PETITION FOR APPROVAL OF TRUE-UP PETITION FOR FY 2016-17 , ANNUAL PERFORMANCE REVIEW FOR FY 2017-18 AND AGGREGATE REVENUE REQUIREMENT (ARR) WITH TARIFF PROPOSAL FOR MYT CONTROL PERIOD FY 2018-19

OF

ELECTRICITY DEPARTMENT, GOVERNMENT OF PUDUCHERRY

SUBMITTED TO

THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION

GURGAON

BY

ELECTRICITY DEPARTMENT, GOVERNMENT OF PUDUCHERRY

NOVEMBER 2017

Rs. 100/-

BEFORE THE HON'BLE 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 2016-17, ANNUAL PERFORMANCE REVIEW OF FY 2017-18 AND ARR WITH TARIFF PROPOSAL FOR FY 2018-19

AND

IN THE MATTER OF:

ELECTRICITY DEPARTMENT, GOVERNMENT OF PUDUCHERRY

- PETITIONER

AFFIDAVIT

I, D.RAVI, Son of Shri G.Dharmalingam aged about 58 years, residing at No 31, 4th 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 cum 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.

NOTARY
S. SRINIVASA PERUMAL
PUDUCHERRY 11.
REG. No:
6268 / 4-7-08
GOVT. OF INDIA

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 regarding filing of true-up petition for FY2016-17, Annual performance review of FY 2017-18 and ARR with tariff proposal for FY 2018-19.

SUPERINTENDING ENGINEER
Admn Wing
Electricity Department
Puducherry

(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 ST[illegible]
KAMARAJ NAGAR, PUDU[illegible]

Solemnly affirmed before me on this 29th day of November 2017, 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 - 11
REG. No. 6286 / 14.03.
GOVT. OF INDIA

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

Filing No.....

Case No.....

TABLE OF CONTENTS

CHAPTER 1. INTRODUCTION 1

1.1 HISTORICAL PERSPECTIVE 1
1.2 ELECTRICITY DEPARTMENT OF PUDUCHERRY 1
1.3 FILING UNDER TARIFF REGULATIONS 2
1.4 FILING OF ARR AND MULTI YEAR TARIFF PETITION 3

CHAPTER 2. OVERALL APPROACH FOR PRESENT FILING 4

2.1 TRUING UP FOR FY 2016-17 4
2.2 ANNUAL PERFORMANCE REVIEW FOR FY 2017-18 4
2.3 TARIFF DETERMINATION FOR FY 2018-19 5

CHAPTER 3. TRUE-UP FOR FY 2016-17 6

3.1 PREAMBLE 6
3.2 APPROVED ARR FOR FY 2016-17 6
3.3 NUMBER OF CONSUMERS 6
3.4 ENERGY SALES 7
3.5 T&D LOSS & ENERGY REQUIREMENT 7
3.6 POWER PURCHASE QUANTUM & COST FOR FY 2016-17 9
3.7 OPERATION & MAINTENANCE EXPENSES 10
3.8 CAPITAL WORK IN PROGRESS, GFA AND DEPRECIATION 13
3.9 INTEREST & FINANCE CHARGE 14
3.10 INTEREST ON WORKING CAPITAL 15
3.11 SECURITY DEPOSITS 16
3.12 PROVISION FOR BAD DEBTS 17
3.13 RETURN ON CAPITAL BASE/ NET FIXED ASSETS 17
3.14 NON-TARIFF INCOME 18
3.15 REVENUE FROM SALE OF SURPLUS POWER / OTHER INCOME 18
3.16 REVENUE FROM SALE OF POWER AT EXISTING TARIFF 19
3.17 AGGREGATE REVENUE REQUIREMENT FOR FY 2016-17 19
3.18 REVENUE GAP FOR FY 2016-17 20

CHAPTER 4. ANNUAL PERFORMANCE REVIEW FOR FY 2017-18 21

4.1 BACKGROUND 21
4.2 APPROVED ARR FOR FY 2017-18 21
4.3 NUMBER OF CONSUMERS 21
4.4 ENERGY SALES 22
4.5 T&D LOSS & ENERGY REQUIREMENT 23
4.6 POWER PURCHASE QUANTUM & COST FOR FY 2017-18 24
4.7 COST OF POWER PURCHASE FOR FY 2017-18 25
4.8 OPERATION & MAINTENANCE EXPENSES 27

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

4.9 Capital Work in Progress, GFA and Depreciation 31
4.10 Interest & Finance Charge 32
4.11 Interest on Working Capital 33
4.12 Security Deposits 34
4.13 Provision for bad debts 35
4.14 Return on Capital Base/ Net Fixed Assets 35
4.15 Non-Tariff Income 36
4.16 Revenue from sale of surplus power / other income 36
4.17 Revenue from Sale of Power at Existing Tariff 36
4.18 Aggregate Revenue Requirement for FY 2017-18 37
4.19 Revenue Gap for FY 2017-18 38

CHAPTER 5. ANNUAL REVENUE REQUIREMENT FOR FY 2018-19 39

5.1 Preamble 39
5.2 Number of Consumers 39
5.3 Energy Sales 40
5.4 T&D Loss & Energy Requirement 42
5.5 Power Purchase Quantum & Cost for FY 2018-19 43
5.6 Operation & Maintenance Expenses 45
5.7 Capital Work in Progress, GFA and Depreciation 49
5.8 Interest & Finance Charge 50
5.9 Interest on Working Capital 51
5.10 Security Deposits 52
5.11 Provision for bad debts 53
5.12 Return on Capital Base/ Net Fixed Assets 53
5.13 Non-Tariff Income 54
5.14 Revenue from sale of surplus power / other income 54
5.15 Revenue from Sale of Power at Existing Tariff 55
5.16 Aggregate Revenue Requirement for FY 2018-19 55
5.17 Revenue Gap for FY 2018-19 56

CHAPTER 6. TOTAL REVENUE GAP 57

6.1 Preamble 57
6.2 Revenue Gap for FY 2017-18 57

CHAPTER 7. TARIFF PHILOSOPHY 58

7.1 Preamble 58
7.2 Tariff Design Principles 58
7.3 Philosophy of Tariff Design 58
7.4 Gap at proposed tariff for FY 2018-19 59

CHAPTER 8. SEGREGATION OF WHEELING AND RETAIL SUPPLY BUSINESS 61

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

8.1 Allocation Matrix 61

CHAPTER 9. DETERMINATION OF OPEN ACCESS CHARGES 66

9.1 Determination of Open Access Charges 66
9.2 Allocation of Wheeling Cost 67
9.3 Voltage-wise Wheeling Charges 68
9.4 Cross Subsidy Surcharge 68
9.5 Computation of Cross Subsidy Surcharge for FY 2018-19 69
9.6 Additional Surcharge 71

CHAPTER 10. COMPLIANCE OF THE DIRECTIVES OF HON'BLE COMMISSION 72

10.1 Preamble 72
10.2 Status of Compliance 72

CHAPTER 11. PROPOSED TARIFF SCHEDULE FOR FY 2018-19 80

11.1 Tariff Schedule for FY 2018-19 80
11.2 Low Tension Supply 83
11.3 High Tension Supply 89
11.4 Temporary Supply 91
11.5 Hoardings 92

CHAPTER 12. PROPOSED SCHEDULE OF SERVICES AND CHARGES 93

12.1 Charges for service connections 93
12.2 Testing of installation 93
12.3 Testing of meters & metering arrangements 93
12.4 Testing of HT/EHT consumer protective equipment 94
12.5 Disconnection / Re-connection charges 94
12.6 Title transfer of services 94
12.7 Furnishing of certified copies (to be issued to the consumers only) 95
12.8 Meter rent charges 95
12.9 Fuse renewal charges 95
12.10 Shifting of meter board at consumer's request 95

CHAPTER 13. PRAYER TO THE HON'BLE COMMISSION 96

13.1 Prayer to the Hon'ble Commission 96

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

LIST OF TABLES

TABLE 1-1: NETWORK CONFIGURATION (AS ON OCTOBER 2017) 2
TABLE 3-1: APR OF FY 2016-17 AS PER TARIFF ORDER DATED 16TH MAY 2017 6
TABLE 3-2: DETAILS OF NO. OF CONSUMER FOR FY 2016-17 7
TABLE 3-3: SALES FOR FY 2016-17 7
TABLE 3-4: T&D LOSS AND ENERGY BALANCE FOR FY 2016-17 8
TABLE 3-5: POWER PURCHASE QUANTUM & COST FOR FY 2016-17 9
TABLE 3-6: STATUS OF RPO OBLIGATION IN FY 2016-17 10
TABLE 3-7: EMPLOYEE EXPENSES FOR FY 2016-17 11
TABLE 3-8: R&M EXPENSES FOR FY 2016-17 11
TABLE 3-9 A&G EXPENSES FOR FY 2016-17 12
TABLE 3-10: O&M EXPENSES FOR FY 2016-17 13
TABLE 3-11: GFA FOR FY 2016-17 13
TABLE 3-12: RATE OF DEPRECIATION APPLICABLE FOR VARIOUS ASSETS 14
TABLE 3-13: DEPRECIATION FOR FY 2016-17 14
TABLE 3-14: INTEREST & FINANCE CHARGES FOR FY 2016-17 15
TABLE 3-15: INTEREST ON WORKING CAPITAL FOR FY 2016-17 16
TABLE 3-16: INTEREST ON SECURITY DEPOSIT FOR FY 2016-17 16
TABLE 3-17: BAD AND DOUBTFUL DEBTS FOR FY 2016-17 17
TABLE 3-18: RETURN ON EQUITY FOR FY 2016-17 18
TABLE 3-19: NON-TARIFF INCOME FOR FY 2016-17 18
TABLE 3-20: REVENUE FROM SALE OF SURPLUS POWER AND OTHER INCOME 19
TABLE 3-21: REVENUE FROM TARIFF FOR FY 2016-17 19
TABLE 3-22: CALCULATION OF ARR FOR FY 2016-17 20
TABLE 3-23: REVENUE GAP FOR FY 2016-17 20
TABLE 4-1: APPROVED ARR OF FY 2017-18 21
TABLE 4-2: DETAILS OF NUMBER OF CONSUMERS FOR FY 2017-18 22
TABLE 4-3: SALES FOR FY 2017-18 22
TABLE 4-4: T&D LOSS AND ENERGY BALANCE FOR FY 2017-18 23
TABLE 4-5: POWER PURCHASE QUANTUM & COST FOR H1-FY 2017-18 25
TABLE 4-6: RPO COMPLIANCE COST FOR FY 2017-18 26
TABLE 4-7: POWER PURCHASE COST FOR FY 2017-18 27
TABLE 4-8: CALCULATION OF WPI FOR PROJECTION OF PER EMPLOYEE COST NORMS 28
TABLE 4-9: EMPLOYEE EXPENSES FOR FY 2017-18 29
TABLE 4-10: R&M EXPENSES FOR FY 2017-18 29
TABLE 4-11: A&G EXPENSES FOR FY 2017-18 30
TABLE 4-12: A&G EXPENSES FOR FY 2017-18 31
TABLE 4-13: O&M EXPENSES FOR FY 2017-18 31
TABLE 4-14: GFA REVISED ESTIMATES 31
TABLE 4-15: DEPRECIATION FOR FY 2017-18 32
TABLE 4-16: INTEREST & FINANCE CHARGES FOR FY 2017-18 33
TABLE 4-17: INTEREST ON WORKING CAPITAL FY 2017-18 34
TABLE 4-18: INTEREST ON SECURITY DEPOSIT FOR FY 2017-18 34
TABLE 4-19: BAD AND DOUBTFUL DEBTS FOR FY 2017-18 35
TABLE 4-20: RETURN ON EQUITY FOR FY 2017-18 35
TABLE 4-21: NON-TARIFF INCOME FOR FY 2017-18 36
TABLE 4-22: INCOME FROM SALE OF SURPLUS POWER AND OTHER INCOME FOR FY 2017-18 36
TABLE 4-23: REVENUE FROM TARIFF FOR 2017-18 37

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

TABLE 4-24: CALCULATION OF ARR FOR FY 2017-18 38
TABLE 4-25: REVENUE GAP FOR FY 2017-18 38
TABLE 5-1: DETAILS OF NUMBER OF CONSUMERS FOR FY 2018-19 40
TABLE 5-2: SALES OF LAST 4 YEARS AND Y-O-Y GROWTH, 3-YR, 2-YR CAGR 40
TABLE 5-3: SALES PROJECTION FOR FY 2018-19 CONSIDERING FY 2017-18 AS BASE 41
TABLE 5-4: SALES FOR FY 2018-19 41
TABLE 5-5: T&D LOSS AND ENERGY BALANCE FOR FY 2018-19 42
TABLE 5-6: RPO COMPLIANCE COST FOR FY 2018-19 44
TABLE 5-7: POWER PURCHASE COST FOR FY 2018-19 45
TABLE 5-8: CALCULATION OF WPI FOR PROJECTION OF PER EMPLOYEE COST NORMS 46
TABLE 5-9: EMPLOYEE EXPENSES FOR FY 2018-19 47
TABLE 5-10: R&M EXPENSES FOR FY 2018-19 47
TABLE 5-11: A&G EXPENSES FOR FY 2018-19 49
TABLE 5-12: A&G EXPENSES FOR FY 2018-19 49
TABLE 5-13: O&M EXPENSES FOR FY 2018-19 49
TABLE 5-14: GFA REVISED ESTIMATES 50
TABLE 5-15: DEPRECIATION FOR FY 2018-19 50
TABLE 5-16: INTEREST & FINANCE CHARGES FOR FY 2018-19 51
TABLE 5-17: INTEREST ON WORKING CAPITAL FY 2018-19 52
TABLE 5-18: INTEREST ON SECURITY DEPOSIT FOR FY 2018-19 53
TABLE 5-19: BAD AND DOUBTFUL DEBTS FOR FY 2018-19 53
TABLE 5-20: RETURN ON NFA FOR FY 2018-19 54
TABLE 5-21: NON-TARIFF INCOME FOR FY 2018-19 54
TABLE 5-22: REVENUE FROM EXISTING TARIFF FOR 2018-19 55
TABLE 5-23: CALCULATION OF ARR FOR FY 2018-19 55
TABLE 5-24: REVENUE GAP FOR FY 2018-19 56
TABLE 6-1: CALCULATION OF CUMMULATIVE REVENUE GAP FOR FY 2016-17 TO FY 2018-19 57
TABLE 7-1: SUMMARY OF EXISTING AND PROPOSED TARIFF RATES FOR FY 2018-19 59
TABLE 7-2: REVENUE AT PROPOSED TARIFF FOR FY 2018-19 60
TABLE 7-3: REVENUE GAP AT PROPOSED TARIFF FOR FY 2018-19 60
TABLE 8-1: SEGREGATION OF ARR IN TO RETAIL SUPPLY AND WIRES BUSINESS FOR FY 2018-19 65
TABLE 9-1: VOLTAGE-WISE WHEELING CHARGES FOR FY 2018-19 68
TABLE 9-2: CALCULATION OF 'T' (TARIFF PAYABLE) FOR FY 2018-19 70
TABLE 9-3: COMPUTATION OF "C" (WEIGHTED AVG COST OF POWER PURCHASE) FOR FY 2018-19 70
TABLE 9-4: CROSS-SUBSIDY SURCHARGE FOR FY 2018-19 70
TABLE 10-1: STATUS OF COMPLIANCE OF DIRECTIVES 72
TABLE 10-2: STATUS OF COMPLIANCE OF NEW DIRECTIVES 79
TABLE 11-1: EXISTING AND PROPOSED CHARGES FOR DOMESTIC CATEGORY 84
TABLE 11-2: EXISTING AND PROPOSED CHARGES FOR HUT CATEGORY 84
TABLE 11-3: EXISTING AND PROPOSED CHARGES FOR COMMERCIAL CATEGORY 85
TABLE 11-4: EXISTING AND PROPOSED CHARGES FOR AGRICULTURE CATEGORY 86
TABLE 11-5: EXISTING AND PROPOSED CHARGES FOR COTTAGE INDUSTRY 87
TABLE 11-6: EXISTING AND PROPOSED CHARGES FOR PUBLIC LIGHTNING 88
TABLE 11-7: EXISTING AND PROPOSED CHARGES FOR LT INDUSTRIAL 88
TABLE 11-8: EXISTING AND PROPOSED CHARGES FOR HIGH TENSION I(A) AND I(B) CATEGORY 89
TABLE 11-9: EXISTING AND PROPOSED CHARGES FOR HIGH TENSION II CATEGORY 90
TABLE 11-10: EXISTING AND PROPOSED CHARGES FOR HIGH TENSION III CATEGORY 90
TABLE 11-11: EXISTING AND PROPOSED CHARGES FOR TEMPORARY SUPPLY 91

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

TABLE 12-1: PROPOSED SERVICE CONNECTION CHARGES 93
TABLE 12-2: PROPOSED TESTING OF INSTALLATION CHARGES 93
TABLE 12-3: PROPOSED TESTING OF METERING CHARGES 94
TABLE 12-4: PROPOSED TESTING OF HT/EHT CONSUMER EQUIPMENT CHARGES 94
TABLE 12-5: PROPOSED DISCONNECTION/RECONNECTION CHARGES 94
TABLE 12-6: PROPOSED DISCONNECTION/RECONNECTION CHARGES 94
TABLE 12-7: PROPOSED CERTIFIED COPIES CHARGES 95
TABLE 12-8: PROPOSED METER RENT CHARGES 95
TABLE 12-9: PROPOSED FUSE RENEWABLE CHARGES 95
TABLE 12-10: PROPOSED SHIFTING OF METER BOARD CHARGES 95

LIST OF ANNEXURES

ANNEXURE I: REGULATORY FORMATS 98
ANNEXURE II: UN-AUDITED ACCOUNTS OF FY 2016-17 133
ANNEXURE III: COMMUNICATION FROM TANGEDCO REGARDING CLAIM OF ARREARS 155

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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	KSEB	Kerala State Electricity Board
29	KV	Kilo Volt
30	kVA	Kilo Volt Ampere
31	kVAh	Kilo Volt Ampere Hour
32	kW	Kilo Watt
33	kWh	Kilo Watt Hour
34	LT	Low Tension
35	MNRE	Ministry of New and Renewable Energy
36	MOD	Merit Order Despatch
37	MoP	Ministry of Power
38	MOU	Memorandum of Understanding
39	MU	Million Units (Million kWh)
40	MVA	Mega Volt Ampere
41	MW	Mega Watt

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Electricity Department
Puducherry

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

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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, 401.5 km of EHT line, 1401 km of HT line, 2554 nos. of distribution transformers and 5600 km of LT line. The network configuration as on October 2017 is as given below:

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Puducherry

Table 1-1: Network Configuration (as on October 2017)

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	297	(25x3) + (16x25) + (10x9) + (31.5x2)	14	638
110 kV/22-11 kV (UG Cable)	6.5			
Distribution				
33/11kV		(5x2)	1	10
22 kV & 11 kV (Overhead)	1314			
22 kV & 11 kV (Underground)	87			
LT (Overhead)	4737			
LT (Underground)	863			

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 already filed true-up Petition till FY 2015-16 against which the True-up Tariff Order has already been issued by the Hon'ble Commission in respective tariff orders till 16th May, 2017.

1.3.3 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.

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-cum-HOD
Electricity Department
Puducherry

1.3.4 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. Subsequently, the Hon'ble Commission issued the tariff order for FY 2017-18 vide order dated 16th May, 2017.

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.

1.4.3 As per the MYT Regulations 2014 and its subsequent amendments, PED is filing the present petition for the approval of the Hon'ble Commission seeking the following.

a) Provisional True-up for FY 2016-17,
b) Annual Performance Review for FY 2017-18, and
c) Tariff Determination for FY 2018-19.

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 Provisional True-up for FY 2016-17, Annual Performance Review for FY 2017-18 and tariff determination for third year of the MYT Control Period i.e. FY 2018-19.

2.1 Truing Up For FY 2016-17

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 is in the process of third party audit of accounts for FY 2016-17. PED is submitting the provisional actual figures of FY 2016-17 for Provisional True-up with provisional accounts as Annexure II with the details of ARR specified in the relevant chapters of this petition. PED further submits that it may provide the final audited accounts of FY 2016-17 during the regulatory process of finalisation of Tariff Order.

2.2 Annual Performance Review for FY 2017-18

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 2017-18 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

2.3 Tariff determination for FY 2018-19

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 initially 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. Subsequently, the Hon'ble Commission issued the tariff order for FY 2017-18 dt. 16th may, 2017 approving the tariff for FY 2017-18 and carrying out true-up of FY 2014-15, FY 2015-16 along with review of FY 2016-17.

2.3.2 Though the ARR for FY 2018-19 has already been approved by the Hon'ble Commission vide Tariff Order dated 24th May, 2016, PED is submitting the revised estimates for the year based on performance in the previous years. The cumulative gap for the FY 2018-19 has been determined based on the gap for previous years and the revenue from existing tariff for the ensuing year.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 3. TRUE-UP FOR FY 2016-17

3.1 Preamble

3.1.1 This section outlines the performance of Puducherry Electricity Department (PED) for FY 2016-17. PED submits that the audit of the accounts are in the process and therefore it submits the provisional actual for FY 2016-17 in this petition for provisional truing up along with the comparison of the approved figures by Hon'ble Commission vide tariff order dated 16th May 2017. 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 2016-17 will be submitted to the Hon'ble Commission during the present MYT regulatory proceedings.

3.1.2 This chapter summarizes each of the components of ARR for FY 2016-17 and thereby working out the revenue gap for that year.

3.2 Approved ARR for FY 2016-17

3.2.1 The summary of the charges for FY 2016-17 claimed by the petitioner in the last petition (review of FY 2016-17) and as approved by the Hon'ble Commission in the last Tariff Order dated 16th May 2017 is tabulated below:

Table 3-1: APR of FY 2016-17 as per Tariff Order dated 16th May 2017

Rs. Crs

S. No.	Particulars	Claimed in APR	Approved by Commission	Actuals
1	Cost of power purchase	1056.81	1122.12	1066.30
2	Employee Costs	89.20	85.66	93.69
3	Administration and General Expenses	33.54	10.02	12.30
4	R&M expenses	19.01	18.61	9.38
5	Depreciation	29.95	29.95	24.81
6	Interest & Finance Charges	23.06	23.06	21.15
7	Interest on Working Capital			-
89	Interest on Security Deposit	4.00	4.00	3.50
10	Return on NFA/ Equity	15.68	33.25	32.09
11	**Total Revenue Requirement**	**1271.25**	**1326.65**	**1263.21**
12	Less: Non- Tariff Income	8.10	8.10	12.87
13	Less: Revenue from sale of surplus power and other CERC mechanisms/ CGS services	5.39	5.39	12.45
14	**Net Aggregate Revenue Requirement**	**1257.76**	**1313.16**	**1237.78**

3.3 Number of Consumers

3.3.1 Based on the unaudited accounts, PED submits before the Hon'ble Commission the actual number of consumers for FY 2016-17 in comparison of the approved numbers as highlighted below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 3-2: Details of No. of Consumer for FY 2016-17

S. No.	Particulars	Approved	Actuals
1	Domestic	315896	313367
2	OHOB	35539	35539
3	Commercial	53256	52087
4	Agriculture	6871	6900
5	Public Lighting	50221	50250
6	LT Industrial & water tanks	6594	6616
7	**Total LT**	**468377**	**464759**
8	HT 1 Industrial & Commercial	446	439
9	HT 2 Government & Water Tank	54	60
10	HT 3 EHT	7	7
11	**Total HT**	**507**	**506**
12	**Total LT and HT**	**468884**	**465265**

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

3.4 Energy Sales

3.4.1 The total sales of PED for FY 2016-17 are **2,466.27** MU's. The category wise actual and approved sales for FY 2016-17 are shown in the table below.

Table 3-3: Sales for FY 2016-17

MU's

S. No.	Particulars	Approved	Actuals
1	Domestic	758.39	699.82
2	OHOB	10.00	10.21
3	Commercial	204.45	210.92
4	Agriculture	56.85	57.28
5	Public Lighting	24.00	24.24
6	LT Industrial & Water Tank	186.00	190.67
7	Temporary Supply - LT&HT	6.00	8.00
8	**Total LT**	**1245.69**	**1201.13**
9	HT 1 Industrial & Commercial	966.31	944.15
10	HT 2 Government & Water Tank	64.01	62.03
11	HT 3 EHT	290.01	258.96
12	**Total HT**	**1320.33**	**1265.14**
13	**Total LT and HT**	**2566.17**	**2466.27**

3.4.2 PED submits that the lower sale in FY 2016-17 is due to lesser consumption of power in domestic category and also procurement of power through open access by HT consumers.

3.4.3 Based on the above submission PED requests the Hon'ble Commission to approve the actual sales for FY 2016-17 as stated in the table above.

3.5 T&D Loss & Energy Requirement

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

3.5.1 PED has submitted 13.78% as the T&D losses for FY 2016-17 as compared to that approved by Hon'ble Commission at 11.50%. However, it is comparable with FY 2015-16 losses of 13.59%. The comparison of Energy balance statement and the loss levels based on unaudited accounts and approved figures are shown in the table below:

Table 3-4: T&D Loss and Energy Balance for FY 2016-17

S. No.	Particulars	Approved	Actuals
A	**ENERGY REQUIREMENT**		
1	Energy Sales within the UT (MUs)	2566.17	2466.27
2	Energy Drawal by TANGEDCo* (MUs)	18.11	16.79
3	Sale to Open Access Consumer (MUs)	16.27	37.01
4	**Total Sales (MUs)**	**2600.55**	**2520.07**
5	T&D Losses (%)	11.50%	13.78%
6	Energy Required for the Territories (MUs)	**2904.10**	**2922.90**
7	Sales to common pool consumers / UI (MUs)	56.14	116.67
8	**Energy Requirement @ periphery (MUs)**	**2960.24**	**3039.57**
B	**ENERGY AVAILABILITY**		
1	Gross Energy Energy Purchase (MUs)	3010.55	3038.87
2	Power purchase from Common Pool / UI / Others (MUs)	14.36	25.93
3	Open access power at periphery (MUs)		37.38
4	Total Power Purchase (MUs)	**3024.91**	**3102.18**
5	External Losses (MUs)	64.67	62.61
6	**Net Energy Availability (MUs)**	**2960.24**	**3039.57**

**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 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.

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

higher and therefore request the Hon'ble Commission to approve the T&D Loss of 13.78% for FY 2016-17.

3.6 Power Purchase Quantum & Cost for FY 2016-17

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.

3.6.2 The table below shows the summary of actual (provisional) Power Purchase from various sources along with their costs for FY 2016-17 including Transmission Charges, UI charges and purchase from traders.

Table 3-5: Power Purchase Quantum & Cost for FY 2016-17

S. No.	Particulars	Approved (FY 2016-17)			Actuals (FY 2016-17)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)	Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	1030.06	300.78	2.92	1213.78	354.81	2.92
2	NLC	781.99	281.71	3.60	584.78	215.43	3.68
3	NPCIL	562.14	217.51	3.87	545.50	173.79	3.19
4	KSEB	41.49	24.17	5.83	44.91	26.07	5.80
5	TANGEDCO	195.02	67.68	3.47	167.51	61.08	3.65
6	PPCL	232.16	87.17	3.75	231.32	77.72	3.36
7	Vallur	101.99	36.63	3.59	123.97	55.81	4.50
8	NTPL	65.70	29.58	4.50	127.09	56.63	4.46
9	Over drawal	14.36	0.26	0.18	25.93	0.75	0.29
10	Transmission Charges		59.36			62.20	
11	Rebate		(9.86)			(17.98)	
12	RPO Obligations		27.14				
13	**Total**	**3024.91**	**1122.13**	**3.71**	**3064.80**	**1066.30**	**3.48**

3.6.3 PED submits that for the FY 2016-17, RPO provision allowed by the Hon'ble Commission was Rs. 27.14 Crs against which the petitioner has not incurred any cost towards meeting the Renewable obligation. The non-compliance is on account of the shortage of funds due to budget constraints. The petitioner has also received 0.50 MUs of physical solar power on account of net metering in Puducherry.

3.6.4 The status of RPO compliance is tabulated below for FY 2016-17. The petitioner is making efforts to meet the pending RE obligation in FY 2017-18.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 3-6: Status of RPO obligation in FY 2016-17

Particulars	Total	Solar Obligation	Non-solar Obligation
Sales (MUs)	**2466.27**		
RPO Obligation (%)	**4.85%**	1.65%	3.20%
RPO Requirement (MUs)	**119.61**	40.69	78.92
RPO met thru purchase of physical power / RECs (MUs)	**0.50**	0.50	
Outstanding RPO @ the end of previous year (MUs)	**43.00**	-2.64	45.64
RPO pending at the end of the year (MUs)	**162.11**	**37.56**	**124.56**

3.6.5 The petitioner requests the Hon'ble Commission to approve power purchase quantum of 3064.80 MUs and power purchase cost (provisional actual) of Rs. 1066.30 Crs for FY 2016-17.

3.7 Operation & Maintenance Expenses

3.7.1 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."

3.7.2 **Employee Expenses:** PED has computed the O&M (Employee) expense for FY 2016-17 based on the actual employee expenses incurred during the entire year.

3.7.2.1 The employee cost incurred during the year for FY 2016-17 is Rs. 93.69 Crores.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 3-7: Employee Expenses for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved	Actuals
	Salaries & Allowances		
1	Salary		105.61
2	Wages		0.65
3	Stipend		1.50
4	Transport Allowance		0.49
5	Overtime Allowance		1.23
	Sub - Total		**109.46**
6	Less: Add/ Deduct Share of Others		0.86
	Total	**85.66**	**108.60**
7	Less: Amount Capitalised		14.92
8	**Total Employee Expenses**	**85.66**	**93.69**

3.7.2.2 PED submits that the transport allowance as included in the Table 3-7 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 while determining the ARR. Therefore, it is submitted that difference to the tune of transport allowance will be there in employee expenses as projected in the table above and employee expense as per accounts.

3.7.2.3 PED requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2016-17 as reflecting in annual accounts.

3.7.3 **Repairs & Maintenance Expenses:** The repairs and maintenance cost has been claimed as per expenses actually incurred during FY 2016-17.

Table 3-8: R&M Expenses for FY 2016-17

Rs. Crs

Particulars	Approved by Commission	Actuals
R&M Expenses	18.61	9.38

3.7.3.1 As seen from the table above R&M expenses incurred actually for FY 2016-17 are much less than the approved level.

3.7.3.2 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.

3.7.3.3 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. 9.38 Crs for FY 2016-17 as R&M expenses.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

3.7.4 **Administration & General expenses:** The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2016-17 are shown in the table below.

Table 3-9 A&G Expenses for FY 2016-17

Rs. Crs

S.No.	Particulars	Approved by Commission	Actuals
1	Rent,Rate and taxes	5.23	0.28
2	Other Professional charges including regulatory expenses(License and Petition fees)		1.54
3	Office Expenses including Legal, professional and special service charge		1.90
4	Advertisement & Publicity		0.19
5	Other A&G expenses		0.18
6	Others		0.54
7	Grant in Aid		
8	Other material related expense		0.06
9	EESL Charges	4.79	7.61
10	**Total**	**10.02**	**12.30**
11	Add/deduct share of others		
12	**Total Expenses**	**10.02**	**12.30**
13	Less: Capitalised		
14	**Net expenses**	**10.02**	**12.30**
15	Add: Prior period		
16	**Total A&G Expenses charges to revenue**	**10.02**	**12.30**

3.7.4.1 PED submits that the transport allowance as included in the Table 3-7 is considered under the head of A&G expenses in the accounts. However, in line with the ARR formats, the same has been considered in the employee cost while determining ARR. Therefore, it is submitted that difference to the tune of transport allowance will be there in A&G expenses submitted in above table and A&G expenses as per accounts.

3.7.4.2 An amount of Rs. 7.61 Crores has been incurred by PED towards payment of charges to EESL related to DELP scheme approved by the Commission.

3.7.4.3 The Hon'ble Commission is therefore requested to approve the A&G expenses of Rs. 12.30 Crs for FY 2016-17.

3.7.5 **O&M Expenses Summary:** Based on the foregoing paragraphs, the O&M expenses for the year FY 2016-17 are summarised below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 3-10: O&M Expenses for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved by Commission	Actuals
1	Total Employee Expenses	85.66	93.69
2	Total R&M Expenses	18.61	9.38
3	Total A&G Expenses	10.02	12.30
	Total O&M Expenses	**114.29**	**115.36**

3.7.6 The Hon'ble Commission is requested to approve the O&M Expenses of Rs. 115.36 Crs for FY 2016-17 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.

3.8 Capital Work in Progress, GFA and Depreciation

3.8.1 **GFA**: The Opening Balance of GFA for FY 2016-17 comes to around Rs. 660.92 Crs as per provisional accounts. The following table shows the opening balance, additions and closing balance of GFA for FY 2016-17.

Table 3-11: GFA for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved by Commission	Actuals
1	Opening value of the assets at the beginning of the year	660.92	660.92
2	Additions during the year	63.40	15.25
3	Value of assets sold/disposed off		-
4	**Gross Fixed Assets at the end of the year**	**724.32**	**676.16**

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 2016-17. PED hereby requests the Hon'ble Commission to approve the actual Gross Fixed Assets opening and additions as submitted above for FY 2016-17.

3.8.3 **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.

3.8.4 As per the GFA and the applicable depreciation rates, PED has calculated the depreciation for the year FY 2016-17 as Rs. 24.81 Crs. The table shows the working of depreciation.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 2016-17 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class.

Table 3-13: Depreciation for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved by Commission	Actuals
1	Opening value of the assets at the beginning of the year	660.92	660.92
2	Additions during the year	63.40	15.25
3	Value of assets sold /disposed off		-
4	**Gross Fixed Assets at the end of the year**	**724.32**	**676.16**
5	**Net Depreciation for the year**	**36.41**	**24.81**

3.8.7 The Hon'ble Commission is requested to approve Rs. 24.81 Crs for FY 2016-17 as submitted in the table above.

3.9 Interest & Finance Charge

3.9.1 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."*

3.9.2 The Regulation 24(b) provides for Interest and Finance Charges on Loan. PED has

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

Table 3-14: Interest & Finance Charges for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Opening Normative Loan	139.56	139.56
2	Add: Normative Loan during the Year	44.38	10.67
3	Less: Normative Repayment	29.95	24.81
4	Closing Normative Loan	153.99	125.43
5	**Average Normative Loan**	**146.78**	**132.49**
6	Rate of Interest(@SBAR)	14.05%	14.05%
7	**Interest on Normative Loan**	**20.62**	**18.62**
7	Other Finance Charges	2.43	2.54
9	**Total Interest and Finance Charges**	**23.05**	**21.15**

3.9.3 It is submitted that it has considered an addition of Rs. 15.25 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.

3.9.4 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 3-14 of the Petition

3.9.5 The Hon'ble Commission is requested to approve the Interest & Finance Charges at Rs. 21.15 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.

3.10 Interest on Working Capital

3.10.1 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

3.10.2 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 3-15: Interest on Working Capital for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Two Months Receivable	218.86	206.30
2	Power Purchase Cost for one month	93.51	88.86
3	Total Consumer Security Deposit	178.37	177.70
4	Consumer Security Deposit excluding Bank Guarantee/ Fixed Deposit Receipts	178.37	177.70
5	Inventory for two months based on Aggregate Revenue Requirement of previous year	6.77	6.78
6	**Total (1-2-4+5)**	**-46.25**	**-53.49**
7	Interest Rate	9.30%	9.30%
8	**Interest on Working Capital**	**0.00**	**0.00**

3.10.3 The Interest on Working Capital approved by the Hon'ble Commission for the FY 2016-17 was Nil and claim by petitioner is also Nil.

3.11 Security Deposits

3.11.1 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."*

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

Table 3-16: Interest on Security Deposit for FY 2016-17

S. No.	Particulars	Approved	Actuals
1	Opening Security Deposit	136.67	161.58
2	Add: Deposits during the year	5	16.13
3	Less: Deposits refunded		
4	Less: Deposits n the form of BG/FDR		
5	Closing Security Deposit	141.67	177.70
6	Bank Rate	7.75%	7.75%
7	**Interest on Security Deposit**	**10.79**	**13.15**
8	Interest on security deposit paid		3.50

3.11.3 PED submits that even though the total Interest on security deposit is Rs. 13.15 Crs, PED paid Rs. 3.50 Crs to the consumers and the balance is proposed to be paid

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

during subsequent years. The Hon'ble Commission is requested to approve the Interest on Security Deposit of Rs. 3.50 Crs actually paid as shown in the table above.

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 for the FY 2016-17 and requests the Hon'ble Commission to consider the same.

Table 3-17: Bad and Doubtful Debts for FY 2016-17

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

3.13 Return on Capital Base/ Net Fixed Assets

3.13.1 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.

3.13.2 In line with the methodology adopted by the Hon'ble Commission in Tariff order dated 16th May, 2017, the capital base for closing of the FY 2015-16 as per audited accounts is considered. Further, an equity addition in FY 2016-17 equal to 30% of asset capitalized in FY 2016-17 has been considered.

3.13.3 In line with the MYT regulation and the methodology adopted in the previous tariff order, PED has calculated the Return on Equity as outlined in the following table for FY 2016-17.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 3-18: Return on Equity for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Opening equity (30% of GFA)	198.28	198.27
2	Addition in Equity (30% of addition in GFA)	19.02	4.57
3	Closing Equity (1+2)	217.30	202.85
4	Average Equity Amount	207.79	200.56
6	**Reasonable return @ 16%**	**33.25**	**32.09**

3.13.4 In view of above, the Hon'ble Commission is requested to kindly allow the above return on equity of **Rs. 32.09 Crs** for FY 2016-17.

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 excluding revenue from sale of UI power in the ARR for FY 2016-17 was Rs. 8.10 Crs.

3.14.2 The details of non-tariff income (excluding revenue from UI power and other income) for FY 2016-17 are provided in **Format 20 of the Tariff Filing Formats**

3.14.3 The summary of total non-tariff income in line with the Commission's approach is tabulated below:

Table 3-19: Non-Tariff Income for FY 2016-17

(Rs. Crs)

S. No.	Particulars	Approved	Actuals
1	Open access charges for wheeling of power		8.47
2	Income from trading of Materials		0.06
3	Misc. Receipts/income		4.44
4	**Total income**		**12.97**
5	Add: Prior period income		
6	**Total Non-Tariff Income**	**8.10**	**12.97**

3.14.4 In view of above, the Hon'ble Commission is requested to kindly allow Non-Tariff Income of **Rs. 12.97 Crs** for FY 2016-17.

3.15 Revenue from sale of surplus power / other income

3.15.1 Revenue of Rs. 12.45 Crs has been earned by the petitioner from sale of power/ UI, URS scheme and RRAS.

3.15.2 The detailed break-up of the same is provided in the table below and is requested to

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

approve the same.

Table 3-20: Revenue from sale of surplus power and other income

(Rs. Crs)

S. No.	Particulars	Approved	Actuals
1	UI Sales / Sales to Exchange	5.39	10.32
2	Income from URS		1.99
3	Income from RRAS		0.14
4	**Total**	**5.39**	**12.45**

3.16 Revenue from Sale of Power at Existing Tariff

3.16.1 The Revenue from Tariff for FY 2016-17 was Rs. 1,209.09 Crs. Further, Rs 16.99 Crore has been deducted from revenue which was paid to consumers as an incentive for maintaining better power factor, which is in line with treatment done in the audited accounts. The category wise computation of revenue from retail tariff for FY 2016-17 is shown in the Table below.

Table 3-21: Revenue from Tariff for FY 2016-17

Rs. Crs

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	699.82	169.01
2	OHOB	10.21	1.15
3	Commercial	210.92	128.66
4	Agriculture	57.28	1.95
5	Public Lighting	24.24	20.88
6	LT Industrial	153.23	78.81
7	Water Tank	37.44	22.11
8	Temporary Supply-LT&HT	8.00	7.80
	Total LT	**1201.13**	**430.37**
	HT Category		
9	HT 1 Industrial / Commercial	944.15	576.35
10	HT 2 - Government & Water Tank	62.03	48.20
11	HT 3 - EHT	258.96	154.18
12	**Total HT**	**1265.14**	**778.72**
13	**Total LT and HT**	**2466.27**	**1209.09**
14	Incentive to consumers		16.99
15	**Total**	**2466.27**	**1192.11**
	As approved in Tariff order dated 16th May, 2017 (excl Surcharge)	2566.17	1230.43

3.16.2 In view of above, the Hon'ble Commission is requested to kindly allow Revenue of Rs. 1,192.11 Crs net of incentive paid to consumers.

3.17 Aggregate Revenue Requirement for FY 2016-17

3.17.1 The Aggregate Revenue Requirement for FY 2016-17 as approved by the Hon'ble Commission in the Review of ARR for FY 2016-17 was Rs. 1,313.16 Crs. The

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

calculation for Aggregate Revenue Requirement on the basis of actuals (provisional) for FY 2016-17 is shown below:

Table 3-22: Calculation of ARR for FY 2016-17

Rs. Crs

S. No.	Particulars	Claimed in APR	Approved by Commission	Actuals
1	Cost of power purchase	1056.81	1122.12	1066.30
2	Employee Costs	89.20	85.66	93.69
3	Administration and General Expenses	33.54	10.02	12.30
4	R&M expenses	19.01	18.61	9.38
5	Depreciation	29.95	29.95	24.81
6	Interest & Finance Charges	23.06	23.06	21.15
7	Interest on Working Capital			-
89	Interest on Security Deposit	4.00	4.00	3.50
10	Return on NFA/ Equity	15.68	33.25	32.09
11	**Total Revenue Requirement**	**1271.25**	**1326.65**	**1263.21**
12	Less: Non- Tariff Income	8.10	8.10	12.97
13	Less: Revenue from sale of surplus power and other CERC mechanisms/ CGS services	5.39	5.39	12.45
14	**Net Aggregate Revenue Requirement**	**1257.76**	**1313.16**	**1237.78**

3.17.2 The Petitioner hereby requests the Commission to approve the ARR of Rs. 1,237.78 Crs for FY 2016-17 as submitted above.

3.18 Revenue Gap for FY 2016-17

3.18.1 The Revenue Gap approved by the Hon'ble Commission for FY 2016-17 was Rs. 82.73 Crs.

3.18.2 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of provisional true up of FY 2016-17 is shown in the table below:

Table 3-23: Revenue Gap for FY 2016-17

Rs. Crs

S. No.	Particulars	Approved	Actuals
1	Aggregate Revenue Requirement	1313.16	1237.78
2	Revenue from Sale of Power	1290.49	1192.11
3	**Revenue Gap/ (Surplus)**	**82.73**	**45.68**

3.18.3 The, Hon'ble Commission is requested to approve the revenue gap of Rs. 45.68 Crs for FY 2016-17 as shown in the table above.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 4. ANNUAL PERFORMANCE REVIEW FOR FY 2017-18

4.1 Background

4.1.1 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.

4.1.2 This chapter summarizes each of the components of ARR for the second year of the Control Period i.e. FY 2017-18 and requests the Hon'ble Commission to review the performance for FY 2017-18. The Annual Performance Review for FY 2017-18 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.

4.2 Approved ARR for FY 2017-18

4.2.1 The summary of the charges for FY 2017-18 as claimed by the petitioner in the last petition and as approved by the Hon'ble Commission in the tariff order dated 16th May, 2017 is tabulated below:

Table 4-1: Approved ARR of FY 2017-18

Rs. Crs.

S. No.	Particulars	Claimed by Petitioner	Approved by Commission
1	Cost of power purchase including RPO	1182.27	1182.27
2	Employee Cost	81.74	81.74
3	Administration and General Expenses	5.56	5.56
4	R&M Expenses	22.02	22.02
5	Depreciation	37.96	37.96
6	Interest and Finace Charges	33.00	33.00
7	Interest on Working Capital +Interest on CSD	15.35	15.35
8	Return on NFA / Equity	21.27	38.51
9	Total Revenue Requirement	1399.17	1416.41
10	Less: Non- Tariff Income	2.93	2.93
11	**Net Aggregate Revenue Requirement**	**1396.24**	**1413.48**

4.3 Number of Consumers

4.3.1 The Hon'ble Commission had approved 4.74 Lakh consumers in its Tariff Order dated 24th May, 2016 for FY 2017-18. Based on the number of consumers added during the first half of FY 2017-18, PED submits the revised estimates for FY 2017-18 as 4.80 Lakh consumers. A comparison of the revised estimates with earlier approved numbers is shown below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-2: Details of Number of Consumers for FY 2017-18

S. No.	Particulars	Approved	Revised estimates
1	Domestic	321112	325845
2	OHOB	35539	35537
3	Commercial	51460	53962
4	Agriculture	6836	6940
5	Public Lighting	51297	50434
6	LT Industrial & Water Tanks	6815	6668
7	**Total LT**	**473059**	**479386**
8	HT 1 Industrial & Commercial	457	453
9	HT 2 Government & Water Tank	60	61
10	HT 3 EHT	8	7
11	**Total HT**	**525**	**521**
12	**Total LT and HT**	**473584**	**479907**

4.3.2 It is requested to the Hon'ble Commission to consider the revised number of consumers as submitted in the above table for FY 2017-18.

4.4 Energy Sales

4.4.1 The Hon'ble Commission had approved sales of 2980.60 MUs in the MYT tariff order dated 26th May, 2016 and the same was not revised last year. The revised category wise sales based on H1 FY 2017-18 is shown in the table below.

Table 4-3: Sales for FY 2017-18

MUs

S. No.	Particulars	Approved by Commission	Revised Estimates	
			H1 FY 2017-18	FY 2017-18
1	Domestic	891.74	402.35	733.82
2	OHOB	10.38	5.11	10.21
3	Commercial	217.71	122.22	222.92
4	Agriculture	57	28.64	57.28
5	Public Lighting	29.32	12.12	24.24
6	LT Industrial & Water Tank	237.75	99.83	199.67
7	Temporary Supply - LT&HT		4.00	8.00
8	**Total LT**	**1443.90**	**674.27**	**1256.13**
9	HT 1 Industrial & Commercial	1069.53	473.12	946.24
10	HT 2 Government & Water Tank	68.18	34.09	68.18
11	**HT 3 EHT**	**[illegible]**	**[illegible]**	**[illegible]**
12	**Total HT**	**1536.70**	**655.22**	**1310.46**
13	**Total LT and HT**	**2980.60**	**1329.49**	**2566.58**

4.4.2 PED submits that based on actual H1 sales, the energy sales projected for FY 2017-18 is considered two times considering the average sales growth (except for domestic and commercial categories). The sales for domestic and commercial categories for H1 and H2 have been considered in the ratio of 55:45. It is further submitted that still sales in the domestic and industrial category is not expected to grow as approved by the Hon'ble Commission and therefore, the sales projected by the

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

petitioner is lower than as approved in the MYT tariff order.

4.4.3 It is requested to Hon'ble Commission to approve the revised sales of 2,566.58 MUs for FY 2017-18.

4.5 T&D Loss & Energy Requirement

4.5.1 PED is submitting revised estimate of 13.20% as the T&D loss for FY 2017-18. The Hon'ble Commission had approved T&D loss of 11.25% in Tariff Order for FY 2017-18. The information regarding the loss levels based on H1 and expected loss level for FY 2017-18 is shown in the table below –

Table 4-4: T&D Loss and Energy Balance for FY 2017-18

S. No.	Particulars	Approved by Commission	Revised Estimates	
			H1 FY 2017-18	FY 2017-18
A	**ENERGY REQUIREMENT**			
1	Energy Sales within the UT (MUs)	2940.49	1329.48	2566.58
2	Energy Drawal by TANGEDCo* (MUs)		8.39	13.98
3	Sale to Open Access Consumer (MUs)		20.22	20.22
4	**Total Sales (MUs)**	2940.49	1358.09	2600.78
5	T&D Losses (%)	11.25%	13.20%	13.20%
6	Energy Required for the Territories (MUs)	3313.23	1564.65	2996.34
7	Sales to common pool consumers / UI (MUs)		49.61	49.61
8	**Energy Requirement @ periphery (MUs)**	**3313.23**	**1614.26**	**3045.95**
B	**ENERGY AVAILABILITY**			
1	Gross Energy Energy Purchase (MUs)	3468.78	1646.34	3069.16
2	Power purchase from Common Pool / UI / Others (MUs)		18.13	18.13
3	Open access power at periphery (MUs)		20.39	20.39
4	Total Power Purchase (MUs)	**3468.78**	**1684.85**	**3107.68**
5	External Losses (MUs)	155.55	70.59	61.73
6	**Net Energy Availability (MUs)**	**3313.23**	**1614.26**	**3045.95**

**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 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

4.5.3 PED submits that it has been achieving significant reduction in T&D 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 T&D loss of <15%, loss reduction trajectory cannot be considered at the same rate considered previously.

4.5.4 PED submits the revised estimates of power purchase as against the 3468.78 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.

4.5.5 PED submits that in comparison with the approved figures, projected T&D loss is higher but lower than FY 2016-17 losses. Therefore, the petitioner requests the Hon'ble Commission to approve the T&D loss of 13.20% for FY 2017-18.

4.6 Power Purchase Quantum & Cost for FY 2017-18

4.6.1 Cost of Power Purchase for H1 FY 2017-18

4.6.1.1 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.

4.6.1.2 The table below shows the summary of Power Purchase from various sources along with their costs for the 1st half of FY 2017-18 including transmission charges, UI charges and purchase from traders/exchange.

4.6.1.3 The power purchase cost in H1 FY 2017-18 includes supplementary/ prior period charges amounting to Rs. 52.42 Crs.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-5: Power Purchase Quantum & Cost for H1-FY 2017-18

S. No.	Particulars	H1 FY 2017-18 (Actuals)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	629.36	184.83	2.94
2	NLC	386.03	150.69	3.90
3	NPCIL	255.04	87.08	3.41
4	KSEB	22.35	14.13	6.32
5	TANGEDCO	113.29	41.01	3.62
6	PPCL	105.70	36.46	3.45
7	Vallur	66.31	31.39	4.73
8	NTPL	68.25	32.32	4.74
9	Over drawal	18.13	1.10	
10	Transmission Charges		29.97	
11	Rebate		(9.41)	
12	RPO Compliance Cost			
13	**Total**	**1664.47**	**599.58**	**3.60**

4.7 Cost of Power Purchase for FY 2017-18

4.7.1 **Power Purchase quantum for FY 2017-18 (H1 + H2):** For the year FY 2017-18, PED has projected the power purchase by considering the actual power purchase for the 1st half of the year FY 2017-18 (i.e. Apr '17 – Sep '17) and considering power purchase under the principle of MOD for second half H2 FY 2017-18. The key assumptions for power purchase costs are as under:

a. **MOD for H2 FY 2017-18:** 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 quantum 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 2016-17.

c. The variable cost for FY 2017-18 has been computed considering actual average variable cost of each source for first six months period of April-September 2017.

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 2017.

e. An additional cost of Rs. 54.04 Crs has been considered for TANGEDCO (Karaikal) in FY 2017-18 pertaining to prior period charges (April 2014 to October 2017) which would be raised in the second half of the current year.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

The charges have been determined based on the communication received from TANGEDCO vide letter No. CFC /REV /FC /REV /DFC /R.1 /F.Pondicherry /D.757 /2017, dt. 10.11.2017, towards claim of prior period charges on the basis of tariff order issued by CERC. The letter has been enclosed as Annexure III.

f. For TANGEDCO (Karaikal), the rate for first seven months of FY 2017-18 has been considered as Rs. 3.62/ kWh and for the remaining five months rate of Rs. 5.47/ kWh has been considered based on the letter mentioned above.

g. The power purchase cost for power over-drawl from grid is considered on actual basis paid in first six months period of April - September 2017 only. For H2 FY 2017-18, over-drawl is not assumed under the principle of MOD.

h. PED submits that it is obliged to comply with the Renewable Purchase Obligation of 6.70%. The petitioner plans to procure 133.3 MUs of non-solar RECs in the second half of the year and 0.75 MUs of physical solar power is also accounted under RPO due to net metering. The RPO compliance cost is included in the power purchase cost which is arrived upon as follows.

Table 4-6: RPO Compliance Cost for FY 2017-18

Particulars	Total	Solar Obligation	Non-solar Obligation
Sales (MUs)	**2566.58**		
RPO Obligation (%)	**6.70%**	2.50%	4.20%
RPO Requirement (MUs)	**171.96**	64.16	107.80
RPO met thru purchase of physical power/ RECs (MUs)	**134.05**	0.75	133.3
Cost of RPO compliance thru RECs (Rs. Crs)			20.00
Outstanding RPO @ the end of previous year (MUs)	**162.11**	37.56	124.56
RPO pending at the end of the year (MUs)	**200.02**	**100.97**	**99.05**

i. As outlined in the above table, the estimated cost towards RPO compliance is Rs. 20.00 Crs which the petitioner will be incurring during the second half FY 2017-18.

j. The Transmission Charges for FY 2017-18 are considered as per POC computation and actually incurred in H1. However, for H2 calculation, the similar amount as charged in H1 of FY 2017-18 has been considered for calculation of total transmission charges.

4.7.2 The revised Power Purchase Cost Summary for FY 2017-18 is outlined as below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-7: Power Purchase Cost for FY 2017-18

S. No.	Particulars	FY 2017-18 (Revised Estimates)		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	1134.53	319.69	2.82
2	NLC	642.54	319.22	4.97
3	NPCIL	517.49	163.68	3.16
4	KSEB	44.70	28.18	6.30
5	TANGEDCO	226.59	153.53	6.78
6	PPCL	216.37	68.11	3.15
7	Vallur	126.97	62.17	4.90
8	NTPL	159.97	72.55	4.54
9	Over drawal	18.13	1.10	
10	Transmission Charges		59.94	
11	Rebate		(18.82)	
12	RPO Compliance Cost		20.00	
13	**Total**	**3087.29**	**1249.35**	**4.05**

4.7.3 The Petitioner hereby requests the Commission to approve the power purchase quantum of 3087.29 MUs and power purchase cost of Rs. 1249.35 Crs (inclusive of rebate) for FY 2017-18 as submitted above.

4.8 Operation & Maintenance Expenses

4.8.1 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."

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

4.8.2 **Employee Expenses for FY 2017-18:**

4.8.2.1 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.

4.8.2.2 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."*

4.8.2.3 PED has computed the employee expense for FY 2017-18 based on the norms approved in the business plan order dated 04th December, 2015 and methodology adopted by the Hon'ble Commission in tariff order dated 16th May, 2017.

4.8.2.4 For purpose of Review of FY 2017-18, the normative per employee cost has been suitably escalated by moving average WPI of the previous 3 FYs as mentioned below.

Table 4-8: Calculation of WPI for projection of Per Employee Cost Norms

FY	WPI	% age increase	Avg 3 Yrs increase
FY 2010-11	143.33		
FY 2011-12	156.13	8.93%	
FY 2012-13	167.62	7.36%	
FY 2013-14	177.64	5.98%	
FY 2014-15	181.19	2.00%	7.42%
FY 2015-16	176.67	-2.49%	5.11%
FY 2016-17	182.93	3.54%	1.83%
			1.02%

4.8.2.5 The petitioner has also included an additional cost of Rs. 15.48 Crs (difference between FY 2015-16 and FY 2016-17 actual employee cost) considering the impact of 7th Pay Commission and also recruitment of employees in FY 2016-17. The employee cost for FY 2017-18 has been calculated as shown below.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-9: Employee Expenses for FY 2017-18

S. No.	Particulars	FY 2013-14 As approved in the Business Plan	FY 2014-15 Escalating Col c @ 7.43%	FY 2015-16 Col d @ 5.11%	FY 2016-17 Col e @ 1.83%	FY 2017-18 Col f @ 1.02%
a	b	c	d	e	f	g
1	Employee Expenses Per Employee (Rs)	312285	335488	352631	359084	362747
2	No of Employee Per '000 Consumers					4.52
3	No of Consumers '000					480
4	No of Employee					**2169**
5	Employee Expenses					78.69
6	Impact of 7th Pay Commission and recruitment of employees in FY 17					15.48
7	**Total Employee Expense**					**94.17**

4.8.2.6 Therefore, the petitioner requests the Hon'ble Commission to approve Rs. 94.17 Crs as the employee expenses for FY 2017-18.

4.8.3 **Repairs & Maintenance Expenses for FY 2017-18:** 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 2017-18. The CPI index of 5.35% and WPI index of 1.02% has been considered in 60:40 ratio.

Table 4-10: R&M Expenses for FY 2017-18

S. No.	Particulars	FY 2017-18
1	Op. GFA - Rs. Crs	676.16
2	K Factor - Approved by Commission	2.68%
3	Inflation index (60:40=CPI:WPI)	3.62%
4	**R&M Expenses - Rs. Crs**	**18.78**

4.8.3.1 In view of the above, the Hon'ble Commission is requested to kindly allow the above R&M Expenses of Rs. 18.78 Crs for FY 2017-18.

4.8.4 **Administration & General expenses for FY 2017-18:**

4.8.4.1 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 $A\&G_b$*:*

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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. "*

4.8.4.2 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."

4.8.4.3 The A&G expenses have been computed based on the norms approved in the business plan order dated 04th December, 2015 and methodology adopted by the Hon'ble Commission in tariff order dated 16th May, 2017

4.8.4.4 The base expenses have been suitably escalated by the moving average WPI to arrive at the A&G Expenses for the FY 2017-18.

4.8.4.5 An amount of Rs. 3.85 Crores has been incurred by PED towards payment of charges to EESL related to DELP scheme approved by the Commission.

4.8.4.6 The normative A&G expenses calculated as per norms for FY 2017-18 is tabulated below.

Table 4-11: A&G Expenses for FY 2017-18

S. No.	Particulars	FY 2012-13 As approved in the Business Plan	FY 2013-14 Escalating Col c @ 5.98%	FY 2014-15 Col d @ 7.43%	FY 2015-16 Col e @ 5.11%	FY 2016-17 Col f @ 1.83%	FY 2017-18 Col g @ 1.02%
a	b	c	d	e	f	g	h
1	Avg A&G Expenses Per Employee (Rs)	17592	18644	20029	21053	21438	21657
2	Average A&G Expenses Per '000 Consumers (Rs)	103436	109621	117766	123784	126049	127335
3	No of Employee						2169
4	No of Consumers '000						480
5	A&G Expenses Per Employee - 50% weightage						2.35
6	A&G Expenses Per '000 Consumers - 50% weightage						3.06
7	**A&G Expenses**						**5.40**

4.8.4.7 The total A&G expenses for FY 2017-18 is tabulated below and it is requested to the Hon'ble Commission to approve the same.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-12: A&G Expenses for FY 2017-18

(Rs. Crs)

Particulars	Approved by Commission	Revised Estimates
A&G Expenses	5.56	5.40
EESL charges		3.85
Total A&G charges	**5.56**	**9.25**

4.8.5 **O&M Expenses Summary FY 2017-18:** Based on the foregoing paragraphs, the revised O&M expenses for the year FY 2017-18 vis-a-vis the approved level by the Hon'ble Commission is shown in the table below:

Table 4-13: O&M Expenses for FY 2017-18

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Total Employee Expenses	81.74	94.17
2	Total R&M Expenses	22.02	18.78
3	Total A&G Expenses	5.56	9.25
4	**Total O&M Expenses**	**109.32**	**122.19**

4.8.6 The Hon'ble Commission is requested to approve the O&M Expenses of Rs. 122.19 Crs as shown in the table above. The details of O&M expense for FY 2017-18 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

4.9 Capital Work in Progress, GFA and Depreciation

4.9.1 **GFA**: The Opening Balance of GFA for FY 2017-18 comes to around Rs. 676.16 Crs. The additions to GFA are estimated to be around Rs. 64.49 Crs; the details of which are provided in the table below:

Table 4-14: GFA Revised Estimates

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening value of the assets at the beginning of the year	765.41	676.16
2	Additions during the year	156.14	64.49
3	Value of assets sold/disposed off		-
4	**Gross Fixed Assets at the end of the year**	**921.55**	**740.66**

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

4.9.3 **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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

specified by CERC have been adopted for calculation of depreciation on different asset categories.

4.9.4 As per the GFA and the applicable depreciation rates, PED has calculated the depreciation for the year FY 2017-18 as Rs. 26.51 Crs. The table shows the working of depreciation.

Table 4-15: Depreciation for FY 2017-18

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening value of the assets at the beginning of the year	765.41	676.16
2	Additions during the year	156.14	64.49
3	Value of assets sold /disposed off		-
4	**Gross Fixed Assets at the end of the year**	**921.55**	**740.66**
5	**Net Depreciation for the year**	**37.96**	**26.51**

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

4.10 Interest & Finance Charge

4.10.1 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."*

4.10.2 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 2017-18 is Rs. 21.59 Crs. The summary of Interest and Finance Charges as claimed by the petitioner and as approved by the Commission for FY 2017-18 along with revised estimates is tabulated below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-16: Interest & Finance Charges for FY 2017-18

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening Normative Loan	183.03	125.43
2	Add: Normative Loan during the Year	109.3	45.15
3	Less: Normative Repayment	37.96	26.51
4	Closing Normative Loan	254.37	144.06
5	**Average Normative Loan**	**218.70**	**134.74**
6	Rate of Interest(@SBAR)	14.05%	14.05%
7	**Interest on Normative Loan**	**30.73**	**18.93**
7	Other Finance Charges	2.27	2.66
9	**Total Interest and Finance Charges**	**33.00**	**21.59**

4.10.3 It is submitted that it has considered an addition of Rs. 64.49 Crs in the Gross Fixed Assets for FY 2017-18, 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.

4.10.4 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 5-16 of the Petition

4.10.5 The Hon'ble Commission is requested to approve the Interest & Finance Charges at Rs. 21.59 Crs as shown in the table for FY 2017-18. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

4.11 Interest on Working Capital

4.11.1 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.

4.11.2 The petitioner has considered the SBI base rate of 9.30% as prevailing as on 1st April 2017 and accordingly has computed the interest on working capital.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-17: Interest on Working Capital FY 2017-18

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Two months receivable	232.71	240.59
2	Power purchase cost for one month	98.52	104.11
3	Total Consumer security deposit	208.72	193.83
4	Consumer Security Deposit excluding Bank Guarantee/ Fixed Deposit Receipts	208.72	193.83
5	Inventory for two months based on Aggregate Revenue Requirement of previous year	4.65	7.77
6	total (1-2-4+5)	(69.88)	(49.58)
7	Interest Rate	9.30%	9.30%
8	**Interest on Working Capital**	**0.00**	**0.00**

4.11.3 The Interest on Working Capital approved by the Hon'ble Commission for the FY 2017-18 was Nil. On the basis of the revised estimates for FY 2017-18, the interest on working capital comes to Nil.

4.12 Security Deposits

4.12.1 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."

4.12.2 The prevailing Bank rate is considered at 6.75% as notified by Reserve Bank of India as on 01st April 2017.

Table 4-18: Interest on Security Deposit for FY 2017-18

(Rs Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening Security Deposit	187.41	177.70
2	Add: Deposits during the year	21.31	16.13
3	Less: Deposits refunded		
4	Less: Deposits n the form of BG/FDR		
5	Closing Security Deposit	208.72	193.83
6	Bank Rate	7.75%	6.75%
7	**Interest on Security Deposit**	**15.35**	**12.54**
8	Interest on security deposit to be paid		3.50

4.12.3 PED submits that even though the total Interest on security deposit is Rs. 12.54 Crs, it is expected that the Petitioner would be able to pay Rs. 3.50 Crs to the consumers

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

and the balance is proposed to be paid during subsequent years. The Hon'ble Commission is requested to approve the Interest on Security Deposit of Rs. 3.50 Crs actually estimated to be paid as shown in the table above.

4.13 Provision for bad debts

4.13.1 PED is not claiming any provision for bad & doubtful debts in the ARR of FY 2017-18, for pass through in tariff to consumers and may consider during true-up of the FY 2017-18 as per audited financial statements.

Table 4-19: Bad and doubtful debts for FY 2017-18

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

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

4.14 Return on Capital Base/ Net Fixed Assets

4.14.1 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.

4.14.2 In line with the methodology adopted by the Hon'ble Commission in Tariff order dated 16th May, 2017, the capital base for closing of the FY 2016-17 as per the last chapter is considered. Further, an equity addition in FY 2017-18 equal to 30% of asset capitalized in FY 2017-18 has been considered.

4.14.3 In line with the MYT regulation and the methodology adopted in the previous tariff order, PED has calculated the Return on Equity as outlined in the following table for FY 2017-18.

Table 4-20: Return on equity for FY 2017-18

(Rs. Crs).

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening equity (30% of GFA)	217.30	202.85
2	Addition in Equity (30% of addition in GFA)	46.84	19.35
3	Closing Equity (1+2)	264.14	222.20
4	Average Equity Amount	240.72	212.52
7	**Return on Equity - 16%**	**38.52**	**34.00**

4.14.4 In view of above, the Hon'ble Commission is requested to kindly allow the above Return on equity of Rs. 34.00 Crs.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

4.15 Non-Tariff Income

4.15.1 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 excluding revenue from sale of UI power in the ARR for FY 2017-18 was Rs. 2.93 Crs.

4.15.2 The details of non-tariff income (excluding revenue from UI power and other income) for FY 2017-18 are provided in **Format 20 of the Tariff Filing Formats**

4.15.3 The summary of total non-tariff income in line with the Commission's approach is tabulated below:

Table 4-21: Non-tariff income for FY 2017-18

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Open access charges for wheeling of power		4.75
2	Income from trading of Materials		0.06
3	Misc. Receipts/income		4.44
4	**Total income**		**9.26**
5	Add: Prior period income		
6	**Total Non-Tariff Income**	**2.93**	**9.26**

4.15.4 In view of above, the Hon'ble Commission is requested to kindly allow Non-Tariff Income of **Rs. 9.26 Crs** for FY 2017-18.

4.16 Revenue from sale of surplus power / other income

4.16.1 Revenue of Rs. 4.34 Crs has been earned by the petitioner from sale of power/ UI and URS scheme.

4.16.2 The detailed break-up of the same is provided in the table below and is requested to approve the same.

Table 4-22: Income from sale of surplus power and other income for FY 2017-18

S. No.	Particulars	Approved	Actuals
1	UI Sales / Sales to Exchange		4.14
2	Income from URS		0.20
3	Income from RRAS		
4	**Total**	**-**	**4.34**

4.17 Revenue from Sale of Power at Existing Tariff

4.17.1 The Revenue from Tariff for FY 2017-18 approved by the Hon'ble Commission was Rs. 1,499.91 Crs. The Revenue from Tariff for FY 2017-18 as per revised estimates

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

comes to Rs. 1,299.37 Crs net of incentive to consumers of Rs. 9.28 Crs. The summary of Revenue from Tariff as approved by the Commission and as per revised estimates for FY 2017-18, is tabulated below:

Table 4-23: Revenue from Tariff for 2017-18

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	733.82	185.61
2	OHOB	10.21	1.20
3	Commercial	222.92	141.28
4	Agriculture	57.28	2.02
5	Public Lighting	24.24	21.73
6	LT Industrial	159.23	85.15
7	Water Tank	40.44	24.83
8	Temporary Supply-LT&HT	8.00	8.11
9	**Total LT**	**1256.13**	**469.95**
	HT Category		
10	HT 1 Industrial / Commercial	946.24	602.82
11	HT 2 - Government & Water Tank	68.18	54.85
12	HT 3 - EHT	296.02	181.03
13	**Total HT**	**1310.45**	**838.70**
14	**Total LT and HT**	**2566.58**	**1308.65**
14	Incentive to consumers		9.28
15	**Total**	**2566.58**	**1299.37**
	As approved in Tariff order dated 16th May, 2017	2980.60	1499.91

4.17.2 In view of above, the Hon'ble Commission is requested to kindly allow Revenue of Rs. 1,299.37 Crs.

4.18 Aggregate Revenue Requirement for FY 2017-18

4.18.1 The Aggregate Revenue Requirement for FY 2017-18 approved by the Hon'ble Commission in the Tariff order for FY 2017-18 was Rs. 1413.48 Crs. The calculation for Aggregate Revenue Requirement on the basis of revised estimates for FY 2017-18 is shown below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 4-24: Calculation of ARR for FY 2017-18

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Cost of power purchase	1182.27	1249.35
2	Employee Costs	81.74	94.17
3	Administration and General Expenses	5.56	9.25
4	R&M expenses	22.02	18.78
5	Depreciation	37.96	26.51
6	Interest & Finance Charges	33.00	21.59
7	Interest on Working Capital		-
8	Interest on Security Deposit Paid	15.35	3.50
9	Return on NFA/ Equity	38.51	34.00
10	**Total Revenue Requirement**	**1416.41**	**1457.15**
11	Less: Non- Tariff Income	2.93	9.26
12	Less: Revenue from sale of surplus power and other income		4.34
13	**Net Aggregate Revenue Requirement**	**1413.48**	**1443.55**

4.18.2 PED hereby requests the Hon'ble Commission to approve the revised ARR of Rs. 1443.55 Crs for FY 2017-18 as submitted above.

4.19 Revenue Gap for FY 2017-18

4.19.1 The Revenue Gap as approved by the Hon'ble Commission for FY 2017-18 and as calculated on the basis of revised estimates in this petition is shown in the table below:

Table 4-25: Revenue Gap for FY 2017-18

Rs. Crs

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Aggregate Revenue Requirement	1413.48	1443.55
2	Revenue from Sale of Power @ existing tariff	1499.91	1299.37
3	**Revenue Gap/ (Surplus)**	**-86.43**	**144.18**

4.19.2 In view of above, the Hon'ble Commission is requested to kindly approve the revenue gap of Rs. 144.18 Crs for FY 2017-18.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 5. ANNUAL REVENUE REQUIREMENT FOR FY 2018-19

5.1 Preamble

5.1.1 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.

5.1.2 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.

5.1.3 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.

5.1.4 The Hon'ble Commission also carried out the review of FY 2016-17, approved the ARR for FY 2017-18 and determined the tariff for FY 2017-18 vide its tariff order dated 16th May, 2017.

5.1.5 This chapter provides the details of the expenditure approved by the Hon'ble Commission for the FY 2018-19 vide Tariff Order dated 24th May, 2016 and the revised estimates based on the performance in previous year and current year. 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 2018-19.

5.2 Number of Consumers

5.2.1 The Hon'ble Commission had approved 4.90 Lakh consumers in its Tariff Order dated 24th May, 2016 for FY 2018-19. Based on the number of consumers added during the FY 2016-17 and H1 FY 2017-18, PED submits the revised estimates for FY 2018-19 as 4.93 Lakh consumers. A comparison of the revised estimates with earlier approved numbers is shown below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-1: Details of Number of Consumers for FY 2018-19

S. No.	Particulars	Approved	Revised estimates
1	Domestic	335412	337845
2	OHOB	35539	35537
3	Commercial	53224	55762
4	Agriculture	6836	6965
5	Public Lighting	51774	50609
6	LT Industrial & Water Tanks	6951	6708
7	**Total LT**	**489736**	**493426**
8	HT 1 Industrial & Commercial	472	470
9	HT 2 Government & Water Tank	63	63
10	HT 3 EHT	8	7
11	**Total HT**	**543**	**540**
12	**Total LT and HT**	**490279**	**493966**

5.2.2 It is requested to the Hon'ble Commission to consider the revised number of consumers as submitted in the above table for FY 2018-19.

5.3 Energy Sales

5.3.1 The Hon'ble Commission had approved sales of 3177.04 MUs in the MYT tariff order dated 26th May, 2016.

5.3.2 The petitioner submits to the Hon'ble Commission that the sales during the control period have been lower than the sales forecasted and approved in the MYT order dated 26th May, 2016. In view of the same the petitioner has re-determined the sales for FY 2018-19 based on the past 4 yr data. The y-o-y growth, 2 year CAGR and 3 year CAGR have been worked out for FY 2014-15 to FY 2017-18 and FY 2014-15 to FY 2016-17.

Table 5-2: Sales of last 4 years and y-o-y growth, 3-yr, 2-yr CAGR

Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 15 to FY 18		FY 15 to FY 17	
					3-yr CAGR	2-yr CAGR	2-yr CAGR	Y-o-y gth
Domestic	635.22	674.89	699.82	733.82	4.93%	4.27%	4.96%	3.69%
Hut services	10.00	10.00	10.21	10.21	0.70%	1.04%	1.04%	2.10%
Commercial	182.22	197.85	210.92	222.92	6.95%	6.15%	7.59%	6.61%
Agriculture	57.00	57.00	57.28	57.28	0.16%	0.25%	0.25%	0.49%
Public lighting	26.00	26.00	24.24	24.24	-2.31%	-3.45%	-3.45%	-6.78%
Industrial	164.05	169.23	153.23	159.23	-0.99%	-3.00%	3.36%	-9.46%
Water tanks	34.85	35.70	37.44	40.44	5.09%	6.44%	3.65%	4.88%
Temporary supply	6.12	6.92	8.00	8.00	9.34%	7.55%	14.33%	15.68%
Total LT	**1115.46**	**1177.58**	**1201.13**	**1256.13**	4.04%	3.28%	3.77%	2.00%
Industrial	805.16	817.97	869.95	861.91	2.30%	2.65%	3.95%	6.36%
Commercial	70.13	74.02	74.20	84.33	6.34%	6.74%	2.86%	0.24%
Government Establishment and Water Tank	55.96	60.02	62.03	68.18	6.81%	6.59%	5.28%	3.35%
Industrial EHT	319.60	267.99	258.96	296.02	-2.52%	5.10%	-9.99%	-3.37%
Total HT	**1250.85**	**1220.00**	**1265.14**	**1310.45**	1.56%	3.64%	0.57%	3.70%
Total	**2366.31**	**2397.58**	**2466.27**	**2566.58**	2.75%	3.46%	2.09%	2.86%

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

5.3.3 Based on the past growth rates the most suitable growth rates have been considered for projection of sales for FY 2018-19.

- Nil growth rate for OHOB, agriculture, public lighting, temporary supply and EHT industrial categories.
- Nominal growth rate of 2% has been considered for LT industrial category.
- No growth in EHT category has been considered due to procurement of power through open access route by few consumers.

Table 5-3: Sales projection for FY 2018-19 considering FY 2017-18 as base

Category	FY 2017-18	Growth rate considered	FY 2018-19
Domestic	733.82	4.96%	770.23
Hut services	10.21	0.00%	10.21
Commercial	222.92	6.95%	238.42
Agriculture	57.28	0.00%	57.28
Public lighting	24.24	0.00%	24.24
Industrial	159.23	2.00%	162.41
Water tanks	40.44	5.09%	42.50
Temporary supply	8.00	0.00%	5.00
Total LT	**1256.13**		**1310.28**
Industrial	861.91	2.30%	881.70
Commercial	84.33	6.34%	89.68
Government Establishment and Water Tank	68.18	5.28%	71.78
Industrial EHT	296.02	0.00%	296.02
Total HT	**1310.45**		**1339.18**
Total	**2566.58**		**2649.46**

5.3.4 The sales approved in MYT order and the revised category wise sale for FY 2018-19 is shown in the table below.

Table 5-4: Sales for FY 2018-19

MUs

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Domestic	970.39	770.23
2	OHOB	10.38	10.21
3	Commercial	228.62	238.42
4	Agriculture	57	57.28
5	Public Lighting	30.51	24.24
6	LT Industrial & Water Tank	252.37	204.91
7	Temporary Supply - LT&HT		5.00
8	**Total LT**	**1549.27**	**1310.28**
9	HT 1 Industrial & Commercial	1133.7	971.38
10	HT 2 Government & Water Tank	71.14	71.78
11	HT 3 EHT	422.93	296.02
12	**Total HT**	**1627.77**	**1339.18**
13	**Total LT and HT**	**3177.04**	**2649.46**

5.3.5 It is requested to Hon'ble Commission to approve the revised sales of 2,649.46 MUs

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

for FY 2018-19.

5.4 T&D Loss & Energy Requirement

5.4.1 PED is submitting revised estimate of 12.50% as the T&D loss for FY 2018-19. The Hon'ble Commission had approved T&D loss of 11.00% in the MYT Tariff Order dated 26th May, 2016 for FY 2018-19. The information regarding the loss levels and energy balance for FY 2018-19 is shown in the table below –

Table 5-5: T&D Loss and Energy Balance for FY 2018-19

S. No.	Particulars	Approved by Commission	Revised Estimates
A	**ENERGY REQUIREMENT**		
1	Energy Sales within the UT (MUs)	3136.93	2649.46
2	T&D Losses (%)	11.00%	12.50%
3	Energy Required for the Territories (MUs)	3524.64	3027.96
4	Sales to common pool consumers / UI (MUs)	0.00	0.00
5	**Energy Requirement @ periphery (MUs)**	**3524.64**	**3027.96**
B	**ENERGY AVAILABILITY**		
1	Gross Energy Energy Purchase (MUs)	3691.08	3083.47
2	External Losses (MUs)	166.44	55.51
3	**Net Energy Availability (MUs)**	**3524.64**	**3027.96**

**The explanation for the same has been provided in para 5.4.2 below.*

5.4.2 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.

5.4.3 PED submits that it has been achieving significant reduction in T&D 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 T&D loss of <15%, loss reduction trajectory cannot be considered at the same rate considered previously.

5.4.4 PED submits the revised estimates of power purchase as against the 3691.08 MUs

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

approved by the Hon'ble Commission. PED hereby submits that the power purchase is projected on the principles of MOD and accordingly the energy balance has been revised.

5.4.5 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 T&D Loss of 12.50% for FY 2018-19.

5.5 Power Purchase Quantum & Cost for FY 2018-19

5.5.1 PED will meet its total energy requirement from its allocation from the Central Generating Stations (CGS) and state utilities like TANGEDCO and PPCL. PPCL is a generating company within the UT of Puducherry catering to Karaikal region of PED.

5.5.2 **Mahe Region:** It is submitted to the Hon'ble Commission that as of now, the requirement of power for Mahe region is being availed from the KSEB Limited. But in order to avail power from Central Generating Stations (CGS) for Mahe region, concurrence of the Southern Regional Power Committee (SRPC) has been obtained and KSEB Limited has also been requested to permit to draw power from the CGS through their transmission system. The issue of concurrence by KSEB Limited is in its final stage and as such it is proposed to draw the power from CGS for the requirement of Mahe region for FY 2018-19. In line with the same, drawal from KSEB has not been considered by the petitioner in FY 2018-19.

5.5.3 **TANGEDCO (karaikal):** It is submitted to the Hon'ble Commission that at present, the requirement of power for Karaikal region is being met from the state owned gas based generating station and purchasing power from NLC TS-I through TANGEDCO. In order to receive/ avail power from the CGS, a 230 / 110 kV Sub-station is under construction at Karaikal and its associated 230 kV transmission line is being constructed by M/s Power Grid from Neyveli. The work is expected to be completed in the first quarter of the FY 2018-19. Therefore in line with the same, the department has considered procurement of power to an extent of 50 MUs in FY 2018-19 from NLC TS-I through TANGEDCO and once the 230/110 kV sub-station is commissioned, the requirement for the Karaikal region over and above the availability from the State Owned Power plant will be met from the CGS.

5.5.4 For the year FY 2018-19, PED has projected the power purchase by considering the availability from each source and applying the principle of MOD. The key assumptions for power purchase costs are as under:

a. **MOD for FY 2018-19:** The power purchase has been considered under the principle of MOD. The must run stations has been identified as all the NPCIL

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

plants, 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 2016-17.

c. The variable cost for FY 2018-19 has been computed considering actual average variable cost of each source for first six months period of April-September 2017.

d. PED submits that it is obliged to comply with the Renewable Purchase Obligation of 9.00%. The petitioner plans to procure 242.12 MUs of non-solar RECs and 196.35 MUs of physical solar power in FY 2018-19. The RPO compliance cost is included in the power purchase cost which is arrived upon as follows. The cost of procuring 196.35 MUs of solar power has been considered under a separate head in the power purchase cost amounting to Rs. 67.85 Crs at Rs. 3.50/ unit.

Table 5-6: RPO Compliance Cost for FY 2018-19

Particulars	Total	Solar Obligation	Non-solar Obligation
Sales (MUs)	2649.46		
RPO Obligation (%)	**9.00%**	3.60%	5.40%
RPO Requirement (MUs)	**238.45**	95.38	143.07
RPO to met thru purchase of physical power / RECs (MUs)	**438.47**	196.35	242.12
Cost of RPO compliance thru RECs (Rs. Crs)			24.21
Outstanding RPO @ the end of previous year (MUs)	**200.02**	100.97	99.05
RPO pending at the end of the year (MUs)	**0.01**	**0.00**	**0.00**

e. As outlined in the above table, the estimated cost towards RPO compliance is Rs. 24.21 Crs which the petitioner will be incurring during FY 2018-19.

f. The Transmission Charges for FY 2018-19 are considered same as projected in FY 2017-18.

5.5.5 The revised Power Purchase Cost Summary for FY 2018-19 is outlined as below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-7: Power Purchase Cost for FY 2018-19

S. No.	Particulars	Approved			Revised Estimates		
		Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)	Purchase (MUs)	Cost (Rs. Cr.)	Rate (Rs./unit)
1	NTPC	1335.36	370.00	2.77	1134.53	347.13	3.06
2	NLC	942.38	279.58	2.97	588.50	227.27	3.86
3	NPCIL	573.83	187.73	3.27	613.28	195.73	3.19
4	KSEB	44.02	25.43	5.78	0.00	0.00	0.00
5	TANGEDCO	328.17	113.87	3.47	50.00	27.35	5.47
6	PPCL	234.07	106.42	4.55	216.37	68.11	3.15
7	Vallur	109.84	41.86	3.81	126.97	60.53	4.77
8	NTPL	123.43	34.98	2.83	159.97	72.55	4.54
9	RE power / solar power purchase				193.85	67.85	3.50
10	Transmission Charges		75.18			59.94	
11	Rebate		(19.28)			(18.82)	
12	RPO Compliance Cost		33.92			24.21	
13	**Total**	**3691.08**	**1249.70**	**3.39**	**3083.47**	**1131.85**	**3.67**

5.5.6 The Petitioner hereby requests the Hon'ble Commission to approve the power purchase quantum of 3083.47 MUs and power purchase cost of Rs. 1131.85 Crs (inclusive of rebate) for FY 2018-19 as submitted above.

5.6 Operation & Maintenance Expenses

5.6.1 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."

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

5.6.2 **Employee Expenses for FY 2018-19:**

5.6.2.1 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.

5.6.2.2 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."*

5.6.2.3 PED has computed the employee expense for FY 2018-19 based on the norms approved in the business plan order dated 04th December, 2015 and methodology adopted by the Hon'ble Commission in tariff order dated 16th May, 2017.

5.6.2.4 For purpose of projection for FY 2017-18, the normative per employee cost has been suitably escalated by moving average WPI of the previous 3 FYs as mentioned below.

Table 5-8: Calculation of WPI for projection of Per Employee Cost Norms

FY	WPI	% age increase	Avg 3 Yrs increase
FY 2010-11	143.33		
FY 2011-12	156.13	8.93%	
FY 2012-13	167.62	7.36%	
FY 2013-14	177.64	5.98%	
FY 2014-15	181.19	2.00%	7.42%
FY 2015-16	176.67	-2.49%	5.11%
FY 2016-17	182.92	3.54%	1.83%
			1.02%

5.6.2.5 The petitioner has also included the Rs. 15.48 Crs (difference between FY 2015-16 and FY 2016-17 actual employee cost) considering the impact of 7th Pay Commission and recruitment of employees in FY 2016-17. The employee cost for FY 2018-19 has been calculated as shown below.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-9: Employee Expenses for FY 2018-19

S. No.	Particulars	FY 2013-14 As approved in the Business Plan	FY 2014-15 Escalating Col c @ 7.43%	FY 2015-16 Col d @ 5.11%	FY 2016-17 Col e @ 1.83%	FY 2017-18 Col f @ 1.02%	FY 2018-19 Col g @ 1.02%
a	b	c	d	e	f	g	h
1	Employee Expenses Per Employee (Rs)	312285	335488	352631	359084	362747	366447
2	No of Employee Per '000 Consumers					4.52	4.52
3	No of Consumers '000					480	494
4	No of Employee					**2169**	**2233**
5	Employee Expenses					78.69	81.82
6	Impact of 7th Pay Commission and recruitment of employees in FY 17					15.48	15.48
7	**Total Employee Expense**					**94.17**	**97.30**

5.6.2.6 Therefore, the petitioner requests the Hon'ble Commission to approve Rs. 97.30 Crs as the employee expenses for FY 2018-19.

5.6.3 **Repairs & Maintenance Expenses for FY 2018-19:** 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 2018-19. The CPI index of 5.35% and WPI index of 1.02% has been considered in 60:40 ratio.

Table 5-10: R&M Expenses for FY 2018-19

S. No.	Particulars	FY 2018-19
1	Op. GFA - Rs. Crs	740.66
2	K Factor - Approved by Commission	2.68%
3	Inflation index (60:40=CPI:WPI)	3.62%
4	**R&M Expenses - Rs. Crs**	**20.57**

5.6.3.1 In view of the above, the Hon'ble Commission is requested to kindly allow the above R&M Expenses of Rs. 20.57 Crs for FY 2018-19.

5.6.4 **Administration & General expenses for FY 2018-19:**

5.6.4.1 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 $A\&G_b$:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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. "*

5.6.4.2 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."

5.6.4.3 The A&G expenses have been computed based on the norms approved in the business plan order dated 04th December, 2015 and methodology adopted by the Hon'ble Commission in tariff order dated 16th May, 2017

5.6.4.4 The base expenses have been suitably escalated by the moving average WPI to arrive at the A&G Expenses for the FY 2018-19.

5.6.4.5 An amount of Rs. 5.00 Crores has been projected to be incurred by PED towards payment of charges to EESL related to DELP scheme approved by the Commission.

5.6.4.6 **Smart Grid Project:** Apart from the above charges over the above the normative A&G expense, PED will incur additional charges towards payment related to smart grid project being implemented in Puducherry. A Smart Grid Pilot Project envisaging providing of 35600 Nos. of Smart Meters in the Boulevard Area and in the LT CT services is under execution. The project has also been approved by the Hon'ble Commission vide its order dated 25th April, 2016. The work of installation of meters on Investor and Service provider Model has been awarded to M/s Dong Fang Electronics Company Limited. The work is expected to be completed in the first quarter of FY 2018-19 and thereafter the system will be under trial operation for 3 months. Considering the above facts, payment of Rs.2.40 Crs to M/s Dong Fang Electronics Company Limited has been considered in under A&G expenses for the FY 2018-19.

5.6.4.7 The normative A&G expenses calculated as per norms for FY 2018-19 is tabulated below.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-11: A&G Expenses for FY 2018-19

S. No.	Particulars	FY 2012-13 As approved in the Business Plan	FY 2013-14 Escalating Col c @ 5.98%	FY 2014-15 Col d @ 7.43%	FY 2015-16 Col e @ 5.11%	FY 2016-17 Col f @ 1.83%	FY 2017-18 Col g @ 1.02%	FY 2018-19 Col h @ 1.02%
a	b	c	d	e	f	g	h	i
1	Avg A&G Expenses Per Employee (Rs)	17592	18644	20029	21053	21438	21657	21878
2	Average A&G Expenses Per '000 Consumers (Rs)	103436	109621	117766	123784	126049	127335	128634
3	No of Employee						2169	2233
4	No of Consumers '000						480	494
5	A&G Expenses Per Employee - 50% weightage						2.35	2.44
6	A&G Expenses Per '000 Consumers - 50% weightage						3.06	3.18
7	**A&G Expenses**						**5.40**	**5.62**

5.6.4.8 The total A&G expenses for FY 2018-19 is tabulated below and it is requested to the Hon'ble Commission to approve the same.

Table 5-12: A&G Expenses for FY 2018-19

(Rs. Crs)

Particulars	Approved by Commission	Revised Estimates
A&G Expenses	6.05	5.62
Payment of investor charges towards Smart grid project		2.40
EESL charges		5.00
Total A&G charges	**6.05**	**13.02**

5.6.5 **O&M Expenses Summary FY 2018-19:** Based on the foregoing paragraphs, the revised O&M expenses for the year FY 2018-19 vis-a-vis the approved level by the Hon'ble Commission is shown in the table below:

Table 5-13: O&M Expenses for FY 2018-19

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Total Employee Expenses	88.94	97.30
2	Total R&M Expenses	26.51	20.57
3	Total A&G Expenses	0.00	13.02
4	**Total O&M Expenses**	**115.45**	**130.88**

5.6.6 The Hon'ble Commission is requested to approve the O&M Expenses of Rs. 130.88 Crs as shown in the table above. The details of O&M expense for FY 2018-19 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

5.7 Capital Work in Progress, GFA and Depreciation

5.7.1 **GFA**: The Opening Balance of GFA for FY 2018-19 comes to around Rs. 740.66 Crs. The additions to GFA are estimated to be around Rs. 54.31 Crs; the details of which are provided in the table below:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-14: GFA Revised Estimates

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening value of the assets at the beginning of the year	921.55	740.66
2	Additions during the year	143.86	54.31
3	Value of assets sold/disposed off		-
4	**Gross Fixed Assets at the end of the year**	**1065.41**	**794.97**

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

5.7.3 **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.

5.7.4 As per the GFA and the applicable depreciation rates, PED has calculated the depreciation for the year FY 2018-19 as Rs. 29.65 Crs. The table shows the working of depreciation.

Table 5-15: Depreciation for FY 2018-19

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening value of the assets at the beginning of the year	921.55	740.66
2	Additions during the year	143.86	54.31
3	Value of assets sold /disposed off		-
4	**Gross Fixed Assets at the end of the year**	**1065.41**	**794.97**
5	**Net Depreciation for the year**	**45.80**	**29.65**

5.7.5 PED hereby requests the Hon'ble Commission to approve the revised estimates of depreciation as submitted above.

5.8 Interest & Finance Charge

5.8.1 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.

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SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

(e) The repayment for the control period shall be deemed to be equal to the depreciation allowed for the year."

5.8.2 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 2018-19 is Rs. 23.63 Crs. The summary of Interest and Finance Charges as claimed by the petitioner and as approved by the Commission for FY 2018-19 along with revised estimates is tabulated below:

Table 5-16: Interest & Finance Charges for FY 2018-19

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening Normative Loan	254.37	144.06
2	Add: Normative Loan during the Year	100.7	38.02
3	Less: Normative Repayment	45.8	29.65
4	Closing Normative Loan	309.27	152.43
5	**Average Normative Loan**	**281.82**	**148.25**
6	Rate of Interest(@SBAR)	14.05%	14.05%
7	**Interest on Normative Loan**	**39.60**	**20.83**
7	Other Finance Charges	2.39	2.80
9	**Total Interest and Finance Charges**	**41.99**	**23.63**

5.8.3 It is submitted that it has considered an addition of Rs. 54.31 Crs in the Gross Fixed Assets for FY 2018-19, 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.

5.8.4 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

5.8.5 The Hon'ble Commission is requested to approve the Interest & Finance Charges at Rs. 23.63 Crs as shown in the table for FY 2018-19. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

5.9 Interest on Working Capital

5.9.1 As per Regulation 25 of JERC MYT Regulations, 2014, interest on Working Capital for

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

5.9.2 The petitioner has considered the SBI base rate of 9.30% as prevailing as on 1st April 2017 and accordingly has computed the interest on working capital.

Table 5-17: Interest on Working Capital FY 2018-19

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Two months receivable	249.90	227.00
2	Power purchase cost for one month	104.14	94.32
3	Total Consumer security deposit	230.04	209.96
4	Consumer Security Deposit excluding Bank Guarantee/ Fixed Deposit Receipts	230.04	209.96
5	Inventory for two months based on Aggregate Revenue Requirement of previous year	4.65	7.77
6	**Total (1-2-4+5)**	**(79.63)**	**(69.51)**
7	Interest Rate	9.30%	9.30%
8	**Interest on Working Capital**	**0.00**	**0.00**

5.9.3 The Interest on Working Capital approved by the Hon'ble Commission for the FY 2018-19 was Nil. On the basis of the revised estimates for FY 2018-19, the interest on working capital comes to Nil.

5.10 Security Deposits

5.10.1 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."

5.10.2 The prevailing Bank rate is considered at 6.75% as notified by Reserve Bank of India as on 01st April 2017.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-18: Interest on Security Deposit for FY 2018-19

(Rs Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening Security Deposit	208.72	193.83
2	Add: Deposits during the year	21.31	16.13
3	Less: Deposits refunded		
4	Less: Deposits n the form of BG/FDR		
5	Closing Security Deposit	230.03	209.96
6	Bank Rate	7.75%	6.75%
7	**Interest on Security Deposit**	**17.00**	**13.63**

5.10.3 PED requests the Hon'ble Commission to approve the Interest on Security Deposit of Rs. 13.63 Crs for FY 2018-19.

5.11 Provision for bad debts

5.11.1 PED is not claiming any provision for bad & doubtful debts in the ARR of FY 2018-19, for pass through in tariff to consumers and may consider during true-up of the FY 2018-19 as per audited financial statements.

Table 5-19: Bad and doubtful debts for FY 2018-19

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

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

5.12 Return on Capital Base/ Net Fixed Assets

5.12.1 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.

5.12.2 In line with the methodology adopted by the Hon'ble Commission in Tariff order dated 16th May, 2017, the capital base for closing of the FY 2017-18 as per the last chapter is considered. Further, an equity addition in FY 2018-19 equal to 30% of asset capitalized in FY 2018-19 has been considered.

5.12.3 In line with the MYT regulation and the methodology adopted in the previous tariff order, PED has calculated the Return on Equity as outlined in the following table for FY 2018-19.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 5-20: Return on NFA for FY 2018-19

(Rs. Crs).

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Opening equity (30% of GFA)		222.20
2	Addition in Equity (30% of addition in GFA)		16.29
3	Closing Equity (1+2)		238.49
4	Average Equity Amount		230.34
7	Return on Equity - 16%	26.46	36.86

5.12.4 In view of above, the Hon'ble Commission is requested to kindly allow the above Return on equity of Rs. 36.86 Crs.

5.13 Non-Tariff Income

5.13.1 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 excluding revenue from sale of UI power in the ARR for FY 2018-19 was Rs. 3.08 Crs.

5.13.2 The details of non-tariff income (excluding revenue from UI power and other income) for FY 2018-19 are provided in **Format 20 of the Tariff Filing Formats**

5.13.3 The summary of total non-tariff income in line with the Commission's approach is tabulated below:

Table 5-21: Non-tariff income for FY 2018-19

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Open access charges for wheeling of power		0.00
2	Income from trading of Materials		0.06
3	Misc. Receipts/income		4.44
4	Total income		4.51
5	Add: Prior period income		
6	Total Non-Tariff Income	3.08	4.51

5.13.4 In view of above, the Hon'ble Commission is requested to kindly allow Non-Tariff Income of Rs. 4.51 Crs for FY 2018-19.

5.14 Revenue from sale of surplus power / other income

5.14.1 The revenue earned by the petitioner from sale of power/ UI is considered as nil for FY 2018-19 and also the income from URS scheme and RRAS has been considered as nil.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

5.15 Revenue from Sale of Power at Existing Tariff

5.15.1 The summary of Revenue from Tariff at existing tariff for FY 2018-19 is tabulated below:

Table 5-22: Revenue from existing tariff for 2018-19

S. No.	Particulars	Sales (MUs)	Revenue (Rs.Crs)
	LT Category		
1	Domestic	770.23	228.65
2	OHOB	10.21	1.15
3	Commercial	238.42	147.99
4	Agriculture	57.28	1.95
5	Public Lighting	24.24	20.91
6	LT Industrial	162.41	83.51
7	Water Tank	42.50	25.09
8	Temporary Supply-LT&HT	5.00	4.88
9	**Total LT**	**1310.28**	**514.12**
	HT Category		
10	HT 1 Industrial / Commercial	971.38	595.83
11	HT 2 - Government & Water Tank	71.78	55.20
12	HT 3 - EHT	296.02	174.47
13	**Total HT**	**1339.18**	**825.50**
15	**Total**	**2649.46**	**1339.62**
	As approved in Tariff order dated 24th May, 2016	3177.04	

5.15.2 In view of above, the Hon'ble Commission is requested to kindly allow Revenue at existing tariff of Rs. 1,339.62 Crs.

5.16 Aggregate Revenue Requirement for FY 2018-19

5.16.1 The Aggregate Revenue Requirement for FY 2018-19 approved by the Hon'ble Commission in the MYT order was Rs. 1499.37 Crs. The Aggregate Revenue Requirement on the basis of revised estimates for FY 2018-19 is shown below:

Table 5-23: Calculation of ARR for FY 2018-19

(Rs. Crs)

S. No.	Particulars	Approved by Commission	Revised Estimates
1	Cost of power purchase	1249.70	1131.85
2	Employee Costs	88.04	97.30
3	Administration and General Expenses	6.05	13.02
4	R&M expenses	26.51	20.57
5	Depreciation	45.80	29.65
6	Interest & Finance Charges	41.99	23.63
7	Interest on Working Capital		-
8	Interest on Security Deposit Paid	17.00	13.63
9	Return on NFA/ Equity	26.46	36.86
10	**Total Revenue Requirement**	**1502.45**	**1366.49**
11	Less: Non- Tariff Income	3.08	4.51
12	Less: Revenue from sale of surplus power and other income		0.00
13	**Net Aggregate Revenue Requirement**	**1499.37**	**1361.98**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

5.16.2 PED hereby requests the Hon'ble Commission to approve the revised ARR of Rs. 1361.98 Crs for FY 2018-19 as submitted above.

5.17 Revenue Gap for FY 2018-19

5.17.1 The Revenue Gap for FY 2018-19 as calculated on the basis of revised ARR estimates and revenue at existing tariff is shown in the table below:

Table 5-24: Revenue Gap for FY 2018-19

(Rs. Crs)

S. No.	Particulars	FY 2018-19
1	Aggregate Revenue Requirement	1361.98
2	Revenue from Sale of Power @ existing tariff	1339.62
3	**Revenue Gap/ (Surplus)**	**22.36**

5.17.2 In view of above, the Hon'ble Commission is requested to kindly approve the revenue gap of Rs. 22.36 Crs for FY 2018-19.

5.17.3 PED in the subsequent chapters has proposed the required adjustment in tariff to consider the total gap / Surplus from FY 2016-17 to FY 2018-19.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 6. TOTAL REVENUE GAP

6.1 Preamble

6.1.1 PED in determining the ARR and retail supply tariff for FY 2018-19 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.

6.1.2 PED submits that this section covers the revenue gap claimed while computing ARR of the respective year and the total revenue gap to be recovered in FY 2018-19. Also the revenue gap comprises of the Gap / (Surplus) of three years (i.e. From FY 2016-17 to FY 2018-19).

6.2 Revenue Gap for FY 2017-18

6.2.1 PED submits that the said current petition covers 3 years which includes True-up for FY 2016-17, APR of FY 2017-18 and Tariff determination for FY 2018-19. 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 6-1: Calculation of Cummulative Revenue Gap for FY 2016-17 to FY 2018-19

(Rs. Crs)

S.No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1	Net ARR	1,237.78	1,443.55	1,361.98
2	Revenue at existing tariff excluding surcharge but including FPPCA	1,192.11	1,299.37	1,339.62
3	Revenue gap for the year	45.68	144.18	22.36
4	Opening balance of gap		45.68	189.85
5	**Total cummulative gap at the end of the year**	**45.68**	**189.85**	**212.21**

6.2.2 PED requests the Hon`ble Commission to approve the cummulative revenue gap of Rs. 212.21 Crs in FY 2018-19.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 7. TARIFF PHILOSOPHY

7.1 Preamble

7.1.1 This section elucidates the proposed revision in the retail tariff and proposed amendments in the retail tariff schedule to be applicable for FY 2018-19. PED prays the Hon'ble Commission to approve the revision of retail tariff for FY 2018-19 as proposed for different categories of consumers, applicable from April 1 '2018.

7.2 Tariff Design Principles

7.2.1 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.

7.3 Philosophy of Tariff Design

7.3.1 PED submits to the Hon'ble Commission that the total proposed cumulative Revenue Gap for the control period FY 2016-17 to FY 2018-19 is Rs. 212.21 Crs as determined in earlier chapters.

7.3.2 The increase in revenue gap during the control period is on account of

a) Increase in cost of power from Central Generating Stations due to revision of tariff by CERC from the year FY 2014-15 and claim of arrears pertaining to past period.

b) Increase in cost of power for supplying power from NLC TS-I to Karaikal region through TANGEDCO due to revision in tariff by CERC for the period FY 2014-15 to FY 2017-18.

c) Increase in employee cost due to impact of 7th Pay Commission and recruitment of employees.

d) Increased cost towards meeting the RPO obligation.

7.3.3 In order to bridge the gap of Rs. 212.22 Crs, it is necessary to increase the energy charges in tariff by an average of 80 paise per unit to all categories of consumers. In order to avoid tariff shock to the consumers, it is proposed to increase the tariff for the domestic consumers in the range of 30 to 45 paise per unit, 60 paise per unit for commercial and special illumination, 50 paise for LT industries and 55 paise for HT industries in FY 2018-19 to earn an additional revenue of Rs. 128.64 Crs. The petitioner requests the Hon'ble Commission to allow the balance revenue gap of

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

83.57 Crs to be claimed in next FY. The overall increase in tariff for FY 2018-19 would be 9.60% on FY 2017-18 base tariffs, whereas the net overall increase over FY 2017-18 would be 5.60% (9.60%-4.00%) considering the 4% additional surcharge approved for FY 2017-18.

7.3.4 The existing tariff for FY 2017-18 (excluding surcharge of 4%) and proposed tariff for FY 2018-19 is mentioned below.

Table 7-1: Summary of Existing and Proposed Tariff Rates for FY 2018-19

S. No.	Category of Consumer	Existing Tariff for FY 2017-18		Proposed Tariff for FY 2018-19	
		Fixed Charge (Rs/kW; Rs/kVA; Rs/HP; Rs/Month/	Energy Charges (Rs/kWh)	Fixed Charge (Rs/kW; Rs/kVA; Rs/HP; Rs/Month/	Energy Charge (Rs/kWh)
1(a)	Domestic & Cottage				
	0 - 100	40.00	1.10	40.00	1.40
	101 - 200	40.00	1.75	40.00	2.10
	201 - 300	40.00	3.50	40.00	3.90
	>300	40.00	4.60	40.00	5.05
1 (b)	OHOB	27.00		27.00	
2	Commercial				
	0 - 100	100.00	4.70	100.00	5.30
	101 - 250	100.00	5.60	100.00	6.20
	> 250	100.00	6.25	100.00	6.85
3	Agriculture				
	Small farmers	9.00	-	9.00	-
	Other farmers	27.00	-	27.00	-
4	Public lighting	75.00	6.75	75.00	7.25
5	LT Industrial & Water Tanks				
	LT Industrial	86.00	5.10	86.00	5.60
	Water Tanks	100.00	5.90	100.00	6.40
6	Temporary supply				
6 (a)	Light Load	200.00	9.75	200.00	10.35
6 (b)	Special Illumination	500.00	10.00	500.00	10.60
6 (c)	Load exceeding 97kW/ 130HP	500.00	10.00	500.00	10.60
7	Hoardings/ Signboards	120.00	8.00	120.00	8.60
8	HT - I Industrial & Commercial				
8 (a)	I(a) upto CD 5000 kVA (Industrial/IT/ITES)	250.00	5.25	250.00	5.80
8 (b)	I(b) upto CD 5000 kVA (Commercial)	250.00	5.25	250.00	5.80
9	HT - II Government & water tank	250.00	6.75	250.00	7.30
10	HT - III EHT (above 5000 kVA)	220.00	5.10	220.00	5.65

7.4 Gap at proposed tariff for FY 2018-19

7.4.1 The revenue at proposed tariff for FY 2018-19 is tabulated below.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 7-2: Revenue at proposed tariff for FY 2018-19

(Rs. Crs)

S. No.	Particulars	Sales (MUs)	Revenue at proposed tariff (Rs.Crs)
	LT Category		
1	Domestic	770.23	257.57
2	OHOB	10.21	1.15
3	Commercial	238.42	162.29
4	Agriculture	57.28	1.95
5	Public Lighting	24.24	22.13
6	LT Industrial	162.41	91.63
7	Water Tank	42.50	27.22
8	Temporary Supply-LT&HT	5.00	5.18
9	**Total LT**	**1310.28**	**569.10**
	HT Category		
10	HT 1 Industrial / Commercial	971.38	649.26
11	HT 2 - Government & Water Tank	71.78	59.15
12	HT 3 - EHT	296.02	190.75
13	**Total HT**	**1339.18**	**899.16**
15	**Total**	**2649.46**	**1468.26**

7.4.2 The revenue gap at proposed tariff for FY 2018-19 is tabulated below.

Table 7-3: Revenue gap at proposed tariff for FY 2018-19

(Rs Crs)

S. No.	Particulars	FY 2018-19
1	Gap for FY 2016-17	45.68
2	Gap for FY 2017-18	144.18
3	Gap for FY 2018-19	22.36
4	**Cummulative gap for the Control Period (1+2+3)**	**212.21**
5	Additional recovery due to proposed tariff	128.64
6	**Revenue Gap/ (Surplus) (4-5)**	**83.57**

7.4.3 The petitioner requests the Hon'ble Commission to allow the remaining revenue gap of Rs. 83.57 to be claimed in next financial year so as to not burden the consumers with tariff shock.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 8. SEGREGATION OF WHEELING AND RETAIL SUPPLY BUSINESS

8.1 Allocation Matrix

8.1.1 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.

8.1.2 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.

8.1.3 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

8.1.4 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.

8.1.5 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:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

8.1.6 **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.

8.1.7 **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.

8.1.8 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

8.1.9 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 2018-19.

Table 8-1: Segregation of ARR in to Retail Supply and Wires Business for FY 2018-19

S. No.	Item of expense	Wire Business (%)	Supply Business (%)	FY 2018-19		
				Wire Business	Supply Business	Total
1	Cost of power purchase	0%	100%	0.00	1131.85	1131.85
2	Employee costs	70%	30%	68.11	29.19	97.30
3	R&M expenses	90%	10%	18.51	2.06	20.57
4	Administration and General expenses	50%	50%	6.51	6.51	13.02
5	Depreciation	90%	10%	26.68	2.96	29.65
6	Interest & Financial charges	90%	10%	23.09	2.57	25.65
7	Interest on Working Capital	22%	78%	-	-	-
8	Return on NFA /Equity	90%	10%	33.17	3.69	36.86
9	Interest on Consumer Security Deposit	0%	100%	0.00	13.63	13.63
10	**Total Revenue Requirement**			**176.07**	**1192.45**	**1368.52**
11	Less: Non Tariff Income	0%	100%	0.00	4.51	4.51
12	**Net Revenue Requirement (10-11)**			**176.07**	**1187.94**	**1364.01**

8.1.10 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 9. DETERMINATION OF OPEN ACCESS CHARGES

9.1 Determination of Open Access Charges

9.1.1 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.

9.1.2 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.

9.1.3 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:"

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

"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:

9.1.4 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;"

9.1.5 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.

9.2 Allocation of Wheeling Cost

9.2.1 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

9.3 Voltage-wise Wheeling Charges

9.3.1 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 its last Tariff Order dated 16th May, 2017 i.e. losses for EHT at 1% and HT at 3.5%.

9.3.2 The voltage-wise wheeling charges for FY 2018-19 has been calculated below in the same methodology adopted by the Hon'ble Commission in tariff order dated 16th May, 2017.

Table 9-1: Voltage-wise wheeling charges for FY 2018-19

S.No.	Particulars	UoM	Formulae	Amount
1	Wheeling Cost	Rs Crs	A	176.07
2	Wheeling Cost for EHT network	Rs Crs	B=A*12.16%	21.41
3	Input required for sales at EHT network	MU	C	299.01
4	**Wheeling charges for EHT network usage**	**Rs/kWh**	**D=B/C*10**	**0.72**
5	Wheeling Cost for HT network	Rs Crs	E=A*35.58%	62.65
6	Input required for sales at HT network	MU	F	1080.99
7	**Wheeling charges for HT network usage**	**Rs/kWh**	**G=E/F*10**	**0.58**
8	Wheeling cost for LT network	Rs Crs	H=A*52.25%	92.00
9	Input required for sales at LT level	MU	I	1647.95
10	**Wheeling charges for LT network usage**	**Rs/kWh**	**J=H/I*10**	**0.56**

9.3.3 The Hon'ble Commission may consider the submissions as provided in the above paragraphs & approve the proposed voltage-wise wheeling charges for FY 2018-19.

9.4 Cross Subsidy Surcharge

9.4.1 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.

9.4.2 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

9.4.3 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.

9.4.4 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.

9.5 Computation of Cross Subsidy Surcharge for FY 2018-19

9.5.1 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.

9.5.2 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Order of FY 2017-18.

9.5.3 The projected wheeling charges "D" as determined in the earlier section 9.3 at the respective voltage level are used for calculation of Cross Subsidy Surcharge. The cross-subsidy surcharge has been computed on consolidated basis for HT as per Hon'ble Commission's methodology in last tariff order.

9.5.4 The computation of each component of cross-subsidy surcharge is given below.

Table 9-2: Calculation of 'T' (tariff payable) for FY 2018-19

Particular	Sale (MUs)	Revenue from proposed tariff (Rs crore)	Average Tariff (Rs/kWh)
T- EHT (Tariff payable)	296.02	190.75	6.44
T- HT (Tariff payable)	1043.16	708.41	6.79

Table 9-3: Computation of "C" (weighted avg cost of power purchase) for FY 2018-19

Particular	Energy Procured (MUs)	Total Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kwh)
C (W. Avg Cost of Power Purchase)	3083.47	1131.85	3.67

9.5.5 The category wise cross subsidy surcharge based on the above formula is computed below.

Table 9-4: Cross-subsidy surcharge for FY 2018-19

Cross Subsidy Surcharge	UoM	EHT Industry	HT Industry
T (Tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation)	Rs./kWh	6.44	6.79
C (per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligations)	Rs./kWh	3.67	3.67
D (aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level)	Rs./kWh	0.72	0.58
L (aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level)	%	1	3.5
R (per unit cost of carrying regulatory assets)	Rs./kWh	0	0
Cross Subsidy Surcharge	**Rs./kWh**	**2.02**	**2.41**

9.5.6 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

9.5.7 PED requests the Hon'ble Commission to approve the Cross Subsidy Surcharge & related Open Access Charges for FY 2018-19 as proposed.

9.6 Additional Surcharge

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 10. COMPLIANCE OF THE DIRECTIVES OF HON'BLE COMMISSION

10.1 Preamble

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

10.2 Status of Compliance

Table 10-1: Status of Compliance of Directives

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
1.	**Preparation of Asset and Depreciation Register**	The Commission observes that the Petitioner is yet to ensure full compliance of this directive. The Commission directs the Petitioner to update the asset register till FY 2016-17 before filing of Tariff Petition for FY 2018-19.	The Asset and Depreciation Registers have been updated up to FY 2015-16. For the FY 2016-17, the Asset Register is being prepared and the same is being audited. The Audit Report will be submitted to the Hon'ble Commission during the Technical Validation Session for the tariff petition for FY 2018-19.
2.	**Accounting of Consumer Security Deposits etc. under appropriate head of accounts**	The Commission observes that the Petitioner is yet to ensure full compliance of this directive. The Commission directs the Petitioner to pay the full interest on consumer deposit in the FY 2017-18 to the eligible consumers and update the status to the Commission.	The Department is maintaining a separate head of account for the consumer security deposit from the FY 2012-13 onwards. Based on the directions of Hon'ble Commission, payment of interest is being made to those consumers. The payment of the interest is also being made based on the allocation of funds by the Government of Puducherry for the period from FY 2012-13. As far as the details of the security deposit made prior to the FY 2012-13, all the deposits made by the consumers towards security deposits as well as the consumer contribution deposits were put together in a single head of

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
			account. The above issue can only be resolved after tracing out the details of the security deposits from the old policy files. The interest payable to the security deposit made from the FY 2009-10 can be done only on tracing out of the details of the security deposit through new software system, which is being implemented under R-APDRP scheme. The Department therefore prays to consider the additional time required to process the above work.
3.	**Energy Audit and T&D Losses**	The Commission has taken a serious view of the fact that the Petitioner is yet to ensure full compliance despite repeated directives of the Commission. The Commission directs the Petitioner to have complete energy audit of all distribution transformers in the four areas by 30th October 2017 and report the compliance to the Commission.	All the distribution transformers in Mahe and Yanam regions have been provided with the meters. The recording of readings of the distribution transformer meters is being taken regularly every month and losses on each feeder up to 11 KV level are being worked out. As far as the Puducherry and Karaikal regions are concerned, there are 2475 nos. of distribution transformers in service, out of which around 1450 nos. of transformers have been provided with the meters. Under the scheme DDUGJY, 1168 nos. of distribution transformers have been considered for the provision of metering. The EDP has programmed to complete the metering of all DTs in the current financial year itself. It is also expected that the new software under R-APDRP will be installed and commissioned before March 2018. The software provides DT wise grouping of consumers and enables the Department to calculate losses up to LT level.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
			The EDP therefore requests that the time limit may please be extended to the FY 2018-19 to conduct energy audit upto LT level and submit to the Hon'ble Commission.
4.	**Estimation of the consumption by agriculture pump-sets**	The Commission observes that the Petitioner is yet to ensure full compliance of this directive. The Commission directs the Petitioner to submit the status report regarding metering of the distribution transformers connected to agriculture consumers before 31st July 2017 and complete the work of metering with the FY 2017-18.	The procurement of the meters for both the DT metering and Agricultural consumers has been contemplated in the DDUGJY scheme and the entire works are programmed to be completed during the current financial year itself. However, based on the meters already provided in the DTs connected to the agricultural consumers, the consumption pattern of the agricultural consumers will be submitted during the Technical Validation Session for the tariff petition for the FY 2018-19.
5.	**Metering of consumer installations / replacement of non-functional or defective Meters**	The Commission has taken a serious view of the fact that the Petitioner is yet to ensure full compliance despite repeated directives of the Commission. 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. The status report must be submitted by 31st July 2017 along with the plan and the schedule for 100% replacement of defective meters	At present, the department is having around 55,000 meters in stock and the defective and electromechanical meters are being replaced. Order was placed for the replacement of existing meters with smart meters in 35,600 services and the same is expected to commence in the month of March 2018. Action has also been initiated to procure around 1,10,000 meters under the central assistance scheme of IPDS and DDUGJY and the same will be utilized for the replacement of the existing defective and electromechanical meters. The department has programmed to replace all the defective and electromechanical meters in the current financial year itself.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
6.	**Load Shedding and ensuring proper service to the consumers**	The action taken is noted. The Petitioner is directed to submit the compliance of the directive before 30th September 2017.	The infrastructure for the operation of the 24X7 call centre has already been created. However, the operation of the call centre is pending for the completion of the software implementation by the firm under R-APDRP scheme. It is programmed to put the 24X7 call centre in operation by March 2018.
7.	**Pilferage of Energy**	The action taken is noted. The Petitioner should continue the submission of Action Taken Report on quarterly basis to the Commission, on the identified misuse of the supply of electricity.	It is submitted that quarterly reports regarding pilferage of energy are being submitted to the Hon'ble Commission regularly.
8.	**Employee Cost/ Manpower Study**	The Commission has taken a serious view of the fact that the Petitioner is yet to ensure full compliance despite repeated directives of the Commission. The Commission directs the Petitioner that the employee cost/manpower study should be submitted before the Commission before 30th November 2017.	It is submitted that the restructuring proposal submitted by the Government of Puducherry is still under consideration of the Ministry of Power. The Ministry of Power has raised some queries on the proposal and the same is being attended by the Expert Committee appointed by the Government of Puducherry.
9.	**Enforcement Cell**	Action taken by the Petitioner is noted. The Petitioner should continue regular inspection and also continue submission of quarterly report to the Commission regarding the same.	It is submitted that quarterly reports in this regard are being submitted to the Hon'ble Commission regularly.
10.	**Connected Load/Contract Demand based fixed charges for LT Industrial and Commercial categories**	Action taken is noted. The Petitioner is directed to have effective project management and complete the compliance of the directive before filing of next Tariff Petition for the FY 2017-18.	The EDP submits that the consumer indexing activities of all consumers in the urban areas wherein enumeration of connected load, is included in the upgrading/ implementing the new software under Part-A (IT) of R-APDRP scheme. Connected load enumeration would be taken up by this department while upgrading/ implementing the new

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department,
Puducherry

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
			software under Part-A (IT) of R-APDRP scheme. The EDP therefore requests that the department may be permitted to provide connected load/ contract demand based fixed charges for LT Industrial and Commercial categories from the FY 2019-20.
11.	**Proposal of the Energy Charges for the agriculture category**	The Commission noted that the directive has not been complied with in the present Tariff Petition also. The Commission directs the Petitioner to submit an action plan for 100% metering of agriculture consumers by 31st July 2017 and submit a proposal for energy tariff based billing for agricultural consumers along with the next Tariff Petition.	It is requested that as the department has programmed to provide static meters to all the agricultural consumers in the current financial year itself, the department may be permitted to submit a proposal for energy tariff based billing for the agricultural consumers along with the tariff petition for the FY 2019-20.
12.	**Unbundling & Corporatization**	The Commission has taken a serious view of the fact that the Petitioner is yet to undertake any action on this directive. The Petitioner is directed to take up the matter of unbundling and corporatization of the department with the Government within 2 months of issuance of this Order and submit monthly progress updates for the review of the Commission.	Unbundling and Corporatization is being placed before the Reforms Steering Committee constituted under the chairmanship of Secretary (Power) and the recommendations of the committee will be submitted to the Government for their approval. On receipt of the decision of the Government, the same will be submitted to the Hon'ble Commission.
13.	**Technology upgradation**	The Commission observes that while the Petitioner is undertaking works in this regard, no specific timeline has been mentioned by the Petitioner for the full compliance of this directive. The Commission now directs the Petitioner to submit a detailed action plan for ensuring 100% compliance of this directive within 1 month of issuance of this Order.	All the mechanical relays in the Marapalam, Kurumbapet and Kalapet 110/22 KV Sub-stations have been replaced by new Numerical relays under the R-APDRP scheme. The oil RMUs have been replaced with 11 KV SF_6 SCADA RMUs in the areas covered under R-APDRP scheme.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
14.	**Information for determination of voltage wise wheeling charges**	The Commission notes that Petitioner has not complied with the directive and has given reasons for non-compliance which are not tenable. The Petitioner is directed to provide the details of voltage wise assets and expenses along with the allocation methodology (based on best judgement of the Petitioner) for the determination of voltage wise wheeling charges in the next tariff petition.	It is submitted that FA Schedules has been prepared for the transmission, HT distribution and LT distribution separately for the FY 2016-17 and the same methodology will be adopted for the subsequent years.
15.	**Time of Day (TOD) Tariff for HT/ EHT consumers**	The action taken is noted. However, the Commission notes that the ToD compatible meters need to be provided for Puducherry and Karaikal regions also. The Petitioner is directed to complete the work of installing ToD compatible smart meters for all HT/EHT consumers along with necessary modifications in software within 3 months of issuance of this Order and report the compliance to the Commission. The Petitioner is also directed to widely publicize the implementation of ToD tariff to the HT/EHT consumers so that they can immediately start availing the benefits of ToD tariff mechanism.	It is submitted that the Department is carrying out necessary modification in software and the work is expected to be completed by the end of March 2018.
16.	**New Bill Format**	The Commission observes that the Petitioner has not fully complied with the directive. The Commission now directs the Petitioner to finalize and introduce the new bill format (including the adjustment of the Solar Power fed to the Grid) within 1 month of issuance of this Order and report the compliance to the Commission.	Presently, spot billing system is in vogue and switching to any other billing system would require major modification in the billing software which would also require more time. However, the metering, billing and collection system is being upgraded to the latest RDBMS platform under part-A (IT) of R-APDRP scheme which is likely to be completed by March 2018. It is also mentioned that the consumer indexing activities of all consumers in the urban areas

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
			wherein enumeration of connected load, is also included in the above scheme. Hence, the new bill format along with the connected load enumeration including the adjustment of the solar power fed into the grid would be adopted by this department while upgrading/ implementing the new software under Part-A (IT) of R-APDRP scheme.
17.	**Open access**	The Commission observes that while the permission for the open access has been accorded, the Petitioner is yet to comply with the directive of setting up of the STU and SLDC (nodal agency). The Petitioner is directed to submit the action plan for 100% compliance of this directive within 1 month of issuance of this Order. The Commission also directs the Petitioner to provide actual voltage wise losses and voltage wise assets for the FY 2016-17 along with the next filing of the Tariff Petition.	The subject matter of setting up of the STU and SLDC (nodal agency) is being placed before the Reforms committee constituted under the chairmanship of Secretary (Power) and the recommendations of the committee will be submitted to the Government for their approval. The decision of the Government will be intimated soon after its receipts from the Government.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 10-2: Status of Compliance of New Directives

S.No.	Directives	Commission Observation made in the Tariff Order FY 2017-18	Compliance by the Electricity Department Puducherry
1.	**Category wise Connected Load**	The Commission has observed that the information pertaining to connected load of all the consumer categories is not made available by the Petitioner. The Commission directs the Petitioner to maintain and submit the information of connected load for all the categories in all future filings of the Tariff Petitions before the Commission.	The EDP submits that the consumer indexing activities of all consumers in the urban areas wherein enumeration of connected load, is included in the upgrading/ implementing the new software under Part-A (IT) of R-APDRP scheme. Connected load enumeration would be taken up by this department while upgrading/ implementing the new software under Part-A (IT) of R-APDRP scheme. The EDP therefore requests that the department may be permitted to provide connected load details for all categories from the FY 2019-20

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 11. PROPOSED TARIFF SCHEDULE FOR FY 2018-19

11.1 Tariff Schedule for FY 2018-19

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

11.1.2 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.

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

11.1.4 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.

11.1.5 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.

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 off to two decimals.

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.

11.1.7 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.

11.1.8 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.

11.1.9 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

respective normal rate. Such connections drawing more than 120 kVA, shall be disconnected immediately.

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

11.1.11 **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.

11.1.12 **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.

11.1.13 **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.

11.1.14 **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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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

(a)The TOD tariff will be implemented soon after installation of TOD meters to all HT consumers and completion of up-gradation of concerned software.

(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

11.2 Low Tension Supply

Domestic Purposes

11.2.1 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:

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Table 11-1: 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	1.40
101-200 units per month	40.00	1.75	40.00	2.10
201-300 units per month	40.00	3.50	40.00	3.90
Above 300 units per Month	40.00	4.60	40.00	5.05

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 1.40/unit).
   b) In case the units billed are 275, then the fixed charges will be Rs. 40/month and energy charges will be Rs (100 units X 1.40 + 100 units X 2.10 + 75 units X 3.90).

11.2.2 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 11-2: 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.*

11.2.3 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 11-3: 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	4.70	100.00	5.30
101-250 units per month	100.00	5.60	100.00	6.20
Above 250 units per month	100.00	6.25	100.00	6.85

AGRICULTURE SERVICES (D)

Agriculture/ Cottage Industries etc.

11.2.4 Agriculture (D1)

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

HP per service.

Table 11-4: 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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

11.2.5 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 11-5: 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	1.40
101-200 units per month	40.00	1.75	40.00	2.10
201-300 units per month	40.00	3.50	40.00	3.90
Above 300 units per Month	40.00	4.60	40.00	5.05

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).

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

11.2.6 Public Lighting

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

Table 11-6: 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	7.25

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.

11.2.7 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 11-7: 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	5.60
Water Tanks	100.00	5.90	100.00	6.40

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

11.3 High Tension Supply

11.3.1 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.

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

Table 11-8: 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	5.80
HT I (b) For contract demand upto 5000kVA	250.00	5.25	250.00	5.80

11.3.3 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 11.60/kWh respectively.

11.3.4 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 11-9: 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	250.00	6.75	250.00	7.30

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.

11.3.5 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 11-10: 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	5.65

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

11.4 Temporary Supply

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

Table 11-11: 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	10.35
Special illumination	Rs. 500 per connection per month or part thereof	10.00	Rs. 500 per connection per month or part thereof	10.60
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	10.60

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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.*

11.5 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 under commercial category.

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	8.60

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 12. PROPOSED SCHEDULE OF SERVICES AND CHARGES

12.1 Charges for service connections

12.1.1 The following table shows the charges for service connections

Table 12-1: Proposed 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.*

12.2 Testing of installation

12.2.1 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 12-2: 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

12.3 Testing of meters & metering arrangements

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

12.3.1 For testing of meter at the instance of the consumer

Table 12-3: 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

12.4 Testing of HT/EHT consumer protective equipment

Table 12-4: 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

12.5 Disconnection / Re-connection charges

Table 12-5: 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

12.6 Title transfer of services

Table 12-6: 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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

Table 12-7: 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

12.8 Meter rent charges

Table 12-8: 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

12.9 Fuse renewal charges

Table 12-9: 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

12.10 Shifting of meter board at consumer's request

Table 12-10: 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

CHAPTER 13. PRAYER TO THE HON'BLE COMMISSION

13.1 Prayer to the Hon'ble Commission

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

1) Admit the petition seeking True up for FY 2016-17, Annual Performance Review for FY 2017-18 and ARR and Tariff determination for FY 2018-19 as per the provisions of JERC (Multi Year Distribution Tariff) Regulations, 2014.

2) Approve the total recovery of True up of FY 2016-17, Annual Performance Review for FY 2017-18 and Aggregate Revenue Requirement for FY 2018-19 and other claims as proposed by PED.

3) Review the actual performance of FY 2016-17 and approve the Aggregate Revenue Requirement (ARR) and gap for FY 2016-17 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 session.

4) Approve the Expected Revenue from Charges (ERC) for FY 2018-19 and the consolidated gap till FY 2018-19.

5) Grant approval for the schedule of tariff, charges for services and schedule of charges as made in the petition for FY 2018-19.

6) Permit EDP to comply the backlog of RPO obligation till FY 2015-16 on its own as submitted in the power purchase cost for the control period instead of depositing the amount of Rs. 13.53 Crs with Renewable Energy Agency of Puducherry (nodal agency) considering the financial constraints in allocating the required funds to the EDP.

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

8) 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.

9) 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Annexure I: REGULATORY FORMATS

Format 1 – Energy Demand (FY 2016-17 to FY 2018-19)

Category of Consumer	FY 2016-17 (Actuals)			FY 2017-18 (Revised Estimates)			FY 2018-19 (Projections)		
	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	3,13,367	-	699.82	3,25,845	-	733.82	3,37,845	-	770.23
Hut services	35,539	-	10.21	35,537	-	10.21	35,537	-	10.21
Commercial	52,087	-	210.92	53,962	-	222.92	55,762	-	238.42
Agriculture	6,900	59,538	57.28	6,940	59,538	57.28	6,965	59,538	57.28
Public lighting	50,250	-	24.24	50,434	-	24.24	50,609	-	24.24
Industrial	6,483	-	153.23	6,529	-	159.23	6,559	-	162.41
Water tanks	133		37.44	139		40.44	149		42.50
Temporary supply	-	-	8.00	-	-	8.00	-	-	5
Total LT	**4,64,759**	**59,538**	**1,201.13**	**4,79,386**	**59,538**	**1,256.13**	**4,93,426**	**59,538**	**1,310.28**
Industrial	351	2,44,929	869.95	361	2,50,000	861.91	371	2,55,000	881.70
Commercial	88	23,972	74.20	92	26,200	84.33	99	31,200	89.68
Government Establishment and Water Tank	60	21,099	62.02	61	22,380	68.18	63	22,500	71.78
Industrial EHT	7	83,743	258.96	7	87,500	296.02	7	89,000	296.02
Total HT	**506**	**3,73,743**	**1,265.14**	**521**	**3,86,080**	**1,310.45**	**540**	**3,97,700**	**1,339.18**
Total metered	4,22,826	3,73,743	2,398.78	4,37,430	3,86,080	2,499.09	4,51,464	3,97,700	2,581.97
Total unmetered	42,439	59,538	67.49	42,477	59,538	67.49	42,502	59,538	67.49
Total	**4,65,265**	**4,33,281**	**2,466.27**	**4,79,907**	**4,45,618**	**2,566.58**	**4,93,966**	**4,57,238**	**2,649.46**

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Electricity Department
Puducherry

Format 2 - Information regarding Distribution Loss of Licensee

S.No	Particulars	Calculation	Unit	Previous Year (Actuals)	Current Year (Revised est)	Ensuing Year (Projections)
				FY 2016-17	FY 2017-18	FY 2018-19
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM *	A	MU	231.32	216.37	216.37
2	Input energy (metered Import) received at interface points of DISCOM network.	B	MU	2,770.86	2,809.19	2,811.59
3	Input energy (metered Export) by the DISCOM at interface points of DISCOM network.	C	MU	37.38	20.39	
	UI under drawl	C1		(116.67)	(49.61)	-
4	**Total energy available for sale within the licensed area to the consumers of the DISCOM**	**D=A+B+C+C1**	**MU**	**2,922.90**	**2,996.34**	**3,027.96**
5	Energy billed to metered consumers within the licensed area of the DISCOM	E	MU	2,398.78	2,499.09	2,581.97
6	Energy billed to un-metered consumers within the licensed area of the DISCOM **	F	MU	67.49	67.49	67.49
7	Power drawn by TNEB at Pondy periphery	F1	MU	16.79	13.98	
9	Sale to open access consumers through PED grid	F2	MU	37.01	20.22	
10	**Total energy billed**	**G=E+F+F1+F2**	**MU**	**2,520.07**	**2,600.78**	**2,649.46**
11	Amount billed to consumer within the licensed area of DISCOM (incl FPPCA)	H	Rs.Crs	1,192.11	1,299.37	1,339.62
12	Amount realized by the DISCOM out of the amount Billed at H	I	Rs.Crs	1,112.76	1,234.40	1,272.64
13	**Collection efficiency (%) (= Revenue realized/ Amount billed)**	**J=(I/H)x100**	**%**	**93.34%**	**95.00%**	**95.00%**
14	**Energy realized by the DISCOM**	**K=J x G**	**MU**	**2,352.33**	**2,438.25**	**2,516.99**
15	**Distribution loss (%)**	**L={(D-G)/D}x100**	**%**	**13.78%**	**13.20%**	**12.50%**
16	**AT&C Loss (%)**	**M={(D-K)/D}x100**	**%**	**19.52%**	**18.63%**	**16.88%**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 3 – Energy Balance (in MUs)

Sr. No.	Item	Previous Year (Actuals)	Current Year (Revised est)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	2	4	5	6
A)	**Energy Requirement**			
1	Metered Sales	2,398.78	2,499.09	2,581.97
2	Unmetered Sales	67.49	67.49	67.49
3	**Total Sales within the UT**	**2,466.27**	**2,566.58**	**2,649.46**
4	Sales to TANGEDCO	16.79	13.98	-
5	Sale to Open access consumer	37.01	20.22	-
6	**Total Sales**	**2,520.07**	**2,600.78**	**2,649.46**
7	**Distribution losses (%)**	**13.78%**	**13.20%**	**12.50%**
8	**Energy required for the Territory (MU)**	**2,922.90**	**2,996.34**	**3,027.96**
9	Sales to common pool consumers / UI	116.67	49.61	
10	**Energy Requirement @ periphery**	**3,039.57**	**3,045.95**	**3,027.96**
B)	**Energy Availability**			
1	Net thermal generation (Own+ IPP + Share from Central Stations)	3,038.87	3,069.16	2,889.62
2	Net hydel generation (own+shared)			
3	Power purchase from Common Pool / UI / Traders / Exchange / Others	25.93	18.13	193.85
4	Open access power at periphery	37.38	20.39	
5	**Net Power Purchased (1+2+3)**	**3,102.18**	**3,107.68**	**3,083.47**
6	Transmission Losses	62.61	61.73	55.51
7	**Total Energy Availability (5-6)**	**3,039.57**	**3,045.95**	**3,027.96**

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

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%**	**186**	**1,213.78**	**2.15%**	**1,187.63**	**202.73**	**102.81**	**246.07**	**1.71**	**4.23**	**354.81**
	KSTPS											*(0.03)*	*(0.03)*
	RSTPS Stage I & II	*2,100*	*4.03%*	*85*	*559.96*	*2.15%*	547.89	*218.61*	*38.76*	*122.41*	*0.34*	*1.13*	*162.65*
	RSTPS Stage –III	*500*	*4.29%*	*21*	*119.75*	*2.15%*	117.17	*219.27*	*13.11*	*26.26*	*0.10*	*0.11*	*39.57*
	Talcher Stage- II	*2,000*	*3.19%*	*64*	*450.68*	*2.15%*	440.97	*166.13*	*35.70*	*74.87*	*1.54*	*3.68*	*115.79*
	Simhadri Stage- II	*1,000*	*1.57%*	*16*	*83.40*	*2.15%*	81.61	*270.08*	*15.24*	*22.53*	*(0.27)*	*(0.67)*	*36.83*
II	***NLC***	***3,390***	***4.87%***	***165***	***711.87***	**2.15%**	**696.53**	**260.81**	**86.13**	**185.66**	**0.21**	**0.06**	**272.07**
	NLC TPS II Stage I	*630*	*11.82%*	*74*	*333.84*	*2.15%*	326.65	*265.67*	*28.45*	*88.69*	*0.36*	*0.04*	*117.54*
	NLC TPS II Stage II	*840*	*3.27%*	*27*	*102.35*	*2.15%*	100.15	*264.92*	*9.96*	*27.12*	*(0.00)*	*(0.00)*	*37.07*
	NLC TPS I (Expn)	*420*	*4.00%*	*17*	*101.43*	*2.15%*	99.24	*253.19*	*13.37*	*25.68*	*(0.21)*	*0.04*	*38.88*
	NLC TPS II (Expn)	*500*	*4.00%*	*20*	*47.17*	*2.15%*	46.15	*246.38*	*10.33*	*11.62*	*0.00*	*(0.01)*	*21.94*
	NTPL	*1,000*	*2.62%*	*26*	*127.09*	*2.15%*	124.35	*256.17*	*24.03*	*32.56*	*0.05*	-	*56.63*
III	***NPCIL***	***3,320***	***2.32%***	***77***	***545.50***	**2.15%**	***533.74***	**284.32**	**-**	***155***	***14.31***	***4.39***	*173.79*
	MAPS	*440*	*1.71%*	*8*	*46.74*	*2.15%*	45.73	*206.56*	-	*9.65*	*0.33*	*0.21*	*10.19*
	KAPS Stage I	*440*	*3.93%*	*17*	*123.57*	*2.15%*	120.91	*298.37*	-	*36.87*	*1.78*	*2.11*	*40.76*
	KAPS Stage II	*440*	*3.48%*	*15*	*96.25*	*2.15%*	94.17	*298.37*	-	*28.72*	*1.37*	-	*30.09*
	Kudankulam U1	*1,000*	*3.70%*	*37*	*196.97*	*2.15%*	192.72	*354.48*	-	*69.82*	*10.81*	*2.07*	*82.70*
	Kudankulam U2	*1,000*			*81.97*	*2.15%*	80.20	*122.37*	-	*10.03*	*0.02*	-	*10.05*
IV	***Others***	***1,500***	***2%***	***23***	***336.39***	**2.79%**	***327.02***	**330.65**	***27.81***	***111.23***	***2.84***	***1.08***	*142.96*
	TNEB (Pondy)										*0.00*		*0.00*
	TNEB (Karaikal)				*167.51*	*4.00%*	160.81	*348.08*	-	*58.31*	*2.77*	-	*61.08*
	Vallur Thermal Project	*1,500*	*2%*	*23*	*123.97*	*2.15%*	121.30	*242.12*	*24.67*	*30.02*	*0.04*	*1.08*	*55.81*
	KSEB				*44.91*	*0.00%*	44.91	*510.00*	*3.15*	*22.90*	*0.02*	-	*26.07*

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

V	**OVER/ UNDER DRAWAL**				*25.93*		25.93			*0.75*			*0.75*
B	**Within State Generations**												
	PPCL	33	100%	*33*	*231.32*	*0.00%*	231.32	*235.14*	*23.25*	*54.39*	*0.07*	-	**77.72**
C	**OTHER CHARGES**							-	-	-	***62.20***		**62.20**
	PGCIL Transmission Charges, Wheeling & Other Charges										*61.09*		61.09
	POSOCO										*1.10*		1.10
D	**RPO Compliance Cost**										-		-
E	**Rebate**										(17.98)		(17.98)
F	**Total**	**13,843**	**3%**	**483**	**3,064.80**	**2.04%**	**3,002.19**	**245.75**	**240.00**	**753.19**	**63.35**	**9.76**	**1,066.30**

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

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)	Supplementary (Rs. Crore)	Total (Rs.Crore)
			%	MW									
A	**Central Sector Power Stations**												
I	**NTPC**	5,600	*3%*	161	1,134.53	2.04%	1,111.39	215.35	102.81	244.32	-	(27.44)	319.69
	FSTPS											(0.38)	*(0.38)*
	RSTPS Stage I & II	2,100	*3.18%*	*67*	*486.36*	*2.04%*	476.44	*240.01*	*38.76*	*116.73*		*(28.24)*	*127.26*
	RSTPS Stage -III	500	*3.41%*	*17*	*123.01*	*2.04%*	120.50	*234.45*	*13.11*	*28.84*		*0.65*	*42.59*
	Talcher Stage- II	2,000	*3.11%*	*62*	*424.76*	*2.04%*	416.10	*163.75*	*35.70*	*69.56*		*0.05*	*105.30*
	Simhadri Stage- II	1,000	*1.51%*	*15*	*100.40*	*2.04%*	98.35	*290.80*	*15.24*	*29.20*		*0.48*	*44.92*
II	***NLC***	***3,390***	***5%***	***177***	***1,063.57***	**2.04%**	***1,041.87***	**286.09**	***86.13***	***304.28***	-	***76.42***	***466.83***
	NLC TPS II Stage I	630	*12.26%*	*77*	*510.11*	*2.04%*	499.70	*287.51*	*28.45*	*146.66*		*69.81*	*244.92*
	NLC TPS II Stage II	840	*3.70%*	*31*	*207.72*	*2.04%*	203.49	*287.51*	*9.96*	*59.72*		*(0.02)*	*69.66*
	NLC TPS I (Expn)	420	*3.95%*	*17*	*118.77*	*2.04%*	116.35	*268.02*	*13.37*	*31.83*		*3.54*	*48.75*
	NLC TPS II (Expn)	500	*3.95%*	*20*	*66.99*	*2.04%*	65.62	*261.79*	*10.33*	*17.54*		*3.08*	*30.95*
	NTPL	1,000	*3.19%*	*32*	*159.97*	*2.04%*	156.71	*303.32*	*24.03*	*48.52*		-	*72.55*
III	***NPCIL***	***1,320***	***4%***	***118***	***517.49***	**2.04%**	***506.93***	**312.62**	-	***161.78***	-	***1.90***	***163.68***
	MAPS	440	*1.91%*	*8*	*46.77*	*2.04%*	45.82	*207.24*	-	*9.69*		*0.14*	*9.83*
	KAPS Stage I	440	*4.66%*	*21*	*137.70*	*2.04%*	134.89	*298.37*	-	*41.08*		*0.62*	*41.71*
	KaPS Stage II	440	*4.20%*	*18*	*125.60*	*2.04%*	123.04	*298.37*	-	*37.48*			*37.48*
	Kudankulam U1	1,000	*3.69%*	*37*	*62.70*	*2.04%*	61.42	*354.48*	-	*22.22*		*1.05*	*23.27*
	Kudankulam U2	1,000	*3.35%*	*34*	*144.72*	*2.04%*	141.77	*354.48*	-	*51.30*		*0.09*	*51.39*
IV	***Others***	***1,500***	*2%*	***28***	***398.26***	**2.93%**	***386.61***	***402.71***	***27.81***	***160.38***	-	***55.68***	***243.88***
	TNEB (Pondy)	-		-									-
	TNEB (Karaikal)	-		-	*226.59*	*4.00%*	217.53	*362.00*	-	*99.49*		*54.04*	*153.53*
	Vallur Thermal Project	1,500	*1.87%*	*28*	*126.97*	*2.04%*	124.38	*282.42*	*24.67*	*35.86*		*1.64*	*62.17*
	KSEB	-		-	*44.70*	*0.00%*	44.70	*560.00*	*3.15*	*25.03*			*28.18*

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

V	**OVER/ UNDER DRAWAL**				*18.13*		18.13			*1.10*			*1.10*
B	**Within State Generations**												
	PPCL	33	*100%*	*33*	*216.37*	*0.00%*	216.37	*207.32*	*23.25*	*44.86*			**68.11**
C	**OTHER CHARGES**							-	-	-	*59.94*		**59.94**
	PGCIL Transmission Charges, Wheeling & Other Charges										*59.65*		59.65
	POSOCO										*0.29*		0.29
D	***RPO Compliance Cost***										20.00		20.00
E	***Rebate***										(18.82)		(18.82)
F	**Total**	**13,842.50**	**3.73%**	**516.03**	**3,348.35**	**2.00%**	**3,281.30**	**273.78**	**240.00**	**916.72**	**61.12**	**106.56**	**1,324.41**

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

Format 4 – Power Purchase Cost for FY 2018-19

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%*	*161*	*1,134.53*	*2%*	*1,111.39*	*215.35*	*102.81*	*244.32*	-	-	*347.13*
	RSTPS Stage I & II	*2,100*	*3.18%*	*67*	*486.36*	*2%*	476.44	*240.01*	*38.76*	*116.73*			*155.49*
	RSTPS Stage -III	*500*	*3.41%*	*17*	*123.01*	*2%*	120.50	*234.45*	*13.11*	*28.84*			*41.95*
	Talcher Stage- II	*2,000*	*3.11%*	*62*	*424.76*	*2%*	416.10	*163.75*	*35.70*	*69.56*			*105.25*
	Simhadri Stage- II	*1,000*	*1.51%*	*15*	*100.40*	*2%*	98.35	*290.80*	*15.24*	*29.20*			*44.44*
II	***NLC***	***3,390***	***5%***	***177***	***1,063.57***	**2%**	***1,041.87***	**286.09**	***86.13***	***304.28***	-	-	*390.41*
	NLC TPS II Stage I	*630*	*12.26%*	*77*	*510.11*	*2%*	499.70	*287.51*	*28.45*	*146.66*			*175.11*
	NLC TPS II Stage II	*840*	*3.70%*	*31*	*207.72*	*2%*	203.49	*287.51*	*9.96*	*59.72*			*69.68*
	NLC TPS I (Expn)	*420*	*3.95%*	*17*	*118.77*	*2%*	116.35	*268.02*	*13.37*	*31.83*			*45.20*
	NLC TPS II (Expn)	*500*	*3.95%*	*20*	*66.99*	*2%*	65.62	*261.79*	*10.33*	*17.54*			*27.87*
	NTPL	*1,000*	*3.19%*	*32*	*159.97*	*2%*	156.71	*303.32*	*24.03*	*48.52*			*72.55*
III	***NPCIL***	***3,320***	***4%***	***118***	***613***	**2%**	***601***	***1,513***	-	*196*	-	-	*196*
	MAPS	*440*	*1.91%*	*8*	*46.77*	*2%*	45.82	*207.24*		*9.69*			*9.69*
	KAPS Stage I	*440*	*4.66%*	*21*	*137.70*	*2%*	134.89	*298.37*		*41.08*			*41.08*
	KAPS Stage II	*440*	*4.20%*	*18*	*125.60*	*2%*	123.04	*298.37*		*37.48*			*37.48*
	Kudankulam U1	*1,000*	*3.69%*	*37*	*127.13*	*2%*	124.54	*354.48*		*45.07*			*45.07*
	Kudankulam U2	*1,000*	*3.35%*	*34*	*176.08*	*2%*	172.48	*354.48*		*62.41*			*62.41*
IV	***Others***	***1,500***	*0%*	***28***	***176.97***	**3%**	***172.38***	***357.18***	***24.67***	***63.21***	-	-	***87.88***
	TNEB (Pondy)	-		-									-
	TNEB (Karaikal)	-		-	*50.00*	*4%*	48.00	*547.00*	-	*27.35*			*27.35*
	Vallur Thermal Project	*1,500*	*1.87%*	*28*	*126.97*	*2%*	124.38	*282.42*	*24.67*	*35.86*			*60.53*
V	**RE Power Purchase (Wind)**				*193.85*		193.85	*350.00*		*67.85*			*67.85*
B	**Within State Generations**												
	PPCL	*33*	*100.00%*	*33*	*216.37*	*0%*	216.37	*207.32*	*23.25*	*44.86*			**68.11**

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

C	**OTHER CHARGES**							-	-	-	***59.94***		**59.94**
	PGCIL Transmission Charges, Wheeling & Other Charges										*59.65*		59.65
	POSOCO										*0.29*		0.29
D	***RPO Compliance Cost***										24.21		24.21
E	***Rebate***										(18.82)		(18.82)
F	**Total**	**13,842.50**	**3.73%**	**516.03**	**3,398.57**	**1.82%**	**3,336.63**	**270.78**	**236.86**	**920.25**	**65.34**	**-**	**1,222.44**

SUPERINTENDING ENGINEER
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Electricity Department
Puducherry

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)	Supplementary (Rs. Crore)	Total (Rs.Crore)
			%	MW									
A	**Central Sector Power Stations**												
I	NTPC	5,600	2.88%	161	1,134.53	2.04%	1,111.39	215.35	102.81	244.32		(27.44)	319.69
	FSTPS											(0.38)	(0.38)
	RSTPS Stage I & II	2,100	3.18%	67	486	2.04%	476.44	240.01	38.76	116.73		(28.24)	127.26
	RSTPS Stage -III	500	3.41%	17	123	2.04%	120.50	234.45	13.11	28.84		0.65	42.59
	Talcher Stage- II	2,000	3.11%	62	425	2.04%	416.10	163.75	35.70	69.56		0.05	105.30
	Simhadri Stage- II	1,000	1.51%	15	100	2.04%	98.35	290.80	15.24	29.20		0.48	44.92
II	*NLC*	3,290	5.21%	177	802.51	2.04%	786.14	285.63	86.13	229.22		76.42	391.77
	NLC TPS II Stage I	650	12.26%	77	249.05	2.04%	243.97	287.51	28.45	71.60		69.81	169.86
	NLC TPS II Stage II	840	3.70%	31	207.72	2.04%	203.49	287.51	9.96	59.72		(0.02)	69.66
	NLC TPS I (Expn)	420	3.95%	17	119	2.04%	116.35	268.02	13.37	31.83		3.54	48.75
	NLC TPS II (Expn)	500	3.95%	20	67	2.04%	65.62	261.79	10.33	17.54		3.08	30.95
	NTPL	1,000	3.19%	32	160	2.04%	156.71	303.32	24.03	48.52		-	72.55
III	*NPCIL*	3,320	3.55%	118	517	2.04%	507	312.62	-	162		1.90	164
	MAPS	440	1.91%	8	47	2.04%	45.82	207.24	-	9.69		0.14	9.83
	KAPS Stage I	440	4.66%	21	138	2.04%	134.89	298.37	-	41.08		0.62	41.71
	KAPS Stage II	440	4.20%	18	126	2.04%	123.04	298.37	-	37.48		-	37.48
	Kudankulam U1	1,000	3.69%	37	63	2.04%	61.42	354.48	-	22.22		1.05	23.27
	Kudankulam U2	1,000	3.35%	34	145	2.04%	141.77	354.48	-	51.30		0.09	51.39
IV	*Others*	1,500.00	1.87%	28.05	398.26	2.93%	386.61	402.71	27.81	160.38		55.68	243.88
	TNEB (Pondy)				-		-	-	-	-			-
	TNEB (Karaikal)				227	4.00%	217.53	362.00	-	99.49		54.04	153.53
	Vallur Thermal Project	1,500	1.87%	28	127	2.04%	124.38	282.42	24.67	35.86		1.64	62.17
	KSEB				45	0.00%	44.70	560.00	3.15	25.03			28.18

SUPERINTENDING ENGINEER
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V	**OVER/ UNDER DRAWAL**				18.13		18.13		-	1.10			*1.10*
B	**Within State Generations**												
	PPCL	33	*100.00%*	*33*	*216*	*0.00%*	*216.37*	*207*	*23*	*44.86*	-		***68.11***
C	**OTHER CHARGES**										*59.94*		***59.94***
	PGCIL Transmission Charges, Wheeling & Other Charges										*59.65*		*59.65*
	POSOCO										*0.29*		*0.29*
D	**RPO Compliance Cost**										*20.00*		20.00
E	**Rebate**										*(18.82)*		(18.82)
F	**Total**	**13,842.50**	**3.73%**	**516.03**	**3,087.29**	**2.00%**	**3,025.56**	**272.62**	**240.00**	**841.67**	**61.12**	**106.56**	**1,249.35**

SUPERINTENDING ENGINEER
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Puducherry

Format 4 A – Power Purchase Cost (under MOD) for FY 2018-19

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**	5,500	2.88%	161	1,134.53	2.04%	1,111.39	215.35	102.81	244.32	-		347.13
	RSTPS Stage I & II	2,100	3.18%	67	486.36	2.04%	476.44	240.01	38.76	116.73	-		155.49
	RSTPS Stage -III	500	3.41%	17	123.01	2.04%	120.50	234.45	13.11	28.84	-		41.95
	Talcher Stage- II	2,000	3.11%	62	424.76	2.04%	416.10	163.75	35.70	69.56	-		105.25
	Simhadri Stage- II	1,000	1.51%	15	100.40	2.04%	98.35	290.80	15.24	29.20	-		44.44
II	***NLC***	3,390	5%	177	748.47	2.04%	733.20	285.49	86.13	213.68	-		299.82
	NLC TPS II Stage I	630	12.26%	77	195.01	2.04%	191.03	287.51	28.45	56.07	-		84.52
	NLC TPS II Stage II	840	3.70%	31	207.72	2.04%	203.49	287.51	9.96	59.72	-		69.68
	NLC TPS I (Expn)	420	3.95%	17	118.77	2.04%	116.35	268.02	13.37	31.83	-		45.20
	NLC TPS II (Expn)	500	3.95%	20	66.99	2.04%	65.62	261.79	10.33	17.54	-		27.87
	NTPL	1,000	3.19%	32	159.97	2.04%	156.71	303.32	24.03	48.52			72.55
III	***NPCIL***	3,320	4%	118	613	2.04%	601	319.16	-	196	-		196
	MAPS	440	1.91%	8	46.77	2.04%	45.82	207.24	-	9.69	-		9.69
	KAPS Stage I	440	4.66%	21	137.70	2.04%	134.89	298.37	-	41.08	-		41.08
	KAPS Stage II	440	4.20%	18	125.60	2.04%	123.04	298.37	-	37.48			37.48
	Kudankulam U1	1,000	3.69%	37	127.13	2.04%	124.54	354.48	-	45.07	-		45.07
	Kudankulam U2	1,000	3.35%	34	176.08	2.04%	172.48	354.48	-	62.41	-		62.41
IV	***Others***	1,500.00	2%	28.05	176.97	2.59%	172.38	357.18	24.67	63.21	-		87.88
	TNEB (Pondy)				-		-	-	-	-	-		-
	TNEB (Karaikal)				50.00	4.00%	48.00	547.00	-	27.35	-		27.35
	Vallur Thermal Project	1,500	2%	28	126.97	2.04%	124.38	282.42	24.67	35.86	-		60.53
	KSEB				-	0.00%	-	560.00	-	-	-		-
V	**RE Power Purchase (Solar)**	-			193.85		193.85	350.00		67.85			67.85

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

B	**Within State Generations**												
	PPCL	*33*	*100%*	*33*	*216.37*	*0.00%*	*216.37*	*207.32*	*23.25*	*44.86*	-		***68.11***
C	**OTHER CHARGES**										***59.94***		***59.94***
	PGCIL Transmission Charges, Wheeling & Other Charges										*59.65*		*59.65*
	POSOCO										*0.29*		*0.29*
D	**RPO Compliance Cost**										***24.21***		**24.21**
E	**Rebate**										(18.82)		(18.82)
F	**Total**	**13,842.50**	**3.73%**	**516.03**	**3,083.47**	**1.80%**	**3,027.96**	**269.06**	**236.86**	**829.65**	**65.34**	**-**	**1,131.85**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 4 A –Information Regarding RPO

S.No	Description	Unit	Previous Year (Audit)						Ensuing Year (Actuals)		Current year (Projections)		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		FY 2018-19	
									Physical	REC	Physical	REC	Physical	REC
1	Sales Within State	MUs	2,282.48	2,321.29	2,474.98	2,365.72	2,366.32	2,398.00		2,466.27		2,566.58		2,649.46
2	RPO Obligation	%	1.00%	2.00%	3.00%	3.00%	3.30%	3.55%		4.85%		6.70%		9.00%
	- Solar	%	0.25%	0.30%	0.40%	0.40%	0.60%	0.85%		1.65%		2.50%		3.60%
	- Non Solar	%	0.75%	1.70%	2.60%	2.60%	2.70%	2.70%		3.20%		4.20%		5.40%
3	RPO Obligation	MUs	21.82	46.43	74.25	70.97	78.09	85.13		119.61		171.96		238.45
	- Solar	MUs	5.45	6.96	9.90	9.46	14.20	20.38		40.69		64.16		95.38
	- Non Solar	MUs	15.37	39.46	64.35	61.51	63.89	64.75		78.92		107.80		143.07
4	RPO Purchase													
	- Solar	MUs						69.00	0.50		0.75		196.35	
	- Non Solar	MUs			48.00	112.00	90.69	14.00				133.30		242.12
5	Cumulative RPO Obligation													
	- Solar	MUs	5.45	12.42	22.32	31.78	45.98	(2.64)		37.56		100.97		0.00
	- Non Solar	MUs	15.37	55.83	72.18	21.69	(5.11)	45.64		124.56		99.05		0.00
6	Floor Price of REC Certificates /MWH													
	- Solar	Rs./MWh	9300							3500			1000	
	- Non Solar	Rs./MWh	1500							1500			1000	
7	Amount for RPO Compliance													
	- Solar	Rs. Crs								-		-		-
	- Non Solar	Rs. Crs								-		20.00		24.21
8	**Total (Rs Crores)**	**Rs. Crs**								**0.00**		**20.00**		**24.21**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 6 – CAPITAL BASE AND RETURN

Sr. No.	Particulars	Previous Year (Prov.)	Current Year (Rev. Est)	Ensuing Year (Projection)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Opening equity (30% of GFA)	198.27	202.85	222.20
2	Addition in Equity (30% of addition in GFA)	4.57	19.35	16.29
3	Closing Equity (1+2)	202.85	222.20	238.49
4	**Average Equity Amount**	**200.56**	**212.52**	**230.34**
5	**Reasonable return @ 16%**	**32.09**	**34.00**	**36.86**

** - As per MYT Regulations 2014 & methodology adopted in T.O. dt. 16/05/17*

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

Sr. No.	Particulars	WIP	Fixed Assets
1	As on 31st March of enusing year (15-16)	**78.51**	**660.92**
	Add capital expenditure during FY 2016-17	62.31	
	Add capitalised during FY 2016-17		15.25
	Total:	**140.82**	**676.16**
	Less transferred to fixed assets	15.25	
2	As on 31st March of Ensuing year (16-17)	**125.57**	**676.16**
	Add capital expenditure during FY 2017-18	48.31	
	Add capitalised during FY 2017-18		64.49
	Total:	**173.88**	**740.66**
	Less transferred to fixed assets	64.49	
3	**As on 31st March of ensuing year (17-18)**	**109.39**	**740.66**
	Add capital expenditure during FY 2018-19	68.31	
	Add capitalised during FY 2018-19		54.31
	Total:	**177.70**	**794.97**
	Less transferred to fixed assets	54.31	
4	**As on 31st March of ensuing year (18-19)**	**123.39**	**794.97**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

6B - Details of Consumer contribution

Sr.	Particulars	Amount
A	**Accumulated Depreciation**	
1	As on 31st March of Previous year (15-16)	**328.46**
2	Add: Depreciation for Previous year (16-17)	24.81
3	As on 31st March of Previous year (16-17)	**353.27**
4	Add: Depreciation for current year (17-18)	**26.51**
5	As on 31st March of current year (17-18)	**379.78**
6	Add: Depreciation for current year (18-19)	**29.65**
7	As on 31st March of current year (18-19)	**409.43**
B	**Consumers Contribution**	
1	As on 31st March of Previous year (15-16)	**22.49**
2	Add: Consumer Contribution for Previous year (16-17)	4.93
3	As on 31st March of Previous year (16-17)	**27.43**

Format 7 – COST OF FIXED ASSETS

Sr. No.	Assets group	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
		2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19
1	Land and Land rights	7.35	-	7.35		7.35		7.35
2	Building	17.37	-	17.37		17.37		17.37
3	Plant & Machinery	367.59	12.04	379.63	59.85	439.48	38.82	478.30
4	Lines and Cables Network	233.64	3.20	236.85	4.34	241.19	14.46	255.65
5	Vehicles	1.80	-	1.80		1.80		1.80
6	Furniture and Fixtures	0.15	-	0.15		0.15		0.15
7	Office Equipments	0.84	-	0.84		0.84		0.84
8	IT Equipments	2.00	-	2.00		2.00		2.00
9	Testing & Measuring Equipments	3.31	-	3.31	0.31	3.62	1.03	4.66
10	SCADA Centre	26.77	-	26.77		26.77		26.77
11	Others	-		-		-		-
20	**Total**	**660.92**	**15.25**	**676.16**	**64.49**	**740.66**	**54.31**	**794.97**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 8 – DETAILS OF WORK IN PROGRESS

Sr. No.	Particulars	Previous Year (Actuals)	Current Year (Revised Est)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Opening Balance	78.51	125.57	109.39
2	Add: New Investments	62.31	48.31	68.31
3	Total	140.82	173.88	177.70
4	Less Investment Capitalized	15.25	64.49	54.31
5	Closing Balance	125.57	109.39	123.39

Format 9 – INTEREST CAPITALISED

Sr. No.	Interest Capitalized	Previous Year (Audit)	Current Year (Revised Est)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	WIP	125.57	109.39	123.39
2	GFA* at the end of the year	676.16	740.66	794.97
3	WIP+GFA at the end of the year	801.73	850.05	918.36
4	Interest (excluding interest on WCL*)	18.62	18.93	20.83
5	Interest Capitalized	-	1.43	0.58

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 10 – DETAILS OF LOANS

Details of loans for FY 2016-17 (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	4.66	8.22%		1.67	2.99	0.26
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**	**23.26**		-	**1.67**	**21.59**	**2.40**
14	Add Govt. loan	-					
	-State Govt.	-					
	-Central Govt.	-					
	Total	-	-	-	-	-	-
15	**Total (13+14)**	**23.26**		-	**1.67**	**21.59**	**2.40**
16	Less capitalization #						
17	**Net interest**	**23.26**		-	**1.67**	**21.59**	**2.40**
18	**Add prior period**						
19	**Total interest**	**23.26**	-	-	**1.67**	**21.59**	**2.40**
20	**Finance charges**						**2.54**
21	**Total Interest and Finance Charges**	**23.26**	-	-	**1.67**	**21.59**	**4.94**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Details of loans for FY 2017-18 (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	2.99	8.22%			2.99	0.25
8	PFC / REC *	18.60	11.50%	25.00		43.60	3.58
9	PFC - Loan No.18003004	-				-	-
10	PFC - Loan No.18233001 to 004	-				-	-
11	Working capital loan	-				-	-
12	Others/JICA	-	6%			-	-
13	**Total**	**21.59**		**25.00**	**-**	**46.59**	**3.82**
14	Add Govt. loan	-					
	-State Govt.	-					
	-Central Govt.	-					
	Total	-	-	-	-	-	-
15	**Total (13+14)**	**21.59**		**25.00**	**-**	**46.59**	**3.82**
16	Less capitalization #						**1.43**
17	**Net interest**	**21.59**		**25.00**	**-**	**46.59**	**2.39**
18	**Add prior period**						
19	**Total interest**	**21.59**	**-**	**25.00**	**-**	**46.59**	**2.39**
20	**Finance charges**						**2.66**
21	**Total Interest and Finance Charges**	**21.59**	**-**	**25.00**	**-**	**46.59**	**5.05**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Details of loans for FY 2018-19 (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	-	0.00%			-	-
6	Letter of Credit Charges	-	0.00%			-	-
7	Lease rental	2.99	8.22%			2.99	0.25
8	PFC / REC *	43.60	11.50%	-		43.60	5.01
9	PFC - Loan No.18003004	-	0.00%			-	-
10	PFC - Loan No.18233001 to 004	-	0.00%			-	-
11	Working capital loan	-	0.00%			-	-
12	Others/JICA	-	6.00%			-	-
13	**Total**	**46.59**		-	-	**46.59**	**5.26**
14	Add Govt. loan	-					
	-State Govt.	-					
	-Central Govt.	-					
	Total	-	-	-	-	-	-
15	**Total (13+14)**	**46.59**		-	-	**46.59**	**5.26**
16	Less capitalization #						**0.58**
17	**Net interest**	**46.59**		-	-	**46.59**	**4.68**
18	**Add prior period**						
19	**Total interest**	**46.59**	-	-	-	**46.59**	**4.68**
20	**Finance charges**						**2.80**
21	**Total Interest and Finance Charges**	**46.59**	-	-	-	**46.59**	**7.48**

Format 10A – NORMATIVE LOAN & INTEREST CALCULATION

Sr. No.	Particulars	Previous Year (Actuals)	Current Year (Rev. Est)	Ensuing Year (Projection)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Opening Normative Loan	139.56	125.43	144.06
2	Add: Normative Loan during the Year	10.67	45.15	38.02
3	Less: Normative Repayment	24.81	26.51	29.65
4	**Closing Normative Loan**	125.43	144.06	152.43
4	Average Normative Loan	**132.49**	**134.74**	**148.25**
5	Rate of Interest (@SBAR rate)	14.05%	14.05%	14.05%
6	**Interest on Normative Loan**	**18.62**	**18.93**	**20.83**
7	Other Finance Charges	2.54	2.66	2.80
8	**Total Interest & Finance Charges**	**21.15**	**21.59**	**23.63**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 11 – INFORMATION REGARDING RESTRUCTURING OF OUTSTANDING LOANS DURING THE FY 2016-17 TO FY 2018-19

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					

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 12 – VALUE OF ASSETS AND DEPRECIATION CHARGES

Sr. No.	Name of the Assets	Rate of Dep*	Previous Year (Actual)		Provisional		Revised Estimates	
			FY 2016-17		FY 2017-18		FY 2018-19	
			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	-
2	Building	3.34%	17.37	0.55	17.37	0.55	17.37	0.55
3	Plant & Machinery	5.28%	367.59	13.87	379.63	15.45	439.48	18.05
4	Lines and Cables Network	5.28%	233.64	8.94	236.85	9.05	241.19	9.55
5	Vehicles	9.50%	1.89	0.02	1.89	0.02	1.89	0.02
6	Furniture and Fixtures	6.33%	0.15	0.01	0.15	0.01	0.15	0.01
7	Office Equipments	6.33%	0.84	0.01	0.84	0.01	0.84	0.01
8	IT Equipments	15.00%	2.00	0.03	2.00	0.03	2.00	0.03
9	Testing & Measuring Equipments	5.28%	3.31	0.07	3.31	0.08	3.62	0.11
10	SCADA Centre	6.33%	26.77	1.31	26.77	1.31	26.77	1.31
11	Others							
	Total		**660.92**	**24.81**	**676.16**	**26.51**	**740.66**	**29.65**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 13 – REPAIR AND MAINTENANCE EXPENSES

Sr. No	Particulars	Previous Year (Actuals)	Current Year (Revised)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Plant & machinery	1.69		
2	Building			
3	Minor R&M works	7.68		
4	**Total**	**9.38**	-	
5	Add/Deduct share of others (To be specified)			
6	**Total expenses**	9.38	-	-
7	Less : Capitalized			
8	**Net expenses**	9.38	-	-
9	Add: prior period			
10	**Total expenses charged to revenue as R&M expenses**	**9.38**	**18.78**	**20.57**

Format 14 – NUMBER OF EMPLOYEES

Sr. No.	Particulars	Previous Year (Audit)	Previous Year (Provisional)	Current Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Number of employees as on 1st April	2,179	2,265	2,236
2	Employees on deputation/ foreign service as on 1st April			
3	Total number of employees as on 1st April (1+2)	**2,179**	**2,265**	**2,236**
4	Recruitment	139	30	
5	Number of employees retired/ retiring during the year	53	59	63
6	**Number of employees at the end of the year (4-5)**	**2,265**	**2,236**	**2,173**

Format 15 –EMPLOYEE COST

Sr.No	Particulars	Previous Year (Audit)	Current Year (Revised)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
	Salaries& Allowances			
1	Salary	105.61		-
2	Wages	0.65		-
3	Stipend	1.50		-
4	Transport Allowance	0.49		-
5	Overtime allowance	1.23		-
6	**Total**	**109.46**		
7	Less: Add/Deduct share of others	0.86		-
8	**Total**	**108.60**	-	-
9	Less: Amount capitalized	14.92		-
10	Net amount	**93.69**	**94.17**	**97.30**
11	Add : prior period expenses			
12	**Total Employee Expenses**	**93.69**	**94.17**	**97.30**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 16 –ADMINISTRATION AND GENERAL EXPENSES

Sr. No.	Particulars	Previous Year (Audit)	Previous Year (Provisional)	Current Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Rent, rates & taxes	0.28	5.40	5.62
2	Other Professional charges including Regulatory Expenses (License + Petition Fees)	1.54		
3	Office Expenses including Legal, Professional & Special Service Charges	1.90		
4	Advertisement & Publicity	0.19		
5	Other A&G Charges	0.18		
6	Others	0.54		
7	Other material related expenses	0.06		
8	Payment to investor for smart grid project			2.40
9	EESL Charges	7.61	**3.85**	**5.00**
10	**Total**	**12.30**	**9.25**	**13.02**
11	Add/Deduct share of others (to be specified)			
12	**Total expenses**	**12.30**	**9.25**	**13.02**
13	Less: Capitalized			
14	**Net expenses**	**12.30**	**9.25**	**13.02**
15	Add: Prior period			
16	**Total A&G Expenses charged to revenue**	**12.30**	**9.25**	**13.02**

Format 17 – INFORMATION REGARDING BAD AND DOUBTFUL DEBTS

Sr. No.	Particulars	Previous Year (Actuals)	Current Year (Revised est)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Amount of receivables (audited)	778.16	778.16	778.16
2	Bad and doubtful debts actually written-off in the books of accounts			
3	Provision made for debts in ARR			

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 18 – INFORMATION REGARDING WORKING CAPITAL

Sr. No.	Particulars	Previous Year (Actual)	Current Year (Estimated)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Two Months Receivable	206.30	240.59	227.00
2	Power Purchase Cost for one month	88.86	104.11	94.32
3	Total Consumer Security Deposit	177.70	193.83	209.96
4	Consumer Security Deposit excluding Bank Guarantee/ Fixed Deposit Receipts	177.70	193.83	209.96
5	Inventory for two months based on Aggregate Revenue Requirement of previous year	6.78	7.77	7.77
6	**Total (1-2-4+5)**	**(53.49)**	**(49.58)**	**(69.51)**
7	**Interest Rate ***	9.30%	9.30%	9.30%
8	**Interest on working capital**	-	-	-

Format 18A – INFORMATION ON SECURITY DEPOSIT FROM CONSUMERS

Sr. No.	Particulars	Previous Year (Actuals)	Current Year (Est.)	Ensuing Year (Est.)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Opening Security Deposit	161.58	177.70	193.83
2	Add: Deposits during the Year	16.13	16.13	16.13
3	Less: Deposits refunded	-	-	
4	Less: Deposits in form of BG/FDR	-		
5	**Closing Security Deposit**	**177.70**	**193.83**	**209.96**
6	**Bank Rate**	7.75%	6.75%	6.75%
7	**Interest on Security Deposit ***	**13.15**	**12.54**	**13.63**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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

Sr. No.	Particulars	Previous Year (Audit)							Previous 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	FY 2017-18
1	Opening Security Deposit			64.25	73.03	95.90	123.48	144.79	161.58	177.70
2	Add: Deposits during the Year			8.78	22.87	27.58	21.31	16.79	16.13	16.13
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**	**177.70**	**193.83**
6	**Bank Rate**			6.00%	9.50%	8.50%	8.50%	8.50%	7.75%	6.75%
7	**Interest on Security Deposit ***	**2.99**	**3.18**	**4.12**	**8.02**	**9.32**	**11.40**	**13.02**	**13.15**	**12.54**
8	**Cumulative Security Deposit of Past Years**	**77.74**								
9	**Security Deposit Paid**			-	-	-	**1.97**	**2.88**	**3.50**	**3.50**
10	Balance Security Deposit to be Paid	**65.90**								

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

Sr. No.	Particulars	Previous Year (Audit)	Previous Year (Provisional)	Current Year (Estimates)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Amount of liability provided	NIL		
2	Amount recovered			
3	Amount adjusted			

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 20 – NON-TARIFF INCOME

Sr. No.	Particulars	Previous Year (Actuals)	Current Year (Estimates)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	Meter/service rent			
2	Late payment surcharge			
3	Open access charges for wheeling of power	8.47	4.75	
5	Income from trading of Materials	0.06	0.06	0.06
8	Income staff welfare activities			
9	Misc. Receipts/income	4.44	4.44	4.44
10	**Total income**	**12.97**	**9.26**	**4.51**
11	Add: Prior Period income			
12	**Total Non-Tariff income**	**12.97**	**9.26**	**4.51**

Format 21 – REVENUE FROM SALE OF SURPLUS POWER AND OTHER INCOME

Sr. No.	Particulars	Previous Year (Actuals)	Current Year (Estimates)	Ensuing Year (Projections)
		FY 2016-17	FY 2017-18	FY 2018-19
1	UI Sales / Sales to Exchange	10.32	4.14	
2	Income from URS	1.99	0.20	
3	Income from RRAS	0.14		
4	**Total**	**12.45**	**4.34**	-

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	Financial Year 2016-17	182.93	3.54%
8	**Average WPI of last three years**		**2.26%**

Format 24 – EQUITY AND LOAN

Sr. No.	Period	Amount of equity (Rs. Crore) *	Amount of loan (Rs. Crore)	Ratio of equity & loan
1	As on March 31 of FY 2016-17	32.09	132.49	19 : 81
2	As on March 31 of FY 2017-18	34.00	134.74	20 : 80
3	As on March 31 of FY 2018-19	36.86	148.25	20 : 80

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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

Sr. No.	Item of expense	Proposed by licensee	Revised by Licensee	Approved by the Commission	Actuals as per Accounts
1	Cost of power purchase including RPO Provision to meet obligation of the previous years	1,121.79	1,056.81	1,122.12	1,066.30
2	Employee costs	75.13	89.20	85.66	93.69
3	Administration and General expenses	5.11	33.54	10.02	12.30
4	R&M expenses	19.41	19.01	18.61	9.38
5	Depreciation	31.25	29.95	29.95	24.81
6	Interest charges (including interest on working capital)	25.63	23.06	23.06	21.15
7	Return on Equity	17.01	15.68	33.25	32.09
8	Provision for Bad Debt				-
9	Interest on Consumer Security Deposit Paid	13.70	4.00	4.00	3.50
11	**Total Revenue Requirement**	**1,309.03**	**1,271.25**	**1,326.65**	**1,263.21**
12	Less: Non-Tariff Income	2.80	8.10	8.10	12.97
13	Less: Revenue from sale of surplus power and other income		5.39	5.39	12.45
14	**Net Revenue Requirement (11-12-13)**	**1,306.23**	**1,257.76**	**1,313.16**	**1,237.78**
15	Revenue from Tariff *	1,295.08	1,258.05	1,230.43	1,192.11
16	**Revenue Gap (14-15)**	**11.15**	**(0.29)**	**82.73**	**45.68**
17	**Energy sales (MU)**	**2,797.07**	**2,566.17**	**2,566.17**	**2,466.27**
18	**Average Cost of Supply (Rs/kWh)**	**4.67**	**4.90**	**5.12**	**5.02**

** Note: Revenue from Tariff includes FPPCA and is net of incentives to consumers*

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 25 – ANNUAL REVENUE REQUIREMENT FOR FY 2017-18 (REVISED ESTIMATES)

Sr. No.	Item of expense	Proposed by licensee	Approved by the Commission	Revised by Licensee
1	Cost of power purchase	1,182.27	1,182.27	1,249.35
2	Employee costs	81.74	81.74	94.17
3	Administration and General expenses	5.56	5.56	9.25
4	R&M Expenses	22.02	22.02	18.78
5	Depreciation	37.96	37.96	26.51
6	Interest charges (including interest on working capital)	33.00	33.00	21.59
7	Return on Equity	21.27	38.51	34.00
8	Provision for Bad Debt			
9	Interest on Consumer Security Deposit to be paid	15.35	15.35	3.50
10	**Total Revenue Requirement**	**1,399.17**	**1,416.41**	**1,457.15**
11	Less: Non-Tariff Income	2.93	2.93	9.26
12	Less: Revenue from sale of surplus power and other income			4.34
13	**Net Revenue Requirement (10-11-12)**	**1,396.24**	**1,413.48**	**1,443.55**
14	Revenue from Tariff (including surcharge of 4%)*	1,504.11	1,499.91	1,299.37
15	**Revenue Gap (14-15)**	**(107.87)**	**(86.43)**	**144.18**
16	**Energy sales (MU)**	**2,980.60**	**2,980.60**	**2,566.58**
17	**Average Cost of Supply (Rs/kWh)**	**4.68**	**4.74**	**5.62**

** Note: Revenue from Tariff includes FPPCA and is net of incentives to consumers*

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 25 – ANNUAL REVENUE REQUIREMENT FOR ENSUING YEAR (FY 2018-19)

Sr. No.	Item of expense	Approved by JERC	Revised projections by Licensee
		FY 2018-19	FY 2018-19
1	Cost of power purchase	1,249.70	1,131.85
2	Employee costs	88.94	97.30
3	R&M expenses	26.51	20.57
4	Administration and General expenses	6.05	13.02
5	Depreciation	45.80	29.65
6	Interest charges (including interest on working capital)	41.99	23.63
7	Return on Equity	26.46	36.86
8	Provision for Bad Debt		
9	Interest on Consumer Security Deposit	17.00	13.63
10	**Total Revenue Requirement**	**1,502.45**	**1,366.49**
11	Less: Non-Tariff Income	3.08	4.51
12	Less: Revenue from sale of surplus power and other income		-
13	**Net Revenue Requirement (10-11-12)**	**1,499.37**	**1,361.98**
14	Revenue from Existing Tariff *		1,339.62
15	**Net Gap (13-14)**		**22.36**
16	**Energy sales (MU)**	**3,177.04**	**2,649.46**
17	**Average Cost of Supply (Rs/kWh)**	**4.72**	**5.14**

Format 25 B – BRIEF GAP SUMMARY

Particulars	Previous Year (Actual)	Current Year (Rev Estmates)	Ensuing Year (Projections)
	FY 2016-17	FY 2017-18	FY 2018-19
Net ARR	1,237.78	1,443.55	1,361.98
Less: Revenue at Existing Tariffs excluding Surcharge	1,192.11	1,299.37	1,339.62
Revenue Gap for the year	**45.68**	**144.18**	**22.36**
Opening Balance of Gap		**45.68**	**189.85**
Add: Past Gap			
Gap for FY 2016-17	45.68		
Gap for FY 2017-18		144.18	
Gap for FY 2018-19			22.36
Total Cumulative Gap for years	**45.68**	**189.85**	**212.21**
Proposed Tariff hike			
Revenue Gap to be recovered	-	-	**189.85**
Gap for the Year	-		**22.36**
Additional Revenue from Proposed Tariff			128.64
Proposed Tariff hike from last year (excluding surcharge of 4%)			**9.60%**
Net Gap	-	-	**83.57**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department

Format 26 – REVENUE AT EXISTING TARIFF (ACTUALS 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	1,25,347	265	-	6.02	29.18	35.19	35.19
b	101 – 200	68,941	218	-	3.31	38.09	41.40	41.40
c	201 – 300	56,406	119	-	2.71	41.64	44.35	44.35
d	>300	62,673	98	-	3.01	45.07	48.08	48.08
e	OHOB	35,539	10	-	1.15	-	1.15	1.15
f	**Total**	**3,48,906**	**710.03**		**16.19**	**153.97**	**170.16**	**170.16**
2	Commercial							-
a	0 – 100	8,334	42	-	1.00	19.83	20.83	20.83
b	101 – 250	7,813	44	-	0.94	24.80	25.74	25.74
c	> 250	35,940	124	-	4.31	77.78	82.09	82.09
d	**Total**	**52,087**	**210.92**		**6.25**	**122.41**	**128.66**	**128.66**
3	Agriculture							
a	Small farmers	960	8	5,439	0.06	-	0.06	0.06
b	Other farmers	5,940	49	54,099	1.89	-	1.89	1.89
c	**Total**	**6,900**	**57**	**59,538**	**1.95**	**-**	**1.95**	**1.95**
4	Public lighting	50,250	24	-	4.52	16.36	20.88	20.88
5	LT Industrial & Water Tank							
a	LT Industrial	6,483	153	-	0.67	78.15	78.81	78.81
c	Water tank	133	37	-	0.02	22.09	22.11	22.11
d	**Total**	**6,616**	**190.67**		**0.69**	**100.24**	**100.92**	**100.92**
6	Temporary supply - LT&HT	-	8.00	-	-	7.80	7.80	7.80
7	**Total LT**	**4,64,759**	**1,201.13**	**59,538**	**29.60**	**400.77**	**430.37**	**430.37**
8	HT 1 Industrial							
a	HT I(a) for contract demand upto 2000 kVA	351	870	2,44,929	73.48	456.72	530.20	530.20
b	HT I(b) for contract demand upto 2000 kVA	88	74	23,972	7.19	38.96	46.15	46.15
c	**Total**	**439**	**944**	**2,68,901**	**81**	**496**	**576**	**576**
9	HT 2 - Government & water tank	60	62	21,099	6.33	41.87	48.20	48.20
10	HT 3 – EHT	7	259	83,743	22.11	132.07	154.18	154.18
11	**Total HT**	**506**	**1,265**	**3,73,743**	**109.11**	**669.62**	**779**	**778.72**
12	**Incentives to consumers**							16.99
13	**Total**	**4,65,265**	**2,466.27**	**4,33,281**	**138.70**	**1,070.39**	**1,209.09**	**1,192.11**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 26 – REVENUE AT EXISTING TARIFF (REVISED ESTIMATES 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	Surcharge @4%	Total
1	Domestic & Cottage								
A	0 – 100	1,30,338	257	-	6.26	28.25	34.51	1.38	35.89
B	101 – 200	71,686	249	-	3.44	43.66	47.10	1.88	48.99
C	201 – 300	58,652	125	-	2.82	43.66	46.48	1.86	48.34
D	>300	65,169	103	-	3.13	47.26	50.39	2.02	52.40
E	OHOB	35,537	10		1.15	-	1.15	0.05	1.20
F	**Total**	**3,61,382**	**744.03**		**16.79**	**162.83**	**179.63**	**7.19**	186.81
2	Commercial								-
A	0 – 100	8,634	45	-	1.04	20.95	21.99	0.88	22.87
B	101 – 250	8,094	47	-	0.97	26.22	27.19	1.09	28.27
C	> 250	37,234	132	-	4.47	82.20	86.67	3.47	90.14
D	**Total**	**53,962**	**222.92**		**6.48**	**129.37**	**135.85**	**5.43**	141.28
3	Agriculture								
A	Small farmers	960	8	5,439	0.06	-	0.06	0.00	0.06
B	Other farmers	5,980	49	54,099	1.89	-	1.89	0.08	1.96
C	**Total**	**6,940**	**57.28**	**44,654**	**1.95**	**-**	**1.95**	**0.08**	2.02
4	Public lighting	50,434	24	-	4.54	16.36	20.90	0.84	21.73
5	LT Industrial and Water Tank								
B	LT Industrial	6,529	159	-	0.67	81.21	81.88	3.28	85.15
C	Water tank	139	40	-	0.02	23.86	23.88	0.96	24.83
D	**Total**	**6,668**	**199.67**		**0.69**	**105.07**	**105.76**	**4.23**	**109.99**
6	Temporary supply - LT&HT	-	8	-	-	7.80	7.80	0.31	8.11
7	**Total LT**	**4,79,386**	**1,256.13**	**44,654**	**30.44**	**421.43**	**451.87**	**18.07**	**469.95**
8	HT 1 Industrial								
A	HT I(a) for contract demand upto 5000 kVA	361	862	2,50,000	75.00	452.50	527.50	21.10	548.60
B	HT I(b) for contract demand upto 5000 kVA	92	84	26,200	7.86	44.27	52.13	2.09	54.22
C	**Total**	**453**	**946.24**	**2,76,200**	**83**	**497**	**580**	**23**	**603**
9	HT 2 - Government & water tank	61	68	22,380	6.71	46.02	52.74	2.11	54.85
10	HT 3 – EHT	**7**	296	87,500	23.10	150.97	174.07	6.96	181.03
11	**Total HT**	**521**	**1,310.45**	**3,86,080**	**112.67**	**693.77**	**806**	**32**	**839**
12	**Incentives to consumers**								**9.28**
13	**Total**	**4,79,907**	**2,566.58**	**4,30,734**	**143.12**	**1,115.20**	**1,258.32**	**50.33**	**1,299.37**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 26 – REVENUE AT EXISTING TARIFF (ENSUING YEAR FY 2018-19)

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	1,35,138	231.07	-	6.49	25.42	31.90	31.90
B	101 – 200	74,326	169.45	-	3.57	29.65	33.22	33.22
C	201 – 300	60,812	115.53	-	2.92	40.44	43.36	43.36
D	>300	67,569	254.18	-	3.24	116.92	120.16	120.16
E	OHOB	35,537	10.21	-	1.15	-	1.15	1.15
F	**Total**	**3,73,382**	**780.44**		**17.37**	**212.43**	**229.80**	**229.80**
2	Commercial							-
A	0 – 100	8,922	35.76	-	1.07	16.81	17.88	17.88
B	101 – 250	8,364	33.38	-	1.00	18.69	19.70	19.70
C	> 250	38,476	169.28	-	4.62	105.80	110.41	110.41
D	**Total**	**55,762**	**238.42**		**6.69**	**141.30**	**147.99**	**147.99**
3	Agriculture							
A	Small farmers	960	8.00	5,439	0.06	-	0.06	0.06
B	Other farmers	6,005	49.28	54,099	1.89	-	1.89	1.89
C	**Total**	**6,965**	**57.28**	44,654	**1.95**	-	**1.95**	**1.95**
4	Public lighting	50,609	24.24	-	4.55	16.36	20.91	20.91
5	LT Industrial and Water Tank							
A	LT Industrial	6,559	162.41	-	0.68	82.83	83.51	83.51
C	Water tank	149	42.50	-	0.02	25.07	25.09	25.09
D	**Total**	**6,708**	**204.91**		**0.69**	**107.90**	**108.60**	**108.60**
6	Temporary supply - LT&HT	-	5.00	-	-	4.88	4.88	4.88
7	**Total LT**	**4,93,426**	**1,310.28**	**44,654**	**31.26**	**482.86**	**514.12**	**514.12**
8	HT 1 Industrial							
A	HT I(a) for contract demand upto 5000 kVA	371	881.70	2,55,000	76.50	462.89	539.39	539.39
B	HT I(b) for contract demand upto 5000 kVA	99	89.68	31,200	9.36	47.08	56.44	56.44
C	**Total**	**470**	**971.38**	**2,86,200**	**86**	**510**	**596**	**596**
9	HT 2 - Government & water tank	63	71.78	22,500	6.75	48.45	55.20	55.20
10	HT 3 – EHT	7	296.02	89,000	23.50	150.97	174.47	174.47
11	**Total HT**	**540**	**1,339.18**	**3,97,700**	**116.11**	**709.40**	**826**	**826**
12	**Total**	**4,93,966**	**2,649.46**	**4,42,354**	**147.36**	**1,192.26**	**1,339.62**	**1,339.62**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Format 27 – REVENUE AT PROPOSED TARIFF (ENSUING YEAR FY 2018-19)

Sr. No.	Category of Consumer	No of Consumers	Energy Sale/ Demand (MUs)	Contracted Maximum Demand (KW/kVA)	Revenue (Rs Crore)		
					Fixed Charges	Energy Charges	Total
1	Domestic & Cottage						
A	0 – 100	1,35,138	231.07	-	6.49	32.35	38.84
B	101 – 200	74,326	169.45	-	3.57	35.58	39.15
C	201 – 300	60,812	115.53	-	2.92	45.06	47.98
D	>300	67,569	254.18	-	3.24	128.36	131.60
E	OHOB	35,537	10.21	-	1.15	-	1.15
F	Total	**3,73,382**	**780.44**	-	**17.37**	**241.35**	**258.72**
2	Commercial						
A	0 – 100	8,922	35.76	-	1.07	18.95	20.02
B	101 – 250	8,364	33.38	-	1.00	20.69	21.70
C	> 250	38,476	169.28	-	4.62	115.95	120.57
D	Total	**55,762**	**238.42**	-	**6.69**	**155.60**	**162.29**
3	Agriculture						
A	Small farmers	960	8.00	5,439	0.06	-	0.06
B	Other farmers	6,005	49.28	54,099	1.89	-	1.89
C	Total	**6,965**	**57.28**	**59,538**	**1.95**	-	**1.95**
4	Public lighting	50,609	24.24	-	4.55	17.57	**22.13**
5	LT Industrial and Water Tank						
A	LT Industrial	6,559	162.41	-	0.68	90.95	91.63
C	Water tank	149	42.50	-	0.02	27.20	27.22
D	Total	**6,708**	**204.91**	-	**0.69**	**118.15**	**118.84**
6	Temporary supply - LT&HT	-	5.00	-	-	5.18	**5.18**
7	Total LT	**4,93,426**	**1,310.28**	**59,538**	**31.26**	**537.85**	**569.10**
8	HT 1 Industrial						
A	HT I(a) for contract demand upto 5000 kVA	371	881.70	2,55,000	76.50	511.39	587.89
B	HT I(b) for contract demand upto 5000 kVA	99	89.68	31,200	9.36	52.01	61.37
C	Total	**470**	**971.38**	**2,86,200**	**85.86**	**563.40**	**649.26**
9	HT 2 - Government & water tank	63	71.78	22,500	6.75	52.40	59.15
10	HT 3 – EHT	7	296.02	89,000	23.50	167.25	190.75
11	Total HT	**540**	**1,339.18**	**3,97,700**	**116.11**	**783.05**	**899.16**
12	Total	**4,93,966**	**2,649.46**	**4,57,238**	**147.36**	**1,320.90**	**1,468.26**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Annexure II: UN-AUDITED ACCOUNTS OF FY 2016-17

PUDUCHERRY ELECTRICITY DEPARTMENT

BALANCE SHEET AS ON 31st March, 2017 (UNAUDITED)

PARTICULARS	SCHEDULE No.	As at 31.03.2017	As at 31.03.2016
SOURCES OF FUNDS			
(1) Owner's Funds			
Government Fund		13,15,00,18,261	11,52,85,09,169
(2) Loan Funds			
Secured Loans	1	2,99,16,771	4,66,16,903
Unsecured Loan from PFC for Part A of R-APDRP [Refer Note 5]		186,000,000	18,60,00,000
Unsecured Loan from PFC for Part B of R-APDRP [Refer Note 5]		16,50,00,000	-
Loan from DDUGJY [Refer Note 6]		1,20,31,308	-
Loan from SMARTGRID [Refer Note 7]		4,44,00,000	-
TOTAL		**13,58,73,66,341**	**11,76,11,26,072**
APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	2	6,76,16,36,243	6,60,91,51,965
(b) Less : Accumulated Depreciation		3,53,27,24,223	3,28,46,45,426
(c) Net Block		3,22,89,12,020	3,32,45,06,538
(d) Capital Work in Progress		1,00,07,03,155	78,51,24,402
(e) Capital Advances		25,50,00,000	-
(2) Current Assets Loans & Advances			
(a) Inventories		46,60,75,966	40,66,69,095
(b) Sundry Debtors	3	7,78,27,68,489	6,78,32,06,366
(c) Cash and Bank Balances	4	42,21,19,794	28,33,08,435
(d) Loans and Advances	5	15,12,88,063	15,21,80,417
		8,82,22,52,313	**7,62,53,64,313**
Less: Current Liabilities and Provisions	6	4,14,12,38,783	4,31,33,05,569
NET CURRENT ASSETS		**4,68,10,13,530**	**3,31,20,58,745**
Profit & Loss Account		**4,42,17,37,636**	**4,33,94,36,386**
TOTAL		**13,58,73,66,341**	**11,76,11,26,072**
Significant Accounting Policies and Notes to Accounts	**13**		

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

PUDUCHERRY ELECTRICITY DEPARTMENT

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2017 (UNAUDITED)

PARTICULARS	SCH. No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
INCOME			
Revenue from Sale of Power [Refer Note 13]	7	11,92,16,94,172	11,14,57,72,143
Revenue from other services related to sale of power [Refer Note 14]	8	20,91,80,607	1,77,31,794
Other Income	9	4,50,76,356	4,26,39,146
TOTAL INCOME		**12,17,59,51,135**	**11,20,61,43,083**
EXPENDITURE			
Purchase of Power [Includes an amount of Rs. 9.76 Crores for power purchased prior to 2016-17 but invoices received in 2016-17 explained in Notes (3) (b)]		10,66,30,11,487	9,67,59,70,527
Employee Costs	10	93,19,99,914	77,66,29,473
Operations & Maintenance Expenses		9,37,84,429	9,61,79,571
Administration and General Expenses	11	12,72,52,358	10,91,11,195
Other Expenses		5,71,091	16,33,569
Depreciation		24,80,78,797	27,91,17,382
Interest and Finance Charges	12	19,35,54,309	17,88,25,158
TOTAL EXPENDITURE		**12,25,82,52,385**	**11,11,74,66,875**
Net Profit / (Loss) before prior period adjustments		(8,23,01,250)	8,86,76,208
Net Prior Period Credits / (Charges)		-	-
Profit / (Loss) before Extraordinary Items		**(8,23,01,250)**	**8,86,76,208**
Less : Extraordinary Items		-	-
Profit / (Loss) before Tax		**(8,23,01,250)**	**8,86,76,208**
Less : Provision for Tax		-	-
Profit / (Loss) After Tax		**(8,23,01,250)**	**8,86,76,208**
Profit / (Loss) brought forward from previous year		**(4,33,94,36,386)**	**(4,42,81,12,595)**
Balance carried to Balance Sheet		**(4,42,17,37,636)**	**(4,33,94,36,386)**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

PUDUCHERRY ELECTRICITY DEPARTMENT		
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2017 (UNAUDITED)		
Particulars	2016-17	2015-16
A. Cash flow from operating activities		
Net profit / (loss) before tax	**(8,23,01,250)**	**8,86,76,208**
Adjustment for :		
Depreciation	24,80,78,797	27,91,17,382
Interest Income	(1,55,04,023)	(1,73,13,725)
Interest Expenses / Financial Charges	16,81,92,003	15,56,37,720
Prior period adjustment		
Operating profit / (loss) before working capital changes	**31,84,65,527**	**54,07,45,035**
Changes in Working Capital		
(Increase) / Decrease in Inventories	(5,94,06,871)	12,84,85,809
(Increase) / Decrease in Debtors	(99,95,62,124)	(1,26,32,54,025)
(Increase) / Decrease in Loans & Advances	8,92,354	21,75,978
Increase / (Decrease) in Trade Payables & Provisions	(17,20,66,786)	59,47,177
Cash generated from operations	**(91,16,77,900)**	**(58,59,00,026)**
Less: Direct taxes paid		
- Income Tax	-	-
- Fringe Benefit Tax	-	-
- Wealth Tax	-	-
Net cash from operating activities	**(91,16,77,900)**	**(58,59,00,026)**
B. Cash flow from investing activities		
(Increase) / Decrease in Fixed Assets	(15,24,84,278)	(26,93,50,962)
(Increase) / Decrease in Capital WIP	(47,05,78,752)	(12,61,38,005)
Interest received	1,55,04,023	(1,73,13,725)
Net cash from investing activities	**(60,75,59,007)**	**(41,28,02,692)**
C. Cash flow from financing activities		
Increase in Government Fund	1,62,15,09,093	1,19,47,26,331
Increase in Long term loan from PFC	-	-
Increase in New Long term loan from PFC	16,50,00,000	-
Increase in Long term loan from DDUGJY	1,20,31,308	-
Increase in Long term loan from SMARTGRID	4,44,00,000	-
Repayment of finance lease	(1,67,00,132)	(1,61,62,526)
Interest and Finance Charges	(16,81,92,003)	(15,56,37,720)
Net cash flow from financing activities	**1,65,80,48,266**	**1,02,29,26,085**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	13,88,11,359	2,42,23,367
Opening Balance of Cash and Cash Equivalents	28,33,08,435	25,90,85,068
Closing Balance of Cash and Cash Equivalents	**42,21,19,794**	**28,33,08,435**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR FY 2016-17

SCHEDULE – 1
SECURED LOANS

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Finance Lease Liability [Refer Note 4] (The lease is relating to the System Control Centre)	2,99,16,771	4,66,16,903
	TOTAL	**2,99,16,771**	**4,66,16,903**

SCHEDULE – 3
SUNDRY DEBTORS

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Sundry Debtors for Sale of Power	7,02,99,54,889	6,01,92,33,239
2	UI Charges receivable	-	-
3	Receivable from Other Department for Sale of materials	12,13,193	12,61,777
4	Unbilled Debtors	75,16,00,407	76,27,11,350
	TOTAL	**7,78,27,68,489**	**6,78,32,06,366**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULE - 4
CASH & BANK BALANCES

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Cash in hand	5,126	10,33,329
2	Cheques in hand	-	85,35,035
3	Margin money with Bank	13,16,60,593	12,17,62,605
4	Balance with SBI (RAPDRP)	23,36,37,496	15,19,77,466
5	Balance with SBI (DDUGJY)	1,20,31,308	-
6	Balance with SBI (SMARTGRID)	4,43,99,368	-
7	TDS Receivable	3,85,904	-
	TOTAL	**42,21,19,794**	**28,33,08,435**

SCHEDULE - 5
LOANS & ADVANCES

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Other Income receivable	46,757	46,757
2	Lease advances	15,76,828	16,92,949
3	Advances to Creditors	1,97,34,499	2,05,10,732
4	Tariff Subsidy receivable	12,99,29,979	12,99,29,979
	TOTAL	**15,12,88,063**	**15,21,80,417**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULE - 6
CURRENT LIABILITIES & PROVISIONS

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Consumer Deposits [Refer Note 9 of Part B of Notes to Accounts]	1,77,70,28,813	1,61,57,59,038
2	Consumer Contribution for Deposit Works	27,42,61,936	22,49,45,401
3	Sundry Creditors for power purchase	35,41,33,828	96,91,20,839
4	Interest Payable on Finance Lease	63,74,28,081	50,70,67,638
5	Other Liabilities	-	-
6	Vendor/Contractor Deposits	1,83,20,629	1,76,20,740
7	Provision for Power Purchase	95,21,94,657	83,91,61,793
8	Provision for Other Expenses	9,14,31,581	10,06,45,602
9	Sales Tax Payable [Refer Note 10 of Part B of Notes to Accounts]	2,19,54,060	1,98,57,080
10	UI Charges Payable	1,44,85,198	1,91,27,437
	TOTAL	**4,14,12,38,783**	**4,31,33,05,569**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULE - 7
REVENUE FROM SALE OF POWER

S.No.	Particulars	Year ended 31st March 2017	Year ended 31st March 2016
1	LT Consumers	4,07,89,70,510	3,80,34,52,619
2	HT Consumers	7,79,54,32,760	6,86,36,46,010
3	Street light charges	20,88,18,000	17,28,35,640
4	Agriculture	1,94,51,990	1,49,12,930
5	Tariff Subsidy on Sale of Power	-	2,96,00,000
6	Surcharge	-	28,65,67,920
7	FPPCA charges	-	13,37,12,137
8	Less: Incentives to consumers (net of Penal charges)	16,98,68,146	15,67,85,000
		11,93,28,05,114	**11,14,79,42,256**
Add	Un-billed revenue as at the end of the year	75,16,00,407	76,27,11,350
Less	Un-billed revenue as at the beginning of the year	76,27,11,350	76,48,81,462
	Revenue from Sale of Power	**11,92,16,94,172**	**11,14,57,72,143**
		11,92,16,94,172	**11,14,57,72,143**

SCHEDULE – 8
REVENUE FROM OTHER SERVICES RELATED TO SALE OF POWER

S.No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1	Open Access Income	8,46,65,140	-
2	URS Income	1,99,00,000	-
3	UI Charges	10,32,09,271	1,77,31,794
4	RARS Charges	14,06,196	-
	TOTAL	**20,91,80,607**	**1,77,31,794**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULE – 9
OTHER INCOME

S.No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1	Sale of Trading Materials	6,43,905	18,41,849
2	Interest Income on Margin Money Deposit with Bank	1,55,04,023	1,73,13,725
3	Other receipts	2,89,28,428	2,34,83,572
	TOTAL	**4,50,76,356**	**4,26,39,146**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULE - 10
EMPLOYEE COSTS

S.No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1	Salary	1,05,60,64,700	90,91,46,879
2	Wages	64,68,070	63,60,000
3	Stipend	1,49,77,000	46,38,000
4	Overtime Payment	1,22,55,800	1,75,67,420
		1,08,97,65,570	93,77,12,299
Less	Departmental Charges	85,74,956	1,85,11,529
Less	Salary Costs Capitalized [Refer Note 15]	14,91,90,700	14,25,71,297
	TOTAL	**93,19,99,914**	**77,66,29,473**

SCHEDULE – 11
ADMINISTRATION & GENERAL EXPENSES

S.No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1	Office Expenses	1,90,04,831	1,20,19,397
2	Other Miscellaneous Expenses	3,20,98,646	5,00,21,568
3	EESL charges	7,61,48,881	4,70,70,230
	TOTAL	**12,72,52,358**	**10,91,11,195**

SCHEDULE – 12
INTEREST AND FINANCE CHARGES

S.No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1	Interest Charges [Refer Note 16 of Part B of Notes to Accounts]	16,81,92,003	15,56,37,720
2	Bank Charges	2,53,62,307	2,31,87,438
	TOTAL	**19,35,54,309**	**17,88,25,158**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

SCHEDULE 2 - FIXED ASSETS SCHEDULE FOR FY 2016-17

		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 1-4-2016	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2016	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 31-3-2017	At the end of previous year - as on 31-3-2016
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	487.27	39.30		39.30	-	526.57	710.05	749.35
	Other	500.74				500.74	255.99	15.53		15.53	-	271.53	229.21	244.74
3	Plant and machinery													
	Transmission - Sub Stations	20,859.70				20,859.70	10,694.43	808.20		808.20	-	11,502.63	9,357.07	10,165.27
	Distribution - Transformers	15,899.00		1,204.34		17,103.35	6,900.66	514.85	63.59	578.44	-	7,479.10	9,624.24	8,998.34
4	Lines and cable network													
	Transmission - EHT & HT Lines	14176.95		320.50		14,497.45	6436.60	547.27	16.92	564.19		7,000.79	7,496.66	7740.35

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department

		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 1-4-2016	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2016	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 31-3-2017	At the end of previous year - as on 31-3-2016
	Distribution - LT Lines	9187.38		-		9,187.38	5554.41	329.84		329.84		5,884.25	3,303.14	3632.98
5	Vehicles													
	Sub Station and Others	188.94	-			188.94	167.72	2.11		2.11	-	169.83	19.11	21.22
6	Furniture and fixtures													
	Sub Station and Others	15.18				15.18	8.72	0.53		0.53	-	9.25	5.93	6.46
7	Office equipment (Office equipment, telephones & Telephone lines, Radio and high frequency carrier system (VHF)													
	Sub Station and Others	84.15				84.15	69.65	1.41		1.41	-	71.06	13.09	14.50
8	IT equipment (Computers etc.)													
	Sub Station and Others	199.80				199.80	164.96	3.47		3.47	-	168.43	31.37	34.84

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department

Annual Accounts for FY 2016 - 2017

		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 1-4-2016	Adjustment of Previous Year	Additions during the period	Deductions during the period	Cost at the end of the year	Opening balance as on 1-4-2016	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 31-3-2017	At the end of previous year - as on 31-3-2016
9	Testing &Measuring Equipment													
	Sub Station and Others	331.49				331.49	251.99	6.91		6.91	-	258.90	72.59	79.50
10	*SCADA Centre*													
	Sub Station and Others	2,676.78				2,676.78	1,854.07	130.85		130.85	-	1,984.92	691.85	822.71
	Total	**66,091.52**	-	**1,524.84**		**67,616.36**	**32,846.46**	**2,400.28**	**80.51**	**2,480.79**	-	**35,327.25**	**32,289.11**	**33,245.06**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 2016-17. 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 2016-17, 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.. 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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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. After the residual value of the asset reaches 10% of the original cost, depreciation is not charged on this residual value.

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. 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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 31.03.2017	Expiry Date
NPCIL MAPS	Rs. 0.91	11-Oct-2017
NPCIL Kaiga	Rs. 6.41	09-Oct-2017
PGCIL	Rs. 5.02	06-Nov-2017
NTPC	Rs. 35.35	02-Jan-2018
POSOCO	Rs. 0.17	24-Jan-2018
NLC	Rs. 20.16	19-Jan-2018
NTPC Tamil Nadu Energy Co. Ltd.	Rs. 4.82	06-Nov-2017
KKNPP	Rs. 10.08	18-Jun-2017
Total	**Rs. 82.92 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 31.03.2016		**220.22**
Breakup : Contingent Liability relating to Power Purchased	216.10	
Contingent Liability relating to Late Payment Penalty	4.12	
Contingent Liability as on 31.03.2017		**220.22**

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

(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 31.03.2017		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, 2017.

(3) Power Purchase Cost

(a) 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 2016-17 which include charges / credit pertaining to power purchased by the PED in prior financial years. These invoices were raised in the year 2016 – 2017 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 2016-17 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	**4.22**
NLC	**0.07**
KAIGA	**2.11**
MAPS	**0.21**
TANGEDCO	**1.08**
Kundamkulam	**2.07**
Total	**9.76**

The above figure of Rs. 9.760 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. 1.67 Crores.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

(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).

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 16-17.

PED has received Rs. 16.5 Crores under Part B of the R-APDRP (Restructured Accelerated Power Development Reforms Project) scheme. The amount was received on 31st March 2017 and has not been utilized. The same has been shown in the accounts as Loan received from PFC for R-APDRP Part B.

(6) PED has received Rs. 1.2 Crores under the Deen Dayal Upadhyaya Gram Jothi Yojana (DDUGJY) scheme aimed at providing reliable and quality power supply to all villages and reduction of line losses. The amount was received on 31st March 2017 and has not been utilized.

(7) PED has received Rs. 4.4 Crore under the SMARTGRID Pilot Project from the Government of India, Ministry of Power. The amount was received on 27th January 2017 and has not been utilized.

(8) 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.

(9) 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. 14.42 Crores in the accounts during the year 2016-17. 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. 3.50 Crores during the year 2016-17 towards interest payable on deposits taken from consumers. The same has been accordingly adjusted from the figure of interest payable on consumer deposits.

(10) 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

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

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.

(11)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. 702.99 Crores. According to the information available in the billing system of the Department, the amount of Sundry Debtors is Rs. 307.99 Crores. Hence there is an un-reconciled difference of Rs. 395.00 Crores as on 31.3.2017 between the arrears details available within the billing system of the department and balance as per the above method.

(12)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, 2017, the balance of Inventory in the Accounts is Rs. 46.61 Crores. According to the information available from the Stores System in PED, the value of Inventory is Rs. 17.51 Crores. Hence there is an un-reconciled difference of Rs. 29.10 Crores as on 31.3.2017 between the Inventory figure in the details available within the Stores System of the department and balance as per the above method.

(13)Sale of Power:

(a) The sale of power for the year includes Rs. 75.16 Crores as Un-billed revenue (previous year Rs. 76.27 Crores) and same is debited in Un-Billed Debtors account in Balance Sheet. EDP has not claimed FPPCA charges during the year, including any Government subsidy on that account. Incentive and penal charges are shown as reduction from income.

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 2016-17. The total power drawn is 16.15 Mus (previous year 24 MUs), and the equivalent amount to be recovered as Sale of Power Is Rs. 5.60 Crores (previous year 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 2017 18 when the bills are raised.

(14)Revenue from other services related to sale of power:- EDP have earned several new revenue streams related to power distribution. Therefore a new schedule has been provided for better presentation and clarity of financial statements. The revenue from other services related to sale of power include:-

(a) Revenue from UI charges for the year 2016-17 is Rs. 10.32 Crores (previous year Rs. 1.77 Crores). UI income previously grouped under sale of power has been showed under this section for better presentation.
(b) PED earned income from open access charges amounting to Rs. 8.46 Crores
(c) PED earned income from URS amounting to Rs. 1.99 Crores
(d) PED earned income from RARS amounting to Rs. 0.14 Crores

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

(15)The expenditure capitalized and not charged to the Profit and Loss account are as follows:

- Salary Expenses: Rs. 14.92 Crores (previous year Rs. 14.26 Crores)

(16)Total interest expense for the year on the lease transaction is Rs. 0.32 Crores (Rs. 0.45 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.

(17)While computing interest due towards the Department towards Interest on Term Deposits, the bank erroneously deducted Rs. 3, 85, 904 as TDS on the interest due to the Department. Being an arm of the Government, the Department it is not liable for TDS. The same has been shown as TDS recoverable from the Income Tax authorities.

(18) 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.

(19)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 2016-17, Salary cost amounting to Rs. 12.40 Crores has been capitalized by PED for the upcoming Karaikkal sub station for which major costs were undertaken in 2016-17

(20)Advance paid to PGCIL on 31st March 2017 for upcoming Karaikkal sub station has been shown as Capital Advance.

(21)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).

(22) Internal Audit report

PED has appointed an Internal Audit team from the year 2016-17. Internal Audit Reports have been issued for up to Quarter 3 of 2016-17. The PED management is in the process of reviewing and responding to the audit observations and therefore no adjustments have been made to the accounts for the year 2016-17 for audit observations pending review by the management.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

Annexure III: COMMUNICATION FROM TANGEDCO REGARDING CLAIM OF ARREARS

SUPERINTENDING ENGINEER/I
ELECTRICITY DEPARTMENT
PUDUCHERRY
Current No: 7933
Date 13/11/17

e-mail without prejudice

TANGEDCO
(ACCOUNTS BRANCH)

From

K.Malarvizhi, B.A(Cropo),ACA.,PGDHRM
Chief Financial Controller/Revenue,
7th Floor, NPKRR Malaligai,
144,Anna Salai,
Chennai- 600 002.

To

The Superintending Engineer-I
Electricity Department,
Govt. of Puducherry,
Puducherry.

OFFICE OF THE DIVISION-X ELECTRICITY
N 3614
Dt. 14/11/17
PONDICHERRY

Lr.No.CFC/REV/FC/REV/DFC/R.1/F.Pondicherry/D.757/2017, dt. 10.11.2017.

Sir,

Sub: Electricity – - Hon'ble CERC order dated 20.03.2017 - Rrevision of CC charges for energy supplied by TANGEDCO to Puducherry Electricity Department – Due to revision of lignite price variation for NLC TS1 power supply for FY 2014-19 – Reg.

Ref: 1. Hon'ble CERC order dated 26.09.2016.
2. Lr.No.CFC/FC/R/D.No.133/2017 dated 16.02.2017.
4. Hon'ble CERC order dated 20.03.2017.

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It is informed that based on the Hon'ble CERC order ref (1) cited, the rate chargeable for the energy supplied to Puducherry Electricity Dept. for the period April'14 to March'18 was communicated vide reference (2) cited. However, the rates chargeable based on NLC's bill is varying according to the actual GCV of the lignite. Hence, the difference in the rate due to the above is now payable by the Puducherry Elecy. Dept.

2.0) Further, the Hon'ble CERC vide reference (3) cited has approved the revision of rates to NLC TS1 due to lignite price revision, with effect from 01.04.2014 onwards. Accordingly, NLC has raised demand for the arrears of lignite price revision w.e.f. Apr'14 to Feb'17 and also claiming power purchase bills at revised rate since March'17.

3.0) TANGEDCO has not accepted the revision and appeal has been filed before Hon'ble APTEL. The arrear amount for the period Apr'14 to Feb'17 has not been paid. However, the revised rate since March'17 is being paid by TANGEDCO.

4.0) Since, the NLC TS1 rate has been revised and TANGEDCO has made payment based on claim of NLC on actual GCV basis and is also making payment as per revised rate from March'2017, the CC charges to be charged from

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

156

Puducherry Elecy. Dept. is revised based on NLC TS 1 rate + 10 paise per unit as wheeling charges as per Hon'ble High Court order dt.17.6.2008. The existing and revised rates are as follows:

Year	Existing Rate (Rs.)	Revised Rate (Rs.)
2014-15	3.38+0.10 =3.48	3.59+0.10 = 3.69
2015-16	3.42+0.10 =3.52	3.75+0.10 =3.85
2016-17	3.47+0.10 =3.57	4.42+0.10 = 4.52
2017-18	3.52+0.10 =3.62	5.37+0.10 = 5.47

Further, based on the outcome of the appeal pending before the Hon'ble APTEL, the CC charges to Puducherry Elecy. Dept., if any, will be revised later.

5. Hence, you are requested to honour the arrear bill from April'14 at the above revised rates and future bills as above without prejudice.

Chief Financial Controller/Revenue

Copy to the SE/EDC/Villupuram/TANGEDCO – for necessary action.
Copy to the SE/EDC/Thiruvarur/TANGEDCO – for necessary action.
The Bills may be prepared for the units sold including 4% Transmission loss.
Copy to Mr.V.Viswanathan, TANGEDCO's Standing Counsel, Madras High Court.
Copy to Thiru C.Manishankar, AAG-IV/High Court of Madras
Copy to the CE/IT – with a request to update the rate in HT Billing software.
Copy to Chief Engineer/Villupuram Region/Villupuram.
Copy to Chief Engineer/Trichy Region/Trichy.
Copy to the Director (Distribution)/TANGEDCO, for kind information, please..
Copy to EA to CMD/TANGEDCO.

SUPERINTENDING ENGINEER
-cum-HOD
Electricity Department
Puducherry

157

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