BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA AND UNION TERRITORIES

IN THE MATTER OF:

PETITION FOR FILING OF TRUE-UP PETITION FOR FY 2014-15, FY 2015-16, REVIEW FY 2016-17 AND ARR WITH TARIFF PROPOSAL FOR MYT CONTROL PERIOD FY 2017-18

AND

IN THE MATTER OF:

ELECTRICITY DEPARTMENT, GOVERNMENT OF PUDUCHERRY

\- PETITIONER

AFFIDAVIT

I, K. Mathivanan, Son of A. Kanniah aged about 59 years, residing at No 48, 3rd Cross, Kurinji Nagar, Puducherry 605 008, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the Superintending Engineer-I/Head of the Department, Electricity Department, Government of Puducherry duly authorised by the Government of Puducherry to make this affidavit on its behalf and the deponent is acquainted with the facts deposed below.
2. I, the deponent named above do hereby verify that the contents of the affidavit and those of the accompanying petition are true to my personal

knowledge and verify that no part of this affidavit is false and nothing material has been concealed.

Enclosure:

(i) Six copies of petition for filing of true-up petition for FY 2014-15, FY 2015-16, review FY 2016-17 and ARR with tariff proposal for MYT control period FY 2017-18 along with the petition fee.

(Deponent)

I, S. Srinivasaperumal, Advocate, Puducherry, 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

S. SRINIVASA PERUMAL, B.A.,LL.B.,
ADVOCATE & NOTARY PUBLIC
(GOVT. OF INDIA)
6, ANNAI VELANKANNI STREET
KAMARAJ NAGAR, PUDUCHERRY-11.

Solemnly affirmed before me on this 30th day of November 2016, 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.

NOTARY
S SRINIVASA PERUMAL
PUDUCHERRY
Reg.No. 6268
GOVT. OF INDIA

PETITION FOR APPROVAL OF TRUE-UP PETITION OF FY 2014-15 AND FY 2015-16, ANNUAL PERFORMANCE REVIEW OF FY 2016-17 AND AGGREGATE REVENUE REQUIREMENT (ARR) WITH TARIFF PROPOSAL FOR MYT CONTROL PERIOD FY 2017-18

OF

ELECTRICITY DEPARTMENT, GOVERNMENT OF PUDUCHERRY

SUBMITTED TO

THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION

GURGAON

BY

ELECTRICITY DEPARTMENT, GOVERNMENT OF PUDUCHERRY

NOVEMBER 2016

BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA, & UNION TERRITORIES, GURGAON

Filing No…………

Case No…………

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LIST OF ABBREVIATIONS

Sr. No	Abbreviations	Descriptions
1	A&G	Administrative and General
2	ABT	Availability Based Tariff
3	ACoS	Average Cost of Supply/ Service
4	AMI	Automated Metering Infrastructure
5	AMR	Automatic Meter Reading
6	APR	Annual Performance review
7	ARR	Aggregate Revenue Requirement
8	CAGR	Compound Annual Growth Rate
9	CAPEX	Capital Expenditure
10	CEA	Central Electricity Authority
11	CERC	Central Electricity Regulatory Commission
12	CGS	Central Generating Station
13	CWIP	Capital work in progress
14	DELP	DSM based Efficient Lighting Programme
15	Discom	Distribution Companies
16	DSM	Demand Side Management
17	EA/The Act	The Electricity Act 2003
18	EDP/ PED	Electricity Department, Government of Puducherry
19	EC	Energy Charges
20	EHT	Extra High Tension
21	FC	Fixed Charges
22	FOR	Forum of Regulators
23	FY	Financial Year
24	GFA	Gross Fixed Assets
25	GoI	Government of India
26	HT	High Tension
27	JERC	Joint Electricity Regulatory Commission
28	JICA	Japan International Cooperation Agency
29	JNNSM	Jawaharlal National Solar Mission
30	KSEB	Kerala State Electricity Board
31	KV	Kilo Volt
32	kVA	Kilo Volt Ampere
33	kVAh	Kilo Volt Ampere Hour
34	kW	Kilo Watt
35	kWh	Kilo Watt Hour
36	LT	Low Tension
37	MNRE	Ministry of New and Renewable Energy
38	MOD	Merit Order Despatch
39	MoP	Ministry of Power
40	MOU	Memorandum of Understanding
41	MU	Million Units (Million kWh)

Sr. No	Abbreviations	Descriptions
42	MVA	Mega Volt Ampere
43	MW	Mega Watt
44	MYT	Multi Year Tariff
45	NFA	Net Fixed Assets
46	NLC	Neyveli Lignite Corporation
47	NPCIL	Nuclear Power Corporation of India Limited
48	NTP	National Tariff Policy
49	NTPC	National Thermal Power Corporation
50	O&M	Operation & Maintenance
51	PLR	Prime Lending Rate
52	POC	Point of Connection
53	PPA	Power Purchase Agreement
54	PPCL	Puducherry Power Corporation Limited
55	R&M	Repair and Maintenance
56	R-APDRP	Restructured Accelerated Power Development and Reforms Programme
57	REC	Renewable Energy Certificate
58	ROE	Return on Equity
59	RPO	Renewable Purchase Obligation
60	Rs	Rupees
61	SBI	State Bank of India
62	SECI	Solar Energy Corporation of India
63	SLDC	State Load Dispatch Centre
64	SWOT	Strength, Weakness, Opportunity and Threats
65	TANGEDCO	Tamil Nadu Generation and Distribution Company
66	T&D	Transmission and Distribution
67	TOD	Time of Day
68	UI Charges	Unscheduled Interchange Charges
69	w.e.f	With effect from
70	WPI	Wholesale Price Index

CHAPTER 1. INTRODUCTION

1.1 Historical Perspective

1.1.1 The Union Territory of Puducherry comprises of four regions namely Puducherry, Karaikal, Mahe and Yanam, which are not geographically contiguous and is spread over an area of 492 Sq. km with the total population of 12.45 Lakhs as per provisional results of Census 2011. The basic profiles of four regions are as follows:

- Puducherry is the largest among the four regions and consists of 12 scattered areas interspersed with enclaves of Villupuram and Cuddalore Districts of Tamil Nadu.
- Karaikal is about 150 kms South of Puducherry and is bounded by Nagapattinam and Thiruvarur Districts of Tamil Nadu State.
- Mahe lies almost parallel to Puducherry 653 kms away on the west coast near Kannur District of Kerala State.
- Yanam is located about 840 kms north-east of Puducherry and it is located in the East Godhavari District of Andhra Pradesh State.

1.1.2 The Territory of Puducherry was merged with the Indian Union on 1st November 1954 and is administered under the provisions of Government of Union Territories Act, 1963.

1.2 Electricity Department of Puducherry

1.2.1 Puducherry Electricity Department being a deemed distribution licensee as per section 14 of the Electricity Act 2003, performs the functions of transmission and distribution of electric power to the Union Territory. The sole generating station in Puducherry is a 32.5 MW combined cycle gas power plant in Karaikal owned by the Puducherry Power Corporation Limited. The entire power requirement of Puducherry is met from the power allocated from the Central Generating Stations, Tamil Nadu Electricity Board, Kerala State Electricity Board and from the Puducherry Power Corporation Limited

1.2.2 The Union Territory of Puducherry has an extensive network of Power Transmission and Distribution Systems spread along the breath and width of all the four regions of the Union Territory. PED operates a transmission network of 230 kV & 110 kV and distribution network at 33 kV, 22 kV, 11 kV and at LT levels. It supplies power to its consumer through its 18 EHV substations, 384.5 km of EHT line, 1065 km of HT line, 2459 nos. of distribution transformers and 3476 km of LT line. The network configuration as on September 2016 is as given below:

Table 1-1: Network Configuration (as on September 2016)

Voltage	Lines	Capacity MVA	Substations/ Transformer	Transformation Capacity
	(Km)	(MVA)	(No.s)	(MVA)
Transmission				
230 kV/110kV	54	(100x4) + (80x2)	3	560
132 kV/33-11 kV	44	(2x10) + (1x16)	1	36
110 kV/22-11 kV	280	(25x1) + (16x27) + (10x7) + (31.5x2)	14	590
110 kV/22-11 kV (UG Cable)	6.5			
Distribution				
33/11kV		(5x2)	1	10
22 kV & 11 kV (Overhead)	989			
22 kV & 11 kV (Underground)	76			
LT (Overhead)	2646			
LT (Underground)	830			

1.3 Filing under Tariff Regulations

1.3.1 PED has been filing its ARR and Tariff petitions for the past years with the Hon'ble Commission based on the principles outlined by the Joint Electricity Regulatory Commission (hereafter referred to as "JERC/ Hon'ble Commission") vide their Regulations on applicable Terms and Conditions of Tariff for Distribution Licensees as notified in 2009.

1.3.2 PED has filed its petition for determination of Aggregate Revenue Requirement (ARR) & Retail Tariff for distribution and retail sale of electricity for MYT control period FY 2016-19 under section 61, 62 & 64 of the Electricity Act, 2003 and JERC (Multi Year Distribution Tariff) Regulations, 2014 (hereafter referred to as "JERC MYT Regulations/ MYT Regulations") and its amendments on 04th January 2016 against which Tariff Order was issued by the Hon'ble Commission on 24th May 2016. In the said Order, the Hon'ble Commission has directed to carry out audit and true-up on time as per the provisions of the JERC Regulations.

1.3.3 PED has already filed true-up Petition till FY 2013-14 against which the True-up Tariff Order has already been issued by the Hon'ble Commission on 24th May, 2016. However, True-up of FY 2014-15 as per audited accounts and provisional true-up for FY 2015-16 based on provisional accounts has been prepared in the present petition in line with the Terms & Conditions of Tariff Regulations, 2009 issued by the Hon'ble Commission. It is submitted that the audit for FY 2015-16 is under process and will be finalised within short time. Accordingly, the same will be submitted to the

Hon'ble Commission for review.

1.3.4 The Hon'ble Commission issued the JERC MYT Regulations in exercise of powers conferred by Section 61, 62, 63 and 86 read with Section 181 of Electricity Act 2003 on 30th June, 2014. These regulations were made applicable to all distribution licensees in the State of Goa & Union Territories of Andaman & Nicobar Island, Dadra & Nagar Haveli, Daman & Diu, Chandigarh, Lakshadweep and Puducherry. The Commission has subsequently issued first amendment to the MYT regulations on 10th August, 2015. As per clause 3.1.6 of the JERC (Multi Year Distribution Tariff) Regulations, 2014, the Control Period was defined as a three year period from FY 2015-16 to FY 2018-19. However in the Tariff Order dated 10th April, 2015 the Commission had deferred the implementation of MYT by one year and thus the Control period was revised to FY 2016-17 to FY 2018-19. The same has been highlighted in the first amendment to the JERC MYT Regulations.

1.3.5 As per provisions in clause 5.1 (as per amendment dated 10th August 2015) and 12.1 of the JERC Multi Year Distribution Tariff Regulations, 2014, PED had filed for approval of its Business Plan for three years control period i.e. from FY 2016-17 to FY 2018-19 before the Commission on 05th August 2015. The Hon'ble Commission issued the Business Plan Order on 04th December, 2015 directing PED to file the MYT petition within one month. PED filed the MYT petition in line with the Tariff Regulations 2009, Business Plan Order, MYT Regulations 2014 and its subsequent amendments. The MYT Tariff order was issued by the Hon'ble Commission on 24th May, 2016 approving the ARR (Annual Revenue Requirement) for the MYT Control Period and tariff determination for FY 2016-17.

1.4 Filing of ARR and Multi Year Tariff Petition

1.4.1 Under the provisions of Electricity Act, 2003, Licensee is required to submit its ARR and Tariff Petition as per procedures outlined in section 61, 62 and 64 of EA 2003, and the governing regulations of JERC for the relevant years thereof.

1.4.2 The Hon'ble Commission has notified first amendment to JERC (MYT Distribution Tariff) Regulations, 2014 wherein tariff determination under MYT framework shall be applicable from 1st April 2016. However, clause 39 of MYT Regulations, 2014 states as follows:

"39. Repeal and savings

38.2 Notwithstanding such repeal, any proceedings before the Commission pertaining to the period prior to the commencement of the Control Period, including Petitions for True up of expenses, annual performance review, etc. shall *be governed by Joint Electricity Regulatory Commission (Terms and Conditions of Determination of Tariff) Regulations 2009".*

1.4.3 In line with the above clause, PED has adopted the principles of Terms and Conditions for Determination of Tariff Regulations 2009 (Tariff Regulations 2009) notified by the Joint Electricity Regulatory Commission for FY 2014-15 to FY 2015-16. Accordingly PED is submitting the said petition for True-up of FY 2014-15 based on audited accounts, Provisional true-up of FY 2015-16 as per provisional accounts in line with JERC (Terms & Conditions of Tariff) Regulations, 2009 for the approval of the Hon'ble Commission. The tariff formats as outlined in the Tariff Regulations 2009 and as applicable to PED are provided at the end of this petition.

1.4.4 Also, along with the said Petition, Annual performance review for FY 2016-17 and determination of Tariff for FY 2017-18 are prepared in line with MYT Regulations, 2014 and subsequent amendment. The tariff formats as outlined in the MYT Regulations, 2014 and as applicable to PED are provided at the end of this petition.

1.4.5 As per the Terms & Conditions for Determination of Tariff Regulations 2009 and MYT Regulations 2014, PED is filing the present petition for the approval of the Hon'ble Commission seeking the following.

a) True-up for FY 2014-15,
b) Provisional True-up for FY 2015-16,
c) Annual Performance Review for FY 2016-17, and
d) Tariff Determination for FY 2017-18.

1.4.6 The details for each year are discussed in subsequent chapters and the Tariff Formats are enclosed as per Annexure 1.

CHAPTER 2. OVERALL APPROACH FOR PRESENT FILING

The Hon'ble Commission had notified the Joint Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 and JERC (Multi Year Distribution Tariff) Regulations, 2014. The Hon'ble Commission has notified the JERC (Multi Year Distribution Tariff) (First Amendment) Regulations, 2015 on 10th August, 2015. In line with the Tariff regulations, 2009, PED has been filing the ARR petitions for consideration of the Hon'ble Commission in the formats laid down for providing information relating to past, present and future performance. In this petition, Puducherry Electricity Department is filing the True-up for FY 2014-15, Provisional True-up for FY 2015-16 and Annual Performance Review for FY 2016-17 along with tariff determination for second year of the MYT Control Period i.e. FY 2017-18.

2.1 Truing Up For FY 2014-15 and FY 2015-16

2.1.1 As specified in the Tariff Regulations, the Hon'ble Commission shall undertake the truing-up exercise for the previous year based on audited accounts. PED submits that it has completed the audit of accounts of FY 2014-15 and is in the process of third party audit of accounts for FY 2015-16. PED is submitting the True-up petition of FY 2014-15 along with the audited accounts as per Annexure 2. Also, at present the provisional actual figures of FY 2015-16 are made available for Provisional True-up with provisional accounts as Annexure 3 with the details of ARR specified in the relevant chapters of this petition. PED further submits that it may provide the final audited accounts during the regulatory process of finalisation of Tariff Order.

2.2 Annual Performance Review for FY 2016-17

2.2.1 The Joint Electricity Regulatory Commission had notified the JERC (Multi Year Distribution Tariff) Regulations, 2014 (hereinafter referred to as "MYT Regulations" or "Regulations") which came into effect from 2014. However the implementation of MYT framework has been differed by a year to 2016. The Commission notified the JERC (MYT Distribution tariff) (First Amendment) Regulations, 2015 on 10th August, 2015. These first amendment regulations govern the tariff determination for the first control period i.e. FY 2016-17 to FY 2018-19.

2.2.2 As per Clause 8 of the MYT Regulations, 2014, the Hon'ble Commission shall undertake the Annual Performance Review by considering variations between the approved and revised estimates/actuals of sale of electricity, income and expenditure for the relevant year and permit necessary adjustments/ changes in case such variations are for adequate and justifiable reasons.

2.2.3 Accordingly, PED is filing this Annual Performance Review petition for the year FY

2016-17 based on the actual performance during the 1st half of the year and the revised estimates for the second half of the year for purchase and sales.

2.3 Tariff determination for FY 2017-18

2.3.1 The Hon'ble Commission has already approved the ARR for the Control Period FY 2016-17 to FY 2018-19 vide tariff Order dated 24th May, 2016. The Hon'ble Commission has determined the tariff only for the first year i.e. FY 2016-17 of the control period as per its directives in the Business Plan Order issued in Petition no. 181/2015 dated 4th December 2015.

2.3.2 As the ARR for FY 2017-18 has already been approved by the Hon'ble Commission vide Tariff Order dated 24th May, 2016, PED is determining the cumulative gap for the FY 2017-18 based on gaps for previous year and the revenue from existing tariff for the ensuing year.

CHAPTER 3. TRUE-UP FOR FY 2014-15

3.1 Preamble

3.1.1 This section outlines the performance of Puducherry Electricity Department (PED) for FY 2014-15. PED submits that the Hon'ble Joint Electricity Regulatory Commission after undertaking a thorough analysis had issued the MYT Order for MYT period FY 2016-17 to FY 2018-19 on 24th May 2016. In the petition filed by PED for ARR and Tariff determination for MYT period FY 2016-17 to FY 2018-19 on 04th January, 2016, PED filed for provisional true-up of FY 2014-15 based on provisional accounts. But the Commission did not true-up citing the absence of audited accounts. Therefore, in the Tariff Order dated 24th May 2016, the Hon'ble Commission had directed PED to submit the True-up for FY 2014-15 based on audited accounts.

3.1.2 Accordingly, the final truing up of FY 2014-15 is submitted by comparing actual audited figures with those approved by Hon'ble Commission in review of FY 2014-15 vide tariff order dated 10th April 2015.

3.1.3 This chapter summarizes each of the components of ARR for FY 2014-15 and thereby working out the revenue gap for that year.

3.2 Approved ARR for FY 2014-15

3.2.1 The summary of the charges for FY 2014-15 claimed by the petitioner in the last petition and as approved by the Hon'ble Commission in the last Tariff Order dated 10th April 2015 is tabulated below:

Table 3-1: APR of FY 2014-15 as per Tariff Order dated 10th April 2015

Rs. Crs

S. No.	Particulars	Claimed in APR	Approved by Commission
1	Cost of power purchase including RPO provision to meet obligationof the previous years	970.62	963.84
2	Employee Cost	75.32	75.32
3	Administration and General Expenses	5.36	5.36
4	R&M Expenses	19.12	19.12
5	Depreciation	30.86	30.86
6	Interest and Finace Charges	19.38	19.38
7	Interest on Working Capital +Interest on CSD	4.00	4.00
8	Return on NFA / Equity	10.67	8.37
9	Provision for Bad Debt	-	-
10	**Total Revenue Requirement**	**1135.33**	**1126.25**
11	Less: Non- Tariff Income	4.88	4.88
12	**Net Aggregate Revenue Requirement**	**1130.45**	**1121.37**
13	Revenue from Existing Tariff	1142.70	1142.70
14	**Revenue Gap**	(12.25)	(21.33)

3.3 Number of Consumers

3.3.1 PED submits before the Hon'ble Commission the actual consumer numbers for FY 2014-15 in comparison to the approved numbers as highlighted below:

Table 3-2: Details of No. of Consumer Numbers for FY 2014-15

S. No.	Particulars	Approved	Actuals
1	Domestic and OHOB	317305	322034
2	Commercial	46511	46938
3	Agriculture	6836	6849
4	Public Lighting	49891	49893
5	LT Industrial	6424	6423
6	**Total LT**	**426967**	**432137**
7	HT 1 Industrial & Commercial	415	412
8	HT 2 Government & Water Tank	51	53
9	HT 3 EHT	7	7
10	**Total HT**	**473**	**472**
11	**Total LT and HT**	**427440**	**432609**

3.3.2 It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2014-15.

3.4 Energy Sales

3.4.1 The total sales of PED for FY 2014-15 are **2,366.31** MU's. The category wise actual and approved sales for FY 2014-15 are shown in the table below.

Table 3-3: Sales for FY 2014-15

MU's

S. No.	Particulars	Approved	Actuals
1	Domestic and OHOB	703.94	645.22
2	Commercial	187.84	182.22
3	Agriculture	57.00	57.00
4	Public Lighting	26.00	26.00
5	LT Industrial	199.12	198.90
6	Temporary Supply - LT&HT	14.00	6.12
7	**Total LT**	**1187.90**	**1115.46**
8	HT 1 Industrial & Commercial	897.94	875.29
9	HT 2 Government & Water Tank	59.60	55.96
10	HT 3 EHT	335.34	319.60
11	**Total HT**	**1292.88**	**1250.85**
12	**Total LT and HT**	**2480.78**	**2366.31**

3.4.2 PED submits that the reduced sale in FY 2014-15 is due to poor industrial growth and performance. The reduced consumption by steel companies due to poor market demand has also hampered the expected sales growth in FY 2014-15. The above reasons have resulted in a lower sale as compared to the sales approved by the Hon'ble Commission.

3.4.3 Based on the above submission, PED requests the Hon'ble Commission to approve the actual sales for FY 2014-15 as stated in the table above.

3.5 Distribution Loss & Energy Requirement

3.5.1 PED has submitted 12.30% as the energy distribution losses for FY 2014-15 as compared to that approved by Hon'ble Commission at 12.00%. The comparison of Energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

Table 3-4: Distribution Loss and Energy Balance for FY 2014-15

S. No.	Particulars	Approved	Actuals
A	**ENERGY REQUIREMENT**		
1	Energy Sales within the UT	2480.78	2366.31
2	Energy Drawal by TANGEDCo*	0.00	23.92
3	Distribution Losses (%)	12.00%	12.30%
4	Energy Required for the Territories	2819.07	2725.41
5	Add: Sales to Commom Pool Consumers/UI	41.8	51.34
6	**Energy Requirement at periphery**	**2860.87**	**2776.75**
B	**ENERGY AVAILABILITY**		
1	Gross Energy Energy Purchase	2996.47	2908.60
2	External Losses (MU)	135.6	131.86
3	**Net Energy Availability**	**2860.87**	**2776.75**

*The explanation for the same has been provided in para 3.5.2 below.

3.5.2 At Puducherry, pockets of Tamilnadu region are being fed by Puducherry 110kV sub-station at 22kV level feeders. These feeders are metered at sub-station end. Normally, Puducherry region draws certain power from TNEB 110kV feeder and TNEB would bill PED after deducting energy consumption by their 22kV feeders. During the year FY 2014-15, due to surplus power available with Puducherry from CGS, PED has not drawn any power from 110kV TNEB feeders. The matter has been taken up with TNEB at Chennai to deduct their 22kV feeder consumption at Puducherry region from the TNEB sale of power at Karaikal region. The above adjustment is yet to be made by TNEB.

3.5.3 The petitioner submits that the department has not made significant capex specifically towards reduction of transmission and distribution loss. Given the consumer sale mix, wherein the growth of LT consumers is higher than HT consumers, it is difficult for the utility to maintain the commission approved T&D loss levels.

3.5.4 PED submits that in comparison with the approved figures, actual T&D losses are marginally higher and therefore requests the Hon'ble Commission to approve the Distribution Loss of 12.30% for FY 2014-15.

3.6 Power Purchase Quantum & Cost for FY 2014-15

3.6.1 PED meets its total energy requirement from its allocation from the Central Generating Stations (CGS) and state utilities like TANGEDCO, KSEB and PPCL. PPCL is a generating company within the UT of Puducherry catering to the requirement of Karaikal region. KSEB supplies for Mahe region under the UT of Puducherry. Also from FY 2014-15, supply from Kudunkulam Nuclear Plant and Vallur Thermal Plant has also been started resulting in additional power allocation to the Union Territory, Puducherry to meet the demand.

3.6.2 The table below shows the summary of actual Power Purchase from various sources along with their costs for FY 2014-15 including Transmission Charges, UI charges and purchase from traders.

Table 3-5: Power Purchase Quantum & Cost for FY 2014-15

S. No.	Particulars	Approved (FY 2014-15)			Actuals (FY 2014-15)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)	Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	1014.33	294.57	2.90	1051.78	289.59	2.75
2	NLC	889.55	259.69	2.92	812.25	239.90	2.95
3	NPCIL	390.20	81.15	2.08	415.47	116.15	2.80
4	KSEB	41.49	21.88	5.27	41.91	23.31	5.56
5	TANGEDCO	428.72	148.78	3.47	356.11	123.57	3.47
6	PPCL	114.95	56.98	4.96	95.40	38.85	4.07
7	Vallur	91.90	33.26	3.62	85.04	32.02	3.77
8	Over drawal	25.34	1.38	0.54	50.64	5.84	1.15
9	Transmission Charges		63.38			72.80	
10	Rebate		(12.49)			(15.19)	
11	RPO Obligations		15.26			13.60	
12	**Total**	**2996.48**	**963.84**	**3.22**	**2908.60**	**940.45**	**3.23**

3.6.3 PED submits that for the FY 2014-15, RPO provision allowed by the Hon'ble Commission was Rs. 15.26 Crs against which Rs. 13.60 Crs has been incurred towards meeting the Renewable obligation. However, based on the RPO regulations as issued by JERC, a separate working has been calculated for estimation of renewable obligation/ RPO which is covered in the subsequent section of this petition.

3.6.4 The Hon'ble Commission is requested to approve Rs. 940.45 Crs for FY 2014-15 as power purchase cost incurred during FY 2014-15.

3.7 Operation & Maintenance Expenses

3.7.1 Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day to day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as well as in the reduction of losses in the system.

3.7.2 Regulation 27 (3) of JERC for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 provides for O&M Expense for a distribution licensee. The relevant regulation is re-produced hereunder:

"27 (3) O&M expenses for distribution functions shall be determined by the Commission as follows:

a) O&M expenses as approved by the Commission for the first time for a year shall be considered as base O&M expenses for determination of O&M expenses for subsequent years;

Base O&M expenses as above shall be adjusted according to variation in the rate of WPI per annum to determine the O&M expenses for subsequent year, where WPI is the Wholesale Price Index on April 1 of the relevant year....."

3.7.3 **Employee Expenses:** PED has computed the O&M (Employee) expense for FY 2014-15 based on the actual employee expenses incurred during the entire year.

3.7.3.1 The employee cost incurred during the year for FY 2014-15 is Rs. 75.93 Crores.

Table 3-6: Employee Expenses for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
	Salaries & Allowances		
1	Salary		87.78
2	Wages		0.64
3	Stipend		0.40
4	Transport Allowance		0.47
5	Overtime Allowance		0.78
	Total		**90.07**
6	Less: Add/ Deduct Share of Others		1.94
	Total		**88.13**
7	Less: Amount Capitalised		12.21
8	Net Amount		75.93
9	Add: Prior Period Expenses		
	Total Employee Expenses	**75.32**	**75.93**

3.7.3.2 PED submits that the transport allowance as included in the Table 4-6 is considered in A&G expenses in the accounts. However, in line with the ARR formats, the same has been considered in the employee cost in ARR. Therefore, it is submitted that difference to the tune of transport allowance will be there in employee expenses and A&G expenses as per accounts.

3.7.3.3 PED requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2014-15 as reflecting in audited annual accounts.

3.7.4 **Repairs & Maintenance Expenses:** The repairs and maintenance cost has been claimed as per expenses actually incurred during FY 2014-15.

Table 3-7: R&M Expenses for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	R&M Expenses	19.12	7.71

3.7.4.1 As seen from the table above R&M expenses incurred actually for FY 2014-15 were much less than the approved level.

3.7.4.2 PED submits that the R&M expense is being met from budgetary provision and therefore is limited to the amount allocated under such budgetary provision only.

3.7.4.3 PED submits that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standard of Performance of the utility. PED therefore requests the Hon'ble Commission to approve Rs. 7.71 Crs for FY 2014-15 as R&M expenses as per audited annual accounts.

3.7.5 **Administration & General expenses:** The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2014-15 are shown in the table below.

Table 3-8 A&G Expenses for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Rent,Rate and taxes		0.54
2	Other Professional charges including regulatory expenses(License and Petition fees)		2.54
3	Office Expenses including Legal, professional and special service charge		2.66
4	Advertisement & Publicity		0.30
5	Other A&G expenses		0.04
6	Others		0.26
7	Incentive to Consumers		4.54
8	Grant in Aid		0.00
9	Other material related expense		0.05
10	EESL Charges		3.65
11	**Total**		**14.59**
12	Add/deduct share of others		-
13	**Total Expenses**		**14.59**
14	Less: Capitalised		-
15	**Net expenses**		**14.59**
16	Add: Prior period		-
17	**Total A&G Expenses charges to revenue**	**5.36**	**14.59**

3.7.5.1 PED submits that the transport allowance as included in the Table 4-6 is considered in A&G expenses in the accounts. However, in line with the ARR formats, the same has been considered in the employee cost in ARR. Therefore, it is submitted that difference to the tune of transport allowance will be there in employee expenses and A&G expenses as per accounts.

3.7.5.2 There is a major increase in the Professional charges and Office expenses due to payment of license fees and appointment of consultants to assist in regulatory affairs, preparing final accounts and asset registers and for internal audit.

3.7.5.3 An amount of Rs. 3.65 Crores has been incurred by PED towards payment of EESL charges related to DELP scheme approved by the Commission and Rs. 4.54 Crs has been provided as incentives to the consumers resulting in a higher A&G cost as compare to the cost approved by the Commission.

3.7.5.4 The break-up of the A&G expenses based on normal A&G expense, EESL charges and incentive to consumers is highlighted below.

Table 3-9: Break-up of A&G Expenses for FY 2014-15

Rs. Crs.

S. No.	Particulars	Approved	Actuals
1	Normal A&G Expenses	5.36	6.40
2	EESL Charges		3.65
3	Incentive to Consumers		4.54
4	**Total A&G Expenses**	**5.36**	**14.59**

3.7.5.5 The Hon'ble Commission is therefore requested to approve the A&G expenses of Rs. 14.59 Crs for FY 2014-15.

3.7.6 **O&M Expenses Summary:** Based on the foregoing paragraphs, the O&M expenses for the year FY 2014-15 are summarised below:

Table 3-10: O&M Expenses for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Total Employee Expenses	75.32	75.93
2	Total R&M Expenses	19.12	7.71
3	Total A&G Expenses	5.36	14.59
	Total O&M Expenses	**99.80**	**98.23**

3.7.7 The Hon'ble Commission is requested to approve the O&M Expenses of Rs. 98.23 Crs for FY 2014-15 as shown in the table above. The details of O&M expense for FY 2014-15 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

3.8 Capital Work in Progress, GFA and Depreciation

3.8.1 **GFA**: The Opening Balance of GFA for FY 2014-15 comes to around Rs. 563.59 Crs as per audited annual accounts. The following table shows the opening balance, additions and closing balance of GFA for FY 2014-15.

Table 3-11: GFA for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Opening value of the assets at the beginning of the year	563.59	563.59
2	Additions during the year	48.00	70.39
3	Value of assets sold/disposed off		-
4	**Gross Fixed Assets at the end of the year**	**611.59**	**633.98**

3.8.2 PED submits that the Asset and Depreciation registers have been prepared and duly fixed assets' gross amount, accumulated depreciation and depreciation for the year have been shown in the accounts for FY 2014-15. PED hereby requests the Hon'ble Commission to approve the actual Gross Fixed Assets opening and additions as submitted above for FY 2014-15.

3.8.3 **Depreciation:** "As per Regulation 26 of JERC Tariff Regulations, depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories.

3.8.4 PED would like to submit that the depreciation arrived in annual accounts for FY 2014-15 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.

3.8.5 The rates of depreciation for various assets as used are tabulated below:

Table 3-12: Rate of Depreciation applicable for various assets

Description of Assets	Rate of Depreciation
Land and Land Rights	- -
Building	3.34%
Plant and Machinery	5.28%
Lines and Cables	5.28%
Office Equipment	6.33%
IT Equipment	15.00%
Vehicles	9.50%
Furniture and Fixtures	6.33%
Testing and measuring equipment	5.28%
SCADA centre	5.28%

3.8.6 The following table shows the depreciation arrived by PED for FY 2014-15 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for respective years.

Table 3-13: Depreciation for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Opening value of the assets at the beginning of the year	563.59	563.59
2	Additions during the year	48.00	70.39
3	Value of assets sold /disposed off		-
4	**Gross Fixed Assets at the end of the year**	**611.59**	**633.98**
5	**Net Depreciation for the year**	**30.86**	**25.92**
6	**Average Depreciation Rate**	**5.25%**	**4.33%**

3.8.7 The Hon'ble Commission is requested to approve Rs. 25.92 Crs for FY 2014-15 as submitted in the table above.

3.9 Interest & Finance Charge

3.9.1 The Regulation 25 provides for Interest and Finance Charges on Loan. PED has submitted that the majority of capital assets are created out of the equity contribution from Government of Puducherry and the actual borrowing of loan is only to the extent of the R-APDRP schemes. However PED has been claiming interest charges based on normative loan calculation. The Interest and Finance Charges arrived is based on normative loan considered to the extent of capitalization during the year. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2014-15.

Table 3-14: Interest & Finance Charges for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Opening Normative Loan	94.27	94.27
2	Add: Normative Loan during the Year	33.60	49.28
3	Less: Normative Repayment	9.43	9.43
4	Closing Normative Loan	118.44	134.12
5	Average Normative Loan	106.36	114.19
6	Rate of Interest(@SBAR)	14.75%	14.75%
7	**Interest on Normative Loan**	**15.69**	**16.84**
7	Other Finance Charges	3.69	1.96
9	**Total Interest and Finance Charges**	**19.38**	**18.81**

3.9.2 It is submitted that it has considered an addition of Rs. 49.28 Crs in the normative Loan for FY 2014-15, which are considered funded through normative debt to the tune of 70% of GFA. The rate of interest considered is prevailing Prime Lending Rate of the State Bank of India as on 1st April of that relevant year.

3.9.3 Along with the normative interest calculated and claimed in the table highlighted above, it is submitted that certain financial charges are also incurred by the department which are related to charges claimed by the bank charges, finance charges, L/C., etc. which are claimed along with the interest in Table 3-13 of the Petition.

3.9.4 The Hon'ble Commission is requested to approve the Interest & Finance Charges at Rs. 18.81 Crs for FY 2014-15 as shown in the table above. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

3.10 Interest on Working Capital

3.10.1 Regulation No. 29 of JERC for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable to Puducherry Electricity Department. This is as shown below:

(1) For generation and transmission business, the working capital shall be as

per CERC norms.

(2) Subject to prudence check, the working capital for distribution business shall be the sum of one month requirement for meeting:

(a) Power purchase cost,

(b) Employees cost,

(c) Administration & general expenses and

(d) Repair & Maintenance expenses.

(3) Subject to prudence check, the working capital for integrated utility shall be sum of one month requirement for meeting:

(a) Power purchase cost

(b) Employees cost

(c) Administration & general expenses

(d) Repair & Maintenance expenses.

(e) Sum of two month requirement for meeting Fuel cost.

(4) The rate of interest on working capital shall be equal to the short term Prime Lending Rate of State Bank of India on the 1st April of the relevant financial year. The interest on working capital shall be payable on normative basis notwithstanding that the generating company / licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan amount worked out on the normative figures.

3.10.2 The petitioner hereby submits that it has adopted the same methodology adopted by the Hon'ble Commission in its tariff order for FY 2014-15 for arriving at the working capital requirement whereby it has excluded the available security deposits available with the petitioner from the working capital requirement though the same has not been specified in the Regulations.

3.10.3 The Interest on Working Capital approved by the Hon'ble Commission and claimed for FY 2014-15 is Nil since the opening Security Deposit was much higher than the working capital requirement.

Table 3-15: Interest on Working Capital for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Power Purchase Cost-1 month	80.32	78.37
2	Employee Cost-1 month	6.28	6.33
3	Administration and General Expenses-1 Month	0.45	1.22
4	R&M cost-1 month	1.59	0.64
5	Less: Security deposit opening balance	123.48	123.48
6	Total Working Capital for one month	(34.84)	(36.92)
7	Interest Rate	14.75%	14.75%
8	**Interest on Working Capital**	**0.00**	**0.00**

3.11 Security Deposits

3.11.1 The Regulation 25 of JERC (for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 provides for Interest on Security Deposit, if any, made by the consumer with the licensee. The provision of interest on security deposits is to be made at the bank rate. The prevailing Bank rate is considered at 8.50% for FY 2014-15.

Table 3-16: Interest on Security Deposit for FY 2014-15

Rs Crs

S. No.	Particulars	Approved	Actuals
1	Opening Security Deposit	123.48	123.48
2	Add: Deposits during the year	27.58	21.31
3	Less: Deposits refunded		
4	Less: Deposits n the form of BG/FDR		
5	Closing Security Deposit	151.06	144.79
6	Bank Rate	9.00%	8.50%
7	**Interest on Security Deposit**	**12.35**	**11.40**
8	Interest on security deposit paid	4.00	2.02
9	Interest on security deposit provisioned	8.35	9.38

3.11.2 The Hon'ble Commission is requested to approve the Interest on Security Deposit of Rs. 2.02 Crs paid for FY 2014-15 as showcased in the table above. The cumulative adjustment of interest on security deposit for the remaining amount provisioned in FY 2014-15 in line with the principles adopted by the Hon'ble Commission in Tariff Order dated 25th April 2014 has been carried out by PED in the subsequent chapter of this petition.

3.12 Provision for bad debts

3.12.1 As per regulation 28 of Tariff Regulations 2009, Commission may allow a provision for bad debts up to 1% of receivables in the revenue requirement of the generating company / licensee. The relevant excerpts of the regulation are provided below.

" 28. Bad and Doubtful Debts:

The Commission may, after the generating company / licensee gets the receivables audited, allow a provision for bad debts up to 1% of receivables in the revenue requirement of the generating company / licensee. "

3.12.2 The petitioner is not claiming any provision for bad debts in the absence of audited receivables for the FY 2014-15 and requests the Hon'ble Commission to consider the same.

Table 3-17: Provision for Bad Debts for FY 2014-15

Particulars	Approved	Actuals
Bad and Doubtful Debts	NIL	NIL

3.13 Return on Capital Base/ Net Fixed Assets

3.13.1 The proviso of Regulation 23 (2) and Regulation 24 of Tariff Regulations 2009 provides for entitlement for Returns on Capital Base/ Net Fixed Assets by utility / licensee. Thus, in line with the regulation and the methodology adopted by the Hon'ble Commission in its previous order, PED has calculated the return on capital base at 3%. The summary of the Return on Net Fixed Assets as claimed by the petitioner, as approved by the Hon'ble Commission and as calculated for FY 2014-15 is tabulated below:

Table 3-18: Return on NFA for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Gross Block at the beggining of the year	563.59	563.59
2	Less: Accumulated depreciation	274.63	274.63
3	Net Fixed Assets	288.96	288.96
4	Less: Accumulated consumer contribution	9.92	9.92
5	Net fixed assets at the beginning of the year	279.04	279.04
6	**Reasonable Return @ 3% of NFA**	**8.37**	**8.37**

3.13.2 In view of above, the Hon'ble Commission is requested to kindly allow the above Return on Net Fixed Assets of **Rs. 8.37 Crs** for FY 2014-15.

3.14 Non-Tariff Income

3.14.1 The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, income from trading, reconnection fee, UI sales/ Sales to Exchanges and miscellaneous income among others. The Non-Tariff Income approved by the Hon'ble Commission in the ARR for FY 2014-15 was Rs. 4.88 Crs.

3.14.2 The details of Non-Tariff Income for FY 2014-15 are provided in **Format 20 of the**

Tariff Filing Formats

3.14.3 The summary of total Non-Tariff Income is tabulated below:

Table 3-19: Non-Tariff Income for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	UI Sales/ sales to exchange	1.27	2.06
2	Income from trading		0.06
3	Misc. receipts/ income	3.61	2.48
4	**Total income**	**4.88**	**4.60**
5	Add: Prior period income		
6	**Total Non-Tariff Income**	**4.88**	**4.60**

3.14.4 In view of above, the Hon'ble Commission is requested to kindly allow Non-Tariff Income of **Rs. 4.60 Crs** for FY 2014-15.

3.15 Revenue from Sale of Power at Existing Tariff

3.15.1 The Revenue from Tariff for FY 2014-15 was Rs. 1,077.06 Crs including FPPCA and Rs. 103.94 Crs as 10% additional Surcharge. The actual revenue earned from tariffs for FY 2014-15 is shown in the table below:

Table 3-20: Revenue from Tariff for FY 2014-15

Rs. Crs

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	635.22	153.56
2	OHOB	10	1.07
3	Commercial	182.22	90.47
4	Agriculture	57	1.81
5	Public Lighting	26	14.43
6	LT Industrial	164.05	74.43
7	Water Tank	34.85	15.69
8	Temporary Supply-LT&HT	6.12	5.51
	Total LT	**1115.46**	**356.96**
	HT Category		
9	HT 1 Industrial / Commercial	875.29	478.94
10	HT 2 - Government & Water Tank	55.96	31.93
11	HT 3 - EHT	319.6	174.40
12	**Total HT**	**1250.85**	**685.27**
13	**Total LT and HT**	**2366.31**	**1042.23**
14	FPPCA		34.83
15	10% Surcharge		103.94
17	**Total**	**2366.31**	**1181.00**
	As approved in Tariff order dated 10th April, 2015	2480.78	1253.20

3.15.2 In view of above, the Hon'ble Commission is requested to kindly allow Revenue of Rs. 1,077 Crs including FPPCA and Rs. 103.94 Crs as 10% additional Surcharge.

3.16 Aggregate Revenue Requirement for FY 2014-15

3.16.1 The Aggregate Revenue Requirement for FY 2014-15 as approved by the Hon'ble Commission in the Review of ARR for FY 2014-15 was Rs. 1,127.61 Crs. The calculation for Aggregate Revenue Requirement on the basis of actuals for FY 2014-15 is shown below:

Table 3-21: Calculation of ARR for FY 2014-15

Rs. Crs

S. No.	Particulars	Claimed in APR	Approved by Commission	Claimed in True-up
1	Cost of power purchase	970.62	963.84	940.45
2	Employee Costs	75.32	75.32	75.93
3	Administration and General Expenses	5.36	5.36	14.59
4	R&M expenses	19.12	19.12	7.71
5	Depreciation	30.86	30.86	25.92
6	Interest & Finance Charges	19.38	19.38	18.81
7	Interest on Working Capital + Interest on CSD	4	4	1.97
8	Return on NFA/ Equity	10.67	8.37	8.37
10	**Total Revenue Requirement**	**1135.33**	**1126.25**	**1093.75**
11	Less: Non- Tariff Income	4.88	4.88	4.60
12	**Net Aggregate Revenue Requirement**	**1130.45**	**1121.37**	**1089.15**

3.16.2 The Petitioner hereby requests the Commission to approve the ARR of Rs. 1,091.80 Crs for FY 2014-15 as submitted above.

3.17 Revenue Gap for FY 2014-15

3.17.1 The Revenue Gap approved by the Hon'ble Commission for FY 2014-15 was Rs. 21.33 Crs surplus.

3.17.2 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of audited annual accounts for true-up of FY 2014-15 is shown in the table below:

Table 3-22: Revenue Gap for FY 2014-15

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Aggregate Revenue Requirement	1121.37	1089.15
2	Revenue from Sale of Power (Excluding Surcharge)	1142.70	1077.06
3	Revenue Gap/ (Surplus)	(21.33)	12.09

3.17.1 The above gap is calculated without considering the 10% surcharge amount levied to consumer in FY 2014-15 as directed in the Tariff Order. PED submits that the 10% surcharge collected has been adjusted against the Regulatory Assets as per the previous Tariff Order and the treatment of the same is explained in the subsequent chapters related to calculation of total revenue gap. However, Hon'ble Commission is requested to approve the revenue gap for FY 2014-15 as shown in the table above.

CHAPTER 4. TRUE-UP FOR FY 2015-16

4.1 Preamble

4.1.1 This section outlines the performance of Puducherry Electricity Department (PED) for FY 2015-16. PED submits that the audit of the accounts are in the process and therefore it submits the provisional actual for FY 2015-16 in this petition for provisional truing up along with the comparison of the approved figures by Hon'ble Commission vide tariff order dated 24th May 2016. PED submits that since the accounts has already been finalized, the variation with the audited accounts may be marginal. Also, the Audited accounts for FY 2015-16 will be submitted to the Hon'ble Commission during the present MYT regulatory proceedings.

4.1.2 This chapter summarizes each of the components of ARR for FY 2015-16 and thereby working out the revenue gap for that year.

4.2 Approved ARR for FY 2015-16

4.2.1 The summary of the charges for FY 2015-16 claimed by the petitioner in the last petition (review of FY 2015-16) and as approved by the Hon'ble Commission in the last Tariff Order dated 24th May 2016 is tabulated below:

Table 4-1: APR of FY 2015-16 as per Tariff Order dated 24th May 2016

Rs. Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission
1	Cost of power purchase including RPO provision to meet obligationof the previous years	1037.92	1029.33
2	Employee Cost	80.32	78.22
3	Administration and General Expenses	11.50	5.68
4	R&M Expenses	15.12	18.35
5	Depreciation	27.80	26.89
6	Interest and Finace Charges	24.12	21.31
7	Interest on Working Capital +Interest on CSD	2.50	2.50
8	Return on NFA / Equity	9.47	8.65
9	Provision for Bad Debt	-	-
10	Provision to meet arrears of interest on security deposit		
11	**Total Revenue Requirement**	**1208.75**	**1190.93**
12	Less: Non- Tariff Income	3.83	3.83
13	**Net Aggregate Revenue Requirement**	**1204.92**	**1187.10**
14	Revenue from Existing Tariff	1164.07	1164.12
15	**Revenue Gap**	40.85	22.98

4.3 Number of Consumers

4.3.1 Based on the unaudited accounts, PED submits before the Hon'ble Commission the actual consumer numbers for FY 2015-16 in comparison of the approved numbers as highlighted below:

Table 4-2: Details of No. of Consumer Numbers for FY 2015-16

S. No.	Particulars	Approved	Actuals
1	Domestic	294202	306385
2	OHOB	35539	35539
3	Commercial	48173	51674
4	Agriculture	6849	6854
5	Public Lighting	50055	50055
6	LT Industrial	6617	6556
7	**Total LT**	**441435**	**457063**
8	HT 1 Industrial & Commercial	427	433
9	HT 2 Government & Water Tank	53	53
10	HT 3 EHT	7	7
11	**Total HT**	**487**	**493**
12	**Total LT and HT**	**441922**	**457556**

4.3.2 It is requested to Hon'ble Commission to consider the number of consumers as submitted in the above table for FY 2015-16.

4.4 Energy Sales

4.4.1 The total sales of PED for FY 2015-16 are **2,398** MU's. The category wise actual and approved sales for FY 2015-16 are shown in the table below.

Table 4-3: Sales for FY 2015-16

MU's

S. No.	Particulars	Approved	Actuals
1	Domestic	679.85	675.00
2	OHOB	9.18	10.00
3	Commercial	193.04	198.00
4	Agriculture	56.63	57.00
5	Public Lighting	27.24	26.00
6	LT Industrial & Water Tank	204.92	205.00
7	Temporary Supply - LT&HT	8	7.00
8	**Total LT**	**1178.86**	**1178.00**
9	HT 1 Industrial & Commercial	914.54	892.00
10	HT 2 Government & Water Tank	58.58	60.00
11	HT 3 EHT	320.44	268.00
12	**Total HT**	**1293.56**	**1220.00**
13	**Total LT and HT**	**2472.42**	**2398.00**

4.4.2 PED submits that the lower sale in FY 2015-16 is due to poor industrial growth and performance in the UT of Puducherry. The reduced consumption by steel companies due to poor market demand has also hampered the expected sales growth in FY 2015-16. The above reasons have resulted in a lower sale as compared to the sales approved by the Hon'ble Commission.

4.4.3 Based on the above submission PED requests the Hon'ble Commission to approve the actual sales for FY 2015-16 as stated in the table above.

4.5 Distribution Loss & Energy Requirement

4.5.1 PED has submitted 11.82% as the energy distribution losses for FY 2015-16 as compared to that approved by Hon'ble Commission at 11.75%. The comparison of Energy balance statement and the loss levels based on unaudited accounts and approved figures are shown in the table below:

Table 4-4: Distribution Loss and Energy Balance for FY 2015-16

S. No.	Particulars	Approved	Actuals
A	**ENERGY REQUIREMENT**		
1	Energy Sales within the UT	2472.42	2398.00
2	Energy Drawal by TANGEDCo*	16.93	24.19
3	Distribution Losses (%)	11.75%	11.82%
4	Energy Required for the Territories	3059	2746.97
5	Add: Sales to Commom Pool Consumers/UI	24.56	56.12
6	**Energy Requirement at periphery**	**2843.10**	**2803.09**
B	**ENERGY AVAILABILITY**		
1	Gross Energy Energy Purchase	2936.75	2926.95
2	External Losses (MU)	93.65	123.86
3	**Net Energy Availability**	**2843.10**	**2803.09**

*The explanation for the same has been provided in para 4.5.2 below.

4.5.2 At Puducherry, pockets of Tamilnadu region are being fed by Puducherry 110kV sub-station at 22kV level feeders. These feeders are metered at sub-station end. Normally, Puducherry region draws certain power from TNEB 110kV feeder and TNEB would bill PED after deducting energy consumption by their 22kV feeders. During the year FY 2015-16, due to surplus power available with Puducherry from CGS, PED has not drawn any power from 110kV TNEB feeders. The matter has been taken up with TNEB at Chennai to deduct their 22kV feeder consumption at Puducherry region from the TNEB sale of power at Karaikal region. The above adjustment is yet to be made by TNEB.

4.5.3 The petitioner submits that the department has not made significant capex specifically towards reduction of transmission and distribution loss. Given the consumer sale mix, wherein the growth of LT consumers is higher than HT consumers, it is difficult for the utility to maintain the commission approved T&D loss levels.

4.5.4 PED submits that in comparison with the approved figures, actual T&D losses are marginally higher and therefore request the Hon'ble Commission to approve the Distribution Loss of 11.820% for FY 2015-16.

4.6 Power Purchase Quantum & Cost for FY 2015-16

4.6.1 PED meets its total energy requirement from its allocation from the Central Generating Stations (CGS) and state utilities like TANGEDCO, KSEB and PPCL. PPCL is a generating company within the UT of Puducherry catering to the requirement of Karaikal region. KSEB supplies for Mahe region under the UT of Puducherry. PED also had an additional allocation of power from Kudunkulam Nuclear Power Plant, NLC Tamilnadu Power Limited (NTPL) and Vallur Thermal Power Project to meet the demand of the Union Territory. NTPL started supplying power to PED from June 2015 onwards after achieving CoD (commercial operation declaration) on 18/06/2015 for Unit-I and 29/08/2015 for Unit-II.

4.6.2 The table below shows the summary of actual (provisional) Power Purchase from various sources along with their costs for FY 2015-16 including Transmission Charges, UI charges and purchase from traders.

Table 4-5: Power Purchase Quantum & Cost for FY 2015-16

S. No.	Particulars	Approved (FY 2015-16)			Actuals (FY 2015-16)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)	Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	1029.28	297.78	2.89	1103.47	289.11	2.62
2	NLC	903.94	277.57	3.07	775.50	245.48	3.17
3	NPCIL	407.31	129.37	3.18	380.49	119.04	3.13
4	KSEB	42.78	24.85	5.81	43.48	25.30	5.82
5	TANGEDCO	237.53	82.42	3.47	187.81	65.17	3.47
6	PPCL	172.92	80.08	4.63	212.55	92.42	4.35
7	Vallur	109.68	41.94	3.82	112.99	41.38	3.66
8	NTPL	4.32	3.58	8.29	53.21	22.14	4.16
9	Over drawal	28.99	3.68	1.27	57.45	7.26	1.26
10	Transmission Charges		63.48			48.95	
11	Rebate		(8.82)			(14.89)	
12	RPO Obligations		33.40			26.25	
13	**Total**	**2936.75**	**1029.34**	**3.51**	**2926.95**	**967.60**	**3.31**

4.6.3 PED submits that for the FY 2015-16, RPO provision allowed by the Hon'ble Commission was Rs. 33.40 Crs against which Rs. 26.25 Crs has been incurred towards meeting the Renewable obligation. However, based on the RPO regulations as issued by JERC, a separate working has been calculated for estimation of RPO which is covered in the subsequent section of this petition.

4.6.4 The Hon'ble Commission is requested to approve Rs. 967.60 Crs for FY 2015-16 as power purchase cost (provisional actual) incurred during the year.

4.7 Operation & Maintenance Expenses

4.7.1 Operation & Maintenance Expenses consists of three elements viz Employee

Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day to day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as well as in the reduction of losses in the system.

4.7.2 Regulation 27 (3) of JERC for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 provides for O&M Expense for a distribution licensee. The relevant regulation is re-produced hereunder:

"27 (3) O&M expenses for distribution functions shall be determined by the Commission as follows:

b) O&M expenses as approved by the Commission for the first time for a year shall be considered as base O&M expenses for determination of O&M expenses for subsequent years;

Base O&M expenses as above shall be adjusted according to variation in the rate of WPI per annum to determine the O&M expenses for subsequent year, where WPI is the Wholesale Price Index on April 1 of the relevant year....."

4.7.3 **Employee Expenses:** PED has computed the O&M (Employee) expense for FY 2015-16 based on the actual employee expenses incurred during the entire year.

4.7.3.1 The employee cost incurred during the year for FY 2015-16 is Rs. 78.21 Crores.

Table 4-6: Employee Expenses for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved	Actuals
	Salaries & Allowances		
1	Salary		90.91
2	Wages		0.64
3	Stipend		0.46
4	Transport Allowance		0.54
5	Overtime Allowance		1.76
	Total	**90.82**	**94.31**
6	Less: Add/ Deduct Share of Others	1.44	1.85
	Total	**89.38**	**92.46**
7	Less: Amount Capitalised	11.16	14.26
8	Net Amount	78.22	78.21
9	Add: Prior Period Expenses		
	Total Employee Expenses	**78.22**	**78.21**

4.7.3.2 PED submits that the transport allowance as included in the Table 4-6 is considered in A&G expenses in the accounts. However, in line with the ARR formats, the same has been considered in the employee cost in ARR. Therefore, it is submitted that difference to the tune of transport allowance will be there in employee expenses and A&G expenses as per accounts.

4.7.3.3 PED requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2015-16 as reflecting in annual accounts.

4.7.4 **Repairs & Maintenance Expenses:** The repairs and maintenance cost has been claimed as per expenses actually incurred during FY 2015-16.

Table 4-7: R&M Expenses for FY 2015-16

Rs. Crs

Particulars	Approved by Commission	Actuals
R&M Expenses	18.35	9.62

4.7.4.1 As seen from the table above R&M expenses incurred actually for FY 2015-16 were much less than the approved level.

4.7.4.2 PED submits that the R&M expense is being met from budgetary provision and therefore is limited to the amount allocated under such budgetary provision only.

4.7.4.3 PED submits that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standard of Performance of the utility. PED therefore requests the Hon'ble Commission to approve Rs. 9.62 Crs for FY 2015-16 as R&M expenses.

4.7.5 **Administration & General expenses:** The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2015-16 are shown in the table below.

Table 4-8 A&G Expenses for FY 2015-16

Rs. Crs

S.No.	Particulars	Approved by Commission	Actuals
1	Rent,Rate and taxes		0.33
2	Other Professional charges including regulatory expenses(License and Petition fees)		3.52
3	Office Expenses including Legal, professional and special service charge		1.20
4	Advertisement & Publicity		0.29
5	Other A&G expenses		0.07
6	Others		0.26
7	Incentive to Consumers		15.68
8	Grant in Aid		
9	Other material related expense		0.16
10	EESL Charges		4.71
11	**Total**	**5.68**	**26.21**
12	Add/deduct share of others		
13	**Total Expenses**	**5.68**	**26.21**
14	Less: Capitalised		
15	**Net expenses**		**26.21**
16	Add: Prior period		
17	**Total A&G Expenses charges to revenue**	**5.68**	**26.21**

4.7.5.1 PED submits that the transport allowance as included in the Table 4-6 is considered in A&G expenses in the accounts. However, in line with the ARR formats, the same has been considered in the employee cost in ARR. Therefore, it is submitted that difference to the tune of transport allowance will be there in employee expenses and A&G expenses as per accounts.

4.7.5.2 There is a major increase in the Professional charges and Office expenses due to payment of license fees and appointment of consultants to assist in regulatory affairs, preparing final accounts and asset registers and for internal audit from FY 2014-15 onwards.

4.7.5.3 An amount of Rs. 4.71 Crores has been incurred by PED towards payment of EESL charges related to DELP scheme approved by the Commission and Rs. 15.68 Crs has been the amount paid as incentives to the consumers.

4.7.5.4 There is also a major increase in incentives paid to the HT and EHT consumers due to increase in incentive by the Hon'ble Commission from 0.50% to 1% on demand and energy charges in FY 2015-16.

4.7.5.5 The increase in A&G expenses was submitted by the petitioner during the review of the FY 2015-16 last year but the Hon'ble Commission sought to ensure that the higher A&G expenses being reported on account of payment of incentives is not a one-time expenditure but a recurring expenditure from FY 2013-14 onwards.

> *"**6.8 Operation and Maintenance (O&M) Expenses:***
>
> *Administrative and General (A&G) Expenses*
>
> ***Commission Analysis:***
>
> *The Commission has also noted that the actual A&G expenses for FY 2013-14 based on audited accounts are Rs. 7.25 Crores; however the Commission would like to satisfy itself with the actual audited data for FY 2015-16 to ensure that the higher figure for A&G being reported on account of the payment of incentive amount to the consumers is not a one-time expenditure but a recurring expenditure from FY 2013-14 onwards.*
>
> *…*
>
> ***The Commission considers the A&G expenses of Rs. 5.68 Crores as reasonable and approves the same for Review of FY 2015-16; subject to final adjustment at the time of the True-up based on the audited accounts."***

4.7.5.6 The A&G expenses incurred during FY 2015-16 based on provisional actuals is summarised below under normal A&G expenses, incentives to consumers and EESL charges.

Table 4-9: Break-up of A&G Expenses for FY 2015-16

S.No.	Particulars	Actuals
1	Normal A&G Expenses	5.82
2	Incentive to Consumers	15.68
3	EESL Charges	4.71
4	**Total A&G Expenses**	**26.21**

4.7.5.7 The Hon'ble Commission is therefore requested to approve the A&G expenses of Rs. 26.21 Crs for FY 2015-16.

4.7.6 **O&M Expenses Summary:** Based on the foregoing paragraphs, the O&M expenses for the year FY 2014-15 are summarised below:

Table 4-10: O&M Expenses for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved by Commission	Actuals
1	Total Employee Expenses	78.22	78.21
2	Total R&M Expenses	18.35	9.62
3	Total A&G Expenses	5.68	26.21
	Total O&M Expenses	**102.25**	**114.03**

4.7.7 The Hon'ble Commission is requested to approve the O&M Expenses of Rs. 114.03 Crs for FY 2015-16 as shown in the table above. The details of O&M expense for FY 2015-16 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

4.8 Capital Work in Progress, GFA and Depreciation

4.8.1 **GFA**: The Opening Balance of GFA for FY 2015-16 comes to around Rs. 633.98 Crs as per provisional accounts. The following table shows the opening balance, additions and closing balance of GFA for FY 2015-16.

Table 4-11: GFA for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved by Commission	Actuals
1	Opening value of the assets at the beginning of the year	611.59	633.98
2	Additions during the year	63.29	26.94
3	Value of assets sold/disposed off		-
4	**Gross Fixed Assets at the end of the year**	**674.88**	**660.92**

4.8.2 PED submits that the Asset and Depreciation registers have been prepared and duly fixed assets' gross amount, accumulated depreciation and depreciation for the year have been shown in the accounts for FY 2015-16. PED hereby requests the Hon'ble Commission to approve the actual Gross Fixed Assets opening and additions as submitted above for FY 2015-16.

4.8.3 **Depreciation:** "As per Regulation 26 of JERC Tariff Regulations, depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories.

4.8.4 PED would like to submit that the depreciation arrived in annual accounts for FY 2015-16 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.

4.8.5 The rates of depreciation for various assets as used are tabulated below:

Table 4-12: Rate of Depreciation applicable for various assets

Description of Assets	Rate of Depreciation
Land and Land Rights	- -
Building	3.34%
Plant and Machinery	5.28%
Lines and Cables	5.28%
Office Equipment	6.33%
IT Equipment	15.00%
Vehicles	9.50%
Furniture and Fixtures	6.33%
Testing and measuring equipment	5.28%
SCADA centre	5.28%

4.8.6 The following table shows the depreciation arrived by PED for FY 2015-16 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for respective years.

Table 4-13: Depreciation for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved by Commission	Actuals
1	Opening value of the assets at the beginning of the year	611.59	633.98
2	Additions during the year	63.29	26.94
3	Value of assets sold /disposed off		-
4	**Gross Fixed Assets at the end of the year**	**674.88**	**660.92**
5	**Net Depreciation for the year**	**26.89**	**27.91**
6	**Average Depreciation Rate**	**4.18%**	**4.31%**

4.8.7 The Hon'ble Commission is requested to approve Rs. 27.91 Crs for FY 2015-16 as submitted in the table above.

4.9 Interest & Finance Charge

4.9.1 The Regulation 25 provides for Interest and Finance Charges on Loan. PED has submitted that the majority of capital assets are created out of the equity contribution from Government of Puducherry and the actual borrowing of loan is only to the extent of the R-APDRP schemes. However PED has been claiming interest charges based on normative loan calculation. The Interest and Finance Charges arrived is based on normative loan considered to the extent of capitalization during the year. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2015-16.

Table 4-14: Interest & Finance Charges for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Opening Normative Loan	118.44	134.12
2	Add: Normative Loan during the Year	44.31	18.85
3	Less: Normative Repayment	11.84	13.41
4	Closing Normative Loan	150.91	139.56
5	**Average Normative Loan**	**134.68**	**136.84**
6	Rate of Interest(@SBAR)	14.29%	14.51%
7	**Interest on Normative Loan**	**19.25**	**19.86**
7	Other Finance Charges	2.06	2.32
9	**Total Interest and Finance Charges**	**21.31**	**22.18**

4.9.2 It is submitted that it has considered an addition of Rs. 26.94 Crs in the Gross Fixed Assets for FY 2015-16, which are considered funded through normative debt to the tune of 70%. The rate of interest considered is prevailing Prime Lending Rate of the State Bank of India as on 1st April of that relevant year.

4.9.3 Along with the normative interest calculated and claimed in the table highlighted above, it is submitted that certain financial charges are also incurred by the department which are related to charges claimed by the bank charges, finance charges, L/C., etc. which are claimed along with the interest in Table 4-13 of the Petition.

4.9.4 The Hon'ble Commission is requested to approve the Interest & Finance Charges at Rs. 22.18 Crs for FY 2015-16 as shown in the table above. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

4.10 Interest on Working Capital

4.10.1 Regulation No. 29 of JERC for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable to Puducherry Electricity Department. This is as shown below:

(1) For generation and transmission business, the working capital shall be as per CERC norms.

(2) Subject to prudence check, the working capital for distribution business shall be the sum of one month requirement for meeting:

(a) Power purchase cost,

(b) Employees cost,

(c) Administration & general expenses and

(d) Repair & Maintenance expenses.

(3) Subject to prudence check, the working capital for integrated utility shall be sum of one month requirement for meeting:

(a) Power purchase cost

(b) Employees cost

(c) Administration & general expenses

(d) Repair & Maintenance expenses.

(e) Sum of two month requirement for meeting Fuel cost.

(4) The rate of interest on working capital shall be equal to the short term Prime Lending Rate of State Bank of India on the 1st April of the relevant financial year. The interest on working capital shall be payable on normative basis notwithstanding that the generating company / licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan amount worked out on the normative figures.

4.10.2 The petitioner hereby submits that it has adopted the same methodology adopted by the Hon'ble Commission in its tariff order for FY 2014-15 for arriving at the working capital requirement whereby it has excluded the available security deposits available with the petitioner from the working capital requirement though the same has not been specified in the Regulations.

4.10.3 The Interest on Working Capital approved by the Hon'ble Commission and claimed for FY 2015-16 is Nil since the opening Security Deposit was much higher than the working capital requirement.

Table 4-15: Interest on Working Capital for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Power Purchase Cost-1 month	85.78	80.63
2	Employee Cost-1 month	6.52	6.52
3	Administration and General Expenses-1 Month	0.47	2.18
4	R&M cost-1 month	1.53	0.80
5	Less: Security deposit opening balance	155.45	144.79
6	Total Working Capital for one month	(61.15)	(54.65)
7	Interest Rate	14.75%	14.75%
8	**Interest on Working Capital**	**0.00**	**0.00**

4.11 Security Deposits

4.11.1 The Regulation 25 of JERC (for the State of Goa and Union Territories (Terms and Conditions for Determination of Tariff) Regulations, 2009 provides for Interest on Security Deposit, if any, made by the consumer with the licensee. The provision of interest on security deposits is to be made at the bank rate. The prevailing Bank rate is considered at 8.50% for FY 2015-16.

Table 4-16: Interest on Security Deposit for FY 2015-16

S. No.	Particulars	Approved	Actuals
1	Opening Security Deposit	144.79	144.79
2	Add: Deposits during the year	21.31	16.79
3	Less: Deposits refunded		
4	Less: Deposits n the form of BG/FDR		
5	Closing Security Deposit	166.10	161.58
6	Bank Rate	8.50%	8.50%
7	**Interest on Security Deposit**	**13.21**	**13.02**
8	Interest on security deposit paid		2.50
9	Carried forward interest on SD relating to FY 2014-15	8.35	
10	Interest on security deposit provisioned	21.56	10.52

4.11.2 The Hon'ble Commission is requested to approve the Interest on Security Deposit of Rs. 2.50 Crs paid for FY 2015-16 as showcased in the table above. The cumulative adjustment of interest on security deposit for the remaining amount provisioned in FY 2015-16 in line with the principles adopted by the Hon'ble Commission in Tariff Order dated 25th April 2014 has been carried out by PED in the subsequent chapter of this petition.

4.12 Provision for bad debts

4.12.1 As per regulation 28 of Tariff Regulations 2009, Commission may allow a provision for bad debts up to 1% of receivables in the revenue requirement of the generating company / licensee. The relevant excerpts of the regulation are provided below.

" 28. Bad and Doubtful Debts:

The Commission may, after the generating company / licensee gets the receivables audited, allow a provision for bad debts up to 1% of receivables in the revenue requirement of the generating company / licensee. "

4.12.2 The petitioner is not claiming any provision for bad debts in the absence of audited receivables for the FY 2015-16 and requests the Hon'ble Commission to consider the same.

Table 4-17: Bad and Doubtful Debts for FY 2015-16

S. No.	Particulars	Approved	Actuals
1	Bad and Doubtful Debts	NIL	NIL

4.13 Return on Capital Base/ Net Fixed Assets

4.13.1 The proviso of Regulation 23 (2) and Regulation 24 of Tariff Regulations 2009 provides for entitlement for Returns on Capital Base/ Net Fixed Assets by utility / licensee. Thus, in line with the regulation and the methodology adopted by the Hon'ble Commission in its previous order, PED has calculated the return on capital base at 3%. The summary of the Return on Net Fixed Assets as claimed by the petitioner, as approved by the Hon'ble Commission and as calculated for FY 2015-16 is tabulated below:

Table 4-18: Return on NFA for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Gross Block at the beggining of the year	611.59	633.98
2	Less: Accumulated depreciation	305.49	300.55
3	Net Fixed Assets	306.10	333.43
4	Less: Accumulated consumer contribution	17.71	17.71
5	Net fixed assets at the beginning of the year	288.39	315.72
6	**Reasonable Return @ 3% of NFA**	**8.65**	**9.47**

4.13.2 In view of above, the Hon'ble Commission is requested to kindly allow the above Return on Net Fixed Assets of **Rs. 9.47 Crs** for FY 2015-16.

4.14 Non-Tariff Income

4.14.1 The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, income from trading, reconnection fee, UI sales/ Sales to Exchanges and miscellaneous income among others. The Non-Tariff Income approved by the Hon'ble Commission in the ARR for FY 2015-16 was Rs. 3.83 Crs.

4.14.2 The details of Non-Tariff Income for FY 2015-16 are provided in **Format 20 of the Tariff Filing Formats**

4.14.3 The summary of total Non-Tariff Income is tabulated below:

Table 4-19: Non-Tariff Income for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	UI Sales/ sales to exchange		1.77
2	Income from trading		0.18
3	Misc. receipts/ income		4.53
4	**Total income**	**3.83**	**6.49**
5	Add: Prior period income		
6	**Total Non-Tariff Income**	**3.83**	**6.49**

4.14.4 In view of above, the Hon'ble Commission is requested to kindly allow Non-Tariff Income of **Rs. 6.49 Crs** for FY 2015-16.

4.15 Revenue from Sale of Power at Existing Tariff

4.15.1 The Revenue from Tariff for FY 2015-16 was Rs. 1,101.81 Crs including FPPCA and Rs. 28.59 Crs as 2.64% additional Surcharge. The actual revenue earned from tariffs for FY 2015-16 is shown in the table below:

Table 4-20: Revenue from Tariff for FY 2015-16

Rs. Crs

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	675.00	162.83
2	OHOB	10.00	1.15
3	Commercial	198.00	104.52
4	Agriculture	57.00	1.49
5	Public Lighting	26.00	17.28
6	LT Industrial	169.08	86.90
7	Water Tank	35.92	18.33
8	Temporary Supply-LT&HT	7.00	6.62
	Total LT	**1178.00**	**399.12**
	HT Category		
9	HT 1 Industrial / Commercial	892.00	497.93
10	HT 2 - Government & Water Tank	60.00	38.52
11	HT 3 - EHT	268.00	149.92
12	**Total HT**	**1220.00**	**686.36**
13	**Total LT and HT**	**2398.00**	**1085.48**
14	FPPCA		16.33
15	Additional Surcharge of 2.64%		28.59
17	**Total**	**2398.00**	**1130.40**
	As approved in Tariff order dated 24th May, 2016 (excl Surcharge)	2472.42	1194.23

4.15.2 In view of above, the Hon'ble Commission is requested to kindly allow Revenue of Rs. 1,101.81 Crs including FPPCA and Rs. 28.59 Crs as 2.64% additional Surcharge.

4.16 Aggregate Revenue Requirement for FY 2015-16

4.16.1 The Aggregate Revenue Requirement for FY 2015-16 as approved by the Hon'ble Commission in the Review of ARR for FY 2015-16 was Rs. 1,187.10 Crs. The calculation for Aggregate Revenue Requirement on the basis of actuals (provisional) for FY 2015-16 is shown below:

Table 4-21: Calculation of ARR for FY 2015-16

Rs. Crs

S. No.	Particulars	Claimed in APR	Approved by Commission	Actuals
1	Cost of power purchase	1037.92	1029.33	967.60
2	Employee Costs	80.32	78.22	78.21
3	Administration and General Expenses	11.50	5.68	26.21
4	R&M expenses	15.12	18.35	9.62
5	Depreciation	27.80	26.89	27.91
6	Interest & Finance Charges	24.12	21.31	22.18
7	Interest on Working Capital	-	-	-
89	Interest on Security Deposit	2.50	2.50	2.88
10	Return on NFA/ Equity	9.47	8.65	9.47
11	**Total Revenue Requirement**	**1208.75**	**1190.93**	**1144.07**
12	Less: Non- Tariff Income	3.83	3.83	6.49
13	**Net Aggregate Revenue Requirement**	**1204.92**	**1187.10**	**1137.58**

4.16.2 The Petitioner hereby requests the Commission to approve the ARR of Rs. 1,137.58 Crs for FY 2015-16 as submitted above.

4.17 Revenue Gap for FY 2015-16

4.17.1 The Revenue Gap approved by the Hon'ble Commission for FY 2015-16 was Rs. 22.98 Crs.

4.17.2 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of provisional true up of FY 2015-16 is shown in the table below:

Table 4-22: Revenue Gap for FY 2015-16

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Aggregate Revenue Requirement	1187.10	1137.58
2	Revenue from Sale of Power (Excluding Surcharge)	1164.12	1101.82
3	Revenue Gap/ (Surplus)	22.98	35.77

4.17.3 The above gap is calculated without considering the 2.64% surcharge amount levied to consumers in FY 2015-16 as directed in the Tariff Order for FY 2015-16. PED submits that the 2.64% surcharge collected has been adjusted against the Regulatory Assets as per the previous Tariff Order and the treatment of the same is explained in the subsequent chapters related to calculation of total revenue gap. However, Hon'ble Commission is requested to approve the revenue gap for FY 2015-16 as shown in the table above.

4.17.4 The petitioner submits that the Hon'ble Commission had decided to allow carrying cost on past gaps subject to submission of audited accounts till FY 2015-16 in its Order dated 24th May, 2016. The relevant excerpts from the Tariff Order are reproduced below for reference.

> *"The Commission, notes that the carrying cost as applicable upto FY 2015-16, would be assessed once all audited accounts for the pending years (upto FY 2015-16) are submitted before the Commission."*

4.17.5 The petitioner submits that as it is seeking True-up of FY 2015-16 based on submission of audited accounts (will be submitted during technical validation), the carrying cost on the past gaps for respective years as applicable to PED be allowed to the petitioner.

CHAPTER 5. ANNUAL PERFORMANCE REVIEW FOR FY 2016-17

5.1 Background to FY 2016-17 Petition

5.1.1 PED had filed a petition for review of FY 2015-16 and ARR for MYT period FY 2016-17 to FY 2018-19, before the Hon'ble Commission on 04th January 2016. The Hon'ble Commission based on the Business Plan Order dated 04th December, 2015 and after undertaking a thorough analysis had issued the MYT Order for Control Period FY 2016-17 to FY 2018-19 determining tariff for FY 2016-17 along with the Annual Review for FY 2015-16 and True-up for FY 2013-14 on 24th May 2016.

5.1.2 This chapter summarizes each of the components of ARR for the first year of the Control Period FY 2016-17 and requests the Hon'ble Commission to review the performance for FY 2016-17. The Annual Performance Review for FY 2016-17 is based on actual data/ information for first 6 months (First Half – H1) and as per the performance of PED and estimation/ projections for remaining 6 months (Second Half – H2), wherever applicable. The projections for the second 6 months are arrived at based on the performance over the first half data/ information.

5.2 Approved ARR for FY 2016-17

5.2.1 The summary of the charges for FY 2016-17 as claimed by the petitioner in the MYT petition and as approved by the Hon'ble Commission in the MYT Order is tabulated below:

Table 5-1: Approved ARR of FY 2016-17

Rs. Crs.

S. No.	Particulars	Claimed by Petitioner	Approved by Commission
1	Cost of power purchase including RPO	1124.57	1121.79
2	Employee Cost	75.12	75.13
3	Administration and General Expenses	5.11	5.11
4	R&M Expenses	20.06	19.41
5	Depreciation	32.24	31.25
6	Interest and Finace Charges	28.80	25.63
7	Interest on Working Capital +Interest on CSD	15.02	13.70
8	Return on NFA / Equity	18.26	17.01
9	**Total Revenue Requirement**	**1319.18**	**1309.03**
10	Less: Non- Tariff Income	2.80	2.80
11	**Net Aggregate Revenue Requirement**	**1316.38**	**1306.23**
12	Revenue from Existing Tariff	1294.76	1295.08
13	**Revenue Gap**	21.62	11.15

5.3 Number of Consumers

5.3.1 The Hon'ble Commission had approved 4.57 Lakh consumers in its Tariff Order dated 24th May, 2016 for FY 2016-17. Based on the number of consumers added during the first half of FY 2016-17, PED submits the revised estimates for FY 2016-17 as 4.68

Lakh consumers. A comparison of the revised estimates with earlier approved numbers is shown below:

Table 5-2: Details of Number of Consumers for FY 2016-17

S. No.	Particulars	Approved	Revised estimates
1	Domestic	307421	315896
2	OHOB	35539	35539
3	Commercial	49754	53256
4	Agriculture	6836	6871
5	Public Lighting	50824	50221
6	LT Industrial & Water Tanks	6683	6594
7	**Total LT**	**457057**	**468377**
8	HT 1 Industrial & Commercial	443	446
9	HT 2 Government & Water Tank	56	54
10	HT 3 EHT	7	7
11	**Total HT**	**506**	**507**
12	**Total LT and HT**	**457563**	**468884**

5.3.2 It is requested to the Hon'ble Commission to consider the revised number of consumers as submitted in the above table for FY 2016-17.

5.4 Energy Sales

5.4.1 PED had projected sales of 2,861.90 MUs for FY 2016-17 in the last submission against which the Hon'ble Commission had approved sales of 2797.08 MUs in previous Tariff order. The revised category wise sales based on H1 FY2016-17 are shown in the table below.

Table 5-3: Sales for FY2016-17

MUs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates	
				H1 FY 2016-17	FY 2016-17
1	Domestic	722.8	819.46	379.20	758.39
2	OHOB	13.8	10.38	5.00	10.00
3	Commercial	221.7	207.32	102.23	204.45
4	Agriculture	57	57	28.50	57.00
5	Public Lighting	29.8	28.17	12.00	24.00
6	LT Industrial & Water Tank	238.7	184.77	78.00	156.00
		65.5	39.25	15.00	30.00
7	Temporary Supply - LT&HT			3.00	6.00
8	**Total LT**	**1349.30**	**1346.35**	**622.92**	**1245.84**
9	HT 1 Industrial & Commercial	1065.5	1008.99	483.16	966.31
10	HT 2 Government & Water Tank	58.1	65.33	32.00	64.01
11	HT 3 EHT	389	376.41	145.00	290.01
12	**Total HT**	**1512.60**	**1450.73**	**660.16**	**1320.32**
13	**Total LT and HT**	**2861.90**	**2797.08**	**1283.08**	**2566.17**

5.4.2 PED submits that based on actual H1 sales, the energy sales projected for FY 2016-17 is considered two times considering the average sales growth. It is further submitted that still sales in the industrial sector is not expected to grow as envisaged by the Hon'ble Commission and therefore, the envisaged sales is lower than as approved in the tariff order.

5.4.3 It is requested to Hon'ble Commission to approve the revised sales of 2,566.17 MUs for FY 2016-17.

5.5 Distribution Loss & Energy Requirement

5.5.1 PED is submitting revised estimate of 11.70% as the energy loss for FY 2016-17. The Hon'ble Commission had approved energy loss of 11.50% in Tariff Order for FY 2016-17. The information regarding the loss levels based on H1 and expected loss level for FY 2016-17 is shown in the table below –

Table 5-4: Distribution Loss and Energy Balance for FY 2016-17

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates	
				H1 FY 2016-17	FY 2016-17
A	**ENERGY REQUIREMENT**				
1	Energy Sales within the UT	2797.07	2797.07	1283.08	2566.17
2	Savings under DELP	40.11	40.11	-	-
3	**Total Sales within UT**	2756.96	2756.96	1283.08	2566.17
4	Energy Drawal by TANGEDCo*	-	-	11.32	18.11
5	Sale to Open Access Consumer	-	-	16.11	16.11
6	Distribution Losses (%)	11.50%	11.50%	13.46%	11.70%
7	Energy Required for the Territories	3115.22	3115.22	1514.35	2945.06
8	Add: Sales to Commom Pool Consumers/UI			56.14	56.14
9	**Energy Requirement at periphery**	**3115.22**	**3115.22**	**1570.49**	**3001.20**
B	**ENERGY AVAILABILITY**				
1	Gross Energy Energy Purchase	3260.7	3260.7	1614.85	3127.35
2	External Losses (MU)	145.48	145.48	44.36	126.15
3	**Net Energy Availability**	**3115.22**	**3115.22**	**1570.49**	**3001.20**

**The explanation for the same has been provided in para 5.5.2 below.*

5.5.2 At Puducherry, pockets of Tamilnadu region are being fed by Puducherry 110kV sub-station at 22kV level feeders. These feeders are metered at sub-station end. Normally, Puducherry region draws certain power from TNEB 110kV feeder and TNEB would bill PED after deducting energy consumption by their 22kV feeders. During the year FY 2014-15, due to surplus power available with Puducherry from CGS, PED has not drawn any power from 110kV TNEB feeders. The matter has been taken up with TNEB at Chennai to deduct their 22kV feeder consumption at Puducherry region from the TNEB sale of power at Karaikal region. The above adjustment is yet to be made by TNEB. As the power is being injected into the PED grid and drawn from the sub-station located within Puducherry region, T&D loss are applicable on the power drawn by TNEB feeders.

5.5.3 PED submits that it has been achieving significant reduction in distribution losses and is having one of the lower T&D losses in India. These efforts shall be continued and will be enhanced. However, the loss reduction is a slow process and as the loss levels come down further reduction in loss becomes difficult. Since PED has already achieved a distribution loss of <12%, loss reduction trajectory cannot be considered at the same rate considered previously.

5.5.4 PED submits the revised estimates of power purchase as against the 3260.7 MUs approved by the Hon'ble Commission. PED hereby submits that the H2 power purchase is projected on the principles of MOD and accordingly the energy balance has been revised.

5.5.5 PED submits that in comparison with the approved figures, actual T&D losses are marginally higher and therefore request the Hon'ble Commission to approve the Distribution Loss of 11.70% for FY 2016-17.

5.6 Power Purchase Quantum & Cost for FY 2016-17

5.6.1 Cost of Power Purchase for H1 FY 2016-17

5.6.1.1 PED meets its total energy requirement from its allocation from the Central Generating Stations (CGS) and state utilities like TANGEDCO, KSEB and PPCL. PPCL is a generating company within the UT of Puducherry catering to Karaikal region of PED. KSEB supplies for Mahe region under the UT of Puducherry. PED also had an additional allocation of power from Kudunkulam Nuclear Power Plant, NLC Tamilnadu Power Limited (NTPL) and Vallur Thermal Power Project to meet the demand of the Union Territory. NTPL started supplying power to PED from June 2015 onwards after achieving CoD (commercial operation declaration) on 18/06/2015 for Unit-I and 29/08/2015 for Unit-II.

5.6.1.2 The table below shows the summary of Power Purchase from various sources along with their costs for the 1st half of FY 2016-17 including transmission charges, UI charges and purchase from traders.

Table 5-5: Power Purchase Quantum & Cost for H1-FY 2016-17

S. No.	Particulars	H1 FY 2016-17 (Actuals)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	612.72	167.28	2.73
2	NLC	365.68	137.13	3.75
3	NPCIL	256.02	90.98	3.55
4	KSEB	23.66	13.59	5.75
5	TANGEDCO	97.51	33.84	3.47
6	PPCL	114.81	40.05	3.49
7	Vallur	64.40	24.74	3.84
8	NTPL	65.70	26.48	4.03
9	Over drawal	14.36	0.26	
10	Transmission Charges		29.68	
11	Rebate		(9.86)	
12	RPO Compliance Cost		0.00	
13	**Total**	**1614.85**	**554.16**	**3.43**

5.7 Cost of Power Purchase for FY 2016-17

5.7.1 **Power Purchase quantum for FY 2016-17 (H1 + H2):** For the year FY 2016-17, PED has projected the power purchase by considering the actual power purchase for the 1st half of the year FY 2016-17 (i.e. Apr '16 – Sep '16) and considering power purchase under the principle of MOD for second half H2 FY 2016-17. The key assumptions for power purchase costs are as under:

a. **MOD for H2 FY 2016-17:** The power purchase for second half has been considered under the principle of MOD. The must run stations has been identified as all the NPCIL plants, KSEB, TNEB and PPCL. The remaining amount of power is envisaged to be purchased from the remaining available sources. The Power purchase under MOD has been arrived at as follows:

b. The fixed charges for all the generating stations have been taken same as incurred in FY 2015-16.

c. The variable cost for FY 2016-17 has been computed considering actual average variable cost of each source for first six months period of April-September 2016.

d. The other costs which includes ED, Cess, Incentive, MOPA etc and supplementary charges are considered on actual basis paid in first six months period of April – September 2016 and has not been assumed for H2 at present and may be considered at the time of true-up.

e. The power purchase cost for power over-drawl from grid is considered on actual basis paid in first six months period of April - September 2016 only. For H2 FY 2016-17, over-drawl is not assumed under the principle of MOD.

f. PED submits that it is obliged to comply with the Renewable Purchase Obligation of 3.95%. The RPO compliance cost is also included in the power purchase cost which was arrived upon as follows.

Table 5-6: RPO Compliance Cost for FY 2016-17

Year	Sales	Solar Obligation	Non-solar obligation	Solar PO	Non-solar PO	Solar REC Cost	Non-solar REC cost	Total Cost
	(MUs)	%	%	(MUs)	(MUs)	(Rs./REC)	(Rs./REC)	(Rs. Crs.)
FY 2016-17	2566.17	1.15%	2.80%	29.51	71.85	3500	1500	21.11
Obligation to be met by purchase of REC's								
				20.00	66.80	3500	1500	17.02
Total RPO Compliance Cost for FY 2016-17 (Rs. Crs.)								**17.02**

g. As outlined in the above table, the estimated cost towards RPO compliance is Rs. 17.02 Crs which the petitioner will be incurring during the second half FY 2016-17.

h. The Transmission Charges for FY 2016-17 are considered as per POC computation, i.e. Part A - Transmission charge for withdrawal of power and Part B - Transmission charges of generators. However, for H2 calculation, the similar amount as charged in H1 of FY 2016-17 has been considered for calculation of total transmission charges.

5.7.2 Estimated Power Purchase Cost Summary for FY 2016-17 is outlined as below:

Table 5-7: Power Purchase Cost for FY 2016-17

S. No.	Particulars	FY 2016-17 (Revised Estimates)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	1304.71	346.32	2.65
2	NLC	551.57	210.98	3.83
3	NPCIL	396.31	137.52	3.47
4	KSEB	41.49	24.14	5.82
5	TANGEDCO	309.33	107.34	3.47
6	PPCL	233.84	82.09	3.51
7	Vallur	97.63	41.01	4.20
8	NTPL	178.11	50.49	2.83
9	Over drawal	14.36	0.26	
10	Transmission Charges		59.35	
11	Rebate		(19.72)	
12	RPO Compliance Cost		17.02	
13	**Total**	**3127.35**	**1056.81**	**3.38**

5.7.3 The Petitioner hereby requests the Commission to approve the power purchase cost of Rs. 1056.81 Crs (inclusive of rebate) for FY 2016-17 as submitted above.

5.8 Operation & Maintenance Expenses

5.8.1 As per Regulation 21 of JERC MYT Regulations, 2014, the Hon'ble Commission shall stipulate separate trajectory of norms for each component of O&M expenses.

> " 21. Operation & Maintenance Expenses
>
> (a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, R&M expense and A&G expense.
>
> Provided that such norms may be specified for a specific Distribution Licensee or a class of Distribution Licensees.
>
> ….
>
> (c) One-time expenses such as expense due to change in accounting policy, arrears paid due to pay commissions etc., shall be excluded from the norms in the trajectory.
>
> (d) The expenses beyond the control of the Distribution Licensee such as dearness allowance, terminal benefits in Employee cost etc., shall be excluded from the norms in the trajectory.
>
> (e) The One-time expenses and the expenses beyond the control of the Distribution Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check."

5.8.2 Employee Expenses for FY 2016-17:

5.8.2.1 As per Regulation 21.1 of JERC MYT Regulations, 2014 expenses beyond the control of the Distribution Licensee like arrears and impact of pay commission shall be adjusted.

5.8.2.2 The relevant extract of regulations is reproduced below for reference.

> ***"21.1 Employee Cost***
>
> *Employee cost shall be computed as per the approved norm escalated by wholesale price index (WPI), adjusted by provisions for expenses beyond the control of the Distribution Licensee and one time expected expenses, such as recovery/adjustment of terminal benefits,* ***implications of pay commission, arrears*** *and Interim Relief, governed by the following formula:*

*EMPn = (EMP$_b$ * WPI inflation) + Provision*

*Provision: Provision for expenses as necessitated by the licensee due to expansion of the consumer base, **yearly increments of Employees**, and any expected one-time expenses as specified above."*

5.8.2.3 The Central Government has announced the implementation of 7th pay commission report which will have an increased outgo on the employee expense for the petitioner. As the salary and other expenses have to be paid based on the 7th pay commission during the current year and also the arrears for the fourth quarter of FY 2015-16 (implementation from 01st January 2016), the impact of the same has been considered while projecting the revised estimates for the current year.

5.8.2.4 PED has computed the O&M (Employee) expense for FY 2016-17 based on the escalation in proportion to average WPI (last three years) considering base period as the provisional actual expenses for FY 2015-16. The petitioner has also escalated the base projections for FY 2016-17 and one-fourth of FY 2015-16 employee expense by 8% (average impact of 7th pay Commission) considering the impact of 7th Pay Commission.

5.8.2.5 The employee cost capitalized is also taken into consideration after considering the employee cost linked to accounts with capital nature. Accordingly, PED has revised the employee cost for the current year to Rs. 89.20 Crs and requests the Hon'ble Commission to approve the same.

Table 5-8: Employee Expenses for FY 2016-17

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates		
				Inflationary Increase	Impact of 7th pay Commission	Total Revised estimates
	Salaries & Allowances					
1	Salary			92.58	9.22	101.80
2	Wages			0.65	0.06	0.71
3	Stipend			0.47	0.05	0.52
4	Transport Allowance			0.55	0.06	0.61
5	Overtime Allowance			1.79	0.18	1.97
6	**Total**	**75.12**	**75.13**	**96.04**	**9.57**	**105.61**
7	Less: Add/ Deduct Share of Others					1.88
8	**Total**	**75.12**	**75.13**	**96.04**	**9.57**	**103.72**
9	Less: Amount Capitalised					14.52
10	**Net Amount**	**75.12**	**75.13**	**96.04**	**9.57**	**89.20**
11	Add: Prior Period Expenses					
12	**Total Employee Expenses**	**75.12**	**75.13**	**96.04**	**9.57**	**89.20**

5.8.2.6 The head wise actual information for employee expenses has been provided in **Format 16 of Tariff Filing Format.** The Petitioner hereby requests the Commission to approve the revised estimates for employee costs as shown above.

5.8.3 **Repairs & Maintenance Expenses for FY 2016-17:** The revised R&M expense for the current year has been arrived as based on k-factor of 2.68% approved by the Hon'ble Commission in the business plan order dated 04th December 2015 and opening gross fixed assets for the FY 2016-17.

Table 5-9: R&M Expenses for FY 2016-17

Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
R&M Expenses	20.05	19.41	19.01

5.8.3.1 In view of the above, the Hon'ble Commission is requested to kindly allow the above Repair and Maintenance Expenses of Rs. 19.01 Crs for FY 2016-17.

5.8.4 Administration & General expenses for FY 2016-17:

5.8.4.1 As per Regulation 21.3 of JERC MYT Regulations, 2014 there is provision for expected expenses and one-time expenses.

> ***"21.3 Administrative and General Expenses***
>
> *A&G expenses shall be computed as per the norm escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:*
>
> $A\&G_n = (A\&G_b * WPI\ inflation) + Provision$
>
> *where:*
>
> *A&Gn: A&G expense for the year n* $A\&G_b$*:*
>
> *A&G expense as per the norm*
>
> *WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years*
>
> ***Provision:*** *Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission. "*

5.8.4.2 The Hon'ble Commission has also taken note of the increase in expenses from FY 2014-15 onwards and has agreed to consider the same after prudence check.

> *"7.10 The Commission reiterates that as per the Regulations, provisions for one-time expenses are there and the same shall be allowed on 'as and when basis' after due prudence check by the Commission."*

5.8.4.3 The administrative expense mainly comprise of rents, professional charges, office expenses, etc against which the expenses incurred by PED has been considered to arrive at the revised estimates for FY 2016-17 based on inflationary expense of 1.83% (average of last three years) on FY 2015-16 figures.

5.8.4.4 There is a major increase in the Professional charges and Office expenses due to payment of license fees and appointment of consultants to assist in regulatory affairs, preparing final accounts and asset registers and for internal audit from FY 2014-15 onwards.

5.8.4.5 The increase in A&G expenses is also due to increase in incentive to Rs. 22.82 Crs estimated to be paid to consumers based incentives paid during first half of the current year. The increase in incentives paid to the HT and EHT consumers is due to increase in incentive by the Hon'ble Commission from 0.50% to 1% on demand and energy charges from FY 2015-16 onwards.

5.8.4.6 An amount of Rs. 4.79 Crores has been incurred by PED towards payment of EESL charges related to DELP scheme approved by the Commission.

5.8.4.7 The A&G expenses incurred over last three years have been tabulated below.

Table 5-10: A&G Expenses for last three years - FY 2013-14 to FY 2015-16

Rs. Crs.

S.No.	Particulars	FY 2013-14	FY 2014-15	FY 2015-16
1	Normal A&G Expenses	6.08	6.40	5.82
2	Incentive to Consumers	1.17	4.54	15.68
3	EESL Charges		3.65	4.71
4	**Total A&G Expenses**	**7.25**	**14.59**	**26.21**

5.8.4.8 As can be seen from the above table the EESL payout has started from FY 2014-15 onwards for the next five years and there is also increase in incentives paid in FY 2015-16 due to increase in incentive to be paid from 0.50% to 1% of demand and energy charges.

5.8.4.9 Based on the above explanation, the Petitioner submits the revised estimate of Rs. 33.54 Crs as A&G Expense for FY 2016-17 and requests Hon'ble Commission to approve the same.

Table 5-11: A&G Expenses for FY 2016-17

S.No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Normal A&G Expenses	5.11	5.11	5.93
2	Incentive to Consumers			22.82
3	EESL Charges			4.79
4	**Total A&G Expenses**	**5.11**	**5.11**	**33.54**

5.8.5 **O&M Expenses Summary FY 2016-17:** Based on the foregoing paragraphs, the revised O&M expenses for the year FY 2016-17 vis-a-vis the approved level by the Hon'ble Commission is shown in the table below:

Table 5-12: O&M Expenses for FY 2016-17

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Total Employee Expenses	75.12	75.13	96.04
2	Total R&M Expenses	20.05	19.41	19.01
3	Total A&G Expenses	5.11	5.11	33.54
4	**Total O&M Expenses**	**100.28**	**99.65**	**148.59**

5.8.6 The Hon'ble Commission is requested to approve the O&M Expenses of Rs. 141.76 Crs as shown in the table above. The details of O&M expense for FY 2016-17 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

5.9 Capital Work in Progress, GFA and Depreciation

5.9.1 **GFA**: The Opening Balance of GFA for FY 2016-17 comes to around Rs**.** 660.92 Crs. The additions to GFA are estimated to be around Rs. 63.40 Crs; the details of which are provided in the table below:

Table 5-13: GFA Revised Estimates

Rs. Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Opening value of the assets at the beginning of the year	697.28	674.88	660.92
2	Additions during the year	90.53	90.53	63.40
3	Value of assets sold/disposed off			-
4	**Gross Fixed Assets at the end of the year**	**787.81**	**765.41**	**724.32**

5.9.2 PED hereby requests the Hon'ble Commission to approve the revised estimates for Gross Fixed Assets as submitted above.

5.9.3 **Depreciation:** "As per Regulation 23 of JERC MYT Regulations 2014, depreciation shall be calculated for each year of the Control Period on the original cost of the fixed assets of the corresponding year. Accordingly, the depreciation rates as specified by CERC have been adopted for calculation of depreciation on different asset categories.

5.9.4 As per the GFA and the applicable depreciation rates, PED has calculated the depreciation for the year FY 2016-17 as Rs. 29.95 Crs. The table shows the working of depreciation.

Table 5-14: Depreciation for FY 2016-17

Rs. Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Opening value of the assets at the beginning of the year	697.28	674.88	660.92
2	Additions during the year	90.53	90.53	63.40
3	Value of assets sold /disposed off			-
4	**Gross Fixed Assets at the end of the year**	**787.81**	**765.41**	**724.32**
5	**Net Depreciation for the year**	**32.24**	**31.25**	**29.95**
6	**Average Depreciation Rate**	**4.34%**	**4.34%**	**4.32%**

5.9.5 PED hereby requests the Commission to approve the revised estimates of depreciation as submitted above.

5.10 Interest & Finance Charge

5.10.1 As per regulation 24 (b) of MYT Regulations, 2014,

> *"(b) If the equity deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan.*
>
> *Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loans.*
>
> *…*
>
> *(e) The repayment for the control period shall be deemed to be equal to the depreciation allowed for the year."*

5.10.2 The Regulation 24(b) provides for Interest and Finance Charges on Loan. PED has submitted that the majority of capital assets are created out of the equity contribution from Government of Puducherry and the actual borrowing of loan is only to the extent of the R-APDRP schemes. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission. The Interest and Finance Charges as per the revised estimates for FY 2016-17 is Rs. 23.06 Crs. The summary of Interest and Finance Charges as claimed by the petitioner and as approved by the Commission for FY 2016-17 along with revised estimates is tabulated below:

Table 5-15: Interest & Finance Charges for FY 2016-17

Rs. Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Opening Normative Loan	165.01	150.91	139.56
2	Add: Normative Loan during the Year	63.37	63.37	44.38
3	Less: Normative Repayment	32.24	31.25	29.95
4	Closing Normative Loan	196.14	183.03	153.99
5	**Average Normative Loan**	**180.58**	**166.97**	**146.78**
6	Rate of Interest(@SBAR)	14.75%	14.05%	14.05%
7	**Interest on Normative Loan**	**26.63**	**23.46**	**20.62**
7	Other Finance Charges	2.17	2.17	2.43
9	**Total Interest and Finance Charges**	**28.80**	**25.63**	**23.06**

5.10.3 It is submitted that it has considered an addition of Rs. 63.40 Crs in the Gross Fixed Assets for FY 2016-17, which are considered to be funded through normative debt to the tune of 70%. The rate of interest considered is prevailing Prime Lending Rate of the State Bank of India as on 1st April of that relevant year.

5.10.4 Along with the normative interest calculated and claimed in the table highlighted above, it is submitted that certain financial charges are also incurred by the department which are related to charges claimed by the bank charges, finance charges, etc. which are claimed along with the interest in Table 5-15 of the Petition

5.10.5 The Hon'ble Commission is requested to approve the Interest & Finance Charges at Rs. 23.06 Crs as shown in the table for FY 2016-17. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

5.11 Interest on Working Capital

5.11.1 As per Regulation 25 of JERC MYT Regulations, 2014, interest on Working Capital for retail supply activity of the licensee shall consist of:

- Receivables for two months of billing
- Less power purchase cost of one month
- Less consumer security deposit but excluding bank guarantee/ fixed deposit receipt
- Inventory for two months based on annual requirement for previous year.

5.11.2 The petitioner has considered the SBI base rate of 9.30% as prevailing as on 1st April 2016 and accordingly has computed the interest on working capital.

Table 5-16: Interest on Working Capital FY 2016-17

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Two months receivable	219.40	217.71	209.63
2	Power purchase cost for one month	93.71	93.48	88.07
3	Total Consumer security deposit	187.41	187.41	178.36
4	Consumer Security Deposit excluding Bank Guarantee/ Fixed Deposit Receipts	187.41	187.41	178.36
5	Inventory for two months based on Aggregate Revenue Requirement of previous year	8.92	4.65	8.92
6	total (1-2-4+5)	(52.80)	(58.53)	(47.88)
7	Interest Rate	9.30%	9.30%	9.30%
8	**Interest on Working Capital**	**0.00**	**0.00**	**0.00**

5.11.3 The Interest on Working Capital approved by the Hon'ble Commission for the FY 2016-17 was Nil. On the basis of the revised estimates for FY 2016-17, the interest on working capital comes to Nil.

5.12 Security Deposits

5.12.1 As per the Regulation 6.10 (8) of Electricity Supply Code Regulations, 2010:

''The distribution licensee shall pay interest, at the bank rate notified by the Reserve Bank of India from time to time on such security deposits taken from the consumer. In this regard it shall be the responsibility of the licensee to keep a watch on the bank rate from time to time.

The interest amount of previous financial year shall be adjusted in the energy bill issued in May/ June of each financial year depending on billing cycle.''

5.12.2 The prevailing Bank rate is considered at 7.75% as notified by Reserve Bank of India with effect from 06th March 2016.

Table 5-17: Interest on Security Deposit for FY 2016-17

Rs.Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Opening Security Deposit	166.1	166.1	161.58
2	Add: Deposits during the year	21.31	21.31	16.79
3	Less: Deposits refunded			
4	Less: Deposits n the form of BG/FDR			
5	Closing Security Deposit	187.41	187.41	178.36
6	Bank Rate	8.50%	7.75%	7.75%
7	**Interest on Security Deposit**	**15.02**	**13.70**	**13.17**
8	Interest on security deposit paid			4.00
9	Interest on security deposit provisioned		13.70	9.17

5.12.3 PED submits that even though the total Interest on security deposit is Rs. 13.70 Crs, it is expected that the Petitioner would be able to pay Rs. 4 Crs to the consumers and the balance is proposed to be paid during subsequent years. The detailed provision of interest on security deposit to be made in MYT Control period is highlighted separately in subsequent chapter of this Petition. The Hon'ble Commission is requested to approve the Interest on Security Deposit of Rs. 4 Crs to be actually estimated to be paid as shown in the table above.

5.13 Provision for bad debts

5.13.1 PED is not claiming any provision for bad & doubtful debts in the ARR of FY 2016-17, for pass through in tariff to consumers and may consider during true-up of the FY 2016-17 as per audited financial statements.

Table 5-18: Bad and doubtful debts for FY 2016-17

Particulars	Approved by Commission	Revised estimate
Bad and Doubtful Debts	NIL	NIL

5.13.2 The Hon'ble Commission is requested to kindly approve the same.

5.14 Return on Capital Base/ Net Fixed Assets

5.14.1 The proviso of Regulation 27 of MYT Regulations 2014 provides for entitlement for Return on Equity. As per the regulations, RoE is allowed @16% on 30% of the capital base or actual equity, whichever is lower. However, assets funded by consumer contribution, capital subsidies/grants and corresponding depreciation shall not form part of the capital base.

5.14.2 The petitioner has considered 30% of the approved average capital base as the average equity amount for FY 2016-17 and has considered addition to equity at 30% of the capitalization. Post-tax return on equity of 16% has been considered on the average equity base of the year to arrive at the return on equity for FY 2016-17.

5.14.3 In line with the regulation and the methodology proposed in the MYT Regulations, 2014, PED has calculated the Return on Equity as outlined in the following table for FY 2016-17.

Table 5-19: Return on NFA for FY 2016-17

Rs. Cr.

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Gross Block at the end of the year	787.81	765.41	724.32
2	Less: Accumulated depreciation	360.59	363.63	358.41
3	Less: Accumulated consumer contribution	17.71	17.71	22.49
4	Net Capital Base of the year	409.51	384.07	17.71
5	Average Capital Base of the Year	380.36	354.43	326.68
6	Equity - 30% of net capital base	114.11	106.33	98.00
7	**Return on Equity - 16%**	**18.26**	**17.01**	**15.68**

5.14.4 In view of above, the Hon'ble Commission is requested to kindly allow the above Return on equity of Rs. 15.68 Crs.

5.15 Non-Tariff Income

5.15.1 The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, income from trading, reconnection fee, UI sales/ Sales to Exchanges and miscellaneous income among others. The Non-Tariff Income approved by the Hon'ble Commission in the ARR for FY 2016-17 was Rs. 2.80 Crs.

5.15.2 The details of Non-Tariff Income for FY 2016-17 are provided in Format 20 of the Tariff Fling Formats.

5.15.3 The Non-Tariff Income under this head is clubbed with Revenue from Outside Sales / UI Sales under the broad head of Non-Tariff Income. PED hereby submits that UI Sales was done to the extent of 56.14 MUs that fetched an income of Rs. 5.39 Crs. The UI sales in the second half is considered to be Nil as the projections are made on MOD principle that insists no surplus and no deficit of power.

5.15.4 The petitioner has also received an amount of Rs. 5.30 Crs as open access charges for wheeling of power through the PED grid. The summary of total Non-Tariff Income is tabulated below:

Table 5-20: Non-Tariff Income for FY 2016-17

Rs. Cr.

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	UI Sales/ sales to exchange			5.39
2	Income from trading			0.07
3	Misc. receipts/ income			2.73
4	Wheeling Charges under Open Access			5.30
5	**Total income**	**2.80**	**2.80**	**13.49**
6	Add: Prior period income			
7	**Total Non-Tariff Income**	**2.80**	**2.80**	**13.49**

5.15.5 In view of above, the Hon'ble Commission is requested to kindly allow Non-Tariff Income of Rs. 13.49 Crs.

5.16 Revenue from Sale of Power at Existing Tariff

5.16.1 The Revenue from Tariff for FY 2016-17 approved by the Hon'ble Commission was Rs. 1,418.68 Crs. The Revenue from Tariff for FY 2016-17 as per revised estimates comes to Rs. 1,258.05 Crs. The summary of Revenue from Tariff as approved by the Commission and as per revised estimates for FY 2016-17, is tabulated below:

Table 5-21: Revenue from Tariff for 2016-17

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	758.39	195.28
2	OHOB	10.00	1.15
3	Commercial	204.45	127.56
4	Agriculture	57.00	1.49
5	Public Lighting	24.00	20.72
6	LT Industrial	156.00	80.23
7	Water Tank	30.00	17.71
8	Temporary Supply-LT&HT	6.00	5.85
9	**Total LT**	**1245.84**	**450.00**
	HT Category		
10	HT 1 Industrial / Commercial	885.99	588.81
11	HT 2 - Government & Water Tank	144.33	49.27
12	HT 3 - EHT	290.01	169.97
13	**Total HT**	**1320.32**	**808.05**
14	**Total LT and HT**	**2566.17**	**1258.05**
15	**Total**	**2566.17**	**1258.05**
	As approved in Tariff order dated 24th May, 2016	2797.07	1418.68

5.16.2 In view of above, the Hon'ble Commission is requested to kindly allow Revenue of Rs. 1,258.05 Crs.

5.17 Aggregate Revenue Requirement for FY 2016-17

5.17.1 The Aggregate Revenue Requirement for FY 2016-17 approved by the Hon'ble Commission in the Tariff order for FY 2016-17 was Rs. 1306.23 Crs. The calculation for Aggregate Revenue Requirement on the basis of revised estimates for FY 2016-17 is shown below:

Table 5-22: Calculation of ARR for FY 2016-17

Rs. Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Cost of power purchase	1124.57	1121.79	1056.81
2	Employee Costs	75.12	75.13	89.20
3	Administration and General Expenses	5.11	5.11	33.54
4	R&M expenses	20.06	19.41	19.01
5	Depreciation	32.24	31.25	29.95
6	Interest & Finance Charges	28.80	25.63	23.06
7	Interest on Working Capital	-	-	-
8	Interest on Security Deposit Paid	15.02	13.70	4.00
9	Return on NFA/ Equity	18.26	17.01	15.68
10	**Total Revenue Requirement**	**1319.18**	**1309.03**	**1271.26**
11	Less: Non- Tariff Income	2.80	2.80	13.49
12	**Net Aggregate Revenue Requirement**	**1316.38**	**1306.23**	**1257.77**

5.17.2 PED hereby requests the Hon'ble Commission to approve the revised ARR of Rs. 1257.77 Crs for FY 2016-17 as submitted above.

5.18 Revenue Gap for FY 2016-17

5.18.1 The Revenue Gap as claimed by PED, approved by the Hon'ble Commission for FY 2016-17 and as calculated on the basis of revised estimates is shown in the table below:

Table 5-23: Revenue Gap for FY 2016-17

Rs. Crs

S. No.	Particulars	Claimed by Petitioner	Approved by Commission	Revised Estimates
1	Aggregate Revenue Requirement	1316.38	1306.23	1257.77
2	Revenue from Sale of Power (Excluding Surcharge)	1294.76	1295.08	1258.05
3	Revenue Gap/ (Surplus)	21.62	11.15	-0.28

5.18.2 In view of above, the Hon'ble Commission is requested to kindly allow adjusting the revenue gap of FY 2016-17 with the cumulative gap.

5.18.3 The petitioner submits to the Hon'ble Commission that while determining the cummulative gap for FY 2016-17 had considered past gaps amounting to Rs. 53.05 Crs (Rs 64.20 Crs – Rs. 11.15 Crs). Since the gap is recovered as revenue in FY 2016-17 the adjustment of the same will be claimed at the time of filing of true-up for FY 2016-17.

CHAPTER 6. ANNUAL REVENUE REQUIREMENT FOR FY 2017-18

6.1 Preamble

6.1.1 The Joint Electricity Regulatory Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Distribution Tariff) Regulations, 2014. As per the same, the Hon'ble Commission shall determine the tariff for the distribution business of electricity under a Multi-Year Tariff framework with effect from April, 2015. However, the Hon'ble Commission decided to postpone the implementation of the MYT Control period by a year to FY 2016-17 in the Tariff order dated 10th April, 2015. The Commission also notified the first amendment to JERC MYT Regulations dated 10th August, 2015. Earlier the Joint Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 were applicable for determination of tariff.

6.1.2 The said MYT Regulations and the Tariff Order dated 10th April, 2015 directs the Distribution license to submit their Multi-Year Business Plan for the Control Period FY 2016-17 to FY 2018-19, which Electricity Department, Puducherry had submitted on August, 2015 which was in line with the MYT Regulations.

6.1.3 Based on the MYT regulations and its amendment and the Business Plan Order dated 04th December, 2015, the petitioner filed the MYT petition for the Control Period i.e. FY 2016-17 to FY 2018-19. After thorough analysis and scrutiny the Hon'ble Commission vide Tariff Order dated 24th May, 2016 approved the ARR for all three years of the Control Period and determined tariff for FY 2016-17.

6.1.4 This chapter provides the details of the expenditure approved by the Hon'ble Commission for the FY 2017-18 vide Tariff Order dated 24th May, 2016. Accordingly, the revenue from the existing tariff with the Revenue gap / (surplus) is determined so as to propose the tariff design / proposal for recovery from the consumers during the FY 2017-18.

6.2 Principles for determination of ARR

6.2.1 The Annual Revenue Requirement for the FY 2017-18 is considered as approved by the Hon'ble Commission in the MYT / Tariff Order dated 24th May, 2016.

6.3 Sales, Connected Load and Number of Consumers for FY 2017-18

6.3.1 The Sales, Connected Load and number of consumers as approved by the Hon'ble Commission in Tariff Order dated 24th May, 2016 is considered for FY 2017-18 and is tabulated below.

Table 6-1: Sales, Connected Load and Number of Consumers for FY 2017-18

S. No.	Particulars	Sales (MUs)		Consumers (No.)		Connected Load (kW)	
		Submitted	Approved	Submitted	Approved	Submitted	Approved
1	Domestic	763.70	891.74	322762	321112	530206	530206
2	OHOB	13.80	10.38	35539	35539	2843	2843
3	Commercial	232.80	217.71	51890	51460	119092	119092
4	Agriculture	57.00	57.00	6836	6836	44654	44654
5	Public Lighting	31.10	29.32	50991	51297	6119	6119
6	LT Industrial	264.90	197.32	6763	6695	125234	125234
7	Water Tanks	67.40	40.43	121	120		
8	HT 1 Industrial & Commercial	1129.50	1069.53	456	457	344093	344093
9	HT 2 Government & Water Tank	61.60	68.18	60	60	30504	30504
10	HT 3 EHT	412.40	398.99	8	8	120912	120912
	Total	**3034.20**	**2980.60**	**475426**	**473584**	**1323657**	**1323657**

6.4 Distribution Loss, Aggregate Technical and Commercial (AT&C) Loss and Savings under DELP Scheme

6.4.1 PED has been achieving a significant reduction in distribution losses, during recent years. These efforts shall be continued and will be enhanced. However, the loss reduction is a slow process and as the loss levels come down further reduction in loss becomes difficult to a large extent. PED has achieved T&D loss of 11.70% and the Hon'ble Commission has approved 11.25% as the T&D loss for FY 2017-18.

6.4.2 The Hon'ble Commission has also approved 40.11 MUs as energy savings annually due to implementation of DELP scheme.

Table 6-2: AT&C Loss, T&D Loss and Energy savings under DELP

Particulars	FY 2017-18	
	Submitted	Approved
T&D Loss	11.25%	11.25%
Collection Efficiency (%)	96%	99%
AT&C Loss (%)	14.80%	12.18%
Energy Savings -DELP (MUs)	40.11	40.11

6.5 Energy Balance

6.5.1 Based on the approved Sales and distribution loss for FY 2017-18, the energy requirement approved by the Commission is shown in the following table:

Table 6-3: Energy Requirement approved for FY 2017-18

S.No.	Particulars	FY 2017-18
A	**ENERGY REQUIREMENT**	
1	Sales within UT (MUs)	2980.60
2	Savings under DELP (MUs)	40.11
3	Total Sales	2940.49
4	Loss(%)	11.25%
5	Loss(MUs)	372.74
6	Sales to common pool consumer/UI	0.00
7	**Energy requiremnt at periphery(MUs)**	**3313.23**
B	**ENERGY AVAILABILITY**	
1	Gross Energy Purchase	3468.78
2	External Loss (MUs)	155.68
3	**Net Energy Availability (MUs)**	**3313.23**

6.6 ARR for FY 2017-18

6.6.1 The annual revenue requirement approved for the FY 2017-18 is tabulated below.

Table 6-4: ARR for the FY 2017-18

Rs. Crs

S. No.	Particulars	Submitted	Approved
1	Cost of power purchase	1185.47	1182.27
2	Employee Costs	81.75	81.74
3	A&G Expenses	5.56	5.56
4	R&M expenses	22.66	22.02
5	Depreciation	38.93	37.96
6	Interest & Finance Charges	36.40	33
7	Interest on Working Capital		
8	Interest on Security Deposit	16.84	15.35
9	Return on NFA/ Equity	22.47	21.27
10	Provision to meet arrears of interest on SD		
11	**Total Revenue Requirement**	**1410.08**	**1399.17**
12	Less: Non- Tariff Income	2.93	2.93
13	**Net Aggregate Revenue Requirement**	**1407.15**	**1396.24**

6.7 Revenue from Sale of Power at Existing Tariff

6.7.1 The Revenue from sale of power at existing tariff for FY 2017-18 is outlined below for assessing the Revenue gap / (surplus) for the ensuing year.

Table 6-5: Revenue from Sale of Power for FY 2017-18

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	891.74	261.36
2	OHOB	10.38	1.15
3	Commercial	217.71	135.20
4	Agriculture	57.00	1.49
5	Public Lighting	29.32	24.41
6	LT Industrial	197.32	101.32
7	Water Tank	40.43	23.87
8	**Total LT**	**1443.90**	**548.80**
	HT Category		
9	HT 1 Industrial / Commercial	1069.53	664.73
10	HT 2 - Government & Water Tank	68.18	55.17
11	HT 3 - EHT	398.99	235.41
12	**Total HT**	**1536.70**	**955.31**
15	**Total**	**2980.60**	**1504.11**

6.7.2 PED hereby submits that the revenue as approved by the Hon'ble Commission does not consist of FPPCA charges. In view of above, the Hon'ble Commission is requested to kindly allow Revenue at existing tariff as proposed for FY 2017-18.

6.8 Revenue Gap for FY 2017-18

6.8.1 The revenue gap as calculated on the basis of the revenue at existing tariff for FY 2017-18 is shown in the table below:

Table 6-6: Revenue Gap for FY 2017-18

Rs. Crs

S. No.	Particulars	Claimed by Petitioner
1	Aggregate Revenue Requirement	1396.24
2	Revenue from Sale of Power (Excluding Surcharge)	1504.11
3	**Revenue Gap/ (Surplus)**	**(107.87)**

6.8.2 In view of above, the Hon'ble Commission is requested to kindly approve the revenue surplus of Rs. 107.87 Crs during FY 2017-18.

6.8.3 PED in the subsequent chapters has proposed the required adjustment in tariff to consider the total gap / Surplus from FY 2014-15 to FY 2017-18 after adjusting the Regulatory Assets with the surcharge collected as directed by the Hon'ble Commission.

CHAPTER 7. ADDITIONAL CLAIMS, REGUALTORY ASSETS AND TOTAL REVENUE GAP

7.1 Preamble

7.1.1 PED in determining the ARR and retail supply tariff for FY 2017-18 has been guided by the provisions of the Electricity Act 2003, National Tariff Policy, MYT Regulations 2014 and any other applicable law, enactments, Orders, etc as amended from time to time.

7.1.2 PED submits that this section covers the additional claims apart from the revenue gap claimed while computing ARR of the respective years, treatment of regulatory assets as approved by the Hon'ble Commission and the total revenue gap to be recovered in FY 2017-18.

7.1.3 This section overall provides a detailed overview of each and every claim considered in calculation of total revenue gap of PED. Also the revenue gap comprises of the Gap / (Surplus) of four years (i.e. From FY 2014-15 to FY 2017-18) whereas the treatment of regulatory assets have been considered for 2 years (i.e. from FY 2014-15 and FY 2015-16) in line with the previous tariff order and the recovery against the regulatory assets.

7.2 Additional Claim

7.2.1 PED submits that in the previous tariff order dated 24th May 2016, apart from the approval of ARR for the Control Period, the Hon'ble Commission has also provisioned for interest on Security deposits to be paid to the consumers. PED has claimed the same in Revenue Gap as a separate component after adjusting the actual cost already claimed in the respective years. The detailed justifications are as outlined below:

7.3 Interest on Security Deposit Provision

7.3.1 PED submits that the interest on security deposit to the consumers were not paid for previous years and accordingly the Hon'ble Commission has not allowed the same during the true-up of FY 2009-10 to FY 2013-14.

7.3.2 PED submits that due to delay in abstraction of security deposit data of old LT consumers, the payment of interest on security deposit to such consumers are delayed.

7.3.3 In the last tariff order dated 24th May 2016, the Hon'ble Commission has given directions to make payment on the interest on security deposit due to the consumers and accordingly the provision of the amount of pending interest on security deposit due to the consumers was allowed in the ARR of FY 2016-17. This provision was allowed considering that this provisioning would enable PED to discharge its obligations and make all pending payments in this regard. Considering the obligations of making payment to the consumers, the Hon'ble Commission allowed interest on security deposit from FY 2009-10 to FY 2015-16. The details of Interest on security deposit allowed by the Hon'ble Commission are highlighted in the table below:

Table 7-1: Interest on Security Deposit allowed by Hon'ble Commission

Financial Year	Interest on Security Deposit (Rs. Crs)	Interest on Security Deposit paid (Rs. Crs)
FY 2009-10	2.99	
FY 2010-11	3.18	
FY 2011-12	4.12	
FY 2012-13	8.02	
FY 2013-14	9.32	
FY 2014-15	12.35	4
FY 2015-16	13.21	2.5
Total	**53.19**	**6.5**
Balance security deposit to be paid in FY 2016-17		**46.69**

7.3.4 As can be outlined from the above table, the total security deposit allowed by the Hon'ble Commission is ~Rs. 46.69 Crs from FY 2009-10 to FY 2015-16. In tariff order dated 24th May 2016, in the interest of the stakeholders, the Hon'ble Commission has allowed the provisions of the pending amount to be paid as interest on security deposit for the FY 2009-10 to FY 2015-16 in the ARR of FY 2016-17.

7.3.5 PED submits that since the interest on security deposit were not paid in past years i.e. from FY 2009-10 to FY 2015-16, the same has not been included in the computation of ARR. Also, of the total liability of interest on security deposit to be payable to consumers, Rs. 1.97 Crs was paid in FY 2014-15, Rs. 2.88 Crs in FY 2015-16 and Rs. 4.00 Crs is estimated to be paid to the consumers in FY 2016-17. The security deposit paid by individual consumers is partially captured in the computer data. For rest of the cases, the amount paid by consumers are being verified where policy files are missing/ not traceable. However, interest on security deposits are being paid periodically to consumers (LT & HT) for whom the data has already been captured in the computer system. PED request the Hon'ble Commission to allow the provisions of actual security deposit from FY 2009-10 to FY 2016-17 (after excluding amount paid in FY 2014-15, FY 2015-16 and estimated to be paid in FY 2016-17), to be included in the Revenue Gap to be recovered in the FY 2017-18.

7.3.6 PED hereby submits the detailed calculation of provisions of interest on security deposit estimated to be paid to the consumers in FY 2017-18 as outlined in the following table:

Table 7-2: Cumulative Interest on Security Deposit

(Rs. Crs)

S. No.	Particulars	Previous Year (Audit)						Previous Year (Provisional)	Current Year (Est.)
		FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
1	Opening Security Deposit			64.25	73.03	95.90	123.48	144.79	161.58
2	Add: Deposits during the Year			8.78	22.87	27.58	21.31	16.79	16.79
3	Less: Deposits refunded			0.00	0.00	0.00	0.00	0.00	0.00
4	Closing Security Deposit			73.03	95.90	123.48	144.79	161.58	178.36
5	Bank Rate			6.00%	9.50%	8.50%	8.50%	8.50%	7.75%
6	Interest on Security Deposit *	**2.99**	**3.18**	**4.12**	**8.02**	**9.32**	**11.40**	**13.02**	**13.17**
7	Cumulative Security Depsit of Past Years	**65.23**							
8	Security Deposit Paid			-	-	-	1.97	2.88	4.00
9	Balance Security Deposit to be Paid during FY 2017-18	**56.39**							

7.3.7 In line with the above submission, PED requests the Hon'ble Commission to allow the provision of unpaid security deposit of Rs. 56.39 Crs to be included in the total revenue gap to be recovered in FY 2017-18.

7.4 Treatment of Regulatory Assets and Net Gap:

7.4.1 Regulatory Asset

7.4.1.1 In a general term, Regulatory assets include previously-incurred losses that are in the nature of deferred expenditure and that can be recovered from consumers in future if allowed by regulatory authorities.

7.4.1.2 As per the Guidance Note on Accounting for Rate Regulated Activities, issued by ICAI, a Regulatory Asset is defined as follows:

"A regulatory asset is an entity's right to recover fixed or determinable amounts of money towards incurred costs as a result of the actual or expected actions of its regulator under the applicable regulatory framework"

7.4.1.3 The National Tariff Policy has also prescribed guidelines for allowing the facility of regulatory assets to be recovered with carrying cost. In cases where regulatory asset is proposed to be adopted, it should be ensured that the return on equity should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected.

7.4.1.4 It is submitted that a distribution business is a regulated business whereby the business activities creates a gap between operational and accounting situations that would not have arisen in the absence of such regulation. With cost-of-service regulation, there is a direct link between the costs that an entity is expected to incur and its expected revenue as the rates is set to allow the entity to recover its expected costs. However, there could be a significant time lag between incurrence of costs by the entity and their recovery through tariffs. Recovery of certain costs may be provided for by regulation either before or after the costs are incurred. Also, the need for creation of regulatory assets can be due to any or all of the following reasons:

- such as infrequent revision of tariffs,
- variation in the actual and estimated values of major expenditure along with their reasons and treatment;
- gap between the total validated expenditure and total estimated revenue;
- difference between the cost estimated and approved by the appropriate authority;
- effect of prescribed and achieved milestones for loss reduction and sharing of efficiencies and losses;

7.4.2 **Creation of Regulatory Assets**

7.4.2.1 As specified under Tariff Order dated 12th June 2012, the Hon'ble Commission was of the opinion that creation of regulatory asset is unavoidable in view of the accumulation of revenue gap from the period FY 2009-10 to FY 2012-13 due to load growth, increase in power purchase costs, and increase in other costs and no tariff revision since FY 2009-10. In the said tariff order, the issue of the regulatory assets was dealt in line which is stated as below:

"The gap for FY 2012-13 along with the approved revenue gap of the previous years from FY 2009-10 to FY 2011-12 of Rs. 320.56 Cr is considered as Regulatory Asset to be amortized in the subsequent years. The option to liquidate the whole revenue gap would result in huge tariff increases for each of the consumer categories, which may not be in the best interest of the consumers and the licensee.

……………………

In line with the JERC Tariff Regulations, the proposed regulatory asset would be amortised over a period of three years starting from FY 2013-14. "

7.4.2.2 Considering the above order, the Hon'ble Commission has allowed to amortise the regulatory assets as approved over a period of three years starting from FY 2013-14. The Hon'ble Commission increased the tariff for FY 2013-14 and bridged the gap for the year and also approved an additional surcharge of 10% over the revenue from tariff excluding OHOB and Agriculture consumers. The Hon'ble Commission also suggested requesting the government to avail a one-time support of Rs. 360.28 Crs. PED would like to submit that the decision on the same is being considered by the Government of Puducherry.

7.4.3 **Recovery of Regulatory Assets**

7.4.3.1 As specified under Tariff Order dated 12th June 2012, the recovery of the regulatory asset was initiated from FY 2013-14 onwards. PED submits that the calculation of regulatory assets has been revised in Tariff Order dated 24th May 2016 due to the fact that the current Regulatory assets has been worked out based on the actual audited accounts for FY 2011-12 and FY 2013-14.

7.4.3.2 The calculation of the recovery of Regulatory Assets (10% and 2.64% surcharge) is carried out independently and has not been included in the Revenue of the relevant year in which it was collected. Therefore, the gap of FY 2014-15 and FY 2015-16 is calculated purely on the basis of the revenue charged to the consumers excluding the surcharge calculated and the cost incurred in that corresponding year. The 10% surcharge as collected from consumers in FY 2013-14, FY 2014-15 and 2.64% surcharge in FY 2015-16 are adjusted against the regulatory assets which is the cumulative revenue gap from FY 2009-10 to FY 2012-13.

7.4.3.3 The calculation of the regulatory assets and the recovery of the same from the consumers are outlined in the following table:

Table 7-3: Cumulative Gap calculation over the years

Rs. Crs

S.No.	Particulars	Proposed by Licensee	Approved by Commission	Revised by Licensee
1	FY 2009-10	59.54	58.02	58.02
2	FY 2010-11	96.19	93.94	93.94
3	FY 2011-12	352.18	348.96	348.96
4	FY 2012-13	125.57	107.54	107.54
5	Less: Government Support	360.28	360.28	360.28
6	**Regulatory Asset**	**273.20**	**248.18**	**248.18**
7	**Recovery of regulatory assets from conusmers**			
8	FY 2013-14	101.46	101.47	101.46
9	FY 2014-15	103.94	110.50	103.94
11	FY 2015-16	30.11	30.10	28.59
12	**Total regulatory assets recovered at the end of FY 2015-16**	**235.51**	**242.07**	**233.99**
13	**Balance regulatory asset at the end of FY 2015-16**			**14.19**
14	**Approved recovery in FY 2016-17**		6.11	6.11
15	**Proposed recovery in FY 2017-18**			8.08

7.4.3.4 As can be analysed from the above table, against actual regulatory assets of Rs. 248.18 Crs (based on the audited accounts), the actual recovery during FY 2013-14 to FY 2015-16 is Rs. 233.99 Crs . Therefore at the end of FY 2015-16 Rs. 14.19 Crs is pending recovery based on the surcharge collected. The Hon'ble Commission has allowed recovery of Rs. 6.11 Crs in the ARR for FY 2016-17.

7.4.3.5 PED requests the Hon`ble Commission to approve the recovery of unrecovered regulatory asset of Rs. 8.08 Crs during the FY 2017-18.

7.5 Revenue Gap for FY 2017-18

7.5.1 PED submits that the said current petition covers 4 years which includes True-up for FY 2014-15, True-up of FY 2015-16, APR of FY 2016-17 and Tariff determination for FY 2017-18. However, for the gap from FY 2011-12 to FY 2012-13 (including Past Gaps of FY 2009-10 to FY 2010-11) is adjusted against the recovery of the Regulatory assets and therefore the Revenue Gap is calculated along with the additional adjustment from FY 2013-14 to FY 2017-18 which is proposed to be recovered in the FY 2017-18 (i.e. second year of the MYT Control period). PED submits that the increase in tariff shall be proposed considering the cumulative gap over the years. The calculation of revenue gap is shown below:

Table 7-4: Calculation of Revenue Gap for FY 2013-14 to FY 2016-17

Rs. Crs

S.No.	Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Net ARR	1,089.15	1,137.58	1,257.77	1,396.24
2	Revenue at existing tariff excluding surcharge but including FPPCA	1,077.06	1,101.82	1,258.05	1,504.11
3	Revenue gap for the year	12.09	35.77	(0.28)	(107.87)
4	Opening balance of gap		12.09	47.86	112.04
5	**Addition during the year**				
6	Gap during the corresponding year		35.77	(0.28)	(107.87)
7	**Additional past recoveries to be claimed in the MYT Control Period**				
8	**Under-recovered regulatory asset**			8.08	
9	Accumulated interest on security deposit to be paid during the FY 2017-18			56.39	
10	**Total cummulative gap for the years**	**12.09**	**47.86**	**112.04**	**4.18**

7.5.2 PED requests the Hon`ble Commission to approve the cummulative revenue gap of Rs. 4.18 Crs in FY 2017-18.

CHAPTER 8. TARIFF PHILOSOPHY

8.1 Preamble

8.1.1 This section elucidates the proposed revision in the retail tariff and proposed amendments in the retail tariff schedule to be applicable for FY 2017-18. PED prays the Hon'ble Commission to approve the revision of retail tariff for FY 2017-18 as proposed for different categories of consumers, applicable from April 1 '2017.

8.2 Tariff Design Principles

8.2.1 Over the years, Hon'ble Commission has been guided by the Electricity Act, 2003 and the National Tariff Policy while determining retail tariffs across the Union Territory, Puducherry. Hon'ble Commission has always laid emphasis on adoption of factors that encourages economy, efficiency, effective performance and improved conditions of supply. On these lines Hon'ble Commission, in this order too, may apply similar principles keeping in view the ground realities.

8.3 Philosophy of Tariff Design

8.3.1 PED submits that to recover the total proposed cumulative Revenue Gap of Rs. 4.18 Crs till FY 2017-18, a hike of <1% is required in FY 2017-18. Therefore, the petitioner is not proposing any tariff hike in FY 2017-18.

Table 8-1: Hike required for FY 2017-18

S.No.	Particulars	Amount (Rs. Crs.)
1	Gap in FY 2014-15	12.09
2	Gap in FY 2015-16	35.77
3	Gap in FY 2016-17	-0.28
4	Gap in FY 2017-18	-107.87
5	**Total Revenue Gap**	**-60.29**
6	***Past recoveries***	
7	Balance regulatory asset	8.08
8	Accumulated interest on security deposit to be paid during FY 2017-18	56.39
9	**Cummulative revenue gap**	**4.18**
10	Revenue from existing tariff in FY 2017-18	1504.11
11	***Hike required to be levied on the Consumers***	***0.28%***

8.3.2 The existing and proposed tariff for FY 2017-18 is mentioned below.

Table 8-2: Summary of Existing and Proposed Tariff Rates for FY 2017-18

Sr. No.	Category of Consumer	Existing Tariff for FY 2016-17		Proposed Tariff for FY 2017-18	
		Fixed Charge (Rs/kW; Rs/kVA; Rs/HP; Rs/Month/ Connection)	Energy Charges (Rs/kWh)	Fixed Charge (Rs/kW; Rs/kVA; Rs/HP; Rs/Month/ Connection)	Energy Charge (Rs/kWh)
1(a)	Domestic & Cottage				
	0 - 100	40.00	1.10	40.00	1.10
	101 - 200	40.00	1.75	40.00	1.75
	201 - 300	40.00	3.50	40.00	3.50
	>300	40.00	4.60	40.00	4.60
1 (b)	OHOB	27.00		27.00	
2	Commercial				
	0 - 100	100.00	4.70	100.00	4.70
	101 - 250	100.00	5.60	100.00	5.60
	> 250	100.00	6.25	100.00	6.25
3	Agriculture				
	Small farmers	9.00	-	9.00	-
	Other farmers	27.00	-	27.00	-
4	Public lighting	75.00	6.75	75.00	6.75
5	LT Industrial & Water Tanks				
	LT Industrial	86.00	5.10	86.00	5.10
	Water Tanks	100.00	5.90	100.00	5.90
6	Temporary supply				
6 (a)	Light Load		9.75		9.75
6 (b)	Special Illumination		10.00		10.00
6 (c)	Load exceeding 97kW/ 130HP		10.00		10.00
7	Hoardings/ Signboards	120.00	8.00	120.00	8.00
8	HT - I Industrial & Commercial				
8 (a)	I(a) upto CD 5000 kVA (Industrial/IT/ITES)	250.00	5.25	250.00	5.25
8 (b)	I(b) upto CD 5000 kVA (Commercial)	250.00	5.25	250.00	5.25
9	HT - II Government & water tank	250.00	6.75	250.00	6.75
10	HT - III EHT (above 5000 kVA)	220.00	5.10	220.00	5.10

CHAPTER 9. SEGREGATION OF WHEELING AND RETAIL SUPPLY BUSINESS

9.1 Allocation Matrix

9.1.1 The Hon'ble Commission has issued JERC (Multi Year Distribution Tariff) Regulations, 2014 which is effective from 1st April 2016 onwards and the control period is for three years i.e. FY 2016-17 to FY 2018-19.

9.1.2 As per clause 33 of MYT Regulations, it is stated that the distribution licensee need to maintain separate books of accounts for wheeling and retail supply business. It is submitted that the Hon'ble Commission is aware that the subject being naive in nature, the distribution licensee may not have the accounts segregated based on the wheeling and retail supply business. Therefore it is clearly stated in the regulation that in the absence of such accounts, the ratio of the segregation may be decided by the Hon'ble Commission based on the data obtained from the distribution licensee.

9.1.3 However, in the similar clause, the Hon'ble Commission has clearly stated that the following broad principles shall be followed for allocation of costs towards wheeling business and supply business, out of the total annual revenue requirements determined:

- Power purchase cost shall be allocated to the supply business;
- Operation and maintenance expenses shall be segregated between wheeling and supply businesses in such manner as may be determined by the Commission;
- Majority of the capital expenditure related expenses, viz., depreciation, interest and return on equity, shall be included under the wheeling business

9.1.4 As the Hon'ble Commission has rightly assessed, the present accounts of licensee is at a consolidated level and the licensee does not have segregated accounts for each of the businesses. It is submitted that PED at present is using old accounts system & therefore retrieving old information would be very a daunting task. A detailed analysis is required to arrive at the expenses based on the nature of the business. Further, certain segments of business cannot be segregated in to two business categories e.g. sub-station which caters to both wires and supply business.

9.1.5 Since PED does not keep segregated accounts; it has to rely on certain assumptions for segregation of total expenses into wires and supply business. However, in line with the Regulation, the licensee is also endeavoured to analyse the expenses and incomes attributable to each business and has followed the following principles of allocating Wheeling and Supply cost:

9.1.6 **Distribution Wheeling/Wires** function consists of transporting of electricity from transmission lines (typically transmission ends at 33kV/66kV) to consumers. Major activities involved are setting up of network consisting of the poles, wires, transformers etc. to take the electricity physically to the consumer.

9.1.7 **Retail Supply** function also known as merchant function is sale of electricity to the end consumers. Major activities involved are procurement of electricity from wholesaler or bulk supplier, pricing of electricity, sale of electricity including connection of consumer to the network, metering of energy used by consumers, billing for electricity supplied and collection of bills for energy use and disconnection of service on non-payment of bills.

9.1.8 The proposed allocation is based on the basis that the distribution network up to consumer meter is part of the wires business and the infrastructure beyond meter is part of the Retail Supply business. The proposed approach for allocation of expenditure between Wires and Retail Supply is discussed below:

1. **Power Purchase Expenses including transmission charges**

   PED has contracted sufficient power for 24x7 supply to the consumers in the UT of Puducherry. On the basis of its power procurement plan, it is further expected that the consumers in the UT would be availing 24x7 supply. PED also agrees that procurement of electricity from wholesaler or bulk supplier for sale to end consumers is the main activity of retail supply business and therefore 100% of the cost of the power is allocated to the Supply business.

   Further, entire transmission charges paid to Transmission Licensee is also allocated to the retail supply business.

2. **Allocation of Capital Cost**

   The major components that form retail supply asset are meters and billing equipment's and similarly, majority of the plant and machinery, lines and cables form distribution assets. Other fixed assets like buildings, office equipment's, furniture and fixtures, vehicles etc. may be apportioned considering predominant usage concept.

   Considering the general principles of segregation of capital cost (i.e. Interest on Loan, RoE, depreciation) into wires and supply business and considering the fact that the distribution business of PED is dispersed in four regions having more dependence on the wire business, PED at present has considered a ratio of 90% to Wheeling Business and 10% to Supply Business.

3. **Employee Expenses**

To segregate the employee cost PED has used the basis of employee requirement to undertake the Retail Supply business. PED has done an evaluation on the number of employees that could be allocated to the Wires and Retail Supply business and the efforts undertaken to carry out such work.

The responsibility towards maintenance of a highly efficient distribution system and the accountability towards discharge of the duties as a service provider have to be shared by the engineers and employees of the PED. The Electricity Department has a technical work force of over 2192 employees of different ranks who perform multifaceted technical functions and duties, viz., maintaining power supply, metering, billing, revenue collections, customer services etc. The total sanctioned employee strength of the department is 2804 of which 2192 belong to technical cadre and 612 belong to Non-Technical (ministerial) cadre which ultimately results into 78% technical cadre and 22% non-technical (ministerial) Cadre.

Majority of the non-technical employees works for wires business involving functions such as revenue, stores, administration and establishment. Further, some of the technical employees also work for supply business. PED has assumed the allocation of number of employees to wires and supply business as 70% and 30% respectively. PED has assumed the same ratio for allocation of employee expenses to wires and supply business.

4. **Administration & General Expenses**

A&G expenses related to power purchase, metering, billing and collection, financing expenses on loan related to retail supply business can be allocated to retail supply business. Office expenses like telephone, stationery, electricity, lease rental etc. can be apportioned between Wires and Retail Supply business on the basis of predominant usage concept. The following principle has been adopted for calculation of ratio of wheeling and supply business for each and every cost component of A&G business:

- Rent Rates & Taxes in the ratio of allocation of capital cost of 90% and 10% to wheeling and supply business;
- Office expenses and Professional Charges includes the appointment of internal auditor for maintaining the accounts and fixed assets register as well as the legal / regulatory fees and payment to consultant for filing of ARR petition. Therefore it includes the mixed component of Capital Cost and

supply business and therefore it is considered lower than capital cost allocation ratio but higher than the employee expenses i.e. 80: 20 ratio for wheeling and supply business;

- Advertisement & Publicity expenses and incentives to consumers has been allocated 100% to supply business;
- Other A&G charges and material related expenses are allocated equally to wheeling and supply business;

Based on the above itemized allocation principle for each cost component of A&G expenses, the overall ratio comes to around 60:40. But as the Commission in its last tariff order had considered 50:50 allocation based on " STAFF PAPER ON OPERATIONALISATION OF OPEN ACCESS (OA) IN THE STATE OF GOA AND THE UT'S in September 2012" for Wheeling and Supply business, the same has been considered for allocation purpose.

5. **Repair & Maintenance Expenses**

As discussed earlier, the distribution network up to consumer meter is part of the wires business and the infrastructure beyond meter is part of the Retail Supply business. Therefore, majority of R&M is required for the portion up to consumer meter and infrastructure beyond consumer meter or other supply related equipment's don't require that much R&M. Considering this fact, R&M expenses are allocated as 90% to Wires Business and 10**%** to Supply Business.

6. **Interest on Working Capital and interest on Security Deposit**

Working capital is mainly required to meet the liabilities relating to fuel / power purchase however certain part of working capital is also required to meet the payments of the suppliers for capital works. Considering this fact, interest expenses on working capital is considered in the ratio of 22:78 of wheeling and supply business respectively which is in line with the approach adopted by the Hon'ble Commission in past orders. However, interest on security deposit being related totally to retail supply consumers, 100% of such cost is allocated to Supply Business.

7. **Provision for Bad Debts**

Bad debts are inseparable incidents of the retail supply business of electricity distribution. Provision for Bad Debts is associated with the business risk mainly related to supply business and therefore 100% is allocated to Supply Business.

8. Non-Tariff Income

Since almost all the non-tariff income comes from supply related activities, the entire non-tariff income is allocated to Supply Business.

9.1.9 Considering the assumptions discussed above, PED has worked out the ratio to segregate the expenses under Retail Supply and Wires Business. The same ratios have been used to segregate its ARR for the FY 2017-18.

Table 9-1: Assumptions for Segregation of Retail Supply and Wires Business Expenses

S. No.	Item of expense	Wire Business (%)	Supply Business (%)	FY 2017-18		
				Wire Business	Supply Business	Total
1	Cost of power purchase	0%	100%	0.00	1182.27	1182.27
2	Employee costs	70%	30%	57.22	24.52	81.74
3	R&M expenses	90%	10%	19.82	2.20	22.02
4	Administration and General expenses	50%	50%	2.78	2.78	5.56
5	Depreciation	90%	10%	34.16	3.80	37.96
6	Interest & Financial charges	90%	10%	29.70	3.30	33.00
7	Interest on Working Capital	22%	78%	-	-	-
8	Return on NFA /Equity	90%	10%	19.14	2.13	21.27
9	Interest on Consumer Security Deposit	0%	100%	0.00	15.35	15.35
10	**Total Revenue Requirement**			**162.82**	**1236.35**	**1399.17**
11	Less: Non Tariff Income	0%	100%	0.00	2.93	2.93
12	**Net Revenue Requirement (10-11)**			**162.82**	**1233.42**	**1396.24**

9.1.10 PED submits that the percentage allocation for segregation of Retail Supply and Wires Business Expenses is purely on the basis of assumptions and cannot be treated as basis for any accounting purposes.

CHAPTER 10. DETERMINATION OF OPEN ACCESS CHARGES

10.1 Determination of Open Access Charges

10.1.1 As per the provisions of Electricity Act 2003 the distribution utilities are mandated with Universal Service Obligation to consumers. Nationwide, the present tariff structure has cross subsidization mechanism whereby the tariff for some category of consumers are lower than cost of supply to them.

10.1.2 Typical Open Access consumers are required to bear transmission charges, transmission losses, wheeling charges, wheeling losses, reactive charges, cross subsidy surcharge, additional surcharge, standby charges etc as may be applicable depending upon the voltage level at which open access power is availed and the charges as may be approved by Hon'ble Commission from time to time. In the past Hon'ble Commission has determined the open access charges including cross subsidy surcharge payable by a consumer availing open access to the Distribution System as provided in Open Access Regulations.

10.1.3 Section 42 (2) of the Electricity Act 2003 provides following provisions wherein the powers have been given to State Commissions for specifying cross subsidy surcharge. The relevant is reproduced as under:

> *"The State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:*
>
> *Provided that such open access shall be allowed on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission:*
>
> *Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee:*
>
> *Provided also that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:*
>
> *Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use:"*

"to provide non-discriminatory open access to its transmission system for use by-

(i) any licensee or generating company on payment of the transmission charges ; or

(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that the manner of payment and utilisation of the surcharge shall be specified by the State Commission:

10.1.4 Section 86 deals with the functions of State Commission and its sub-section (1) (a) reads as follows:

"86. (1) The State Commission shall discharge the following functions, namely:

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;"

10.1.5 As mandated in the Electricity Act 2003 and JERC Regulations and various Orders of Hon'ble Commission, it is necessary that both cross subsidy surcharge and additional surcharge are imposed on the open access consumers. As regards to the calculation of cross subsidy surcharge it is to mention that cross subsidy surcharge shall be determined as per the formula specified in National Tariff Policy which has been followed by Hon'ble Commission from time to time. Therefore, PED requests the Hon'ble Commission to determine the Open Access charges, wheeling charges and cross subsidy charges every time while determining the tariff.

10.2 Allocation of Wheeling Cost

10.2.1 PED submits that the allocation of network and supply cost has been considered in line with the allocation principles adopted in Chapter 9 of this petition. PED submits that it does not maintain audited accounts for voltage wise assets. However, based on the engineering study and certain assumptions, PED has arrived at the segregation of cost. PED would like to emphasize that this statement is only based on engineering estimate as it does not have accurate audited data.

10.3 Voltage wise Wheeling Charges

10.3.1 PED submits that the apportionment of wheeling charges has to account for losses and therefore in the absence of the voltage wise details, PED has considered the bifurcation of wheeling cost based on the sales and losses at each voltage level. The voltage wise loss levels are taken as approved by the Commission in the Tariff Order of FY 2014-15. The table depicting the same is shown below:

Table 10-1: Voltage wise Loss

Voltage Level	Loss (%)
EHT	1.00%
HT - 33/22/11kV	5.00%
LT	12.23%
Total	**11.25%**

10.3.2 The wheeling charges calculation is provided in the table below:

Table 10-2: Wheeling charges for FY 2017-18

S.No.	Particulars	UoM		FY 2017-18
1	Wheeling Cost	Rs.Crs	a	162.82
2	Wheeling Cost at EHT	Rs.Crs	b=ax49%	79.78
3	Wheeling Cost at HT	Rs.Crs	c=ax9%	14.65
4	Wheeling Cost at LT	Rs.Crs	d=ax42%	68.39
5	Energy Input at Discom Periphery	MU	e	3313.24
6	**Wheeling Charge at EHT Level**	**Rs./kWh**	**f=b/ex10**	**0.24**
7	EHT Losses	%	g	1%
8	EHT Losses	MU	h	33.13
9	Sales at EHT Level	MU	i	398.99
10	Energy Input at HT	MU	j=e-h-i	2881.12
11	**Wheeling Charge at HT Level**	**Rs./kWh**	**k=c/jx10**	**0.05**
12	HT Losses	%	l	5%
13	HT Losses	MU	m	144.06
14	Sales at HT Level	MU	n	1137.71
15	Energy Input at LT	MU	o=j-m-n	1599.35
16	**Wheeling Charge at LT Level**	**Rs./kWh**	**p=d/ox10**	**0.43**
17	Sales at LT Level*	MU	q	1403.79
18	LT Losses	MU	r=o-q	195.56
19	LT Losses	%	%	12.23%
20	Total Losses	MU	s=r+m+h	372.75
		%		11.25%

**Sales at LT level have been considered after considering the energy savings of 40.11 MUs.*

10.3.3 The apportionment of the wheeling cost has been considered in the ratio of 49:9:42 between EHT, HT and LT respectively (as considered in the Tariff Order dated April 10' 2014).

10.3.4 The Hon'ble Commission may consider the submissions as provided in above paragraphs & approve the proposed wheeling charges.

CHAPTER 11. CROSS SUBSIDY SURCHARGE AND ALLOCATION OF COST TO SERVE

11.1 Background for Cross Subsidy Surcharge

11.1.1 Section 2 (47) of the Electricity Act, 2003 defines "Open Access", while Section 42 of the Electricity Act inter – alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of cross subsidy surcharge, additional surcharge & other applicable charges.

11.1.2 Section 86 (1) (a) of the said Act inter – alia mandates the Hon'ble Commission to determine cross subsidy surcharge, additional surcharge & other applicable charges payable by the consumers opting for open access.

11.1.3 The National Electricity Policy as stipulated by the Central Government provides that –Under sub – section (2) of Section 42 of the Act, a surcharge is to be levied by the respective State Commissions on consumers switching to alternate supplies under open access. This is to compensate the host distribution licensee serving such consumers who are permitted Open Access under Section 42 (2), for loss of cross subsidy element built into the tariff of such consumers. An additional surcharge may also be levied under sub – section (4) of section 42 of the said Act for meeting the fixed cost of the distribution licensee arising out of obligation to supply in cases where consumers are allowed open access.

11.1.4 The Government of India has notified the National Tariff Policy, 2016 on 28th January 2016. The Cross subsidy surcharge is based on the following formula given in the Tariff Policy, 2016 which is as follows:

S = T - [C / (1 - L/100) + D + R]

Where,

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

11.2 Computation of Cross Subsidy Surcharge for FY 2017-18

11.2.1 PED submits that the transmission and distribution business has not yet been segregated and it continues to function as an integrated utility. Since the expenses of the utility are consolidated and has therefore considered "NIL" transmission charges for the open access consumers in the UT. The computation of each of the component is given below.

11.2.2 PED submits that the apportionment of wheeling charges has to account for losses and therefore in the absence of the voltage wise details, PED has considered the bifurcation of wheeling cost based on the sales and losses at each voltage level. The Voltage wise loss levels "L" are taken as approved by the Commission in the Tariff Order of FY 2016-17.

11.2.3 The projected wheeling charges "D" as shown in the **Chapter 10** at the respective voltage level are used for calculation of Cross Subsidy Surcharge.

11.2.4 The tariff payable "T" by each relevant category of consumers including RPO cost is computed below.

Table 11-1: Calculation of 'T' for FY 2017-18

S.No.	Particulars	Sales (MUs)	Revenue from approved tariff (Rs. Crs)	Avg. Tariff (Rs./kWh)
1	HT 1 Industrial & Commercial	1069.53	664.73	6.22
2	HT 2 Government & Water Tank	68.18	55.17	8.09
3	HT 3 EHT	398.99	235.41	5.90

11.2.5 The per unit weighted average cost of power purchase (including RPO cost) "C" for FY 2017-18, is computed below.

Table 11-2: Computation of "C" for FY 2017-18

Particulars	Energy at the periphery (MUs)	Total Power Purchase Cost (Rs. Crs)	Avg. Tariff (Rs./kWh)
Energy availability at periphery	3313.23	1182.27	3.57

11.2.6 The category wise CSS applicable is arrived on consideration of the components T, C, L & D from the above referred respective sections. The CSS is thus provided below:-

Table 11-3: Calculation of Cross Subsidy Surcharge for FY 2017-18

Particulars	UoM	HT 1	HT 2	HT 3
T	Rs./kWh	6.22	8.09	5.90
C	Rs./kWh	3.57	3.57	3.57
D	Rs./kWh	0.05	0.05	0.24
L	%	5.00	5.00	1.00
Surcharge	**Rs./kWh**	**2.41**	**4.28**	**2.05**

11.2.7 The Cross subsidy surcharge has been calculated for the HT and EHT category only as presently the open access is allowed to 1MW and above consumers which fall under this category.

11.2.8 PED requests the Hon'ble Commission to approve the Cross Subsidy Surcharge & related Open Access Charges for FY 2017-18 as proposed.

11.3 Additional Surcharge

11.3.1 PED submits that it will approach Hon'ble Commission separately on case to case basis seeking approval for 'Additional Surcharge'.

11.4 Allocation of Cost to Serve

11.4.1 It is submitted that Clause 36 of MYT Regulations, 2014 specifies that the distribution licensee shall compute the consumer category-wise cost of supply as per the methodology elaborated in the Regulations.

11.4.2 PED submits that for computing the consumer category wise Cost of supply, it is necessary to carry out the detailed load study considering the seasonal fluctuations as well as the system load factor. There is also a need to carry out the detail Demand analysis (incl. analysis on system loading, hourly load curves, peak maximum Demand (PMD), Simultaneous Maximum Demand (SMD), coincidental and non-coincidental peaks) and transmission and distribution loss assessment based on historical and real time data.

11.4.3 Such detailed study is usually carried out on a sample feeder basis selected in a scientific manner whereby selection of such feeders and consumer samples for load studies and loss studies should be representative of the consumer groups/network types etc.

11.4.4 It is also submitted that as per MYT Regulations, 2014, the Hon'ble Commission have also stated that while allocating the demand related cost, the basis of average coincident peak demand of the tariff categories (average of past 12 months) is required to be undertaken. The clause as per Regulations is stated as below:

(i) Allocation of Demand Costs: Demand costs of all three functions shall be allocated among consumer categories on the basis of average coincident peak demand of the tariff categories (average of past 12 months). To facilitate determination of average coincident peak demand for the various tariff categories, load research shall be made an integral part of the operations of the DISCOMs and systematic load research exercises shall be initiated.

11.4.5 PED humbly submits that considering the above factors, the computation of consumer category-wise cost of supply, a detailed analysis is required which is a time consuming process. PED is yet to carry out the load research exercise which also needs to undertake the seasonal fluctuation and considering such short time, it is difficult to submit the consumer category-wise cost of supply. Therefore, PED requests the Hon'ble Commission to exempt PED from submission of consumer category-wise cost of supply considering the above submission.

CHAPTER 12. COMPLIANCE OF THE DIRECTIVES OF HON'BLE COMMISSION

12.1 Preamble

12.1.1 This section lists the directives issued by the Hon'ble Commission in the previous tariff order and the status of their compliances.

12.2 Status of Compliance

Table 12-1: Status of Compliance of Directives

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
1.	**Annual Statement of Accounts**	The Commission has noted that the True-up of FY 2013-14 has been filed along with the MYT Petition. The True-up for FY 2014-15 was to be filed during this year's tariff filing. However, only the Provisional True-up has been submitted along with the MYT Petition. The Commission expects timely completion of audit of the relevant year so that True-up Petition for the respective year can be filed on time before the Commission. The Commission reiterates that audit and True-up be carried out on time as per the provisions of the JERC Regulations.	The Accounts for the FY 2014-15 has been audited and the True up petition for FY 2014-15 is being filed with the current Tariff Petition. The annual accounts for FY 2015-16 have been finalized and enclosed along with this petition. The True-up petition for FY 2015-16 is being filed with unaudited accounts. The Audited accounts will be filed before Technical Validation of the Tariff Petition for FY 2017-18.
2.	**Preparation of Asset and Depreciation Register**	The Commission notes the compliance with the said directive of the Commission. The Commission directs that in the future True-up Petition be duly submitted along with the audited accounts and the asset and depreciation registers for the respective year on time.	The Asset and Depreciation Register has been updated upto FY 2014-15. The updated Registers for FY 2015-16 will be produced at the time of Technical validation.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
3.	**Accounting of security deposits etc. under appropriate head of accounts**	The Commission notes the submission of the Petitioner. However, the Commission is not satisfied with the progress of compliance of the said directive. The Commission notes that as per the latest submission in the MYT petition, a provision of Rs. 48.40 Crores has been proposed by the Petitioner towards the arrears on interest on security deposit from FY 2009-10 to FY 2015-16 and the same has been included in the total revenue gap to be recovered in FY 2016-17. The Commission notes in the Petition that of the total interest on security deposit of Rs. 52.92 Crores (approximately) estimated to be paid from FY 2009-10 to FY 2015-16, only a marginal amount of Rs. 4.52 Crores is estimated to be actually paid up to FY 2015-16 and the rest has been provisioned in FY 2016-17 by the Petitioner. The Commission has also noted that a provision of Rs. 27.63 Crores in FY 2015-16 was made during the last Tariff Order dated 10th April 2015. However, the Petitioner as per the revised estimates submitted this time has shown only an amount of Rs. 2.50 Crores to be paid during FY 2015-16. A provision of Rs. 9.78 Crores was also approved in the Tariff Order for FY 2014-15. The Commission notes with serious concern that despite the provisioning of the unpaid interest on security deposit amount during FY 2014-15 and FY 2015-16, only a marginal amount amounting to Rs. 4.52 Crores is estimated to be actually paid up to FY 2015-16.The software and data related issues need to be sorted out at the earliest. The status report on the payment of the pending amount due to the consumers from FY 2009-10 to FY 2015-16 must be submitted to the Commission by September 2016.	From the FY 2013-14 the Department has segregated consumer deposits into a separate Treasury head of account and the Interest thereon has been paid every financial year to the respective HT/LT consumers. Before FY 2013-14 all the deposits made by the consumers towards security deposits as well as works deposits were put together in a single Head of account. The above issue can only be resolved after tracing out the details of the security deposits from the old policy files. The actual security deposits payable to the consumers from FY 2009-10 to the FY 2016-17 can only be computed through new software system, which is being implemented under R-APDRP scheme. It is therefore prayed to Hon'ble Commission to grant time to process the above work.

September 2016.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
4.	**Energy Audit and T&D Losses**	The Commission has noted the various steps taken by the Petitioner towards compliance of the said directive. The Commission notes that considerable time has already been given to the Petitioner to fulfill compliance of the said directive. However, the energy audit report has still not been submitted before the Commission. The Commission expects compliance of the said directive during FY 2016-17 failing which strict action would be initiated by the Commission under various provisions of the JERC Regulations. The energy audit report should be submitted before the Commission along with the next ARR & Tariff filing.	The Distribution Transformers in Mahe and Yanam regions are metered completely. The Distribution transformers meter readings are being taken regularly every month and losses on each feeders upto 11 KV level are being worked out. A sample calculation for a month in respect of Yanam and Mahe regions will be submitted during Technical Validation. Regarding Pondicherry and Karaikal regions on completion of Distribution transformer metering in R-APDRP area and other areas similar analysis will be done and submitted to the Hon'ble Commission. It is expected that the new software under R-APDRP will be installed and commissioned by March 2017. The software provides for grouping of consumers Distribution Transformer wise enabling the Department to calculate losses upto LT level.
5.	**Estimation of the consumption by agriculture pump-sets**	Work of the metering of the distribution transformers connected to agriculture consumers should be expedited and the status report be submitted before the Commission along with the next ARR & Tariff filing.	As submitted above the data of some Distribution Transformer consumption is being collected and some sample values will be submitted to the Hon'ble Commission during the Technical Validation.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
6.	**Management Information System**	The status of the progress of work related to the R-APDRP scheme be submitted before the Commission by September 2016. The Petitioner is directed to take this up further with the relevant authorities for expediting work related to the R-APDRP schemes.	PED submits that the MIS reports could be generated as soon as the full implementation of R-APDRP scheme is done, which is likely to be completed by March 2017 as per the present schedule
7.	**Metering of consumer installations / replacement of non-functional or defective Meters**	The Commission in the Business Plan Order dated 4th December 2015, has expected full compliance of the 100% metering programme by FY 2017-18 and has accordingly approved the capital expenditure for this scheme for FY 2016-17 and FY 2017-18. No carryover of capital expenditure has been allowed during FY 2018-19. Further, the Commission in the Business Plan Order has directed as below: Quote *''The Commission directs the department to provide detailed plan to undertake metering in the different areas, especially Karaikal. The details regarding plan of distribution of meters in different areas of Puducherry needs tobe elaborated and submitted before the Commission.''* Unquote The Commission expects compliance of the above directive. The Petitioner is directed to submit the present status of replacement of defective meters, meters already available, additional meters proposed to be ordered and timeline for receipt of additional meters. EDP is directed to report time schedule for replacement of defective meters as on 30.04.2016. The status report must be submitted by June 2016.	PED has already purchased 40000 of 1- phase meters under plan schemes and allotted to various Divisions. So far 13,000 meters has been replaced. Orders has been placed for supply of 25,000 numbers of 3-phase meters under plan, 30,000 of 1 phase meters under R- APDRP. The energy meters are expected to be delivered shortly. Apart from this, sanction of the government to purchase 12,500 nos. of 3 Phase meters under R-APDRP is expected shortly and the meters will be purchased before March 2017. Work Order has already been issued for supply erection commission of 35,673 smart meters under Smart Grid project. It is also programmed to float e-tender for purchase of 35,000 nos. of LPRF meters under IPDS scheme during the current financial year. On approval of DPR of DDUGY action will be taken to purchase 78,820 nos. of energy meters.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
8.	**Billing and Collection Efficiency**	As per the True-up of FY 2013-14, collection efficiency of 91.60% has been submitted by the Petitioner. Further, the Petitioner in the MYT Petition has submitted that it would be able to achieve collection efficiency of 95% for FY 2015-16. Likewise, 95% for FY 2016-17, 96% for FY 2017-18 and 97% for FY 2018-19 has been submitted by the Petitioner for the Control Period. The Commission does not find such low levels of collection efficiency being reported by the Petitioner as acceptable. Billing and collection efficiency should be improved through various channels and the process of speedy implementation of the R-APDRP should be carried out so that related activities can improve. The Commission during the Public Hearing directed the Petitioner to announce the list of defaulters in payment of power bills in the public domain. The Commission in the Business Plan Order for EDP dated 4th December 2015, has directed the Petitioner to achieve 100% collection efficiency by the end of the Control Period i.e. FY 2018-19. Further, targets of 98% for FY 2016-17 and 99% for FY 2017-18 have been set. The Commission retains these targets as set out in the Business Plan Order for purposes of this Tariff Order. Status report on the same should be submitted before the Commission along with the next ARR & Tariff filing.	The Billing efficiency will drastically improve on implementation of above mentioned metering programme. In addition, the billing software is also being modified through R-APDRP programme and it is likely to be commissioned by 1st quarter of FY 2017-18 on completion of project by March 2017. The collection efficiency of the PED will improve on implementation of new software system. Apart from that the PED has also collected old arrears of Rs.18.81 Crores from PWD and Rs.17.42 Crores from other private consumers. Continuous drive has been undertaken for collection of arrears.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
9.	**Collection of arrears**	The Commission has been repeatedly giving directive to the Petitioner on the collection of outstanding arrears from all consumers including Government Departments and Public Sector Undertakings. The Commission reiterates that its directive on the collection of arrears should be duly adhered to. The Petitioner must submit quarterly progress reports on the status of the same. The list of consumers defaulting should be announced in public.	The PED has collected old arrears of Rs.18.81 Crores from PWD and Rs. 17.42 Crores from other private consumers. Continuous drive has been undertaken for collection of arrears.
10.	**Load Shedding and ensuring proper service to the consumers**	Action taken is noted. The status report on the operationalization of the 24X7 call centre should be reported before the Commission along with the next ARR & Tariff filing.	The 24X7 call centre will be opened as soon as the software implementation is completed by the firm under R-APDRP scheme. The other infrastructure for the 24X7 call centre is completed. It is to be Commissioned by the 1st quarter of FY 2017-18. The Department has introduced toll free no. 1912 for public consumer complaints.
11.	**Demand Side Management and Energy Conservation**	The Commission appreciates the efforts of the Petitioner in this regard. The Commission notes that the Department has successfully implemented Demand side management energy efficient lighting programme (DELP) for ddomestic category of consumers. Also, efforts are being made to convert the street lights into LED fittings. The Commission is satisfied with the progress on compliance of the said directive. Further steps taken by the Petitioner in this regard should be reported to the Commission along with the next ARR & Tariff filing.	As a part of demand side management, the PED has already successfully implemented Demand side management energy efficient lighting programme (DELP) for domestic category of consumers. The Department is also assisting Puducherry Government to convert all existing street lights into LED fittings and the scheme is under preparation. A significant reduction under energy consumption of street lights category is anticipated on implementation of scheme by Local bodies/Municipality.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
12.	**Pilferage of Energy**	The Commission directs that theft of energy should be identified and action should be taken against the persons indulging in theft of energy. The concerned official(s) should ensure that the inspection of services is carried out regularly and quarterly status reports should be submitted before the Commission in a timely manner. Action taken report should be submitted to the Commission, on the identified misuse of the supply of electricity.	The exclusive APTS (anti power theft squad) is undertaking inspections and quarterly reports are being furnished to the Hon'ble Commission.
13.	**Employee Cost/Manpower Study**	The steps taken by the Petitioner in this regard are noted. However, considerable time has already been given to the Petitioner to submit the employee cost/manpower study. The Petitioner should take up the matter with the concerned officials at the Central Government to expedite the processing of the said study. The Commission directs that the employee cost/manpower study should be submitted before the Commission along with the next ARR & Tariff filing.	The Ministry of Finance Govt of India has sought some clarifications in implementation of the scheme. The Clarifications are being submitted. The report will be submitted to the Hon'ble Commission during the Technical Validation.
14.	**Load Forecasting study**	Action taken is noted. However, considerable time has already been given to the Petitioner to submit the load forecasting study. The Petitioner is directed to take necessary steps to expedite the completion of the study and submit the same before the Commission along with the next ARR & Tariff filing.	PwC has furnished the draft report on load research study. The Details furnished by the department on 19th Power Survey has been accepted and the above reports will be submitted during the Technical Validation.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
15.	**Bill Payment**	The Commission notes the submission of the Petitioner. The Commission expects that the online bill payment facility would work properly and the software interface would be smooth. Other modes of payment as mentioned by the Petitioner linked to the R-APDRP scheme should be implemented quickly. Meanwhile, the present bill collection center should work properly so that consumers do not face issues in bill payment. The Commission will monitor the compliance of this directive very strictly as many stakeholders during the Public Hearing had pointed out that the billing is delayed and they get very little time to make the payment by due date. The Commission, during the Public Hearing, directed the Petitioner to introduce a new bill format from 1st April 2016. The status report on the same should be submitted before the Commission along with the next ARR & Tariff filing.	On line payment gateway is available to all consumers.
16.	**Enforcement Cell**	The concerned official(s) of the Enforcement Cell should see that the inspection of services is carried out regularly and status reports be submitted before the Commission in a timely manner. Action taken report should be submitted to the Commission, on the identified misuse of the supply of electricity. The same should be submitted before the Commission along with the next ARR & Tariff filing.	The exclusive APTS (anti power theft squad) is undertaking inspections and quarterly reports are being furnished to the Hon'ble Commission.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
17.	**Assessment of the open access consumers**	The steps taken by the Petitioner in this regard are noted. The status of setting up of the STU and SLDC (nodal agency) should be reported before the Commission along with the next ARR & Tariff filing.	The open access permission has already been given to two consumers.
18.	**Connected Load/Contract Demand based fixed charges for LT Industrial and Commercial categories**	Action taken is noted. Status of the same should be submitted before the Commission along with the next ARR & Tariff filing.	The existing 1673 LT CT operated meters are proposed to be replaced by Smart Meters. The Work Order for supply, fixing and commissioning of Smart Meters is awarded to M/s. Dong Fang.
19.	**True-up Petition for the respective years**	The Commission notes that the True-up of FY 2013-14 has been filed along with the MYT Petition. The True-up for FY 2014-15 was to be filed during this year's tariff filing. However, only the Provisional True-up for FY 2014-15 has been submitted along with the MYT Petition. The Commission directs that timely completion of audit of the relevant year be carried out so that True-up Petition for the respective year be filed before the Commission on time. The Commission reiterates that audit and True-up be carried out on time as per the provisions of the JERC Regulations.	The Accounts for the FY 2014-15 has been audited and the True up petition for FY 2014-15 is being filed with the Tariff Petition. The accounts for FY 2015-16 have been finalized and enclosed with this petition. The True-up petition for FY 2015-16 is being filed with unaudited accounts. The Audited accounts will be filed before Technical Validation of the Tariff Petition for FY 2017-18.
20.	**Proposal of the Energy Charges for the agriculture category**	The submission of the Petitioner is noted. The status report on the same should be submitted before the Commission along with the next ARR & Tariff filing.	A sample calculation of Agriculture consumption has been furnished in the directive No. 5. On completion of metering all Agriculture services, separate tariff for agriculture services based on units will be submitted.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
21.	**Public grievance meetings**	The Commission, as also directed in the earlier Tariff Orders, reiterates that the Petitioner should convene monthly public grievance meetings with the consumers to sort out issues related to the supply of power, quality of power and other related issues. These meetings shall be held on monthly basis at different locations in all the regions under EDP and monthly report in this regard be submitted before the Commission. The Commission insists that the Department should sort out the various stakeholder grievances in these meetings.	Public grievance meeting is being conducted by PED at sub-division/divisional levels after proper press advertisements.
22.	**Unbundling & Corporatization**	The submission is noted. However, the Petitioner is directed to speed-up its efforts in this regard and submit progress report in this regard before the Commission along with the next ARR & Tariff filing.	As directed by the Hon'ble Commission, the issue will be taken up with the Government of Puducherry before March 2017.
23.	**Safety of Consumers and Employees**	The Commission appreciates the efforts of the Petitioner in this regard. The Commission expects that the Petitioner would continue its efforts in this regard. The training sessions as being conducted by the Department should be continued. Status of the work done in this regard should be updated to the Commission along with the next ARR & Tariff filing.	The Training programme on safety is being conducted by the Technical Training Centre (TTC) during the FY 2016-17. During FY 2015-16, 262 no. of staffs and 215 no. of staff during 2016-17, as on date have been trained. The training programme on artificial resuscitation is being conducted by JIPMER Doctors for the employees and the engineers. During FY 2015-16 156 no. of employees and 528 no. of employees during 2016-17, as on date have been trained. Action is being taken to float the e-tender for purchase of safety equipment's during the current financial year.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
24.	**Technology up gradation**	Action taken is noted. The status report indicating various other measures taken by the Petitioner towards technology up-gradation should be submitted before the Commission along with the next ARR & Tariff filing.	The works of replacing the mechanical relays with numeric relays are being undertaken at all the Sub-stations. It is also proposed to replace all the Oil filled 11 KV Ring main Switchgears with SF6 SCADA compatible switchgears and implementation of SCADA DMS
25.	**Publicity for Consumer Grievance Handling System**	The submission of the Petitioner is noted. However, the Commission notes that many stakeholders during the Public Hearing pointed out that they are not aware of the public grievance meetings being conducted by the Department. The Commission directs the Petitioner to take all possible steps for adequate publicity of the Public Grievance Forum and conduct monthly consumer grievances meetings in a regular manner in all four regions of Puducherry. The quarterly progress report in this regard should be submitted before the Commission. The Commission, further, expects that stakeholders would not complain in this regard during the next Public Hearing.	The Department conducts Public Grievance meeting after giving proper advertisement in advance in leading local dailies as well as in the local TV channels.

S.No.	Directives	Commission Observation made in the Tariff Order FY 2016-17	Compliance by the Electricity Department Puducherry
26.	**Levy of FPPCA before 30th June of the following Financial Year**	The submission of the Petitioner is noted. However, the Commission notes that many stakeholders during the Public Hearing pointed out that the same is not being followed by the Department in practice. The Commission expects compliance of the above directive of the Commission and directs that the FPPCA amount due from the consumers with respect to the Financial Year be finalized before 30th June of the following Financial Year. Further, the Commission directs that the adjustment of FPPCA charges be made in the bills of the consumers within a month following the end of the current quarter.	The above direction of Hon'ble commission has been complied with by the Electricity Department.

Table 12-2: Status of Compliance of New Directives

S.No.	Directives	Commission Observation made in the Tariff Order FY2015-16	Compliance by the Electricity Department Puducherry
1.	**Information for determination of voltage wise wheeling charges**	The Petitioner is directed to provide the details of voltage wise assets and expenses along with the allocation methodology if any for the determination of voltage wise wheeling charges in the next tariff petition.	The Department Asset and Depreciation Registers are being maintained separately for the Distribution and Transmission sector. Being a single entity for both transmission and Distribution, the other expenses such as employee cost, R & M expenses could not be segregated at present.

S.No.	Directives	Commission Observation made in the Tariff Order FY2015-16	Compliance by the Electricity Department Puducherry
2.	**Promotion of Solar Generation**	The Petitioner is directed to take-up with the Government for formulation of a comprehensive policy for promotion of solar energy in line with the latest GoI directives on this matter in its area especially among the industrial consumers.	The Government of Puducherry has issued notification for Solar policy for implementation in the UT of Puducherry. The copy of the notification will be submitted to commission during the Technical Validation.
3.	**Time of Day (T0D) Tariff for HT/ EHT consumers**	The Petitioner is directed to introduce ToD tariff for the HT/EHT consumers during FY 2016-17 as per the terms & conditions of ToD tariff as laid out in the Chapter on 'Tariff Schedule' of this Tariff Order.	The ToD compatiable meters have been provided at Yanam and Mahe region. For Puducherry and Karaikal region, ToD meters will be procured and installed during the current financial year. However software modification needs to be made for HT billing system and the ToD tariff may only be implemented from the FY 2017-18
4.	**New Bill Format**	The Petitioner is directed to introduce the new bill format from 1st April 2016, so that consumers are able to easily understand the various billing charges applicable to them.	The new Bill format has been studied. Since many parameters needs to be incorporated in the new billing, the size of the bill format is getting increased necessitating the changing of printing machine and bill delivery system. The new bill format will be introduced after sorting out the above issues.

CHAPTER 13. PROPOSED TARIFF SCHEDULE FOR FY 2017-18

13.1 Tariff Schedule for FY 2017-18

13.1.1 The tariff indicated in this tariff schedule is the tariff rate proposed to be payable by the consumers of Union Territory of Puducherry.

13.1.2 These tariffs are exclusive of electricity duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time.

13.1.3 Unless otherwise agreed to, these tariffs for power supply are applicable to single point of supply.

13.1.4 The power supplied to a consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff. If energy supplied for a specific purpose under a particular tariff is used for a different purpose, not contemplated in the contract for supply and / or for which higher tariff is applicable, it will be deemed as unauthorized use of electricity and shall be dealt with for assessment under the provisions of section 126 of the Electricity Act, 2003 & Supply Code Regulation notified by JERC. Provided that,

a) If a portion of the domestic premises limited to only one room is used for running small household business having connection under domestic category, such connection shall be billed under domestic category provided that the total monthly consumption of the consumer (including consumption for above mentioned small household business) does not exceed 150 kWh.

b) If either more than one room or only one room having monthly consumption exceeding 150 kWh for consecutive three months is detected in the domestic premises being used for mixed purposes having domestic connection, such connection shall further be billed under commercial category until a separate connection of appropriate tariff is taken for that portion used for non-domestic purpose.

13.1.5 If connected load of a domestic category is found to be at variance from the sanctioned/ contracted load as a result of replacement of appliances such as lamps, fans, fuses, switches, low voltage domestic appliances, fittings, it shall not fall under Section 126 and Section 135 of the EA 2003.

13.1.6 **Power Factor Charges for HT and EHT**

The monthly average power factor shall mean the ratio expressed as percentage of total kWh to total kVAh supplied during the month. The ratio shall be rounded up to two figures.

a) The monthly average power factor of the supply shall be maintained by the consumer not less than 90% (lagging). If the monthly average power factor of a consumer falls below 90% (90% lagging), such consumer shall pay a surcharge in addition to his normal tariff @ 1% on billed demand and energy charges for each fall of 1% in power factor upto 70%(lagging).
b) In case the monthly average power factor of the consumer is more than 95% (95% lagging), a power factor incentive @ 1% on demand and energy charges shall be given for each increase of 1% in power factor above 95% (lagging).
c) If the average power factor falls below 70% (lagging) consecutively for 3 months, the licensee reserves the right to disconnect the consumer's service connection without prejudice for the levy of the surcharge.

13.1.7 If the consumer fails to pay the energy bill presented to him by the due date, the Department shall have the right to disconnect the supply after giving 15 days' notice as per provision of the Act & Supply Code Regulation.

13.1.8 Fixed charges, wherever applicable, will be charged on pro-rata basis from the date of release of connection. Fixed charges, wherever applicable, will be double as and when bi-monthly billing is carried out, Similarly slabs of energy consumption will also be considered accordingly in case of bi-monthly billing.

13.1.9 The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 75% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulation. If such over-drawl is more than 20% of the contract demand then the connections shall be disconnected immediately.

Explanation: Assuming the contract demand as 100 KVA, maximum demand at 120 KVA and total energy consumption as 12000 kWh, then the consumption corresponding to the contract demand will be 10000 kWh (12000*100/120) and consumption corresponding to the excess demand will be 2000 kWh. This excess demand of 20 KVA and excess consumption of 2000 kWh will be billed at twice the respective normal rate. Such connections drawing more than 120 kVA, shall be disconnected immediately.

13.1.10 Unless specifically stated to the contrary, the figures of energy charges relates to Rs per unit (kWh) charge for energy consumed during the month.

13.1.11 **Delayed payment surcharge** shall be applicable to all categories of consumers. Delayed payment surcharge of 2% per month or part thereof shall be levied on all arrears of bills. In case of delay less than a month, the surcharge will be levied at 2% per month on proportionate basis considering a month consists of 30 days. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amount less than 50 paisa shall be ignored and amount of 50 paisa or more shall be rounded off to next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.

13.1.12 **Advance Payment Rebate:** If payment is made in advance well before commencement of consumption period for which bill is prepared, a rebate @ 1% per month shall be given on the amount (excluding security deposit) which remains with the licensee at the end of the month. Such rebate, after adjusting any amount payable to the licensee, shall be credited to the account of the consumer.

13.1.13 **Prompt Payment Rebate:** If payment is made at least 7 days in advance of the due date of payment a rebate for prompt payment @ 0.25 % of the bill amount shall be given. Those consumers having arrears shall not be entitled for such rebate.

13.1.14 **Time of Day (TOD) Tariff**

(i) Under the Time of Day (ToD) Tariff, electricity consumption and maximum demand in respect of HT/EHT consumers for different periods of the day, i.e. normal period, peak load period and off-peak load period, shall be recorded by installing a ToD meter.

(ii) The maximum demand and consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer.

Time of Use	Demand Charges	Energy Charges
Normal period (6:00 a.m. to 6:00 p.m.)	Normal Rate	Normal rate of energy charges
Evening peak load period (6:00 p.m. to 10.00 p.m.)	Normal Rate	120% of normal rate of energy charges
Off-peak load period (10:00 p.m. to 6:00 a.m.)	Normal Rate	90% of normal rate of energy charges

(iii) Applicability and Terms and Conditions of TOD tariff:

(a) The Commission directs the Petitioner to introduce TOD tariff as mentioned above during FY 2016-17

(b) The facility of aforesaid TOD tariff shall not be available to HT/EHT consumers having captive power plants and/or availing supply from other sources through wheeling of power

(c) The HT/EHT industrial consumers who have installed standby generating plants shall also be eligible for the aforesaid TOD tariff

(d) In the event of applicability of TOD tariff to a consumer, all other terms and conditions of the applicable tariff shall continue to apply

13.2 Low Tension Supply

Domestic Purposes

13.2.1 Domestic Purposes (A2)

1. This tariff is applicable to services for lights, fans, air-conditioning, heating and other small domestic appliances etc used for:
   a) Genuine domestic purposes including common services for stair-case, lifts, water tanks in the purely domestic apartments.
   b) Supply to actual places of public worship such as temples, mosques, churches etc.
   c) Ashrams and Mutts, non-commercial orphanage homes and old people homes run by religious and charitable institutions, social welfare and voluntary organizations.
   d) Youth hostels, Harijan hostels, Rehabilitation Centres, Anganwadies and Balwadies run by Social Welfare Department.
   e) For own residences where one room is set apart for the purpose of consultation by doctors, lawyers, engineers, architects and auditors.
   f) To handloom in residence of handloom weavers (regardless of the fact whether outside labour is employed or not) and to handloom in sheds erected.
   g) To the residences where supply from a house is extended to tailoring shops, job typing, document writing, laundry pressing, and small caterers set up in the verandah of the house with small lighting load only (one tube light only).

2. The charges for domestic service are as indicated in the table below:

Table 13-1: Existing and Proposed Charges for Domestic Category

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ Connection/ Month)	EC (Rs/ kWh)	FC (Rs/ Connection / Month)	EC (Rs/ kWh)
0-100 units per month	40.00	1.10	40.00	1.10
101-200 units per month	40.00	1.75	40.00	1.75
201-300 units per month	40.00	3.50	40.00	3.50
Above 300 units per Month	40.00	4.60	40.00	4.60

3. The method of billing of charges shall be as explained below.
    a) Say units billed in a month are 80 units. Then the fixed charges will be Rs. 40/month and energy charges Rs. (80 units X Rs 1.10/unit).
    b) In case the units billed are 275, then the fixed charges will be Rs. 32/month and energy charges will be Rs (100 units X 1.10 + 100 units X 1.75 + 75 units X 3.50).

13.2.2 HUT SERVICES (A3)

1. For supply to bonafide hut services with only two numbers of 40W Florescent Tube Lights.
2. The charges for hut services (OBOH) are as indicated in table below:

Table 13-2: Existing and Proposed Charges for Hut Category

Description	Existing Fixed Charges	Proposed Fixed Charges
Hut Services/ OHOB	Rs. 27 per connection per month	Rs. 27 per connection per month

Note:

a. Hut is defined as a living place not exceeding 300 sq. ft. or 27.87 sq.m. with mud wall/brick wall or thatched wall and thatched roof only. Hut does not include farm huts. If any of the conditions is changed at a later stage, this concessional supply will be discontinued and the consumer will have to take metered supply.

b. The tariff under this item is also applicable for houses constructed for economically weaker sections under the "Chief Minister's 5000 houses programme" and houses constructed by the District Rural Development Agency *under Indira Awaas Yojana and by the Adi Dravidar Welfare Department having a living space not exceeding 300 sq. ft. or 27.87 sq.*

c. *The consumer under this category should use only two numbers of 40 watts florescent tube lights. He should not use bulbs/tube lights of higher wattage or connect any other electrical equipment/ appliances other than those mentioned above. Supply from such services should not be tapped for any other purposes including functions, public meetings and also for neighboring huts. If at any time, any unauthorized load or extension, use of higher wattage bulbs or use of service for other purposes is detected, the service will be disconnected forthwith*.

13.2.3 COMMERCIAL (A1)

1. This tariff is for lights and combined installation of lights and fans, mixed loads of lights and power, heating and air-conditioning applicable to:
   a) Non-domestic and non-industrial consumers, trade and commercial premises.
   b) Educational institutions, hostels, public libraries.
   c) Hotels, restaurants, boarding and lodging homes
   d) Hospitals, Private clinics, Nursing Homes, Diagnostic Centre's, X-ray Units etc.
   e) IT related development centres and service centres.
   f) Common services for stair-case, lifts, water tanks etc in the purely commercial /combination of commercial and domestic.

2. The charges are as indicated in the table below.

Table 13-3: Existing and Proposed Charges for Commercial Category

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ Connection / Month)	EC (Rs/ kWh)	FC (Rs/ Connection/ Month)	EC (Rs/ kWh)
0-100 units per month	100.00	4.75	100.00	4.75
101-250 units per month	100.00	5.60	100.00	5.60
Above 250 units per month	100.00	6.25	100.00	6.25

AGRICULTURE SERVICES (D)

Agriculture/ Cottage Industries etc.

13.2.4 Agriculture (D1)

For supply to bonafide agricultural services with a connected load of not less than 3

HP per service.

Table 13-4: Existing and Proposed Charges for Agriculture Category

Description	Existing Fixed Charges	Proposed Fixed Charges
Small Farmers	Rs. 9.00 per HP per month	Rs. 9.00 per HP per month
Small Farmers	Rs. 27.00 per HP per Month plus Service Charges Rs. 225 per service per annum	Rs. 27.00 per HP per Month plus Service Charges Rs. 225 per service per annum

Note:

a. *Electricity will be supplied under the tariff category "Small farmers" to those consumers whose families are solely dependent on the income derived from their agricultural land holding, which should not exceed two and half acres of wet land or five acres of dry land. A certificate to this effect from Revenue authority shall be produced. "Small farmer means a person whose total holding, whether as owner, tenant or mortgaged with possession or partly in one capacity and partly in another, does not exceed two-and-a half acres of wet lands or five acres of dry land. In computing the extent of land held by a person who holds wet and dry lands, two acres of dry land shall be taken as equivalent to one acre of wet land.*

b. *The above concession will be withdrawn if resale of energy or unauthorized load / extension or use for other purpose is detected by the Department.*

c. *Agricultural power loads below 3 HP will be charged under Tariff Category A1. A bonafide farmer may use his motor in the Agricultural Service for allied agricultural purposes such as sugarcane crushing, thrashing etc. with the prior approval of concerned Executive Engineer (Operation & Maintenance), Electricity Department.*

d. *Power supply to Farm Houses shall be metered separately and charged under domestic tariff (A2*).

Payment of Tariff Charges by Agriculture Consumers

a. The Tariff shall be collected in three equal installments payable in April, August and December in each year. The installments shall be payable before the 15th of the respective months. The service charges of Rs 225 per annum shall also be collected in three installments of Rs. 75, Rs. 75 and Rs. 75 along with installment of fixed charges in April, August and December months.

b. For new service, the first installment shall be proportionate to the number of whole months remaining till the month in which the first installment is due. Fraction of a month shall be reckoned as a whole month

13.2.5 Cottage Industries /Poultry Farms/ Horticulture/ Pisciculture (D2)

It is applicable to bonafide cottage industries, horticultural nurseries including plant tissue culture media, bonafide poultry farms and pisciculture.

The charges are as indicated in the table below:

Table 13-5: Existing and Proposed Charges for Cottage Industry

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ Connection / Month)	EC (Rs/ kWh)	FC (Rs/ Connection / Month)	EC (Rs/ kWh)
0-100 units per month	40.00	1.10	40.00	1.10
101-200 units per month	40.00	1.75	40.00	1.75
201-300 units per month	40.00	3.50	40.00	3.50
Above 300 units per Month	40.00	4.60	40.00	4.60

Note:

1. *Cottage industries*

   The following conditions should be satisfied in order that an industry may be classified as a bona fide cottage industry:

   a) *It should be conducted entirely within the home, the home being deemed to be permanent residence of the proprietor.*
   b) *The industry shall not cause any residence to constitute a factory within the meaning of the Factories Act, 1948.*
   c) *Not more than two persons outside the immediate family of the proprietor shall be employed in the factory.*
   d) *It should be certified by the Director of Industries that the industry for which power is used is a cottage industry.*
   e) *The produce is not purely utilized mainly for the domestic consumption of the proprietor but should also be available for sale to the public.*

2. *Poultry farms*

   The following conditions should be satisfied in order that the service may be classified as a bona fide poultry farm.

a) The capacity of the farm shall be a minimum of 100 birds and maximum of 5,000 birds (both layer and broiler birds).

b) The application of the beneficiary seeking such concession shall be verified and recommended by the Animal Husbandry Department.

3. Horticultural/ Pisciculture

The applications of the beneficiary seeking such concession shall be verified and recommended by the Director, Agriculture Department. For Pisciculture, applications of the beneficiary seeking such concession shall be verified and recommended by the Director, Fisheries Department.

13.2.6 **Public Lighting**

a. The tariff for public lighting will be as follows:

Table 13-6: Existing and Proposed Charges for Public Lightning

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ Connection / Month)	EC (Rs/ kWh)	FC (Rs/ Connection / Month)	EC (Rs/ kWh)
Public Lighting	75.00	6.75	75.00	6.75

b. This tariff will also apply to public lighting in markets, bus stands, traffic signals, high mast lights on public ways, public parks, public lighting in notified industrial estates.

13.2.7 **LT Industrial and Water Tanks (C)**

a. Applicable to low tension industrial consumers including lighting in the industrial services and Water Tanks including lighting in premises maintained by State Government Departments/ Undertakings and local bodies.

b. The charges are as indicated in the table below.

Table 13-7: Existing and Proposed Charges for LT Industrial

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ Connection / Month)	EC (Rs/ kWh)	FC (Rs/ Connection / Month)	EC (Rs/ kWh)
LT Industrial	86.00	5.10	86.00	5.10
Water Tanks	100.00	5.90	100.00	5.90

LT Supply Limit for all LT Categories:

For single phase connection, the connected load shall not exceed 4 kW, and for 3 phase connection, the connected load shall not exceed 130 HP or 97 kW

13.3 High Tension Supply

13.3.1 High Tension – I

High Tension I (a)

- Applicable to industrial establishments, IT and ITES based Companies registered under Factories Act/ Companies Act with Contracted Maximum Demand upto 5000 kVA.

High Tension I (b)

- For Commercial Establishments including Laboratories, Hotels, Marriage Halls, Cinema Theatres, Private Educational Institutions, Private Hospitals, Shopping Malls, Telephone Exchanges, broadcasting companies with contracted maximum demand upto 5000 kVA.

13.3.2 The demand and the energy charges are as indicated in the table below:

Table 13-8: Existing and Proposed Charges for High Tension I(a) and I(b) Category

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)
HT I (a) For contract demand upto 5000kVA	250.00	5.25	250.00	5.25
HT I (b) For contract demand upto 5000kVA	250.00	5.25	250.00	5.25

13.3.3 The billing shall be on the maximum demand recorded during the month or 75% of contracted demand whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand will be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal energy rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulation. If such over-drawl is more than 20% of the contract demand then the connections shall be disconnected immediately.

Explanation:

Assuming the contract demand as 100 kVA, maximum demand at 120 kVA and total energy consumption as 12000 units, then the consumption corresponding to the contract demand will be 10,000 units (12000 X 100/ 120) and consumption corresponding to the excess demand will be 2000 units. This excess demand of 20 kVA and excess consumption of 2000 units will be billed at twice the respective normal rate. E.g. in case of HT(I) (a) category, excess demand and consumption will be billed at the rate of Rs 500 per kVA per month and Rs 10.50/kWh respectively.

13.3.4 **High Tension – II**

a. Applicable to State and Central Government establishments of non-industrial and non-commercial nature.

b. The fixed/demand charges and energy charges are as indicated in the table below.

Table 13-9: Existing and Proposed Charges for High Tension II Category

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)
HT II	25o.00	6.75	250.00	6.75

c. The billing shall be the maximum demand recorded during the month or 75% of contracted demand whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand will be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal energy rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulation. If such over-drawl is more than 20% of the contract demand then the connections shall be disconnected immediately.

13.3.5 **High Tension – III**

a. Applicable to all types of industries supplied at 110 kV or 132 kV as the case may be

b. The demand and energy charges are as indicated in the table below:

Table 13-10: Existing and Proposed Charges for High Tension III Category

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)
HT III	220.00	5.10	220.00	5.10

c. The billing shall be the maximum demand recorded during the month or 75% of contracted demand whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand will be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal energy rate. The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulation. If such over-drawl is more than 20% of the contract demand then the connections shall be disconnected immediately.

Supply Voltage for all HT categories

The supply voltage for HT consumer's upto 5000 kVA will be 33 kV, 22 kV or 11 kV as the case may be. New High Tension consumers who want to avail a contract demand above 5000 KVA or existing High Tension consumers who want to enhance their demand beyond total contract demand of 5000 kVA should avail power at 110 KV or 132 KV as the case may be.

13.4 Temporary Supply

a. The tariff applicable and minimum charges for the temporary supply of energy will be as follows:

Table 13-11: Existing and Proposed Charges for Temporary Supply

Description	Existing Charges		Proposed Charges	
	Minimum charge	Tariff applicable for entire consumption (Rs./kWh)	Minimum charge	Tariff applicable for entire consumption (Rs./kWh)
Lights or combined installation of lights and fans, motive power, heating and others	Rs. 200 per connection per month or part thereof	9.75	Rs. 200 per connection per month or part thereof	9.75
Special illumination	Rs. 500 per connection per month or part thereof	10.00	Rs. 500 per connection per month or part thereof	10.00

Construction and testing purpose for load exceeding 130 HP or 97 kW	Rs. 500 per connection per month or part thereof	10.00	Rs. 500 per connection per month or part thereof	10.00

NOTE:

a) *The rate for Special illumination shall apply to weddings, garden-parties and other Private/Government functions when the illumination is obtained through bulbs fastened in other surfaces of wall of buildings, on trees and poles inside the compound and in pandal etc., outside the main building.*

b) *In cases where such Special illumination is done in the existing regular services the energy utilized for such illumination shall be metered separately and the consumption will be charged under Special illumination charge as levied under temporary supply.*

c) *Wherever such Special illumination is done unauthorized, a penal charge of Rs. 500 for service shall be levied in addition to the existing tariff of the installation.*

d) *Other conditions for connection of line and service connection charges, dismantling, security deposit etc. will be as per the rules now in force.*

e) For supply required at short notice that is within three days from the date of application for temporary service connections, an urgency charge of Rs. 50 shall be paid along with other normal tariff charges.

13.5 Hoardings

Electricity for lighting external advertisements, external hoardings and displays at departments stores, malls , multiplexes, theatres, clubs, hotels, bus shelters, Railway Stations shall be separately metered and charged at the tariff applicable for “Advertisements and Hoardings” category, except such displays which are for the purpose of indicating / displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises. The connection for ‘’Advertisements and Hoardings” category would be covered under the permanent supply of connection.

Consumption Range	Existing Charges		Proposed Charges	
	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)	FC (Rs/ kVA/ Month)	EC (Rs/ kWh)
All units	120.00	8.00	120.00	8.00

CHAPTER 14. PROPOSED SCHEDULE OF SERVICES AND CHARGES

14.1 Charges for service connections

14.1.1 The following table shows the charges for service connections

Table 14-1Proposed Service Connection Charges

	Particulars	Category	Existing Charges (Rs.)	Proposed Charges [Rs]
(A)	New LT/ HT overhead service lines	(i) One hut one Bulb	Nil	Nil
		(ii) Other single phase Services	250	250
		(iii) Three phase Services	500	500
		(iv)L.T C.T operated Meter services	3000	3000
		(v) H.T Services	5000	5000
(B)	New LT underground service lines	(i) Single Phase services -	500	500
		(ii) Three phase Services	1000	1000
(C)	Rating / re-rating of services	(i)Single phase Services	125	125
		(ii)Three phase Services	250	250
		(iii) L.T C.T operated Meter service	1500	1500
		(iv) H.T Service	2500	2500

Note: *The above charges under (A) & (B) will be applicable for addition or alteration or reduction of connected load and enhancement or reduction of CMD or alteration of internal Electrical installations*.

14.2 Testing of installation

14.2.1 Testing for servicing a new installation (or of an extension or alteration) - For the first test No Charge. Subsequent testing warranted due to absence of contractor or his representative (or) due to defects in wiring of consumer's premises or at the request of the consumer or at occasions that warrant testing of installations for the second time for reasons attributable to the consumers

Table 14-2: Proposed Testing of Installation Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) Domestic lighting / Commercial lighting / Agriculture Services	200	200
(ii) Other LT Services	900	900
(iii) HT/EHT Services	7500	7500

14.3 Testing of meters & metering arrangements

14.3.1 For testing of meter at the instance of the consumer

Table 14-3: Proposed Testing of Metering Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) Single phase direct meter	150	150
(ii) Three phase direct meter upto 50 A	200	200
(iii) L.T C.T coil test	800	800
(iv) H.T Tri-vector Meter (0.5 class accuracy or CT operated LT meters.	1500	1500
(v) H.T Tri-vector Meter (0.2 class accuracy)	2000	2000
(vi) H.T Metering Cubicle	3500	3500

14.4 Testing of HT/EHT consumer protective equipment

Table 14-4: Proposed Testing of HT/EHT Consumer Equipment Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
Testing charges for protective relays (Earth fault, line fault etc.)	4500	4500
Testing charges for one set of current transformer	4500	4500
Testing charges for one set of potential transformers	4500	4500
Testing charges for one set of circuit breaker	4500	4500
Testing charges for measurement of earth resistance	3000	3000
Testing charges for Transformer oils	500	500

14.5 Disconnection / Re-connection charges

Table 14-5: Proposed Disconnection/Reconnection Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) Disconnection of L.T service on request	100	100
(ii) Disconnection of HT service on request	500	500
(iii) Reconnection of L.T Service (on all occasions).	100	100
(iv)Reconnection of HT Service (on all occasions).	500	500

14.6 Title transfer of services

Table 14-6: Proposed Disconnection/Reconnection Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) Domestic	250	250
(ii) Commercial lighting installation	500	500
(iii) All other LT installation	1000	1000
(iv) HT/EHT Services	2000	2000

14.7 Furnishing of certified copies (to be issued to the consumers only)

Table 14-7: Proposed Certified Copies Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) Issue of duplicate Monthly bills for a month.	10	10
(ii) Contractor's completion-cum-test report	10	10
(iii) Ledger extract	20.00 / calendar year or part thereof.	20.00 / calendar year or part thereof.
(iv) Agreement	50	50
(v) Estimate	50	50

14.8 Meter rent charges

Table 14-8: Proposed Meter Rent Charges

	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i)	Single-phase meter	10/- per meter/ month. or part thereof	10/- per meter/ month. or part thereof
(ii)	Three phase meter	25/- per meter/ month. or part thereof	25/- per meter/ month. or part thereof
(iii)	LT C.T operated meters	200/- per meter/ month. or part hereof	200/- per meter/ month. or part hereof
(iv)	HT/EHT metering equipments	500/- per meter/ month .or part thereof	500/- per meter/ month .or part thereof

14.9 Fuse renewal charges

Table 14-9: Proposed Fuse Renewable Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) Domestic	-NIL	-NIL
(ii) Commercial	50	50
(iii) L.T Industrial	50	50
(iv) High Tension/Extra High Tension installation	250	250

14.10 Shifting of meter board at consumer's request

Table 14-10: Proposed Shifting of meter board Charges

Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
(i) LT single phase supply	125	125
(ii) LT Three phase supply	250	250

CHAPTER 15. PRAYER TO THE HON'BLE COMMISSION

15.1 Prayer to the Hon'ble Commission

15.1.1 The Electricity Department, Government of Puducherry (PED) respectfully prays to the Hon'ble Commission to:

1) Admit the petition seeking True up for FY 2014-15 and FY 2015-16, Annual Performance Review for FY 2016-17 and Tariff determination for FY 2017-18 as per the provisions of JERC Tariff Regulations, 2009 and JERC (Multi Year Distribution Tariff) Regulations, 2014.

2) Approve the total recovery of True up of FY 2014-15 and FY 2015-16, Annual Performance Review for FY 2016-17 and Aggregate Revenue Requirement for FY 2017-18 and other claims as proposed by PED.

3) Review the actual performance of FY 2015-16 and approve the Aggregate Revenue Requirement (ARR) and gap for FY 2015-16 based on the unaudited accounts. It is submitted that the audited certificate is awaited and the audited accounts will be furnished to the Hon'ble Commission at the time of technical validation.

4) Approve the Expected Revenue from Charges (ERC) for FY 2017-18 and the consolidated gap till FY 2017-18.

5) To allow recovery of balance regulatory asset approved earlier upto FY 2012-13 in the FY 2017-18.

6) To allow the carrying cost as applicable to the petitioner upto FY 2015-16 post true-up of FY 2015-16 as the audited accounts will be made available till FY 2015-16.

7) To allow cost related to past interest on security deposit in ARR of FY 2017-18.

8) Grant approval for the schedule of tariff, charges for services and schedule of charges as made in the petition for FY 2017-18.

9) Grant any other relief as the Hon'ble Commission may consider appropriate.

10) The petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time.

11) To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

The petitioner declares that the subject matter of the petition has not been raised by the petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any order in relation thereto.

Annexure I: REGULATORY FORMATS

Format 1 – Energy Demand (FY 2014-15 to FY 2017-18)

Category of Consumer	FY 2014-15 (Audited)			FY 2015-16(Actuals)			FY 2016-17 (Current Year)			FY 2017-18 (Ensuing Year)		
	Consumers [No]	Connected load [HP / kVA]	Sales [MUs]	Consumers [No]	Connected load [HP / kVA]	Sales [MUs]	Consumers [No]	Connected load [HP / kVA]	Sales [MUs]	Consumers [No]	Connected load [HP / kVA]	Sales [MUs]
Domestic	286,495	-	635.22	306,385	-	675.00	315,896	506,829	758.39	321,112	530,206	891.74
Hut services	35,539	-	10.00	35,539	-	10.00	35,539	2,843	10.00	35,539	2,843	10.38
Commercial	46,938	-	182.22	51,674	-	198.00	53,256	109,627	204.45	51,460	119,092	217.71
Agriculture	6,849	59,538	57.00	6,854	44,654	57.00	6,871	44,654	57.00	6,836	44,654	57.00
Public lighting	49,893	-	26.00	50,055	-	26.00	50,221	6,058	24.00	51,297	6,119	29.32
Industrial	6,338	-	164.05	6,443	-	169.08	6,477	122,804	156.00	6,695	125,234	197.32
Water tanks	85	-	34.85	113	-	35.92	117		30.00	120		40.43
Temporary supply	-	-	6.12	-	-	7.00	-	-	6.00	-	-	-
Total LT	**432,137**	**59,538**	**1,115.46**	**457,063**	**44,654**	**1,178.00**	**468,377**	**792,815**	**1,245.84**	**473,059**	**828,148**	**1,443.90**
Industrial	337	234,717	805.16	352	241,634	818.00	359	247,272	885.99	374	316,566	983.97
Commercial	75	21,160	70.13	81	21,583	74.00	87	24,383	80.32	83	27,527	85.56
Government Establishment and Water Tank	53	19,186	55.96	53	19,570	60.00	54	20,222	64.01	60	30,504	68.18
Industrial EHT	7	83,997	319.60	7	85,677	268.00	7	83,586	290.01	8	120,912	398.99
Total HT	**472**	**359,060**	**1,250.85**	**493**	**368,464**	**1,220.00**	**507**	**375,463**	**1,320.32**	**525**	**495,509**	**1,536.70**
Total	**432,609**	**418,598**	**2,366.31**	**457,556**	**413,118**	**2,398.00**	**468,884**	**1,168,278**	**2,566.17**	**473,584**	**1,323,657**	**2,980.60**

Format 2 - Information regarding Distribution Loss of Licensee

S.No	Particulars	Calculation	Unit	Previous Year (Actuals)	Previous Year (Actuals)	Current Year (Revised est)	Ensuing Year (Approved)
				FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM *	A	MU	95.40	212.55	233.84	234.07
2	Input energy (metered Import) received at interface points of DISCOM network.	B	MU	2,681.35	2,590.54	2,767.36	3,079.17
3	Input energy (metered Export) by the DISCOM at interface points of DISCOM network.	C	MU	(51.34)	(56.12)	(56.14)	
4	**Total energy available for sale within the licensed area to the consumers of the DISCOM**	**D=A+B+C**	**MU**	**2,725.41**	**2,746.97**	**2,945.06**	**3,313.24**
5	Energy billed to metered consumers within the licensed area of the DISCOM	E	MU	2,299.31	2,331.00	2,499.17	2,913.22
6	Energy billed to un-metered consumers within the licensed area of the DISCOM **	F	MU	67.00	67.00	67.00	67.38
7	Power drawn by TNEB at Pondy periphery	Fa		23.92	24.19	18.11	
8	DELP savings	Fb					40.11
9	Sale to open access consumers through PED grid	Fc				16.11	
10	**Total energy billed**	**G=E+F+Fa-Fb+Fc**	**MU**	**2,390.23**	**2,422.19**	**2,600.39**	**2,940.49**
11	Amount billed to consumer within the licensed area of DISCOM (incl FPPCA)	H	Rs.Crs	1,181.00	1,130.40	1,258.05	1,504.11
12	Amount realized by the DISCOM out of the amount Billed at H	I	Rs.Crs	1,157.70	986.44	1,195.14	1,489.07
13	**Collection efficiency (%) (= Revenue realized/ Amount billed)**	**J=(I/H)x100**	**%**	**98.03%**	**87.26%**	**95.00%**	**99.00%**
14	**Energy realized by the DISCOM**	**K=L x G**	**MU**	**2,343.08**	**2,113.71**	**2,470.37**	**2,911.09**
15	**Distribution loss (%)**	**L={(D-G)/D}x100**	**%**	**12.30%**	**11.82%**	**11.70%**	**11.25%**
16	**AT&C Loss (%)**	**M={(D-K)/D}x100**	**%**	**14.03%**	**23.05%**	**16.12%**	**12.14%**

Format 3 – Energy Balance (in MUs)

Sr. No.	Item	April-March (Actuals)	April-March (Actuals)	April-March (Revised estimates)	Ensuing Year (Approved)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
A)	**Energy Requirement**				
1	Metered Sales	2,299.31	2,331.00	2,499.17	2,913.22
2	Unmetered Sales	67.00	67.00	67.00	67.38
3	**Total Sales within the UT**	**2,366.31**	**2,398.00**	**2,566.17**	**2,980.60**
4	**Savings under DELP scheme**				40.11
5	**Total Sales net of savings under DELP**	**2,366.31**	**2,398.00**	**2,566.17**	**2,940.49**
6	Sales to common pool consumers / UI	51.34	56.12	56.14	-
7	Sales outside State / UT				
8	Sale to Open access consumer			16.11	
9	Sales to Electricity Traders / Power Exchange				
10	Sales to other distribution licensees	23.92	24.19	18.11	
11	**Total Sales**	**2,441.57**	**2,478.31**	**2,656.53**	**2,940.49**
12	**T&D Losses**				
a	Loss(%)	12.30%	11.82%	11.70%	11.25%
b	Loss (MU)	335.18	324.78	344.68	372.75
13	**Total Energy Requirement**	**2,776.75**	**2,803.09**	**3,001.20**	**3,313.24**
B)	**Energy Availability**				
1	Net thermal generation (Own+ IPP + Share from Central Stations)	2,857.96	2,869.50	3,112.99	3,468.79
2	Net hydel generation (own+shared)				
3	Power purchase from Common Pool / UI / Traders / Exchange / Others	50.64	57.45	14.36	
4	**Net Power Purchased (1+2+3)**	**2,908.60**	**2,926.95**	**3,127.35**	**3,468.79**
5	Transmission Losses	131.86	123.86	126.15	155.55
6	**Total Energy Availability (4-5-6)**	**2,776.75**	**2,803.09**	**3,001.20**	**3,313.24**

Format 4 – Power Purchase Cost for FY 2014-15

Sr. No.	Source	Capacity (MW)	Firm allocation to Licensee		Purchase (MU)	External losses (%)	Energy recd. by Licensee (MU)	VC (Ps/ Unit)	FC (Rs. Crore)	VC (Rs.Crore)	Others (Rs.Crore)	Supplementary (Rs. Crore)	Total (Rs.Crore)
			%	MW									
A	**Central Sector Power Stations**												
I	**NTPC**	**5,600**	***3.63%***	**203**	**1,051.78**	**4.97%**	**999.46**	***195.41***	**77.58**	**205.53**	**4.04**	**2.44**	***289.59***
	RSTPS Stage I & II	*2,100*	*4.47%*	*94*	*435.38*	*4.97%*	413.72	240.75	25.72	104.82	0.56		*131.10*
	RSTPS Stage -III	*500*	*4.74%*	*24*	*68.01*	*4.97%*	64.62	250.66	7.48	17.05	0.07		*24.60*
	Talcher Stage- II	*2,000*	*3.44%*	*69*	*515.80*	*4.97%*	490.14	146.05	36.62	75.33	3.18		*115.13*
	Simhadri Stage- II	*1,000*	*1.67%*	*17*	*32.59*	*4.97%*	30.97	255.73	7.75	8.33	0.24		*16.33*
II	**NLC**	**1,890**	**6.50%**	**123**	***812.25***	**4.97%**	***771.85***	***219.31***	***58.59***	***178.14***	***1.58***	***1.59***	***239.90***
	NLC TPS II Stage I	*630*	*12.09%*	*76*	*495.80*	*4.97%*	471.14	*221.16*	30.36	109.65	0.95	0.28	*141.24*
	NLC TPS II Stage II	*840*	*3.53%*	*30*	*190.14*	*4.97%*	180.68	*221.16*	11.87	42.05	0.34	0.84	*55.11*
	NLC TPS I (Expn)	*420*	*4.06%*	*17*	*126.31*	*4.97%*	120.03	*209.30*	16.36	26.44	0.29	0.47	*43.55*
III	**NPCIL**	***2,320***	***3.56%***	***83***	***415.47***	**4.97%**	***394.81***	***267.37***	**-**	***111.09***	***3.38***	***1.68***	***116.15***
	MAPS	*440*	*1.82%*	*8*	*40.20*	*4.97%*	38.20	*202.59*	-	8.14	0.13	0.07	*8.34*
	KAPS	*880*	*4.32%*	*38*	*239.06*	*4.97%*	227.17	*298.32*	-	71.32	1.05	1.27	*73.64*
	Kudunkulam	*1,000*	*3.65%*	*37*	*136.22*	*4.97%*	129.44	*232.18*	-	31.63	2.20	0.34	*34.17*
IV	**Others**	***1,000***	***1.64%***	***16***	***483.07***	***3.82%***	***464.59***	***331.86***	***18.61***	***160.31***	***0.05***	***(0.06)***	*178.91*
	TNEB (Karaikal)				*356.11*	*4.00%*	341.87	*347.00*	-	123.57	0.00		*123.57*
	Vallur Thermal Project	*1,000*	*1.64%*	*16*	*85.04*	*4.97%*	80.81	*194.07*	15.67	16.50	0.03	(0.18)	*32.02*
	KSEB				*41.91*	*0.00%*	41.91	*482.78*	2.95	20.23	0.01	0.12	*23.31*
V	**OVER/ UNDER DRAWAL**				*50.64*	**0.00%**	50.64	*115.31*	-	5.84	-		**5.84**
B	**Within State Generations**												
I	**PPCL**	33	100%	*33*	*95.40*	**0.00%**	95.40	285.96	12.55	27.28	(0.98)		*38.85*
C	**OTHER CHARGES**				**-**			**-**	**-**	**-**	**65.29**	**7.51**	**72.80**
	PGCIL Transmission Charges & Other Charges										63.53	**7.23**	70.76
	POSOCO										0.88	0.07	0.95
	PCKL										0.88	0.20	1.08
D	**RPO Compliance Cost**										13.60		13.60
E	**Rebate**										(15.19)		(15.19)
F	**Total**	**10,842.50**	**4%**	**457.37**	**2,908.60**	**4.53%**	**2,776.75**	**236.60**	**167.33**	**688.18**	**71.78**	**13.16**	**940.45**

Format 4 – Power Purchase Cost for FY 2015-16

Sr. No.	Source	Capacity (MW)	Firm allocation to Licensee		Purchase (MU)	External losses (%)	Energy recd. by Licensee (MU)	VC (Ps/ Unit)	FC (Rs. Crore)	VC (Rs.Crore)	Others (Rs.Crore)	Supplementary (Rs. Crore)	Total (Rs.Crore)
			%	MW									
A	**Central Sector Power Stations**												
I	**NTPC**	**5,600**	***3%***	**193**	**1,103.47**	**4.80%**	**1,050.54**	**187.71**	**89.44**	**207.13**	**1.53**	**(9.00)**	***289.11***
	FSTPS and KSTPS											(0.03)	*(0.03)*
	RSTPS Stage I & II	*2,100*	*4.23%*	*89*	*476.92*	*4.80%*	454.05	*229.06*	*31.51*	*109.24*	*0.09*	*(5.19)*	*135.65*
	RSTPS Stage -III	*500*	*4.50%*	*23*	*90.54*	*4.80%*	86.20	*228.49*	*10.17*	*20.69*	*0.02*	*(0.41)*	*30.47*
	Talcher Stage- II	*2,000*	*3.28%*	*66*	*482.22*	*4.80%*	459.09	*132.96*	*34.87*	*64.11*	*1.47*	*(2.86)*	*97.59*
	Simhadri Stage- II	*1,000*	*1.63%*	*16*	*53.78*	*4.80%*	51.20	*243.32*	*12.90*	*13.09*	*(0.05)*	*(0.52)*	*25.42*
II	***NLC***	***2,890***	***5%***	***153***	***828.71***	**4.80%**	***788.96***	**234.06**	***71.02***	***193.97***	***0.66***	***1.93***	***267.62***
	NLC TPS II Stage I	*630*	*13.07%*	*82*	*469.31*	*4.80%*	446.80	*236.01*	*29.77*	*110.76*	*0.11*	*1.56*	*142.20*
	NLC TPS II Stage II	*840*	*3.69%*	*31*	*163.56*	*4.80%*	155.72	*235.35*	*11.01*	*38.49*	*0.00*	*0.00*	*49.51*
	NLC TPS I (Expn)	*420*	*4.07%*	*17*	*120.36*	*4.80%*	114.59	*223.93*	*16.15*	*26.95*	*0.18*	*0.40*	*43.69*
	NLC TPS II (Expn)	*500*	*3.53%*	*18*	*22.26*	*4.80%*	21.19	*223.38*	*4.65*	*4.97*	*0.47*	-	*10.08*
	NTPL	*500*	*1.08%*	*5*	*53.21*	*4.80%*	50.66	*240.26*	*9.44*	*12.78*	*(0.09)*	-	*22.14*
III	***NPCIL***	***2,320***	***3%***	***76***	***380.49***	**4.80%**	***362.24***	**295.68**		***112.50***	***4.37***	***2.09***	***119.04***
	MAPS	*440*	*1.79%*	*8*	*48.80*	*4.80%*	46.46	*202.65*		*9.89*	*0.18*	*0.11*	*10.18*
	KAPS Stage I	*440*	*4.20%*	*18*	*140.74*	*4.80%*	133.99	*298.26*		*41.98*	*1.05*	*1.41*	*44.44*
	KAPS Stage II	*440*	*3.75%*	*17*	*129.17*	*4.80%*	122.98	*298.39*		*38.54*	*0.62*		*39.17*
	Kudankulam	*1,000*	*3.35%*	*34*	*61.78*	*4.80%*	58.81	*357.64*		*22.09*	*2.52*	*0.65*	*25.26*
IV	***Others***	***1,000***	***2%***	***16***	***344.28***	***3.76%***	***331.34***	**318.69**	***22.62***	***109.72***	***0.15***	***(0.64)***	***131.85***
	TNEB (Karaikal)			-	*187.81*	*4.00%*	180.30	*347.00*		*65.17*	*0.00*		*65.17*
	Vallur Thermal Project	*1,000*	*1.64%*	*16*	*112.99*	*4.80%*	107.57	*198.02*	*19.61*	*22.37*	*0.04*	*(0.64)*	*41.38*
	KSEB	-			*43.48*	*0.00%*	43.48	*510.00*	*3.01*	*22.17*	*0.11*		*25.30*
V	**OVER/ UNDER DRAWAL**				*57.45*	*0.00%*	57.45			*7.26*			*7.26*
B	**PPCL**	33	100%	*33*	*212.55*	*0.00%*	212.55	*321.74*	*25.88*	*68.39*	***(1.85)***		**92.42**
C	**OTHER CHARGES**				-				-	-	***48.95***	**-**	**48.95**
	PGCIL Tr & Other Charges	-	-	-							47.65		47.65
	POSOCO										0.72		0.72
	PCKL										0.58		0.58
D	***RPO Compliance Cost***										26.25		26.25
E	**Rebate**										(14.89)		(14.89)
F	**Total**	**11,842.50**	**4%**	**471.97**	**2,926.95**	**4.23%**	**2,803.09**	**238.80**	**208.97**	**698.97**	**65.18**	**(5.51)**	**967.60**

Format 4 – Power Purchase Cost for FY 2016-17

Sr. No.	Source	Capacity (MW)	Firm allocation to Licensee		Purchase (MU)	External losses (%)	Energy recd. by Licensee (MU)	VC (Ps/ Unit)	FC (Rs. Crore)	VC (Rs.Crore)	Others (Rs.Crore)	Supplementary (Rs. Crore)	Total (Rs.Crore)
			%	MW									
A	**Central Sector Power Stations**												
I	**NTPC**	**5,600**	**3%**	**185**	**1,314.66**	**4.50%**	**1,255.50**	**197.61**	**89.44**	**259.79**	**(0.49)**	**0.16**	**348.90**
	KSTPS											(0.03)	*(0.03)*
	RSTPS Stage I & II	*2,100*	*4.00%*	*84*	*621.69*	*4.50%*	593.71	*209.33*	*31.51*	*130.14*	*(0.65)*	*(0.16)*	*160.84*
	RSTPS Stage -III	*500*	*4.26%*	*21*	*157.96*	*4.50%*	150.85	*214.35*	*10.17*	*33.86*	*0.04*	*0.02*	*44.09*
	Talcher Stage- II	*2,000*	*3.19%*	*64*	*427.53*	*4.50%*	408.29	*158.95*	*34.87*	*67.96*	*0.40*	*0.89*	*104.11*
	Simhadri Stage- II	*1,000*	*1.58%*	*16*	*107.49*	*4.50%*	102.65	*259.00*	*12.90*	*27.84*	*(0.28)*	*(0.57)*	*39.89*
II	***NLC***	***3,390***	***5%***	***165***	***1,116.17***	**4.50%**	**1,065.94**	**271.85**	**71.02**	**303.43**	**0.19**	**0.04**	**374.68**
	NLC TPS II Stage I	*630*	*11.80%*	*74*	*497.25*	*4.50%*	474.88	*292.63*	*29.77*	*145.51*	*0.07*	*0.02*	*175.37*
	NLC TPS II Stage II	*840*	*3.26%*	*27*	*186.94*	*4.50%*	178.53	*293.55*	*11.01*	*54.88*	*0.01*	-	*65.90*
	NLC TPS I (Expn)	*420*	*4.01%*	*17*	*119.50*	*4.50%*	114.12	*246.36*	*16.15*	*29.44*	*0.07*	*0.03*	*45.69*
	NLC TPS II (Expn)	*500*	*4.01%*	*20*	*134.36*	*4.50%*	128.32	*242.59*	*4.65*	*32.60*	*0.00*	*(0.01)*	*37.23*
	NTPL	*1,000*	*2.60%*	*26*	*178.11*	*4.50%*	170.09	*230.26*	*9.44*	*41.01*	*0.04*		*50.49*
III	***NPCIL***	***2,320***	***3%***	***73***	***396.31***	**4.50%**	***378.48***	**313.48**	**-**	***124.23***	***8.98***	***4.30***	***137.52***
	MAPS	*440*	*1.71%*	*8*	*37.79*	*4.50%*	36.09	*205.82*		*7.78*	*0.21*	*0.09*	*8.07*
	KAPS Stage I	*440*	*3.90%*	*17*	*101.79*	*4.50%*	97.21	*298.37*		*30.37*	*0.84*	*2.14*	*33.35*
	KAPS Stage II	*440*	*3.45%*	*15*	*87.70*	*4.50%*	83.75	*298.37*		*26.17*	*0.48*		*26.65*
	Kudankulam	*1,000*	*3.35%*	*34*	*169.03*	*4.50%*	161.43	*354.48*		*59.92*	*7.46*	*2.07*	*69.44*
IV	***Others***	***1,000***	***1%***	***15***	***448.45***	***3.74%***	***431.68***	**331.80**	***22.62***	***148.80***	***(0.01)***	***1.08***	***172.49***
	TNEB (Karaikal)				*309.33*	*4.00%*	296.96	*347.00*	-	*107.34*	*0.00*		*107.34*
	Vallur Thermal Project	*1,000*	*1.49%*	*15*	*97.63*	*4.50%*	93.24	*207.91*	*19.61*	*20.30*	*0.02*	*1.08*	*41.01*
	KSEB	-			*41.49*	*0.00%*	41.49	*510.00*	*3.01*	*21.16*	*(0.04)*		*24.14*
V	**OVER/ UNDER DRAWAL**				*14.36*		14.36			*0.26*			*0.26*
B	**Within State Generations**												-
	PPCL	33	*100%*	*33*	*233.84*	*0.00%*	233.84	*255.87*	*23.25*	*59.83*	***(1.00)***		**82.09**
C	**OTHER CHARGES**				-			-	-	-	***59.35***		**59.35**
	PGCIL Transmission Charges & Other Charges	-	-	-							*58.87*		58.87
	POSOCO										*0.48*		0.48
	PCKL												-
D	**RPO Compliance Cost**										17.02		17.02
E	**Rebate**										(19.72)		(19.72)
F	**Total**	**12,343**	**4%**	**470**	**3,523.79**	**4.09%**	**3,379.80**	**254.37**	**206.34**	**896.35**	**64.33**	**5.57**	**1,172.60**

Format 4 – Power Purchase Cost for FY 2017-18

Sr. No.	Source	Capacity (MW)	Firm allocation to Licensee		Purchase (MU)	External losses (%)	Energy recd. by Licensee (MU)	VC (Ps/ Unit)	FC (Rs. Crore)	VC (Rs.Crore)	Others (Rs.Crore)	Total (Rs.Crore)
			%	MW								
A												
I	**NTPC**	**5,600**	***3%***	**185**	**1,319.75**	**4.97%**	**1,254.16**	**197.63**	**89.44**	**260.83**	**-**	***350.27***
	RSTPS Stage I & II	*2,100*	*4.03%*	*84*	*626.35*	*4.97%*	595.22	*209.33*	*31.51*	*131.11*		*162.62*
	RSTPS Stage –III	*500*	*4.29%*	*21*	*159.07*	*4.97%*	151.16	*214.35*	*10.17*	*34.10*		*44.27*
	Talcher Stage- II	*2,000*	*3.19%*	*64*	*427.53*	*4.97%*	406.28	*158.95*	*34.87*	*67.96*		*102.82*
	Simhadri Stage- II	*1,000*	*1.57%*	*16*	*106.81*	*4.97%*	101.50	*259.00*	*12.90*	*27.66*		*40.56*
II	***NLC***	***2,390***	***7%***	***165***	***1,118.32***	**4.97%**	***1,062.74***	**271.85**	***71.02***	***304.01***	**-**	***375.03***
	NLC TPS II Stage I	*630*	*11.82%*	*74*	*498.10*	*4.97%*	473.34	*292.63*	*29.77*	*145.76*		*175.52*
	NLC TPS II Stage II	*840*	*3.27%*	*27*	*187.52*	*4.97%*	178.20	*293.55*	*11.01*	*55.05*		*66.06*
	NLC TPS I (Expn)	*420*	*4.00%*	*17*	*119.20*	*4.97%*	113.28	*246.36*	*16.15*	*29.37*		*45.52*
	NLC TPS II (Expn)	*500*	*4.00%*	*20*	*134.03*	*4.97%*	127.37	*242.59*	*4.65*	*32.51*		*37.16*
	NTPL	*1,000*	*2.62%*	*26*	*179.48*	*4.97%*	170.56	*230.26*	*9.44*	*41.33*		*50.77*
III	***NPCIL***	***3,320***	***3%***	***114***	***602.21***	**4.97%**	***572.28***	**327.35**	**-**	***197.14***	**-**	***197.14***
	MAPS	*440*	*1.71%*	*8*	*37.79*	*4.97%*	35.91	*205.82*	-	*7.78*		*7.78*
	KAPS Stage I	*440*	*3.93%*	*17*	*102.57*	*4.97%*	97.48	*298.37*	-	*30.61*		*30.61*
	KaPS Stage II	*440*	*3.48%*	*15*	*88.46*	*4.97%*	84.07	*298.37*	-	*26.39*		*26.39*
	Kudankulam	*2,000*	*3.70%*	*74*	*373.39*	*4.97%*	354.83	*354.48*	-	*132.36*		*132.36*
IV	***Others***	***1,000***	*1%*	***15***	***460.29***	**3.84%**	***442.62***	***332.23***	***22.62***	***152.92***	**-**	***175.55***
	TNEB (Karaikal)	-		-	*318.61*	*4.00%*	305.86	*347.00*	-	*110.56*		*110.56*
	Vallur Thermal Project	*1,000*	*1.51%*	*15*	*98.94*	*4.97%*	94.03	*207.91*	*19.61*	*20.57*		*40.18*
	KSEB	-		-	*42.73*	*0.00%*	42.73	*510.00*	*3.01*	*21.79*		*24.81*
V	**OVER/ UNDER DRAWAL**											
B	**Within State Generations**											
	PPCL	33	*100%*	33	*233.84*	*0.00%*	233.84	*255.87*	*23.25*	*59.83*		**83.08**
C	**OTHER CHARGES**							-	-	-	***71.56***	**71.56**
	PGCIL Transmission Charges & Other Charges										*70.13*	70.13
	POSOCO										*0.80*	0.80
	PCKL										*0.64*	0.64
D	***RPO Compliance Cost***										28.17	28.17
E	***Rebate***										(18.12)	(18.12)
F	**Total**	**12,342.50**	**0.04**	**511.04**	**3,734.42**	**4.52%**	**3,565.65**	**261.01**	**206.34**	**974.73**	**81.61**	**1,262.68**

Format 4 A – Power Purchase Cost (Under MoD) for FY 2016-17

Sr. No.	Source	Capacity (MW)	Firm allocation to Licensee		Purchase (MU)	External losses (%)	Energy recd. by Licensee (MU)	VC (Ps/ Unit)	FC (Rs. Crore)	VC (Rs.Crore)	Others (Rs.Crore)	Supplementary (Rs. Crore)	Total (Rs.Crore)
			%	MW									
A	**Central Sector Power Stations**												
I	**NTPC**	**5,600**	***3.30%***	**185**	**1,304.71**	**4.50%**	**1,246.00**	***197.14***	**89.44**	**257.21**	**(0.49)**	**0.16**	**346.32**
	KSTPS											*(0.03)*	*(0.03)*
	RSTPS Stage I & II	*2,100*	*4.00%*	*84*	*621.69*	*4.50%*	*593.71*	*209.33*	*31.51*	*130.14*	*(0.65)*	*(0.16)*	*160.84*
	RSTPS Stage –III	*500*	*4.26%*	*21*	*157.96*	*4.50%*	*150.85*	*214.35*	*10.17*	*33.86*	*0.04*	*0.02*	*44.09*
	Talcher Stage- II	*2,000*	*3.19%*	*64*	*427.53*	*4.50%*	*408.29*	*158.95*	*34.87*	*67.96*	*0.40*	*0.89*	*104.11*
	Simhadri Stage- II	*1,000*	*1.58%*	*16*	*97.54*	*4.50%*	*93.15*	*259.00*	*12.90*	*25.26*	*(0.28)*	*(0.57)*	*37.31*
II	***NLC***	**3,390**	***4.86%***	**165**	**729.68**	**4.50%**	**696.84**	***260.70***	**71.02**	**190.23**	**0.19**	**0.04**	**261.48**
	NLC TPS II Stage I	*630*	*11.80%*	*74*	*227.83*	*4.50%*	*217.58*	*292.63*	*29.77*	*66.67*	*0.07*	*0.02*	*96.53*
	NLC TPS II Stage II	*840*	*3.26%*	*27*	*69.88*	*4.50%*	*66.73*	*293.55*	*11.01*	*20.51*	*0.01*	-	*31.54*
	NLC TPS I (Expn)	*420*	*4.01%*	*17*	*119.50*	*4.50%*	*114.12*	*246.36*	*16.15*	*29.44*	*0.07*	*0.03*	*45.69*
	NLC TPS II (Expn)	*500*	*4.01%*	*20*	*134.36*	*4.50%*	*128.32*	*242.59*	*4.65*	*32.60*	*0.00*	*(0.01)*	*37.23*
	NTPL	*1,000*	*2.60%*	*26*	*178.11*	*4.50%*	*170.09*	*230.26*	*9.44*	*41.01*	*0.04*	-	*50.49*
III	***NPCIL***	**2,320**	***3.16%***	**73**	**396.31**	**4.50%**	**378.48**	***313.48***	**-**	**124.23**	**8.98**	**4.30**	**137.52**
	MAPS	*440*	*1.71%*	*8*	*37.79*	*4.50%*	*36.09*	*205.82*	-	*7.78*	*0.21*	*0.09*	*8.07*
	KAPS Stage I	*440*	*3.90%*	*17*	*101.79*	*4.50%*	*97.21*	*298.37*	-	*30.37*	*0.84*	*2.14*	*33.35*
	KAPS Stage II	*440*	*3.45%*	*15*	*87.70*	*4.50%*	*83.75*	*298.37*	-	*26.17*	*0.48*	-	*26.65*
	Kudankulam	*1,000*	*3.35%*	*34*	*169.03*	*4.50%*	*161.43*	*354.48*	-	*59.92*	*7.46*	*2.07*	*69.44*
IV	***Others***	***1,000.00***	***1.49%***	***14.90***	***448.45***	***3.74%***	***431.68***	***331.80***	***22.62***	***148.80***	***(0.01)***	***1.08***	***172.49***
	TNEB (Karaikal)				*309.33*	*4.00%*	*296.96*	*347.00*	-	*107.34*	*0.00*	-	*107.34*
	Vallur Thermal Project	*1,000*	*1.49%*	*15*	*97.63*	*4.50%*	*93.24*	*207.91*	*19.61*	*20.30*	*0.02*	*1.08*	*41.01*
	KSEB				*41.49*	*0.00%*	*41.49*	*510.00*	*3.01*	*21.16*	*(0.04)*	-	*24.14*
V	**OVER/ UNDER DRAWAL**				**14.36**	*0.00%*	*14.36*	-	-	*0.26*			*0.26*
B	**Within State Generations**												
	PPCL	*33*	*100%*	*33*	*233.84*	*0.00%*	*233.84*	*255.87*	*23.25*	*59.83*	*(1.00)*	-	*82.09*
C	**OTHER CHARGES**										***59.35***	**-**	***59.35***
	PGCIL Transmission Charges & Other Charges										*58.87*	-	*58.87*
	POSOCO										*0.48*	-	*0.48*
	PCKL										-	-	-
D	***RPO Compliance Cost***										*17.02*	-	17.02
E	***Rebate***										*(19.72)*	-	(19.72)
F	**Total**	**12,342.50**	**4%**	**470.28**	**3,127.35**	**4.03%**	**3,001.20**	**249.59**	**206.34**	**780.57**	**64.33**	**5.57**	**1,056.81**

Format 4 A – Power Purchase Cost (Under MoD) for FY 2017-18

Sr. No.	Source	Capacity (MW)	Firm allocation to Licensee		Purchase (MU)	External losses (%)	Energy recd. by Licensee (MU)	VC (Ps/ Unit)	FC (Rs. Crore)	VC (Rs.Crore)	Others (Rs.Crore)	Total (Rs.Crore)
			%	MW								
A	**Central Sector Power Stations**											
I	**NTPC**	**5,600**	3.30%	**185**	**1,247.33**	**4.97%**	**1,185.34**	***207.90***	**88.16**	**259.32**		**347.48**
	RSTPS Stage I & II	2,100	4.00%	84	621.95	4.97%	591.04	246.00	37.86	153.00		190.86
	RSTPS Stage –III	500	4.26%	21	155.82	4.97%	148.08	246.00	14.52	38.33		52.85
	Talcher Stage- II	2,000	3.19%	64	450.18	4.97%	427.81	140.00	18.62	63.03		81.65
	Simhadri Stage- II	1,000	1.58%	16	19.38	4.97%	18.42	256.00	17.16	4.96		22.12
II	***NLC***	**2,390**	***6.89%***	**165**	**942.38**	**4.97%**	**895.54**	***229.58***	**65.68**	**216.35**		**282.03**
	NLC TPS II Stage I	630	11.80%	74	497.40	4.97%	472.68	234.00	30.82	116.18		147.00
	NLC TPS II Stage II	840	3.26%	27	186.94	4.97%	177.65	234.00	11.00	43.67		54.67
	NLC TPS I (Expn)	420	4.01%	17	119.87	4.97%	113.91	220.00	15.63	26.37		42.00
	NLC TPS II (Expn)	500	4.01%	20	138.17	4.97%	131.30	218.00	5.79	30.12		35.91
	NTPL	1,000	2.60%	26		4.97%	-	264.00	2.44	-		2.44
III	***NPCIL***	**3,320**	***3.44%***	**114**	**573.83**	**4.97%**	**545.31**	***327.15***	**-**	**187.73**		**187.73**
	MAPS	440	1.71%	8	44.45	4.97%	42.24	203.00	-	9.02		9.02
	KAPS Stage I	440	3.93%	17	101.51	4.97%	96.46	298.00	-	30.25		30.25
	KAPS Stage II	440	3.48%	15	89.80	4.97%	85.34	298.00	-	26.76		26.76
	Kudankulam	2,000	3.70%	74	338.07	4.97%	321.27	360.00	-	121.70		121.70
IV	***Others***	***1,000.00***	***1.49%***	***14.90***	***471.18***	***3.86%***	***452.98***	***327.75***	***22.76***	***154.43***		***177.19***
	TNEB (Karaikal)				318.61	4.00%	305.87	347.00	-	110.56		110.56
	Vallur Thermal Project	1,000	1.49%	15	109.84	4.97%	104.38	201.00	19.78	22.08		41.86
	KSEB				42.73	0.00%	42.73	510.00	2.98	21.79		24.77
V	**OVER/ UNDER DRAWAL**											
B	**Within State Generations**											
	PPCL	33	100.00%	33	234.07	0.00%	234.07	351.00	24.26	82.16	-	**106.42**
C	**OTHER CHARGES**										***71.56***	***71.56***
	PGCIL Transmission Charges & Other Charges										70.13	70.13
	POSOCO										0.80	0.80
	PCKL										0.64	0.64
D	***RPO Compliance Cost***										28.17	28.17
E	**Rebate**										(18.12)	(18.12)
F	**Total**	**12,342.50**	**4%**	**511.04**	**3,468.79**	**4.48%**	**3,313.24**	**259.45**	**200.86**	**899.98**	**81.61**	**1,182.45**

Format 4 A –Information Regarding RPO

S.No	Description	Unit	Previous Year (Audit)					Previous Year (Actuals)	Ensuing Year (Revised estimates)	Ensuing Year (Projections)
			FY 2010-11	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**
1	Sales Within State	MUs	2,182.48	2,321.29	2,474.98	2,365.72	2,366.31	2,398.00	2,566.17	2,980.60
2	RPO Obligation	%	**1.00%**	**2.00%**	**3.00%**	**3.00%**	**3.30%**	**3.55%**	**3.95%**	**4.30%**
	- Solar	%	0.25%	0.30%	0.40%	0.40%	0.60%	0.85%	1.15%	1.50%
	- Non Solar	%	0.75%	1.70%	2.60%	2.60%	2.70%	2.70%	2.80%	2.80%
3	RPO Obligation	**MUs**	**21.82**	**46.43**	**74.25**	**70.97**	**78.09**	**85.13**	**101.36**	**128.17**
	- Solar	MUs	5.46	6.96	9.90	9.46	14.20	20.38	29.51	44.71
	- Non Solar	MUs	16.37	39.46	64.35	61.51	63.89	64.75	71.85	83.46
4	RPO Purchase	**MUs**								
	- Solar	MUs						69.00	20.00	
	- Non Solar	MUs			48.00	112.00	90.69	14.00	66.80	
5	Cumulative RPO Obligation									
	- Solar	MUs	5.46	12.42	22.32	31.78	45.98	(2.64)	6.87	51.58
	- Non Solar	MUs	16.37	55.83	72.18	21.69	(5.11)	45.64	50.69	131.14
6	Floor Price of REC Certificates /MWH									
	- Solar	Rs./MWh	9300				3500			
	- Non Solar	Rs./MWh	1500				1500			
7	Amount for RPO Compliance									
	- Solar	Rs. Crs							7.00	15.65
	- Non Solar	Rs. Crs							10.02	12.52
8	**Total (Rs Crores)**	**Rs. Crs**							**17.02**	**28.17**

Format 6 – CAPITAL BASE AND RETURN

(Rs. Crore)

Sr. No.	Particulars	Previous Year (Actuals)	Previous Year (Actuals)
		FY 2014-15	FY 2015-16
1	2	6	7
1	Gross block at beginning of the year	563.59	633.98
2	Opening CWIP		
3	Less accumulated depreciation	274.63	300.55
4	Less Opening Debt		
4	**Net block at beginning of the year**	**288.95**	**333.43**
5	Less accumulated consumer contribution	9.92	17.71
6	**Net fixed assets at beginning of the year**	**279.03**	**315.72**
7	**Reasonable return @3% of NFA**	**8.37**	**9.47**

(Rs. Crore)

Sr. No.	Particulars	R.E	Current Year (Rev. Est)	Ensuing Year (Projection)
		FY 2015-16	FY 2016-17	FY 2017-18
1	Gross block of the year	660.92	724.32	880.46
2	Less accumulated depreciation	328.46	358.41	396.37
3	Less accumulated consumer contribution	22.49	22.49	22.49
4	**Net Capital Base of the year**	**309.96**	**343.41**	**461.59**
5	Equity - 30% of Net Capital Base	92.99	103.02	138.48
6	**Return on Equity - 16%**		**15.68**	**19.32**

* - RoE for MYT control period in line with MYT Regulations 2014.

Format 6 A – DETAILS OF GFA / WIP AND CONSUMER CONTRIBUTION

Sr. No.	Particulars	WIP	Fixed Assets
1	As on 31st March of Previous year (13-14)	**102.99**	**563.59**
	Add capital expenditure during FY 2014-15	33.30	
	Add capitalised during FY 2014-15		70.39
	Total:	**136.29**	**633.98**
	Less transferred to fixed assets	70.39	
2	As on 31st March of Current year (14-15)	**65.90**	**633.98**
	Add capital expenditure during FY 2015-16	39.55	
	Add capitalised during FY 2015-16		26.94
	Total:	**105.45**	**660.92**
	Less transferred to fixed assets	26.94	
3	As on 31st March of enusing year (15-16)	**78.51**	**660.92**
	Add capital expenditure during FY 2016-17	83.00	
	Add capitalised during FY 2016-17		63.40
	Total:	**161.51**	**724.32**
	Less transferred to fixed assets	63.40	
4	As on 31st March of Ensuing year (16-17)	**98.11**	**724.32**
	Add capital expenditure during FY 2017-18	206.53	
	Add capitalised during FY 2017-18		156.14
	Total:	**304.64**	**880.46**
	Less transferred to fixed assets	156.14	
5	**As on 31st March of ensuing year (17-18)**	**148.50**	**880.46**

6B - Details of Consumer contribution

Sr.	Particulars	Amount
A	**Accumulated Depreciation**	
1	As on 31st March of Previous year (13-14)	**274.63**
2	Add: Depreciation for current year (14-15)	25.92
3	As on 31st March of current year (14-15)	**300.55**
4	Add: Depreciation for current year (15-16)	**27.91**
5	As on 31st March of current year (15-16)	**328.46**
	Consumers Contribution	
1	As on 31st March of Previous year (13-14)	**9.92**
2	Add: Consumer Contribution for current year (14-15)	7.79
3	As on 31st March of current year (14-15)	**17.71**
4	Add: Consumer Contribution for current year (15-16)	4.79
5	As on 31st March of current year (15-16)	**22.49**

Format 7 – COST OF FIXED ASSETS

(Rs. Crore)

Assets group	Value of assets at the beginning of previous year *	Addition during previous year	Closing balance at the end of previous year	Addition during previous year	Closing balance at the end of previous year	Addition during previous year	Closing balance at the end of previous year	Addition during previous year	Closing balance at the end of previous year
	2014-15	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18
Land and Land rights	7.35		7.35		7.35		7.35	0.66	8.01
Building	17.37		17.37		17.37		17.37		17.37
Plant & Machinery	309.30	31.30	340.61	26.98	367.59	22.50	390.09	92.08	482.17
Lines and Cables Network	194.62	39.02	233.64		233.64	30.09	263.73	58.52	322.25
Vehicles	1.89	0.05	1.94	(0.05)	1.89		1.89		1.89
Furniture and Fixtures	0.13	0.02	0.15		0.15		0.15		0.15
Office Equipments	0.84		0.84		0.84		0.84		0.84
IT Equipments	2.00		2.00		2.00	7.50	9.50	0.69	10.19
Testing & Measuring Equipments	3.31		3.31		3.31	3.31	6.63	4.19	10.82
SCADA Centre	26.77		26.77		26.77		26.77		26.77
Others	-		-		-		-		-
Total	**563.59**	**70.39**	**633.98**	**26.94**	**660.92**	**63.40**	**724.32**	**156.14**	**880.46**

Format 8 – DETAILS OF WORK IN PROGRESS

(Rs. Crore)

S. No.	Particulars	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Revised Est)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Opening Balance	102.99	65.90	78.51	98.11
2	Add: New Investments	33.30	39.55	83.00	206.53
3	Total	136.29	105.45	161.51	304.64
4	Less Investment Capitalized	70.39	26.94	63.40	156.14
5	Closing Balance	65.90	78.51	98.11	148.50

Format 9 – INTEREST CAPITALISED

(Rs. Crore)

S. No.	Interest Capitalized	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Revised Est)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	WIP	65.90	78.51	98.11	148.50
2	GFA* at the end of the year	633.98	660.92	724.32	880.46
3	WIP+GFA at the end of the year	699.88	739.43	822.43	1,028.96
4	Interest (excluding interest on WCL*)	16.84	19.86	20.62	26.65
5	Interest Capitalized	-	-	1.25	2.62

Format 10 – DETAILS OF LOANS

Details of loans for FY 2014-15 (Actuals) (Rs. Crore)

Sl. No.	Particulars (source)	Opening balance	Rate of interest *	Addition during the year	Repayment during the year	Closing balance	Amount of Interest paid
1	SLR Bonds	-					-
2	Non SLR Bonds	-					-
3	LIC	-					-
4	REC	-				-	-
5	Commercial Banks	-					-
6	Letter of Credit Charges	-					-
7	Lease rental	7.77	8.22%		1.49	6.28	0.53
8	PFC / REC *	18.60	11.50%		-	18.60	2.14
9	PFC - Loan No.18003004	-					-
10	PFC - Loan No.18233001 to 004	-					-
11	Working capital loan	-					-
12	Others	-					-
13	**Total**	**26.37**		**-**	**1.49**	**24.88**	**2.67**
14	Add Govt. loan	-					-
	-State Govt.	-					-
	-Central Govt.	-					-
	Total	**-**	**-**	**-**	**-**	**-**	**-**
15	**Total (13+14)**	**26.37**		**-**	**1.49**	**24.88**	**2.67**
16	Less capitalization #	-					
17	**Net interest**	**26.37**	**-**	**-**	**1.49**	**24.88**	**2.67**
18	**Add prior period**	-					
19	**Total interest**	**26.37**	**-**	**-**	**1.49**	**24.88**	**2.67**
20	**Finance charges**	-					**1.96**
21	**Total Interest and Finance Charges**	**26.37**	**-**	**-**	**1.49**	**24.88**	**4.64**

Details of loans for FY 2015-16 (Actuals) (Rs. Crore)

Sl. No.	Particulars (source)	Opening balance	Rate of interest *	Addition during the year	Repayment during the year	Closing balance	Amount of Interest paid
1	SLR Bonds	-				-	-
2	Non SLR Bonds	-				-	-
3	LIC	-				-	-
4	REC	-				-	-
5	Commercial Banks	-				-	-
6	Letter of Credit Charges	-				-	-
7	Lease rental	6.28	8.22%		1.62	4.66	0.40
8	PFC / REC *	18.60	11.50%			18.60	2.14
9	PFC - Loan No.18003004	-				-	-
10	PFC - Loan No.18233001 to 004	-				-	-
11	Working capital loan	-				-	-
12	Others/ JICA	-	6%			-	-
13	**Total**	**24.88**		**-**	**1.62**	**23.26**	**2.54**
14	Add Govt. loan	-				-	-
	-State Govt.	-				-	-
	-Central Govt.	-				-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**
15	**Total (13+14)**	**24.88**		**-**	**1.62**	**23.26**	**2.54**
16	Less capitalization #						
17	**Net interest**	**24.88**		**-**	**1.62**	**23.26**	**2.54**
18	**Add prior period**						
19	**Total interest**	**24.88**	**-**	**-**	**1.62**	**23.26**	**2.54**
20	**Finance charges**						**2.32**
21	**Total Interest and Finance Charges**	**24.88**	**-**	**-**	**1.62**	**23.26**	**4.86**

Details of loans for FY 2016-17 (Revised Estimates) (Rs. Crore)

Sl. No.	Particulars (source)	Opening balance	Rate of interest *	Addition during the year	Repayment during the year	Closing balance	Amount of Interest paid
1	SLR Bonds	-	-			-	-
2	Non SLR Bonds	-	-			-	-
3	LIC	-	-			-	-
4	REC	-	-			-	-
5	Commercial Banks	-	-			-	-
6	Letter of Credit Charges	-	-			-	-
7	Lease rental	4.66	8.22%		4.66	-	0.19
8	PFC / REC *	18.60	11.50%	17.00		35.60	3.12
9	PFC - Loan No.18003004	-				-	-
10	PFC - Loan No.18233001 to 004	-				-	-
11	Working capital loan	-				-	-
12	Others/JICA	-	6%			-	-
13	**Total**	**23.26**		**17.00**	**4.66**	**35.60**	**3.31**
14	Add Govt. loan	-					
	-State Govt.	-					
	-Central Govt.	-					
	Total	**-**	**-**	**-**	**-**	**-**	**-**
15	**Total (13+14)**	**23.26**		**17.00**	**4.66**	**35.60**	**3.31**
16	Less capitalization #						**1.25**
17	**Net interest**	**23.26**		**17.00**	**4.66**	**35.60**	**2.06**
18	**Add prior period**						
19	**Total interest**	**23.26**	**-**	**17.00**	**4.66**	**35.60**	**2.06**
20	**Finance charges**						**2.43**
21	**Total Interest and Finance Charges**	**23.26**	**-**	**17.00**	**4.66**	**35.60**	**4.50**

Details of loans for FY 2017-18 (Ensuing Year) (Rs. Crore)

Sl. No.	Particulars (source)	Opening balance	Rate of interest *	Addition during the year	Repayment during the year	Closing balance	Amount of Interest paid
1	SLR Bonds	-	-			-	-
2	Non SLR Bonds	-	-			-	-
3	LIC	-	-			-	-
4	REC	-	-			-	-
5	Commercial Banks	-	-			-	-
6	Letter of Credit Charges	-	-			-	-
7	Lease rental	-	8.22%			-	-
8	PFC / REC *	35.60	11.50%	30.00		65.60	5.82
9	PFC - Loan No.18003004	-				-	-
10	PFC - Loan No.18233001 to 004	-				-	-
11	Working capital loan	-				-	-
12	Others/JICA	-	6%	128.47		128.47	3.85
13	**Total**	**35.60**		**158.47**	**-**	**194.07**	**9.67**
14	Add Govt. loan	-					
	-State Govt.	-					
	-Central Govt.	-					
	Total	**-**	**-**	**-**	**-**	**-**	**-**
15	**Total (13+14)**	**35.60**		**158.47**	**-**	**194.07**	**9.67**
16	Less capitalization #						**2.62**
17	**Net interest**	**35.60**		**158.47**	**-**	**194.07**	**7.05**
18	**Add prior period**						
19	**Total interest**	**35.60**	**-**	**158.47**	**-**	**194.07**	**7.05**
20	**Finance charges**						**2.56**
21	**Total Interest and Finance Charges**	**35.60**	**-**	**158.47**	**-**	**194.07**	**9.61**

Format 10A – NORMATIVE LOAN & INTEREST CALCULATION

(Rs. Crore)

S. No.	Particulars	Previous Year (Actuals)	Previous Year (Actuals)	Current Year (Rev. Est)	Ensuing Year (Projection)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Opening Normative Loan	94.27	134.12	139.56	153.99
2	Add: Normative Loan during the Year	49.28	18.85	44.38	109.30
3	Less: Normative Repayment	9.43	13.41	29.95	37.96
4	**Closing Normative Loan**	134.12	139.56	153.99	225.33
4	Average Normative Loan	**114.19**	**136.84**	**146.78**	**189.66**
5	Rate of Interest (@SBAR rate)	14.75%	14.51%	14.05%	14.05%
6	**Interest on Normative Loan**	**16.84**	**19.86**	**20.62**	**26.65**
7	Other Finance Charges	1.96	2.32	2.43	2.56
8	**Total Interest & Finance Charges**	**18.81**	**22.18**	**23.06**	**29.20**

Format 11 – INFORMATION REGARDING RESTRUCTURING OF OUTSTANDING LOANS DURING THE FY 2014-15 TO FY 2017-18

Sr. No.	Source of loan	Amount of original loan (Rs. Crores)	Old rate of interest	Amount already restructured (Rs. Crores)	Revised rate of interest	Amount now being restructured (Rs. Crores)	New rate of interest
1		NIL					

Format 12 – VALUE OF ASSETS AND DEPRECIATION CHARGES

(Rs.Crores)

Sr. No.	Name of the Assets	Rate of Dep*	Previous Year (Actuals) FY 2014-15		Previous Year (Actuals) FY 2015-16		Revised Estimates FY 2016-17		Ensuing Year FY 2017-18	
			Assets value at the beginning of the year	Depreciation charges	Assets value at the beginning of the year	Depreciation charges	Assets value at the beginning of the year	Depreciation charges	Assets value at the beginning of the year	Depreciation charges
1	Land and Land rights	0.00%	7.35		7.35	-	7.35	-	7.35	-
2	Building	3.34%	17.37	0.54	17.37	0.54	17.37	0.54	17.37	0.54
3	Plant & Machinery	5.28%	309.30	14.44	340.61	16.76	367.59	17.35	390.09	18.06
4	Lines and Cables Network	5.28%	194.62	9.33	233.64	9.11	233.64	9.91	263.73	12.46
5	Vehicles	9.50%	1.89	0.04	1.94	0.02	1.89	0.02	1.89	0.04
6	Furniture and Fixtures	6.33%	0.13	0.00	0.15	0.01	0.15	0.01	0.15	0.00
7	Office Equipments	6.33%	0.84	0.03	0.84	0.02	0.84	0.02	0.84	0.03
8	IT Equipments	15.00%	2.00	0.07	2.00	0.04	2.00	0.61	9.50	1.25
9	Testing & Measuring Equipments	5.28%	3.31	0.15	3.31	0.10	3.31	0.19	6.63	0.44
10	SCADA Centre	6.33%	26.77	1.31	26.77	1.31	26.77	1.31	26.77	1.31
11	Others					-		-		-
	Total		**563.59**	**25.92**	**633.98**	**27.91**	**660.92**	**29.95**	**724.32**	**37.96**

Format 13 – REPAIR AND MAINTENANCE EXPENSES

(Rs. Crore)

S. No	Particulars	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Projections)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Plant & machinery	2.92	2.73		
2	Building				
3	Minor R&M works	4.80	6.89		
4	**Total**	**7.71**	**9.62**	**19.01**	**22.02**
5	Add/Deduct share of others (To be specified)				
6	**Total expenses**	7.71	9.62	19.01	22.02
7	Less : Capitalized				
8	**Net expenses**	7.71	9.62	19.01	22.02
9	Add: prior period				
10	**Total expenses charged to revenue as R&M expenses**	**7.71**	**9.62**	**19.01**	**22.02**

Format 14 – NO. OF EMPLOYEES

Sr. No.	Particulars	Previous Year (Actuals)	Previous Year (Actuals)	Current Year (Projections)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Number of employees as on 1st April	2,149	2,097	2,179	2,172
2	Employees on deputation/ foreign service as on 1st April		-	-	-
3	Total number of employees as on 1st April (1+2)	**2,149**	**2,097**	**2,179**	**2,172**
4	Recruitment	-	172	116	60
5	Number of employees retired/ retiring during the year	52	90	123	52
6	Number of employees at the end of the year (3+4-5)	**2,097**	**2,179**	**2,172**	**2,180**

Format 15 –EMPLOYEE COST

(Rs. Crore)

Sr.No	Particulars	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Projections)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Salaries& Allowances				
1	Salary	87.78	90.91	101.80	
2	Wages	0.64	0.64	0.71	
3	Stipend	0.40	0.46	0.52	
4	Transport Allowance	0.47	0.54	0.61	
5	Overtime allowance	0.78	1.76	1.97	
6	**Total**	**90.07**	**94.31**	**105.61**	**93.65**
7	Less: Add/Deduct share of others	1.94	1.85	1.88	
8	**Total**	**88.13**	**92.46**	**103.72**	**93.65**
9	Less: Amount capitalized	12.21	14.26	14.52	
10	Net amount	**75.93**	**78.21**	**89.20**	**93.65**
11	Add : prior period expenses				-
12	**Total Employee Expenses**	**75.93**	**78.21**	**89.20**	**93.65**

Format 16 –ADMINISTRATION AND GENERAL EXPENSES

(Rs. Crore)

Sr. No.	Particulars	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Revised Estimates)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Rent, rates & taxes	0.54	0.33	0.33	
2	Other Professional charges including Regulatory Expenses (License + Petition Fees)	2.54	3.52	3.59	
3	Office Expenses including Legal, Professional & Special Service Charges	2.66	1.20	1.22	
4	Advertisement & Publicity	0.30	0.29	0.29	
5	Other A&G Charges	0.04	0.07	0.07	
6	Other professional charges	-		-	
7	Conveyance & Travel expense	-			
8	Electricity & water charges			-	
9	Others	0.26	0.26	0.26	
10	Freight			-	
11	Incentives to consumers	4.54	15.68	22.82	
12	Grant - in - Aid				
12	Other material related expenses	0.05	0.16	0.17	
13	EESL Charges	3.65	4.71	4.79	
14	**Total**	**14.59**	**26.21**	**33.54**	**5.56**
15	Add/Deduct share of others (to be specified)				
16	**Total expenses**	**14.59**	**26.21**	**33.54**	**5.56**
17	Less: Capitalized				
18	**Net expenses**	**14.59**	**26.21**	**33.54**	**5.56**
19	Add: Prior period				
20	**Total A&G Expenses charged to revenue**	**14.59**	**26.21**	**33.54**	**5.56**

Format 17 – INFORMATION REGARDING BAD AND DOUBTFUL DEBTS

(Rs. Crore)

Sr. No.	Particulars	Previous Year (Actuals)	Previous Year (Actuals)	Current Year (Estimated)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Amount of receivables	551.93	678.19	678.19	678.19
2	Bad and doubtful debts actually written-off in the books of accounts				
3	**Provision made for debts in ARR**	-	-	-	-

Format 18 – INFORMATION REGARDING WORKING CAPITAL

(Rs. Crore)

S. No.	Particulars	Previous Year (Audit)	Previous Year (Actual)
		FY 2014-15	FY 2015-16
1	Power Purchase Cost - 1 Month	78.37	80.44
2	Employee Cost - 1 Month	6.33	6.52
3	Administration & General Expenses - 1 Month	1.22	2.18
4	R&M Cost - 1 Month	0.64	0.80
5	Less: Security Deposit Opening Bal.	123.48	144.79
6	**Total**	**(36.92)**	**(54.84)**
7	**Interest Rate ***	14.75%	14.75%
8	**Interest on working capital**	-	-

* - Working Capital for Previous year as per JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009

Sr. No.	Particulars	Current Year (Estimated)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18
1	Two Months Receivable	209.63	233.38
2	Power Purchase Cost for one month	88.07	98.54
3	Total Consumer Security Deposit	178.36	195.15
4	Consumer Security Deposit excluding Bank Guarantee/ Fixed Deposit Receipts	178.36	195.15
5	Inventory for two months based on Aggregate Revenue Requirement of previous year	8.92	8.92
6	**Total (1-2-4+5)**	**(47.88)**	**(51.38)**
7	**Interest Rate ***	9.30%	9.30%
8	**Interest on working capital**	-	-

* - Working Capital for ensuing year as per MYT Regulations 2014

Format 18A – INFORMATION ON SECURITY DEPOSIT FROM CONSUMERS

(Rs. Crore)

S. No.	Particulars	Previous Year (Audit)	Previous Year (Actual)	Current Year (Est.)	Ensuing Year (Projection)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Opening Security Deposit	123.48	144.79	161.58	178.36
2	Add: Deposits during the Year	21.31	16.79	16.79	16.79
3	Less: Deposits refunded		-	-	-
4	Less: Deposits in form of BG/FDR		-	-	
5	**Closing Security Deposit**	**144.79**	**161.58**	**178.36**	**195.15**
6	**Bank Rate**	8.50%	8.50%	7.75%	7.00%
7	**Interest on Security Deposit**	**11.40**	**13.02**	**13.17**	**13.07**

Format 18B – PROVISIONS OF INTEREST ON SECURITY DEPOSITS FROM CONSUMERS

(Rs. Crore)

Sr. No.	Particulars	Previous Year (Audit)						Current Year (Actuals)	Current Year (Est.)
		FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
1	Opening Security Deposit			64.25	73.03	95.90	123.48	144.79	161.58
2	Add: Deposits during the Year			8.78	22.87	27.58	21.31	16.79	16.79
3	Less: Deposits refunded			-	-	-	-	-	
4	Less: Deposits in form of BG/FDR			-	-				
5	**Closing Security Deposit**			**73.03**	**95.90**	**123.48**	**144.79**	**161.58**	**178.36**
6	**Bank Rate**			6.00%	9.50%	8.50%	8.50%	8.50%	7.75%
7	**Interest on Security Deposit ***	**2.99**	**3.18**	**4.12**	**8.02**	**9.32**	**11.40**	**13.02**	**13.17**
8	**Cumulative Security Depsit of Past Years**	**65.23**							
9	**Security Deposit Paid**			**-**	**-**	**-**	**1.97**	**2.88**	**4.00**
10	Balance Security Deposit to be Paid during control Period	**56.39**							

Format 19 – INFORMATION REGARDING FOREIGN EXCHANGE RATE VARIATION (FERV)

Sr. No.	Particulars	Previous Year (Audit)	Previous Year (Provisional)	Current Year (Provisional)	Ensuing Year (Projections)		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
1	Amount of liability provided	**NIL**					
2	Amount recovered						
3	Amount adjusted						

Format 20 – NON-TARIFF INCOME

(Rs. Crore)

S. No.	Particulars	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Revised Estimates)	Ensuing Year (Projections)
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	Meter/service rent				
2	Late payment surcharge				
3	UI Sales / Sales to Exchange	2.06	1.77	5.39	
4	Wheeling charges under open access			5.30	
5	Income from trading of Materials	0.06	0.18	0.07	0.07
6	Income staff welfare activities				
7	Misc. Receipts/income	2.48	4.53	2.73	2.87
8	**Total income**	**4.60**	**6.49**	**13.49**	**2.93**
9	Add: Prior Period income				
10	**Total Non-Tariff income**	**4.60**	**6.49**	**13.49**	**2.93**

Format 21 – REVENUE FROM OTHER BUSINESS

Sr. No.	Particulars	Previous Year (Audit)	Previous Year (Actual)	Previous Year (Actual)	Ensuing Year (Projections)		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
1	Total revenue from other business	NIL					
2	Income from other business to be considered for licensed business as per regulations						

Format 22 – LEASE DETAILS

Name of Lesser	Gross Assets (Rs. Crore)	Lease entered on	Lease Rentals (Crs/pm)	Primary period ended/ ending by	Secondary period ending by
Power Grid	23.07	07-01-2002	0.22	06-01-2017	NA

Format 23 – WHOLESALE PRICE INDEX (ALL COMMODITIES)

Sr. No.	Period	WPI	Increase over previous year
1	Financial Year 2010-11	143.33	
2	Financial Year 2011-12	156.13	8.93%
3	Financial Year 2012-13	167.62	7.36%
4	Financial Year 2013-14	177.64	5.98%
5	Financial Year 2014-15	181.19	2.00%
6	Financial Year 2015-16	176.67	-2.49%
7	**Average WPI of last three years**		**1.83%**

Format 24 – EQUITY AND LOAN

S. No.	Period	Amount of equity (Rs. Crore) *	Amount of loan (Rs. Crore)	Ratio of equity & loan
1	As on March 31 of FY2011-12		51.03	
2	As on March 31 of FY 2012-13	88.81	98.30	47 : 53
3	As on March 31 of FY 2013-14	83.71	94.27	47 : 53
4	As on March 31 of FY 2014-15	94.72	114.19	45 : 55
5	As on March 31 of FY 2015-16	92.99	136.84	40 : 60
6	As on March 31 of FY 2016-17	103.02	146.78	41 : 59
7	As on March 31 of FY 2017-18	138.48	189.66	42 : 58
8	As on March 31 of FY 2018-19	168.59	253.94	40 : 60

Format 25 – ANNUAL REVENUE REQUIREMENT FOR FY 2014-15 (ACTUALS)

(Rs. Crore)

S. No.	Item of expense	Revised by Licensee	Approved by the Commission	Actuals as per Accounts
1	Cost of fuel			
2	Cost of power purchase including RPO Provision to meet obligation of the previous years	970.62	963.84	940.45
3	Employee costs	75.32	75.32	75.93
4	Administration and General expenses	5.36	5.36	14.59
5	R&M expenses	19.12	19.12	7.71
6	Depreciation	30.86	30.86	25.92
7	Interest charges (including interest on working capital)	19.38	19.38	18.81
8	Return on NFA /Equity	10.67	8.37	8.37
9	Provision for Bad Debt			-
10	Interest on Consumer Security Deposit Paid	4.00	4.00	1.97
11	**Total Revenue Requirement**	**1,135.33**	**1,126.25**	**1,093.75**
12	Less: Non-Tariff Income	4.88	4.88	4.60
13	**Net Revenue Requirement (11-12)**	**1,130.45**	**1,121.37**	**1,089.15**
14	Revenue from Tariff *	1,089.13	1,142.70	1,077.06
15	**Revenue Gap (13-14)**	**41.32**	**(21.33)**	**12.09**
16	Additional Surcharge	103.94	110.50	103.94
17	**Net Revenue Gap after Surcharge (15-16)**	**(62.62)**	**(131.83)**	**(91.84)**
18	**Energy sales (MU)**	**2,542.53**	**2,498.65**	**2,366**
19	**Average Cost of Supply (Rs/kWh)**	**4.45**	**4.49**	**4.60**

** -Energy Sales doesn't include sale through UI / Export to Exchange*

Format 25 – ANNUAL REVENUE REQUIREMENT FOR FY 2015-16 (ACTUALS)

(Rs. Crore)

S. No.	Item of expense	Revised by Licensee	Approved by the Commission	Actuals as per Accounts
1	Cost of fuel			
2	Cost of power purchase including RPO Provision to meet obligation of the previous years	1037.92	1,029.33	967.60
3	Employee costs	80.32	78.22	78.21
4	Administration and General expenses	11.50	5.68	26.21
5	R&M expenses	15.12	18.35	9.62
6	Depreciation	27.80	26.89	27.91
7	Interest charges (including interest on working capital)	24.12	21.31	22.18
8	Return on NFA /Equity	9.47	8.65	9.47
9	Provision for Bad Debt			-
10	Interest on Consumer Security Deposit Paid	2.50	2.50	2.88
11	**Total Revenue Requirement**	**1208.75**	**1,190.93**	**1,144.07**
12	Less: Non-Tariff Income	3.83	3.83	6.49
13	**Net Revenue Requirement (11-12)**	**1204.92**	**1,187.10**	**1,137.58**
14	Revenue from Tariff *	1,164.07	1,164.12	1,101.82
15	**Revenue Gap (13-14)**	**40.85**	**22.98**	**35.77**
16	Additional Surcharge	30.11	30.10	28.59
17	**Net Revenue Gap after Surcharge (15-16)**	**10.74**	**(7.12)**	**7.18**
18	**Energy sales (MU)**	**2,473.07**	**2,472.42**	**2,398**
19	**Average Cost of Supply (Rs/kWh)**	**4.87**	**4.80**	**4.74**

** Note: Revenue from Tariff includes FPPCA but doesn't includes sale through UI / Export to Exchange*

Format 25 – ANNUAL REVENUE REQUIREMENT FOR FY 2016-17 (REVISED ESTIMATES)

(Rs. Crore)

S. No.	Item of expense	Proposed by licensee	Approved by the Commission	Revised by Licensee
1	Cost of fuel			
2	Cost of power purchase	1,124.57	1,121.79	1,056.81
3	Employee costs	75.12	75.13	89.20
4	Administration and General expenses	5.11	5.11	33.54
5	R&M Expenses	20.06	19.41	19.01
6	Depreciation	32.24	31.25	29.95
7	Interest charges (including interest on working capital)	28.80	25.63	23.06
8	Return on NFA /Equity	18.26	17.01	15.68
9	Provision for Bad Debt			
10	Interest on Consumer Security Deposit to be paid	15.02	13.70	4.00
11	**Total Revenue Requirement**	**1,319.18**	**1,309.03**	**1,271.26**
12	Less: Non-Tariff Income	2.80	2.80	13.49
13	**Net Revenue Requirement (11-12)**	**1,316.38**	**1,306.23**	**1,257.77**
14	Revenue from Tariff *	1,294.76	1,295.08	1,258.05
15	**Revenue Gap (13-14)**	**21.62**	**11.15**	**(0.28)**
16	Provision to meet arrears of interest on consumer security deposit		46.69	
17	**Net Revenue Gap after Surcharge and interest on SD (15+16)**	**21.62**	**57.84**	**(0.28)**
18	Gap of Previous Years (18 (a) to 18 (f))	**735.02**	**666.55**	**712.76**
a	*FY 2009-10*	59.54	58.02	58.02
b	*FY 2010-11*	96.19	93.94	93.94
c	*FY 2011-12*	352.18	348.96	348.96
d	*FY 2012-13*	125.57	107.54	107.54
e	*FY 2013-14*	19.37	56.44	56.44
f	*FY 2014-15*	41.32	(21.33)	12.09
g	*FY 2015-16*	40.85	22.98	35.77
19	**Total Gap (17+18)**	**756.64**	**724.39**	**722.11**
20	**Collection of Surcharge**	**235.52**	**242.07**	**233.99**
	FY 2013-14	101.47	101.47	101.47
	FY 2014-15	103.94	110.50	103.94
	FY 2015-16	30.11	30.10	28.59
21	**Expected Subsidy from Government**	**360.28**	**360.28**	**360.28**
22	**Net Revenue Gap after Surcharge and Government Subsidy (19-20-21)**	**160.84**	**122.04**	**118.21**
23	**Energy sales (MU)**	**2,524.70**	**2,502.09**	**2,566.17**
24	**Average Cost of Supply (Rs/kWh)**	**5.21**	**5.22**	**4.90**

** Note: Revenue from Tariff includes FPPCA but doesn't includes sale through UI / Export to Exchange*

Format 25 – ANNUAL REVENUE REQUIREMENT FOR ENSUING YEAR (FY 2017-18)

(Rs. Crore)

S. No.	Item of expense	Approved by JERC
		FY 2017-18
1	Cost of fuel	
2	Cost of power purchase	1,182.27
3	Employee costs	81.74
4	R&M expenses	22.02
5	Administration and General expenses	5.56
6	Depreciation	37.96
7	Interest charges (including interest on working capital)	33.00
8	Return on NFA /Equity	21.27
9	Provision for Bad Debt	
10	Interest on Consumer Security Deposit	15.35
11	**Total Revenue Requirement**	**1,399.17**
12	Less: Non-Tariff Income	2.93
13	**Net Revenue Requirement (11-12)**	**1,396.24**
14	Revenue from Existing Tariff *	**1,504.11**
15	**Net Gap (13-14)**	**(107.87)**
16	**Energy sales (MU)**	**2,980.60**
17	**Average Cost of Supply (Rs/kWh)**	**4.68**

Format 25 A – TREATMENT OF REGULATORY ASSETS

(Rs. Crore)

S. No.	Item of expense	Proposed by licensee	Approved by Commission	Revised by Licensee
1	FY 2009-10	59.54	58.02	58.02
2	FY 2010-11	96.19	93.94	93.94
3	FY 2011-12	352.18	348.96	348.96
4	FY 2012-13	125.57	107.54	107.54
6	Less: Government Support	(360.00)	(360.28)	(360.28)
7	**Regulatory Assets**	**273.48**	**248.18**	**248.18**
8	Recovery of Regulatory Assets from Consumers			
a	*FY 2013-14*	101.47	101.47	101.47
b	*FY 2014-15*	103.94	110.50	103.94
c	*FY 2015-16*	30.11	30.10	28.59
9	**Total Estimated Regulatory Assets recovered**	**235.52**	**242.07**	**233.99**
10	Pending/Balance Regulatory Asset Recovery (9-7)		-	**14.19**
11	Approved Recovery in ARR of FY 2016-17		6.11	**6.11**
12	**Proposed Recovery in FY 2017-18 (10-11)**			**8.08**

Format 25 B – BRIEF GAP SUMMARY

(Rs. Crore)

Particulars	Previous Year (Audit)	Previous Year (Actuals)	Current Year (Provisional)	Ensuing Year (Projections)
	FY 2014-15	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**
Net ARR	1,089.15	1,137.58	1,257.77	1,396.24
Less: Revenue at Existing Tariffs excluding Surcharge	1,077.06	1,101.82	1,258.05	1,504.11
Revenue Gap for the year	**12.09**	**35.77**	**(0.28)**	**(107.87)**
Opening Balance of Gap		**12.09**	**47.86**	**112.04**
Add: Past Gap				
Gap for FY 2014-15	12.09			
Gap for FY 2015-16		35.77		
Gap for FY 2016-17			(0.28)	
Gap for FY 2017-18				(107.87)
Total Cumulative Gap for years	**12.09**	**47.86**	**47.58**	**4.18**
Additional Past Recoveries				
Balance/Pending Regulatory Asset recovery			8.08	
Accumulated Interest on Security Deposit to be paid in FY 2017-18			56.39	
Balance Regulatory Gap to be recovered in FY 2017-18			**112.04**	**4.18**

Format 26 – REVENUE AT EXISTING TARIFF (ACTUALS FY 2014-15)

Sr. No.	Category of Consumer	No of Consumers	Energy Sale (MUs)	Contracted Maximum Demand (KW/kVA)	Revenue (Rs Crore)					
					Demand Charges	Energy Charges	FPPCA Charges	Total Billing	10% Surcharge	Total
1	Domestic & Cottage									
a	0 – 100	114,598	222.33	-	4.13	23.34	-	27.47	2.75	30.22
b	101 – 200	63,029	146.10	-	2.27	23.38	-	25.65	2.56	28.21
c	201 – 300	51,569	82.58	-	1.86	25.60	-	27.46	2.75	30.20
d	>300	57,299	184.21	-	2.06	70.92	-	72.99	7.30	80.28
e	OHOB	35,539	10.00	-	1.07	-	-	1.07	-	1.07
f	**Total**	**322,034**	**645.22**	-	**11.38**	**143.24**	**-**	**154.62**	**15.36**	**169.98**
2	Commercial									
a	0 – 100	7,510	29.15	-	0.63	11.22	-	11.86	1.19	13.04
b	101 – 250	7,041	27.33	-	0.59	12.44	-	13.03	1.30	14.33
c	> 250	32,387	125.73	-	2.72	62.86	-	65.59	6.56	72.14
d	**Total**	**46,938**	**182.22**	**-**	**3.94**	**86.53**	**-**	**90.47**	**9.05**	**99.51**
3	Agriculture									
a	Small farmers	960	8.00	5,439	0.05	-	-	0.05	-	0.05
b	Other farmers	5,889	49.00	54,099	1.76	-	-	1.76	-	1.76
c	**Total**	**6,849**	**57.00**	**59,538**	**1.81**	**-**	**-**	**1.81**	**-**	**1.81**
4	Public lighting	49,893	26.00	-	2.99	11.44	-	14.43	1.44	15.88
5	LT Industrial & Water Tank									
a	LT Industrial	6,338	164.05	-	0.61	73.82	-	74.43	7.44	81.87
b	Water tank	85	34.85	-	0.01	15.68	-	15.69	1.57	17.26
c	**Total**	**6,423**	**198.90**	**-**	**0.62**	**89.51**	**-**	**90.12**	**9.01**	**99.13**
6	Temporary supply - LT&HT	-	6.12	-	-	5.51	-	5.51	0.55	6.06
7	**Total LT**	**432,137**	**1,115.46**	**59,538**	**20.74**	**336.22**	**-**	**356.96**	**35.41**	**392.37**
8	HT 1 Industrial									
a	HT I(a) for contract demand upto 5000 kVA	337	805.16	234,717	61.97	378.42		440.39	44.04	510.60
b	HT I(b) for contract demand upto 5000 kVA	75	70.13	21,160	5.59	32.96	-	38.55	3.85	42.40
c	**Total**	**412**	**875.290**	**255,877**	**68**	**411.39**	**-**	**478.94**	**48**	**553**
9	HT 2 - Government & water tank	53	55.96	19,186	5.07	26.86	-	31.93	3.19	35.12
10	HT 3 – EHT	7	319.60	83,997	24.19	150.21	-	174.4	17.44	191.84
11	**Total HT**	**472**	**1,251**	**359,060**	**96.81**	**588.46**	**-**	**685.27**	**68.53**	**779.97**
12	**Total**	**432,609**	**2,366.31**	**418,598**	**117.55**	**924.68**	**34.83**	**1,042.23**	**103.94**	**1,181.00**

Format 26 – REVENUE AT EXISTING TARIFF (ACTUALS FY 2015-16)

Sr. No.	Category of Consumer	No of Consumers	Energy Sale (MUs)	Contracted Maximum Demand (KW/kVA)	Revenue (Rs Crore)					
					Demand Charges	Energy Charges	FPPCA Charges	Total Billing	2.64% Surcharge	Total
1	Domestic & Cottage									
a	0 – 100	122,554	270	-	4.71	29.70	-	34.41	0.91	35.31
b	101 – 200	67,405	149	-	2.59	24.50	-	27.09	0.72	27.81
c	201 – 300	55,149	122	-	2.12	39.49	-	41.61	1.10	42.70
d	>300	61,277	135	-	2.35	57.38	-	59.73	1.58	61.30
e	OHOB	35,539	10	-	1.15	-	-	1.15		1.15
f	**Total**	**341,924**	**685.00**	-	**12.92**	**151.07**	**-**	**163.98**	**4.30**	**168.28**
2	Commercial									-
a	0 – 100	8,268	30	-	0.74	12.62	-	13.37	0.35	13.72
b	101 – 250	7,751	28	-	0.70	13.44	-	14.14	0.37	14.52
c	> 250	35,655	141	-	3.21	73.80	-	77.01	2.03	79.05
d	**Total**	**51,674**	**198.00**	**-**	**4.65**	**99.87**	**-**	**104.52**	**2.76**	**107.28**
3	Agriculture									
a	Small farmers	960	8.00	4,079	0.04	-	-	0.04		0.04
b	Other farmers	5,894	49.00	40,575	1.45	-	-	1.45		1.45
c	**Total**	**6,854**	**57.00**	**44,654**	**1.49**	**-**	**-**	**1.49**		**1.49**
4	Public lighting	50,055	26.00	-	3.24	14.04	-	17.28	0.46	17.74
5	LT Industrial and Water Tank									
a	LT Industrial	6,443	169.08	-	0.66	86.23	-	86.90	2.29	89.19
b	Water tank	113	35.92	-	0.01	18.32	-	18.33	0.48	18.81
c	**Total**	**6,556**	**205.00**	**-**	**0.68**	**104.55**	**-**	**105.23**	**2.78**	**108.00**
6	Temporary supply - LT&HT	-	7.00	-	-	6.62	-	6.62	0.17	6.79
7	**Total LT**	**457,063**	**1,178.00**	**44,654**	**22.98**	**376.14**	**-**	**399.12**	**10.47**	**409.59**
8	HT 1 Industrial									
a	HT I(a) for contract demand upto 5000 kVA	352	818.00	241,634	68.14	388.55		456.69	12.06	468.75
b	HT I(b) for contract demand upto 5000 kVA	81	74.00	21,583	6.09	35.15	-	41.24	1.09	42.33
c	**Total**	**433**	**892**	**263,217**	**74**	**424**	**-**	**497.93**	**13.15**	**511**
9	HT 2 - Government & water tank	53	60.00	19,570	5.52	33.00	-	38.52	1.02	39.54
10	HT 3 – EHT	7	268.00	85,677	22.62	127.30	-	149.92	3.96	153.88
11	**Total HT**	**493**	**1,220.00**	**368,464**	**102**	**584**	**-**	**686**	**18.12**	**704**
	Total	**457,556**	**2,398.00**	**413,118**	**125.34**	**960.14**	**16.33121**	**1,085.48**	**28.58**	**1,130.40**

Format 26 – REVENUE AT EXISTING TARIFF (REVISED ESTIMATES FY 2016-17)

Sr. No.	Category of Consumer	No of Consumers	Energy Sale (MUs)	Contracted Maximum Demand (KW/kVA)	Revenue (Rs Crore)			
					Demand Charges	Energy Charges	Total Billing	Total
1	Domestic & Cottage							
a	0 – 100	126,358	303	-	6.07	33.37	39.43	39.43
b	101 – 200	69,497	167	-	3.34	29.20	32.53	32.53
c	201 – 300	56,861	137	-	2.73	47.78	50.51	50.51
d	>300	63,179	152		3.03	69.77	72.80	72.80
e	OHOB	35,539	10	2,843	1.15	-	1.15	1.15
f	**Total**	**351,435**	**768.39**	**509,672**	**16.31**	**180.12**	**196.43**	**196.43**
2	Commercial							-
a	0 – 100	8,521	31	-	1.02	14.41	15.44	15.44
b	101 – 250	7,988	29	-	0.96	16.03	16.99	16.99
c	> 250	36,747	145	-	4.41	90.73	95.14	95.14
d	**Total**	**53,256**	**204.45**	**109,627**	**6.39**	**121.17**	**127.56**	**127.56**
3	Agriculture							
a	Small farmers	960	8	4,079	0.04	-	0.04	0.04
b	Other farmers	5,911	49	40,575	1.45	-	1.45	1.45
c	**Total**	**6,871**	**57.00**	**44,654**	**1.49**	**-**	**1.49**	**1.49**
4	Public lighting	50,221	24.00	6,058	4.52	16.20	20.72	20.72
5	LT Industrial & Water Tank							
a	LT Industrial	6,477	156.00	-	0.67	79.56	80.23	80.23
c	Water tank	117	30.00	-	0.01	17.70	17.71	17.71
d	**Total**	**6,594**	**186.00**	**122,804**	**0.68**	**97.26**	**97.94**	**97.94**
6	Temporary supply - LT&HT	-	6.00	-	-	5.85	5.85	5.85
7	**Total LT**	**468,377**	**1,245.84**	**792,815**	**29.40**	**420.60**	**450.00**	**450.00**
8	HT 1 Industrial							
a	HT I(a) for contract demand upto 5000 kVA	359	885.99	247,272	74.18	465.15	539.33	539.33
b	HT I(b) for contract demand upto 5000 kVA	87	80.32	24,383	7.31	42.17	49.48	49.48
c	**Total**	**446**	**966.31**	**271,655**	**81**	**507**	**589**	**589**
9	HT 2 - Government & water tank	54	64.01	20,222	6.07	43.20	49.27	49.27
10	HT 3 – EHT	7	290.01	83,586	22.07	147.90	169.97	169.97
11	**Total HT**	**507**	**1,320**	**375,463**	**109.63**	**698.42**	**808**	**808**
12	**Total**	**468,884**	**2,566.17**	**1,168,278**	**139.03**	**1,119.02**	**1,258.05**	**1,258.05**

Format 26 – REVENUE AT EXISTING TARIFF (ENSUING YEAR FY 2017-18)

Sr. No.	Category of Consumer	No of Consumers	Energy Sale (MUs)	Contracted Maximum Demand (KW/kVA)	Revenue (Rs Crore)			
					Demand Charges	Energy Charges	Total Billing	Total
1	Domestic & Cottage							
a	0 – 100	128,445	267.52	-	6.17	29.43	35.59	35.59
b	101 – 200	70,645	196.18	-	3.39	34.33	37.72	37.72
c	201 – 300	57,800	133.76	-	2.77	46.82	49.59	49.59
d	>300	64,222	294.27	-	3.08	135.37	138.45	138.45
e	OHOB	35,539	10.38	2,843	1.15	-	1.15	1.15
f	**Total**	**356,651**	**902.12**	533,049	**16.56**	**245.94**	**262.51**	**262.51**
2	Commercial							-
a	0 – 100	8,234	32.66	-	0.99	15.35	16.34	16.34
b	101 – 250	7,719	30.48	-	0.93	17.07	17.99	17.99
c	> 250	35,507	154.57	-	4.26	96.61	100.87	100.87
d	**Total**	**51,460**	**217.71**	**119,092**	**6.18**	**129.03**	**135.20**	**135.20**
3	Agriculture							
a	Small farmers	958	8.00	4,079	0.04	-	0.04	0.04
b	Other farmers	5,878	49.00	40,575	1.45	-	1.45	1.45
c	**Total**	**6,836**	**57.00**	**44,654**	**1.49**	**-**	**1.49**	**1.49**
4	Public lighting	51,297	29.32	6,119	4.62	19.79	24.41	24.41
5	LT Industrial and Water Tank							
b	LT Industrial	6,695	197.32	-	0.69	100.63	101.32	101.32
c	Water tank	120	40.43	-	0.01	23.85	23.87	23.87
d	**Total**	**6,815**	**237.75**	**125,234**	**0.71**	**124.49**	**125.19**	**125.19**
6	Temporary supply - LT&HT	-		-	-		-	-
7	**Total LT**	**473,059**	**1,443.90**	**828,148**	**29.55**	**519.25**	**548.80**	**548.80**
8	HT 1 Industrial							
a	HT I(a) for contract demand upto 5000 kVA	374	983.97	316,566	94.97	516.58	611.55	611.55
b	HT I(b) for contract demand upto 5000 kVA	83	85.56	27,527	8.26	44.92	53.18	53.18
c	**Total**	**457**	**1,069.53**	**344,093**	**103**	**562**	**665**	**665**
9	HT 2 - Government & water tank	60	68.18	30,504	9.15	46.02	55.17	55.17
10	HT 3 – EHT	8	398.99	120,912	31.92	203.48	235.41	235.41
11	**Total HT**	**525**	**1,536.70**	**495,509**	**144.30**	**811.01**	**955**	**955**
12	**Total**	**473,584**	**2,980.60**	**1,323,657**	**173.85**	**1,330.26**	**1,504.11**	**1,504.11**

Format 27 – REVENUE AT PROPOSED TARIFF (ENSUING YEAR FY 2017-18)

Sr. No.	Category of Consumer	No of Consumers	Energy Sale (MUs)	Contracted Maximum Demand (KW/kVA)	Revenue (Rs Crore)			
					Demand Charges	Energy Charges	Total Billing	Total
1	Domestic & Cottage							
a	0 – 100	128,445	267.52	-	6.17	29.43	35.59	35.59
b	101 – 200	70,645	196.18	-	3.39	34.33	37.72	37.72
c	201 – 300	57,800	133.76	-	2.77	46.82	49.59	49.59
d	>300	64,222	294.27	-	3.08	135.37	138.45	138.45
e	OHOB	35,539	10.38	2,843	1.15	-	1.15	1.15
f	**Total**	**356,651**	**902.12**	533,049	**16.56**	**245.94**	**262.51**	**262.51**
2	Commercial							-
a	0 – 100	8,234	32.66	-	0.99	15.35	16.34	16.34
b	101 – 250	7,719	30.48	-	0.93	17.07	17.99	17.99
c	> 250	35,507	154.57	-	4.26	96.61	100.87	100.87
d	**Total**	**51,460**	**217.71**	**119,092**	**6.18**	**129.03**	**135.20**	**135.20**
3	Agriculture							
a	Small farmers	958	8.00	4,079	0.04	-	0.04	0.04
b	Other farmers	5,878	49.00	40,575	1.45	-	1.45	1.45
c	**Total**	**6,836**	**57.00**	**44,654**	**1.49**	**-**	**1.49**	**1.49**
4	Public lighting	51,297	29.32	6,119	4.62	19.79	24.41	24.41
5	LT Industrial and Water Tank							
b	LT Industrial	6,695	197.32	-	0.69	100.63	101.32	101.32
c	Water tank	120	40.43	-	0.01	23.85	23.87	23.87
d	**Total**	**6,815**	**237.75**	**125,234**	**0.71**	**124.49**	**125.19**	**125.19**
6	Temporary supply - LT&HT	-		-	-		-	-
7	**Total LT**	**473,059**	**1,443.90**	**828,148**	**29.55**	**519.25**	**548.80**	**548.80**
8	HT 1 Industrial							
a	HT I(a) for contract demand upto 5000 kVA	374	983.97	316,566	94.97	516.58	611.55	611.55
b	HT I(b) for contract demand upto 5000 kVA	83	85.56	27,527	8.26	44.92	53.18	53.18
c	**Total**	**457**	**1,069.53**	**344,093**	**103**	**562**	**665**	**665**
9	HT 2 - Government & water tank	60	68.18	30,504	9.15	46.02	55.17	55.17
10	HT 3 – EHT	8	398.99	120,912	31.92	203.48	235.41	235.41
11	**Total HT**	**525**	**1,536.70**	**495,509**	**144.30**	**811.01**	**955**	**955**
12	**Total**	**473,584**	**2,980.60**	**1,323,657**	**173.85**	**1,330.26**	**1,504.11**	**1,504.11**

Annexure II: AUDITED ACCOUNTS OF FY 2014-15

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Independent Auditor's Report

EE-II
23/8

To

The Electricity Department
Government of Pondicherry
137, Nethaji Subash Chandra Bose Road
Pondicherry 605 001

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1. We have audited the attached Balance Sheet of THE ELECTRICITY DEPARTMENT, PONDICHERRY -605 001 as at 31 March 2015 and the Profit & Loss Account for the year ended on that date. These Financial statements are the responsibility of the Electricity Department, Pondicherry. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India, which are generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation; we believe that our audit provides a reasonable basis for our opinion.
3. We report that:

   3.1 The Financial statements of the department have been prepared on accrual basis from the financial year 2009-2010. For the year under review, the department has got the accounts prepared through outsourcing the work to M/s Deloitte, Chartered Accountants.

JLN US & CO. Chartered Accountants

The revenue and expenditure of department reported in the state finance accounts were audited by C&AG.

3.2 Our opinion is subject to the following points:

3.2.1. **Government Fund**: The closing balance of Government fund is subject to Reconciliation and confirmation by the DAT.

3.2.2 Contingent liabilities recognized are subject to revision

3.2.3 The provision for revenue expenditure like stipend, overtime, travelling expenditure, rents etc. are opined to be short provided and hence not charged to profit/loss. To that extent, the profit stands overstated, hence our opinion on the results of the operations of the business is subject to this qualification.

3.2.4 Creditors for Suppliers, materials, power etc. are subject to confirmation.

3.2.5 **Fixed Assets:** It is noted that no physical verification of fixed assets are carried out during the year. Further pending updation of the Fixed Asset Register, our opinion on the fixed assets is subject to the outcome of the physical verification.

3.2.6 **Tax Deducted at Source:** The TDS by the DAT in case of contractors is subject to confirmation and quantification.

3.2.7 **Capital Works in Progress:** The valuation of capital work-in-progress is subject to confirmation, as there is time lag between work certified and bills submitted.

3.2.8 **Sundry Debtors:** The balance outstanding from the Consumers includes dues on VAT account also. Pending splitting and culling out of .the VAT receivables from the consumers, our opinion on the amount of debtors stands qualified. We could not ascertain the ageing of debtors and its realisability hence the qualification.

JLNUS & CO. * Mem. No. 111692 * Chartered Accountants

3.2.9 **POWER PURCHASE**: During the Financial year 2013-14, Department of Electricity, Pondicherry had additional power allocation from Kundankulam Nuclear plant and Vallur Thermal plant. As we are given to understand that there is no power purchase agreement executed between the EDP and Kundankulam Nuclear Plant. There is a possibility of additional claims for the power sourced, in future. Hence this may impact the future power purchase cost.

3.2.10 Profit on sale of materials of other department is subject to quantification.

3.2.11 The amount of consumer deposits and interest accrued thereof shall be subject to reconciliation, as the Demand Collection Balance Register is pending updation.

3.2.12 Loans and Advances [Assets] appearing in the balance sheet is subject to confirmation from the concerned.

3.2.13. M/S. Deloitte have conducted internal Audit for the period covered under Audit by this report. Though we have gone through the internal audit report complete credence for this report could not be given as the contents of the internal audit report is yet to accepted in toto and action initiated on the subject concerned and the extent of internal checks professed by the Department could not be cross verified .Hence our opinion on the affairs is subject to this.

4. **REVENUE FROM SALE OF POWER**: We are unable to appreciate the recoverability of Tariff subsidy receivable to the tune of Rs. 10,03,29,979/-, (total recognized and receivable upto the date of this balance sheet) as there was no movement in the account since last year. Our opinion is subject to this.

4.1 **OTHER INCOME:**

(a) We could not review the sale of trading materials - Rs 5,89,902/- for want of workings.

(b) Interest on income with margin money deposits in the bank is subject to confirmation from the Banks as they have transferred the net income to the Revenue Account.

(c) The break up in case of other receipts to the tune of Rs 2,79,11,624/- could not be verified by us.

(d) No revenue was recognized in case of power supplied to the Government buildings during the Current Year.

(e) Items of employees cost, O&M expenses, Administrative expenses; other expenses etc. are subject to revision, given the non-preference of bills in some cases. Hence, our opinion is subject to this.

(f) The figures adopted for Major Works are subject to confirmation.

(g) The amount of VAT charged, to be charged, collected, paid and payable to the commercial taxes department is not in consonance with the GAAP. Hence, our opinion on the amount of VAT (i.e. Sales tax payable) payable is subject to this qualification.

(h) During the course of our audit we have come to understand that - No physical verification procedures has been carried out with respect to the inventory.

(i) An amount of Rs. 13,16,000/- is standing in the Balance sheet as Lease advances which we could not verify the same.

(j) In case of K-Deposit work, the control over inflow of information is weak. The financial statements do not mirror the actual situation. Our opinion on these figures is subject to our qualification, as we are unable to qualify the same.

JLN US & CO. Mem. No. 111692 Chartered Accountants

(k) We are unable to appreciate the amount of Rs. 4,15,78,803/- spent on account of miscellaneous expenses and the same is subject to confirmation.

Subject to the above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account *subject to our observation cited.*

c) In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with Accounting Policies, Notes thereon and *subject to our observation given above* the cumulative impact of which, on the Balance Sheet and Profit and Loss Account are not quantifiable, give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

d) In case of Balance Sheet of the state of affairs of the Department as at 31st March 2015

e) In case of Profit & Loss Account of the surplus for the Year ended 31st March 2015

f) In case of Cash flow Statement of the cash Flow of the Department for the year ended 31 March 2015.

For JLN US & Co
Chartered Accountants
FRN: 101543W

(CA Sunil Kabra)
Partner: Membership No. 111692

JLN US & CO. Mem. No. 111692 Chartered Accountants

Financial statements for FY 2014-15

PUDUCHERRY ELECTRICITY DEPARTMENT

BALANCE SHEET AS ON 31st March, 2015 (AUDITED)

PARTICULARS	SCHEDULE No.	As at 31.03.2015	As at 31.03.2014
SOURCES OF FUNDS			
(1) Owner's Funds			
Government Fund		10,333,782,838	11,789,372,473
(2) Loan Funds			
Secured Loans	1	62,779,429	77,671,074
Unsecured Loan from PFC [Refer Note5]		186,000,000	186,000,000
TOTAL		**10,582,562,267**	**12,053,043,548**
APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	2	6,339,801,003	5,635,854,971
(b) Less : Accumulated Depreciation		3,005,528,044	2,746,322,292
(c) Net Block		3,334,272,958	**2,889,532,679**
(d) Capital Work in Progress		658,986,398	784,291,292
(e) Capital Advances		-	245,600,000
(2) Current Assets Loans & Advances			
(a) Inventories		535,154,904	256,009,346
(b) Sundry Debtors	3	5,519,952,341	5,321,910,131
(c) Cash and Bank Balances	4	259,085,068	261,436,370
(d) Loans and Advances	5	154,356,395	167,268,886
		6,468,548,708	6,006,624,734
Less: Current Liabilities and Provisions	6	4,307,358,392	**3,350,571,484**
NET CURRENT ASSETS		**2,161,190,316**	**2,656,053,250**
Profit & Loss Account		**4,428,112,595**	**5,477,566,327**
TOTAL		**10,582,562,267**	**12,053,043,548**
Significant Accounting Policies and Notes to Accounts	**12**		

As per our Report attached
For JLN US & Co
Chartered Accountants
FRN : 101543W

(SUNIL KABRA)
PARTNER: M.No: 111692

For and on behalf of Electricity Department, Puducherry

(P.C.S. JAGANATHAN)
Financial Controller
Electricity Department

(K. MATHIVANAN)
Superintending Engineer-I
Electricity Department

JLN US & Co Chartered Accountants Mem. No. 11169

PUDUCHERRY ELECTRICITY DEPARTMENT			
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2015 (AUDITED)			
PARTICULARS	**SCH . No.**	**Year Ended 31st March, 2015**	**Year Ended 31st March, 2014**
INCOME			
Revenue from Sale of Power [Refer Note 10]	7	11,785,167,706	11,694,097,152
Other Income	8	25,353,624	34,344,166
TOTAL INCOME		**11,810,521,329**	**11,728,441,319**
EXPENDITURE			
Purchase of Power		9,404,580,286	9,940,439,060
[Includes an amount of Rs. 13.16 Crores for power purchased prior to 2014-15 but invoices received in 2014-15 explained in Notes (3) (b)]			
Employee Costs	9	754,565,149	720,765,847
Operations & Maintenance Expenses		77,134,701	134,593,101
Administration and General Expenses	10	104,683,119	66,279,009
Other Expenses		523,195	736,101
Depreciation		259,205,752	233,778,443
Interest and Finance Charges	11	160,375,396	120,507,484
TOTAL EXPENDITURE		**10,761,067,598**	**11,217,099,044**
Net Profit / (Loss) before prior period adjustments		1,049,453,732	511,342,274
Net Prior Period Credits / (Charges)		-	24,110,748
Profit / (Loss) before Extraordinary Items		**1,049,453,732**	**535,453,023**
Less : Extraordinary Items		-	-
Profit / (Loss) before Tax		**1,049,453,732**	**535,453,023**
Less : Provision for Tax		-	-
Profit / (Loss) After Tax		**1,049,453,732**	**511,867,608**
Profit / (Loss) brought forward from previous year		**(5,477,566,327)**	**(6,013,019,350)**
Balance carried to Balance Sheet		**(4,428,112,595)**	**(5,477,566,327)**

As per our Report attached
For JLN US & Co
Chartered Accountants
FRN : 101543W

(SUNIL KABRA)
PARTNER: M.No: 111692

JLN US & CO. * Chartered Accountants * Mem. No. 111692

For and on behalf of Electricity Department, Puducherry

(P.C.S. JAGANATHAN)
Financial Controller
Electricity Department

(K. MATHIVANAN)
Superintending Engineer-I
Electricity Department

PUDUCHERRY ELECTRICITY DEPARTMENT		
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2015 (AUDITED)		
Particulars	**2014-15**	**2013-14**
A. Cash flow from operating activities		
Net profit / (loss) before tax	**1,049,453,732**	**535,453,023**
Adjustment for :		
Depreciation	259,205,752	233,778,443
Interest Income	(17,627,350)	(6,613,691)
Interest Expenses / Financial Charges	140,725,916	104,829,478
Prior period adjustment		(24,110,748)
Operating profit / (loss) before working capital changes	**1,431,758,050**	**843,336,504**
Changes in Working Capital		
(Increase) / Decrease in Inventories	(279,145,558)	(79,441,830)
(Increase) / Decrease in Debtors	(198,042,209)	(1,065,985,070)
(Increase) / Decrease in Loans & Advances	12,912,491	(106,611,465)
Increase / (Decrease) in Trade Payables & Provisions	956,786,908	135,909,365
Cash generated from operations	**1,924,269,682**	**(272,792,497)**
Less: Direct taxes paid		
- Income Tax	-	-
- Fringe Benefit Tax	-	-
- Wealth Tax	-	-
Net cash from operating activities	**1,924,269,682**	**(272,792,497)**
B. Cash flow from investing activities		
(Increase) / Decrease in Fixed Assets	(703,946,031)	(82,874,131)
(Increase) / Decrease in Capital WIP	370,904,894	(466,933,468)
Interest received	17,627,350	6,613,691
Net cash from investing activities	**(315,413,787)**	**(543,193,907)**
C. Cash flow from financing activities		
Increase in Government Fund	(1,455,589,636)	983,714,191
Increase in Long term loan from PFC	-	141,000,000
Increase in Calamity relief fund	-	(17,583,983)
Repayment of finance lease	(14,891,645)	(19,456,525)
Interest and Finance Charges	(140,725,916)	(104,829,478)
Net cash flow from financing activities	**(1,611,207,197)**	**982,844,206**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,351,302)	166,857,802
Opening Balance of Cash and Cash Equivalents	261,436,370	94,578,568
Closing Balance of Cash and Cash Equivalents	**259,085,068**	**261,436,370**

As per our Report attached
For JLN US & Co
Chartered Accountants
FRN : 101543W

(SUNIL KABRA)
PARTNER: M.No: 111692

JLN US & CO. Mem. No. 111692 Chartered Accountants

For and on behalf of Electricity Department, Puducherry

P.C.S. J...

(P.C.S. JAGANATHAN)
Financial Controller
Electricity Department

(K. MATHIVANAN)
Superintending Engineer-I
Electricity Department

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR FY 2014-15

SCHEDULE - 2
SECURED LOANS

Sr.No.	Particulars	As at 31.03.2015	As at 31.03.2014
1	Finance Lease Liability [Refer Note 4] (The lease is relating to the System Control Centre)	62,779,429	77,671,074
	TOTAL	**62,779,429**	**77,671,074**

SCHEDULE - 3
SUNDRY DEBTORS

Sr.No.	Particulars	As at 31.03.2015	As at 31.03.2014
1	Sundry Debtors for Sale of Power	4,754,371,355	4,629,630,873
2	UI Charges receivable	-	-
3	Receivable from Other Department for Sale of materials	699,523	720,528
4	Unbilled Debtors	764,881,462	691,558,730
	TOTAL	**5,519,952,341**	**5,321,910,131**

SCHEDULE - 4
CASH & BANK BALANCES

Sr.No.	Particulars	As at 31.03.2015	As at 31.03.2014
1	Cash in hand	6,508	54,571
2	Cheques in hand	-	864,075
3	Margin money with Bank	111,126,557	95,873,631
4	Balance with SBI	147,952,004	164,589,764
5	TDS Receivable	-	54,329
	TOTAL	**259,085,068**	**261,436,370**

SCHEDULE - 5
LOANS & ADVANCES

Sr.No.	Particulars	As at 31.03.2015	As at 31.03.2014
1	Other Income receivable	46,757	58,408
2	Lease advances	1,316,000	3,200,000
3	Advances to Creditors	52,663,659	74,580,499
4	Tariff Subsidy receivable	100,329,979	89,429,979
5	Prepaid Expenses	-	-
	TOTAL	**154,356,395**	**167,268,886**

SCHEDULE - 6
CURRENT LIABILITIES & PROVISIONS

Sr.No.	Particulars	As at 31.03.2015	As at 31.03.2014
1	Consumer Deposits [Refer Note 7 of Part B of Notes to Accounts]	1,447,898,521	1,234,785,192
2	Consumer Contribution for Deposit Works	177,086,316	99,196,654
3	Sundry Creditors for power purchase	1,387,136,947	733,413,596
4	Interest Payable on Finance Lease	384,375,872	268,731,275
5	Other Liabilities	-	171,732
6	Vendor/Contractor Deposits	16,384,733	16,923,825
7	Provision for Power Purchase	804,382,417	879,031,557
8	Provision for Other Expenses	55,569,978	51,459,472
9	Sales Tax Payable [Refer Note 8 of Part B of Notes to Accounts]	14,329,845	40,228,540
10	Payable for Operating Expenses	-	5,193,209
11	UI Charges Payable	20,193,763	21,436,432
	TOTAL	**4,307,358,392**	**3,350,571,484**

SCHEDULE - 7
REVENUE FROM SALE OF POWER

Sr.No.	Particulars	Year ended 31st March 2015	Year ended 31st March 2014
1	LT Consumers	3,333,881,450	3,325,258,100
2	HT Consumers	6,852,683,579	6,722,948,500
3	Street light charges	144,335,800	138,914,400
4	Agriculture	18,076,871	18,068,546
5	Tariff Subsidy on Sale of Power	10,900,000	49,700,000
6	Surcharge	1,039,356,186	1,014,674,550
7	FPPCA charges	58,000,000	177,900,000
8	FPPCA Charges (13-14)	279,400,000	
		11,736,633,886	**11,447,464,096**
Add	Un-billed revenue as at the end of the year	764,881,462	691,558,730
Less	Un-billed revenue as at the beginning of the year	691,558,730	666,112,005
Less	Incentives to consumers (net of Penal charges)	45,386,948	11,700,000
	Revenue from Sale of Power	**11,764,569,670**	**11,461,210,820**
7	UI Charges for the year	20,598,036	232,886,332
		11,785,167,706	**11,694,097,152**

SCHEDULE – 8
OTHER INCOME

Sr.No.	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
1	Sale of Trading Materials	589,902	829,954
2	Interest Income on Margin Money Deposit with Bank	17,627,350	6,613,691
3	Other receipts	7,136,371	26,900,521
	TOTAL	**25,353,624**	**34,344,166**

SCHEDULE - 9
EMPLOYEE COSTS

Sr.No.	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
1	Salary	877,805,603	826,668,078
2	Wages	6,433,096	5,930,913
3	Stipend	3,998,559	3,545,981
4	Overtime Payment	7,769,538	8,094,366
		896,006,796	844,239,338
Less	Departmental Charges	19,382,344	11,460,947
Less	Salary Costs Capitalized [Refer Note 11]	122,059,303	112,012,544
	TOTAL	**754,565,149**	**720,765,847**

SCHEDULE - 10
ADMINISTRATION & GENERAL EXPENSES

Sr.No.	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
1	Office Expenses	26,633,657	17,748,109
2	Other Miscellaneous Expenses	41,578,803	48,530,900
3	EESL charges	36,470,659	-
	TOTAL	**104,683,119**	**66,279,009**

SCHEDULE - 11
INTEREST AND FINANCE CHARGES

Sr.No.	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2015
1	Interest Charges on Finance Lease [Refer Note 12 of Part B of Notes to Accounts]	140,725,916	104,829,478
2	Bank Charges	19,649,480	15,678,006
	TOTAL	**160,375,396**	**120,507,484**

SCHEDULE 2 - FIXED ASSETS SCHEDULE FOR FY2014-15

		Amounts in Rs. Lakhs					Amounts in Rs. Lakhs						Amounts in Rs. Lakhs	
		Gross block					Depreciation						Net block	
Assets group number	Assets group description	Opening balance as on 1-4-2014	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2014	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Deductions during the	Total at the end of the year	At the end of current year – as on 31-3-2015	At the end of previous year - as on 31-3-2014
1	Land and land rights													
	Sub Stations	699.80				699.80	-	-		-	-	-	699.80	699.80
	Other	35.00				35.00	-	-		-	-	-	35.00	35.00
								-						
2	Buildings							-						
	Sub Stations	1,236.62				1,236.62	410.72	37.26		37.26	-	447.97	788.64	825.90
	Other	500.74				500.74	223.90	17.00		17.00	-	240.90	259.83	276.84
								-						
3	Plant and machinery							-						
	Sub Stations	18,301.40		2,558.31		20,859.70	8,984.08	741.70	135.08	876.78	-	9,860.86	10,998.85	9,317.32
	Transformers	12629.02		571.90		13,200.91	5,490.97	537.47	30.20	567.67	-	6,058.63	7,142.28	7,138.05
								-						

		Amounts in Rs. Lakhs					Amounts in Rs. Lakhs						Amounts in Rs. Lakhs	
		Gross block					Depreciation						Net block	
Assets group number	Assets group description	Opening balance as on 1-4-2014	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2014	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Deductions during the	Total at the end of the year	At the end of current year – as on 31-3-2015	At the end of previous year - as on 31-3-2014
4	Lines and cable network							-						
	Sub Station and Others	19,462.02		3,902.32		23,364.34	10,146.81	727.07	206.04	933.12	-	11,079.93	12,284.41	9,315.20
								-						
5	Vehicles							-						
	Sub Station and Others	188.94		4.58		193.52	161.87	3.09	0.44	3.53	-	165.40	28.12	27.06
								-						
6	Furniture and fixtures							-						
	Sub Station and Others	12.82		2.36		15.18	7.83	0.21	0.15	0.36	-	8.19	7.00	4.99
								-						
7	Office equipment (Office equipment, telephones & Telephone lines, Radio and high frequency carrier system (VHF))							-						
	Sub Station and Others	84.15				84.15	64.98	2.79		2.79	-	67.77	16.38	19.17
								-						
8	IT equipment (Computers etc.)							-						

		Amounts in Rs. Lakhs					Amounts in Rs. Lakhs						Amounts in Rs. Lakhs	
		Gross block					Depreciation						Net block	
Assets group number	Assets group description	Opening balance as on 1-4-2014	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2014	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Deductions during the	Total at the end of the year	At the end of current year – as on 31-3-2015	At the end of previous year - as on 31-3-2014
	Sub Station and Others	199.80				199.80	153.35	7.34	-	7.34	-	160.69	39.11	46.45
								-						
9	Testing &Measuring Equipment							-						
	Sub Station and Others	331.49				331.49	226.45	15.33		15.33	-	241.78	89.72	105.05
								-						
10	*SCADA Centre*							-						
	Sub Station and Others	2,676.78				2,676.78	1,592.27	130.90		130.90	-	1,723.17	953.61	1,084.51
	Total	**56,358.55**	**-**	**7,039.46**		**63,398.01**	**27,463.23**	**2,220.16**	**371.90**	**2,592.06**	**-**	**30,055.29**	**33,342.72**	**28,895.32**

As per our Report attached
For JLN US & Co
Chartered Accountants
FRN : 101543W

JLN US & CO. Mem. No. 111692 Chartered Accountants

(SUNIL KABRA)
PARTNER: M.No: 111692

For and on behalf of Electricity Department, Puducherry

(P.C.S. JAGANATHAN)
Financial Controller
Electricity Department

(K. MATHIVANAN)
Superintending Engineer-I
Electricity Department

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. Background

Puducherry Electricity Department (PED) is a part of the Government of Puducherry. It is responsible for distribution and supply of electricity in Puducherry, Karaikkal, Mahe and Yanam regions of the Union Territory of Puducherry. PED is governed by the Electricity Act 2003, as a deemed licensee.

After the enactment of The Electricity Act 2003, it is mandatory for all electricity utilities to file their Annual Revenue Requirement and Tariff Proposal in the form of a petition before the respective State Electricity Regulatory Commission. The Commission after hearing all the stake holders, issues an appropriate order on the ARR and Tariff Proposal. The Department had filed its first proposal for tariff fixation /revision for the year 2009-10 and a Tariff Order was passed in February 2010.

Being a Government Department, the PED maintained its books of accounts as per the Government system of accounting, which essentially is cash based and to some extent a partial system of single and double entry accounting. In other words, as typical to any other entity that maintains its accounts based on a commercial accounting system, the PED did not prepare its Profit & Loss Account, Balance Sheet and Cash Flow Statement at the end of the year. Further since there was no concept of Balance Sheet, the fixed assets were not capitalized and fixed assets records were not kept in the manner required as in the case of any commercial organization.

In the Tariff Order which was passed in February 2010, the JERC had given a directive to the PED that it must prepare separate Financial Statements and get the same audited. The Department was directed to prepare Accounting Statements which includes Balance Sheet, Profit and Loss Account, Cash Flow Statement, Auditor's Report, etc., together with notes and such other supporting statements and submit the same along with the next ARR and Tariff Petition.

To comply with the directive given by JERC, annual accounts under accrual basis were first prepared by the PED for the financial year 2009-10 followed by 2010-11. The said annual accounts for these two years are accompanied by a detailed methodology on how the opening balance sheet was prepared as on 31st March 2009. The accrual based accounts were accompanied with a detailed asset register and depreciation register. These registers were prepared based on physical verification of the assets and ascertained their current condition and use.

PED continues to be a department of the Government of Puducherry and therefore need to continue to maintain its base books of accounts as per the Government system of accounting. This would continue to be the case, till such time the PED is corporatized into a separate entity under the Companies Act 2013. Therefore, the Financial Statements attached as a part of this ARR petition have been prepared solely for the purposes of complying with the JERC's directives and must be read and interpreted in that context.

The paragraphs below outline the methodology adopted for the preparation of the Financial Statements. As indicated above, the base records continue to be the cash based Government system of accounting and books of account maintained therein. Necessary adjustments have been carried out to the base amounts indicated in the Government system of accounts to arrive at the Profit and Loss Account, Balance Sheet and Cash Flow Statement for the financial year 2014-15. These will continue to be done till such time the corporatization of the PED is carried out. At that point of time, the corporatized entity will migrate to maintain its basic books of accounts also on accrual basis.

2. Basis of the Financial Statements

The Department prepares its annual receipts and expenditure statement on cash basis, which is audited by the state unit of the Comptroller and Auditor General. These audited amounts are compiled across all departments by the Department of Treasury, Government of Puducherry and the Audited State Annual Accounts of the Government of Puducherry are prepared and published. On its part, the Electricity Department reconciles its annual receipts and expenditure statements (called as financial progress statements) with the Department of Treasury. Since the published Audited State Annual Accounts are prepared for the State as whole (taking all departments across the Government), some of the account heads and amounts pertaining to the Electricity Department are rolled up at a higher level. However the financial progress statements (duly reconciled with the Department of treasury) contain details of all the account heads used by the Electricity Department. **Thus it may be noted that the detailed head wise amounts as per the financial progress statements (which are on cash basis) are duly reconciled with the Department of Treasury and form part of published Audited State Annual Accounts by the CAG of India.**

The above duly reconciled figures on cash basis have formed the base documents for the compilation of the financial statements. The amounts reported in these financial progress statements are adjusted to reflect the accrual basis of accounting and other adjustments required for conforming to Generally Accepted Accounting Principles have been made based on a detailed review and scrutiny of the cash based accounts by the PED.

The annual accounts have been prepared under accrual basis and Financial Statements have been prepared taking the format as used by PED in the previous year. It may be noted that the PED is not a company incorporated under the Companies Act 1956 / Companies Act 2013, and therefore is not necessarily required to adopt the new Schedule VI format.

It may be noted that for the financial year 2014-15, the State Accounts were not published till the date of preparation of these accrual based financial statements of the PED. Hence, differences (if any) between the State Accounts and these accrual based financial statements will be considered as and when the State Accounts are available.

3. Revenue Recognition

Revenue from sale of power is accounted on accrual basis. The sale of power is as per the tariff fixed by concerned authority. Revenue is accounted for on the basis of demand bills raised on the consumers of the Union Territory of Puducherry. Revenue for the year is also adjusted for the un-billed revenue of the previous year and current year on estimated basis. Revenue from sale of power is recognized net of sales tax/value added tax.

4. Fixed Assets

All Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed assets includes cost incurred/money spent in acquiring or installing or constructing fixed asset, and the salary cost of the employees who are deployed on the project / work.

Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset is capitalized and included in the cost of fixed asset.

Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at NIL value. Cost of land improvements such as leveling, filling or any other developmental activity is capitalized as a part of the cost of building.

Transmission network assets (Sub Stations and transmission lines) and Distribution network assets are capitalized in the year of commissioning. All costs are taken at net of devolution. Devolution is the process by which materials are transferred to the store at a reduced rate and later reissued at a weighted average rate of all such items. Storage charges at 2.5% of material costs and supervision charges at 17% of total costs are capitalized as overhead allocations.

Fixed Assets are eliminated from the financial statement, either on disposal or on retirement from active use or on becoming redundant. Generally, such assets are disposed off thereafter as per the policy of the department.

5. Depreciation

The CERC has notified the rates of depreciation on fixed assets with effect from 01.04.2009 as per Notification No. L-7/145/160/2008-CERC dated 19.01.2009 and the same have been adopted by the department in calculating the depreciation on fixed assets.

Based on the above, the depreciation is calculated at following rates:

Description of Assets	Rate of Depreciation
Land and Land Rights	--
Building	3.34%
Plant and Machinery	5.28%
Lines and Cables	5.28%
Office Equipment	6.33%
IT Equipment	15.00%
Vehicles	9.50%
Furniture and Fixtures	6.33%

Depreciation is calculated annually at the above rates based on straight-line method on historical cost. The residual value of all the assets is considered as 10%.

6. Capital Work in Progress

Materials issued to Capital Works in progress are valued at cost. Capital Work in Progress includes the stock of material received under Direct Debit to works as well as material at site and proportionate storage and supervision charges on the material issued for the works. Capital Advances given to vendors / contractors are also grouped under the head of Capital Work in Progress. The sub-station related assets are capitalized in the year of commissioning.

In case where CWIP work on a project spans multiple years, the development/ construction of an item of Fixed Asset is ongoing as on the end of the year. In such cases, the salary cost of the employees deployed in the Project / Work, if any, shall be added to the CWIP in the respective year in which such salary costs were incurred, and these shall be capitalized along with the item of Fixed Asset in the subsequent accounting period in which the item of Fixed Asset is fully developed / constructed and is available for use.

7. Inventory

Inventories, stores and spares are valued at cost; which is determined based on Weighted Average. Inventories issued to the Sections under various Schemes / Work / Project are considered as consumed at the time of issue. The closing inventory as on year end with the sections is added back to the inventory by reversing the consumption.

8. Salary Costs and Retirement Benefits

Salary and other cost (other than retirement benefits) are recognized on accrual basis. The retirement benefits other than Pension are recognized on 'Pay As You Go' basis. Pension payment is managed by the Government so the department does not account for the same in the accounts.

9. Provision for Bad and Doubtful debts

No provision for bad and doubtful debts has been made in the accounts pending reconciliation of the sundry debtors is in progress. The management will decide on the policy for provisioning for bad and doubtful debts and accordingly give effect of the same in the accounts in the financial year in which the process of reconciliation is done.

10. Consumer Contribution

Contribution received from consumers towards assets / works is disclosed as liabilities net of capital expenditure incurred till year end under Deposit Works. In case of completed works, the respective fixed assets created/acquired partly/wholly from consumer contribution, are accounted net of the consumer contribution.

11. Power Purchase

Power purchase costs are accounted based on the total number of units purchased during the year from the Power Generators allocated to PED by the Ministry of Power, Government of India. Apart from the power units purchased from Power Generators, Power Purchase Cost also includes transmission and wheeling charges paid to companies like Power Grid Corporation of India Ltd. and Karnataka Power Transmission Corporation Limited. The Power Purchase Cost is net of rebate received on account of advance and / or prompt payments made by the department.

All invoices, revision invoices, debit notes and credit notes received from Power Suppliers (i.e. Power Generating/Power Transmission / Power Wheeling Companies) are accounted in the financial year in which they are received by PED. Some of the invoices, revision invoices, debits notes and credit notes contain charges (or credit) pertaining to Power Purchased by the PED relate to prior years. This happens because of time lag between Power Purchase and orders passed by the respective regulatory commissions (governing the respective power suppliers) or due to the time lag between Power Purchase and refunds / liabilities arising to the power supplier on account of tax assessments, etc., which have to be recovered from the PED or refunded to the PED.

12. Finance Lease

Assets taken on finance lease are accounted for as fixed assets. Accordingly, the assets are accounted at the values certified by the developer. Lease payments are apportioned between finance chargeand outstanding liability. Interest expense on the outstanding amount is recognized in the Profit and Loss account as period cost.

13. Use of estimates

The preparation of financial statements requires the management of the department to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include unbilled revenue etc.

14. Estimation of Bank Charges

Bank charges are accounted on payment basis.

PART B: NOTES FORMING PART OF ACCOUNTS

(1) The cash-based Financial Progress Statement (duly reconciled with Department of Accounts and Treasury) forms the basis of preparation of financial statements. Appropriate adjustments are made to it for converting the cash-based statement to accrual based accounts. The adjustments include provision for outstanding liabilities, accruing of receivables, accounting for unbilled revenue, accounting for loans and advances, capitalization of expenditure etc.

(2) Contingent Liabilities :

(a) Details of Unexpired Letters of Credit (L/Cs) are as follows :

Name of the Generating Station	Value of the L/C As on 31.03.2015	Expiry Date
NPCILMAPS	Rs. 0.80	11-Oct-2015
NPCIL Kaiga	Rs. 6.06	09-Oct-2015
PGCIL	Rs. 6.52	06-Nov-2015
NTPC	Rs. 46.58	02-Oct-2015
POSOCO	Rs. 0.08	14-Mar-2016
NTECL	Rs. 1.70	15-Mar-2015
NLC	Rs. 20.68	19-Jan-2016
EESL	Rs. 0.55	07-Jan-2016
KKNPP	Rs. 6.52	18-Jun-2015
TANGEDCO	Rs. 2.46	06-Nov-2015
Total	**Rs. 91.95Crs**	

(b) Contingent Liability Related to Power Purchased from Pondicherry Power Corporation Ltd. (PPCL):
During the year 2011-12, the Puducherry Power Corporation Ltd. (PPCL) has demanded a surcharge of Rs. 26.52 Crores for outstanding amount not paid to it by PED which is under dispute.

(c) Contingent Liability Related to Power Purchase from Tamil Nadu Electricity Board (TNEB):
ThedisputeforpowerpurchasedbeforeApril2009and Late PaymentPenaltychargedbyTNEB during 2011-12is still unresolved and the matter is pending with the HighCourt. The estimateddifferentialamounts,which would beoutstanding as on the respectivedates, if the revisedtariffandpenaltyforlatepayment (as soughtby the TNEB) is approved by the Hon'ble HighCourtare as follows

Statement showing Contingent Liability related to Power Purchased and Late Payment Penalty levied by TNEB	Rs. Crores	Rs.Crores
ContingentLiabilityason31.03.2014		**220.22**
Breakup : Contingent Liability relating to Power Purchased	216.10	
Contingent Liability relating to Late Payment Penalty	4.12	
ContingentLiabilityason31.03.2015		**220.22**

(d) Contingent Liability relating to Surcharge levied by KPTCL & NLC

Statement showing Contingent Liability related to Surcharge levied by Suppliers but not considered by PED for Payment	Rs. Crores	Rs. Crores
Surcharge levied by KPTCL	0.02	
Surcharge levied by NLC-TPS I Expn	0.17	
ContingentLiabilityason31.03.2015		0.19

(e) Contingent Liability relating to pending electrocution cases pending

A total of 9 cases pertaining to electrocution are currently pending decision in Local Court and High Courts respectively. The total amount claimed is Rs. 1.48 Crores as on 31st March, 2015.

(3) Power Purchase Cost

(a) The Total PowerPurchaseCostfortheyear of Rs. 940.46 Croresincludes Rs. 13.60 Crores towards RPO (Renewable Purchase Obligation) as per JERC's Tariff order dated 25th April, 2014.

(b) Power Purchase invoices, revision invoices, debit and credit notes have been received from Power Suppliers (i.e. Power Generating, Transmission & Wheeling companies) in the financial year 2014-15 which include charges/credit pertaining to power purchased by the PED in prior financial years. These invoices were raised in the year 2014 – 2015 because of the orders passed by the respective regulatory commissions governing the respective Power Suppliers or due to the refunds / liabilities arising to the Power Suppliers on account of tax assessments, etc., which have to be recovered from (or credited to) the PED. The Power Suppliers from whom such invoices, revision invoices, debit and credit notes were received in 2014-15 are as follows:

Value of Invoices/Debit Notes/Credit Notes received in Current Financial Year but pertain to Power Purchased by the PED in Prior Financial Years	
Power Supplier	**Rs.Crores**
NTPC	2.44
NLC	1.59
PGCIL	7.23
KAIGA	1.27
MAPS	0.07
KSEB	0.12
SRLDC (POSOCO)	0.07
NTECL	(0.18)
KPTCL	0.20
Kundamkulam	0.34
Total	**13.16**

TheabovefigureofRs.13.16Crores,hasbeenshownasanexplanatorynoteonthefaceofProfit& LossAccountbelowtheheadingof "Purchase of Power".

(4) In the financial year 2002 – 2003, the Department had entered into a finance lease with the Power Grid Corporation of India Ltd. (PGCIL) for development of System Control Centre. The total amount incurred for the development of the center is Rs. 24.36 Crores, of which Rs. 23.07 Crores has been covered under the finance lease. The liability towards the finance lease transaction has been shown as a Secured Loan in the Financial Statement. During the year Payment towards Finance Lease liability is Rs. 1.49 Crores.

(5) PED has received Rs. 18.6 Crores under the R-APDRP (Restructured Accelerated Power Development Reforms Project) scheme. The scheme involves grant of loan from Government of India [through the nodal agency i.e. Power Finance Corporation (PFC)] to the Union Territory of Puducherry. Total tenure of the loan is 10 years (which includes a 3 year moratorium period). Further, as per the terms of the scheme, if the PED achieves objectives of the scheme within 3 years, then the loan shall be converted into a grant.

During the year PED has made provision of interest @ 11.50% (as per Terms & Conditions prescribed by PFC) on the amount of Rs. 18.6 Crores (as on opening of accounts), which comes to Rs. 2.13 Crores for 14-15.

(6) Investment in Puducherry Power Corporation Limited, a power generating company, is in the name of the Government of India; however the related shares are in the custody of PED. PED acts as the custodian of the shares. Hence, these shares are not considered as an investment of the PED.

(7) ConsumersprovidesecuritydepositseitherintheformofcashorFDRorBankGuarantee. From 12-13 onwards, as per JERC's direction PED has opened a separate head of account for SD/ASD/MSD collected from Consumers under 8336 – Civil Deposits -101 – Security Deposits on which interest will be provided to consumers as per JERC directions.

As per the directives issued by JERC in its Tariff Order dated 16th June 2012, PED is required to pay / provide interest on the deposits taken from the consumers. Accordingly as per Tariff Order issued by JERC dated 25th April, 2014, PED has made provision for the interest of Rs. 11.40 Crores in the accounts during the year 2014-15. The department is in the process of reconciling the deposit account to ascertain the actual liability toward the security deposit and the further provision will be made once the liability is determined.

The Department has made an interest payment of Rs. 2.02 Crores during the year 2014-15 towards interest payable on deposits taken from consumers. The same has been accordingly adjusted from the figure of interest payable on consumer deposits.

(8) Value Added Tax (sales tax) on sale of power became applicable to PED with effect from 7th November 2009. PED charges the tax on sale of power to the various consumers as per the provision of the relevant act and pays it to the commercial tax department accordingly. The PED recognizes the sales tax liability in the accounts on collection basis and pays to the commercial

department within seven days of the next month. The amount which is collected from the consumers and not paid to the Commercial Tax department is shown as a Liability in the Balance Sheet. This approach to accounting for Value Added Tax has been taken on collection rather than on demand due to the constraints in the existing billing system in the Department. Once the issue is addressed, the Department shall modify its approach to accounting for VAT based on billing.

(9) The amount shown under Sundry Debtors is subject to reconciliation.

The Sundry Debtors outstanding are calculated based on the following formula: Opening Balance + Billing for the Year – Collection during the Year. For the year ending 31st March, 2015, the balance of Sundry Debtors in the Accounts is Rs. 475.44 Crores. According to the information available in the billing system of the Department, the amount of Sundry Debtors is Rs. 259.59 Crores. Hence there is an un-reconciled difference of Rs. 215.84 Crores as on 31.3.2015 between the arrears details available within the billing system of the department and balance as per the above method.

(10)Sale of Power:

(a) The sale of power for the year includes Rs. 76.49 Crores as Un-billed revenue (previous year Rs. 69.16 Crores) and same is debited in Un-Billed Debtors account in Balance Sheet. It also includes UI income for the year Rs. 2. 06 Crores (previous year Rs. 24. 84 Crores).

(b) The subsidy on sale of Power for the year is Rs. 1.09 Crores (previous year Rs. 4.97 Crores) and included in the sale of power.

(c) As a consequence of excess power available within the region of Puducherry, TNEB has been drawing power from the Electricity Department, Puducherry during the year 2014-15. The total power drawn is 24 MUs, and the equivalent amount to be recovered as Sale of Power is Rs. 8.89 Crores. However, bills have not been raised for the same, and hence the amount is shown as Un-billed revenue (included in (a) above) in order to show a true and fair view of the revenue of PED. The Un-billed revenue shall be adjusted in the year 2015-16 when the bills are raised.

(d) As per the Commission's Tariff Order for the year 2014-15, an additional surcharge of 10% has been approved towards past regulatory assets, which is to be levied on all consumers (other than Agricultural consumers and consumers under the OHOB scheme) over and above the approved tariff rates. Surcharge for the year 2014-15 amounts to Rs. 103.94 Crores (previous year Rs. 101.47 Crores).

(11)The Electricity Department has been accounting for procurement of office equipment, furniture, IT equipment and motor vehicles under O&M and Administration & General expenses heads. Since this constitutes fixed assets, the expenditure capitalized and not charged to the Profit and Loss account are as follows:

- Salary Expenses: Rs. 12.21 Crores

(12)Total interest expense for the year on the lease transaction is Rs. 0.57 Crores (Rs. 0.71 Crores previous year). PED has also received Rs. 0.04 Crores(Rs. 0.07 Crores previous year) as rebate for early / prompt payment of Outstanding Loan on account of Finance Lease.

(13)In accordance with Government of India Order and in case of certain capital expenditure which have been identified by the Department as having Employee Cost attached to it, the CWIP account is debited with 17% towards salaries and wages.

The previous year figures have been regrouped or reclassified in the financial statements wherever required.

(14)While the accounts prepared by PED is on accrual basis based on generally accepted accounting principles, the accounts prepared by the Department of Treasury, Government of Puducherry is on cash basis. Therefore the balance of the Government Fund in the accounts of PED and the balance of PED in the accounts prepared by the Department of Treasury, Government of Puducherry are not reconciled due to the difference in basis of accounting (accrual/cash basis).

(15)Internal Audit report

EDP has appointed an Internal Audit team from the year 2014-15. Consequentially, Internal Audit Reports have been submitted to EDP containing observations made as a result of the Internal Audit exercise. The EDP management is in the process of reviewing and responding to these observations and therefore no adjustments have been made to the accounts for the year 2014-15 for these observations pending review by the management.

As per our Report attached
For JLN US & Co
Chartered Accountants
FRN : 101543W

(SUNIL KABRA)
PARTNER: M.No: 111692

JLN US & CO. Mem. No. 111692 Chartered Accountants

For and on behalf of Electricity Department, Puducherry

(P.C.S. JAGANATHAN)
Financial Controller
Electricity Department

(K. MATHIVANAN)
Superintending Engineer-I
Electricity Department

Annexure III: UN-AUDITED ACCOUNTS OF FY 2015-16

PUDUCHERRY ELECTRICITY DEPARTMENT

BALANCE SHEET AS ON 31st March, 2016 (UNAUDITED)

PARTICULARS	SCHEDULE No.	As at 31.03.2016	As at 31.03.2015
SOURCES OF FUNDS			
(1) Owner's Funds			
Government Fund		11,528,509,169	10,333,782,838
(2) Loan Funds			
Secured Loans	1	46,616,903	62,779,429
Unsecured Loan from PFC [Refer Note 5]		186,000,000	186,000,000
T O T A L		**11,761,126,072**	**10,582,562,267**
APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	2	6,609,151,965	6,339,801,003
(b) Less : Accumulated Depreciation		3,284,645,426	3,005,528,044
(c) Net Block		3,324,506,538	3,334,272,958
(d) Capital Work in Progress		785,124,402	658,986,398
(e) Capital Advances		-	-
(2) Current Assets Loans & Advances			
(a) Inventories		406,669,095	535,154,904
(b) Sundry Debtors	3	6,783,206,366	5,519,952,341
(c) Cash and Bank Balances	4	287,841,666	259,085,068
(d) Loans and Advances	5	152,180,417	154,356,395
		7,629,892,544	6,468,548,708
Less: Current Liabilities and Provisions	6	4,313,305,569	4,307,358,392
N E T C U R R E N T A S S E T S		**3,316,591,975**	**2,161,190,316**
Profit & Loss Account		**4,334,903,156**	**4,428,112,595**
T O T A L		**11,761,126,072**	**10,582,562,267**
Significant Accounting Policies and Notes to Accounts	**12**		

PUDUCHERRY ELECTRICITY DEPARTMENT

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2016 (UNAUDITED)

PARTICULARS	SCH. No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
INCOME			
Revenue from Sale of Power [Refer Note 11]	7	11,163,503,937	11,785,167,706
Other Income	8	47,172,377	25,353,624
TOTAL INCOME		**11,210,676,314**	**11,810,521,329**
EXPENDITURE			
Purchase of Power		9,675,970,527	9,404,580,286
[Includes an amount of Rs. 4.96 Crores for power purchased prior to 2015-16 but invoices received in 2015-16 explained in Notes (3) (b)]			
Employee Costs	9	776,629,473	754,565,149
Operations & Maintenance Expenses		96,179,571	77,134,701
Administration and General Expenses	10	109,111,195	104,683,119
Other Expenses		1,633,569	523,195
Depreciation		279,117,382	259,205,752
Interest and Finance Charges	11	178,825,158	160,375,396
TOTAL EXPENDITURE		**11,117,466,875**	**10,761,067,598**
Net Profit / (Loss) before prior period adjustments		93,209,439	1,049,453,732
Net Prior Period Credits / (Charges)		-	-
Profit / (Loss) before Extraordinary Items		**93,209,439**	**1,049,453,732**
Less : Extraordinary Items		-	-
Profit / (Loss) before Tax		**93,209,439**	**1,049,453,732**
Less : Provision for Tax		-	-
Profit / (Loss) After Tax		**93,209,439**	**1,049,453,732**
Profit / (Loss) brought forward from previous year		**(4,428,112,595)**	**(5,477,566,327)**
Balance carried to Balance Sheet		**(4,334,903,156)**	**(4,428,112,595)**

PUDUCHERRY ELECTRICITY DEPARTMENT		
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2016 (UNAUDITED)		
Particulars	**2015-16**	**2014-15**
A. Cash flow from operating activities		
Net profit / (loss) before tax	**93,209,439**	**1,049,453,732**
Adjustment for :		
Depreciation	279,117,382	259,205,752
Interest Income	(21,846,956)	(17,627,350)
Interest Expenses / Financial Charges	155,637,720	140,725,916
Prior period adjustment		
Operating profit / (loss) before working capital changes	**506,117,585**	**1,431,758,050**
Changes in Working Capital		
(Increase) / Decrease in Inventories	128,485,809	(279,145,558)
(Increase) / Decrease in Debtors	(1,263,254,025)	(198,042,209)
(Increase) / Decrease in Loans & Advances	2,175,978	12,912,491
Increase / (Decrease) in Trade Payables & Provisions	5,947,177	956,786,908
Cash generated from operations	**(620,527,476)**	**1,924,269,682**
Less: Direct taxes paid		
- Income Tax	-	-
- Fringe Benefit Tax	-	-
- Wealth Tax	-	-
Net cash from operating activities	**(620,527,476)**	**1,924,269,682**
B. Cash flow from investing activities		
(Increase) / Decrease in Fixed Assets	(269,350,962)	(703,946,031)
(Increase) / Decrease in Capital WIP	(126,138,005)	370,904,894
Interest received	21,846,956	17,627,350
Net cash from investing activities	**(373,642,011)**	**(315,413,787)**
C. Cash flow from financing activities		
Increase in Government Fund	1,194,726,331	(1,455,589,636)
Increase in Long term loan from PFC	-	-
Increase in Calamity relief fund	-	-
Repayment of finance lease	(16,162,526)	(14,891,645)
Interest and Finance Charges	(155,637,720)	(140,725,916)
Net cash flow from financing activities	**1,022,926,085**	**(1,611,207,197)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	28,756,598	(2,351,302)
Opening Balance of Cash and Cash Equivalents	259,085,068	261,436,370
Closing Balance of Cash and Cash Equivalents	**287,841,666**	**259,085,068**

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR FY 2015-16

SCHEDULE - 2
SECURED LOANS

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Finance Lease Liability [Refer Note 4] (The lease is relating to the System Control Centre)	46,616,903	62,779,429
	TOTAL	**46,616,903**	**62,779,429**

SCHEDULE - 3
SUNDRY DEBTORS

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Sundry Debtors for Sale of Power	6,019,233,239	4,754,371,355
2	UI Charges receivable	-	-
3	Receivable from Other Department for Sale of materials	1,261,777	699,523
4	Unbilled Debtors	762,711,350	764,881,462
	TOTAL	**6,783,206,366**	**5,519,952,341**

SCHEDULE - 4
CASH & BANK BALANCES

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Cash in hand	1,033,329	6,508
2	Cheques in hand	8,535,035	-
3	Margin money with Bank	123,039,116	111,126,557
4	Balance with SBI	155,234,186	147,952,004
5	TDS Receivable	-	-
	TOTAL	**287,841,666**	**259,085,068**

SCHEDULE - 5
LOANS & ADVANCES

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Other Income receivable	46,757	46,757
2	Lease advances	1,692,949	1,316,000
3	Advances to Creditors	20,510,732	52,663,659
4	Tariff Subsidy receivable	129,929,979	100,329,979
5	Prepaid Expenses	-	-
	TOTAL	**152,180,417**	**154,356,395**

SCHEDULE - 6
CURRENT LIABILITIES & PROVISIONS

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Consumer Deposits [Refer Note 7 of Part B of Notes to Accounts]	1,615,759,038	1,447,898,521
2	Consumer Contribution for Deposit Works	224,945,401	177,086,316
3	Sundry Creditors for power purchase	969,120,839	1,387,136,947
4	Interest Payable on Finance Lease	507,067,638	384,375,872
5	Other Liabilities	-	-
6	Vendor/Contractor Deposits	17,620,740	16,384,733
7	Provision for Power Purchase	839,161,793	804,382,417
8	Provision for Other Expenses	100,645,602	55,569,978
9	Sales Tax Payable [Refer Note 8 of Part B of Notes to Accounts]	19,857,080	14,329,845
10	Payable for Operating Expenses	-	-
11	UI Charges Payable	19,127,437	20,193,763
	TOTAL	**4,313,305,569**	**4,307,358,392**

SCHEDULE - 7
REVENUE FROM SALE OF POWER

S.No.	Particulars	Year ended 31st March 2016	Year ended 31st March 2015
1	LT Consumers	3,803,452,619	3,333,881,450
2	HT Consumers	6,863,646,010	6,852,683,579
3	Street light charges	172,835,640	144,335,800
4	Agriculture	14,912,930	18,076,871
5	Tariff Subsidy on Sale of Power	29,600,000	10,900,000
6	Surcharge	286,567,920	1,039,356,186
7	FPPCA charges	133,712,137	58,000,000
8	FPPCA Charges (13-14)	-	279,400,000
		11,304,727,256	**11,736,633,886**
Add	Un-billed revenue as at the end of the year	762,711,350	764,881,462
Less	Un-billed revenue as at the beginning of the year	764,881,462	691,558,730
Less	Incentives to consumers (net of Penal charges)	156,785,000	45,386,948
	Revenue from Sale of Power	**11,145,772,143**	**11,764,569,670**
7	UI Charges for the year	17,731,794	20,598,036
		11,163,503,937	**11,785,167,706**

SCHEDULE – 8
OTHER INCOME

S.No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Sale of Trading Materials	1,841,849	589,902
2	Interest Income on Margin Money Deposit with Bank	21,846,956	6,613,691
3	Other receipts	23,483,572	7,136,371
	TOTAL	**47,172,377**	**25,353,624**

SCHEDULE - 9
EMPLOYEE COSTS

S.No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Salary	909,146,879	877,805,603
2	Wages	6,360,000	6,433,096
3	Stipend	4,638,000	3,998,559
4	Overtime Payment	17,567,420	7,769,538
		937,712,299	896,006,796
Less	Departmental Charges	18,511,529	19,382,344
Less	Salary Costs Capitalized [Refer Note 12]	142,571,297	122,059,303
	TOTAL	**776,629,473**	**754,565,149**

SCHEDULE - 10
ADMINISTRATION & GENERAL EXPENSES

S.No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Office Expenses	12,019,397	26,633,657
2	Other Miscellaneous Expenses	50,021,568	41,578,803
3	EESL charges	47,070,230	36,470,659
	TOTAL	**109,111,195**	**104,683,119**

SCHEDULE - 11
INTEREST AND FINANCE CHARGES

S.No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2016
1	Interest Charges [Refer Note 12 of Part B of Notes to Accounts]	155,637,720	140,725,916
2	Bank Charges	23,187,438	19,649,480
	TOTAL	**178,825,158**	**160,375,396**

SCHEDULE 2 - FIXED ASSETS SCHEDULE FOR FY 2015-16

		Amounts in Rs. Lakhs					Amounts in Rs. Lakhs						Amounts in Rs. Lakhs	
		Gross block					Depreciation						Net block	
Assets group number	Assets group description	Opening balance as on 1-4-2015	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2015	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Deductions during the	Total at the end of the year	At the end of current year – as on 31-3-2016	At the end of previous year - as on 31-3-2015
1	Land and land rights													
	Sub Stations	699.80				699.80	-			-	-	-	699.80	699.80
	Other	35.00				35.00	-			-	-	-	35.00	35.00
2	Buildings													
	Sub Stations	1,236.62				1,236.62	447.97	39.30		39.30	-	487.27	749.35	788.65
	Other	500.74				500.74	240.90	15.09		15.09	-	255.99	244.74	259.84
3	Plant and machinery													
	Sub Stations	20,859.70				20,859.70	9,860.86	833.57		833.57	-	10,694.43	10,165.27	10,998.84
	Transformers	13,200.91		2,698.09		15,899.00	6,058.63	699.57	142.46	842.03	-	6,900.66	8,998.34	7,142.28

		Amounts in Rs. Lakhs					Amounts in Rs. Lakhs						Amounts in Rs. Lakhs	
		Gross block					Depreciation						Net block	
Assets group number	Assets group description	Opening balance as on 1-4-2015	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2015	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Deductions during the	Total at the end of the year	At the end of current year – as on 31-3-2016	At the end of previous year - as on 31-3-2015
4	Lines and cable network													
	Sub Station and Others	23,364.34				23,364.34	11,079.93	911.08		911.08	-	11,991.01	11,373.33	12,284.41
5	Vehicles													
	Sub Station and Others	193.52	(4.58)			188.94	165.40	2.32		2.32	-	167.72	21.22	28.12
6	Furniture and fixtures													
	Sub Station and Others	15.18				15.18	8.19	0.53		0.53	-	8.72	6.46	6.99
7	Office equipment (Office equipment, telephones & Telephone lines, Radio and high frequency carrier system (VHF))													
	Sub Station and Others	84.15				84.15	67.77	1.88		1.88	-	69.65	14.50	16.38
8	IT equipment (Computers etc.)													

		Amounts in Rs. Lakhs					Amounts in Rs. Lakhs						Amounts in Rs. Lakhs	
		Gross block					Depreciation						Net block	
Assets group number	Assets group description	Opening balance as on 1-4-2015	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2015	Depreciation on Opening Balance	Depreciation on additions during the period	Depreciation for the year	Deductions during the	Total at the end of the year	At the end of current year – as on 31-3-2016	At the end of previous year - as on 31-3-2015
	Sub Station and Others	199.80				199.80	160.69	4.27		4.27	-	164.96	34.84	39.11
9	Testing &Measuring Equipment													
	Sub Station and Others	331.49				331.49	241.78	10.21		10.21	-	251.99	79.50	89.71
10	*SCADA Centre*													
	Sub Station and Others	2,676.78				2,676.78	1,723.17	130.90		130.90	-	1,854.07	822.71	953.61
	Total	**63,398.01**	**(4.58)**	**2,698.09**		**66,091.52**	**30,055.29**	**2,648.71**	**142.46**	**2,791.17**	**-**	**32,846.46**	**33,245.06**	**33,342.72**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. Background

Puducherry Electricity Department (PED) is a part of the Government of Puducherry. It is responsible for distribution and supply of electricity in Puducherry, Karaikkal, Mahe and Yanam regions of the Union Territory of Puducherry. PED is governed by the Electricity Act 2003, as a deemed licensee.

After the enactment of The Electricity Act 2003, it is mandatory for all electricity utilities to file their Annual Revenue Requirement and Tariff Proposal in the form of a petition before the respective State Electricity Regulatory Commission. The Commission after hearing all the stake holders, issues an appropriate order on the ARR and Tariff Proposal. The Department had filed its first proposal for tariff fixation /revision for the year 2009-10 and a Tariff Order was passed in February 2010.

Being a Government Department, the PED maintained its books of accounts as per the Government system of accounting, which essentially is cash based and to some extent a partial system of single and double entry accounting. In other words, as typical to any other entity that maintains its accounts based on a commercial accounting system, the PED did not prepare its Profit & Loss Account, Balance Sheet and Cash Flow Statement at the end of the year. Further since there was no concept of Balance Sheet, the fixed assets were not capitalized and fixed assets records were not kept in the manner required as in the case of any commercial organization.

In the Tariff Order which was passed in February 2010, the JERC had given a directive to the PED that it must prepare separate Financial Statements and get the same audited. The Department was directed to prepare Accounting Statements which includes Balance Sheet, Profit and Loss Account, Cash Flow Statement, Auditor's Report, etc., together with notes and such other supporting statements and submit the same along with the next ARR and Tariff Petition.

To comply with the directive given by JERC, annual accounts under accrual basis were first prepared by the PED for the financial year 2009-10 followed by 2010-11. The said annual accounts for these two years are accompanied by a detailed methodology on how the opening balance sheet was prepared as on 31st March 2009. The accrual based accounts were accompanied with a detailed asset register and depreciation register. These registers were prepared based on physical verification of the assets and ascertained their current condition and use.

PED continues to be a department of the Government of Puducherry and therefore need to continue to maintain its base books of accounts as per the Government system of accounting. This would continue to be the case, till such time the PED is corporatized into a separate entity under the Companies Act 2013. Therefore, the Financial Statements attached as a part of this ARR petition have been prepared solely for the purposes of complying with the JERC's directives and must be read and interpreted in that context.

The paragraphs below outline the methodology adopted for the preparation of the Financial Statements. As indicated above, the base records continue to be the cash based Government system of accounting and books of account maintained therein. Necessary adjustments have been carried out to the base amounts indicated in the Government system of accounts to arrive at the Profit and Loss Account, Balance Sheet and Cash Flow Statement for the financial year 2015-16. These will continue to be done till such time the corporatization of the PED is carried out. At that point of time, the corporatized entity will migrate to maintain its basic books of accounts also on accrual basis.

2. Basis of the Financial Statements

The Department prepares its annual receipts and expenditure statement on cash basis, which is audited by the state unit of the Comptroller and Auditor General. These audited amounts are compiled across all departments by the Department of Treasury, Government of Puducherry and the Audited State Annual Accounts of the Government of Puducherry are prepared and published. On its part, the Electricity Department reconciles its annual receipts and expenditure statements (called as financial progress statements) with the Department of Treasury. Since the published Audited State Annual Accounts are prepared for the State as whole (taking all departments across the Government), some of the account heads and amounts pertaining to the Electricity Department are rolled up at a higher level. However the financial progress statements (duly reconciled with the Department of treasury) contain details of all the account heads used by the Electricity Department. **Thus it may be noted that the detailed head wise amounts as per the financial progress statements (which are on cash basis) are duly reconciled with the Department of Treasury and form part of published Audited State Annual Accounts by the CAG of India.**

The above duly reconciled figures on cash basis have formed the base documents for the compilation of the financial statements. The amounts reported in these financial progress statements are adjusted to reflect the accrual basis of accounting and other adjustments required for conforming to Generally Accepted Accounting Principles have been made based on a detailed review and scrutiny of the cash based accounts by the PED.

The annual accounts have been prepared under accrual basis and Financial Statements have been prepared taking the format as used by PED in the previous year. It may be noted that the PED is not a company incorporated under the Companies Act 1956 / Companies Act 2013, and therefore is not necessarily required to adopt the new Schedule VI format.

It may be noted that for the financial year 2015-16, the State Accounts were not published till the date of preparation of these accrual based financial statements of the PED. Hence, differences (if any) between the State Accounts and these accrual based financial statements will be considered as and when the State Accounts are available.

3. Revenue Recognition

Revenue from sale of power is accounted on accrual basis. The sale of power is as per the tariff fixed by concerned authority. Revenue is accounted for on the basis of demand bills raised on the consumers of the Union Territory of Puducherry. Revenue for the year is also adjusted for the un-billed revenue of the previous year and current year on estimated basis. Revenue from sale of power is recognized net of sales tax/value added tax.

4. Fixed Assets

All Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed assets includes cost incurred/money spent in acquiring or installing or constructing fixed asset, and the salary cost of the employees who are deployed on the project / work.

Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset is capitalized and included in the cost of fixed asset.

Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at NIL value. Cost of land improvements such as leveling, filling or any other developmental activity is capitalized as a part of the cost of building.

Transmission network assets (Sub Stations and transmission lines) and Distribution network assets are capitalized in the year of commissioning. All costs are taken at net of devolution. Devolution is the process by which materials are transferred to the store at a reduced rate and later reissued at a weighted average rate of all such items. Storage charges at 2.5% of material costs and supervision charges at 17% of total costs are capitalized as overhead allocations.

Fixed Assets are eliminated from the financial statement, either on disposal or on retirement from active use or on becoming redundant. Generally, such assets are disposed of thereafter as per the policy of the department.

5. Depreciation

The CERC has notified the rates of depreciation on fixed assets with effect from 01.04.2009 as per Notification No. L-7/145/160/2008-CERC dated 19.01.2009 and the same have been adopted by the department in calculating the depreciation on fixed assets.

Based on the above, the depreciation is calculated at following rates:

Description of Assets	Rate of Depreciation
Land and Land Rights	- -
Building	3.34%
Plant and Machinery	5.28%
Lines and Cables	5.28%
Office Equipment	6.33%
IT Equipment	15.00%
Vehicles	9.50%
Furniture and Fixtures	6.33%

Depreciation is calculated annually at the above rates based on straight-line method on historical cost. The residual value of all the assets is considered as 10%.

6. Capital Work in Progress

Materials issued to Capital Works in progress are valued at cost. Capital Work in Progress includes the stock of material received under Direct Debit to works as well as material at site and proportionate storage and supervision charges on the material issued for the works. Capital Advances given to vendors / contractors are also grouped under the head of Capital Work in Progress. The sub-station related assets are capitalized in the year of commissioning.

In case where CWIP work on a project spans multiple years, the development/ construction of an item of Fixed Asset is ongoing as on the end of the year. In such cases, the salary cost of the employees deployed in the Project / Work, if any, shall be added to the CWIP in the respective year in which such salary costs were incurred, and these shall be capitalized along with the item of Fixed Asset in the subsequent accounting period in which the item of Fixed Asset is fully developed / constructed and is available for use.

7. Inventory

Inventories, stores and spares are valued at cost; which is determined based on Weighted Average. Inventories issued to the Sections under various Schemes / Work / Project are considered as consumed at the time of issue. The closing inventory as on year end with the sections is added back to the inventory by reversing the consumption.

8. Salary Costs and Retirement Benefits

Salary and other cost (other than retirement benefits) are recognized on accrual basis. The retirement benefits other than Pension are recognized on 'Pay As You Go' basis. Pension payment is managed by the Government so the department does not account for the same in the accounts.

9. Provision for Bad and Doubtful debts

No provision for bad and doubtful debts has been made in the accounts pending reconciliation of the sundry debtors is in progress. The management will decide on the policy for provisioning for bad and doubtful debts and accordingly give effect of the same in the accounts in the financial year in which the process of reconciliation is done.

10. Consumer Contribution

Contribution received from consumers towards assets / works is disclosed as liabilities net of capital expenditure incurred till year end under Deposit Works. In case of completed works, the respective fixed assets created / acquired partly / wholly from consumer contribution, are accounted net of the consumer contribution.

11. Power Purchase

Power purchase costs are accounted based on the total number of units purchased during the year from the Power Generators allocated to PED by the Ministry of Power, Government of India. Apart from the power units purchased from Power Generators, Power Purchase Cost also includes transmission and wheeling charges paid to companies like Power Grid Corporation of India Ltd. and Karnataka Power Transmission Corporation Limited. The Power Purchase Cost is net of rebate received on account of advance and / or prompt payments made by the department.

All invoices, revision invoices, debit notes and credit notes received from Power Suppliers (i.e. Power Generating / Power Transmission / Power Wheeling Companies) are accounted in the financial year in which they are received by PED. Some of the invoices, revision invoices, debits notes and credit notes contain charges (or credit) pertaining to Power Purchased by the PED relate to prior years. This happens because of time lag between Power Purchase and orders passed by the respective regulatory commissions (governing the respective power suppliers) or due to the time lag between Power Purchase and refunds / liabilities arising to the power supplier on account of tax assessments, etc., which have to be recovered from the PED or refunded to the PED.

12. Finance Lease

Assets taken on finance lease are accounted for as fixed assets. Accordingly, the assets are accounted at the values certified by the developer. Lease payments are apportioned between finance charge and outstanding liability. Interest expense on the outstanding amount is recognized in the Profit and Loss account as period cost.

13. Use of estimates

The preparation of financial statements requires the management of the department to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include unbilled revenue etc.

14. Estimation of Bank Charges

Bank charges are accounted on payment basis.

PART B: NOTES FORMING PART OF ACCOUNTS

(1) The cash-based Financial Progress Statement (duly reconciled with Department of Accounts and Treasury) forms the basis of preparation of financial statements. Appropriate adjustments are made to it for converting the cash-based statement to accrual based accounts. The adjustments include provision for outstanding liabilities, accruing of receivables, accounting for unbilled revenue, accounting for loans and advances, capitalization of expenditure etc.

(2) Contingent Liabilities :

(a) Details of Unexpired Letters of Credit (L/Cs) are as follows :

Name of the Generating Station	Value of the L/C As on 31.03.2016	Expiry Date
NPCIL MAPS	Rs. 0.93	11-Oct-2016
NPCIL Kaiga	Rs. 6.86	09-Oct-2016
PGCIL	Rs. 4.97	11-Nov-2016
NTPC	Rs. 32.22	02-Jan-2017
POSOCO	Rs. 0.08	14-Mar-2017
NLC	Rs. 24.79	18-Jun-2016
NTPC Tamil Nadu Energy Co. Ltd.	Rs. 3.81	06-Nov-2016
KKNPP	Rs. 6.92	18-Jun-2016
Total	**Rs. 80.58 Crs**	

(b) Contingent Liability Related to Power Purchased from Pondicherry Power Corporation Ltd. (PPCL):
During the year 2011-12, the Puducherry Power Corporation Ltd. (PPCL) has demanded a surcharge of Rs. 26.52 Crores for outstanding amount not paid to it by PED which is under dispute.

(c) Contingent Liability Related to Power Purchase from Tamil Nadu Electricity Board (TNEB):
The dispute for power purchased before April 2009 and Late Payment Penalty charged by TNEB during 2011-12 is still unresolved and the matter is pending with the High Court. The estimated differential amounts, which would be outstanding as on the respective dates, if the revised tariff and penalty for late payment (as sought by the TNEB) is approved by the Hon'ble High Court are as follows

Statement showing Contingent Liability related to Power Purchased and Late Payment Penalty levied by TNEB	**Rs. Crores**	**Rs. Crores**
Contingent Liability as on 31.03.2015		**220.22**
Breakup : Contingent Liability relating to Power Purchased	216.10	
Contingent Liability relating to Late Payment Penalty	4.12	
Contingent Liability as on 31.03.2016		**220.22**

(d) Contingent Liability relating to Surcharge levied by KPTCL & NLC

Statement showing Contingent Liability related to Surcharge levied by Suppliers but not considered by PED for Payment	**Rs. Crores**	**Rs. Crores**
Surcharge levied by KPTCL	0.02	
Surcharge levied by NLC-TPS I Expn	0.17	
Contingent Liability as on 31.03.2016		0.19

(e) Contingent Liability relating to pending electrocution cases pending

A total of 10 cases pertaining to electrocution are currently pending decision in Local Court and High Courts respectively. The total amount claimed is Rs. 1.60 Crores as on 31st March, 2016.

(3) Power Purchase Cost

(a) The Total Power Purchase Cost for the year of Rs. 967.59 Crores includes Rs. 26.25 Crores towards RPO (Renewable Purchase Obligation) as per JERC's Tariff order.

(b) Power Purchase invoices, revision invoices, debit and credit notes have been received from Power Suppliers (i.e. Power Generating, Transmission & Wheeling companies) in the financial year 2015-16 which include charges / credit pertaining to power purchased by the PED in prior financial years. These invoices were raised in the year 2015 – 2016 because of the orders passed by the respective regulatory commissions governing the respective Power Suppliers or due to the refunds / liabilities arising to the Power Suppliers on account of tax assessments, etc., which have to be recovered from (or credited to) the PED. The Power Suppliers from whom such invoices, revision invoices, debit and credit notes were received in 2015-16 are as follows:

Value of Invoices/Debit Notes/Credit Notes received in Current Financial Year but pertain to Power Purchased by the PED in Prior Financial Years	
Power Supplier	**Rs. Crores**
NTPC	**1.22**
NLC	**1.82**
PGCIL	**2.75**
KAIGA	**0.06**
MAPS	**0.01**
KSEB	**-**
SRLDC (POSOCO)	**-**
NTECL	**(0.89)**
KPTCL	**-**
Kundamkulam	**-**
Total	**4.96**

The above figure of Rs. 4.96 Crores, has been shown as an explanatory note on the face of Profit & Loss Account below the heading of ”Purchase of Power”.

(4) In the financial year 2002 – 2003, the Department had entered into a finance lease with the Power Grid Corporation of India Ltd. (PGCIL) for development of System Control Centre. The total amount incurred for the development of the center is Rs. 24.36 Crores, of which Rs. 23.07 Crores has been covered under the finance lease. The liability towards the finance lease transaction has been shown as a Secured Loan in the Financial Statement. During the year Payment towards Finance Lease liability is Rs. 1.49 Crores.

(5) PED has received Rs 18.6 Crores under the R-APDRP (Restructured Accelerated Power Development Reforms Project) scheme. The scheme involves grant of loan from Government of India [through the nodal agency i.e. Power Finance Corporation (PFC)] to the Union Territory of Puducherry. Total tenure of the loan is 10 years (which includes a 3 year moratorium period). Further, as per the terms of the scheme, if the PED achieves objectives of the scheme within 3 years, then the loan shall be converted into a grant.

During the year PED has made provision of interest @ 11.50% (as per Terms & Conditions prescribed by PFC) on the amount of Rs. 18.6 Crores (as on opening of accounts), which comes to Rs. 2.13 Crores for 15-16.

(6) Investment in Puducherry Power Corporation Limited, a power generating company, is in the name of the Government of India; however the related shares are in the custody of PED. PED acts as the custodian of the shares. Hence, these shares are not considered as an investment of the PED.

(7) Consumers provide security deposits either in the form of cash or FDR or Bank Guarantee. From 12-13 onwards, as per JERC’s direction PED has opened a separate head of account for SD/ASD/MSD collected from Consumers under 8336 – Civil Deposits -101 – Security Deposits on which interest will be provided to consumers as per JERC directions.

As per the directives issued by JERC in its Tariff Order dated 16th June 2012, PED is required to pay / provide interest on the deposits taken from the consumers. Accordingly as per Tariff Order issued by JERC, PED has made provision for the interest of Rs. 13.02 Crores in the accounts during the year 2015-16. The department is in the process of reconciling the deposit account to ascertain the actual liability toward the security deposit and the further provision will be made once the liability is determined.

The Department has made an interest payment of Rs. 2.88 Crores during the year 2015-16 towards interest payable on deposits taken from consumers. The same has been accordingly adjusted from the figure of interest payable on consumer deposits.

(8) Value Added Tax (sales tax) on sale of power became applicable to PED with effect from 7th November 2009. PED charges the tax on sale of power to the various consumers as per the provision of the relevant act and pays it to the commercial tax department accordingly. The PED recognizes the sales tax liability in the accounts on collection basis and pays to the commercial department within seven days of the next month. The amount which is collected from the

consumers and not paid to the Commercial Tax department is shown as a Liability in the Balance Sheet. This approach to accounting for Value Added Tax has been taken on collection rather than on demand due to the constraints in the existing billing system in the Department. Once the issue is addressed, the Department shall modify its approach to accounting for VAT based on billing.

(9) The amount shown under Sundry Debtors is subject to reconciliation.

The Sundry Debtors outstanding are calculated based on the following formula: Opening Balance + Billing for the Year – Collection during the Year. For the year ending 31st March, 2016, the balance of Sundry Debtors in the Accounts is Rs. 601.92 Crores. According to the information available in the billing system of the Department, the amount of Sundry Debtors is Rs. 289.51 Crores. Hence there is an un-reconciled difference of Rs. 312.41 Crores as on 31.3.2016 between the arrears details available within the billing system of the department and balance as per the above method.

(10)The amount shown under Inventory is subject to reconciliation.

The closing balance of inventory is calculated based on the following formula: Opening Balance + Purchase for the Year – Inventory utilized during the Year. For the year ending 31st March, 2016, the balance of Inventory in the Accounts is Rs. 40.67 Crores. According to the information available from the Stores System in PED, the value of Inventory is Rs. 15.84 Crores. Hence there is an un-reconciled difference of Rs. 24.83 Crores as on 31.3.2016 between the Inventory figure in the details available within the Stores System of the department and balance as per the above method.

(11)Sale of Power:

(a) The sale of power for the year includes Rs. 76.27 Crores as Un-billed revenue (previous year Rs. 76.49 Crores) and same is debited in Un-Billed Debtors account in Balance Sheet. It also includes UI income for the year Rs. 1. 77 Crores (previous year Rs. 2. 06 Crores).

(b) The subsidy on sale of Power for the year is Rs. 2.96 Crores (previous year Rs. 1.09 Crores) and included in the sale of power.

(c) As a consequence of excess power available within the region of Puducherry, TNEB has been drawing power from the Electricity Department, Puducherry during the year 2015-16. The total power drawn is 24 MUs, and the equivalent amount to be recovered as Sale of Power is Rs. 8.95 Crores. However, bills have not been raised for the same, and hence the amount is shown as Un-billed revenue (included in (a) above) in order to show a true and fair view of the revenue of PED. The Un-billed revenue shall be adjusted in the year 2016-17 when the bills are raised.

(d) As per the Commission’s Tariff Order for the year 2015-16, an additional surcharge of 2.64% has been approved towards past regulatory assets, which is to be levied on all consumers (other than Agricultural consumers and consumers under the OHOB scheme) over and above the approved tariff rates. Surcharge for the year 2015-16 amounts to Rs. 28.66 Crores (previous year Rs. 103.94 Crores).

(12)The expenditure capitalized and not charged to the Profit and Loss account are as follows:

- Salary Expenses: Rs. 14.26 Crores (previous year Rs. 12.21 Crores)

(13)Total interest expense for the year on the lease transaction is Rs. 0.45 Crores (Rs. 0.57 Crores previous year). PED has also received Rs. 0.04 Crores (Rs. 0.04 Crores previous year) as rebate for early / prompt payment of Outstanding Loan on account of Finance Lease.

(14)PED carried out a physical verification exercise of assets during the year 2015-16 in order to ensure the validity of its fixed asset register. During the course of this exercise, asset additions were identified which had not been ascertainable previously due to a lack of available information and the absence of an appropriate system for capturing of asset additions made in the various divisions / circles of PED. As a consequence of this, total additions to fixed assets in the fixed asset register during the year 2015-16 amounts to Rs. 26.98 Crores and the same has been accounted and depreciated in the books of accounts of PED during the year 2015-16.

(15) In accordance with Government of India Order and in case of certain capital expenditure which have been identified by the Department as having Employee Cost attached to it, the CWIP account is debited with 17% towards salaries and wages.

(16)During previous years, salary cost pertaining to capital works related to transmission for PED as identified by the Department has been capitalized given the huge expenditure made by PED for transmission projects. In continuation of this accounting policy in 2015-16, Salary cost amounting to Rs. 10.61 Crores has been capitalized by PED for the upcoming Karaikkal sub station for which major costs will be undertaken in 2016-17.

(17)While the accounts prepared by PED is on accrual basis based on generally accepted accounting principles, the accounts prepared by the Department of Treasury, Government of Puducherry is on cash basis. Therefore the balance of the Government Fund in the accounts of PED and the balance of PED in the accounts prepared by the Department of Treasury, Government of Puducherry are not reconciled due to the difference in basis of accounting (accrual/cash basis).

(18) Internal Audit report

PED has appointed an Internal Audit team from the year 2015-16. The following is a brief summary of key observations that impact the preparation of accounts which are highlighted in the Internal Audit reports for the year 2015-16. The PED management is in the process of reviewing and responding to these observations and therefore no adjustments have been made to the accounts for the year 2015-16 for these observations pending review by the management.