

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 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 “the JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May 2008.

JERC is an autonomous body responsible for regulation of the Power Sector in the State of Goa and the Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, 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 interests of consumers and ensuring the supply of electricity to all areas.

1.2. About Puducherry Power Corporation Limited (PPCL)

Puducherry Power Corporation Limited (hereafter referred to as ‘PPCL’ or ‘Petitioner’), an undertaking of Government of Puducherry, is a Government company within the meaning of Companies Act, 1956, as amended from time to time. Further, it is a “Generating Company”, as defined under sub-section 28 of section 2 of the Electricity Act, 2003.

PPCL was incorporated on 30th March 1993, with the objective of generating 32.5 MW of Electricity (22.9 MW from gas turbine and 9.6 MW from Steam turbine) at Karaikal which is one of the outlying regions of the Union Territory of Puducherry.

The details of Plant capacity, commercial & operational data etc. are given in the following table:

Table 1: Details of the PPCL Gas Power Station

S.No.	Subject	Particulars
1	Capacity	32.5 MW
	- Gas Turbine	22.9 MW
	- Steam Turbine	9.6 MW
2	Date of Commercial Operation	3 rd January 2000
3	Type of Fuel	Natural gas
4	Type of Cooling System	Induced draft cooling tower
5	Gas Supplier	GAIL (India) Ltd.

The required gas of 1.91 lakhs cubic meter per day is obtained from the gas wells at Narimanam in the Cauvery basin under an agreement with GAIL (India) Ltd.

The gas power station at Karaikal was declared ready for commercial operation on 3rd January 2000 and is supplying power to Electricity Department Puducherry (PED) under a PPA signed with them on 25th February 2002.

The Electricity Department of Puducherry is the sole buyer of the electricity generated by PPCL.

1.3. Regulations Governing Tariff of PPCL

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 on 9th February 2010. PPCL was governed by these Regulations until the end of the 1st Control Period i.e. from 1st April 2016 to 31st March 2019.

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 on 10th August 2018. These Regulations are applicable for the 2nd MYT Control Period comprising of three financial years from FY 2019-20 to FY 2021-22 to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry. PPCL was governed by these Regulations until the end of the Control Period i.e. 31st March 2022.

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 on 22nd March 2021. These Regulations are applicable for the 3rd MYT Control Period comprising of three financial years from FY 2022-23 to FY 2024-25 to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry.

1.4. Filing and Admission of the Present Petition

The present Petition was admitted on 26th December 2022 and marked as Petition No. 88/2022. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

1.5. Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted and certain deficiencies were observed. Accordingly, deficiency 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 Petition and key data gaps, which included cost of gas, depreciation, O&M expenses, capitalization etc. The Petitioner submitted its response on the issues through various letters/emails.

The Commission conducted a Technical Validation session (TVS) with the Petitioner, 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 these sessions 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 2: List of interactions with the Petitioner

S. No	Subject	Date
1	Issue of First Deficiency Note	10.02.2023
2	Issue of Second Deficiency Note	06.03.2023
3	Public hearing	24.02.2023
4	Replies received from Petitioner	01.03.2023 & 07.03.2023
5	Technical Validation Session	16.03.2023

1.6. Notice for Public Hearing

Public notices were published by the Petitioner for inviting suggestions/ comments from stakeholders on the Tariff Petition as given below:

Table 3: Details of Public Notices published by the Petitioner

Sl. No.	Date	Name of Newspaper	Language	Place of Circulation
1	11.01.2023	New Indian Express	English	Puducherry, Karaikal, Mahe & Yanam
2		The Hindu	English	Puducherry, Karaikal, Mahe & Yanam
3		The Daily Thanthi	Tamil	Puducherry & Karaikal
4		Dinakaran	Tamil	Puducherry & Karaikal

The Commission also published Public Notices in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearing conducted by the Commission.

Table 4: Details of Public Notices published by the Commission

Sl. No.	Date	Name of Newspaper	Place of Circulation
1	8.02.2023 and 22.02.2023	The Hindu	Visakhapatnam, Vijayawada
2		New Indian Express	All Tamil Nadu
3		Daily Thanthi	Puducherry
4		Dinakaran	Puducherry

1.7. Public Hearing

The Public Hearing was held on 24th February 2023 at PMSSS Complex, 81, Laporte Street, Puducherry- 605001 to discuss the issues related to the Petition filed by the Petitioner. The list of the Stakeholders is attached as Annexure 1 to this Order. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2.