TRUE-UP ORDER

for FY 2022-23 & FY 2023-24

Petition No. 177/2026

For

Electricity Department
Andaman & Nicobar Administration

4th August, 2026

JOINT ELECTRICITY REGULATORY COMMISSION
For the State of Goa and Union Territories,
3rd and 4th Floor, Plot No. 55-56, Sector -18, Udyog Vihar - Phase IV
Gurugram, (122015) Haryana
Telephone: +91(124) 4684705, Telefax: +91(124) 4684706
Website: www.jercuts.gov.in
E-mail: secy.jercuts@gov.in

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List of abbreviations

Abbreviation	Full Form
A&G	Administrative and General
Act	The Electricity Act, 2003
ANED	Electricity Department of Andaman & Nicobar Administration
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal of Electricity
CAGR	Compound Annualized Growth rate
Capex	Capital Expenditure
CEA	Central Electricity Authority
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
Cr	Crores
DG	Diesel Generator
Discom	Distribution Company
FY	Financial Year
GoI	Government of India
HT	High Tension
HSD	High Speed Diesel
JERC	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
kW	Kilo Volt Ampere
kWh	Kilo Watt Hour
LNG	Liquefied Natural Gas
LT	Low Tension
MoP	Ministry of Power
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NIOT	National Institute of Ocean Technology
NTPC	National Thermal Power Corporation
O&M	Operation and Maintenance
OTEC	Ocean Thermal Energy Conversion
PLF	Plant Load Factor
PPA	Power Purchase Agreement
REC	Renewable Energy Certificate
RPO	Renewable Purchase Obligation
SECI	Solar Energy Corporation of India Limited
SERC	State Electricity Regulatory Commission
SPV	Solar Photovoltaic
T&D	Transmission & Distribution

Abbreviation	Full Form
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory
YoY	Year on Year

Before the

Joint Electricity Regulatory Commission
For the State of Goa and Union Territories, Gurugram

QUORUM

Shri Alok Tandon, Chairperson

Petition No. 177/2026
Date of Order: 4th August 2026

In the matter of
Approval of True- up for FY 2022-23 & FY 2023-24 for Electricity Department of Andaman & Nicobar Administration (ANED)

And
In the matter Of

Electricity Department of Andaman & Nicobar Administration...............................Petitioner

ORDER

1) The Petition has been filed by the Electricity Department of Andaman & Nicobar Administration, (ANED) (hereinafter referred to as "The Petitioner" or "ANED" or "The Licensee") for the approval of True-up of FY 2022-23 and FY 2023-24. After considering all suggestions and objections received from the Stakeholders/consumers and after hearing the Public, undersigned passed this order.
2) In exercise of the powers conferred on it by sub-Section (2) of Section 181 read with Section 36, Section 39, Section 40, Section 41, Section 51, Section 61, Section 62, Section 63, Section 64, Section 65 and Section 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi), after previous publication, issued 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.
3) In terms of Regulation 12 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 the Petitioner has filed a Petition for approval of True-up of FY 2022-23 and FY 2023-24.
4) The Commission scrutinized the said Petition and generally found it in order. The Commission admitted the "Petition for Approval of True up for FY 2022-23 & FY 2023-24" on 24th February 2026. The Commission thereafter requested further information & clarifications on the data gaps observed to take a prudent view of the said Petition. Further, suggestions/ comments/ views and objections were invited from the Stakeholders and Electricity Consumers.
5) The Public Hearing was conducted by undersigned on 27th May 2026 via video conferencing to hear all the Stakeholders/Consumers.

04/08/21

6) The Commission, based on the Petitioner's submission, relevant JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, facts of the matter, Rules and provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved the True-up of FY 2022-23 and FY 2023-24.

7) The attached documents/ Annexures giving detailed reasons, grounds and conditions are integral part of this order.

8) A summary has been provided as follows:

A. True-up for FY 2022-23

The Petitioner claimed the standalone revenue gap of Rs. 949.05 Crores in the True-up of FY 2022-23 against which the Commission has approved Revenue Gap of Rs. 887.15 Crores as given in the table below:

Table 1: Standalone Revenue Gap/ Surplus approved by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Net Revenue Requirement	995.71	1140.08	1153.65	1091.75
2	Revenue from retail sales at Revised Tariff	216.22	243.00	204.60	204.60
3	**Net Revenue Gap (2-1)**	**(779.49)**	**(897.08)**	**(949.05)**	**(887.15)**

The Petitioner had submitted vide letter Reference No. 2-4/Tariff/2021-Accts/Electricity dated July 25, 2022, confirming the budgetary support from administration of the UT of Andaman & Nicobar to the Commission. Hence, the Commission approves that standalone gap for FY 2022-23 to be met from the budgetary support by the Government of India. Hence, the Commission approves that standalone gap as 'NIL' for FY 2022-23.

B. True-up for FY 2023-24

The Petitioner claimed the standalone revenue gap of Rs. 839.13 Crores in the True-up of FY 2023-24 against which the Commission has approved Revenue Gap of Rs. 726.15 Crores as given in the table below:

Table 2: Standalone Revenue Gap/ Surplus approved by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Net Revenue Requirement	1203.56	1022.37	1095.70	982.72
2	Revenue from retail sales at Revised Tariff	265.67	243.90	256.57	256.57
3	**Net Revenue Gap (2-1)**	**(937.89)**	**(778.47)**	**(839.13)**	**(726.15)**

The Petitioner had submitted vide letter Reference No. M/3/2022-Plg-ELE-ELE dated March 24, 2023, confirming the budgetary support from administration of the UT of Andaman & Nicobar to the Commission. Hence, the Commission approves that standalone gap for FY 2023-24 to be met from the budgetary support by the Government of India. Hence, the Commission approves that standalone gap as 'NIL' for FY 2023-24.

04/08/24

Ordered accordingly.

Sd/-

(Alok Tandon)

Chairperson

(Certified True Copy)

(Rajesh Dangi)

Secretary (I/c)

Place: Gurugram, Haryana

Date: 4th August, 2026

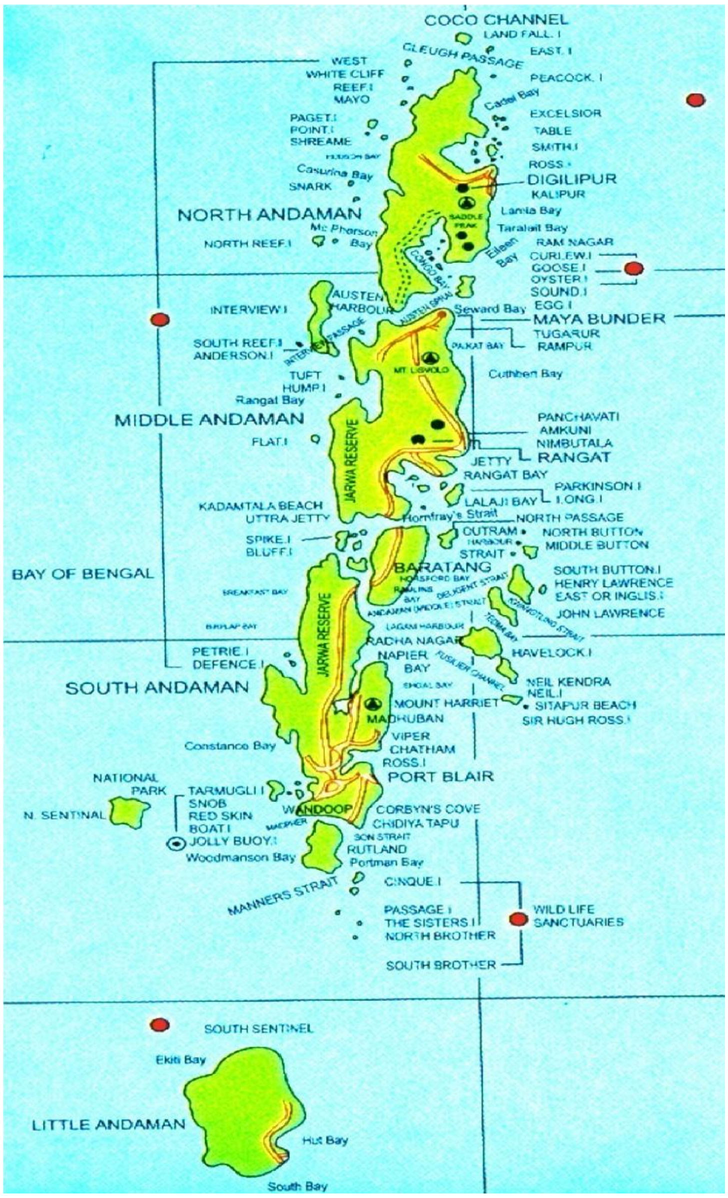
Chapter 1: Introduction

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 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, 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 interest of consumers and ensuring the supply of electricity to all areas.

1.2 About 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 3,80,581 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 transformations. 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 ANED has the area has divided the region into 7 electricity divisions and 26 sub-divisions.

1.3 About Electricity Department, Andaman & Nicobar ("EDA&N")

The Electricity Department of Andaman & Nicobar Administration (hereinafter referred to as "ED A&N" or "ANED" or "Utility" or "Petitioner") is solely responsible for power supply in the Union Territory of Andaman & Nicobar. Power requirements of "ED A&N" are met by own generating stations as well as power purchase as it is not connected to the National Grid.

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 houses 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. ED A&N is also functioning as a Nodal Agency for implementing renewable energy programme of the Ministry of New & Renewable Energy (MNRE) in these islands. Presently, ED A&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 ED A&N are:

- Laying 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 and distribution 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 far as practicable to any person requiring such supply, within its competency to do so under the said Act;
- Preparation and implementation of schemes for distribution, generally for promoting the use of electricity within the UT.

The current demand mainly comprises of the domestic and commercial category, which contributed approximately 75% to the total sales of the ED A&N.

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 JERC MYT Regulations, 2021) on 22nd March 2021 for the 3rd Control Period 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, Chandigarh, Daman & Diu and Dadra & Nagar Haveli and Puducherry.

1.5 Filing and Admission of the Present Petition

The True up Petition for the FY 2022-23 and FY 2023-24 has been filed by the ED A&N on 2nd February 2026 and is to be carried out in accordance with Regulation 12 of the JERC MYT Regulations, 2021.

After initial scrutiny/analysis, the Petition on "True up of FY 2022-23 and FY 2023-24 was admitted on 24th February 2026 and was marked as Petition no. 177/2026.

1.6 Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petitions 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 Petition 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 following table provides a list of interactions with the Petitioner along with the dates:

Table 3: List of interactions with the Petitioner

S. No	Subject	Date
1	Admittance of Petition	24.02.2026
2	Issue of 1st Deficiency Note	20.02.2026
3	Reply received from the Petitioner with regard to 1st deficiency Note	30.04.2026
4	Issue of 2nd Deficiency Note	24.06.2026
5	Reply received from the Petitioner with regard to 2nd deficiency Note	08.07.2026
6	Technical Validation Session (TVS)	02.07.2026
7	Replies of Queries raised in the TVS	10.07.2026

1.7 Notice for Public Hearing

The Public Notices intimating the stakeholders, consumers and the public at large, about the Public Hearing to be conducted by the Commission were also published by the ED A&N and the Commission in the leading newspapers. These notices were also uploaded on the Petitioner`s and Commission's website.

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

Table 4: Details of Public Notices published by the Petitioner

Particulars	S. No.	Date	Name of Newspaper	Language	Place of Circulation
1st Public Notice	1	21.05.2026	Daily Telegrams	English	Port Blair
	2		Dweep Smachar	Hindi	Port Blair

Particulars	S. No.	Date	Name of Newspaper	Language	Place of Circulation
2nd Public Notice	**3**	26.05.2026	Daily Telegrams	English	Port Blair
	4		Dweep Smachar	Hindi	Port Blair

Public notices as published by the Commission for inviting suggestions/ comments from stakeholders on the Tariff Petition as per details are given below:

Table 5: Details of Public Notices published by the Commission

Particulars	S. No.	Date	Name of Newspaper	Language	Place of Circulation
1st Public Notice	**1**	15.05.2026	The Eco India	English	Port Blair
	2		Sanmarg	Hindi	Port Blair
2nd Public Notice	**3**	26.05.2026	The Eco India	English	Port Blair
	4		Sanmarg	Hindi	Port Blair

The Petitioner uploaded the relevant Petition on its website (https://vidyut.andaman.gov.in) for inviting comments and suggestions on the Petition. The Commission also uploaded the Petition filed by the Petitioner and the Public Notice on its website 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 27th May 2026.

1.8 Public Hearing and Technical Validation Session (TVS)

The Commission deemed it necessary to provide access to all the stakeholders by conducting proceedings, in the matters of Petition submitted by Electricity Department of Andaman and Nicobar Islands (ANED). Therefore, the Commission has decided that the comments/suggestions of the stakeholders need to be heard for seeking their opinions.

Accordingly, the Public Hearing was held on 27th May 2026 via Video Conferencing to discuss the issues, if any, related to the Petition filed by the Petitioner. However, no stakeholder participated in the Public hearing.

Further, the Commission conducted a Technical Validation session (TVS) with the Petitioner on 2nd July 2026 physically at JERC, during which the discrepancies in the Petition were conveyed & discussed and additional information in writing were sought. Subsequently, the Petitioner submitted replies to the issues raised in these sessions along with documentary evidences to substantiate its claims regarding various submissions.

Chapter 2: Summary of Suggestions/ Objections received, Response from the Petitioner and the Commission's View

2.1 Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, upload the Petition on the website and also publish the same in the newspapers in an abridged form in the given format duly inviting suggestions/ comments from the public as per the provisions of the MYT Regulations, 2021. The Public Hearing was held on 27th May 2026 through Video Conferencing on the Petition for the True-up of FY 2022-23 and FY 2023-24. However,, none of the stakeholders attended the public hearing and neither had submitted any written submissions.

Chapter 3: True-up of the FY 2022-23

3.1 Background

The MYT Order for 3rd Control Period was issued by the Commission on 1st August 2022 (for FY 2022-23 to FY 2024-25) approving the Annual Performance Review for FY 2021-22, Aggregate Revenue Requirement for 3rd MYT Control Period (FY 2022-23 to FY 2024 25) & Determination of Retail Supply Tariff for the FY 2022-23. Subsequently, the Commission approved the Annual Performance Review (APR) for FY 2022-23 and Annual Revenue Requirement and Determination of Retail Tariff for the FY 2023-24 in its Tariff Order dated 28th March 2023. Since the Petitioner had not been able to submit the Petition for the True-up on time, in the Tariff Order dated 13th June 2024. Further in the Tariff Order dated 28th October 2025 the Commission directed the Petitioner "to get the accounts audited for FY 2022-23 and FY 2023-24 and file the true up petitions, on top priority." Subsequently, the Petitioner has filed this current petition (Petition No.: 177/2026) for True up for FY 2022-23 and FY 2023-24. The same was admitted by the Commission on 24th February 2026.

The Commission, now, in this Chapter carries out the True-up of FY 2022-23 in accordance with the principles laid down in 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 JERC MYT Regulations, 2021). The True up for the FY 2022-23 has to be carried out in accordance with Regulation 12 of the "JERC MYT Regulations, 2021", which as stated below:

"12.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.

12.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.

12.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

a) True-up: a comparison of the audited performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;

b) Annual Performance Review: a comparison of the revised performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;

c) Tariff determination for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;

d) Review of compliance with directives issued by the Commission from time to time;

e) Other relevant details, if any.

12.4 Upon completion of the exercise, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 13 below, to factors within the control of the Applicant (controllable factors) or to factors beyond the control of the Applicant (uncontrollable factors):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 13.1 below shall not ordinarily be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable factors:

Provided further that, where the Petitioner believes, for any variable not specified under Regulation 13.1, that there is a material variation or expected variation in performance for any year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable.

12.5 Upon completion of the exercise, the Commission shall pass an order recording:

a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 14 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

b) Approved aggregate gain or loss to the Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 15 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

c) Carrying cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end of the Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

Provided that carrying cost on the amount of revenue gap shall be allowed subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the revenue gap is addressed:

Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR /any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points;

Provided further that in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost from the date on which such surplus has become due, i.e., from the end of the Year for which true up has been done, till the end of the Year in which it is addressed on simple interest basis at one(1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points.

d) Revision of estimates and tariff for the ensuing Financial Year."

3.2 Approach for True-up for FY 2022-23

The Commission has noted that the Petitioner has requested for True-up of FY 2022-23 based on annual audited accounts for FY 2022-23. The Petitioner has submitted details of the expenditure and the revenue for the year based on its audited accounts along with a comparison of the actual revenue and expenditure against the corresponding figures previously approved by the Commission in the ARR order dated 1^{st} August 2022 and APR order dated 28^{th} March 2023.

The Commission has analysed various elements of the actual revenue and expenses for the FY 2022-23 based on the audited accounts, energy audit report for FY 2022-23, and replies to the various queries submitted by the Petitioner.

3.3 Number of Consumers

Petitioner's Submission

The Petitioner has submitted the total number of Consumers for FY 2022-23 as 1,49,621 no's in the Petition as against an approved number of Consumers of 1,48,740 no's in ARR dated 1^{st} August 2022 .

Table 6: No. of Consumers Submitted by the Petitioner for FY 2022-23

(NOs.)

Sr. No.	Category	FY 2022-23		
		Approved in T.O. dated 1^{st} August 2022	Approved in APR dated 28^{th} March 2023	Petitioner's Submission
1	Domestic	124643	117587	125105
2	Commercial	22228	20379	22255
3	Hotel	-		402
4	Industrial	443	390	425
5	Bulk Supply	70	57	69
6	Public Lightning	779	663	751
7	Irrigation Pumps & Agriculture	578	604	612
8	Electric Vehicle	-	-	2
	Total	**148740**	**139680**	**149621**

Commission's Analysis

The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021 provides the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission notes that as per the above provision, the variation in the number or mix of Consumers is uncontrollable. The Commission approves the Number of Consumers as submitted by the Petitioner, for FY 2022-23. The table given below provides the No. of Consumers approved by the Commission in the ARR Order dated 1st August 2022, approved by the Commission in the APR Order dated 28th March 2023, the Petitioner's submission and the No. of Consumers now trued-up by the Commission.

Table 7: No. of Consumers Trued- up by the Commission for FY 2022-23

(NOs.)

Sr. No.	Category	FY 2022-23			
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Domestic	124643	117587	125105	125105
2	Commercial	22228	20379	22255	22255
3	Hotel	-		402	402
4	Industrial	443	390	425	425
5	Bulk Supply	70	57	69	69
6	Public Lightning	779	663	751	751
7	Irrigation Pumps & Agriculture	578	604	612	612
8	Electric Vehicle	-	-	2	2
	Total	**148740**	**139680**	**149621**	**149621**

Therefore, the Commission approves the 1,49,621 number of Consumers for the True-Up of FY 2020-21.

3.4 Connected Load

Petitioner's Submission

The Petitioner has submitted the Connected Load for FY 2022-23 as 3,68,249 kW in the Petition as against an approved connected load of 3,83,153 kW in the ARR Order dated 1st August 2022.

Table 8: Connected Load submitted by the Petitioner for FY 2022-23

(kW)

Sr. No.	Category	FY 2022-23		
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
1	Domestic	236832	249014	222541
2	Commercial	110844	108106	105167

Sr. No.	Category	FY 2022-23		
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
3	Hotel	1281		
4	Industrial	110844	13242	13820
5	Bulk Supply	14617	19975	16519
6	Public Lightning	3081	3015	2856
7	Irrigation Pumps & Agriculture	16498	1355	1396
8	Electric Vehicle	-	-	1796
9	Others (Temporary connection & General Purpose)	-	-	4154
	Total	**383153**	**394706**	**368249**

Commission's Analysis

The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021 provides the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission notes that as per the above provision, the variation in the Connected Load is uncontrollable. The Commission approves the Connected Load as submitted by the Petitioner in the petition.

The table given below provides the Connected Load approved by the Commission in the ARR Order dated 1st August 2022, approved by the Commission in the APR Order dated 28th March 2023, the Petitioner's submission and the Connected Load now trued-up by the Commission.

Table 9: Connected Load Trued- up by the Commission for FY 2022-23

(kW)

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Category</th><th colspan="4">FY 2022-23</th></tr>
<tr><th>Approved in T.O. dated 1st August 2022</th><th>Approved in APR dated 28th March, 2023</th><th>Petitioner's Submission</th><th>Trued-up by the Commission</th></tr>
<tr><td>1</td><td>Domestic</td><td>236832</td><td>249014</td><td>222541</td><td>222541</td></tr>
<tr><td>2</td><td>Commercial</td><td>110844</td><td>108106</td><td rowspan="2">105167</td><td rowspan="2">105167</td></tr>
<tr><td>3</td><td>Hotel</td><td>1281</td><td>-</td></tr>
<tr><td>4</td><td>Industrial</td><td>110844</td><td>13242</td><td>13820</td><td>13820</td></tr>
<tr><td>5</td><td>Bulk Supply</td><td>14617</td><td>19975</td><td>16519</td><td>16519</td></tr>
<tr><td>6</td><td>Public Lightning</td><td>3081</td><td>3015</td><td>2856</td><td>2856</td></tr>
<tr><td>7</td><td>Irrigation Pumps & Agriculture</td><td>16498</td><td>1355</td><td>1396</td><td>1396</td></tr>
<tr><td>8</td><td>Electric Vehicle</td><td>-</td><td>-</td><td>1796</td><td>1796</td></tr>
<tr><td>9</td><td>Others (Temporary connection & General Purpose)</td><td>-</td><td>-</td><td>4154</td><td>4154</td></tr>
<tr><td></td><td>Total</td><td>383153</td><td>394706</td><td>368249</td><td>368249</td></tr>
</table>

Therefore, the Commission approves 3,68,249 kW of Connected Load as submitted by the Petitioner for True-Up of FY 2022-23.

3.5 Energy Sales

Petitioner's Submission

The Petitioner has submitted the total quantum of energy sales for FY 2022-23 as 283.73 MU`s in the Petition as against an approved energy sales quantum of 277.19 MU`s in the ARR Order dated 1st August 2022.

Table 10: Sales submitted by the Petitioner for FY 2022-23

(MU`s)

Sr. No.	Category	FY 2022-23		
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
1	Domestic	163.22	155.79	159.19
2	Commercial	65.36	71.17	67.18
3	Hotel	-	-	10.40
4	Industrial	11.53	12.24	12.33
5	Bulk Supply	29.73	25.15	26.47
6	Public Lightning	5.54	4.39	5.05
7	Irrigation Pumps & Agriculture	1.82	1.53	1.64
8	Electric Vehicle	-	-	1.47
	Total	**277.19**	**270.27**	**283.73**

Commission's Analysis

The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021 provides the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission notes that as per the above provision, the variation in the sales is uncontrollable. The Commission approves the sales as submitted by the Petitioner, for FY 2022-23. The table given below provides the energy sales approved by the Commission in the ARR Order dated 1st August 2022, approved by the Commission in the APR Order dated 28th March 2023, the Petitioner's submission and the Energy Sales now trued-up by the Commission.

Table 11: Energy Sales Trued- up by the Commission for FY 2022-23

(MU`s)

Sr. No.	Category	FY 2022-23			
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Domestic	163.22	155.79	159.19	159.19
2	Commercial	65.36	71.17	67.18	67.18
3	Hotel	-		10.40	10.40
4	Industrial	11.53	12.24	12.33	12.33
5	Bulk Supply	29.73	25.15	26.47	26.47
6	Public Lightning	5.54	4.39	5.05	5.05
7	Irrigation Pumps & Agriculture	1.82	1.53	1.64	1.64
8	Electric Vehicle	-	0.00	1.47	1.47
	Total	**277.19**	**270.27**	**283.73**	**283.73**

Therefore, the Commission approves 283.73 MU`s of Sales as submitted by the Petitioner for the True-up of FY 2022-23.

3.6 Intra-State Transmission and Distribution (T&D) loss

Petitioner's Submission

The Petitioner has submitted that it has achieved an Intra-State T&D loss of 18.27% in the FY 2022-23 against the target of 15.91% of T&D loss approved in ARR order dated 1st August 2022 for the FY 2022-23.

Table 12: Intra-State Transmission and Distribution (T&D) losses for FY 2022-23 as submitted by the Petitioner

(%)

Sr. No.	Particulars	FY 2022-23		
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
1	T&D Loss	15.91	15.91	18.27

Commission's Analysis

The Commission finds that the Petitioner has submitted the T&D Losses as 18.27% in the petition.

The Commission notes the replies of the Petitioner with respect to the queries raised in the TVS and considering approved energy sales of 283.73 MU`s (Section 3.5), net generation of 347.56 MU`s (350.80 MU`s - 3.24 MU`s (Auxiliary consumption)(refer Section 3.7)), and based on information available in the annual accounts, has approved the T&D losses as 18.36%.

Table 13: Intra-State Transmission and Distribution (T&D) losses for FY 2022-23

Sr. No.	Particulars	Considered by the Commission
1	Energy Sales within the UT (MU`s)	283.73
2	Energy Available at UT Periphery	347.56
3	T&D losses (MU`s) (2-1)	63.83
4	**T&D Loss (%)**	**18.36%**

The table below provides the Intra-State T&D loss approved in the ARR and APR of FY 2022-23, Petitioner's submission and as approved by the Commission now.

Table 14: approved Intra-State transmission and distribution loss for FY 2022-23

(%)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission (in the Petition)	Trued-up by the Commission
1	T&D Losses	15.91	15.91%	18.27%	18.36%

Therefore, the Commission has approved the Intra-State T&D loss of 18.36% for the FY 2022-23. The applicable incentive/disincentive in this regard has been considered in Section 3.21.1.

3.7 Energy Balance

Petitioner's Submission

The information regarding Energy requirement and Energy availability submitted by the Petitioner are as follows.

Table 15: Energy Balance submitted by Petitioner for FY 2022-23

(MU`s)

Sr. No.	Particulars	FY 2022-23		
		Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
A	**Energy sales**			
1	LT Supply	277.19	270.27	283.73
2	HT Supply			
3	**Total Energy Sales**	**277.19**	**270.27**	**283.73**
4	Overall T & D Losses (%)	15.91	15.91	18.27
B	**Overall T & D Losses (MU`s)**	52.44	51.14	63.44
C	**Total Energy Requirement**	329.63	321.41	347.17
i)	Total Power Purchase	271.38	253.61	252.70
ii)	Own Generation	58.25	67.80	94.47
D	**Total Energy Availability**	**329.63**	**321.41**	**347.18**
E	**ENERGY SURPLUS/(GAP)**	0.00	0.00	0.00

Commission's analysis

The Petitioner has submitted Energy availability of 347.18 MU`s in the Petition, however in replies to the queries of the 2nd Data gaps, dated 30th June 2026, the Petitioner has submitted Net Energy availability (Plant wise) of 347.56 MU`s (350.80 MU`s (total) - 3.24 MU`s (Auxiliary Consumption)).

Therefore, the information submitted by the Petitioner on Power Purchase Quantum as given below has been examined and accordingly the energy balance for the FY 2022-23 is derived.

The following table provides the energy balance approved in the ARR Order dated 1st August 2022, APR of the FY 2022-23 dated 28th March 2023, the Petitioner's submission and now trued-up by the Commission.

Table 16: Energy Balance approved by the Commission for FY 2022-23

(MU`s)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission	Trued-up by the Commission
A.	**Energy Requirement**				
1.	Total Sales within UT	**277.19**	270.27	283.73	283.73
2.	Transmission & Distribution Losses (%)	15.91	15.91	18.27	18.36
3.	Transmission & Distribution Losses (MU`s)	52.44	51.14	63.44	63.83
4.	Total Energy Requirement (for sale to retail consumers)	329.63	321.41	347.17	347.56
B.	**Energy Availability at Periphery**				
1.	Power Purchase (MU`s)	271.38	253.61	252.70	252.69
2.	Own Generation (MU`s)	58.25	67.80	94.47	94.87
3.	**Total Energy Availability**	**329.63**	**321.41**	**347.18**	**347.56**
C.	**Total shortfall/(Surplus)**	0.00	**0.00**	**0.00**	**0.00**

3.8 Power Purchase Quantum & Fuel Cost

Petitioner's Submission:

The Petitioner has submitted that the energy requirement of Electricity Department Andaman and Nicobar Islands is met from own generation. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

The Petitioner has submitted the cost of fuel and cost of power purchase from various IPPs and own generation as per Audited Accounts for FY 2022-23 in the table below:

Table 17: Fuel Cost & Power Purchase cost for the FY 2022-23 as submitted by the Petitioner

(Rs. Crores)

Particulars	FY 2022-23		
	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
Cost of fuel	109.89	811.71	871.31
Cost of power purchase	602.15	43.08	32.31
Total Cost	**712.04**	**854.79**	**903.70**

Commission's analysis:

The Commission notes that the "JERC MYT Regulations 2021" stipulate that any variation in the cost of power generation and/or power purchase due to variation in the rate of power purchase from approved sources shall be treated as an "uncontrollable factor". Regulation 13.1 of the JERC MYT Regulations, 2021 stipulates the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation; ……………………………….."

The Commission notes that the Petitioner has not submitted any data regarding the Power Purchase Quantum in the Petition, however, the Petitioner has submitted Energy availability in the 'Energy Balance' table as 347.18 MU`s in the Petition, whereas in replies to the queries of the 2nd Data gaps, dated 29th June 2026, the Petitioner has submitted the quantum of Power procured (Plant wise) as 350.80 MU`s (347.56 MU`s + 3.24 MU`s (Auxiliary Consumption)).

Therefore, the information submitted by the Petitioner on energy availability has been examined and accordingly the energy balance for the FY 2022-23 is derived. The table provided below shows the energy available from various sources of energy for the FY 2022-23.

Table 18: Details of power generated from the various Power generating Stations

(MU`s)

Sr. No.	Particulars	Power Generated
A.	**Own (HSD) Generation**	**83.88**
B.	**Hired Power Plant (HSD) Generation**	
1	HPP-NBEW- Old (5MW)-I	8.98
2	HPP-SRGC (5MW)-II	22.74
3	HPP-NBEW-New (10MW)-IV	45.94

Sr. No.	Particulars	Power Generated
4	Aggreko Plant/ NTPC (5 MW)	50.20
5	Express/NTPC (10 MW) B/flat	79.48
6	Shaheed Dweep (Neil) Private	5.35
7	Swaraj Dweep (Havelok) Private	3.54
8	HPP (Express Engg.) Baratang	4.31
9	HPP (Express Engg.) Panighat, Mayabandar	9.25
10	HPP (Express Engg.) Smith Island	0.06
11	HPP (Express Engg.) Gandhi Nagar	0.09
12	HPP (Express Engg.) Shanti Nagar	0.05
13	HPP (Express Engg.) Ganesh Nagar	0.07
Total Power Generation (Hired Power Plant)		**230.04**
C.	**Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP))**	**14.20**
D.	**Solar Power Plant (Own)**	
1	Raj Niwas	0.024
E.	**Solar Power Plant (Independent Power Producer)**	
1	Secretariat	0.04
2	5 MW Solar PV Plant, Garacharma, NTPC	5.39
3	20 MW SPV Power Plant, NLC	13.36
4	1 MW Rooftop Solar, SECI	0.86
5	2.84 MW Rooftop Solar, M/s Mundra Solar PV Ltd.	2.73
6	0.31 MW Rooftop Solar, M/s Mundra Solar PV Ltd. Car Nicobar	0.26
Total Power Generation (SPP, IPP)		**22.65**
Total Power Generation (A+B+C+D+E)		**350.80**

The Commission has observed that the Petitioner has submitted Rs. 903.70 Crores as "Power Purchase Cost" inclusive of Rs. 871.39 Crores as Fuel Cost and Rs. 32.31 Crores for the fixed cost (including fixed cost Hired Power plants and IPP Solar power plants), as per the audited accounts for FY 2022-23.

The Commission has also observed that the Petitioner has submitted different SFC of HSD and Lube oil for various IPPs and HPPs vis-à-vis the values approved by the Commission in the ARR Order dated 1st August 2022 and PPA for Hired Power Plant.

The Commission, based on the details submitted by the Petitioner in reply to 2nd set of deficiency note, has considered per litre weighted average cost of HSD and per litre weighted average cost of Lube oil as Rs. 99.63/Litre and Rs. 233.53/Litre respectively against the submission by the Petitioner as Rs. 98.88/Litre and Rs. 214.19/Litre respectively for FY 2022-23. The Commission finds it prudent to consider the specific fuel consumption (SFC) of HSD for own generating plants as 288.54 ml/kWh. For IPPs, the SFC of HSD as given in PPAs are considered, while finalising the true-up for FY 2022-23.

However, as the SFC of HSD is not provided in PPA of the plants for HPP (Express Engg.) Gandhi Nagar, Ganesh Nagar, Shanti Nagar and Sagar Dweep. Therefore, the Commission has considered the SFC of HSD for aforesaid plants equivalent to SFC of HSD approved in the Truing up order for FY 2021-22 dated 28th October 2025.

The Commission has considered the SFC of Lube Oil as 0.98 ml/kWh as approved in the ARR order dated 1st August 2022 for FY 2022-23 against the SFC considered by the Petitioner for different generating stations which is in range of 0.88 to 29.22 ml/kWh.

Based on the above approach, the Commission approves the following fuel cost for HSD based own generation plants and fuel cost for hired power plants:

Table 19: Power Purchase cost, Quantum and variable cost approved by the Commission for FY 2022-23

Particulars	Units generated (MU`s)	SFC of HSD (ml./kWh)	Per Litre cost of HSD (Rs./ Litre)	Total Cost of HSD (Rs. Crores.)	SFC of Lube Oil (ml./kWh)	Per Litre cost of Lube oil (Rs./Litre)	Total cost of Lube Oil (Rs. Crores)	Total Cost of Fuel (Rs. Crores)
Own Generation (HSD)	83.88	288.54	99.63	241.12	0.98	233.53	1.92	**243.04**
HSD based Hired Power Plants (HPP)								
HPP-NBEW- Old (5MW)-I	8.98	270	99.63	24.16	-	-	-	**24.16**
HPP-SRGC (5MW)-II	22.74	270	99.63	61.17	-	-	-	**61.17**
HPP-NBEW-New (10MW)-IV	45.94	270	99.63	123.58	-	-	-	**123.58**
Aggreko Plant/ NTPC (5 MW)	50.20	270	99.63	134.53	-	-	-	**134.53**
Express/NTPC (10 MW) B/flat	79.48	270	99.63	213.00	-	-	-	**213.00**
Shaheed Dweep (Neil) Private	5.35	270	99.63	14.76	-	-	-	**14.76**
Swaraj Dweep (Havelok) Private	3.54	270	99.63	9.48	-	-	-	**9.48**
HPP (Express Engg.) Baratang	4.31	263	99.63	11.30	-	-	-	**11.30**
HPP (Express Engg.) Panighat, Mayabandar	9.25	270	99.63	24.88	-	-	-	**24.88**
HPP (Express Engg.) Smith Island	0.06	270	99.63	0.19	-	-	-	**0.19**
HPP (Express Engg.) Gandhi Nagar	0.09	304	99.63	0.28	-	-	-	**0.28**
HPP (Express Engg.) Shanti Nagar	0.05	304	99.63	0.14	-	-	-	**0.14**
HPP (Express Engg.) Ganesh Nagar	0.07	304	99.63	0.20	-	-	-	**0.20**
Total- HSD based Hired Power Plants (HPP)	**230.04**			**617.66**				**617.66**
Total HSD based Hired Power Plants (HPP), & Own Power Plants	**313.92**			**858.78**			**1.92**	**860.70**

In 2nd deficiency note and TVS the Petitioner was asked to submit plant-wise reconciliation of Power Purchase Cost with the Audited Accounts for FY 2022-23. The required information was submitted by the Petitioner, however the submission of cost differed from the audited accounts. Therefore, the Commission based on the above discussed paragraphs and computation of submitted details by the Petitioner has approved the Power Purchase Cost for the Truing up of the FY 2022-23.

The Commission notes that the Petitioner has claimed fixed cost amounting to Rs. 32.31 Crores for FY 2022-23. Further, the Commission on examination of the submission of the Petitioner observes that the Petitioner has included fixed cost of Rs. 2.32 Crores pertaining to plant 'HPP-SRGC (5-MW)-I', which achieved Commercial Date of Operation (COD) on 06.11.2024. The Commission notes that the said generating station was not under commercial operation during FY 2022-23. Although the Petitioner has submitted that HPP-SRGC (5 MW)-II supplied infirm power during FY 2022-23, the Commission is of the view that supply of infirm power prior to COD cannot be considered as commercial operation of the generating station for the purpose of allowing fixed cost. Accordingly, the Commission is not inclined to allow the fixed cost of Rs. 2.32 Crores pertaining to HPP-SRGC (5-MW)-II for FY 2022-23. The Commission, therefore, approves fixed cost of ₹29.99 Crores (Rs. 32.31 Crores-Rs. 2.32 Crores) for FY 2022-23.

The details of Power Purchase cost and fuel cost approved are as follows:

Table 20: Details of Total Power Availability, Power Purchase Cost, Fuel Cost for FY 2022-23

Sr. No.	Particular	Power Generated (MU`s)	Total Cost of Power (Rs. Crores)	
			Power Purchase Cost (Fixed Cost) (Rs. Crores)	Total Fuel Cost (HSD & Lube oil), (Rs. Crores)
A	Own (HSD) Generation	83.88	-	243.04
B	Less- Auxiliary Consumption	3.24	-	-
C	Net Generation (Own)	80.64	-	-
D	Hired Power Plant (HSSD) Generation	230.04	22.28	617.66
E	Solar Power Plant (Independent Power Producer)	22.65	7.71	-
F	Solar Power Plant (Own)	0.02	-	-
G	Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP))	14.20	-	-
Total		**350.80**	**29.99**	**860.70**

Table 21: Power purchase quantum and Cost approved by the Commission for FY 2022-23

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Total Own (own HSD, Solar, Hydro) Generation (MU`s)	58.25	67.80	98.10	98.10
2	Power Purchase (HSD based HPP & IPP Solar) (MU`s)	271.38	253.61	252.69	252.69
Energy Availability (MU`s)		**329.63**	**356.40**	**350.80**	**350.80**
1	Fuel Cost (Rs. Crores)	663.20	811.71	871.39	860.70
2	Power Purchase Cost (Fixed Cost) (Rs. Crores)	48.85	43.08	32.31	29.99
Total Power Purchase Cost (Rs. Crores)		**712.04**	**854.79**	**903.70**	**890.69**

The approved cost towards diesel-based generation consists of cost incurred towards consumption of HSD oil and Lube oil only. The fixed cost incurred against own generation (including RE generation) (i.e. O&M expenses, interest and finance charges, depreciation, interest on working capital etc.) has been considered for the department as a whole in subsequent sections of this chapter, as the cost of DG sets is part of Gross Fixed Assets. On the similar line, no separate fixed cost has been approved for own renewable based generation also.

Therefore, the Commission approves the overall power generation cost Rs. 890.69 Crores, which is inclusive of power purchase cost of Rs. 29.99 Crores and Fuel cost of Rs. 860.70 Crores in the True-up of FY 2022-23.

3.9 Renewable Purchase Obligation (RPO)

Petitioner's Submission

The Petitioner has not submitted any information in the petition regarding Renewable Purchase obligation (RPO). However, in replies to the 1st set of deficiency note the Petitioner submitted the RPO compliance for the FY 2022-23.

Table 22: RPO Compliance submitted by the petitioner for FY 2022-23

RPO Obligation for FY 2022-23		Sales Figure FY 2022-23	Target FY 2022-23 (MU`s)	RPO Compliance			
				Own generation	REC	Power Purchase	Total
Solar	9.00%	283.73	25.54	0.03	-	22.68	**22.71**
Non-Solar	9.00%		25.54	14.20	-	0.00	**14.20**
HPO	0.35%		0.99	0.00	-	-	**-**
Total	**18.35%**	**283.73**	**52.06**	**14.23**	**-**	**22.68**	**36.91**

Commission's analysis

The Commission notes that as per Clause 1, Sub-clause (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010:

"Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

The Commission notified the JERC (Procurement of Renewable Energy), (Fourth Amendment) Regulations, 2022 on 24th March 2022 and revised the RPO targets, according to which the Petitioner had to purchase 18.35% of its total consumption (including 9.00% from Solar & 9.35% from Non-solar sources) from renewable sources for the FY 2022-23.

Further, as per the submission of the Petitioner RPO compliance for the FY 2022-23, the Petitioner had a standalone target of 52.06 MU`s, comprising of 25.54 MU`s from solar, 25.54 MU`s non-solar and 0.99 MU`s from HPO. As against the compliance the Petitioner has been able to meet 22.71 MU`s of solar power, 14.20 from Non-solar sources and Nil against the HPO target (as submitted by the Petitioner in the reply to the 1st set of deficiency note), thereby resulting into a shortfall of 15.15 MU`s in achieving overall RPO target for FY 2022-23.

The Commission vide the Suo-moto Order dated 10th April 2024 in the matter of "Compliance of Joint Electricity Regulatory Commission (For the state of Goa and Union Territories) (Procurement of Renewable Energy) Regulations, 2010 regarding Renewable Purchase Obligation (RPO) and as amended from time to time", had approved the achieved RPO compliance for the FY 2022-23. Therefore, the Commission relying on the aforesaid Order has approved the same for Truing up of FY 2022-23.

Based on the above, the Commission has computed the standalone RPO compliance for FY 2022-23 as shown in the following table:

Table 23: RPO compliance Trued-up by the Commission for FY 2022-23

Sr. No.	Particulars	FY 2022-23
RPO obligation (%)		
1	Solar Target	9.00%
2	Non-Solar Target	9.00%
3	HPO Target	0.35
	Total Target	**18.35%**
4	**Sales Within UT (MU`s)**	283.73

Sr. No.	Particulars	FY 2022-23
5	**RPO Target (MU`s)**	
5(a).	Solar	25.54
5(b).	Non-Solar	25.54
5(c).	HPO Target	0.99
	Total RPO Target (MU`s)	**52.07**
6	**RPO Compliance, (Actual: - Power purchase) (MU`s)**	
6(a).	Solar	22.68
6(b).	Non-Solar	0.00
6(c).	HPO	0.00
	Total RPO Compliance (Actual Purchase: - Power purchase), (MU`s)	**22.68**
7	**RPO Compliance, (Actual Purchase: - Own generation), (MU`s)**	
7(a).	Solar	0.03
7(b).	Non-Solar	14.20
7(c).	HPO	0.00
	Total RPO Compliance (Actual Purchase: - Own generation), (MU`s)	**14.23**
8	**RPO Compliance, (REC) (MU`s)**	
8(a).	Solar	0.00
8(b).	Non-Solar	0.00
8(c).	HPO	0.00
	Total RPO Compliance (REC) (MU`s)	**0.00**
9	**RPO Compliance (REC + Actual) (MU`s)**	
9(a).	Solar	22.71
9(b).	Non-Solar	14.20
9(c).	HPO	0.00
	Total RPO Compliance (REC + Actual) (MU`s)	**36.91**
10	**Net Shortfall/(Surplus) (MU`s) for this year**	**15.15**
11	**Cumulative Shortfall (MU`s) in RPO Compliance till FY 2021-22**	**26.32**
12	**Cumulative Shortfall (MU`s) in RPO Compliance till current year**	**41.47**

The Commission notes that there is a cumulative shortfall in RPO compliance till FY 2022-23 of 41.47 MU`s.

3.10 Capitalisation

Petitioner's Submission

The Petitioner has submitted the Capital additions for FY 2022-23 as per annual accounts, which are submitted in the following table:

Table 24: Capitalisation submitted by the Petitioner for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Additions during the FY 2022-23
1	Capitalisation	7.33	13.83	8.45

Commission's analysis

The Commission reviewed the submission of the Petitioner and approves the Capitalisation as per the submission made by the Petitioner and as reflected in the audited accounts.

The Commission observed that the Petitioner consistently has not been able to meet the capitalisation targets, and has taken serious note of it. The Commission directs the Petitioner to take all out efforts to achieve the capitalization targets in its letters & spirit.

Further, the Commission notes that the entire asset is funded as Equity Capital contribution from the government. The funding of assets is in the form of Capital/Equity and not Grant. The same is also reflected in the Audited Accounts of respective years as Capital addition.

The table below provides the capitalisation approved in the Tariff Order, the Petitioner's submission and the capitalisation approved by the Commission now.

Table 25: Capitalization Approved by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Capitalisation	7.33	13.83	8.45	8.45

The Commission approves the Capitalisation of Rs. 8.45 Crores in the True-up of FY 2022-23.

3.11 Capital Structure

Petitioner's Submission

The Petitioner has submitted that being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings.

Commission's analysis

The Commission observes that Regulation 27 of the JERC MYT Regulations, 2021 specifies the following:

"27. Debt to Equity Ratio

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2022 shall be considered:

Provided that in case of retirement or replacement or De-capitalisation of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or De-capitalisation of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2022, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in these Regulations."

For capital structure, regarding capitalisation during year, 70% of the approved capitalisation is considered as addition in normative loan and remaining as equity, as per provisions given under Regulations.

The approved capital structure for FY 2022-23 are given in following table:

Table 26: GFA addition approved by Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Capitalisation during the FY	7.33	13.83	8.45	8.45
2	Normative Loan (70%)	5.13	9.68	5.91	5.91
3	Normative Equity (30%)	2.20	4.14	2.53	2.53

3.12 GFA & Depreciation

Petitioner's Submission

The Petitioner has considered the GFA and actual addition during the FY 2022-23 to arrive at the closing GFA or the FY 2022-23. The Petitioner has submitted the actual depreciation of assets as per the annual audited accounts of FY 2022-23. The GFA and depreciation as claimed by the Petitioner has been tabulated below:

Table 27: Gross Fixed Asset for FY 2022-23

(Rs. Crores)

Sl. No.	Particulars	Opening GFA	GFA addition during the year	Closing GFA
1	Plant & Machinery	478.91	8.41	487.31
2	Buildings	82.55	-	82.55
3	Vehicles	4.01	-	4.01

Sl. No.	Particulars	Opening GFA	GFA addition during the year	Closing GFA
4	Furniture & Fixture	1.47	-	1.47
5	Office Equipment	2.70	0.04	2.74
6	Land & Land Rights	0.00	-	0.00
	Total	**569.65**	**8.45**	**578.09**

Table 28: Depreciation for the FY 2022-23

(Rs. Crores)

Sl. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
1	Depreciation	19.10	18.29	18.15

Commission's analysis

The Commission notes that Regulation 31 of the JERC MYT Regulations, 2021 stipulates the following with respect to depreciation:

"31 Depreciation 31.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.

31.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) per cent of the allowable capital cost.

31.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.

31.4 In case of existing assets, the balance depreciable value as on April 1, 2022, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2021, from the gross depreciable value of the assets.

31.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalised at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalised by the Applicant, subject to the prudence check of the Commission.

31.6 For Transmission Licensee, the depreciation shall be calculated at rates and norms specified in the prevalent CERC Tariff Regulations for transmission system.

31.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified in Appendix I of these Regulations.

31.8 In addition to allowable depreciation, the Distribution Licensee shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder:

AAD = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these Regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular Year exceeds the cumulative depreciation upto that Year:

Provided further that advance against depreciation in a Year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that Year.

31.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.

31.10 The remaining depreciable value for a Distribution Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."

The Commission has derived the weighted average rate of depreciation based on the asset wise depreciation rate prescribed in Appendix-I of "JERC MYT Regulations, 2021", as provided in the following table:

Table 29: Depreciation Rate

(%)

Description	Rate
Plant & Machinery	3.60%
Buildings	1.80%
Furniture & Fixtures	6.00%
Land	0.00%
Vehicles	18.00%
Office equipment (Computers, etc.)	6.00%

The Petitioner has claimed the depreciation of Rs. 18.15 Cr as per the annual audited account for FY 2022-23.

The Commission finds that the Petitioner has claimed the depreciation for the unserviceable assets too amounting to Rs. 21.99 Crores. The Commission opines no depreciation is allowed for the assets not in use i.e. unserviceable assets. Hence, the depreciation has been computed excluding unserviceable assets from GFA.

Accordingly, relying on the FAR and Audited Annual account of FY 2022-23, the Commission approves the GFA and depreciation as follows:

Table 30: GFA and Depreciation approved by the Commission

(Rs. Crores)

Particulars	Rate	Closing Gross Fixed Assets for FY 2021-22	Less: Unserviceable assets	Opening GFA as per audited accounts	Less: Value of assets depreciated upto 90%	Revised Opening GFA (after removal of assets)	Addition	Closing GFA	Average GFA	Rate of depreciation	Depreciation
						a	b	c	d=(a+c)/2	e=f/d	f
Plant & Machinery	3.60%	478.91	20.66	458.25	34.40	423.85	8.41	432.26	428.05	3.60%	15.41
Buildings & Civil Engineering works	1.80%	82.55	0.00	82.55	0.40	82.15	-	82.15	82.15	1.80%	1.48
Vehicles	18.00%	4.01	0.94	3.07	2.97	0.10	-	0.10	0.10	18.00%	0.02
Furniture & Fixtures	6.00%	1.47	0.06	1.41	0.70	0.71	-	0.71	0.71	6.00%	0.04

Particulars	Rate	Closing Gross Fixed Assets for FY 2021-22	Less: Unserviceable assets	Opening GFA as per audited accounts	Less: Value of assets depreciated upto 90%	Revised Opening GFA (after removal of assets)	Addition	Closing GFA	Average GFA	Rate of depreciation	Depreciation
						a	b	c	d=(a+c)/2	e=f/d	f
Office equipment	6.00%	2.70	0.33	2.37	0.00	2.37	0.04	2.41	2.39	6.00%	0.14
Land & Land Rights	0.00%	0.00	0.00	0.00	-	0.00	-	0.00	0.00	0.00%	-
Total		**569.65**	**21.99**	**547.65**	**38.47**	**509.18**	**8.45**	**517.63**	**513.41**	**3.33%**	**17.09**

The Commission approves depreciation of Rs. 17.09 Crores in the True up of the FY 2022-23.

3.13 Operation & Maintenance Expenses

The Operation & Maintenance Expenses comprise of three elements viz. Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M). The JERC MYT Regulations, 2021 considers the variation of O&M Expenses, except to the extent of inflation, to be controllable. Regulation 15 and 61 of the JERC MYT Regulation, 2021 states the following:

"61. Operation and Maintenance (O&M) expenses for Retail Supply Business

61.1 The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation. 61.2 O&M Expenses shall comprise of the following:

a) Employee expenses - salaries, wages, pension contribution and other employee costs;

b) Administrative and General expenses including insurance charges if any; and

c) Repairs and Maintenance expenses.

61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

61.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

O&Mn = (R&Mn + EMPn + A&Gn) x (1 - Xn) + Terminal Liabilities

Where,

R&Mn = K x GFAn-1 x (1+WPI inflation)

EMPn = (EMPn-1) x (1+Gn) x (1+CPI inflation)

A&Gn = (A&Gn-1) x (1+CPI inflation)

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPI inflation – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPI inflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMPn – Employee expenses of the Distribution Licensee for the nth Year;

A&Gn – Administrative and General expenses of the Distribution Licensee for the nth Year; R&Mn – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFAn-1 – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;

Xn is an efficiency factor for nth Year. Value of Xn shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;

Gn is a growth factor for the nth Year. Value of Gn shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that in case the Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, the O&M Expenses shall be determined on a case to case basis.

61.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

61.6 For the purpose of estimation, the same value of factors – CPI inflation and WPI inflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPI inflation and WPI inflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation.

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 15."

"15. Mechanism for sharing of gains or losses on account of controllable factors

15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers.

15.3 The mechanism for sharing of gains or losses on account of controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations."

In accordance with above Regulations, the Commission has approved the Employee Expenses, A&G Expenses and R&M Expenses as elaborated below:

3.13.1 Employee Expenses

Petitioner's Submission

The Petitioner has submitted employee expenses of Rs. 152.43 Crores against the approved expenses of Rs. 157.49 Crores in the Tariff Order dated 1st August 2022.

Table 31: Employee Expenses submitted by the Petitioner for FY 2022-23

(Rs. Crores)

Employee Expenses	FY 2022-23		
	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
Employee Expenses	157.49	162.81	152.43

Commission's analysis

The Commission observes that the Petitioner has submitted employee expenses of Rs. 152.43 Cr.

The Commission notes that Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

"6.1 Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts."

In accordance with JERC MYT Regulations, 2021, the Employee expenses shall be revised to the extent of change in inflation and growth rate during the control period.

The CPI Inflation rate, has been computed as follows:

Table 32: Computation of CPI Inflation

(%)

FY	Average Value of CPI for FY	Increase in CPI Index	Applicable CPI
2021-22	356.06		
2022-23	377.62	6.05%	**6.05%**

The Growth rate has been computed as follows:

Table 33: Employee Growth Rate (Gn) for FY 2022-23

Sr. No.	Particulars	FY 2021-22	FY 2022-23
1	Opening No. of Employees (Nos.)	1921	1780
2	Retirement during the Year (Nos.)	141	138
3	Closing No. of Employees (Nos.)	1780	1642
4	G_n (Growth factor)	(-) 7.34%	(-)7.75%

The Commission for computation of Employee Expense has considered the base year (FY 2021-22) value of Employee Expense. While doing so, the Commission has observed a substantial difference in the Employee Expenses computed considering the base year value of Employee Expenses i.e. approved Employee Expenses for FY 2021-22. On detailed scrutiny of all the previous years approved Employee Expenses, it has been found that Rs. 32.42 Crores less was mistakenly considered in the base value for computation of Employee Expenses for the FY 2019-20. Hence the Commission has considered with the Prior Period adjustment of Rs. 32.42 Crores for working out of Employee expenses for the Truing up for FY 2022-23.

Table 34: normative employee expenses worked out by the commission for the fy 2022-23

(Rs. Crores)

Sr. No.	Particulars	Employee Expenses for FY 2021-22	FY 2022-23
1	Employee Expenses $_{(n-1)\ year}$		88.98
2	Prior period adjustment		32.42
3	Net Employee expenses $_{(n-1)\ year}$		122.40
4	Growth in number of Employees (G_n)		-7.75%
5	CPI Inflation for FY 2022-23		6.05%
6	Re-estimated normative Employee Expenses	88.98	119.74

Table 35: Employee Expenses Trued-up by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission (as per actuals)	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	Employee Expenses	157.49	162.81	152.43	119.74	**119.74**

The Commission is of the view that the Employee expenses submitted by the Petitioner for FY 2022-23 is higher than the normative Employee expenses computed by the Commission, therefore the Commission approves the normative Employee Expenses of Rs. 119.74 Crores in the True-up of FY 2022-23.

The incentive/disincentive on the account of under/over achievement of Employee Expenses shall be allowed separately in accordance with the MYT Regulations, 2021 and is discussed in section 3.21.2.

3.13.2 Administrative and General (A&G) Expenses

Petitioner's Submission:

The Petitioner has submitted the actual A&G expenses of Rs. 2.80 Crores as reflected in audited accounts against the approved expenses of Rs. 13.04 Crores in the Tariff Order dated 1st August 2022.

Table 36: A&G Expenses submitted by the Petitioner for FY 2022-23

(Rs. Crores)

A&G Expenses	FY 2022-23		
	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
A&G Expenses	13.05	13.04	2.80

Commission's analysis

A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. As per the audited account submitted by the Petitioner, the A&G expenses are reflected as Rs. 2.80 Crores for FY 2022-23.

Similar to the methodology followed while estimating the employee expenses, the Commission has determined the normative A&G expenses for the FY 2022-23 using the CPI Inflation of FY 2022-23 to determine the normative A&G expenses for FY 2022-23.

The normative A&G expenses computed by the Commission in FY 2022-23 have been provided in the following table:

Table 37: Computation of CPI Inflation

(%)

FY	Average Value of CPI for FY	Increase in CPI Index	Applicable CPI
2021-22	356.06		
2022-23	377.62	6.05%	**6.05%**

Considering the approved A&G Expenses for FY 2021-22 and CPI of FY 2022-23 the Commission re-estimated the normative A&G expense for FY 2022-23.

Further, the Commission for computation of A&G Expense has considered the base year (FY 2021-22). While doing so, the Commission has observed a substantial difference in the A&G Expenses computed considering the base year value of A&G Expenses i.e. approved A&G Expenses for FY 2021-22. On detailed scrutiny of all the previous years approved A&G Expenses, it has been found that Rs. 20.80 Crores more was mistakenly considered in the base value for computation of A&G Expenses for the FY 2019-20. Hence the Commission has considered with the Prior Period adjustment of Rs. 20.80 Crores for working out of A&G expenses for the Truing up for FY 2022-23.

Table 38: Normative A&G Expenses worked out by the commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Actual A&G Expenses for FY 2021-22	FY 2022-23
1	A&G Expense $_{(n-1)\ year}$		39.88
2	Prior period adjustment		(-)20.80
3	Net A&G expenses $_{(n-1)\ year}$		19.80
4	CPI Inflation for FY 2022-23		6.05%
5	**Normative A&G Expenses**	**39.88**	**20.99**

Table 39: A&G Expenses Trued-up by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission (as per actuals)	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	A&G Expenses	13.05	13.04	2.80	20.99	**2.80**

The Commission is of the view that the A&G expenses submitted by the Petitioner for FY 2022-23 is lower than the normative A&G expenses computed by the Commission, therefore the Commission approves the A&G Expenses as submitted by the Petitioner of Rs. 2.80 Crores in the True-up of FY 2022-23.

The incentive/disincentive on the account of under/over achievement of A&G Expenses shall be allowed separately in accordance with the MYT Regulations, 2021 and is discussed in section 3.21.2.

3.13.3 Repair and Maintenance (R&M) Expenses

Petitioner's Submission

The Petitioner has incurred R&M expenses of Rs. 42.97 Crores against the approved expenses of Rs. 54.49 Crores in for FY 2022-23 in the Tariff Order dated 1st August 2022.

Table 40: R&M Expenses submitted by the Petitioner for FY 2022-23

(Rs. Crores)

A&G Expenses	FY 2022-23		
	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Actual
R&M Expenses	55.49	54.46	42.97

Commission's analysis

In accordance with the MYT Regulations, 2021, the R&M expenses has to be computed based on the 'K' factor as approved in the MYT Order.

Table 41: Computation of WPI Inflation

(%)

FY	Average Value of WPI for FY	Increase in CPI Index	Applicable CPI
2021-22	139.41		
2022-23	152.53	9.41%	9.41%

Table 42: Normative R&M Expenses worked out by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Opening GFA (GFA_{n-1})	546.58		547.65
2	K factor approved (K) (%)	9.46%		9.46%
3	WPI Inflation(%)	5.32%		9.41%
4	**R&M Expenses = K x (GFA_{n-1}) x (1+WPI inflation)**	**54.46**	**42.97**	**56.68**

The R&M expenses approved by the Commission in FY 2022-23 have been provided in the following table:

Table 43: R&M Expenses Trued-up by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission (as per actuals)	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	Repair & Maintenance Expenses (R&M)	55.49	54.46	42.97	56.68	**42.97**

The Commission is of the view that the R&M expenses submitted by the Petitioner for FY 2022-23 is lower than the normative R&M expenses computed by the Commission, therefore the Commission approves the R&M Expenses as submitted by the Petitioner of Rs. 42.97 Crores in the True-up of FY 2022-23.

The incentive/disincentive on the account of under/over achievement of R&M Expenses shall be allowed separately in accordance with the MYT Regulations, 2021 and is discussed in section 3.21.2.

Total Operation and Maintenance Expenses (O&M)

The following table provides the O&M expenses approved in the ARR of FY 2022-23, Petitioner's submission and now approved by the Commission in True-up of FY 2022-23.

Table 44: O&M Expenses Trued-up by Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	Employee Expenses	157.49	162.81	152.43	119.74	119.74
2	Administrative & General Expenses (A&G)	13.05	13.04	2.80	20.99	2.80
3	Repair & Maintenance Expenses	55.49	54.46	42.97	56.68	42.97
	Total Operation & Maintenance Expenses	**226.03**	**230.31**	**198.20**	**197.42**	**165.51**

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 165.51 Crores in the True-up of FY 2022-23.

The gain/loss after comparing the actual values and normative values has been addressed separately in Section 3.21.2.

3.14 Interest and Finance Charges

Petitioner's Submission

The Petitioner has submitted that being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. The Petitioner has considered the GFA as on 1.04.2022 and actual additions during the FY 2022-23 to arrive at the closing GFA for the year. The normative loan for the FY 2022-23 has been arrived in accordance with the Regulation 29 of the MYT Regulations, 2021.

Further, the Petitioner proposes the interest charges based on the State Bank of India (SBI) MCLR-1 year tenor. The State Bank of India (SBI) MCLR - 1 year tenor as on 01.04.2022 was 7.00%. Accordingly, interest rate of 8.00% (7.00%+1%) has been considered for projecting the interest charges for the FY 2022-23.

The Interest on loan as claimed by the Petitioner has been tabulated as following table:

Table 45: Interest & Finance charges claimed by Petitioner for the FY 2022-23

(Rs. Crores)

Sl. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
1	Opening Normative Loan	127.40	109.28	110.99

Sl. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
2	Normative additions during the year (70% of Net additions to GFA)	5.13	9.68	5.91
3	Less: Normative Repayment for the year	19.10	18.29	18.15
4	Closing Normative Loan/GFA	113.44	100.67	98.76
5	Average Normative Loan	120.42	104.97	104.87
6	Interest Rates – actual	8.00%	8.00%	8.00%
7	**Interest on Normative Loan**	**9.63**	**8.40**	**8.39**

Commission's analysis

The Commission has observed that Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following with respect to interest on loan:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided further that in case of De-capitalization or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the de-capitalised or retired or replaced assets, based on documentary evidence.

29.2 The normative loan outstanding as on April 1, 2019, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2018, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

29.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

29.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest:

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalization approved by the Commission for the Year.

29.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points, and (ii) weighted average rate of interest proposed by the Distribution Licensee.

29.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee.

29.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

29.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

The Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re- finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the equally between the beneficiaries and the Transmission Licensee or the Distribution Licensee and the Consumers of Distribution Licensee.

29.10 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

According to the above provision, the rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, in absence of the actual loan portfolio, the Commission has considered the SBI 1 Year MCLR rate plus 100 basis points as Rate of Interest, in accordance with the JERC MYT Regulations, 2021. The Commission has considered the value of SBI 1-year MCLR rate as 7.00% (as on 1st April 2022), accordingly Interest rate is 8.00%.

As per the JERC MYT Regulations, 2021, if the equity deployed is more than 30% of the capital cost, then equity in excess of 30% is considered as normative loan. Hence, the normative loan addition is considered as 70% of the approved capitalization. Approved depreciation is considered as loan repayment amount.

The Commission has considered Rs. 111.63 Crores as the Opening Gross Loan for the Trueing up of FY 2022-23 as the Closing Normative Loan trued up in the FY 2021-22.

The following table provides the Interest on Loan approved by the Commission.

Table 46: Interest and Finance Charges approved by Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2022	Petitioner's Submission	Trued-up by the Commission
1	Opening Gross Loan	127.40	109.28	110.99	111.63
2	Add: Normative Loan During the year (70% of proposed capitalization)	5.13	9.68	5.91	5.91
3	Less: Normative Repayment equivalent to Depreciation	19.10	18.29	18.15	17.09
4	Closing Normative Loan	113.44	100.67	98.76	100.45
5	Average Normative Loan	120.42	104.97	104.87	106.04
6	Rate of Interest (%)	8.00%	8.00%	8.00%	8.00%
7	**Interest on Loan**	**9.63**	**8.40**	**8.39**	**8.48**

The Commission trued-up Interest and Finance Charges of Rs. 8.48 Crores for FY 2022-23.

3.15 Return on Equity (RoE)

Petitioner's Submission

The Petitioner has submitted that being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. The Petitioner has considered the GFA as on 31.03.2022 and actual additions during the FY 2022-23 to arrive at the closing GFA for the year.

The normative Equity for the FY 2022-23 has been considered at 30% of the GFA in accordance with regulation 28 of the MYT Regulation 2021.

The summary of the Return on Equity as submitted by the Petitioner for 2022-23 is tabulated below:

Table 47: Return on Equity claimed by the Petitioner for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission
1	Opening Equity	171.74	163.97	164.29
2	Equity Addition during year (30% of Capitalization)	2.20	4.15	2.53
3	Closing Equity	173.94	168.12	166.83
4	Average Equity	172.84	166.05	165.56
5	Rate of Return on Equity	16.00%	16.00%	16.00%
6	**Return on Equity**	**27.65**	**26.57**	**26.49**

Commission's analysis

The Commission based on Regulation 28 of the JERC MYT Regulations, 2021, which stipulates the following with respect to Return on Equity as:

> ***"28 Return on Equity***
>
> *28.1 Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 27 for the assets put to use for the Transmission Licensee and shall be allowed in accordance with the prevalent CERC Tariff Regulations for transmission system.*

28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum.

28.4 The return on equity shall be computed on average of equity capital at the beginning and end of Year."

RoE has been calculated on normative basis on the average of opening and closing of equity during the year at the rate of 15.50%/16.00% (on post-tax basis) with an opening equity of FY 2022-23 considered equivalent to the closing equity of FY 2021-22. Further, the average equity is considered as 90% for wheeling activity and 10% for retail or distribution activity.

The following table provides the RoE approved in the APR of FY 2022-23, the Petitioner's submission and RoE now approved by the Commission under true-up.

Table 48: RoE approved by the Commission for FY 2022-23

(Rs. Crores)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Approved in T.O. dated 1st August 2022</th><th>Approved in APR dated 28th March, 2023</th><th>Petitioner's Submission</th><th>Trued-up by the Commission</th></tr>
<tr><td>1</td><td>Opening Gross Equity</td><td>171.74</td><td>163.97</td><td>164.29</td><td>164.29</td></tr>
<tr><td>2</td><td>Additions of Equity on account of new Capitalisation</td><td>2.20</td><td>4.15</td><td>2.53</td><td>2.53</td></tr>
<tr><td>3</td><td>Closing Equity</td><td>173.94</td><td>168.12</td><td>166.83</td><td>166.83</td></tr>
<tr><td>4</td><td>Average Equity</td><td>172.84</td><td>166.05</td><td>165.56</td><td>165.56</td></tr>
<tr><td>5</td><td>Average Equity-Wires Business (90%)</td><td></td><td></td><td></td><td>149.00</td></tr>
<tr><td>6</td><td>Average Equity (Retail Supply Business) (10%)</td><td></td><td></td><td></td><td>16.56</td></tr>
<tr><td>7</td><td>Return on Equity for Wires Business (%)</td><td rowspan="2">16.00%</td><td rowspan="2">16.00%</td><td rowspan="2">16.00%</td><td>15.50%</td></tr>
<tr><td>8</td><td>Return on Equity for Retail Supply Business (%)</td><td>16.00%</td></tr>
<tr><td>9</td><td>Return on Equity for Wires Business</td><td></td><td></td><td></td><td>23.10</td></tr>
<tr><td>10</td><td>Return on Equity for Retail Supply Business</td><td></td><td></td><td></td><td>2.65</td></tr>
<tr><td>11</td><td>Total Return on Equity</td><td>27.65</td><td>26.57</td><td>26.49</td><td>25.74</td></tr>
</table>

The Commission approves the Return on Equity of Rs. 25.74 Crores for FY 2022-23.

3.16 Interest on Security Deposits (IoSD)

Petitioner's Submission

The Petitioner has submitted that it does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount, and a lien is created in favor of the EDA&N towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, EDA&N has not claimed Interest on Security deposit in the ARR.

Commission's analysis

As per Regulation 29.11 of JERC MYT Regulation 2021:

"Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

As the Petitioner has submitted that it does not collect Security Deposit in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount, and a lien is created in favor of the EDA&N towards security deposit. Hence, no interest on security deposit is payable. The petitioner has also not claimed Interest on Security Deposit.

Therefore, the Commission has not approved any interest on security deposits of the consumers in the True-up of FY 2022-23.

3.17 Interest on Working Capital

Petitioner's Submission

The Petitioner has submitted the interest charges based on the State Bank of India (SBI) MCLR-1 year tenor as on 01.04.2022. The State Bank of India (SBI) MCLR–1 year tenor as on 01.04.2022 was 7.00%. Accordingly, interest rate of 9.00% (7.00%+2%) has been considered for projecting the interest charges for the FY 2022-23.

Interest on Working Capital has been calculated by the Petitioner based on the normative principles outlined in the JERC MYT Regulations, 2021. The details are given below.

Table 49:Interest on Working Capital submitted by Petitioner for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner`s Submission
1	Operation & Maintenance Expenses (for One (1) Month)	18.84	19.19	16.52
2	Maintenance spares at 40% of R&M expenses (For One (1) Month)	1.85	1.82	1.43
3	Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff.	36.04	40.50	34.10
4	Less: Power Purchase Cost for 1 month	4.07	3.59	2.69
5	Less: Adjustment for security Deposit	0.00	0.00	0.00
6	Net Working Capital	52.66	57.92	49.36
7	Rate of Interest (%)	9.00%	9.00%	9.00%
8	**Interest on working capital**	**4.47**	**5.21**	**4.44**

Commission's analysis

The Regulation 32.3, 53 and 64 of the JERC MYT Regulations, 2021 stipulates the following:

"53. Norms of Working Capital for Distribution Wires Business

53.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:

O&M Expenses for one (1) month; plus Maintenance spares at 40% of repair and maintenance expenses for one month; plus

Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff;

Less: Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Regulation 64 of the JERC MYT Regulation, 2021

"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail Supply Business for the Financial Year, computed as follows:

O&M Expenses for one (1) month;

plus Maintenance spares at 40% of repair and maintenance expenses for one (1) month;

plus Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;

Less Power Purchase cost for one (1) month;

plus Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Consumers except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Regulation 32.3 of the JERC MYT Regulation, 2021

"32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal one (1)Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1)Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

The Commission has considered the SBI Base rate as on 1st April 2022 for calculation of interest plus 200 basis points i.e. 9.00% (7.00% + 200) basis points), as stipulated in the MYT Regulations, 2021.

Accordingly, the Interest on Working Capital has been approved by the Commission, as shown in the table below:

Table 50: Interest on Working Capital approved by Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission	Trued-up by the Commission
1	O&M Expense for 1 month	18.84	19.19	16.52	13.79
2	Maintenance spares at 40% of R&M expenses for one (1) month;	1.85	1.82	1.43	1.43
3	Receivables equivalent to two (2) months of the expected revenue at the prevailing tariff	36.04	40.50	34.10	34.10

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission	Trued-up by the Commission
4	Less: Power Purchase cost for one (1) month	4.07	3.59	2.69	74.22
5	Less: Amount held as security deposits	0.00	0.00	0.00	0.00
6	Net Working Capital	52.66	57.92	49.36	0.00
7	Rate of Interest (%)	9.00%	9.00%	9.00%	9.00%
8	**Interest on Working Capital**	**4.47**	**5.21**	**4.44**	**0.00**

The Commission approves Nil Interest on Working Capital for the True- up of FY 2022-23.

3.18 Income Tax

Petitioner's Submission

The Petitioner has not made any submission in this regard.

Commission's analysis

The Commission has approved nil income tax amount as submitted by the Petitioner.

3.19 Provision for Bad & Doubtful Debts

Petitioner's Submission

The Petitioner has not earmarked any provision for bad and doubtful debts for the year.

Commission's analysis

As per Regulation 63 of the MYT Regulations, 2021:

"63 Provision for bad and doubtful debts

63.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:

Provided also that the provision for bad and doubtful debts shall be limited to 1% of the annual Revenue Requirement of the Distribution Licensee:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."

The Petitioner has not claimed any Bad & Doubtful Debts during the True-up of FY 2022-23; hence the Commission approves nil Bad & Doubtful Debts for the FY 2022-23.

3.20 Non-Tariff Income

Petitioner's Submission

The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Commission for FY 2022-23 is provided in the table below:

Table 51: Non-Tariff Income submitted by the Petitioner for the FY 2022-2023

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner`s Submission
1	Non-Tariff Income	3.49	3.49	5.73

Commission's analysis

Regulation 65 of JERC MYT Regulation, 2021 states the following about non- tariff income:

"65.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue

Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of its forecast of non tariff Income to the Commission along with its application for determination of tariff.

65.2 The Non-Tariff Income shall inter-alia include:

a) Income from rent of land or buildings;

b) Income from sale of scrap in excess of 10% of the salvage value;

c) Income from statutory investments;

d) Interest on advances to suppliers/contractors;

e) Rental from staff quarters;

f) Rental from contractors;

g) Income from hire charges from contactors and others;

h) Income from advertisements, etc.;

i) Meter/metering equipment/service line rentals;

j) Service charges;

k) Consumer charges;

l) Recovery for theft and pilferage of energy;

m) Rebate availed on account of timely payment of bills;

n) Miscellaneous receipts;

o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;

p) Prior period income, etc.:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:

Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power *purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."*

The Commission also has considered the same Non-Tariff Income (NTI) as submitted by the Petitioner and reflected in Annual Account submitted by the Petitioner. The Non-Tariff income approved in the APR Order for FY 2022-23, the Petitioner's submission and the NTI now approved by the Commission is shown in the table below:

Table 52: Non-Tariff Income approved by Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner`s Submission	Trued-up by the Commission
1	Non-Tariff Income	3.49	3.49	5.73	**5.73**

The Commission approves the Non-Tariff Income of Rs. 5.73 Crores for FY 2022-23.

3.21 Incentive/Disincentive towards over/under-achievement of norms.

3.21.1 Disincentive towards under-achievement of norms of T&D Losses

Petitioner's Submission

The Petitioner has made no submission has been in this regard.

Commission's analysis

In the APR of the FY 2022-23, the Commission had approved the distribution loss level of 15.91%. As discussed earlier, the Petitioner has achieved an Intra-State Transmission & Distribution Loss of 18.36%. Thus, there is an underachievement of the loss target.

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the sharing of gains/losses on account of controllable factors. Regulation 15 of the JERC MYT Regulations, 2021 stipulates the following:

"15 Mechanism for sharing of gains or losses on account of controllable factors 15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee and shall not be passed to the Consumers."

Table 53: Average Power Purchase Cost (APPC) for the FY 2022-23 approved by the Commission

Particulars		Values
Total Power Purchase Cost (Excluding REC Cost) (Rs. Cr)	A	890.69
Less: Transmission charges and other charges (Rs. Cr)	B	-
Net Power Purchase Cost (Rs. Cr)	C=A-B	890.69

Particulars		Values
Quantum of Ex-bus Power Purchase (MUs)	D	347.56
Quantum of energy (MUs)	E	347.56
APPC (Rs /kWh)	F=C/E*10	**25.63**

The disincentive has been derived by calculating the additional cost of power procured due to under achievement of the stipulated Intra-State T&D loss target of 15.91 % by the Petitioner, at the Average Power Purchase cost (APPC) of Rs. 25.63/kWh. The APPC has been derived at State/UT Periphery based on the Power Purchase cost approved in the True-up above and the Energy at State/UT Periphery computed after grossing up the retail energy sales (283.73 MU) with the approved Intra-State T&D Loss (18.36%).

The assessment of disincentive for higher Intra-State T&D Loss is shown in the following table:

Table 54: Disincentive towards Underachievement of Intra-State Distribution Loss for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Normative	Trued-up by the Commission
1	Retail Sales (MU`s)	270.27	283.73	283.73
2	T&D Loss (%)	15.91	15.91	18.36%
3	Energy Requirement at Periphery (MU`s)	321.41	337.42	347.56
4	Gain/(Loss) (MU`s)			(10.14)
5	Average variable Power Purchase Cost (APPC), (Rs./kWh)			25.63
6	Loss (Crores)			(25.99)
7	**Sharing (50% to ANED in Case of gain and 100% in case of Loss)**			**(25.99)**

The Commission approves Rs. 25.99 Crores as disincentive for underachieving the Intra-State distribution loss target for FY 2022-23.

3.21.2 Sharing of Gain/(Loss) on account of Operation & Maintenance (O&M) Expenses.

The Commission notes that Regulation 15 of the JERC MYT Regulations, 2021 (as reproduced above) stipulates the following mechanism for sharing of gain and loss:

"15 Mechanism for sharing of gains or losses on account of controllable factors

15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers."

Considering the above provisions, the Commission has carried out the gain and loss of O&M expenses, which are controllable parameters. The details are provided in the following table.

Table 55: O&M Expenses (After Gain/ (Loss)) approved by Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission	Normative Expenses	Actual Expenses (as per Annual Performa Account)	Gain/(Loss) (Normative –Actual Considered)	Gain/ (Loss) Sharing
1	Employee Expenses	157.49	162.81	152.43	119.74	152.43	(32.69)	0.00
2	A&G Expenses	13.05	13.04	2.80	20.99	2.80	18.20	9.10
3	R&M Expenses	55.49	54.46	42.97	56.68	42.97	13.71	6.86
4	**Total O&M**	**226.03**	**230.31**	**198.20**	**197.42**	**198.20**	**(0.78)**	**15.95**

The Commission approves the sharing of Gain on overachievement of norms of O&M expenses amounting to Rs. 15.95 Crores in the True-up of FY 2022-23.

3.22 Aggregate Revenue Requirement (ARR)

Petitioner's Submission

The Petitioner claimed the net Aggregate Revenue Requirement in the True-up of FY 2022-23.

Table 56: Aggregate Revenue Requirement as submitted by the Petitioner for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner`s Submission
1	Cost of Fuel	109.89	811.71	871.39
2	Cost of Power Purchase	602.15	43.08	32.31
3	Employee costs	157.49	162.81	152.43
4	A&G expenses	13.05	13.04	2.80
5	R&M expenses	55.49	54.46	42.97
7	**O&M Expenses**	**226.03**	**230.31**	**198.20**
8	Depreciation	19.10	18.29	18.15
9	Interest on Loan	9.63	8.40	8.39
10	Interest on Consumer Security Deposit	-	-	-
12	Interest on working capital	4.74	5.21	4.44
13	Return on Equity	27.65	26.57	26.49
14	**Total Revenue Requirement**	**999.20**	**1143.57**	**1159.37**
15	Less: Non-Tariff Income	3.49	3.49	5.73
16	**Net Revenue Requirement**	**995.71**	**1140.08**	**1153.65**
17	Revenue from tariff	216.22	243.00	204.60
18	**Total Gap**	**(779.49)**	**(897.08)**	**(949.05)**

Commission's analysis

The Commission on the basis of the detailed analysis of the cost parameters of the ARR has considered and approved the revenue requirement in the True-up of 2022-23 as given in the following table:

Table 57: Aggregate Revenue Requirement approved by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner`s Submission	Trued-up by the Commission
1	Cost of Fuel (Own Generation & HPP)	663.20	811.71	871.39	860.70
2	Power Purchase Cost (Fixed Cost)	48.85	43.08	32.31	29.99
3	Employee costs	157.49	162.81	152.43	119.74
4	A&G expenses	13.05	13.04	2.80	2.80
5	R&M expenses	55.49	54.46	42.97	42.97
6	**O&M Expenses**	**226.03**	**230.31**	**198.20**	**165.51**
7	Depreciation	19.10	18.29	18.15	17.09
8	Interest on Loan and Finance charges	9.63	8.40	8.39	8.48
9	Interest on Working Capital	4.74	5.21	4.44	0.00
10	Interest on Security Deposit	0.00	0.00	0.00	0.00
12	Return on Equity	27.65	26.57	26.49	25.74
13	Disincentive due to underachievement of norms (T&D Loss)	-	-	-	-25.99
14	On Account of sharing gain/(loss) for O&M Expenses	-	-	-	15.95
15	**Total Revenue Requirement**	**999.20**	**1143.57**	**1159.37**	**1097.48**
16	Less: Non-Tariff Income	3.485	3.49	5.73	5.73
17	**Net Revenue Requirement**	**995.71**	**1140.08**	**1153.65**	**1091.75**

The Commission approves net Aggregate Revenue Requirement of Rs. 1091.75 Crores in the True-up of the FY 2022-23.

3.23 Revenue at existing Retail Tariff

Petitioner's Submission

The Petitioner has submitted the actual revenue for the FY 2022-23 as Rs. 204.60 Crores against revenue of Rs. 243 Crores approved by the Commission in the APR Order dated 28th March 2023.

Table 58: Revenue at existing tariff as submitted by the Petitioner for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner`s Submission
1	Revenue approved for FY 2022-23	216.22	243.00	204.60

Commission's analysis

The Commission has analysed the sales and revenue figures for each consumer category and verified the revenue from audited accounts.

The revenue as submitted by the Petitioner and approved by the Commission is shown in the following table:

Table 59: Revenue at existing tariff approved by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March, 2023	Petitioner's Submission	Trued-up by the Commission
1	Revenue approved for FY 2022-23	216.22	243.00	204.60	204.60

The Commission approves the revenue from sale of power as Rs. 204.60 Crores for the True-up of the FY 2022-23.

3.24 Standalone Revenue Gap/Surplus

Petitioner's Submission

The Petitioner claimed the standalone revenue gap of Rs. 949.05 Crores in the True-up of FY 2022-23.

Table 60: Standalone Revenue Gap/ Surplus at existing tariff as submitted by the Petitioner for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner`s Submission
1	Net Annual Revenue Requirement	995.71	1140.08	1153.65
2	Revenue from Sale of Power	216.22	243.00	204.60
3	**(Gap)/ Surplus (2-1)**	**(779.49)**	**(897.08)**	**(949.05)**

Commission's analysis

The Commission based on the approved ARR and retail tariff has arrived at the Revenue Gap/Surplus as follows:

Table 61: Standalone Revenue Gap/ Surplus at existing tariff approved by the Commission for FY 2022-23

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 1st August 2022	Approved in APR dated 28th March 2023	Petitioner's Submission	Trued-up by the Commission
1	Net Revenue Requirement	995.71	1140.08	1153.65	1091.75
2	Revenue from retail sales at Revised Tariff	216.22	243.00	204.60	204.60
3	**Net Revenue Gap (2-1)**	**(779.49)**	**(897.08)**	**(949.05)**	**(887.15)**

The Commission approves a standalone gap of Rs. 887.15 Crores in the True-up of FY 2022-23. The Commission notes as per the Tariff Order dated 1st August 2022, the Petitioner had submitted vide letter Reference No. 2-4/Tariff/2021-Accts/Electricity dated July 25, 2022, confirming the budgetary support from administration of the UT of Andaman & Nicobar has been submitted to the Commission. Hence, the Commission approves that standalone gap for FY 2022-23 to be met from the budgetary support by the Government of India. Hence, the Commission approves that standalone gap as 'NIL' for FY 2022-23.

Chapter 3: True-up of the FY 2023-24

4.1 Background

The MYT Order for 3rd Control Period was issued by the Commission on 1st August 2022 (for FY 2022-23 to FY 2024-25) approving the Annual Performance Revenue for FY 2021-22, Aggregate Revenue Requirement for 3rd MYT Control Period (FY 2022-23 to FY 2024 25) & Determination of Retail Supply Tariff for the FY 2022-23. The Commission approved the Annual Performance Review (APR) for FY 2022-23 and Annual Revenue Requirement and Determination of Retail Tariff for the FY 2023-24 in its Tariff order dated 28th March 2023. Subsequently, the Commission the Annual Performance Review (APR) for FY 2023-24 and Annual Revenue Requirement and Determination of Retail Tariff for the FY 2024-25 in its Tariff order dated 13th June 2024. Since the Petitioner had not been able to submit the Petition for the True-up on time, in the Tariff Order dated 13th June 2024. Further in the Tariff Order dated 28th October 2025 the Commission directed the Petitioner "to get the accounts audited for FY 2022-23 and FY 2023-24 and file the true up petitions, on top priority." Subsequently, the Petitioner has filed this current petition (Petition No.: 177/2026) for True up for FY 2022-23 and FY 2023-24. The same was admitted by the Commission on 24th February 2026.

The Commission, now, in this Chapter carries out the True-up of FY 2023-24 in accordance with the principles laid down in 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 JERC MYT Regulations, 2021). The True up for the FY 2023-24 has to be carried out in accordance with Regulation 12 of the "JERC MYT Regulations, 2021", which as stated below:

"12.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.

12.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.

12.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

a) True-up: a comparison of the audited performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;

b) Annual Performance Review: a comparison of the revised performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;

c) Tariff determination for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;

d) Review of compliance with directives issued by the Commission from time to time;

e) Other relevant details, if any.

12.4 Upon completion of the exercise, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 13 below, to factors within the control of the Applicant (controllable factors) or to factors beyond the control of the Applicant (uncontrollable factors):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 13.1 below shall not ordinarily be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable factors:

Provided further that, where the Petitioner believes, for any variable not specified under Regulation 13.1, that there is a material variation or expected variation in performance for any year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable.

12.5 Upon completion of the exercise, the Commission shall pass an order recording:

a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 14 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

b) Approved aggregate gain or loss to the Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 15 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

c) Carrying cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end of the Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

Provided that carrying cost on the amount of revenue gap shall be allowed subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the revenue gap is addressed:

Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR /any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points;

Provided further that in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost from the date on which such surplus has become due, i.e., from the end of the Year for which true up has been done, till the end of the Year in which it is addressed on simple interest basis at one(1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points.

d) Revision of estimates and tariff for the ensuing Financial Year."

4.2 Approach for True-up for FY 2023-24

The Commission has noted that the Petitioner has requested for True-up of FY 2023-24 based on annual audited accounts for FY 2023-24. The Petitioner has submitted details of the expenditure and the revenue for the year based on its audited accounts along with a comparison of the actual revenue and expenditure against the corresponding figures previously approved by the Commission in the ARR order dated 28th march 2023 and APR order dated 13th June 2024.

The Commission has analysed various elements of the actual revenue and expenses for the FY 2023-24 based on the audited accounts, energy audit report for FY 2023-24, and replies to the various queries submitted by the Petitioner.

4.3 Number of Consumers

Petitioner's Submission

The Petitioner has submitted the total number of Consumers for FY 2023-24 as 1,54,731 no's in the Petition as against an approved number of Consumers of 1,43,571 no's in ARR dated 28th March 2023.

Table 62: No. of Consumers Submitted by the Petitioner for FY 2023-24

(NO.s)

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Category</th><th colspan="3">FY 2023-24</th></tr>
<tr><th>Approved in T.O. dated 28th March 2023</th><th>Approved in APR dated 13th June 2024</th><th>Petitioner's Submission</th></tr>
<tr><td>1</td><td>Domestic</td><td>120915</td><td>128245</td><td>129580</td></tr>
<tr><td>2</td><td>Commercial</td><td rowspan="2">20864</td><td rowspan="2">23219</td><td>22821</td></tr>
<tr><td>3</td><td>Hotel</td><td>402</td></tr>
<tr><td>4</td><td>Industrial</td><td>391</td><td>425</td><td>423</td></tr>
<tr><td>5</td><td>Bulk Supply</td><td>58</td><td>70</td><td>69</td></tr>
<tr><td>6</td><td>Public Lightning</td><td>686</td><td>764</td><td>764</td></tr>
<tr><td>7</td><td>Irrigation Pumps & Agriculture</td><td>657</td><td>612</td><td>667</td></tr>
<tr><td>8</td><td>Electric Vehicle</td><td></td><td>0</td><td>5</td></tr>
<tr><td></td><td>Total</td><td>143571</td><td>153335</td><td>154731</td></tr>
</table>

Commission's Analysis

The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021 provides the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission notes that as per the above provision, the variation in the number or mix of Consumers is uncontrollable. The Commission approves the Number of Consumers as submitted by the Petitioner, for FY 2023-24. The table given below provides the No. of Consumers approved by the Commission in the ARR Order dated 28th March 2023, approved by the Commission in the ARR Order dated 13th June 2024, the Petitioner's submission and the No. of Consumers now Trued-up by the Commission.

Table 63: No. of Consumers Trued- up by the Commission for FY 2023-24

(NO.s)

Sr. No.	Category	FY 2023-24			
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Domestic	120915	128245	129580	129580
2	Commercial	20864	23219	22821	22821
3	Hotel			402	402
4	Industrial	391	425	423	423
5	Bulk Supply	58	70	69	69
6	Public Lightning	686	764	764	764
7	Irrigation Pumps & Agriculture	657	612	667	667
8	Electric Vehicle	0	0	5	5
	Total	**143571**	**153335**	**154731**	**154731**

Therefore, the Commission approves the 1,54,731 number of Consumers for the True-Up of FY 2023-24.

4.4 Connected Load

Petitioner's Submission

The Petitioner has submitted the Connected Load for FY 2023-24 as 3,97,511 kW in the Petition as against an approved connected load of 4,23,206 kW in the ARR Order dated 28th March 2023. The table given below provides the No. of Consumers approved by the Commission in the

ARR Order dated 28th March 2023, approved by the Commission in the ARR Order dated 13th June 2024 and the Petitioner's submission.

Table 64: Connected Load submitted by the Petitioner for FY 2023-24

(kW)

Sr. No.	Category	FY 2023-24		
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
1	Domestic	266544	266811	240143
2	Commercial	117932	122240	95395
3	Hotel			21549
4	Industrial	13337	13371	13754
5	Bulk Supply	20854	18301	20465
6	Public Lightning	3111	2499	2880
7	Irrigation Pumps & Agriculture	1428	1369	1529
8	Electric Vehicle	-	-	1796
9	Others (Temporary connection & General Purpose)	-	-	-
	Total	**423206**	**424591**	**397511**

Commission's Analysis

The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021 provides the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission notes that as per the above provision, the variation in the Connected Load is uncontrollable. The Commission approves the Connected Load as submitted by the Petitioner in the petition for FY 2023-24.

The table given below provides the Connected Load approved by the Commission in the ARR Order dated 28th March 2023, approved by the Commission in the ARR Order dated 13th June 2024, the Petitioner's submission and the Connected Load now trued-up by the Commission.

Table 65: Connected Load Trued- up by the Commission for FY 2023-24

(kW)

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Category</th><th colspan="4">FY 2023-24</th></tr>
<tr><th>Approved in T.O. dated 28th March 2023</th><th>Approved in APR dated 13th June 2024</th><th>Petitioner's Submission</th><th>Trued-up by the Commission</th></tr>
<tr><td>1</td><td>Domestic</td><td>266544</td><td>266811</td><td>240143</td><td>240143</td></tr>
<tr><td>2</td><td>Commercial</td><td rowspan="2">117932</td><td rowspan="2">122240</td><td>95395</td><td>95395</td></tr>
<tr><td>3</td><td>Hotel</td><td>21549</td><td>21549</td></tr>
<tr><td>4</td><td>Industrial</td><td>13337</td><td>13371</td><td>13754</td><td>13754</td></tr>
<tr><td>5</td><td>Bulk Supply</td><td>20854</td><td>18301</td><td>20465</td><td>20465</td></tr>
<tr><td>6</td><td>Public Lightning</td><td>3111</td><td>2499</td><td>2880</td><td>2880</td></tr>
<tr><td>7</td><td>Irrigation Pumps & Agriculture</td><td>1428</td><td>1369</td><td>1529</td><td>1529</td></tr>
<tr><td>8</td><td>Electric Vehicle</td><td>-</td><td>-</td><td>1796</td><td>1796</td></tr>
<tr><td>9</td><td>Others (Temporary connection & General Purpose)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Total</td><td>423206</td><td>424591</td><td>397511</td><td>397511</td></tr>
</table>

Therefore, the Commission approves 3,97,511 kW of Connected Load as submitted by the Petitioner for True-Up of FY 2023-24.

4.5 Energy Sales

Petitioner's Submission

The Petitioner has submitted the total quantum of energy sales for FY 2023-24 as 299.54 MU`s in the Petition as against an approved energy sales quantum of 291.10 MU`s in the ARR Order dated 28th March 2023.

Table 66: Sales submitted by the Petitioner for FY 2023-24

(MU`s)

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Category</th><th colspan="3">FY 2023-24</th></tr>
<tr><th>Approved in T.O. dated 28th March 2023</th><th>Approved in APR dated 13th June 2024</th><th>Petitioner's Submission</th></tr>
<tr><td>1</td><td>Domestic</td><td>162.56</td><td>171.51</td><td>168.19</td></tr>
<tr><td>2</td><td>Commercial</td><td rowspan="2">76.23</td><td rowspan="2">67.21</td><td>64.34</td></tr>
<tr><td>3</td><td>Hotel</td><td>18.05</td></tr>
<tr><td>4</td><td>Industrial</td><td>12.85</td><td>11.53</td><td>11.02</td></tr>
<tr><td>5</td><td>Bulk Supply</td><td>33.45</td><td>29.73</td><td>27.96</td></tr>
<tr><td>6</td><td>Public Lightning</td><td>4.40</td><td>5.54</td><td>4.88</td></tr>
<tr><td>7</td><td>Irrigation Pumps & Agriculture</td><td>1.61</td><td>2.06</td><td>1.72</td></tr>
</table>

Sr. No.	Category	FY 2023-24		
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
8	Electric Vehicle	-	-	3.38
	Total	**291.10**	**287.58**	**299.54**

Commission's Analysis

The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021 provides the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation;

i) Transmission Charges for a Distribution Licensee;

j) Variation in market interest rates for long-term loans;

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The table given below provides the Energy Sales approved by the Commission in the ARR Order dated 28th March 2023, approved by the Commission in the ARR Order dated 13th June 2024, the Petitioner's submission and the Energy Sales now trued-up by the Commission.

Table 67: Energy Sales Trued- up by the Commission for FY 2023-24

(MU`s)

Sr. No.	Category	FY 2023-24			
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Domestic	162.56	171.51	168.19	168.19
2	Commercial	76.23	67.21	64.34	64.34
3	Hotel			18.05	18.05

Sr. No.	Category	FY 2023-24			
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
4	Industrial	12.85	11.53	11.02	11.02
5	Bulk Supply	33.45	29.73	27.96	27.96
6	Public Lightning	4.40	5.54	4.88	4.88
7	Irrigation Pumps & Agriculture	1.61	2.06	1.72	1.72
8	Electric Vehicle	-	-	3.38	3.38
	Total	**291.10**	**287.58**	**299.54**	**299.54**

Therefore, the Commission approves 299.54 MU`s of Sales as submitted by the Petitioner for the True-up of FY 2023-24.

4.6 Intra-State Transmission and Distribution (T&D) loss

Petitioner's Submission

The Petitioner has submitted that it has achieved an Intra-State T&D loss of 20.63 % in the FY 2023-24 against the target of 13.91% of T&D loss approved in APR order dated 28th March 2023 for the FY 2023-24.

Table 68: Intra-State Transmission and Distribution (T&D) losses for FY 2023-24 as submitted by the Petitioner

(%)

Sr. No.	Particulars	FY 2023-24		
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
1	T&D Loss	13.91	13.91	20.63

Commission's Analysis

The Commission finds that the Petitioner has submitted the T&D Losses as 20.63% in the petition.

The Commission notes the replies of the Petitioner with respect to the queries raised in the TVS and considering approved energy sales of 299.54 MU`s (Section 4.5), net generation of 377.74 MU`s (380.90 MU`s (Total) - 3.15 MU`s (Auxiliary consumption)(refer Section 4.7)), and based on information available in the annual accounts, has approved the T&D losses as 20.70%.

Table 69: Intra-State Transmission and Distribution (T&D) losses for FY 2023-24

Sr. No.	Particulars	Considered by the Commission
1	Energy Sales within the UT (MU`s)	299.54
2	Energy Available at UT Periphery	377.74
3	T&D losses (MU`s) (2-1)	78.20
4	T&D Loss (%)	20.70%

The table below provides the Intra-State T&D loss approved in the ARR of FY 2023-24, Petitioner's submission and as approved by the Commission now.

Table 70: Proposed and approved Intra-State transmission and distribution loss for FY 2023-24

(%)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission (in the Petition)	Trued-up by the Commission
1	T&D Losses (%)	13.91	13.91%	13.91%	20.70%

Therefore, the Commission has approved the Intra-State T&D loss of 20.70% for the FY 2023-24. The applicable incentive in this regard has been considered in Section 4.21.1.

4.7 Energy Balance

Petitioner's Submission

The information regarding Energy requirement and Energy availability submitted by the Petitioner are as follows.

Table 71: Energy Balance submitted by Petitioner for FY 2023-24

(MU`s)

Sr. No.	Particulars	FY 2023-24		
		Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
A	**Energy sales**			
1	LT Supply	291.109	287.58	299.54
2	HT Supply			
3	**Total Energy Sales**	**291.109**	**287.58**	**299.54**
4	Overall T & D Losses (%)	13.91%	13.91%	20.63%
B	**Overall T & D Losses (MU`s)**	**47.04**	**46.47**	**77.84**
C	**Total Energy Requirement**	**338.14**	**334.05**	**377.38**
i)	Total Power Purchase	268.655	259.39	281.36
ii)	Own Generation	69.49	74.66	96.02
D	**Total Energy Availability**	**338.145**	**334.05**	**377.38**
E	**ENERGY SURPLUS/(GAP)**	**0.00**	**0.00**	**0.00**

Commission's analysis

The Petitioner has submitted Energy availability of 377.38 MU`s in the Petition, however in replies to the queries of the 2nd Data gaps, dated 30th June 2026, the Petitioner has submitted Energy availability (Plant wise) of 377.74 MU`s (380.90 MU`s (total) - 3.15 MU`s (Auxiliary Consumption)).

Therefore, the information submitted by the Petitioner on Power Purchase Quantum has been examined and accordingly the energy balance for the FY 2023-24 is derived.

The following table provides the energy balance approved in the ARR dated 28th March 2023, ARR of the FY 2023-24 dated 28th March 2023, the Petitioner's submission and now trued-up by the Commission.

Table 72: Energy Balance approved by the Commission for FY 2023-24

(MU`s)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
A.	**Energy Requirement (MU`s)**				
1.	Total Sales within UT	**291.109**	287.58	299.54	299.54
2.	Transmission & Distribution Losses (%)	13.91%	13.91%	20.63%	20.70%
3.	Transmission & Distribution Losses (MU`s)	**47.04**	46.47	77.84	78.20
4.	**Total Energy Requirement (for sale to retail consumers)**	**338.14**	**334.05**	**377.38**	**377.74**
B.	**Energy Availability at Periphery (MU`s)**				
1.	Power Purchase (MU`s)	268.655	259.39	281.36	281.36
2.	Own Generation (MU`s)	69.49	74.66	96.02	96.39

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
3.	Total Energy Availability	**338.145**	334.05	377.38	377.74
C.	**Total shortfall/(Surplus)**	**0.00**	**0.00**	**0.00**	**0.00**

4.8 Power Purchase Quantum & Fuel Cost

Petitioner's Submission:

The Petitioner has submitted that the energy requirement of Electricity Department is met from own generation. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

The Petitioner has submitted the cost of fuel and also cost of power purchase from various IPPs and own generation as per Audited Accounts for FY 2023-24 in the following table:

Table 73: Fuel Cost & Power Purchase cost for the FY 2023-24 as submitted by the Petitioner

(Rs. Crores)

Particulars	FY 2023-24		
	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
Cost of fuel	905.77	698.94	760.61
Cost of power purchase		40.31	42.78
Total Cost	**905.77**	**739.25**	**803.39**

Commission's analysis:

The Commission notes that the "JERC MYT Regulations 2021" stipulate that any variation in the cost of power generation and/or power purchase due to variation in the rate of power purchase from approved sources shall be treated as an "uncontrollable factor". Regulation 13.1 of the JERC MYT Regulations, 2021 stipulates the following:

"12.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

a) Force Majeure events;

b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;

c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;

d) Transmission loss;

e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;

f) Variation in fuel cost;

g) Change in power purchase mix;

h) Inflation; ...."

The Commission notes that the Petitioner has not submitted any data regarding the Power Purchase Quantum in the Petition, however, the Petitioner has submitted Energy availability in the 'Energy Balance' table as 377.38 MU`s in the Petition, whereas in replies to the queries of the 2nd Data gaps, dated 29th June 2026, the Petitioner has submitted the quantum of Power procured (Plant wise) of 377.44 MU`s (380.90 MU`s - 3.15 MU`s (Auxiliary Consumption)).

Therefore, the information submitted by the Petitioner on energy availability has been examined and accordingly the energy balance for the FY 2023-24 is derived. The table provided below shows the energy available from various sources of energy for the FY 2023-24.

Table 74: Details of power generated from the various Power generating Stations as submitted by the Petitioner

(MU`s)

Sr. No.	Particulars	Power Generated
A.	**Own (HSD) Generation**	**87.48**
B.	**Hired Power Plant (HSD) Generation**	
1	HPP (10MW)-V SS&S	39.39
2	Aggreko Plant (5 MW)	42.55
3	Express/NTPC (10 MW) B/flat	65.84
4	Aggreko Plant/ NTPC (5 MW)	2.96
5	HPP (5MW) - SRGC	40.15
6	Shaheed Dweep (Neil) Private	6.41
7	Swaraj Dweep (Havelok) Private	5.14
8	HPP (Express Engg.) Baratang	4.91
9	HPP (Express Engg.) Panighat, Mayabandar	10.43
10	HPP (Express Engg.) Smith Island	0.06
11	HPP (Express Engg.) Gandhi Nagar	0.10
12	HPP (Express Engg.) Shanti Nagar	0.05
13	HPP (Express Engg.) Ganesh Nagar	0.07
Total Power Generation (Hired Power Plant)		**253.82**
C.	**Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP))**	**12.04**
D.	**Solar Power Plant (Own)**	
1	Raj Niwas	0.025
E.	**Solar Power Plant (Independent Power Producer)**	
1	Secretariat	0.06
2	5 MW Solar PV Plant, Garacharma, NTPC	5.88
3	20 MW SPV Power Plant, NLC	17.60
4	1 MW Rooftop Solar, SECI	0.93
5	2.84 MW Rooftop Solar, M/s Mundra Solar PV Ltd.	2.73
6	0.31 MW Rooftop Solar, M/s Mundra Solar PV Ltd. Car Nicobar	0.33
Total Power Generation (SPP, IPP)		**27.54**
Total Power Generation (A+B+C+D+E)		**380.90**

The Commission has observed that the Petitioner has submitted Rs. 803.39 Crores as "Power Purchase Cost" inclusive of Rs. 760.61 Crores as Fuel Cost and Rs. 42.78 for fixed cost (inclusive of fixed cost Hired Power plants and IPP Solar power plants) for various power plants, as per the audited accounts for FY 2023-24.

The Commission has also observed that the Petitioner has submitted different SFC of HSD and Lube oil for various IPPs and HPPs vis-à-vis the values approved by the Commission in the ARR Order dated 28th March 2023 and PPA for Hired Power Plant.

The Commission, based on the details submitted by the Petitioner in reply to 2nd set of deficiency note, has considered per litre cost of HSD and per litre cost of Lube oil as Rs. 81.19/Litre and Rs. 241.90/Litre against the submission by the Petitioner of Rs. 98.88/ Litre, Rs. 214.19/ Litre, respectively. The Commission finds it prudent to consider the specific fuel consumption (SFC) of HSD for own generating plants as approved in the APR order for own generation projects. For

IPPs, the SFC of HSD as given in PPAs are considered, while finalising the true-up for FY 2023-24.

However, as the SFC of HSD is not provided in PPA of the plants for HPP (Express Engg.) Gandhi Nagar, Ganesh Nagar, Shanti Nagar and Sagar Dweep. Therefore, the Commission has considered the SFC 270 ml./kWh for HSD for aforesaid plants equivalent to SFC of HSD as approved in the APR order dated 13th June 2024 for FY 2023-24.

The Commission has considered the SFC of Lube Oil as 0.98 ml/kWh as approved in the ARR order dated 28th March 2023 for FY 2023-24 against the SFC considered by the Petitioner for different generating stations which is in range of 0.64 to 7.67 ml/kWh.

Based on the above approach, the Commission approves the following fuel cost for HSD based own generation plants and fuel cost for hired power plants:

Table 75: Power Purchase cost, Quantum and variable cost approved by the Commission for FY 2023-24

Particulars	Units generated (MU's)	SFC of HSD (ml./kWh)	Per Litre cost of HSD (Rs./ Litre)	Total Cost of HSD (Rs. Crores.)	SFC of Lube Oil (ml./kWh)	Per Litre cost of Lube oil (Rs./Litre)	Total cost of Lube Oil (Rs. Crores)	Total Cost of Fuel (Rs. Crores)
Own Generation (HSD)	87.48	288.54	81.19	204.93	0.98	241.90	2.07	207.00
HSD based Hired Power Plants (HPP)								
HPP (10MW)-V SS&S	39.39	270	81.19	86.35	-	-	-	86.35
Aggreko Plant (5 MW)	42.55	263	81.19	90.86	-	-	-	90.86
Express/NTPC (10 MW) B/flat	65.84	270	81.19	144.33	-	-	-	144.33
Aggreko Plant/ NTPC (5 MW)	2.96	270	81.19	6.50	-	-	-	6.50
HPP (5MW) - SRGC	40.15	270	81.19	88.02	-	-	-	88.02
Shaheed Dweep (Neil) Private	6.41	270	81.19	14.05	-	-	-	14.05
Swaraj Dweep (Havelok) Private	5.14	270	81.19	11.27	-	-	-	11.27
HPP (Express Engg.) Baratang	4.91	263	81.19	10.49	-	-	-	10.49
HPP (Express Engg.) Panighat, Mayabandar	10.43	263	81.19	22.28	-	-	-	22.28
HPP (Express Engg.) Smith Island	0.06	270	81.19	0.14	-	-	-	0.14
HPP (Express Engg.) Gandhi Nagar	0.10	270	81.19	0.22	-	-	-	0.22
HPP (Express Engg.) Shanti Nagar	0.05	270	81.19	0.11	-	-	-	0.11
HPP (Express Engg.) Ganesh Nagar	0.07	270	81.19	0.16	-	-	-	0.16
Total- HSD based Hired Power Plants (HPP)	**253.82**			**533.12**				**533.12**
Total HSD based Hired Power Plants (HPP), & Own Power Plants	**341.30**			**758.05**			**2.07**	**760.12**

In 2nd deficiency note and TVS the Petitioner was asked to submit plant-wise reconciliation of Power Purchase Cost with the Audited Accounts for FY 2023-24. The required information was submitted by the Petitioner; however, the submission of cost differed from the audited accounts. Therefore, the Commission based on the above discussed paragraphs and computation of submitted details by the Petitioner has approved the Power Purchase Cost for the Truing up of the FY 2023-24.

The details of Power Purchase cost approved by the Commission is as follows:

Table 76: Details of Total Power Availability, Power Purchase Cost, Fuel Cost for FY 2023-24

Sr. No.	Particular	Power Generated (MU`s)	Total Cost of Power (Rs. Crores)	
			Power Purchase Cost (Fixed Cost) (Rs. Crores)	Total Fuel Cost (HSD & Lube oil), (Rs. Crores)
A	Own (HSD) Generation	87.48	-	207.00
B	Less-Auxiliary Consumption	3.15		
C	Net Generation (Own)	84.32		
D	Hired Power Plant (HSD) Generation	253.82	24.07	553.12
E	Solar Power Plant (Independent Power Producer)	27.54	18.71	
F	Solar Power Plant (Own)	0.02	-	-
G	Hydro Power Plant (Kalpong Hydro Electric Project, (KHEP))	12.04	-	-
Total		**380.90**	**42.78**	**760.12**

Table 77: Power purchase quantum and Cost approved by the Commission for FY 2023-24

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Total Own (own HSD, Solar, Hydro) Generation (MU`s)	69.49q	74.67	99.54	99.54
2	Power Purchase (HSD based HPP & IPP Solar) (MU`s)	268.66	259.38	281.36	281.36
Energy Availability (MU`s)		**338.15**	**334.05**	**380.90**	**380.90**
1	Fuel Cost (Rs. Crores)	905.77	698.94	760.61	760.12
2	Power Purchase Cost (Fixed Cost) (Rs. Crores)		40.31	42.78	42.78
Total Power Purchase Cost (Rs. Crores)		**905.77**	**739.25**	**803.39**	**802.90**

The approved cost towards diesel-based generation consists of cost incurred towards consumption of HSD oil and Lube oil only. The fixed cost incurred against own generation (including RE generation) (i.e. O&M expenses, interest and finance charges, depreciation, interest on working capital etc.) has been considered for the department as a whole in subsequent sections of this chapter, as the cost of DG sets is part of Gross Fixed Assets. On the similar line, no separate fixed cost has been approved for own renewable based generation also.

Accordingly, no separate cost has been approved for own renewable based generation.

Therefore, the Commission approves the overall power generation cost Rs. 802.90 Crores, which is inclusive of power purchase cost of Rs. 42.78 Crores and Fuel cost of Rs. 760.12 Crores for the True-up of FY 2023-24.

4.9 Renewable Purchase Obligation (RPO)

Petitioner's Submission

The Petitioner has not submitted any information in the petition regarding Renewable Purchase obligation (RPO). However, in replies to the 1st set of deficiency note the Petitioner submitted the RPO compliance for the FY 2023-24.

Table 78: RPO Compliance submitted by the petitioner for FY 2023-24

RPO Obligation for FY 2023-24		Sales Figure FY 2023-24	Target FY 2023-24 (MU`s)	RPO Compliance			
				Own generation	REC	Power Purchase	Total
Solar	10.00%	299.54	29.95	0.02	-	27.50	**27.52**
Non-Solar	9.25%		27.71	12.04	-	0.00	**12.04**
HPO	0.66%		1.98	0.00	-	0.00	**0.00**
Total	**19.91%**	**299.54**	**59.64**	**12.06**	**-**	**27.50**	**39.56**

Commission's analysis

The Commission notes that as per Clause 1, Sub-clause (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010:

"Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

The Commission notified the JERC (Procurement of Renewable Energy), (Fourth Amendment) Regulations, 2022 on 24th March 2022 and revised the RPO targets, according to which the Petitioner had to purchase 19.19% of its total consumption (including 10.00% from Solar & 9.91% from Non-solar sources) from renewable sources for the FY 2023-24.

Further, as per the submission of the Petitioner RPO compliance for the FY 2023-24, the Petitioner had a standalone target of 59.64 MU`s comprising of 25.95 MU`s solar, 27.71 MU`s non-solar and .98 MU`s from HPO. As against the compliance the Petitioner has been able to meet 27.52 MU`s of solar power, 12.04 from Non-solar sources and Nil against the HPO target (as submitted by the Petitioner in the reply to the 1st set of deficiency note), thereby resulting into a shortfall of 20.08 MU`s in achieving overall RPO target for FY 2023-24.

The Commission vide the Suo-moto Order dated 21st January 2025 in the matter of "Compliance of Joint Electricity Regulatory Commission (For the state of Goa and Union Territories) (Procurement of Renewable Energy) Regulations, 2010 regarding Renewable Purchase Obligation (RPO) and as amended from time to time", had approved the achieved RPO compliance for the FY 2023-24. Therefore, the Commission relying on the aforesaid Order has approved the same for Truing up of FY 2023-24.

Based on the above, the Commission has computed the standalone RPO compliance for FY 2023-24 as shown in the following table:

Table 79: RPO Compliance Trued-up by the Commission for FY 2023-24

Sr. No.	Particulars	FY 2023-24
RPO obligation (%)		
1	Solar Target	10.00%
2	Non-Solar Target	9.25%
3	HPO Target	0.66%
	Total Target	**19.19%**
4	**Sales Within UT (MU`s)**	**299.54**
5	**RPO Target (MU`s)**	
5(a).	Solar(	29.95
5(b).	Non-Solar	27.71
5(c).	HPO Target	1.98
	Total RPO Target (MU`s)	**59.64**

Sr. No.	Particulars	FY 2023-24
6	**RPO Compliance, (Actual Purchase- Power purchase) (MU`s)**	
6(a).	Solar	27.50
6(b).	Non-Solar	0.00
6(c).	HPO	0.00
	Total RPO Compliance (Actual Purchase- Power purchase), (MU`s)	**27.50**
7	**RPO Compliance, (Actual Purchase- Own generation), (MU`s)**	
7(a).	Solar	0.02
7(b).	Non-Solar	12.04
7(c).	HPO	0.00
	Total RPO Compliance (Actual Purchase- Own generation), (MU`s)	**12.06**
8	**RPO Compliance, (REC) (MU`s)**	
8(a).	Solar	0.00
8(b).	Non-Solar	0.00
8(c).	HPO	0.00
	Total RPO Compliance (REC) (MU`s)	**0.00**
9	**RPO Compliance (REC + Actual) (MU`s)**	
9(a).	Solar	27.52
9(b).	Non-Solar	12.04
9(c).	HPO	0.00
	Total RPO Compliance (REC + Actual) (MU`s)	**39.56**
10	**Net Shortfall/(Surplus) (MU`s) for this year**	**20.08**
11	**Cumulative Shortfall (MU`s) in RPO Compliance till FY 2022-23**	**41.47**
12	**Cumulative Shortfall (MU`s) in RPO Compliance till current year**	**61.55**

The Commission notes that there is a cumulative shortfall in RPO compliance till FY 2023-24 of 61.55 MU`s.

4.10 Capitalisation

Petitioner's Submission

The Petitioner has submitted the Capital additions for FY 2023-24 as per annual accounts, which are submitted in the table below:

Table 80: Capitalisation submitted by the Petitioner for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Additions during the FY 2023-24
1	Capitalisation	13.83	37.73	16.52

Commission's analysis

The Commission reviewed the submission of the Petitioner and approves the Capitalisation as per the submission made by the Petitioner and as reflected in the audited accounts.

The Commission observed that the Petitioner consistently has not been able to meet the capitalisation targets, and has taken serious note of it. The Commission directs the Petitioner to take all out efforts to achieve the capitalization targets in its letters & spirit.

Further, the Commission notes that the entire asset is funded as Equity Capital contribution from the government. The funding of assets is in the form of Capital/Equity and not Grant. The same is also reflected in the Audited Accounts of respective years as Capital addition.

The table below provides the capitalisation approved in the Tariff Order, the Petitioner's submission and the capitalisation approved by the Commission now.

Table 81: Capitalization Approved by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Capitalisation	13.83	37.73	16.52	16.52

The Commission approves the Capitalisation of Rs. 16.52 Crores in the True-up of FY 2023-24.

4.11 Capital Structure

Petitioner's Submission

The Petitioner has submitted that being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings.

Commission's analysis

The Commission observes that Regulation 27 of the JERC MYT Regulations, 2021 specifies the following:

"27. Debt to Equity Ratio

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2022 shall be considered:

Provided that in case of retirement or replacement or De-capitalisation of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or De-capitalisation of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2022, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in these Regulations."

For capital structure, regarding capitalisation during year, 70% of the approved capitalisation is considered as addition in normative loan and remaining as equity, as per provisions given under Regulations.

The approved capital structure for FY 2023-24 are given in following table:

Table 82: GFA addition approved by Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Capitalisation during the FY	13.83	37.73	16.52	16.52
2	Normative Loan (70%)	9.68	26.41	5.91	11.56
3	Normative Equity (30%)	4.15	11.32	2.53	4.96

4.12 GFA & Depreciation

Petitioner's Submission

The Petitioner has considered the GFA and actual addition during the FY 2023-24 to arrive at the closing GFA or the FY 2023-2. The Petitioner has submitted the actual depreciation of assets as per the annual audited accounts of FY 2023-24. The GFA and depreciation as claimed by the Petitioner has been tabulated as follows:

Table 83: Gross Fixed Asset for FY 2023-24

(Rs. Crores)

Sl. No.	Particulars	Opening GFA	GFA addition during the year	Closing GFA
1	Plant & Machinery	487.31	15.72	503.04
2	Buildings	82.55	-	82.55
3	Vehicles	4.01	-	4.01
4	Furniture & Fixture	1.47	-	1.47
5	Office Equipment	2.74	0.80	3.54
6	Land & Land Rights	0.00	-	0.00
	Total	**578.09**	**16.52**	**594.61**

Table 84: Depreciation for the FY 2023-24

(Rs. Crores)

Sl. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
1	Depreciation	18.29	9.05	18.15

Commission's analysis

The Commission notes that Regulation 31 of the JERC MYT Regulations, 2021 stipulates the following with respect to depreciation:

"31 Depreciation 31.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.

31.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) per cent of the allowable capital cost.

31.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.

31.4 In case of existing assets, the balance depreciable value as on April 1, 2022, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2021, from the gross depreciable value of the assets.

31.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalised at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalised by the Applicant, subject to the prudence check of the Commission.

31.6 For Transmission Licensee, the depreciation shall be calculated at rates and norms specified in the prevalent CERC Tariff Regulations for transmission system.

31.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified in Appendix I of these Regulations.

31.8 In addition to allowable depreciation, the Distribution Licensee shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder:

AAD = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these Regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular Year exceeds the cumulative depreciation upto that Year:

Provided further that advance against depreciation in a Year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that Year.

31.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.

31.10 The remaining depreciable value for a Distribution Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."

The Commission has derived the weighted average rate of depreciation based on the asset wise depreciation rate prescribed in Appendix-I of "JERC MYT Regulations, 2021", as provided in the following table:

Table 85: Depreciation Rate

(%)

Description	Rate
Plant & Machinery	3.60%
Buildings	1.80%
Furniture & Fixtures	6.00%
Land	0.00%
Vehicles	18.00%
Office equipment (Computers, etc.)	6.00%

The Petitioner has claimed the depreciation of Rs. 18.15 Cr as per the annual audited account for FY 2023-24.

The Commission finds that the Petitioner has claimed the depreciation for the unserviceable assets too amounting to Rs. 21.99 Crores. The Commission opines no depreciation is allowed for the assets not in use i.e. unserviceable assets. Hence, the depreciation has been computed excluding unserviceable assets from GFA.

Further, the Commission notes that the Petitioner in Replies of Queries raised in the TVS dated 2nd July 2026, has submitted the value of assets depreciated upto 90% amounting to Rs. 52.51 Crores. The Commission has considered the same for the computation of the depreciation for the FY 2023-24.

Accordingly, relying on the FAR and Audited Annual account of FY 2023-24, the Commission approves the GFA and depreciation as follows:

Table 86: GFA and Depreciation approved by the Commission

(%)

Particulars	Rate	Closing Gross Fixed Assets for FY 2022-23	Less: Unserviceable assets	Opening GFA as per audited accounts	Less: Value of assets depreciated upto 90%	Revised Opening GFA (after removal of assets)	Addition	Closing GFA	Average GFA	Rate of depreciation	Depreciation
						a	b	c	d=(a+c)/2	e=f/d	f
Plant & Machinery	3.60%	487.31	20.66	466.66	47.23	419.43	15.72	435.16	427.29	3.60%	15.38
Buildings & Civil Engineering works	1.80%	82.55	-	82.55	1.47	81.07	-	81.07	81.07	1.80%	1.46
Vehicles	18.00%	4.01	0.94	3.07	2.97	0.10	-	0.10	0.10	18.00%	0.02
Furniture & Fixtures	6.00%	1.47	0.06	1.41	0.61	0.81	0.80	1.60	1.21	6.00%	0.07
Office equipment	6.00%	2.74	0.33	2.41	0.24	2.17	-	2.17	2.17	6.00%	0.13
Land & Land Rights	-	-	-	-	-	-	-	0.00	0.00	0.00%	-
Total		**578.09**	**21.99**	**556.10**	**52.51**	**503.58**	**16.52**	**520.11**	**511.85**	**3.33%**	**17.06**

The Commission approves depreciation of Rs. 17.06 Crores in the True up of the FY 2023-24.

4.13 Operation & Maintenance Expenses

The Operation & Maintenance Expenses comprise of three elements viz. Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M). The JERC MYT Regulations, 2021 considers the variation of O&M Expenses, except to the extent of inflation, to be controllable. Regulation 15 and 61 of the JERC MYT Regulation, 2021 states the following:

"61. Operation and Maintenance (O&M) expenses for Retail Supply Business

61.1 The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation. 61.2 O&M Expenses shall comprise of the following:

a) Employee expenses - salaries, wages, pension contribution and other employee costs;

b) Administrative and General expenses including insurance charges if any; and

c) Repairs and Maintenance expenses.

61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

61.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

O&Mn = (R&Mn + EMPn + A&Gn) x (1 - Xn) + Terminal Liabilities

Where,

R&Mn = K x GFAn-1 x (1+WPI inflation)

EMPn = (EMPn-1) x (1+Gn) x (1+CPI inflation)

A&Gn = (A&Gn-1) x (1+CPI inflation)

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPI inflation – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPI inflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMPn – Employee expenses of the Distribution Licensee for the nth Year;

A&Gn – Administrative and General expenses of the Distribution Licensee for the nth Year; R&Mn – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFAn-1 – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;

Xn is an efficiency factor for nth Year. Value of Xn shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;

Gn is a growth factor for the nth Year. Value of Gn shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based *on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:*

Provided that in case the Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, the O&M Expenses shall be determined on a case to case basis.

61.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

61.6 For the purpose of estimation, the same value of factors – CPI inflation and WPI inflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPI inflation and WPI inflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation.

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 15."

"15. Mechanism for sharing of gains or losses on account of controllable factors

15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers.

15.3 The mechanism for sharing of gains or losses on account of controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations."

In accordance with above Regulations, the Commission has approved the Employee Expenses, A&G Expenses and R&M Expenses as elaborated below:

4.13.1 Employee Expenses

Petitioner's Submission

The Petitioner has submitted employee expenses of Rs. 187.43 Crores against the approved expenses of Rs. 170.33 Crores in the ARR Order dated 28th March 2023.

Table 87: Employee Expenses submitted by the Petitioner for FY 2023-24

(Rs. Crores)

Employee Expenses	FY 2023-24		
	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
Employee Expenses	170.33	192.48	187.43

Commission's analysis

The Commission observes that the Petitioner has submitted employee expenses of Rs. 187.43 Cr.

The Commission notes that Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

"6.1 Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts."

In accordance with JERC MYT Regulations, 2021, the Employee expenses shall be revised to the extent of change in inflation and growth rate during the control period.

The CPI Inflation rate, has been computed as follows:

Table 88: Computation of CPI Inflation

(%)

FY	Average Value of CPI for FY	Increase in CPI Index	Applicable CPI
2022-23	377.62		
2023-24	397.20	5.19%	**5.19%**

The Growth rate has been computed as follows:

Table 89: Employee Growth Rate (Gn) for FY 2023-24

Sr. No.	Particulars	FY 2022-23	FY 2023-24
1	Opening No. of Employees	1780	1642
2	Retirements during the year	138	141
3	Posts filled during the year	-	402
4	Closing No. of Employees	1642	1903
5	Gn (Growth factor)	(-)7.75%	15.90%

Table 90: Computation of employee expenses

(NO.s)

Sr. No.	Particulars	Employee Expenses for FY 2022-23	FY 2023-24
1	Employee Expenses $_{(n-1)\ year}$		119.74
2	Growth in number of Employees (G_n)		15.90%
3	CPI Inflation for FY 2023-24		5.19%
4	Re-estimated normative Employee Expenses	119.74	145.98

Table 91: Employee Expenses Trued-up by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission (as per actuals)	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	Employee Expenses	170.33	192.48	187.43	145.98	145.98

The Commission is of the view that the Employee expenses submitted by the Petitioner for FY 2023-24 is higher than the normative Employee expenses computed by the Commission, therefore the Commission approves the normative Employee Expenses of Rs. 145.98 Crores in the True-up of FY 2023-24.

The incentive/disincentive on the account of under/over achievement of Employee Expenses shall be allowed separately in accordance with the MYT Regulations, 2021 and is discussed in section 4.21.2.

4.13.2 Administrative and General (A&G) Expenses

Petitioner's Submission:

The Petitioner has submitted the actual A&G expenses of Rs. 8.69 Crores as reflected in audited accounts against the approved expenses of Rs. 13.80 Crores in the ARR Order dated 28th March 2023.

Table 92: A&G Expenses submitted by the Petitioner for FY 2023-24

(Rs. Crores)

A&G Expenses	FY 2023-24		
	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
A&G Expenses	13.80	2.67	8.69

Commission's analysis

A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. As per the audited account submitted by the Petitioner, the A&G expenses are reflected as Rs. 8.69 Crores for FY 2023-24.

Similar to the methodology followed while estimating the employee expenses, the Commission has determined the normative A&G expenses for the FY 2023-24 using the CPI Inflation of FY 2023-24 to determine the normative A&G expenses for FY 2023-24.

The normative A&G expenses by the Commission in FY 2023-24 have been provided in the following table:

Table 93: Computation of CPI Inflation

(%)

FY	Average Value of CPI for FY	Increase in CPI Index	Applicable CPI
2022-23	377.62		
2023-24	397.20	5.19%	**5.19%**

Considering the approved A&G Expenses for FY 2022-23 and CPI of FY 2023-24 the Commission re-estimated the normative A&G expense for FY 2023-24, details are below:

Table 94: A&G Expenses computation for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Actual A&G Expenses for FY 2022-23	FY 2023-24
1	A&G Expense $_{(n-1)\ year}$		2.80
2	CPI Inflation for FY 2023-24		5.19%
3	**Normative A&G Expenses**	**2.80**	**2.94**

Table 95: A&G Expenses Trued-up by the Commission for FY 2023-4

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission (as per actuals)	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	A&G Expenses	13.80	2.67	8.69	2.94	**2.94**

As the Administrative & General (A&G) submitted by the Petitioner are more than estimated normative A&G expenses, therefore the Commission approves Revised Normative Administrative & General (A&G) Expenses computed by the Commission of Rs. 2.94 Crores in the True-up of FY 2023-24.

The incentive/disincentive on the account of under/over achievement of A&G Expenses shall be allowed separately in accordance with the MYT Regulations, 2021 and is discussed in section 4.21.2.

4.13.3 Repair and Maintenance (R&M) Expenses

Petitioner's Submission

The Petitioner has incurred R&M expenses of Rs. 40.17 Crores against the approved expenses of Rs. 55.84 Crores in for FY 2023-24 in the ARR Order dated 28th March 2023.

Table 96: R&M Expenses submitted by the Petitioner for FY 2023-24

(Rs. Crores)

A&G Expenses	FY 2023-24		
	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Actual
R&M Expenses	55.84	59.00	40.17

Commission's analysis

In accordance with the MYT Regulations, 2021, the R&M expenses has to be computed based on the 'K' factor as approved in the MYT Order.

Table 97: Computation of WPI Inflation

(%)

FY	Average Value of WPI for FY	Increase in WPI Index	Applicable WPI
2022-23	152.53		
2023-24	151.42	-0.73%	**-0.73%**

Table 98: R&M Expenses Trued-up by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Opening GFA (GFAn-1)	578.09		556.10
2	K factor approved (K) (%)	9.46%		9.46%
3	WPI Inflation(%)	7.89%		-0.73%
4	**R&M Expenses = K x (GFAn-1) x (1+WPI inflation)**	**59.00**	**40.17**	**52.22**

The R&M expenses approved by the Commission in FY 2023-24 have been provided in the following table:

Table 99: R&M Expenses Trued-up by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission (as per actuals)	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	Repair & Maintenance Expenses (R&M)	**55.84**	**59.00**	**40.17**	**52.22**	**40.17**

As the Repair and Maintenance expenses (R&M) submitted by the Petitioner are less than estimated normative R&M expenses, therefore the Commission approves Revised Normative Repair and Maintenance expenses (R&M) computed by the Commission of Rs. 40.17 Crores in the True-up of FY 2023-24.

The incentive/disincentive on the account of under/over achievement of R&M Expenses shall be allowed separately in accordance with the MYT Regulations, 2021 and is discussed in section 4.21.2.

Total Operation and Maintenance Expenses (O&M)

The following table provides the O&M expenses approved in the ARR of FY 2023-24, Petitioner's submission and now approved by the Commission in True-up of FY 2023-24.

Table 100: O&M Expenses Trued-up by Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Revised Normative expenses computed by the Commission	Trued-up by the Commission
1	Employee Expenses	170.33	192.48	187.43	145.98	145.98
2	Administrative & General Expenses (A&G)	13.80	2.67	8.69	2.94	2.94
3	Repair & Maintenance Expenses	55.84	59.00	40.17	52.22	40.17
	Total Operation & Maintenance Expenses	**239.97**	**254.15**	**236.29**	**201.14**	**189.08**

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 189.08 Crores in the True-up of FY 2023-24.

The gain/loss after comparing the actual values and normative values has been addressed separately in Section 4.21.2.

4.14 Interest and Finance Charges

Petitioner's Submission

The Petitioner has submitted that being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. The Petitioner has considered the GFA as on 1.04.2023 and actual additions during the FY 2023-24 to arrive at the closing GFA for the year. The normative loan for the FY 2023-24 has been arrived in accordance with the Regulation 29 of the MYT Regulations, 2021.

Further, the Petitioner proposes the interest charges based on the State Bank of India (SBI) MCLR-1 year tenor. The State Bank of India (SBI) MCLR - 1 year tenor as on 01.04.2023 was 8.50%. Accordingly, interest rate of 9.50% (8.50%+1%) has been considered for projecting the interest charges for the FY 2023-24.

The Interest on loan as claimed by the Petitioner has been tabulated as follows:

Table 101: Interest & Finance charges claimed by Petitioner for the FY 2023-24

(Rs. Crores)

Sl. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
1	Opening Normative Loan	100.67	55.83	98.76
2	Normative additions during the year (70% of Net additions to GFA)	26.41	26.41	11.56
3	Less: Normative Repayment for the year	19.21	9.05	18.15
4	Closing Normative Loan/GFA	107.87	73.19	92.17
5	Average Normative Loan	104.27	64.51	95.46
6	Interest Rates – actual	8.00%	9.50%	9.50%
7	**Interest on Normative Loan**	**8.34**	**6.13**	**9.07**

Commission's analysis

The Commission has observed that Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following with respect to interest on loan:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided further that in case of De-capitalization or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the de-capitalised or retired or replaced assets, based on documentary evidence.

29.2 The normative loan outstanding as on April 1, 2019, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2018, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

29.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

29.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest:

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalization approved by the Commission for the Year.

29.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points, and (ii) weighted average rate of interest proposed by the Distribution Licensee.

29.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee.

29.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

29.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

The Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re- finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the equally between the beneficiaries and the Transmission Licensee or the Distribution Licensee and the Consumers of Distribution Licensee.

29.10 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

According to the above provision, the rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, in absence of detailed data with respect to the actual loan portfolio, the Commission has considered the SBI 1 Year MCLR rate plus 100 basis points as Rate of Interest, in accordance with the JERC MYT Regulations, 2021. The Commission has considered the value of SBI 1-year MCLR rate as 8.50% (as on 1st April 2023), accordingly Interest rate is 9.50%.

As per the JERC MYT Regulations, 2021, if the equity deployed is more than 30% of the capital cost, then equity in excess of 30% is considered as normative loan. Hence, the normative loan addition is considered as 70% of the approved capitalization. Approved depreciation is considered as loan repayment amount.

The following table provides the Interest on Loan approved by the Commission.

Table 102: Interest and Finance Charges approved by Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Opening Gross Loan	100.67	55.83	98.76	100.45
2	Add: Normative Loan During the year (70% of proposed capitalization)	26.41	26.41	11.56	11.56
3	Less: Normative Repayment equivalent to Depreciation	19.21	9.05	18.15	17.06
4	Closing Normative Loan	107.87	73.19	92.17	94.96
5	Average Normative Loan	104.27	64.51	95.46	97.71
6	Rate of Interest (%)	8.00%	9.50%	9.50%	9.50%
7	**Interest on Loan**	**8.34**	**6.13**	**9.07**	**9.28**

The Commission trued-up Interest and Finance Charges of Rs. 9.28 Crores for FY 2023-24.

4.15 Return on Equity (RoE)

Petitioner's Submission

The Petitioner has submitted that being a Government Department, the entire capital employed till date has been funded through equity infusion by the Central Government through budgetary support without any external borrowings. The Petitioner has considered the GFA as on 31.03.2023 and actual additions during the FY 2023-24 to arrive at the closing GFA for the year.

The normative Equity for the FY 2023-24 has been considered at 30% of the GFA in accordance with regulation 28 of the MYT Regulation 2021.

The summary of the Return on Equity as submitted by the Petitioner for 2023-24 is tabulated below:

Table 103: Return on Equity claimed by the Petitioner for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission
1	Opening Equity	168.12	80.90	166.83
2	Equity Addition during year (30% of Capitalization)	4.15	11.32	4.96
3	Closing Equity	179.44	92.22	171.78
4	Average Equity	173.78	86.56	169.31
5	Rate of Return on Equity	16.00%	16.00%	16.00%
6	**Return on Equity**	**27.80**	**13.46**	**27.09**

Commission's analysis

The Commission based on Regulation 28 of the JERC MYT Regulations, 2021, which stipulates the following with respect to Return on Equity as:

"28 Return on Equity

28.1 Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 27 for the assets put to use for the Transmission Licensee and shall be allowed in accordance with the prevalent CERC Tariff Regulations for transmission system.

28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum.

28.4 The return on equity shall be computed on average of equity capital at the beginning and end of Year."

RoE has been calculated on normative basis on the average of opening and closing of equity during the year at the rate of 15.50%/16.00% (on post-tax basis) with an opening equity of FY 2023-24 considered equivalent to the closing equity of FY 2022-23. Further, the average equity is considered as 90% for wheeling activity and 10% for retail or distribution activity.

The following table provides the RoE approved in the ARR of FY 2023-24, the Petitioner's submission and RoE now approved by the Commission under true-up.

Table 104: RoE approved by the Commission for FY 2023-24

(Rs. Crores)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Approved in T.O. dated 28th March 2023</th><th>Approved in APR dated 13th June 2024</th><th>Petitioner's Submission</th><th>Trued-up by the Commission</th></tr>
<tr><td>1</td><td>Opening Gross Equity</td><td>168.12</td><td>80.90</td><td>166.83</td><td>166.83</td></tr>
<tr><td>2</td><td>Additions of Equity on account of new Capitalisation</td><td>4.15</td><td>11.32</td><td>4.96</td><td>4.96</td></tr>
<tr><td>3</td><td>Closing Equity</td><td>179.44</td><td>92.22</td><td>171.78</td><td>171.78</td></tr>
<tr><td>4</td><td>Average Equity</td><td>173.78</td><td>86.56</td><td>169.31</td><td>169.30</td></tr>
<tr><td>5</td><td>Average Equity-Wires Business (90%)</td><td></td><td></td><td></td><td>152.37</td></tr>
<tr><td>6</td><td>Average Equity (Retail Supply Business) (10%)</td><td></td><td></td><td></td><td>16.93</td></tr>
<tr><td>7</td><td>Return on Equity for Wires Business (%)</td><td rowspan="2">16.00%</td><td rowspan="2">16.00%</td><td rowspan="2">16.00%</td><td>15.50%</td></tr>
<tr><td>8</td><td>Return on Equity for Retail Supply Business (%)</td><td>16.00%</td></tr>
<tr><td>9</td><td>Return on Equity for Wires Business</td><td></td><td></td><td></td><td>23.62</td></tr>
<tr><td>10</td><td>Return on Equity for Retail Supply Business</td><td></td><td></td><td></td><td>2.71</td></tr>
<tr><td>11</td><td>Total Return on Equity</td><td>27.80</td><td>13.46</td><td>27.09</td><td>26.33</td></tr>
</table>

The Commission approves the Return on Equity of Rs. 26.33 Crores for FY 2023-24.

4.16 Interest on Security Deposits (IoSD)

Petitioner's Submission

The Petitioner has submitted that it does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount, and a lien is created in favor of the EDA&N towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, EDA&N has not claimed Interest on Security deposit in the ARR.

Commission's analysis

As per Regulation 29.11 of JERC MYT Regulation 2021:

"Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

As the Petitioner has submitted that it does not collect Security Deposit in cash, hence no interest on security deposit is payable. The petitioner has also not claimed Interest on Security Deposit.

Therefore, the Commission has not approved any interest on security deposits of the consumers in the True-up of FY 2023-24.

4.17 Interest on Working Capital

Petitioner's Submission

The Petitioner has submitted the interest charges based on the State Bank of India (SBI) MCLR-1 year tenor as on 01.04.2023. The State Bank of India (SBI) MCLR-1 year tenor as on 01.04.2023 was 8.50%. Accordingly, interest rate of 10.50% (8.50%+2%) has been considered for projecting the interest charges for the FY 2023-24.

Interest on Working Capital has been calculated by the Petitioner based on the normative principles outlined in the JERC MYT Regulations, 2021. The details are given below.

Table 105:Interest on Working Capital submitted by Petitioner for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission
1	Operation & Maintenance Expenses (for One (1) Month)	20.00	21.18	19.69
2	Maintenance spares at 40% of R&M expenses (For One (1) Month)	1.86	1.97	1.34
3	Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff.	49.65	40.65	42.76
4	Less: Power Purchase Cost for 1 month	3.42	3.36	3.57
5	Less: Adjustment for security Deposit	0.00	0.00	0.00
6	Net Working Capital	68.09	60.44	60.23
7	Rate of Interest (%)	9.00%	10.50%	10.50%
8	**Interest on working capital**	**6.13**	**6.35**	**6.32**

Commission's analysis

The Regulation 32.3, 53 and 64 of the JERC MYT Regulations, 2021 stipulates the following:

"53. Norms of Working Capital for Distribution Wires Business

53.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:

O&M Expenses for one (1) month; plus Maintenance spares at 40% of repair and maintenance expenses for one month; plus

Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff;

Less: Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Regulation 64 of the JERC MYT Regulation, 2021

"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail Supply Business for the Financial Year, computed as follows:

O&M Expenses for one (1) month;

plus Maintenance spares at 40% of repair and maintenance expenses for one (1) month;

plus Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;

Less Power Purchase cost for one (1) month;

plus Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Consumers except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Regulation 32.3 of the JERC MYT Regulation, 2021

"32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal one (1)Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1)Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

The Commission has considered the SBI Base rate as on 1st April 2023 for calculation of interest plus 200 basis points i.e. 10.50% (8.50% + 200) basis points), as stipulated in the MYT Regulations, 2021.

Accordingly, the Interest on Working Capital has been approved by the Commission, as shown in the table below:

Table 106: Interest on Working Capital approved by Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	O&M Expense for 1 month	20.00	21.18	19.69	15.76
2	Maintenance spares at 40% of R&M expenses for one (1) month;	1.86	1.97	1.34	1.34
3	Receivables equivalent to two (2) months of the	49.65	40.65	42.76	42.76

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
	expected revenue at the prevailing tariff				
4	Less: Power Purchase cost for one (1) month	3.42	3.36	3.57	66.91
5	Less: Amount held as security deposits	0.00	0.00	0.00	0.00
6	Net Working Capital	68.09	60.44	60.23	0.00
7	Rate of Interest (%)	9.00%	10.50%	10.50%	10.50%
8	**Interest on Working Capital**	**6.13**	**6.35**	**6.32**	**0.00**

The Commission approves Nil Interest on Working Capital for the True- up of FY 2023-24.

4.18 Income Tax

Petitioner's Submission

The Petitioner has not made any submission in this regard.

Commission's analysis

The Commission has approved nil income tax amount as submitted by the Petitioner.

4.19 Provision for Bad & Doubtful Debts

Petitioner's Submission

The Petitioner has not earmarked any provision for bad and doubtful debts for the year.

Commission's analysis

As per Regulation 63 of the MYT Regulations, 2021:

"63 Provision for bad and doubtful debts

63.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:

Provided also that the provision for bad and doubtful debts shall be limited to 1% of the annual Revenue Requirement of the Distribution Licensee:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."

The Petitioner has not claimed any Bad & Doubtful Debts during the True-up of FY 2023-24; hence the Commission approves nil Bad & Doubtful Debts for the FY 2023-24.

4.20 Non-Tariff Income

Petitioner's Submission

The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Commission for FY 2023-24 is provided in the table below:

Table 107: Non-Tariff Income for the FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission
1	Non-Tariff Income	**3.66**	**6.01**	**4.61**

Commission's analysis

Regulation 65 of JERC MYT Regulation, 2021 states the following about non- tariff income:

"65.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue

Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of its forecast of non tariff Income to the Commission along with its application for determination of tariff.

65.2 The Non-Tariff Income shall inter-alia include:

a) Income from rent of land or buildings;

b) Income from sale of scrap in excess of 10% of the salvage value;

c) Income from statutory investments;

d) Interest on advances to suppliers/contractors;

e) Rental from staff quarters;

f) Rental from contractors;

g) Income from hire charges from contactors and others;

h) Income from advertisements, etc.;

i) Meter/metering equipment/service line rentals;

j) Service charges;

k) Consumer charges;

l) Recovery for theft and pilferage of energy;

m) Rebate availed on account of timely payment of bills;

n) Miscellaneous receipts;

o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;

p) Prior period income, etc.:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:

Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power *purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."*

The Commission also has considered the same Non-Tariff Income (NTI) as submitted by the Petitioner and reflected in Annual Account submitted by the Petitioner. The Non-Tariff income approved in the APR Order for FY 2023-24, the Petitioner's submission and the NTI now approved by the Commission is shown in the table below:

Table 108: Non-Tariff Income approved by Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission	Trued-up by the Commission
1	Non-Tariff Income	**3.66**	**6.01**	**4.61**	**4.61**

The Commission approves the Non-Tariff Income of Rs. 4.61 Crores for FY 2023-24.

4.21 Incentive/Disincentive towards over/under-achievement of norms.

4.21.1 Disincentive towards under- achievement of norms of T&D Losses

Petitioner's Submission

The Petitioner has made no submission has been in this regard.

Commission's analysis

In the APR of the FY 2023-24, the Commission had approved the distribution loss level of 13.91%. As discussed earlier, the Petitioner has achieved an Intra-State Transmission & Distribution Loss of 20.63%. Thus, there is an underachievement of the loss target.

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the sharing of gains/losses on account of controllable factors. Regulation 15 of the JERC MYT Regulations, 2021 stipulates the following:

"15 Mechanism for sharing of gains or losses on account of controllable factors 15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee and shall not be passed to the Consumers."

Table 109: Average Power Purchase Cost (APPC) for the FY 2023-24 approved by the Commission

(Rs. Cr.)

Particulars		Values
Total Power Purchase Cost (Excluding REC Cost) (Rs. Cr)	A	802.90

Particulars		Values
Less: Transmission charges and other charges (Rs. Cr)	B	-
Net Power Purchase Cost (Rs. Cr)	C=A-B	802.90
Quantum of Ex-bus Power Purchase (MUs)	D	377.74
Quantum of energy (MUs)	E	377.74
APPC (Rs /kWh)	F=C/E*10	**21.26**

The disincentive has been derived by calculating the additional cost of power procured due to under achievement of the stipulated Intra-State T&D loss target of 13.91 % by the Petitioner, at the Average Power Purchase cost (APPC) of Rs. 21.26/kWh. The APPC has been derived at State/UT Periphery based on the Power Purchase cost approved in the True-up above and the Energy at State/UT Periphery computed after grossing up the retail energy sales (299.54 MU) with the approved Intra-State T&D Loss (20.70%).

The assessment of disincentive for higher Intra-State T&D Loss is shown in the following table:

Table 110: Disincentive towards underachievement of Intra-State Distribution Loss for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 13th June 2024	Normative	Trued-up by the Commission
1	Retail Sales (MU`s)	2876.58	299.54	299.54
2	T&D Loss (%)	13.91%	13.91%	20.70%
3	Energy Requirement at Periphery (MU`s)	334.05	347.94	377.74
4	Gain/(Loss) (MU`s)			(29.80)
5	Average Power Purchase Cost (APPC), (Rs./kWh)			21.26
6	Loss (Crores)			(63.35)
7	**Sharing (50% to LED in Case of gain and 100% in case of Loss)**			**(63.35)**

The Commission approves Rs. 63.35 Crores as disincentive for underachieving the Intra-State distribution loss target for FY 2023-24.

4.21.2 Sharing of Gain/(Loss) on account of Operation & maintenance (O&M) Expenses.

The Commission notes that Regulation 15 of the JERC MYT Regulations, 2021 (as reproduced above) stipulates the following mechanism for sharing of gain and loss:

"15 Mechanism for sharing of gains or losses on account of controllable factors

15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers."

Considering the above provisions, the Commission has carried out the gain and loss of O&M expenses, which are controllable parameters. The details are provided below:

Table 111: O&M Expenses (After Gain/ (Loss)) approved by Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in T.O. dated 28th March 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Normative Expenses	Actual Expenses (as per Annual Performa Account)	Gain/(Loss) (Normative – Actual Considered)	Gain/ (Loss) Sharing
1	Employee Expenses	170.33	192.48	187.43	145.98	187.43	(41.45)	0.00
2	A&G Expenses	13.80	2.67	8.69	2.94	8.69	(5.75)	0.00
3	R&M Expenses	55.84	59.00	40.17	52.22	40.17	12.06	6.03
4	**Total O&M**	**239.97**	**254.15**	**236.29**	**201.14**	**236.29**	**(35.14)**	**6.03**

The Commission approves the sharing of Gain on overachievement of norms of O&M expenses amounting to Rs. 6.03 Crores in the True-up of FY 2023-24.

4.22 Aggregate Revenue Requirement (ARR)

Petitioner's Submission

The Petitioner claimed the net Aggregate Revenue Requirement in the True-up of FY 2023-24.

Table 112: Aggregate Revenue Requirement as submitted by the Petitioner for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission
1	Cost of Fuel	905.77	698.94	760.61
2	Cost of Power Purchase		40.31	42.78
3	Employee costs	170.33	192.48	187.43
4	A&G expenses	13.80	2.67	8.69
5	R&M expenses	55.84	59.00	40.17
6	**O&M Expenses**	**239.97**	**254.15**	**236.29**
7	Depreciation	19.21	9.05	18.15
8	Interest on Loan	8.34	6.13	9.07
9	Interest on Consumer Security Deposit	-	-	-
10	Interest on working capital	6.13	6.35	6.32
12	Return on Equity	27.80	13.46	27.09
13	**Total Revenue Requirement**	**1207.33**	**1028.38**	**1100.31**
13	Less: Non-Tariff Income	3.66	6.01	4.61
14	**Net Revenue Requirement**	**1023.56**	**1022.37**	**1095.70**
15	Revenue from tariff	265.67	243.90	256.57
16	**Total (Gap)/ Surplus**	**(937.89)**	**(778.47)**	**(839.13)**

Commission's analysis

The Commission on the basis of the detailed analysis of the cost parameters of the ARR has considered and approved the revenue requirement in the True-up of 2023-24 as given in the following table:

Table 113: Aggregate Revenue Requirement approved by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission	Trued-up by the Commission
1	Cost of Fuel (Own Generation & HPP)	905.77	698.94	760.61	760.12
2	Power Purchase Cost (Fixed Cost)		40.31	42.78	42.78
3	Employee costs	170.33	192.48	187.43	145.98
4	A&G expenses	13.80	2.67	8.69	2.94
5	R&M expenses	55.84	59.00	40.17	40.17
6	**O&M Expenses**	**239.97**	**254.15**	**236.29**	**189.08**
7	Depreciation	19.21	9.05	18.15	17.06
8	Interest on Loan and Finance charges	8.34	6.13	9.07	9.28
9	Interest on Working Capital	6.13	6.35	6.32	-
10	Interest on Security Deposit	-	-	-	-
12	Return on Equity	27.80	13.46	27.09	26.33
13	Disincentive due to underachievement of norms (T&D Loss)	-	-	-	-63.35
14	On Account of sharing gain/(loss) for O&M Expenses	-	-	-	6.03
15	**Total Revenue Requirement**	**1207.33**	**1028.38**	**1100.31**	**987.33**
16	Less: Non-Tariff Income	3.66	6.01	4.61	4.61
17	**Net Revenue Requirement**	**1023.56**	**1022.37**	**1095.70**	**982.72**

The Commission approves net Aggregate Revenue Requirement of Rs. 982.72 Crores in the True-up of the FY 2023-24.

4.23 Revenue at existing Retail Tariff

Petitioner's Submission

The Petitioner has submitted the actual revenue for the FY 2023-24 as Rs. 256.57 Crores against revenue of Rs. 243.90 Crores approved by the Commission in the APR Order dated 13th June 2024.

Table 114: Revenue at existing tariff as submitted by the Petitioner for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission
1	Revenue approved for FY 2023-24	265.67	243.90	256.57

Commission's analysis

The Commission has analysed the sales and revenue figures for each consumer category and verified the revenue from audited accounts.

The revenue as submitted by the Petitioner and approved by the Commission is shown in the following table:

Table 115: Revenue at existing tariff approved by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Revenue approved for FY 2023-24	265.67	243.90	256.57	256.57

The Commission approves the revenue from sale of power as Rs. 256.57 Crores in the True-up of the FY 2023-24.

4.24 Standalone Revenue Gap/Surplus

Petitioner's Submission

The Petitioner claimed the standalone revenue gap of Rs. 839.13 Crores in the True-up of FY 2023-24.

Table 116: Standalone Revenue Gap/ Surplus at existing tariff as submitted by the Petitioner for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner`s Submission
1	Net Annual Revenue Requirement	1203.56	1022.37	1095.70
2	Revenue from Sale of Power	265.67	243.90	256.57
3	**(Gap)/ Surplus (2-1)**	**(937.89)**	**(778.47)**	**(839.13)**

Commission's analysis

The Commission based on the approved ARR and retail tariff has arrived at the Revenue Gap/Surplus as follows:

Table 117: Standalone Revenue Gap/ Surplus at existing tariff approved by the Commission for FY 2023-24

(Rs. Crores)

Sr. No.	Particulars	Approved in APR dated 28th March, 2023	Approved in APR dated 13th June 2024	Petitioner's Submission	Trued-up by the Commission
1	Net Revenue Requirement	1203.56	1022.37	1095.70	982.72
2	Revenue from retail sales at Revised Tariff	265.67	243.90	256.57	256.57
3	**Net Revenue Gap (2-1)**	**(937.89)**	**(778.47)**	**(839.13)**	**(726.15)**

The Commission approves a standalone gap of Rs. 726.15 Crores in the True-up of FY 2023-24. The Commission notes as per the Tariff Order dated 13th June 2024, the Petitioner had submitted vide letter Reference No. M/3/2022-Plg-ELE-ELE dated March 24, 2023, confirming the budgetary support from administration of the UT of Andaman & Nicobar has been submitted to the Commission. Hence, the Commission approves that standalone gap for FY 2023-24 to be met from the budgetary support by the Government of India. Hence, the Commission approves that standalone gap as 'NIL' for FY 2023-24.