

True-up for the FY 2018-19
Review for the FY 2019-20
&
ARR & Tariff Proposal for the FY 2020-21

Submitted by:

Power Department
Government of Sikkim

November, 2019

GENERAL HEADINGS OF PROCEEDINGS

BEFORE HON'BLE SIKKIM STATE ELECTRICITY REGULATORY COMMISSION

FILE No: _____

CASE No: _____

IN THE MATTER OF : **Petition for Approval of True-up for the FY 2018-19, Review for the FY 2019-20 & Tariff Proposal for the FY 2020-21 under the MYT Control period FY 2018-19 to FY 2020-21.**

AND

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

.....Petitioner

Power Department, Govt. of Sikkim (hereinafter referred to as "PDS"), files petition for Approval of True-up for the FY 2018-19, Review for the FY 2019-20 & Tariff Proposal for the FY 2020-21 under the MYT Control period FY 2018-19 to FY 2020-21 .

FIFTY RUPEES

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पचास रुपियाँ

Sl.No. A 058183

NON-JUDICIAL

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AFFIDAVIT

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

FILE No: _____

CASE No: _____

IN THE MATTER OF : Petition for approval of True-up for the FY 2018-19,
Review for the FY 2019-20 & Tariff Proposal for the FY
2020-21 under the MYT Control period FY 2018-19 to
FY 2020-21.

AND

IN THE MATTER OF : Power Department,
THE PETITIONER Gangtok, Sikkim,

.....Petitioner

I, A.B. Rai, son of Shri Jagat Bahadur Rai (aged 56 years), (occupation) Government Service residing at Tadong, Gangtok, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the PCE cum Secretary of Power Department, Government of Sikkim, 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 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. True-up for the FY 2018-19, Review for the FY 2019-20 & Tariff Proposal for the FY 2020-21 under the MYT Control period FY 2018-19 to FY 2020-21 for Distribution Function.

B. Petition Fee - /- vide DD No. dated


Identified by
Chief Engineer (C) (IP/SDA/Rev.)
Energy & Power Department
Govt. of Sikkim
Gangtok


Deponent
The Power Department, Govt. of Sikkim

PCE-cum-Secretary
Energy & Power Department
Government of Sikkim


Place: Gangtok

Dated: 25th November, 2019

I, Sanju Gupta 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 ^{25th} day of November, 2019 at 1:30 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.


Ms. Sanju Kfi. Gupta
Oath Commissioner (Rongli)
High Court of Sikkim

17th Notification No. 28/HCS/21/9/2018

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

FILE No: _____

CASE No: _____

**IN THE MATTER OF: Petition for Approval True-up for the FY 2018-19, Review for the
FY 2019-20 & Tariff Proposal for the FY 2020-21 under the MYT
Control period FY 2018-19 to FY 2020-21.**

AND

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

.....Petitioner

PETITIONER, UNDER SIKKIM STATEELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR APPROVAL OF TRUE-UP FOR THE FY 2018-19, REVIEW FOR THE FY 2019-20 & TARIFF PROPOSAL FOR THE FY 2020-21 UNDER THE MYT CONTROL PERIOD FY 2018-19 to FY 2020-21 OF POWER DEPARTMENT OF GOVERNMENT OF SIKKIM (HEREIN AFTER REFERRED TO AS 'PDS').

THE POWER DEPARTMENT, GOVERNMENT OF SIKKIM RESPECTFULLY SUBMITS:

1. The Petitioner, The 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, 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. PDS is submitting the its petition for determination of Annual Revenue Requirement and Tariff proposal for the FY 2020-21 on the basis of principles outlined in the (Multi Year Tariff) Regulations, 2017 notified by the Hon'ble Commission.
4. The regulation also requires PDS to submit True-up Petition for the FY 2018-19, and APR for the FY 2019-20 and the same is submitted along with this petition.
5. PDS along with this petition is submitting the statutory formats with additional/ supplementary data & information available and shall further make available the same to the extent available with DPN as may be required by the Hon'ble Commission during its processing.

6. PDS prays to the Hon'ble Commission to admit the attached Annual Revenue Requirement and Tariff proposal for the FY 2020-21 and would like to submit that:

PRAYERS TO THE HON'BLE COMMISSION:

1. The petition provides, inter-alia, 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 PDS in the recent past, and certain issues impacting the performance of PDS in the Licensed Area.
2. Broadly, in formulating the petition for determination of Annual Revenue Requirement and Tariff proposal the principles specified by the Sikkim State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2017 ("MYT Regulations") and other applicable Regulations have been considered as the basis.
3. PDS may also be permitted to propose suitable changes to the petition for determination of Annual Revenue Requirement and Tariff proposal 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:

- Approve the True-up for the FY 2018-19, APR for FY 2019-20 and the petition for determination of Annual Revenue Requirement and Tariff proposal for FY 2020-21 in respect of Distribution function for PDS formulated in accordance with the guidelines outlined as per the regulations of Sikkim State Electricity Regulatory Commission and the principles contained therein; Consider the submissions and allow the provisional True-up of expenses for the FY 2018-19 and revised estimates for the FY 2019-20.
- Condone any inadvertent delay/ omissions/ errors/ rounding off differences/shortcomings and PDS may please be permitted to add/ change/ modify/ alter the petition;
- Permit 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 Power Department, Govt. of Sikkim

Petitioner

Place: Gangtok, Sikkim

Dated: November, 2019

Contents

SECTION – I

1.	Provisional True-up For FY 2018-19.....	1
1.1.	Background.....	1
1.2.	Energy Sales.....	1
1.3.	Transmission and Distribution Losses.....	2
1.4.	PDS Own Generation.....	2
1.5.	Power Purchase.....	3
1.6.	Energy Balance.....	3
1.7.	Fuel Cost.....	4
1.8.	Power Purchase Cost.....	5
1.9.	Interstate Transmission Cost.....	6
1.10.	Generation Cost.....	6
1.11.	Employee Cost.....	7
1.12.	Repair & Maintenance Expenses.....	8
1.13.	Administrative & General Expenses.....	8
1.14.	Depreciation.....	9
1.15.	Interest & Finance Charges.....	9
1.16.	Interest on Working Capital.....	9
1.17.	Return on Equity	10
1.18.	Other Income	10
1.19.	Revenue from sale of Power.....	10
1.20.	True-up of ARR for FY 2018-19.....	11

SECTION – II

2.	Review for FY 2019-20.....	12
2.1.	Background.....	12
2.2.	Energy Sales.....	12
2.3.	Transmission and Distribution Losses.....	13
2.4.	PDS Own Generation.....	13
2.5.	Power Purchase.....	14
2.6.	Energy Balance.....	14
2.7.	Fuel Cost.....	15
2.8.	Power Purchase Cost.....	16
2.9.	Interstate Transmission Cost.....	17
2.10.	Generation Cost.....	17
2.11.	Employee Cost.....	18
2.12.	Repair & Maintenance Expenses.....	18
2.13.	Administrative & General Expenses.....	19
2.14.	Depreciation.....	19
2.15.	Interest & Finance Charges.....	20
2.16.	Interest on Working Capital.....	20
2.17.	Return on Equity	20
2.18.	Other Income	21
2.19.	Revenue from sale of Power.....	21
2.20.	Review of ARR for FY 2019-20.....	22

SECTION – III

3.	ARR & Tariff for FY 2020-21.....	25
3.1.	Background.....	25
3.2.	Energy Sales.....	26
3.3.	Transmission and Distribution Losses.....	26
3.4.	PDS Own Generation.....	27
3.5.	Power Purchase.....	27
3.6.	Energy Balance.....	28
3.7.	Fuel Cost.....	30
3.8.	Power Purchase Cost.....	30
3.9.	Interstate Transmission Cost.....	31
3.10.	Generation Cost.....	32
3.11.	Employee Cost.....	32
3.12.	Repair & Maintenance Expenses.....	33
3.13.	Administrative & General Expenses.....	33
3.14.	Depreciation.....	34
3.15.	Interest & Finance Charges.....	34
3.16.	Interest on Working Capital.....	34
3.17.	Return on Equity	35
3.18.	Other Income	35
3.19.	Revenue from sale of Power.....	36
3.20.	Revised of ARR for FY 2020-21.....	37
3.21.	Revenue at Existing Tariff and Gap	38
3.22.	TARIFF PROPOSAL FOR FY 2020-21	38
3.23.	Recovery of Revenue Gap for FY 2020-21	38
3.24.	Revenue at Proposed Tariff	40
3.25.	Impact of Tariff on Consumers	40
3.26.	PROPOSED TARIFF SCHEDULE FOR THE FY 2020-21	41
3.27	Compliance of Directives.....	59

Formats

List of Tables

		Page No.
Table 1.1	Energy Sales for FY 2018-19	1
Table 1.2	T&D Loss for FY 2018-19	2
Table 1.3	PDS Own Generation for FY 2018-19	2
Table 1.4	Power Purchase Units for FY 2018-19	3
Table 1.5	Energy Balance for FY 2018-19	4
Table 1.6	Fuel Cost for FY 2018-19	5
Table 1.7	Power Purchase Cost for FY 2018-19	5
Table: 1.8	Intrastate Transmission Charges for FY 2019-20	6
Table: 1.9	Cost of Generation for FY 2019-20	7
Table 1.10	Employee Cost for FY 2018-19	7
Table 1.11	Repair & Maintenance Cost for FY 2018-19	8
Table 1.12	Admin. & General Expenses for FY 2018-19	8
Table 1.13	Depreciation for FY 2018-19	9
Table 1.14	Interest on Working Capital for FY 2018-19	9
Table 1.15	Other Income for FY 2018-19	10
Table 1.16	Revenue from Sales for FY 2018-19	10
Table 1.17	True up of ARR for FY 2018-19	11

List of Tables

		Page No.
Table 2.1	Energy Sales for FY 2019-20	12
Table 2.2	T&D Loss for FY 2019-20	13
Table 2.3	PDS Own Generation for FY 2019-20	13
Table 2.4	Power Purchase Units for FY 2019-20	14
Table 2.5	Energy Balance for FY 2019-20	15
Table 2.6	Fuel Cost for FY 2019-20	16
Table 2.7	Power Purchase Cost for FY 2019-20	16
Table: 2.8	Intrastate Transmission Charges for FY 2019-20	17
Table: 2.9	Cost of Generation for FY 2019-20	17
Table 2.10	Employee Cost for FY 2019-20	18
Table 2.11	Repair & Maintenance Cost for FY 2019-20	18
Table 2.12	Admin. & General Expenses for FY 2019-20	19
Table 2.13	Depreciation for FY 2019-20	19
Table 2.14	Interest on Working Capital for FY 2019-20	20
Table 2.15	Other Income for FY 2019-20	21
Table 2.16	Revenue from Sales for FY 2019-20	22
Table 2.17	True up of ARR for FY 2019-20	23

List of Tables

		Page No.
Table 3.1	Energy Sales for FY 2020-21	26
Table 3.2	T&D Loss for FY 2020-21	26
Table 3.3	PDS Own Generation for FY 2020-21	27
Table 3.4	Power Purchase Units for FY 2020-21	28
Table 3.5	Energy Balance for FY 2020-21	29
Table 3.6	Fuel Cost for FY 2020-21	30
Table 3.7	Power Purchase Cost for FY 2020-21	31
Table: 3.8	Intrastate Transmission Charges for FY 2020-21	32
Table: 3.9	Cost of Generation for FY 2020-21	32
Table 3.10	Employee Cost for FY 2020-21	32
Table 3.11	Repair & Maintenance Cost for FY 2020-21	33
Table 3.12	Admin. & General Expenses for FY 2020-21	33
Table 3.13	Depreciation for FY 2020-21	34
Table 3.14	Interest on Working Capital for FY 2020-21	35
Table 3.15	Other Income for FY 2020-21	35
Table 3.16	Revenue from Sales for FY 2020-21	36
Table 3.17	Revised ARR for FY 2020-21	37
Table 3.18	Revenue at Existing Tariff & GAP	38
Table 3.19	Existing v/s Proposed Tariff	39
Table 3.20	Additional Revenue	40
Table 3.21	Impact of Tariff Hike	40

SECTION – I

Provisional True Up for the FY 2018-19



1 Provisional True-up FOR FY 2018-19

1.1. Background

Tariff Order for the FY 2018-19 was issued vide order Dt. 28/03/2018

PDS submits that the Annual Accounts for the FY 2018-19 is under compilation and same shall be submitted subsequently. 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.

PDS requests the Hon'ble Commission to allow the provisional true-up of the year 2018-19 as there are significant variations in various items of ARR for the year 2018-19 as against those approved in the Tariff Order of 2018-19.

Data given in this chapter is for the entire year i.e. FY 2018-19.

1.2. Energy Sales

The actual sales for the FY 2018-19 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY2018-19 is as summarized below:

Table 1.1: Energy Sales for FY 2018-19

(In MUs)

Category	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
Domestic	111.74	106.85	107.46
Commercial	42.90	40.33	40.91
Public Lighting	0.28	0.28	0.25
Temporary Supply	1.60	1.60	4.69
HT Industrial Consumers	196.20	192.78	197.67
LT Industrial Consumers	1.43	4.65	4.89
Bulk Supply	31.05	25.00	24.94
Outside State	427.94	675.12	759.63
Total	813.13	1046.61	1140.44



1.3. Transmission and Distribution Losses

The provisional values of the transmission and distribution losses for FY 2018-19 arrived at in accordance with the actual Energy Sales, Energy Purchase is given in below table:

Table 1.2: T&D Loss for FY 2018-19

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Transmission & Distribution Loss	24.00%	24.00%	29.79%
	Total	24.00%	24.00%	29.79%

1.4. PDS Own Generation

The own generation approved for FY 2018-19 and pre-actual value of own generation made by the PDS for FY 2018-19 is in the table provided below:

Table 1.3: PDS Own Generation for FY 2018-19

(in Mus)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Total Generation	12.00	12.00	7.44
	Total	12.00	12.00	7.44



1.5. Power Purchase

The power purchase units approved for FY 2018-19 and pre-actual value of power purchase units of the PDS for FY 2018-19 is given in the table below:

Table 1.4: Power Purchase Units for FY 2018-19

In (MUs)				
Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Unit Provisional as per Accounts
1	2	3	4	5
1	Power Purchase Units	904.87	1165.26	1307.96
	Total	904.87	1165.26	1307.96

1.6. Energy Balance

The pre-actual energy balance for FY 2018-19 and the approvals accorded are compared in the table provided below:



Table 1.5: Energy Balance for FY 2018-19

Energy Balance	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
	MU's		
ENERGY REQUIREMENT			
Energy Sales within State	385.2	371.49	380.81
Sales Outside State	427.94	675.12	759.63
Total Energy Sales	813.14	1046.61	1140.44
Overall T & D Losses %	24.00	24.00	29.79
Overall T & D Losses (MUs)	121.64	117.31	161.61
Total Energy Requirement	934.78	1163.92	1302.06
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	544.31	708.24	750.64
Free Power	360.56	457.02	557.32
Less: Overall Pool Loss	10.09	13.34	13.34
Generation	40.00	12.00	7.44
Total Energy Availability	934.78	1163.92	1302.06
ENERGY SURPLUS/(GAP)	0.00	0.00	0.00

1.7. Fuel Cost

The values of fuel cost for the FY 2018-19 are compared with those approved by the Hon'ble Commission in the tariff order for FY 2018-19.



Table 1.6: Fuel Cost for FY 2018-19

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Cost of Fuel	0.18	0.18	0.18
	Total	0.18	0.18	0.18

1.8. Power Purchase Cost

The power purchase cost approved for FY 2018-19 and pre-actual value of power purchase made by the PDS, including transmission charges, for FY 2018-19 is provided in the table below.

Table 1.7: Power Purchase Cost for FY 2018-19

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Cost Provisional as per Accounts
1	2	3	4	5
1	Power Purchase Cost	222.89	260.90	256.23
	Total	222.89	260.90	256.23



1.9. Intrastate Transmission charges

The Intrastate Transmission charges approved for FY 2018-19 and pre-actual value of Intrastate Transmission charges made by the PDS for FY 2018-19 is provided in the table below:

Table: 1.8: Intrastate Transmission Charges for FY 2018-19

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Operation Maintenance Expenses			
a	Employee Costs	22.64	22.64	24.57
b	Administrative and General Expenses	0.24	0.24	0.97
c	Repair & Maintenance Expenses	7.99	7.99	4.72
2	Depreciation	8.49	8.49	8.41
3	Interest Charges	0	0	0
4	Interest on Working Capital	1.44	1.44	1.70
5	Return on NFA/Equity	0	0	0
6	Total	40.80	40.80	40.37

1.10. Generation cost

The Generation cost approved for FY 2018-19 and pre-actual value of Generation cost made by the PDS for FY 2018-19 is provided in the table below:



Table: 1.9: Cost of Generation for FY 2018-19

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	O&M Expense	5.74	5.74	15.12
2	Return on Equity	0.00	0.00	0
3	Interest on Loan	0.00	0.00	0
4	Depreciation	12.17	12.17	1.59
5	Interest on Working Capital	0.57	0.57	0.62
	Total	18.48	18.48	17.34

1.11. Employee Cost

The Employee cost approved for FY 2018-19 and pre-actual value of employee cost made by the PDS for FY 2018-19 is provided in the table below:

Table 1.10: Employee Cost for FY 2018-19

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Employee Cost	78.78	76.95	85.97
	Total	78.78	76.95	85.97



1.12. Repair & Maintenance Expenses

The Repair & Maintenance expense approved for FY 2018-19 and pre-actual value of repair & maintenance expense made by the PDS for FY 2018-19 is provided in the table below:

Table 1.11: Repair & Maintenance Cost for FY 2018-19

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Repair & Maintenance Cost	13.95	20.42	16.50
	Total	13.95	20.42	16.50

1.13. Administrative & General Expenses

The Admin.& General expenses approved for FY 2018-19 and pre-actual value of Admin.& General expenses made by the PDS for FY 2018-19 is provided in the table below:

Table 1.12: Admin. & General Expenses for FY 2018-19

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Administration & General Expense	0.85	3.63	3.36
	Total	0.85	3.63	3.36



1.14. Depreciation

The approved depreciation for FY 2018-19 and pre-actual value of depreciation for FY 2018-19 is provided in the table below:

Table 1.13: Depreciation for FY 2018-19

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Depreciation	16.41	16.41	16.85
	Total	16.41	16.41	16.85

1.15. Interest & Finance Charges

The Interest & Finance charges has not been claimed for the FY 2018-19

1.16. Interest on Working Capital

The Interest on Working Capital as approved for FY 2018-19 and pre-actual value of Interest on Working Capital for PDS for FY 2018-19 is provided in the table below:

Table 1.14: Interest on Working Capital for FY 2018-19

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
1	2	3	4	5
1	Interest on Working Capital	7.68	6.68	11.94
	Total	7.68	6.68	11.94



1.17. Return on Equity

PDS has not claimed Return on Equity for the FY 2018-19.

1.18. Other Income

The Other Income approved for FY 2018-19 and pre-actual value of Other Income made by the PDS for FY 2018-19 is provided in the table below:

Table 1.15: Other Income for FY 2018-19

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional As per Accounts
1	2	3	4	5
1	Non Tariff Income	1.59	1.59	1.27
	Total	1.59	1.59	1.27

1.19. Revenue from Sale of Power

The revenue from sale of power approved for FY 2018-19 and pre-actual value of revenue from sale of power made by the PDS for FY 2018-19 is provided in the table below:

Table 1.16: Revenue from Sales for FY 2018-19

(In Rs.Crs.)

Category	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts
Domestic	28.83	28.03	27.52
Commercial	24.22	22.87	24.69
Public Lighting	0.12	0.12	0.13
Temporary Supply	1.21	2.50	3.58
HT Industrial Consumers	126.55	134.07	148.12
LT Industrial Consumers	0.99	2.41	1.71
Bulk Supply	20.51	20.05	20.44
Outside State	114.04	200.39	140.69
Total	316.46	410.44	366.87



1.20. True-up of ARR for FY 2018-19

The approved Annual Revenue Requirement for FY 2018-19 and pre-actual value of Annual Revenue Requirement for FY 2018-19 is provided in the table below:

Table 1.17: True-up of ARR for FY 2018-19

(In Rs. Crs.)

Sl. No.	Item of Expense	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in Review Order dated 29.05.2019	Provisional as per Accounts FY 2018-19
1	2	3	4	5
1	Cost of Fuel	0.18	0.18	0.18
2	Cost of Generation	18.48	18.48	17.34
3	Cost of Power Purchase	222.89	260.90	256.23
4	Intra State Transmission Charges	40.80	40.80	40.37
5	Employee Costs	78.78	76.95	85.97
6	R&M Expenses	13.95	20.42	16.50
7	Administration and General Expenses	0.85	3.63	3.36
8	Depreciation	16.41	16.41	16.85
9	Interest Charges	0.00	0.00	0.00
10	Interest on Working Capital	7.68	6.68	11.94
11	Return on Equity	0.00	0.00	0.00
12	Provision for Bad Debts	0.00	0.00	0.00
13	Total Revenue Requirement	400.01	444.45	448.73
14	Less: Non Tariff Income	1.59	1.59	1.27
15	Net Revenue Requirement	398.42	442.86	447.46
16	Revenue from Tariff	202.42	210.05	226.18
17	Revenue from Outside State Sale	114.04	200.39	218.14
18	Gap (15 - 16- 17)	81.96	32.42	3.14

SECTION – II

Review for the FY 2019-20



2. Review for FY 2019-20

2.1. Background

Tariff Order for the FY 2019-20 was issued vide order Dt. 29/05/2019

PDS represents its submissions for the purpose of review for the financial year 2019-20 as per the estimated figures for the year. PDS submits that the review petition is based on actual figures upto September, 2019 and estimated figures for the period October'2019 to March'2020. PDS shall submit for true-up after the actual figures are available and Annual accounts for the FY 2019-20 is finalized and got audited.

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.

Data given in this chapter is for the entire year i.e. FY 2019-20.

2.2. Energy Sales

PDS has revised the sales projection based on the actual for the FY 2018-19. The revised projection of sales for the FY 2019-20 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY2019-20 is as summarized below:

Table: 2.1: Energy Sales for FY 2019-20

(In MUs)

Category	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
Domestic	120.67	111.26	150.19
Commercial	45.47	41.14	45.47
Public Lighting	0.29	0.29	0.29
Temporary Supply	1.70	3.38	3.60
HT Industrial Consumers	224.09	215.33	189.38
LT Industrial Consumers	1.54	5.67	5.67
Bulk Supply	34.15	28.00	28.00
Outside state	388.18	641.16	727.88
Total	816.08	1046.23	1150.49

It is submitted that the Hon'ble Commission may kindly approve the revised projections as above.



2.3. Transmission and Distribution Losses

The T&D loss projections have been revised on the basis of actual T&D loss levels for the FY 2018-19. It is submitted that it is very difficult to bring down the T&D losses from the current levels due to the geographical & topographical conditions of the area of operation of PDS. PDS is making all efforts to bring down the T&D loss from the current levels. PDS submits that the system strengthening initiatives being taken shall help in reducing the T&D loss. The revised projection of the transmission and distribution losses for FY 2019-20 arrived at in accordance with the actual Energy Sales, Energy Purchase & approved losses for the year is provided below:

Table: 2.2: T&D Loss for FY 2019-20

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Transmission & Distribution Loss	22%	22%	27.14%
	Total	22%	22%	27.14%

It is submitted that the Hon'ble Commission may kindly approve the revised projections as above.

2.4. PDS Own Generation

The own generation approved for FY 2019-20 and revised projection of own generation based on the plant availability & generation projections for the year is provided in the table below:

Table: 2.3: PDS Own Generation for FY 2019-20

(In MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Total Generation	42.00	30.00	10.00
	Total	42.00	30.00	10.00

It is submitted that the Hon'ble Commission may kindly approve the revised projections as above.



2.5. Power Purchase

PDS has projected the power purchase units for the FY 2019-20 based on actual energy availability from the allocated sources and procurement of power for H1 of the current year. Further, deficit in power during peak periods have been projected to be procured from short term sources. The power purchase units approved for FY 2019-20 and revised projection of power purchase is given in the table below:

Table: 2.4: Power Purchase Units for FY 2019-20

(In MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	4		6
1	Power Purchase Units	904.87	1143.83	1307.96
	Total	904.87	1143.83	1307.96

It is submitted that the Hon'ble Commission may kindly approve the revised projections as above.

2.6. Energy Balance

The energy balance for the FY 2019-20 has been revised based on the revised sales & power procurement plan as submitted above. The revised projection of Energy Balance for FY 2019-20 and the approvals accorded are compared in the table provided below:



Table: 2.5: Energy Balance for FY 2019-20

Energy Balance	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
	(MU's)		
ENERGY REQUIREMENT			
Energy Sales within State	427.91	405.07	422.61
Sales Outside State (UI)	388.18	641.16	727.86
Total Energy Sales	816.09	1046.23	1150.48
Overall T & D Losses %	22.00	22.00	27.14
Overall T & D Losses (MUs)	120.69	114.25	157.39
Total Energy Requirement	936.78	1160.48	1307.87
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	544.31	686.80	750.64
Free Power	360.56	457.02	557.32
Less: Overall Pool Loss	10.09	13.34	10.09
Generation	42.00	30.00	10.00
Total Energy Availability	936.78	1160.48	1307.87
ENERGY SURPLUS/(GAP)	0.00	0.00	0.00

It is submitted that the Hon'ble Commission may kindly approve the revised projections as above.

2.7. Fuel Cost

The estimated values of fuel cost for the FY 2019-20 and approved cost for the year is provided below:



Table: 2.6: Fuel Cost for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Cost of Fuel	0.18	0.18	0.20
	Total	0.18	0.18	0.20

It is submitted that the Hon'ble Commission may kindly approve the projections as above.

2.8. Power Purchase Cost

PDS has considered the revised projection of power purchase units for determination of power purchase cost for the FY 2019-20. The rate for procurement of power from various generating units have been considered based on the actual power purchase cost per unit from the respective generating stations for the FY 2018-19 & H1 of FY 2019-20.

The cost of power from UI & other short term sources have been based on the average rates for the H1 of the FY 2019-20.

The power purchase cost approved for FY 2019-20 and revised projection of power purchase expense is provided in the table below:

Table: 2.7: Power Purchase Cost for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Power Purchase Cost	236.22	255.07	269.04
	Total	236.22	255.07	269.04



2.9. Intrastate Transmission charges

PDS is not proposing any change to the intrastate transmission charges as approved by the Hon'ble Commission in the MYT order Dt.28.03.218. The actual transmission charges shall be submitted for consideration of Hon'ble Commission at the time of True-up. The transmission charges approved for the FY 2019-20 is provided below:

Table: 2.8: Intrastate Transmission Charges for FY 2019-20

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Intra State Transmission Charges	42.60	42.60	42.60
	Total	42.60	42.60	42.60

2.10. Generation cost

The Hon'ble Commission in the MYT order Dt. 28.03.2018 has determined the generation cost of the SHPs on normative basis in accordance with the of Sikkim State Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2017 for the control period from FY 2018-19 to FY 2020-21.PDS is not proposing any change in the approved cost of generation.

The approved cost of generation for the FY 2019-20 is provided below:

Table: 2.9: Cost of Generation for FY 2019-20

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Cost of Generation	18.83	18.83	18.83
	Total	18.83	18.83	18.83



2.11. Employee Cost

The employee cost for the FY 2019-20 has been projected based on the actual employee cost for the FY 2018-19 & H1 of FY 2019-20. The Employee Cost approved for FY 2019-20 and revised projection of employee cost is provided in the table below:

Table: 2.10: Employee Cost for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Employee Cost	83.51	79.92	107.26
	Total	83.51	79.92	107.26

It is submitted that the Hon'ble Commission may kindly approve the projections as above.

2.12. Repair & Maintenance Expenses

The Repair & Maintenance expense for the FY 2019-20 has been projected based on the actual R&M expenses for the FY 2018-19 & H1 of FY 2019-20. The R&M expense approved for FY 2019-20 and revised projections for the year is provided in the table below:

Table: 2.11: Repair & Maintenance Cost for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Repair & Maintenance Cost	14.78	21.19	23.71
	Total	14.78	21.19	23.71

It is submitted that the Hon'ble Commission may kindly approve the projections as above.



2.13. Administrative & General Expenses

The A&G expenses for the FY 2019-20 has been projected based on the actual A&G expenses for the FY 2018-19 & H1 of FY 2019-20. The A&G expenses approved for FY 2019-20 and revised projections for the year is given in the table below:

Table: 2.12: Administrative & General Expense for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Administrative & General Expense	0.90	3.73	4.86
	Total	0.90	3.73	4.86

It is submitted that the Hon'ble Commission may kindly approve the projections as above.

2.14. Depreciation

PDS has prepared the Fixed Asset Register for the FY 2018-19. The closing GFA for the FY 2018-19 has been taken as base and the projected asset addition during current FY 2019-20 has been added to arrive at the GFA for the FY 2019-20. Depreciation for the year has been calculated considering the GFA arrived above.

The approved depreciation for FY 2019-20 and revised projection of depreciation for the year is provided in the table below:

Table: 2.13: Depreciation for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Depreciation	19.28	19.28	18.10
	Total	19.28	19.28	18.10

It is submitted that the Hon'ble Commission may kindly approve the projections as above.



2.15. Interest & Finance Charges

It is submitted that PDS is not projecting Interest & Finance charges on loan for the FY 2019-20 in line with the order of the Hon'ble Commission for previous years. However, actual interest charges if any shall be claimed at the time of true-up for the year.

2.16. Interest on Working Capital

The working capital has been calculated on normative basis in accordance with the MYT Regulations. The interest on working capital has been computed on the working capital as arrived above at the short term PLR of SBI as on 1st April, 2019.

The Interest on Working Capital as approved and revised projection for FY 2019-20 is provided in the table below:

Table: 2.14: Interest on Working Capital for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Interest on Working Capital	7.91	6.66	12.92
	Total	7.91	6.66	12.92

It is submitted that the Hon'ble Commission may kindly approve the projections as above.

2.17. Return on Equity

It is submitted that the Hon'ble Commission in MYT order Dt.28.03.2018 has provided as below:

"The EPDS has not produced audited annual accounts. In addition, since it is a State Government Department, the expenses are funded by the Government. As such, no separate return is to be allowed as return on equity"

In view of the above, PDS is not projecting return on equity for the FY 2019-20.



2.18. Other Income

The Other Income approved for FY 2019-20 and projected other income for the year is provided in the table below:

Table: 2.15: Other Income for FY 2019-20

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Non Tariff Income	1.62	1.62	1.31
	Total	1.62	1.62	1.31

It is submitted that the Hon'ble Commission may kindly approve the projections as above.

2.19. Revenue from Sale of Power

PDS has projected the revenue from sale of power considering the revised sales projection as submitted in this petition & existing rate as approved by the Hon'ble Commission.

The revenue from sale of power as approved for FY 2019-20 and revised projection for the year is provided in the table below:



Table: 2.16: Revenue from Sales for FY 2019-20

(In Rs.Crs.)

Category	As approved by the Commission in Review Order dated 29.05.2019	Estimated
Domestic	29.43	39.22
Commercial	23.71	23.80
Public Lighting	0.14	0.13
Temporary Supply	2.95	3.00
HT Industrial Consumers	153.41	146.19
LT Industrial Consumers	2.41	2.40
Bulk Supply	22.03	22.74
Outside State	182.44	218.14
Total	416.52	455.62

It is submitted that the Hon'ble Commission may kindly approve the projections as above.

2.20. Review of ARR for FY 2019-20

The revised ARR on the basis of various cost parameters as discussed above is provided below along with the ARR for the FY 2019-20 as approved by the Hon'ble Commission.



Table: 2.17: Review of ARR for FY 2019-20

(In Rs. Crs.)

Sl. No.	Item of Expense	As approved by the Commission in MYT Order dated 28.03.2018	As approved by the Commission in ARR Order dated 29.05.2019	Estimated
1	2	3		4
1	Cost of Fuel	0.18	0.18	0.20
2	Cost of Generation	18.83	18.83	18.83
3	Cost of Power Purchase	236.22	255.07	269.04
4	Intra State Transmission Charges	42.60	42.60	42.60
5	Employee Costs	83.51	79.92	107.26
6	R&M Expenses	14.78	21.19	23.71
7	Administration and General Expenses	0.90	3.73	4.86
8	Depreciation	19.28	19.28	18.10
9	Interest Charges	0.00	0.00	0.00
10	Interest on Working Capital	7.91	6.66	12.92
11	Return on Equity	0.00	0.00	0.00
12	Income Tax	0.00	0.00	0.00
13	Total Revenue Requirement	424.21	447.46	497.53
14	Less: Non Tariff Income	1.62	1.62	1.31
15	Net Revenue Requirement	422.59	445.84	496.21
16	Revenue from Tariff		234.08	237.47
17	Revenue from Outside State Sale		182.44	218.14
18	Gap (15 - 16- 17)	422.59	29.32	40.60

It is submitted that the Hon'ble Commission may kindly approve the projections as above.



SECTION – III

ARR & Tariff Proposal for the FY 2020-21



3. ARR & Tariff for FY 2020-21

3.1. Background

Hon'ble Commission vide order Dt. 28/03/2018 has issued the MYT order for the control period FY 2018-19 to FY 2020-21 in accordance with the (Multi Year Tariff) (Second Amendment) Regulations, 2017. In the MYT order Hon'ble SSERC has approved the ARR for the three years of control period i.e. FY 2018-19, FY 2019-20 & FY 2020-21.

The petitioner is hereby filing the review of ARR for FY 2020-21 and Tariff Proposal for the year based on the changes in uncontrollable parameters i.e. sales, power purchase, etc. as per the MYT framework and request the Hon'ble Commission to consider the revision in the ARR based on the actual of FY 2018-19 and 6 months actual for FY 2019-20. The section below covers each parameter in detail for consideration of the Hon'ble Commission.

PDS therefore, requests the Hon'ble Commission to consider the information submitted in this petition and in the formats and allow the revised ARR & approve the proposed tariff for the FY 2020-21 as prayed in this petition.



3.2. Energy Sales

PDS has revised the sales projection based on the actual for the FY 2018-19 & for the period from April, 2019 to September, 2019. The revised projection of sales for the FY 2020-21 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY 2020-21 is as summarized below:

Table: 3.1: Energy Sales for FY 2020-21

(In MUs)

Category	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
Domestic	127.91	161.70
Commercial	47.75	53.23
Public Lighting	0.31	0.31
Temporary Supply	1.80	4.00
HT Industrial Consumers	255.95	198.33
LT Industrial Consumers	1.64	5.77
Bulk Supply	36.88	37.06
Out side sale	349.49	689.86
Total	821.73	1150.25

It is submitted that the Hon'ble Commission may kindly consider & approve the category wise energy sales as submitted above.

3.3. Transmission and Distribution Losses

The T&D loss projections have been revised on the basis of actual T&D loss levels for the FY 2018-19. It is submitted that it is very difficult to bring down the T&D losses from the current levels due to the geographical & topographical conditions of the area of operation of PDS. PDS is making all efforts to bring down the T&D loss from the current levels. PDS submits that the system strengthening initiatives being taken shall help in reducing the T&D loss. The revised projection of the transmission and distribution losses for FY 2020-21 -arrived at in accordance with the actual Energy Sales, Energy Purchase is:

Table: 3.2: T&D Loss for FY 2020-21

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Transmission & Distribution Loss	20%	25.74%
	Total	20%	25.74%



It is submitted that in view of the above, the Hon'ble Commission may kindly consider & approve the T&D loss as projected above.

3.4. PDS Own Generation

The own generation approved for FY 2020-21 and revised projection of own generation based on the plant availability & generation projections for the year is provided in the table below:

Table: 3.3: PDS Own Generation for FY 2020-21

(In MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Total Generation	45.00	12.00
	Total	45.00	12.00

It is submitted that the Hon'ble Commission may kindly consider & approve the generation projections above.

3.5. Power Purchase

PDS has projected the power purchase units for the FY 2020-21 based on actual power purchase for the FY 2018-19 & H1 of FY 2019-20 and energy availability from the allocated sources for the FY 2020-21. Further, deficit in power during peak periods have been projected to be procured from short term sources. The power purchase units approved for FY 2020-21 and revised projection of power purchase made by the PDS for FY 2020-21 is given in the table below:



Table: 3.4: Power Purchase Units for FY 2020-21

(In MUs)

Sl. No.	Source	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
	Central Sector		
1	BSTPP, NTPC	30.18	118.82
2	FSTPP, NTPC	113.07	162.51
3	FSTPP -III, NTPC	0.00	0.00
4	KHSTPP-I, NTPC	63.97	90.80
5	KHSTPP-II, NTPC	21.63	35.44
6	TSTPP, NTPC	153.89	155.43
7	KBUNL		14.08
8	RANGIT-III, NHPC	4.34	4.45
9	TEESTA -V, NHPC	31.87	30.85
	Others		
10	CHUKHA, PTC	45.62	32.72
11	WBSEDCL	52.65	43.84
12	SPDC	27.09	33.80
13	UI /Deviation	0.00	27.90
14	Free Power	360.56	557.32
	TOTAL	904.87	1307.96

It is submitted that in view of the above, the Hon'ble Commission may kindly consider & approve the projections of power purchase units for the FY 2020-21.

3.6. Energy Balance

The energy balance for the FY 2020-21 has been revised based on the revised sales & power procurement plan as submitted above. The revised projection of Energy Balance for FY 2020-21 and the approvals accorded are compared in the table provided below:



Table: 3.5: Energy Balance for FY 2020-21

Energy Balance	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
ENERGY REQUIREMENT		
Energy Sales within State	472.24	460.39
Sales Outside State	349.48	689.86
Total Energy Sales	821.72	1150.25
Overall T & D Losses %	20.00	25.74
Overall T & D Losses (MUs)	118.06	159.61
Total Energy Requirement	939.78	1309.86
ENERGY AVAILABILITY		
Power Purchase from CGS	544.31	750.64
Free Power	360.56	557.32
Less: Overall Pool Loss	10.09	10.09
Generation	45.00	12.00
Total Energy Availability	939.78	1309.87
ENERGY SURPLUS/(GAP)	0.00	0.00

The Hon'ble Commission may kindly consider & approve the energy balance as projected in the above table.



3.7. Fuel Cost

The revised projection of fuel cost for the FY 2020-21 are compared with those approved by the Hon'ble Commission in the tariff order for FY 2020-21.

Table: 3.6: Fuel Cost for FY 2020-21

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Cost of Fuel	0.18	0.22

3.8. Power Purchase Cost

PDS has considered the revised projection of power purchase units for determination of power purchase cost for the FY 2020-21. The rate for procurement of power from various generating units have been considered based on the actual power purchase cost per unit from the respective generating stations for the FY 2018-19 & H1 of FY 2019-20. The actual rates have been escalated at 5% to arrive at the projected rates for the FY 2020-21.

The cost of power from UI & other short term sources have been based on the average rates for the H1 of the FY 2019-20.

The power purchase cost approved for FY 2020-21 and revised projection of power purchase cost by the PDS for FY 2020-21 based on the above principles are provided in the table below:



Table: 3.7: Power Purchase Cost for FY 2020-21

(In Rs. Crs.)

Sl. No.	Source	As approved by the Commission in MYT Order dated 28.03.2018			Revised Projection		
		Purchase (MU)	Rate (Rs./KWh)	Total Cost in Rs. Crores	Purchase (MU)	Rate (Rs./KWh)	Total Cost in Rs. Crores
1	2	3	4	5	6	7	8
1	NTPC						
A	BSTPP	30.18	13.16	39.72	118.82	4.48	53.19
B	FSTPP	113.07	4.87	55.02	162.51	3.58	58.12
C	FSTPP-III	0.00	0.00	0.00	0.00	-	-0.00
D	KHSTPP-I	63.97	4.51	28.85	90.80	3.62	32.85
E	KHSTPP-II	21.63	4.80	10.38	35.44	3.54	12.55
F	TSTPP	153.89	2.81	43.26	155.43	3.02	46.94
G	KBUNL				14.08	5.56	7.83
2	NHPC						
A	RANGIT-III	4.34	4.43	1.92	4.45	4.35	1.93
B	TEESTA -V	31.87	2.70	8.61	30.85	2.75	8.48
3	PTC						
	CHUKHA	45.62	2.74	12.49	32.72	2.65	8.66
4	Other sources						
	WBSEDCL	52.65	1.52	8.02	43.84	1.37	6.01
	SPDC	27.09	4.76	12.90	33.80	4.41	14.91
	UI Purchase	0.00	-	-	27.90	3.45	9.64
5	Total Energy Purchase	544.31		221.18	750.64		261.10
6	Rebate/Other Charges						-0.16
7	Transmission Charges			29.16			21.56
8	Free Power	360.56			557.32		
9	REC Purchase			0.16			0.16
10	Net Power Purchase Expenses (Excl. Free Power)	904.87		250.50	1307.96		282.66

It is submitted that the Hon'ble Commission may kindly consider & approve the power purchase cost as projected above.

3.9. Intrastate Transmission charges

PDS is not proposing any change in the intrastate transmission charges as approved by the Hon'ble Commission for the FY 2020-21 in the MYT order Dt.28.03.218. The transmission charges approved for the FY 2020-21 is provided below:



Table: 3.8: Intrastate Transmission Charges for FY 2020-21

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Intra State Transmission Charges	44.51	44.51

3.10. Generation cost

The Hon'ble Commission in the MYT order Dt. 28.03.2018 has determined the generation cost of the SHPs on normative basis in accordance with the of Sikkim State Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2017 for the control period from FY 2018-19 to FY 2020-21. PDS is not proposing any change in the approved cost of generation for the FY 2020-21.

The approved cost of generation for the FY 2020-21 is provided below:

Table: 3.9: Cost of Generation for FY 2020-21

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Cost of Generation	19.19	19.19

3.11. Employee Cost

The employee cost for the FY 2020-21 has been projected based on the actual employee cost for the FY 2018-19 & H1 of FY 2019-20. The Employee Cost approved for FY 2020-21 and revised projection of employee cost incurred by the PDS for FY 2020-21 is provided in the table below:

Table: 3.10: Employee Cost for FY 2020-21

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	Employee Expense	88.52	136.69
2	Total Employee Expenses	88.52	136.69



It is submitted that in view of the above, the Hon'ble Commission may kindly consider & approve the T&D loss as projected above.

3.12. Repair & Maintenance Expenses

The Repair & Maintenance expense for the FY 2020-21 has been projected based on the actual R&M expenses for the FY 2018-19 & H1 of FY 2019-20. The R&M expense approved for FY 2020-21 and revised projections for FY 2020-21 is provided in the table below:

Table: 3.11: Repair & Maintenance Cost for FY 2020-21

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	Repair & Maintenance	15.67	26.53
2	Total Repair & Maintenance Expenses	15.67	26.53

3.13. Administrative & General Expenses

The A&G expenses for the FY 2020-21 has been projected based on the actual A&G expenses for the FY 2018-19 & H1 of FY 2019-20. The A&G expenses approved for FY 2020-21 and revised projections for FY 2020-21 is given in the table below:

Table: 3.12: Administrative & General Expense for FY 2020-21

(In Rs. Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	Admin & General	0.95	4.86
2	Total Administrative & General Expenses	0.95	4.86



3.14. Depreciation

PDS has prepared the Fixed Asset Register for the FY 2018-19. The closing GFA for the FY 2018-19 has been taken as base & capitalization approved by the Hon'ble Commission for the FY 2019-20 & FY 2020-21 has been added to arrive at the closing GFA for the FY 2020-21. Depreciation for the year has been calculated considering the GFA arrived above.

The approved depreciation for FY 2020-21 and revised projection of depreciation for FY 2020-21 is provided in the table below:

Table: 3.13: Depreciation for FY 2020-21

(In Rs.Crs.)

Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Projected
Depreciation	21.35	20.17
Total Depreciation	21.35	20.17

It is submitted that the Hon'ble Commission may kindly consider and approve the depreciation as projected for the FY 2020-21.

3.15. Interest & Finance Charges

It is submitted that PDS is not projecting Interest & Finance charges on loan for the FY 2020-21 in line with the order of the Hon'ble Commission for previous years. However, actual interest charges if any shall be claimed at the time of true-up for the year.

3.16. Interest on Working Capital

The working capital has been calculated on normative basis in accordance with the MYT Regulations. The interest on working capital has been computed on the working capital as arrived above at the short term PLR of SBI as on 1st April, 2019.

The Interest on Working Capital as approved and revised projection for FY 2020-21 is provided in the table below:



Table: 3.14: Interest on Working Capital for FY 2020-21

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Interest on Working Capital	8.16	13.77
2	Total Interest on Working Capital	8.16	13.77

It is submitted that the Hon'ble Commission may kindly consider and approve the interest on working capital as projected for the FY 2020-21.

3.17. Return on Equity

It is submitted that the Hon'ble Commission in MYT order Dt.28.03.2018 has provided as below:

"The EPDS has not produced audited annual accounts. In addition, since it is a State Government Department, the expenses are funded by the Government. As such, no separate return is to be allowed as return on equity"

In view of the above, PDS is not projecting return on equity for the FY 2020-21.

3.18. Other Income

The Other Income approved for FY 2020-21 and revised projection of other income of PDS for FY 2020-21 is provided in the table below:

Table: 3.15: Other Income for FY 2020-21

(In Rs.Crs.)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Non Tariff Income	1.65	1.35



It is submitted that the NTI as projected for the FY 2020-21 may kindly be approved.

3.19. Revenue from Sale of Power

PDS has projected the revenue from sale of power considering the revised sales projection as submitted in this petition & existing rate as approved by the Hon'ble Commission.

The revenue from sale of power as approved for FY 2019-20 and revised projection for FY 2020-21 is provided in the table below:

Table: 3.16: Revenue from Sales for FY 2020-21

(In Rs. Crs.)

Sl. No.	Particulars	2020-21 (Projected)
1	2	3
1	Domestic	42.98
2	Commercial	28.20
3	HT Industrial Consumers	150.94
4	LT Industrial Consumers	2.46
5	Bulk Supply	28.74
6	Public Lighting	0.13
7	Temporary Supply	3.00
8	TOTAL	256.45
9	Outside State	218.14
10	TOTAL	474.59

It is submitted that the revised projection of revenue from sale of power as submitted above may kindly be approved.



3.20. Revised of ARR for FY 2020-21

The revised ARR on the basis of various cost parameters as discussed above is provided below along with the ARR for the FY 2020-21 as approved by the Hon'ble Commission.

Table: 3.17: Revised of ARR for FY 2020-21

(In Rs. Crs.)

Sl. No.	Item of Expense	As approved by the Commission in MYT Order dated 28.03.2018	Revised Projection
1	2	3	4
1	Cost of Fuel	0.18	0.22
2	Cost of Power Purchase	250.50	282.66
3	Cost of Generation	19.19	19.19
4	Employee Costs	88.52	136.69
5	R&M Expenses	15.67	26.53
6	Adm. & Gen. Expenses	0.95	4.86
7	Depreciation	21.35	20.17
8	Interest Charges	0.00	0.00
9	Interest on Working Capital	8.16	13.77
10	Return on Equity	0.00	0.00
11	Transmission Charges (Intra State)	44.51	44.51
12	Total Revenue Requirement	449.03	548.61
13	Less: Non Tariff Income	1.65	1.35
14	Net Revenue Requirement (12-13)	447.38	547.26
15	Revenue from Tariff		256.45
16	Revenue from Outside State Sale		218.14
17	Gap (14-15-16)		72.66
18	Revenue Surplus Carried Over		0.00
19	Additional revenue from proposed tariff		9.57
20	Regulatory Asset		0.00
21	Energy Sales (MU)		460.39

It is submitted that the Hon'ble Commission may kindly approve the revised ARR for the FY 2020-21 as projected above.



3.21. Revenue at Existing Tariff and Gap

Based on the Aggregate Revenue Requirement and net revenue from existing tariffs for FY 2020-21 the resultant GAP is as shown in the table below:

**Table 3.18: Revenue at Existing Tariff & GAP
(Rs. Crores)**

Sl. No.	Particulars	2020-21 (Projected)
1	2	6
1	Revenue from Sale of Power	256.45
2	Revenue from Surplus power sales (Outside State)	218.14
3	Total Revenue at Existing Tariff	474.59
4	Net Annual Revenue Requirement	547.26
5	(Gap)/ Surplus	(72.66)

3.22. TARIFF PROPOSAL FOR FY 2020-21

PDS in the previous sections has discussed the estimated performance for the FY 2020-21 based on the past years performances and certain assumptions explained at appropriate places to determine the Aggregate Revenue Required for the year .

3.23. Recovery of Revenue Gap for FY 2020-21

The estimated gap for FY 2020-21 has been computed by deducting the ARR from revenue at existing tariff as detailed above.

PDS does not propose to recover the entire Gap as these may result in huge burden on the consumers. Tariff is a sensitive subject having substantial impact on social, economic and financial well-being of the public at large as well as the viability and growth of power sector. Recovery of entire Gap through tariff increase is not practicable as this would make power unaffordable to the general consumers. PDS being a Government Department funded by budgetary support from State Government it proposes to absorb the unrecovered gap.

In view of the above, the tariff proposal for FY 2020-21 for individual categories is given below along with the comparison of existing and proposed energy charges.



Table 3.19: Existing v/s Proposed Tariff

Sl. No.	Category of Consumers	Existing Rate Paisa/KWH	Proposed Rate Paisa/KWH
1	2	3	4
1	Domestic		
a)	Up to 50 units	120	130
b)	51 to 100 units	240	250
c)	101-200 units	370	380
d)	201 to 400 units	460	470
e)	401 & above	500	510
2	Commercial		
a)	Up to 50 units	330	340
b)	51 to 100 units	400	410
c)	101 to 200 units	560	570
d)	201 to 400 units	600	600
e)	401 & above	640	640
3	Public lighting		
	Rural Areas	300	300
	Urban Areas	500	500
4	Industrial		
A	HT		
a)	HT (AC) above 3.3 KV		
b)	Upto 100 KVA	400	425
c)	100 - 250 KVA	450	470
d)	250- 500 KVA	500	525
e)	500 KVA & above	550	600
B	LT (Rural)		
a)	Up to 500 units	360	360
b)	501 - 1000 units	440	440
c)	1001 & above	580	580
C	LT (Urban)		
a)	Up to 500 units	530	535
b)	501 - 1000 units	620	625
c)	1001 & above	715	715
5	Bulk supply		
a)	LT	650	650
b)	HT	660	660



3.24. Revenue at Proposed Tariff

Based on the tariff proposed above, following is the summary of the additional revenue at the proposed tariff rates.

Table 3.20: Additional Revenue

(Rs.Crores)

Sl. No.	Particulars	2020-21 (Projected)
1	2	3
1	Additional Revenue from Proposed Tariff	9.57

3.25. Impact of Tariff on Consumers

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

Table 3.21: Impact of Tariff Hike

Sl. No.	Particulars	Units	FY 2020-21	
			Existing	Proposed
1	2	3	4	5
1	ARR for FY 2020-21	Rs. Crores	547.26	547.26
2	Revenue from tariff for FY 2020-21		256.45	266.02
3	Revenue from sale of surplus power for FY 2020-21	Rs. Crores	218.14	218.14
4	Total Revenue		474.59	484.16
5	Gap (1 - 2 - 3)	Rs. Crores	72.66	63.10
6	Sales within State	MU's	460.39	460.39
7	Sale of Surplus power through Trading/UI	MU's	689.86	689.86
8	Total Sales		1150.25	1150.25
9	Average Cost of Supply within state (1-3) / 6 x 10	Rs. per kWh	7.15	7.15
10	Average Revenue (2 / 6 x 10)	Rs. per kWh	5.57	5.78
11	Pure Gap (9-10)	Rs. per kWh	1.58	1.37
12	Average Hike in Tariff			0.21
13	Hike in Tariff			3.73%

Hence, it is submitted that the average tariff required to recover the gap attributable to FY 2020-21 is Rs. 7.15 but keeping in view the resultant burden on the consumers, the proposed hike has been restricted to Rs. 5.78 per unit.

It is prayed to the Hon'ble Commission that considering the above submissions, the tariff proposal of PDS for FY 2020-21 may kindly be approved.



3.26. PROPOSED TARIFF SCHEDULE FOR THE FY 2020-21

I. DOMESTIC SUPPLY (DS):

Type of Consumer:

Power supply to private houses, residential flats, Government residential buildings and Government Schools 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.

(a) **Nature of service:**

Low Tension AC 430/230 volts, 50 cycles/sec (Hz)

(b) **Rate:**

Units Consumption	Paisa per kWh (Unit)
Up to 50	130
51 to 100	250
101 to 200	380
201 to 400	470
Consumption exceeding 400 units	510

(c) **Monthly Minimum Charge:**

Details	Rate (In ₹)
Single Phase Supply	40.00
Three Phase Supply	200.00

(d) **Monthly Rebate (if paid within due date):** 5% on Energy Charges
(Due date shall be 10 days which shall be reckoned from the date of issue of the bill)

(e) **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.



Free supply of electricity for consumption up to 100 units applicable to all the domestic consumers in rural areas under Gram Panchayat Unit (GPU) as notified by the Rural Management and Development Department as per clause 1 of Government Gazette Notification No. 500 dated 26.11.2014 shall be determined on the basis of assessment recorded through energy meter only 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 privates 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. In the event of exceeding connected load beyond

25 KVA, the Demand charge at the following rates shall be imposed. The seasonal consumers are allowed to install MDI meter for assessment of their monthly load profile.

(a) Nature of supply:

Low Tension AC 430/230 volts, 50 cycles/Sec (Hz)



(b) Rate:

Consumption range	Paisa per Kwh (Unit)	
Up to 50	340	
51 to 100	410	
51 to 200	570	
201 to 400	600	
Consumption exceeding 400 units	640	
Demand Charges - For those establishments whose sanctioned load is more than 25 KVA and does not have independent transformer but run their unit through shared transformers.	Rural	Urban
	₹60/KVA/Month plus energy charges as mentioned above	₹100/KVA/Month plus energy charges as mentioned above

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

(c) Monthly Minimum Charge:

(i) **Consumer having contract demand of load 45 kV & below shall be charge in the following rate.**

Details	Rate (In ₹)
Single Phase Supply	200.00
Three Phase Supply	500.00

(d) **Monthly Rebate (if paid within due date):** 5% on Energy Charges
(Due date shall be 10 days which shall be reckoned from the date of issue of the bill)

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

III. LOW TENTION INDUSTRIAL SUPPLY (LTIS):

Type of Consumer:

Power supply to the industries like poultry, Agriculture load ,fabrication and sheet metal works or any other units of such kind under small-scale industries having connected load not exceeding 25 kVA in total. In the event of exceeding connected load beyond 25 kVA, the Demand charge at the following rates shall be imposed.



- (a) Nature of service:
Low Tension AC 430/230 volts, 3 phase/single phase, 50 cycles/Sec (Hz)

- (b) Rate:

Units Consumption	Paisa per kWh	
	Rural	Urban
Area		
Upto 500	360	535
501 to 1000	440	625
1001 & Above	580	715
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.	₹60/kVA/Month plus energy charges as mentioned above	₹100/kVA/Month plus energy charge as mentioned above

- (c) Monthly Minimum Charge:

- (i) Consumer having contract demand of load 45 KW & below shall be charged in the following rate.

Rural Areas	₹1000/Month
Urban Areas	₹2000/Month

- (ii) Consumer having contract demand of load above 45 KW shall be charged in the following rate.

Rural Areas	₹120/KVA/Month of sanction load
Urban Areas	₹200/KVA/Month of sanction load

- (d) **Monthly Rebate (if paid within due date) :** 5% on Energy Charges
(Due date shall be 10 days which shall be reckoned from the date of issue of the bill)

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

IV. HIGH TENSION INDUSTRIAL SUPPLY (HTS):

Type of Consumer:

All types of supply with contract demand at single point having 3 phase supply and voltage 11 kV & above.



(a) Nature of supply:

High Tension AC, 11 kV & above, 3 phase, 50 cycles/Sec (Hz)

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.

Energy meters are compulsorily to be installed on HT side of all transformers having capacity equal to or above 200KVA.The meters are also allowed to install on LT side of those consumers having transformer capacity less than 200 KVA, but in such case the assessed energy consumption shall be grossed up by 4% to account for as transformation loss.

(b) Rate:

Units Consumption	Charges
Up to 100 kVA Demand Charge Plus Energy Charge	₹200/kVA/Month + 425 Paisa/Unit
101 to 250 kVA Demand Charge Plus Energy Charge	₹250/kVA/Month + 470 Paisa/Unit
251 to 500 kVA Demand Charge Plus Energy Charge	₹290/kVA/Month + 525 Paisa/Unit
501 kVA & above Demand Charge Plus Energy Charge	₹560/kVA/Month + 600 Paisa/Unit

(c) **Monthly Minimum Charges:** Demand Charges

(d) **Monthly Rebate (if paid within due date):** 2% on Energy Charges
(Due date shall be 20 days which shall be reckoned from the date of issue of the bill)



- (e) Annual Surcharge (charge on the gross arrear outstanding every March end): **10%**
- (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 of 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, Sikkim Armed Police Complex (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 430/230 volts or High tension 11 kV & above.

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

- (b) Rate:

All Units Consumption	Paisa/Unit
LT (430/230 Volts)	650
HT (11kV or 66 kV)	660

- (c) **Monthly Minimum Charge:**

(i) Consumer having contract demand of load 45 KW & below shall be charged in the following rate.

LT (430/230 Volts)	₹2000/month
HT (11KV or 66 KV)	₹2000/month

(ii) Consumer having contract demand of load above 45 KW shall be charged in the following rate.

LT (430/230 Volts)	₹200 /KVA/month of Sanction Load
HT (11 KV or 66 KV)	₹200 /KVA/month of Sanction Load

- (d) **Monthly Rebate (if paid within due date):** 2% on Energy Charges
(Due date shall be 20 days which shall be reckoned from the date of issue of the bill)



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

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 230/430 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 charge, surcharge, 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 is blind and the same is certified by the National Association for Blinds.

- (a) Nature of service:

Low Tension AC 230/430 volts, 50 cycles/Sec (Hz)

- (b) **Rate:** Domestic supply rate 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

(PW):

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 430/230 volts, 50 cycles/Sec (Hz).

(b) Rate:

Unit Consumption Slab	Paisa per kWh
Places of worship having: (i) Having 3 lightpoints A) up to 100 units B) Above 101units (ii) Having 4 to 6 light points. A) up to 150units B) Above 151units (iii) Having 7 to 12 light points A) up to 300units B) Above 301units (iv) Having 13 and more light points A) up to 500units B) Above 501units	Domestic rate is applicable.
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 the Head of 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 lighting, street light etc. in urban area shall be paid by the Urban Development & Housing



Department/Municipal Corporation. Similarly the consumption of electrical energy for street light 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 Power Department and for which the standard (Tariff Schedule) charges is also applicable in accordance with rules and regulations of the Department.

(a) Rate:

Category	Rate
Rural Areas	300 Paisa/KWH
Urban Areas	500 Paisa/KWH

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, however if the connection is being taken for less than one month, an advance payment should be taken from the consumer as per his/her connected load based on the average system of calculation shown in the tariff schedule.

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 430/230 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 entertained without energy meter**). Two months



assessment on sanction load shall have to be paid in advance as security deposit before taking the connection.

XI. ADDITIONAL BENEFIT FOR CONSUMERS HAVING PREPAID METERS

- (i) 1% additional rebate on energy charge will be allowed to consumers having prepaid meters.**
- (ii) No meter rent shall be charged to the consumer having Pre-Paid meter.**

XII. SCHEDULE FOR MISCELLANEOUS CHARGES

1. 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 ₹25/- (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 Substation 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 own cost.

The 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 be treated such cases as theft of power.

- a. Single connection will be provided to the legal landlord of the building. However, an additional connection can also be given in the name of his/her legal heir subject to production of valid agreement by the landlord stating that he/she shall take the responsibility to clear all the electricity dues created thereof by his legal heir before the close of every financial year.



- b. In case the flat or part of the private building is occupied by Government /Semi Government /Government Undertakings offices, separate service connection in the name of head of office can be given with the approval of the concerned Executive Engineer.
- c. ₹50.00 per certificate shall be charged for issuing NDC (No dues certificate), NOC (No objection certificate) or any other kind of certificate to be issued to the consumer by the Department.

XIII. METER RENT /Month

(i)	Energy Meter	
(a)	Single Phase	₹40.00
(b)	Three phase	₹80.00
(ii)	Maximum demand indicator	₹200.00
(iii)	Time switch	₹150.00

XIV. TESTING OF METERS

i)	Energy Meters Single Phase/Three phase	₹200
ii)	Other Metering Instruments	₹250

XV. DISCONNECTION & RECONNECTION

(i)	DS and CS category	₹150.00
(ii)	LTIS, HTS & BS category	₹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 by the consumer against a payment of ₹100.00 each time which does not include the cost of materials and labour Payment.

XVI. REPLACEMENT OF FUSES

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



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

XVII. RESEALING OF METERS

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

XVIII. SECURITY DEPOSIT

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

1	Electronic Meter	3 phase	₹500.00
		1 phase	₹200.00
2	Electromagnetic Meters	3 phase	₹150.00
		1 phase	₹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.

XIX. 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 end. 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 neither the meter, main cut-out or metering equipments nor allow the same to remain in any position where the employees are prohibited from entering into or where there is difficulty of access for employees.

d. Application/Notice before connection

The consumer must submit an application for new service connection or should apply for additional power supply well in advance for domestic and commercial purpose. In the case of HTS/LTIS/BS consumers, long period notices 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. The Assistant Engineer of the area will issue seven clear days notice to the applicant for inspecting his/her premises to verify the feasibility of providing power supply.

e. Sketch of the premises



- i. A neat sketch of the premises should be submitted for 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.

XX LAND - free of cost for service connection and other associated 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 overhead 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.

XXI. 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 equipment 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/her 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 the sub-head of 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.

XXII. 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 Departmental equipment 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 supply taken by him/her from the 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.

XXIII. 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 mal practice:-
 - (a) Exceeding sanctioned/contract load authorized 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.

XXIV. 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 Assessing Authority of the Department will decide about the payment of compensation amount to be imposed against such consumer as per the relevant rules and regulations.

XXV. 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 section 135 & 150 of the Indian Electricity Act 2003.

XXVI. 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 box which is open to the consumer for inspection. 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 non-receipt of his bill and in such representation, a copy will be supplied to him.

XXVII. 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.

XXVIII. FAILURE OF POWER SUPPLY

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

XXIX. 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.

XXX. 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 number and should quote the same while corresponding with the Department for prompt attention by the Department.

XXXI. 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 card of the Department are allowed to replace those fuses. Consumers are not allowed to replace those fuses and they will render themselves shall be liable to pay heavy penalty if the Department's seals are 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.

XXXII. THEFT OF POWER

Theft of power is a criminal offence under electricity Act. Whosoever commit the theft of power shall be punishable under relevant Section of IE Act 2003.

XXXIII. 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



3.27. Compliance of Directives

The Hon'ble Commission vide Tariff Order for the FY 2019-20 Dt. 29th May, 2019 had issued a set of Directives to be followed by the E&PDS to comply with the SSERC Regulations & standards.

In line with the directives, E&PDS has been taking several steps to comply with the directives. The purpose of this section is to apprise the Hon'ble Commission on progress made by E&PDS on these matters since the issuance of the aforesaid Tariff Order.

Directive 3:

“The EPDS is called upon to institute effective and conscious measures to mitigate revenue shortfalls attributable to T & D losses. In this regard, the concerned deemed licensee is advised to address Critical areas viz. institutionalizing an in-built energy auditing mechanism, introduction of pre-paid billing system, unbundling of generation, transmission and distribution as distinct segments, etc. The EPDS is also advised to undertake installation of Remote Sensing Meters in all Bulk load consuming units such as Industrial Units, Star category Hotels, etc. in order to facilitate effective and efficient monitoring and billing of energy consumption. These administrative measures are underlined with the view to bringing about a tangible improvement in the overall performance of the licensees.”

Compliance:

Under first phase IPDS scheme Consumers of three towns namely Rangpo, Gangtok & Jorethang will be installed with prepaid meters. The remaining towns will be subsequently covered in 2nd phase. In regard to Remote metering, more number of high end consumers is being covered.

Commission's Comments:

The Commission appreciates and commends the steps being taken and efforts being made by the Department towards pre-paid metering and remote metering of high end consumers. The Commission urges the Department to take necessary action for timely completion of metering of all towns and also high end consumers. The Department is directed to submit a report on the status of prepaid metering and remote metering to the Commission within a period of 90 (ninety) days from the date of issue of the tariff order.

Reply: The instruction of Hon'ble Commission is noted



Directive 4:

“In the area of energy auditing, the EPDS has reportedly undertaken a pilot project for Gangtok to address issues impacting technical and commercial losses. While appreciating the initiative taken by the EPDS in this regard, it is suggested that appropriate steps be also taken to install meters covering all Feeder 132KV, 66KV and 11KV transmission lines including the distribution transformer points to facilitate effective monitoring of distribution and consumption of energy load. These measures would contribute to containing the Transmission and Distribution losses.”

Compliance:

The advice of the Hon’ble Commission is noted please.

Commission’s Comments:

The Department is directed to submit a status report with details of the metering of the feeders, transmission lines and distribution transformers completed till date and as well as the works/plans in the pipeline planned for the near future within a period of thirty days from the date of issue this order.

Reply: The instruction of Hon’ble Commission is noted.

Directive 7:

On the request of the EPDS, the Commission has agreed to permit extension of the time for submission of all the prescribed documents and schedules relating to the Annual Accounts and the Balance Sheets along with the Profit and Loss Accounts as required under the Electricity (Supply / Annual Accounts) Rules 1985 and submit the same to the Commission.

Compliance:

It is submitted that the Fixed Assets Register for the FY 2017-18 & Annual Accounts upto -FY 2017-18 is being finalised and shall be submitted shortly.



Commission's Comments:

The Commission feels that as long as a decision on the un-bundling of the Department is taken by the State Government and separate entities for generation, transmission and distribution businesses are created, the prescribed documents, formats, accounts, profit and loss statements etc can't be compiled or generated by the Department as required under the Electricity Act, 2003 or the Electricity (Supply / Annual Accounts) Rules 1985. As such, the Commission advises the Department to bring the matter to the notice of the State Government for taking early decision on the un-bundling process.

Reply: The State Government will be apprised of the directive.

Directive 8: Management Information System (MIS)

"The EPDS has not maintained proper data in respect of sales (slab wise), with number of consumers and connected load / demand etc. for proper analysis of the past data based on actuals and estimation of proper projections for consideration in the ARR. The EPDS is directed to take steps to build Credible and accurate data base and management information system (MIS) to meet the requirements for filing ARR & Tariff Petition as per regulatory requirement. The formats, software and hardware may be synchronized with the Regulatory Information and Management System (RIMS) circulated by Central Electricity Regulatory Commission (CERC)."

Compliance:

Three billing centers at Rangpo, Topahakhani & Jorethang have been digitized during the month of July with online payment facilities. Digitization of more billing centers will be taken up as per availability of fund.

Commission's Comments:

The Commission is of the view that in this present age of Information Technology and digital world, the Department must take immediate steps to ensure that it does not lag behind in the field of introducing paperless work and e-governance. Having digitized billing system for all billing centres in the State will not only avoid tedious and time consuming manual entry and up-keep of records but will also ensure that the Department is able to submit the requisite data/records to the Commission in time. The Commission urges the Department



to take all possible steps for digitization of not only billing system but also for maintaining all other important data/records.

Reply: The advice of the Hon'ble Commission is noted and the Department is exploring funding mechanism to digitize all billing centres.

Directives 14:

Reforms in the energy sector are absolutely necessary to overhaul the Energy Sector to make it more vibrant and commercially viable in view of the huge hydro power potential in the State. As part of the reforms envisaged the State Government will have to consider seriously the huge monopolistic role of the EPDS in the generation, transmission and distribution of electricity in the State. Most of the States have already initiated the process of unbundling their Energy / Power Departments/SEBs into separate corporate entities covering generation, transmission and distribution, even going to the extent of utilizing the private sector in the distribution of power. This is an important aspect the State Government will have to look at in order to ensure that the Power sector lives up to its expectation of becoming the State's main revenue earner.

In addition the EPDS needs to examine and review the milestones agreed upon in the Memorandum of Understanding (MOU) signed with the Ministry of Power in December 2002 by the Government of Sikkim which have not been fully achieved. Necessary steps and actions need to be taken for achieving the target and commitment for implementing of reforms programme in the power sector.

Compliance:

The advice of the Hon'ble Commission is noted please.

Commission's Comments:

It is observed that even though the High Powered Committee was notified by the State Government in May 2017, only one meeting of the Committee has been convened so far. The Commission feels that the Department needs to follow up the matter with the Committee to ensure that the report/recommendation is submitted to the State Government for decision on the un-bundling process without further delay.



Reply: The High powered Committee has to be reconstituted as members have retired, some have gone on deputation. The proposal for reconstitution of the committee will be forwarded to the Government.

Directives 18: Consumer Grievances Redressal Forum (CGRF)

The EPDS has constituted the Consumer Grievances Redressal Forum (CGRF) only in East District, Gangtok. The EPDS directed to set up Consumer Grievances Redressal Forum (CGRF) in each district of the State to facilitate redressal of the grievances of the consumers and general public. The CGRFs in the remaining districts shall be constituted within a period of 2 months from the date of issue of this Order.

Compliance:

The CGRFs have been constituted District wise as per the direction of the Hon'ble Commission.

Commission's comments:

The directives have been complied. The Commission directs the Department to take measures for creating awareness among the consumers and general public regarding the roles, functions and redressal mechanism available to the public under the CGRFs.

Reply: The advice of the Hon'ble Commission has been noted.

Directive 19: Publicity/Awareness regarding CGRF, Consumer Grievance Cell and Ombudsman

The EPDS is directed to conduct awareness programs on the role, functions, etc. including the procedure for filing of grievances by the consumers and general public before the CGRF, Ombudsman and Consumer Grievance Cell. The EPDS is advised to make use of print and electronic media, Gram Sabha Meetings and other platforms to educate and give wide publicity on the role and functions of CGRF, Ombudsman and Consumer Grievance Cell so as to enable timely redressal of grievances/complaints of the consumers and the general public.



Compliance:

The CGRFs in all the four districts have been constituted. The direction of the Hon'ble Commission regarding the awareness to be created amongst consumers regarding role & functions of CGRFs is also noted.

Commission's comments:

The Commission directs the Department to explore possibility for uploading information related to roles/functioning of the CGRFs in its official website and also issue "public notice" regarding the CGRFs for information of the public in press and media.

Reply: The advice of the Hon'ble Commission has been noted.

Directive 22: Renewable Energy Projects

As the Government of India is keen on building up its Renewable Energy capacity, the State could also look at the option of taking up Renewable Energy projects to increase its overall generation capacity. As per the Solar Radiation data available with the Ministry of New and Renewable Energy, the annual average solar radiation at Gyalshing is 3.70 KWh/M²/Day; Namchi is 4.79 KWh/M²/Day) and Gangtok 2.89 KWh/M²/Day). The annual average insolation data available in the State is much better than the data shown against some of the European countries who have gone in for major solar projects.

Compliance:

Under the first phase of IPD schemes solar plants of various sizes ranging from 5 KWp to 40 KWp will be implemented in the State which totals around 300 KWp. SREDA which is under Power Department is also implementing solar projects of 500 KWp (off Grid Type) in West Sikkim along with smaller capacity in other districts.

Commission's comments:

The Commission is of the view that the Department as well as the SREDA lacking in their efforts towards implementation of solar rooftop or renewable projects in the State in spite of enormous support and technology available in the country and the special impetus being



given by the Government of India for capacity addition of renewable in the country. The Commission directs the Department and the SREDA to take immediate steps and make efforts for timely implementation of solar roof top projects. The Department/SREDA is directed to submit a status report on the rooftop solar projects to the Commission within a period of 90 days from the date of issue of this order.

Reply: The State Government has notified rooftop solar policy and all industrial units in the State have been requested to install solar PV system in their premises. Also, some progress has been made through centrally aided projects. The status report on the Solar Rooftop Projects under Sikkim Renewable Energy Development Agency (SREDA) is enclosed vide Enclosure A.

Directives issued in the FY 2016-17 Tariff Order

Directive 1: Improving Own Generation

The own generation from the various Powerhouses of the EPDS has seen a decline over the years and it is seen that most of the Powerhouses were non-operational for considerable period of time. The EPDS is directed to prepare a time bound plan for restoring the full generation of the Powerhouses to improve its own generation. The Commission has observed that EPDS has made only bare minimum provisions under the Repair Maintenance head and as such it is feared that timely repairs and requisite maintenance of the power plants are not being done. The EPDS needs to concentrate both resource and planning on the power plants having good generation capacity.

Compliance:

The advice of the Hon'ble Commission is noted please.

Commission's comments:

It is observed that the own generation of the Department has not made much improvement and the generation from the powerhouses are not meeting the estimated quantum being projected by the Department in its ARR. The Commission is of the view that improving own generation will aid not only in off-setting power purchase but also meet the RPO targets of



the Department. Therefore, the Department must make result oriented and targeted efforts for improving its own generation.

Reply: In line with the observation of the Hon'ble Commission, Department is making all efforts to revive the non functional power houses. The renovation of 12 MW Lower Lagyap Hydel Project is completed and the commissioning is stalled due to public resentment in the water conductor system. 4 MW Meyongchu HEP in North Sikkim has been renovated and has retrieved its generation and at present both the units are generating. 3 MW Rabomchu HEP in North Sikkim and 2 MW Kalez Khola HEP in West Sikkim have problem in water conductor and intake structure requiring certain funds for restoration and requisition for the same has been placed before the State Government.

Directive 2: Segregation of Technical & Commercial Loss

The EPDS is directed to take appropriate action for segregating the Technical and Commercial losses. The exercise towards segregating the losses may be done in a phase manner beginning with the major towns/cities in phase -1 and other areas in later phases.

Compliance:

The directive of the Hon'ble Commission is noted please.

Commission's comments:

The Commission observes that the Department has not put in the necessary efforts for segregation of the AT&C losses. Segregation of the AT&C losses will go a long way in helping the Department to identify the key areas/issues that need to be focused upon for taking suitable actions for reducing the losses. The Department is directed to formulate a time bound action plan for segregating the losses and furnish the same to the Commission.

Reply: Action in this regard has already been initiated. The Feeder metering and 100% consumer metering are under way through IPDS and DDUGJY.



Directive 4: RPO and Solar Energy

The Government of India has revised the Tariff Policy and provisions has been made in the revised Tariff Policy for Long Term Growth Trajectory of Renewable Purchase Obligation (RPO) which inter-alia provides for gradually increasing the minimum percentage of Solar RPO to 8% of total consumption, excluding hydro by March, 2022. The MNRE has estimated that Sikkim needs to generate 5 MW Solar power in order to meets its RPO requirement.

In view of the above, the EPDS is directed to consider setting up of Solar PVs in the large Government buildings, hospitals, colleges etc. coming up in the State. The EPDS is directed to approach the Urban Development and Housing Department, Buildings and Housing Department and Commerce & Industries Department, Government of Sikkim with the proposal to review the State Building Code by incorporating relevant provisions towards mandatory installation of roof top Solar PVs in all Government Buildings, Pharmaceuticals, Industrial Units and large hotels, car parks, Hydro Power Developers etc. Mandatory provisions for installing roof tops Solar PVs by various Industrial/Manufacturing Units in their premises at a minimum defined percentage of their total consumption could made in the Building Code.

Compliance:

The Hon'ble Commission will be updated on the matter at regular intervals.

Commission's comments:

The State Solar Policy needs to be framed and notified at the earliest so that clear guidelines and policy frameworks are available to individuals/groups who are interested to take up roof top or ground mounted solar projects in the State. The Department/SREDA is directed to follow up the matter with the State Government for notification of the State Solar Power Policy at the earliest.

Reply: With the view to align with the aim of Government of India and to promote the use of Solar Energy, the Power Department and SREDA have jointly framed the Grid Connected Rooftop Solar Photovoltaic Policy for the State that has been notified by the State Government on 30th August 2019.



Directive 6: Energy Audit

The Commission has fixed the loss reduction trajectory for the FY 2017-18, FY 2018-19 and FY 2019-20. In order to achieve the loss reduction target, the EPDS is directed to conduct the energy audit to identify the high loss areas and submit a report before filing of the next petition.

Compliance:

The directive of the Hon'ble Commission is noted please.

Commission's comments:

The Department needs to speed up metering at all voltage levels so that energy audit can be conducted. The Department is directed to make a road map for loss reduction. The Department has to take all available measures to adhere to the loss trajectory being fixed by the Commission.

Reply: 100% metering will be achieved through IPDS and DDUGJY. Installation of prepaid meters has already been started in the following major towns such as Rangpo, Singtam and Jorethang. Remaining towns are expected to be taken up subsequently. Also, vigilance squads have been formed for checking pilferages.

Directives issued in the FY 2017-18 Tariff Order

Directive 1: Solar Rooftop Projects

The EPDS is directed to submit the status of the master plan/proposal prepared/proposal already approved and sanctioned by the Government of India for implementation of Roof Top Solar Projects in Private and Government Buildings in the State along with the details of capacity anticipated and area of roof top available within a period of two months from the date of this order.

Compliance:

The directive of the Hon'ble Commission is noted please.



Commission's comments:

The Commission is of the view that both the Department and SREDA need to be more proactive and forthcoming in working with the line Department/Agencies for timely completion of the assessment of the rooftop areas available for setting up of roof top solar. A detailed status report on the steps being taken for roof top solar may be submitted to the Commission within a period of 90 days from the date of issue of the directives.

Reply: A comprehensive list indicating the status of Solar Power Project under implementation/ sanctioned and submitted for approval and sanction by MNRE is attached vide Annexure A1 and A2.

The following steps are being taken by the department/SREDA to expedite the installation of solar power plants and increase the solar generation as well as meet up the RPO obligation:

The solar policy of the state encourages installation of Solar Power Plants by individual consumers on their rooftop and supply the surplus to the State Grid. Power Department has directed the private industries and Pharmaceutical Companies to install solar power plants. The Energy Conservation Building Code for the State has framed and awaiting Government approval. The code mandates commercial buildings to install solar rooftop plants depending upon their contract demand. Draft copy of the ECBC Rule is forwarded to the UD&HD for observation and that shall be included in the Building By-laws after notification of the Code. With the Technical Assistance of MNRE, SREDA & Power Department are working jointly to empanel Vendors for executing Solar Projects in the State and develop Unified Web Portal for Solar Power interconnection to facilitate consumers for Grid Connection. This will ease and encourage the individual consumers. As a demonstration project Grid Connected Solar Power Project of 166 kWp has been approved by the Government to be installed at Tashiling Secretariat Block 1 and 2 on BOOT model. Process of conducting survey of Government Premises like, Session Courts, Primary Health Centres, Wireless stations, etc. at districts is underway for installation of solar plants.



Directive 2: Online Payment of Electricity Bills

The EPDS has introduced web based system for online payment of electricity bills, which is a welcome step towards digitization. The EPDS is advised to explore the options of introducing e-payment mode through various Apps, sms phone alerts on billing and payment of electricity bills etc.

Compliance:

The consumers do receive the bills and payment confirmation in email and SMS.

Commission's comments:

The Commission commends the steps taken by the Department towards online electricity bill payment. It is observed that the facilities for online bill payment are presently available only in the capital and few other towns/cities. The Department is advised to extend the facility to all parts of the State so that the public can pay their electricity bills sitting in the comfort of their homes. The Department is advised to give wide publicity through print and electronic media on the availability of such facilities for information of the general public.

Reply: The advice of the Hon'ble Commission is noted please.

Directive 3: Prepaid metering

The EPDS is directed to consider introduction of prepaid metering in the State especially for high end consumers whose monthly electricity consumption is high. Prepaid metering will ensure better revenue collection.

Compliance:

The installation of prepaid meters in three towns of Rangpo, Gangtok & Jorethang has started.

Commission's comments:

The Commission welcomes the efforts of the Department towards introduction of pre-paid metering in the three towns. The Commission advises the Department to bring all other towns under pre-paid metering system. It is also felt that possibility of installing pre-paid



metering in rural areas targeting small scale industries, manufacturing units etc having higher electricity consumption needs to be explored by the Department.

Reply: The advice of the Hon'ble Commission is noted please.

Directives issued in the FY 2018-19 Tariff Order

Directive 1: Furnishing of Requisite Documents/Data

It is observed that the EPDS is not furnishing the documents/data etc. in support of the various projections/calculations etc. done in their MYT petition at the time of filing of the petition. As such it is directed that all relevant documents/data be submitted along with the petition in future.

Compliance:

The directives of the Hon'ble Commission is noted please.

Commission's comments:

Despite of directives issued by the Commission, the Department has not been submitting the documents/data in support of the projections/calculations etc. done in its ARR and Tariff petition at the time of filing of the petition. The Commission directs the Department to invariably furnish all data/documents with full details along with its ARR/Tariff Petition henceforth. If all relevant documents and data are not furnished at the time of filing of the petition, the Commission will not accept the petition. The Department is directed to strictly comply with the directive.

Reply: In compliance with the directive, required documents is being submitted.

Directive 3: Prevention of Deaths Due to Electrocutation

The EPDS is directed to take stringent measures to avoid accidental deaths due to electrocution and injuries occurring in the State. EPDS needs to explore for means/methods to reduce loss of precious lives due to electrocution. EPDS may resort to awareness campaigns in schools, gram sabhas etc to educate the people on dangers of electricity vis-à-vis safety.



Compliance:

These matters are being taken up in Gram Sabhas with active participation of officers in the level of Executive Engineers and below.

Commission's comments:

The Commission urges the Department to continue with the awareness campaigns and fully ensure the safety and security of its field staffs. The Department is directed to ensure that proper fencing of electric poles, transformers and other electrical installations are done to avoid accidental contact with human and animals. All electric poles and lines and other installations be properly earthed. The Department is directed to periodically check the lines and installations to see that safety systems and earthing are working properly.

Reply: Sensitization and awareness programmes on safety aspect along with checks on the lines and installations are being conducted in regular intervals. An animation video to sensitize the general public and the schoolchildren in particular regarding electrical safety measures has been prepared and has been widely circulated.

Fresh Directives (FY 2019-20)

Directive 1: Energy Efficiency

The Department is directed to comply with the provisions of the Energy Efficiency Act, 2001 and ensure that steps be taken for appointment of inspection officers and also designate the State Designated Agency for Energy Efficiency as required under the Act.

Reply: Power department is notified as State Designated Agency in order to promote the policies & programs of Bureau of Energy efficiency on efficient use of energy and its conservation in the State. Power Department/SDA has designated Electrical Inspector, GoS as the Inspecting Officer under the EC Act 2001.

Directive 2: Collection of Electricity Bill in Rural Areas

The Department may explore the possibility of extending bill collection desk or centres in villages to provide the rural consumers the ease of paying their electricity bill. Alternatively, the Department may entrust collection of bills by the Office of the Gram Panchayats or local



registered NGOs or self help groups. Such steps will not only improve the billing and revenue collection of the Department but will also encourage the rural consumers to pay their bills on time and avoid their travelling to the banks and queuing up in long lines.

Reply: The advice of the Hon'ble Commission is noted please.

Directive 3: Timely furnishing of data/information/replies

The Commission receives requests and directives from Ministry of Power, Government of India and other agencies like the Forum of Regulators, Central Electricity Authority (CEA), Central Electricity Regulatory Commission etc seeking data/information pertaining to the power sector, which need time bound replies. The Commission observes that the Department is not only very slow in furnishing of such data/information requested but also tends to ignore the letters being issued by the Commission. The Department often doesn't furnish the requisite data/information on time and most occasions don't respond to the letters sent by the Commission in spite of repeated reminders. The Commission directs the Department that action be taken to ensure that proper and timely replies/responses be given to all letters and communications sent by the Commission.

Reply: The advice of the Hon'ble Commission is noted please.

Directive 4: Surrendering of High Cost Thermal Power

One of the major components of the ARR is the power purchase cost. The EPDS is procuring thermal power from different sources at high cost. Even when no power is drawn from such thermal power stations, the EPDS has to pay the Demand Charges. Having back up thermal power is essential to meet the power demand during the lean season, when power from hydro sources is insufficient. The EPDS needs to review the PPAs signed for thermal power and explore the possibility of surrendering high cost thermal power. The EPDS is directed to carry out a detailed study of the power demand and supply in the State and consider surrendering high cost thermal power or review the terms and conditions of the existing PPAs to get power at competitive price. The EPDS is directed to submit proposals for surrendering of such power as well as review of the PPAS to the concerned agency/department of the Government of India.

Reply: Presently the Department has thermal power allocation from Six Stations of NTPC & Its subsidiaries totalling to 90 MW which is flagged as " A ". A committee has been constituted in the Department vide order no : 141/Adm dated 28/04/2019 for the same



subject and the same is flagged as “ B “. The committee had its first meeting and a general consensus amongst the members was that thermal power allocation of 88 MW was necessary for the Department as the existing annual consumption growth in the state was roughly 6-7%. This will provide the necessary energy security along with enough quantum of Energy to tide over the maximum drawl period of winter months. From the existing thermal allocation, the allocation of Kantee Bijlee Utpadan Nigam Ltd (KBUNL , 2 MW) could be surrendered.

In addition to the allocation from these six thermal plants there are some more Power Purchase Agreements with NTPC & Subsidiaries for which the Department & the State Government has been corresponding with NTPC & Ministry of Power, GOI for termination/cancellation. The status of same had been made available to the Hon’ble commission vide letter no 30/GOS/E&P/TRD/2018-2019/97 dated 7/3/2019.

There has been further communication with Ministry of Power, GOI & NTPC on the subject of cancellation/termination of Power Purchase Agreements and for latest status photocopy of these letters are appended and flagged as “C”.

Directive 5: Development of Roof Top Solar Projects

Considering the huge target of 175 GW of Renewable Energy (RE) by 2022 set by the Government of India and also the RE generation targets for each State/UT set by the Ministry of New & Renewable Energy, Government of India, the EPDS/SREDA must take necessary steps for timely implementation of renewable projects especially solar power in the State to contribute towards the renewable energy target of the country. The EPDS may explore the possibility of giving up the import of high cost thermal power and in lieu set up rooftop and ground mounted solar projects in the State to meet the RE and also Renewable Purchase Obligations.

Reply: A comprehensive list indicating the status of Solar Power Project under implementation/ sanctioned and submitted for approval and sanction by MNRE is attached vide Annexure A1 and A2.

The following steps are being taken by the department/SREDA to expedite the installation of solar power plants and increase the solar generation as well as meet up the RPO obligation:



The solar policy of the state encourages installation of Solar Power Plants by individual consumers on their rooftop and supply the surplus to the State Grid. Power Department has directed the private industries and Pharmaceutical Companies to install solar power plants. The Energy Conservation Building Code for the State has framed and awaiting Government approval. The code mandates commercial buildings to install solar rooftop plants depending upon their contract demand. Draft copy of the ECBC Rule is forwarded to the UD&HD for observation and that shall be included in the Building By-laws after notification of the Code. With the Technical Assistance of MNRE, SREDA & Power Department are working jointly to empanel Vendors for executing Solar Projects in the State and develop Unified Web Portal for Solar Power interconnection to facilitate consumers for Grid Connection. This will ease and encourage the individual consumers. As a demonstration project Grid Connected Solar Power Project of 166 kWp has been approved by the Government to be installed at Tashiling Secretariat Block 1 and 2 on BOOT model. Process of conducting survey of Government Premises like, Session Courts, Primary Health Centres, Wireless stations, etc. at districts is underway for installation of solar plants.



GOVERNMENT OF SIKKIM

SIKKIM RENEWABLE ENERGY DEVELOPMENT AGENCY

(AN AGENCY UNDER THE ENERGY & POWER DEPARTMENT, GOVERNMENT OF SIKKIM)
SREDA BHAWAN, D. P. H. ROAD, GANGTOK - SIKKIM
Phone : (03592) 202711, email : sreda.sik@nic.in
www.sreda.gov.in



Annexure - A, A1 & A2

No. GOS/SREDA/E&P/04/DIR/2019-20

Date: 22.10.2019

To,

The Chief Engineer (O&M/Rev/SDA)
Power Department
Government of Sikkim
Gangtok.

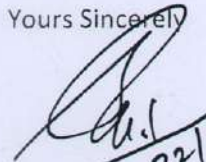
Subject: Reply to the directives of SSERC.

Sir,

Reference to your letter no. 30/ACE/HQ-II/E&P/2017-18/483 dated 06. 09. 2019, please find herewith the reply to the directives of SSERC pertaining under the control of the undersigned.

Thanking You,

Yours Sincerely


(D. K. Sharma)
22/10/19

Addl. Chief Engineer (SREDA/SDA).

REPLY TO THE DIRECTIVES OF SSERC (FY 2019 – 20).

Directive 22. Renewable Energy Projects:

The status report on the Solar Rooftop Projects under Sikkim Renewable Energy Development Agency (SREDA) is enclosed vide Enclosure A.

Directive issued during FY 2016 – 17.

Directive 4: RPO and Solar Energy: With the view to align with the aim of Government of India and to promote the use of Solar Energy, the Power Department and SREDA have jointly framed the Grid Connected Rooftop Solar Photovoltaic Policy for the State that has been notified by the State Government on 30th August 2019.

Directive issued during FY 2017 – 18.

Directive 1: Solar Rooftop Projects: A comprehensive list indicating the status of Solar Power Project under implementation/ sanctioned and submitted for approval and sanction by MNRE is attached vide Annexure A1 and A2.

The following steps are being taken by the department/SREDA to expedite the installation of solar power plants and increase the solar generation as well as meet up the RPO obligation:

The solar policy of the state encourages installation of Solar Power Plants by individual consumers on their rooftop and supply the surplus to the State Grid. Power Department has directed the private industries and Pharmaceutical Companies to install solar power plants. The Energy Conservation Building Code for the State has framed and awaiting Government approval. The code mandates commercial buildings to install solar rooftop plants depending upon their contract demand. Draft copy of the ECBC Rule is forwarded to the UD&HD for observation and that shall be included in the Building By-laws after notification of the Code. With the Technical Assistance of MNRE, SREDA & Power Department are working jointly to empanel Vendors for executing Solar Projects in the State and develop Unified Web Portal for Solar Power interconnection to facilitate consumers for Grid Connection. This will ease and encourage the individual consumers. As a demonstration project Grid Connected Solar Power Project of 166 kWp has been approved by the Government to be installed at Tashiling Secretariat Block 1 and 2 on BOOT model. Process of conducting survey of Government Premises like, Session Courts, Primary Health Centres, Wireless stations, etc. at districts is underway for installation of solar plants.

Directive issued during FY 2019 – 20.

Directive 1: Energy Efficiency: Power department is notified as State Designated Agency in order to promote the policies & programs of Bureau of Energy efficiency on efficient use of energy and its conservation in the State. Power Department/SDA has designated Electrical Inspector, GoS as the Inspecting Officer under the EC Act 2001.

Directive 5: Development of Solar Rooftop projects: same as above "solar rooftop projects".


22110
Addl. Chief Engineer (SREDA)
SREDA Bhawan, DPH Road
Gangtok-737101

ONGOING AND UPCOMING PROJECTS UNDER SREDA


SL NO.	NAME OF SCHEME	CAPACITY	DATE OF SANCTION	PRESENT STATUS	REMARKS
1	2000 Street lights and 1000 Home lights		30/6/2017	COMPLETED	
2	500kWp aggregate capacity SPV plants at various Schools and PHCs in West Sikkim	500 KWp	21/2/2017	ONGOING	
3	15 kWp SPV plant at district and Sessions Court, East Sikkim	15 KWp	19/01/2017	COMPLETED	
4	Solar Power Plants in four court complexes of Sikkim	70 KWp	5/3/2019	UPCOMING	Process for approval to float NIT
5	Solar power plants in Schools, Govt. offices, Emergency Centres and Helipads of North Sikkim	273 KWp	5/3/2019	UPCOMING	Process for approval to float NIT
6	Solar Power Plants in Health Centres of West and South Sikkim	190 KWp	5/3/2019	UPCOMING	Process for approval to float NIT

SOLAR INSTALLATION UNDER SREDA BEFORE 2016

The cumulative achievement under SPV programme is as under:-

Solar home light	-	11342 nos.
Solar Street light	-	489 nos.
Solar lantern	-	22020 nos.
Solar power plants	-	15 nos (688.7 kw)

The solar power plants (688.7 kWp) installed before 2016 have crossed the maintenance period of 5 years and handed over to the concerned departments.


Assistant Engineer
Sikkim Renewable Energy
Development Agency
Government of Sikkim

NEW PROPOSALS SUBMITTED TO MNRE BY SREDA

1. 85 kWp aggregate capacity SPV plants at hospitals and PHC in East Sikkim.
2. 150 kWp aggregate capacity SPV plants in government colleges of Sikkim.
3. 223 kWp aggregate capacity SPV plants in Government Schools in East and South Sikkim.
4. 285 kWp aggregate capacity SPV plants in Police outposts and Training Centres in Sikkim.

SPV PLANTS INSTALLED BY OTHER SOURCES

1. 60 kWp Grid-Connected SPV plant at JNV Phodong, North Sikkim.

SITES UNDER SURVEY FOR UPCOMING SOLAR PROJECTS

1. Court Of Civil Judge Cum Judicial Majistrate, Rongli Sub Division, East Sikkim.
2. Court Of Civil Judge Cum Judicial Majistrate, Chungthang Sub Division, North Sikkim.
3. Court Of Civil Judge Cum Judicial Majistrate, Yangang Sub Division, South Sikkim.



Assistant Engineer
Sikkim Renewable Energy
Development Agency
Government of Sikkim

Tele : 0264202 POWER IN
Fax : 03592 222927



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PBX : 222908
222916
222028

GOVERNMENT OF SIKKIM
ENERGY AND POWER DEPARTMENT

No. C&(L/R) & SP/2017-2018/03/10.

Dated10/09/2019.

To,
The Chief Engineer (O&M/SDA/Revenue)
Energy & Power Department
Gangtok

SUB : Forwarding of Reply against directives issued from SSERC

Sir,
In reference to your letter no : 30/ACE/HQ-II/E&P/2017-18/477 dated 06/09/2019, the
reply for directive 4 : Surrendering of High Cost Thermal Power is enclosed for further
necessary action pl.

Yours Faithfully

Chief Engineer (L/R)

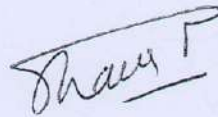
A/A : As above

Directive 4: Surrendering of High Cost Thermal Power

Presently the Department has thermal power allocation from Six Stations of NTPC & Its subsidiaries totalling to 90 MW which is flagged as " A ". A committee has been constituted in the Department vide order no : 141/Adm dated 28/04/2019 for the same subject and the same is flagged as " B ". The committee had its first meeting and a general consensus amongst the members was that thermal power allocation of 88 MW was necessary for the Department as the existing annual consumption growth in the state was roughly 6-7%. This will provide the necessary energy security along with enough quantum of Energy to tide over the maximum drawal period of winter months. From the existing thermal allocation, the allocation of Kantee Bijlee Utpadan Nigam Ltd (KBUNL , 2 MW) could be surrendered.

In addition to the allocation from these six thermal plants there are some more Power Purchase Agreements with NTPC & Subsidiaries for which the Department & the State Government has been corresponding with NTPC & Ministry of Power, GOI for termination/cancellation. The status of same had been made available to the Hon'ble commission vide letter no 30/GOS/E&P/TRD/2018-2019/97 dated 7/3/2019.

There has been further communication with Ministry of Power, GOI & NTPC on the subject of cancellation/termination of Power Purchase Agreements and for latest status photocopy of these letters are appended and flagged as "C".



Chief Engineer (L/R)
Energy & Power Department

SOURCES OF THERMAL POWER

Sl. No.	Station	Capacity (MW)	Firm allocation to state	
			4	5
1	2	3		

1 NTPC

	a)BSTPP	1320	1.52%	20MW
	b) FSTPP	1600	1.63%	26 MW
	c)KHSTPP-I	840	1.55%	13 MW
	d)KHSTPP-II	1500	0.33%	5 MW
	e)TSTPP	1000	2.40%	24 MW
	f) KBUNL	390	0.51%	2 MW

Total

90 MW



GOVERNMENT OF SIKKIM ENERGY AND POWER DEPARTMENT

No. 141/Adm

Dated 28.04.2019

OFFICE ORDER

With the approval of the Competent Authority, a committee for deciding the requirement of Energy (Power) for the State of Sikkim is hereby constituted comprising of following:-

Sl. No.	Name	Designation	nominated as
1	Shri A.B. Rai	PCE-I	Chairman
2	Shri Phigu Tshering Bhutia	PCE-II	Member
3	Shri Rodan Thapa	PCE-III	Member
4	Shri Karun Kumar Pradhan	Chief Engineer	Member
5	Shri Dilip Kumar Pradhan	Chief Engineer	Member
6	Shri Ganesh Chettri	Chief Engineer	Member
-	Shri Parasmani Sharma	Chief Engineer	Member
8	Shri T.T. Lepcha	Chief Engineer	Member
9	Shri Kishore Kumar Gazmer	Chief Engineer	Member
10	Shri D.N. Khatiwara	Chief Engineer	Member
11	Shri Harka Bahadur Subba	Chief Engineer	Member
12	Shri Dinesh Kharel	Additional Chief Engineer	Member Secretary

Terms of reference of this committee shall be:-

1. To ascertain the Energy (Power) requirement of the State for 10 years or so
2. To study the existing power allocation from various Generating Stations and decided on its future requirement
3. To anticipate the consumption and demand of energy in the State for 10 years or so
4. Any other matter which is relevant and related to energy planning.
5. The committee shall have the freedom to take views, opinion from officers and others who are dealing with the said subject including their participation as special invitees
6. The committee shall submit the final report to the Head of Department within One month from the date of committee being constituted.

BY ORDER.

Sd/-

(N.D. BHUTIA)

SPECIAL SECRETARY TO THE GOVT. OF SIKKIM
ENERGY & POWER DEPARTMENT

Copy to:-

1. All above Concerned Officer,
2. PCE-cum-Secretary, Energy & Power Dept.,
3. File &
4. Guard file.

JOINT SECRETARY TO THE GOVT. OF SIKKIM
ENERGY & POWER DEPARTMENT



Dr. H. J. DAZOM BHUTPA
MINISTER

Energy & Power and Labour Department
Government of Sikkim
Power Secretariat Gangtok - 734101
Phone: 03592 - 202570 (0)

D.O. No : HM/E&P/L/2018-19/280

5th Nov 2018

Dear Sri. R. K. Singhji

You must be pleased to know that many of Hydro Electric Projects in Sikkim, awarded to Independent Power Producers have been commissioned and the State is drawing its free share of power from these projects. Also with the relentless support and help from Government of India, the State was able to complete and commission the 1200 MW Teesta Stage-III HEP. This has made Sikkim a power surplus State. A dilemma, the State, now faces is that in spite of this, there are numerous power purchase agreement (PPAs) with National Thermal Power Corporation (NTPC) for upcoming thermal power plants in the Eastern Region.

The State will continue to draw the thermal power allocation from the plants of NTPC which are operational as on date as some amount of thermal power is a must for energy security of the State. However, for the upcoming thermal plants of NTPC for which the power purchase agreement have been signed, the State would like to request for cancellation of power purchase agreements.

These matters were discussed at various forums by the State officials and in spite of this, till date nothing substantive has come out of it.

The State has always received sympathetic consideration from your office and once again, the matter being of utmost importance, it is felt that it would be appropriate to bring the same for your personal intervention and kind consideration please.

With warm regards

Yours Sincerely,

5/11/2018

Shri R.K. Singh
Minister of State (IC)
Power & New Renewable Energy
Govt of India



एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)
NTPC Limited
A Govt. of India Enterprise

केन्द्रीय कार्यालय/Corporate Centre
Date:24.01.2019

The K.B. Kunwar
PCE cum Secretary
Energy and Power Department
Govt of Sikkim

Sub: Re: Cancellation of Power Purchase Agreement (PPAs)

Sir,

1. This is with reference to your letter dated 26.12.2018 on above subject. In this regard we would like to submit that power projects are highly capital incentive projects, wherein investment decisions are taken after sale of all the power has been tied up through long term Power purchase agreements (PPAs) to ensure servicing of the sizeable investment. These generating stations have been set up by NTPC on the basis of the long term power purchase agreements entered into with the procurers including Sikkim. Therefore procurers including the Sikkim are bound by the terms and conditions of the power purchase agreements.
2. Based on strength of these PPAs, NTPC has made significant investment and financial commitment in regard to the above upcoming generating station. The Project implementation works in some of these projects such as Darlipalli-I, and Barh-I are in advanced stages of construction. For North Karanpura STPP, no allocation has been made by Ministry of Power to Sikkim yet. For other projects, NTPC agrees to take fresh consent from Sikkim for purchasing of power from the projects before going ahead. In this regard, it may be mentioned that NTPC had already sought fresh consent from Sikkim before investment approval of TTPS-III.
3. Further, Government of India has allocated the power from the these stations to Sikkim based on PPA signed by NTPC with Sikkim. Therefore reallocation of power is within the domain of the Central Government and is possible only if an alternative procurer is available. Hence, it is suggested that you may approach Ministry of Power, GOI for reallocation of power from Darlipalli-I, and Barh-I to alternate procurers. However, till such time the reallocation is done by Gol, the fixed charge liability lies with Sikkim which will be payable after the COD of respective stations.

Hope the issue raised by you stands clarified.

With Regards

Rajnish Bhagat
Executive Director(Commercial)

शु. के. सिंह
R. K. SINGH



विद्युत एवं नवीन और नवीकरणीय ऊर्जा
राज्य मंत्री (स्वतंत्र प्रभार)
भारत सरकार
Minister of State (Independent Charge)
for Power and New & Renewable Energy
Government of India

D.O. No.6/103/2018-Th-I/268621

22 FEB 2019

Dear Shri Bhutia,

Please refer to your letter dated 05.11.2018 regarding cancellation of Power Purchase Agreements (PPAs) for the upcoming Thermal Power Plants of NTPC Ltd.

2. I have had the matter examined and it is observed that on the request for cancellation of Power Purchase Agreements signed for the upcoming Thermal Power plants of NTPC Ltd., the information with regard to the plant from which the power has to be surrendered and how much quantum of power is to be surrendered, is essential. Therefore, you may consider directing the Power Deptt. to submit the same for taking a view in the matter as per Rules.

With regards,

Saty Kumar

PI attend.

Rajaram

21/2/2019

Yours sincerely,

(R.K. Singh)

(R.K. Singh)

Shri Dorzee Dazom Bhutia,
Hon'ble Minister of Energy & Power and
Labour Department, Government of Sikkim,
Power secretariat,
Gangtok - 737101

PCE-I

CE (Trading)

For n.a. pl

(Signature)
02/3/19





GOVERNMENT OF SIKKIM
ENERGY AND POWER DEPARTMENT

No. 30/GOS/ESP/TRD/2018-19/84

Dated 26/12/2018

To,
The Chairman Cum Managing Director
National Thermal Power Corporation Limited
NTPC Bhawan, SCOPE Complex
Institutional Area, Lodhi Road
New Delhi- 110003

SUB : Cancellation of Power Purchase Agreements (PPAs)

Sir,

You must be aware of the fact that in the last decade or so the State has opened Hydro generation to Independent Power Producers (IPP) and presently the State exports Hydro Power to rest of the country. In a situation, as this, the **existing thermal allocation from operational NTPC thermal plants** is sufficient to cater to any exigencies that may arise in future, implying no further requirement of thermal power for the State.

However, as on date there are Eight Power Purchase Agreements (PPAs) of upcoming thermal plants in Eastern region which have been signed prior to 2012 by the Energy & Power Department which now requires cancellation due to circumstances as detailed above.

The Hon'ble Minister for Power & Labour, Govt of Sikkim has already communicated the said request to the Union Minister for Power, New & Renewal Energy , Govt of India vide DO letter no : HM/E&P/L/2018-19/280 dated 5th Nov 2018.

The following are the Power Purchase Agreements that are being requested for cancellation

1. Darlapali STPP (Stage -I),
2. Darlapali STPP (Stage-II),
3. Katwa STPP,
4. Gajmara (Stage-I),
5. Gajmara (Stage-II),
6. Talcher STPP,
7. BAHR STPP
8. North Karanpura STPP

Therefore, once again, It is requested that necessary steps may kindly be taken for the cancellation of Power Purchase Agreements (PPAs) of above mentioned upcoming thermal power plants.

Yours Faithfully,

o/c


26/12/18

Telex : 0264202 POWER IN
Fax : 03592 222927



04/03/2019

Phones : 202244
PBX : 222908
222916
222028

**GOVERNMENT OF SIKKIM
ENERGY AND POWER DEPARTMENT**

No. 30/GOS/CP/TA/2018-19

Dated 04/3/2019

To,
The Secretary,
Ministry of Power
Govt of India, New Delhi

SUB : Cancellation of Power Purchase Agreements (PPAs)

Sir,

This is for your kind information that the Hon'ble Minister for Power and Labour, Govt of Sikkim had written to Hon'ble Minister of State (IC) for Power and New & Renewal Energy, Govt of India requesting for cancellation of Power Purchase Agreements between National Thermal Power Corporation, Ltd and Energy & Power Department, Govt of Sikkim for upcoming thermal plants.

Now the Department is in receipt of D.O. letter No: 6/103/2018-Th-I/268621, dated 22nd February 2019 of Hon'ble Minister of State (IC) for Power and New & Renewal Energy, Govt of India wherein it has been stated that the list of thermal plants whose Power Purchase Agreements (PPAs) are to be cancelled is to be forwarded to the Ministry of Power, Govt of India.

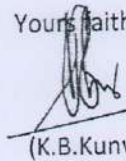
The thermal power plants for which the Power Purchase Agreement are being requested for cancellation are :-

1. Darlipalli-I STPP
2. Darlipalli-II STPP
3. Katwa STPP
4. Gajmara-I STPP
5. Gajmara-II STPP
6. Talcher-III STPP
7. BAHR-I STPP
8. North Karanpura STPP

Thanking you

O/C

Yours faithfully


04/3/19

(K.B. Kunwar)

SECRETARY
Energy & Power Department
Government of Sikkim

Telex : 0264202 POWER IN
Fax : 03592 222927



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222916
222028

GOVERNMENT OF SIKKIM
ENERGY AND POWER DEPARTMENT

No. 30/GOS/E&P/TRD/2018-19/107

Dated 26/3/2019

To,
The Secretary,
Ministry of Power
Govt of India, New Delhi

SUB : Cancellation/Termination of Power Purchase Agreements (PPAs)

Sir,

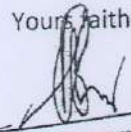
Your kind attention is drawn to my letter no 30/GOS/E&P/TRD/2018-2019, dated 04/03/2019 where I had requested for cancellation/termination of eight Power Purchase Agreements pertaining to upcoming Power Plants of National Thermal Power Corporation, Ltd (NTPC). In addition to those, the following two Power Purchase Agreements may also be kindly cancelled/terminated.

1. Nabinagar STPP (3x660 MW)
2. Kanti Bijlee Utpadan Nigam Limited (2x195MW)

Thanking you,

o/c

Yours faithfully


26/3/19
(K.B. Khatiwala) Secretary
Energy & Power Department
Government of Sikkim

Tele : 0264202 POWER IN
Fax : 03592 222927

Phones : 202244
PBX : 222908
222916
222028



GOVERNMENT OF SIKKIM
ENERGY AND POWER DEPARTMENT

No. 30/GOS/E&P/TRD/2018-19/108 Dated 27/4/19

To,
The Secretary
Ministry of Power
Govt of India, New Delhi

SUB : Cancellation/Termination of Power Purchase Agreements (PPAs)


Ref letters : 1. 30/GOS/E&P/TRD/2018-19 dated 04/3/2019
2. 30/GOS/E&P/TRD/2018-19/107 dated 26/3/2019

Sir,
Your kind attention is drawn to my above referred letters on the subject of Cancellation/Termination of Power Purchase Agreements of 8 Nos of upcoming thermal power projects of NTPC and 2 Nos of thermal power plants of NTPC subsidiaries, viz Nabinagar (3x660 MW) & Kanti Bijilee Upadan Nigam Limited (2x195MW).

Once again, it is to remind & requested you for initiating early action for Cancellation/Termination of Power Purchase Agreements (PPAs) as detailed in the above mentioned letters.

Thanking you,

Yours Faithfully


(K.B. Kunwar) 27/4/19

PCE cum Secretary

Energy & Power Department
PCE-cum-Secretary
Energy & Power Department
Government of Sikkim

o/c

ENCL : Above referred letters



Alok K. Shrivastava, IAS
CHIEF SECRETARY

Rf. No. 242/CS/SK/18
Dated: April 29th, 2019.

New Secretariat
Government of Sikkim
Gangtok - 737101, Sikkim
Phone : 03592-202315 (Off)
Fax : 03592-204323
Email : cs-skm@hub.nic.in

Dear Ajay,

You must be aware of the fact that the State Government with support from the Central Government has been able to harness large quantum of hydro power in Sikkim. As of now the total installed generating capacity in the State is around 2200 MW. The maximum demand of the State as recorded during 2018-2019 is only 125 MW. The State is also drawing thermal power from 6 nos of operational NTPC plants and from Kanti Bijilee Utpadan Nigam Ltd (KBUNL) which is a subsidiary of NTPC Ltd. The free share from hydro projects in Sikkim and thermal power from 6 operational NTPC plants is sufficient to cater to the power demand of the State for a long time. In addition to the Power Purchase Agreements (PPAs) of these operational NTPC plants and KBUNL there are 8 Nos of Power Purchase Agreements of upcoming thermal plants of NTPC and with Nabinagar thermal plant which is a subsidiary of NTPC Ltd. The State has been requesting the ministry repeatedly for the cancellation/termination of PPAs of 8 nos of upcoming thermal plants of NTPC and that of KBUNL & Nabinagar as the State does not require any additional power any longer. Also, Sikkim being a small State and having limited avenues to generate financial resources, these PPAs will put tremendous strain on the exchequer. In this context, the Minister for Power & Labour, Government of Sikkim had written vide D.O. letter dated 5th Nov 2018 to the Minister for State (I/C) for Power and New & Renewal, Government of India. In his reply, the Minister for State (I/C) for Power and New & Renewal, Government of India stated that the Energy & Power Department, Government of Sikkim may be directed to submit the details of the thermal power plants whose PPAs are being requested for cancellation/termination.

~~PCE-I~~

1304 PCE-I
24/9/19

Dy. No. 299
24/9/19



CE (Trading)



No. 11/79/2018-Th-II
Government of India
Ministry of Power

19/9/19

AB
24/9/19
To,

23/9/19

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated: 3rd September, 2019

The Chief Secretary,
Government of Sikkim,
New Secretariat,
Government of Sikkim, Gangtok
Sikkim - 737101.

Subject: Request of Govt. of Sikkim for surrender of allocated power of 73.76 MW from 5 NTPC's Thermal Power Projects and waiver of the fixed charges of these stations - Regarding.

Sir,

I am directed to refer to the Govt. of Sikkim's letter no. 27/CS/SK/2019 dated 24.07.2019 regarding surrender of allocated power of 73.76 MW from 05 NTPC's Thermal Power Projects and waive off the fixed charges of these stations. The matter has been examined.

2. As per the norms, reallocation of surrender of allocated power of 73.76 MW to State Govt. of Sikkim from 05 NTPC's Thermal Power Projects can only be made if there are some buyers to purchase power from these stations. Based on long-term power purchase commitments by beneficiaries, NTPC (including its JV companies) has made significant investment in above mentioned 05 power projects viz. NPGC, KBUNL, Barh-I, Darlipali and North Karanpura. Of the above mentioned projects, NPGC & KBUNL are already supplying power to Sikkim. Darlipalli & Barh-I projects are in advanced stage of construction. No power has been allocated by Ministry of Power to Sikkim from North Karanpura project. Till the surrendered power by Sikkim is reallocated to alternate procurers by MOP, the fixed charge liability shall be with Sikkim.

Yours faithfully,

Anita Saini
(Anita Saini)

Under Secretary to the Govt. of India)
Telefax: 2371-9710

Pt. See & act
accordingly.
21/9/19

Secy, Power

UNDER SECRETARY
GOVERNMENT OF SIKKIM

Mingma Norbu Sherpa

MINISTER

Power and Labour Departments
Government of Sikkim



Tashling Secretariat
Gangtok-Sikkim-737101
Ph:+ 91 03592-202856 (O)

Ref. No.....
D.O. No. 34/HM/P/L/2019-20

Date.....

23 SEP 2019

Dear Shri R. K. Singhji,

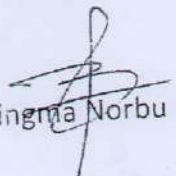
May I bring to your kind notice that the State Government has been requesting the Ministry of Power, Government of India for cancellation/termination of Power Purchase Agreements of National Thermal Power Corporation (NTPC) and its subsidiaries. In this context, the State Government had been directed by the Ministry to surrender the power totaling to the tune of 73.76 MW which shall be allocated to the other beneficiaries as and when such request is received.

However, till such times, State has to pay the capacity or the fixed charges. The State Government vide D.O. letter 27/CS/SK/19, dated 24th July 2019 has surrendered the power to the Ministry with a request that the fixed charges which is applicable may be waived off as this will put tremendous pressure on the financial health of the State which already is passing through difficult times.

Once again, request is being made to you to kindly consider the waiver of fixed charges of surrendered power including cancellation/termination of said Power Purchase Agreements.

With Regards,

Yours sincerely,


(Mingma Norbu Sherpa)

Shri R.K. Singh
Minister of State (I/C)
Power and New & Renewable Energy
Government of India
New Delhi-110001



एन टी पी सी लिमिटेड

(भारत सरकार का उद्यम)

NTPC Limited

(A Govt. of India Enterprise)

केन्द्रीय कार्यालय/Corporate Centre

Sri K.B. Kunwar
PCE cum Secretary
Energy and Power Department
Govt of Sikkim

Date: 21.08.2019

Sub: Re: Cancellation of Thermal Power Allocations
Ref: 30/GOIS/E&D/TRD/2018-19/PCE-II/75 dt 02.08.2019

Sir,

This is with reference to your letter dated 02.08.2019 wherein Sikkim has requested to cancel/terminate the existing PPAs of under planning projects such as Darlipalli-II STPP, Gajmara-I STPP, Gajmara-II STPP and Katwa STPP.

In above regard, we would like to submit that NTPC, in line with the provisions of CERC Tariff Regulations, 2019, shall once again approach all beneficiaries, with whom PPAs for specific stations have been signed, for their fresh consent before investment approval of the project under planning. This was also done earlier in case of Talcher TPS-III.

We take note of your non requirement of power from above stated projects of NTPC. However, the same shall once again be confirmed from you before NTPC goes ahead with the investment approval.

Kind regards

Rajnish Bhagat
Executive Director(Commercial)

Copy to:

Smt. Anita Saini
Under secretary, MOP,GOI



No. 27/ICS/SK/19
Dated: July 27, 2019.

New Secretariat
Government of Sikkim
Gangtok-737101, Sikkim
Phone : 03592-202315 (Off.)
03592-205577 (Res.)
Fax : 03592-204323
Email: cs-skm@hub.nic.in

Alok K. Shrivastava, IAS
CHIEF SECRETARY

Dear Ajay,

You may kindly recall that the State has been repeatedly requesting the Ministry of Power for cancellation/termination of 10 nos of Power Purchase Agreements pertaining to National Thermal Power Corporation & its subsidiaries. In view thereof, I had written to you and a reply from the Ministry dated 29th May 2019 has been received wherein the State has been instructed to surrender the allocated power of 73.76 MW from five projects (04 under construction and 01 completed project) so that said power could be reallocated to other willing beneficiaries as and when such request is received by the Ministry, as per extant guidelines applicable in the matter.

The State in response to the last letter would like to surrender the allocated 73.76 MW from the five projects with immediate effect with a request that the fixed charges of these respective stations which normally has to be borne by the State till the power is reallocated to other willing beneficiaries, may kindly be waived off.

The request for fixed charge waiver is being made in view of the fact that the State is already saddled with large debt with limited avenues for extra resource mobilization and any further fund outflow would cripple the State economy.

With warm regards

Yours sincerely

Alok K. Shrivastava

(Alok K. Shrivastava, IAS)


Sri Ajay K. Bhalla, IAS
Secretary
Ministry of Power
Government of India
Shram shakti Bhavan, Rafi Marg
New Delhi - 110001

4. As regard to the remaining 05 projects (04 under construction and 01 completed project), a total 73.76 MW Power has been allocated to Govt. of Sikkim. Accordingly, Govt. of Sikkim may send their request for surrender of their allocated firm Power share to MoP, which may be reallocated to the willing beneficiary as and when such request is received in Ministry as per extant guidelines applicable in the matter. Further, Sikkim may also suggest the alternate buyer to expedite the process.

5. This issues with the approval of Secretary (Power).

Encl.: **As above.**

Yours faithfully,


(Anita Saini)

Under Secretary to the Govt. of India)
Telefax: 2371-9710

1072 PCE I
19/6/2019



No. 11779/2018-Th-II
Government of India
Ministry of Power

Reg. NO. 95
20/6/19.

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated: 29.05.2019

To,

The Chief Secretary,
Government of Sikkim,
New Secretariat,
Government of Sikkim, Gangtok
Sikkim - 737101.

CE (LIR)

AB
19/6/19

Subject: **Cancellation / Termination of Power Purchase Agreement (PPAs) in respect of Thermal Power Plants of NTPC Ltd. - Reg.**

Sir,

I am directed to refer to the Govt. of Sikkim's letter no. 242/CS/SK/2018 dated 29.04.2019 regarding cancellation of Power Purchase Agreement (PPAs) in respect of 10 NTPC's Thermal Power Plants. The matter has been examined in consultation with NTPC Ltd. and the position is as under:

2. As per the status of the 10 projects (copy enclosed), as highlighted in the above cited D.O. letter of Govt. of Sikkim, it may be seen that 05 projects are under planning and no power has been allocated to the Govt. of Sikkim from these Projects. In the case of Talcher -III at Sl. No. 03 of table, Govt. of Sikkim vide letter dtd. 02.08.2018 has already denied reconfirmation of the consent of Govt. of Sikkim. As regards other under planning projects, NTPC has informed that reconfirmation for consent of Sikkim will be taken by the NTPC for these projects as and when NTPC will start implementing the projects.

3. Since, allocation of power from these projects is not yet done, it is requested that Govt. of Sikkim may communicate their revised decision on its consent with regard to under planning Projects viz. Darlipalli-II STPP(1600 MW), Gajmara -I STPP(1600MW), Gajmara -II STPP(1600MW) and Katwa STPP (1320MW) to NTPC Ltd. directly as has been done by them in the case of Talcher -III Project.

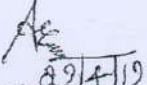
AB

The Energy & Power Department, Government of Sikkim through PCE cum Secretary has already submitted the details to your office including a reminder recently. As, these are issues which require priority from both the sides, my office would like to request for early cancellation/termination of the PPAs of thermal projects which are as below:-

- a. Daripalli-I STPP, b. Daripalli-II STPP, c. Katwa STPP, d. Gajmara-I STPP, e. Gajmara-II STPP f. Talcher-III STPP, g. BAHR-I STPP, h. North Karanpura STPP, i. Nabinagar STPP & j. Kanti Bijlee Utpadan Nigam STPP.

With warm regards,

Yours Sincerely,


(Alok. K. Shrivastava, IAS)

CHIEF SECRETARY
Govt. of Sikkim

Shri Ajay Kumar Bhalla, IAS
Secretary, Ministry of Power
Shram Shakti Bhawan, Rafi Marg
New Delhi