



TARIFF ORDER

For the FY 2016-17

For
Energy & Power Department,
Government of Sikkim

April, 2016

Sikkim State Electricity Regulatory Commission
Gangtok, Sikkim

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ABBREVIATIONS

| Abbreviation | Description |
|---------------------|--|
| A&G | Administration & General |
| ARR | Aggregate Revenue Requirement |
| ATE | Appellate Tribunal For Electricity |
| CAGR | Compounded Annual Growth Rate |
| CD | Contract Demand |
| CERC | Central Electricity Regulatory Commission |
| CGS | Central Generating Stations |
| CoS | Cost of Supply |
| CPSU | Central Power Sector Undertakings |
| Crs | Crore |
| D/E | Debt Equity |
| E&PDS | Energy & Power Department, Govt. of Sikkim |
| EHT | Extra High Tension |
| ER | Eastern Region |
| FAC | Fuel Adjustment Costs |
| FDR | Fixed Deposits Receipts |
| FSTPS | Farakka Super Thermal Power Station |
| FY | Financial Year |
| GFA | Gross Fixed Assets |
| HP | Horse Power |
| HT | High Tension |
| SSERC | Sikkim State Electricity Regulatory Commission |
| KHSTPS | Kahalgaon Thermal Power Station |
| KV | Kilovolt |
| KVA | Kilo volt Amps |
| kWh | kilo Watt hour |
| L.T.M.D. | Low Tension Maximum Demand |
| LNG | Liquefied Natural Gas |
| LT | Low Tension |
| LTC | Leave Travel Concession |
| MU | Million Units |
| MVA | Million volt Amps |
| MW | Mega Watt |
| NHPC | National Hydroelectric Power Corporation Ltd. |
| O&M | Operation & Maintenance |
| PGCIL | Power Grid Corporation of India Limited |
| PLF | Plant Load Factor |
| PLR | Prime Lending Rate |
| PTC | Power Trading Corporation of India Ltd. |
| R&M | Repairs and Maintenance |
| RoR | Rate of Return |
| Rs. | Rupees |

| | |
|---------|---|
| ₹ | Rupees |
| S/s | Sub Station |
| SBI | State Bank of India |
| SERC | State Electricity Regulatory Commission |
| SPV | Special Purpose Vehicle |
| T&D | Transmission & Distribution |
| TSTPS | Talcher Super Thermal Power Station |
| UI | Unscheduled Interchange |
| WBSEDCL | West Bengal State Electricity Distribution Company Ltd. |

Before the
Sikkim State Electricity Regulatory Commission for
the State of Sikkim, Gangtok

Case No.: Tr-1/2016-17/SSERC

In the matter of

Petition for Aggregate Revenue Requirement (ARR) and Retail Tariff for the FY 2016-17 , Provisional True Up for the FY 2014-15 and Review for the FY 2015-16 filed by the Energy and Power Department, Government of Sikkim, herein after referred to as 'EPDS'---Petitioner.

Coram

Shri N. R. Bhattarai, Chairperson

ORDER

Date of Order: 11th April, 2016.

1. BACKGROUND AND BRIEF HISTORY

The Sikkim State Electricity Regulatory Commission (hereinafter referred to as the 'Commission') came into existence on 15th November, 2003 as a one man Commission. The notification constituting the Commission was issued vide Sikkim Government Extraordinary Gazette Notification No. 28/P/GEN/97/524 dated 15.11.2003. The Commission, although constituted in 2003, became operative only in April, 2011, after the Chairperson was

appointed on 11th April, 2011 on the recommendations of the Selection Committee constituted by the State Government vide Home Department Notification No. 34/Home/2011 dated 11.04.2011 in terms of Section 85 of the Electricity Act, 2003, hereinafter referred to as the Act. Thereafter, the Secretary and other officials were appointed and the Commission began its work.

The functions of the State Commission are laid down under Section 86 of the Act. These functions include: determination of the tariff for generation, transmission, distribution and wheeling of electricity - wholesale, bulk or retail, as the case may be within the state. Further, Section 62 (1) of the Act empowers the State Commission to determine the tariff, both in accordance with the provisions of the Act as also under the Regulations framed by the State Regulatory Commission, for supply of electricity by a generating company to a distribution licensee, for transmission of electricity, for wheeling of electricity and retail sale of electricity within the state.

1.1 EPDS – Filing of ARR and Tariff Petition

The Energy and Power Department, Government of Sikkim (hereinafter referred to as “EPDS”), is a deemed licensee under Section 14 of the Act and is carrying on the business of distribution and retail supply of electricity in the State of Sikkim.

EPDS had filed its petition for approval of the provisional true up for the FY 2014-15 and review for the FY 2015-16 and Aggregate Revenue Requirement (ARR) and determination of tariff for the FY 2016-17, vide its letter no. 5/Power/Rev/Nodal/14-15/1200 dated 27.11.2015. The petition was received by the Commission on 1st December, 2015. On detailed examination of the petition filed by the EPDS, it was found that the EPDS had filed its petition as per the provisions of the Sikkim State Electricity Regulatory Commission (Conduct of Business) Regulations, 2012 and Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2012.

The Commission had notified the Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013 (MYT Regulation) vide Sikkim Government Gazette Notification No. 204 dated 21st May, 2014.

Therefore, the MYT Regulations had become effective from the date of its publication in the Sikkim Government Gazette. As such, the MYT Regulations had been made applicable for determination of tariff in all cases from 1st April, 2015 onwards. However, the Commission took the decision to accept and register the ARR/Tariff Petition filed by the EPDS on Single Year basis. The reasons behind the said decision have been discussed in detail in the subsequent paragraphs.

1.2 Interaction with the Petitioner

The MYT Regulations had already been notified by the Commission but the petitioner had filed the petition for the FY 2016-17 as per the Tariff Determination Regulations, 2012. In this regard it is pertinent to mention the background of Tariff order for the FY 2015-16. The petitioner had also filed the petition for the FY 2015-16 under the Tariff Determination Regulations, 2012. The Commission vide its letter no. 837/SSERC/2013-14/122 dated 03.12.2014 directed the PCE cum Secretary of the EPDS to appear before the Commission on 09.12.2014 and show cause as to why the ARR/Tariff Petition filed by it should not be rejected. Accordingly, the PCE cum Secretary of the EPDS along with the other officials of appeared before the Commission and made their submissions before the Commission and requested that the ARR/Petition for the single year be accepted. After, hearing the pleadings of the EPDS, the Commission opined that the Commission had issued series of directives in the past to the EPDS on the need to re-structure/un-bundle the EPDS so that the functioning of the Transmission, Distribution and Generation utilities are segregated to ensure better accountability, efficiency and improvement in the services to the consumers. The Commission rejected the plea of the EPDS and directed the EPDS to file the Petition under MYT for three years, i.e., FY 2015-16 to FY 2017-18, duly segregating the Generation, Transmission and Distribution functions.

In compliance to the directives of the Commission, the EPDS filed its fresh Petition under MYT Regulations vide letter no. 31/POW/REV/NODAL/14-15/364 dated 16.12.2014. However, on scrutiny of the fresh petition, the Commission observed several short comings and the lack of vital data in the Petition. The Commission also noted that the segregation of accounts and data for the three functions had not been properly done. As such, the Commission made a series of queries to the EPDS directing to furnish its clarifications. The

EPDS furnished its replies to the queries and also supplied the additional data / information asked by the Commission vide its letter no. 5/Power/Rev/Nodal/14-15/E&P/1021 dated 02.02.2015.

The replies, clarifications and additional data / information furnished by the EPDS were examined in detail by the Commission. However, the Commission found the replies and clarifications furnished by the EPDS unsatisfactory and the Commission made the following observations on the MYT Petition of the EPDS:

- The EPDS had not un-bundled and as such segregation of accounts had not been done for Transmission, Distribution and Generation functions.
- Separate audited accounts were not available for Transmission, Distribution and Generation functions. The annual auditing of accounts of the EPDS was still being done by the Office of the Comptroller and Auditor General, Sikkim and no commercial auditing had been done.
- The data and information furnished by the EPDS were found un-realistic considering lack of annual audit and segregation of accounts.

In view of the above facts, the Commission once again summoned the Petitioner and had detailed discussions with the petitioner on 21st February, 2015. The Commission brought forth the various lacunas and the deficiencies observed in the MYT Petition of the EPDS and pointed out that considering the lack of properly segregated and audited accounts, the Commission cannot accept the MYT Petition filed by the EPDS.

The Petitioner (EPDS) submitted that the EPDS being a Government Department, it operates under Government accounting norms and unlike Boards/Corporations/Companies, the EPDS does not operate accounts under Double Entry System and as such, the balance sheets, profit & loss accounts etc. was not prepared. The Petitioner as such submitted and expressed its inability to submit the required data and requested that the Petition be admitted on a single year basis for the FY 2015-16. The Petitioner submitted that process towards un-bundling of the EPDS had been already initiated and the matter is under consideration by the State Government.

After duly considering the submissions made by the Petitioner and the present facts and circumstances, the Commission consented to consider and admit the Petition for the single year for the FY 2015-16 as already filed by the EPDS.

Since, there has been no development with regard to the unbundling of EPDS and functional segregation during the last 1 year as such segregated accounts and details as required for processing the MYT petition shall not be available. Hence, the Commission decided to accept the single year petition for the FY 2016-17 because of the detailed reasoning as given above. The Commission also had discussion with the EPDS on the ARR / Tariff Petition for the FY 2016-17 on 17th March, 2016 and on 4th April, 2016.

The Commission registered the ARR/Tariff Petition of the EPDS as case no. TR-1/2016-17/SSERC and provisionally admitted the Petition on 5th December, 2015 subject to ex-post facto admission by the new Chairperson keeping in view the fact that it would take some time before the State Government appoints the new Chairperson of the SSERC. The provisional admission of the petition was done in order to ensure timely processing of the tariff petition so as to meet the time line for completion of the tariff process. Thereafter, the scrutiny and close examination the ARR/Tariff Petition was taken up by the Commission. During the course of scrutiny of the data, information and figures submitted by the EPDS in its ARR/Tariff Petition, the Commission observed several deficiencies and found that the EPDS had not submitted the vital data/information to back up the estimations and projections made by it. Accordingly, the Commission made several communications to the EPDS through letters and emails directing it to furnish the additional information/data and clarifications to the Commission. The details of the communications made by the Commission and the responses/replies given by the EPDS are as given below:

| Communications made by the Commission | | Response/Replies received from EPDS | |
|--|------------|---|-------------------------------|
| Letter no. / E-mail | Dated | Letter no. / E-mail | Dated |
| 241/SSERC/2015-16/3060 | 11.12.2015 | E-mail | 25.01.2016 |
| 241/SSERC/2015-16/3086 | 21.01.2016 | E-mail | 13.02.2016 & 17.02.2016 |
| 241/SSERC/2015-16/4040 | 08.03.2016 | LLHP/CIR/E&P/GEN/10/ PT-VI/G-13/1239 & E-mail | 09.03.2016 & 12.03.2016 |
| E-mail | 16.03.2016 | E-mail | 16.03.2016 |

The new chairperson of the Commission assumed his office on 16th March, 2016 & ex-post facto approval of the chairperson was obtained for admitting the ARR / Tariff Petition submitted by the EPDS. Through the various letters and emails as indicated above, the Commission sought the additional data, information, facts and clarifications from the EPDS on the ARR/Tariff Petition. The EPDS furnished the data/information and also provided its clarifications on the various queries made by the Commission.

1.3 Admission of the Petition

The Petition filed by the EPDS was admitted on 5th December, 2015 and registered as Case no. Tr-1/2016-17/SSERC and the petitioner was directed to issue notices, soliciting objections, views and suggestions from the public by publishing the Public Notice in local newspapers.

1.4 Public Hearing Process

As per the directive of the Commission, and in accordance with Section 64 of the Act, EPDS published a Public Notice indicating the salient features of its petition and inviting objections, suggestions, comments and views of the members of the public, consumers and stake holders. The EPDS arranged publication of the public notice in the following newspapers, requesting submission of the objections, suggestions, comments and views latest by 14th March, 2016.

- Sikkim Herald (English).....on 9th February, 2016.
- Sikkim Herald (Nepali/Local language)on 1st March, 2016.

The copies of the public notice published in the above said newspapers are enclosed as Annexure – 2A and 2B to this Tariff Order. The copies of the petition were also made available for purchase by interested persons from the Head Office of the petitioner on payment of ₹ 1,000.00/-. The petition filed by the EPDS was also uploaded in the official web site of the Commission.

No objections, comments or suggestions were received by the Commission from the consumers and general public.

1.5 Notice for Public Hearing

A Public Notice was published by the Commission in the following leading newspapers, giving due intimation to the general public, interested parties, stakeholders and the consumers about the public hearing to be held at Gangtok on 8th April, 2016. Through the Public Notice, the Commission also appealed to the general public and the stake holders to participate in the Public Hearing and that their views will be heard by the Commission. The Public Notice was also uploaded in the official web site of the Commission “www.sserc.in”

- Sikkim Express (English).....17th March, 2016.
- Himali Bela (Nepali/Local Language).....17th March, 2016.
- Samay Dainik (Nepali/Local Language).....17th March, 2016.

The copies of the Public Notice issued by the Commission in the above said newspapers along with the corrigendum issued on 18th March, 2016 are enclosed as Annexure 3A, 3B and 3C to this Tariff Order.

1.6 Public Hearing

In accordance with the prescribed guidelines, the Public Hearing was held on 08.04.2016, after adopting the due process of publishing a Public Notice sufficiently in advance. The Chairperson of the Commission, other Officials from the Commission as well as the Officials representing the Petitioner (EPDS) were present in full strength at the designated venue and time to in order to conduct the Public Hearing.

However, neither any individual nor any group participated in the Public Hearing in spite of both the Commission and the EPDS giving wide publicity for the Public Hearing. There was no response from the general public and the consumers to the Public Hearing.

Although there was non-participation by the general public, consumers and the stake holders in the Public Hearing, a general discussion was done in the Public Hearing on the issues raised by the sole objector on the monthly electricity bill received. The participants from the Commission and the EPDS put forth their views and suggestions during the

discussion. The views and suggestions given by the participants have been taken into consideration while issuing this Tariff Order. The list of officials who attended the Public Hearing and details of the sole objector and the response of the EPDS are briefly narrated in Chapter 4.

1.7 Compliance of Directives

In its previous Tariff Orders, the Commission had issued certain directives to EPDS in the public interest. EPDS has furnished a compliance report on the same. The comments of the Commission on the compliance report, along with fresh directives issued are given in Chapter 8.

1.8 Layout of the Order

This order is divided into Eleven Chapters, as under:

1. First Chapter - This provides the background regarding ARR and Tariff proposal and details of the Public Hearing process.
2. Second Chapter - This contains a summary of ARR and Tariff Proposals and the prayer of the petitioner.
3. Third Chapter - This provides an overview of the power sector in Sikkim.
4. Fourth Chapter - This contains a brief summary of the objections raised, response of EPDS and the Commission's comments on the same.
5. Fifth Chapter - This deals with the provisional true-up for the FY 2014-15.
6. Sixth Chapter - This deals with the review for the FY 2015-16.
7. Seventh Chapter - This contains the Annual Revenue Requirement for the FY 2016-17, the Commission's analysis and decisions thereon.
8. Eighth Chapter - This deals with EPDS' compliance of earlier directives, comments of the Commission and fresh directives to EPDS.
9. Ninth Chapter - This discusses the principles of tariff policy and retail supply tariff for the FY 2016-17.
10. Tenth Chapter - This deals with the approved Transmission and Wheeling Charges.
11. Eleventh Chapter - This covers the Fuel and Power Purchase Adjustment Mechanism and FPPPA Formula.

1.9 State Advisory Committee Meeting

A Salient Features highlighting the important aspects of the petition filed by the EPDS for Truing up for the FY 2014-15, Review for the FY 2015-16 and ARR/Tariff Petition for the FY 2016-17 was prepared by the Commission and provided to the Members of the State Advisory Committee (SAC) for perusal. The copies of the ARR/Tariff Petition were also mailed to the Members. A Meeting of the State Advisory Committee was held on 17th March, 2016 in the Commission's Office under the Chairmanship of the Chairperson of the Commission. During the meeting, the Members of the SAC were apprised of the various aspects of the ARR/Tariff Petition for the FY 2016-17. The Members of the SAC discussed each and every aspect of the Tariff Petition and the submissions and projections made by the EPDS were deliberated upon in detail. The Members of the Committee put forth their observations, comments and suggestions on the ARR/Tariff Petition. The summary of the discussions and the views, suggestions and comments of the State Advisory Committee are presented hereunder:

- The Members of the SAC emphasized that the suggestions and views given by the Committee and the directives issued by the Commission needs to be seriously considered by the EPDS. The Members opined that the views / suggestions of the SAC are the views / suggestions of the consumers and the general public.
- The Members observed that the EPDS had not fully complied with the various directives issued by the Commission and expressed their concern and displeasure on the poor compliance of the directives by the EPDS. The Members advised the Commission to ensure strict compliance of the directives by the EPDS.
- The Members observed that there are huge variations between the quantum of various items approved by the Commission and Truing up/Review petition filed by the EPDS especially in items like Employee Cost, Return on Equity, Interest and Finance Charges etc.
- The SAC Members observed that the Employee Cost is the major constituent in the ARR and the EPDS must look at ways to stop the growing Employee Cost. The

Members felt that unless there is curtailment of the Employee Cost the Revenue Gap of the EPDS can't be bridged.

- The Members highlighted that the Own Generation of the EPDS has declined during the last few years and opined that the reason for it could be less expenses made by the EPDS towards Repair and Maintenance as against the figure approved by the Commission. The Members stressed on the need to improve its own generation by the EPDS so that the cost towards purchase of power from outside can be reduced.
- The SAC opined that there is urgent need for the EPDS to bring down the T&D loss, check pilferage and theft of electricity, improvement in revenue collection and proper monitoring of the service connections to check unauthorised and excess drawal by the consumers.
- The Committee opined that if the EPDS can reduce its T&D loss, check pilferage and theft of electricity and ensure timely billing and improve efficiency of revenue collection, the revenue gap can be easily bridged and there would be no need for hike in the electricity tariff for the all categories except Industrial & Commercial categories.
- The Committee observed that the EPDS should not unnecessarily tax the consumers with increased tariffs in order to plug in the revenue gap attributable to high T&D loss, pilferage and low revenue collection efficiency of the EPDS. The Committee stressed on the need to bring down the T&D loss to the national average and also the need for a well-planned strategy to achieve the loss reduction target.
- The Members suggested that the EPDS should carry out door to door survey of the consumers to verify for any illegal/unmetered connections in order to check pilferage and theft of electricity.
- The Members observed that many private Companies like Pharmaceutical Industries have set up their industrial units in the State and these units consume considerable amount of electricity. These units need continuous and reliable power supply and it is more economical for them to use electricity than to use their own Diesel

Generators. As such the EPDS must make efforts to provide uninterrupted and qualitative power to such industrial units.

- The SAC Members suggested that the Commission should consider revision in tariff keeping in view the interest of both the consumers and the EPDS. The Committee opined that the Tariff of consumers having consumption up to 200 units per month should be kept minimum so as to encourage consumers to consume less power and the energy thus saved can be sold at higher rates outside the State.
- The Committee Members lay stress on the need for imparting proper training to the lineman and electricians by the EPDS to avoid accidental deaths. The Committee advised that the Commission should direct the EPDS to carry out proper fencing of all the sub-stations and distribution transformers to ensure safety of man and animals.
- The Members suggested that the EPDS must improve the quality and standard of its service at par with the Discoms in other parts of the Country.
- The need for timely restructuring/un-bundling of the EPDS was also emphasized by the SAC and the Members felt that segregation of the Generation, Transmission and Distribution as separate utilities will go a long way in improving the overall efficiency and service quality of the EPDS. The Members felt that fixing of accountability and improving the efficiency will not happen unless the restructuring is done.
- The Committee suggested that the EPDS must give wide publicity and carry out awareness campaigns to educate the people on the functioning and roles of the Commission, the Consumer Grievance Redressal Forums, Electricity Ombudsman and the Complaint Cell of the EPDS so as to enable the public to place their grievances.
- The Members also deliberated upon the emphasis given by the Government of India on Renewable / Green Energy and suggested that the EPDS must try and set up renewable power generation stations in the State especially Solar Power. The Members cited the examples of countries like Germany, UK, Canada, Norway etc.

where huge developments have taken place in the renewable energy sector. The Members opined that the cost of renewable energy especially solar energy is coming down due to rapid improvement in technology and as such the EPDS must explore the possibility of setting up of such Renewable Power Projects to improve its own generation.

- The Members appreciated the fact that the power sales figures have gone up and the fact that the T&D Loss is slowly but steadily coming down. The Members also appreciated the sincere and continuous efforts being made by the EPDS to improve the overall power scenario in the State. The Members suggested that many private power projects are coming up in the State and as such the EPDS should consider deputing its engineers to such power projects to gain knowledge and expertise to enable them to handle the projects when such projects are reverted to the State in the future.
- The Members endorsed the fact that the Energy & Power Department, being a Government Department has its own difficulties unlike other Discoms as regards to take prompt financial and executive decisions which are required for efficient functioning nevertheless the Members felt that the EPDS can't keep itself aloof from daily advancements taking place in the power sector and IT and should work hard to bring itself at par with other Licensees in the country.

2. SUMMARY OF AGGREGATE REVENUE REQUIREMENT FOR FY 2016-17

2.1 Aggregate Revenue Requirement (ARR)

The Petitioner has submitted the Aggregate Revenue Requirement for the FY 2016-17 for meeting its expenses and estimated the revenue with the existing tariff. The projected ARR and Revenue gap are shown in Table below:

Table 2.1: Aggregate Revenue Requirement Projected by EPDS for FY 2016-17

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

2.2 Tariff – Existing vs. Proposed

In its Petition, EPDS has submitted the proposed Tariffs for the FY 2016-17, as detailed in Table below:

Table 2.2: Existing Tariffs v/s Proposed Tariffs for FY 2016-17

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

2.3 Prayers of EPDS

The EPDS has in its Petition prayed for the following:

- To consider and approve the Provisional True-up of expenses for the FY 2014-15.
- To Review the estimates for the FY 2015-16.
- To admit the Petition and approve the ARR and Tariffs for the FY 2016-17.
- To approve category-wise tariff, including fixed/demand charges submitted by EPDS to meet revenue requirement for the FY 2016-17.
- To approve the suggestions regarding the tariff philosophy.
- Pass such orders as the Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

3. POWER SCENERIO IN SIKKIM – A GLANCE

3.1 Introduction

Sikkim with an area of 7,096 SqKm. and a population of around 6,10,577 as per 2011 census is one of the smallest States in the Country not only in terms of its geographical size but also in terms of its population. Sikkim is also one of the younger States in the country having joined the Indian mainstream in 1973. Sikkim is toady recognized worldwide and known to all as one of the greenest and cleanest State. The State is among the top tourist destinations in the country and every year lakhs of tourist visit this small erstwhile Himalayan Kingdom to enjoy it pristine natural beauty. More than 50% of its total geographical area is covered under forest area making it one of the hot spots of biodiversity. The State is endowed with rich flora and fauna. There are pristine lakes, glaciers, peaks, streams and rivers making the State a favourite destination for nature lovers.

Though Sikkim has limited area available for agriculture, the State has made its mark in the field of Organic Farming. Use of all kinds of chemical fertilizers, insecticides and pesticides is banned in the State. Sikkim has become the pioneer of Organic farming in the country and has the distinction of being declared the first Organic State in the Country. The major source of revenue for the State is Eco-Tourism, Hydropower and Organic Farming apart from horticulture and floriculture.

The State with its small population and with no heavy industries, the requirement of power is also very little. The only major industrial units in the State are the pharmaceutical units, breweries, and distilleries. There are numerous small scale industries and hotels as well. Therefore, Sikkim is very comfortable placed so far as its power demand and supply is concerned. Major portion of the consumers as such fall under the Domestic category.

The EPDS is the only utility entrusted with the responsibility of transmission and distribution of electricity in the State of Sikkim. The EPDS is a deemed licensee under the provisions of Electricity Act, 2003, in the State of Sikkim.

The EPDS also own and operates a number of small hydropower projects and diesel generating stations. The EPDS also has a number of micro hydropower projects under execution. Thus the EPDS is also a power generator. Apart from the EPDS, the Sikkim Power Development Corporation Limited (SPDCL), A Government of Sikkim Enterprise also is engaged in the development of small hydropower projects in the State. The SPDCL presently owns and operates 3 (three) small hydropower projects with an installed capacity of 10 MWs.

3.2 Development of Hydro Power Projects in Sikkim

As per the assessment done by the Central Water Commission, the total hydropower potential of the State is estimated to be around 8000 MWs. The State Government with the intention of generating revenue took the decisions to harness the hydropower potential of the State and has taken up implementation of the projects on Private Public Partnership (PPP) mode. The projects are at different stages of development. Some of the projects have already been commissioned, some are at advance stage of construction and others are at survey and investigation stage. As on date, the following projects have been commissioned:

| Sl. No. | Name of the Project | Capacity (In MWs) | Owner/developer |
|---------|------------------------|-------------------|-------------------------------|
| 1 | Teesta Stage - V HEP | 510 | NHPC Limited |
| 2 | Rangit Stage - III HEP | 66 | NHPC Limited |
| 3 | Chuzachen HEP | 99 | Gati Infrastructure Pvt. Ltd. |
| 4 | Jorethang Loop HEP | 96 | DANS Energy Pvt. Ltd. |

The progress of the project construction has been delayed in most cases due to financial crunch and overall slowdown of pace in the hydro power sector. The construction works of the following projects are under way and the projects are expected to be commissioned soon:

| Sl. No. | Name of the Project | Capacity (In MWs) | Owner/developer |
|---------|------------------------|-------------------|--|
| 1 | Teesta Stage – III HEP | 1200 | Teesta Urja Ltd. |
| 2 | Dikchu HEP | 96 | Sneha Kinetic Power Projects Pvt. Ltd. |
| 3 | Rangit- IV HEP | 120 | Jal Power Corporation Ltd. |
| 4 | Rongnichu HEP | 96 | Madhya Bharat Power Corpn. Ltd. |
| 5 | Rangit-II HEP | 66 | Sikkim Hydropower Ventures Pvt. Ltd. |
| 6 | Tashiding HEP | 97 | Shiga Energy Pvt. Ltd. |

The State of Sikkim will receive free power from the various hydropower projects @12% after their commissioning for the first 15 years of their operation and from the 16th year onwards @ 15% for the entire duration of the agreement period, which is 35 years. The State will get a substantial quantum of free power once all the projects are commissioned.

3.3 Transmission and Distribution Network in the State

As the deemed licensee for Distribution and Transmission of electricity within the State, the EPDS owns and operates the transmission and distribution network within the State. The details of the Transmission and Distribution network owned and being operated by the EPDS as on 31st March, 2014 are as given below:

I. Sub-Station

| Sl. No. | Description | No. |
|---------|-------------|-----|
| 1 | 132/66 KV | 2 |
| 2 | 66/11 KV | 19 |

II. EHT Lines , HT Lines and LT Lines

| Sl. No. | Description | Length |
|--------------------------|-------------------|----------------------|
| EHT Lines | | |
| 1 | 132 KV | 14.80 Ckt.Km |
| HT Lines | | |
| 2 | 66 KV D.C. | 43.80 Ckt.Km |
| 3 | 66 KV S.C. | 184.50 Ckt.Km |
| Total 66 KV Lines | | 227.30 Ckt.Km |
| 4 | 11 KV / 3 Phase | 242.62 Km |
| 5 | 11 KV / 2 Phase | 44.55 Km |
| Total 11 KV Lines | | 287.17 Km |
| LT Lines | | |
| 6 | LT / 3 Phase | 1301.52 Km |
| 7 | LT / Single Phase | 3581.37 Km |
| Total LT Lines | | 4882.89 Km |

III. Power Transformers

| Sl. No. | Description | Quantity (No.) | Total Capacity (In MVA) |
|----------|---------------|----------------|-------------------------|
| 1 | 20 MVA | 1 | 20.00 |
| 2 | 15 MVA | 1 | 15.00 |
| 3 | 10 MVA | 3 | 30.00 |
| 4 | 7.5 / 7.0 MVA | 6 | 44.50 |
| 5 | 5 MVA | 15 | 75.00 |
| 6 | 2.5 MVA | 16 | 40.00 |
| 7 | Total | 42 | 224.50 |

IV. Distribution Transformers

| Sl. No. | Capacity (In KVA) | Quantity (No.) | Total Capacity (In MVA) |
|-----------|-------------------|----------------|-------------------------|
| 1 | 1600 | 0 | - |
| 2 | 1500 | 2 | 3,000.00 |
| 3 | 1000 | 2 | 2,000.00 |
| 4 | 750 | 10 | 7,500.00 |
| 5 | 650 | 2 | 1,300.00 |
| 6 | 630 | 0 | - |
| 7 | 615 | 1 | 615.00 |
| 8 | 500 | 58 | 29,000.00 |
| 9 | 450 | 1 | 450.00 |
| 10 | 400 | 1 | 400.00 |
| 11 | 375 | 0 | - |
| 12 | 300 | 67 | 20,100.00 |
| 13 | 250 | 20 | 5,000.00 |
| 14 | 200 | 58 | 11,600.00 |
| 15 | 160 | 6 | 960.00 |
| 16 | 150 | 30 | 4,500.00 |
| 17 | 125 | 1 | 125.00 |
| 18 | 100 | 155 | 15,500.00 |
| 19 | 63 | 359 | 22,617.00 |
| 20 | 50 | 10 | 500.00 |
| 21 | 25 | 743 | 18,575.00 |
| 22 | 10 | 442 | 4,420.00 |
| 23 | Total | 1968 | 1,48,162.00 |

3.4 Consumer Profile and Energy Sales

The total number of registered consumers in the State as on 31st March, 2015 was 1,00,276 with annual consumption of about 248.75 MUs. The Energy Sales outside the State for the FY 2014-15 was 463.29 MUs. The category-wise number of consumers and energy sales during 2014-15 are given in Table 3.1 below:

Table 3.1: Consumer profile and Energy Sales during FY 2014-15

| Sl. No. | Consumer Category | No. of Consumer | | Energy Sales | |
|----------|-------------------------|-----------------|----------------|---------------|----------------|
| | | (Nos.) | (%) | (MUs) | (%) |
| 1 | Domestic | 87681 | 87.44% | 78.93 | 31.73% |
| 2 | Commercial | 10449 | 10.42% | 35.33 | 14.20% |
| 3 | Public Lighting | 33 | 0.03% | 0.29 | 0.12% |
| 4 | Temporary Supply | - | - | 1.36 | 0.55% |
| 5 | HT Industrial Consumers | 388 | 0.39% | 110.49 | 44.42% |
| 6 | LT Industrial Consumers | 456 | 0.45% | 1.37 | 0.55% |
| 7 | Bulk Supply | 1269 | 1.27% | 20.98 | 8.43% |
| 8 | Total | 100276 | 100.00% | 248.75 | 100.00% |

3.5 Transmission and Distribution (T & D) Losses

The total Transmission and Distribution (T&D) losses approved by the Commission are given in Chapter 5 for the FY 2014-15 are 135.96 MUs and percentage loss is 35.34%. The details of T&D losses for the FY 2014-15 are as given in Table below:

Table 3.2: T&D Loss calculation approved by the Commission for FY 2014-15

| Sl. No. | Particulars | Unit | FY 2014-15 |
|-----------|--|----------|--------------|
| 1 | Own generation | MUs | 6.80 |
| 2 | Energy purchased from NTPC | MUs | 365.95 |
| 3 | Energy purchased from WBSEDCL | MUs | 51.20 |
| 4 | Energy purchased from NHPC | MUs | 35.72 |
| 5 | Energy purchased (2+3+4) | MUs | 452.87 |
| 6 | Pool loss | % | 2.27 |
| 7 | Pool loss | MUs | 10.28 |
| 8 | Net energy available (5-7) | MUs | 442.59 |
| 9 | Energy purchased from PTC | MUs | 42.36 |
| 10 | Energy purchased from SPDC | MUs | 17.03 |
| 11 | UI purchased | MUs | 1.57 |
| 12 | Free energy | MUs | 337.65 |
| 13 | Total energy available at state periphery (1+8+9+10+11+12) | MUs | 848.00 |
| 14 | Outside state sale through UI / Trading | MUs | 463.29 |
| 15 | Net energy available for sale within the state (13-14) | MUs | 384.71 |
| 16 | Energy sales within the state | MUs | 248.75 |
| 17 | T & D loss (15-16) | MUs | 135.96 |
| 18 | T & D loss | % | 35.34 |

The Technical and commercial Losses of the system have not been segregated.

3.6 Demand and Supply Position

The allocation from various Central Generating Stations (CGS), Chukka (PTC) and share in Ramam HEP in West Bengal is about 159.31 MWs, as detailed in Table below:

Table 3.3: Power Allocation from CGS and other sources

| Sl. No. | Source | Capacity (In MWs) | Allocation | |
|-----------|-----------------------|-------------------|------------|---------------|
| | | | (In %) | (In MWs) |
| | Central Sector | | | |
| 1 | FSTPP, NTPC | 1,600.00 | 1.63% | 26.08 |
| 2 | KHSTPP-I, NTPC | 840.00 | 1.55% | 13.02 |
| 3 | KHSTPP-II, NTPC | 1,500.00 | 0.33% | 4.95 |
| 4 | BSTPP, NTPC | 660.00 | 1.52% | 10.03 |
| 5 | TSTPP, NTPC | 1,000.00 | 2.40% | 24.00 |
| 6 | RANGIT-III, NHPC | 60.00 | 13.33% | 8.00 |
| 7 | TEESTA – V, NHPC | 510.00 | 13.19% | 67.27 |
| | Others | | | |
| 8 | CHUKHA, PTC | 270.00 | 2.22% | 5.99 |
| 9 | WBSEDCL | 50.00 | 20.00% | 10.00 |
| 10 | TOTAL | 6,490.00 | | 159.31 |

3.7 Power Supply

(a) Own Generation

EPDS has owns twelve (12) hydroelectric power stations, with a total installed capacity of 36.60 MWs and two (2) diesel generation stations, with a total installed capacity of 4.99 MWs. The details of the generation stations owned by the EPDS and their present status are as detailed in Table below:

Table 3.4: EPDS own installed capacity

| Sl. No. | Name of Projects | Installed Capacity (In MWs) | Remarks |
|---------|--------------------------------------|-----------------------------|--|
| | Hydro | | |
| 1 | Lower Lhagap Hydel Power (LLHP) | 2 x 6.00 | Machine shut down for renovation of water conductor system |
| 2 | Jali Power House (JPH) | 6 x 0.35 | Operational |
| 3 | Rimbi-I | 3 x 0.20 | Operational |
| 4 | Rimbi-II | 2 x 0.50 | Operational |
| 5 | Rothak | 2 x 0.10 | Powerhouse Abandoned |
| 6 | Rongnichu | 5 x 0.50 | No Generation due to failure of water conductor system |
| 7 | Chaten | 2 x 0.50 | Powerhouse Abandoned |
| 8 | Meyongchu | 2 x 2.00 | Operational |
| 9 | Upper Rongnichu Hydel Project (URHP) | 4 x 2.00 | No Generation due to failure of water conductor system |
| 10 | Kalez | 2 x 1.00 | Operational |
| 11 | Lachung | 2 x 0.10 | Powerhouse Abandoned |
| 12 | Rabomchu | 2 x 1.50 | Operational |
| | Diesel | | |
| 13 | Diesel Power House Gangtok | 4 x 1.00 | Operational |
| 14 | DPH LLHP, Ranipool | 4 x 0.248 | power house S/D due to 18th September earthquake |
| | Total | 41.59 | |

The EPDS thus meets a portion of its energy requirement from its own generation. The rest of its energy requirements are met from its allocation from the Central Generating Stations (CGS) and other sources. In addition to the allocation of power from CGS and other sources, the EPDS also procures energy from the Sikkim Power Development Corporation (hereinafter referred to as SPDC).

SPDC owns three hydro stations, with an installed capacity of 10 MWs, and the small quantum of power generated from these stations is supplied to EPDS.

(b) Power purchase

The EPDS purchases power from various Central Generating Stations and other sources for meeting its energy requirements. The different sources of power and quantum of power purchased during the FY 2014-15 and the average unit cost of energy purchased is given in Table below:

Table 3.5: Power Purchase from CGS and other sources during FY 2014-15

| Sl. No. | Stations | Power Purchased (In MUs) | Cost of Power (₹ in Crores) | Average Cost (₹ / Kwh) |
|----------|------------------------------|--------------------------|-----------------------------|------------------------|
| 1 | NTPC | | | |
| | a) FSTPP | 114.16 | 50.96 | 4.46 |
| | b) KHSTPP-I | 62.60 | 24.42 | 3.90 |
| | c) KHSTPP-II | 20.81 | 9.14 | 4.39 |
| | d) BSTPP | 10.67 | 8.66 | 8.12 |
| | e) TSTPP | 157.71 | 38.51 | 2.44 |
| 2 | NHPC | | | |
| | a) RANGIT-III | 3.07 | 1.27 | 4.14 |
| | b) TEESTA-V | 32.65 | 8.47 | 2.59 |
| 3 | Other Sources | | | |
| | a) PTC | 42.36 | 6.56 | 1.55 |
| | b) WBSEDCL | 51.20 | 6.55 | 1.28 |
| | c) SPDC | 17.03 | 6.18 | 3.63 |
| 4 | UI Purchase | 1.57 | 1.31 | 8.34 |
| 5 | Free Power | 337.65 | | |
| 6 | Transmission & Other Charges | | 0.72 | |
| 7 | Rebate / Other Charges | | -0.77 | |
| 8 | Total | 851.48 | 161.99 | |

3.8 Energy Balance

The supply and demand scenario during the FY 2014-15 approved by the Commission are given in Chapter 5, is given in Table below:

Table 3.6: Energy Balance of EPDS for FY 2014-15

| Sl. No. | Particulars | Unit | FY 2014-15 |
|----------|---|------------|-------------|
| A | ENERGY REQUIREMENT | | |
| 1 | Energy sales within the state | MUs | 248.75 |
| 2 | Outside state sale through UI / Trading | MUs | 463.29 |
| 3 | Total energy sales (1+2) | MUs | 712.04 |
| 4 | Overall T & D losses | % | 35.34 |
| 5 | Overall T & D losses | MUs | 135.96 |
| 6 | Total energy requirement (3+5) | MUs | 848.00 |
| | | | |
| B | ENERGY AVAILABILITY | | |
| 1 | Own generation | MUs | 6.80 |
| 2 | Power purchased from CGS/UI etc. | MUs | 513.83 |
| 3 | Free Power | MUs | 337.65 |
| 4 | Overall pool loss | % | 2.27 |
| 5 | Overall pool loss | MUs | 10.28 |
| 6 | Total energy availability (1+2+3-5) | MUs | 848.00 |
| | | | |
| C | ENERGY SURPLUS/(GAP) | MUs | 0.00 |

4. BRIEF SUMMARY OF OBJECTIONS RAISED, RESPONSE OF EPDS AND COMMENTS OF THE COMMISSION

This Chapter deals with the suggestions, queries, objections and views received from the consumers, stake holders and general public on the Aggregate Revenue Requirement and Tariff Petition filed by the EPDS for the FY 2016-17 and the responses of the EPDS (Licensee) to the objections and queries and the comments/observations of the Commission on the objections/queries and the replies/responses of the Licensee.

As required by the Section 64 (2) of the Electricity Act, 2003 and Clause 19 (1) of the Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2012, a Public Notice was issued by the EPDS on 9th February, 2016 and 1st March, 2016 soliciting views, comments, objections and suggestions from the consumers, general public and stake holders on the proposed Aggregate Revenue Requirement/Tariff Petition for the FY 2016-17 filed by the EPDS before the Commission on or before 14th March, 2016. The Public Notice was published in two local papers for the information of the consumers and general public. The Commission thereafter issued a Public Notice on 17th March, 2016 informing the consumers and general public to participate in the Public Hearing to be held on 8th April, 2016 and give their views, objections and suggestions before the Commission.

Even though wide publicity was given appealing the public to give their views and suggestions, not even a single written objection or view/suggestion was received from the public. Similarly, in spite of the Public Notice issued by the Commission there was hardly any participation from the public in the Public Hearing conducted by the Commission on 8th April, 2016 except for one single consumer who participated in the Public Hearing and sought clarification from the EPDS on the monthly electricity bill received by her.

The details of the sole participant, her queries to the EPDS, the response/clarification given by the EPDS and the comments/observations of the Commission is given below:

| Name of the Participant | Address |
|--|---|
| Mrs. Bipula Sharma, Deputy Director, Chintan Bhavan | Development Area, Gangtok, East Sikkim. |

Query/Clarification sought by Mrs. Bipula Sharma:

Though there is a notified energy charge (per unit charge) for the power supply given to the Chintan Bhavan, there is a significant variation in the monthly bill of the electricity. During some months in spite of having hardly any electricity consumption, there is no reduction in the billed amount received from the EPDS.

Response/Reply of the EPDS:

The electricity supply connection provided falls under “Bulk Supply” consumer category and for this category of consumer, there is a “monthly minimum charge” on the contracted demand, which the consumer is bound to pay based on load sanctioned by the EPDS. If the monthly energy consumption is equal to or more than the contracted/sanctioned load, the consumer has to pay for the energy consumed as per the notified energy but if the consumption is below the contracted/sanctioned load, the consumer has to pay the minimum monthly charge and not the energy charge based on consumption.

Comments and Observations of the Commission:

The EPDS has satisfactorily furnished the clarification to the satisfaction of the consumer and the Commission feels that the EPDS need to educate the consumers on such matters to alleviate the doubts of the consumers.

List of Participants in the Public Hearing Held on 8th April, 2016 at Gangtok, East Sikkim

| Sl. No. | Name | Designation | Department/Agency |
|----------------|------------------------|------------------------------------|---|
| 1 | Mr. N. R. Bhattarai | Chairperson | SSERC |
| 2 | Mr. S. D. Dhakal | Secretary | SSERC |
| 3 | Mr. K. B. Kunwar | Principal Chief Engineer | Energy & Power Department |
| 4 | Mr. A. B. Rai | Chief Engineer (North) | Energy & Power Department |
| 5 | Mr. Karun K. Pradhan | Chief Engineer | Energy & Power Department |
| 6 | Mr. D. K. Pradhan | Chief Engineer | Energy & Power Department |
| 7 | Mr. Binod Sharma | Chief Accounts Officer | Energy & Power Department |
| 8 | Mr. P. M. Sharma | Additional Chief Engineer | Energy & Power Department |
| 9 | Mr. T. T. Lepcha | Additional Chief Engineer | Energy & Power Department |
| 10 | Mr. Palchen D. Chaktha | Director (Tariff & Technical) | SSERC |
| 11 | Mr. K. K. Gajmer | Additional Chief Engineer | Energy & Power Department |
| 12 | Mrs. Bipula Sharma | Deputy Director, Chintan Bhavan | Home Department, Government of Sikkim. |

5. PROVISIONAL TRUE UP FOR THE FY 2014-15

5.1 Preamble

The Commission had approved the ARR and Tariffs for the FY 2014-15 vide its Order dated 15.04.2014, based on the projected data submitted by the EPDS. Now, the EPDS has submitted proposals for provisional True up for the FY 2014-15, duly furnishing the actuals for the FY 2014-15, stating that these are as per the provisional accounts prepared by them.

“Regulation 14(1) & (2) of the SSERC (Terms and Conditions for Determination of Tariff) Regulations 2012, contains the following provisions:

- (a) The Commission shall undertake a Review of the expenses and revenues approved by the Commission in the Tariff Order. While doing so, the Commission shall consider the variation between approvals and revised estimates/pre actuals of sale of electricity, income and expenditure for the relevant year and permit necessary adjustments/changes in case such variations are for adequate and justifiable reasons. Such an exercise shall be called a ‘Review’.
- (b) After the audited accounts of a year are made available, the Commission shall undertake a similar exercise as above with reference to the final actual figures as per the audited accounts. This exercise, with reference to the audited accounts, shall be called ‘Truing up’. The Truing up for any year will ordinarily not be considered after more than one year after ‘Review’.”

The EPDS has not submitted the audited accounts for the FY 2014-15. Therefore, true up cannot be done. EPDS has stated that though the accounts are not audited, the data furnished for the FY 2014-15 are the actuals and Provisional True up may be done with regard to the actuals. This is discussed in the succeeding paragraphs.

5.2 Energy Demand (Sales)

The energy sales approved by the Commission, vide its Tariff Order for the FY 2014-15, the actual sales given by EPDS, as per provisional accounts in ARR & Tariff Petition for the FY 2016-17 and now approved by the Commission, are summarised in Table below:

Table 5.1: Energy Sales approved by Commission for FY 2014-15

(In MUs)

| Sl. No. | Category | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|----------|------------------|--|-------------------------------------|--------------------------------|
| 1 | Domestic | 84.00 | 78.93 | 78.93 |
| 2 | Commercial | 46.00 | 35.33 | 35.33 |
| 3 | Public Lighting | 1.00 | 0.29 | 0.29 |
| 4 | Temporary Supply | 1.00 | 1.36 | 1.36 |
| 5 | HT Industrial | 111.00 | 110.49 | 110.49 |
| 6 | LT Industrial | 2.00 | 1.37 | 1.37 |
| 7 | Bulk Supply | 19.00 | 20.98 | 20.98 |
| 8 | Total | 264.00 | 248.75 | 248.75 |

The Commission now approves energy sales for the FY 2014-15 at 248.75 MUs, as per the actuals furnished by EPDS.

5.3 Transmission & Distribution Losses (T&D Losses)

The Commission in its Order for the FY 2014-15, had fixed the target of T&D Losses at 36% for the FY 2014-15. The EPDS in its ARR & Tariff Petition for the FY 2016-17, has stated that the actual T&D losses during the FY 2014-15 is 36.01% as per provisional accounts.

Commission's Analysis:

As per the weekly loss scheduling of ERLDC from 31.03.2014 to 29.03.2015, the average pool loss during the above period was 2.27%. As such, the inter-state transmission loss (pool loss) for the FY 2014-15 has been considered at 2.27% and T&D Loss, when recalculated, is as shown in Table below:

Table 5.2: T&D Loss calculation approved by the Commission for FY 2014-15

| Sl. No. | Particulars | Unit | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|--|----------|--|-------------------------------------|--------------------------------|
| 1 | Own generation | MUs | 10.05 | 6.80 | 6.80 |
| 2 | Energy purchased from NTPC | MUs | 388.86 | 365.95 | 365.95 |
| 3 | Energy purchased from WBSEDCL | MUs | 47.11 | 51.20 | 51.20 |
| 4 | Energy purchased from NHPC | MUs | 30.61 | 35.72 | 35.72 |
| 5 | Energy purchased (2+3+4) | MUs | 466.58 | 452.87 | 452.87 |
| 6 | Pool loss | % | 2.30 | 1.26 | 2.27 |
| 7 | Pool loss | MUs | 18.63 | 6.24 | 10.28 |
| 8 | Net energy available (5-7) | MUs | 447.95 | 446.63 | 442.59 |
| 9 | Energy purchased from PTC | MUs | 34.71 | 42.36 | 42.36 |
| 10 | Energy purchased from SPDC | MUs | 4.41 | 17.03 | 17.03 |
| 11 | UI purchased | MUs | 0.00 | 1.57 | 1.57 |
| 12 | Free energy | MUs | 304.11 | 337.65 | 337.65 |
| 13 | Total energy available at state periphery (1+8+9+10+11+12) | MUs | 801.23 | 852.04 | 848.00 |
| 14 | Outside state sale through UI / Trading | MUs | 388.73 | 463.29 | 463.29 |
| 15 | Net energy available for sale within the state (13-14) | MUs | 412.50 | 388.75 | 384.71 |
| 16 | Energy sales within the state | MUs | 264.00 | 248.75 | 248.75 |
| 17 | T & D loss (15-16) | MUs | 148.50 | 140.00 | 135.96 |
| 18 | T & D loss | % | 36.00 | 36.01 | 35.34 |

The Commission now approves T&D Loss at 35.34% for the FY 2014-15.

5.4 Own Generation

The Commission in its Tariff Order for the FY 2014-15 had approved Own Generation for the EPDS at 10.05 MUs. Now, the EPDS has furnished actual own generation was 6.80 MUs during the FY 2014-15, as detailed in Table below.

Table 5.3: Own Generation approved by the Commission during FY 2014-15

(In MUs)

| Sl. No. | Stations | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|------------------|--|-------------------------------------|--------------------------------|
| 1 | Total Generation | 10.05 | 6.80 | 6.80 |
| 2 | Total | 10.05 | 6.80 | 6.80 |

The Commission now approves Own Generation of EPDS during the FY 2014-15 at 6.80 MUs, as per actuals furnished by EPDS.

5.5 Power Purchase

The Commission in its Tariff Order dated 15.04.2014 had approved the power purchase quantity of 809.81 MUs. Now, the EPDS has furnished actuals for the FY 2014-15 at 851.48 MUs including UI Purchase of 1.57 MUs and free power of 337.65 MUs in ARR and Tariff Petition for the FY 2016-17, as detailed in Table below:

Table 5.4: Power Purchase approved by the Commission during FY 2014-15

(In MUs)

| Sl. No. | Stations | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|---------------|--|-------------------------------------|--------------------------------|
| 1 | NTPC | | | |
| | a) FSTPP | 122.32 | 114.16 | 114.16 |
| | b) KHSTPP-I | 75.22 | 62.60 | 62.60 |
| | c) KHSTPP-II | 30.41 | 20.81 | 20.81 |
| | d) BSTPP | 0.00 | 10.67 | 10.67 |
| | e) TSTPP | 160.91 | 157.71 | 157.71 |
| 2 | NHPC | | | |
| | a) RANGIT-III | 4.23 | 3.07 | 3.07 |
| | b) TEESTA-V | 26.38 | 32.65 | 32.65 |
| 3 | Other Sources | | | |
| | a) PTC | 34.71 | 42.36 | 42.36 |
| | b) WBSEDCL | 47.11 | 51.20 | 51.20 |
| | c) SPDC | 4.41 | 17.03 | 17.03 |
| 4 | UI Purchase | 0.00 | 1.57 | 1.57 |
| 5 | Free Power | 304.11 | 337.65 | 337.65 |
| 6 | Total | 809.81 | 851.48 | 851.48 |

The Commission now approves power purchase of 851.48 MUs, including UI purchase of 1.57 MUs and free power of 337.65 MUs during the FY 2014-15, as per the actuals furnished by EPDS.

5.6 Energy Balance

The details of energy requirement and availability approved by the Commission in its Tariff Order dated 15.04.2014 for the FY 2014-15 and the actuals furnished by the EPDS, and now approved by the Commission, are presented in Table below:

Table 5.5: Energy Balance approved by the Commission for FY 2014-15

| Sl. No. | Particulars | Unit | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|----------|---|------------|--|-------------------------------------|--------------------------------|
| A | ENERGY REQUIREMENT | | | | |
| 1 | Energy sales within the state | MUs | 264.00 | 248.75 | 248.75 |
| 2 | Outside state sale through UI / Trading | MUs | 388.73 | 463.29 | 463.29 |
| 3 | Total energy sales (1+2) | MUs | 652.73 | 712.04 | 712.04 |
| 4 | Overall T & D losses | % | 36.00 | 36.01 | 35.34 |
| 5 | Overall T & D losses | MUs | 148.50 | 140.00 | 135.96 |
| 6 | Total energy requirement (3+5) | MUs | 801.23 | 852.04 | 848.00 |
| B | ENERGY AVAILABILITY | | | | |
| 1 | Own generation | MUs | 10.05 | 6.80 | 6.80 |
| 2 | Power purchased from CGS/UI etc. | MUs | 505.70 | 513.83 | 513.83 |
| 3 | Free Power | MUs | 304.11 | 337.65 | 337.65 |
| 4 | Overall pool loss | % | 2.30 | 1.26 | 2.27 |
| 5 | Overall pool loss | MUs | 18.63 | 6.24 | 10.28 |
| 6 | Total energy availability (1+2+3-5) | MUs | 801.23 | 852.04 | 848.00 |
| C | ENERGY SURPLUS/(GAP) | MUs | 0.00 | 0.00 | 0.00 |

5.7 Fuel Cost

EPDS is having 12 hydro generating stations, with a total installed capacity of 36.60 MWs and 2 diesel-generating stations, with a total installed capacity of 4.99 MWs. The fuel cost approved by the Commission in its Tariff Order dated 15.04.2014, actuals furnished by EPDS and the cost now approved by the Commission are given in Table below:

Table 5.6: Fuel Cost approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|--------------|--|-------------------------------------|--------------------------------|
| 1 | Cost of fuel | 0.34 | 0.17 | 0.17 |
| 2 | Total | 0.34 | 0.17 | 0.17 |

The Commission now approves the fuel cost of ₹ 0.17 Crores for the FY 2014-15, as per actuals furnished by EPDS.

5.8 Power Purchase Cost

The Power Purchase Cost approved by the Commission in the Tariff Order for the FY 2014-15, actuals furnished by EPDS and the cost now approved by the Commission are given in Table below:

Table 5.7: Power Purchase Cost approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|---------------------|--|-------------------------------------|--------------------------------|
| 1 | Power Purchase Cost | 173.70 | 161.99 | 161.99 |
| 2 | Total | 173.70 | 161.99 | 161.99 |

The Commission now approves power purchase cost of ₹ 161.99 Crores for the FY 2014-15, as per actuals furnished by EPDS.

5.9 Employee Cost

The Commission vide its Order dated 15.04.2014, had approved employee cost at ₹ 47.89 Crores for the FY 2014-15. The EPDS has furnished actuals at ₹ 74.98 Crores for the FY 2014-15 and the cost now approved by the Commission are given in Table below:

Table 5.8: Employee Cost approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|---------------|--|-------------------------------------|--------------------------------|
| 1 | Employee Cost | 47.89 | 74.98 | 74.98 |
| 2 | Total | 47.89 | 74.98 | 74.98 |

The Commission, accordingly, now approves ₹ 74.98 Crores towards employee cost for the FY 2014-15, as per actuals furnished by EPDS.

5.10 Repairs and Maintenance Expenses

The Commission vide its Order dated 15.04.2014 had approved Repair & Maintenance Expenses of ₹ 34.98 Crores for the FY 2014-15. The EPDS has furnished actual Repair & Maintenance Expenses at ₹ 24.66 Crores for the FY 2014-15 and the cost now approved by the Commission are given in Table below:

Table 5.9: Repair & Maintenance Expenses approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|-------------------------------|--|-------------------------------------|--------------------------------|
| 1 | Repair & Maintenance Expenses | 34.98 | 24.66 | 24.66 |
| 2 | Total | 34.98 | 24.66 | 24.66 |

The Commission, accordingly, now approves ₹ 24.66 Crores towards Repair & Maintenance Expenses for the FY 2014-15, as per actuals furnished by EPDS.

5.11 Administrative and General Expenses

The Commission vide its Order dated 15.04.2014 had approved ₹ 3.10 Crores towards Administrative and General Expenses for the FY 2014-15. The EPDS has furnished actuals at ₹ 2.12 Crores for the FY 2014-15 and the cost now approved by the Commission are given in Table below:

Table 5.10: A & G Expenses approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|-----------------------------------|--|-------------------------------------|--------------------------------|
| 1 | Administrative & General Expenses | 3.10 | 2.12 | 2.12 |
| 2 | Total | 3.10 | 2.12 | 2.12 |

The Commission now approves ₹ 2.12 Crores towards Administrative & General Expenses for the FY 2014-15, as per actuals furnished by EPDS.

5.12 Capital Investment and Capitalisation during the FY 2014-15

Capital investment and capitalisation during the FY 2014-15 approved by the Commission, vide its Order dated 15.04.2014 and actuals furnished by EPDS and now approved by the Commission are furnished in Table below:

Table 5.11: Capital Investment and Capitalisation approved for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|--------------------------------------|--|-------------------------------------|--------------------------------|
| 1 | Opening balance of CWIP | | 65.73 | 65.73 |
| 2 | Capital Investment during the year | 138.98 | 32.66 | 32.66 |
| 3 | Total (1+2) | | 98.39 | 98.39 |
| 4 | Capitalisation during the year | 125.28 | 68.59 | 68.59 |
| 5 | Closing balance of CWIP (3-4) | | 29.80 | 29.80 |

The Commission now approves the capital investment of ₹ 32.66 Crores and capitalisation of ₹ 68.59 Crores during the FY 2014-15, as per actuals furnished by EPDS.

5.13 Gross Fixed Assets

The Commission in its Tariff Order dated 15.04.2014 had approved the value of gross fixed assets at ₹ 838.68 Crores at the end of the FY 2014-15. The EPDS in its ARR and Tariff Petition for the FY 2016-17, EPDS has stated that the values of gross fixed assets are taken from the Asset Registers, as detailed in Table below:

Table 5.12: Gross Fixed Assets during FY 2014-15

| (₹ in Crores) | | |
|---------------|--------------------------------------|---------------|
| Sl. No. | Particulars | Amount |
| 1 | Opening balance | 857.29 |
| 2 | Additions during the year | 68.59 |
| 3 | Closing balance of CWIP (1+2) | 925.88 |

Commission's Analysis:

In the absence of audited annual accounts, the information furnished by EPDS cannot be taken as authentic. As such, depreciation cannot be allowed on the opening GFA as furnished by the EPDS.

5.14 Depreciation

The EPDS in its ARR and Tariff Petition for the FY 2016-17, has furnished actuals at ₹ 24.18 Crores for the FY 2014-15.

Commission's Analysis:

The EPDS has not furnished the calculation at which the amount of depreciation has been arrived at. The Commission in its Tariff Order dated 15.04.2014 had approved a depreciation of ₹ 14.00 Crores for the FY 2014-15 on the Opening GFA of ₹ 202.46 Crores and proposed capitalization during the FY 2014-15 at ₹ 125.28 Crores at the rate of 5.28%. Now, the EPDS has stated that ₹ 68.59 Crores were capitalised during the FY 2014-15. The depreciation calculated by EPDS of ₹ 24.18 Crores. Now the Commission calculated Depreciation, is shown in the Table below:

Table 5.13: Depreciation approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | Amount |
|----------|--|--------------|
| 1 | Opening balance GFA as on 01.04.2014 | 200.73 |
| 2 | Additions during the year | 68.59 |
| 3 | Closing balance to end of 31.03.2015 (1+2) | 269.32 |
| 4 | Average GFA | 235.03 |
| 5 | Rate of depreciation | 5.28% |
| 6 | Depreciation | 12.41 |

The Commission accordingly now approves a depreciation of ₹ 12.41 Crores for the FY 2014-15.

5.15 Interest and Finance Charges

The EPDS in its ARR and Tariff Petition for the FY 2016-17, has furnished interest and finance charges at ₹ 87.63 Crores during the FY 2014-15.

Table 5.14: Interest & Finance Charges approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|----------|----------------------------|--|-------------------------------------|--------------------------------|
| 1 | Interest & Finance Charges | 0.00 | 87.63 | 0.00 |
| 2 | Total | 0.00 | 87.63 | 0.00 |

Commission's Analysis:

The Commission in its Tariff Order dated 15.04.2014 had not approved any interest and finance charges. EPDS has not shown any loans and interest. No interest is allowed in Tariff Order for the FY 2014-15. **The Commission therefore, does not consider any interest.**

5.16 Interest on Working Capital

The EPDS in its ARR and Tariff Petition for the FY 2016-17, has furnished Interest on Working Capital at ₹ 4.14 Crores during the FY 2014-15.

Commission's Analysis:

As per Regulations 113 of SSERC (Terms and Conditions for Determination of Tariff), Regulations, 2012, interest on working capital shall be calculated on normative basis, notwithstanding that the licensee has not taken working capital loan from any outside agency.

1. The Working Capital consists of:
 - (a) Operation & maintenance expenses for one month.
 - (b) Budget for maintenance spares, at the rate of 1% of the historical cost of GFA, escalated at the rate of 6% PA from the date of commercial operation.
 - (c) Receivables equivalent to 2 months on fixed and variable charges of sale of energy.
2. Rate of interest on working capital shall be equal to the short term prime lending rate of SBI, as on 1st April of the relevant year.

Accordingly, the Commission has arrived at the interest on working capital as shown in the Table below:

Table 5.15: Interest on Working Capital calculated by the Commission for FY 2014-15

| (₹ in Crores) | | | |
|---------------|------------------------------------|------------|----------------------------|
| Sl. No. | Particulars | Total Cost | Working Capital & Interest |
| 1 | O & M Expenses | | |
| a) | Emoployee Cost | 74.98 | 6.25 |
| b) | Repair & Maintenance Expenses | 24.66 | 2.06 |
| c) | Administrative & General Expenses | 2.12 | 0.18 |
| 2 | Maintenance of Spares | | |
| 3 | Receivables | 117.48 | 19.58 |
| 4 | Total | | 28.06 |
| 5 | SBI PLR as on 01.04.2014 | | 14.75% |
| 6 | Interest on Working capital | | 4.14 |

Table 5.16: Interest on Working Capital now approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|-----------------------------|--|-------------------------------------|--------------------------------|
| 1 | Interest on Working Capital | 3.73 | 4.14 | 4.14 |
| 2 | Total | 3.73 | 4.14 | 4.14 |

The Commission now approves interest on working capital at ₹ 4.14 Crores for the FY 2014-15 as against the ₹ 3.73 Crores furnished by EPDS.

5.17 Return on Equity

EPDS has claimed ₹ 37.45 Crores towards Return on Equity for the FY 2014-15.

Commission's Analysis:

Regulation 110 of SSERC (Terms and Conditions for determination of Tariff) Regulations, 2012, provides for return on equity at 14% PA on the equity amount appearing in the audited balance sheet of the annual accounts.

Table 5.17: Return on Equity approved by the Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|---------|------------------|--|-------------------------------------|--------------------------------|
| 1 | Return on Equity | 0.00 | 37.45 | 0.00 |
| 2 | Total | 0.00 | 37.45 | 0.00 |

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

5.18 Non-Tariff Income

EPDS has projected a non-tariff income at ₹ 0.90 Crores during the FY 2014-15.

Commission's Analysis:

As per Regulation 117 of SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, non- tariff income comprises of:

- Meter / metering equipment / service line rentals
- Service charges
- Customer charges
- Revenue from late payment surcharge
- Recoveries on account of theft and pilferage of energy
- Miscellaneous receipts.
- Interest on staff loans and advances
- Interest on advances to suppliers
- Income from other business
- Income from staff welfare activities
- Excess found on physical verification of stores
- Interest on investments fixed and call deposits and bank balances
- Prior period Income.

Keeping in view the above types of income the Commission had approved a non-tariff income of ₹ 2.40 Crores in its Tariff Order dated 15.04.2014. EPDS now submits a non-tariff Income of ₹ 0.90 Crores as the actuals.

Table 5.18: Non-Tariff Income approved by the Commission for FY 2014-15

| (₹ in Crores) | | | | |
|---------------|-------------------|--|-------------------------------------|--------------------------------|
| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
| 1 | Non Tariff Income | 2.40 | 0.90 | 0.90 |
| 2 | Total | 2.40 | 0.90 | 0.90 |

The Commission therefore considers ₹ 0.90 Crores towards Non-Tariff Income for the FY 2014-15, as per the actuals furnished by EPDS.

5.19 Revenue from Existing Tariffs for the FY 2014-15

Revenue from existing tariffs approved by the Commission for the FY 2014-15 in the Tariff Order dated 15.04.2014, and actuals furnished by the EPDS and now approved by the Commission are furnished in the Table below:

Table 5.19: Revenue from Sales approved by Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|----------|-------------------------|--|-------------------------------------|--------------------------------|
| 1 | Domestic | 17.89 | 19.71 | 19.71 |
| 2 | Commercial | 21.57 | 16.92 | 16.92 |
| 3 | Public Lighting | 0.42 | 0.12 | 0.12 |
| 4 | Temporary Supply | 0.80 | 0.94 | 0.94 |
| 5 | HT Industrial Consumers | 59.72 | 67.06 | 67.06 |
| 6 | LT Industrial Consumers | 0.77 | 0.81 | 0.81 |
| 7 | Bulk Supply | 10.53 | 11.91 | 11.91 |
| 8 | Outside state | 112.73 | 135.21 | 135.21 |
| 9 | Total | 224.43 | 252.68 | 252.68 |

The Commission now approves revenue from existing tariff at ₹ 252.68 Crores including revenue from outside sales at ₹ 135.21 Crores for the FY 2014-15.

5.20 Aggregate Revenue Requirement (ARR) for the FY 2014-15

The ARR for the FY 2014-15 approved by the Commission in its Tariff Order for the FY 2014-15, actuals furnished by the EPDS and now approved by the Commission are furnished in the Table below:

Table 5.20: Aggregate Revenue Requirement approved by Commission for FY 2014-15

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 15.04.2014 | Actuals as per Provisional Accounts | Now approved by the Commission |
|-----------|-----------------------------------|--|-------------------------------------|--------------------------------|
| 1 | Cost of Fuel | 0.34 | 0.17 | 0.17 |
| 2 | Cost of Power Purchase | 173.70 | 161.99 | 161.99 |
| 3 | Employee Costs | 47.89 | 74.98 | 74.98 |
| 4 | Repair & Maintenance Expenses | 34.98 | 24.66 | 24.66 |
| 5 | Administrative & General Expenses | 3.10 | 2.12 | 2.12 |
| 6 | Depreciation | 14.00 | 24.18 | 12.41 |
| 7 | Interest charges | 0.00 | 87.63 | 0.00 |
| 8 | Interest on Working Capital | 3.73 | 4.14 | 4.14 |
| 9 | Return on NFA /Equity | 0.00 | 37.45 | 0.00 |
| 10 | Total Revenue Requirement | 277.74 | 417.31 | 280.46 |
| 11 | Less: Non Tariff Income | 2.40 | 0.90 | 0.90 |
| 12 | Net Revenue Requirement | 275.34 | 416.41 | 279.56 |
| 13 | Revenue from Tariff | 111.70 | 117.48 | 117.48 |
| 14 | Revenue from Outside State Sale | 112.73 | 135.21 | 135.21 |
| 15 | Gap (12 - 13 - 14) | 50.92 | 163.72 | 26.88 |

Provisional True up for the FY 2014-15 indicates that the revenue gap has been reduced to ₹ 26.88 Crores, as against ₹ 50.92 Crores approved in the Tariff Order for the FY 2014-15.

6. REVIEW FOR THE FY 2015-16

6.1 Preamble

The Commission had approved the ARR and Tariffs for the FY 2015-16 in its order dated 31.03.2015 based on the projected data furnished by the EPDS. Now the EPDS has submitted proposals for review of the FY 2015-16 duly furnishing data based on the revised estimates for the FY 2015-16.

“Regulation 14(1) & (2) of the SSERC (Terms and Conditions for Determination of Tariff) Regulation, 2012, reads as under:

- (a) The Commission shall undertake a Review of the expenses and revenues approved by the Commission in the Tariff Order. While doing so, the Commission shall consider variation between approvals and revised estimates / pre actuals of sale of electricity, income and expenditure for the relevant year and permit necessary adjustments / charges in case such variations are for adequate and justifiable reasons. Such an exercise shall be called ‘Review’.
- (b) After audited accounts of a year are made available the commission shall under take similar exercise as above with reference to the final actual figures as the audited accounts. This exercise with reference to the audited accounts shall be called ‘Truing up’. The Truing up for any year will ordinarily not be considered after more than one year after ‘Review’.”
- (c) The Commission considers it appropriate and fair to revisit and review the approvals granted by it in the Tariff Order for the FY 2015-16, with reference to the Revised Estimates now made available by the EPDS, but without altering the principles and norms adopted earlier. These matters are discussed in the succeeding paragraphs.

6.2 Energy Demand (Sales)

Vide its Tariff Order dated 31.03.2015, the Commission had approved energy sales of 268.53 MUs within the state for the FY 2015-16, as against 256.34 MUs projected by EPDS.

The EPDS in its Review Petition for the FY 2015-16 has submitted the estimated sales considering actual for a certain period and estimate for the balance period.

Accordingly comparative statements of category-wise energy sales approved by the Commission for the FY 2015-16, estimate by EPDS and approved by the Commission are shown in Table below:

Table 6.1: Energy Sales approved by the Commission for FY 2015-16

(In MUs)

| Sl. No. | Category | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|----------|------------------|--|-----------------|--------------------------------|
| 1 | Domestic | 94.95 | 87.92 | 87.92 |
| 2 | Commercial | 40.28 | 38.86 | 38.86 |
| 3 | Public Lighting | 0.38 | 0.32 | 0.32 |
| 4 | Temporary Supply | 1.73 | 1.40 | 1.40 |
| 5 | HT Industrial | 108.76 | 132.60 | 132.60 |
| 6 | LT Industrial | 1.24 | 1.44 | 1.44 |
| 7 | Bulk Supply | 21.19 | 22.39 | 22.39 |
| 8 | Total | 268.53 | 284.93 | 284.93 |

The Commission now approves energy sales for the FY 2015-16 at 284.93 Mus as per RE furnished by the EPDS.

6.3 Transmission & Distribution Losses (T&D Losses)

The Commission in its order of the FY 2015-16 had fixed the target of T&D Losses at 34% for the FY 2015-16. EPDS in its Review Petition for the FY 2015-16, has stated that the estimated T&D Losses during the FY 2015-16 are at 31.50%.

Commission's Analysis:

As per weekly loss scheduling of ERLDC from 30.03.2015 to 13.03.2016, the average pool loss during the above period was 2.34%. As such, the pool loss for the FY 2015-16 is considered at 2.34% and T&D Loss is shown as detailed in Table below:

Table 6.2: T&D Loss calculation approved by the Commission for FY 2015-16

| Sl. No. | Particulars | Unit | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|--|----------|--|-----------------|--------------------------------|
| 1 | Own generation | MUs | 10.00 | 8.00 | 8.00 |
| 2 | Energy purchased from NTPC | MUs | 379.23 | 365.95 | 365.95 |
| 3 | Energy purchased from WBSEDCL | MUs | 56.88 | 51.20 | 51.20 |
| 4 | Energy purchased from NHPC | MUs | 34.64 | 35.72 | 35.72 |
| 5 | Energy purchased (2+3+4) | MUs | 470.75 | 452.87 | 452.87 |
| 6 | Pool loss | % | 2.27 | 1.00 | 2.34 |
| 7 | Pool loss | MUs | 10.24 | 4.95 | 10.60 |
| 8 | Net energy available (5-7) | MUs | 460.51 | 447.92 | 442.27 |
| 9 | Energy purchased from PTC | MUs | 40.25 | 42.36 | 42.36 |
| 10 | Energy purchased from SPDC | MUs | 12.67 | 17.03 | 17.03 |
| 11 | UI purchased | MUs | 0.00 | 1.57 | 1.57 |
| 12 | Free energy | MUs | 314.32 | 337.65 | 337.65 |
| 13 | Total energy available at state periphery (1+8+9+10+11+12) | MUs | 837.75 | 854.53 | 848.88 |
| 14 | Outside state sale through UI / Trading | MUs | 430.89 | 438.57 | 438.57 |
| 15 | Net energy available for sale within the state (13-14) | MUs | 406.86 | 415.96 | 410.32 |
| 16 | Energy sales within the state | MUs | 268.53 | 284.93 | 284.93 |
| 17 | T & D loss (15-16) | MUs | 138.33 | 131.04 | 125.39 |
| 18 | T & D loss | % | 34.00 | 31.50 | 30.56 |

The Commission now approves T&D Loss for the FY 2015-16 at 30.56%.

6.4 Own Generation

At present, EPDS is having 12 small Hydro generating stations with a total installed capacity of 36.60 MWs and 2 diesel generating stations with a total installed capacity of 4.99 MWs. The Commission in its Tariff Order for the FY 2015-16 had approved own generation at 10.00 MUs. The EPDS has furnished revised estimate of own generation at 8.00 MUs for the FY 2015-16 and approved by the Commission are shown in Table below:

Table 6.3: Own Generation approved by the Commission for FY 2015-16

(In MUs)

| Sl. No. | Stations | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|------------------|--|-----------------|--------------------------------|
| 1 | Total Generation | 10.00 | 8.00 | 8.00 |
| 2 | Total | 10.00 | 8.00 | 8.00 |

The Commission now approves Own Generation during the FY 2015-16 at 8.00 MUs, as per RE furnished by the EPDS.

6.5 Power Purchase

The Commission in its Tariff Order dated 31.03.2015 had approved power purchase quantity at 837.99 MUs. The EPDS has furnished RE for the FY 2015-16 at 851.48 MUs including UI Purchases of 1.57 MUs and free power of 337.65 MUs in Review Petition for the FY 2015-16 as detailed in Table below:

Table 6.4: Power Purchase approved by the Commission for FY 2015-16

(In MUs)

| Sl. No. | Stations | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|---------------|--|-----------------|--------------------------------|
| 1 | NTPC | | | |
| | a) FSTPP | 102.95 | 114.16 | 114.16 |
| | b) KHSTPP-I | 84.31 | 62.60 | 62.60 |
| | c) KHSTPP-II | 26.04 | 20.81 | 20.81 |
| | d) BSTPP | 0.00 | 10.67 | 10.67 |
| | e) TSTPP | 165.93 | 157.71 | 157.71 |
| 2 | NHPC | | | |
| | a) RANGIT-III | 7.59 | 3.07 | 3.07 |
| | b) TEESTA-V | 27.05 | 32.65 | 32.65 |
| 3 | Other Sources | | | |
| | a) PTC | 40.25 | 42.36 | 42.36 |
| | b) WBSEDCL | 56.88 | 51.20 | 51.20 |
| | c) SPDC | 12.67 | 17.03 | 17.03 |
| 4 | UI Purchase | 0.00 | 1.57 | 1.57 |
| 5 | Free Power | 314.32 | 337.65 | 337.65 |
| 6 | Total | 837.99 | 851.48 | 851.48 |

The Commission now approves power purchase of 851.48 MUs including UI purchase of 1.57 MUs and free power of 337.65 MUs during the FY 2015-16 as per RE furnished by EPDS.

6.6 Energy Balance

The details of energy requirement and availability projected by the EPDS and approved by the Commission for the FY 2015-16 and now approved by the Commission are furnished in Table below:

Table 6.5: Energy Balance approved by the Commission for FY 2015-16

| Sl. No. | Particulars | Unit | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|----------|---|------------|--|-----------------|--------------------------------|
| A | ENERGY REQUIREMENT | | | | |
| 1 | Energy sales within the state | MUs | 268.53 | 284.93 | 284.93 |
| 2 | Outside state sale through UI / Trading | MUs | 430.89 | 438.57 | 438.57 |
| 3 | Total energy sales (1+2) | MUs | 699.42 | 723.49 | 723.49 |
| 4 | Overall T & D losses | % | 34.00 | 31.50 | 30.56 |
| 5 | Overall T & D losses | MUs | 138.33 | 131.04 | 125.39 |
| 6 | Total energy requirement (3+5) | MUs | 837.75 | 854.53 | 848.88 |
| | | | | | |
| B | ENERGY AVAILABILITY | | | | |
| 1 | Own generation | MUs | 10.00 | 8.00 | 8.00 |
| 2 | Power purchased from CGS/UI etc. | MUs | 523.67 | 513.83 | 513.83 |
| 3 | Free Power | MUs | 314.32 | 337.65 | 337.65 |
| 4 | Overall pool loss | % | 2.27 | 1.00 | 2.34 |
| 5 | Overall pool loss | MUs | 10.24 | 4.95 | 10.60 |
| 6 | Total energy availability (1+2+3-5) | MUs | 837.75 | 854.53 | 848.88 |
| | | | | | |
| C | ENERGY SURPLUS/(GAP) | MUs | 0.00 | 0.00 | 0.00 |

6.7 Fuel Cost

The fuel cost approved by the Commission in Tariff Order for the FY 2015-16, RE furnished by EPDS and now approved by the Commission are furnished in Table below:

Table 6.6: Fuel Cost approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|--------------|--|-----------------|--------------------------------|
| 1 | Cost of fuel | 0.37 | 0.15 | 0.15 |
| 2 | Total | 0.37 | 0.15 | 0.15 |

The Commission now approves fuel cost of ₹ 0.15 Crores for the FY 2015-16, as per RE furnished by EPDS.

6.8 Power Purchase Cost

The Power Purchase Cost approved by the Commission for the FY 2015-16, RE furnished by the EPDS and now approved by the Commission are furnished in Table below:

Table 6.7: Power Purchase Cost approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|---------------------|--|-----------------|--------------------------------|
| 1 | Power Purchase Cost | 208.18 | 161.99 | 161.99 |
| 2 | Total | 208.18 | 161.99 | 161.99 |

The Commission now approves the power purchase cost of ₹ 161.99 Crores for the FY 2015-16, as per RE furnished by EPDS.

6.9 Employee Cost

The Commission in its Order dated 31.03.2015 had approved employee cost at ₹ 53.38 Crores for the FY 2015-16. The EPDS has furnished RE at ₹ 96.86 Crores for the FY 2015-16.

Commission's Analysis:

EPDS has furnished actuals for the FY 2014-15 in the Format prescribed. Detailed methodology on how the cost is arrived for the FY 2015-16 is not indicated convincingly. The Commission has considered the actual expenditure for the FY 2014-15 at ₹ 74.98 Crores and escalation attributed to proposed increase in number of employees has been factored in. The Government of Sikkim has notified increase in DA @ 6% for the period of April, 2015 to June, 2015 and further increase of 6% in DA for the period of July, 2015 to March, 2016. The actual employee cost of the FY 2014-15 as approved in the Provisional True-up for the year has been taken as base and the same has been escalated by the weighted average of the increase in DA rates as above for arriving at the revised estimate for the FY 2015-16. Accordingly, the employees cost for the FY 2015-16 are arrived at ₹ 80.36 Crores. The details shown in the Table below:

Table 6.8: Employee Cost approved by the Commission for FY 2015-16

| (₹ in Crores) | | | | |
|---------------|---------------|--|-----------------|--------------------------------|
| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
| 1 | Employee Cost | 53.38 | 96.86 | 80.36 |
| 2 | Total | 53.38 | 96.86 | 80.36 |

The Commission accordingly now approves ₹ 80.36 Crores towards employee cost for the FY 2015-16 as against ₹ 96.86 Crores estimated by EPDS.

6.10 Repair and Maintenance Expenses

The Commission in its Order dated 31.03.2015 had approved Repair & Maintenance Expenses at ₹ 34.96 Crores for the FY 2015-16. The EPDS has estimated at ₹ 24.05 Crores for the FY 2015-16 and now approved by the Commission are furnished in Table below:

Table 6.9: Repair & Maintenance Expenses approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|-------------------------------|--|-----------------|--------------------------------|
| 1 | Repair & Maintenance Expenses | 34.96 | 24.05 | 24.05 |
| 2 | Total | 34.96 | 24.05 | 24.05 |

The Commission accordingly now approves ₹ 24.05 Crores towards Repair & Maintenance Expenses for the FY 2015-16 as per RE furnished by EPDS.

6.11 Administrative and General Expenses

The Commission in its Order dated 31.03.2015, had approved ₹ 2.58 Crores towards Administrative and General Expenses for the FY 2015-16. The EPDS has furnished RE at ₹ 2.37 Crores for the FY 2015-16 and now approved by the Commission are furnished in Table below:

Table 6.10: A & G Expenses approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|-----------------------------------|--|-----------------|--------------------------------|
| 1 | Administrative & General Expenses | 2.58 | 2.37 | 2.37 |
| 2 | Total | 2.58 | 2.37 | 2.37 |

The Commission now approves ₹ 2.37 Crores towards Administrative & General Expenses for the FY 2015-16 as per RE furnished by EPDS.

6.12 Capital Investment and Capitalisation during the FY 2015-16

Capital investment and capitalisation during the FY 2015-16 approved by the Commission in its Order dated 31.03.2015 and RE furnished by EPDS and now approved by the Commission are furnished in Table below:

Table 6.11: Capital Investment and Capitalization approved for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|--------------------------------------|--|-----------------|--------------------------------|
| 1 | Opening balance of CWIP | | 29.80 | 29.80 |
| 2 | Capital Investment during the year | 250.74 | 89.52 | 89.52 |
| 3 | Total (1+2) | | 119.32 | 119.32 |
| 4 | Capitalisation during the year | 183.36 | 83.18 | 83.18 |
| 5 | Closing balance of CWIP (3-4) | | 36.14 | 36.14 |

The Commission now approves the capital investment of ₹ 89.52 Crores and capitalisation of ₹ 83.18 Crores during the FY 2015-16 as per the RE furnished by EPDS.

6.13 Gross Fixed Assets

In the absence of valid information regarding gross fixed assets, the Commission in its Tariff Order dated 31.03.2015, had not approved the value of gross fixed assets. The EPDS in its review petition for the FY 2015-16 has stated that the values of gross fixed assets have been taken from the asset registers, as detailed in Table below:

Table 6.12: Gross Fixed Assets furnished by EPDS for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | Amount |
|---------|--------------------------------------|----------------|
| 1 | Opening balance | 925.88 |
| 2 | Additions during the year | 83.18 |
| 3 | Closing balance of CWIP (1+2) | 1009.06 |

Commission Analysis:

In the absence of audited annual accounts the information furnished by EPDS cannot be taken as authentic. **As such, depreciation cannot be allowed on the opening GFA furnished by the EPDS.**

6.14 Depreciation

The EPDS in its review petition has furnished depreciation of ₹ 26.38 Crores for the FY 2015-16.

Commission's Analysis:

The EPDS has not furnished the calculation at which the amount of depreciation was arrived at. The Commission in its Tariff Order dated 31.03.2015 had approved depreciation of ₹ 17.15 Crores for the FY 2015-16 on the average GFA of ₹ 324.72 Crores at the rate of 5.28%. The EPDS has stated that ₹ 102.26 Crores during the FY 2013-14 and ₹ 78.15 Crores during the FY 2014-15 are capitalised. As such the depreciation has been worked out accordingly as detailed in Table below:

Table 6.13: Depreciation approved by the Commission for 2015-16

| (₹ in Crores) | | |
|---------------|--|--------------|
| Sl. No. | Particulars | Amount |
| 1 | Opening balance GFA as on 01.04.2015 | 269.32 |
| 2 | Additions during the year | 83.18 |
| 3 | Closing balance to end of 31.03.2016 (1+2) | 352.50 |
| 4 | Average GFA | 310.91 |
| 5 | Rate of depreciation | 5.28% |
| 6 | Depreciation | 16.42 |

The Commission accordingly approves depreciation at ₹ 16.42 Crores for the FY 2015-16.

6.15 Interest and Finance Charges

The EPDS has furnished interest and finance charges at ₹ 86.70 Crores during the FY 2015-16.

Commission's Analysis:

The Commission in its Tariff Order dated 31.03.2015 had not approved any interest and finance charges for the FY 2015-16. EPDS has not shown any loans and interest. No interest is allowed in Tariff Order for the FY 2015-16. The details shown in the Table below:

Table 6.14: Interest & finance charges approved by the Commission for 2015-16

| (₹ in Crores) | | | | |
|---------------|----------------------------|--|-----------------|--------------------------------|
| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
| 1 | Interest & Finance Charges | 0.00 | 86.70 | 0.00 |
| 2 | Total | 0.00 | 86.70 | 0.00 |

As such the Commission has not considered interest and finance charges during the FY 2015-16.

6.16 Interest on Working Capital

The EPDS has furnished interest on working capital at ₹ 4.81 Crores during the FY 2015-16.

Commission's Analysis:

As per Regulations, 113 of SSERC (Terms and Conditions for Determination of Tariff), Regulations, 2012, interest on working capital shall be calculated on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency.

1. The Working Capital consists of:
 - (a) Operation & Maintenance expenses for one month
 - (b) Budget for maintenance of spares at the rate of 1% of the historical cost and escalated at the rate of 6% P.A from the date of commercial operations.
 - (c) Receivables equivalent to 2 months on fixed and variable charges of sale of energy.

Rate of interest on working capital shall be equal to the short term prime lending rate of SBI as on 1st April of the relevant year.

Accordingly, the interest on working capital works out to ₹ 4.57 Crores, as detailed in Table below:

Table 6.15: Interest on Working Capital calculated by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | Total Cost | Working Capital & Interest |
|----------|------------------------------------|------------|----------------------------|
| 1 | O & M Expenses | | |
| a) | Employee Cost | 80.36 | 6.70 |
| b) | Repair & Maintenance Expenses | 24.05 | 2.00 |
| c) | Administrative & General Expenses | 2.37 | 0.20 |
| 2 | Maintenance of Spares | | |
| 3 | Receivables | 134.22 | 22.37 |
| 4 | Total | | 31.27 |
| 5 | SBI PLR as on 01.04.2015 | | 14.60% |
| 6 | Interest on Working capital | | 4.57 |

Table 6.16: Interest on Working Capital approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|-----------------------------|--|-----------------|--------------------------------|
| 1 | Interest on Working Capital | 3.79 | 4.81 | 4.57 |
| 2 | Total | 3.79 | 4.81 | 4.57 |

The Commission now approves interest on working capital at ₹ 4.57 Crores for the FY 2015-16 as against ₹ 4.81 Crores estimated by EPDS.

6.17 Return on Equity

The EPDS has claimed ₹ 40.63 Crores towards return on equity for the FY 2015-16.

Commission's Analysis:

Regulation 110 of SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, provides for return on equity at 14% PA on the equity amount appearing in the audited balance sheet of the annual accounts.

Table 6.17: Return on Equity approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|---------|------------------|--|-----------------|--------------------------------|
| 1 | Return on Equity | 0.00 | 40.63 | 0.00 |
| 2 | Total | 0.00 | 40.63 | 0.00 |

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

6.18 Non-Tariff Income

The EPDS has furnished non-tariff income at ₹ 0.92 Crores during the FY 2015-16.

Commission's Analysis:

As per Regulation 117 of SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, non-tariff income comprises of:

- Meter / metering equipment / service line rentals
- Service charges
- Customer charges
- Revenue from late payment surcharge
- Recovery on account of theft and pilferage of energy
- Miscellaneous receipts.
- Interest on staff loans and advances
- Interest on advances to suppliers
- Income from other business
- Income from staff welfare activities
- Excess found on physical verification of stores
- Interest on fixed investments and call deposits and bank balances
- Prior period Income.

Table 6.18: Non-Tariff Income approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|----------|-------------------|--|-----------------|--------------------------------|
| 1 | Non Tariff Income | 2.40 | 0.92 | 2.40 |
| 2 | Total | 2.40 | 0.92 | 2.40 |

The Commission retains the already approved amount of ₹ 2.40 Crores towards Non-Tariff Income for the FY 2015-16 as against ₹ 0.92 Crores estimated by EPDS.

6.19 Revenue from existing tariff for the FY 2015-16

Revenue from the existing tariff approved by the Commission for the FY 2015-16 in its Tariff Order dated 31.03.2015 and revised estimates furnished by the EPDS and now approved by the Commission are shown in Table below:

Table 6.19: Revenue from the existing Tariff approved by the Commission for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|----------|-------------------------|--|-----------------|--------------------------------|
| 1 | Domestic | 20.70 | 21.67 | 21.67 |
| 2 | Commercial | 19.70 | 18.61 | 18.61 |
| 3 | Public Lighting | 0.16 | 0.13 | 0.13 |
| 4 | Temporary Supply | 1.38 | 1.00 | 1.00 |
| 5 | HT Industrial Consumers | 60.87 | 79.21 | 79.21 |
| 6 | LT Industrial Consumers | 0.55 | 1.16 | 1.16 |
| 7 | Bulk Supply | 11.74 | 12.43 | 12.43 |
| 8 | Outside state | 125.05 | 132.29 | 132.29 |
| 9 | Total | 240.15 | 266.50 | 266.50 |

The Commission approves the Revenue from existing Tariff at ₹ 266.50 Crores including Revenue from outside sales at ₹ 132.29 Crores for the FY 2015-16, as per the RE furnished by EPDS.

6.20 Aggregate Revenue Requirement (ARR) for the FY 2015-16

The ARR for the FY 2015-16 approved by the Commission in its Tariff Order dated 31.03.2015, Revised Estimate furnished by the EPDS and now approved by the Commission are furnished in Table below:

Table 6.20: Aggregate Revenue Requirement and Gap approved for FY 2015-16

(₹ in Crores)

| Sl. No. | Particulars | As approved by the Commission in Tariff Order dated 31.03.2015 | Review Estimate | Now approved by the Commission |
|-----------|-----------------------------------|--|-----------------|--------------------------------|
| 1 | Cost of Fuel | 0.37 | 0.15 | 0.15 |
| 2 | Cost of Power Purchase | 208.18 | 161.99 | 161.99 |
| 3 | Employee Costs | 53.38 | 96.86 | 80.36 |
| 4 | Repair & Maintenance Expenses | 34.96 | 24.05 | 24.05 |
| 5 | Administrative & General Expenses | 2.58 | 2.37 | 2.37 |
| 6 | Depreciation | 17.15 | 26.38 | 16.42 |
| 7 | Interest charges | 0.00 | 86.70 | 0.00 |
| 8 | Interest on Working Capital | 3.79 | 4.81 | 4.57 |
| 9 | Return on NFA /Equity | 0.00 | 40.63 | 0.00 |
| 10 | Total Revenue Requirement | 320.41 | 443.95 | 289.91 |
| 11 | Less: Non Tariff Income | 2.40 | 0.92 | 2.40 |
| 12 | Net Revenue Requirement | 318.01 | 443.03 | 287.51 |
| 13 | Revenue from Tariff | 115.05 | 134.21 | 134.21 |
| 14 | Revenue from Outside State Sale | 125.05 | 132.29 | 132.29 |
| 15 | Gap (12 - 13 - 14) | 77.91 | 176.53 | 21.01 |

Review for the FY 2015-16 indicates that the revenue gap has been reduced to ₹ 21.01 Crores as against ₹ 77.91 Crores approved in the Tariff Order for the FY 2015-16.

7. AGGREGATE REVENUE REQUIREMENT FOR THE FY 2016-17, COMMISSION'S ANALYSIS AND DECISIONS

7.1 Consumer Categories

The EPDS was serving 1,00,276 consumers as on 31.03.2015 in its area of operation. The consumers could be broadly categorised as under:

LT Category

- Domestic - Rural, Urban
- Commercial - Rural, Urban
- Public Lighting
- Industrial - Rural, Urban
- Temporary Supply

HT Category

- Industrial

LT & HT Category

- Bulk Supply

The EPDS serves the consumers at 250 V, 440 V and 11 kV levels. It is reported that, except public lighting, most of the consumers are metered. However the unmetered consumers are being provided with meters in a phased manner.

7.1.1 Growth of Consumers

Details of the category-wise growth of consumers with connected loads over the actuals during the FY 2013-14 & FY 2014-15, the estimated figures for the FY 2015-16 and the projections for the FY 2016-17 are furnished in Table below:

Table 7.1: Projected of no. of Consumers for FY 2016-17

(In No.)

| Sl. No. | Category | 2013-14 (Actual) | 2014-15 (Actual) | 2015-16 (Estimated) | 2016-17 (Projected) |
|----------|------------------|---------------------|---------------------|------------------------|------------------------|
| 1 | Domestic | 83,854 | 87,681 | 93,572 | 95,443 |
| 2 | Commercial | 10,277 | 10,449 | 10,627 | 10,840 |
| 3 | Public Lighting | 0 | 33 | 39 | 40 |
| 4 | Temporary Supply | 0 | 0 | 0 | 0 |
| 5 | HT Industrial | 358 | 388 | 410 | 417 |
| 6 | LT Industrial | 450 | 456 | 498 | 508 |
| 7 | Bulk Supply | 1,045 | 1,269 | 1,545 | 1,578 |
| 8 | Total | 95,984 | 1,00,276 | 1,06,691 | 1,08,826 |

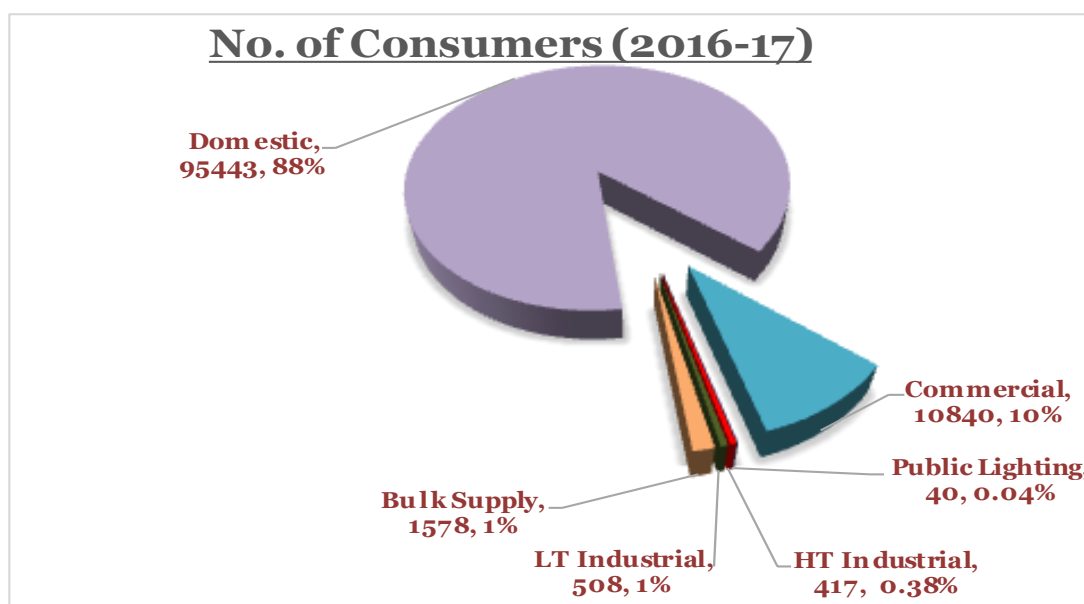


Table 7.2: Projected of Connected Loads for FY 2016-17

(In MWs)

| Sl. No. | Category | 2013-14 (Actual) | 2014-15 (Actual) | 2015-16 (Estimated) | 2016-17 (Projected) |
|----------|------------------|---------------------|---------------------|------------------------|------------------------|
| 1 | Domestic | 41.38 | 40.44 | 41.65 | 42.90 |
| 2 | Commercial | 17.59 | 18.10 | 18.64 | 19.20 |
| 3 | Public Lighting | - | 0.15 | 0.15 | 0.16 |
| 4 | Temporary Supply | - | - | - | - |
| 5 | HT Industrial | 48.22 | 56.61 | 58.31 | 60.05 |
| 6 | LT Industrial | 0.34 | 0.70 | 0.72 | 0.74 |
| 7 | Bulk Supply | 8.81 | 10.75 | 11.07 | 11.40 |
| 8 | Total | 116.34 | 126.75 | 130.55 | 134.46 |

7.2 Category-wise Energy Sales

EPDS has provided actual sales for the FY 2010-11 to FY 2014-15, estimated for the FY 2015-16 and the projected energy sales to various categories of consumer for the FY 2016-17 as given below:

Table 7.3: Projected Energy Sales for FY 2016-17

| (In MUs) | | | | | | | | |
|----------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|------------------------|
| Sl. No. | Category | 2010-11 (Actual) | 2011-12 (Actual) | 2012-13 (Actual) | 2013-14 (Actual) | 2014-15 (Actual) | 2015-16 (Estimated) | 2016-17 (Projected) |
| 1 | Domestic | 57.97 | 82.77 | 78.98 | 83.98 | 78.93 | 87.92 | 96.72 |
| 2 | Commercial | 29.23 | 29.72 | 38.26 | 35.43 | 35.33 | 38.86 | 42.75 |
| 3 | Public Lighting | 2.60 | 2.30 | 0.43 | 0.35 | 0.29 | 0.32 | 0.35 |
| 4 | Temporary Supply | 0.15 | 0.30 | 0.09 | 1.61 | 1.36 | 1.40 | 1.45 |
| 5 | HT Industrial | 58.39 | 71.63 | 91.76 | 97.11 | 110.49 | 132.60 | 145.86 |
| 6 | LT Industrial | 1.31 | 8.63 | 1.15 | 1.15 | 1.37 | 1.44 | 1.51 |
| 7 | Bulk Supply | 13.35 | 13.21 | 16.23 | 17.74 | 20.98 | 22.39 | 23.51 |
| 8 | Total | 163.00 | 208.56 | 226.90 | 237.37 | 248.75 | 284.93 | 312.15 |

The EPDS has projected the category-wise energy sales for the FY 2016-17 based on the actual past sales during the FY 2010-11 to FY 2014-15 and growth rate and new developments on account of Government policies, socio-economic changes, industrial growth etc., which would affect consumption across various categories of consumers.

7.2.1 Analysis of Energy Sales Projections by EPDS and the Commission's decision

Reasonable projection of category-wise energy sales is essential for determining the energy required to be purchased and likely revenue by sale of electricity. Sales forecast using the CAGR as the basis for projections is a tried and tested method and is used extensively across the states and accepted by the Regulators.

The CAGR of the past energy sales from the FY 2010-11 to FY 2014-15 is worked out and shown in Table below:

Table 7.4: CAGR of energy sales

| Sl. No. | Category | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | CAGR for 4 years from FY 2010-11 to FY 2014-15 | CAGR for 3 years from FY 2011-12 to FY 2014-15 | CAGR for 2 years from FY 2012-13 to FY 2014-15 | CAGR for YOY from FY 2013-14 to FY 2014-15 | |
|---------|------------------|---------------|---------------|---------------|---------------|---------------|--|--|--|--|--|
| | | (Actual) | (Actual) | (Actual) | (Actual) | (Actual) | (In %) | | | | |
| | | (In MUs) | | | | | (In %) | | | | |
| 1 | Domestic | 57.97 | 82.77 | 78.98 | 83.98 | 78.93 | 8.02 | -1.57 | -0.03 | -6.01 | |
| 2 | Commercial | 29.23 | 29.72 | 38.26 | 35.43 | 35.33 | 4.85 | 5.93 | -3.91 | -0.28 | |
| 3 | Public Lighting | 2.60 | 2.30 | 0.43 | 0.35 | 0.29 | -42.21 | -49.86 | -17.88 | -17.14 | |
| 4 | Temporary Supply | 0.15 | 0.30 | 0.09 | 1.61 | 1.36 | 73.52 | 65.50 | 288.73 | -15.53 | |
| 5 | HT Industrial | 58.39 | 71.63 | 91.76 | 97.11 | 110.49 | 17.29 | 15.54 | 9.73 | 13.78 | |
| 6 | LT Industrial | 1.31 | 8.63 | 1.15 | 1.15 | 1.37 | 1.17 | -45.82 | 9.25 | 19.36 | |
| 7 | Bulk Supply | 13.35 | 13.21 | 16.23 | 17.74 | 20.98 | 11.96 | 16.67 | 13.70 | 18.26 | |
| 8 | Total | 163.00 | 208.56 | 226.90 | 237.37 | 248.75 | | | | | |

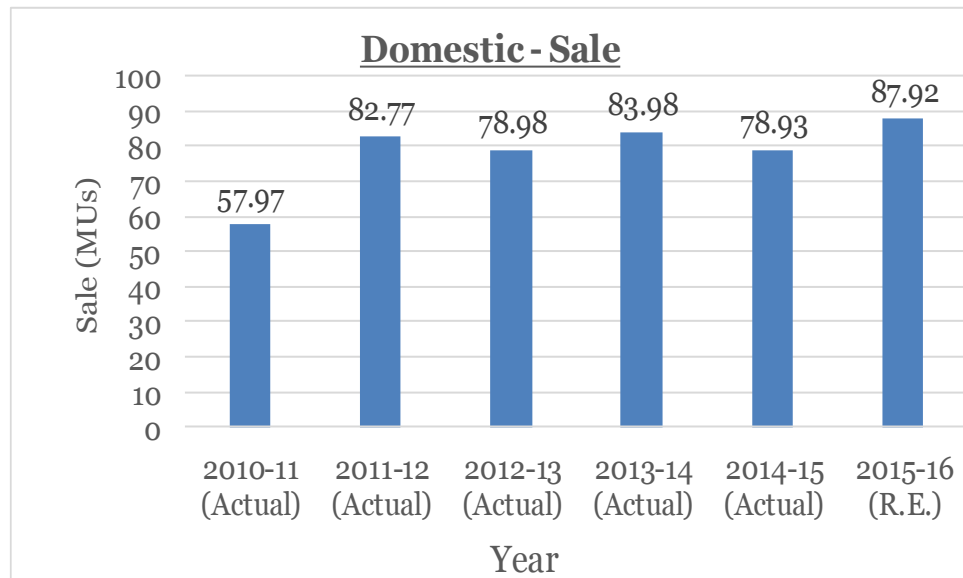
Table 7.5: Specific Monthly Consumption / Consumer

| Sl. No. | Category | (In Kwh) | | |
|---------|---------------|------------------|------------------|------------------|
| | | 2012-13 (Actual) | 2013-14 (Actual) | 2014-15 (Actual) |
| 1 | Domestic | 80 | 83 | 75 |
| 2 | Commercial | 330 | 287 | 282 |
| 3 | HT Industrial | 23,032 | 22,605 | 23,731 |
| 4 | LT Industrial | 246 | 213 | 251 |
| 5 | Bulk Supply | 1,595 | 1,415 | 1,378 |

The consumption of each category of consumers is discussed below, so as to arrive at a reasonable projection of energy sales for the FY 2016-17.

Domestic

The EPDS has projected energy sales to this category at 96.72 MUs for the FY 2016-17. The sales growth has been found to be erratic. Negative growth is observed during the FY 2012-13 and FY 2014-15 over the previous year's sale and EPDS has not furnished reasons for such negative growth. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:

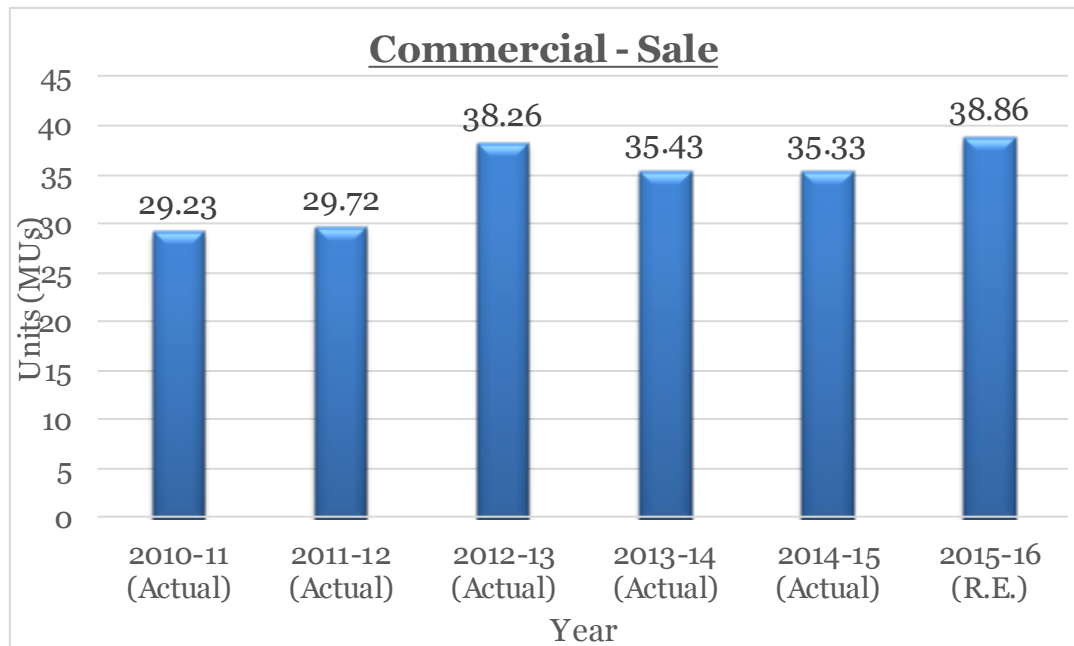


On analysis of the above trend and CAGR over different periods it is seen that the 4 years CAGR (FY 2010-11 to FY 2014-15) is 8.02%, the 3 years CAGR (FY 2011-12 to FY 2014-15) is (-) 1.57%, 2 years CAGR (FY 2012-13 to FY 2014-15) is (-) 0.03% and the YoY growth (FY 2013-14 to FY 2014-15) is (-) 6.01%. The actual specific consumption during the FY 2014-15 is 75 Kwh. The growth in domestic consumption is considered at 4 year CAGR of 8.02%. Accordingly, the sale of 94.97 MUs for the category for the FY 2016-17 is considered reasonable.

The Commission approves energy sales at 94.97 MUs for the FY 2016-17 as against 96.72 MUs projected by EPDS.

Commercial

The EPDS has projected the energy sales at 42.75 MUs for the FY 2016-17. Negative growth is observed during the FY 2013-14 & FY 2014-15 over the previous year's sales. EPDS has not furnished reasons for the same. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:

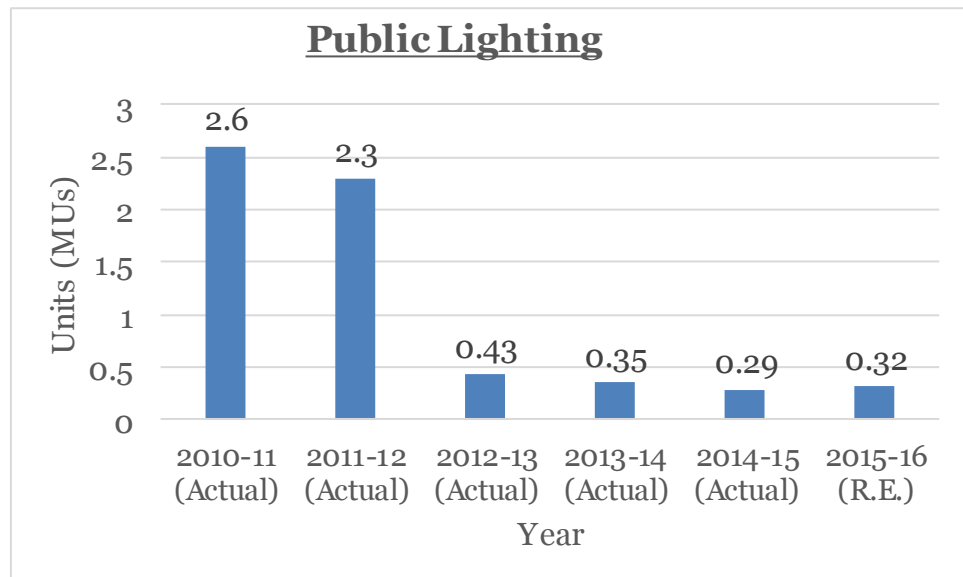


On analysis of the above trend and CAGR over different periods it is seen that the 4 years CAGR (FY 2010-11 to FY 2014-15) is 4.85%, the 3 years CAGR (FY 2011-12 to FY 2014-15) is 5.93%, 2 years CAGR (FY 2012-13 to FY 2014-15) is (-) 3.91% and the YoY growth (FY 2013-14 to FY 2014-15) is (-) 0.28%. The actual specific consumption during the FY 2014-15 is 282 Kwh. The growth in commercial consumption is considered at 4 year CAGR of 4.85%. Accordingly, the sale of 40.75 MUs for the category for the FY 2016-17 is considered reasonable.

The Commission approves energy sales at 40.75 MUs for the FY 2016-17 as against 42.75 MUs projected by EPDS.

Public Lighting

The EPDS has projected sales at 0.35 MUs for the FY 2016-17. This is an unmetered category and negative growth is observed since the FY 2010-11. Sudden fall in sales observed during the FY 2012-13 at 0.43 MUs over sales during the FY 2011-12 which are at 2.30 MUs. The EPDS has not furnished reasons for the same. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:

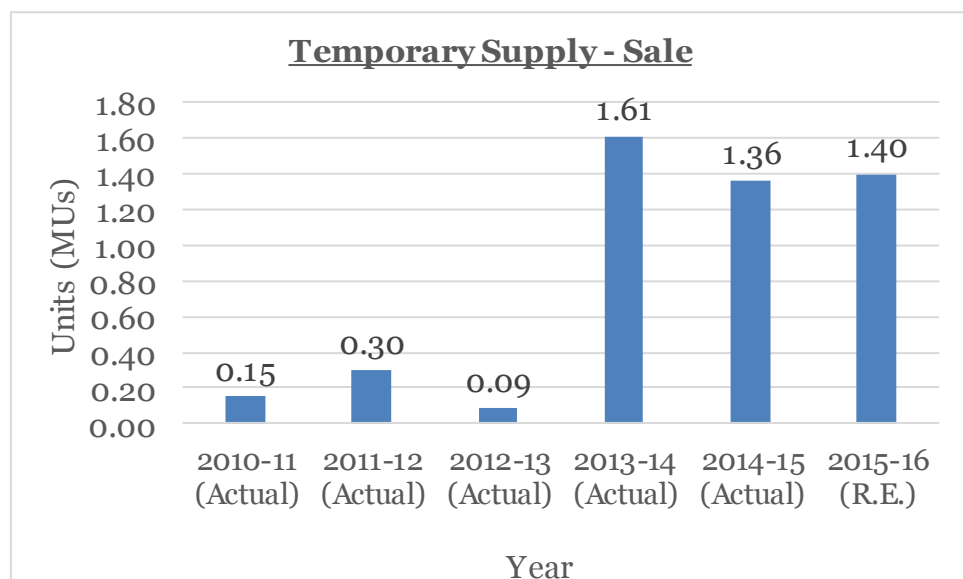


On analysis of the above trend, CAGR over different periods and actual consumption of 0.29 in the FY 2014-15, the projected consumption of 0.35 MUUs for the FY 2016-17 is considered reasonable.

The Commission approves energy sales at 0.35 MUUs for the FY 2016-17 as projected by EPDS.

Temporary Supply

The EPDS has projected energy sales at 1.45 MUUs for the FY 2016-17. Negative growth is observed during the FY 2012-13 & FY 2014-15 over the previous year's sales. EPDS has not furnished reasons for the same. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:

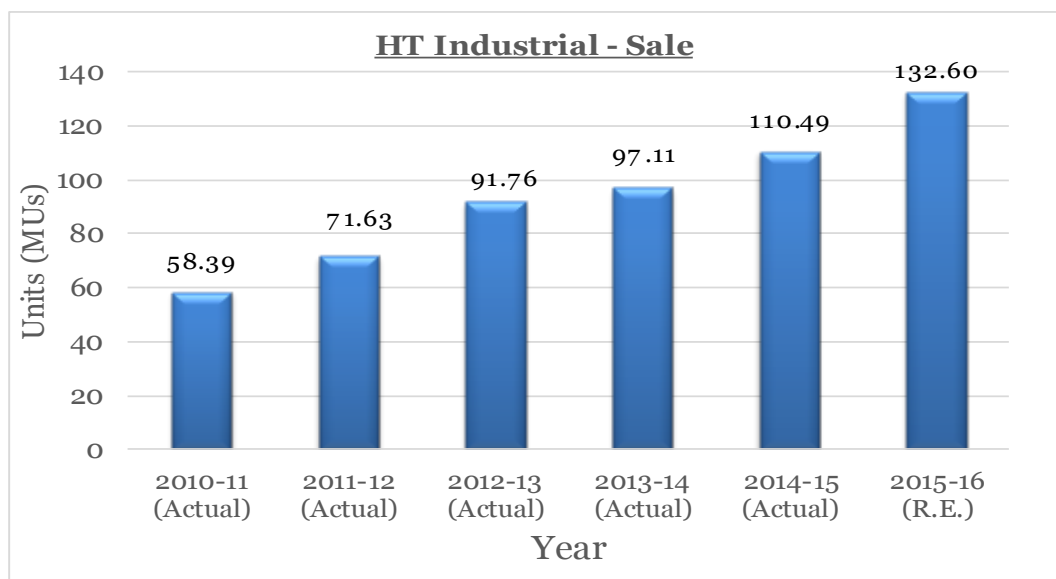


On analysis of the above trend and CAGR over different periods, it is seen that the 4 years CAGR (FY 2010-11 to FY 2014-15) is 73.52%, the 3 years CAGR (FY 2011-12 to FY 2014-15) is 65.50%, 2 years CAGR (FY 2012-13 to FY 2014-15) is 288.73% and the YoY growth (FY 2013-14 to FY 2014-15) is (-) 15.53%. Based on the actual consumption of 1.36 MUs in the FY 2014-15, the projection of EPDS at 1.45 MUs for the FY 2016-17 is considered reasonable.

The Commission approves energy sales at 1.45 MUs for the FY 2016-17 as projected by EPDS.

HT Industrial

The EPDS has projected energy sales at 145.86 MUs for the FY 2016-17. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:

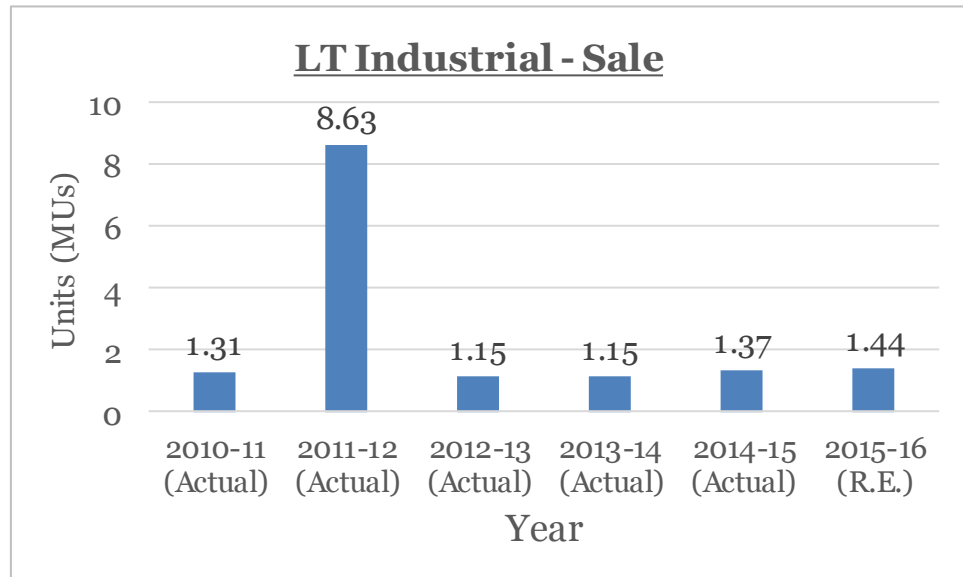


On analysis of the above trend and CAGR over different periods it is seen that the 4 years CAGR (FY 2010-11 to FY 2014-15) is 17.29%, the 3 years CAGR (FY 2011-12 to FY 2014-15) is 15.54%, while 2 years CAGR (FY 2012-13 to FY 2014-15) is 9.73% and the YoY growth (FY 2013-14 to FY 2014-15) is 13.78%. The actual specific consumption during the FY 2014-15 is 23731 Kwh. The CAGR for 3 years of 15.54% is considered reasonable and consumption works out to 153.21 MUs for the FY 2016-17.

The Commission approves energy sales at 153.21 MUs for the FY 2016-17 as against 145.86 MUs projected by EPDS.

LT Industrial

The EPDS has projected energy sales at 1.51 MUs for the FY 2016-17. During the FY 2011-12, sudden jump in sales is observed. The EPDS has not furnished reasons for such increase. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:



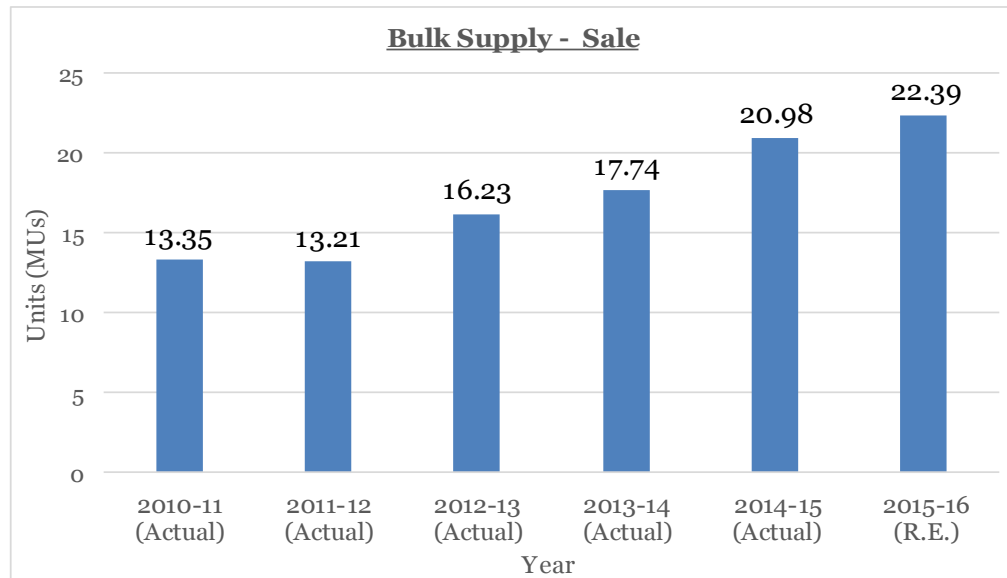
On analysis of the above trend and CAGR over different periods it is seen that the 4 years CAGR (FY 2010-11 to FY 2014-15) is 1.17%, the 3 years CAGR (FY 2011-12 to FY 2014-15) is (-) 45.82%, 2 years CAGR (FY 2012-13 to FY 2014-15) is 9.25% and the YoY growth (FY 2013-14 to FY 2014-15) is 19.36%. There is no definite growth trend in energy sales to this category. The actual specific consumption during the FY 2014-15 is 251 Kwh. The growth in LT Industrial consumption is considered at 4 year CAGR of 1.17%. Accordingly, the sale of 1.45 MUs for the category for the FY 2016-17 is considered reasonable.

The Commission approves energy sales at 1.45 MUs for the FY 2016-17 as against 1.51 MUs projected by EPDS.

Bulk Supply

The EPDS has projected energy sales at 23.51 MUs for the FY 2016-17. As verified from the past sales, negative growth is observed during the FY 2011-12 over the previous year. The

EPDS has not furnished reasons for the same. The trend of the actual consumption in the category for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:

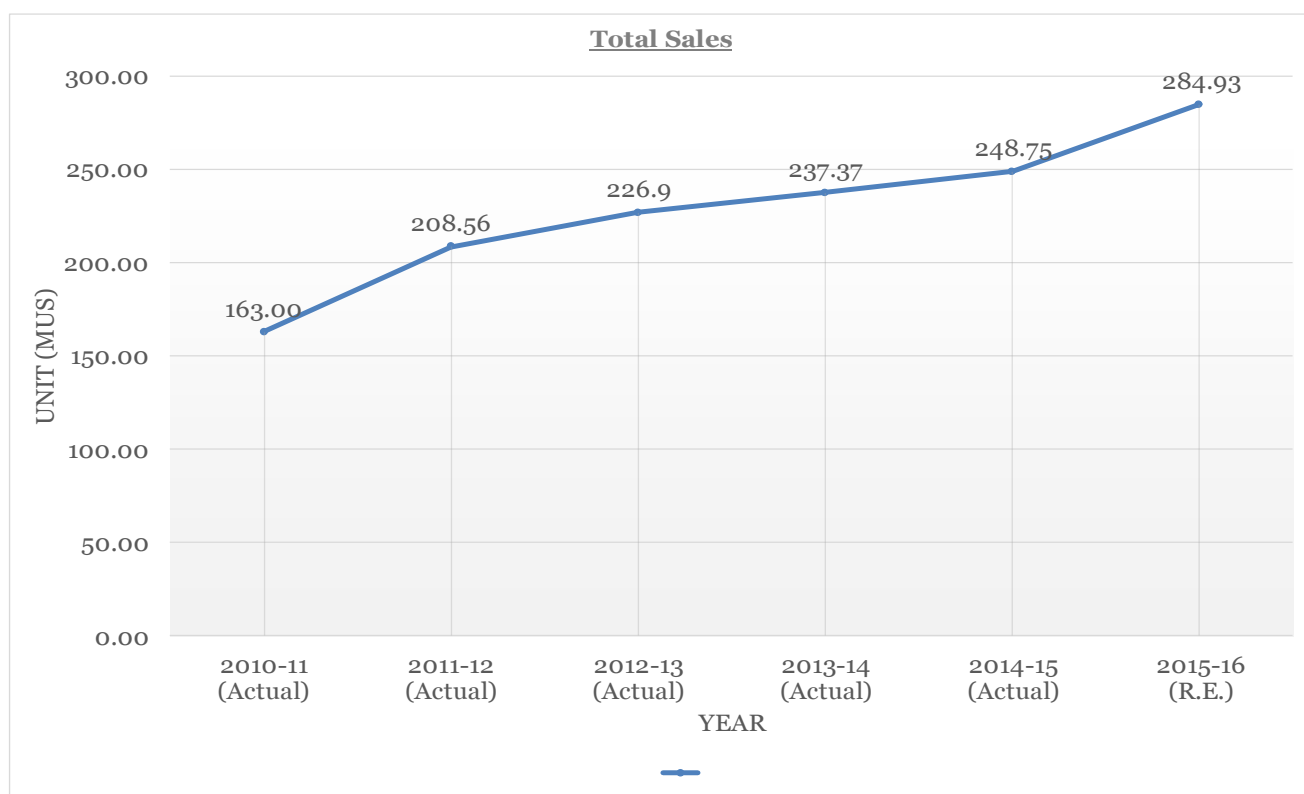


On analysis of the above trend and CAGR over different periods it is seen that the 4 years CAGR (FY 2010-11 to FY 2014-15) is 11.96%, the 3 years CAGR (FY 2011-12 to FY 2014-15) is 16.67%, 2 years CAGR (FY 2012-13 to FY 2014-15) is 13.70% and the YoY growth (FY 2013-14 to FY 2014-15) is 18.26%. The actual specific consumption during the FY 2014-15 is 1378 Kwh. The growth in Bulk Supply consumption is considered at 4 year CAGR of 11.96%. Accordingly, the sale of 25.07 MUs for the category for the FY 2016-17 is considered reasonable.

The Commission approves energy sales at 25.07 MUs for the FY 2016-17, as against 23.51 MUs projected by EPDS.

Total sales

The trend of the total actual consumption within the state of Sikkim for the FY 2010-11 to FY 2014-15 & RE for the FY 2015-16 is shown in the chart below:



7.3 Category-Wise Energy Sales

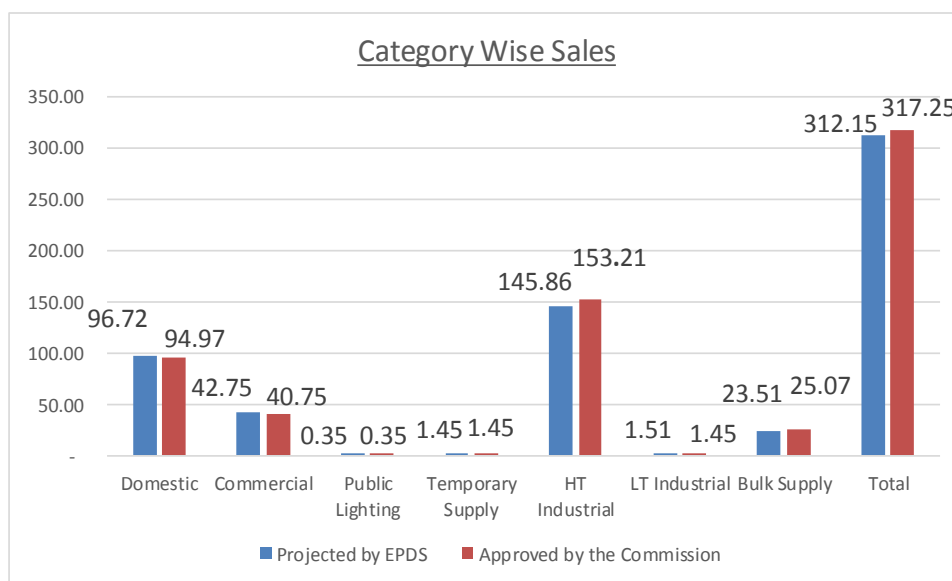
The category-wise energy sales for the FY 2016-17 projected by EPDS and approved by the Commission are given in Table below:

Table 7.6: Category-wise energy sales approved by the Commission for FY 2016-17

(In MUs)

| Sl. No. | Category | Projected by EPDS | Approved by the Commission |
|----------|------------------|-------------------|----------------------------|
| 1 | Domestic | 96.72 | 94.97 |
| 2 | Commercial | 42.75 | 40.75 |
| 3 | Public Lighting | 0.35 | 0.35 |
| 4 | Temporary Supply | 1.45 | 1.45 |
| 5 | HT Industrial | 145.86 | 153.21 |
| 6 | LT Industrial | 1.51 | 1.45 |
| 7 | Bulk Supply | 23.51 | 25.07 |
| 8 | Total | 312.15 | 317.25 |

The chart below depicts the category-wise comparison of sales projected by EPDS and approved by the Commission:

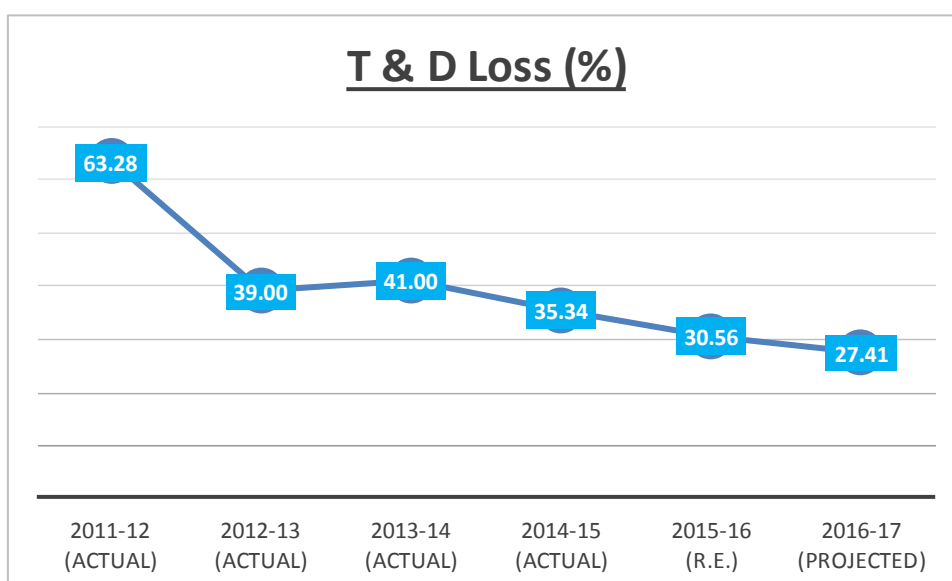


7.4 Transmission and Distribution Losses (T&D Losses)

EPDS has submitted that it had achieved reduction in T&D losses over the past years owing to improvement works executed every year and stated that range of losses have been in the range of 35% to 30%. EPDS projected T&D Losses at 27.41% for the FY 2016-17.

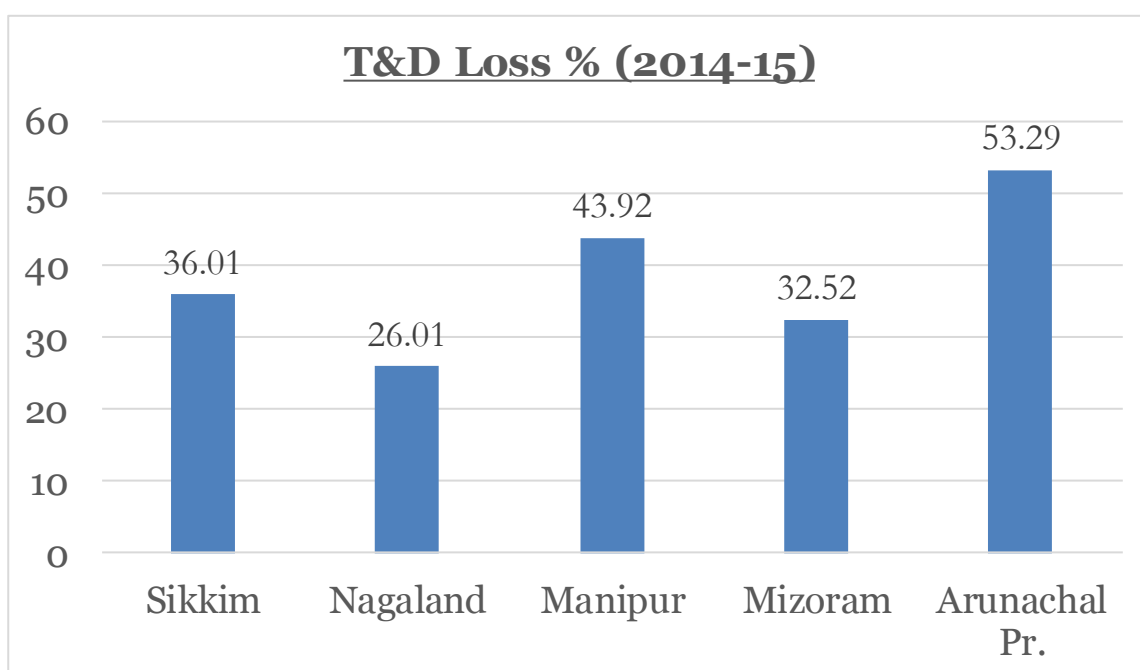
Commission’s Analysis:

The chart below depicts the trend of actual T&D losses for the FY 2011-12 to FY 2014-15, R.E. of T&D loss for the FY 2015-16 & projected T&D loss for the FY 2016-17.



During the FY 2014-15, the actual T&D Loss works out to 35.34%, while in the FY 2015-16 the T&D Losses are estimated at 30.56%, as discussed in the review of the respective years. But in the Tariff Order for the FY 2015-16, the trajectories for loss reduction were fixed and as per the trajectory the Commission has fixed the T&D losses at 32% for the FY 2016-17. However, EPDS has projected T&D loss at 27.41% for the FY 2016-17 which is considered as reasonable in view of the capital expenditure planned.

An analysis has been done of the T&D loss of distribution utilities of other states and the same is provided in the chart below:



It is observed that T&D loss of Nagaland & Mizoram is less than Sikkim while that of Manipur & Arunachal Pradesh is more. However, the geographical area of Manipur & Arunachal Pradesh is much more than Sikkim. Hence, EPDS should take steps to bring down the T&D loss further apart from meeting the projected T&D loss level for the FY 2016-17.

The Commission accordingly approves T&D Losses at 27.41% as projected by EPDS for the FY 2016-17.

The trajectory for loss reduction for the FY 2017-18 to FY 2019-20 is fixed as follows:

| Sl. No. | Financial Year | Target (In %) |
|---------|----------------|---------------|
| 1 | 2017-18 | 26.00 |
| 2 | 2018-19 | 24.00 |
| 3 | 2019-20 | 22.00 |

The EPDS shall make all efforts for reduction of losses in the system as indicated above.

Energy Requirement

The energy requirement of EPDS to meet the demand would be the sum of energy sales to consumers within the State and T&D Losses, as worked out in Table below:

Table 7.7: Energy Requirement approved by the Commission for FY 2016-17

| Sl. No. | Particulars | Unit | Approved by the Commission |
|---------|-----------------------|------|----------------------------|
| 1 | Energy sales approved | MUs | 317.25 |
| 2 | T & D Losses approved | % | 27.41 |
| 3 | T & D Losses approved | MUs | 119.80 |
| 4 | Energy requirement | MUs | 437.05 |

7.5 Power Procurement for the FY 2016-17

7.5.1 Own Generation

The EPDS owns 12 mini hydroelectric power stations, with a total installed capacity of 36.60 MWs, and 2 diesel generation stations, with a total installed capacity of 4.99 MWs, totaling 41.59 MWs, as detailed in Table below:

Table 7.8: Installed capacity of own generating stations

| Sl. No. | Name of Projects | Installed Capacity (In MW) | Remarks | Net Generation (April to September, 2015) (In MUs) |
|---------|--------------------------------------|----------------------------|--|--|
| | Hydro | | | |
| 1 | Lower Lhagap Hydel Power (LLHP) | 2 x 6.00 | Machine shut down for renovation of water conductor system | 0.00 |
| 2 | Jali Power House (JPH) | 6 x 0.35 | Operational | 0.39 |
| 3 | Rimbi-I | 3 x 0.20 | Operational | 0.04 |
| 4 | Rimbi-II | 2 x 0.50 | Operational | 0.04 |
| 5 | Rothak | 2 x 0.10 | Powerhouse Abandoned | 0.00 |
| 6 | Rongnichu | 5 x 0.50 | No Generation due to failure of water conductor system | 0.00 |
| 7 | Chaten | 2 x 0.50 | Powerhouse Abandoned | 0.00 |
| 8 | Meyongchu | 2 x 2.00 | Operational | 3.61 |
| 9 | Upper Rongnichu Hydel Project (URHP) | 4 x 2.00 | No Generation due to failure of water conductor system | 0.00 |
| 10 | Kalez | 2 x 1.00 | Operational | 0.32 |
| 11 | Lachung | 2 x 0.10 | Powerhouse Abandoned | 0.00 |
| 12 | Rabomchu | 2 x 1.50 | Operational | 0.50 |
| | Diesel | | | |
| 13 | Diesel Power House Gangtok | 4 x 1.00 | Operational | 0.04 |
| 14 | DPH LLHP, Ranipool | 4 x 0.248 | Powerhouse S/D due to 18th September earthquake | 0.00 |
| | Total | 41.59 | | 4.93 |

The EPDS has projected a generation of 10.00 MUs from its own generating stations for the FY 2016-17.

The Commission approves own generation at 10.00 MUs (Net) from its own generating stations for the FY 2016-17 as projected by EPDS.

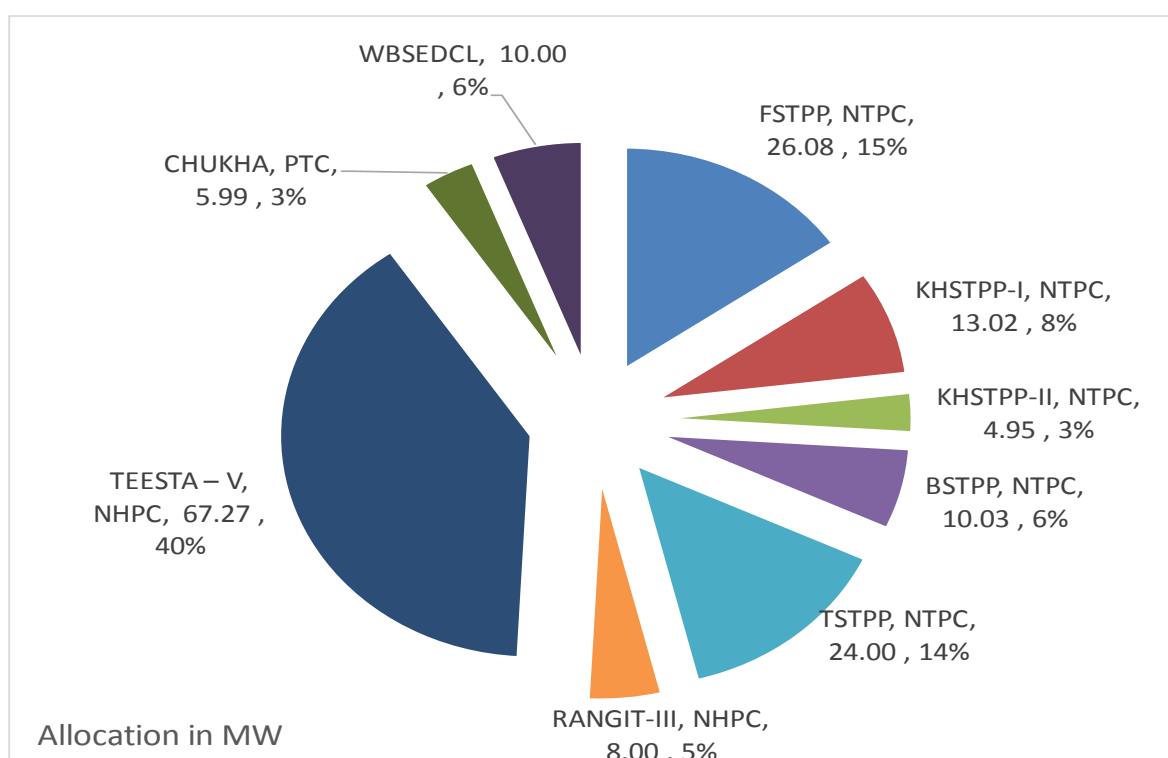
7.5.2 Power purchase from Central Generating Stations

The balance energy requirement of EPDS is mainly met from allocation of power from Central Stations of NTPC, NHPC and other sources such as PTC – Chukka and WBSEDCL and SPDC, as detailed in Table below:

Table 7.9: Power Allocation from Central Generating Stations

| Sl. No. | Source | Capacity (In MWs) | Allocation | |
|-----------|-----------------------|-------------------|------------|---------------|
| | | | (In %) | (In MWs) |
| | Central Sector | | | |
| 1 | FSTPP, NTPC | 1,600.00 | 1.63% | 26.08 |
| 2 | KHSTPP-I, NTPC | 840.00 | 1.55% | 13.02 |
| 3 | KHSTPP-II, NTPC | 1,500.00 | 0.33% | 4.95 |
| 4 | BSTPP, NTPC | 660.00 | 1.52% | 10.03 |
| 5 | TSTPP, NTPC | 1,000.00 | 2.40% | 24.00 |
| 6 | RANGIT-III, NHPC | 60.00 | 13.33% | 8.00 |
| 7 | TEESTA – V, NHPC | 510.00 | 13.19% | 67.27 |
| | Others | | | |
| 8 | CHUKHA, PTC | 270.00 | 2.22% | 5.99 |
| 9 | WBSEDCL | 50.00 | 20.00% | 10.00 |
| 10 | TOTAL | 6,490.00 | | 159.31 |

The chart below depicts the allocation of power from various sources:



The EPDS has based the power purchase projections at the Merit Order Dispatch Principles while determining power purchase from various generating stations. However, in a power deficit scenario, these principles do not play a significant role as the utilities will try and purchase all the power that is available at their disposal. Accordingly, EPDS has considered purchase of the entire power available from all the possible sources during the FY 2016-17 to meet the demand to the extent possible.

Besides the above, the EPDS is also entitled for free power of 12% from Teesta V, Rangit and Chuzachen hydropower stations.

The actual power procurement during the FY 2014-15, estimated for the FY 2015-16 and projected for the FY 2016-17 are furnished in Table below:

Table 7.10: Summary of Power Purchase furnished by EPDS for FY 2016-17

(In MUs)

| Sl. No. | Source | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|-----------|-----------------------|----------------------|------------------------|------------------------|
| | Central Sector | | | |
| 1 | FSTPP, NTPC | 114.16 | 114.16 | 114.16 |
| 2 | BSTPP, NTPC | 10.67 | 10.67 | 10.67 |
| 3 | KHSTPP-I, NTPC | 62.60 | 62.60 | 62.60 |
| 4 | KHSTPP-II, NTPC | 20.81 | 20.81 | 20.81 |
| 5 | TSTPP, NTPC | 157.71 | 157.71 | 157.71 |
| 6 | RANGIT-III, NHPC | 3.07 | 3.07 | 3.07 |
| 7 | TEESTA-V, NHPC | 32.65 | 32.65 | 32.65 |
| | Others | | | |
| 8 | CHUKHA, PTC | 42.36 | 42.36 | 42.36 |
| 9 | WBSEDCL | 51.20 | 51.20 | 51.20 |
| 10 | SPDC | 17.03 | 17.03 | 17.03 |
| 11 | UI /over drawn (net) | 1.57 | 1.57 | 1.57 |
| 12 | Free Power | 337.65 | 337.65 | 337.65 |
| 13 | TOTAL | 851.48 | 851.48 | 851.48 |

Commission's Analysis:

As seen from the power procurement projection, the EPDS has projected the power drawal during the FY 2016-17 at the same level of actual drawal during the FY 2014-15 and estimated of the FY 2015-16.

The Commission has considered the power procurement projected by EPDS during the FY 2016-17, except the short term / over-drawl of 1.57 MUs as there is surplus power. If any contingency arises to procure power apart from allocated sources, the same will be considered at the time of true up. Power Procurement approved by the Commission is shown in the Table below:

Table 7.11: Power Procurement approved by the Commission for FY 2016-17

(In MUs)

| Sl. No. | Source | Projected by EPDS | Approved by the Commission |
|-----------|-----------------------|-------------------|----------------------------|
| | Central Sector | | |
| 1 | FSTPP, NTPC | 114.16 | 114.16 |
| 2 | BSTPP, NTPC | 10.67 | 10.67 |
| 3 | KHSTPP-I, NTPC | 62.60 | 62.60 |
| 4 | KHSTPP-II, NTPC | 20.81 | 20.81 |
| 5 | TSTPP, NTPC | 157.71 | 157.71 |
| 6 | RANGIT-III, NHPC | 3.07 | 3.07 |
| 7 | TEESTA-V, NHPC | 32.65 | 32.65 |
| | Others | | |
| 8 | CHUKHA, PTC | 42.36 | 42.36 |
| 9 | WBSEDCL | 51.20 | 51.20 |
| 10 | SPDC | 17.03 | 17.03 |
| 11 | UI /over drawn (net) | 1.57 | 0.00 |
| 12 | Free Power | 337.65 | 337.65 |
| 13 | TOTAL | 851.48 | 849.91 |

The Commission approves power procurement of 849.91 MUs including free power of 337.65 MUs for the FY 2016-17 as against 851.48 MUs projected by EPDS.

7.6 Energy requirement and availability

The energy requirement and availability for the FY 2014-15 (Actuals) and estimated for the FY 2015-16 and projected for the FY 2016-17 furnished by the EPDS are furnished in Table below:

Table 7.12: Energy Balance Projected by EPDS for FY 2016-17

(In MUs)

| Sl. No. | Source | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|----------|---------------------------------|----------------------|------------------------|------------------------|
| A | ENERGY REQUIREMENT | | | |
| 1 | Energy Sales within State | 248.75 | 284.93 | 312.15 |
| 2 | Sales Outside State | 463.29 | 438.57 | 426.37 |
| 3 | Total Energy Sales | 712.04 | 723.49 | 738.51 |
| 4 | Overall T & D Losses % | 36.01 | 31.50 | 27.41 |
| 5 | Overall T & D Losses (MUs) | 140.00 | 131.03 | 117.84 |
| 6 | Total Energy Requirement | 852.04 | 854.53 | 856.35 |
| | | | | |
| B | ENERGY AVAILABILITY | | | |
| 7 | Power Purchase from CGS/UI etc. | 851.48 | 851.48 | 851.48 |
| 8 | Less: Overall Pool Loss | 6.24 | 4.95 | 5.12 |
| 9 | Generation | 6.80 | 8.00 | 10.00 |
| 10 | Total Energy Availability | 852.04 | 854.53 | 856.35 |
| | | | | |
| C | ENERGY SURPLUS/(GAP) | 0.00 | 0.00 | 0.00 |

Commission's Analysis:

The average inter-state transmission losses in the Eastern Region during 50 weeks from 30.03.2015 to 13.03.2016 are 2.34%. Considering the inter-state transmission loss at 2.34%, the energy balance is worked out as detailed in Table below:

Table 7.13: Energy Balance approved by the Commission for FY 2016-17

| Sl. No. | Particulars | Unit | Now approved by the Commission |
|----------|-------------------------------------|------------|--------------------------------|
| A | ENERGY REQUIREMENT | | |
| 1 | Energy sales within the state | MUs | 317.25 |
| 2 | Overall T & D losses | % | 27.41 |
| 3 | Overall T & D losses | MUs | 119.80 |
| 4 | Total energy requirement (1+3) | MUs | 437.05 |
| | | | |
| B | ENERGY AVAILABILITY | | |
| 1 | Own generation | MUs | 10.00 |
| 2 | Power purchased from CGS/UI etc. | MUs | 512.26 |
| 3 | Free Power | MUs | 337.65 |
| 4 | Overall pool loss | % | 2.34 |
| 5 | Overall pool loss | MUs | 10.60 |
| 6 | Total energy availability (1+2+3-5) | MUs | 849.31 |
| | | | |
| C | ENERGY SURPLUS/(GAP) | MUs | 412.26 |

The energy balance approved above provides for a surplus energy of 412.26 MUs for the FY 2016-17.

7.7 Aggregate Revenue Requirement

The EPDS has projected Aggregate Revenue Requirement at ₹ 455.93 Crores for the FY 2016-17, as detailed in Table below:

Table 7.14: Aggregate Revenue Requirement for FY 2016-17 projected by EPDS

| Sl. No. | Particulars | (₹ in Crores) |
|-----------|-------------------------------------|---------------|
| 1 | Cost of Fuel | 0.15 |
| 2 | Cost of Power Purchase | 161.99 |
| 3 | Employee Costs | 98.70 |
| 4 | Repair and Maintenance Expenses | 25.26 |
| 5 | Administration and General Expenses | 2.53 |
| 6 | Depreciation | 31.32 |
| 7 | Interest Charges | 87.26 |
| 8 | Interest on Working Capital | 5.09 |
| 9 | Return on NFA/Equity | 44.56 |
| 10 | Income Tax | - |
| 11 | Total Revenue Requirement | 456.87 |
| 12 | Less: Non Tariff Income | 0.94 |
| 13 | Net Revenue Requirement | 455.93 |

The expenses projected by EPDS and the Commission's analysis are discussed hereunder.

7.8 Fuel Cost

The EPDS has projected fuel cost at ₹ 0.15 Crores for the FY 2016-17.

The Commission approves fuel cost at ₹ 0.15 Crores for the FY 2016-17 as projected by EPDS.

7.9 Power Purchase Cost

EPDS has furnished actual power purchase costs including Transmission charges, as shown in Table below:

Table 7.15: Actual Power Purchase Cost furnished by EPDS for FY 2014-15

(₹ in Crores)

| Sl. No. | Source | Energy received (MUs) | Variable Cost (Ps./Unit) | Total Variable Cost | Total Fixed Cost | Others | Total Cost i/c supplementary bills | Unit Cost (₹ / Kwh) |
|---------|---------------------------------|-----------------------|--------------------------|---------------------|------------------|--------|------------------------------------|---------------------|
| 1 | NTPC | | | | | | | |
| | a) FSTPP | 114.16 | | 33.43 | 14.99 | 2.54 | 50.96 | 4.46 |
| | b)BSTPP | 10.67 | | 4.27 | 4.78 | -0.39 | 8.66 | 8.11 |
| | b) KHSTPP-I | 62.60 | | 16.32 | 8.44 | -0.35 | 24.42 | 3.90 |
| | c)KHSTPP-II | 20.81 | | 5.07 | 3.91 | 0.16 | 9.14 | 4.39 |
| | d)TSTPP | 157.71 | | 23.85 | 14.04 | 0.62 | 38.51 | 2.44 |
| | TOTAL | 365.95 | | 82.95 | 46.17 | 2.57 | 131.69 | |
| 2 | NHPC | | | | | | | |
| | a) RANGIT-III | 3.07 | | 0.61 | 0.67 | -0.01 | 1.27 | 4.15 |
| | b)TEESTA -V | 32.65 | | 4.11 | 3.99 | 0.37 | 8.47 | 2.60 |
| | TOTAL | 35.71 | | 4.72 | 4.66 | 0.36 | 9.75 | |
| 3 | Other sources | | | | | | | |
| | a) PTC | 42.36 | | | | 6.56 | 6.56 | 1.55 |
| | b)WBSEDCL | 51.20 | | | | 6.55 | 6.55 | 1.28 |
| | c) SPDC | 17.03 | | | | 6.18 | 6.18 | 3.63 |
| 4 | Other Charges | | | | | | | |
| | a) Transmission & Other Charges | | | | | | 0.72 | |
| 5 | UI Purchase | 1.57 | | | | | 1.31 | 8.37 |
| 6 | Free Power | 337.65 | | | | | - | |
| 7 | Rebate/ Other Charges | | | | | | -0.77 | |
| 8 | Total | 851.48 | | | | | 161.99 | |

Power Purchase Cost projected for the FY 2016-17

The EPDS has projected a power purchase cost at ₹ 161.99 Crores including interstate transmission charges of ₹ 0.72 Crores for the FY 2016-17. Free power is projected at 337.65 MUs and UI purchase is projected at 1.57 Mus at the cost of ₹ 1.31 Crores. The details are furnished in the following Table:

Table 7.16: Power Purchase Cost projected by EPDS for FY 2016-17

| Sl. No. | Source | Energy received (MUs) | Unit Cost (₹ / Kwh) | Total Cost i/c supplementary bills (₹ in Crores) |
|---------|---|-----------------------|---------------------|--|
| 1 | NTPC | | | |
| | FSTPP | 114.16 | 4.46 | 50.96 |
| | BSTPP | 10.67 | 8.11 | 8.66 |
| | KHSTPP-I | 62.60 | 3.90 | 24.42 |
| | KHSTPP-II | 20.81 | 4.39 | 9.14 |
| | TSTPP | 157.71 | 2.44 | 38.51 |
| 2 | NHPC | | | |
| | RANGIT-III | 3.07 | 4.15 | 1.27 |
| | TEESTA -V | 32.65 | 2.60 | 8.47 |
| 3 | PTC | | | |
| | CHUKHA | 42.36 | 1.55 | 6.56 |
| 4 | Other sources | | | |
| | WBSIEDCL | 51.20 | 1.28 | 6.55 |
| | SPDC | 17.03 | 3.63 | 6.18 |
| | UI Purchase | 1.57 | 8.37 | 1.31 |
| 5 | Total Energy Purchase | 513.83 | | 162.05 |
| 6 | Rebate/Other Charges | | | -0.77 |
| 7 | Transmission Charges | | | 0.72 |
| 8 | Net Power Purchase Expenses (Excl. Free Power) | 513.83 | | 161.99 |

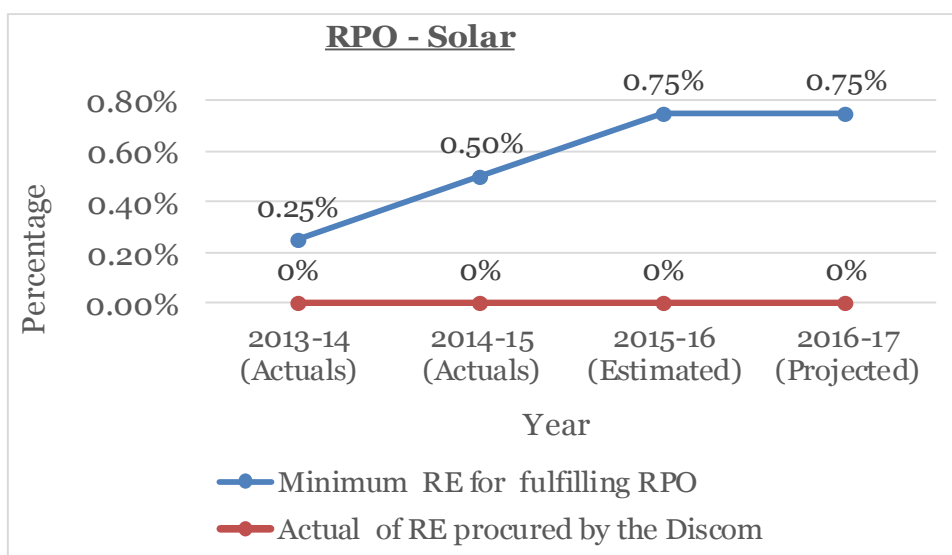
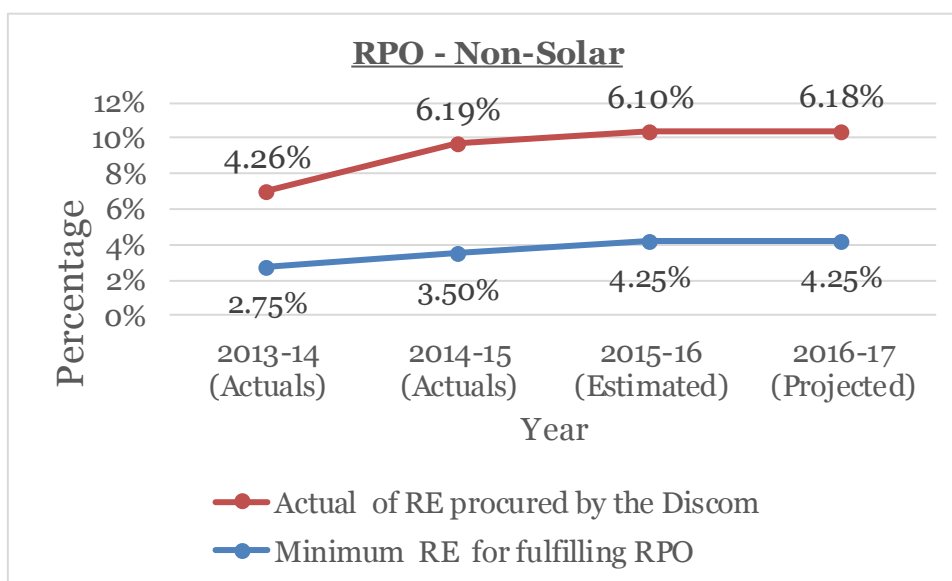
Commission Analysis:

As seen from the above, the EPDS has claimed the power purchase cost for the FY 2016-17 at the rates actually paid during the FY 2014-15. The Commission has considered the station-wise average rate on the basis of the bill for the month of September, 2015 to compute the power purchase cost for the FY 2016-17. Accordingly, the power purchase cost for the FY 2016-17 is worked out, as detailed in Table below.

The EPDS has projected procurement of 1.57 MUs under UI / deviation. The Commission has not considered the same as there is surplus power. If there is need for such a purchase, the same would be considered at the time of True up.

As per the SSERC (Renewable Energy Purchase Obligation and Its Compliance) Regulations, 2013, the applicable RPO levels for FY 2016-17 are 4.25% for Non Solar and 0.75% for Solar.

For the FY 2016-17, 18.57 MUs from Non Solar and 3.28 MUs from solar sources, is approved to be procured (the break-up of power purchase is given below). The EPDS is required to meet the RPO levels separately for the solar and non-solar. The power procurement projection for the FY 2016-17 shows that there is no provision for procurement of power from solar sources. Hence, as per the projected procurement plans the utility shall not be able to meet the solar RPO obligation. The actual procurement from Non-solar & Solar sources since FY 2013-14 against minimum RPO requirement of the Regulations is provided in the chart below:



EPDS is directed to take steps for procurement of power from solar sources. As the power procurement plan of EPDS is not fulfilling the solar RPO Obligation, Commission has allowed

purchase of Renewable Energy Certificates (RECs) for meeting the shortfall in RPO requirement. The detailed computation is shown in the Table below:

Table 7.17: Amount required for purchase of RECs for FY 2016-17

| Sl. No. | Source | Energy sales within the State | RPO | | Power Available | Shortfall / Surplus | | Cost / Mwh | Cost of REC Purchase |
|----------|--------------|-------------------------------|-------------|--------------|-----------------|---------------------|-----------|------------|----------------------|
| | | (In MUs) | (In %) | (In MUs) | (In MUs) | (In MUs) | (In Mwhs) | (In ₹) | (₹ in Crores) |
| 1 | Non-Solar | 437.05 | 4.25 | 18.57 | 27.03 | -8.46 | -8458.81 | | - |
| 2 | Solar | 437.05 | 0.75 | 3.28 | 0.00 | 3.28 | 3277.88 | 3,500.00 | 1.15 |
| 3 | Total | | 5.00 | 21.85 | 27.03 | -5.18 | | | 1.15 |

Accordingly, the Commission approves ₹ 1.15 Crores, for purchase of Renewable Energy Certificates (RECs) for meeting the shortfall in Solar RPO requirement in accordance with the CERC order dated 30th December, 2014. The detail of Power Purchase quantum and cost is given in the Table below:

Table 7.18: Power Purchase Cost approved by the Commission for FY 2016-17

| Sl. No. | Source | Energy received (MUs) | Unit Cost (₹ / Kwh) | Total Cost i/c supplementary bills (₹ in Crores) |
|-----------|------------------------------------|-----------------------|---------------------|--|
| 1 | NTPC | | | |
| | FSTPP | 114.16 | 4.63 | 52.86 |
| | BSTPP | 10.67 | 16.31 | 17.41 |
| | KHSTPP-I | 62.60 | 4.27 | 26.74 |
| | KHSTPP-II | 20.81 | 4.56 | 9.49 |
| | TSTPP | 157.71 | 1.97 | 31.00 |
| 2 | NHPC | | | |
| | RANGIT-III | 3.07 | 3.57 | 1.10 |
| | TEESTA - V | 32.65 | 2.26 | 7.39 |
| 3 | PTC | | | |
| | CHUKHA | 42.36 | 1.84 | 7.79 |
| 4 | Other sources | | | |
| | WBSEDCL | 51.20 | 1.28 | 6.55 |
| | SPDC | 17.03 | 3.78 | 6.44 |
| | UI Purchase | 0.00 | 0.00 | 0.00 |
| 5 | Total Energy Purchase | 512.26 | | 166.78 |
| 6 | Rebate/Other Charges | | | - |
| 7 | Transmission Charges | | | 12.36 |
| 8 | Free Power | 337.65 | | - |
| 9 | REC Purchase | | | 1.15 |
| 10 | Net Power Purchase Expenses | 849.91 | | 180.29 |

The Commission approves the power purchase cost at ₹ 180.29 Crores for purchase of 512.26 MUs including transmission charges at ₹ 12.36 Crores & REC purchase at ₹ 1.15 Crores, Free Power of 337.65 MUs is considered for the FY 2016-17 as against the total cost ₹ 161.99 Crores projected by EPDS.

7.10 Employee Cost

EPDS has furnished the total strength of employees in the Table below:

Table 7.19: Employee Cadre Strength

| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|----------|---|----------------------|------------------------|------------------------|
| 1 | Number of employees as on 1st April | 3767 | 3820 | 3920 |
| 2 | Number of employees on deputation / foreign service as on 1st April | 0 | 0 | 0 |
| 3 | Total Number of employees (1+2) | 3767 | 3820 | 3920 |
| 4 | Number of employees retired / retiring during the year | 32 | 29 | 48 |
| 5 | Number of appointments during the year | 85 | 129 | 24 |
| 6 | Number of employees at the end of the year (3-4+5) | 3820 | 3920 | 3896 |

Employee productive parameters, as furnished by EPDS as shown below:

Table 7.20: Employee Productive Parameters

| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|----------|---|----------------------|------------------------|------------------------|
| 1 | Number of Consumers | 100276 | 106691 | 108826 |
| 2 | Connected Load in MW | 126.75 | 126.75 | 126.75 |
| 3 | Number of Employees | 3820 | 3920 | 3896 |
| 4 | Energy sold in MU | 248.75 | 284.93 | 312.15 |
| 5 | Employees per MU of energy sold | 15.36 | 13.76 | 12.48 |
| 6 | Employees for 1000 consumers | 38.09 | 36.74 | 35.80 |
| 7 | Share of Employees Cost in Total Expenses (₹ in Crores) | 74.98 | 96.86 | 98.70 |
| 8 | Employees Cost in paise/Kwh of Energy sold | 301.42 | 339.95 | 316.20 |

EPDS has furnished actual employee cost for the FY 2014-15, estimated cost for the FY 2015-16 and the projected cost for the FY 2016-17 as shown below:

Table 7.21: Employee Cost furnished by EPDS

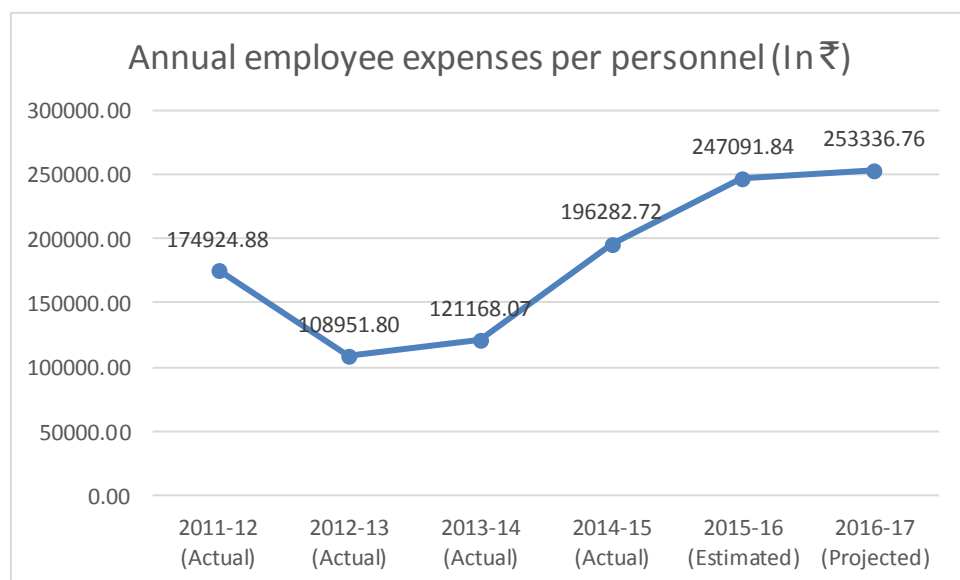
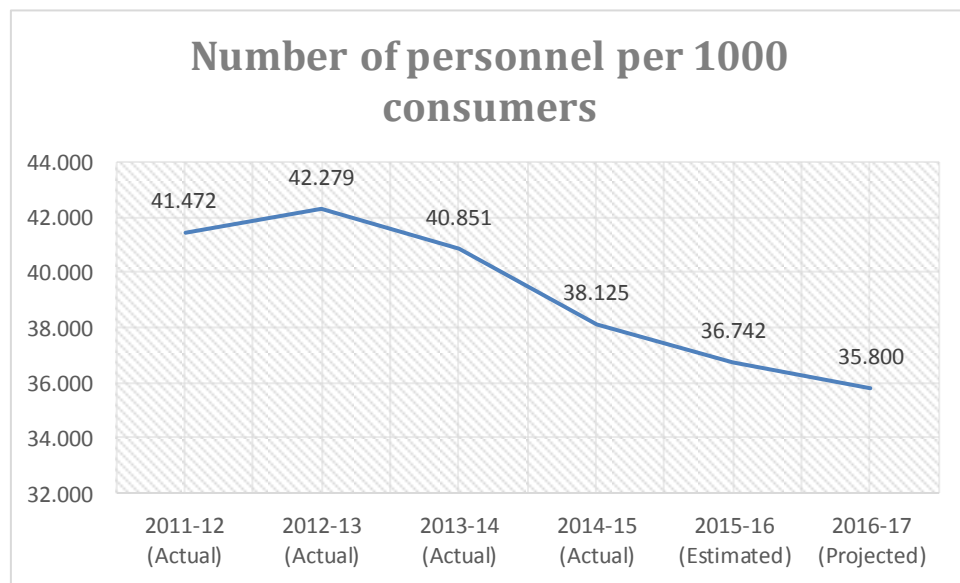
(₹ in Crores)

| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|-----------|------------------------------------|----------------------|------------------------|------------------------|
| | SALARIES & ALLOWANCES | | | |
| 1 | Basic Pay | 31.84 | 38.19 | 39.00 |
| 2 | Dearness Pay | 0.00 | 0.00 | 0.00 |
| 3 | Dearness Allowance | 34.08 | 46.97 | 47.50 |
| 4 | House Rent Allowance | 4.78 | 5.73 | 5.90 |
| 5 | Fixed Medical Allowance | 3.18 | 3.82 | 3.85 |
| 6 | Medical Reimbursement Charges | 0.87 | 1.50 | 1.65 |
| 7 | Over Time Payment | 0.00 | 0.00 | 0.00 |
| 8 | High Altitude Allowance | 0.03 | 0.15 | 0.15 |
| 9 | Spl. Border Compensatory Allowance | 0.00 | 0.00 | 0.00 |
| 10 | Generation incentive | 0.00 | 0.00 | 0.00 |
| 11 | Bonus | 0.00 | 0.00 | 0.00 |
| 12 | Sub Total | 74.78 | 96.36 | 98.05 |
| | TERMINAL BENEFITS | | | |
| 13 | Leave Encashment | 0.20 | 0.50 | 0.65 |
| 14 | Gratuity | 0.00 | 0.00 | 0.00 |
| 15 | Commutation of Pension | 0.00 | 0.00 | 0.00 |
| 16 | Workman Compensation | 0.00 | 0.00 | 0.00 |
| 17 | Ex- gratia | 0.00 | 0.00 | 0.00 |
| 18 | Sub Total | 0.20 | 0.50 | 0.65 |
| | PENSION PAYMENT | | | |
| 19 | Basic Pension | 0.00 | 0.00 | 0.00 |
| 20 | Dearness Pension | 0.00 | 0.00 | 0.00 |
| 21 | Dearness Allowance | 0.00 | 0.00 | 0.00 |
| 22 | Any other expenses (Medical) | 0.00 | 0.00 | 0.00 |
| 23 | Sub Total | 0.00 | 0.00 | 0.00 |
| 24 | Total (12+18+23) | 74.98 | 96.86 | 98.70 |
| 25 | Amount Capitalised | 0.00 | 0.00 | 0.00 |
| 26 | Net amount (24-25) | 74.98 | 96.86 | 98.70 |
| 27 | Add prior period expenses | 0.00 | 0.00 | 0.00 |
| 28 | Grand Total (26+27) | 74.98 | 96.86 | 98.70 |

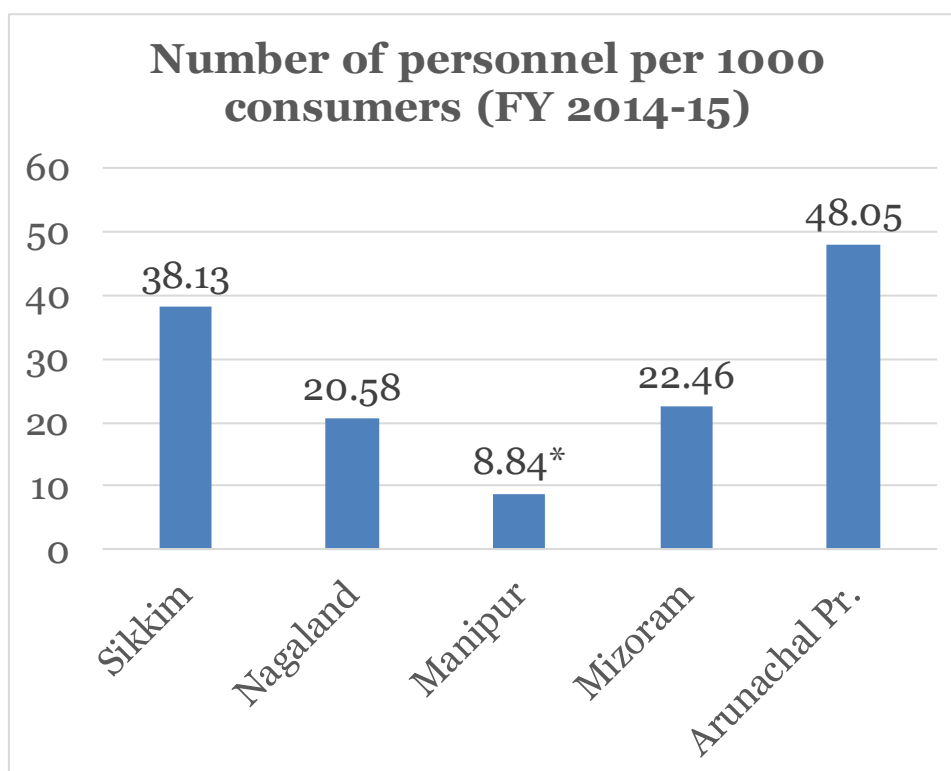
EPDS has stated that employee cost include salaries, allowances, Bonus, etc. Employee Cost is stated to have been estimated by taking into account the actuals of the FY 2014-15. Employee Cost for the FY 2016-17 is projected by escalating the cost of FY 2014-15 considering all factors affecting the employee costs.

Commission’s Analysis:

EPDS has furnished actuals for the FY 2014-15 in the Format prescribed. EPDS has not provided detailed methodology on how the cost is arrived for the FY 2016-17. The employee’s productivity parameters over last few years are provided below:



Further, an analysis has also been made of the employee productivity parameters of other states. The comparative statement of the same is provided below:



** The details pertain only to the distribution function.*

It is observed that the number of personnel per 1000 consumers for the FY 2014-15 is highest except for that of Arunachal Pradesh. In-case of Manipur, the details pertain to the distribution function only. Hence, EPDS should take steps for rationalization & effective utilization of its manpower.

The Commission has considered the actual expenditure for the FY 2014-15 at ₹ 74.98 Crores and escalation attributed to proposed increase in number of employees is factored in. Further, escalation @ 6% (DA notified by the Government of Sikkim w.e.f. 01.07.2015) for the FY 2015-16 has been considered for projecting the employee cost for the FY 2016-17 over the revised estimate of employee cost of the FY 2015-16 as approved in the Review for the year. Accordingly, the employee cost for the FY 2016-17 is arrived at ₹ 80.36 Crores.

The Commission therefore approves the employee cost for the FY 2016-17 at ₹ 80.36 Crores as against the ₹ 98.70 Crores projected by EPDS.

7.11 Administrative and General Expenses

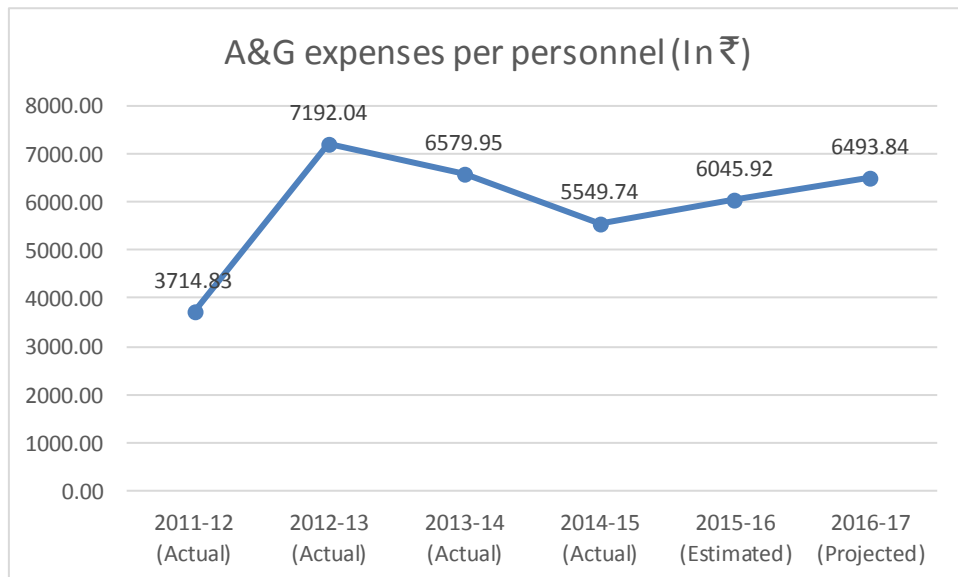
The EPDS has projected Administrative and General Expenses for the FY 2016-17 at ₹ 2.53 Crores. The Administrative and General Expenses include Rent, Rates and Taxes, Travel & Conveyance expenses, Insurance, Telephone and Postage expenses, Electricity and Water charges, Technical and Consultancy fee, freight and notional related expenses etc. The details of expenses projected by the EPDS are furnished in Table below:

Table 7.22: Administrative and General Expenses Projected by EPDS for FY 2016-17

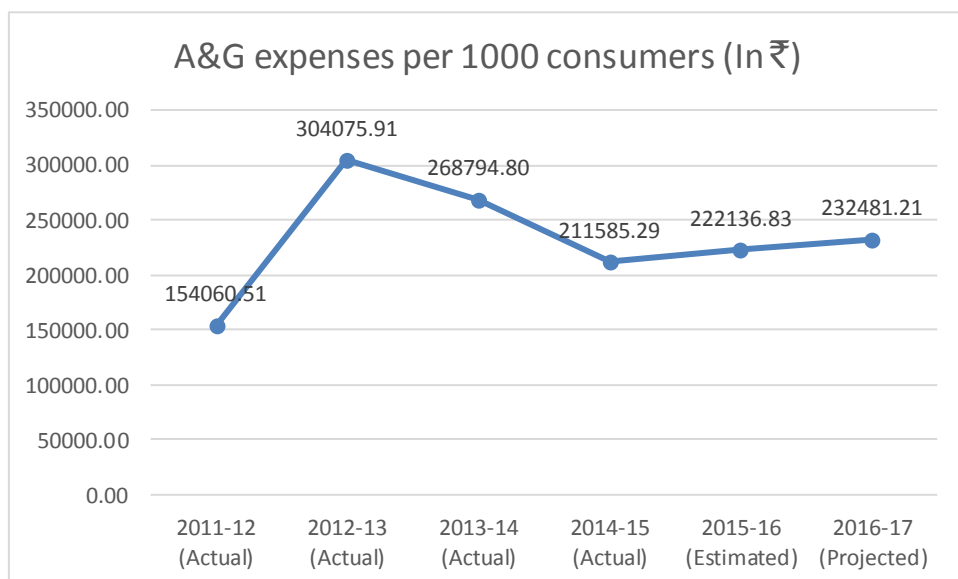
| (₹ in Crores) | | | | |
|---------------|---------------------------------|----------------------|------------------------|------------------------|
| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
| 1 | Rent, Rates & Taxes | 0.00 | 0.00 | 0.00 |
| 2 | Insurance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

Commission's Analysis:

Compared to actual expenditure during the FY 2014-15, the EPDS has projected at ₹ 2.53 Crores for the FY 2016-17. The productivity parameters w.r.t A&G expenses over last few years is provided below.

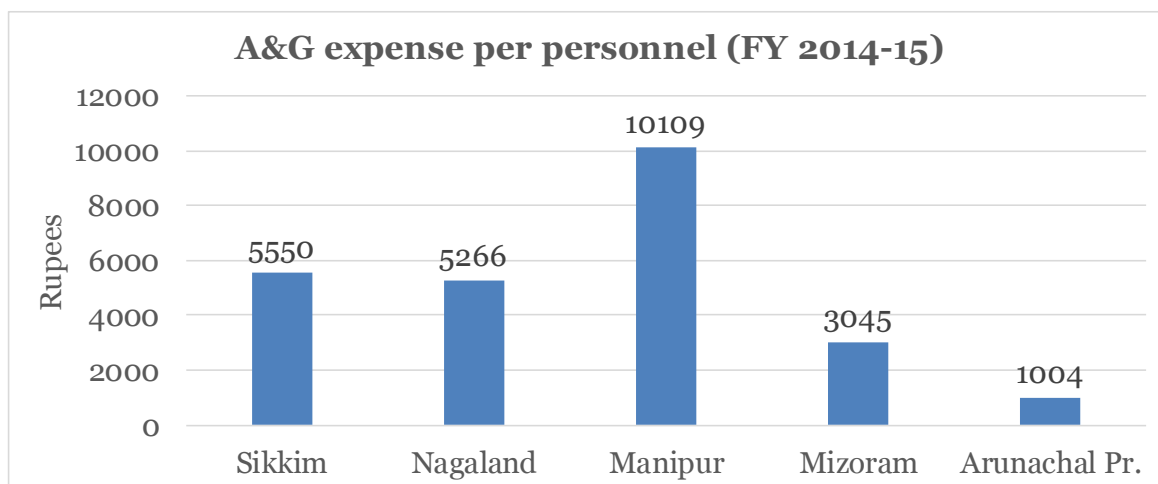


It is observed that A&G expenses personnel was showing a downward trend from FY 2012-13 to FY 2014-15, however, the estimated and the projected figure for the FY 2015-16 & FY 2016-17 respectively are showing upward trend.

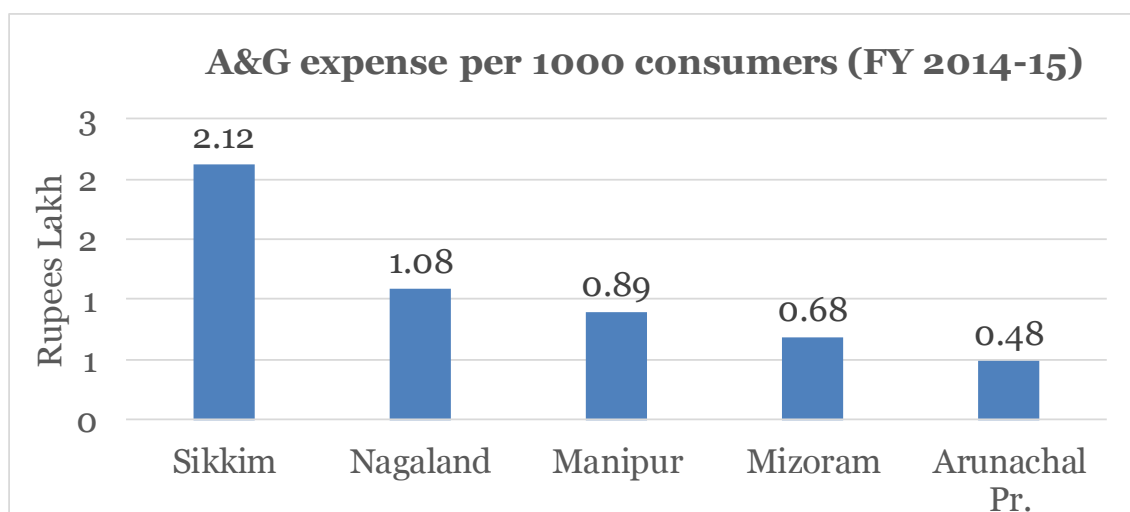


It is observed that A&G expenses per 1000 consumers was showing a downward trend from FY 2012-13 to FY 2014-15, however, the estimated and the projected figure for the FY 2015-16 & FY 2016-17 respectively are showing upward trend.

Further, an analysis has also been made of the A&G productivity parameters of other states. The comparative statement of the same is provided below:



It is observed that the A&G expenses per personnel of Sikkim is highest among all the compared states except that of Manipur.



It is observed that A&G expenses per 1000 consumers in Sikkim is highest among the states compared.

In view of the above analysis and comparisons, EPDS needs to take steps to restrict the A&G expenses.

The Commission is approving the A&G expenses as projected by EPDS for the FY 2016-17 provisionally and directs EPDS to furnish the details of A&G expenses at the time of True-up.

The Commission approves ₹ 2.53 Crores towards Administrative and General Expenses for the FY 2016-17 as projected by EPDS.

7.12 Repairs and Maintenance Expenses

The EPDS has projected ₹ 25.26 Crores towards Repair and Maintenance Expenses during the FY 2016-17 which includes expenses towards operation and maintenance of electrical equipment, plant & machinery, vehicles, furniture and fixtures, office equipment and buildings. The details of expenses projected by EPDS are furnished in Table below:

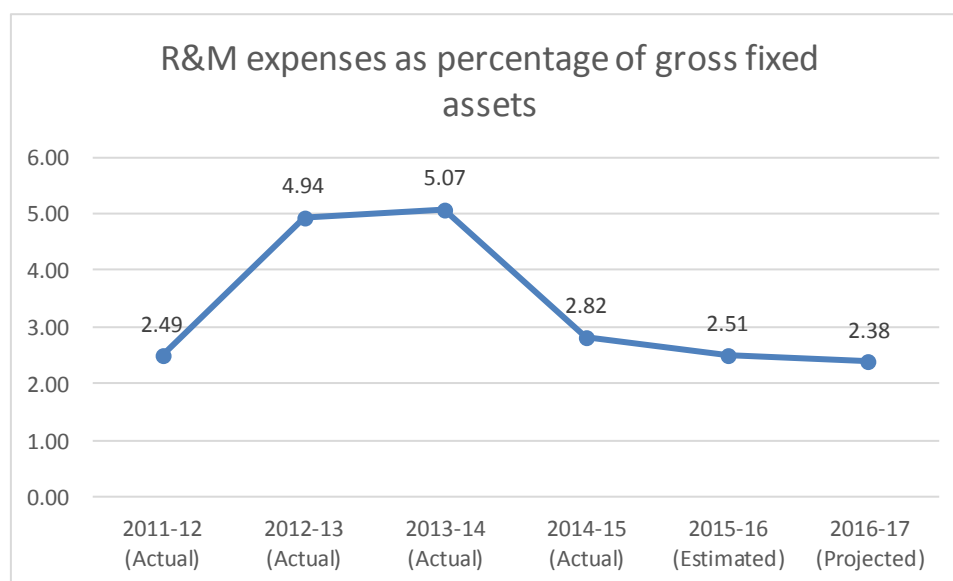
Table 7.23: Repair and Maintenance Expenses projected by EPDS for FY 2016-17

(₹ in Crores)

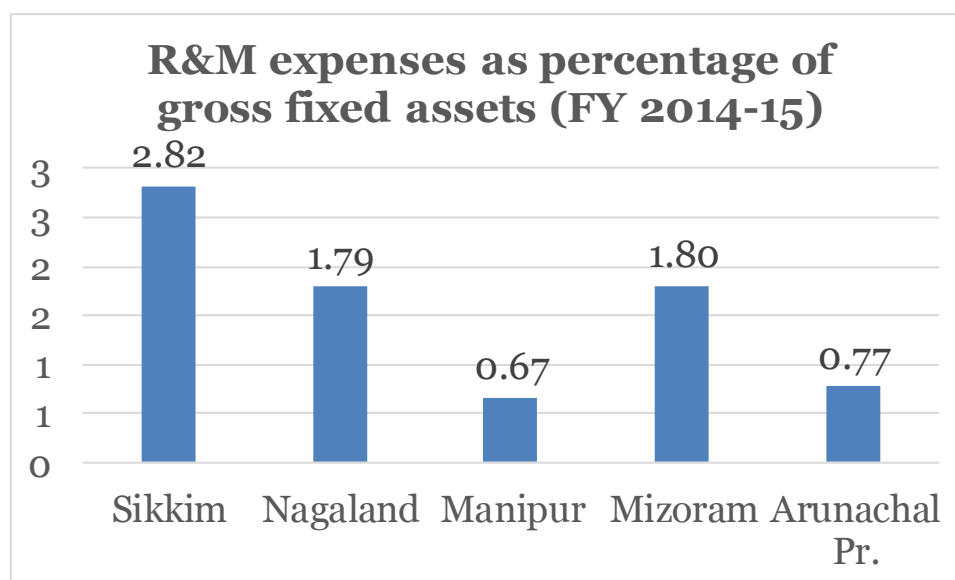
| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|-----------|-------------------------------|----------------------|------------------------|------------------------|
| 1 | Plant and Machinery | 3.92 | 4.08 | 4.09 |
| 2 | Building | 0.82 | 0.93 | 0.95 |
| 3 |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

Commission's Analysis:

The EPDS has projected the expenses at ₹ 25.26 Crores for the FY 2016-17. The productivity parameters w.r.t R&M expenses over last few years is provided below.



It is observed that the Repair & Maintenance expenses showing a reducing trend. EPDS has not submitted the Fixed Asset Register and the above parameters are based on the provisional GFA. The parameter shall be required to be reworked after the FAR is submitted. Further, an analysis has also been made of the productivity parameters of other states. The comparative statement is provided below:



It is observed that an R&M expenses is highest in Sikkim. EPDS is required to take steps for restricting the R&M expenses.

The Commission is approving the R&M expenses as projected by EPDS for the FY 2016-17 provisionally and directs EPDS to furnish the details of R&M expenses at the time of True-up.

The Commission approves ₹ 25.26 Crores towards Repair & Maintenance Expenses for the FY 2016-17 as projected by EPDS.

7.13 Capital Investment

The EPDS has proposed a Capital Investment of ₹ 113.06 Crores during the FY 2016-17. Actual expenditure incurred during the FY 2014-15, that estimated during the FY 2015-16 and projected for the FY 2016-17 are furnished in Table below:

Table 7.24: Investment Plan Projected by EPDS for FY 2016-17

(₹ in Crores)

| Sl. No. | Particulars | Approved Outley | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
|-----------|---|-----------------|-------------------|---------------------|---------------------|
| 1 | Schemes sanctioned under MDs | 14.44 | 2.26 | 0.00 | 0.00 |
| 2 | Schemes sanctioned under Building/upgradation of Transformers | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | MNRE | 15.41 | 0.46 | 1.60 | 3.50 |
| 4 | State Share of MNRE | 3.53 | 0.04 | 0.00 | 0.20 |
| 5 | NEC Schemes | 15.88 | 7.00 | 25.69 | 14.00 |
| 6 | State Share of NEC/NLCPR Schemes | 58.86 | 5.07 | 0.00 | 4.00 |
| 7 | NLCPR Schemes | 214.49 | 9.56 | 61.90 | 79.94 |
| 8 | Schemes under CMs 42 days tour prog. | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Schemes under SPA | 0.00 | 0.20 | 0.00 | 0.34 |
| 10 | State share of SPA | 0.00 | 0.10 | 0.33 | 0.10 |
| 11 | RGVY | 5.90 | 1.81 | 0.00 | 3.90 |
| 12 | State Share of RGGVY | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | R-APDRP | 14.21 | 4.00 | 0.00 | 0.00 |
| 14 | State share of R-APDRP | 0.00 | 0.00 | 0.00 | 0.00 |
| 15 | Schemes under TSP/SCSP | 0.00 | 1.03 | 0.00 | 1.03 |
| 16 | Land compensation | 0.00 | 0.23 | 0.00 | 2.00 |
| 17 | APDRP | 18.45 | 0.00 | 0.00 | 4.05 |
| 18 | Others | 0.00 | 0.90 | 0.00 | 0.00 |
| 19 | Grand Total (1 to 18) | | 32.66 | 89.52 | 113.06 |

Progress in completion of works and their capitalisation is furnished in Table below:

Table 7.25: Works in Progress

(₹ in Crores)

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

Commission's Analysis:

As seen from the above, the EPDS has projected a capital investment of ₹ 113.06 Crores and capitalisation of ₹ 104.01 Crores during the FY 2016-17. It is seen that the Petitioner has not

submitted the detailed investment plan and cost benefit analysis of the schemes envisaged during the period. Regulation 107 SSERC (Terms & Conditions for Determination of Tariff) Regulations, 2012, provides as follows:

(1) *“The distribution licensee shall propose in their filings, a detailed capital investment plan, financing plan, for meeting load growth, reduction in distribution losses, improvement in quality of supply, reliability, consumer services etc., showing separately ongoing projects that will spill into the Ensuring Year and new projects (along with their justification) that will commence in the Ensuring Year.*

(2) *The Commission may consider the licensee’s investment plan for approval and for this purpose may require the licensee to provide relevant technical and commercial details (The carrying costs corresponding to the approved investment plan for a given year shall normally be considered for its revenue requirement).*

(3) *In presenting the justification for new projects, the licensee shall detail the specific nature of works and outcomes sought to be achieved, and such details must be shown in the form of physical parameters, e.g. Distribution lines, sub-stations added, to be added meters replaced, customer service centers set up etc., so that it is amenable for physical verification. In case of any significant shortfall in physical implementation, the Commission may require the licensee to explain the reasons, and may proportionately reduce the provision, including the interest and return on equity, made towards revenue requirement, in the next period.”*

As required above the petitioner is directed to provide the scheme wise details as required above along with cost benefit analysis and approvals with future filings. Further, the petitioner has not submitted the basis of the capex and capitalization considered for the FY 2015-16 & FY 2016-17. The petitioner is directed submit the same along with scheme wise detail breakup for the ensuing year as well as for the past FYs with next filings. Details of the capex proposed to be funded through IPDS/DDUGJY schemes of GoI if any, are also required to be furnished.

In view of the above the Commission provisionally approves the capital investment of ₹ 113.06 Crores and capitalisation of ₹ 104.01 Crores for the FY 2016-17 as projected by the EPDS and the same shall be approved/ revised after the details as required are submitted.

7.14 Gross Fixed Assets (GFA)

The EPDS has stated that the opening GFA for the FY 2016-17 has been taken from the assets register and works capitalised during the FY 2016-17 have been added and the GFA computed, as detailed in Table below:

Table 7.26: Gross Fixed Assets Movement

(₹ in Crores)

| Sl. No. | Year | Opening Balance | Addition during the year | Closing Balance |
|---------|------------|-----------------|--------------------------|-----------------|
| 1 | FY 2014-15 | 857.27 | 68.59 | 925.86 |
| 2 | FY 2015-16 | 925.86 | 83.18 | 1009.04 |
| 3 | FY 2016-17 | 1009.04 | 104.01 | 1113.05 |

Commissions Analysis:

In the absence of audited accounts the opening GFA as on 01.04.2014, furnished by the EPDS cannot be taken into consideration for the purpose of allowing depreciation or return on equity etc.

7.15 Depreciation

The EPDS has projected depreciation of ₹ 31.32 Crores for the FY 2016-17. The EPDS has stated that the depreciation has been calculated on the opening value of the GFA as on 01.04.2016 plus 50% of the projected additions during the FY 2016-17 at the rates prescribed in the SSERC Regulations, the same is detailed in Table below:

Table 7.27: Depreciation for FY 2016-17 Projected by EPDS

(₹ in Crores)

| Sl. No. | Particulars | 2016-17 (Projected) |
|---------|--|---------------------|
| 1 | Gross Block in Beginning of the year | 1009.04 |
| 2 | Additions during the Year | 104.01 |
| 3 | Cumulative Depreciation at the Beginning of the Year | 549.56 |
| 4 | Average Rate of Depreciation | |
| 5 | Depreciation for the Year | 31.32 |
| 6 | Cumulative Depreciation at the End of the Year | 580.87 |
| 7 | Net Block in the Beginning of the Year | 459.48 |
| 8 | Net Block in the End of the Year | 532.18 |

Commission's Analysis:

The EPDS has not furnished the rate at which depreciation is arrived. As discussed earlier, the depreciation on the opening GFA, as on 01.04.2012, cannot be considered. However, depreciation has been considered on the amount of actual closing balance at the end of the FY 2014-15 and estimated additions during the FY 2015-16 and 50% of the amount to be capitalised during the FY 2016-17 at an average depreciation rate of 5.28%, as detailed in Table below:

Table 7.28: Depreciation approved by the Commission for FY 2016-17

| (₹ in Crores) | | |
|---------------|------------------------------|------------------------|
| Sl. No. | Particulars | 2016-17 (Projected) |
| 1 | Opening GFA as on 31.03.2016 | 352.50 |
| 2 | Additions during the Year | 104.01 |
| 3 | Closing GFA as on 31.03.2017 | 456.51 |
| 4 | Average GFA | 404.51 |
| 5 | Rate of depreciation | 5.28% |
| 6 | Depreciation | 21.36 |

The Commission approves depreciation at ₹ 21.36 Crores for the FY 2016-17, as against ₹ 31.32 Crores projected by the EPDS.

7.16 Interest and Finance Charges

The EPDS has projected interest and Finance charges at ₹ 87.26 Crores for the FY 2016-17. The EPDS has considered the rate of interest at 14.75% being the SBI PLR as on 01.04.2015 and calculated interest and finance charges by taking the opening loan as 70% of the GFA for the FY 2015-16 and the proposed capitalisation during the FY 2016-17, as detailed in Table below:

Table 7.29: Interest and Finance Charges projected by EPDS for FY 2016-17

| (₹ in Crores) | | | | |
|---------------|---|----------------------|------------------------|------------------------|
| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
| 1 | Opening Loan | 600.09 | 588.09 | 587.51 |
| 2 | Loan Additions (70% Capex for the FY) | 48.01 | 58.23 | 72.81 |
| 3 | Repayment | 60.01 | 58.81 | 64.63 |
| 4 | Closing Loan | 588.09 | 587.51 | 595.68 |
| 5 | Average Loan | 594.09 | 587.80 | 591.60 |
| 6 | Wt. Avg Interest on Loan | 14.75% | 14.75% | 14.75% |
| 7 | Interest on Loan | 87.63 | 86.70 | 87.26 |
| 8 | Total Interest & Finance Charges | 87.63 | 86.70 | 87.26 |

The EPDS has requested the Commission to allow the above interest on loan for the FY 2016-17.

Commission's Analysis:

As verified from the Format 7, no single loan was availed by EPDS during the FY 2014-15, nor contemplated during the FY 2015-16, or in the FY 2016-17. As such, it is construed that the loan details furnished supra are on normative basis.

As such, the Commission has not considered interest and finance charges for the FY 2016-17.

7.17 Interest on Working Capital

The EPDS has projected interest on working capital at ₹ 5.09 Crores on normative basis for the FY 2016-17 as per SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, on requirement of:

- one month Employee cost
- one month Administrative & General Expenses
- one month Repair & Maintenance Cost and
- Two months receivables.

The rate of interest on working capital has been considered as per SBI PLR as on 1st April of the respective year which is 14.75% as on 01.04.2015.

The EPDS has worked out interest on working capital as detailed in Table below:

Table 7.30: Interest on Working Capital Projected by EPDS for FY 2016-17

| (₹ in Crores) | | | |
|---------------|---|------------------------|------------------------|
| Sl. No. | Particulars | 2015-16 (Estimated) | 2016-17 (Projected) |
| 1 | One month's Employee Costs | 8.07 | 8.23 |
| 2 | One month's Administration & General Expenses | 0.20 | 0.21 |
| 3 | One month's R&M Cost | 2.00 | 2.11 |
| 4 | Maintenance Spares | 0.00 | 0.00 |
| 5 | Two month's Receivables | 22.37 | 23.99 |
| 6 | Total | 32.64 | 34.53 |
| 7 | Rate of Interest | 14.75% | 14.75% |
| 8 | Interest on Working Capital | 4.81 | 5.09 |

Commission's Analysis:

As per Regulation 113 of SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, interest on working capital shall be calculated on normative basis, notwithstanding the fact that the licensee has taken working capital loan from any outside agency. Accordingly, the Interest on Working Capital has been worked out on the costs approved by the Commission, as detailed in Table below:

Table 7.31: Interest on Working Capital Approved by the Commission for FY 2016-17

| (₹ in Crores) | | | |
|---------------|--------------------------------------|------------|----------------------------|
| Sl. No. | Particulars | Total Cost | Working Capital & Interest |
| 1 | O & M Expenses | | |
| | a) Employee Cost | 80.30 | 6.69 |
| | b) Repair & Maintenance Expenses | 25.26 | 2.11 |
| | c) Administrative & General Expenses | 2.53 | 0.21 |
| 2 | Maintenance of Spares | | |
| 3 | Receivables | 143.94 | 23.99 |
| 4 | Total | | 33.00 |
| 5 | SBI PLR as on 01.04.2015 | | 14.60% |
| 6 | Interest on Working capital | | 4.82 |

The Commission approves the Interest on Working Capital at ₹ 4.82 Crores of the FY 2016-17, as against ₹ 5.09 Crores projected by EPDS.

7.18 Return on Equity

The EPDS has projected the Return on Equity at ₹ 44.56 Crores for the FY 2016-17 at 14% on the normative equity of 30% of GFA as detailed in Table below:

Table 7.32: Return on Equity for FY 2016-17

| (₹ in Crores) | | | | |
|---------------|---|----------------------|------------------------|------------------------|
| Sl. No. | Particulars | 2014-15 (Actuals) | 2015-16 (Estimated) | 2016-17 (Projected) |
| 1 | Opening Equity | 257.18 | 277.76 | 302.71 |
| 2 | Equity Addition (30% Capex for the FY) | 20.58 | 24.95 | 31.20 |
| 3 | Closing Equity | 277.76 | 302.71 | 333.91 |
| 4 | Average Equity | 267.47 | 290.23 | 318.31 |
| 5 | Rate of Return on Equity | 0.14 | 0.14 | 0.14 |
| 6 | Return on Equity | 37.45 | 40.63 | 44.56 |

Commissions Analysis:

Regulation 110 of SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, provides for Return on Equity at 14% p.a. on the equity amount appearing in the audited balance sheet of annual accounts.

The EPDS has not produced audited annual accounts. In addition, it is a State Government Department; the expenses are funded by the Government. **As such, no separate return is to be allowed for Return on Equity.**

7.19 Return on Capital Base

The EPDS has projected the Return on Capital Base at ₹ 13.78 Crores for the FY 2016-17. Any electricity utility can claim either Return on Equity, or Return on Capital Base. In either case, audited annual accounts are must.

As the EPDS has not produced audited accounts, return on capital base is not considered.

7.20 Provision for Bad Debts

The EPDS has not claimed any provision for bad debts during the FY 2016-17.

7.21 Non-Tariff Income

The EPDS has projected a Non-Tariff Income at ₹ 0.94 Crores for the FY 2016-17.

Commission's Analysis:

As per Regulation 117 of SSERC (Terms and Conditions for Determination of Tariff) Regulations, 2012, non-tariff income comprises of:

- Meter / metering equipment / service line rentals
- Service charges
- Customer charges
- Revenue from late payment surcharge
- Recovery on account of theft and pilferage of energy
- Miscellaneous receipts.
- Interest on staff loans and advances
- Interest on advances to suppliers
- Income from other business
- Income from staff welfare activities
- Excess found on physical verification of stores
- Interest on fixed investments and call deposits and bank balances
- Prior period Income.

The EPDS has stated that most of the consumers buy and use their own energy meters and non-tariff income from meter rent is only received against meters provided by the department. EPDS is directed to submit the details of the energy meters provided by the department and procured by the consumers at their cost.

In view of the above the Non-Tariff income as proposed by EPDS is provisionally approved subject to revision based on the details of meters to be provided with the next filing.

As such, Non-Tariff Income at ₹ 0.94 Crores, as proposed by EPDS is considered for the FY 2016-17.

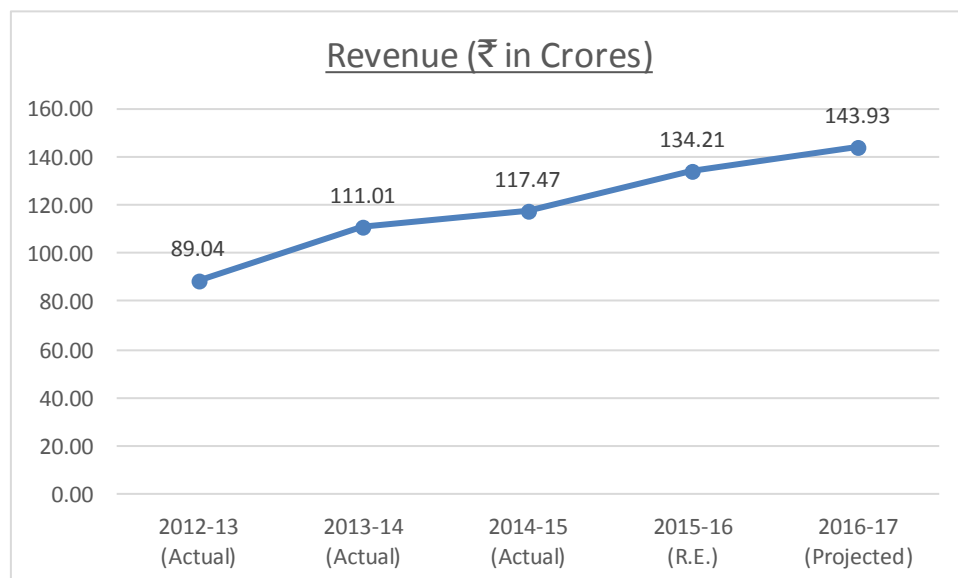
The Commission considers the non-tariff income at ₹ 0.94 Crores for the FY 2016-17, as projected by EPDS.

7.22 Revenue from Existing Tariff

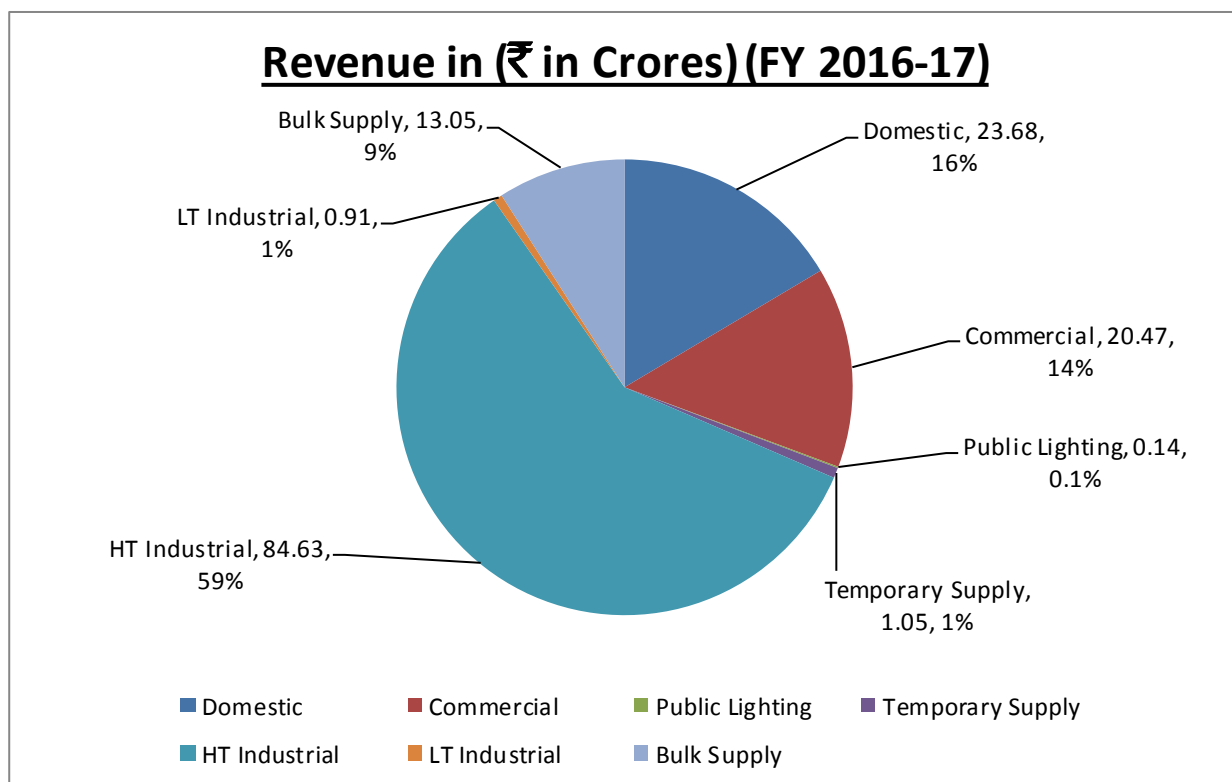
The EPDS has projected revenue from sale of energy with existing tariff at ₹ 143.93 Crores for sale of 312.15 MUs within the State and with an average rate of ₹ 4.61/Kwh and ₹ 130.85 Crores from sale of energy outside State for sale of 426.37 MUs with an average rate of ₹ 3.07/Kwh.

Commissions Analysis:

The trend of revenue for over past few years is provided below to depict the growth in revenue.



Category wise revenue projected by EPDS for the FY 2016-17 is provided in the chart below:



It is observed that the revenue from domestic category contributes about 59% followed by commercial category. Hence, impact of change in tariff on the revenue is mostly dependent on these categories. With the approved sales of 317.25 MUs within the state and 412.26 MUs outside the state, the revenue approved at the existing Tariff is detailed in Table below:

Table 7.33: Revenue from Existing Tariff as approved by the Commission for FY 2016-17

| Sl. No. | Particulars | Energy Sales (In MUs) | Average Rate (₹/Kwh) | Amount (₹ in Crores) |
|-----------|---------------------------------|-----------------------|----------------------|----------------------|
| 1 | Domestic | 94.97 | 2.41 | 22.91 |
| 2 | Commercial | 40.75 | 4.99 | 20.35 |
| 3 | Public Lighting | 0.35 | 4.06 | 0.14 |
| 4 | Temporary Supply | 1.45 | 7.24 | 1.05 |
| 5 | HT Industrial | 153.21 | 5.72 | 87.64 |
| 6 | LT Industrial | 1.45 | 4.84 | 0.70 |
| 7 | Bulk Supply | 25.07 | 5.54 | 13.88 |
| 8 | Total sales within State | 317.25 | 4.62 | 146.67 |
| 9 | Sales Outside State | 412.26 | 3.07 | 126.52 |
| 10 | Total Sales (8+9) | 729.51 | 3.74 | 273.19 |

EPDS has not provided the details of category wise / slab wise connected load / contracted maximum demand of consumers except for the Industrial (HT) consumers. Therefore, the

revenue from sales as approved above does not include revenue on account of demand charges for different categories except Industrial (HT) consumers. EPDS is directed to furnish the category wise / slab wise connected load / contracted maximum demand of consumers of all the categories along with the next petition. The revenue figures shall be accordingly reviewed.

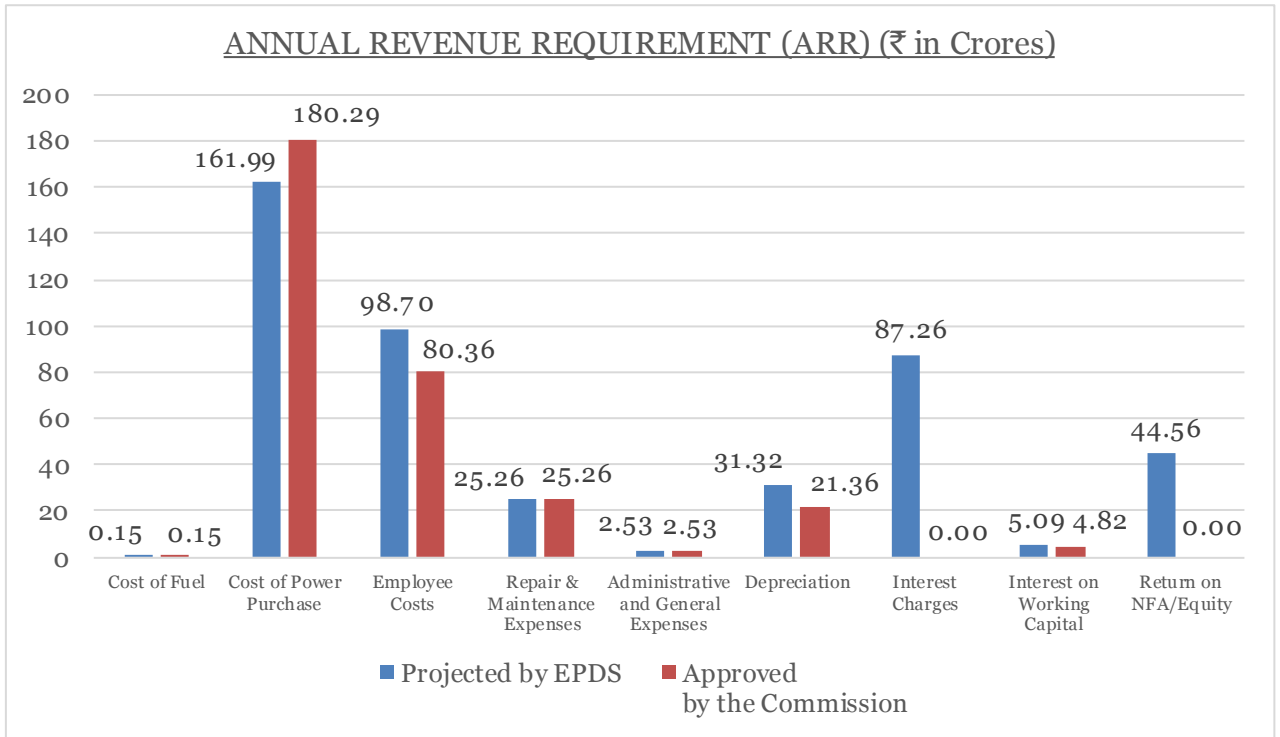
The Commission approves the revenue from the existing tariff at ₹ 146.67 Crores on sale of 317.25 MUs within the State at an average rate of at ₹ 4.62/Kwh and ₹ 126.52 Crores on sale of 412.26 MUs outside the State at an average rate of ₹ 3.07/kwh.

7.23 Aggregate Revenue Requirement (ARR) and Gap

Based on the approvals of the above projections, the ARR of EPDS for the FY 2016-17 works out as detailed in Table below:

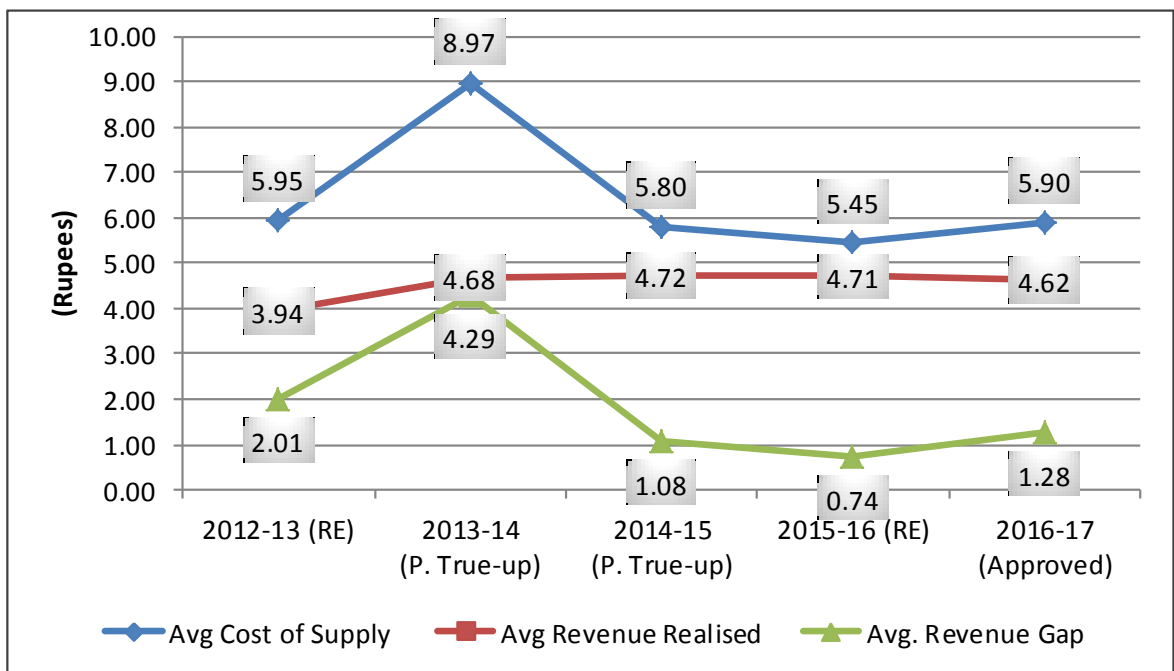
Table 7.34: Aggregate Revenue Requirement approved by the Commission for FY 2016-17

| (₹ in Crores) | | | |
|---------------|-------------------------------------|-------------------|----------------------------|
| Sl. No. | Particulars | Projected by EPDS | Approved by the Commission |
| 1 | Cost of Fuel | 0.15 | 0.15 |
| 2 | Cost of Power Purchase | 161.99 | 180.29 |
| 3 | Employee Costs | 98.70 | 80.36 |
| 4 | Repair & Maintenance Expenses | 25.26 | 25.26 |
| 5 | Administrative and General Expenses | 2.53 | 2.53 |
| 6 | Depreciation | 31.32 | 21.36 |
| 7 | Interest Charges | 87.26 | 0.00 |
| 8 | Interest on Working Capital | 5.09 | 4.82 |
| 9 | Return on NFA/Equity | 44.56 | 0.00 |
| 10 | Total Revenue Requirement | 456.87 | 314.76 |
| 11 | Less: Non Tariff Income | 0.94 | 0.94 |
| 12 | Net Revenue Requirement | 455.93 | 313.82 |
| 13 | Revenue from Tariff | 143.93 | 146.67 |
| 14 | Revenue from Sale Outside the State | 130.85 | 126.52 |
| 15 | Gap | 181.15 | 40.63 |
| 16 | Energy Sales within the State | 312.15 | 317.25 |
| 17 | Energy Sales outside the State | 426.37 | 412.26 |
| 18 | Average Cost of Supply ₹/Kwh | 6.17 | 4.30 |



The Revenue gap of ₹ 40.63 Crores has been arrived at on the basis of the projected data for the FY 2016-17. The Revenue Gap is about 12.95% of the ARR. The average cost of supply per unit for the FY 2016-17 is ₹ 5.90 & average revenue from tariff is ₹ 4.62. The average revenue gap per unit is ₹ 1.28.

The chart below provides the trend of Cost of supply, Average revenue & Gap over the past few years.



It is observed that Average cost of supply has reduced from ₹ 5.95 per unit in FY 2012-13 to ₹ 5.90 in FY 2016-17. The average revenue has increased from ₹ 3.94 per unit in FY 2012-13 to ₹ 4.62 in FY 2016-17. The revenue gap has reduced from ₹ 2.01 per unit in FY 2012-13 to ₹ 1.28 in FY 2016-17.

The Commission is of the view that the EPDS shall make efforts to bridge the revenue gap by improving the operational performance, particularly by reduction of distribution losses which, in turn, would reduce the resource gap. A concerted effort needs to be made to recover the outstanding arrears, especially from government departments & other high end users in the State, i.e., industrial units, hotels, etc. The Commission observes that a sizeable quantum of power is purchased by the EPDS for meeting the energy demand of the State (within the State consumption). The EPDS needs to make efforts to improve its own generation, so that a sizeable part of the State's demand is met from its own generation.

7.24 Recovery of Revenue Gap for the FY 2016-17

As seen from para 7.23 above, there is a revenue gap of ₹ 40.63 Crores during the FY 2016-17 which is 12.95% of net ARR for the FY 2016-17.

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

As such, the Commission considers it to revise the tariffs without giving tariff shock to consumers to bridge the gap partially. Owing to revision of tariffs, the EPDS is expected to get additional revenue of ₹ 15.43 Crores as detailed in table below:

Table 7.35: Revenue from revised Tariff for FY 2016-17 approved by the Commission

| Sl. No. | Category | Energy Sales (In MUs) | Total (₹ in Crores) |
|----------|---------------------------------|-----------------------|---------------------|
| 1 | Domestic (DLT) | | |
| a) | Up to 50 units | 37.14 | 4.09 |
| b) | 51 to 100 units | 23.22 | 5.43 |
| c) | 101-200 units | 13.88 | 5.07 |
| d) | 201 to 400 units | 12.53 | 5.73 |
| e) | 401 & above | 8.20 | 4.04 |
| | Total | 94.97 | 24.36 |
| 2 | Commercial (CLT) | | |
| a) | Up to 50 units | 8.14 | 2.69 |
| b) | 51 to 200 units | 9.08 | 5.09 |
| c) | 201 to 400 units | 13.17 | 7.82 |
| d) | 401 & above | 10.36 | 6.58 |
| | Total | 40.75 | 22.18 |
| 3 | Public lighting | | |
| a) | Rural Areas | 0.09 | 0.02 |
| b) | Urban Areas | 0.26 | 0.13 |
| | Total | 0.35 | 0.15 |
| 4 | Temporary | 1.45 | 1.05 |
| 5 | Industrial | | |
| A | HT | | |
| a) | HT (AC) above 3.3 KV | | |
| b) | Upto 100 KVA | 51.18 | 20.39 |
| c) | 100 - 250 KVA | 40.61 | 18.72 |
| d) | 250- 500 KVA | 28.89 | 21.60 |
| e) | 500 KVA & above | 32.53 | 37.13 |
| | Total HT | 153.21 | 97.84 |
| B | LT (Rural) | | |
| a) | Up to 500 units | 0.22 | 0.06 |
| b) | 501 - 1000 units | 0.21 | 0.09 |
| c) | 1001 & above | 0.23 | 0.13 |
| | Total | 0.66 | 0.28 |
| C | LT (Urban) | | |
| a) | Up to 500 units | 0.20 | 0.11 |
| b) | 501 - 1000 units | 0.28 | 0.17 |
| c) | 1001 & above | 0.30 | 0.21 |
| | Total | 0.78 | 0.49 |
| | Total LT (B+C) | 1.45 | 0.78 |
| | Total Industrial (A+B+C) | 154.66 | 98.61 |
| 6 | Bulk supply | | |
| a) | LT | 7.83 | 4.65 |
| b) | HT | 17.24 | 11.10 |
| | Total | 25.07 | 15.75 |
| 7 | Grand Total | 317.25 | 162.11 |

With the revision of tariff, the EPDS will generate additional revenue of ₹ 15.43 Crores. Thereby, the revenue gap is calculated to ₹ 25.20 Crores (i.e. ₹ 40.63 Crores – ₹ 15.43 Crores), which the EPDS shall meet by improving internal efficiency.

The Commission, accordingly, approves revenue from revised tariffs at ₹ 162.11 Crores with the energy sales of 317.25 MUs. The Revenue gap has been reduced to ₹ 25.20 Crores as against ₹ 40.31 Crores (approved in Para 7.23) has been arrived on the basis of the approved data for the FY 2016-17.

8. DIRECTIVES AND ADVISORIES

Introduction

The Commission has been carrying out Review of Performance of Energy and Power Department, the deemed licensee in the State of Sikkim, and had been issuing series of directives to the Licensee. The directives were issued by the Commission keeping in view the need to improve the overall standard of performance of the Licensee so as to bring the performance of the Licensee at par with the national standards.

This Chapter deals with the various directives issued by the Commission in its Tariff Order Dated 31st March, 2015 for the FY 2015-16, the status of compliance of the directives by the Licensee , the views of the Commission thereon and new directives for compliance and implementation by the EPDS.

Directive – 1:

“During the course of the performance review relating to the Energy and Power Dept., the deemed Licensee in the State, for the financial year 2012-2013, it was observed that, with exception of marginal improvements recorded in some areas of operation, the compliance requirements, as enjoined in the directives issued by the Commission, have not been adequately satisfied by the licensee. The Commission reiterates the directives in this regard for the concerned Licensee to address these pertinent issues with utmost diligence and ensure compliance of the same.”

Compliance:

It is submitted that EPDS has been continuously making efforts to improve the performance as per the various directives issued by the Hon’ble Commission. However, due to certain operational constraints, there has been delay in complying with the few of the directives. The Department shall take required action in a time bound manner in this regard.

Commission's Comment:

The Commission is aware of the efforts being made by the EPDS for improving its overall performance standard. The Commission feels that the setting annual targets for achieving desired level of standard of performance and regular monitoring/review of the targets achieved and taking timely corrective measure/actions will go a long way in improving the efficiency and quality of performance of the EPDS. The Commission advises the EPDS to make relentless efforts towards achieving tangible results in the near future.

Directive 2:

“The status with regard to outstanding billing arrears in respect of consumers, particularly involving Govt. Departments including Public sector Undertakings, Central Govt. / Army establishments, etc., was found to be disturbing. Immediate steps to recover such outstanding arrears need to be taken up on a war footing. The EPDS is directed to consider the option to seek legal remedies under section 56 of the Electricity Act for realization of all unsettled bills”

Compliance:

It is submitted that the EPDS has taken various steps to improve the revenue collection. Initiatives have been taken to ensure that current bills are recovered and collection efficiency for the current period improves. Accordingly, target for restricting commercial losses has been fixed and revenue recovery drives has been undertaken. The Department is also conducting revenue meeting every month with all the concerned officers to ensure effective action in this regard.

In respect of the arrears, the Department has identified the defaulting consumers and is taking recovery steps and shall be able to reduce the arrears but since the sizeable proportion of the arrears are long pending, recoverability of the same are to be assessed. The Department shall report the status to the Hon'ble Commission.

Commission's Comments:

The efforts being made by the EPDS for improving revenue collection efficiency and reducing commercial losses are noteworthy. So far as the outstanding arrears is concerned, the Commission advises the EPDS to put up a comprehensive note/proposal to the State Government for recovery of the arrears especially from the various State Government Departments/Agencies. A status report on the outstanding arrears and impact/result of the revenue collection drives may be submitted to the Commission within a period of three months from the date of this Order.

Directive 3:

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

Compliance:

It is submitted that EPDS has instituted measures/steps as suggested by the Hon'ble Commission in the above directive and the same is yielding results, however, the details of the achievement/result shall be analysed, tabulated and submitted shortly.

Commission's Comments:

The EPDS has not furnished the details of the measure/steps taken and the results achieved. The EPDS is directed to submit report on the measures undertaken and the results achieved by 30th June, 2016.

Directive 4:

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

Compliance:

It is submitted that EPDS has taken many measures/steps for containing the Transmission and Distribution Losses including metering of feeder. The report on above initiatives of the Department shall be submitted shortly.

Commission’s Comments:

The EPDS must take steps towards reducing the T&D losses and Commercial losses. Segregation of Technical and Commercial losses needs to be done to arrive at the correct picture of the losses. The EPDS is advised to start segregation of the Technical and Commercial losses. To begin with, the EPDS may take up such exercise in the District Headquarters/Major towns and subsequently cover other smaller towns and villages. A report on the schemes/measures undertaken or proposed to be undertaken in the near future towards metering of all feeder 132 KV,66 KV and 11 KV transmission lines including distribution transformers may be made available to the Commission by 30th June 2016.

Directive 5:

“The need for instituting a mechanism for monitoring of all licensees involved in the energy generation and distribution chain vis-à-vis the parameters as envisaged in the respective Project Implementation Agreements needs to be addressed to obviate any omissions and commissions which would be detrimental to the interest of the Govt. as well the consumers.”

Compliance:

It is submitted that EPDS has taken steps for monitoring of all licensees involved in the energy generation and distribution chain vis-a-vis the parameters as envisaged in the respective Project implementation Agreements to obviate any omissions and commissions. Accordingly, as reported earlier, the Chief Engineer (East) is appointed as a Nodal Officer and entrusted with the above responsibility. However, the report as desired by the Hon'ble Commission shall be submitted shortly.

Commission's Comments:

The Commission advises the EPDS to have regular review meetings with the Licensees involved in the energy generation and distribution. The EPDS should undertake regular field visits/site inspections to monitor the project implementation apart from ensuring compliance of the various parameters envisaged in the Implementation Agreements. The EPDS should consider deputing its Engineers to the IPP projects especially in the projects in which the State has equity share. This will give an opportunity to the Engineers of the EPDS to sharpen their technical knowledge and also participate in the overall implementation and decision making process of the projects.

Directive 6:

"The Commission observes that despite specific directives having been issued with regard to maintenance of Asset and Depreciation Register, it is regretted that the EPDS has not complied with the orders. The EPDS is hereby directed to ensure that appropriate action is taken and the requisite Document submitted to the Commission latest by the 30th September, 2013.

Compliance:

It is submitted that the updated Asset & Depreciation Register for all the three functions viz. Generation, Transmission and Distribution detailing there in, the category wise assets with accumulated depreciation, depreciation for the FY 2014-15 and WDV of respective assets shall be submitted separately.

Commission's Comments:

The EPDS is directed to make regular updates of the Assets and Depreciation Register for all the functions. The Abstract of the updated Assets and Depreciation Register may be submitted to the Commission by 30th June, 2016.

Directive 7:

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

Compliance:

It is submitted that the details of the assets, accumulated depreciation, annual depreciation, WDV etc. are required to be incorporated in the Annual Accounts. These figures are to be obtained from the Fixed Asset Register as explained in reply to directive 6 above. Therefore, the Annual Accounts is proposed to be submitted along with the Asset & Depreciation Register by January, 2016.

Commission's Comments:

The EPDS has not submitted the updated Assets and Depreciation Register or the Annual Accounts to the Commission as per the time frame (January, 2016) given by it. The Commission directs the EPDS to take necessary action towards auditing of its accounts for timely preparation of audited statement of accounts and updation of the Assets and Depreciation Register. The EPDS is directed to furnish a report on the action taken in this regard by 31st May, 2016.

Directive 8: Management Information System (MIS)

“The EPDS has not maintained proper data in respect of sales (slab wise), with number of consumers and connected load / demand etc. for proper analysis of the past data based on actuals and estimation of proper projections for consideration in the ARR. The EPDS is

directed to take steps to build Credible and accurate data base and management information system (MIS) to meet the requirements for filing ARR & Tariff Petition as per regulatory requirement. The formats, software and hardware may be synchronized with the Regulatory Information and Management System (RIMS) circulated by Central Electricity Regulatory Commission (CERC).”

Compliance:

It is submitted that the details of the Category-wise connected load, Revenue Billed, Revenue Collected and balance outstanding shall be submitted separately.

Commission’s Comments:

Maintaining proper data of the different categories of consumers, details of connected load, revenue billed and revenue collected, balance outstanding etc. is of prime importance for analysing the past data for proper estimation and correct projections in the ARR. The Commission re-iterates its directives and call upon the EPDS to build credible and accurate data base of the consumers.

Directive 9: Replacement of Non-Functional / Defective Meters

“Section 55 of the Electricity Act makes it mandatory for all consumers to have a meter installed at the place of residence / office. EPDS must ensure that all households in the State be properly metered. EPDS may like to avail of the assistance of the Government Undertakings like State Trading Corporation Sikkim (STCS) and Sikkim State Cooperative Supply and Marketing Federation (SIMFED) for making available standard meters that can be availed of by the consumers at a reasonable price. Metering is a pre-requisite for new service connection and EPDS is directed to complete 100% metering of consumers and shall ensure that no new service connections are provide unless metering is done. Installation of meter shall be a pre-requisite for any new service connection.

The EPDS has submitted report on % of defective meters as follow:

| | |
|-------------|--------|
| Bulk supply | 31.00% |
| HTS | 7.23% |
| LTIS | 13.11% |
| Commercial | 11.08% |
| Domestic | 20.42% |

The situation is quite alarming. Latest information of non-functional meters may be obtained from the field offices and ensure that data is maintained correctly.

Replacement of meters shall be planned on priority wise i.e., meters of Bulk supply, Commercial, Industrial and high value domestic categories to be replaced on priority. In respect of defective meters billing may be done by adopting standard method. The data on defective meters, replacement, and pendency shall be filed with the next petition.

Compliance:

It is submitted that as reported earlier, EPDS has taken steps for replacement of defective meters with special focus on the HT and Bulk consumers. There has been substantive progress in this regard. Further, steps have also been taken for installation of new meters to unmetered consumers, either by the department directly or by the consumers. While the department is making all efforts to replace the defective meters and ensure 100% metering, the status report detailing therein the progress made till date shall be submitted shortly.

Commission's Comments:

EPDS has not furnished the details of the achievements made by it against the targets set by the Commission for replacement of defective meters. The EPDS was also directed to draw suitable plans to implement the directive of the Commission. The details of such plan drawn by the EPDS and target achieved may be furnished by 30th June, 2016.

Directives 12: Interest on Consumer Security Deposit

“EPDS did not indicate the amount of security deposit collected from the consumers. EPDS is informed that as per the section 47 (4) of Indian Electricity Act 2003, the distribution licensee shall pay interest equivalent to bank rate or more as may be specified by the concerned State Commission on the consumer security deposit.

EPDS is directed to maintain consumer-wise security deposit collected. Such data shall be furnished with the next filing invariably.”

Compliance:

It is submitted that the details are being compiled and shall be submitted shortly.

Commission's Comments:

The EPDS has not given any definite time frame for submitting the details. The EPDS is directed to submit the details by 30th June, 2016.

Directive 13: Consumer Awareness/ Sensitisation

EPDS is directed to carry out "Consumer Awareness / Sensitisation" campaigns so as to educate the consumers and the general public on the various initiatives and subsidies announcement by the government and manner of obtaining these benefits.

EPDS is also directed to create awareness and sensitise its employees on the need to be fully aware of various acts, rules & regulations, safety practices etc., EPDS may consider imparting trainings, arrangement workshops etc. for its employees.

Compliance:

It is submitted that Energy & Power has been conducting public awareness programme through various meeting and public interactions. Further, regular training and workshops for employees are also being conducted. These steps have resulted in improvement in general awareness among public and employees. However, the suggestion of the Hon'ble Commission for public awareness and sensitization programme through Print and Electronic Media shall be undertaken and compliance shall be reported as directed.

Commission's Comments:

The EPDS may consider conducting public awareness campaign under "Energy Efficiency" program of the BEE. The EPDS is directed to explore the possibility of organizing periodical consumer awareness programs under the energy saving/energy efficiency programs of the BEE.

Directives 14:

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

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

Compliance:

It is submitted that EPDS has taken steps for reforms in accordance with the principles envisaged in the Act, to make the department more efficient and commercially viable. These steps are to be taken in consultation/approval of the Government. The status report on the above directive regarding steps taken/proposed to be taken shall be submitted separately.

Commission's Comments:

The Commission has already notified the SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013 vide Gazette Notification No. 204 Dated 21st May 2014 as per the guidelines of the Central Electricity Regulatory Commission. The said Multi Year Tariff Regulations had become effective from 1st April 2015. However, due to delay in

un-bundling of the EPDS, the segregation of separate functions for Generation, Transmission and Distribution has not been done. As such Commission has been compelled to accept the ARR/Tariff Petition of the EPDS under single year tariff design in lieu of Multi Year Tariff. The Commission has accepted the single year tariff of the EPDS for FY 2015-16 and FY 2016-17 but in view of the MYT Regulations notified, the Commission can't continue relaxing the norms.

The EPDS is directed to put up a proposal to the Government for expediting the un-bundling of the EPDS. A definite time frame is required to be fixed by the EPDS towards its un-bundling. The EPDS is advised to undertake case studies/study tours of reforms done by States like Himachal Pradesh, Arunachal Pradesh and other States and try and replicate the successful models. This Commission will provide necessary support towards such case studies/study tours by way of seeking assistance from the Regulatory Commissions of those States.

Directives 15: Energy Efficiency Measures

Consumers in the state need to be encouraged and motivated to use energy-efficient lighting systems like LED, CFL in the houses, factories etc. Municipal Corporation, Municipalities and Panchayats too need to be sensitised to take steps to provide LED bulbs for street lighting. A programme is to be chalked out to replace the existing lighting with LED lights within a period of 2 to 3 years. Requirements of such lights, type of lighting quality, etc., may be assessed. Also, the investment needs for such a programme may be worked out. A suitable plan of action may be worked out and reported to the Commission by 30th June, 2015.

Compliance:

The EPDS has taken steps to encourage the consumers to use energy –efficient lighting systems like LED, CFL in the houses, factories etc. Department is planning/executing effective actions on the Demand Side Management (DSM) front. A detailed report on the above shall be submitted shortly.

Commission's Comments:

The EPDS is directed to furnish the details of the Action Plan/Investment Plan formulated it by 30th June, 2016.

Directives 16: Safety against Accidents

Electrical accidents to departmental personnel, non-departmental personnel may be analysed, together with the causes. Remedial measures to minimise such accidents should be taken at all levels of officers and employees.

Workers who attend to tasks like replacement of fuses, disconnections, reconnections, giving new connections, erection of new lines, etc., have to be provided with safety devices like gloves, gauntlets, insulated shoes, earthing rods, rain coats etc., and it should be ensured that workers use these devices while on work. Danger caution boards need to be fixed at salient points for lines, equipments to caution the public not to touch the equipments and lines.

For stays being provided on lines, guy insulators are to be invariably used at the time of laying of new lines/equipment, to avoid leakage of current through the earth wire.

Details of Accidents that occurred during 2012, 2013, 2014 and 2015 (till date) are indicated below:

| Year | Departmental | | Others | | Total |
|--------------|--------------|-----------|----------|-----------|-----------|
| | Fatal | Non-Fatal | Fatal | Non-Fatal | |
| 2012 | 3 | 1 | - | - | 4 |
| 2013 | 3 | 4 | - | 1 | 8 |
| 2014 | 6 | 2 | 1 | - | 9 |
| 2015 | - | - | 1 | - | 1 |
| Total | 12 | 7 | 2 | 1 | 22 |

It could be seen that number of accidents are increasing year after year. There is also a rise in the number of fatal accidents to the Departmental staff. It is imperative to analyse the causes of accidents by obtaining investigation reports from the field officers and strict

remedial action shall be taken to minimum accidents. EPDS should strive to achieve nil accidents in future.

Compliance:

It is submitted that EPDS has taken safety & precautionary measures to negate/minimize chances of accidents. Department has a system of obtaining the reports of the accidents immediately. Corrective/remedial measures are taken on priority basis to avoid recurrence of such accidents. Further, EPDS is regularly imparting training and workshops to educate and create awareness among its employees on the topic of safety measure. The same is being monitored regularly.

Commission's Comments:

The Commission has taken note of the statement of EPDS. The Commission advises the EPDS to consider providing life/medical insurance coverage to those employees (linemen and workers) who attend to risky tasks of repair and maintenance of High Voltage lines and power systems. The EPDS should give top priority to safety of the precious lives of both its employees and general public. The EPDS is advised to adopt the concept of "zero tolerance" to accidents.

The EPDS is also directed to strictly follow and implement the guidelines/instructions and safety measures as provided in the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010 and the Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Lines) Regulations, 2011 including subsequent amendments of these Regulations.

Directives 17: Free Power to Rural Domestic Consumers

The EPDS shall ensure that no new connection is given to any category of consumer without meter installation. Metering should be a pre-condition for availing of the benefits of 100 Units of Free Power to rural domestic consumers announced by the State Government.

The EPDS shall ensure that all such consumers whose power consumption exceeds 100 units are billed as per the notified Tariff for the excess quantity of power consumed.

Compliance:

It is submitted that EPDS has taken initiatives to ensure that all new connections are metred and no connection are issued without meters. Further, it is also ensured that the consumers whose power consumption exceeds 100 units are billed as per the notified Tariff for the whole quantity of power consumed.

Commission's comments:

The statement of the EPDS is noted.

Directives 18: Consumer Grievances Redressal Forum (CGRF)

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

Compliance:

It is submitted EPDS has not been able to comply with the above directive and requests the Hon'ble Commission to extend time for compliance of the same.

Commission's comments:

The Commission reiterates the directive and call upon the PDS constitute the Consumer Grievances Redressal Forum (CGRF) in each district of the State within a period of two months from the date of this Order and give wide publicity for the information of the consumers and general public.

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

The EPDS is directed to conduct awareness programs on the role, functions, etc. including the procedure for filing of grievances by the consumers and general public before the CGRF, Ombudsman and Consumer Grievance Cell. The EPDS is advised to make use of print and

electronic media, Gram Sabha Meetings and other platforms to educate and give wide publicity on the role and functions of CGRF, Ombudsman and Consumer Grievance Cell so as to enable timely redressal of grievances/complaints of the consumers and the general public.

Compliance:

It is submitted EPDS shall take the steps as directed with regard to the awareness programs on the role, functions including the procedure for filing of grievances by the consumers and general public before the CGRF, Ombudsman and Consumer Grievance Cell. The compliance report of the same shall be submitted.

Commission's comments:

The Commission feels that the Gram Sabha Meetings are conducted periodically by the Gram Panchayats wherein the representatives of almost all the State Government Departments are present including that of the EPDS. The Gram Sabhas are the easiest and the most appropriate platforms to disseminate information and provide awareness to the consumers and local public. The EPDS is directed to carry out awareness campaigns in the Gram Sabha meetings regarding the functions, role and procedures of the CGRF, Ombudsman and Consumer Grievance Cell.

Directive 20: Proper Monitoring of IPP Projects

In the ARR petition submitted it has been observed that the State is importing Power from central Generating Stations to meet part of its requirements as well as to trade the surplus power available with the State Utility after meeting its own requirements. The quantum of Power being imported could be reduced if the State properly monitors the implementation of the power projects given out to the Independent Power Producers (IPPs) as some of them have been unduly delayed. With the timely construction of the ongoing Power projects, the State would be getting the free power entitled to it, which would be more than sufficient to not only meet its own requirements but there would be sufficient excess power available for trading. The implementation of the Power Projects can only be expedited through proper monitoring and imposing penalties as per clause 4.7 of the Implementation Agreement signed with each of the IPPs who had been awarded the Power projects.

Compliance:

It is submitted that EPDS is monitoring the implementation of the projects and taking all efforts to expedite the completion of the same. Further, it is also submitted that a Hydro Project Monitoring Committee has been constituted and the Chief Engineer (East) is appointed as a Nodal Officer of these matters. He has been entrusted with the responsibility to be continuously in touch with the Power Developers in the State for regular updates.

Commission's comments:

The Commission appreciates the efforts made by the EPDS but at the same time advises the EPDS that the Hydro Project Monitoring Committee should take regular stock of the progress made by each developer and issue strict instructions to the IPPs for timely rectification of the possible causes for delay. The Committee should make regular site visits and make physical verifications of the progress of the works.

Directive 21: Banking of Surplus Power

As the State has only Hydro Electric Power projects, the power generation would be at its peak during the summer due to the melting of snows and the annual monsoons, whereas in winter the generation would be much less. The EPDS may therefore like to look at negotiating with entities like the NTPC for banking the surplus power during summer, which can be drawn later by the State to meet its own requirement during the winters.

Compliance:

The EPDS has taken steps to manage the energy surplus/shortage periods. It is submitted that the department shall analyse the feasibility of the measures suggested by the Hon'ble Commission in this regard and suitable action shall be taken.

Commission's comments:

The Commission has noted the statement of the EPDS.

Directive 22: Renewable Energy Projects

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

Compliance:

It is submitted that EPDS has initiated actions for identifying the potential locations for the Renewable Energy projects at various parts of the State and steps have been taken for conducting the feasibility study of the potential projects. The department is making all efforts to take the benefit of Central Government schemes/programmes in the area of Renewable energy to exploit the potential in the State to full extent and increase its overall generation capacity.

Commission's comments:

The Commission advises the EPDS to give top priority on the development of Renewable Energy in the State. The EPDS needs to take into account the huge target set by the Government of India to produce 175 GW of Renewable Energy in the Country by 2022 and the need for every state to make effort for achieving the target.

The EPDS is advised to put up a comprehensive proposal for development of Renewable Energy in the State before the State Government for consideration. Sikkim has already become the first Organic State in the Country and is known worldwide as a green and clean State. If the entire power requirements of the State can be sourced from Renewable Energy and Green energy like Hydropower, Sikkim will have the glory of crowning itself as the first Renewable Energy State.

Fresh Directives (FY 2016-17)**Directive 1: Improving Own Generation**

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

Directive 2: Segregation of Technical & Commercial Loss

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

Directive 3: Growing Manpower

The Commission observes that the major contributor towards the annual revenue gap of the EPDS is the ever growing "Employee Cost". The EPDS must take strict measure to check the growing number of its employees. The EPDS is advised to consider deputing its excess manpower to other State Government Departments and make a time bound program to reduce its employee size. The EPDS is directed to work out a plan in consultation with the Department of Personnel & Administrative Reforms and Training, Government of Sikkim.

Directive 4: RPO and Solar Energy

The Government of India has revised the Tariff Policy and provisions has been made in the revised Tariff Policy for Long Term Growth Trajectory of Renewable Purchase Obligation (RPO) which inter-alia provides for gradually increasing the minimum percentage of Solar

RPO to 8% of total consumption, excluding hydro by March, 2022. The MNRE has estimated that Sikkim needs to generate 5 MW Solar power in order to meet its RPO requirement.

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

Directive 5: Filing of MYT Petition

The Commission has already issued the SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013 vide Gazette Notification No. 204 Dated 21st May, 2014 as per the guidelines of the Central Electricity Regulatory Commission. The said Multi Year Tariff Regulations had become effective from 1st April, 2015. The EPDS is directed to file the next tariff petition in accordance with the said Regulations.

Directive 6: Energy Audit

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

9. TARIFF PRINCIPLES AND DESIGN

9.1 Background

- (a) The Commission in determining the revenue requirement of EPDS for the FY 2016-17 and retail tariff has been guided by the provisions of electricity Act 2003. The National Tariff Policy (NTP), CERC Regulations in this regard and SSERC (Terms and conditions for determination of Tariff) Regulations 2012. Section 61 of the Act lays down the broad principles, which shall guide determination of retail tariff. As per these principles the tariff should “Progressively reflect cost of supply” and also reduce the Cross subsidies “within a period specified by the Commission”. The Act lays special emphasis on safeguarding consumer interests and also requires that the costs should be recovered in a reasonable manner. The Act mandates that tariff determination should be guided by the factors, which encourage competition, efficiency, economical use of resources, good performance and optimum investment.

The NTP notified by GOI in January, 2006 provides comprehensive guidelines for determination of tariff as also working out the revenue requirement of power utilities. The Commission has endeavored to follow these guidelines as far as possible.

- (b) The NTP mandates that Multi Year Tariff (MYT) framework be adopted for determination of tariff from 1st April, 2006. However the Commission could not introduce MYT Regime in the State mainly because of lack of requisite and reliable data from EPDS. The MIS and regulatory reporting system of the EPDS is very inadequate for any such exercise at this stage. There has been no study to assess voltage wise losses in the absence of metering of all feeders distribution transformers and consumes. Technical and Commercial loses are yet to be segregated and quantified voltage wise. The Commission has issued directives to EPDS in the tariff order for the FY 2012-13, FY 2014-15 and FY 2015-16 as well as in the present tariff order for the FY 2016-17 to chalk out a long term action plan for reduction of T&D losses for both technical and non-technical with relevant load flow

studies and energy audit report submit to the Commission before filing of the next petition. Further, EPDS has also been directed to compile the required details and file the next petition in accordance with the SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013 vide Gazette Notification no. 204 dated 21st May, 2014.

- (c) The mandate of the NTP is that tariff should be within plus / minus 20% of the average cost of supply by the FY 2010-11. It is not possible for the Commission to implement this at present because of consumers' paying capacity in Sikkim is low. There has been a high level of the fluctuating revenue gap. However, in this tariff order an element of performance target has been indicated by setting target for T&D loss reduction. The improved performance, by reduction of loss level, and increase in sale will result in substantial reduction in average cost of supply. The Commission has considered for a nominal increase in tariff in view of the paying capacity of the consumers.
- (d) Clause 8.3 of National Tariff Policy lays down the following principles for tariff design:
- (i) In accordance with the National Electricity Policy, consumers below poverty line who consume below a specified level, say 30 units per Month, may receive a special support through Cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply. This provision will be re-examined after five years.
 - (ii) For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify the roadmap, within six Months with a target that latest by the end of the FY 2010-11 tariffs are within $\pm 20\%$ of the average cost of supply. The road map would have intermediate milestones, based on the approach of a gradual reduction in Cross subsidy. For example, if the average cost of service is ₹ 3.00 per unit, at the end of year 2012-13, the tariff for the Cross subsidized categories excluding those

referred to in para-1 above should not be lower than ₹ 2.40 per unit and that for any of the Cross subsidizing categories should not go beyond ₹ 3.60 per unit.

- (e) Regulation 16 of JERC for M&M (Terms and Conditions for Determination of Tariff) Regulation specifies.
- (i) The Cross subsidy for a consumer category means the difference between the average per unit rate based on tariff schedule of the Commission for that Category and the combine average cost of supply per unit expressed in percentage terms as a portion of the combined average cost of supply.
- (ii) In the first place, the Commission shall determine the tariff, so that it progressively reflects the combined average cost of supply of electricity and also reduce Cross-subsidies within a reasonable period. In the second phase, the Commission shall consider moving towards category wise cost of supply as a basis for determination of tariff.
- (f) The Commission has considered special treatment to BPL consumers. It has also aimed at raising the per capita consumption of the State. The Commission endeavors that the tariff progressively reflects cost of supply in a reasonable period and the Government subsidy is also reduced gradually. The tariff has been rationalized with regards to inflation, paying capacity and to avoid tariff shock.

9.2 Tariff Proposed by the EPDS and Approved by the Commission

(a) Existing & Proposed Tariff

EPDS in its tariff petition for the FY 2016-17 has proposed for revision of the existing retail tariffs to various categories of consumers to earn additional revenue to meet the expenses to a reasonable extend. The EPDS has proposed tariff revision as indicated in Table below:

Table 9.1: Existing Tariffs v/s proposed Tariffs for FY 2016-17

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

(b) Tariff Categories

The approved tariff categories v/s sub categories are given below:

- Domestic Supply (DS)
- Commercial Supply (CS)
- LT Industrial Supply (LTIS)
- Public Lighting
- HT Supply
- Bulk Supply
 - a. LT
 - b. HT
- Temporary Supply

(c) Tariffs approved by the Commission

Having considered the petition no.: Tr-1/2016-17/SSERC of EPDS for approval of Aggregate Revenue Requirement (ARR) and determination of retail tariff for sale of energy and having approved aggregate revenue requirement under Para 7.23, the Commission has revised the tariff for different categories of consumers as detailed in the table below:

Table 9.2: Tariffs approved by the Commission for FY 2016-17

| Sl. No. | Category of Consumers | Monthly Minimum Charges (₹/Consumer) | Demand Charges (HT Supply only) (₹/KVA/Month) | Approved Energy Charges (Paisa/KWH) |
|----------|------------------------|--------------------------------------|---|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| 1 | Domestic | | | |
| a) | Up to 50 units | Single Phase - 40 3 Phase - 200 | | 110 |
| b) | 51 to 100 units | | | 234 |
| c) | 101-200 units | | | 365 |
| d) | 201 to 400 units | | | 457 |
| e) | 401 & above | | | 493 |
| 2 | Commercial | | | |
| a) | Up to 50 units | Single Phase - 200 3 Phase - 500 | | 330 |
| b) | 51 to 200 units | | | 561 |
| c) | 201 to 400 units | | | 594 |
| d) | 401 & above | | | 635 |
| 3 | Public lighting | | | |
| | Rural Areas | | | 270 |
| | Urban Areas | | | 500 |
| 4 | Industrial | | | |
| A | HT | | | |
| a) | HT (AC) above 3.3 KV | | | |
| b) | Upto 100 KVA | | 200 | 320 |
| c) | 100 - 250 KVA | | 250 | 370 |
| d) | 250- 500 KVA | | 290 | 437 |
| e) | 500 KVA & above | | 550 | 472 |
| B | LT (Rural) | | | |
| a) | Up to 500 units | 120 | | 250 |
| b) | 501 - 1000 units | | | 440 |
| c) | 1001 & above | | | 580 |
| C | LT (Urban) | | | |
| a) | Up to 500 units | 200 | | 528 |
| b) | 501 - 1000 units | | | 616 |
| c) | 1001 & above | | | 713 |
| 5 | Bulk supply | | | |
| a) | LT | 200 | | 594 |
| b) | HT | | | 644 |

Details are given in tariff schedule in the Appendix.

(d) Miscellaneous charges and important conditions of supply

Miscellaneous charges and important conditions of supply furnished by EPDS are examined and approved. These are given in tariff schedule appended as appendix.

This order shall come into force from 01.04.2016 and shall remain effective till revised/ amended by the Commission. The Order shall be given wide publicity by the Petitioner for information of the general public.

**Sd/-
Chairperson**

Place: Gangtok.

Date: 11.04.2016.

10. WHEELING AND TRANSMISSION CHARGES

10.1 Wheeling Charges

The net distribution ARR approved is segregated into wire business and retail supply business in accordance with the matrix detailed in the Table below:

Table 10.1: Allocation Matrix

| (In %) | | | |
|---------|-------------------------------------|---------------|------------------------|
| Sl. No. | Particulars | Wire Business | Retail Supply Business |
| 1 | Cost of Fuel | - | 100.00 |
| 2 | Cost of Power Purchase | - | 100.00 |
| 3 | Employee Costs | 60.00 | 40.00 |
| 4 | Repair & Maintenance Expenses | 90.00 | 10.00 |
| 5 | Administrative and General Expenses | 50.00 | 50.00 |
| 6 | Depreciation | 90.00 | 10.00 |
| 7 | Interest Charges | 90.00 | 10.00 |
| 8 | Interest on Working Capital | 10.00 | 90.00 |
| 9 | Return on NFA/Equity | 90.00 | 10.00 |
| 10 | Non Tariff Income | 10.00 | 90.00 |

The expenses are segregated into wire business and retail supply business as per the above Matrix and shown in the Table below:

Table 10.2: Segregation of wires and Retail Supply Costs for FY 2016-17

| (₹ in Crores) | | | | |
|---------------|-------------------------------------|---------------------|---------------|------------------------|
| Sl. No. | Particulars | Approved Total Cost | Wire Business | Retail Supply Business |
| 1 | Cost of Fuel | 0.15 | - | 0.15 |
| 2 | Cost of Power Purchase | 180.29 | - | 180.29 |
| 3 | Employee Costs | 80.36 | 48.22 | 32.14 |
| 4 | Repair & Maintenance Expenses | 25.26 | 22.73 | 2.53 |
| 5 | Administrative and General Expenses | 2.53 | 1.27 | 1.27 |
| 6 | Depreciation | 21.36 | 19.22 | 2.14 |
| 7 | Interest Charges | - | - | - |
| 8 | Interest on Working Capital | 4.82 | 0.48 | 4.34 |
| 9 | Return on NFA/Equity | - | - | - |
| 10 | Less: Non Tariff Income | 0.94 | 0.09 | 0.85 |
| 11 | Total | | 91.83 | 222.00 |

The wheeling charges have been computed on the basis of approved cost for its distribution wire business and the total energy expected to be wheeled through its network. In the absence of segregated data on costs of operation of 33 KV and 11 KV networks and sales, Wheeling charges are not segregated voltage wise. Combined wheeling charges determined are given in Table below:

The Commission has arrived wheeling charges based on the above wire cost and energy sale for the FY 2016-17 and shown Table below:

Table 10.3: Wheeling Tariff approved by the Commission

| Sl. No. | Particulars | Approved by the Commission |
|---------|--|----------------------------|
| 1 | ARR for wheeling function approved by the Commission (₹ in Crores) | 91.83 |
| 2 | Total sales within State - approved (In MUs) | 317.25 |
| 3 | Wheeling Tariff (₹ / Kwh) | 2.89 |

The Commission approves wheeling Tariff at ₹ 2.89/Kwh for the FY 2016-17.

10.2 Transmission Charges

EPDS did not submit the data or worked out transmission charges. However, based on Own installed capacity of EPDS & allocated capacity from CGSs as approved by the Commission for the FY 2016-17, the total allocated transmission capacity is worked out as shown Table below:

Table 10.4: Allocated Transmission capacity for FY 2016-17

| (In MWs) | | |
|----------|--|---------------|
| Sl. No. | Particulars | FY 2016-17 |
| 1 | Own Generation Installed Capacity of EPDS | 41.59 |
| 2 | Power allocation from CGS | 159.31 |
| 3 | Total allocated transmission capacity | 200.90 |

EPDS has not provided ARR for Transmission as it is integrated utility. To arrive at ARR for transmission 25% of approved fixed cost for EPDS is considered as cost for Transmission.

Table 10.5: ARR for Transmission approved by Commission for FY 2016-17

| (₹ in Crores) | | | |
|---------------|-------------------------------------|------------------------------|----------------------|
| Sl. No. | Particulars | Approved Cost for FY 2016-17 | 25% of approved cost |
| 1 | Employee Costs | 80.36 | 20.09 |
| 2 | Repair & Maintenance Expenses | 25.26 | 6.32 |
| 3 | Administrative and General Expenses | 2.53 | 0.63 |
| 4 | Depreciation | 21.36 | 5.34 |
| 5 | Interest Charges | - | - |
| 6 | Interest on Working Capital | 4.82 | 1.20 |
| 7 | Return on NFA/Equity | - | - |
| 8 | Less: Non Tariff Income | 0.94 | 0.24 |
| 9 | Total | 133.39 | 33.35 |

Commission's analysis:

Transmission charges has been calculated on the basis of the total allocation/capacity of power at 200.90 MWs as provided in the Table 10.4 above. The PLF is considered at 70%. Accordingly, the Transmission charges approved by the Commission on the basis of the approved ARR are furnished in table below:

Table 10.6: Transmission charges approved by Commission for FY 2016-17

| Sl. No. | Particulars | FY 2016-17 |
|----------|--|--------------------|
| 1 | ARR (₹ in Crores) | 33.35 |
| 2 | Total power allocation (In MWs) | 200.90 |
| 3 | Transmission Charges (₹/MW/Month) | 1,38,321.62 |
| 4 | Transmission Charges (₹/MW/Day) | 4,547.56 |
| 5 | Transmission Charges (₹/Kwh) | 0.27 |

The Commission approves transmission charges @ ₹ 1,38,321.62/MW/month or ₹ 4,547.56/MW/day or ₹ 0.27/kWh for open access consumers for the FY 2016-17.

11. FUEL AND POWER PURCHASE COST ADJUSTMENT

11.1 Background

Section 62 sub-section 4 of the Electricity Act, 2003 provides that no Tariff or part of any Tariff any ordinarily be amended, more frequently than once in every financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified. This provision of the Act requires the Commission to specify the formula for fuel surcharges

11.2 Accordingly, The Commission has specified the formula for working out the Fuel and power purchase cost Adjustment (FPPCA) charges and other terms and conditions of FPPCA. Accordingly, the distribution licensee is to recover the FPPCA charges as per formula specified below:

The Fuel and Power Purchase Cost Adjustment (FPPCA) formula is given below:

$$\text{FPPCA (Ps./kWh)} = \frac{Q_c(R_{C_2}-R_{C_1})+Q_0(R_{O_2}-R_{O_1})+Q_{pp}(R_{pp2}-R_{pp1})+V_z+A}{(Q_{Pg1} + Q_{pp1} + Q_{pp2})} \times \left[1 - \frac{L}{100} \right] \times 100$$

Where,

Q_c = Quantity of coal consumed during the adjustment period in Metric Tons (MT).

= $(SHR \times Q_{pg}) (1+TSL) \times 1000/GCV$, or actual whichever is less.

R_{c1} = Weighted average base rate of coal supplied ex-power station coal yard as approved by the Commission for the adjustment period in ₹/MT

R_{c2} = Weighted average base rate of coal supplied ex-power station coal yard for the adjustment period in ₹/MT

- Q_o = Actual Quantity of oil (in KL) consumed during the adjustment period or normative oil consumption as per Tariff order whichever is less.
- R_{o1} = Weighted average base rate of oil ex-power station (₹/KL) approved by the Commission for the adjustment period.
- R_{o2} = Weighted average actual rate of oil ex-power station supplied (₹/KL) during the adjustment period.
- Q_{pp} = Total power purchased from different sources (kWh) = $Q_{pp2} + Q_{pp3}$
- Q_{pp1} = $Q_{pp3} \left[1 - \frac{TL}{100} \right]$ in kWh
- TL = Transmission loss (CTU) (in percentage terms).
- Q_{pp2} = Power Purchase from sources with delivery point within the state transmission or distribution system (in kWh)
- Q_{pp3} = Power Purchase from sources on which CTU transmission loss is applicable (in kWh)
- R_{pp1} = Average rate of Power Purchase as approved by the Commission (₹/kWh)
- R_{pp2} = Average rate of Power Purchase as approved by the Commission (₹/kWh)
- Q_{pg} = Own power generation (kWh)
- Q_{pg1} = Own Power generation (kWh) at generator terminal – approved auxiliary consumption
- L = Percentage T&D loss as approved by the Commission or actual, whichever is lower.
- SHR = Station Heat Rate as approved by the Commission (Kcal / kWh)

- TSL = Percentage Coal Transit and Stacking Loss as approved by the Commission
- GCV = Weighted average gross calorific value of coal as fired basis during the adjustment period (Kcal / Kg)
- V_z = Amount of variable charges on account of change of cost of unknown factors like water charges, taxes or any other unpredictable and unknown factors not envisaged at the time of Tariff fixation subject to prior approval of the Commission (₹)
- A = Adjustment, if any, to be made in the current period to account for any excess / shortfall in recovery of fuel of Power Purchase cost in the past adjustment period, subject to the approval of the Commission (₹)

PSE = Power sold to exempted categories (Presently Agriculture and BPL-Kutir iyoti Consumers)

If there are more than one power station owned by the Licensee Qc, Rc1, Rc2, Qo, Ro1, Rot, Qpg and Qpgi will be computed separately for each power station and sum of the increase/decrease of cost of all power stations shall be taken into consideration. Can levy FPPCA charges with the prior approval of the Commission. Levy of FPPCA charges shall be subject to the following terms and conditions.

11.3 Terms and Conditions for application of the FPPCA formula

- a. The basic nature of FPPCA is 'adjustment' i.e. passing on the increase or decrease in the fuel costs and power purchase cost, as the case may be, compared to the approved fuel costs and power purchase costs in this Tariff Order.
- b. The operational parameters / norms fixed by the commission in the Tariff Regulations Tariff Order shall be the basis of calculating FPPCA charges.
- c. The FPPCA will be recovered every month in the form of an incremental energy charge (₹/kwh) in proportion to the energy consumption and shall not exceed 10% of the approved avg. cost of supply in the Tariff order and balance amount, if any, in the FPPCA over and above this ceiling shall be carried forward to be billed in subsequent month.

- d. Incremental cost of power purchase due to deviation in respect of generation mix or power purchase at higher rate shall be allowed only if it is justified to the satisfaction of the Commission.
- e. Any cost increase by the licensee by way of penalty, interest due to delayed payments, etc. and due to operational inefficiencies shall not be allowed.
- f. FPPCA charges shall be levied on all categories of consumers.
- g. Distribution licensee shall file detailed computation of actual fuel cost in ₹/kWh for each month for each of power stations of the state generators as well as cost of power purchase (Fixed and Variable) from each source/station and a separate set of calculations with reference to permitted level of these costs.
- h. The data in support of the FPPCA claims shall be duly authenticated by an officer of the licensee, not below the rank of Chief Engineer on an affidavit supported with the certified copy of energy bills of power purchase, transmission and RLDC charges, bill for coal purchase and its transportation cost, oil purchase bill and the quantity of coal and oil consumed during the month.
- i. Levy of FPPCA charge will be allowed only when it is ten (10) paise or more per unit. If it is less than 10 (ten) paise/unit, the same may be carried forward for adjustment in the next month.
- j. The incremental cost per kWh due to this FPPCA arrived for a month shall be recovered in the energy bill of the month subsequent to the order of the Commission approving FPPCA with full details of rate and unit(s) on which FPPCA charges have been billed. The Generating Company and the Distribution Companies shall provide along with the proposal of FPPCA (as applicable to them) for a month, a compliance report of the previous order of the Commission in respect of FPPCA.

Annexure - 1

REVENUE FROM APPROVED TARIFF FOR THE FY 2016-17

| Sl. No. | Category | No. of Consumers | Connected Load (In MW) | Contracted Max. Demand (In KVA) | Energy Sales (In MUs) | Demand Charges (₹ / KVA / Month) | Energy Charges (₹ / Kwh) | Demand Charges (₹ in Crores) | Energy Charges (₹ in Crores) | Total (₹ in Crores) |
|---------|---------------------------------|------------------|------------------------|---------------------------------|-----------------------|----------------------------------|--------------------------|------------------------------|------------------------------|---------------------|
| 1 | Domestic (DLT) | | | | | | | | | |
| a) | Up to 50 units | 95,443 | | | 37.14 | | 1.10 | - | 4.09 | 4.09 |
| b) | 51 to 100 units | 67,819 | | | 23.22 | | 2.34 | - | 5.43 | 5.43 |
| c) | 101-200 units | 21,669 | | | 13.88 | | 3.65 | - | 5.07 | 5.07 |
| d) | 201 to 400 units | 11,212 | | | 12.53 | | 4.57 | - | 5.73 | 5.73 |
| e) | 401 & above | 9,521 | | | 8.20 | | 4.93 | - | 4.04 | 4.04 |
| | Total | 95,443 | 42.90 | | 94.97 | | | - | 24.36 | 24.36 |
| 2 | Commercial (CLT) | | | | | | | | | |
| a) | Up to 50 units | 10,840 | | | 8.14 | | 3.30 | - | 2.69 | 2.69 |
| b) | 51 to 200 units | 95,316 | | | 9.08 | | 5.61 | - | 5.09 | 5.09 |
| c) | 201 to 400 units | 6,041 | | | 13.17 | | 5.94 | - | 7.82 | 7.82 |
| d) | 401 & above | 1,819 | | | 10.36 | | 6.35 | - | 6.58 | 6.58 |
| | Total | 10,840 | 19.20 | | 40.75 | | | - | 22.18 | 22.18 |
| 3 | Public lighting | | | | | | | | | |
| a) | Rural Areas | 13 | | | 0.09 | | 2.70 | - | 0.02 | 0.02 |
| b) | Urban Areas | 27 | | | 0.26 | | 5.00 | - | 0.13 | 0.13 |
| | Total | 40 | 0.16 | | 0.35 | | | - | 0.15 | 0.15 |
| 4 | Temporary | - | - | | 1.45 | | | - | 1.05 | 1.05 |
| 5 | Industrial | | | | | | | | | |
| A | HT | | | | | | | | | |
| a) | HT (AC) above 3.3 KV | | | | | | | | | |
| b) | Upto 100 KVA | 160 | | 16,700 | 51.18 | 200.00 | 3.20 | 4.01 | 16.38 | 20.39 |
| c) | 100 - 250 KVA | 122 | | 12,300 | 40.61 | 250.00 | 3.70 | 3.69 | 15.03 | 18.72 |
| d) | 250- 500 KVA | 93 | | 25,800 | 28.89 | 290.00 | 4.37 | 8.98 | 12.62 | 21.60 |
| e) | 500 KVA & above | 42 | | 33,000 | 32.53 | 550.00 | 4.72 | 21.78 | 15.35 | 37.13 |
| | Total HT | 417 | 60.05 | | 153.21 | | | 38.46 | 59.38 | 97.84 |
| B | LT (Rural) | | | | | | | | | |
| a) | Up to 500 units | 200 | | | 0.22 | | 2.50 | - | 0.06 | 0.06 |
| b) | 501 - 1000 units | 133 | | | 0.21 | | 4.40 | - | 0.09 | 0.09 |
| c) | 1001 & above | 60 | | | 0.23 | | 5.80 | - | 0.13 | 0.13 |
| | Total | 200 | | | 0.66 | | | - | 0.28 | 0.28 |
| C | LT (Urban) | | | | | | | | | |
| a) | Up to 500 units | 308 | | | 0.20 | | 5.28 | - | 0.11 | 0.11 |
| b) | 501 - 1000 units | 126 | | | 0.28 | | 6.16 | - | 0.17 | 0.17 |
| c) | 1001 & above | 32 | | | 0.30 | | 7.13 | - | 0.21 | 0.21 |
| | Total | 308 | | | 0.78 | | | - | 0.49 | 0.49 |
| | Total LT (B+C) | 508 | 0.74 | | 1.45 | | | - | 0.78 | 0.78 |
| | Total Industrial (A+B+C) | 925 | 60.79 | | 154.66 | | | 38.46 | 60.16 | 98.61 |
| 6 | Bulk supply | | | | | | | | | |
| a) | LT | 1,275 | | | 7.83 | | 5.94 | - | 4.65 | 4.65 |
| b) | HT | 303 | | | 17.24 | | 6.44 | - | 11.10 | 11.10 |
| | Total | 1,578 | 11.40 | | 25.07 | | | - | 15.75 | 15.75 |
| 7 | Grand Total | 1,08,826 | 134.46 | | 317.25 | | | 38.46 | 123.65 | 162.11 |

Public Notice issued by the EPDS in Sikkim Herald (English Edition)

Publication Date: 9th February, 2016

SIKKIM HERALD
Gangtok (Tuesday) February 9, 2016

**Government of Sikkim
Energy and Power Department**

No. 5/P/Rev/Nodal/14-15/1205 Dated: 02/02/2016

**PUBLIC NOTICE IN RESPECT OF
Aggregate Revenue Requirement & Tariff Petition Filed by PCE cum Secretary, Energy & Power
Department, Government of Sikkim, before Sikkim State Electricity Regulatory Commission, for the
Financial Year 2016-17.**

Notice is hereby circulated to all consumer & stake holders, that the Energy & Power Department, Government of Sikkim a deemed licensee engaged in the distribution & retail sale of electricity has filed the tariff petition before the Sikkim State Electricity Commission (SSERC) for Sikkim State, the Aggregate Revenue Requirement (ARR) & tariff application for distribution & retail sale of electricity for the FY 2015-16 under section 62 of Electricity Act 2003 & Notification No. 02/SSERC/TR/ 2012, dated 14.03.2012.

The Commission has registered & admitted the petition filed by the Department of Power Vide Case No TR-I/2016-17/SSERC dated 05.12.2015.

The summary of ARR for the FY 2016-17 is given in table below:

| Sl.No | Items of Expenditure | 2015-16 (Estimated) ₹ in Crores | 2016-17 (Projected) ₹ in Crores |
|-------|---|---------------------------------------|---------------------------------------|
| 1 | Cost of Fuel | 0.15 | 0.15 |
| 2 | Cost of Power Purchase | 161.99 | 161.99 |
| 3 | Employee Costs | 96.86 | 98.70 |
| 4 | R&M Expenses | 24.05 | 25.26 |
| 5 | Adm. & Gen. Expenses | 2.37 | 2.53 |
| 6 | Depreciation | 26.38 | 31.32 |
| 7 | Interest Charges | 86.70 | 87.26 |
| 8 | Interest on working capital | 4.81 | 5.09 |
| 9 | Return on NF- A/E-quity | 40.63 | 44.56 |
| 10 | Income tax | 0.00 | 0.00 |
| 11 | Total Revenue Requirement | 443.95 | 456.87 |
| 12 | Less: Non tariff income | 0.92 | 0.94 |
| 13 | Net Revenue Requirement (11-12) | 443.03 | 455.93 |
| 14 | Revenue from tariff | 134.21 | 143.96 |
| 15 | Revenue from outside State sale | 132.29 | 130.85 |
| 16 | Gap(13-14-15) | 176.53 | 181.15 |
| 17 | Gap for FY 2013-14 | 0.00 | 0.00 |
| 18 | Gap for FY 2014-15 | 0.00 | 0.00 |
| 19 | Total gap (16+ 17+ 18) | 176.53 | 181.15 |
| 20 | Revenue Surplus carried over | 0.00 | 0.00 |
| 21 | Additional Revenue from proposed tariff | 0.00 | 15.70 |
| 22 | Regulatory Asset | 0.00 | 0.00 |
| 23 | Energy Sales (MU) | 248.93 | 312.15 |

- AT & C losses:** The AT&C losses for the year 2016-17 has been projected at 37.60%
- It is proposed to cover the revenue shortfall through additional revenue from proposed tariff revision partially. Copies of the filings & application refer to at para-I above are available in the following Offices.
i) Chief Engineer (HQ-I)-cum-Nodal Officer (Revenue), Energy & Power Department, Kazi Road Gangtok
ii) Additional Chief Engineer (Rongli), Energy & Power Department, Kazi Road Gangtok
- Interested parties may peruse the said ARR and tariff proposal and take note thereof during office hours at the above offices free of charge.
- Copies of above document can also be obtained from the above offices on payment of ₹ 1000/- per copy of petition through BR on account of 0801-Power 01-Hydel Generation 900-other receipts.
- Summary of tariff and charges for retail supply of Electricity to consumers proposed by the Energy & Power Department, Government of Sikkim for the year 2016-17 are indicated in the schedule.
- Objections/Suggestions, if any on the ARR filings and tariff proposal submitted by the Energy & Power Department, Government of Sikkim, together with supporting materials may be filed with Secretary, Sikkim State Electricity Regulatory Commission, Deorali, Gangtok- Sikkim 737102 in five copies in person or through register post so as to reach the Commission on or before 14.03.2016.
- Objections/Suggestions as above should carry full name and postal address of the person sending the objection and should be supported by an affidavit duly attested. If the objection is filed on behalf of any Organization or any cases of consumer, it should be as mentioned above. It may be specifically mentioned if the person putting in objection/suggestions also wants to be heard in person.
- The SSERC, after perusing the written objections received in response to this notice may invite such objectors, as it considers appropriate for a hearing on the specified dates, which will be notified by the Commission in due course.
- Tariff Schedule.

| Sl. No. | Category of Consumers | Existing Rate | | Proposed Rate | |
|---------|--|----------------------|-------------------------|----------------------|-------------------------|
| | | Demand Charge (in ₹) | Energy Charge Paisa/KWh | Demand Charge (in ₹) | Energy Charge Paisa/KWh |
| 1 | Domestic Supply | | | | |
| a) | Up to 30 units | | 110 | | 120 |
| b) | 31 to 100 units | | 225 | | 240 |
| c) | 101-200 units | | 345 | | 365 |
| d) | 201 to 400 units | | 415 | | 440 |
| e) | 401 & above | | 440 | | 460 |
| 2 | Commercial Supply | | | | |
| | Up to 50 units | | 330 | | 350 |
| | 51 to 200 units | | 515 | | 540 |
| | 201 to 400 units | | 540 | | 565 |
| | 401 & above | | 567 | | 595 |
| | Demand Charge against sanction load 25 KVA and above | 60/KVA/month | | 60/KVA/month | |
| 3 | Public lighting | | | | |
| | Rural Areas | | 250 | | 270 |
| | Urban Areas | | 460 | | 500 |
| 4 | Industrial Supply | | | | |
| i) | HT | | | | |
| | HT (AC) above 3.3 KV | | | | |
| | Upto 100 KVA | ₹ 175/KVA/month | 300 | ₹ 190/KVA/month | 320 |
| | 100-250 KVA | ₹ 225/KVA/month | 348 | ₹ 245/KVA/month | 370 |
| | 250-500 KVA | ₹ 250/KVA/month | 396 | ₹ 270/KVA/month | 420 |
| | 500 KVA and above | ₹ 475/KVA/month | 410 | ₹ 510/KVA/month | 435 |
| b) | LTIS(Rural) | | | | |
| | Up to 500 units | | 235 | | 250 |
| | 501 - 1000 units | | 420 | | 440 |
| | 1001 & above | | 545 | | 580 |
| | Demand charge against sanction load 25 KVA and above | 60/KVA/month | | 60/KVA/month | |
| c) | LTIS(Urban) | | | | |
| | Up to 500 units | | 480 | | 510 |
| | 501 - 1000 units | | 550 | | 580 |
| | 1001 & above | | 620 | | 650 |
| | Demand charge against sanction load 25 KVA and above | 100/KVA/month | | 100/KVA/month | |
| 5 | Bulk supply | | | | |
| | LT | | 540 | | 565 |
| | HT | | 560 | | 600 |

PCE cum Secretary
Energy & Power Department
Government of Sikkim
Gangtok

R.O.No. 368/IPR/PUB/Classi/15-16(I) dt. 4.2.2016

Annexure – 2B

Public Notice issued by the EPDS in Sikkim Herald (Nepali/Local language Edition)

Publication Date: 1st March, 2016

सिक्किम हेरल्ड गान्तोक (मङ्गलबार) १ मार्च, २०१६

ऊर्जा अनि विद्युत विभाग सिक्किम सरकार, गान्तोक

**सिक्किम सरकारका ऊर्जा अनि विद्युत विभागका पिसिइ एवम् सचिवले वि
वर्ष २०१६-१७ को निम्ति सिक्किम राज्य विद्युत नियामक आयोगसमक्ष द
गरिएको समग्र राजस्व आवश्यकता एवम् महसुल आवेदनसम्बन्धित जनसूच**

सबै उपभोक्ता अनि हितधारकको निम्ति यो परिपत्र वितरण गरिन्छ कि, विद्युत वितरण अनि खुद्रा बिक्री गर्न संलग्न सिक्किम सरकारका ऊर्जा विद्युत विभागले मिति १४.०३.२०१२ को अधियुचना सङ्ख्या ०२/एसएसइआरसि/टिआर अनि विद्युत ऐन २००३ को धारा ६२ अन्तर्गत वर्ष २०१६-१७ को निम्ति विद्युत वितरण साथै खुद्रा बिक्रीको निम्ति सिक्किम राज्य विद्युत आयोग (एसएसइआरसि)समक्ष सिक्किम राज्य, समग्र राजस्व आवश्यकता (एअर) एवम् महसुल आवेदन दर्ता गरेको छ।

आयोगले ०५-१२-१५ को मामला सङ्ख्या टिआर-१/२०१६-१७/एसएसइआरसि-अन्तर्गत विभागद्वारा दर्ता गरिएको आवेदन स्वीकारको बित्त वर्ष २०१६-१७ को एआरआरको सार यसप्रकार रहेका छः-

| क्रम सङ्ख्या | वस्तु खर्च | २०१५-१६ (अनुमानित) करोडमा | २०१६-१७ (प्रकल्पित) करोडमा |
|--------------|--|---------------------------------|----------------------------------|
| १ | इन्धनको लागत | ०.१५ | ०.१५ |
| २ | विद्युत खरीदको लागत | १६१.९९ | १६१.९९ |
| ३ | कर्मचारीको लागत | १६.८६ | १६.७० |
| ४ | आर अनि एमको खर्च | २१.०५ | २५.२६ |
| ५ | प्रशासनिक अनि साधारण खर्च | २.३७ | २.५३ |
| ६ | मूल्यहास | २६.३८ | ३१.३२ |
| ७ | ब्याज | ८६.७० | ८६.२६ |
| ८ | बर्किङ क्यापिटलमा ब्याज | ४.८१ | ५.०३ |
| ९ | एनएफए/इकिटिमा फिर्ता | ४०.६३ | ४०.५६ |
| १० | आय कर | ०.०० | ०.०० |
| ११ | आवश्यक कूल राजस्व | ४४.९५ | ४५.६८ |
| १२ | कम- गैर सीमा शुल्क आय | ०.९४ | ०.९४ |
| १३ | कूल आवश्यक राजस्व(११-१२) | ४४.०३ | ४५.७३ |
| १४ | सीमा शुल्कबाट प्राप्त राजस्व | १३२.२४ | १३२.२४ |
| १५ | राज्यबाहिर बिक्री पश्चात उडेको राजस्व | १३२.२९ | १३०.८० |
| १६ | व्याप(१३-१४-१५) | १७६.५३ | १८१.७५ |
| १७ | व्याप(वित्त वर्ष २०१३-१४) | ०.०० | ०.०० |
| १८ | व्याप(वित्त वर्ष २०१४-१५) | ०.०० | ०.०० |
| १९ | कूल व्याप(१६+१७+१८) | १७६.५३ | १८१.७५ |
| २० | समाप्तीको लागि अनुमान अनिवार्य | | |
| २१ | न्यारिओवर भएको राजस्व अधिशेष | ०.०० | ०.०० |
| २२ | प्रस्तावित सीमा शुल्कबाट अतिरिक्त राजस्व | ०.०० | १५.७० |
| २३ | नियामक सम्पत्ति | ०.०० | ०.०० |
| २४ | ऊर्जा बिक्री(एमयु) | | २४८.९३ |
| | ३१२.१५ | | |

१. एटि अनि सि क्षति: वित्त वर्ष २०१६-१७ को निम्ति एटि अनि सिको क्षति ३७.६० प्रतिशत अंकिलन गरिएको छ।

२. प्रस्तावित संशोधित महसुलबाट अतिरिक्त राजस्वमार्फत राजस्व कमीलाई समाविष्ट गर्ने उद्देश्य रहेको छ। माथि अनुच्छेद १ मा उल्लेखित आवेदन अनि विवरणका प्रतिहरू निम्नलिखित कार्यालयहरूमा प्राप्त गर्न सकिनेछः

क. गान्तोक काजी रोडस्थित ऊर्जा अनि विद्युत विभागका मुख्य अभियन्ता(एचक्यू-१) एवं नोडल अफिसर(राजस्व),
ख. गान्तोक काजी रोडस्थित ऊर्जा अनि विद्युत विभागका अतिरिक्त मुख्य अभियन्ता(रङ्गेली)।

३. इच्छुक व्यक्ति वा दलले माथि उल्लेखित कार्यालयबाट उक्त एआरआर अनि प्रस्तावित महसुलको निशुल्क अध्ययन गर्न सक्नेछ।

४. माथि उल्लेखित दस्तावेजका प्रतिलिपि एकको रू १०००(हजार) खिरे प्राप्त गर्न सकिनेछ। उक्त रकम सिक्किम राज्य ब्याङ्कको ०८०१-पावर ०१-हाइडल जेनेरेसन ८००-अदर डिपसिटम् हेडमा बुझाएर प्राप्त गर्न सकिनेछ।

५. विद्युत विभागद्वारा वर्ष २०१६-१७ को निम्ति संक्षिप्त साथै उपभोक्ताहरूलाई विद्युत खुद्रा बिक्रीको मूल्य अनि प्रस्तावित महसुलको संक्षिप्त तालिकामा सूचित गरिएको छ।

६. एआरआर अनि सिक्किम सरकारका ऊर्जा अनि विद्युत विभागद्वारा बुझाएको प्रस्तावित महसुलसम्बन्धित कुनै आपत्ति दर्ता गर्ने अनि सुझाउहरू दिन चाहेको खण्डमा सहायक दस्तावेजसहित आपत्ति अनि सुझाउका पाँच प्रति गान्तोक देवगलीस्थित सिक्किम राज्य विद्युत नियामक आयोगको सचिवसमक्ष १४.०३.२०१६ सम्म बुझाउनुपर्नेछ।

७. आपत्ति साथै सुझाउ दिनेहरूले आफ्नो पूरा नाम, मूल ठेगाना जनाएको हुनुपर्ने साथै साक्षीकृत शपथपत्र संलग्न गरेको हुनुपर्नेछ। यदि आपत्ति संगठन वा संस्थाको तर्फबाट गरिएको छ भने पनि पूरा नाम ठेगाना जनाएको हुनुपर्नेछ।

रहल पृष्ठ ३-मा....

| क्रम सङ्ख्या | उपभोक्ताको नाम/विवरण | वर्तमान दर | | प्रस्तावित दर | |
|--------------|------------------------|------------|-------------------|---------------|-------------------|
| | | माग शुल्क | एआरआर/वित्त/महिना | माग शुल्क | एआरआर/वित्त/महिना |
| १ | घरेलु आवासीय | ३ | ३ | ३ | ३ |
| २ | ५० युनिटसम्म | ५० | ५० | ५० | ५० |
| ३ | ५१-१०० युनिटसम्म | ५१ | ५१ | ५१ | ५१ |
| ४ | १०१-२०० युनिटसम्म | १०१ | १०१ | १०१ | १०१ |
| ५ | २०१-३०० युनिटसम्म | २०१ | २०१ | २०१ | २०१ |
| ६ | ३०१-४०० युनिटसम्म | ३०१ | ३०१ | ३०१ | ३०१ |
| ७ | ४०१-५०० युनिटसम्म | ४०१ | ४०१ | ४०१ | ४०१ |
| ८ | ५०१-६०० युनिटसम्म | ५०१ | ५०१ | ५०१ | ५०१ |
| ९ | ६०१-७०० युनिटसम्म | ६०१ | ६०१ | ६०१ | ६०१ |
| १० | ७०१-८०० युनिटसम्म | ७०१ | ७०१ | ७०१ | ७०१ |
| ११ | ८०१-९०० युनिटसम्म | ८०१ | ८०१ | ८०१ | ८०१ |
| १२ | ९०१-१००० युनिटसम्म | ९०१ | ९०१ | ९०१ | ९०१ |
| १३ | १००१-२००० युनिटसम्म | १००१ | १००१ | १००१ | १००१ |
| १४ | २००१-३००० युनिटसम्म | २००१ | २००१ | २००१ | २००१ |
| १५ | ३००१-४००० युनिटसम्म | ३००१ | ३००१ | ३००१ | ३००१ |
| १६ | ४००१-५००० युनिटसम्म | ४००१ | ४००१ | ४००१ | ४००१ |
| १७ | ५००१-६००० युनिटसम्म | ५००१ | ५००१ | ५००१ | ५००१ |
| १८ | ६००१-७००० युनिटसम्म | ६००१ | ६००१ | ६००१ | ६००१ |
| १९ | ७००१-८००० युनिटसम्म | ७००१ | ७००१ | ७००१ | ७००१ |
| २० | ८००१-९००० युनिटसम्म | ८००१ | ८००१ | ८००१ | ८००१ |
| २१ | ९००१-१०००० युनिटसम्म | ९००१ | ९००१ | ९००१ | ९००१ |
| २२ | १०००१-२०००० युनिटसम्म | १०००१ | १०००१ | १०००१ | १०००१ |
| २३ | २०००१-३०००० युनिटसम्म | २०००१ | २०००१ | २०००१ | २०००१ |
| २४ | ३०००१-४०००० युनिटसम्म | ३०००१ | ३०००१ | ३०००१ | ३०००१ |
| २५ | ४०००१-५०००० युनिटसम्म | ४०००१ | ४०००१ | ४०००१ | ४०००१ |
| २६ | ५०००१-६०००० युनिटसम्म | ५०००१ | ५०००१ | ५०००१ | ५०००१ |
| २७ | ६०००१-७०००० युनिटसम्म | ६०००१ | ६०००१ | ६०००१ | ६०००१ |
| २८ | ७०००१-८०००० युनिटसम्म | ७०००१ | ७०००१ | ७०००१ | ७०००१ |
| २९ | ८०००१-९०००० युनिटसम्म | ८०००१ | ८०००१ | ८०००१ | ८०००१ |
| ३० | ९०००१-१००००० युनिटसम्म | ९०००१ | ९०००१ | ९०००१ | ९०००१ |

आर.जे.सङ्केतमा ३६६ आर्कडीसिए सिङ्की विद्युत नियामक आयोग १४-०३-२०१६ मिति १४.०३.२०१६


सिक्किम राज्य विद्युत नियामक आयोग
सिक्किम सरकार

Public Notice issued by the SSERC in Sikkim Express (English Edition)

Publication Date: 17th March, 2016

Education, Uniam
Research and Training
Centre
Shillong

10th March 2016



SIKKIM STATE ELECTRICITY REGULATORY COMMISSION
P. O. Tadong, Sikkim -737102
Tel: (03592)281081, 281088, 280081, Fax. (03592) 281044,
Email: sikkim.serc@gmail.com

No.38/SSERC/2011-12/04 Date:16.03.2016

NOTICE FOR PUBLIC HEARING

The Sikkim State Electricity Regulatory Commission (SSERC) has received the Annual Revenue Requirement (ARR) and Tariff Petition for the year 2016-17 from the Energy & Power Department, Government of Sikkim, a deemed licensee engaged in distribution and retail sale of electricity in the State of Sikkim.

The ARR and Tariff Petition was received and registered by the SSERC on 1st December 2016 and notified by the Energy & Power Department on 9th February 2016 for filing of objections/suggestions, if any on the ARR filings and Tariff proposals together with supporting materials before the Secretary, Sikkim State Electricity Regulatory Commission, Gangtok on or before 14th March 2016.

The SSERC therefore proposes to hold a Public Hearing on the Tariff Revision petition on the date, time venue mentioned below:

| Date | Time | Venue for Public Hearing | Category of Consumers. |
|----------------------------|---------------------|--|-----------------------------|
| 8 th April 2016 | 10.30 AM to 2.30 PM | Meeting Hall, Chintan Bhavan, Gangtok, East Sikkim | All categories of Consumers |

Interested parties/persons may appear before the Sikkim State Electricity Regulatory Commission for the purpose and would be heard as per the above schedule.

(S.D.Dhakai),
SECRETARY
Sikkim State Electricity Regulatory Commission

Shillong 10th March 2016

Director
Namgyal Institute of Tibetology
Deorali, Gangtok, Sikkim

Namgyal Institute of Tibetology
Gangtok, Sikkim
Ph. (03592) 281525/280822

SALE NOTICE

The Namgyal Institute of Tibetology has a vehicle SLXE-II 2WD in good running condition for sale. Interested person/party can submit their tender to NIT office latest by 22nd March, 2016. The floor price of the vehicle is Rs. 3 lakhs only. The vehicle can be inspected at the NIT premises during office hours. The description of the vehicle is as under:
Mahindra Bolero SLXE-II 2WD
Make year 2009, Colour R. Beige

Director
Namgyal Institute of Tibetology
Deorali, Gangtok, Sikkim

SIKKIM STATE ELECTRICITY REGULATORY COMMISSION
P. O. Tadong, Sikkim -737102
Tel: (03592)281081, 281088, 280081, Fax. (03592) 281044
Email: sikkim.serc@gmail.com
No.38/SSERC/2011-12/38 Date: 17.03.2015



CORRIGENDUM

NOTICE FOR PUBLIC HEARING

The advertisement published on 17th March 2016 on the above subject, the date in second line may be read as 1st December 2015. The inconvenience is regretted.

Sd/-
(S.D.Dhakai),
Secretary,
Sikkim State Electricity
Regulatory Commission.

in the tournament. The tournament specifically for the students of primary level. We have chosen primary classes this time as we felt that they should get the opportunity to showcase their talent. Apart from regular

Let's QUIZ

1. Who was the winner of the WT20 world cup?
2. Who has scored the most runs in WT20?
3. Who are the best batsmen in WT20 cricket?
4. Who has taken the most wickets in WT20?
5. Which player has scored the maximum number of runs now in WT20?
6. From which player did the Pak match shifter?

Send in your answers by 21st Mar to win prizes. The results will be announced next week. Your question is chosen, you win! **Win a free treat**

Annexure – 3B

Public Notice issued by the SSERC in Himali Bela (Nepali/Local language Edition)

Publication Date: 17th March, 2016

क अफ इण्डियाद्वारा
सिपस ब्याकमा एन
इड योजनाको बारे
बताए।
अतिरिक्त सभामा
नरका चीफ अफिसर
आफ्नो मागधनमा
व्यक्तमाफत प्राप्त गरेको
छिमेकीसित बोल्ने र
सरकारको योजनाबाट
बस सकुनु भन्ने कुरामा
कोयबिहार र गालोक
सुभागले संयुक्त रूपमा
विद्यालयमा आयोजित
संक्रममा शिर बनाउ
न र हाजिरी-जवाब
र न्याली मुख्य आकर्षण
(पीआईबी)

**बासितको
ला जारी**

बासितले आगामी २३
त मनाउने पाकिस्तान
वससमा कश्मीरका सबै
गदी सरगनालाई
पनि गरेका छन्। यस्तो
ट होइन। पाक
मनाइने पाक राष्ट्रिय
वर्षदेखि पृथकतावादी
बोलाइने सिलसिला
जारी छ। पृथकतावादी
उच्चायुक्त बासितको हुने
स एजेन्सीसित विदेश
पनि आफ्नो नजर

ललाई शर्त

को खेल नेपालमा गर्नका
ने होम एण्ड अवे खेलमा
आएर खेलनका लागि
प्रलोपोपेण्ट अफिसरसमेत
त छ। त्यस्तै, खेल हुने
रण गरेर स्वीकृति प्रदान
नेपालमा नामविद्यालयको
मए अर्को देशको तटस्थ
सीसिले विहीनार विज्ञानि

खर्नले नयानमा देखिएको
का छन्। नयानमा देखिएको
ई हई आईसीसिले त्यस्तो
तालिक्मा पुछारमा छ।

SIKKIM STATE ELECTRICITY REGULATORY COMMISSION
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No.38/SSERC/2011-12/04 Date:16.03.2016

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| Date | Time | Venue for Public Hearing | Category of Consumers. |
|----------------------------|---------------------|---|-----------------------------|
| 8 th April 2016 | 10.30 AM to 2.30 PM | Meeting Hall , Chintan Bhavan, Gangtok, East Sikkim | All categories of Consumers |

Interested parties/persons may appear before the Sikkim State Electricity Regulatory Commission for the purpose and would be heard as per the above schedule.

(S.D.Dhakal),
SECRETARY
Sikkim State Electricity Regulatory Commission

आरोपीमा पुलिसले एकजना ३१
वर्षीय व्यक्तिविरुद्ध प्राथमिकी दर्ता
गरेको छ। पुलिस सूत्रबाट प्राप्त
जानकारीअनुसार यो घटना १६
मार्चको बिहान भएको हो। कक्षा
आठमा अध्ययनरत पीडित बिहान
स्कूल जाने क्रममा आरोपीले यो
अपराध गरेको बताइएको छ।
पीडित पढ्ने स्कूलकै एकजना
पिउनेले आफ्नो मोटर साइकलमा
आरोपी बेपत्ता बनेका छन्। यस
घटनाको जानकारी पीडितले
स्कूलका प्रधानाध्यापकलाई
दिएपछि उनले नै पुलिसलाई
सूचित गरे। नयाँ बजार
पुलिसले आरोपीविरुद्ध
प्रोटोकल अफ चिल्ड्रेन क्रिम
सेक्सुअल अफेन्स एक्ट,
२०१२ अन्तर्गत मुद्दा दर्ता गरी
आरोपीको खोजी शुरु गरेको छ।

**अधिमान्य पत्रकारका लागि ई-
टिकटद्वारा बुकिङ सुविधा शुरु**

इन्दौर, १७ मार्च (हिस): अधिमान्य पत्रकारले अब ई-टिकटको माध्यमले आफ्नो रेल टिकटको आरक्षण गर्नसक्नेछन्। रेल मन्त्री सुरेश प्रभुले गत महिना २५ फरवरीको दिन रेल बजट २०१६-१७ मा अधिमान्य पत्रकारका लागि ई-टिकट बुकिङ सुविधाको घोषणा गरेका थिए। अहिलेसम्म अधिमान्य पत्रकारलाई केवल रेल आरक्षण केन्द्रमा नै रियायती पास रेल टिकट बुकिङको सुविधा उपलब्ध थियो। अब अधिमान्य पत्रकारले भारतीय रेलवेको ई-टिकट प्रणालीबाट टिकट बुक गर्नसक्नेछन्। अधिमान्य पत्रकारको ई-टिकटको सुविधाको साथै रेलवेले ई-केटरिङ सेवालाई वर्तमान ४५ टूला स्टेशनबाट विस्तारित गरी सबै ४०८ ए-१ र ए श्रेणीको रेलवे स्टेशनमा उपलब्ध गराएको छ। प्रारम्भमा ई-केटरिङ अथवा ई-खानपान सेवा विशेष रेलगाडीमा नै उपलब्ध थियो। अब ई-केटरिङ सुविधाबाट उक्त अधिसूचित रेलवे स्टेशनबाट बात्रा गर्ने यात्रीले सबै रेलगाडीमा ई-केटरिङको सुविधा प्राप्त गर्नसक्नेछन्।

Gangtok East Sikkim hereby state that my name is PemaTseden Bhutia recorded in all my relevant documents. However in my birth certificate bearing registration number 1995/2997 dated 06.05.1995, issued by the chief registrar of birth & death bureau of economics & statistics, Government wherein my name and my surname has been recorded as PemaTseden. Hence PemaTseden and PemaTseden Bhutia is the name of the same person.

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Inconvenience is regretted.

Sd/-
(S. D. Dhakal),
Secretary,
Sikkim State Electricity
Regulatory Commission.

long, Gangtok and published at Kashiraj Pradhan Road, Nam Nam, Gangtok, Sikkim. Editor: Mrs. Mala Rana Patra. 1265. E-mail: himalibela@rediffmail.com

Public Notice issued by the SSERC in Samay Dainik (Nepali/Local language Edition)

Publication Date: 17th March, 2016



टपाइकी अधिकारी ले सहयोग गर गरेका भा सरिता न प्रस्तुत

भापकोटा, िकाराम

३

मार्च २०१६
उद्योग) सभार वन पूर्णविपुक्ति तैमित पूर्व) । तथा अन्य आप. (वे-गण्डा साम्थार जसको छ त्सस्ताई प्रकाशित तामि कृपया

चौधरी) आइ/सी

साथ नवन जग हाइबाला उद्योग संघले यतिका समयमा गरेका प्रगति साथै गार्ड-समाजलाई पुन्याएको विकास उदाहरणीय र अनुकरणीय रहेको विचार प्रकट गरे। यादप्रसाद सापकोटाद्वारा सञ्चालित कार्यक्रममा कुतज्ञता ज्ञापन दिनानाथ न्यौपानेले गरेका थिए भने जानकारीमा बताइएको छ।

बाल बासिकाहरूको शिक्षा संगसंगै बालश्रमको रोकथाम गर्न दुलो सहयोग पुराएको छ। मिशन एडुकेशन टिम उक्त सफल कार्यक्रमको निम्ति आदरनीय प्रधानाध्यापिका अर्चना गुरुङ, शिक्षक शिक्षिका सबै विद्यार्थिबर्गलाई हार्दिक अभार प्रकट गर्दछ।

भाषाका कविताहरू पठन हुनेछन्। यस सत्रको अध्यक्षता करावी टिका हजरिकाले गर्नेछन्। यसरी नै दोस्रो सत्रअन्तर्गत बोडो, नेपाती, उडिया र सन्थाली भाषाका कविताहरू पठन हुनेछन् भने यस सत्रको अध्यक्षता एच बिहारी सिंहले गर्नेछन्।

another is just slop) is for sale at Rangpo Maming, South Sikkim measuring 33 X 50 Sq. ft. and eight room, 24 hours water facility and near to road. Contact : 9775833049



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(S.D.Dhakal), SECRETARY

Kutse Shegu

The 49 days Kutse Shegu Lt. Loden Tshering Bhutia who left for heavenly abode on 1.02.2016 falls on 20.03.2016. All relatives, friends and well wishers are requested to join us in offering prayers to the departed soul at our residence at Upper Khamdong, below B.A.C., East Sikkim. We would also like to thank everyone who stood by us during our time of bereavement.



Dawki bhutia (elder sister) -7031600584, Lendup bhutia (elder brother) -8906070772, Jigme bhutia (elder brother) -8145003124, Dawa zangmu (elder sister) -7407184482, Pem cheden -9775977416

अन्वेषि क्रिया

हाम्रो पुजनीय माता स्वर्गीय मनमाया प्रधानको गत ७ मार्च २०१६ को दिन स्वर्गीयवास भएको कारण वहाँको अन्वेषि क्रिया आगामी १९ मार्च, २०१६ शनिवारको दिन नामथाङ उच्चतर माध्यमिक विद्यालय नजिक लोवर नागी, दक्षिण सिक्किमस्थित निज निवासमा सम्पन्न हुने भएको छ। त्यसर्थ शवयात्रामा सामेल भई सालनवा प्रदान गर्नुहुने आफन्तजन, इष्टमित्रलग्नायत शुभचिन्तकहरूप्रति कुतज्ञता टफ्याउदै उक्त अन्वेषि क्रियामा उपस्थित भइदिनु हुन हामी शोकाकुल परिवारबाट हार्दिक निमन्त्रणा गर्दछौं।



चिनित लोचनदास, डिह्लीराम, कमल, योग्य, चन्द्र प्रधान (छोराहरू), अनुराधा, पवित्र, तारा, सुमित्र, अरुणा (बुहारीहरू), देवी-डिह्लीबहादुर प्रधान, नर्बदा-जुनकुमार प्रधान (छोरी-ज्वाई) एवं शोकाकुल परिवार सम्पर्क : ९४३४१८४१२४, ९४३४२११९९, ७८६६८५०४८७, ७७९७७११०१७

सकरी उनले टिना हुने

दिइएका थिए। उनले चालकहरूलाई गुणस्तव्य फस्ट-एड् राख्ने सुझाउ पनि दिए-हिस

रङ्गीत नदीमा पौरी खेल्न युवकको मृत्यु

गान्तोक, १७ मार्च। दक्षिण सिक्किमको द्वा माइलस्थित मत्स्य पालन छेत्र रङ्गीत नदीमा पौरी खेल्दा एक जना २४ वर्षीय युवकको मृत्यु भएको छ। सुरज राई नामक मृतक युवक नाम्ची-कोच्चे निवासी रहेको बताइएको छ। पुलिस सुनजनुवार १४ मार्चको दिन पौरी खेल्ने क्रममा युवक अचानक बेपत्ता बनेका थिए। स्थानीय युवाहरूले उनको खोजी पनि गरे। तर, १६ मार्च बिहान लगभग ९:३० बजी युवकको शव रोल् मन्डिर छेत्र पानीमा बगिरहेको अवस्थामा फेला पर्यो। पोस्टमार्टमपछि शव परिवारलाई सुम्पिएको बताइएको छ।-हिस

गान्तोक, १७ मार्च।

सिक्किम स्टेट सामाजिक कल्याण बोर्डको प्रायोजनमा फेब्रुअर १७को क्लबले गत १५ मार्चको दिन उत्तर सिक्किमको फेन्सड माध्यमिक स्कूलमा महिला तथा बास सशक्तिकरणमाथि जागरूक पुस्ता कार्यक्रम आयोजना गर्‍यो। कार्यक्रमको अवसरमा क्षेत्र विधायक उनेन निद्रुप भोटिया मुख्यअतिथिका रूपमा उपस्थित रहेका थिए भने यसरी नै सामाजिक कल्याण बोर्डकी अध्यक्ष फूमि तेल्ला विशिष्ट अतिथिका रूपमा उपस्थित थिए। कार्यक्रममा पञ्चायतगण लगायत शिक्षक-शिक्षिकागण, विद्यार्थिगण र स्थानीयहरूको उपस्थिति रहेको थियो। कार्यक्रमको अवसरमा

मुख्यअतिथि क्षेत्र विधायक उनेन निद्रुप भोटियाले मुख्यमन्त्री पवन चामलिङको असल नीति र दर्शनकै कारण राज्यका महिलाहरूलाई सुरक्षासंगै विभिन्न सुविधा अवर प्राप्त भइरहेको बताए। फेन्सड स्कूलका उत्कृष्ट दसजना विद्यार्थिहरूलाई चयन गरेर राज्य बाहिर भ्रमणमा पठाउने पनि विधायक भोटियाले वचन दिए। एसटीएनएम अस्पतालकी स्त्री रोग विशेषज्ञ डा. छुन्डेन लेप्चाले स्त्री रोग विषयमाथि विस्तृत रूपमा विद्यार्थिहरूलाई स्पष्ट गराइन्। कार्यक्रममा स्रोतवत्ताका रूपमा उपस्थित एसपी भोटियाले महिला सुरक्षाका निम्ति उपलब्ध विभिन्न विधिहरू बारे स्पष्ट गराए। कार्यक्रमको दोस्रो सत्रमा

एसडीएफ पार्टीको स्वास्थ्य प्रकोष्ठीक सदस्य छिरिङ लेप्चाले महिलाहरूले केलसियम र आइरन ट्याब्लेट खानु अति आवश्यक रहेको बताउदै यसको फाइदा विषय पनि उनले जानकारी गराइन्। कार्यक्रमको अवसरमा उपस्थित महिला एवं महिला विद्यार्थिहरूलाई केलसियम र आरन ट्याब्लेट वितरण गरियो। कार्यक्रमको स्वागत भाषण फेन्सड स्कूलका प्रधानअध्यपक वङ्जुक भोटियाले राखेका थिए भने एक्जो क्लबका महासचिव पेमा नर्बु भोटियाले धन्यवाद ज्ञापन गरेका थिए। शिक्षक एनटी भोटियाद्वारा सञ्चालित यस कार्यक्रममा पञ्चायत सचिव उनेन लेन्द्रुप भोटियाले पनि आफ्नो वक्तव्य राखेका थिए।

नाबालिकसित यौन दुर्व्यवहार, आरोपी बेपत्ता

गान्तोक, १७ मार्च। पश्चिम सिक्किमको जुम्मा एक जना १५ वर्षीय नाबालिकसँग यौन दुर्व्यवहारको घटना घटेको छ। यौन दुर्व्यवहारको आरोपमा पुलिसले एक जना ३१ वर्षीय व्यक्ति किर्स्ट

तिबुक स्कूलमा मानसिक स्वास्थ्यमाथि सचेतना कार्यक्रम



विभागको नयाँ योजनामाथि प्रकाश पार्दै कस्ता परिवारले कस्तो प्रकारको योजना पाउनेछ्न् यो विषयमा जानकारी गराएका थिए। उनले अझ जोडे, कुन योजना कस्तो परिवारलाई कसरी फिलो अन्य कति प्रकारको योजना प्राप्त

Maming, South Sikkim measuring 33 X 50 Sq. ft. and eight room, 24 hours water facility and near to road. Contact : 9775833049

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Sd/- (S.D.Dhakal), Secretary

जमिन बिक्रीमा
17 डेसिमलभित्र एउटा एक तले बिल्डिङसहित जमिन बिक्रीमा रहेको छ। इच्छुक व्यक्तिहरूले निम्न नम्बरमा सम्पर्क गर्न सक्नु हुनेछ।
०५६६७७९५६ / ०००२७२०६६

APPENDIX**TARIFF SCHEDULE FOR THE FY 2016-17****I. DOMESTIC SUPPLY (DS):****Type of Consumer:**

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

(a) Nature of service:

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

(b) Rate:

| Units Consumption | Paisa per kWh (Unit) |
|---------------------------------|----------------------|
| Up to 50 | 110 |
| 51 to 100 | 234 |
| 101 to 200 | 365 |
| 201 to 400 | 457 |
| Consumption exceeding 400 units | 493 |

(c) Monthly Minimum Charge:

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

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

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

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

Free supply of electricity for consumption up to 100 units applicable to all the domestic consumers in rural areas under Gram Panchayat Unit (GPU) as notified by the Rural Management and Development Department as per clause 1 of Government Gazette Notification No. 33/P/GEN/97/PART-V dated 25.11.2014 shall be determined on the basis of assessment recorded through energy meter only and assessment accounted on average basis shall not be entertained for subsidy. In the event of crossing the subsidized limit of 100 units of electricity in any month, the entire consumption for the month shall be charged to such consumer as per the tariff.

II. COMMERCIAL SUPPLY (CS):

Type of Consumer:

Supply of energy for light, fan, heating and power appliances in commercial and non-domestic establishments such as shops, business houses, hotel, restaurants, petrol pumps, service stations garages, auditoriums, cinema houses, nursing homes, dispensaries, doctors clinic which are used for privates gains, telephone exchange, nurseries, show rooms, x-ray plants, libraries banks, video parlors, saloons, beauty parlors', health clubs or any house of profit as identified by the Assistant Engineer/Executive Engineer concerned of the Department. In the event of exceeding connected load beyond 25 KVA, the Demand charge at the following rates shall be imposed. The seasonal consumers are allowed to install MDI meter for assessment of their monthly load profile.

(a) Nature of supply:

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

(b) Rate:

| Consumption range | Paisa per Kwh (Unit) | |
|--|--|---|
| Upto 50 | 330 | |
| 51 to 200 | 561 | |
| 201 to 400 | 594 | |
| Consumption exceeding 400 units | 635 | |
| Demand Charges - For those establishments whose sanctioned load is more than 25 KVA and does not have independent transformer but run their unit through shared transformers. | Rural | Urban |
| | ₹ 60/KVA/Month plus energy charges shown above | ₹ 100/KVA/Month plus energy charges shown above |

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

(c) Monthly Minimum Charge:

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

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

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

III. LOW TENTION INDUSTRIAL SUPPLY (LTIS):**Type of Consumer:**

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

(a) Nature of service:

Low Tension AC 430/230 volts, 3 phase/single phase, 50 cycles/Sec (Hz)

(b) Rate:

| Units Consumption | Paisa per kWh | |
|---|---|---|
| Area | Rural | Urban |
| Upto 500 | 250 | 528 |
| 501 to 1000 | 440 | 616 |
| 1001 & Above | 580 | 713 |
| Demand Charge – for those establishments whose sanction load is more than 25 KVA & does not have independent transformer but run their unit through shared transformers. | ₹ 60/kVA/Month plus energy charges as shown above | ₹ 100/kVA/Month plus energy charge as shown above |

(c) Monthly Minimum Charge:

| | |
|--------------------|-----------------|
| Rural Areas | ₹ 120/KVA/Month |
| Urban Areas | ₹ 200/KVA/Month |

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

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

IV. HIGH TENSION INDUSTRIAL SUPPLY (HTS):

Type of Consumer:

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

(a) Nature of supply:

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

Executive Engineer should sanction the demand In the Requisition and Agreement form of the Department before the service connection is issued based on the availability of quantum of Power. The demand sanctioned by the Executive

Engineer will be considered as the contract demand, however, the contract demand can be reviewed once a year if the consumer so desires. A maximum demand indicator will be installed at the consumer premises to record the maximum demand on the monthly basis. If in a month, the recorded maximum demand exceeds the contract demand, that portion of the demand in excess of the contract demand will be billed at twice the prevailing demand charges. In case recorded maximum demand exceeds the contract demand for three consecutive months the demand charges will be payable on the basis of installed capacity of the transformer.

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

(b) Rate:

| Units Consumption | Charges |
|---|----------------------------------|
| Up to 100 kVA Demand Charge Plus Energy Charge | ₹ 200/kVA/Month + 320 Paisa/Unit |
| Above 100 to 250 kVA Demand Charge Plus Energy Charge | ₹ 250/kVA/Month + 370 Paisa/Unit |
| Above 250 to 500 kVA Demand Charge Plus Energy Charge | ₹ 290/kVA/Month + 437 Paisa/Unit |
| Above 500 kVA Demand Charge Plus Energy Charge | ₹ 550/kVA/Month + 472 Paisa/Unit |

(c) Monthly Minimum Charges: Demand Charges

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

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

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

V. BULK SUPPLY (BS) (Non – COMMERCIAL SUPPLY):

Type of Consumer:

Available for general mixed loads to M.E.S. and other Military Establishments, Borders roads, Sikkim Armed Police Complex (SAP), all Government Non-residential buildings Hospitals, Aerodromes and other similar establishments as identified as such supply by the Concerned Executive Engineer.

(a) Nature of service:

Low Tension AC 430/230 volts or High tension above 3.3 kV

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

(b) Rate:

| All Units Consumption | Paisa/Unit |
|-----------------------|------------|
| LT (430/230 Volts) | 594 |
| HT (11kV or 66 kV) | 644 |

(c) Monthly Minimum Charge:

| | |
|--------------------|-----------------------------|
| LT (430/230 Volts) | ₹ 200 /kVA of Sanction Load |
| HT (11kV or 66 kV) | ₹ 200/kVA of Sanction Load |

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

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

(f) Power Factor Adjustment charges:

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

- (ii) **Power factor rebate:** If the power factor of the consumer's installation in any month is above 95% the consumer will be entitled to a rebate at the rate of 0.5% in excess of 95 % power factor on the total amount of energy charge for that month for every 1% rise or part thereof in the average power factor during the month above 95%.

VI. SUPPLY TO ARMY PENSIONERS:

Type of Consumer:

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

(a) **Nature of service:**

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

(b) **Rate:** Domestic supply rate is applicable.

(i) **Up to 100 units: To be billed to Secretary, Rajya Sainik Board**

(ii) **101 and above: To be billed to the Consumer**

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

VII. SUPPLY TO BLIND:

Type of Consumer:

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

(a) **Nature of service:**

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

(b) **Rate:** Domestic supply rate is applicable.

(i) **Up to 100 units: To be billed to Secretary, Social Welfare Department**

(ii) **101 and above: To be billed to the Consumer**

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

VIII. SUPPLY TO THE PLACES OF WORSHIP (PW):

Type of Consumer:

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

(a) Nature of service:

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

b) Rate:

| Unit Consumption Slab | Paisa per kWh (Unit) |
|---|------------------------------|
| Places of worship having: (i) Having 3 light points A) up to 100 units B) Above 101 units (ii) Having 4 to 6 light points. A) up to 150 units B) Above 151 units (iii) Having 7 to 12 light points A) up to 300 units B) Above 301 units (iv) Having 13 and more light points A) up to 500 units B) Above 501 units A) To be billed to Secretary, Ecclesiastical Department and to be submitted to the head of Department in the District. B) To be billed to Head of the Place of worship. | Domestic rate is applicable. |

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

IX. PUBLIC LIGHTING ENERGY CONSUMPTION CHARGES

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

Rate:

| Category | Rate |
|-------------|---------------|
| Rural Areas | 270 Paisa/KWH |
| Urban Areas | 500 Paisa/KWH |

X. TEMPORARY SUPPLY:**Type of consumer:**

Available for temporary purposes and for the period not exceeding two months in the first instance but can be extended for the further-period not exceeding one month on each occasion. The Assessment of energy consumption shall be on the basis of recorded meter reading and not on average, however if the connection is being taken for less than one month, an advance payment should be taken from the consumer as per his/her connected load based on the average system of calculation shown in the tariff schedule.

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

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

(a) Nature of Service:

Low tension AC 430/230 volts, 50 Hz /H.T. AC 11 kV whichever is applicable and possible at the discretion of the department.

(b) Rate:

Twice the Tariff under schedule DS/CS/LTIS/HT for corresponding permanent supply **(Temporary supply connection shall not be entertained without energy meter)**. Two months assessment on sanction load shall have to be paid in advance as security deposit before taking the connection.

XI. SCHEDULE FOR MISCELLANEOUS CHARGES**Service Connection**

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

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

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

(b) In case the flat or part of the private building is occupied by Government / Semi Government/Government Undertakings offices, separate service

connection in the name of head of office can be given with the approval of the concerned Executive Engineer.

- (c) ₹ 50.00 per certificate shall be charged for issuing NDC (No dues certificate), NOC (No objection certificate) or any other kind of certificate to be issued to the consumer by the Department.

XII. METER RENT / Month

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

XIII. TESTING OF METERS

| | | |
|-----|----------------------------|-------|
| i) | Energy Meters Single Phase | ₹ 200 |
| ii) | Other Metering Instruments | ₹ 250 |

XIV. DISCONNECTION & RECONNECTION

| | | |
|------|---------------------------|----------|
| (i) | DS and CS category | ₹ 150.00 |
| (ii) | LTIS, HTS & Bulk category | ₹ 250.00 |

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

XV. REPLACEMENT OF FUSES

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

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

XVI. RESEALING OF METERS

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

XVII. SECURITY DEPOSIT

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

| | | | |
|---|------------------------|---------|----------|
| 1 | Electronic Meter | 3 phase | ₹ 500.00 |
| | | 1 phase | ₹ 200.00 |
| 2 | Electromagnetic Meters | 3 phase | ₹ 150.00 |
| | | 1 phase | ₹ 75.00 |

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

XVIII. OTHER CONDITIONS FOR SUPPLY OF ELECTRICAL ENERGY**(a) Meter found out of order**

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

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

(b) Defaulting consumer

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

(c) Fixing the position of meter/metering equipment

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

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

(d) Notification/application before connection

The consumer must give not less than 2 months notice before the supply or additional supply is required. In the case of HTIS/LTIS/BS consumers, longer notice which may extend to six months or more may be required to enable the

Department to make necessary arrangement for such supply, which will subject to its availability in the system and seven clear days notice shall be given by the Assistant Engineer of the area to the applicant for the Purpose of inspecting the premises and investigating the feasibility of power supply. If service can be affected by extending service line alone, the consumer will be given a written permission from the office of the Assistant Engineer about providing the service connection to his premises.

(e) Sketch of the premises

(i) A neat sketch of the premises should also submit the proposed internal electrification of the building showing the light points, light plug points, power plug points, fan/exhaust fan points, main isolator position, distribution Control system location and other fittings etc.

(ii) In the case of industrial/workshop etc. the consumer should submit a neat sketch showing the location of all E&M equipments and its motor capacity if any etc. in addition to the above.

(f) Load sanction

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

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

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

XX. ACCESS TO PREMISES AND APPARATUS

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

XXI. INTERFERENCE WITH SUPPLY MAINS AND APPARATUS

- (a) A consumer shall not interfere with the supply main or apparatus including the metering arrangement, which may have been installed in his/her premises.
- (b) The consumer shall not keep connected to the department supply system if any apparatus to which the department has taken reasonable objection or which the department may consider likely to interfere or affect injudiciously the department's equipments installed in his/her premises or the Department's supply to other consumer.
- (c) The consumer shall not keep the unbalanced loading of three phase supply taken by him/her from the Department.
- (d) The consumer shall not make such use of supply given to him/her by the

department as to act prejudicially to the department's supply system in any manner whatsoever.

XXII. MALPRACTICE

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

XXIII. PAYMENT OF COMPENSATION FOR MALPRACTICES

Where a consumer is found to be indulging in malpractice with regard to use of electricity and use of device to commit theft of energy etc. the Assessing Authority of the department will decide about the payment of compensation amount to be imposed against such consumer as per the relevant rules and regulations.

XXIV. INSTITUTION OF PROSECUTION

Any officer/employee authorized to inspect and deal with cases of malpractice and theft of energy may launch prosecution as an aggrieved person as mentioned in section 135 & 150 of the Indian Electricity Act 2003.

XXV. READING OF METER AND PREPARATION OF BILL

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

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

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

XXVII. FAILURE OF POWER SUPPLY

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

XXVIII. RESTRICTION OF POWER SUPPLY

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

XXIX. CONSUMER NUMBER

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

XXX. FUSE CALL

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

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

XXXI. THEFT OF POWER

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

XXXII. SUPPLY WITHOUT METER

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

- 1. Government office building: Sanctioned load (kW) x 6 hrs x 30 days x 60 /100**
- 2. Other Consumers: Sanctioned load (kW) x 8 hrs x 30 days x 60 /100**