

# **1. Chapter 1: Introduction**

## **1.1. About Joint Electricity Regulatory Commission (JERC)**

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “the Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated 2<sup>nd</sup> 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 “the JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30<sup>th</sup> May 2008.

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

## **1.2. Andaman & Nicobar Islands**

Andaman & Nicobar Islands (hereinafter referred to as “A&N”) is a cluster of islands scattered in the Bay of Bengal and a designated Union Territory of India. These islands are separated from the rest of India by more than 1000 kms. The total area of the territory is 8,249 sq.km out of which the forest cover is about 7,589 sq. km. (92%). A&N is having population of 379,944 as per census provisional records and average growth rate of population is 6.68%. These islands are divided in three districts, viz., Andaman, Nicobar and North & Middle Andaman. The seat of the Administration is at Port Blair (South Andaman) in which 14.14 sq. km. area is under the jurisdiction of Port Blair Municipal Council.

The tempo of economic development has tremendously accelerated along with all-round expansion in the areas/sectors, viz., (i) Shipping Services, (ii) Civil Supplies, (iii) Education, (iv) Fisheries, (v) Tourism & Information Technology, (vi) Health, (vii) Industries, (viii) Rural Development, (ix) Social Welfare, (x) Transport, (xi) Increase in District Headquarters, (xii) Central Government Department, (xiii) Public Undertaking & other offices, (xiv) Services & Utilities, (xv) Defence Establishment, (xvi) Commercial Organisations/Business Centres, etc. Thus, these islands have reached the take off stage for total economic transformation. All these economic and infrastructure developments require power as a vital input and to play a key role for achieving overall transformation.

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

## ***Andaman Group of Islands***



### ***1.3. About Electricity Department Andaman & Nicobar Administration (EDA&N)***

The Electricity Department of Andaman & Nicobar Administration (hereinafter referred to as “EDA&N” or “Utility” or “Petitioner”) is solely responsible for power supply in the Union Territory (UT). Power requirements of EDA&N are met by own generating stations as well as power purchase.

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

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

The key duties being discharged by EDA&N are:

- Laying and operating of electric lines, sub-stations and electrical plants that are primarily maintained for the purpose of distributing electricity in the area of Andaman & Nicobar Islands.

- Operating and maintaining sub-stations and dedicated transmission lines connected therewith as per the provisions of the Act and the rules framed there under;
- Generation of electricity for the supply of electricity required within the boundary of the UT and for the distribution of the same in the most economical and efficient manner;
- Supplying electricity, as soon as practicable to any person requiring such supply, within its competency to do so under the said Act;
- Implementation of schemes for distribution and generally for promoting the use of electricity within the UT.

The present Installed Capacity of EDA&N is approximately 113.86 MW from various generating stations. The current demand mainly comprises of the domestic and commercial category, which contributed approximately 75% to the total sales of the EDA&N.

### ***1.4. Multi Year Distribution Tariff Regulations, 2014***

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi) (Multi-Year Distribution Tariff) Regulations, 2014 (hereinafter referred to as MYT Regulations, 2014) on June 30, 2014 applicable for a three-year Control period starting from FY 2015-16 till FY 2017-18. The Commission subsequently notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi) (Multi-Year Distribution Tariff) (First Amendment) Regulations, 2015 on August 10, 2015 shifting the MYT Control Period to FY 2016-17 to FY 2018-19. These Regulations are applicable to all the distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

### ***1.5. Multi Year Tariff Regulations, 2018***

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

### ***1.6. Filing and Admission of the Present Petition***

The present Petition was admitted on December 30, 2021 and marked as Petition No. 64/2021. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

### ***1.7. 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, tariff proposal 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 5: List of interactions with the Petitioner*

<b>S. No</b>	<b>Subject</b>	<b>Date</b>
<b>1</b>	Issue of First Discrepancy Note	23.12.2021

S. No	Subject	Date
2	Reply received from the Petitioner with regard to first discrepancy Note	12.1.2022
3	Public hearing	21.1.2022
4	Issue of second Discrepancy Note	24.1.2022
5	Replies received from the Petitioner with regard to second Discrepancy note	18.2.2022, 12.3.2022, 16.3.2022
6	Technical Validation Session	3.3.2022

## 1.8. Notice for Public Hearing

The Public Notices were published in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearings.

*Table 6: Details of Public Notices published*

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1	December 31, 2021	The Andaman Express	English	Port Blair
2	December 31, 2021	The Eco of India	English	Port Blair
3	December 31, 2021	Arthik Lipi	Bengali	Port Blair
4	December 31, 2021	Sanmarg	Hindi	Port Blair
5	January 19, 2022	The Andaman Express	English	Port Blair
6	January 19, 2022	The Eco of India	English	Port Blair
7	January 19, 2022	Arthik Lipi	Bengali	Port Blair
8	January 19, 2022	Sanmarg	Hindi	Port Blair

The Petitioner uploaded the Petition on its website (<https://vidyut.andaman.gov.in/>) for inviting objections and suggestions on the Petition. The Commission also uploaded the Tariff Petition and the Public Notice on its website [www.jercuts.gov.in](http://www.jercuts.gov.in) giving due intimation to stakeholders, consumers, objectors and the public at large about the Public Hearing to be conducted by the Commission on 21<sup>st</sup> January 2022 through Video Conferencing due to ongoing COVID19 pandemic.

## 1.9. Public Hearing

The COVID-19 pandemic has adversely impacted the movement of people as per the guidelines of GoI. These guidelines have also suggested avoiding of travel and gathering of people as far as possible. In view of above, the physical conduct of proceedings by the Commission was not possible. So, the Commission deemed it fit to provide an access to all the stakeholders by conducting proceedings remotely, by the use of audio and video enabled hearings in the matters of Petition submitted by Electricity Department Andaman & Nicobar Administration. Therefore, the Commission has decided that the comments/suggestions of the stakeholders need to be heard virtually through video conferencing for seeking their opinion.

Accordingly, the Virtual Public Hearing was held on 21<sup>st</sup> January 2022 from 11:30 AM to discuss the issues, if any, related to the Petition filed by the Petitioner. However, none of the stakeholder attended the public hearing considering no discussion related to tariff proposal was envisaged. 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.