

**PETITION FOR APPROVAL OF
THE ANNUAL
REVENUE REQUIREMENT AND
TARIFF PROPOSAL
FOR FY 2016-17
UNDER SECTION 61, 62 & 64
OF
THE ELECTRICITY ACT 2003**

Submitted by:
Energy & Power Department, Government of Sikkim

GENERAL HEADINGS OF PROCEEDINGS

**BEFORE HON'BLE SIKKIM STATE ELECTRICITY REGULATORY
COMMISSION**

FILE No: _____

CASE No: _____

IN THE MATTER OF : **Petition for Approval of Annual Revenue Requirement (ARR) and Tariff Proposal for FY 2016-17 for The State of Sikkim under Sections 61, 62 and 64 of The Electricity Act 2003**

AND

IN THE MATTER OF: **The Energy & Power Department,**
THE PETITIONER **Gangtok, Sikkim**

.....Petitioner

Energy & Power Department, Govt. of Sikkim (hereinafter referred to as "E&PDS"), files petition for Approval of Annual Revenue Requirement (ARR) and Tariff Proposal for FY 2016-17 under Sections 61, 62 and 64 of The Electricity Act 2003.

A F F I D A V I T

**BEFORE HON'BLE ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF SIKKIM**

FILE No: _____

CASE No: _____

IN THE MATTER OF : **Petition for Approval of Annual Revenue Requirement (ARR) and Tariff Proposal for FY 2016-17 for The State of Sikkim under Sections 61, 62 and 64 of The Electricity Act 2003**

AND

IN THE MATTER OF : **The Energy & Power Department,**
THE PETITIONER **Gangtok, Sikkim,**

.....Petitioner

I, , son of Shri (aged.....years),
(occupation) Government Service residing at.....,Gangtok, the deponent named
above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is theof Energy & Power Department, Government of Sikkim, who is authorized as per the order of the Administration of the Government of Sikkim Order No. dated November, 2015 and is acquainted with the facts deposed to below.
2. I, the deponent named above do hereby verify that the contents of the accompanying petition are based on the records of the Energy & Power Department, Government of Sikkim maintained in the ordinary course of business and believed by them to be true and I believe that no part of it is false and no material has been concealed there from.

Details of enclosures:

a) Proposal for Aggregate Revenue Requirement (“ARR”) for the Financial Year 2016-17 for Determination of Tariff.

b) Petition Fee – Rs./- vide DD No. dated :

**The Energy & Power Department, Govt. of Sikkim
Petitioner**

Place: Gangtok

Dated: November, 2015

I, _____ Advocate, Gangtok, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

Advocate

Solemnly affirmed before me on this day of November 2015 at a.m./p.m. by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.

**BEFORE HON'BLE ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF SIKKIM**

FILE No: _____

CASE No: _____

IN THE MATTER OF: **Petition for Approval of Annual Revenue Requirement (ARR) and Tariff Proposal for FY 2016-17 for The State of Sikkim under Sections 61, 62 and 64 of The Electricity Act 2003.**

AND

IN THE MATTER OF: **The Energy & Power Department,**
THE PETITIONER **Gangtok, Sikkim.**

.....Petitioner

PETITIONER, UNDER SECTIONS 61, 62 AND 64 OF THE ELECTRICITY ACT, 2003 FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR DECIDING ON THE MATTERS CONCERNING THE APPROVAL OF THE ANNUAL REVENUE REQUIREMENT AND TARIFF PETITION OF ENERGY & POWER DEPARTMENT OF THE STATE OF SIKKIM (herein after referred to as "E&PDS") FOR FY 2016-17.

**THE ENERGY & POWER DEPARTMENT, GOVERNMENT OF SIKKIM
RESPECTFULLY SUBMITS:**

1. The Petitioner, The Energy & Power Department, Government of Sikkim has been allowed to function as Distribution Utility for the State of Sikkim.
2. Pursuant to the enactment of the Electricity Act, 2003, E&PDS is required to submit its Annual Revenue Requirement (ARR) and Tariff Petitions as per procedures outlined in section 61, 62 and 64, of EA 2003, and the governing regulations thereof.
3. E&PDS has submitted its ARR and Tariff petition for the determination of tariff for the FY 2016-17 on the basis of the principles outlined in tariff regulations notified by the Sikkim State Electricity Regulatory Commission.
4. E&PDS prays to the Hon'ble Commission to admit the attached petition for Annual Revenue Requirement and Tariff Proposal for FY 2016-17 and would like to submit that:

PRAYERS TO THE HON'BLE COMMISSION:

1. The petition provides, inter-alia, E&PDS's approach for formulating the present petition, the broad basis for projections used, summary of the proposals being made to the Hon'ble Commission, performance of E&PDS in the recent past, and certain issues impacting the performance of E&PDS in the Licensed Area.
2. Broadly, in formulating the application for Truing-up for FY 2014-15, for Review for FY 2015-16 & ARR and Tariff Petition for the FY 2016-17, the principles specified by the Sikkim State Electricity Regulatory Commission in the notified (Terms and Conditions for determination of Tariff) Regulations, 2012 ("Tariff Regulations") have been considered as the basis.
3. In order to align the thoughts and principles behind the Truing-up, Review & ARR and Tariff Petition, E&PDS respectfully seeks an opportunity to present their case prior to the finalization of the Tariff Order. E&PDS believes that such an approach would go a long way towards providing a fair treatment to all the stakeholders and may eliminate the need for a review or clarification.
4. E&PDS may also be permitted to propose suitable changes to the petition and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.

In view of the above, the petitioner respectfully prays that Hon'ble Commission may:

- Consider the submissions and allow the provisional True-up of expenses for the FY 2014-15 and revised estimates for the FY 2015-16.
- Accept the Annual Revenue Requirement and Tariff petition for the FY 2016-17 for E&PDS formulated in accordance with the guidelines outlined as per the regulation of Sikkim State Electricity Regulatory Commission relating to Distribution Licensee and the principles contained in Tariff Regulations;
- Approve appropriate recovery of ARR of FY 2016-17;
- Approve the category-wise tariff including fixed/ demand charges submitted by E&PDS to meet revenue requirement for FY 2016-17;
- Approve the tariff philosophy suggestions requested by E&PDS;
- Condone any inadvertent delay/ omissions/ errors/ rounding off differences/shortcomings and E&PDS may please be permitted to add/ change/ modify/ alter the petition;
- Permit E&PDS to file additional data/ information as may be necessary;
- Pass such further and other orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

The Energy & Power Department, Govt. of Sikkim

Petitioner

Place: Gangtok, Sikkim

Dated: November, 2015

Table of Contents

1. INTRODUCTION	1
1.1 Historical Perspective	1
1.2 SSERC Formation	1
1.3 Filing of ARR and Tariff Petition for the FY 2016-17	2
2. OVERALL APPROACH FOR PRESENT FILING	2
2.1 Provisional True-up of FY 2014-15, Review of FY 2015-16 & Annual Revenue Requirement and Tariff Petition for FY 2016-17	2
2.2 Approach for the Filing	2
3. COMPLIANCE OF DIRECTIVES.....	3
4 PROVISIONAL TRUE-UP FOR FY 2014-15.....	5
4.1. Background	5
4.2. Energy Sales	5
4.3. Transmission and Distribution Losses	5
4.4. E&PDS Own Generation	6
4.5. Power Purchase.....	6
4.6. Energy Balance	6
4.7. Fuel Cost	7
4.8. Power Purchase Cost	7
4.9. Employee Cost.....	8
4.10. Repair & Maintenance Expenses	8
4.11. Administrative & General Expenses	8
4.12. Depreciation	9
4.13. Interest & Finance Charges	9
4.14. Other Income.....	9
4.15. Return on Equity	10
4.16. Revenue from sale of power	10
4.17. True-up of ARR for FY 2014-15.....	11
SECTION – II	12
5. Review for FY 2015-16.....	13

5.1.	Background	13
5.2.	Energy Sales	14
5.3.	Transmission and Distribution Losses	14
5.4.	E&PDS Own Generation	15
5.5.	Power Purchase.....	15
5.6.	Energy Balance	16
5.7.	Fuel Cost	16
5.8.	Power Purchase Cost	17
5.9.	Employee Cost.....	17
5.10.	Repair & Maintenance Expenses	17
5.11.	Administrative & General Expenses	18
5.12.	Depreciation	18
5.13.	Interest & Finance Charges	18
5.14.	Other Income.....	19
5.15.	Return on Equity	19
5.16.	Revenue from Sale of Power	19
5.17.	Review of ARR for FY 2015-16	20
	<i>SECTION –III.....</i>	<i>21</i>
6.	ANNUAL REVENUE REQUIREMENT FOR FY 2016-17.....	22
6.1.	Energy Requirement.....	22
6.1.1	Approach for Sales Projection.....	22
6.1.2	Category wise Sales Forecast	23
6.1.3	Billed Demand & Number of Consumers	24
6.1.4	Distribution Losses.....	24
6.1.5	Energy Requirement & Sources of Power Purchase	24
6.2.	Capital Expenditure & Capitalisation	26
6.2.1	Capital Expenditure & Capitalisation of Assets	26
6.3.	Annual Revenue Requirement for E&PDS	27
6.3.1	Power Purchase.....	27
6.3.1.1	Source of Power	27

6.3.2	Assumption for Power Purchase Projection	28
6.3.3	Power purchase from CGS Stations	28
6.3.4	External Power Purchase/ Other Sources	29
6.3.5	Transmission and Other Charges	30
6.4.	Operation & Maintenance Expenses.....	30
6.4.1	Employee Cost.....	30
6.4.2	Administrative & General Expenses	32
6.4.3	Repair and Maintenance Expenses	32
6.5.	Gross Fixed Assets	33
6.6.	Depreciation	34
6.7.	Capital Based Return	34
6.8.	Return on Equity	35
6.9.	6.9.1 Interest & Finance Charges	35
6.9.2	Interest on Working Capital	36
6.10.	Provision for Bad and Doubtful Debts	36
6.11.	Non-Tariff Income	36
6.12.	Annual Revenue Requirement.....	37
6.13.	Average Cost to Supply	37
6.14.	Revenue at Existing Tariff and Gap for FY 2016-17	38
7.	TARIFF PROPOSAL FOR FY 2016-17	39
7.1	Recovery of Revenue Gap for FY 2016-17	39
7.2	Proposed Tariff in FY 2016-17.....	39
7.2.1	Tariff Proposal for FY 2016-17	39
7.3	Revenue at Proposed Tariff in FY 2016-17	40
7.3.1	Impact of Tariff on Consumers.....	41
8.	TARIFF SCHEDULE – FY 2016-17	42

LIST OF TABLES

Table 4.1: Energy Sales FY 2014-15	5
Table 4.2: T&D Loss for FY 2014-15	6
Table 4.3: E&PDS Own Generation FY 2014-15	6
Table 4.4: Power Purchase Units FY 2014-15.....	6
Table 4.5: Energy Balance FY 2014-15	7
Table 4.6: Fuel Cost FY 2014-15	7
Table 4.7: Power Purchase Cost FY 2014-15	8
Table 4.8: Employee Cost FY 2014-15	8
Table 4.9: Repair & Maintenance Cost FY 2014-15	8
Table 4.10: Admin. & General Expenses FY 2014-15	9
Table 4.11: Depreciation FY 2014-15	9
Table 4.12: Interest & Finance Charges FY 2014-15	9
Table 4.13: Other Income FY 2014-15.....	10
Table 4.14: Return on Equity FY 2014-15	10
Table 4.15: Revenue from Sales FY 2014-15.....	10
Table 4.16: True up of ARR FY 2014-15.....	11
Table: 5.1: Energy Sales FY 2015-16.....	14
Table: 5.2: T&D Loss FY 2015-16.....	14
Table: 5.3: E&PDS Own Generation FY 2015-16	15
Table: 5.4: Power Purchase Units FY 2015-16	15
Table: 5.5: Energy Balance for FY 2015-16.....	16
Table: 5.6: Fuel Cost FY 2015-16	16
Table: 5.7: Power Purchase Cost FY 2015-16.....	17
Table: 5.8: Employee Cost FY 2015-16	17
Table: 5.9: Repair & Maintenance Cost FY 2015-16.....	17
Table: 5.10: Administrative & General Expense FY 2015-16	18
Table: 5.11: Depreciation FY 2015-16	18
Table: 5.12: Interest & Finance Charges FY 2015-16.....	18
Table: 5.13: Other Income FY 2015-16.....	19
Table: 5.14: Return on Equity FY 2015-16	19
Table: 5.15: Revenue from Sales FY 2015-16.....	19
Table: 5.16: Review of ARR FY 2015-16.....	20
Table 6.1: Projected Energy Sales – FY 2016-17	23
Table 6.2: No. of Consumers – FY 2016-17.....	24
Table 6.3: Energy Requirement – FY 2016-17.....	25
Table 6.4: Details of Power Procurement Sources – FY 2016-17.....	26
Table 6.5: Summary of Proposed Capital Expenditure & Capitalisation FY 2016-17.....	27
Table 6.6: Power Allocation	28
Table 6.7: Summary of E&PDS Power Purchase Expenses for FY 2016-17.....	29
Table 6.8: Operation & Maintenance Expenses for FY 2016-17	30
Table 6.9: Employee Cost for FY 2016-17.....	31
Table 6.10: Administrative & General Expenses for FY 2016-17	32
Table 6.11: Repair & Maintenance Expenses for FY 2016-17.....	33
Table 6.12: Gross Fixed Assets Movement	33
Table 6.13: Depreciation for FY 2016-17.....	34
Table 6.14: Capital Base and Return	34
Table 6.15: Return on Equity for FY 2016-17	35
Table 6.16: Interest & Finance Charges for FY 2016-17	35
Table 6.17: Information regarding Working Capital for the current and ensuing year	36
Table 6.18: Annual Revenue Requirement for the Year 2016-17	37

Table 6.19: Revenue at Existing Tariff – FY 2016-17	38
Table 6.20: Revenue GAP at Existing Tariffs – FY 2016-17.....	38
Table 7.1: Energy Charge – Existing V/s Proposed Tariff	40
Table 7.2: Comparison of Revenue from Existing Tariff with Proposed Tariff.....	41
Table 7.3: Impact of Tariff Hike FY 2016-17	41

LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administration & General
ARR	Annual Revenue Requirement
ATE	Appellate Tribunal For Electricity
CAGR	Compound Annual Growth Rate
CD	Contract Demand
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CoS	Cost of Supply
CPSU	Central Power Sector Undertakings
Crs	Crore
D/E	Debt Equity
E&PDS	Energy & Power Department, Govt. of Sikkim
EHT	Extra High Tension
ER	Eastern Region
FAC	Fuel Adjustment Costs
FDR	Fixed Deposits Receipts
FSTPS	Farakka Super Thermal Power Station
FY	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HT	High Tension
SSERC	Sikkim State Electricity Regulatory Commission
KhSTPS	Kahalgaon Thermal Power Station
KV	Kilovolt
KVA	Kilo volt Amps
kWh	kilo Watt hour
L.T.M.D.	Low Tension Maximum Demand
LNG	Liquefied Natural Gas
LT	Low Tension
LTC	Leave Travel Concession
MU	Million Units
MVA	Million volt Amps
MW	Mega Watt

Abbreviation	Description
NHPC	National Hydroelectric Power Corporation Ltd.
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PLR	Prime Lending Rate
PTC	Power Trading Corporation of India Ltd.
R&M	Repairs and Maintenance
RoR	Rate of Return
Rs.	Rupees
S/s	Sub Station
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SPV	Special Purpose Vehicle
T&D	Transmission & Distribution
TSTPS	Talcher Super Thermal Power Station
UI	Unscheduled Interchange
WBSEDCL	West Bengal State Electricity Distribution Company Ltd.



1. INTRODUCTION

1.1 Historical Perspective

The Energy and Power Department, Sikkim (E&PDS) is responsible for power supply in the state of Sikkim. E&PDS has generation capacity of 41.59 MW, comprising of 36.6 MW & 4.992 MW of Hydro & Diesel generation respectively. The power requirements for E&PDS are met through its share from Sikkim Power Development Corporation (SPDC) and Central Sector Power Generation Stations apart from its own generation.

The State of Sikkim is located 114 kms from Siliguri. With a total area of 7096 sq. kms, the State has a population of around 6.08 Lakhs as per 2011 census, spread over towns and villages.

The present demand for Sikkim is being met by power from various central generating stations (CGS), and various Hydro Electric & Diesel generating Projects. E&PDS has projected consumers with an annual energy consumption of about 312.15 MUs for the FY 2016-17. These consumers can be broadly classified into following four categories:

Category	%
Domestic	87.70
Commercial	9.96
Industrial both HT & LT	0.85
Bulk	1.45

1.2 SSERC Formation

In exercise of the powers conferred by the Electricity Act 2003 the Government of Sikkim constituted an Electricity Regulatory Commission to be known as “Sikkim State Electricity Regulatory Commission” (SSERC) as notified on 15-11-2003.

The Hon’ble Commission is a one-member body designated to function as an autonomous authority responsible for regulation of the power sector in the State of Sikkim. The powers and the functions’ of the Hon’ble Commission are as prescribed in the Electricity Act 2003. The Head Office of the Commission presently is located at Gangtok, Sikkim.

The Sikkim State Electricity Regulatory Commission started to function with effect from 11-04-2011 with the objectives and purposes for which the Commission has been established. Presently the Hon’ble Commission is framing various regulations as mandated in the Electricity Act 2003 to facilitate its functioning.



1.3 Filing of ARR and Tariff Petition for the FY 2016-17

Under the provisions of Electricity Act, 2003, Licensee is required to submit its application for True-up, Review & ARR and Tariff Petitions as per procedures outlined in section 61, 62 and 64 of EA 2003, and the governing regulations of SSERC thereof.

E&PDS has adopted the principles of Terms and Conditions for Determination for Tariff Regulations, 2012 notified by the Sikkim State Electricity Regulatory Commission.

Accordingly, E&PDS in the present petition is filing to the Hon'ble Commission for allowing the provisional True-up of expenses for the FY 2014-15 and revised estimates for the FY 2015-16 and approval of the Annual Revenue Requirement (ARR) and Determination of Tariff for the FY 2016-17 as the Distribution Licensee as per the Electricity Act, 2003 and Terms and Conditions for Determination for Tariff Regulations, 2012 notified by the Sikkim State Electricity Regulatory Commission.

Further the actual performance for FY 2015-16 and estimated performance FY 2015-16 has been considered as base for computation of ARR for FY 2016-17.

2. OVERALL APPROACH FOR PRESENT FILING

2.1 Provisional True-up of FY 2014-15, Review of FY 2015-16 & Annual Revenue Requirement and Tariff Petition for FY 2016-17

E&PDS is filing the petition for provisional True-up of FY 2014-15, Review of FY 2015-16 and determination of Annual Revenue Requirement and Tariff Petition for the FY 2016-17 based on the past performance and expected changes in each element of cost and revenue for the ensuing year. E&PDS has studied the past trends and taken cognizance of other internal and external developments to estimate the likely performance for FY 2016-17.

2.2 Approach for the Filing

The present filing for provisional True-up of FY 2014-15, Review of FY 2015-16 and Annual Revenue Requirement and Tariff Petition for the FY 2016-17 is based on the principles enumerated by the Sikkim State Electricity Regulatory Commission (SSERC) in the terms and conditions for determining of Tariff Regulations, notified by the SSERC. The subsequent sections provide actual and revised details for FY 2014-15 and FY 2015-16 respectively and projection for various expenses, the proposed investment plan for the year and the expected revenue projections with existing tariff for FY 2016-17 based on various tariff notifications in force in the area of supply of E&PDS.

Projections of various cost components required for determination of Aggregate Revenue Requirement for FY 2016-17 along with the rationale for estimation of such cost. Further, the philosophy adopted by E&PDS for projecting sales, number of consumers and power purchase



cost for FY 2016-17 has been covered in the subsequent section.

For the purpose of projecting the financial & technical parameters for FY 2016-17, E&PDS has considered its actual performance during FY 2014-15 and estimated performance during FY 2015-16 as base and has projected the figures for FY 2016-17 with supporting rationales.

3. COMPLIANCE OF DIRECTIVES

The compliance to the directives issued by the Hon'ble SSERC has been attached vide Annexure – A.



SECTION – I

Provisional True Up for the FY 2014-15



4 Provisional True-up FOR FY 2014-15

4.1. Background

4.1.1. Tariff Order for the FY 2014-15 was issued vide order Dt. 15/04/2014

4.1.2. E&PDS submits that the Annual Accounts for the FY 2014-15 is under compilation and same shall be submitted subsequently. E&PDS requests the Hon'ble Commission to carry out the provisional true-up of expenses submitted in the petition and further submitted that a final true-up may be carried out after Annual Accounts for the year are finalized and got audited.

4.1.3. E&PDS requests the Hon'ble Commission to allow the provisional true-up of the year 2014-15 as there are significant variations in various items of ARR for the year 2014-15 as against those approved in the Tariff Order of 2014-15.

Data given in this chapter is for the entire year i.e. FY 2014-15.

4.2. Energy Sales

The actual sales for the FY 2014-15 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY2014-15 is as summarized below:

Table 4.1: Energy Sales FY 2014-15

(In MUs)

Category	As approved by Commission	Provisional As per Accounts	Deviation
Domestic	84.00	78.93	-5.07
Commercial	46.00	35.33	-10.67
Public Lighting	1.00	0.29	-0.71
Temporary Supply	1.00	1.36	0.36
HT Industrial Consumers	111.00	110.49	-0.51
LT Industrial Consumers	2.00	1.37	-0.63
Bulk Supply	19.00	20.98	1.98
Outside state	388.73	463.29	74.56
Total	652.73	712.04	59.31

4.3. Transmission and Distribution Losses

The provisional values of the transmission and distribution losses for FY 2014-15 arrived at in accordance with the actual Energy Sales, Energy Purchase.



Table 4.2: T&D Loss for FY 2014-15

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Transmission & Distribution Loss	36.00%	36.01%	0.01%
	Total	36.00%	36.01%	0.01%

4.4. E&PDS Own Generation

- 4.4.1. The own generation approved for FY 2014-15 and actual value of own generation made by the E&PDS for FY 2014-15 is given in the table below:

Table 4.3: E&PDS Own Generation FY 2014-15

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Total Generation	10.05	6.80	-3.25
	Total	10.05	6.80	-3.25

4.5. Power Purchase

- 4.5.1. The power purchase approved for FY 2014-15 and pre-actual value of power purchase made by the E&PDS for FY 2014-15 is in the table provided below:

Table 4.4: Power Purchase Units FY 2014-15

In (MUs)

Sl. No.	Particulars	Units As approved by Commission	Unit Provisional As per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Units	809.82	851.48	41.66
	Total	809.82	851.48	41.66

4.6. Energy Balance

The actual energy balance for FY 2014-15 and the approvals accorded are compared in the table provided below:



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Table 4.5: Energy Balance FY 2014-15

Energy Balance	As Approved by Commission	Provisional As per Accounts	Deviation
	MU's		
ENERGY REQUIREMENT			
Energy Sales within State	264.00	248.75	-15.25
Sales Outside State (UI)	388.73	463.29	74.56
Total Energy Sales	652.73	712.04	59.31
Overall T & D Losses %	36.00	36.01	0.01
Overall T & D Losses (MUs)	148.50	140.00	-8.50
Total Energy Requirement	801.23	852.04	50.81
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	809.81	851.48	41.67
Less: Overall Pool Loss	18.63	6.24	-12.39
Generation	10.05	6.80	-3.25
Total Energy Availability	801.23	852.04	50.81
ENERGY SURPLUS/(GAP)	0.00	0.00	0.00

4.7. Fuel Cost

- 4.7.1.** The values of fuel cost for the FY 2014-15 are compared with those approved by the Hon'ble Commission in the tariff order for FY 2014-15.

Table 4.6: Fuel Cost FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.35	0.17	-0.18
	Total	0.350	0.167	-0.183

4.8. Power Purchase Cost

- 4.8.1.** The Commission in the tariff order for FY 2014-15 had approved a power purchase quantum of 809.82 MUs at a total cost of Rs 173.70 Crores. It is submitted that the E&PDS has made a gross purchase of 851.48 MUs, at a cost of Rs. 161.99 Crores including transmission charges.



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Table 4.7: Power Purchase Cost FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	Cost As approved by Commission	Cost Provisional As per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	173.70	161.99	-11.71
	Total	173.70	161.99	-11.71

4.9. Employee Cost

- 4.9.1.** The employee cost approved for FY 2014-15 and pre-actual value of employee cost made by the E&PDS for FY 2014-15 is provided in the table below:

Table 4.8: Employee Cost FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	47.89	74.98	27.09
	Total	47.89	74.98	27.09

4.10. Repair & Maintenance Expenses

- 4.10.1.** The repair & maintenance cost as approved for FY 2014-15 and actual value of repair & maintenance expense made by the E&PDS for FY 2014-15 is given in the table below:

Table 4.9: Repair & Maintenance Cost FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	34.98	24.66	-10.32
	Total	34.98	24.66	-10.32

4.11. Administrative & General Expenses

- 4.11.1.** The Administration & General expenses approved for FY 2014-15 and actual value of Administration & General expenses made by the E&PDS for FY 2014-15 in listed in the table below:



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Table 4.10: Admin. & General Expenses FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Administration & General Expense	3.10	2.12	-0.98
	Total	3.10	2.12	-0.98

4.12. Depreciation

- 4.12.1.** The depreciation approved for FY 2014-15 and pre-actual value of depreciation for FY 2014-15 is provided in the table below:

Table 4.11: Depreciation FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Depreciation	14.00	24.18	10.18
	Total	14.00	24.18	10.18

4.13. Interest & Finance Charges

- 4.13.1.** The interest & finance charges approved for FY 2014-15 and actual value of interest & finance charges incurred by the E&PDS for FY 2014-15 is in the table provided below:

Table 4.12: Interest & Finance Charges FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Interest & Finance Charges	0.00	87.63	87.63
	Total	0.00	87.63	87.63

4.14. Other Income

- 4.14.1.** The other income approved for FY 2014-15 and actual value of other income made by the E&PDS for FY 2014-15 is in the table provided below:



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Table 4.13: Other Income FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Non Tariff Income	2.40	0.90	-1.50
	Total	2.40	0.90	-1.50

4.15. Return on Equity

- 4.15.1.** The return on equity approved for FY 2014-15 and actual value of return on equity for E&PDS for FY 2014-15 is in the table provided below:

Table 4.14: Return on Equity FY 2014-15

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Return on Equity	0.00	37.45	37.45
	Total	0.00	37.45	37.45

4.16. Revenue from sale of power

- 4.16.1.** The revenue from sale of power approved for FY 2014-15 and actual value of revenue from sale of power generated by the E&PDS for FY 2014-15 in the table provided below:

Table 4.15: Revenue from Sales FY 2014-15

(In Rs. Crs.)

Category	As approved by Commission	Provisional As per Accounts	Deviation
Domestic	17.89	19.7	1.82
Commercial	21.57	16.92	-4.65
Public Lighting	0.42	0.12	-0.30
Temporary Supply	0.80	0.94	0.14
HT Industrial Consumers	59.72	67.06	7.34
LT Industrial Consumers	0.77	0.81	0.04
Bulk Supply	10.53	11.91	1.38
Outside state	112.73	135.21	22.48
Total	224.43	252.68	28.25



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

4.17. True-up of ARR for FY 2014-15

4.17.1. The Annual Revenue Requirement approved for FY 2014-15 and actual value of Annual Revenue Requirement for FY 2014-15 is provided in the table sbelow:

Table 4.16: True up of ARR FY 2014-15

(In Rs. Crs.)

Sl. No.	Item of Expense	As Approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.35	0.17	-0.18
2	Cost of Power Purchase	173.7	161.99	-11.71
3	Employee Costs	47.89	74.98	27.09
4	R&M Expenses	34.98	24.66	-10.32
5	Administration and General Expenses	3.1	2.12	-0.98
6	Depreciation	14	24.18	10.18
7	Interest charges	0	87.63	87.63
8	Interest on Working Capital	3.73	4.14	0.41
9	Return on NFA /Equity	0	37.45	37.45
10	Provision for Bad Debts	0	0.00	0.00
11	Total Revenue Requirement	277.75	417.31	139.56
12	Less: Non Tariff Income	2.4	0.90	-1.50
13	Net Revenue Requirement	275.35	416.41	141.06
14	Revenue from Tariff	111.7	117.48	5.78
15	Revenue from Outside State Sale	112.73	135.21	22.48
16	Gap (13 - 14- 15)	50.92	163.72	112.80



SECTION – II

Review for the FY 2015-16



5. Review for FY 2015-16

5.1. Background

5.1.1. Tariff Order for the FY 2015-16 was issued vide order Dt. 31/03/2015

5.1.2. Regulation 14(1) of the Sikkim State Electricity Regulatory Commission (Terms & Conditions for determination of Tariff) Regulations, 2012 provides as follows:

(1) The Commission shall undertake a 'Review' of the expenses and revenues approved by the Commission in the Tariff Order. While doing so, the Commission shall consider variation between approvals and revised estimates/pre-actuals of sale of electricity, income and expenditure for the relevant year and permit necessary adjustments/changes in case such variations are for adequate and justifiable reasons. Such an exercise shall be called 'Review'.

5.1.3. E&PDS represents its submissions for the purpose of review for the financial year 2015-16 as per the provisional figures for the year. E&PDS submits that the review petition is based on actual figures upto September, 2015 and estimated figures for the period October'2015 to March'2016. E&PDS shall submit for true-up after the actual figures are available and Annual accounts for the FY 2015-16 is finalized and got audited.

5.1.4. E&PDS therefore requests the Hon'ble Commission to consider the information submitted in this petition and in the formats and allow review of expenses as prayed in this petition.

5.1.5. Data given in this chapter is for the entire year i.e. FY 2015-16.



5.2. Energy Sales

The actual sales for the FY 2015-16 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY 2015-16 is as summarized below:

Table: 5.1: Energy Sales FY 2015-16

(In MUs)

Category	As approved by Commission	Provisional As per Accounts	Deviation
Domestic	94.95	87.92	-7.03
Commercial	40.28	38.86	-1.42
Public Lighting	0.38	0.32	-0.06
Temporary Supply	1.73	1.40	-0.33
HT Industrial Consumers	108.76	132.60	23.84
LT Industrial Consumers	1.24	1.44	0.20
Bulk Supply	21.19	22.39	1.20
Outside state	430.89	438.57	7.68
Total	699.42	723.49	24.07

5.3. Transmission and Distribution Losses

The provisional values of the transmission and distribution losses for FY 2015-16 arrived at in accordance with the actual Energy Sales, Energy Purchase

Table: 5.2: T&D Loss FY 2015-16

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Transmission & Distribution Loss	34.00%	31.50%	-2.50%
	Total	34%	32%	-2%



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

5.4. E&PDS Own Generation

- 5.4.1.** The own generation approved for FY 2015-16 and actual value of own generation made by the E&PDS for FY 2015-16 is in the table provided below:

Table: 5.3: E&PDS Own Generation FY 2015-16

(In MUs)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Total Generation	10.05	8.00	-2.05
	Total	10.05	8.00	-2.05

5.5. Power Purchase

- 5.5.1.** The power purchase approved for FY 2015-16 and pre-actual value of power purchase made by the E&PDS for FY 2015-16 in the table provided below:

5.5.2.

Table: 5.4: Power Purchase Units FY 2015-16

(In MUs)

Sl. No.	Particulars	Units As approved by Commission	Unit Provisional As per Accounts	Deviation
1	2	4	6	5
1	Power Purchase Units	809.81	851.48	41.67
	Total	809.81	851.48	41.67



5.6. Energy Balance

The actual energy balance for FY 2015-16 and the approvals accorded are compared in the table provided below:

Table: 5.5: Energy Balance for FY 2015-16

Energy Balance	As Approved by Commission	Provisional As per Accounts	Deviation
	(MU's)		
ENERGY REQUIREMENT			
Energy Sales within State	268.53	284.93	16.40
Sales Outside State (UI)	430.89	438.57	7.68
Total Energy Sales	699.42	723.49	24.07
Overall T & D Losses %	34.00	31.50	-2.50
Overall T & D Losses (MUs)	148.5	131.03	-17.47
Total Energy Requirement	847.92	854.53	6.61
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	809.81	851.48	41.67
Less: Overall Pool Loss	18.63	4.95	-13.68
Generation	10.05	8.00	-2.05
Total Energy Availability	801.23	854.53	53.30
ENERGY SURPLUS/(GAP)	46.69	0.00	-46.69

5.7. Fuel Cost

5.7.1. The values of fuel cost for the FY 2015-16 are compared with those approved by the Hon'ble Commission in the tariff order for FY 2015-16.

Table: 5.6: Fuel Cost FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.37	0.15	-0.22
	Total	0.37	0.15	-0.22



5.8. Power Purchase Cost

- 5.8.1.** The Commission in the tariff order for FY 2015-16 had approved a power purchase quantum of 809.81 MUs at a total cost of Rs 208.18 Crores. It is submitted that the E&PDS has made a gross purchase of MUs, 851.48 at a cost of Rs. 161.99 Crores including transmission charges.

Table: 5.7: Power Purchase Cost FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	Cost As approved by Commission	Cost Provisional As per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	208.18	161.99	-46.19
	Total	208.18	161.99	-46.19

5.9. Employee Cost

- 5.9.1.** The employee cost approved for FY 2015-16 and pre-actual value employee cost made by the E&PDS for FY 2015-16 in the table provided below:

Table: 5.8: Employee Cost FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	53.38	96.86	43.48
	Total	53.38	96.86	43.48

5.10. Repair & Maintenance Expenses

- 5.10.1.** The repair & maintenance approved for FY 2014-15 and actual value of repair & maintenance made by the E&PDS for FY 2015-16 in the table provided below:

Table: 5.9: Repair & Maintenance Cost FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	34.96	24.05	-10.91
	Total	34.96	24.05	-10.91



5.11. Administrative & General Expenses

- 5.11.1. The Administration & General approved for FY 2015-16 and actual value Administration & General made by the E&PDS for FY 2015-16 is provided in the table below:

Table: 5.10: Administrative & General Expense FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Administrative & General Expense	2.58	2.37	-0.21
	Total	2.58	2.37	-0.21

5.12. Depreciation

- 5.12.1. The depreciation approved for FY 2015-16 and pre-actual value of depreciation for FY 2015-16 in the table provided below:

Table: 5.11: Depreciation FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Depreciation	17.15	26.38	9.23
	Total	17.15	26.38	9.23

5.13. Interest & Finance Charges

- 5.13.1. The interest & finance charges approved for FY 2015-16 and actual value of interest & finance charges made by the E&PDS for FY 2015-16 is stated in the table below:

Table: 5.12: Interest & Finance Charges FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Interest & Finance Charges	0	86.70	86.70
	Total	0.00	86.70	86.70



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

5.14. Other Income

- 5.14.1.** The other income approved for FY 2015-16 and actual value of other income made by the E&PDS for FY 2015-16 is given in the table below:

Table: 5.13: Other Income FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Non Tariff Income	2.40	0.92	-1.48
	Total	2.40	0.92	-1.48

5.15. Return on Equity

- 5.15.1.** The return on equity approved for FY 2015-16 and actual value of return on equity for the E&PDS for FY 2015-16 in the table provided below:

Table: 5.14: Return on Equity FY 2015-16

(In Rs. Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Return on Equity	0.00	40.63	40.63
	Total	0.00	40.63	40.63

5.16. Revenue from Sale of Power

- 5.16.1.** The revenue from sale of power approved for FY 2015-16 and actual value of revenue from sale of power generated by the E&PDS for FY 2015-16 in the table provided below:

Table: 5.15: Revenue from Sales FY 2015-16

(In Rs. Crs.)

Category	As approved by Commission	Provisional As per Accounts	Deviation
Domestic	20.70	21.67	0.97
Commercial	19.70	18.61	-1.09
Public Lighting	0.16	0.13	-0.03
Temporary Supply	1.38	1.00	-0.38
HT Industrial Consumers	60.87	79.21	18.34
LT Industrial Consumers	0.55	1.16	0.61
Bulk Supply	11.74	12.43	0.69
Outside state	125.05	132.29	7.24
Total	240.15	266.50	26.35



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

5.17. Review of ARR for FY 2015-16

5.17.1. The Annual Revenue Requirement approved for FY 2015-16 and actual value of Annual Revenue Requirement for FY 2015-16 in the table provided below:

Table: 5.16: Review of ARR FY 2015-16

(In Rs. Crs.)

Sl. No.	Item of Expense	As Approved by Commission	Provisional As per Accounts	Deviation
1	2		3	4
1	Cost of Fuel	0.37	0.15	-0.22
2	Cost of Power Purchase	208.18	161.99	-46.19
3	Employee Costs	53.38	96.86	43.48
4	R&M Expenses	34.96	24.05	-10.91
5	Administration and General Expenses	2.58	2.37	-0.21
6	Depreciation	17.15	26.38	9.23
7	Interest charges	0.00	86.70	86.70
8	Interest on Working Capital	3.79	4.81	1.02
9	Return on NFA /Equity	0.00	40.63	40.63
10	Income Tax	0.00	0.00	0.00
11	Total Revenue Requirement	320.41	443.95	123.54
12	Less: Non Tariff Income	2.40	0.92	-1.48
13	Net Revenue Requirement	318.01	443.03	125.02
14	Revenue from Tariff	115.05	134.21	19.16
15	Revenue from Outside State Sale	125.05	132.29	7.24
16	Gap (13 - 14- 15)	77.91	176.53	98.62



SECTION –III

Annual Revenue Requirement & Tariff Proposal for the FY 2016-17



6. ANNUAL REVENUE REQUIREMENT FOR FY 2016-17

This section outlines the Annual Revenue Requirement of the E&PDS for FY 2016-17, which takes into consideration:

- i. Actual Performance in FY 2014-15;
- ii. Estimated Performance in FY 2015-16;
- iii. Projection for FY 2016-17 based on the Actual performance in FY 2014-15 & Estimated performance of 2015-16;
- iv. Principles outlined in Tariff Regulations of SSERC;

Past trends have been taken into cognizance in case of certain elements as deemed necessary. The present section has been structured in the following manner:

- Determination of Energy Requirement
 - Sales Projections
 - Loss Trajectory
 - Energy Balance
- Proposed Capital Expenditure and capitalization
 - Scheme wise detail
 - Capital Expenditure
 - Asset Capitalisation
- Determination of the Annual Revenue Requirement
 - Power Purchase Costs
 - Transmission Charges
 - Operation and Maintenance Expenses
 - Administration & General expenses
 - Depreciation
 - Interest charges (including interest on working capital)
 - Return on NFA/Equity
 - Provision for Bad and Doubtful Debts
 - Return on Equity

6.1. Energy Requirement

The energy requirement of the license area is determined based on the expected sales in the area during the period under consideration and the expected transmission & distribution losses in the network. Accordingly, the energy requirement projected by the E&PDS for the FY 2016-17 is as given in the succeeding paragraphs.

6.1.1 Approach for Sales Projection

The consumer base of E&PDS consists of Domestic consumers, Commercial Consumers, Bulk & Industry. Sales mix is primarily dominated by Domestic & Industrial consumers, followed by Commercial consumers. The total consumption w.r.t total sales for Domestic, Industrial &



Petition for Approval of Annual Revenue Requirement & Tariff Proposal for FY 2016-17

Commercial consumers may be summarized as:

Category	%
Domestic	30.99
Commercial	13.70
Industrial both HT & LT	47.21
Bulk	7.53

Rest is contributed by other categories of consumers. Thus, the sales forecast would mainly depend on the sales expected in these consumer categories.

The sales forecast is based on the trends observed in the sales pattern of various categories over the past years, new developments on account of Government Policies, Socio economic changes, industrial growth, etc. that would affect consumption across various categories of consumers. In addition to this, the growth trend in number of consumers and connected load have been taken as guiding factors in arriving at the requirement of demand and energy.

It is submitted that sales forecast using the CAGR as the basis for projections is a tried and tested method and is used extensively across states and accepted by the Regulators. However, the CAGR considering the sales for last 5 years presented an abnormal trend and hence normalisation has been undertaken for such categories for forecasting sales for FY 2016-17.

6.1.2 Category wise Sales Forecast

Based on the methodology outlined above, the projected energy sales to various categories of consumers for FY 2016-17 are given below:

Table 6.1: Projected Energy Sales – FY 2016-17

(In MU)

Category	2011-12 (Act)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
Domestic	82.77	78.98	83.98	78.93	87.92	96.72
Commercial	29.72	38.26	35.43	35.33	38.86	42.75
Public Lighting	2.30	0.43	0.35	0.29	0.32	0.35
Temporary Supply	0.30	0.09	1.61	1.36	1.40	1.45
HT Industrial Consumers	71.63	91.76	97.11	110.49	132.60	145.86
LT Industrial Consumers	8.63	1.15	1.15	1.37	1.44	1.51
Bulk Supply	13.21	16.23	17.74	20.98	22.39	23.51
Total	208.56	226.90	237.37	248.75	284.93	312.15



6.1.3 Billed Demand & Number of Consumers

The actual number of consumers for the FY 2013-14 and FY 2014-15 & estimated number for the FY 2015-16 & projected numbers FY 2016-17 are tabulated below:

Table 6.2: No. of Consumers – FY 2016-17

Category	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
Domestic	83854	87681	93572	95443
Commercial	10277	10449	10627	10840
Public Lighting	-	33	39	40
Temporary Supply	-	-	-	-
HT Industrial Consumers	358	388	410	417
LT Industrial Consumers	450	456	498	508
Bulk Supply	1045	1269	1545	1578
Total	95984	100276	106691	108826

6.1.4 Distribution Losses

E&PDS has achieved a reduction in distribution losses during recent years. E&PDS submits that the system improvement works executed every year under the plan schemes have contributed to the reduction of distribution losses. However, it may also be noted that reduction of distribution losses has been low as very high proportion of consumption is in the domestic segment with low individual consumption and spread over wide geographical area. The distribution losses in the E&PDS distribution network have been in the range of approximately 35 to 30% in the past. For the purpose of FY 2016-17 ARR, the losses have been retained at 27.41%.

6.1.5 Energy Requirement & Sources of Power Purchase

Accordingly, the energy requirement for E&PDS is estimated based on the retail sales projections, grossed up by estimated loss levels.

Further, to estimate the energy requirement, the PGCIL losses based on the average of losses observed in the year 2014-15 have been considered. Accordingly the energy balance expected for the FY 2016-17 is as given below:



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Table 6.3: Energy Requirement – FY 2016-17

Energy Balance	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
	MU's		
ENERGY REQUIREMENT			
Energy Sales within State	248.75	284.93	312.15
Sales Outside State	463.29	438.57	426.37
Total Energy Sales	712.04	723.49	738.51
Overall T & D Losses %	36.01	31.50	27.41
Overall T & D Losses (MUs)	140.00	131.03	117.84
Total Energy Requirement	852.04	854.53	856.35
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	851.48	851.48	851.48
Less: Overall Pool Loss	6.24	4.95	5.12
Generation	6.80	8.00	10.00
Total Energy Availability	852.04	854.53	856.35
ENERGY SURPLUS/(GAP)	0.00	0.00	0.00

The energy requirement of E&PDS is mainly met from the allocation of power of Central Generating Stations. However, for meeting the requirement at peak demand period, it has to purchase power from other sources/ open market/ power exchanges, etc.



Petition for Approval of Annual Revenue Requirement & Tariff Proposal for FY 2016-17

The expected power procurement sources for FY 2016-17 are provided in the table below

Table 6.4: Details of Power Procurement Sources – FY 2016-17

(In MU)

Sl. No.	Source	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
	Central Sector			
1	FSTPP, NTPC	114.16	114.16	114.16
2	BSTPP, NTPC	10.67	10.67	10.67
3	KHSTPP-I, NTPC	62.60	62.60	62.60
4	KHSTPP-II, NTPC	20.81	20.81	20.81
5	TSTPP, NTPC	157.71	157.71	157.71
6	RANGIT-III, NHPC	3.07	3.07	3.07
7	TEESTA -V, NHPC	32.65	32.65	32.65
	Others			
8	CHUKHA, PTC	42.36	42.36	42.36
9	WBSEDCL	51.20	51.20	51.20
10	SPDC	17.03	17.03	17.03
11	UI /over drawn (net)	1.57	1.57	1.57
12	Free Power	337.65	337.65	337.65
	TOTAL	851.48	851.48	851.48

It is requested to Hon'ble Commission to kindly approve the power purchases as outlined above. The estimated cost for such power purchases has been discussed in section 4.3.4 of the filing.

6.2. Capital Expenditure & Capitalisation

6.2.1 Capital Expenditure & Capitalisation of Assets

The objective of incurring the capital expenditure is to upgrade and strengthen the distribution network to meet the desirable standards of performance and provide better network reliability and sustainable performance to the consumers of E&PDS.

The capital expenditure plan envisaged will also assist in reducing system losses. E&PDS proposes to incur the capital expenditure of Rs. 113.06 Crores for FY 2016-17. Rs. 104.01 Crores are to be capitalized during the FY 2016-17.

The details of the capital expenditure schemes proposed in FY 2016-17 are outlined in Format-15.



Petition for Approval of Annual Revenue Requirement & Tariff Proposal for FY 2016-17

Summary of the proposed capital expenditure and capitalisation is outlined below:

Table 6.5: Summary of Proposed Capital Expenditure & Capitalisation FY 2016-17

(Rs. in Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4	5
1	Opening Balance	65.73	29.80	36.14
2	Add: New Investments	32.66	89.52	113.06
3	Total	98.39	119.32	149.20
4	Less: Investment Capitalized	68.59	83.18	104.01
5	Closing Balance	29.80	36.14	45.19

6.3. Annual Revenue Requirement for E&PDS

Based on the provisions of the Tariff Regulations, the estimate for the Annual Revenue Requirement (ARR) would consist of the following elements:

- Power Purchase Costs
- Transmission Charges
- Operation and Maintenance Expenses
- Administration & General Expenses
- Depreciation
- Return on NFA/Equity
- Interest charges (including interest on working capital)
- Provision for Bad and Doubtful Debts

The above Annual Revenue Requirement is netted off for Non-Tariff Income for determining the net ARR for E&PDS.

6.3.1 Power Purchase

6.3.1.1 Source of Power

E&PDS has fourteen own Hydro & Diesel generating stations with installed capacity of 41.59 MW and therefore meets rest of its energy requirement from its allocation from the Central Generating Stations (CGS) and other sources. E&PDS receives power from CGS like NHPC, NTPC as per allocation from time to time.



The present power allocation of E&PDS is as listed below:

Table 6.6: Power Allocation

Sl. No.	Source	Capacity	Allocation	
		MW	%	MW
	Central Sector			
1	FSTPP, NTPC	1600	1.63%	26.08
2	BSTPP, NTPC	660	1.52%	10 MW
3	KHSTPP-I, NTPC	840	1.55%	13.02
4	KHSTPP-II, NTPC	1500	0.33%	4.95
5	TSTPP, NTPC	1000	2.40%	24.00
6	RANGIT-III, NHPC	60	13.33%	8.00
7	TEESTA -V, NHPC	510	13.19%	67.27
	Others			
8	CHUKHA, PTC	270	2.22%	5.99
9	WBSEDCL	50	20%	10.00
	TOTAL	6490		159.31

6.3.2 Assumption for Power Purchase Projection

The merit order dispatch principles are typically adopted when determining the power purchases from various generating stations. However, in a power deficit scenario, these principles do not play a significant role as the utilities will try and purchase all the power that is available at its disposal. Accordingly, E&PDS has considered purchase of the entire power available from all the possible sources during FY 2016-17 to meet the demand to the extent possible.

Power Purchase cost is a function of the energy requirement and price of available power from the different sources for meeting the energy requirement. The energy requirement of E&PDS for FY 2016-17 is proposed to be met from central generating stations and external power purchase as discussed below.

Power purchase cost for FY 2016-17, is determined on the following parameters:

- The quantum of power allocated to E&PDS from central generating station is based on the declared allocation;
- Power purchases from the CGS stations are accounted at the net energy availability at E&PDS periphery;
- PLF is assumed same as per FY 2014-15;

6.3.3 Power purchase from CGS Stations

E&PDS has projected that the quantum of power purchase from CGS stations will be based on the firm & infirm allocations. The details of the computation of power purchases from CGS stations are provided in Format-D3 & D4 of the formats submitted along with the filing.



6.3.4 External Power Purchase/ Other Sources

Based on the Energy balance and trend of energy requirement during peak demand period it is estimated that in addition to the firm as well as infirm allocation of power from various CGS, there will be shortfall of energy to the tune of 112.16 MU's which is approximately 13.17% of the total projected energy requirement for FY 2016-17. This additional energy requirement has to be met from external power purchase source/other sources like WBSEDCL, PTC, SPDC & UI in order to meet the present demand of the consumers. E&PDS has been continuously experiencing similar shortfall of power in the past which was met through Unscheduled Interchange (UI) as there was no alternate source of power available. In FY 2014-15, E&PDS had procured 1.57 MU's of energy in excess of scheduled energy. This scenario is likely to continue in the period of FY 2016-17 also till E&PDS gets additional allocation from CGS and other sources. For the purpose of estimation of power purchase cost, E&PDS has considered weighted average of the current price for Outside State Purchase, which is based on the current market trend. However, in the current high demand supply gap scenario across the country this weighted average price may further shoot up for FY 2016-17.

Considering the above facts, the Hon'ble Commission is requested to allow the power purchase costs as estimated by E&PDS for FY 2016-17:

Table 6.7: Summary of E&PDS Power Purchase Expenses for FY 2016-17

Sl. No.	Source	Purchase (MU)	Rate (₹/ KWh)	Total Cost in ₹ Crores
1	2	3	4	5
1	NTPC			
A	FSTPP	114.16	4.46	50.96
B	BSTPP	10.67	8.11	8.66
C	KHSTPP-I	62.60	3.90	24.42
D	KHSTPP-II	20.81	4.39	9.14
E	TSTPP	157.71	2.44	38.51
2	NHPC			
A	RANGIT-III	3.07	4.15	1.27
B	TEESTA -V	32.65	2.60	8.47
3	PTC			
	CHUKHA	42.36	1.55	6.56
4	Other sources			
	WBSEDCL	51.20	1.28	6.55
	SPDC	17.03	3.63	6.18
	UI Purchase	1.57	8.37	1.31
5	Total Energy Purchase	513.83		162.05
6	Rebate/Other Charges			0.72
7	Transmission Charges			-0.77
	Net Power Purchase Expenses (Excl. Free Power)	513.83		161.99



Further, it is submitted that any changes in the power purchase expenses during the year may be allowed to be recovered by E&PDS from its consumers through a Fuel and Power Purchase Cost Adjustment Mechanism that may be notified by the Hon'ble Commission. This would ensure that such increased expenses do not affect the financial viability of the department and at the same time do not accumulate for true up at the end of the year as this can have a significant impact on the tariffs in the subsequent years. Such mechanisms are prevailing in the neighboring state of Assam & West Bengal and have been envisaged in the Electricity Act 2003 (Section 62 (4)) also. The relevant section of the Act is reproduced below:

“62. (4) No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified.”

6.3.5 Transmission and Other Charges

The Transmission charges payable to PGCIL are estimated based on the quantum of power proposed for wheeling during the FY 2016-17 & per unit cost actually incurred in FY 2014-15. Accordingly transmission & other charges for the FY 2016-17 has been projected at Rs. 0.72 crores.

6.4. Operation & Maintenance Expenses

Operation & Maintenance Expenses comprises of Employee Cost, Repair & Maintenance Expenses and Administrative & General Expenses. The methodology adopted by the E&PDS for projecting the values of these components for FY 2016-17 has been explained in following section. Table below summarises the Operation & Maintenance Expenses for FY 2016-17.

Table 6.8: Operation & Maintenance Expenses for FY 2016-17
(Rs. in Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	Employee Cost	74.98	96.86	98.70
2	Repair & Maintenance Expenses	24.66	24.05	25.26
3	Administration & General Expenses	2.12	2.37	2.53
4	Total Operation & Maintenance Expenses	101.76	123.28	126.49

6.4.1 Employee Cost

The expense head of employee cost is indication of cost of man power which includes salary and allowance, bonus, LTC & honorarium, leave salary etc. Employee cost for the FY 2015-16 has been estimated based on the actual employee cost for the FY 2014-15 & other factors



Petition for Approval of Annual Revenue Requirement & Tariff Proposal for FY 2016-17

affecting the employee structure & cost of E&PDS. Similarly, Employee cost for the FY 2016-17 has been projected by escalating the employee cost for the FY 2015-16 after considering all the factors.

The Hon'ble Commission may consider the above facts while allowing the employee cost indicated in the table below.

Table 6.9: Employee Cost for FY 2016-17

(In Rs. Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4	5
	SALARIES & ALLOWANCES			
1	Basic Pay	31.84	38.19	39.00
2	Dearness Pay	0.00	0.00	0.00
3	Dearness Allowance	34.08	46.97	47.50
4	House Rent Allowance	4.78	5.73	5.90
5	Fixed Medical Allowance	3.18	3.82	3.85
6	Medical Reimbursement Charges	0.87	1.50	1.65
7	Over Time Payment	0.00	0.00	0.00
8	High Altitude Allowance	0.03	0.15	0.15
a)	Spl. Border Compensatory Allowance	0.00	0.00	0.00
9	Generation incentive	0.00	0.00	0.00
10	Bonus	0.00	0.00	0.00
11	Sub Total	74.78	96.36	98.05
	TERMINAL BENEFITS			
12	Leave Encashment	0.20	0.50	0.65
13	Gratuity	0.00	0.00	0.00
14	Commutation of Pension	0.00	0.00	0.00
15	Workman Compensation	0.00	0.00	0.00
16	Ex- gratia	0.00	0.00	0.00
17	Sub Total	0.20	0.50	0.65
	PENSION PAYMENT			
18	Basic Pension	0.00	0.00	0.00
19	Dearness Pension	0.00	0.00	0.00
20	Dearness Allowance	0.00	0.00	0.00
21	Any other expenses (Medical)	0.00	0.00	0.00
22	Sub Total	0.00	0.00	0.00
23	Total (11+17+22)	74.98	96.86	98.70
24	Amount Capitalised	0.00	0.00	0.00
25	Net amount	74.98	96.86	98.70
26	Add prior period expenses	0.00	0.00	0.00
	Grand Total	74.98	96.86	98.70



6.4.2 Administrative & General Expenses

The Administration & General (A&G) expenses include computerization, communication, Travelling & Conveyance, Rent, Professional and technical fees, etc. Administrative & General expenses for the year 2015-16 has been estimated based on the actual expenses for the FY 2014-15. Table below provides A & G expenses incurred by the E&PDS in FY 2014-15 & estimates of FY 2015-16 along with the projections for FY2016-17.

Table 6.10: Administrative & General Expenses for FY 2016-17
(Rs. in Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	Rent, Rates & Taxes	0.00	0.00	0.00
2	Insurance	0.00	0.00	0.00
3	Telephone, Postage & Telegrams	0.06	0.06	0.06
4	Consultancy Fees	0.00	0.00	0.00
5	Technical Fees	0.00	0.00	0.00
6	Other Professional Charges	0.15	0.15	0.15
7	Conveyance & Travel Expenses	0.21	0.21	0.22
8	Electricity & Water Charges	0.10	0.10	0.10
9	Others	1.60	1.85	2.00
10	Freight	0.00	0.00	0.00
11	Other material related expenses	0.00	0.00	0.00
12	Total Expenses	2.12	2.37	2.53
13	Less Capitalised	0.00	0.00	0.00
14	Net expenses	2.12	2.37	2.53
15	Add Prior period*	0.00	0.00	0.00
	Total Expenses Charged to Revenue	2.12	2.37	2.53

In view of the above submissions, the Hon'ble Commission is requested to allow the above mentioned A & G Expenses.

6.4.3 Repair and Maintenance Expenses

Repair & Maintenance (R & M) expenses include expenses on operation and repairs & maintenance of electrical equipment, distribution system, vehicles, furniture and fixtures, office equipment, buildings, etc. The E&PDS has projected Repair & Maintenance expenses for the FY 2016-17 taking growth based on Actual Expense for the FY 2014-15 & estimated expense for FY 2015-16.

Table below depicts the R&M expenses incurred by the E&PDS in FY 2014-15 & estimated



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

expenses for FY 2015-16 and projected R&M Expenses for FY 2016-17.

Table 6.11: Repair & Maintenance Expenses for FY 2016-17

(Rs. in Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	Plant and Machinery	3.92	4.08	4.09
2	Building	0.82	0.93	0.95
3	Hydraulic works & Civil works	0.00	0.00	0.00
4	Line, Cable & Network	17.95	17.49	18.40
5	Vehicles	0.43	0.43	0.45
6	Furniture & Fixtures	0.17	0.16	0.17
7	Office Equipments	0.00	0.00	0.00
8	Operating Expenses	1.37	0.96	1.20
9	Total	24.66	24.05	25.26
10	Less Capitalized	0.00	0.00	0.00
11	Net Repair & Maintenance Expenses	24.66	24.05	25.26

The Hon'ble Commission is requested to allow the R&M expenses proposed by the E&PDS in the above table to the fullest extent in order to ensure better & timely maintenance of distribution network under the purview of the E&PDS and subsequently, to have better consumer services and higher consumer satisfaction.

6.5. Gross Fixed Assets

Gross Fixed Assets value as on 01.04.2014 has been taken from the Asset register as opening GFA for 2016-17 and thereafter, works capitalized during FY 2016-17 has been added and GFA has been computed for FY 2016-17. The GFA movement is given in the table below:

Table 6.12: Gross Fixed Assets Movement

(Rs. In Crores)

Financial Year	Opening Balance (₹ Crores)	Addition during the year (₹ Crores)	Closing Balance (₹ Crores)
FY 2014-15	857.27	68.59	925.86
FY 2015-16	925.86	83.18	1009.04
FY 2016-17	1009.04	104.01	1113.05



6.6. Depreciation

The E&PDS has applied rate of depreciation as prescribed in the regulations of SSERC for FY 2016-17. The rates have been applied on opening GFA of FY 2016-17 and 50% of capital additions proposed during FY 2016-17. The table below indicates the methodology adopted by the E&PDS for projecting depreciation for FY 2016-17.

Table 6.13: Depreciation for FY 2016-17

(Rs.in Crores)

Sl. No.	Particulars	2016-17 (Projected)
1	Gross Block in Beginning of the year	1009.04
2	Additions during the Year	104.01
3	Cumulative Depreciation at the Beginning of the Year	549.56
4	Average Rate of Depreciation	
5	Depreciation for the Year	31.32
6	Cumulative Depreciation at the End of the Year	580.87
7	Net Block in the Beginning of the Year	459.48
	Net Block in the End of the Year	532.18

6.7. Capital Based Return

On the basis of SSERC Regulation for determination of tariff the capital based return has been computed as outline below.

Table 6.14: Capital Base and Return

(Rs. in Crores)

	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4	5
1	Gross Block at beginning of the year	857.27	925.86	1009.04
2	Less: Accumulated Depreciation	491.86	518.24	549.56
3	Net Block at beginning of the year	365.41	407.62	459.48
4	Less: Accumulated Consumer Contribution	0.00	0.00	0.00
5	Net Fixed Assets at beginning of the year	365.41	407.62	459.48
	Reasonable return @3% of NFA	10.96	12.23	13.78



6.8. Return on Equity

The E&PDS has computed the Return on Equity considering a rate of return at 14% on the Average equity for the fiscal year as per the provisions of the Tariff Regulations. For calculating Return on Equity, opening equity has been taken as 30% of GFA for the FY 2015-16. Thereafter 30% of assets proposed to be capitalized during FY 2016-17 has been added.

The computation methodology adopted by the E&PDS for determination of Return on Equity for FY 2016-17 is indicated below.

Table 6.15: Return on Equity for FY 2016-17

(Rs.in Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4	5
1	Opening Equity	257.18	277.76	302.71
2	Equity Addition (30% Capex for the FY)	20.58	24.95	31.20
3	Closing Equity	277.76	302.71	333.91
4	Average Equity	267.47	290.23	318.31
5	Rate of Return on Equity	14%	14%	14%
	Return on Equity	37.45	40.63	44.56

6.9. 6.9.1 Interest & Finance Charges

The E&PDS has considered an Interest on loan at the rate of 14.75% which is SBI PLR as on 1 April 2015. For calculating Interest & Finance Charges, opening Loan has been taken as 70% of GFA for the FY 2015-16. Thereafter 70% of assets proposed to be capitalized during FY 2016-17 has been added. The Interest on Loan computed on the above methodology has been indicated in the Table below:

Table 6.16: Interest & Finance Charges for FY 2016-17

(Rs. InCrores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4	5
1	Opening Loan	600.09	588.09	587.51
2	Loan Additions (70% Capex for the FY)	48.01	58.23	72.81
3	Repayment	60.01	58.81	64.63
4	Closing Loan	588.09	587.51	595.68
5	Average Loan	594.09	587.80	591.60
6	Wt. Avg Interest on Loan	14.75%	14.75%	14.75%
7	Interest on Loan	87.63	86.70	87.26
	Total Interest & Finance Charges	87.63	86.70	87.26



The Hon'ble Commission is requested to allow the above interest on loan for FY 2016-17.

6.9.2 Interest on Working Capital

The E&PDS has computed the Interest on Working Capital for FY 2016-17 on normative basis. As per the SSERC Tariff Regulations, for the purpose of computation of normative working and Interest on working capital, the components of working capital are as follows:

- One month's Employee Costs
- One month's Administration & General Expenses
- One month's R&M Cost
- Two Month's Receivables

The rate of interest on working capital has been considered as per SBI Prime lending rate as on 1st April of the respective year, which is 14.75% as on 1st April 2015.

The interest on normative working capital for FY 2016-17 works out to Rs. 5.09 Crores and is given in the table below:

Table 6.17: Information regarding Working Capital for the current and ensuing year

(Rs. In Crores)			
Sl. No.	Particulars	2015-16 (Estimated)	2016-17 (projected)
1	2	3	4
1	One month's Employee Costs	8.07	8.23
2	One month's Administration & General Expenses	0.20	0.21
3	One month's R&M Cost	2.00	2.11
4	Maintenance Spares	0.00	0.00
5	Two month's Receivables	22.37	23.99
6	Total	32.64	34.53
7	Rate of Interest	14.75%	14.75%
	Interest on Working Capital	4.81	5.09

The Hon'ble Commission is requested to approve the interest on working capital of Rs. 5.09 Crores on normative basis for FY 2016-17.

6.10. Provision for Bad and Doubtful Debts

E&PDS has not considered provision for bad and doubtful debts in determination of Tariff for the FY 2016-17.

6.11. Non-Tariff Income

Based on the FY 2014-15, it is assumed that non-tariff Income in form of Meter Rent, Late payment charges & miscellaneous charges will be Rs 0.94 Crores from various categories of consumers.



6.12. Annual Revenue Requirement

Based on the above estimates and projections, the ARR for E&PDS for FY 2016-17 works out as under:

Table 6.18: Annual Revenue Requirement for the Year 2016-17
(Rs. in Crores)

Sl. No.	Item of Expense	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4
1	Cost of Fuel	0.15	0.15
2	Cost of Power Purchase	161.99	161.99
3	Employee Costs	96.86	98.70
4	R&M Expenses	24.05	25.26
5	Administration and General Expenses	2.37	2.53
6	Depreciation	26.38	31.32
7	Interest Charges	86.70	87.26
8	Interest on Working Capital	4.81	5.09
9	Return on NFA /Equity	40.63	44.56
10	Income Tax	0.00	0.00
11	Total Revenue Requirement	443.95	456.87
12	Less: Non Tariff Income	0.92	0.94
13	Net Revenue Requirement	443.03	455.93
14	Revenue from Tariff	134.21	143.93
15	Revenue from Outside State Sale	132.29	130.85
16	Gap (13 - 14- 15)	176.53	181.15
17	Revenue surplus carried over	0.00	0.00
18	Additional revenue from proposed tariff	0.00	10.66
19	Regulatory asset	0.00	0.00
	Energy sales (MU)	284.93	312.15

6.13. Average Cost to Supply

Based on the above computed Net ARR of Rs. 455.93 Crores and after deducting revenue from sale of surplus power of Rs. 130.85 Crores, net cost of supply of energy sales projection of 312.15 MUs within state works out to be Rs. 320.69 Crores, hence the Average Cost to Supply works out to Rs. 10.41 per unit for FY 2016-17.



6.14. Revenue at Existing Tariff and Gap for FY 2016-17

The estimated revenue at Existing Tariff for FY 2016-17 for each of the consumer category excluding Surplus/Outside State sale is computed at Rs. 143.93 Crores. The average realisation rate or average revenue per unit for estimated sales of 312.15 MUs for FY 2016-17, works out to Rs. 4.61.

The summary of the category-wise revenue is as shown in the table below:

Table 6.19: Revenue at Existing Tariff – FY 2016-17

(Rs. in Crores)

Sl. No.	Particulars	2014-15 (Actual)	2015-16 (Estimated)	2016-17 (Projected)
1	2	3	4	5
1	Domestic	19.71	21.67	23.68
2	Commercial	16.92	18.61	20.47
3	HT Industrial Consumers	67.06	79.21	84.63
4	LT Industrial Consumers	0.81	1.16	0.91
5	Bulk Supply	11.91	12.43	13.05
6	Public Lighting	0.12	0.13	0.14
7	Temporary Supply	0.94	1.00	1.05
8	TOTAL	117.48	134.21	143.93
9	Outside State	135.21	132.29	130.85
10	TOTAL	252.68	266.50	274.77

Based on the Aggregate Revenue Requirement and net revenue from existing tariffs for FY 2016-17, the resultant GAP works out to Rs. 181.15 Crores which is approximately 39.85% of the ARR as depicted in the table below:

Table 6.20: Revenue GAP at Existing Tariffs – FY 2016-17

(Rs. In Crores)

Sl. No.	Particulars	2015-16 (Estimated)	2016-17 (Proposed)
1	2	3	4
1	Revenue from Sale of Power	134.21	143.93
2	Revenue from Surplus power sales (Outside State)	132.29	130.85
3	Total Revenue at Existing Tariff	266.50	274.77
4	Net Annual Revenue Requirement	443.03	455.93
5	(Gap)/ Surplus	-176.53	-181.15
6	Covered by Previous year's surplus carried over	0.00	0.00
7	Additional Revenue at Proposed Tariff	0.00	10.66
	Net (GAP)/Surplus	-176.53	-170.49



7. TARIFF PROPOSAL FOR FY 2016-17

E&PDS in the previous sections has discussed the estimated performance for the FY 2016-17 based on the past years performances and certain assumptions explained at appropriate places to determine the Aggregate Revenue Required for FY 2016-17.

7.1 Recovery of Revenue Gap for FY 2016-17

The estimated gap in the FY 2016-17 has been computed by deducting the ARR from Revenue at Existing Tariff.

E&PDS has projected ARR for FY 2016-17 at Rs. 455.93 Crores and the revenue at existing tariff from projected sales and revenue from sale of surplus power compute to Rs. 274.77 Crores. Thus the resultant gap works out to Rs. 181.15 Crores.

Tariff is a sensitive subject having substantial impact on social, economic and financial wellbeing of the public at large as well as the viability and growth of power sector. In view of the above E&PDS proposes to recover only Rs. 10.66 crores out of Total Revenue Gap of Rs. 181.15 Crores as these may result in huge burden on the consumers.

Regulatory Asset

The Hon'ble Commission is requested to allow the remaining gap of Rs. 170.49 Crores left after increase in tariff to be considered as a Regulatory Assets as specified under the National Tariff Policy as well as Tariff related regulations of various State Electricity Regulatory Commissions which includes provisions for maintaining Regulatory Assets and its recovery in future period. Also, as specified in the National Tariff Policy, the carrying cost of Regulatory Asset is proposed to be charged at SBI PLR rates prevailing as on 1st April 2015.

7.2 Proposed Tariff in FY 2016-17

7.2.1 Tariff Proposal for FY 2016-17

The basic requirement of any Tariff proposal is that it has to be transparent and justifiable against various policy guidelines and the framework evolved by the SSERC and various SERCs. In the light of the experience gained by other utilities in implementation of the tariff orders and regulatory requirements specified under various states and policy guidelines, an attempt has been made to improve upon the present tariff design. Considering the above, the tariff proposal for FY 2016-17 for individual categories is given below alongwith the comparison of existing and proposed energy charges.



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Table 7.1: Energy Charge – Existing V/s Proposed Tariff

Sl. No.	Category of Consumers	Existing Rate Paesa/KWH	Proposed Rate Paesa/KWH
1	2	3	4
1	Domestic		
a)	Up to 50 units	110	120
b)	51 to 100 units	225	240
c)	101-200 units	345	365
d)	201 to 400 units	415	440
e)	401 & above	440	460
2	Commercial		
a)	Up to 50 units	330	350
b)	51 to 200 units	515	540
c)	201 to 400 units	540	565
d)	401 & above	567	595
3	Public lighting		
	Rural Areas	250	270
	Urban Areas	460	500
4	Industrial		
A	HT		
a)	HT (AC) above 3.3 KV		
b)	Upto 100 KVA	300	320
c)	100 - 250 KVA	348	370
d)	250- 500 KVA	396	420
e)	500 KVA & above	410	435
B	LT (Rural)		
a)	Up to 500 units	235	250
b)	501 - 1000 units	420	440
c)	1001 & above	545	580
C	LT (Urban)		
a)	Up to 500 units	480	510
b)	501 - 1000 units	550	580
c)	1001 & above	620	650
5	Bulk supply		
a)	LT	540	595
b)	HT	560	615

7.3 Revenue at Proposed Tariff in FY 2016-17

Based on the tariff proposed above, following is the summary of the revenue from various consumer categories at the proposed tariff rates, which is being compared with the consumer category-wise revenue at existing tariff:



**Table 7.2: Comparison of Revenue from Existing Tariff with Proposed Tariff
(Rs. in Crores)**

Sl. No.	Particulars	Revenue At Existing Tariff	Revenue At Proposed Tariff
1	2	3	4
1	Domestic	23.68	25.19
2	Commercial	20.47	22.55
3	LT Industrial Consumers	0.91	1.05
4	HT Industrial Consumers	84.63	90.47
5	Bulk Supply	13.05	13.83
6	Public Lighting	0.14	0.15
7	Temporary Supply	1.05	1.35
8	TOTAL	143.93	154.59

7.3.1 Impact of Tariff on Consumers

The revenue gap and the average tariff hike proposed are presented in the table below:

Table 7.3: Impact of Tariff Hike FY 2016-17

Sl. No.	Particulars	Units	FY 2016-17	
			Existing	Proposed
1	2	3	4	5
1	ARR for FY 2016-17	Rs. Crores	455.93	455.93
2	Revenue from tariff for FY 2016-17		143.93	154.59
3	Revenue from sale of surplus power for FY 2016-17	Rs. Crores	130.85	130.85
4	Total Revenue		274.77	285.43
5	Gap (1 – 2 - 3)	Rs. Crores	181.15	170.49
6	Sales within State	MU's	312.15	312.15
7	Sale of Surplus power through Trading/UI	MU's	426.37	426.37
8	Total Sales		738.51	738.51
9	Average Cost of Supply within state (1-3) / 6 x 10	Rs. per kWh	10.41	10.41
10	Average Revenue (2 / 6 x 10)	Rs. per kWh	4.61	4.95
11	Pure Gap (9-10)	Rs. per kWh	5.80	5.46
12	Average Hike in Tariff			0.34
13	Hike in Tariff %			7.41%

It is submitted that the average tariff hike required to recover the gap attributable to FY 2016-17 is Rs.0.34 per unit.

The Hon'ble Commission is requested that considering the above and wholesale price index (all commodities) for the period, the hike in tariff be allowed.



8. TARIFF SCHEDULE – FY 2016-17

I. DOMESTIC SUPPLY (DS)

Type of consumer

Power supply to private house, residential flats and Government residential buildings for light, heating / electrical appliances, fans etc for domestic purpose. This schedule can also be made applicable to the charitable organization after verifying the genuineness of their non-commercial aspects by the concerned divisional office.

Nature of service:

Low Tension AC 400/230 volts, 50 cycles/sec (Hz)

(a) Rates:

Units Consumption	Paisa per kWh (Unit)
Up to 50	120
51 to 100	240
101 to 200	365
201 to 400	440
Consumption exceeding 400 units	460

(b) Monthly Minimum Charge:

Single Phase Supply	Rs. 40.00
Three Phase Supply	Rs. 200.00

(c) Monthly Rebate (if paid within due date) : 5% on Energy Charges

(d) Annual Surcharge(charge on the gross arrear outstanding every March end):
10%

If electricity supplied in domestic-premises is used for commercial purpose, the entire supply shall be charged under commercial supply.

100% subsidy will be given to all the domestic consumers in rural areas under Gram Panchayat Unit (GPU) as notified by Rural Management & Development Department (RMDD), consuming 100 units of electricity or less in a month recorded through energy meter only as per Government



Notification No.33/P/GEN/97/PART-V/70 dated 25.02.2014 (amended) and assessment accounted on average basis shall not be entertained for subsidy. In the event of crossing the subsidized limit of 100 units of electricity in any month, the entire consumption for the month shall be charged to such consumer as per the tariff.

II. COMMERCIAL SUPPLY (CS)

Type of consumer

Supply of energy for light, fan, heating and power appliances in commercial and non-domestic establishments such as shops, business houses, hotel, restaurants, petrol pumps, service stations garages, auditoriums, cinema houses, nursing homes, dispensaries, doctors clinic which are used for private gains, telephone exchange, nurseries, show rooms, x-ray plants, libraries banks, video parlors, saloons, beauty parlors, health clubs or any house of profit as identified by the Assistant Engineer/Executive Engineer concerned of the Department.

(a) Nature of supply:

Low Tension AC 400/230volts, 50 cycles/Sec (hz)

(b) Rates

Units Consumption	Paisa per kWh (Unit)
Up to 50	350
51 to 200	540
201 to 400	565
Consumption exceeding 400 units	595
Demand Charge – For those establishments whose sanction load is more than 25 kVA & does not have independent transformer but run their unit through shared transformers.	Rs. 60/kVA/Month plus energy charges as shown above

(c) Monthly Minimum Charge:

Single Phase Supply	Rs. 200.00
Three Phase Supply	Rs. 500.00

(d) Monthly Rebate (if paid within due date) : 5% on Energy charges

(e) Annual Surcharge (charge on the gross arrear outstanding every March end):

10%



III. LT INDUSTRIAL SUPPLY (LTIS):

Type of consumer

Power supply to the industries like poultry, agriculture load or any other units of such kind under small-scale industries having connected load not exceeding 25 kVA in total.

(a) Nature of service:

Low Tension AC 400/230volts, 3 phase/single phase, 50 cycles/sec (Hz)

(b) Rate:

Units Consumption	Paisa per kWh	
Area	Rural	Urban
Up to 500	250	510
501 to 1000	440	580
1001 & Above	580	650
Demand Charge – for those establishments whose sanction load is more than 25 KVA & does not have independent transformer but run their unit through shared transformers.	Rs. 60/kVA/Month plus energy charges as shown above	Rs. 100/kVA/Month plus energy charge as shown above

(c) Monthly Minimum Charge:

Rural	Rs. 120/kVA/Month
Urban	Rs. 200/kVA/Month

(d) Monthly Rebate (if paid within due date) : 5% on Energy Charges

(e) Annual Surcharge(charge on the gross arrear outstanding every March end):

10%

IV. HIGH TENSION SUPPLY (HTS):

Type of consumer

All types of supply with contract demand at single point having 3 phase supply and voltage above 3.3 kV.

(a) Nature of supply:

High Tension AC, above 3.3 kV, 3 phase, 50 cycles/Sec (Hz)



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

Executive Engineer should sanction the demand In the Requisition and Agreement form of the Department before the service connection is issued based on the availability of quantum of Power. The demand sanctioned by the Executive Engineer will be considered as the contract demand, however, the contract demand can be reviewed once a year if the consumer so desires. A maximum demand indicator will be installed at the consumer premises to record the maximum demand on the monthly basis. If in a month, the recorded maximum demand exceeds the contract demand, that portion of the demand in excess of the contract demand will be billed at twice the prevailing demand charges. In case recorded maximum demand exceeds the contract demand for three consecutive months the demand charges will be payable on the basis of installed capacity of the transformer.

Energy meters are compulsorily to be installed on HT side. In case energy meters are installed on the LT side the assessed energy consumption shall be grossed up by 4% to account for the transformation loss and billed accordingly.

(b) Rate:

Units Consumption	Charge
Up to 100 kVA Demand Charge Plus Energy Charge	Rs. 190/kVA/Month + 320 Paisa/Unit
Above 100 to 250 kVA Demand Charge Plus Energy Charge	Rs. 245/kVA/Month + 370 Paisa/Unit
Above 250 to 500 kVA Demand Charge Plus Energy Charge	Rs. 270/kVA/Month + 420 Paisa/Unit
Above 500 kVA Demand Charge Plus Energy Charge	Rs. 510/kVA/Month + 435 Paisa/Unit

(c) Monthly Minimum Charge: Demand Charge

(d) Monthly Rebate (if paid within due date): 2% on Energy Charges

(e) Annual Surcharge (charge on the gross arrear outstanding every March end): 15%

(f) Penalty for poor Power Factor: The Power factor adjustment charges shall be levied at the rate of 1% on the total Energy charge for the month for every 1% drop or part thereof in the average power factor during the month below 95%.



V. BULK SUPPLY (BS): (NON-COMMERCIAL SUPPLY)

Type of consumer

Available for general mixed loads to M.E.S. and other Military Establishments, Borders roads, SAP, All Government non-residential buildings, Hospitals, Aerodromes and other similar establishments as identified as such supply by the concerned Executive Engineer.

(a) Nature of service: Low Tension AC 400/230 volts or High tension above 3.3 kV

Executive Engineer should sanction the demand in the Requisition and Agreement form of the Department before the service connection is issued.

(b) Rate:

All Consumptions	Paisa/Unit
LT (230/430 Volts)	565
HT (11 kV or 66 kV)	600

(c) Monthly Minimum Charge:

LT (230/430 Volts)	Rs. 200/kVA of Sanction Load
HT (11 kV or 66 kV)	Rs. 200/kVA of Sanction Load

(d) Monthly Rebate (if paid within due date): 2% on Energy Charges

(e) Annual Surcharge (charge on the gross arrear outstanding every March end): 15%

VI. SUPPLY TO ARMY PENSIONERS

Type of Consumer

Provided to the army pensioners or their surviving widows based on the list provided by Sikkim Rajya Sainik Board.

(a) Nature of service: Low Tension AC 230/400 volts, 50 cycles/sec (Hz)

(b) Rate : Domestic supply rate is applicable

- | | |
|---------------------|---|
| (i) Up to 100 units | To be billed to Secretary, Rajya Sainik Board |
| (ii) 101 and above | To be billed to the Consumer |



Minimum charges, surcharges, and rebate etc will be applicable as per domestic supply category.

VII. SUPPLY TO BLIND

Type of consumer

Service connection provided to a house of a family whose head of the family only is blind and the same is certified by the National Association for Blinds.

(a) Nature of service:

Low Tension AC 230/400 volts, 50 cycles/sec (Hz)

(b) Rate: Domestic supply rates is applicable

- (i) Up to 100 units To be billed to Secretary, Social Welfare Department
- (ii) 101 and above To be billed to the Consumer

Minimum charges, surcharges, and rebate etc will be applicable as per domestic supply category.

VIII. SUPPLY TO THE PLACES OF WORSHIP (SPW)

Type of consumer

Supply of power to Gumpas, Manilakhangs, Tsamkhangs, Mandirs, Churches, and Mosques as identified by the State Ecclesiastical Department.

(a) Nature of service:

Low Tension 400/230 volts, 50 cycles/sec (Hz)

(b) Rate

Unit Consumption Slab	Paisa per kWh (Unit)
Places of worship having: (i) Having 3 lights points A) up to 100 units B) Above 101 units (ii) Having 4 to 6 lights points. A) up to 150 units B) Above 151 units (iii) Having 7 to 12 points A) up to 300 units B) Above 301 units (iv) Having 13 and more light points A) Up to 500 units	Domestic rate is applicable.



B) Above 501 units A) To be billed to Secretary, Ecclesiastical Department and to be submitted to the head of Department in the District. B) To be billed to Head of the Place of worship.	
--	--

Minimum charges, surcharges, and rebate etc will be applicable as per domestic supply category.

IX. PUBLIC LIGHTING ENERGY CONSUMPTION CHARGES

It has been decided that the electrical energy consumption charges of public lightning street light etc in urban area shall be paid by the Urban Development & Housing Department. Similarly the consumption of electrical energy for street fight etc in rural areas shall be paid by the concerned Panchayat / Rural Management & Development department. The necessary meter/metering equipments shall be provided by the Energy & Power Department and for which the standard (Tariff Schedule) charges is also applicable in accordance with rules and regulations of the department.

Rate:

Rural Areas	270 Paisa/kWh (Unit)
Urban Areas	500 Paisa/kWh (Unit)

X. TEMPORARY SUPPLY

Type of consumer

Available for temporary purposes and for the period not exceeding two months in the first instance but can be extended for the further-period not exceeding one month on each occasion. The Assessment of energy consumption shall be on the basis of recorded meter reading and not on average.

Approval of the Temporary Supply and its duration will be the discretion of the Assistant Engineer of the Department.

If the temporary connection is more than approved period, such use of electricity will be treated as theft of power.



(a) Nature of Service:

Low tension AC 400/230 volts, 50 Hz /H.T.AC 11 kV whichever is applicable and possible at the discretion of the department:

(b) Rate

Twice the Tariff under schedule DS/CS/LTIS/HT for corresponding permanent supply

Temporary supply connection shall not be given without proper energy meter. Two months assessment on sanction load shall have to be paid in advance as security deposit before taking the connection.

XI. SCHEDULE FOR MISCELLANEOUS CHARGES

Service Connection

Following procedures should be strictly followed while giving the new service connection.

On receipt of written application with requisite, Revenue Stamp from any intending consumer addressed to the Assistant Engineer (Commercial/Revenue) the department will issue the Requisition and Agreement form of the Department. This form will be issued on production of BR for Rs. 25.00 (Rupees Twenty-five) only. He/ She will complete the form in all respect and submit to the office of the Assistant Engineer. Assistant Engineer will issue the service connection estimate with the approval of the Executive Engineer. If the Sub station of the area or any other connected Electrical network is under capacity, the department can decline the service connection till the capacity is increased as required. If the demand is more than 25 kVA the Department reserves the right to ask the applicant to provide suitable substation at his/her cost.

The Energy & Power Department also reserves the right to disconnect the service connection of any consumer if he/she increases the load above sanctioned load without written approval of the Department and will treat such cases as theft of power.

Single or Separate service connections shall be provided to the applicant based on the legal ownership of the building or part of it (flat / floor). No Objection Certificate from the owner of the building (premises) shall not qualify as the legal ownership by the applicant for service connection. However, in case Government / Semi Government/Government Undertakings offices in the rented buildings/ flats, separate service connection in the name of



**Petition for Approval of Annual Revenue Requirement
& Tariff Proposal for FY 2016-17**

the head of the office can be provided with the consent of the legal owner of the building and the approval of the concerned Executive Engineer.

XII. METER RENT / Month

(i)	Energy Meter	
(a)	Single Phase	Rs. 40.00
(b)	Three phase	Rs. 80.00
(ii)	Maximum Demand Indicator	Rs. 200.00
(iii)	Time switch	Rs. 150.00

XIII. TESTING OF METERS

i)	Energy Meters (1 Phase / 3 Phase)	Rs. 200.00
ii)	Other Metering Instruments	Rs. 250.00

XIV. DISCONNECTION & RECONNECTION

(i)	DS and CS category	Rs. 150.00
(ii)	LTIS, HTS & Bulk Supply category	Rs. 250.00

Unless otherwise demanded by the department replacement of meters or shifting the position of meter boards etc, can be entertained exclusively on the specific written request of the consumer against a payment of Rs. 100.00 each time which does not include the cost of requirement and labor and the same will be extra.

XV. REPLACEMENT OF FUSES

Service for replacement of fuses in the main cut-outs available against the following payments:-

(i)	Low tension	Single phase	Rs. 30.00
		Three phase	Rs. 40.00
(ii)	High tension		Rs. 50.00

XVI. RESEALING OF METERS

If by any reason the seal affixed in the meter or cutouts installed and secured by the department are found tampered with, the department reserves the right to disconnect the service connection immediately and impose penalty as applicable under The Electricity Act, 2003. In addition the consumer is liable for payment for resealing charge @ Rs. 50.00 per call of such services.

XVII. SECURITY DEPOSIT



Security deposit shall be deposited, by the depositor, by the consumer, in the following rates for the meters provided by the Department.

1	Electronic Meter	3 phase	Rs. 500.00
		1 phase	Rs. 200.00

2	Electromagnetic Meters	3 phase	Rs. 150.00
		1 phase	Rs. 75.00

The Security deposit will be forfeited and the line will be disconnected if the consumer tampers the meter. The line will be reconnected only after the fresh security deposit is deposited and other applicable charges are paid.

XVIII. OTHER CONDITIONS FOR SUPPLY OF ELECTRICAL ENERGY

(a) Meter found out of order

In the event of meter being found out of order (which includes meter ceasing to record, running fast or slow, creeping or running reverse direction) and where the actual errors on reading cannot be ascertained the meter will be declared faulty and the correct quantum of energy consumption shall be determined by taking the average consumption for the previous three months.

If the average consumption for the three months cannot be taken due to the meter ceasing to record the consumption or any other reason, then the correct consumption will be determined based on the average consumption for succeeding 'three months (after installation of meter) where any differences or dispute arise as to the correctness of meter reading or bill amount etc then the matter shall be decided by the concerned Chief Engineer of the department upon the written intimation either from the concerned Executive Engineer or from concerned consumer. However, the bill should be paid on or before the due date. The amount so paid will be considered as advance to the credit of the consumer's account until such time as the billed amount in dispute is fully settled. After determining the correct consumption due billing will be made and necessary adjustment shall be done in the next bill issued. This method shall be applicable to all categories of consumers.

(b) Defaulting consumer

The Department shall not give any type of service connection to a defaulting consumer.

(c) Fixing the position of meter/metering equipment



During the inspection of Assistant Engineer of the Department the point of entry of supply of mains and position of meter, cut-out/metering equipments etc will be decided and should not be changed later on without written permission from department,

The department will in no case fix the meter, main cut-out metering equipments nor allow the same to remain in any position where the employees are prohibited from entering or where there is difficulty of access for employees.

(d) Notification/application before connection

The consumer must give not less than 2 months notice before the supply or additional supply is required. In the case of HTIS/LTIS/BS consumers, longer notice which may extend to six months or more may be required to enable the department to make necessary arrangement for such supply, which will subject to its availability in the system and seven clear days notice shall be given by the Assistant Engineer of the area to the applicant for the Purpose of inspecting the premises and investigating the feasibility of power supply. If service can be affected by extending service line alone, the consumer will be given a written permission from the office of the Assistant Engineer about providing the service connection to his premises.

(e) Sketch of the premises

- (i) A neat sketch of the premises should also submit the proposed internal electrification of the building showing the light points, light plug points, power plug points, fan/exhaust fan points, main isolator position, distribution Control system location and other fittings etc.
- (ii) In the case of industrial/workshop etc the consumer should submit a neat sketch showing the location of all E&M equipments and its motor capacity if any etc in addition to the above.

(f) Load sanction

Depending on the availability of the quantum of electrical energy in the system, the load shall be sanctioned for all categories of consumers by the authorized officer of the department.



XIX. LAND - free of cost for service connection and other association facilities:

The consumer shall provide the necessary land to the department belonging to his/her on free of cost basis and afford all reasonable facilities for bringing in the direct cables or over head lines from the department's T&D system for servicing the consumers but also cables or overhead lines connecting the department's other consumers and shall permit the department to provide all requisite switch gear thereto on the above premises and furnish supply to such other consumers through cables/ overhead lines and terminals situated on the consumer's premises.

XX. ACCESS TO PREMISES AND APPARATUS

- (a) If any consumer obstructs or prevents departments authorized officers/employees in any manner, from inspecting his/her premises at any time to which the supply is afforded or where the electrical installations or equipments belonging to the department or the consumers situated in such premises and if there is scope of suspecting any malpractice, the authorized officer; employees of the department may disconnect the power supply forthwith without notice and keep such power supply disconnected till the consumer affords due facilities for inspection. If such inspection reveals nothing to undertake any malpractice or pilferage, the department then restore the power supply to his/he premises.
- (b) If such inspection reveals any commission of malpractice as specified in the "Malpractice clauses mentioned below, this may be dealt as per the relevant clauses which are indicated in malpractice.
- (c) The department shall not be responsible for any loss or damage or inconvenience caused to the consumer on account of such disconnection of supply.

XXI. INTERFERENCE WITH SUPPLY MAINS AND APPARATUS

- (a) A consumer shall not interfere with the supply main or apparatus including the metering arrangement, which may have been installed in his/her premises.
- (b) The consumer shall not keep connected to the department supply system if any apparatus to which the department has taken reasonable objection or which the department may consider likely to interfere or affect injudiciously the department's equipments installed



in his/her premises or the Department's supply to other consumer.

- (c) The consumer shall not keep the unbalanced loading of three phase of supply taken by him/her from Department.
- (d) The consumer shall not make such use of supply given to him/her by the department as to act prejudicially to the department's supply system in any manner whatsoever,

XXII. MALPRACTICE

- (i) Contravention of any provision of the terms conditions of supply the Indian Electricity Act 2003, the Indian Electricity Rules 1956 or any other law/rule governing the supply and use of electricity regulating order shall be treated as malpractice and the consumer indulging in any such malpractice shall be liable at law/rule/order. Subject to generality as above.
- (ii) Cases mentioned hereunder, shall be generally treated as malpractice:-
 - (a) Exceeding the sanctioned/contract load authorised by the department without the permission of the department.
 - (b) Addition, alteration and extension of electrical installation in the consumer's premises without permission of the department or extension to any premises other than the one for which supply sanctioned/contracted for.
 - (c) Unauthorized supply of electricity to any service which is including the service line disconnected by the Department against electricity revenue arrear or any other offended clauses and the same service line reconnected without permission of the department.
 - (d) Non-compliance of orders in force imposing restriction of use of energy for rational and equitable distribution thereof.
 - (e) Use of electricity for any purpose other than that for which supply is contracted /sanctioned for
 - (f) Resale of energy without the permission of the department,
 - (g) Theft of energy
 - (h) Obstruction to lawful entry of authorized officer/employee of the department into consumer's premises.
 - (i) Interfering and tampering with the meter and metering system.

XXIII. PAYMENT OF COMPENSATION FOR MALPRACTICES

Where a consumer is found to be indulging in malpractice with regard to use of electricity



and use of device to commit theft of energy etc. the Chief Engineer/ Electrical Inspector of the department will decide about the payment of compensation amount to be imposed against such consumer as per the relevant rules and regulations.

XXIV. INSTITUTION OF PROSECUTION

Any officer employee authorized to inspect and deal with cases of malpractice and theft of energy may launch prosecution as an aggrieved person as mentioned in the Electricity Act 2003.

XXV. READING OF METER AND PREPARATION OF BILL

- (a) The meter reading will be taken once in a month. The reading of meter will be recorded by meter reader in a card provided near the meter and open to inspection by consumer. Bill for energy consumption charges will be prepared based on the reading noted in the card
- (b) Any complaint with regard to the accuracy of the bill the same shall be intimated immediately by the consumer to the Assistant Engineer, who has issued the bill quoting the bill number/ account number date etc.
- (c) If the consumer does not receive the electricity bill he shall inform the Assistant Engineer concerned about the non-receipt of his bill and on such representation, a copy will be supplied to him.

XXVI. DISCONNECTION OF SUPPLY FOR NON-PAYMENT OF ELECTRICITY BILL AND LEGAL ACTION

If the consumer fail to pay any bill presented to him/her the department shall be at liberty to take action under sub- section (1) of Section 56 of Indian Electricity Act 2003 for disconnection of supply. The disconnection notice is printed in the bill form and further notice will not be issued by the department for disconnection.

XXVII. FAILURE OF POWER SUPPLY

The Department shall not be responsible for loss, damage or compensation what so ever out of failure of supply.



XXVIII. RESTRICTION OF POWER SUPPLY

The supply of electricity is liable to be curtailed or staggered or cut off all together as may be ordered by the State Government or any other enactment as amended from time to time governing the supply and use of electricity.

XXIX. CONSUMER NUMBER

Consumer number is given to all the consumers. The same is written in the Meter reading card also. Consumer must know his/her consumer no and should quote the consumer no. while corresponding with the department for prompt attention by the department.

XXX. FUSE CALL

In case the department's main fuse or fuses fail, the consumer or his representative may give the intimation in the adjacent control room either in person or through phone. Employees bearing the identity cards of the department are allowed to replace those fuses. Consumers are not allowed to replace those fuses and they will render themselves liable to pay heavy penalty if the department's seals are been found broken.

In attending the fuse – off calls. Top most priority will be given to cases of fire due to short circuit, accident, arcing in consumer's main *etc.*

XXXI. THEFT OF POWER

Theft of power is a criminal offence under electricity act. Whoever commits the theft of power shall be punishable in accordance with the Electricity Act 2003.

XXXII. SUPPLY WITHOUT METER

Where a supply to the consumer is given without meter the consumption of Electrical Energy in kWh will be computed in the manner indicated below.

1. Government office building Sanctioned load (kW) x 6 hrs x 30 days x 60 /100

2. Other Consumers Sanctioned load (kW) x 8 hrs x 30 days x 60 /100