

1 Chapter 1: Introduction

1.1 About Joint Electricity Regulatory Commission for the State of Goa and UTs (JERC)

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted the Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated 2nd May 2005. Later with the joining of the State of Goa, the Commission came to be known as “Joint Electricity Regulatory Commission for the State of Goa and Union Territories” (hereinafter referred to as “JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May 2008.

JERC is a statutory body responsible for regulation of the Power Sector in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Dadra & Nagar Haveli and Daman & Diu, Chandigarh, and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity etc. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting the interests of consumers and ensuring supply of electricity to all areas.

1.2 About Union Territory of Chandigarh

Chandigarh is a city, district and union territory in India that serves as the capital of the two neighbouring states of Punjab and Haryana. It is bordered by the state of Punjab to the north, the west and the south, and by the state of Haryana to the east. The city is unique as it is not a part of either of the two states but is governed directly by the Union Government, which administers all such territories in the country. Chandigarh is located near the foothills of the Shivalik range of the Himalayas in northwest India. It covers an area of approximately 114 km². The metropolitan area of Chandigarh–Mohali–Panchkula collectively forms a Tri-city, with a combined population of over 2 million.

Chandigarh has been rated as one of the "Wealthiest Towns" of India. The city has one of the highest per capita incomes in the country. The city was reported to be one of the cleanest in India based on a national government study. The union territory also heads the list of Indian states and territories according to Human Development Index. In 2020, a survey ranked it among the top 3 happiest cities in India over the happiness index.



1.3 About Electricity Wing of Engineering Department, Chandigarh (EWEDC)

The Electricity Wing of Engineering Department of UT Administration of Chandigarh, hereinafter referred to as ‘EWEDC’ or as the ‘Petitioner’, a deemed licensee under Section 14 of the Electricity Act 2003, is carrying out the business of transmission, distribution and retail supply of electricity in Chandigarh (UT). EWEDC is functioning as an integrated distribution licensee of the Union Territory of Chandigarh. EWEDC procures most of its power through its allocation from Central Generating Stations (CGS) such as NTPC, NHPC, NPCIL BBMB, SJVNL and THDC. The EWEDC also buys short-term power for meeting the demand-supply shortfall during peak hours.

Chandigarh has been divided into various sectors and all the sectors of Chandigarh are electrified and any desiring consumer can avail power supply by submitting a requisition in the prescribed form to the appropriate office of the Department subject to fulfillment of the requisite conditions and payment of charges. The EWEDC is under the control of the Administration of the Union Territory of Chandigarh.

The Government of India has announced Aatma Nirbhar Bharat Abhiyan in May, 2020 to make India self-reliant through structural reforms. One of the key reform measures planned is to reform power distribution and retail supply in Union Territories. Accordingly, Ministry of Power convened a meeting on 12th May 2020 through Video Conference in the matter of privatization of power in the UT Chandigarh along with other UTs wherein direction was given to complete the entire process of privatization of Distribution system within the specified timelines.

The UT Administration of Chandigarh after obtaining the approval of the Hon'ble Governor of Punjab-cum-Administrator, UT of Chandigarh conveyed the decision to the Ministry of Power (MoP) for privatization of Electricity Wing of Engineering Department Chandigarh (EWEDC) on 20th May 2020.

Accordingly, the Request for Proposal for sale of 100% share of Electricity Distribution Network and transmission assets at Extra High Voltage (EHV) level as per Electricity Act, 2003, of Electricity Wing of Engineering Department Chandigarh (EWEDC) – Present Licensee was floated.

The Administrative approval & expenditure sanction and in-principle approval of cabinet was sought for Bid process done to select the highest bidder for sale of 100% equity share of the proposed distribution company. Approval is also sought for the formation of the company by the name of Chandigarh Power Distribution Company Limited (CPDCL), in which the assets of the existing Electricity Wing of Engineering Department Chandigarh (EWEDC) shall be transferred.

The Union Cabinet has accorded its approval to the Cabinet Note on dated 7th January 2022. Further, the process of privatisation is underway and change of management is expected in early part of FY 2022-23.

1.4 Multi Year Tariff Regulations, 2021

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

1.5 Filing and Admission of the Present Petition

The present Petition was admitted on 8th April 2022 and marked as Petition No. 79 of 2022. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

1.6 Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted, and certain deficiencies were observed. Accordingly, discrepancy notes were issued to the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petitioner and key data gaps, which included retail sales, revenue from retail tariff, capitalization, etc. The Petitioner submitted its response to the issues through various letters/emails.

The Commission conducted the Technical Validation Session (TVS) with the Petitioner at the Commission's office in Gurugram, during which the discrepancies in the Petition were conveyed and additional information required by the Commission was sought. Subsequently, the Petitioner submitted replies to the issues raised in this session

and provided documentary evidence to substantiate its claims regarding various submissions. The following table provides the list of interactions with the Petitioner along with the dates:

Table 1: Timelines of the interaction with the Petitioner

S. No	Subject	Date
1	Issue of First Deficiency Note	13 th April 2022
2	Reply received from Petitioner	22 nd April 2022 & 4 th May 2022
3	Technical Validation Session	6 th May 2022
4	Public Hearing	13 th May 2022
5	Issue of Second Deficiency Note	17 th May 2022
6	Replies received from Petitioner	27 th May 2022 & 24 th June 2022

1.7 Notice for Public Hearing

Public Notices were published by the Commission in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearing to be conducted by the Commission. These notices were also uploaded on the Commission's website

Table 2: Details of Public Notices published by the Commission

Sl. No.	Date	Name of Newspaper	Language	Place of Circulation
1	20 th April 2022 & 10 th May 2022	Ajit	Punjabi	Chandigarh
2		Dainik Jagran	Hindi	Chandigarh
3		The Tribune	English	Chandigarh
4		Hindustan Times	English	Chandigarh

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

Table 3: Details of Public Notices published by the Petitioner

S.No.	Date	Name of Newspaper	Language	Place of Circulation
1	21 st April 2022	Ajit	Punjabi	Chandigarh
2		Dainik Bhaskar	Hindi	Chandigarh
3		The Tribune	English	Chandigarh
4		Hindustan Times	English	Chandigarh
5	29 th April 2022	Ajit	Punjabi	Chandigarh
6		Dainik Bhaskar	Hindi	Chandigarh
7		The Tribune	English	Chandigarh
8		Hindustan Times	English	Chandigarh

1.8 Public Hearing

The Public Hearing was held on 13th May 2022 at the Auditorium Hall, Government Museum and Art Gallery, Chandigarh to discuss the issues related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2 of this Order.