5% of electricity is being sold at less than average CoS, the EDP has no option but to propose a tariff hike across the board for all consumer categories

Proposed tariff

7.8 The category and slab-wise tariff has been proposed keeping in mind the tariff philosophy mentioned above

7.9 Further, we are proposing to recover almost the entire gap for the current year of 367.4 Crs, and propose to treat the accumulated gap of previous years amounting to 385.2 Crs as regulatory asset. The summary of the existing and proposed tariff is presented below

	Fixed charges			Energy charges		
	Existing	**Proposed (2012-13)**	**Change**	**Existing**	**Proposed (2012-13)**	**Change**
Domestic						
0 - 50	-	20.00	20.00	-	1.50	1.50
51-150	-	20.00	20.00	-	2.30	2.30
151-250	-	20.00	20.00	-	4.00	4.00
251-350	-	20.00	20.00	-	4.50	4.50
351-500	-	20.00	20.00	-	5.00	5.00
>500	-	20.00	20.00	-	5.20	5.20
OHOB	15.00	50.00	35.00	-	-	-
Commercial						
0 - 100	25.00	30.00	5.00	2.15	4.20	2.05
101 - 250	25.00	30.00	5.00	3.15	4.60	1.45
250-500	25.00	30.00	5.00	3.65	5.00	1.35
> 500	25.00	30.00	5.00	-	5.20	5.20
Agriculture						
Small farmers	25.00	75.00	50.00	-	-	-
Other farmers	100.00	200.00	100.00	-	-	-
Public lighting	-	-	-	2.90	4.30	1.40
LT Industrial						
0 - 1000	25.00	25.00	-	2.60	3.90	1.30
> 1000	25.00	25.00	-	2.80	4.20	1.40
Water tank	25.00	25.00	-	2.90	4.30	1.40
Temporary supply - LT	-	-	-	5.00	8.25	3.25
HT 1 Industrial & Commercial						
(A) - CD < 2000						
0 - 100000	155.00	210.00	55.00	2.95	4.10	1.15
>100000	155.00	210.00	55.00	3.10	4.20	1.10
(B) - 2000 < CD < 5000						
>0	160.00	210.00	50.00	3.15	4.25	1.10
(C)						
>0	-	210.00	210.00	-	4.40	4.40
HT 2 - Government & water tank	190.00	200.00	10.00	2.85	4.20	1.35
HT 3 - EHT	160.00	190.00	30.00	3.15	4.10	0.95

Table 51: FY2012-13 – Summary of existing & proposed tariff

7.10 The EDP is proposing the creation of a new category of consumers under HT 1 – HT Commercial

7.11 The table below shows the category-wise cost recovery with the proposed tariff

Category	Avg realization [Rs / kWh]	Cost recovery [%]
Domestic	3.40	79%
OHOB	2.28	53%
Commercial	5.16	119%
Agriculture	0.16	4%
Public lighting	4.40	102%
LT Industrial	4.06	94%
Temporary supply - LT	8.25	191%
HT 1 Industrial	4.83	112%
HT 2 - Government & water tank	5.06	117%
HT 3 - EHT	4.88	113%

Table 52: Category-wise cost recovery at proposed tariff

7.12 The level of cost recovery from different consumer categories is broadly within the limits stipulated by the National Tariff Policy

7.13 Further, there is a need for some level of cross subsidy given the socio-economic reality of the consumer base in the UT. The amendment to the Electricity Act 2003 which eliminated the requirement to completely eliminate cross subsidy is also an acknowledgement of the requirement to continue with a certain level of cross subsidy for some more time

7.14 We request the Hon'ble Commission to approve the proposed tariff in order to recover almost the entire gap of 367.4 Crs for the year FY2012-13, and approve the consolidated gap of previous years of 387.7 Crs as regulatory asset, subject to the final Orders on the petition for FY2011-12 and true-up of previous years

8 Prayer

8.1 The Electricity Department, Government of Puducherry (EDP) respectfully prays to the Hon'ble Commission to

i) Admit this petition for approval of Aggregate Revenue Requirement (ARR), Expected Revenue from Charges and revision of Tariffs

ii) Review the actual performance of FY2011-12, and provisionally approve the Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC) and the gap for FY2011-12 based on half year accounts prepared by the EDP, and projections, subject to final approval on the basis of true-up based on audited accounts

iii) Provisionally approve the consolidated gap upto end of FY2011-12 based on accounts prepared by the EDP, and projections, subject to final approval on the basis of true-up based on audited accounts

iv) Approve the Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC) and the gap for FY2012-13

v) Approve the proposed revision in tariff to recover the gap for FY2012-13 and the tariff schedule

vi) Create a regulatory asset for the consolidated gap upto end of FY2011-12

vii) Approve the amortization of part of the proposed regulatory asset as indicated in (vi) above to the tune of Rs. 57.8 Crores in this tariff petition.

viii) Grant approval for the proposed charges for services

ix) Grant any other relief as the Hon'ble Commission may consider appropriate. The petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time

x) To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice

8.2 The petitioner declares that the subject matter of the petition has not been raised by the petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any order in relation thereto

Place: Puducherry

Dated: 21st December 2011 Signature of Petitioner

9 Proposed Tariff Schedule

A. Low Tension Supply

DomesticPurposes(A2)

9.1 Thistariffisapplicabletoservicesforlights,fans,Air-conditioning, Heating andothersmalldomesticappliancesetcusedfor:

9.2 Genuinedomesticpurposesincludingcommonservicesforstair-case,lifts,water tankswithmotornotexceeding3 H.Pinthedomesticapartments.

9.3 Supply to actual places of public worship such as temples, mosques, churches.

9.4 Ashrams and Mutts, Non-commercial orphanage homes and old people homes run by religious and charitable institutions, social welfare and voluntary organisations.

9.5 Government owned Youth hostels, Adi Dravida hostels, Rehabilitation Centres, Anganwadies and Balwadies run by Social Welfare Department.

9.6 Forownresidenceswhereoneroomissetapartforthepurposeofconsultation bydoctors,lawyers,engineers,architectsandauditors.

9.7 Tohandloominresidenceofhandloomweavers(regardlessofthefactwhether outsidelabourisemployedornot)andtohandloominshedserected.

9.8 Totheresidenceswheresupplyfromahouseisextendedtotailoringshops,Job typing,documentwriting,Laundrypressing,andsmallcatererssetup in the verandahofthehousewithsmalllightingloadonly(onetubelightonly).

9.9 The ProposedenergychargesforDomesticServiceareasindicatedinthetablebelow.

Consumption [kWh/month]	Rate [Rs/kWh/month]
0 - 50	1.50
51-150	2.30
151-250	4.00
251-350	4.50
351-500	5.00
>500	5.20

9.10 FixedCharges: Rs. 20.00per connection permonth

HutServices(A3)

9.11 Forsupplytobonafidehutserviceswithonlytwonumbersof40WFlorescentTube lights.

9.12 TheenergychargesforhutService(OHOB)areasindicatedinTablebelow:

Description	Fixed Charges [Rs/connection/month]
Hut Services	50

Note:

9.13 Hutisdefinedasalivingplacenotexceeding300sq.ft.or27.87sq.m.withmud wall/brickwallorthatchedwallandthatchedroofonly.Hutdoesnotincludefarm huts.Ifanyoftheconditionsischangedatalaterstage,thisconcessionalsupply willbediscontinuedandtheconsumerwillhavetotakemeteredsupply.

9.14 The tariff under this item is also applicable for houses constructed for economically weakersectionsunderthe"Chief Minister's5000 housesprogramme"andhousesconstructedbythe DistrictRuralDevelopmentAgency underIndiraAwaasYojanaandbytheAdiDravidarWelfareDepartmenthavinga livingspacenotexceeding300sq.ft.or27.87sq.

9.15 Theconsumerunderthiscategoryshoulduseonlytwonumbersof40 watts florescenttubelights.Heshouldnotusebulbs/tubelightsof higherwattageor connectany otherelectricalequipment/appliancesotherthanthosementioned above.Supplyfromsuchservicesshouldnot betappedforanyotherpurposes includingfunctions, publicmeetingsandalsofor neighbouringhuts.Ifatanytime, anyunauthorizedloadorextension,useofhigherwattagebulbsoruseofservice forotherpurposesisdetected,theservicewillbedisconnectedforthwith.

Commercial(A1)

9.16 ThistariffisforLightsandcombined installation oflightsandfans,mixedloadsof lightsandpower,heatingandair-conditioningapplicableto:

i) Non-domesticandnon-industrialconsumers,tradeandcommercialpremises.

ii) Educational institutions, hostels, public libraries.

iii) Hotels, Restaurants, Boarding and Lodging Homes

iv) Hospitals, Private clinics, Nursing Homes, Diagnostic Centres, X-ray Units etc.

v) IT related development Centres and Service centres.

vi) Common services for Stair-case, lifts, water tanks with motor not exceeding 5 H.P. etc. in the purely commercial/combinationofcommercialanddomestic.

9.17 The proposed energychargesareasindicatedinthetablebelow:

Consumption [kWh/month]	Rate [Rs/kWh/month]
0–100	4.20
101–250	4.60
251 – 500	5.00
>500	5.20

9.18 Other charges

Fixed Charges	Rs. 30per service per month
Service Charges	Rs. 25.00 per service per month

Agricultural Services (D)

9.19 Agriculture/Cottage Industries, etc. For supply to bonafide Agricultural Services with a connected load of not less than 3HP per service.

Agriculture(D1)

Description	Fixed Charges [Rs/HP/annum]
Small Farmers	75
Other Farmers	200

9.20 For other farmers, a service charge of 200/service/annum will be charged, in addition to charges as above

9.21 Electricity will be supplied under the tariff category “Small farmers” to those consumers whose families are solely dependent on the income derived from their agricultural and holding, which should not exceed two and half acres of wetland or five acres of dry land. A certificate to this effect from Revenue authority shall be produced. "Small farmer means a person whose total holding, whether as owner, tenant or mortgaged with possession or partly in one capacity and partly in another, does not exceed two-and-half acres of wetland so five acres of dry land. Incomputing the extent of land held by a person who holds both wet and dry lands, two acres of dry land shall be taken as equivalent to one acre of wet land.

9.22 The above concession will be withdrawn if resale of energy or unauthorized load/extension or use for other purpose is detected by the Department.

9.23 Agricultural powerloadsbelow3H.P.willbechargedunderGeneralCategory TariffA1.Abonafide farmer may use his motor in the Agricultural Service for allied agricultural purposes such as sugar cane crushing, thrashing etc. With the prior approval of concerned Executive Engineer (Operation & Maintenance), Electricity Department.

9.24 However, power supply to Farm Houses shall be metered separately and chargedunderDomestictariff.

PaymentofTariffChargesbyAgricultureconsumers

9.25 TheTariffshallbecollectedinthreeequalinstalmentspayableinApril,August andDecemberineachyear.Theinstalmentsshallbepayablebeforethe15thof therespectivemonths.TheservicechargesofRs200 p e r annumshallalsobe collectedinthreeinstalmentsofRs.75,Rs.75andRs.50alongwithinstalmentofflatrateinApril,Augustan dDecembermonths.

9.26 For new service, thefirst instalmentshall beproportionate tothenumber of whole months remaining till the month in which the first instalmentis due. Fractionofamonthshallbereckonedasa wholemonth.

CottageIndustries/Horticulture /PoultryFarms(D2):

9.27 Itisapplicabletocottage industries, privateHorticultural nurseries including Plant tissue culture media and bonafidepoultryfarms.

9.28 Theenergychargesareasindicatedinthetablebelow:

Description	Energy Charges
Cottage Industries	Tariff rates as applicable in case of Domestic Consumers
Horticulture	
Poultry Farms	

(a) Cottageindustries

9.29 The following conditions should be satisfied in order that an industry may be classifiedasabonafidecottageindustry:

9.30 Itshouldbeconductedentirelywithinthehome,thehomebeingdeemedtobe permanentresidenceoftheproprietor.

9.31 The industry shall not cause any residence toconstitute afactory within the meaningoftheFactoriesAct,1948.

9.32 Notmorethantwopersonsoutsidetheimmediatefamilyoftheproprietorshallbe employedinthefactory.

9.33 It shouldbecertifiedbytheDirectorofIndustriesthattheindustryforwhichpower isusedisacottageindustry.

9.34 Theproduce isnotpurelyutilizedmainlyforthedomestic consumptionofthe proprietorbutshouldalsobeavailableforsaletothepublic.

(b) Poultryfarms

9.35 The following conditions should be satisfied in order that the service may be classifiedasabonafidepoultryfarm.

9.36 Thecapacityofthefarmshallbeaminimumof100birdsandmaximumof5,000 birds(bothlayerandbroilerbirds).

9.37 Theapplicationofthebeneficiaryseekingsuchconcessionshallbeverifiedand recommendedbytheAnimalHusbandryDepartment.

(c)Horticultural

9.38 Theapplicationsofthebeneficiaryseekingsuchconcessionshallbeverifiedand recommendedbytheDirector,AgricultureDepartment.

Publiclighting

9.39 The Proposed tarifffforpubliclighting(exclusiveofinstallation,renewalcharges,etc.)shallbe asfollows:

Description	Rate [Rs/kWh/month)
Public Lighting	4.30

9.40 Thistariffwillalsoapplytopubliclightinginmarkets,busstands,trafficsignals,high mastlightsonpublicways,publicparks,publiclightinginnotifiedindustrialestates.

Industrial(C)

LTIndustrial(C1)

9.41 Applicable to low tension industrial consumers including lighting in the industrial servicesexceptthosementionedinTariff`C2'category.

9.42 The Proposed energychargesareasindicatedinthetablebelow.

Consumption [kWh/month]	Rate [Rs/kWh/month]
0 – 1000	3.90
> 1000	4.20

9.43 Other charges

Minimum Charges	Rs. 60 /HP / month
Service Charges	Rs. 25 /service / month

LTIndustrial(C2)- Water tanks

9.44 Applicable to water tanks including lighting in the premises maintained by State GovernmentDepartments/UndertakingsandLocalBodies.

9.45 The Proposed energychargesareasindicatedinthetablebelow.

Consumption [kWh / month]	Rate [Rs/kWh/Month]
Entire consumption	4.30

9.46 Other charges

Fixed Charges	Rs. 25 / service / month

LT supply Limit

9.47 For single phase connection, the connected load shall not exceed 4kW, and for 3 phase connection, the connected load shall not exceed 130 HP or 97 kW

B. High tension supply

HighTension–I (a)

9.48 Applicable to industrial establishments, registered under Factories Act with Contracted Maximum demand of 2000KVA &less, The Proposed DemandandtheEnergyChargesareasindicatedinthetablebelow

Description	Unit	Slab	Charges
Demand Charges	Rs. / kVA / month	NA	210.00
Energy Charges	Rs. / kWh/ month	0 – 100, 000 kWh / month	4.10
	Rs. / kWh/ month	> 100, 000 kWh / month	4.20

HighTension–I (b)

9.49 Applicable to industrial establishments, registered under Factories Act with Contracted Maximum demand of greaterthan2000&lessthanorequalto 5000KVA, The Proposed DemandandtheEnergyChargesareasindicatedinthetablebelow

Description	Unit	Slab	Charges
Demand Charges	Rs. / kVA / month	NA	210.00
Energy Charges	Rs. / kWh/ month	Entire consumption	4.25

High Tension –I (C)

9.50 For Commercial Establishments including Laboratories, Hotels, Marriage Halls, Cinema Theatres, Private educational Institutions, Private Hospitals, shopping Malls, Telephone exchanges, broadcasting companies, IT companies.

Description	Unit	Slab	Charges
Demand Charges	Rs. / kVA / month	NA	210.00
Energy Charges	Rs. / kWh/ month	Entire consumption	4.40

9.51 The above tariff is subject to a monthly minimum payment of three fourth times the demand charges for the contracted load in KVA.

9.52 The billing demand shall be the maximum demand recorded during the month or 75% of contracted demand whichever is higher

9.53 If in anyone month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand will be billed at double the normal rate.

I. SupplyVoltage

9.54 ThesupplyvoltageforHTconsumer'supto5000KVAwillbe33kV,22KVor11KV asthecasemaybe.NewHighTensionconsumerswhowantto availamaximum demandabove5000KVAorexistingHighTensionconsumerswhowanttoenhance theirdemandtotheabovelevelshouldavailpoweronlyat110KVor132KVasthe casemaybe.Incasetheexistingconsumers whosesanctioned demandexceeds theabove limitof5000KVAat33kV,22KVor11KVasthecasemaybe,the consumershallbechargedanextralevyoverandabovethenormaltariffatdouble thenormaltariffratefortheenergyconsumedinexcess,calculatedonthebasisof 500unitsperKVAovertheexcessdemand.

II.Seasonaldemand

9.55 Forloadsstrictlyseasonalincharacter,themainplantisregularlytotallycloseddown duringcertainmonthsintheyear,theconsumptionoftheconsumerwillbecharged under"HighTensionI"category+10%forenergychargesonlyandnotfordemand charges.Thebillingdemandshallbe the actualmaximumdemandrecorded.This concessionishoweversubjecttotheexpressconditionthat-

i) Fortheoff-seasonandtheworkingseasoninthesamemonth,thecalculationof billingdemandforworkingseasonshallbeproportionatetotheactualmaximum demandor75%whicheverishigherandforoff-seasonperiodtheproportionate actualmaximumdemandrecorded.

ii) TheconsumergivesadvancenoticeinwritingtotheSuperintendingEngineer, ElectricityDepartment,ofthetotalorpartialclosingdownoftheplant.

HighTension-II

9.56 Applicable toState andCentral Governmentestablishmentsofnon-industrial andnon-commercialnature.

9.57 Thedemandandenergychargesareasindicatedinthetablebelow

Description	Unit	Slab	Charges
Demand Charges	Rs. / kVA / month	NA	200.00

Energy Charges	Rs. / kWh/ month	Entire consumption	4.20

9.58 Theabovetariffissubjecttoamonthlyminimumpaymentofthree-fourthtimesthe demandchargesforthecontractedloadinKVA.

HighTension-III

9.59 Applicabletoalltypesofindustriessuppliedat110KVor132KVasthecasemay be.

9.60 The proposed demandandenergychargesareasindicatedinthetablebelow.

Description	Unit	Slab	Charges
Demand Charges	Rs. / kVA / month	NA	190.00
Energy Charges	Rs. / kWh/ month	Entire consumption	4.10

9.61 Theabovetariffissubjecttoamonthlyminimumpaymentofthree-fourthtimesthe demandchargesforthecontractedloadinKVA.

9.62 Thebillingdemandshallbethemaximumdemandrecordedduringthemonthor75% of contracteddemandwhichever ishigher.

9.63 If in anyone month, the recorded maximum demandoftheconsumerexceedsitscontracteddemand,thatportionof thedemandinexcessofthecontracteddemandwillbebilledatdoublethenormal rate.

C.Temporary supply

9.64 Thetariffapplicableandminimumchargesforthetemporary Services more than a period of fifteen days willbe asfollows:

9.65

Category	Unit	Slab	Rate [Rs/kWh]	Minimum charges
Lights or combined installation of lights and fans, Motive Power, Heating and others	Rs / kWh / month	Entire consumption	8.25	Rs. 120 / service / month
Special Illumination	Rs / kWh / month	Entire Consumption	8.25	Rs. 300 / service / month
Construction and testing purpose for load exceeding 130 HP or 97	Rs / kWh / month	Entire Consumption	8.25	As in High tension-I

Note:

9.66 TherateforSpecialilluminationshallapplytoweddings,garden-partiesandother Private/Governmentfunctionswhentheilluminationis obtainedthroughbulbs fastenedin othersurfacesofwallofbuildings,ontreesandpolesinsidethe compoundandinpandaletc.,outsidethemainbuilding

9.67 IncaseswheresuchSpecialilluminationisdoneintheexistingregularservices theenergyutilizedforsuchilluminationshallbe meteredseparatelyandthe consumptionwillbe chargedunderSpecialilluminationchargeas leviedunder temporarysupply.

9.68 Wherever suchSpecial illumination isdone un-authorisedly, apenalcharge of Rs.100 for service shall be levied in addition to the existing tariff of the installation.

9.69 Other conditions for collection of line and service connection charges, dismantling,securitydepositetc.willbeaspertherulesnowinforce.

9.70 Forsupplyrequiredatshortnoticethatiswithinthreedaysfromthedateof applicationfortemporaryserviceconnections,anurgencychargeofRs.25shall bepaidalongwithothernormaltariffcharges.

10 Proposed schedule of services &charges

Charges for service connections

		Category	Proposed charges [Rs]
(A)	New LT overhead service lines	(i) One hut one Bulb	Nil
		(ii) Other single phase Services	250
		(iii) Three phase Services	500
		(iv)L.T C.T operated Meter services	3000
		(v) H.T Services	5000
(B)	New LT underground service lines	(i) Single Phase services -	500
		(ii) Three phase Services	1000
(C)	Rating / re-rating of services	(i)Single phase Services	125
		(ii)Three phase Services	250
		(iii) L.T C.T operated Meter service	1500
		(iv) H.T Service	2500

Note: The above charges under (A) & (B) will be applicable for addition or alteration or reduction of connected load and enhancement or reduction of CMD or alteration of internal Electrical installations.

Testing of installation

Testing for servicing a new installation (or of an extension or alteration) - For the first test No Charge. Subsequent testing warranted due to absence of contractor or his representative (or) due to defects in wiring of consumer's premises or at the request of the consumer or at occasions that warrant testing of installations for the second time for reasons attributable to the consumers

	Proposed Charges (Rs.)
i) Domestic lighting/Commercial lighting/Agriculture Services	200
(ii) Other LT Services	900
(iii) HT/EHT Services	7500

Testing of meters & metering arrangements

For testing of meter at the instance of the consumer:

	Proposed Charges (Rs.)
(i) Single phase direct meter	150
(ii) Three phase direct meter upto 50 A	200
(iii) L.T C.T coil test	800
(iv) H.T Tri-vector Meter (0.5 class accuracy or CT operated LT meters.	1500
(v) H.T Tri-vector Meter (0.2 class accuracy)	2000
(vi) H.T Metering Cubicle	3500

Testing of HT/EHT consumer protective equipment

	Proposed Charges (Rs.)
Testing charges for protective relays (Earth fault,line fault etc.)	4500
Testing charges for one set of current transformer.	4500
Testing charges for one set of potential transformers.	4500
Testing charges for one set of circuit breaker	4500
Testing charges for measurement of earth resistance.	3000
Testing charges for Transformer oils	500

Disconnection / Re-connection charges

	Proposed Charges (Rs.)
(i)Disconnection of L.T service on request	100
(ii) Disconnection of HT service on request	500
(iii) Reconnection of L.T Service(on all occasions) .	100
(iv)Reconnection of HT Service (on all occasions).	500

Title transfer of services

	Proposed Charges (Rs.)
(i) Domestic	250
(ii) Commercial lighting installation	500
(iii) All other LT installation	1000
(iv) HT/EHT Services	2000

Furnishing of certified copies

(To be issued to the consumer only)

	Proposed Charges (Rs.)
Issue of duplicate Monthly bills for a month.	10.00
(ii) Contractor's completion-cum-test report	10.00
(iii) Ledger extract	20.00 / calendar year or part thereof.
(iv) Agreement	50.00
(v) Estimate	50.00

Meter rent charges

.	Particulars	Proposed Charges (Rs.)
(i)	single-phase meter	10/- per meter/ month. or part

		thereof
(ii)	Three phase meter	25/- per meter/ month. or part thereof
(iii)	LT C.T operated meters	200/- per meter/ month. or part hereof
(iv)	HT/EHT metering equipments	500/- per meter/ month .or part thereof

Fuse renewal charges

	Proposed Charges (Rs.)
(i) Domestic	-NIL
(ii) Commercial	50
(iii) L.T Industrial	50
(iv) High Tension/Extra High Tension installation	250

Shifting of meter board at consumer's request

	Proposed Charges (Rs.)
(i) LT single phase supply	125
(ii) LT Three phase supply	250

Belated payment surcharge

All High Tension and low tension consumer bills shall be paid within the due date as specified in the respective bills. Bills not paid within this stipulated time will be subjected to a levy of 1.5% surcharges per month. Period of delay less than one month will be reckoned as one month. The above charges will be levied subject to a minimum of Rs 6/- for L.T domestic consumers , Rs 10 /-for other LT consumers and Rs 500/- for H.T /EHT consumers

11 Annexures

Annexure 1 – Financial statements

Financial Statements for FY2010-11

Table 53: Balance sheet as on 31.03.2011

PUDUCHERRY ELECTRICITY DEPARTMENT			
BALANCE SHEET AS AT 31st MARCH, 2011 (UNAUDITED)			
			(Rs.)
PARTICULARS	SCHEDULE No.	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
(1) Owner's Funds			
Government Fund		6,021,613,703	4,568,892,590
(2) Loan Funds			
(a) Secured Loans	1	131,573,049	146,792,116
T O T A L		6,153,186,752	4,715,684,706
APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	2	5,030,524,050	4,521,875,954
(b) Less : Acumulated Depreciation		2,345,828,611	2,124,558,100
(c) Net Block		2,684,695,439	2,397,317,854
(d) Capital Work in Progress		649,197,319	754,618,155
(2) Current Assets Loans & Advances			
(a) Inventories		171,526,679	131,789,255
(b) Sundry Debtors	3	3,220,292,584	2,641,203,098
(c) Cash and Bank Balances	4	58,722,305	53,146,325
(d) Loans and Advances	5	60,097,798	274,174,647
		3,510,639,367	3,100,313,324
Less: Current Liabilities and Provisions	6	2,096,648,008	2,052,533,095
N E T C U R R E N T A S S E T S		1,422,227,042	1,047,780,230
Profit & Loss Account		1,405,302,636	515,968,467
T O T A L		6,153,186,752	4,715,684,706
Significant Accounting Policies and Notes to Accounts	12		

Table 54: Profit & loss account for the year ended 31.03.2011

PUDUCHERRY ELECTRICITY DEPARTMENT			
Profit and Loss Account for year ended 31st March, 2011 (UNAUDITED)			
			(Rs.)
PARTICULARS	SCH. No.	Year Ended 31st March, 2011	Year Ended 31st March, 2010
I N C O M E			
Revenue from Sale of Power	7	7,178,804,177	6,133,604,442
Other Income	8	66,145,002	46,416,417
T O T A L I N C O M E		7,244,949,179	6,180,020,858
E X P E N D I T U R E			
Purchase of Power		7,280,773,858	5,880,690,355
Employee Costs	9	498,864,186	474,705,349
Operations & Maintenance Expenses		79,450,828	96,302,974
Administration and General Expenses	10	35,391,274	31,847,353
Other Expenses		666,611	721,801
Depreciation		221,270,511	198,734,002
Interest and Finance Charges	11	17,866,079	12,987,491
T O T A L E X P E N D I T U R E		8,134,283,348	6,695,989,325
Net Profit / (Loss) before prior period adjustments		(889,334,169)	(515,968,467)
Net Prior Period Credits / (Charges)		-	-
Profit / (Loss) before Tax		(889,334,169)	(515,968,467)
Less : Provision for Taxation			
Profit / (Loss) after Tax		(889,334,169)	(515,968,467)
Profit / (Loss) brought forward from previous year		(515,968,467)	-
Balance carried to Balance Sheet		(1,405,302,636)	(515,968,467)

Table 55: Cashflow statement for the year ended 31.03.2011

Puducherry Electricity Department		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011 (UNAUDITED)		
Particulars	2010-11	2009-10
A. Cash flows from operating activities		
Net profit / (loss) before tax	(889,334,169)	(515,968,467)
Adjustment for :		
Depreciation	221,270,511	198,734,002
Interest Income	(1,490,037)	(2,848,053)
Interest Expenses	17,866,079	12,987,491
Operating profit / (loss) before working capital changes	(651,687,616)	(307,095,027)
Changes in Working Capital		
(Increase) / Decrease in Inventories	(39,737,424)	(15,081,209)
(Increase) / Decrease in Debtors	(579,089,486)	(688,124,787)
(Increase) / Decrease in Loans & Advances	214,076,849	(100,694,531)
Increase / (Decrease) in Trade Payables & Provisions	35,879,230	676,868,224
Cash generated from operations	(1,020,558,447)	(434,127,330)
Less: Direct taxes paid		
- Income Tax	-	-
- Fringe Benefit Tax	-	-
Net cash from operating activities	(1,020,558,447)	(434,127,330)
B. Cash flows from investing activities		
(Increase) / Decrease in Fixed Assets	(508,648,096)	(318,864,799)
(Increase) / Decrease in Capital WIP	105,420,836	(85,571,675)
Interest received	1,490,037	2,848,053
Net cash from investing activities	(401,737,223)	(401,588,422)
C. Cash flows from financing activities		
Repayment of long term borrowings	(15,219,067)	(14,022,371)
Government Fund	1,460,956,796	870,323,090
Interest paid	(17,866,079)	(12,987,491)
Net cash flow from financing activities	1,427,871,650	843,313,228
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,575,980	7,597,476
Opening Balance of Cash and Cash Equivalents	53,146,325	45,548,849
Closing Balance of Cash and Cash Equivalents	58,722,305	53,146,325

Table 56: Schedules forming part of the unaudited financial statements for FY2010-11

SCHEDULE -1
SECURED LOANS

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
			(Rs.)
1	Finance Lease Liability (The lease is relating to the System Control Centre)	131,573,049	146,792,116
	TOTAL	131,573,049	146,792,116

SCHEDULE -3
SUNDRY DEBTORS

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
			(Rs.)
1	Sundry Debtors for Sale of Power	2,389,317,056	2,080,557,446
2	UI Charges receivable	257,473,304	54,676,784
3	Receivable from Other Department for Sale of materials	221,235	207,056
4	Unbilled Debtors	573,280,989	505,761,812
	TOTAL	3,220,292,584	2,641,203,098

SCHEDULE -4
CASH & BANK BALANCES

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
			(Rs.)
1	Cash in hand	2,189,241	5,592,779
2	Cheques in hand	6,160,554	3,429,560
3	Margin money with Bank	50,372,510	44,123,986

	TOTAL	58,722,305	53,146,325

SCHEDULE -5

LOANS & ADVANCES

(Rs.)

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
1	Other Income receivable	9,022,862	11,793,311
2	Lease advances	3,100,000	2,945,950
3	Advances to Creditors	31,260,915	257,824,248
4	Tariff Subsidy receivable	16,714,021	1,611,138
	TOTAL	60,097,798	274,174,647

SCHEDULE -6

CURRENT LIABILITIES & PROVISIONS

(Rs.)

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
1	Consumer Deposits (refer note 9 of Part B – Notes to accounts)	642,474,352	562,036,729
2	Consumer Contribution for Deposit Works	32,201,521	18,733,278
3	Sundry Creditors	1,380,200,281	1,450,343,023
4	Interest Payable on Finance Lease	901,003	1,005,222
5	Other Liabilities	1,011,604	808,301
6	Vendor/Contractor Deposits	2,432,268	2,225,014
7	Provision for expenses	2,208,179	10,032,844
8	Sales Tax Payable	26,983,117	-

9	Un-reconciled balance on account of Fixed assets	8,235,683	7,348,683
	TOTAL	2,096,648,008	2,052,533,095

SCHEDULE -7

REVENUE FROM SALE OF POWER

			(Rs.)
S.No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
1	LT consumers	1,531,007,564	1,375,741,339
2	HT consumers	4,594,380,330	4,071,047,600
3	Government Buildings	6,422,714	10,647,722
4	Street Light Charges	49,624,373	60,756,049
5	Agriculture	44,230,104	7,137,578
6	Tariff Subsidy on Sale of Power	15,102,883	1,611,138
		6,240,767,968	5,526,941,426
Add	Un-billed revenue as at the end of the year	573,280,989	505,761,812
Less	Un-billed revenue as at the beginning of the year	505,761,812	447,784,518
	Revenue from Sale of Power	6,308,287,145	5,584,918,720
7	UI Charges for the year	870,517,032	548,685,722
		7,178,804,177	6,133,604,442

SCHEDULE -8

OTHER INCOME

			(Rs.)
S.No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
1	Sale of Trading Materials	751,604	813,831
2	Interest Income on Margin Money Deposit with Bank	1,490,037	2,848,053

3	Other receipts	63,903,360	42,754,532
	TOTAL	66,145,002	46,416,417

SCHEDULE -9

EMPLOYEE COSTS

(Rs.)

S.No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
1	Salary	673,809,932	570,723,600
2	Wages	8,520,000	1,519,000
3	Stipend	2,217,000	1,616,000
4	Overtime Payment	7,603,000	7,492,000
		692,149,932	581,350,600
Less	Departmental Charges	18,888,746	29,299,251
Less	Salary Costs Capitalized	174,397,000	77,346,000
	TOTAL	498,864,186	474,705,349

SCHEDULE -10

ADMINISTRATION & GENERAL EXPENSES

(Rs.)

S.No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
1	Office Expenses	14,944,624	12,228,910
2	Other Miscellaneous Expenses	20,446,650	19,618,443
	TOTAL	35,391,274	31,847,353

SCHEDULE -11

INTEREST AND FINANCE CHARGES

			(Rs.)
S.No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
1	Interest Charges on Finance Lease	10,666,128	11,815,648
2	Bank Charges	7,199,951	1,171,843
	TOTAL	17,866,079	12,987,491

Schedule 2 - Fixed Assets Schedule for FY2010-11													
		Gross Block				Depreciation						Net Block	
Assets group number	Assets group description	Opening balance*	Additions during the period	Deductions for period	Cost at the end of the year	Opening balance	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Depreciation on Deductions during the period	Total at the end of the year	At the end of current year	At the end of previous year
1	Land and land rights												
	Sub Stations	52,138,000	-	-	52,138,000	-	-	-	-	-	-	52,138,000	52,138,000
	Other	328,000	-	-	328,000	-	-	-	-	-	-	328,000	328,000
2	Buildings												
	Sub Stations	89,175,000	437,000	-	89,612,000	31,752,720	2,937,697	14,596	2,952,293	-	34,705,013	54,906,987	57,422,280
	Other	70,979,922	450,000	-	71,429,922	27,490,884	2,145,647	15,030	2,160,677	-	29,651,561	41,778,361	43,489,038
3	Plant and machinery												
	Sub Stations	1,404,290,876	82,343,532	-	1,486,634,408	733,298,863	60,145,736	4,347,738	64,493,475	-	797,792,338	688,842,070	670,992,013
	Transformers	292,384,487	30,230,164	-	322,614,650	93,366,222	15,111,414	1,596,153	16,707,567	-	110,073,788	212,540,862	199,018,265
4	Lines and cable network												
	Sub Station and Others	2,233,081,697	383,945,332	-	2,617,027,029	1,057,953,810	95,482,600	20,272,314	115,754,913	-	1,173,708,723	1,443,318,306	1,175,127,887
5	Vehicles												
	Sub Station and Others	29,975,300	46,000	-	30,021,300	23,207,582	872,488	4,370	876,858	-	24,084,440	5,936,860	6,767,719
6	Furniture and fixtures												
	Sub Station and Others	668,029	299,068	-	967,097	467,723	27,299	18,931	46,230	-	513,953	453,144	200,306
7	Office equipment (Office equipment, telephones & Telephone lines, Radio and high frequency carrier system (VHF))												
	Sub Station and Others	17,569,000	100,000	-	17,669,000	12,961,322	568,472	6,330	574,802	-	13,536,124	4,132,876	4,607,678

Schedule 2 - Fixed Assets Schedule for FY2010-11													
		Gross Block				Depreciation						Net Block	
Assets group number	Assets group description	Opening balance*	Additions during the period	Deductions for period	Cost at the end of the year	Opening balance	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Depreciation on Deductions during the period	Total at the end of the year	At the end of current year	At the end of previous year
8	IT equipments (Computers etc.)												
	Sub Station and Others	16,040,413	252,000	-	16,292,413	11,922,440	748,675	37,800	786,475	-	12,708,915	3,583,498	4,117,973
9	Testing &Measuring Equipments												
	Sub Station and Others	71,604,900	10,545,000	-	82,149,900	26,956,313	3,496,236	556,776	4,053,012	-	31,009,325	51,140,575	44,648,587
10	SCADA Centre												
	Sub Station and Others	243,640,331	-	-	243,640,331	105,180,221	12,864,209	-	12,864,209	-	118,044,431	125,595,900	138,460,110
	Total	**4,521,875,954**	**508,648,096**	**-**	**5,030,524,050**	**2,124,558,100**	**194,400,474**	**26,870,037**	**221,270,511**	**-**	**2,345,828,611**	**2,684,695,439**	**2,397,317,854**

1.1.1.1 (12) SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Background

11.1 Puducherry Electricity Department (PED) is a part of the Government of Puducherry. It is responsible for distribution and supply of electricity in Puducherry, Karaikal, Mahe and Yanam regions of the Union Territory of Puducherry. PED is governed by the Electricity Act 2003, as a deemed licensee.

11.2 After the enactment of The Electricity Act 2003, it is mandatory for all electricity utilities to file their Annual Revenue Requirement and Tariff Proposal in the form of a petition before the respective State Electricity Regulatory Commission. The Commission after hearing all the stake holders, issues an appropriate order on the ARR and Tariff Proposal. The Department had filed its first proposal for tariff fixation /revision for the year 2009-10 and a Tariff Order was passed in February 2010.

11.3 Being a Government Department, the PED it maintains its books of accounts as per the Government system of accounting, which essentially is cash based and to some extent a partial system of single and double entry accounting. In other words, as typical to any other entity that maintains its accounts based on a commercial accounting system, the PED does not prepare a Profit & Loss Account, Balance Sheet and Cash Flow Statements at the end of the year. Further since there is no concept of Balance Sheet, the fixed assets are not capitalized and fixed assets records are not kept in the manner required as in the case of any commercial organization.

11.4 In the Tariff Order which was passed in February 2010, the JERC had given a directive to the PED that it must prepare separate Financial Statements and get the same audited. The Department is directed to prepare Accounting Statements which includes balance sheet, profit and loss account, cash flow statement, report of the auditors, etc., together with notes and such other supporting statements and submit the same along with the next ARR and Tariff Petition.

11.5 It may be noted that the PED still continues to be a department of the Government of Puducherry and therefore as of date still continues to maintain its books of accounts as per the Government system of accounting. This would continue to be the case, till such time the PED is corporatized into a separate entity under the Companies Act 1956. Therefore, the Financial Statements attached as a part of this ARR petition have been prepared solely for the purposes of complying with the JERC’s directives and must be read and interpreted in that context.

11.6 The paragraphs below outline the methodology adopted for the preparation of the Financial Statements. As indicated above, the base records continue to be the cash based Government system of accounting and books of accounts maintained therein. Several adjustments have been carried out to the base amounts indicated in the Government system of accounts to arrive at the Profit and Loss Account, Balance Sheet and Cash Flow Statement for the financial years 2009-10 and 2010-11. These will continue to be done till such time the corporatization of the PED is carried out. At that point of time, the corporatized entity will adopt the new commercial basis of accounting and carry out the process of first time conversion in its maintenance of its basic books of accounts on accrual basis,

Basis of the Financial Statements

11.7 The Department prepares its annual receipts and expenditure statement on cash basis, which is audited by the state unit of the Comptroller and Auditor General. These audited amounts are compiled across all departments by the Department of Treasury, Government of Puducherry and the Audited State Annual Accounts of the Government of Puducherry are prepared and published. On its part, the Electricity Department reconciles its annual receipts and expenditure statements (called as financial progress statements) with the Department of Treasury. Since the published Audited State Annual Accounts is prepared for the State as whole (taking all departments across the Government), some of the account heads and amounts pertaining to the Electricity Department are rolled up at a higher level. However the financial progress statements (duly reconciled with the Department of treasury) contain details of all the account heads used by the Electricity Department. **Thus it may be noted that the detailed head wise amounts as per the financial progress statements (which are on cash basis) are duly reconciled with the Department of Treasury and form part of published Audited State Annual Accounts by the CAG of India.**

11.8 The above duly reconciled and audited figures on cash basis have formed the base documents for the compilation of the financial statements. The amounts reported in these financial progress statements are adjusted to reflect the accrual basis of accounting and other adjustments required for conforming to Generally Accepted Accounting Principles. Therefore, whereas the amounts as per the financial progress statements are audited numbers as indicated above, the adjustments have made to these numbers based on a detailed review and scrutiny of the cash based accounts by the PED. The adjustments made to the cash based accounts to convert into commercial accounting based financial statements have not been audited and to that extent, the Financial Statements could be considered as unaudited. The Department is also currently in the process of appointing an auditor for auditing these financial statements who will audit the adjustments made to the audited cash based numbers and provide an audit report.

11.9 For the purposes of building the opening balance sheet, and the fixed assets schedule, the Audited State Annual Accounts of the Government of Puducherry from the year 1990-91 have been considered as the starting point. It is assumed that all capital expenditure incurred on assets except for land and building procured prior to 1990-91 would have been almost fully depreciated by the year 2009-10 and therefore do not impact the opening balance sheet of the Department as on 1st April 2009

Revenue Recognition

11.10 Revenue from sale of power is accounted on accrual basis. The sale of power is as per the tariff fixed by concerned authority. Revenue is accounted for on the basis of demand bills raised on the consumers of the Union Territory of Puducherry. Revenue for the year is also adjusted for the un-billed revenue of the previous year and current year on estimated basis. Revenue from sale of power is recognized net of sales tax/value added tax.

Fixed Assets

11.11 All Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed assets shall include cost incurred/money spent in acquiring or installing or constructing fixed asset, salary cost of the employees who are deployed on the project / work.

11.12 Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset shall be capitalized and included in the cost of fixed asset.

11.13 Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at NIL value. Cost of land improvements such as leveling, filling or any other developmental activity is capitalized as a part of the cost of building.

11.14 Transmission network assets (Sub Stations and transmission lines) are capitalized in the year of commissioning. Distribution network assets are capitalized in the year in which the expenditure is incurred. All costs are taken at net of devolution. Devolution is the process by which materials are transferred to the store at a reduced rate and later reissued at a weighted average rate of all such items. Storage at 2.5% of material costs and supervision charges at 17% of total costs are capitalized as overhead allocations.

11.15 Fixed Assets are eliminated from the financial statement, either on disposal or on retirement from active use or on becoming redundant. Generally, such assets are disposed off thereafter as per the policy of the department

Depreciation

11.16 The CERC has notified the rates of depreciation on fixed assets with effect from 01.04.2009.as per Notification No. L-7/145/160/2008-CERC dated 19.01.2009 and the same have been adopted by the department in calculating the depreciation on fixed assets.

11.17 Based on the above, the depreciation is calculated at following rates:

Description of Assets	Rate of Depreciation
Land and Land Rights	- -
Building	3.34%
Plant and Machinery	5.28%
Lines and Cables	5.28%

Office Equipment	6.33%
IT Equipment	15.00%
Vehicles	9.50%
Furniture and Fixtures	6.33%

11.18 Depreciation is calculated annually based on straight-line method over the useful life of the asset under historical cost. For the purpose of these financial statements, all purchases are considered to be at the beginning of the year and all disposals are assumed to be at the end of the year. The residual value of all the assets is considered as 10%.

Capital Work in Progress

11.19 Materials issued to Capital Works in progress are valued at cost of purchase. Capital work in progress includes the stock of material received under Direct Debit to works as well as material at site and proportionate storage and supervision charges on the material issued for the works. The sub-station related assets are capitalized in the year of commissioning.

Inventory

11.20 Inventories, stores and spares are valued at the cost and cost is determined based on the Weighted Average Cost. Inventories issued to the Sections under various Schemes / Work / Project are considered as consumed at the time of issue. The closing inventory as on year end with the section are added back to the inventory by reversing the consumption

Salary Costs and Retirement Benefits

11.21 Salary and other cost (other than retirement benefits) are recognized on accrual basis. The retirement benefits other than Pension are recognized on 'Pay As You Go' basis. Pension payment is managed by the Government so the department does not account for the same in the accounts.

Provision for Bad and Doubtful debts

11.22 No provision for bad and doubtful debts has been made in the accounts as the reconciliation of the sundry debtors is in progress. On completion, the management will decide on the policy for provisioning for bad and doubtful debts and accordingly give effect of the same in the accounts in the financial year in which the process of reconciliation is completed.

Consumer Contribution

11.23 Contribution received from consumers towards assets / works is disclosed as liabilities net of capital expenditure incurred till year end under Deposit Works. In case of completed works, the respective fixed assets created/acquired partly/wholly from consumer contribution, are accounted net of the consumer contribution.

Power Purchase

11.24 Power purchase costs are accounted based on the total number of units purchased upto the year end from the Power Generators allocated to PED by the Ministry of Power, Government of India. The Power purchase cost is net of rebates received on account of advance and / or prompt payments made by the department

Finance Lease

11.25 Assets taken on finance lease are accounted for as fixed assets. Accordingly, the assets are accounted at the values certified by the developer. Lease payments are apportioned between finance charge and outstanding liability. Interest expenses on the outstanding amount is recognized in the Profit and Loss account as period cost

Use of estimates

11.26 The preparation of financial statements requires the management of the department to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include unbilled revenue, etc.

PART B: NOTES FORMING PART OF ACCOUNTS

(1) Contingent Liabilities :

(a) In respect of purchase of power from the Tamil Nadu Electricity Board (TNEB), the power availed are charged at the rate paid by TNEB to NLC plus wheeling charges. The TNEB has revised the tariff to Rs.3.00 per kWh with effect from 01/12/2001 treating PED as a HT consumer. The PED has challenged this decision by filing a petition before Hon'ble TNERC. The Hon'ble TNERC concluded that the sale of power between PED and TNEB was in the nature of interstate sale of power and PED cannot be treated as a HT consumer and ordered to maintain Status quo. The PED has challenged this in the Hon'ble High Court of Judicature, at Madras and stay was granted and the Hon' High Court directed payment to TNEB at the rate charged by NLC plus wheeling charges. The PED made the payment accordingly. The matter is still pending with the High Court. The estimated differential amounts, which would be outstanding as on the respective dates, if the revised tariff as sought by the TNEB , is approved by the Hon' High Court are as follows :

Particulars	As on 31.03.2010	As on 31.03.2011
Estimated Differential Amount	Rs.290.33 Crores	Rs.333.92 Crores

(b) Details of Unexpired Letters of Credit (L/Cs) are as follows :

Name of the Generating Station	Value of the L/C As on 31.03.2011 Rs. Crores	Expiry Date	Value of the L/C As on 31.03.2010 Rs. Crores	Expiry Date

NPCIL - MAPS	Rs.0.50	10/11/2011	Rs.0.50	10/11/2010
NPCIL - Kaiga	Rs.2.50	10/09/2011	Rs.2.50	10/9/2010
PGCIL	Rs.5.00	10/12/2011	Rs.5.00	10/12/2010
NTPC	Rs.33.96	10/28/2011	Rs.24.82	10/2/2010
	Rs.36.91	10/02/2011	Rs.28.74	2/15/2011
Total	Rs.78.87 Crores		Rs.61.56 Crores	

(2) A Trial Balance for the period ended 31.03.2009 under Cash Method of Accounting has been prepared based on the abstract financial statement prepared from the Audited State Financial Accounts from Financial Year 1990 – 1991 to Financial Year 2008 – 2009. This trial balance has been adjusted for the changes upto 31.03.2009 to arrive at the Opening Trial Balance as on 01.04.2009 as per the accrual method of accounting. The adjustments include provision for outstanding liabilities, accruing of receivables, accounting for unbilled revenue, accounting for loans and advances, capitalisation of expenditure etc.

(3) For the purpose of Fixed Assets Schedule, the total amount spent under major works and salaries sub-heads for plan expenditure have been cumulated from the year 1990 -1991 to arrive at the opening gross and net block of fixed assets as on 01.04.2009 after making appropriate adjustments for capitalisation of assets as per generally accepted accounting principles

There was an un-reconciled difference in the total capital cost between the identified assets and the expenditure as per the Audited State Financial Accounts for the year 1990 – 1991 amounting to Rs. 21.46 crore and the same has been adjusted as fixed assets addition for the year 1990 - 1991. Further, there is a un - reconciled difference of Rs. 3.74 crore between total capital cost as per the State Accounts and Fixed Assets Schedule as on 31.03.2009 and the same has been debited in the Government Fund account. During the year, there is an additional un – reconciled difference of Rs. 0.09 crore (Rs. 0.73 crore previous year) between Fixed Asset Schedule and balance as per the Financial Progress Statement which is credited in the Fixed Assets Adjustment account in the Balance Sheet. This would be reconciled and will be adjusted in the same account subsequently

(4) In the financial year 2002 – 2003, the Department had entered into a finance lease with the Power Grid Corporation of India Ltd. (PGCIL) for development of System Control Centre. The total amount incurred for the development of the centre is Rs. 24.36 crore, of which Rs. 23.07 crore has been covered under the finance lease. The liability towards the finance lease transaction has been shown as a Secured Loan in the Financial Statement.

(5) The current year financial statement is prepared based on the duly reconciled Financial Progress Statement with the Department of Accounts and Treasury after making appropriate adjustments for conversion into accrual based accounts.

(6) The Sundry Debtors outstanding are calculated based on the following formula: Opening Balance + Billing for the Year – Collection during the Year. There is an un-reconciled difference of Rs. 46.65 crore as on 31.03.2011 between the arrears details given by the department and balance as per the above method

(7) The Stock in-hand includes goods in-transit of Rs. 0.17 crore as on the year end. Further there is an un-reconciled balance of Rs. 0.48 crore and Rs. 2.64 crore between the Stock register maintained by the PED Store Department and balance as per State Accounts as on 31.03.2010 and 31.03.2011 respectively.

It also includes stock of Rs. 0.93 crore (on revenue account) lying with the various sections.

(8) Investment in Puducherry Power Corporation Limited, a power generating company, is in the name of the Government of India; however the related shares are in the custody of PED. PED acts as the custodian of the shares. Hence, these shares are not considered as an investment of the PED.

(9) Consumers provide security deposits either in the form of cash or FDR or Bank Guarantee. As on 31.03.2011, the department is holding FDR of Rs. 52.53 crore and Bank Guarantee of Rs. 33.20 crore as security deposits. The amount received in the form of cash is deposited with the DAT in K Deposit account and the total amount outstanding on account of security deposit is included in the Consumer Deposit account disclosed in the Schedule 6 of the Balance Sheet

As per the guideline issued by JERC, PED needs to provide interest on the deposits taken from the consumers. However, PED has not made any provision for the interest in the accounts on the deposit amount because the total amount outstanding on account of Security Deposits is not ascertainable. The department is in the process of reconciling the deposit account to ascertain the liability toward the security deposit and the provision will be made once the liability is determined

(10) Value Added Tax (sales tax) on sale of power became applicable to PED with effect from 7th November 2009. PED charges the tax on sale of power to the various consumers as per the provision of the relevant act and pay it to the commercial tax department accordingly. The PED recognizes the sales tax liability in the accounts on collection basis and pays to the commercial department within seven days of the next month. The DAT was settling the sale tax liability with the Commercial Tax Department upto August 2010. Therefore no amount was shown as outstanding on account of Sales Tax as on 31.03.2010. With effect from September 2010 onwards, PED has to settle the value added tax liability with the Commercial Tax department. The amount which is collected from the consumers and not paid to the Commercial Tax department is shown as a Liability in the Balance Sheet

(11) Power Purchase invoices, debit and credit notes have been received from Power Generating Companies in the financial year 2011-12 which include items pertaining to prior financial years. These bills are raised in the year 2011 – 2012 because of the orders passed by the respective regulatory commissions governing the respective generating stations or due to the refunds / liabilities arising to the generating station on account of tax assessments, etc., which have to be recovered from the PED. The department is in the process of checking and verifying the same. These will be accounted in the financial year 2011-12 as they relate to liabilities which have crystallized only in the financial year 2011-12. The generating stations from whom such invoices, debit and credit notes are received are as follows:

Power Generating Company	Value of Invoices/Debit Notes/Credit Notes (Rs. Crores)
Neyveli Lignite Corporation (NLC)	Rs. 62.78 Crores
Power Grid Corporation of India Limited (PGCIL)	Rs. 14.92 Crores
National Thermal Power Corporation (NTPC)	Rs. (16.35) Crores

(12)PED, in April 2011, had petitioned the Hon'ble JERC to enable it to recover the increase in fuel prices for the period April 2010 to March 2011, from its consumers. The Hon'ble JERC has approved the same through its order issued in August 2011 and allowed it to recover an amount of Rs. 46.4 crore as fuel adjustment charges over a period from September 2011 to March 2011. This recovery will be accounted in the financial year 2011-12, the year in which the same has been crystallized.

(13) The Electricity Department has been accounting for procurement of office equipment, furniture, IT equipment and motor vehicles under O&M and Administration & General expenses heads. Since this constitutes fixed assets, the expenditure capitalized and not charged to the Profit and Loss account are as follows:

- Salary Expenses: Rs. 17.44 crore (Rs. 7.73 crore previous year)
- Operations and Maintenance Expenditure: Rs. 1.79 crore (Rs. 0.86 crore previous year)
- Administration and General Expenses: Rs. 0.06 crore (Rs. 0.14 crore previous year)

(14) Total collection from Sundry Debtors includes Rs. 0.22 as on 31.03.2011 and Rs. 0.56 crore as on 31.03.2010 as Cash In-hand. Similarly, it also includes Rs. 0.62 crore as on 31.03.2011 and Rs.0.34 crore as on 31.03.2010 as Cheque In-hand

(15) The sale of power for the year includes Rs. 57.33 crore as Un-billed revenue and same is debited in Un-Billed Debtors account in Balance Sheet. It also includes UI income for the year of Rs. 87.05 crore

The subsidy on sale of Power for the year is Rs. 1.51 crore (previous year Rs. 0.16) and included in the sale of power

(16) Total interest expense for the year on the lease transaction is Rs. 1.07 crore (Rs.1.18 crore previous year). It is net of Rs. 0.07 crore received as rebate for early / prompt payment of Outstanding Loan on account of Finance Lease

(17) The previous year figures are regrouped or reclassified in the financial statement wherever required

Annexure 2 – Regulatory formats

Table 57: F1 - Energy demand

Description	Consumers [No]	Connected load [HP / kVA]	Sales [MU]	Consumers [No]	Connected load [HP / kVA]	Sales [MU]	Consumers [No]	Connected load [HP / kVA]	Sales [MU]
LT									
Domestic	236,881		508.3	252,452		563.1	264,992		620.0
Hut services	38,966		10.2	35,447		9.3	35,447		9.3
Commercial	40,531		156.3	41,854		172.1	43,156		184.9
Agriculture	6,810	59,538	76.7	6,810	59,538	76.7	6,810	59,538	76.7
Public lighting	48,167		22.1	48,280		23.4	49,438		26.0
Industrial	5,897		114.5	6,028		124.9	6,154		134.1
Water tanks	58		35.2	58		35.2	58		35.2
Temporary supply			7.9			22.6			25.0
Total LT	377,310	59,538	931.2	390,928	59,538	1,027.5	406,055	59,538	1,111.3
HT									
Industrial	394	263,839	1,005.7	403	245,630	1,016.3	412	250,492	1,027.3
State & Central government establishments	41	13,308	34.9	41	14,265	37.3	41	14,265	39.7
Industrial Extra High Tension	7	72,910	237.4	7	80,495	236.5	7	80,495	236.2
Temporary supply									
Total HT	442	350,058	1,278.0	451	340,390	1,290.0	461	345,252	1,303.2
Total metered	331,976		2,122.3	349,122		2,231.4	364,258		2,328.5
Total unmetered	45,776		87.0	42,257		86.1	42,257		86.1
Total	377,752		2,209.3	391,379		2,317.5	406,515		2,414.5

Table 58: F2 - AT&C losses

Particulars	Units	FY2010 - 11 (Actuals)	FY2011 - 12 (Revised Estimate)	FY2012 - 13 (Projection)
Generation (Connected Generation – PPCL)	MU	182.8	242.9	242.9
Metered Import at interface point	MU	2,635.8	2,868.8	2,942.6
Sale through Unscheduled Interchange	MU	262.4	433.4	398.9
Energy available for sale within the UT	MU	2,556.2	2,678.3	2,786.5
Metered Sales	MU	2,122.3	2,231.5	2,328.5
Unmetered Sales	MU	87.0	86.1	86.1
Total energy sold	MU	2,209.3	2,317.5	2,414.5
Revenue from sales within UT	Rs	630.8	696.6	675.9
Amount realized by billed sales	Rs	591.7	653.4	648.86
Collection efficiency	%	93.8%	93.8%	96.0%
Energy realized	MU	2,072.2	2,173.7	2,317.9
Distribution Loss	%	13.57%	13.47%	13.35%
AT&C Loss	%	18.93%	18.84%	16.82%

Table 59: F3 - Energy balance

Item	FY2010 - 11 (Actuals)	FY2011 - 12 (Revised Estimate)	FY2012 - 13 (Projection)
ENERGY REQUIREMENT			
Metered sales	2,122.3	2,231.4	2,328.5
Unmetered sales	87.0	86.1	86.1
Total sales within the UT	2,209.3	2,317.5	2,414.5
Sales – UI	262.4	433.4	398.9
Total sales	2,471.7	2,750.9	2,813.5
T&D losses			
%	13.57%	13.47%	13.35%
MU	346.9	360.8	372.0
Total energy requirement	2,818.6	3,111.7	3,185.5
ENERGY AVAILABILITY			
Net thermal generation (Own+ IPP + Share from Central Stations)	2,317.7	2,581.0	2,658.2
Power Purchased from			
Common pool / UI	19.2	10.0	-
Traders			
PX			
Others	630.5	665.3	676.3
Net power purchase	2,967.4	3,256.3	3,334.4
Energy availability @ periphery	2,818.2	3,111.7	3,185.5

Table 60: F4 - Power purchase cost - FY2010-11 (Actual)

Source	Capacity [MW]	Firm Allocation to Licensee		Generation [MU]	PLF [%]	AFC [Rs. Cr]	License e share [%]	Purchas e [MU]	Extern al Losses [%]	Energy receive d [MU]	VC [Rs/k Wh]	Fixed Char ge [Rs Crs]	VC [Rs Crs]	Othe rs [Rs Crs]	Total [Rs Crs]
		%	MW												
NLC															
TS II Stage I&II	1,470.0	7.2%	105.4	10,688.1	83.0%	301.8	7.2%	650.9	5.0%	618.3	1.75	22.3	78.76	13.1	114.1
TS I Expn	420.0	4.2%	17.8	3,018.3	82.0%	393.2	4.2%	113.6	5.0%	108.0	2.86	14.5	17.24	0.7	32.5
Sub-Total (NLC)	1,890.0		123.2	13,706.4		694.9		764.5		726.3	1.92	36.8	96.00	13.8	146.6
NTPC															
Ramagundam STPS Stage I & II	2,100.0	4.8%	100.0	17,263.7	93.8%	460.8	4.8%	659.7	5.7%	622.1	2.00	19.6	79.64	32.8	132.0
Ramagundam STPS Stage III	500.0	5.0%	25.2	4,160.8	95.0%	303.0	5.0%	175.4	5.7%	165.4	2.58	13.7	19.32	12.2	45.2
Talcher STPS Stage II	2,000.0	3.9%	77.2	15,769.6	90.0%	957.9	3.9%	510.4	5.7%	481.3	2.50	35.2	56.89	35.3	127.4
NTPC-ER	3,440.0	2.2%	75.7			1232.5	2.2%	54.8	5.7%	51.6	3.03	3.0	9.81	3.8	16.6
Sub-Total (NTPC)	8,040.0		278.0	37,194.1		2953.8		1,400.3		1,320.4	2.29	71.4	165.66	84.1	321.1
NPC															
Madras APS	440.0	1.8%	7.9	2,239.2	53.1%	-	1.8%	29.4	6.0%	27.6	1.87	-	5.50	0.7	6.2
Kaiga APS Stage I	440.0	4.2%	18.7	3,873.0	55.1%	-	4.2%	121.1	5.7%	114.1	2.87	-	34.79	5.1	39.9
Sub-Total (NPC)	880.0		26.6	6,112.2		-		150.5		141.8		-	40.28	5.8	46.1
Other Sources															
Others															
TNEB (Pondy)								86.0	4.2%	82.3	1.91		16.46	-	16.5
TNEB (Karaikal)								324.9	4.0%	311.9	1.91		62.20	-	62.2
PPCL	32.5	100.0%	32.5	195.5	68.7%		100.0%	182.8	0.0%	182.8	3.06		31.44	24.5	55.9
KSEB								33.4	0.0%	33.4	3.36		11.22	-	11.2
UI								19.2	0.0%	19.2	0.70				1.3
Sub-Total (Other Sources)	32.5		32.5					646.3		629.7		-	121.32	24.5	147.1
Other Charges															
PGCIL															61.2
Total	10,842.5		460.2	57,012.8				2,961.6		2,818.2		108.2	423.26	128.1	722.1
Additional payment due to True-up															17.5
Rebate															12.3
Net PP cost															**727.3**

Table 61: F4 - Power purchase cost - FY2011-12 (Revised estimate)

Source	Capacity [MW]	Firm Allocation to Licensee		Generation [MU]	PLF [%]	AFC [Rs. Cr]	Licensee Share [%]	Purchase [MU]	External Losses [%]	Energy received [MU]	VC [Rs/kWh]	Fixed Charge [Rs Crs]	VC [Rs Crs]	Others [Rs Crs]	Total [Rs Crs]
		%	MW												
NLC															
TS II Stage I	630.0	12.30%	77.6	4,425.5	80.20%	214.22	10.82%	479.3	5.00%	455.3	1.93	26.3	85.4	2.9	114.6
TS II Stage II	840.0	3.80%	31.6	6,171.7	83.90%	297.46	3.21%	196.0	5.00%	186.2	1.93	11.3	34.9	1.2	47.4
TS I Expn	420.0	4.20%	17.7	2,999.6	81.50%	378.09	3.77%	113.3	5.00%	107.6	1.80	15.9	20.4	0.7	37.0
Sub-Total (NLC)	1,890.0		126.8	13,596.8				788.6		749.2		53.5	140.7	4.7	199.0
NTPC															
Ramagundam STPS Stage I & II	2,100.0	5.20%	108.4	17,213.1	93.60%	771.06	4.45%	760.5	5.00%	722.5	1.60	40.1	106.0	20.0	166.2
Ramagundam STPS Stage III	500.0	5.40%	27.2	4,296.5	98.10%	328.01	4.70%	203.4	5.00%	193.2	1.71	17.7	29.9	6.2	53.8
Talcher STPS Stage II	2,000.0	4.00%	79.0	15,926.3	90.90%	1,092.02	3.54%	556.7	5.00%	528.9	2.35	43.7	105.8	26.9	176.4
Simhadri	500.0	1.85%	5.3	3,407.6	77.80%	567.07	1.85%	63.0	5.00%	59.9	2.65	10.5	16.7		27.2
Sub-Total (NTPC)	5,100.0		219.9	40,843.6				1,583.6		1,504.5		112.0	258.5	53.1	423.6
NPC															
Madras APS	440.0	1.90%	8.4	2,046.0	53.10%		1.44%	29.6	5.00%	28.1	1.79	-	5.3	0.1	5.4
Kaiga APS Stage I	880.0	4.40%	39.0	4,244.8	55.10%		4.19%	179.2	5.00%	170.2	2.80	-	50.1	10.7	60.8
Sub-Total (NPC)	1,320.0		47.4	6,290.8				208.8		198.4		-	55.4	10.7	66.2
Other Sources															
Others															
TNEB (Pondy)								61.5	4.00%	59.0	1.91	-	11.8	0.0	11.8
TNEB (Karaikal)								328.6	4.00%	315.5	1.91	-	62.9	0.0	62.9
PPCL	32.5	100.00%	32.5	257.0	87.00%			242.9	0.00%	242.9	1.91	25.2	44.9	11.8	81.9
KSEB								32.3	0.00%	32.3	3.16	2.0	10.2	0.1	12.2
UI								10.0		10.0	0.70	-	0.7	-	0.7
Sub-Total (Other Sources)	32.5		32.5	257.0	0.9			675.3		659.7		27.1	130.4	11.9	169.5
Other Charges															
PGCIL															78.2
Total	8,342.5		426.6	60,988.2				3,256.3		3,111.7		192.6	585.1	80.5	936.5
Additional payment due to															60.4

True-up															
RPO compliance cost															17.0
Rebate															16.6
Net PP cost															**997.3**

Table 62: F4 - Power purchase cost - FY2012-13 (Projected)

Source	Capacity [MW]	Firm Allocation to Licensee		Generation [MU]	PLF [%]	AFC [Rs. Cr]	Licensee Share [%]	Purchase [MU]	External Losses [%]	Energy received [MU]	VC [Rs/kWh]	Fixed Charge [Rs Crs]	VC [Rs Crs]	Others [Rs Crs]	Total [Rs Crs]
		%	MW												
NLC															
TS II Stage I	630.00	12.32%	77.62	4,503.34	81.60%	229.9	10.82%	487.35	5.00%	463.0	1.93	28.3	93.8	2.875	125.0
TS II Stage II	840.00	3.76%	31.58	6,140.58	83.45%	306.1	3.21%	197.12	5.00%	187.3	1.93	11.5	38.0	1.2	50.7
TS I Expn	420.00	4.21%	17.68	3,007.75	81.75%	371.2	3.77%	113.32	5.00%	107.7	1.80	15.6	20.4	0.7	36.7
Sub-Total (NLC)	1,890.0		126.9	13,651.7				797.8		757.9		55.5	152.2	4.7	212.4
NTPC															
Ramagundam STPS Stage I & II	2,100.0	5.16%	108.36	17,237.05	93.70%	809.0	4.45%	767.42	5.00%	729.0	1.58	41.7	120.9	4.5	167.1
Ramagundam STPS Stage III	500.0	5.44%	27.20	4,228.89	96.55%	326.0	4.70%	198.69	5.00%	188.8	1.54	17.7	30.6	1.1	49.4
Talcher STPS Stage II	2,000.0	3.95%	79.00	15,846.84	90.45%	1,101.6	3.54%	560.97	5.00%	532.9	2.63	43.5	147.6	3.7	194.8
Simhadri	500.0	3.69%	18.45	3,407.64	77.80%	567.1	1.85%	125.74	5.00%	119.5	2.65	20.9	33.3	1.0	55.2
Sub-Total (NTPC)	5,100.0		233.0	40,720.4				1,652.8		1,570.2		123.9	332.4	10.2	466.6
NPC															
Madras APS	440.0	1.91%	8.40	2,046.69	53.10%		1.44%	29.42	5.00%	27.9	1.79	-	5.3	0.1	5.3
Kaiga APS Stage I	880.0	4.43%	38.98	4,247.55	55.10%		4.19%	178.14	5.00%	169.2	2.80	-	49.8	10.7	60.5
Sub-Total (NPC)	1,320.0		47.4	6,294.2				207.6		197.2		-	55.1	10.8	65.8
Other Sources															
Others															
TNEB (Pondy)			0.00	0.00				73.75	4.00%	70.8	1.91		14.1	0.0	14.1
TNEB (Karaikal)			0.00	0.00				326.75	4.00%	313.7	1.91		62.5	0.0	62.6
PPCL	32.50	100.00%	32.50	257.00	87.00%	25.2	100.0%	242.90	0.00%	242.9	1.91	25.17	46.4	11.8	83.4
KSEB			0.00	0.00				32.85	0.00%	32.9	3.16	2.0	10.4	0.1	12.5
UI													0.0		0.0

Sub-Total (Other Sources)	32.5		32.5	257.0				676.3		660.2		27.2	133.4	11.9	172.5
Other Charges															
PGCIL															79.7
Total	8,342.5		439.8	60,923.3				3,334.4		3,185.5		206.5	673.2	37.7	997.0
Additional payment due to True-up															
RPO compliance cost															18.5
Rebate															17.7
Net PP cost															**997.8**

Table 63: F6 - Return on capital base

Particulars	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
Gross block at beginning of the year	452.19	503.05	564.69
Opening CWIP	75.46	64.92	87.86
Working capital for the year	65.72	88.68	88.94
Less accumulated depreciation	212.45	234.57	259.65
Less accumulated consumer contribution	-	-	-
Less opening debt	14.68	13.16	11.51
Net fixed assets at beginning of the year	366.25	408.92	470.33
Reasonable return @3% of NFA	**10.99**	**12.27**	**14.11**

Table 64: F7 - Original cost of fixed assets

Assets group	FY2010 - 11 (Actuals) [Crs]			FY2011 - 12 (Revised Estimate) [Crs]		FY2012 - 13 (Projection) [Crs]	
	Opening balance	Addition during year	Closing balance	Addition during year	Closing balance	Addition during year	Closing balance
Transmission & Distribution	452.19	50.86	503.05	61.64	564.69	66.36	631.05
Others	-	-	-	-	-	-	-
Total	**452.19**	**50.86**	**503.05**	**61.64**	**564.69**	**66.36**	**631.05**

Table 65: F8 - Capital works in progress

Particulars	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
Opening balance	75.5	64.9	87.9
Add: New investments	40.3	84.6	97.5
Total	115.8	149.5	185.3
Less investment capitalized	50.9	61.6	66.4
Closing balance	**64.9**	**87.9**	**119.0**

Table 66: F9 - Interest capitalised

Interest Capitalized	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]

WIP	70.19	76.39	103.42
GFA at the end of the year	503.05	564.72	631.05
WIP+GFA at the end of the year	573.2	641.1	734.5
Interest(excluding interest on WCL)	1.15	1.02	0.95
Interest Capitalized	**-**	**-**	**-**

Table 67: F10 - Loans for the year

	FY2010 - 11 (Actuals)						FY2011 - 12 (Revised Estimate) [Crs]						FY2012 - 13 (Projections)					
Particulars (source)	Opening balance [Crs]	Rate of interest [%]	Addition during the year [Crs]	Repayment during the year [Crs]	Closing balance [Crs]	Amount of interest paid [Crs]	Opening balance [Crs]	Rate of interest [%]	Addition during the year [Crs]	Repayment during the year [Crs]	Closing balance [Crs]	Amount of interest paid [Crs]	Opening balance [Crs]	Rate of interest [%]	Addition during the year [Crs]	Repayment during the year [Crs]	Closing balance [Crs]	Amount of interest paid [Crs]
SLR Bonds																		
Non SLR Bonds																		
LIC																		
REC																		
Commercial Banks																		
Bills discounting																		
Lease rental	14.68	8.22%	-	1.52	13.16	1.15	13.16	8.22%	-	1.65	11.51	1.02	11.51	8.22 %	-	1.77	9.74	0.95
PFC																		
GPF																		
CSS																		
Working capital loan																		
Others																		
Total	14.68		-	1.52	13.16	1.15	13.16		-	1.65	11.51	1.02	11.51		-	1.77	9.74	0.95
Add Govt. loan																		
-State Govt.																		
-Central Govt.																		
Total																		
Total (13+14)	14.68		-	1.52	13.16	1.15	13.16		-	1.65	11.51	1.02	11.51		-	1.77	9.74	0.95
Less capitalization						-						-						-
Net interest						1.15						1.02						0.95
Add prior period																		
Total interest						1.15						1.02						0.95
Finance charges						0.72						0.93						0.93
Total interest and finance charges						1.87						1.95						1.88

Table 68: F11 - Restructuring of outstanding loans

Source of loan	Amount of original loan [Crs]	Old rate of interest [%]	Amount already restructured [Crs]	Revised rate of interest [%]	Amount now being restructured [Crs]	New rate of interest [%]
Not applicable						

Table 69: F12 - Assets & Depreciation Charge

Particulars Name of the Assets	Rate of depreciation*	FY2010 - 11 (Actuals) [Crs]			FY2011 - 12 (Revised Estimate) [Crs]			FY2012 - 13 (Projections) [Crs]		
		Opening GFA	Depreciation charges	Accumulated depreciation	Opening GFA	Depreciation charges	Accumulated depreciation	Opening GFA	Depreciation charges	Accumulated depreciation
Transmission & Distribution										
Land and land rights	0.0%	5.25	-	-	5.25	-	-	5.25	-	-
Buildings	3.3%	16.02	0.51	6.44	16.10	0.51	6.95	16.10	0.54	7.48
Plant and machinery	5.3%	169.67	8.12	90.78	180.92	8.12	98.90	181.84	9.65	108.55
Lines and cable network	5.3%	223.31	11.58	117.37	261.70	14.56	131.93	322.41	20.47	152.41
Vehicles	9.5%	3.00	0.09	2.41	3.00	0.08	2.48	3.00	0.29	2.77
Furniture and fixtures	6.3%	0.07	0.00	0.05	0.10	0.00	0.06	0.10	0.01	0.06
Office equipment	6.3%	1.76	0.06	1.35	1.77	0.04	1.40	1.77	0.11	1.51
IT Equipments	15.0%	1.60	0.08	1.27	1.63	0.06	1.33	1.63	0.25	1.58
Testing & measuring equipments	5.3%	7.16	0.41	3.10	8.21	0.40	3.50	8.21	0.43	3.93
SCADA centre	5.3%	24.36	1.29	11.80	24.36	1.29	13.10	24.38	1.29	14.39
Total		452.19	22.13	234.57	503.06	25.07	259.65	564.69	33.04	292.69
Others		-	-	-	-	-	-			
Grand Total (i to vi)		452.19	22.13	234.57	503.06	25.07	259.65	564.69	33.04	292.69

Table 70: F13 - Advance against depreciation

Particulars	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
1/10th of the Loan(s)	1.47	1.32	1.15
Repayment of the Loan(s) as considered for working out Interest on Loan	1.52	1.65	1.77
Minimum of the Above	1.47	1.32	1.15
Less: Depreciation during the year	22.13	25.07	33.04
A	(20.66)	(23.75)	(31.89)
Cumulative Repayment of the Loan(s) as considered for working out Interest on Loan	9.15	10.74	12.45
Less: Cumulative Depreciation	234.57	259.65	292.69
B	(225.42)	(248.92)	(280.24)
Advance Against Depreciation (minimum of A or B)	-	-	-

Table 71: F14 - Repairs & maintenance

	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
R&M	7.95	10.34	10.77

Table 72: F15 - Total employee count

Particulars	FY2010 - 11 (Actuals)	FY2011 - 12 (Revised Estimate)	FY2012 - 13 (Projection)
Number of employees as on 1st April	2,298	2,293	2,361
Employees on deputation/ foreign service as on 1st April	10	10	10
Total number of employees (1+2)	2,308	2,303	2,371
Number of employees retired/ retiring during the year	55	43	73
Net transfers [In / (Out)]	12	(1)	-
Recruitment	38	112	-
Number of employees at the end of the year (3-4+5+6)	2,303	2,371	2,298

Table 73: F16 - Employee cost

	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
Salary	65.49	68.77	74.05
Wages	0.85	0.85	0.85
Stipend	0.22	0.22	0.22
Overtime	0.76	0.76	0.76
Total	67.32	70.60	75.88
Capitalised	17.44	18.04	21.09
Net amount	49.88	52.56	54.80
Prior period expenses	-	-	-
Total employee costs	49.88	52.56	54.80

Table 74: F17 - A&G expenses

	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
Office expense	1.49	1.56	1.61
Miscellaneous expenses	2.04	2.32	2.30
Total	3.53	3.88	3.91

Table 75: F18 - Bad & doubtful debts

Particulars	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
Amount of receivable bad & doubtful debts	-	-	-
Provision made for debts in ARR	-	-	-

Table 76: F19 - Interest on working capital

Particulars	FY2010 - 11 (Actuals) [Crs]	FY2011 - 12 (Revised Estimate) [Crs]	FY2012 - 13 (Projection) [Crs]
One month's power purchase cost	60.61	83.11	83.15
One month's employee costs	4.16	4.38	4.57
One month's A&G expenses	0.29	0.32	0.33
One month's R&M cost	0.66	0.86	0.90
Total	65.72	88.68	88.94

Table 77: F20 - Foreign exchange rate variation

<table>
<tr><th>Particulars</th><th>FY2010 – 11 (Actuals) [Crs]</th><th>FY2011 – 12 (Revised estimate) [Crs]</th><th>FY2012 – 13 (Projection) [Crs]</th></tr>
<tr><td>Amount of liability provided</td><td colspan="3" rowspan="3">NIL</td></tr>
<tr><td>Amount recovered</td></tr>
<tr><td>Amount adjusted</td></tr>
</table>

Table 78: F21 - Non tariff income

<table>
<tr><th></th><th>FY2010 - 11 (Actuals) [Crs]</th><th>FY2011 - 12 (Revised Estimate) [Crs]</th><th>FY2012 - 13 (Projection) [Crs]</th></tr>
<tr><td>reactive energy charges</td><td rowspan="5">6.61</td><td rowspan="5">9.00</td><td rowspan="5">9.00</td></tr>
<tr><td>stoa charges</td></tr>
<tr><td>ctu charges</td></tr>
<tr><td>interest income</td></tr>
<tr><td>departmental charges on sale of material</td></tr>
<tr><td>UI sales</td><td>90.11</td><td>138.10</td><td>132.05</td></tr>
<tr><td>Total NTI</td><td>96.72</td><td>147.10</td><td>141.05</td></tr>
</table>

Table 79: F22 - Revenue from other business

Particulars	FY2010-11 (Actual) [Crs]	FY2011-12 (Revised estimate) [Crs]	FY2012-13 (Projections) [Crs]

Total revenue from other business	NIL		
Income from other business to be considered for licensed business as per regulations			

Table 80: F23 - Lease details

Name of lesser	Gross assets [Crs]	Lease entered on	Lease rentals [Crs / pm]	Primary period ended/ ending by	Secondary period ending by
Power Grid	23.07	Jul-02	0.22	Jun-17	NA

Table 81: F24 - Wholesale price index

Period	WPI/ CPI*	Increase over previous year
As on April 1 of FY11	130.81	3.80%
As on April 1 of FY12	143.32	9.56%
As on April 1 of FY13	152.21	6.20%

Table 82: F25 - Equity & loans

Period	Amount of equity [Crs]	Amount of loan [Crs]	Ratio of equity & loan
As on March 31 2011	602.16	13.16	2%
As on March 31 2012	TBD	11.51	NA
As on March 31st 2013	TBD	9.74	NA

Table 83: F26 – CFfor Ensuing Year

Sl. No.	Month	Sources of receipt	Amount	Particulars of payment	Amount
1	April	Sale of power	70.31	All expenses	92.82
2	May	Sale of power	70.31	All expenses	92.82
3	June	Sale of power	70.31	All expenses	92.82
4	July	Sale of power	70.31	All expenses	92.82
5	August	Sale of power	70.31	All expenses	92.82
6	September	Sale of power	70.31	All expenses	92.82
7	October	Sale of power	70.31	All expenses	92.82
8	November	Sale of power	70.31	All expenses	92.82
9	December	Sale of power	70.31	All expenses	92.82
10	January	Sale of power	70.31	All expenses	92.82

11	February	Sale of power	70.31	All expenses	92.82
12	March	Sale of power	70.31	All expenses	92.82
	Total		**843.73**		**1,113.81**

Table 84: F27 - ARR

Item of expense	FY2010 - 11 [Crs]	FY2011 - 12 [Crs]	FY2012 - 13 [Crs]
	Actuals	Revised Estimate	Projections
Cost of fuel			
Cost of power purchase	727.3	997.3	997.8
Employee costs	49.9	52.6	54.8
R&M expenses	8.0	10.3	10.8
Administration & general expenses	3.5	3.9	3.9
Depreciation	22.1	25.1	33.0
Interest & finance charges	1.9	2.0	1.9
Interest on working capital	7.7	10.4	10.5
Provision for bad debts	-	-	-
Return on NFA / Equity	11.0	12.3	14.1
Amortization of regulatory asset proposed for previous FYs			57.8
Aggregate revenue requirement	**831.4**	**1,113.8**	**1,184.6**
Non tariff income	96.7	147.1	141.0
Net revenue requirement	**734.6**	**966.7**	**1,043.6**

Table 85: F28 - Expected revenue from charges - FY2010-11 (Actual)

Category	Consumers	Sales [MU]	Contract demand / connected load [kW, kVA, HP]	FC [Rs per month per connection / kW / kVA / HP]	EC [Rs/kWh]	Total FC [Crs]	Total EC [Crs]	Total ERC [Crs]
Domestic								
0 - 100	120,266	223.2	-	-	0.60	-	13.39	13.39
101 - 200	65,734	120.3	-	-	0.90	-	10.83	10.83
201 - 300	26,909	59.0	-	-	1.65	-	9.74	9.74
>300	23,972	105.8	-	-	2.00	-	21.16	21.16
OHOB	38,966	10.2	-	15.00	-	0.70	-	0.70
Total	275,847	518.5	-			0.70	55.11	55.81
Commercial								
0 - 100	20,718	32	-	25.00	2.15	0.62	6.93	7.55
101 - 250	9,248	29	-	25.00	3.15	0.28	9.27	9.54
> 250	10,565	95	-	25.00	3.65	0.32	34.53	34.85
Total	40,531	156.3	-			1.22	50.73	51.94
Agriculture								
Small farmers	958	7.0	5,438.99	25.00	-	0.01	-	0.01
Other farmers	5,852	69.7	54,099.01	100.00	-	0.66	-	0.66
Total	6,810	76.7	59,538.00			0.67	-	0.67
Public lighting								
Total	48,167	22.1	-	-	2.90	-	6.41	6.41
LT Industrial								
0 - 1000	5,027	21	-	25.00	2.60	0.15	5.50	5.65
> 1000	870	93	-	25.00	2.80	0.03	26.14	26.16
Water tank	58	35	-	25.00	2.90	0.00	10.22	10.22
Total	5,955	149.7	-			0.18	41.85	42.03
Temporary supply - LT								
Total		7.9	-	-	5.00	-	3.96	3.96
Total LT	377,310	931.3				2.8	158.1	160.8
HT 1 Industrial								
(A) - CD < 2000								
0 - 100000	267	225	68,621	155.00	2.95	12.76	66.42	79.19

>100000	92	225	74,745	155.00	3.10	13.90	69.90	83.80
(B) - 2000 < CD < 5000								
>0	35	555	120,473	160.00	3.15	23.13	174.85	197.98
Total	394	1,005.7	263,839			49.80	311.17	360.97
HT 2 - Government & water tank								
Total	41	34.9	13,308	190.00	2.85	3.03	9.96	12.99
HT 3 - EHT								
Total	7	237.4	72,910	160.00	3.15	14.00	74.77	88.77
Total HT	442	1,278.0	350,057.63			66.83	395.90	462.7
Total	377,752	2,209.3				69.6	554.0	623.6
Reconciliation amount								7.2
Total revenue from sale of power								**630.8**

Table 86: F28 - Expected revenue from charges - FY2011-12 (Revised estimate)

Category	Consumers	Sales [MU]	Contract demand / connected load [kW, kVA, HP]	FC [Rs per month per connection / kW / kVA / HP]	EC [Rs/kWh]	Total FC [Crs]	Total EC [Crs]	Total ERC [Crs]
Domestic								
0 - 100	128,171	230	-	-	0.60	-	13.80	13.80
101 - 200	70,055	134	-	-	0.90	-	12.07	12.07
201 - 300	28,678	68	-	-	1.65	-	11.24	11.24
>300	25,547	131	-	-	2.00	-	26.20	26.20
OHOB	35,447	9	-	15.00	-	0.64	-	0.64
Total	287,899	572.5	-			0.64	63.30	63.94
Commercial								
0 - 100	21,394	30	-	25.00	2.15	0.64	6.45	7.09
101 - 250	9,550	34	-	25.00	3.15	0.29	10.65	10.94
> 250	10,910	108	-	25.00	3.65	0.33	39.55	39.88
Total	41,854	172.1	-			1.26	56.65	57.90
Agriculture								
Small farmers	958	7	5,438.99	25.00	-	0.01	-	0.01
Other farmers	5,852	70	54,099.01	100.00	-	0.66	-	0.66

Category	Consumers	Sales [MU]	Contract demand / connected load [kW, kVA, HP]	FC [Rs per month per connection / kW / kVA / HP]	EC [Rs/kWh]	Total FC [Crs]	Total EC [Crs]	Total ERC [Crs]
Total	6,810	76.7	59,538.00			0.67	-	0.67
Public lighting								
Total	48,280	23	-	-	2.90	-	6.79	6.79
LT Industrial								
0 - 1000	5,334	20	-	25.00	2.60	0.16	5.15	5.31
> 1000	694	105	-	25.00	2.80	0.02	29.43	29.45
Water tank	58	35	-	25.00	2.90	0.00	10.22	10.22
Total	6,086	160.1	-			0.18	44.79	44.97
Temporary supply - LT								
Total		22.6	-	-	5.00	-	11.32	11.32
Total LT	390,928	1,027.5				2.7	182.9	185.6
HT 1 Industrial								
(A) - CD < 2000								
0 - 100000	273	223	66,204	155.00	2.95	12.31	65.78	78.09
>100000	94	236	72,113	155.00	3.10	13.41	73.26	86.68
(B) - 2000 < CD < 5000		-						
>0	37	557	107,313	160.00	3.15	20.60	175.44	196.04
Total	404	1,016.3	245,630			46.33	314.48	360.81
HT 2 - Government & water tank								
Total	41	37	14,265	190.00	2.85	3.25	10.62	13.87
HT 3 - EHT								
Total	7	236	80,495	160.00	3.15	15.46	74.49	89.95
Total HT	452	1,290.0	340,390.13			65.04	399.59	464.6
Total	**391,380**	**2,317.5**				**67.8**	**582.4**	**650.2**

Table 87: F28 - Expected revenue from charges - FY2012-13 (Estimated)

Category	Consumers	Sales [MU]	Contract demand / connected load [kW, kVA, HP]	FC [Rs per month per connection / kW / kVA / HP]	EC [Rs/kWh]	Total FC [Crs]	Total EC [Crs]	Total ERC [Crs]
Domestic								
0 - 100	134,538	236	-	-	0.60	-	14.13	14.13
101 - 200	73,535	143	-	-	0.90	-	12.84	12.84
201 - 300	30,102	77	-	-	1.65	-	12.68	12.68
>300	26,816	165	-	-	2.00	-	33.00	33.00
OHOB	35,447	9	-	15.00	-	0.64	-	0.64
Total	300,439	629.3	-			0.64	72.65	73.29
Commercial								
0 - 100	22,060	10	-	25.00	2.15	0.66	2.24	2.90
101 - 250	9,847	15	-	25.00	3.15	0.30	4.64	4.94
> 250	11,249	160	-	25.00	3.65	0.34	58.30	58.63
Total	43,156	184.9	-			1.29	65.18	66.47
Agriculture								
Small farmers	958	7	5,438.99	25.00	-	0.01	-	0.01
Other farmers	5,852	70	54,099.01	100.00	-	0.66	-	0.66
Total	6,810	76.7	59,538.00			0.67	-	0.67
Public lighting								
Total	49,438	26	-	-	2.90	-	7.53	7.53
LT Industrial								
0 - 1000	5,445	96	-	25.00	2.60	0.16	25.02	25.18
> 1000	708	38	-	25.00	2.80	0.02	10.61	10.64
Water tank	58	35	-	25.00	2.90	0.00	10.22	10.22
Total	6,212	169.4	-			0.19	45.85	46.04
Temporary supply - LT								
Total		25.0	-	-	5.00	-	12.50	12.50
Total LT	406,055	1,111.3				2.8	203.7	206.5
HT 1 Industrial								
(A) - CD < 2000								
0 - 100000	278	236	67,532	155.00	2.95	12.56	69.55	82.11

Category	Consumers	Sales [MU]	Contract demand / connected load [kW, kVA, HP]	FC [Rs per month per connection / kW / kVA / HP]	EC [Rs/kWh]	Total FC [Crs]	Total EC [Crs]	Total ERC [Crs]
>100000	96	235	73,285	155.00	3.10	13.63	72.77	86.40
(B) - 2000 < CD < 5000	-	-						
>0	38	557	109,675	160.00	3.15	21.06	175.38	196.44
Total	412	1,027.3	250,492			47.25	317.71	364.95
HT 2 - Government & water tank								
Total	41	40	14,265	190.00	2.85	3.25	11.32	14.57
HT 3 - EHT								
Total	7	236	80,495	160.00	3.15	15.46	74.41	89.87
Total HT	460	1,303.2	345,252.00			65.96	403.44	469.4
Total	**406,515**	**2,414.5**				**68.7**	**607.1**	**675.9**