

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

CORAM

Sh. Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)

Review Order in Petition No. 116/2023

Date of Hearing: 19.12.2024

Date of Order: 06.01.2025

Order

In the matter of:

Approval of the True-up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24, Aggregate Revenue Requirement (ARR) and Determination of Retail Tariff for FY 2024-25

And in the matter of:

Chemfab Alkalis Limited and Ors ----- Petitioner(s)

Versus

Electricity Department, Government of Puducherry (PED) ----- Respondent(s)

Present for the Petitioner

1. Ms. Anusha Nagarajan, Advocate
2. Sh. Rahul Ranjan, Advocate
3. Sh. Pawan Kumar Mahawar, Manager (INOX)
4. Sh. Mohammed Suhaib, Manager (JBA)
5. Sh. Anil Kumar, Manager
6. Sh. K Vijay Kumar, GM
7. Sh. VR Ragnvaman, VP (Corporate)
8. Sh. Rajendran, MD

For the Respondent

1. Sh. Gaurav Varma, Advocate
2. Sh. M. Ramesh, Executive Engineer (PED)
3. Sh. Chanemougan, SE Cum HOD

This order is passed in compliance with the directives received from the Hon'ble APTEL through its Ruling in Appeal No 445 of 2024 & IA Nos 1427 & 1426 of 2024.

The Case in brief is as under

1. M/s Chemfab Alkalis Limited and others, falling under the Extra High Tension Industry Category (EHT Industry) Consumers in the licensee area of Electricity Department, Government of Puducherry (PED) filed an appeal under Section 111 of Electricity Act 2003, challenging the order notified by JERC for Goa and other UTs (Commission) dated 12.06.2024 in Petition number 116/2023 for approval of True up for FY 2022-23, APR of FY 2023-24 and determination of Retail Supply Tariff for FY 2024-25 for Electricity Department, Government of Puducherry (PED).

In the said Appeal the Appellant raised among others, the contention that the Commission had depressed the revenue from fixed charges for EHT consumers; both while computing revenue at existing retail tariff, as well as while computing the revenue as per approved tariff for FY 2024-25. A highly depressed revenue from fixed charges had been considered, which has been resulted in lowering down the ABR and higher tariff for EHT industry category of consumers in FY 2024-25 tariff order notified by this Commission.

The 2nd respondent PED in its reply filed before the Hon'ble APTEL in the present matter admitted that the contracted demand of EHT industries category was mistakenly stated, in Petition No. 116 of 2023, as 53723 kVA in Form F24 which was part of the tariff filing formats submitted before the Commission for the Financial Year 2024-25; and this unintentional calculation error was also duly informed to the Commission vide letter dated 25.07.2024.

2. The Hon'ble APTEL in its ruling dated 24th November 2024 in Appeal No 445 of 2024 & IA Nos 1427 & 1426 of 2024 in the matter of Chemfab Alkalis Limited and Ors Appellant(s) vs the Joint Electricity Regulatory Commission & Anr made the following observations:

"It is clear from the reply filed in the present appeal by the 2nd Respondent (PED) that, as against the contracted demand stated by them in Form F24 as 53723 KVA, the contracted demand was actually 114560 KVA, which is more than twice the figure stated by them in Form F 24 filed by them before the Commission....."

".....Since the error is now admitted by the 2nd Respondent, whose tariff was sought to be determined by the impugned order, we are of the view that, instead of keeping the appeal pending on our board, the JERC should be requested to re-determine the tariff of the 2nd Respondent in terms of the correct contracted demand for EHT industries category consumers for FY 2024-25....."

"..... While the Learned Senior Counsel appearing on behalf of the Appellant, would submit that the benefit of any such correction should ensure to the benefit of EHT industries consumers alone, we are of the view that any such request is better addressed by the JERC on the Appellant filing appropriate objections, which they may do so within one week from today....."

It can be concluded from above that the Hon'ble APTEL in the ruling passed in Appeal No 445 of 2024 & IA Nos 1427 & 1426 of 2024 directed the Commission to re-determine the tariff of the respondent No 2 ie PED in terms of the correct demand of EHT Industry category consumers after considering the objections/ suggestions of the Applicant.

3. In view of the judgement passed by Hon'ble APTEL in Appeal No 445 of 2024 & IA Nos 1427 & 1426 of 2024, the Commission has taken following process for re-determination of the tariff of 2nd respondent, PED:

- i. The Commission held the hearing on 19.12.2024 and heard the Petitioner and the PED. During the hearing, M/s Chemfab Alkalis Limited and others submitted that any benefit occurring due to correction of Contract Demand should be passed on to the EHT Industrial consumers alone considering the fact that increase in the contract demand would result in increased revenue from fixed charges and corresponding reduction in energy charges which the appellants consumers would be liable to pay.
- ii. The Commission noticed that the appellant during the proceedings before the Hon'ble APTEL had initially submitted total demand of EHT consumers in Puducherry as 130150 kVA. Subsequently by way of an additional affidavit the total demand of EHT consumers in Puducherry, which was previously stated to be 130150 kVA, was corrected by the appellant as 128275 kVA.
- iii. In view of above, the Commission sought clarification from PED with regard to total contract demand of the EHT consumers in UT of Puducherry and the power factor considered for conversion of sale from kWh to kVAh. In reply to query made by the Commission, the PED vide its letter dated 23.12.2024 submitted the details of 11 Numbers of EHT consumers in Puducherry as given below:

Table: Details of EHT consumers in Puducherry submitted by PED

S.No.	C.No	Name of consumer	Sanctioned CMD in KVA
1	117	CHEMFAB ALKALIS LTD	20000
2	144	SUMANGALA STEELS	20750
3	335	MRF LIMITED,	16000
4	356	INOX AIR PRODUCTS PVT. LTD.,	7500
5	718	M/S CHEMPLAST SANMAR LIMITED	14650
6	776	KARAIKAL PORT PVT LTD,	5000
7	782	DIVISIONAL RAILWAY MANAGER (DRM) TRICHY	5000
8	852	JBA METAL COMPANY	15400
9	896	M/S. PULKIT METALS PRIVATE LIMITED*	15475
10	904	JIPMER,	8500
11	503	REGENCY CERAMICS LTD	6500
		Total	134775

M/s Pushpit Steels and M/s Pulkit Metal have been merged into a single EHT industry M/s Pulkit Metals Private Ltd

Further PED submitted that the Sanctioned Contract Maximum Demand (CMD) of the entire HT consumers is 134775 kVA, in which 85% of the sanctioned CMD ie 114560 kVA has been taken as contract demand for arriving at the provisional fixed charges. The energy consumption of EHT and HT consumers indicated in kWh may be converted into kVAh by

dividing the value of kWh by and average power factor value of 0.99 as most of the HT/EHT industries are running at close to unity power factor.

PED further submitted that based on the review of six months consumption of EHT category for FY 2024-25 which is 355 MUs, the estimated annual consumption would be around 710 MUs instead of 820.11 MUs as approved in the Tariff order dt 12.06.2024. This may also be taken into account by Hon'ble Commission before passing appropriate orders.

4. Commission's Analysis

- i. The Commission has noted that the Tariff Order dated 12.06.2024 in Petition no 116/2023 notified by the Commission for approval of True up for FY 2022-23, APR of FY 2023-24 and determination of Retail Supply Tariff for FY 2024-25 for Electricity Department, Government of Puducherry (PED) was made effective from 16.06.2024.

It is further noted that for fixing the tariff for FY 2024-25 for EHT industry Category of consumer, the Contract Demand (CD) of EHT category of Consumer was considered by the Commission as 44399 kVA against 53723 kVA as furnished by the petitioner PED in the petition filed by before the Commission.

- ii. The Commission also noted that the later on, the PED in its reply filed before the Hon'ble APTEL admitted that the contracted demand of EHT industries category was mistakenly stated, in Petition No. 116/2023, as 53723 kVA in Form F24 which was part of the tariff filing formats submitted before the Commission for the Financial Year 2024-25; and this unintentional calculation error was also informed to the Commission vide letter dated 25.07.2024 post issuance of Tariff order in petition no. 116/2023 .
- iii. With above background and in light of the directives passed on by Hon'ble APTEL as elaborated in (2) above, the Commission decides to consider the total Contract Demand of the EHT Industries (For Supply at 110 kV or 132 kV) HT III category consumers as 134775 kVA (ie 133427 kW) and proceeds further in re-determination of tariff for PED.
- iv. The Commission decides to make following amendments in the tariff order notified by the Commission on 12.06.2024 in petition no. 116/2023 in the matter of True up for FY 2022-23, APR of FY 2023-24 and determination of Retail Supply Tariff for FY 2024-25 for Electricity Department, Government of Puducherry (PED):
 - a) **Table 104 on page no 107** - No. of Consumers approved by the Commission for FY 2024-25 shall be replaced by following table:

Particulars	No of Consumers projection			
	Approved in MYT Order dt. 31.03.2022	Petitioner's Submission	5-year CAGR	Approved by the Commission
Domestic	403639	403639	3.07%	402746
OHOB	8248	2528	0.00%	2528
Commercial	60315	61000	1.80%	61152
Agriculture	7137	7137	0.48%	7177
Public Lighting	52077	55000	0.55%	52419
LT Industrial + Water tank	4474	4600	45.92%	5649
Temporary Supply LT & HT	0	0	0%	0
HT I	475	490	0.14%	442
HT II	71	74	10.86%	89
HT III	8	13	As per revised submission of PED	11
Total	536444	534481		532213

b) Table 105 on page no 107 - Connected Load approved by the Commission for FY 2024-25 (kW) shall be replaced by following table:

Particulars	Approved for FY 2024-25 in Tariff Order dt. 31.03.2022	Petitioner's Submission	5-year CAGR	Approved by Commission
Domestic	726319.00	726318.00	4.60%	710329.10
OHOB	2843.00	2843.00	0.00%	2843.00
Commercial	164325.00	164325.00	5.40%	167657.47
Agriculture	61209.00	61210.00	6.30%	66447.31
Public Lighting	6544.00	6544.00	0.96%	6511.91
LT Industrial + Water tank	141637.00	141637.00	1.76%	140309.62
HT I	248056.00	248056.00	0.00%	238424.00
HT II	24121.00	24122.00	0.00%	23646.00
HT III	53723.00	53723.00	As per revised submission of PED	113414.00

c) Table 143 on page no 138 - Revenue from Sale of Power at existing tariff for FY 2024- 25 approved by the Commission shall be replaced by following table:

Category	Sales (MUs)	Revenue from Energy Charges (Rs Cr.)	Revenue from Fixed charges (Rs Cr.)	Total (Rs. Cr)	ABR (Rs. /Unit)
DOMESTIC	804.49	280.94	25.57	306.51	3.81
HUT SERVICES/ OHOB	1.59	0.23	0.03	0.26	1.66
COMMERCIAL	206.65	159.43	15.09	174.51	8.44
AGRICULTURE SERVICES	60.32	0.00	4.11	4.11	0.68
PUBLIC LIGHTING	18.22	12.94	6.92	19.86	10.90
LT INDUSTRIAL & WATER WORKS	168.75	102.18	8.42	110.60	6.55
LT Industrial	118.97	75.55			
Water Tanks	49.78	26.63			
HIGH TENSION-I	998.90	581.35	125.17	706.52	7.07
HT 1 (a) For contract demand up to 5000 kVA/Industrial	912.84	532.49			
HT Industries (For Supply at 11 kV, 22 kV or 33 kV)	86.06	48.86			
HT Other (HT 2)	62.67	40.80	14.19	54.99	8.77
EHT Industries (For Supply at 110 kV or 132 kV) HT III	820.11	455.61	65.99	521.60	6.36
Temporary Supply	3.82	3.42		3.42	8.90
Total	3145.54	1636.90	265.49	1902.38	6.05

The Commission has determined revenue from sales of power at existing tariff as Rs. 1902.38 Cr in the FY 2024-25, without regulatory surcharge.

- d) **Table 145 on page no 140** - Standalone Revenue Gap/(Surplus) for FY 2024-25 (Rs. Cr) shall be replaced by following table:

S. No.	Particulars	Petitioner's Submission	Approved by the Commission
1	Aggregate Revenue Requirement	1983.78	2009.48
2	Revenue from Sale of Power (Excluding Regulatory Surcharge)	1866.26	1902.38
3	Revenue Gap/ (Surplus)	117.52	107.10

The Commission approves the standalone revenue gap at existing retail tariff (excluding regulatory surcharge) as Rs. 107.10 Cr for FY 2024-25.

- e) **Table 148 on page no 143** - Consolidated Revenue Gap/ (Surplus) determined by Commission at existing Tariff (Rs Cr) for FY 2024-25 shall be replaced by following table:

S. No.	Particulars	Amount
1	Net Revenue Requirement	2009.48
2	Revenue from Retail Sales at Existing Tariff without regulatory surcharge	1902.38
3	Net Gap /(Surplus) (1-2)	107.10
4	Cumulative Previous year Gap (at the end of FY 22-23)	611.77
5	Carrying cost @8 % for 2 years *	26.80
6	Cumulative Gap with carrying cost (4+5)	638.58
7	Regulatory Surcharge @8%	151.92
8	Net Gap /(Surplus) (3+6-7)	593.76

The Commission determines a consolidated revenue gap of Rs 593.76 Cr till FY 2024-25, at existing tariff considering regulatory surcharge of 8%.

- f) **Table 151 on page no 154** - Revenue from Approved Retail Tariff determined by the Commission for FY 2024-25 shall be replaced by following table:

Category	Sales (MUs)	Revenue from 2.5 months of Existing Energy Charges (Rs Cr.)	Revenue from 2.5 months of Existing Fixed charges (Rs Cr.)	Revenue from 9.5 months of approved Energy Charges (Rs Cr.)	Revenue from 9.5 months of approved Fixed charges (Rs Cr.)	Total (Rs. Cr)	ABR (Rs./Unit)
DOMESTIC	804.49	58.53	5.33	259.26	23.62	346.74	4.31
0-100 units	391.41	18.35		83.66			
101-200 units	207.62	14.06		65.75			
201-300 units	102.26	11.50		48.57			

Above 300 units	103.20	14.62		61.27			
HUT SERVICES/OHOB	1.59	0.05	0.01	0.25	0.03	0.33	2.06
COMMERCIAL	206.65	33.21	3.14	126.21	31.85	194.42	9.41
0-100 units	4.74	0.59	0.00	2.25			
101-250 units	12.12	1.78	0.00	6.76			
Above 250 units	189.79	30.84	0.00	117.20			
AGRICULTURE SERVICES	60.32	0.00	0.86	0.00	4.32	5.18	0.86
Agriculture		0.00	0.00	0.00			
Small Farmers		0.00	0.03	0.00	0.13		
Other farmers		0.00	0.83	0.00	4.20		
Cottage Industries		0.00	0.00	0.00			
0-100 units		0.00	0.00	0.00			
101-200 units		0.00	0.00	0.00			
201-300 units		0.00	0.00	0.00			
Above 300 units		0.00	0.00	0.00			
PUBLIC LIGHTING	18.22	2.70	1.44	10.24	5.48	19.86	10.90
LT INDUSTRIAL & WATER WORKS	168.75	21.29	1.75	87.01	13.33	123.38	7.31
LT Industrial	118.97	15.74	1.75	65.93	13.33		
Water Tanks	49.78	5.55	0.00	21.08	0.00		
HIGH TENSION-I	998.90	121.11	26.08	474.48	106.17	727.84	7.29
HT 1 (a) For contract demand up to 5000 kVA/Industrial	912.84	110.94	22.76	433.60	92.67		
HT Industries (For Supply at 11 kV, 22 kV or 33 kV)	86.06	10.18	3.32	40.88	13.50		
HT Other (HT 2)	62.67	8.50	2.96	31.01	11.70	54.16	8.64
				0.00			
EHT Industries (For Supply at	820.11	94.92	13.75	412.27	54.42	575.36	7.02

110 kV or 132 kV) HT III							
		0.00	0.00				
Temporary	3.82	0.57		3.77		4.34	11.27
Total	3145.54	340.88	55.31	1404.50	250.92	2051.61	6.52

The Commission approves revenue from approved Retail Tariff of Rs 2051.61 Cr for the FY 2024-25.

g) **Table 152** - Cross-subsidy levels for consumer categories at existing and approved tariff for the FY 2024-25:

Category	ACoS	ABR for Existing tariff	Cost Coverage at existing tariff	ABR at approved tariff	Cost Coverage at approved tariff
	Rs/Unit	Rs/Unit	%	Rs/Unit	%
HUT SERVICES/OHOB	6.39	1.66	26.05%	2.06	32.25 %
DOMESTIC	6.39	3.81	59.62%	4.31	67.47 %
COMMERCIAL	6.39	8.44	132.16%	9.41	147.27 %
AGRICULTURE SERVICES	6.39	0.68	10.65%	0.86	13.44 %
PUBLIC LIGHTING	6.39	10.90	170.54%	10.90	170.59 %
LT INDUSTRIAL & WATER WORKS	6.39	6.55	102.56%	7.31	114.45 %
HIGH TENSION-I (Industrial and Commercial)	6.39	7.07	110.69%	7.29	114.06 %
HIGH TENSION II (HT Others)	6.39	8.77	137.31%	8.64	135.29 %
HIGH TENSION III (EHT Industries)	6.39	6.36	99.53%	7.02	109.85 %

h) **Table 153 on page no 156:**

ACoS at approved tariff (excluding Regulatory Surcharge) for the FY 2024-25:

S. No.	Particulars		Now Approved
1	Annual Revenue Requirement	A	2009.38
2	Sales (MUs)	B	3145.54
3	ACoS (Rs/kWh)	$C=A/B*10$	6.39
4	ABR at Approved Tariff		6.52
	Average Tariff increase approved		7.94%

The average increase in the retail tariff approved by the commission vis-à-vis prevailing tariff is 7.94%.

- i) **Table 154 on page no 157 Consolidated Revenue Gap/ (Surplus) with Regulatory Surcharge at revised tariff approved by Commission (Rs Cr) shall be replaced with following table:**

Particulars	Approved in Existing ARR
Net Revenue Requirement (1)	2009.48
Revenue from Retail Sales at revised Tariff without regulatory surcharge (2)	2051.61
Net Gap /(Surplus) (3) = (1-2)	(42.13)
Previous year Gap (4)	611.77
Carrying cost @8 % for 2 years (5)	26.80
Gap with carrying cost (6)	638.58
Regulatory Surcharge @10% (7)	197.24
Net Gap /(Surplus) (8) = (3+6-7)	399.21

The Commission approves a cumulative revenue gap of Rs. 399.21 Cr till FY 2024-25.

- j) **Commission's Analysis on Page 146 stands modified to the extent as given below:**

The Commission has determined a consolidated gap of Rs 399.21 Cr at the end of FY 2024-25. The Commission has determined the retail tariff for the FY 2024-25 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the JERC MYT Regulations, 2021.

"The Tariff design in general is guided by the following principles.

- *Cost reflective: The tariffs determined should efficiently reflect the cost of supply for each consumer category.*
- *Progressive tariffs: Ensuring progressivity among tariffs by having telescopic tariff slabs which encourages efficient consumption and at the same time allows intra-category cross-subsidy by way of charging higher tariff for higher consumption to subsidize the lower consumption consumers*
- *Revenue neutrality: There should be no impact on the utility's yearly revenue due to rationalization of tariffs i.e. the overall status quo should be maintained.*
- *Affordability: Assessing affordability of electricity for Domestic and Commercial consumers for defining slab ranges and setting tariffs.*
- *Revenue stability: Tariff should ensure adequate fixed cost recovery for utilities from fixed/demand charges....."*

Accordingly, the Commission in the tariff order in Petition no 116/2023 in the matter of approval of True up for FY 2022-23, APR of FY 2023-24 and determination of Retail Supply Tariff for FY 2024-25 for Electricity Department, Government of Puducherry (PED) has designed tariff for various consumer categories considering the Average Cost of supply in line with the provisions of the Tariff Policy, 2016. While designing the tariff for FY 2024-25, the Commission has reduced the cross-subsidy levels with an endeavour to

bring the same within range specified in Tariff Policy 2016 to achieve this objective, the Commission has increased the tariff levels for cross subsidized categories by higher than the average hike and either reduced / maintained the tariff levels or increased tariff at lower than average tariff hike for cross-subsidizing categories.

As result of correction in the Contract Demand of EHT Industry category of consumers from 44399 kW to 113414 kW (considering Sanctioned CMD of the entire EHT consumers as 134775 kVA, 85% of the sanctioned CMD as 114560 kVA and average power factor of 0.99) as discussed in the Commission's Analysis para (iii) above, the PED is expected to get an additional revenue amounting to Rs 40.15 Cr. As a result, the Revenue from Retail Sales at Existing Tariff without regulatory surcharge shown at Sr No 2 in Table 148 stand at Rs 1902.38 Cr and the Net Gap / (Surplus) shown at Sr No 3 stand at Rs 107.10 Cr.

k) The treatment of the additional revenue receivable from EHT Industry category consumers:


The Commission considered two options for treatment of additional revenue as a result of correction in Contract Demand of EHT Industry Category of Consumers and analyzed the pros and cons of both of the options. The first option is re-designing the tariff with appropriate tariff hike for all categories of consumers so as to meet the Revenue gap of Rs 107.10 Cr shown at Sr No 3 of Table 148 in accordance with the guiding principles outlined in the Tariff Policy, 2016 and Electricity Act, 2003. The Commission in the impugned order had increased tariff of all the consumer categories at an average 7.94% to bridge the standalone gap of Rs.147.25 Cr. However, with the revision in contract demand of EHT industry category of consumers, the revised revenue gap is coming to Rs 107.10 Cr and to bridge this gap, the Commission has to Re-design the tariff of all the consumer categories which requires 5.63% increase in average tariff. This can be done by reducing the tariff of all the consumer categories by an average of 2.31% with respect to the increased tariff in the impugned order. As the financial year 2024-25 is almost at closing and billing of lacs of consumers for 6 months has already been done with impugned approved tariff, the redesign of tariff of lacs of consumers with reduced hike requires consumer-wise reconciliation for all the previous months and refund of the excess billing along with interest, which is not an easy task for the Discom.

The Second option is to utilize the expected additional revenue received to partially bridge the previous year's cumulative Gap of Rs 611.77 Cr (at the end of FY 2022-23), as shown at Sr no 4 in Table 148 above and provide the benefit to all consumers by reducing the regulatory surcharge in the future years, after Truing up exercise for FY 2024-25. This option would also ultimately be useful in reducing the carrying cost on previous year's gap to the extent of additional revenue realized to bridge the gap for subsequent two years. This benefit will be available after true - up exercise for FY 2024-25.

After deliberating on the above two options along with the relative merits and demerits, and considering the fact that the tariff applicability period of the current tariff order is up to March 2025 or until further order, the Commission decides to maintain status quo of the tariff schedule approved vide its order in Petition no 116/2023 dated 12.06.2024 for FY 2024-25.


The Commission directs the PED to continue to bill all its consumers as per the tariff schedule approved vide its order in Petition no 116/2023 dated 12.06.2024. The Commission shall deal with the expected additional revenue that would be received during Truing up exercise for FY 2024-25.

Ordered Accordingly.


(Jyoti Prasad)
Member (Law)


(Alok Tandon)
Chairperson

Certified Copy


(S.D. Sharma) 06/01/2025
Secretary (I/c)

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