



ORDER
ON
TRUE UP FOR THE F.Y. 2022-23,
REVIEW FOR THE F.Y. 2023-24 &
AGGREGATE REVENUE REQUIREMENT
FOR THE F.Y. 2024-25 TO 2026-27
AND
TARIFF FOR THE F.Y. 2024-25

For

**Power Department,
Government of Sikkim**

March, 2024

**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.
MYT	Multi Year Tariff

1. BACKGROUND

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

Case No.: P-01/MYT/PDS/2023

In the matter of

Petition for True Up for the F.Y. 2022-23, Review for the F.Y. 2023-24, Multi Year Aggregate Revenue Requirement (ARR) for the 3rd 3-Years Control Period from F.Y. 2024-25 to F.Y. 2026-27 and Tariff for F.Y. 2024-25 filed by the Power Department, Government of Sikkim, herein after referred to as 'PDS'--Petitioner.

Coram

Shri K. B. Kunwar, Chairperson

ORDER

Date of Order: 13th March, 2024

1.1 INTRODUCTION

This order relates to the Petition filed by the Power Department, Government of Sikkim (PDS), the only Deemed Distribution Licensee in Sikkim for True-Up for 2022-23, Review for 2023-24, Multi Year Aggregate Revenue Requirement (ARR) for the 3rd Three years control period from F.Y 2024-25 to F.Y. 2026-27 and Tariff for F.Y. 2024-25 in terms of 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, 2020 and subsequent amendments thereof.

1.2 SIKKIM STATE ELECTRICITY REGULATORY COMMISSION

Sikkim State Electricity Regulatory Commission (hereinafter referred to as ‘Commission’) came into existence on 15th November, 2003 after the notification constituting the Commission was issued by the Government of Sikkim in Sikkim Government Extraordinary Gazette Notification No. 28/P/GEN/97/524 dated 15.11.2003. The Commission however became operational from April, 2011.

Section 86 of the Electricity Act, 2003 (36 of 2003) lays down the functions of the State Commission. These functions include: determination of 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 tariffs, both in accordance with the provisions of the Act and 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.

In the discharge of its functions, the Commission is guided by National Electricity Plan, the National Tariff Policy and other Acts/Policies and guidelines issued by the Government of India and the State Government from time to time.

1.3 POWER DEPARTMENT, GOVERNMENT OF SIKKIM

Power Department, Government of Sikkim is a State Government Department and is engaged in Distribution, Transmission and Generation & Retail Supply of Electricity in the State of Sikkim. PDS is the sole Distribution Licensee in the State and is a Deemed Distribution as per the provisions of the Electricity Act, 2003.

1.4 MULTI YEAR TARIFF REGULATIONS

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) (Second Amendment)

Regulations, 2013 on 21st May 2014 whereby the 1st 3-year Control Period for Multi Year Tariff Regime was fixed from F.Y. 2015-16 to F.Y. 2017-18. However, due to various reasons, the ARR and Tariff proposals of the PDS could not be taken up under the Multi Year Tariff Regime. Therefore, the Commission amended the said regulations thereby re-fixing the 1st 3-year Control Period from F.Y. 2018-19 to F.Y. 2020-21. Thus, the ARR and Tariff were brought under Multi Year Tariff Regime from the F.Y. 2018-19.

The Commission 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, 2020 on 9th September 2020, for Control Period from F.Y. 2021-22 to F.Y.2023-24.

The Commission had notified the period from F.Y. 2024-25 to F.Y. 2026-27 as 3rd 3-year Control Period for Multi Year Tariff and directed PDS to file petition for approval of ARR and Tariff in line with 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, 2020 dated 9th September 2020.

1.5 FILING OF PETITION BY PDS

The Petition for True Up for the F.Y. 2022-23, Review for the F.Y. 2023-24, Multi Year Aggregate Revenue Requirement (ARR) for 3 years control period from F.Y. 2024-25 to F.Y. 2026-27 and Tariff for F.Y. 2024-25 was filed by the PDS before the Hon'ble Commission on 30th November 2023 via letter No. 05/PD/Rev/Nodal/2014-15 (Part-II)/621 dated 30.11.2023 as per the provisions of Section 61, 62 and 64 of the Electricity Act, 2003 and SSERC (Terms and Conditions of Tariff Determination for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020.

The Petition was admitted and registered as Case No. P-01//MYT/PDS/2023 by the Hon'ble Commission on 27.12.2023 Thereafter, via letter No. 318/SSERC/2017-18/Part-II/342 dated

27.12.2023, the Commission informed the Petitioner that its Petition has been admitted subject to the following conditions: -

- i. The Petitioner shall file/submit additional data/information and documents as and when sought by the Commission.
- ii. The Petitioner shall provide clarifications/justifications and details of calculations/estimates/projections made/adopted by it for arriving at the figures presented in the petition.
- iii. The Petitioner shall appear before the Commission as and when directed by the Commission.

1.6 INTERACTION WITH THE PETITIONER

After admission of the Petition and allotment of case number, the Commission vide its letter No. 318/SSERC/2017-18/Part-II/342 dated 27.12.2023 directed the Petitioner to issue Public Notice in local newspapers seeking comments and objections from the consumers and other stake holders on the ARR for F.Y 2024-25 to F.Y 2026-27 and tariff proposed for F.Y. 2024-25.

During scrutiny of the Petition filed by the PDS, the Commission observed numerous data gaps and directed the PDS to submit additional information/clarifications on the figures and projected/estimated figures presented in the Petition.

The details of communications made by the Commission and the replies/responses received from the Petitioner are as under:

Sl.No	Queries/ Clarifications sought by the Commission		Replies/Responses furnished by the Petitioner	
	Letter no. / E-mail	Date	Letter no. / E-mail	Date
1	318/SSERC/2017-19/Part-II/21	12.01.2024	05/PD/REV/NODAL/2014-15/Part II/628	05.01.2024
2	318/SSERC/2017-19/Part-II/21	12.01.2024	05/PD/REV/NODAL/2014-15/Part II/636	25.01.2024
3	318/SSERC/2017-19/Part-II/21	12.01.2024	05/PD/REV/NODAL/2014-15/Part II/638	30.01.2024
4	Email	19.02.2024	Email	26.02.2024
5	Email	26.02.2024	Email	26.02.2024

The Commission also directed the Petitioner to appear before the Commission for detailed discussion on the Petition and accordingly several rounds of meetings were held with the representatives of the PDS. The various aspects of the tariff petition were discussed in detail and the submissions of the PDS were noted by the Commission.

1.7 PUBLIC HEARING PROCESS

The Commission vide its letter No. 318/SSERC/2017-18/Part-II/342 dated 27.12.2023 directed the PDS to issue Public Notice in local newspapers soliciting comments/views and objections of the public and other stake holders on the Petition for approval of ARR and Tariff proposal as required by the Section 64 of the Electricity Act, 2003.

PDS issued Public Notices in the local newspapers giving an abridged form of its ARR and Tariff Petition and invited objections, suggestions, comments and views of the members of the public, consumers and stake holders. The PDS had issued the Public Notices in the following newspapers, requesting submission of the objections, suggestions, comments and views latest by 20.01.2024:

Sikkim Express (English Daily) ----- 5th January 2024

Hamro Varta (Nepali)----- 5th January 2024

The copies of the Tariff petition were made available by the PDS to the general public, consumers and interested persons free of cost at the following offices:

1. Chief Engineer (Elect. cum Nodal Officer (Revenue), Power Department, Govt. of Sikkim, Kazi Road, Gangtok, East Sikkim.

The ARR and Tariff petition were also uploaded in the official website of the Power Department “power.sikkim.gov.in” in downloadable format for the ease of the public and stake holders.

1.8 NOTICE FOR PUBLIC HEARING

As required by the provisions of the Electricity Act, 2003, wide publicity was given by the PDS on the ARR and the proposed tariff for F.Y. 2024-25 by issuing 'Public Notice' in local newspapers. The notices were published in the local newspapers on 5th January 2024. PDS sought the views/opinions/suggestions and objections of general public, interested parties, stakeholders and the consumers on the proposed ARR and Tariff proposal. Through the Public Notice, PDS placed the ARR and Tariff proposals in public domain and set 20th January 2024 as the last date for receipt of comments/suggestions/views and objections on the ARR and proposed Tariff for F.Y. 2024-25.

Thereafter, the Commission issued a separate Public Notice in local newspapers giving date, time and venue of the public hearing to be conducted by the Commission. The Public Notice was also placed in the official website of the Commission ("www.sserc.org"). The Commission through the Public Notice appealed the general public and the stake holders to participate in the Public Hearing and for placing their views/comments/suggestions on the ARR & Tariff proposals and that interested individuals & parties shall be heard by the Commission.

The Commission published the Public Notice for the Hearing in the following newspapers:

- **Sikkim Express (English)**-----17th & 26th January 2024
- **Hamro Prajashakti (Nepali)**-----18th & 30th January 2024

1.9 PUBLIC HEARING

Hearing on the Petition of the PDS was held on 16th February 2024 in the Courtroom of the Commission at Deorali, Gangtok, Sikkim from 10.30 AM onwards till 2.30 PM for all categories of consumers. The Hearing was chaired by the Chairperson of the Commission. Despite the public notice, like in the past years, there was no participation of consumers or other stake holders in the hearing conducted on 16th February 2024. The officials of the PDS and the Commission waited in the Court Room till the specified time of 2.30 PM. In light of non-participation of public and consumers in the hearing, the Commission deem it fit to deliberate and discuss on the various aspects of the ARR and Tariff with the PDS. The Commission and the PDS had comprehensive discussions and numerous issues/matters

concerning the ARR/Tariff petition vis-à-vis power sector in the State were deliberated upon during the meeting.

1.10 STATE ADVISORY COMMITTEE MEETING

In order to obtain the views/suggestions/comments of the Members of the State Advisory Committee on the Petition filed by the PDS and especially the Tariff proposed for F.Y.2024-25 to 2026-27, a meeting of the Committee was held on 22nd February 2024 from 11.00 A.M onwards in the Chamber of the Hon'ble Chairperson. The meeting was chaired by the Hon'ble Chairperson.

The Committee discussed the Multi Year ARR and Tariff proposal of the PDS for F.Y.2024 including True Up for F.Y. 2022-23 and Review for F.Y. 2023-24. The views, comments, observations and suggestions of the Committee are given hereunder:

A meeting of the State Advisory Committee was held on 22nd February 2024 in the Chamber of the Chairperson, SSERC to discuss and deliberate on the Tariff petition filed by the Power Department, Government of Sikkim.

The meeting was chaired by the Hon'ble Chairperson. The following members of the State Advisory Committee (SAC) participated in the meeting:

1. Shri K.B.Kunwar-Chairperson SSERC
2. Shri Nim Tshering Lepha-Member
3. Shri D.P.Sharma, IAS(retd.)-Member
4. Shri Uttam Pradhan-Member
5. Shri Dinesh Kharel-Member
6. Mr. P.M.Sharma -Member Secretary (Secretary, SSERC)

The Members of the State Advisory Committee extensively deliberated on the different aspects of the Tariff Petition filed by the Power Department, Government of Sikkim. The Committee Members shared their views, comments and suggestions on each agenda items. The deliberations of the State Advisory Committee on each agenda item are given hereunder:

I. True Up for F.Y.2022-23

The Committee observed that there were numerous mistakes in the figures/data submitted by the Power Department in the ARR/Tariff Petition and opined that the Department should file correct figures and data before the Commission. The Committee opined that ARR and Tariff petition are

public documents and are filed under oath by the PCE cum Secretary of the Department and therefore Department has to check the correctness of the matter before filing.

The Committee noted that Employee Cost is still the major contributor towards ARR of the Department and expressed their concern on the ever-rising Employee Cost and felt that the Department must work out a solution for reducing the cost in phased manner.

The members of the Committee expressed their happiness to note that the ARR gap had been reduced from negative to positive and commended the Department for making profit during the F.Y 2022-23. The Committee opined that the Department has to make all possible efforts to cut down unnecessary expenses and reduce the ARR gap every financial year.

II. Review for F.Y. 2023-24

The Committee opined that the review submitted by the Department for F.Y. 2023-24 are based on the actuals of the previous year and current trends and therefore Department should take serious actions to ensure that there are no major variations in the projected/estimated figures submitted in the review and the actuals at the time of truing up.

The Committee observed that the review figures submitted by the Department for the F.Y 2023-24 doesn't follow the trend of the previous year and noted that as per review, the Department is once again projected to end the year on a negative note. The Committee strongly opined that the Department has to make all possible efforts to continue the previous year's trend and reduce the ARR gap for F.Y 2023-24 as well. The members opined that even if the Department is able to achieve marginal reduction in the gap every year, within few years the gap can be zeroed.

III. Projected ARR and Tariff for F.Y.2024-25 to 2026-27

The Committee observed that the ARR projected by the Department for F.Y 2024-25 to F.Y 206-27 doesn't indicate a pleasant future, as the ARR gaps are projected to sharply increase instead of coming down.

The Committee members expressed their concern on the huge cost projected towards 'Power purchase' and 'Employee cost'. The members noted that increase in power purchase cost is attributable to the recent calamity caused by GLOF in the State and resultant loss of free power from IPP/NHPC projects. The members felt that the Department can't stop supplying power to

the consumers in order to reduce power purchase cost therefore it has to explore various options available to it for buying power from the cheapest sources available.

The members felt that the Department should properly plan its power purchase to ensure that both supply and financial health of the Department are not impacted.

The Committee members once again noted the growing 'Employee Cost' and opined that being a State Government Department, the Department doesn't have the option to throw out its manpower. The Committee felt that the Department must explore ways to reduce the salary burden of the huge manpower and opined that it has to evolve a long-term plan/method to bring down the employee cost.

The Committee opined that the proposal of the Department to reduce the tariff slabs in Domestic Category is well thought and also reasonable. The members opined that under Domestic Category, the State Government is providing 100 units free power to the rural consumers and therefore doing away with the first two tariff slabs will not have major impact. The Committee further opined that in urban areas the consumption under Domestic category is high and since no tariff hike is proposed for tariff slabs of 100 units and above, the proposed changes in the tariff slabs will not have major impact on the urban consumers as well.

The Committee noted that the Department proposes to do away with two existing tariff slabs under Commercial Category similar to the one proposed for Domestic category and opined that having fewer number of tariff slabs will make the tariff structure simple and rational. The Committee opined that consumption of commercial units in both rural and urban areas have increased significantly in the recent years and the tariff structure proposed by the Department is reasonable. The Committee felt that since no increase in tariff for Commercial category is proposed apart from modification in tariff of two existing slabs, there should be no objections from the consumers, which the Committee felt is evident from non-participation of consumers and other stake holders in the public hearing opposing the Department's proposals.

The Committee welcomed the proposal of the Department to introduce Time of Day (ToD) tariff in the State and felt that it is a step towards reformation and tariff rationalization and also in line with the policy decisions/guidelines of the Government of India. However, the Committee opined that installation of 'smart meter' is a pre-requisite for introducing ToD and since smart meters are yet to be installed in the State, the proposal to introduce ToD may have to wait for some time.

2. SUMMARY OF AGGREGATE REVENUE REQUIREMENT FOR F.Y. 2024-25 to 2026-27

2.1 Aggregate Revenue Requirement (ARR)

The Petitioner has submitted the Aggregate Revenue Requirement for the F.Y. 2024-25 to 2026-27 for meeting its expenses and estimated revenue with the existing tariff and also the True Up for F.Y 2022-23 and Review for F.Y 2023-24. The True Up ARR for F.Y 2022-23, Review for F.Y 2023-24 and the projected ARR and Revenue gaps for F.Y 2024-25 to F.Y 2026-27 are shown in the table below:

Table 2.1: Aggregate Revenue Requirement Projected by PDS

Sl. No.	Particulars	FY 2022-23 (Actual)	FY 2023-24 (Estimated)	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Cost of Fuel	0.00	0.00	0.00	0.00	0.00
2	Cost of Generation	0.00	0.00	0.00	0.00	0.00
3	Cost of Power Purchase	134.27	281.07	457.63	462.21	471.45
4	Employee Costs	204.99	210.32	216.63	223.13	229.82
5	Repair and Maintenance Expense	8.00	8.43	8.85	9.3	9.76
6	Administration and General Expenses	2.61	3.00	3.93	3.13	2.34
7	Depreciation	12.66	13.07	13.48	13.69	13.7
8	Interest Charges	2.54	2.79	2.94	3.09	3.24
9	Interest on Working Capital	7.80	7.18	7.28	7.38	7.54
10	Previous Year Expenses of Power Cost					
11	Return on NFA/Equity	0.00	0.00	0.00	0.00	0.00
12	Transmission Charge (Intra State)	40.38	37.36	37.73	38.11	38.87
13	Total Revenue Requirement	413.25	563.22	748.47	760.04	776.72
14	Less: Non- Tariff Income	0.93	0.55	0.58	0.61	0.64
15	Net Revenue Requirement	412.32	562.67	747.89	759.43	776.08
16	Revenue from Tariff	313.81	330.38	333.68	337.02	343.76
17	Revenue from Outside State Sales	165.95	165.53	168.01	169.69	173.09
18	Gap (16+17-15)	(+) 67.44	(-) 66.76	(-) 246.2	(-) 252.72	(-) 259.23

2.2 Tariff – Existing vs. Proposed

In its Petition, PDS has submitted the proposed Tariffs for the FY 2024-25, as detailed in the table below:

Table 2.2: Existing Tariffs v/s Proposed Tariffs for the FY 2024-25

Sl. No.	Category of consumers	Existing Rate Paisa /kWh	Proposed Rate Paisa /kWh
1	Domestic		
i)	Up to 50 units	1.10	Slabs to be deleted
ii)	51 to 100 units	2.10	
iii)	Up to 100 units		2.10
iv)	101-200 units	3.10	3.10
v)	201 to 400 units	3.60	3.60
vi)	401 & above	4.10	4.10
2	Commercial		
i)	Up to 50 units	3.10	Slabs to be deleted
iii)	51 to 100 units	4.10	
ii)	Up to 100 units		4.10
iv)	101 to 200 units	5.10	5.10
v)	201 to 400 units	6.10	6.10
vi)	401 & above	6.40	6.40
3	Bulk supply		
i)	LT	5.50	5.50
ii)	HT	5.50	5.50
4	Public lighting		
a)	Rural Areas	4.00	4.00
b)	Urban Areas	5.00	5.00
5	Supply to Army Pensioners	Domestic rates are applicable	Domestic rates are applicable
6	Supply to Blind		
7	Supply to place of worship		
		Rupees/KVAh	Rupees/KVAh
(A)	Low tension Industrial Supply LTIS(Rural)		
i)	Up to 500 units	3.60	3.60
ii)	501 - 1000 units	4.40	4.40
iii)	1001 & above	5.80	5.80
(B)	Low tension Industrial Supply LTIS(Urban)		
i)	Up to 500 units	5.30	5.30
ii)	501 - 1000 units	6.20	6.20
iii)	1001 & above	7.15	7.15
9(i)	High Tension Supply HTS (Energy Charge)		
	3.3 kV & Above		

i)	Upto 100 KVA	5.40	5.40
ii)	100 - 250 KVA	5.90	5.90
iii)	250 KVA to 500KVA	6.40	6.40
iv)	500KVA and above	6.90	6.90
(ii)	High Tension Supply HTS (Demand Charge)		
i)	Upto 100 KVA	200	200
ii)	100 - 250 KVA	250	250
iii)	250 KVA to 500KVA	290	290
iv)	500KVA and above	560	560

2.3 Prayers of PDS

The PDS has in its Petition prayed for the following:

- To consider and approve the True-up of expenses for the F.Y. 2022-23.
- To Review the estimates for the F.Y. 2023-24.
- To admit the Petition and approve the ARR and Tariff for the F.Y. 2024-25 to F.Y. 2026-27.
- To determine the rebate on tariff to be allowed for payment of bills within 15 days of presentation and also to determine the surcharge for late payment of bills.
- To approve category-wise tariff, including fixed/demand charges submitted by PDS to meet revenue requirement for the F.Y. 2024-25.
- 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. SIKKIM POWER SECTOR – A SNAPSHOT

a. INTRODUCTION

Sikkim, the only “100% Organic State” of India, is located in the North Eastern part of the country. Sikkim was an independent Kingdom ruled by “Chogyals” or Dharma Kings until 1950, when it became a protectorate of India. Sikkim later merged with the Union of India and became its 22nd State on 16th May 1973. Sikkim has total geographical area 7,096 SqKm and had the distinction being the smallest State until Goa became a State in May 1987. However, with a projected population of 6.91 Lakhs in 2023, it is least populated State in the Country. Sikkim is bordered by the Tibet Autonomous Region of China to the north and north east, by the Kingdom of Bhutan to the southeast, Nepal to the west and the State of West Bengal to the South.

Despite its small size, Sikkim, tops in many sectors amongst small States. Sikkim has achieved numerous significant milestones in terms of social and economic development. Sikkim’s literacy rate stood at 76.43 % in 2011 and the same is showing an upward trend of 81.42 % in 2024. Sikkim had the highest per capita income of ₹ 5,19,964.00 in the year 2022-23 inspite of limited natural resources. Sikkim, though small in size has great political and strategic importance for the country because of its location along several international boundaries. Sikkim is surrounded by mountains and there is very little lowlands and the variation of relief is extreme. Within a stretch of about 80 kilometers, the land rises from 225 m in the Teesta River to about 8600 m at Mt. Kangchen-Dze-Nga (Kangchenjunga). Almost two third of its total area consists of perpetually snow-covered mountains, dominated by Mt. Kangchedzenga, the 3rd highest peak in the world. Sikkim is drained by two main river systems viz Teesta and Rangit. These two rivers cut deep valleys into the mountains thereby descending steeply into the plains of West Bengal. Teesta and Rangit rivers are joined by numerous tributaries during their long journey from the Himalayas to the Great Plains of India.

The varied and unique geography of Sikkim makes it one of the most beautiful States in the country. Many pristine lakes, beautiful streams and rivulets and magnificent peaks adorn Sikkim and make it a land of unparalleled natural beauty. Sikkim is also a bio-diversity hot

spot and some of the rarest flora and fauna are found here. A major chunk of its total area is under forest cover (almost 50%) and thus Sikkim is also one of the greenest States in the country.

Sikkim has KNP or Kangchenjunga National Park, a “UNESCO World Heritage Site” the first in India under ‘Mixed Category’ (Culture and Nature). KNP is a biodiversity hotspot and is home to some of the most endangered flora and fauna. Sikkim also has the distinction of being the “First Organic State” in the country, apart from being the first State to ban the use of chemicals, pesticides and single use plastics.

Sikkim with one of the most stunning winter lands in India with pretty atmosphere, clean environment and friendly locals makes it an ideal destination for those seeking peace and relaxation. National Geographic in its survey has chosen Sikkim as one of the ‘**coolest places to visit in 2024**’. This list comprises of 30 destinations from around the globe and Sikkim is the only Indian destination. The unique initiatives taken by the State Government and its natural beauty makes Sikkim a jewel in the crown of India.

Sikkim joined the Union of India as late as in 1973 but since then it has made rapid growth in all sectors. One of the primary reasons for its rapid growth and development is its small population. Surprisingly, although Sikkim has one of the highest growth rates among the small States, it has one of the lowest per capita power consumptions in the country. The reason for very low per capita power consumption is again due to the small population and absence of heavy industries. The total metered consumers in the State as on 31st March 2023 was around 1,28,440 with 87.91 % being Domestic Consumers, followed by Commercial consumers with 9.66 % and Bulk Consumers with 1.42%. Rest of the consumers comprise of Pharmaceutical units, breweries/distilleries under L.T. (0.47%) and HT Industrial Consumers (0.49%). In addition, there are small-scale industries, poultry farms, hotels, home stays, resorts and food processing units operating in the State but the power demand from this group is very small. A major chunk of the consumers as such falls under the Domestic category (87%) followed by Commercial, Bulk Supply, LT Industrial and HT Industrial categories.

Power Department, A Government of Sikkim Department is the only deemed licensee in the State engaged in transmission, distribution and supply of electricity in the State. PDS is a deemed licensee under the provisions of Electricity Act, 2003. The PDS is also a generation utility and owns a few small hydropower projects and diesel generating stations. The PDS has recently leased out all its small hydropower projects to private power developer. The PDS, being a State Government Department functions with budgetary support from the State Government and also many of its schemes are funded by the Government of India. Under the Transmission sector, the Department has a small presence with around 75.40 Ckt. Km of 132 KV lines and 432.10 Ckt. Km of 66 KV lines as on 31st March 2023.

Sikkim Power Development Corporation Limited (SPDCL), a Government of Sikkim Enterprise is another State Government Generating Company with 51% stake of the State Government. SPDCL is engaged in the development and operation of small hydropower projects in the State. The SPDCL presently owns and operates 4 (four) small hydropower projects with a total installed capacity of 13 MW.

b. CONSUMER PROFILE

As on 31st March 2023, the total number of registered consumers stood at 128440 with an annual power consumption of 485.77 MUs. The category-wise consumer profiled is as given in the table below:

Category	No. of consumers 2022-23	Percentage of break up
Domestics	1,12,914	87.91%
Commercial	12,411	9.66%
Public Lighting	59	0.05%
Temporary Supply	0	0.00%
HT Industrial Consumers	626	0.49%
LT Industrial Consumers	604	0.47%
Bulk Supply	1,826	1.42%
Total	1,28,440	100%

3.3. HYDRO POWER PROJECT DEVELOPMENT

Central Water Commission (CWC), Government of India, had assessed the total hydropower potential of Sikkim to be around 8000 MW. CWC had conducted surveys and feasibility studies of various hydropower projects in the State and prepared Pre-Feasibility Reports (PFRs). The PFRs were later submitted to the State Government and based on the PFRs prepared by the CWC, decision was taken by the State Government to tap the hydropower potential of the State. Accordingly, the State Government initiated the process for implementation of the projects through NHPC Limited and private power developers on Build, Own and Operate (BOO) and Build, Own, Operate and Transfer (BOOT) basis. The projects commissioned in the State so far are given below:

Sl.No	Name of the Project	Installed Capacity (MW)	Developer
1	Teesta -III HEP	1200	Sikkim Urja Ltd (A Govt. of Sikkim Undertaking)
2	Dikchu HEP	96	Sneha Kinetics Power Projects Pvt Ltd
3	Chujachen HEP	110	Gati Infrastructures Pvt Ltd
4	Teesta –V HEP	510	NHPC Ltd
5	Rangit –III HEP	60	NHPC Ltd
6	Tashiding HEP	97	Shiga Energy Pvt Ltd
7	Jorethang Loop HEP	96	DANS Energy Pvt Ltd
8	Rongnichu HEP	96	Madhya Bharat Power Corporation Pvt Ltd

Projects

In addition to the above, some more projects are under implementation and are as indicated below:

Projects under Implementation/to be implemented

Sl.No	Name of the Project	Installed Capacity (MW)	Developer
1	Bhasmey HEP	62	Gati Infrastructure Limited
2	Teesta-VI HEP	500	NHPC Ltd
3	Rangit- IVHEP	120	NHPC Ltd
4	Rangit-II HEP	66	Sikkim Hydropower Ventures Pvt Ltd
5	Panan HEP	300	Himagiri Hydro Energy Pvt Ltd

3.4 TRANSMISSION AND DISTRIBUTION NETWORK IN THE STATE

As the deemed licensee for Distribution and Transmission of electricity within the State, the PDS owns and operates Transmission and Distribution network in the State. The details of the Transmission and Distribution network owned and being operated by the PDS as on 31st March, 2023 are as given below:

I. Power Transformers

Sl No	Description (MVA)	Quantity (No)	Total Capacity (in MVA)
1	2.5 MVA	8	20
2	5 MVA	25	125
3	6MVA	1	6
4	7.5 MVA	6	45
5	10 MVA	12	120
6	15 MVA	1	15
7	20 MVA	1	20
8	50 MVA	2	100
	Total	56	451

II. Distribution Transformers

Sl No	Description KVA	Quantity (No)	Total Capacity (in KVA)
1	3000	2	6000
2	2500	10	25000
3	2000	6	12000
4	1600	6	9600
5	1500	10	15000
6	1250	5	6250
7	1000	18	18000

8	800	2	1600
9	750	16	12000
10	650	1	650
11	630	4	2520
12	615	1	615
13	500	155	77500
14	450	1	450
15	400	7	2800
16	375	2	750
17	350	2	700
18	315	94	29610
19	300	34	10200
20	250	65	16250
21	200	179	35800
22	160	14	2240
23	150	46	6900
24	125	8	1000
25	100	325	32500
26	63	698	43974
27	50	15	750
28	25	1111	27775
29	16	1	16
30	10	391	3910
	Total	3229	402360

III. EHT Lines, HT Lines and LT Lines

Sl No.	Description	Length
A	EHT Lines	(Ckt.Km)
1	132KV	75.40
2	66 KV	432.10
	Total EHT Lines	507.50 Ckt.Km
B	HT Lines	(Ckt.Km)
1	11 KV (Over Head)	3214.00 Ckt.Km
2	11 KV (Underground)	264.84 Ckt.Km
	Total Ckt.Km	3478.84 Ckt.Km
C	LT Lines	
1	LT (Over Head)	4982.00 Ckt.Km
2	LT (Underground)	229.94 Ckt.Km
3	LT AB cable	48.54 Ckt.Km
	Total Ckt.Km	5260.48 Ckt.Km

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

Suggestions and Objections Received in Response to Public Notice Issued by the Power Department, Government of Sikkim.

PDS issued Public Notices in the local newspapers giving an abridged form of its ARR and Tariff Petition and invited objections, suggestions, comments and views of the members of the public, consumers and stake holders. The PDS had issued the Public Notices in the following newspapers, requesting submission of the objections, suggestions, comments and views latest by 20.01.2024:

1. **Sikkim Express (English Daily)**----- 5th January 2024
2. **Hamro Varta (Nepali)**----- 5th January 2024

The copies of the Tariff petition were made available by the PDS to the general public, consumers and interested persons free of cost at the following offices:

1. Chief Engineer (Elect. cum Nodal Officer (Revenue), Power Department, Govt. of Sikkim, Kazi Road, Gangtok, East Sikkim.

The ARR and Tariff petition were also uploaded in the official website of the Power Department “power.sikkim.gov.in” in downloadable format for the ease of the public and stake holders.

There was no response from any quarters to the notice issued by the Power Department. The Commission did not receive any objection or suggestions from consumers or other stake holders.

5. TRUE UP FOR THE FY 2022-23

5.1 Preamble

The Commission had approved the MYT ARR for the FY 2021-22 to FY 2023-24 vide its Order dated 26.02.2021 and Final ARR and Tariff order 14.03.2022 based on the projected data submitted by the PDS. Now, the PDS has submitted proposals for True up for the FY 2022-23, duly furnishing the actuals for the FY 2022-23.

5.2 Energy Demand (Sales)

The energy sales approved by the Commission, vide its Tariff Order for the FY 2022-23, the actual sales given by PDS, as per audited accounts with the True up Petition for the FY 2022-23 and now approved by the Commission, are summarised in the table below.

Table 5.1: Energy Sales approved by Commission for FY 2022-23(MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.21	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Domestic	141.89	121.77	120.79	120.79
2	Commercial	45.89	34.11	45.82	45.82
3	Public Lighting	0.44	0.34	0.57	0.57
4	Temporary Supply	2.73	3.13	3.74	3.74
5	HT Industrial Consumers	240.78	252.46	283.15	283.15
6	LT Industrial Consumer	2.36	2.38	1.76	1.76
7	Bulk Supply	36.54	29.63	29.94	29.94
8	Total	470.63	443.82	485.77	485.77
9	Outside State	443.92		298.94	271.19
10	Total	914.55	443.82	784.71	756.96

The Commission now approves energy sales for the FY 2022-23 at 756.96 MUs, as per the actuals furnished by PDS.

5.3 Transmission & Distribution Losses (T&D Losses)

The Commission in its order for the FY 2022-23, had fixed the target of T&D Losses at 18.00% for the FY 2022-23. The PDS in its True up Petition for the FY 2022-23, has stated that the T&D losses during the FY 2022-23 is 19.19% as per audited accounts.

Commission’s Analysis:

The inter-state transmission loss (pool loss) for the FY 2022-23 has been considered at 2.80 % 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 2022-23

Sl. No.	Particulars	Units	2022-23 As approved by the Commission in MYT Order dated 26.02.21	2022-23 Revised as approved by the Commission in Review Order dated 14.03.2022	Actual As per Audited Accounts	Actual Distribution Losses
1	Own Generation	MUs	12.00	0.00	0.00	0.00
2	Energy Purchased from NTPC	MUs	481.55	294.52	118.78	118.78
3	Energy Purchased from WBSEDCL	MUs	48.92	45.78	44.81	44.81
4	Energy Purchased from NHPC	MUs	58.38	44.62	35.21	35.21
5	Energy Purchased (2+3+4)	MUs	588.85	384.92	198.80	198.80
6	Pool Loss	%	2.14	2.14	2.80	2.80
7	Pool Loss	MUs	12.60	13.98	25.13	5.57
8	Net Energy Available (5-7)	MUs	576.25	370.94	173.67	193.23
9	Energy Purchased from CHUKHA, PTC	MUs	47.43	43.37	35.08	35.08
10	Energy Purchased from SPDC	MUs	0.00	44.36	47.55	46.23
11	Energy Purchased from Mangdechu PTC	MUs	0.00	0.00	0.02	0.02
12	Energy Purchased from Hanuman Ganga	MUs	0.00	84.32	33.84	33.84
13	Energy Purchased from UI/ Deviation	MUs	0.00	0.00	25.78	25.78
14	Energy Purchased from Kreate Purchase	MUs	41.53	0.00	0.00	0.00
15	Energy Purchased from PTC Teesta	MUs	0.00	172.00	0.00	0.00

16	Energy Purchased from RHPPL	MUs	0.00	0.00	2.56	2.56
17	Free Energy	MUs	340.65	520.54	553.82	553.82
18	Total Energy Available at State Periphery (1+8+9+10+11+12+13+14+15+16+17)	MUs	1017.86	1235.53	872.32	890.56
19	Outside State sale through UI/Trading	MUs	443.92	694.27	271.19	271.19
20	Return Banking	MUs	0.00	0.00	0.00	0.00
21	Net Energy Available for sale within the State (18-19)	MUs	573.94	541.26	601.13	619.37
22	Energy Sale within the State	MUs	470.63	443.82	485.77	485.77
23	T & D LOSS (21-22)	MUs	103.31	97.43	115.36	133.60
24	T&D Loss	%	18.00%	18.00%	19.19%	21.57%

Though the revised T&D losses are worked out as 21.57 %, the Commission now approves T&D Losses at 18% for the FY 2022-23 as approved in the MYT Order.

5.4 Own Generation

The Commission in its Tariff Order dated 26.02.2021 had approved Own Generation for the PDS at 12.00 MUs for the FY 2022-23 and revised in order dated 14.03.2022 at nil MUs. Now, the PDS has furnished actual own generation as NIL MUs during the FY2022-23, as detailed in the table below:

Table 5.3: Own Generation approved by the Commission during FY2022-23

(in MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in Review Order dated 14.03.2022	Actual As per Audited Accounts	Now Approved by Commission
1	Total Generation	12	0	0	0
2	Total	12	0	0	0

The Commission now approves Own Generation of PDS during the FY 2022-23 at NIL MUs, as per actuals furnished by PDS.

5.5 Power Purchase

The Commission in its Tariff Order dated 26.02.2021 had approved the power purchase quantity of 677.81 MUs and revised in order dated 14.03.2022 at 1249.5 Mus including free power quantity of 520.54 MUs. Now, the PDS has furnished actual for the FY 2022-23 at 896.82 MUs including free power of 553.82 MUs in the True up petition for the FY 2022-23, as detailed in table below.

Table 5.4: Power Purchase approved by the Commission during FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in Review Order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
	NTPC				
1	BSTPP- I	88.33	117.39	0.74	0.74
2	BSTPP-II	0.00	0.00	1.47	1.47
3	FSTPP-1	129.28	0.00	1.35	1.35
4	FSTPP-111	0.00	0.00	0.61	0.61
5	KHSTPP-I	68.39	0.00	0.55	0.55
6	KHSTPP-II	31.34	0.00	0.94	0.94
7	TSTPP	136.28	0.00	0.96	0.96
8	DARLAPLI	1.48	112.32	89.53	89.53
9	KBUNL	16.10	20.48	0.30	0.30
10	NPGCL	10.35	44.33	21.70	21.70
11	North Karanpura STPS	0.00	0.00	0.00	0.00
	Total (A)	481.55	294.52	118.15	118.15
	NHPC				
12	RANGIT-III, NHPC	4.60	2.12	4.05	4.05
13	TEESTA-V, NHPC	53.78	214.50	31.16	31.16
	Total (B)	58.38	216.62	35.21	35.21
	Other				
14	CHUKHA, PTC	0	43.37	35.08	35.08
15	WBSEDCL	47.43	45.78	44.81	44.81
16	Mangdechu PTC	48.92	0.00	0.02	0.02
17	Hanuman Ganga	41.53	84.32	33.84	33.84
18	SPDC	0	44.36	47.55	46.23
19	RHPPL	0	0	2.56	2.56
20	UI/ Deviation	0.00	0.00	25.78	25.78
	Total (C)	137.88	217.83	189.64	188.32
	TOTAL (A+B+C)	677.81	728.97	343.00	341.68

25	Free Power	340.65	520.54	553.82	553.82
	Total Free Power	340.65	520.54	553.82	553.82
	Grand Total	1018.46	1249.51	896.82	895.50

The Commission now approves power purchase of 895.50 MUs, including free power of 553.82 MUs during the FY 2022-23, as per the actuals furnished by PDS.

5.6 Energy Balance

The details of energy requirement and availability approved by the Commission in its Tariff Order dated 26.02.2021 and revised in reviewed order dated 14.03.2022 for the FY 2022-23 and the actuals furnished by the PDS, and now approved by the Commission, are presented in table below:

Table 5.5: Energy Balance approved by the Commission for FY 2022-23

Sl. No.	Particulars	Units	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in Review Order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
A.	ENERGY REQUIREMENT					
1	Energy Sales within State	Mus	470.63	443.82	485.77	485.77
2	Sales Outside State (UI)	Mus	443.92	694.27	271.19	271.19
3	Total Energy Sales	Mus	914.55	1138.09	756.96	756.96
4	Overall T & D Losses %	%	18.00	18.00	19.19	18.00
5	Overall T & D Losses (MUs)	Mus	103.31	97.42	115.36	106.63
6	Total Energy Requirement (3+5)	Mus	1017.86	1235.52	872.32	863.59
B.	ENERGY AVAILABILITY					
1	Own Generation	Mus	12.00	0.00	0.00	0.00
2	Power Purchase from CGS/UI etc	Mus	677.81	728.97	343.63	342.31
3	Free Power	Mus	340.65	520.54	553.82	553.82
4	Overall Pool loss %	%	2.14	2.14	2.80	2.80
5	Less: Overall Pool Loss	Mus	12.60	13.98	25.13	5.57
6	Total Energy Availability (1+2+3-5)	Mus	1017.86	1235.53	872.32	890.56
C.	ENERGY SURPLUS/ (GAP)	Mu	0.00	0.01	0.00	26.97

5.7 Fuel Cost

PDS owns 12 hydro generating stations, with a total installed capacity of 35.70 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 26.02.2021 and revised in order dated 14.03.2022, actuals furnished by PDS and the cost now approved by the Commission are given in table below.

Table 5.6: Fuel Cost approved by the Commission for FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Cost of Fuel	0.18	0.2	0.00	0.00
2	Total	0.18	0.2	0.00	0.00

The Commission now approves the fuel cost of ₹ 0.00 Crores for the FY 2022-23, as per actuals furnished by PDS.

5.8 Power Purchase Cost

The Power Purchase Cost approved by the Commission in the Tariff Order for the FY 2022-23 and revised in order dated 14.03.2022, actuals furnished by PDS 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 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Total Energy Purchased	291.91	264.02	134.27	123.71
2	Transmission & Other Charges	50.55	33.55	40.38	40.38
	Total	342.44	297.58	174.65	164.09

The petitioner has claimed power purchase cost of ₹ 174.65 Crore. The petitioner has purchased excess power due to higher distribution losses. However, the Commission has considered only the approved distribution losses of 18%. Therefore, the excess power is being disallowed and accordingly the Commission now approves power purchase cost of ₹ 164.09 Crores for the FY 2022-23.

5.9 Employee Cost

The Commission vide its Order dated 26.02.2021, had approved employee cost at ₹111.66 Crores and revised in order dated 14.03.2022 ₹ 193.38 Crore for the FY 2022-23. The PDS has furnished actuals at ₹ 204.99 Crores for the FY 2022-23 and the cost now approved by the Commission for PDS are given in table below.

Table 5.8: Employee Cost approved by the Commission for FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Employee Cost	111.66	193.38	204.99	204.99
2	Total	111.66	193.38	204.99	204.99

The Commission, now approves ₹ 204.99 Crores towards employee cost for the FY 2022-23.

5.10 Repair and Maintenance Expenses

The Commission vide its Order dated 26.02.2021 had approved Repair & Maintenance Expenses of ₹23.34 Crores and revised in order dated 14.03.2022 ₹35.38 Crore for the FY 2022-23. The PDS has furnished actual Repair & Maintenance Expenses at ₹ 8.00 Crores for the FY 2022-23 and the cost now approved by the Commission for PDS are given in table below.

Table 5.9: Repair & Maintenance Expenses approved by the Commission for FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Repair & Maintenance Expenses	23.34	35.38	8.00	8.00
2	Total	23.34	35.38	8.00	8.00

The Commission, accordingly, now approves ₹ 8.00 Crores towards Repair & Maintenance Expenses for the FY 2022-23.

5.11 Administrative and General Expenses

The Commission vide its Order dated 26.02.2021 had approved ₹3.7 Crores towards Administrative and General Expenses and revised in order dated 14.03.2022 ₹ 7.56 Crore for the FY 2022-23. The PDS has furnished actuals at ₹ 2.61 Crores for the FY 2022-23 and the cost now approved by the Commission for PDS are given in table below.

Table 5.10: A & G Expenses approved by the Commission for FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Administration & General Expenses	3.7	7.56	2.61	2.61
2	Total	3.7	7.56	2.61	2.61

The Commission now approves ₹ 2.61 Crores towards Administrative & General Expenses for the FY 2022-23.

5.12 Gross Fixed Assets

In the absence of valid information regarding gross fixed assets, the Commission in its Tariff Order dated 26.02.2021, had not approved the value of gross fixed assets. The PDS in its True up Petition for the FY 2022-23, PDS has stated that the values of gross fixed assets performa accounts, as detailed in table below:

Table 5.11: Gross Fixed Assets during FY 2022-23

Sl. No.	Particulars	Amount
1	Opening Balance	1161.83
2	Addition during the Year	47.55
3	Less Deduction	0.00
4	Closing Balance of GFA (1+2)	1209.37

Commission's Analysis:

Depreciation allowed on the GFA as furnished by the PDS and admitted in this order.

5.13 Depreciation

The PDS in its True up Petition for the FY 2022-23, has furnished actuals at ₹12.66 Crores for the FY 2022-23.

Commission's Analysis:

The Commission in its Tariff Order dated 26.02.2021 had approved a depreciation of ₹24.40 Crores for the FY 2022-23.

Now based on the performa accounts, the Commission calculated Depreciation is shown in the table below:

Table 5.12: Depreciation approved by the Commission for FY 2022-23

Sl. No.	Particulars	Amount
1	Opening Balance of GFA as on 01.04.2022	1161.83
2	Addition During the Year	47.55
3	NFA value of assets deletion during the year	0.00
4	Closing Balance to end of 31.03.2023(1+2-3)	1209.37
5	Average GFA	1185.60
6	Rate of Depreciation	1.07%
7	Depreciation	12.67

The Commission accordingly now approves depreciation of ₹ 12.67 Crores for the FY 2022-23.

5.14 Interest and Finance Charges

The PDS in its True Up Petition for the FY 2022-23, has furnished interest and finance charges of ₹2.54 Crores during the FY 2022-23.

Commission's Analysis:

The Commission in its Tariff Order dated 26.02.2021 had not approved any interest and finance charges. Now in true up petition PDS shown interest and finance charges of ₹2.54 during the FY 2022-23. **The Commission therefore, considers and approves interest and finance charges of ₹ 2.54 Crores during the FY 2022-23.**

5.15 Interest on Working Capital

The PDS in its True up Petition for the FY 2022-23, has furnished Interest on Working Capital at ₹7.80 Crores during the FY 2022-23.

Commission's Analysis:

As per Regulations, 32 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, interest on working capital shall be calculated on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency.

- (a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the financial year, computed as follows:
- (i) Operation and maintenance expenses for one month; plus
 - (ii) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus

(iii) Receivables equivalent to two (2) months of the expected revenue from charges for use of Distribution Wires at the prevailing tariffs; minus

(iv) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Distribution System Users except the security deposits held in the form of Bank Guarantees.

- (b) Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

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

Table 5.13: Interest on Working Capital calculated by the Commission for FY 2022-23

Sl. No.	Particulars	Total Cost	Working Capital & Interest
1	O & M Expenses		
a)	Employee Cost	204.99	17.08
b)	Repair & Maintenance Expenses	8.00	0.67
c)	Administration & General Expenses	2.61	0.22
2	Maintenance of Spares		
3	Receivables	401.04	66.84
	Less: Security Deposit		14.78
4	Total		70.03
5	SBAR as on 01.04.2023		10.10%
6	Interest on Working Capital		7.07

Table 5.14: Interest on Working Capital now approved by the Commission for FY 2022-23

Sl No	Category	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Interest on Working Capital	7.71	7.55	7.80	7.07
2	Total	7.71	7.55	7.80	7.07

The Commission now approves interest on working capital at ₹ 7.07 Crores for the F.Y. 2022-23 as against the ₹ 7.80 Crores furnished by PDS.

5.16 Return on Equity

PDS has not claimed any amount towards Return on Equity for the FY 2022-23.

Commission's Analysis:

Regulation 29 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, provides for return on equity at 14% PA on the equity amount appearing in the audited balance sheet of the annual accounts.

Since PDS is a State Government Department, the expenses are funded by the Government. **As such, no separate return is to be allowed as return on equity.**

5.17 Non-Tariff Income

PDS has projected non-tariff income at ₹0.93 Crores during the FY 2022-23.

Commission's Analysis:

As per Regulation 69 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, 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 ₹1.33 Crores in its Tariff Order dated 26.02.2021 and revised in order dated 14.03.2022 ₹ 1.35 Crore for the FY 2022-23. PDS now submits a non-tariff Income of ₹ 0.93 Crores as the actuals.

Table 5.15: Non-Tariff Income approved by the Commission for FY 2022-23

Sl. No.	Particulars	As Approved by Commission in Review Order Dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual as per Audited Accounts	Now Approved by Commission
1	Non- Tariff Income	1.33	1.35	0.93	0.93
2	Total	1.33	1.35	0.93	0.93

The Commission therefore considers ₹0.93 Crores towards Non-Tariff Income for the FY2022-23, as per the actuals furnished by PDS.

5.18 Revenue from Existing Tariffs for the FY 2022-23

Revenue from existing tariffs approved by the Commission for the FY 2022-23 in the Tariff Order dated 14.03.2022 and actuals furnished by the PDS and now approved by the Commission are furnished in the table below.

Table 5.16: Revenue from Sales approved by Commission for FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual As per Audited Accounts	Now Approved by Commission

1	Domestic		277.21	23.80	23.80
2	Commercial			21.69	21.69
3	Public Lighting			0.15	0.15
4	Temporary Supply			2.28	2.28
5	HT Industrial Consumers			247.64	247.64
6	LT Industrial Consumers			0.89	0.89
7	Bulk Supply			17.36	17.36
8	Outside State		200	165.95	165.95
9	Total		472.21	479.76	479.76

The Commission now approves revenue from existing tariff at ₹ 479.76 Crores including revenue from outside sales at ₹ 165.95 Crores for the FY 2022-23, as per the actuals furnished by PDS.

5.19 Aggregate Revenue Requirement (ARR) for the FY 2022-23

The ARR for the FY 2022-23 approved by the Commission in its Tariff Order dated 26.02.2021 and revised in order dated 14.03.2022, actuals furnished by the PDS and now approved by the Commission are furnished in the table below.

Table 5.17: Aggregate Revenue Requirement approved by Commission for FY 2022-23

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.2021	2022-23 Revised as approved by the Commission in ARR and Tariff order dated 14.03.2022	Actual As per Audited Accounts	Now Approved by Commission
1	Cost of Fuel	0.18	0.20	0.00	0.00
2	Cost of Generation	22.79	0.00	0.00	0.00
3	Cost of Power Purchase	291.91	264.02	134.27	123.71
5	Intra State Transmission Charge	50.55	33.55	40.38	40.38
4	Employee Costs	111.66	193.38	204.99	204.99
6	Repair and Maintenance Expense	23.34	35.38	8.00	8.00
7	Administration and General Expenses	3.70	7.56	2.61	2.61
8	Depreciation	24.40	32.29	12.66	12.67
9	Interest Charges			2.54	2.54
10	Interest on Working Capital	7.71	7.55	7.80	7.07
11	Previous Year Expenses of Power Cost				
12	Total Revenue Requirement	536.24	573.94	413.25	401.97
13	Less: Non-Tariff Income	1.33	1.35	0.93	0.93

14	Net Revenue Requirement	534.91	572.59	412.32	401.04
15	Revenue from Tariff	286.03	277.21	313.81	313.81
16	Revenue from Outside State Sales	133.18	200.00	165.95	165.95
17	Gap/ (Surplus)	-(115.70)	-(95.38)	+(67.44)	+(78.72)

True up for the FY 2022-23 indicates that the revenue surplus has been arrived to ₹ (78.72) Crores, as against ₹115.70 Crores revenue deficit approved by the Hon'ble Commission in the Tariff Order dated 26.02.2021 and Revenue surplus of ₹ (67.44) Crore claimed by PDS.

6. REVIEW FOR THE FY 2023-24

6.1 Preamble

The Commission had approved the ARR and Tariffs for the FY 2023-24 in its order dated 26.02.2021 and revised in order dated 21.03.2023 based on the projected data furnished by the PDS. Now the PDS has submitted proposals for review the Performance for FY 2023-24 duly furnishing data based on the revised estimates for the FY 2023-24.

6.2 Energy Demand (Sales)

Vide its Tariff Order dated 26.02.2021, the Commission had approved energy sales of 919.63 MUs for the FY 2023-24 and revised in order dated 21.03.2023 of 743.81 MUs. The PDS in its Review Petition for the FY 2023-24 has submitted the estimated sales considering actual for ascertain period and estimate for the balance period.

Accordingly comparative statements of category-wise energy sales approved by the Commission for the FY 2023-24, estimate by PDS and approved by the Commission are shown in table below:

Table 6.1: Energy Sales approved by the Commission for FY 2023-24(MUs)

Sl. No.	Consumer Category	As approved by the Commission in MYT Order dated 26.02.21	2023-24 As approved by the Commission in Review Order dated 21.03.23	Review Estimate	Now Approved by Commission
1	Domestics	155.43	158.12	123.95	123.95
2	Commercial	47.24	50.03	50	50
3	Public Lighting	0.49	0.54	0.28	0.28
4	Temporary Supply	2.87	3.16	3.31	3.31
5	HT Industrial Consumers	278.68	328.1	292.27	292.27
6	LT Industrial Consumers	2.55	2.87	2.11	2.11
7	Bulk Supply	38.95	22.85	30.73	30.73
8	Total	526.21	565.67	502.65	502.65
9	Outside State	393.42	178.14	378.56	378.56
10	Total	919.63	743.81	881.21	881.21

The Commission now approves energy sales for the FY 2023-24 of 881.21 MUs as projected by PDS.

6.3 Transmission & Distribution Losses (T&D Losses)

The Commission in its order for the FY2023-24 had fixed the target of T&D Losses at 13.59%. PDS in this Petition for the FY 2023-24, has stated that the estimated T&D Losses during the FY 2023-24 is at 17.55%.

Commission’s Analysis: The pool loss for the FY2023-24 is considered at 2.14% and T&D Loss is shown as detailed in table below:

Table 6.2: T&D Loss calculation approved by the Commission for FY 2023-24

Sl. No.	Particulars	Units	2023-24 As approved by the Commission in MYT Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Own Generation	MUs		0	0	0
2	Energy Purchased from NTPC	MUs	481.55	81.54	176.29	176.29
3	Energy Purchased from WBSEDCL	MUs	48.92	72.65	26.56	26.56
4	Energy Purchased from NHPC	MUs	58.38	54.68	25.29	25.29
5	Energy Purchased (2+3+4)	MUs	588.85	208.87	228.15	228.14
6	Pool Loss	%	2.14%	2.14%	2.14%	2.14%
7	Pool Loss	MUs	12.6	4.67	21.61	4.88
8	Net Energy Available (5-7)	MUs	590.25	204.2	206.54	223.26
9	Energy Purchased from Chukha PTC	MUs	47.43	60.25	31.23	31.23
10	Energy Purchased from SPDC	MUs	41.53	72.5	59.77	59.77
11	Energy Purchased - Mangdechu PTC		-	0	1.37	1.37
12	Energy Purchased from Hanuman Ganga	MUs	-	0	139.26	139.26
13	UI Purchased	MUs	-	0	13.35	13.35
	Energy Purchased from Kreate Purchase		-	0	0	0
	Energy Purchased from RTM Purchase		-	0	71.79	71.79
	Energy Purchased from RHPPL		-	9.35	0	0

14	Free Energy	MUs	340.65	674.19	464.9	464.9
15	Total Energy Available at State Periphery (8+9+10+11+12+13+14)	MUs	1,019.86	1,020.49	988.21	1,004.93
16	Outside state sale through UI / Trading	MUs	393.42	178.14	378.56	378.56
17	Return Banking		0	187.72	0	0
18	Net Energy Available for sale within the State (15-16)	MUs	626.44	842.35	609.65	626.37
19	Energy Sale within the State	MUs	526.21	565.67	502.65	502.65
20	T& D LOSS (18-19)	MUs	100.23	276.68	107.00	123.72
21	T&D Loss	%	16.00%	32.85%	17.55%	19.75%

Though the revised T&D losses worked out as 19.75% However, the Commission now approves T&D Loss at 16% for the FY 2023-24 as approved in the MYT Order.

6.4 Own Generation

At present, PDS is having 12 small Hydro generating stations with a total installed capacity of 35.70 MWs and 2 diesel generating stations with a total installed capacity of 4.99 MWs. The Commission in its Tariff Order for the FY 2023-24 had approved own generation at 14 MUs. The PDS has revised for the FY 2023-24 and approved by the Commission are shown in table below.

Table 6.3: Own Generation approved by the Commission for FY 2023-24

Sl. No.	Stations	As approved by the Commission in MYT Order dated 26.02.21	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Total Generation	14	0.03	0.00	0.00
2	Total	14	0.03	0.00	0.00

The Commission now approves Own Generation during the FY 2023-24 at NIL MUs, as per RE furnished by the PDS.

6.5 Power Purchase

The Commission in its Tariff Order dated 26.02.2021 had approved power purchase quantity at 1018.46 Mus including free power quantity at 340.65 MUs. The PDS has furnished RE for

the FY 2023-24 at 1208.75 Mus including free power of 464.90 MUs in Review Petition for the FY 2023-24 as detailed in table below:

Table 6.4: Power Purchase approved by the Commission for FY 2023-24

Sl. No.	Stations	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
	NTPC				
1	BSTPP I	88.33	0.67	30.14	30.14
2	BSTPP II	0		5.29	5.29
3	FSTPP	129.28	0	4.06	4.06
4	FSTPP III			1.74	1.74
5	KHSTPP-I	68.39	0	1.74	1.74
6	KHSTPP-II	31.34	0	2.46	2.46
7	TSTPP	136.28	0	2.89	2.89
8	DARLAPLI	1.48	65.87	81.89	81.89
9	KBUNL	16.1	-	11.31	11.31
10	NPGCL	10.35	15	30.87	30.87
11	North Karanpura STPS			2.83	2.83
12	FARAKKA-1 & 2			200	0
	Total (A)	481.55	81.54	375.22	375.22
	NHPC				0
9	RANGIT-III, NHPC	4.6	6	4.52	4.52
10	TEESTA-V, NHPC	53.78	48.68	20.77	20.77
	Total (B)	58.38	54.68	25.29	25.29
	Other				0
11	CHUKHA, PTC	47.43	60.25	31.23	31.23
12	WBSEDCL	48.92	72.65	26.56	26.56
13	SPDC	41.53	72.5	59.77	59.77
	Mangdechu PTC			1.37	1.37
	Hanuman Ganga			139.26	139.26
14	UI/ Deviation	0	0	13.35	13.35
	Kreate Purchase			0	0
	RTM Purchase			71.79	71.79
15	RHPPL	0	9.35	0	0
	Total (C)	137.88	214.75	343.33	343.33
	TOTAL (A+B+C)	677.81	350.97	743.84	743.84
16	Free Power				
	RANGIT-III, NHPC				
	TEESTA-V,NHPC				

	IPP				
	Total Free Power	340.65	674.19	464.9	464.9
	Grand Total	1018.46	1025.16	1208.74	1008.74

The Commission now approves power purchase of 1008.74 MUs including free power of 464.9 MUs during the FY 2023-24.

6.6 Energy Balance

The details of energy requirement and availability projected by the PDS and approved by the Commission for the FY 2023-24 and now approved by the Commission are furnished in table below.

Table 6.5: Energy Balance approved by the Commission for FY 2023-24

Sl. No.	Particulars	Units	As approved by the Commission in MYT Order dated 26.02.21	2023-24 As approved by the Commission in Review Order dated 21.03.23	Review Estimate	Now Approved by Commission
A.	ENERGY REQUIRMENT					
1	Energy Sales within State	Mus	526.21	565.66	502.65	502.65
2	Sales Outside State (UI)	Mus			378.56	378.56
3	Total Energy Sales	Mus	526.21	565.66	881.21	881.21
4	Overall T & D Losses %	%	16%	13.59%	17.55%	16.00%
5	Overall T & D Losses (MUs)	Mus	100.23	88.96	106.99	95.74
6	Total Energy Requirement (3+5)	Mus	626.44	654.62	988.20	976.95
B.	ENERGY AVAILABILITY					
1	Own Generation	Mus	14	0.03	0.00	0.00
2	Power Purchase from CGS / UI etc.	Mus	677.81	350.97	544.92	543.84
3	Free Power	Mus	340.65	674.19	464.9	464.90
4	Overall pool loss	%	2.14%	2.14%	2.14%	2.14%
5	Overall pool loss	Mus	12.6	4.67	21.61	4.88

6	Total Energy Availability (1 + 2 +3 -5)	Mus	1,019.86	1,020.33	988.21	1,003.86
C	ENERGY SURPLUS/ (GAP)	Mus	393.42	365.71	0.01	26.91

6.7 Fuel Cost

The fuel cost approved by the Commission in Tariff Order for the FY 2023-24, RE furnished by PDS and now approved by the Commission are furnished in table below.

Table 6.6: Fuel Cost approved by the Commission for FY 2023-24

Sl. No.	Stations	As approved by the Commission in MYT Order dated 26.02.21	2023-24 As approved by the Commission in Review Order dated 21.03.23	Review Estimate	Now Approved by Commission
1	Cost of Fuel	0.18	0.45	0.00	0.00
2	Total	0.18	0.45	0.00	0.00

The Commission now approves fuel cost of ₹ NIL Crores for the FY 2023-24, against the same projected in RE by PDS.

6.8 Cost of Generation

The cost of generation approved by the Commission in Tariff Order for the FY 2023-24, RE furnished by PDS and now approved by the Commission are furnished in table below.

Table 6.7: Cost of Generation approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.23	Review Estimate	Now Approved by Commission
1	Cost of Generation	23.31	0.00	0.00	0.00
2	Total	23.31	0.00	0.00	0.00

The Commission now approves cost of generation of ₹ 0.00 Crores for the FY 2023-24 as the same projected in RE by PDS.

6.9 Power Purchase Cost

The Power Purchase Cost approved by the Commission for the FY 2023-24, RE furnished by the PDS and now approved by the Commission are furnished in table below.

Table 6.8: Power Purchase Cost approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.21	2023-24 As approved by the Commission in Review Order dated 21.03.23	Review Estimate	Now Approved by Commission
1	Total Energy Purchased	306.51	107.31	281.07	281.07
2	Transmission & Other Charges	53.04	44.94	37.36	37.36
	Total	359.55	152.25	318.43	318.43

The Commission now approves the power purchase cost of ₹ 318.43 Crores for the FY 2023-24, as per RE furnished by PDS.

6.10 Intra State Transmission Charges

The Intra State Transmission Charges approved by the Commission in Tariff Order for the FY 2023-24, RE furnished by PDS and now approved by the Commission are furnished in table below.

Table 6.9: Intra State Transmission Charges approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Intra State transmission Charge	53.04	44.94	37.36	37.36
2	Total	53.04	44.94	37.36	37.36

The Commission now approves Intra State Transmission Charges of ₹ 37.36 Crores for the FY 2023-24 against the same projected in RE by PDS.

6.11 Employee Cost

The Commission in its Order dated 26.02.2021 had approved employee cost at ₹118.36 Crores for the FY 2023-24. The PDS has furnished RE at ₹210.32 Crores for the FY 2023-24. The details shown in the table below:

Table 6.10: Employee Cost approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Employee Cost	118.36	194.25	210.32	210.32
2	Total	118.36	194.25	210.32	210.32

The Commission now approves the employee cost of ₹ 210.32 Crores for the FY 2023-24, against same RE furnished by PDS.

6.12 Repair and Maintenance Expenses

The Commission in its Order dated 26.02.2021 had approved Repair & Maintenance Expenses at ₹ 24.74 Crores for the FY 2023-24. The PDS has estimated at ₹ 8.43 Crores for the FY 2023-24 and now approved by the Commission are furnished in table below.

Table 6.11: Repair & Maintenance Expenses approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 26.02.21	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Repair & Maintenance Expenses	24.74	11.15	8.43	8.43
2	Total	24.74	11.15	8.43	8.43

The Commission now approves ₹ 8.43 Crores towards Repair & Maintenance Expenses for the FY 2023-24, as per RE furnished by PDS.

6.13 Administrative and General Expenses

The Commission in its Order dated 26.02.2021, had approved ₹3.93 Crores towards Administrative and General Expenses for the FY 2023-24. The PDS has furnished RE at ₹ 3.00 Crores for the FY 2023-24 and now approved by the Commission are furnished in table below.

Table 6.12: A & G Expenses approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Administration & General Expenses	3.93	5.63	3.00	3.00
2	Total	3.93	5.63	3.00	3.00

The Commission now approves ₹ 3.00 Crores towards Administrative & General Expenses for the FY 2023-24 as per RE furnished by PDS.

6.14 Gross Fixed Assets

In the absence of valid information regarding gross fixed assets, the Commission in its Tariff Order dated 26.02.2021, had not approved the value of gross fixed assets. The PDS furnished values of gross fixed assets, as detailed in table below.

Table 6.13: Gross Fixed Assets furnished by PDS for FY 2023-24

Sl. No.	Particulars	Amount
1	Opening Balance	1209.37
2	Addition During the Year	183.46
3	Closing Balance (1+2)	1392.83

Commission Analysis:

In the absence of audited annual accounts, the information furnished by PDS cannot be taken as authentic.

6.15 Depreciation

The PDS in its review petition has furnished depreciation of ₹13.07 Crores for the FY 2023-24.

Commission's Analysis:

The PDS has not furnished the calculation at which the amount of depreciation was arrived at %. As such the depreciation has been worked out accordingly as detailed in table below.

Table 6.14: Depreciation approved by the Commission for 2023-24

Sl. No.	Particulars	Amount
1	Opening Balance of NFA as on 01/04/2023	1209.37
2	Addition During the Year	183.46
3	Closing Balance to end of 31/03/2024(1+2)	1392.83
4	Average GFA	1301.10
5	Rate of Depreciation	1.07%
6	Depreciation	13.90

The Commission accordingly approves depreciation at ₹13.90 Crores for the FY 2023-24.

6.16 Interest and Finance Charges

The PDS in its petition has projected ₹ 2.79 crore interest and finance charges during the FY 2023-24.

Commission's Analysis:

The Commission in its Tariff Order dated 26.02.2021 had not approved any interest and finance charges for the FY 2023-24. In review petition the PDS has shown ₹ 2.79 crore interest and finance charges during the FY 2023-24. As such the Commission has considered ₹ 2.79 crore interest and finance charges during the FY 2023-24.

6.17 Interest on Working Capital

The PDS in its review petition has furnished interest on working capital at ₹ 7.18 Crores during the FY 2023-24.

Commission's Analysis:

As per Regulations, 32.3 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) 2020, interest on working capital shall be calculated on normative basis

notwithstanding that the Licensee has not taken working capital loan from any outside agency.

- (a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the financial year, computed as follows:
- (i) Operation and maintenance expenses for one month; plus
 - (ii) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus
 - (iii) Receivables equivalent to two (2) months of the expected revenue from charges for use of Distribution Wires at the prevailing tariffs; minus
 - (iv) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Distribution System Users except the security deposits held in the form of Bank Guarantees.
- (b) Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

Accordingly, the interest on working capital works out to ₹ 9.91 Crores, as detailed in table below:

Table 6.15: Interest on Working Capital calculated by the Commission for FY 2023-24

Sl. No.	Particulars	Total Cost	Working Capital & Interest
1	O & M Expenses		
a)	Employee Cost	210.32	17.53
b)	Repair & Maintenance Expenses	8.43	0.70
c)	Administration & General Expenses	3.00	0.25
2	Maintenance of Spares		
3	Receivables	566.22	94.37
	Less: Security Deposit		14.78
4	Total	787.97	98.07
5	SBAR as on 01.04.2023		10.10%
6	Interest on Working Capital		9.91

Table 6.16: Interest on Working Capital approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Interest on Working Capital	8.09	7.38	7.18	9.91
2	Total	8.09	7.38	7.18	9.91

The Commission now approves interest on working capital at ₹ 9.91 Crores for the FY 2023-24 against the RE furnished by PDS at ₹ 7.18 Crores.

6.18 Return on Equity

The PDS has not projected return on equity for the FY 2023-24.

Commission's Analysis:

Regulation 29 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) (Second Amendment Regulations), 2020, provides for return on equity at 14% PA on the equity amount appearing in the audited balance sheet of the annual accounts.

PDS 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.**

6.19 Non-Tariff Income

The PDS has furnished non-tariff income at ₹0.55 Crores during the FY 2023-24

Commission's Analysis:

Table 6.17: Non-Tariff Income approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
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1	Non- Tariff Income	1.35	3.05	0.55	0.55
2	Total	1.35	3.05	0.55	0.55

The Commission now approves Non-Tariff Income at ₹ 0.55 Crores for the FY 2023-24, as per the RE furnished by PDS.

6.20 Revenue from tariff for the FY 2023-24

Revenue from the tariff approved by the Commission for the FY 2023-24 in its Tariff Order dated 26.02.2021 and revised estimates furnished by the PDS and now approved by the Commission are shown in table below.

Table 6.18: Revenue from the Tariff approved by the Commission for FY 2023-24

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Domestics			26.38	26.38
2	Commercial			23.06	23.06
3	Public Lighting			0.14	0.14
4	Temporary Supply			3.3	3.30
5	HT Industrial Consumers			0.96	0.96
6	LT Industrial Consumers			258.36	258.36
7	Bulk Supply			18.18	18.18
	Total	312.87	350.89	330.38	330.38
8	Outside States	118.03	178.14	165.53	165.53
9	Total	430.90	529.03	495.91	495.91

The Commission approves the Revenue from Tariff at ₹ 495.91 Crores including Revenue from outside sales at ₹ 165.53 Crores for the FY 2023-24.

6.21 Aggregate Revenue Requirement (ARR) for the FY 2023-24

The ARR for the FY 2023-24 approved by the Commission in its Tariff Order dated 26.02.2021 and 21.03.2023, Revised Estimate furnished by the PDS and now approved by the

Commission are furnished in table below.

Table 6.19: Aggregate Revenue Requirement and Gap approved for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	As approved by the Commission in Review Order dated 26.02.2021	2023-24 As approved by the Commission in Review Order dated 21.03.2023	Review Estimate	Now Approved by Commission
1	Cost of Fuel	0.18	0.45	0.00	0.00
2	Cost of Generation	23.31	0	0.00	0.00
3	Cost of Power Purchase	306.51	107.31	281.07	281.07
4	Intra State Transmission Charge	53.04	44.94	37.36	37.36
5	Employee Costs	118.36	194.25	210.32	210.32
6	Repair and Maintenance Expense	24.74	11.15	8.43	8.43
7	Administration and General Expenses	3.93	5.63	3.00	3.00
8	Depreciation	24.98	29.6	13.07	13.90
9	Interest Charges	0.00	0	2.79	2.79
10	Interest on Working Capital	8.09	7.38	7.18	9.91
11	Return on NFA/Equity	0.00	0.00	0.00	0.00
12	Total Revenue Requirement	563.14	400.72	563.23	566.77
13	Less: Non-Tariff Income	1.35	3.05	0.55	0.55
14	Net Revenue Requirement	561.79	397.67	562.68	566.22
15	Revenue from Tariff	312.87	348.81	330.38	330.38
16	Revenue from Outside State Sales	118.03	178.14	165.53	165.53
17	Gap/(Surplus)	-(130.90)	+(129.28)	-(66.77)	- (70.31)

Review for the F.Y. 2023-24 indicates that the revenue gap has arrived to a deficit of ₹ 70.31 Crores as against deficit of ₹ 66.77 Crores claimed by petitioner for the FY2023-24.

7. AGGREGATE REVENUE REQUIREMENT FOR THE F.Y. 2024-25 TO 2026-27 AND COMMISSION'S ANALYSIS & DECISIONS

7.1 Consumer Categories

The PDS was serving 1,28,440 consumers as on 31.03.2023 in its area of operation. The consumers could be broadly categorized 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 PDS 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

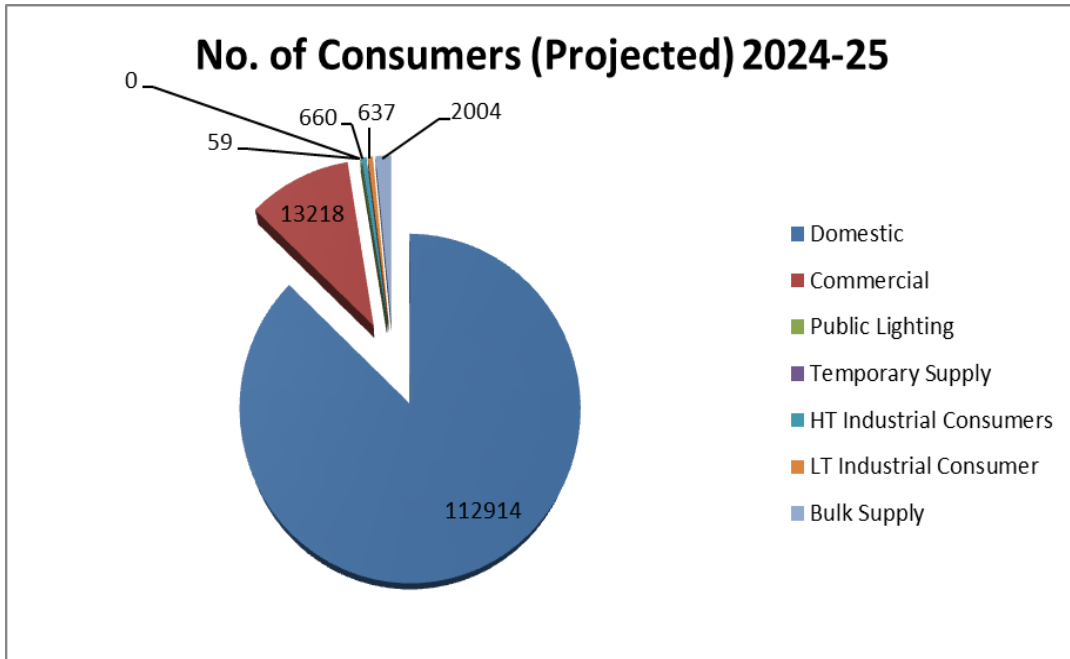
Details of the category-wise growth of consumers over the actuals during the FY 2022-23, the estimated figures for the FY 2023-24 and the projections for the FY 2024-25 to 2026-27 are furnished in table below:

Table 7.1: Projected no. of consumers

(In No)

Sl. No.	Category	2022-23 (Actual)	2023-24 (Estimated)	2024-25 (Projected)	2025-26 (Projected)	2026-27 (Projected)
1	Domestic	112914	112906	112914	112937	112948
2	Commercial	12411	13152	13218	13221	13225
3	Public Lighting	59	51	59	60	61
4	Temporary Supply	0	0	0	0	0
5	HT Industrial	626	634	660	663	664
6	LT Industrial	604	657	637	637	640
7	Bulk Supply	1826	1994	2004	2004	2014
8	Total	128440	129394	129492	129522	129552

Chart 7.1: No. of consumers projected by PDS for FY 2024-25



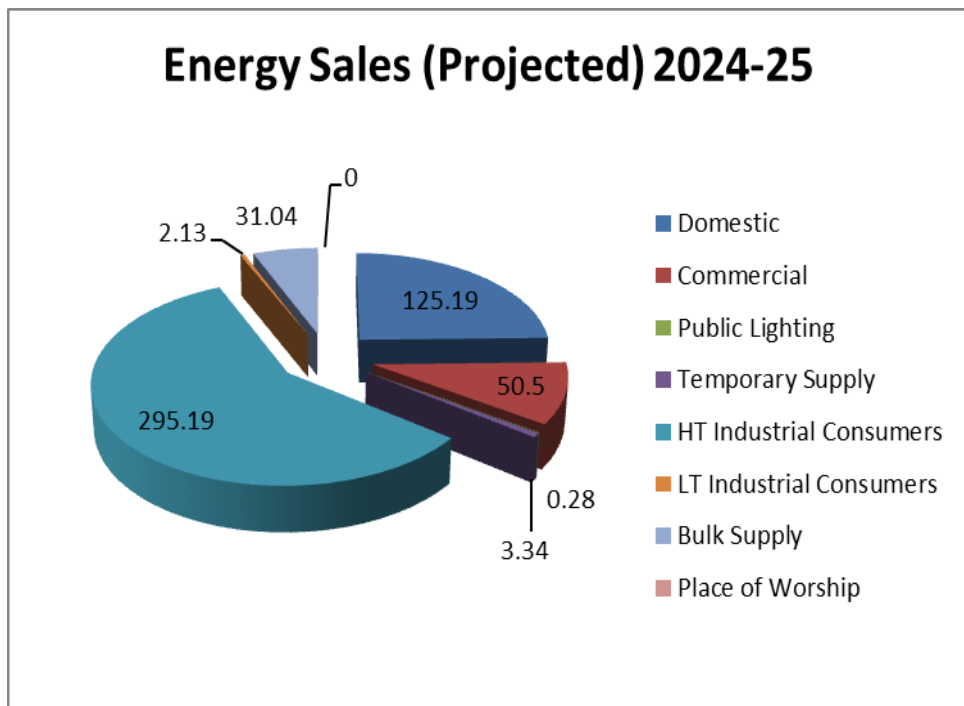
7.2 Category-wise Energy Sales

Category-wise projected energy sales to various categories of consumer for the FY 2024-25, FY 2025-26 & FY 2026-27 is given in table below:

Table 7.2: Energy Sales projected by PDS for the FY 2024-25, FY 2025-26 & FY 2026-27

Category	MUs				
	2022-23 (Actuals)	2023-24 (Estimated)	2024-25 (Projected)	2025-26 (Projected)	2026-27 (Projected)
Domestic	120.79	123.95	125.19	126.44	128.97
Commercial	45.82	50	50.5	51.01	52.03
Public Lighting	0.57	0.28	0.28	0.29	0.29
Temporary Supply	3.74	3.31	3.34	3.37	3.44
HT Industrial Consumers	283.15	292.27	295.19	298.14	304.11
LT Industrial Consumers	1.76	2.11	2.13	2.15	2.2
Bulk Supply	29.94	30.73	31.04	31.35	31.97
Total	485.77	502.65	507.67	512.75	523.01
Outside State	298.94	378.56	384.24	382.35	386.13
Total	784.71	881.21	891.91	895.10	909.14

Chart 7.2: Energy Sales projected by PDS for FY 2024-25



The PDS has projected the category-wise energy sales for the FY 2024-25 based on the actual past sales 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. In addition to this, the growth trend in number of consumers have been taken as guiding factors in arriving at the requirement of demand and energy.

7.2.1 Analysis of Energy Sales Projections by PDS 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 2017-18 to FY 2022-23 is worked out and shown in table below:

Table 7.3: CAGR of energy sales

Sl.	Category	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	CAGR for 5 years from FY 2017-18 to FY 2022-23	CAGR for 4 years from FY 2018-19 to FY 2022-23	CAGR for 3 years from FY 2019-20 to FY 2022-23	CAGR for 2 years from FY 2020-21 to FY 2022-23	CAGR for 1 years from FY 2021-22 to FY 2022-23
No.		(In MUs)						(In %)				
1	Domestic	98.72	107.46	107.94	112.78	135.14	120.79	4.12%	2.97%	3.82%	3.49%	-10.62%
2	Commercial	38.38	40.91	42.05	34.11	45.80	45.82	3.61%	2.87%	2.90%	15.90%	0.04%
3	Public Lighting	0.17	0.25	0.34	0.31	0.89	0.57	27.38%	22.88%	18.80%	35.60%	-35.96%
4	Temporary Supply	3.38	4.69	2.36	3.06	4.86	3.74	2.04%	-5.50%	16.59%	10.55%	-23.05%
5	HT Industrial	174.43	197.67	226.64	223.39	272.69	283.15	10.17%	9.40%	7.70%	12.58%	3.84%
6	LT Industrial	4.43	4.89	1.85	2.02	2.60	1.76	-16.86%	-22.54%	-1.65%	-6.66%	-32.31%
7	Bulk Supply	24.16	24.94	30.17	27.69	33.20	29.94	4.38%	4.67%	-0.25%	3.98%	-9.82%
9	Total	343.67	380.81	411.35	403.36	495.18	485.77					

Table 7.4: Specific monthly consumption/consumer

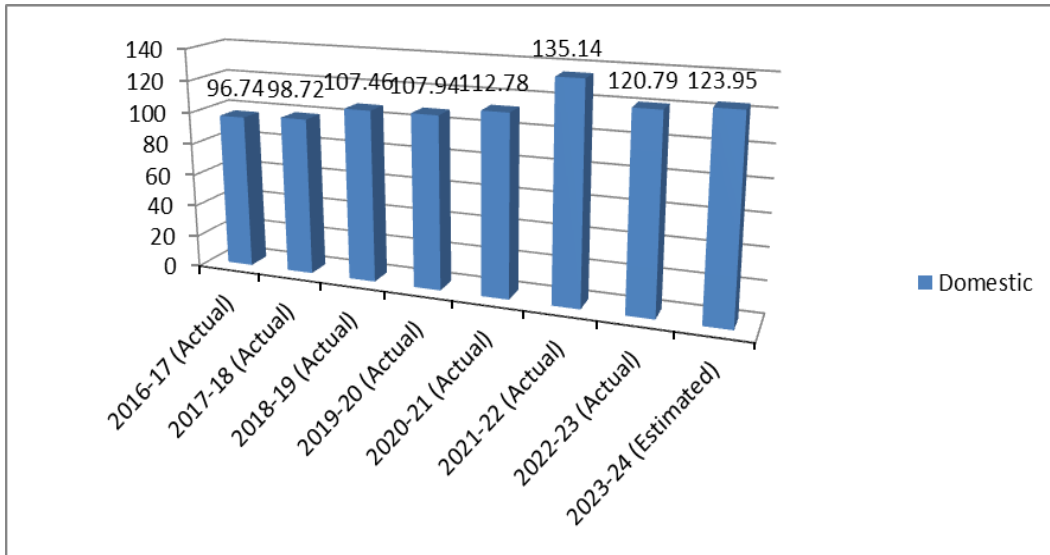
Sl. No.	Category	2022-23(Actual)
1	Domestic	107
2	Commercial	369
3	HT Industrial	45232
4	LT Industrial	291
5	Bulk Supply	1640

The consumption of each category of consumers is discussed below, so as to arrive at a reasonable projection of energy sales for the FY 2024-25 to FY 2026-27.

Domestic

The PDS has projected energy sales to this category at 125.19 MUs, 126.44 MUs and 128.97 Mus for the FY 2024-25, FY 2025-26 and FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.3: Trend of actual consumption – Domestic Category



On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (FY 2017-18 to FY 2022-23) is 4.12%, 4 years CAGR (FY 2018-19 to FY 2022-23) is

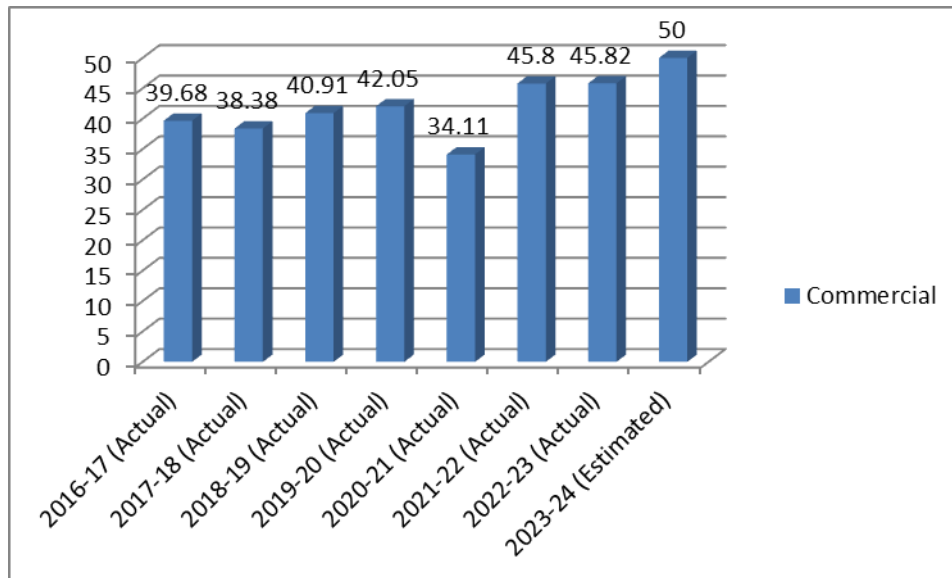
2.97%, the 3 years CAGR (FY 2019-20 to FY 2022-23) is 3.82%, 2 years CAGR (FY 2020-21 to FY 2022-23) is 3.49% and the YoY growth (FY 2021-22 to FY 2022-23) is -10.62%. The actual specific consumption during the FY 2022-23 is 107 Kwh. On analysis of the above trend, the CAGR for 5 years of 4.12% is considered reasonable & consumption work out to 130.94 MUs for the FY 2024-25, 136.33 MUs for the FY 2025-26, 141.95 MUs for the FY 2026-27.

The Commission approves energy sales at 130.94 MUs, 136.33 MUs and 141.95 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Commercial

The PDS has projected energy sales to this category at 50.50 MUs, 51.01 MUs and 52.03 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.4: Trend of actual consumption – Commercial Category



On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (FY 2017-18 to FY 2022-23) is 3.61%, 4 years CAGR (FY 2018-19 to FY 2022-23) is 2.87%, the 3 years CAGR (FY 2019-20 to FY 2022-23) is 2.90%, 2 years CAGR (FY 2020-21

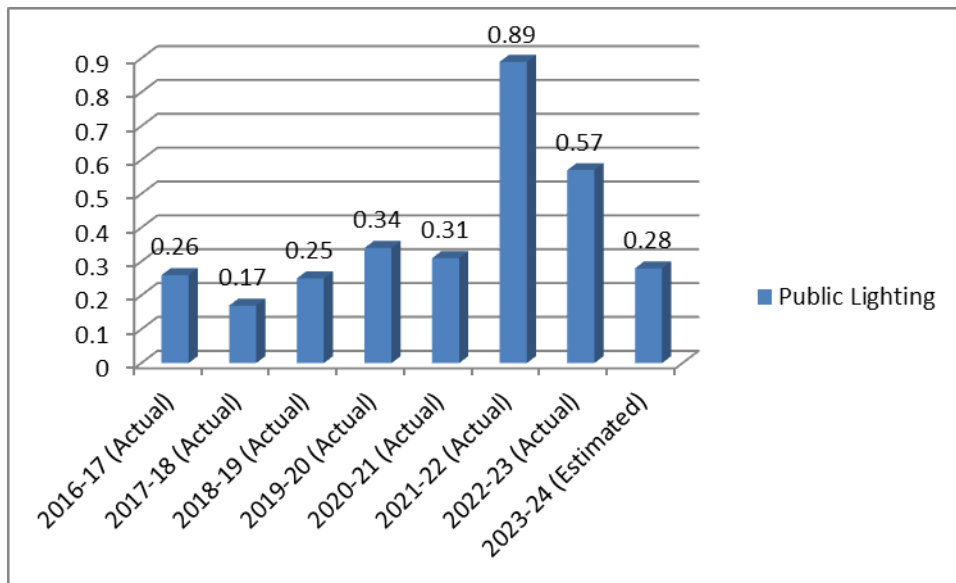
to FY 2022-23) is 15.90% and the YoY growth (FY 2021-22 to FY 2022-23) is 0.04%. The actual specific consumption during the FY 2022-23 is 369 Kwh. On analysis of the above trend, the CAGR for 5 years of 3.61 % is considered reasonable & consumption work out to 49.19 MUs for the FY 2024-25, 50.96 MUs for the FY 2025-26, 52.80 MUs for the FY 2026-27.

The Commission approves energy sales at 49.19 MUs, 50.96 MUs and 52.80 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Public Lighting

The PDS has projected energy sales to this category at 0.28 MUs for the FY 2024-25 and 0.29 MUs for FY 2025-26 & FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.5: Trend of actual consumption – Public Lighting Category



On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (FY 2017-18 to FY 2022-23) is 27.38%, 4 years CAGR (FY 2018-19 to FY 2022-23) is 22.80%, the 3 years CAGR (FY 2019-20 to FY 2022-23) is 18.80%, 2 years CAGR (FY 2020-21 to FY 2022-23) is 35.60% and the YoY growth (FY 2021-22 to FY 2022-23) is -35.96%. On analysis of the above trend, the CAGR for 5 years of 27.38 % is considered

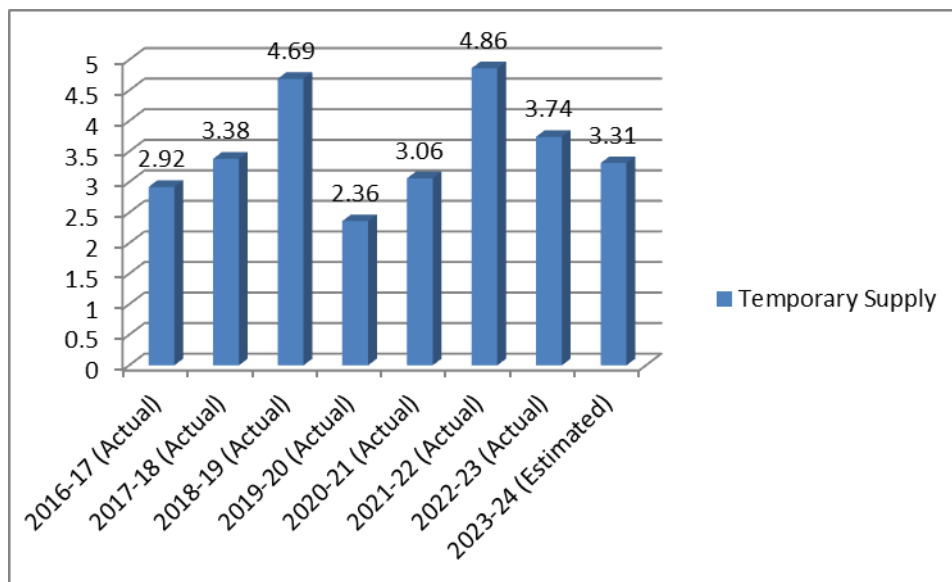
reasonable & consumption work out to 0.92 MUs for the FY 2024-25, 1.18 MUs for the FY 2025-26, 1.50 MUs for the FY 2026-27.

The Commission approves energy sales at 0.92 MUs, 1.18 MUs and 1.50 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Temporary Supply

The PDS has projected energy sales to this category at 3.34 MUs, 3.37 MUs and 3.44 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.6: Trend of actual consumption – Temporary Supply Category



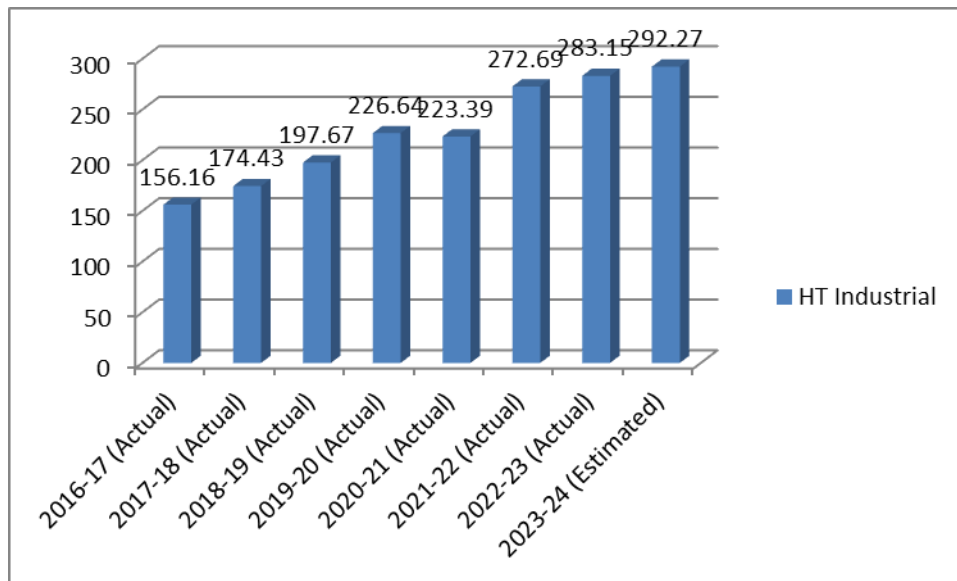
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (FY 2017-18 to FY 2022-23) is 2.04%, 4 years CAGR (FY 2018-19 to FY 2022-23) is -5.50 %, the 3 years CAGR (FY 2019-20 to FY 2022-23) is 16.59%, 2 years CAGR (FY 2020-21 to FY 2022-23) is 10.55% and the YoY growth (FY 2021-22 to FY 2022-23) is -23.05%. On analysis of the above trend, the CAGR for 5 years of 2.04 % is considered reasonable & consumption work out to 3.89 MUs for the FY 2024-25, 3.97 MUs for the FY 2025-26, 4.06 MUs for the FY 2026-27.

The Commission approves energy sales at 3.89 MUs, 3.97 MUs and 4.06 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

HT Industrial

The PDS has projected energy sales to this category at 295.19 MUs, 298.14 MUs and 304.11 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.7: Trend of actual consumption – HT Industrial Category



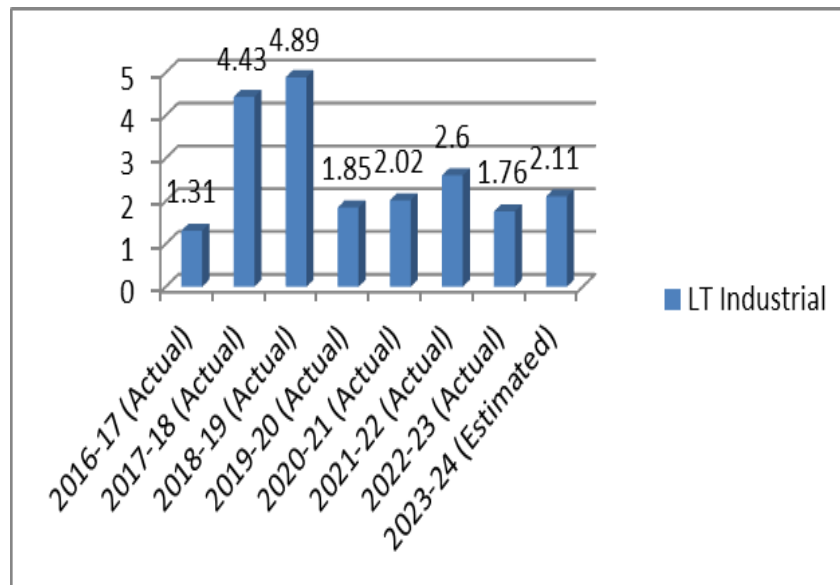
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (FY 2017-18 to FY 2022-23) is 10.17%, 4 years CAGR (FY 2018-19 to FY 2022-23) is 9.40%, the 3 years CAGR (FY 2019-20 to FY 2022-23) is 7.70%, 2 years CAGR (FY 2020-21 to FY 2022-23) is 12.58% and the YoY growth (FY 2021-22 to FY 2022-23) is 3.84%. The actual specific consumption during the FY 2022-23 is 45232 Kwh. On analysis of the above trend, the CAGR for 5 years of 10.17 % is considered reasonable & consumption work out to 343.70 MUs for the FY 2024-25, 378.66 MUs for the FY 2025-26, 417.19 MUs for the FY 2026-27.

The Commission approves energy sales at 343.70 MUs, 378.66 MUs and 417.19 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

LT Industrial

The PDS has projected energy sales to this category at 2.13 MU, 2.15 MU and 2.2 MU for the FY 2024-25, FY 2025-26 and FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.8: Trend of actual consumption – LT Industrial Category



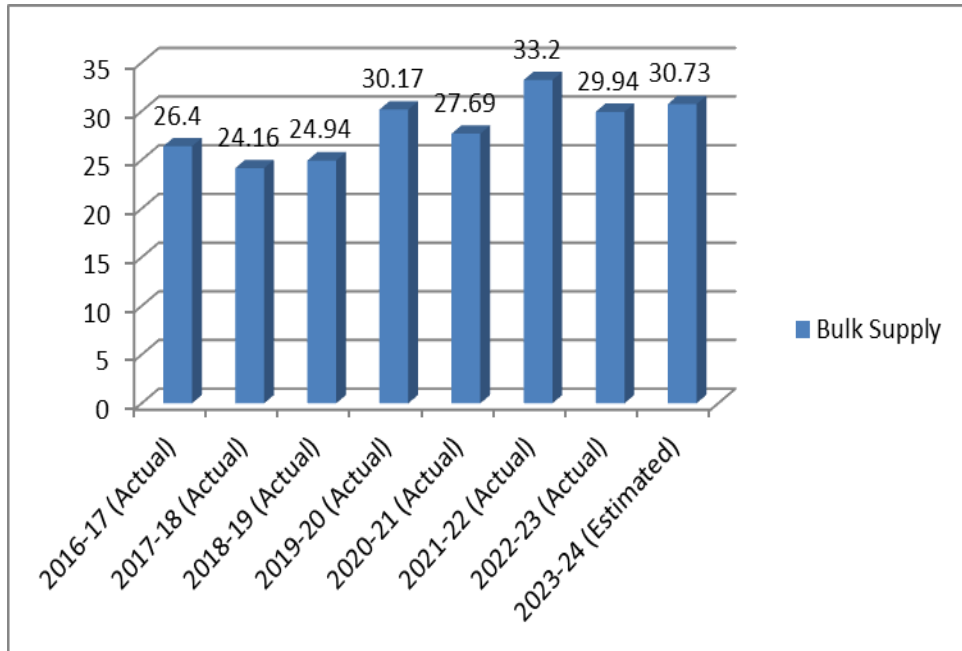
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (FY 2017-18 to FY 2022-23) is -16.86%, 4 years CAGR (FY 2018-19 to FY 2022-23) is -22.54%, the 3 years CAGR (FY 2019-20 to FY 2022-23) is -1.65%, 2 years CAGR (FY 2020-21 to FY 2022-23) is -6.66% and the YoY growth (FY 2021-22 to FY 2022-23) is -32.31%. The actual specific consumption during the FY 2022-23 is 291 Kwh. On analysis of the above trend, the CAGR is coming negative, therefore Commission is considering 5% growth year over year consumption work out to 1.94 MU for the FY 2024-25, 2.04 MU for the FY 2025-26, 2.14 MU for the FY 2026-27.

The Commission approves energy sales at 1.94 MU, 2.04 MU and 2.14 MU for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Bulk Supply

The PDS has projected energy sales to this category at 31.04 MU, 31.35 MU and 31.97 MU for the FY 2024-25, FY 2025-26 and FY 2026-27. The trend of the actual consumption in the category for the FY 2016-17 to FY 2022-23 and RE for the FY 2023-24 is shown in the chart below:

Chart 7.9: Trend of actual consumption – Bulk Supply Category



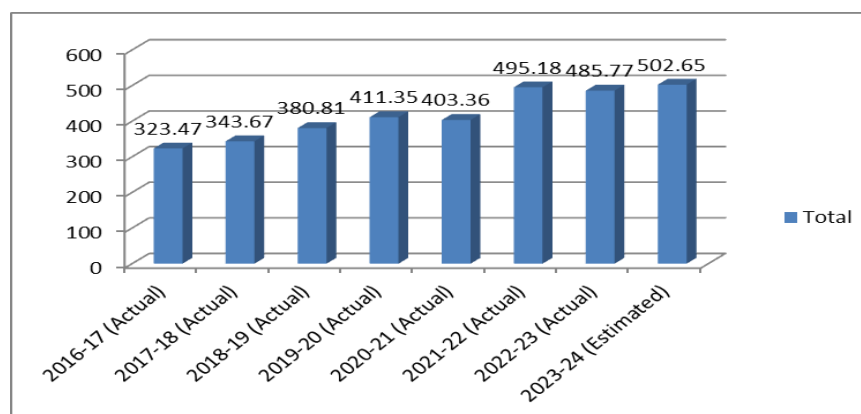
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR for FY 2016-17 to FY 2021-22 is 4.38%, 4 years CAGR (FY 2017-18 to FY 2021-22) is 4.67% the 3 years CAGR (FY 2018-19 to FY 2021-22) is -0.25%, 2 years CAGR (FY 2019-20 to FY 2021-22) is 3.98% and the YoY growth (FY 2020-21 to FY 2021-22) is -9.82%. The actual specific consumption during the FY 2022-23 is 1640 kWh. On analysis of the above trend, CAGR of 5 years of 4.38% is considered consumable and consumption work out to 32.62 MU for the FY 2024-25, 34.05 MU for the FY 2025-26, 35.54 MU for the FY 2026-27.

The Commission approves energy sales 32.62 MU, 34.05 MU and 35.54 MU for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Total sales

The trend of the actual consumption within the state of Sikkim for the FY 2016-17 to FY2022-23 is shown in the chart below:

Chart 7.10: Trend of actual consumption – Sales within the State



7.3 Category-Wise Energy Sales

The category-wise energy sales approved by the Commission for the FY 2024-25, FY 2025-26 and FY 2026-27 is given in table below:

Table 7.5: Category-wise energy sales approved by the Commission

Sl. No.	Category	FY 2024-25	FY 2025-26	FY 2026-27
1	Domestic	130.94	136.33	141.95
2	Commercial	49.19	50.96	52.80
3	Public Lighting	0.92	1.18	1.50
4	Temporary Supply	3.89	3.97	4.06
5	HT Industrial	343.70	378.66	417.19
6	LT Industrial	1.94	2.04	2.14
7	Bulk Supply	32.62	34.05	35.54
8	Total	563.21	607.20	655.18

The Commission approves total energy sales within the State at 563.21 MUs, 607.20 MUs and 655.18 MUs for the F.Y. 2024-25 F.Y. 2025-26 and F.Y. 2026-27 respectively.

7.4 Transmission and Distribution Losses (T&D Losses)

PDS projected T&D Losses at 26.35%, 27.92% and 28.30% for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Commission's Analysis:

As per the Electricity Act, 2003, CEA is to prepare the National Electricity Plan once in five years. Further, Section 73 (a) of the Act also provides the formulation of short-term and perspective plans for development of the electricity system as one of the functions of the CEA.

Accordingly, a Draft Distribution Perspective Plan 2030 (DPP-2030) has been prepared by CEA in order to fulfil its obligation of the Act. The petitioner is directed to follow the road map and adapt the best practice as given above distribution prospective plan 2030.

The Commission accordingly approves T&D Losses at 15%, 14.50% and 13.50% for FY 2024-25, for FY 2025-26 and for FY 2026-27 respectively. The PDS shall make all efforts for reduction of losses in the system.

Energy Requirement

The energy requirement of PDS 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 7.6: Energy Requirement approved by the Commission

Sl. No.	Particulars	Unit	FY 2024-25	FY 2025-26	FY 2026-27
1	Energy sales approved	MUs	563.21	607.20	655.18
2	T & D Losses approved	%	15.00	14.50	13.50
3	T & D Losses approved	MUs	99.39	102.98	102.25
4	Energy requirement	MUs	662.60	710.18	757.43

7.5 Power Procurement

7.5.1 Own Generation

The PDS has projected a generation of 0 MUs for the FY 2024-25, FY 2025-26 & FY 2026-27 from its own generating stations.

The Commission accordingly approves net own generation at 0 MUs from its own generating stations as projected by PDS for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

7.5.2 Power purchase from Central Generating Stations

The power procurement projected for the FY 2024-25, FY 2025-26 and FY 2026-27 by PDS is furnished in table below:

Sl.No	Source	2024-25 Projected (MUs)	2025-26 Projected (MUs)	2026-27 Projected (MUs)
	NTPC			
1	BSTPP I	30.44	31.05	31.67
2	BSTPP II	5.35	5.45	5.56
3	FSTPP	4.1	4.18	4.27
4	FSTPP III	1.75	1.79	1.83
5	KHSTPP-I	1.75	1.79	1.83
6	KHSTPP-II	2.49	2.54	2.59
7	TSTPP	2.92	2.98	3.04
8	DARLAPLI	82.71	84.36	86.05
9	KBUNL	11.43	11.65	11.89
10	NPGL	31.17	31.8	32.43
11	North Karanpura STPS	2.86	2.91	2.97
12	FARAKKA-1 & 2	303	309.06	315.24
	Total (A)	479.97	489.57	499.36
	NHPC			
9	RANGIT-III, NHPC	4.57	4.68	4.78
10	TEESTA-V, NHPC	20.98	21.5	21.93
	Total (B)	25.55	26.19	26.7102
	Other			
11	CHUKHA, PTC	31.54	32.17	32.82

12	WBSEDCL	26.83	27.37	27.91
13	SPDC	60.37	61.58	62.81
	Mangdechu PTC	1.39	1.42	1.44
	Hanuman Ganga	140.65	143.46	146.33
14	UI/ Deviation	13.48	13.75	14.03
	Kreate Purchase	0	0	0
	RTM Purchase	72.51	73.96	75.44
15	RHPPL	0	0	0
	Total (C)	346.77	353.71	360.78
	TOTAL (A+B+C)	852.28	869.46	886.84
16	Free Power			
	RANGIT-III, NHPC	42.08	42.5	43.35
	TEESTA-V, NHPC			
	IPP	202.61	205.65	209.76
	Total Free Power	244.69	248.15	253.11
	Grand Total	1096.98	1117.61	1139.96

Commission’s Analysis

The Commission has considered the power procurement projected by PDS during the financial year except power procurement from Farakka 1&2, UI/Deviation. If any contingency arises to procure power apart from allocated sources, the same will be considered at the time of true up & review. Power procurement approved by the Commission is shown in the table below:

Table 7.9: Power Procurement approved by the Commission (MUs)

Sl. No.	Source	FY 2024-25	FY 2025-26	FY 2026-27
	Central Sector			
1	FSTPP, NTPC	5.85	5.97	6.1
2	BSTPP, NTPC	35.79	36.50	37.23
3	KHSTPP-I, NTPC	1.75	1.79	1.83
4	KHSTPP-II, NTPC	2.49	2.54	2.59
5	TSTPP, NTPC	2.92	2.98	3.04
6	DARLAPALI	82.71	84.36	86.05
7	KBNUL	11.43	11.65	11.89
8	NPGL	31.17	31.80	32.43
9	North Karanpura STPS	2.86	2.91	2.97
10	FARAKKA-1 & 2			
11	RANGIT-III, NHPC	4.57	4.68	4.78

12	TEESTA-V, NHPC	20.98	21.50	21.93
	Others			
12	CHUKHA, PTC	31.54	32.17	32.82
13	WBSEDCL	26.83	27.37	27.91
14	SPDC	60.37	61.58	62.81
15	Mangdechu PTC	1.39	1.42	1.44
16	Hanuman Ganga	140.65	143.46	146.33
17	RTM Purchase	72.51	73.96	75.44
18	Free Power	244.69	248.15	253.11
	TOTAL	780.50	794.79	810.70

The Commission approves power procurement of 780.50 MUs, 794.79 MUs, 810.70 MU including free power of 244.69 MUs, 248.15 MUs, 253.11 MUs for each FY of the control period for the F.Y. 2024-25 to F.Y. 2026-27.

The commission deems it fit not to allow power purchase from Farakka 1 &2. However, the Department may draw /purchase power from the said stations to avoid outages and power shortfall, which will be considered during Review & True up.

7.6 Energy requirement and availability

The energy requirement and availability projected for the FY 2024-25 to 2026-27 are furnished by the PDS in the table below:

Table 7.10: Energy Balance projected by PDS

Sl. No	Energy Balance	2022-23 (Actual)	2023-24 (Estimates)	FY 2024- 25 (Projected)	FY 2025- 26 (Projected)	FY 2026- 27 (Projected)
A	ENERGY REQUIREMENT					
1	Energy Sales within State	485.77	502.65	507.67	512.75	523.01
2	Sales Outside State (UI)	271.19	378.56	384.24	382.35	386.13
3	Total Energy Sales	756.96	881.21	891.91	895.1	909.14
4	Overall T & D Losses %	19.19	17.55%	26.35%	27.92%	28.30%
5	Overall T & D Losses (MUs)	115.36	106.99	181.59	198.60	206.43
6	Total Energy Requirement	872.32	988.20	710.32	696.50	702.71
B	ENERGY AVAILABILITY					
1	Own Generation	0	0	0	0	0
2	Power Purchase-CGS/UI etc.	343.63	544.92	852.29	869.46	886.85
3	Free Power	553.82	464.9	244.69	248.15	253.11
4	Overall Pool loss %	2.80	2.14%	2.14%	2.14%	2.14%

5	Less: Overall Pool Loss	25.13	21.61	23.48	23.92	24.4
6	Total Energy Availability(1+2+3-5)	872.32	988.21	1,073.50	1,093.69	1,115.57
	ENERGY SURPLUS/ (GAP)	0.00	0.01	363.18	397.19	412.86

Commission’s Analysis:

Considering the inter-state transmission loss at 2.14%, the energy balance is worked out as detailed in table below:

Table 7.11: Energy Balance approved by the Commission

Sl. No.	Particulars	Units	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
A.	ENERGY Requirement				
1	Emery Sale within the state	Mus	563.21	607.20	655.18
2	Overall T & D losses	%	15.00	14.50	13.50
3	Overall T & D losses	Mus	99.39	102.98	102.25
4	Total Energy Requirement	Mus	662.60	710.18	757.43
B.	ENERGY AVAILABILITY				
1	Own Generation	Mus	0.00	0.00	0.00
2	Power Purchase from CGS / UI etc.	Mus	535.81	546.64	557.59
3	Free Power	Mus	244.69	248.15	253.11
4	Overall pool loss	%	2.14	2.14	2.14
5	Overall pool loss	Mus	9.50	9.69	9.89
6	Total Energy Availability (1 + 2 +3 -5)	Mus	771.00	785.10	800.81
C	ENERGY SURPLUS/ (GAP)		108.41	74.92	43.39

The energy balance approved for a surplus energy of 108.41 MUs, 74.91 MUs and 43.39 MUs for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

7.7 Aggregate Revenue Requirement

The PDS has projected Aggregate Revenue Requirement at at ₹ 747.91 Crores, ₹ 759.43 and ₹ 776.09 for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively as detailed in table below:

Table 7.12: Aggregate Revenue Requirement projected by PDS

(Rs. Crores)

Sl No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	2	3	4	5
1	Cost of Fuel	0	0	0
2	Cost of Generation	0	0	0
3	Cost of Power Purchase	457.63	462.21	471.45
4	Intra State Transmission Charges	37.73	38.11	38.87
5	Employee Costs	216.63	223.13	229.82
6	Repairs & Maintenance Expenses	8.85	9.3	9.76
7	Administration and General Expenses	3.93	3.13	2.34
8	Depreciation	13.48	13.69	13.7
9	Interest Charges	2.94	3.09	3.24
10	Interest on Working Capital	7.28	7.38	7.54
11	Previous Year Expenses of Power Cost	0	0	0
12	Return on Equity	0	0	0
13	Provision for Bad Debts	0	0	0
14	Total Revenue Requirement	748.48	760.04	776.73
15	Less: Non -Tariff Income	0.58	0.61	0.64
16	Net Revenue Requirement	747.91	759.43	776.09

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

7.8 Fuel Cost

The PDS has not projected fuel cost for the FY 2024-25, FY 2025-26 and FY 2026-27.

Therefore, The Commission approves fuel cost at ₹ Nil for the FY of the control period, as projected by PDS.

7.9 Cost of generation

The PDS has not projected cost of generation for the FY 2024-25, FY 2025-26 and FY 2026-27.

Therefore, the Commission approves cost of generation at ₹ Nil for the FY of the control period, as projected by PDS.

7.10 Power Purchase Cost

Power Purchase Cost projected by PDS for the FY 2024-25, FY 2025-26 & FY 2026-27 is as under:

Table 7.13: Power Purchase Cost projected by PDS

Source	Projection 2024-25 (₹ Crores)	Projection 2025-26 (₹ Crores)	Projection 2026-27 (₹ Crores)
NTPC			
BSTPP-I	16.44	16.61	16.94
BSTPP-II	2.75	2.78	2.84
FSTPP	14.91	15.06	15.36
FSTPP-III	0.86	0.87	0.88
KHSTPP-I	0.75	0.76	0.78
KHSTPP-II	0.98	0.99	1.01
TSTPP	0.8	0.8	0.82
DARLAPLI	23.61	23.84	24.32
KBUNL	3.18	3.21	3.28
NPGL	13.77	13.91	14.19
North Karanpura STPS	1.08	1.09	1.11
FARAKKA-1 & 2	300	303	309.06
Rebate-Other charges	0.11	0.11	0.12
Total	379.25	383.04	390.7
NHPC			
RANGIT-III, NHPC	1.77	1.79	1.83
TEESTA-V, NHPC	4.29	4.34	4.42
Total	6.07	6.13	6.25
Other			
CHUKHA, PTC	7.57	7.64	7.8
WBSEDCL	3.43	3.46	3.53
SPDC	25.38	25.63	26.15
Mangdechu PTC	0.53	0.54	0.55
UI/ Deviation	0.10	0.10	0.11
RTM Purchase	35.3	35.65	36.36
PTC Teesta	0	0	0
RHPPL	0	0	0
Total Energy Purchased	72.31	73.03	74.49
Total Energy Purchased	162.68	164.31	167.59
Transmission & Other Charges	37.73	38.11	38.87
ERLDC FEEs and Charges	0.14	0.14	0.15
WBSEDCL Surcharge	5.05	5.10	5.20
Total	500.55	505.56	515.67

Commission Analysis:

As seen from the above, the PDS has claimed the power purchase cost for the FY 2024-25 to FY 2026-27. The Commission has considered the power purchase cost at as at FY 2024-25 to FY 2026-27 as projected by PDS except UI power and other charges claimed by PDS.

As per the SSERC (Renewable Energy Purchase Obligation and Its Compliance) (First Amendment) Regulations, 2022, the applicable RPO levels for the FY 2024-25 is 10.50% for Non-Solar and 6.90% for Solar. The RPO Regulation requires the procurement from hydro sources to be excluded from consumption (total consumption of its consumer including T&D losses) for arriving at the energy quantum for calculation of RPO. If any further amendment issued by the CERC/Commission, the same shall be applicable for determination of RPO.

The Commission has also worked out the same on the basis of the approved energy sales & purchases quantity. The details are furnished in the table below:

Table 7.14: RPO Compliance approved by the Commission

Sl. No.	Source	FY 2024-25 (MUs)
1	RANGIT-III, NHPC	4.57
2	TEESTA-V, NHPC	20.98
3	CHUKHA, PTC	31.54
4	WBSEDCL	26.83
5	SPDC	60.37
6	Mangdechu PTC	1.39
7	Free Power	244.69
8	Hanuman Ganga	140.65
9	Total Hydro Generation Available (including Free Power)	531.02
10	Total Consumption including T & D Loss	662.60
11	Excess/Shortage (9-10)	(-) 131.58

The table also shows that the PDS need to comply the RPO requirement. However, the power procurement projection for the FY 2024-25 shows that there is no provision for procurement

of power from solar sources. Further, PDS is directed to make efforts for developing solar sources & procuring power from solar sources.

The detail of Power Purchase quantum and cost approved by the Commission is given in the Table below:

Table 7.15: Power Purchase Cost approved by the Commission

Source	2024-25 Projected (₹ Crores)	2025-26 Projected (₹ Crores)	2026-27 Projected (₹ Crores)
NTPC			
BSTPP-I	16.44	16.61	16.94
BSTPP-II	2.75	2.78	2.84
FSTPP	14.91	15.06	15.36
FSTPP-III	0.86	0.87	0.88
KHSTPP-I	0.75	0.76	0.78
KHSTPP-II	0.98	0.99	1.01
TSTPP	0.8	0.8	0.82
DARLAPLI	23.61	23.84	24.32
KBUNL	3.18	3.21	3.28
NPGCL	13.77	13.91	14.19
North Karanpura STPS	1.08	1.09	1.11
RANGIT-III, NHPC	1.77	1.79	1.83
TEESTA-V, NHPC	4.29	4.34	4.42
Other			
CHUKHA, PTC	7.57	7.64	7.8
WBSEDCL	3.43	3.46	3.53
SPDC	25.38	25.63	26.15
Mangdechu PTC	0.53	0.54	0.55
Hanuman Ganga	0	0	0
Kreate Purchase	0	0	0
RTM Purchase	35.3	35.65	36.36
Free Power			
Grand Total	157.4	158.97	162.17
ERLDC Fees and Charges	0.14	0.14	0.15
WBSEDCL-Surcharge	5.05	5.1	5.2
Other Charges	42.92	43.35	44.22
Total	162.59	164.21	167.52

The Commission approves the power purchase cost at ₹ 162.59 Crores, 164.21 Crore and 167.52 Crore for the FY 2024-25, FY 2025-26, & FY 2026-27 against the total cost as projected by the PDS.

7.11 Intra State Transmission Charges

The PDS has projected Intra State Transmission Charges at ₹ 37.73 Crores, ₹ 38.11 Crores and ₹ 38.87 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively. The details of expenses projected by the PDS are furnished in the table below:

Table 7.16: Intra State Transmission Charges projected by PDS

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Intra State Transmission Charge	37.73	38.11	38.87

Commission's Analysis:

The Commission approved the Intra State Transmission Charges for the FY 2024-25, FY 2025-26 and FY 2026-27, as detailed in table below.

Table 7.17: Intra State Transmission Charges approved by the Commission

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Intra State Transmission Charge	37.73	38.11	38.87

The Commission therefore approves the Intra State Transmission Charges at ₹ 37.73 Crores, ₹ 38.11 Crores and ₹ 38.87 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

7.12 Employee Cost

PDS has projected employee cost for the FY 2024-25, FY 2025-26 and FY 2026-27 as shown in the table below:

Table 7.18: Employee Cost furnished by PDS

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Employees Expense	216.63	223.13	229.82

Commission's Analysis:

The Commission has considered all the factors, the employee cost are approved by the Commission for the FY 2024-25 to 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of Employee Cost at the time of Review & True-up.

Table 7.19: Employee Cost approved by the Commission

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Employees Expense	216.63	223.13	229.82

The Commission therefore approves the employee cost at ₹ 216.63 Crores, ₹ 223.13 Crores and ₹ 229.82 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively. The above Employee Expenses are approved only for Distribution Function.

7.13 Administrative and General Expenses

The PDS has projected Administrative and General Expenses Charges at ₹ 3.9 Crores, ₹ 3.13 Crores and ₹ 2.34 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively. The Administrative and General Expenses include Conveyance expenses, Telephone and Postage

expenses, Electricity and Water charges, Consultancy fee and other professional charges. The details of expenses projected by the PDS are furnished in the table below:

Table 7.20: Administrative and General Expenses Projected by PDS

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Administration & General Expense	3.93	3.13	2.34

Commission’s Analysis:

The Commission has considered all the factors, The A&G expenses for FY 2022-23 is Rs. 2.61 Cr. and Rs. 3.00 Cr. For FY 2023-24. Accordingly, Commission has considered 5% escalation in subsequent year. The A&G expenses are approved by the Commission for the FY 2024-25 to 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of A&G expenses at the time of Review & True-up.

Table 7.21: Administration & Generation Expenses approved by the Commission

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Administration & General Expense	3.15	3.31	3.47

The Commission therefore approves the Administrative and General Expenses at ₹ 3.15 Crores, ₹ 3.31 Crores and ₹ 3.47 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively for the FY 2024-25, FY 2025-26 and FY 2026-27.

7.14 Repairs and Maintenance Expenses

The PDS has projected at ₹ 8.85 Crores, ₹ 9.30 Crores and ₹ 9.76 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively towards Repair and Maintenance Expenses 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 PDS are furnished in the table below:

Table 7.22: Repair and Maintenance Expenses projected by PDS

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Repair & Maintenance Expense	8.85	9.30	9.76

Commission's Analysis:

The Commission has considered all the factors, the Repair and Maintenance Expenses are approved by the Commission for the FY 2024-25, FY 2025-26 and FY 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of Repair and Maintenance Expenses at the time of Review & True-up.

Table 7.23: Repair and Maintenance Expenses approved by the Commission

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Repair & Maintenance Expense	8.85	9.30	9.76

The Commission therefore approves Repair and Maintenance Expenses at ₹ 8.85 Crores, ₹ 9.30 Crores and ₹ 9.76 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively as projected by the PDS for the FY 2024-25, FY 2025-26 and FY 2026-27.

7.15 Depreciation

The PDS has projected depreciation of ₹ 13.48 Crores, ₹ 13.69 Crores and ₹ 13.7 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively. The PDS has stated that the depreciation has been calculated on the value of the opening GFA plus additions during the year at the rates prescribed in the SSERC Regulations. The Depreciation calculated for the assets of the distribution function. The same is detailed in the table below:

Table 7.24: Depreciation Projected by PDS

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Depreciation	13.48	13.69	13.7

Commission’s Analysis:

The Petitioner has submitted huge capital expenditure for FY 2024-25 to 2026-27 this seems to be very higher side, looking to the past capitalization, Commission has considered only 20% of such proposed expenditure to be capitalized in upcoming years. Accordingly, the Commission has approved the Depreciation for the FY 2024-25, FY 2025-26 and FY 2026-27, as detailed in the table below:

Table 7.25: Depreciation approved by the Commission

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Opening GFA	1392.83	1644.02	1854.54
2	Addition during the Year	251.19	210.52	194.33
3	Closing GFA	1644.02	1854.54	2048.88
4	Average GFA	1518.42	1749.28	1951.71
5	Rate of Depreciation	1.07%	1.07%	1.07%
6	Depreciation	16.22	18.69	20.85

The Commission therefore approves Depreciation at ₹ 16.22 Crores, ₹ 18.69 Crores and ₹ 20.85 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

7.16 Interest and Finance Charges

The PDS has projected at ₹ 2.94 Crores, ₹ 3.09 Crores and ₹ 3.24 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively towards interest and finance charges during the FY 2024-25, FY 2025-26 and FY 2026-27. The details of expenses projected by PDS are furnished in the table below:

Table 7.28 : Interest and Finance Charges Projected by PDS

(Rs. Crores)

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Interest and Finance Charges	2.94	3.09	3.24

Commission’s Analysis:

The Commission has considered all the factors, the Interest and Finance Charges are approved by the Commission for the FY 2024-25, FY 2025-26 and FY 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of Interest and Finance Charges at the time of Review & True-up.

Table 7.28 : Interest and Finance Charges Approved by Commission

(Rs. Crores)				
Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Interest and Finance Charges	2.94	3.09	3.24

The Commission therefore approves Interest and Finance Charges at ₹ 2.94 Crores, ₹ 3.09 Crores and ₹ 3.24 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively as projected by the PDS for the FY 2024-25, FY 2025-26 and FY 2026-27.

7.17 Interest on Working Capital

The PDS has projected interest on working capital at ₹ 7.28 Crores, ₹ 7.38 Crores and ₹ 7.54 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively on normative basis.

The PDS has worked out interest on working capital as detailed in the table below:

Table 7.26: Interest on Working Capital Projected by PDS

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	O & M Expenses for 1 month	19.12	19.63	20.16
2	Receivable equivalent to 2 month's Revenue	83.62	84.45	86.14
3	Total Working Capitals	102.74	104.08	106.30
4	Less : Security Deposit of Consumers	6.25	6.3	6.38
5	Net Working Capital	96.49	97.78	99.92
6	SBI Advance Rate	7.55%	7.55%	7.55%
7	Interest on Working Capital	7.28	7.38	7.54

Commission's Analysis:

As per Regulation of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, 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 the table below:

Table 7.27: Interest on Working Capital approved by the Commission

Sl. No.	Particulars	FY 2024-25	FY 2025-26	FY 2026-27
1	O & M Expenses for 1 month	19.05	19.64	20.25
2	Maintenance Spares @ 1% plus Escalation @ 6% per annum	0.00	0.00	0.00
3	Receivable equivalent to 2 month's Revenue	75.70	77.68	80.00
4	Total Working Capitals	94.75	97.33	100.25
5	Less: Security Deposit of Consumers	6.25	6.30	6.38
6	Net Working Capital	88.50	91.03	93.87
7	SBI Advance Rate	7.55%	7.55%	7.55%
8	Interest on Working Capital	6.68	6.87	7.09

The Commission approves Interest on Working Capital at ₹ 6.68 Crores, ₹ 6.87 Crores and ₹ 7.09 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

7.18 Return on Equity

The PDS has not projected Return on Equity during the FY 2024-25, FY 2025-26 and FY 2026-27.

Commissions Analysis:

Regulation 29 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, provides for Return on Equity at 14% p.a. on the equity amount appearing in the audited balance sheet of 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 Provision for Bad Debts

The PDS has not claimed any provision for bad debts during the FY 2023-24.

7.20 Non-Tariff Income

The PDS has projected a Non-Tariff Income at ₹0.58 Crores, ₹0.61 Crores and ₹0.64 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

Commission's Analysis:

PDS is directed to submit the details of the energy meters provided by the department and procured by the consumers at their cost. Further, PDS has projected the Non-tariff Income of ₹0.58 Crores, ₹0.61 Crores and ₹0.64 Crores.

The Commission approves Non-Tariff Income at ₹0.58 Crores, ₹0.61 Crores and ₹0.64 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively as projected by the PDS.

7.21 Revenue from Existing Tariff

The PDS has projected revenue from sale of energy with existing tariff at ₹ 333.68 Crores, ₹ 337.02 Crores and ₹ 343.76 Crores within the states for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively. Further, the PDS has projected revenue from outside state sale at ₹168.01 Crores, ₹169.69 Crores and ₹173.09 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27.

Commissions Analysis:

It is observed that the revenue from domestic category contributes after the highest contribution by HT Industrial. Hence, impact of change in tariff on the revenue is mostly dependent on these categories. The revenue approved at the existing Tariff is detailed in the table below:

Table 7.28: Revenue at Existing Tariff as approved by the Commission

Sl. No.	Particulars	FY 2024-25
1	Total Sales within the State	364.39
2	Sale outside State	47.40
3	Total Sales (1+2)	411.79

The Commission approves revenue from sale of energy with existing tariff at ₹411.79 Crore on sale of 563.21 MUs within the state at an average rate of ₹ 6.47/kWh & ₹ 47.40 Crores on sale of 108.41 MUs from outside State sale at an average rate of ₹ 4.37/kWh for the FY 2024-25.

7.22 Aggregate Revenue Requirement (ARR) and Gap

The Aggregate revenue requirement and gap projected by PDS for the FY 2024-25, FY 2025-26 and FY 2026-27 is furnished in table below.

Table 7.29: Aggregate Revenue Requirement projected by PDS

SI No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	2	3	4	5
1	Cost of Fuel	0	0	0
2	Cost of Generation	0	0	0
3	Cost of Power Purchase	457.63	462.21	471.45
4	Intra State Transmission Charges	37.73	38.11	38.87
5	Employee Costs	216.63	223.13	229.82
6	Repairs & Maintenance Expenses	8.85	9.30	9.76
7	Administration and General Expenses	3.93	3.13	2.34
8	Depreciation	13.48	13.69	13.70
9	Interest Charges	2.94	3.09	3.24
10	Interest on Working Capital	7.28	7.38	7.54
11	Previous Year Expenses of Power Cost	0	0	0
12	Return on Equity	0	0	0
13	Provision for Bad Debts	0	0	0
14	Total Revenue Requirement	748.48	760.04	776.73
15	Less: Non -Tariff Income	0.58	0.61	0.64
16	Net Revenue Requirement	747.91	759.43	776.09
17	Revenue from Tariff	333.68	337.02	343.76
18	Revenue from Outside State Sale	168.01	169.69	173.09
19	Gap	(-) 246.21	(-) 252.71	(-) 259.24

Based on the approvals of the above projections, the ARR & Gap of PDS for the FY 2024-25, FY 2025-26 and FY 2026-27 works out as detailed in table below:

Table 7.30: Aggregate Revenue Requirement approved by the Commission

Sl. No.	Particulars	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
1	Cost of Fuel	0	0	0
2	Cost of Generation	0	0	0
3	Cost of Power Purchase	162.59	164.21	167.52
4	Intra State Transmission Charge	37.73	38.11	38.87
5	Employee Costs	216.63	223.13	229.82
6	Repair and Maintenance Expense	8.85	9.30	9.76
7	Administration and General Expenses	3.15	3.31	3.47
8	Depreciation	16.22	18.69	20.85
9	Interest Charges	2.94	3.09	3.24
10	Interest on Working Capital	6.68	6.87	7.09
11	Previous Year Expenses of Power Cost	0	0	0
12	Return on Equity	0	0	0
13	Provision for Bad Debts	0.00	0	0.00
14	Total Revenue Requirement	454.79	466.71	480.62
15	Less: Non-Tariff Income	0.58	0.61	0.64
16	Net Revenue Requirement	454.21	466.10	479.98

Accordingly, the Commission approves the Aggregate Revenue Requirement at ₹ 454.21 Crores, ₹ 466.10 Crores and ₹ 479.98 Crores for the FY 2024-25, FY 2025-26 and FY 2026-27 respectively.

7.23 Revenue Gap for the FY 2024-25

Based on the Aggregate Revenue Requirement and revenue from existing tariffs for FY 2024-25, the resultant GAP is as shown in the table below.

Table 7.31: Approved Revenue at Existing Tariff & Gap/surplus

Sl. No.	Particulars	FY 2024-25 (Projected)
1	Net Revenue Requirement	454.21
2	Revenue from Tariff	364.39
3	Revenue from Sale Outside the State	47.40
4	GAP/(Surplus)	42.42
5	Energy Sale within the State	562.26
6	Energy Sale Outside the State	108.41
7	Average Cost of Supply Rs/ kWh	8.08

The Revenue gap of ₹ 42.42 Crores has been arrived at on the basis of the approved data for the FY 2024-25. The average cost of supply for the FY 2024-25 is ₹ 8.08/kWh & average revenue from tariff is ₹ 6.14/kWh. The average revenue gap is ₹ 1.94/kWh.

The Commissions of the view that the PDS shall make efforts to bridge the revenue gap by improving 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.

7.24 Recovery of Revenue Gap for the FY 2024-25

As seen from para above, there is a revenue gap of ₹42.42 Crores during the FY 2024-25 which is 9.34% of net ARR for the FY 2024-25. The existing tariff was fixed with effect from 01.04.2023. PDS 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 earlier Gap through tariff increase is not practicable as this would make power unaffordable to the general consumers.

PDS being a Government Department funded by budgetary support from State Government, it proposes to absorb the unrecovered gap. However, PDS proposed an average increase in tariff to bridge the gap partially.

PDS has proposed changes in tariff slabs and increase in tariff for Domestic and Commercial category. PDS had also proposed introduction of Time of Day (ToD) tariff for Industrial consumers in its petition. However, the PDS vide its letter No. 05/CE/NODAL/E&P/2014-15/659 dated 05.03.2024 submitted that most of the meters installed in the H.T consumers are not compatible for introducing ToD tariff and as such submitted that the proposal for introducing ToD tariff will be submitted once the Department completes installing smart

meters in the State. PDS further submitted that it has proposed installation of smart meters under RDSS scheme for all categories of consumers and that the works on same will commence shortly.

Taking into account the submissions of the PDS, the Commission deems it fit to keep ToD tariff in abeyance until such time that smart meters are installed in the State. The Glacial Outburst Flood (GLOF) of October 2023 in Sikkim has caused extensive damages to properties and also loss of precious lives. The flooding caused by the GLOF has severely impacted the livelihood of the public. Small business units being run by the people have also taken the brunt of the GLOF. In view of the hardships being faced by the public and business units, the Commission deems it fit not to revise tariffs of any category and advise the PDS to bridge the gap by improving the efficiency and reduction of losses.

8. DIRECTIVES AND ADVISORIES

1. Introduction

The Hon'ble Commission in its Multi Year Tariff Order dated 26th February, 2021 the FY 2021-22 to FY 2023-24, Tariff Order dated 14th March, 2022 for F.Y. 2022-23 and Tariff Order dated 21st March, 2023 for F.Y. 2023-24 had issued a number of directives and advisories for compliance by the PDS. The directives and advisories were issued by the Commission with the aim and objective of not only improving the overall performance and efficiency of the department but also to ensure that the quality of service to the consumers improves in the long run. The advisories and directives were issued with the sole intention that the Department would slowly but steadily be able to improve its financial health and reduce the revenue gap in the future.

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This section of the Tariff Order deals with the different directives issued by the Hon'ble Commission and status of compliance of the directives by the PDS, the views/comments of Commission on the past directives and fresh directives for compliance.

Directives issued in the F.Y 2016-17 Tariff Order

Directive 1: Improving Own Generation

The own generation from the various Powerhouses of the PDS 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 PDS is directed to prepare a time bound plan for restoring full generation of the Powerhouses to improve its own generation. The Commission has observed that PDS has made only bare minimum provisions under the Repair & Maintenance Head and as such it is observed that timely repairs and requisite maintenance of the power plants are not being done. The PDS needs to concentrate both resource and planning on the power plants having good generation capacity.

Commission’s directive in the last Order: The Commission commends the Department for complying with the directives issued and directs the Department to regularly update the Commission regarding progress of the remaining

Compliance: It is to submit to the Hon’ble Commission for kind information that following are the status of seven power houses handed over to M/S Kundan Hydro on PPP mode.

Sl.no	Name of HEPs	Commercial date of Operation
1	2x2MW Meyong Chu	1 st May 2022
2	2x1.5Mw Rabom Chu	12 th June 2022
3	2x1MW Kalez Khola	17 th October 2022
4	6x2 MW LLHP	24 th February 2023
5	6x0.35 MW Jali HEP	Re-commissioning work of 3 HEPs are under progress
6	Rimbi -I HEP 3x0.20MW	
7	Rongnichu Stage -II HEP 5x0.50MW	

Comments of the Commission:

The Commission has taken note of the compliance of the directive by the Department.

Directive 2: Segregation of Technical & Commercial Loss

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

Compliance:

The department has taken up step in the direction of loss reduction in the system. The key measures are as below: -

- The conversion of consumer electromechanical meter to prepaid meter system.

- Consumer metering percentage has reached 97%
- The department has initiated appointment of certified energy auditor as per the guidelines of Bureau of Energy Efficiency (BEE) for detail system study including segregation of technical and commercial losses. The department shall be carrying out the Energy Audit in compliance to the BEE guidelines and Regulations.

The installation of smart meter under the Revamped Distribution Sector Scheme (RDSS) in all the distribution substation including consumer premises is one of the main steps proposed for loss assessment zone wise /area wise.

Commission's directive in the last Order: The Commission is pleased to note the initiatives taken by the Department towards loss reduction and advises that all such measures/initiatives are completed within targeted time frame.

Compliance:

In compliance to Hon'ble Commission, it is to submit that the tendering process for the installation of Smart prepaid meter under Revamped Distribution Sector Scheme (RDSS) for the loss reduction in all sector like feeder/dist. sub-station and consumer has been completed and LOA is expected to be issued by 9th March 2024.

In compliance to the mandatory Energy Accounting as per the guidelines of Bureau of Energy Efficiency (BEE) for detail system study including segregation of technical and commercial losses, the Power Department is carrying out Energy accounting on quarterly. basis. The Energy Audit of Power Department for the FY 2020-21,2021-22 and 2022-23 has been done by the certified Energy Auditor as per the regulation and report submitted to BEE.

Comments of the Commission:

The Commission is happy to note that the directives have been complied by the Department.

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 PDS is directed to conduct energy audit to identify the high loss areas and submit a report before filing of the next petition.

Commission's directive in last Order:

The Department is directed to expedite the process of empanelment of energy auditors and ensure that energy auditing is done at the earliest.

Compliance:

In compliance to the regulation of Bureau of Energy Efficiency (BEE), the department has engaged an empanelled energy auditors from BEE M/S A-Z Energy Engineers Private Limited, New Delhi to carry out complete system study and to assess actual loss circle wise /subdivision wise for the FY 2022-23 and 2023-24

Comments of the Commission:

The Commission commends the effort made by the Department for compliance of the directive.

Directives issued in the FY 2019-20 Tariff Order

Directive 5: Development of Roof Top Solar Projects

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

Commission's directives in last Order:

The Department and SREDA are advised to align solar/other renewable power project implementation targets/schedule duly taking into account the RPO trajectories set by the Commission from time to time.

Compliance:

In compliance to Hon'ble Commission regulation the Power department has allowed HT

consumer to install solar power plant on Roof top and on ground of the industry premises. The total capacity of 4.9MW of solar plant has been installed and are in operation.

Comments of the Commission:

The Commission advises the Department and SREDA to create a congenial atmosphere for development of solar power in the State. In order to encourage large scale solar power development, the Department and SREDA are directed to simplify the procedure/process for registration/empanelment of prospective solar power developers.

Directives (FY 2021-22)

Directive 1: Quarterly Report of Functioning of the CGRFs

The Department has informed that 4 (four) nos of Consumer Grievances Redressal Forums (CGRFs) have been constituted for each of the four districts in the State. Regulation 61 sub-regulation (i) of the SSERC (Redressal of Grievances of Consumers and Establishment of Forum of Electricity Ombudsman) Regulations, 2012 stipulates the CGRF has to submit quarterly report on the number of complaints received, redressed and pending within 15 days at the end of quarter to the Commission.

Similarly, regulation 61(ii) stipulates that the CGRF shall furnish to the Commission, by 30thApril every year a report containing a general review of the activities of their offices during the preceding financial year.

The Commission observes that the quarterly report of the CGRF of only the East District is being furnished to the Commission whereas no reports are being furnished by the remaining three CGRFs. The CGRFs also have not submitted the report as specified by regulation 62 (ii) SSERC (Redressal of Grievances of Consumers and Establishment of Forum of Electricity Ombudsman) Regulations, 2012.

The Commission directs the Department that all the four CGRFs may be directed to regularly furnish their quarterly report to the Commission and invariably submit the annual reports by 30thApril of every year.

Commission's directive in last Order:

The Commission is happy to note the compliance of directives by the Department. The Department is directed to ensure that all the CGRFs submit the reports to the Commission within the stipulated time and also see that the consumers are made aware of the CGRFs.

Compliance:

All the CGRFs has been directed to follow the guidelines of Hon'ble Commission. The CGRFs has been informed to disseminate the information in regard to establishment of CGRFs during Gram Sabha and monthly submission of CGRFs report to the Hon'ble Commission.

Comments of the Commission:

The Office of the Electricity Ombudsman has reported that the quarterly reports are not being submitted by the CGRFs within the stipulated time frame. The quarterly reports have to be submitted to the Government of India on regular basis and within the time line specified. In view of the same, the Department is directed to issue necessary order/instructions to all the CGRFs to submit their reports to the Electricity Ombudsman within the stipulated time frame.

(Directives) F.Y 2021-22

6.1 Directive 1: Information on RPO/HPO Compliance

The Power Department is directed to create a separate page in its official website indicating the details of RPO/HPO compliance. The Department is advised to ensure that the RPO/HPO compliance details are provided in such a form/manner in the website that the details are very easy to see and understand.

Commission's directive in last Order:

The Commission has taken note of the compliance of directive by the Department and advises the Department to regularly update the RPO compliance in its website.

Compliance:

Hon'ble commission direction shall be complied.

Comments of the Commission:

The Commission reiterates the directive for strict compliance.

Introduction of Direct Benefit Transfer

In order to prevent and curtail the revenue losses, especially in the rural areas, where the State Government is providing free electricity upto 100 units, the Department is directed to introduce Direct Benefit Transfer (DBT) and transfer the subsidies well in advance to the eligible consumers and realize the bills for electricity consumed by the consumers. However, before introduction of the DBT, the Department is advised to properly inform and sensitize the consumers about the DBT and the concept of free power considering the notion of free power amongst the rural masses and past unsuccessful attempt of DBT.

Commission's directive in last Order:

The Commission reiterates the directives and advises the Department to expedite the process for introduction of DBT, which is also mandatorily required under the Electricity (Rights of the Consumers) Rules 2020.

Compliance:

It is to submit to the Hon'ble Commission that PDS is receiving advance subsidies from the State Government against the 100-unit free subsidy availed by the rural domestic consumer. However, in compliance to Hon'ble Commission directives the DBT shall be implemented as and when the State Government approves the proposal submitted by the Power Department.

Comments of the Commission:

The Government of India has issued directives on several occasions for introduction of DBT in the interest of the consumers. The Department is directed to pursue the matter vigorously with the State Government for early introduction of DBT.

Fresh Directives for F.Y 2022-23

7.2 Directive 2: General Awareness to the public

PDS is directed to disseminate proper and correct information to public/consumers on all schemes/process/initiatives etc such as pre-paid metering, CGRF, use of energy efficiency tools by conducting awareness camps and through print and electronic media and also through social media platforms.

Commission's directive in last Order:

The Department is directed to conduct extensive awareness camps in all parts of the State for benefit of the consumers.

Compliance:

It is to submit to the Hon'ble Commission that the State Designated Agency, Power Department is actively engaged in imparting awareness and following programmes are regularly being conducted by SDA.

- Sikkim SDA has completed Energy Efficiency Activities in 100 Govt. schools in regard to implementation of demonstration project on replacement of conventional luminaries and fans with LED luminaries and energy efficient fans in 50 Govt. schools. SDA Sikkim has identified new 100 nos. of Govt. schools across the state for the 2nd 3rd phase for the replacement conventional luminaries and fans with LED luminaries and energy efficient fans.
- SDA has completed implementation of demonstration project on replacement of conventional luminaries and fans with LED luminaries and energy efficient fans in three college i.e. NBBG College, Tadong, Gangtok District, Kamrang College & CCCT Polytechnic Chisopani, Namchi District.
- SDA has completed implementation of demonstration project on Thermal based Heating system (Space Heating) in Power Secretariat, Gangtok District.
- (ii) Model Energy Efficient Village Campaign:
 - Sikkim SDA has successfully implemented this programme of BEE in 230 households of Mangnam, Karzee & Pokhery villages under West Sikkim by providing 2 LED tube-lights and 4 LED bulbs to each household.
 - Sikkim SDA has successfully implemented this programme of BEE in 200 households of Sakyong, Pentok villages under North Sikkim by providing 2 LED tube-lights and 4 LED bulbs to each household.
 - Sikkim SDA has successfully implemented the programme of BEE in 760 households of Okheray, Ribdi villages under West Sikkim & 2400 household of Kamrang, Wok & Denchung (Poklok) by providing 5 LED bulbs to each household.
 - Sikkim SDA has successfully implemented the programme of BEE in 760 households of Okheray, Ribdi villages under West Sikkim & 2400 household of Kamrang, Wok & Denchung (Poklok) by providing 5 LED bulbs to each household.
 - Sikkim SDA has successfully implemented the programme of BEE in 1385 households of Budang-Jambudara, Mangasari, Tharpu, Bojek villages under West Sikkim & 1531 household of Yangthang GPU, Darap Nambu by providing 5 LED bulbs to each household.
 - SDA Sikkim has completed implementation the programme of BEE in 1560 households of Lachung, Lachen, Chaten & Thangu villages under Mangan District & 1531 households of Siktam Tikpur, Lungyam in Gayzing District & villages under Soreng District.

Comments of the Commission:

The Commission has noted the efforts made by the Department towards compliance of the directive and advises the Department to continue with awareness drives/programmes in the future as well.

7.3 Directive 3: Planning for Efficient Pre-paid metering

In anticipation of the proposal of the PDS to install pre-paid meter in the State, it is directed to ensure that proper technical and infrastructural backups are put in place well in advance to ensure smooth and trouble-free transition and operation of the pre-paid metering system, duly keeping factors like operation, back up, data management, verification, rectification functions etc.

Commission's directive in last Order:

The Commission observes that proper information regarding the prepaid meters have still not been completely disseminated to the consumers and many doubts/questions still linger in the minds of the consumers. Further, the facilities need to be created for providing information like units consumed, tariff being charged, etc to the consumers.

The Department is directed to take more tangible steps in this regard for the benefit and ease of the consumers

Compliance:

Hon'ble commission directives shall be complied and report shall be submitted accordingly.

Comments of the Commission:

The Commission reiterates the directive and call upon the Department to take effective measures for dissemination of correct information to the consumers.

7.5 Directive 5: Verification of actual consumer category.

PDS is directed to verify and check the 'true consumer category' in both rural and urban areas. Due to the rise of tourism activities in the State, there is a possibility that the old domestic consumer connections are now being catering to commercial purpose, which may seriously impact the revenue of the Department and also during this process the entire actual system load can be verified.

Commission's directive in last Order:

The Department is directed to continue regular monitoring and surprise checks by Senior Officers to ensure that no illegal/unauthorized drawl of power is being done.

Compliance:

Hon'ble commission direction shall be complied.

Comments of the Commission:

The Commission reiterates the directive.

FRESH DIRECTIVES 2023-24

1.Public Awareness initiatives & Campaigns

The Commission observes that there is lack of awareness among the consumers regarding existence /functioning of Consumer Grievance Cell, Consumer Grievance Redressal Forums and Electricity Ombudsman and the details of grievances redressal mechanism. The department is directed to give wide publicity through print and electronic media, social media platforms, awareness camps in school/colleges and also through platforms like Gram Sabhas, Awareness Camps of Consumer Affairs Department regarding the various grievance redressal mechanism

Compliance: Hon'ble Commission's directive shall be complied.

Comments of the Commission:

The Commission reiterates the directives and calls upon the Department to follow the directives in letter and spirit and submit a monthly report on the details of awareness initiatives undertaken/being undertaken.

2.Electricity Wastage

The Commission observes many instances of wastage of electricity in rural areas and villagers are still seen using incandescent bulbs instead of LED bulbs and lights are not switched off during day time. The street lights are also seen not being switched off timely and are often seen alight during the day time. The department is advised to direct the field staff to sensitize the rural consumers on the need/benefit of saving energy and also for timely switching off street lights to avoid wastage of power.

Compliance:

The State designated Agency (SDA), Nodal Agency under Power Department is actively engaged in giving awareness to general public at various GPU level, School and Colleges. The energy awareness campaigns are being conducted in all the district and scheme like distribution of LED are done periodically by SDA. In regard to wastage of power due to non-switching off of light the Hon'ble Commission's direction shall be complied.

Comments of the Commission:

The Commission takes note of the actions taken by the Department and advises it to continue with the awareness/sensitization programs for benefit of the consumers.

3. Dissemination of Information on Prepaid meters.

Despite the effort made by the Department, it is observed that consumers have many doubts and false information about prepaid meters. The Department is directed to make more efforts for giving correct information to the consumers about prepaid meters for the ease of the consumers.

Compliance: Hon'ble Commission's direction shall be complied.

Comments of the Commission:

The Commission observes that the current measures/campaigns undertaken by the Department have not so far reached every consumer. Consumers still have lot of confusions, doubts and misinformation about pre-paid meters. The Commission reiterates the directives and directs the Department to make more efforts to educate the consumers on prepaid meters.

4. Reliable and Quality Power Supply.

Commission is receiving frequent complaints regarding irregular power supply and power outages both in rural and urban areas from consumers. The Department is directed to ensure reliable and quality 24x7 power supply to its consumers, which is the right of consumers. The Department has to strictly comply with the standard of performance notified by the Commission and take note that failure to adhere to the standard will invite invoking of clauses for payment of compensation /fines.

Compliance: No compliance submitted.

Comments of the Commission:

The Commission is pained to note the casual approach of the Department in submitting compliance of the directive issued. The Commission issues directives/advisories keeping in view not only the interest of the consumers but also for improvement of efficiency and quality of services offered by the Department. The Commission advises the Department to take all directives/advisories seriously and avoid repeating lackadaisical approach in future. The Commission reiterates the directive.

5. Call Centre for Consumer Services.

Section 14 of the Electricity (Rights of Consumers) Rules 2020, notified by the Government of India provides that:

(1) For providing common service like new connection, disconnection, reconnection, shifting of connection, change in names and particulars, load change, replacement of meter, no supply, the distribution licensee shall establish a centralized 24x7 toll free call centre with effect from such date as may be specified by the Commission.

(2) While other modes to provide services like paper application, email, mobile, website, etc, may continue, the Licensees shall endeavour to provide all services through a common Relation

Manager (CRM) System to get a unified view of all the services requested, attended and pending, at the backend for better monitoring and analytics.

(3) The CRM shall have the facilities for SMS, emails alerts, notifications to consumers and officers for events like receipts of application, completion of service, change in status of application etc. Online status tracking and auto escalation to higher level, if services are not provided within the specified time period.

In view of the above provisions of the Electricity (Rights of Consumers) Rules ,2020 the Department is directed to immediately establish 24x7 toll free call centre in all districts in the state. The department is also directed to take immediate steps/measures to fulfil/comply with the other provision mentioned above.

Compliance: Hon'ble Commission's direction shall be complied.

Comments of the Commission:

The compliance of the Department is merely in words and it is observed that the Department hasn't taken any serious actions for complying with the directives. The Commission reminds the Department that the Electricity (Rights of Consumers) Rules ,2020 is already notified by the Government of India and the same has been further amended in June 2023. The provisions of the rules are binding on all DisComs. The Department is advised to regularly update itself about the rules and ensure that the provisions in the rules are complied with.

FRESH DIRECTIVES FOR F.Y. 2024-25

1. Compliance of Directives/Advisories

The Department's compliance of directives issued by the Commission vis-à-vis the efforts made towards follow up action on the advisories issued are very poor. The Commission observes that the Department is not taking the directives/advisories seriously. The Department needs to understand that the directives and advisories issued by the Commission are intended not only for improvement of the services being provided to the consumers but also for improvement of the financial health and enhancement of the standard of performance of the Department. The Department is directed to take the directives/advisories issued by the Commission seriously.

2. Filing of correct data/information

Petitions/applications filed by the Department before the Commission are under oath and on affidavit. However, it is observed that there are numerous errors in the various data/figures being submitted by the Department in its petition, which amounts to demeaning the Hon'ble Commission and liable to fine/action as per the Electricity Act, 2003. The Department is directed to make sure that all data/information are properly checked/verified prior to submission to the Commission.

3. Timely compilation of Petition/Application and filing.

It is noted that the Department waits till the last minute for filing of petition and tends to file the petition without proper scrutiny and verification. This results in numerous mistakes in the ARR/Tariff petition and poor standard of the petition. The Department is advised to start the process for drafting, collection of data and other information well in advance and file the petition well in advance and avoid filing of the petition on the last day/hour.

4. Automatic/Timely Refund of Money

Prepaid metered consumers have reported instances of failed online prepaid recharges but money being deducted from their bank accounts and non-refund of the money deducted towards failed recharge. Thus, the consumers are facing the double problem of not getting their money back and failure in prepaid recharge. The Department is directed to develop an automatic system for timely refund of money to the consumers as well as a robust mechanism that ensure 100% successful online recharges.

5. Simplification of Electricity Bills/Issuance in the language of choice

Ministry of Power, Govt. of India has informed that during the 3rd National Conference of Chief Secretaries held from 27th to 29th December 2023, it was agreed that electricity bills would be simplified with easy- to- understand terms and also that consumers would be given the option to choose language of their electricity bill, either English, Hindi or the State/Regional language. These recommendations are targeted to be implemented by March 2024. This matter was further discussed during the interaction of the Hon'ble Minister of Power, New & Renewable Energy, Govt. of India with the Forum of Regulators on 08.02.2024.

The Department is directed to comply with the directives issued by the Ministry of Power, Government of India.

6. Adhering to timelines for New Connection

The Electricity (Rights of Consumers) Amendment Rules, 2024 has been notified by the Ministry of Power, Government of India on 22nd February 2024. By the said amendment, certain changes have been made to rule 4, sub-rule (11) with regards to the timelines specified for providing new connection or modify existing connection. The amendment made to rule 4 sub-rule (11) is reproduced below:

“ 3. In the principal rules, in rule -14, -

(i) for sub rule (11), the following shall be substituted, namely: -

(11) The Commission shall specify the maximum time period, after submission of application complete in all respects, not exceeding three days in metropolitan areas, seven days in other municipal areas and fifteen days in rural areas, within which the distribution licensee shall provide new connection or modify an existing connection:

Provided that for rural areas of States and Union Territories having hilly terrain, maximum time period for new connection or modification of an existing connection, after submission of application, complete in all respects, shall not exceed thirty days:

Provided further that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply electricity to such premises immediately after such extension or commissioning within a period not exceeding ninety days.”

In line with the above amendments, the Commission is in the process of amending the existing regulations in the meanwhile, the Department is directed to strictly adhere to the amended timelines specified in the Electricity (Rights of Consumers) Amendment. In the meanwhile, the Department is directed to strictly adhere to Amended timelines specifies in the Electricity (Rights of Consumers) Amendment Rules, 2024.

9. TARIFF PRINCIPLES AND DESIGN

9.1 Background

- (a) The Commission in determining the revenue requirement of PDS for the ARR and retail tariff for the FY 2024-25 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 for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, 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, 2015. However, the Commission permitted the PDS to file petition under single year tariff regime till FY 2017-18 considering the fact that the PDS was functioning as a State Government Department and the fact that the Generation, Distribution and Transmission business had not been segregated. An attempt was made by the PDS to file petition under multiyear tariff regime during the FY 2015-16 but the petition was not admitted by the Commission as the PDS was not in a position to furnish the vital details/data/documents etc. required for processing of the petition under MYT regime. Therefore, the Commission deemed it fit to continue

with single year tariff regime till such a time that the PDS is in a position to furnish the basic/bare necessary data/figures/details required by the Commission. However, MYT Regime has been introduced starting from F.Y. 2018-19, with a 3-year control period and so far, 2 Control Periods of 3 years each have been completed. The F.Y. 2024-25 to F.Y. 2026-27 is the 3rd 3-year Control Period notified by the Commission.

- (c) The mandate of the NTP is that tariff should be within plus/ minus 20% of the average cost of supply. 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.
- (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 SSERC would notify the roadmap, within six Months with a target that latest by the end of the FY 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.
- (e) Regulation 72 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020 specifies that,

“The amount received by the Distribution Licensee by way of cross subsidy surcharge as approved by the Commission in accordance with the Sikkim State Electricity Commission (Terms and Condition of Intra-State Open Access) regulations, 2012 as applicable and as amended from time to time, shall be deducted from the Aggregate Revenue Requirement in calculating the tariff supply of electricity by such Distribution Licensee at the time of truing up.”

- (f) The Commission has considered special treatment to rural 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 PDS and Approved by the Commission

(a) Existing & Proposed Tariff

PDS in its tariff petition for the FY 2024-25 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 PDS has proposed tariff revision as indicated in table below:

Table 9.1: Existing Tariffs v/s proposed Tariffs for FY 2024-25

Sl. No.	Particulars	Existing Rate Paisa /kWh	Proposed Rate Paisa /kWh
1	Domestic		
a)	Up to 50 Units	110	Slabs proposed to be deleted/merged
b)	51 to 100 Units	210	
c)	Up to 100 units		210
d)	100 to 200 Units	310	310
e)	200 to 400 Units	360	360
f)	401 & above	410	410

2	Commercial		
a)	Up to 50 Units	310	Slabs proposed to be deleted/merged
b)	51 to 100 Units	410	
c)	Up to 100 units		410
d)	100 to 200 Units	510	510
e)	200 to 400 Units	610	610
f)	401 & above	640	640
3	Public Lighting		
	Rural Areas	400	400
	Urban Areas	500	500
4	Industrial		
A	HT		
a)	HT (AC) above 3.3 KV		
b)	Upto 100 KVA	540	540
c)	100-250 KVA	590	590
d)	250-500 KVA	640	640
e)	500KVA and Above	690	690
B	LT (Rural)		
a)	Up to 500 Units	360	360
b)	501-1000 Units	440	440
c)	1001 & Above	580	580
C	LT(Urban)		
a)	Up to 500 Units	530	530
b)	501-1000 Units	620	620
c)	1001 & Above	715	715
5	BULK SUPPLY		
a)	LT	550	550
b)	HT	550	550

(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 case no.: P-01/MYT/PDS/2023 of PDS for approval of Aggregate Revenue Requirement (ARR) and determination of retail tariff for sale of energy and having approved aggregate revenue requirement under Para 7.24, the Commission has revised the tariff for different categories of consumers as detailed in the table below:

Table 9.2: Tariff approved by the Commission for FY 2024-25

SI No	Category of Consumers	Energy Charges	Fixed Charges	
		Rate approved by SSERC Paisa/Unit	Monthly Minimum Charge (₹ per Month)	Demand Charge (₹/KVA/Month)
1	2	3	4	5
1	Domestic			
a)	Up to 50 units	110	1 Phase: ₹ 50 3 Phase: ₹ 200	Nil
b)	51 to 100 units	210		
c)	101 to 200 units	310		
d)	201 to 400 units	360		
e)	401 and above	410		
2	Commercial			
a)	Up to 50 units	310	Applicable to Sanctioned Load of below 25 KVA	Applicable to Sanctioned Load of 25 KVA & Above
b)	51 to 100 units	410	1 Phase: ₹ 200 3 Phase: ₹ 500	Rural: ₹ 60
c)	101 to 200 units	510		
d)	201 to 400 units	610		
e)	401 and above	640		Urban: ₹ 100

3	Public Lighting			
a)	Rural Areas	400	Nil	Nil
b)	Urban Areas	500		
4	Industrial			
A	HT			
a)	HT (AC) above 3.3 KV			
b)	Upto 100 KVA	540	Nil	₹200/KVA/Month
c)	100 to 250 KVA	590		₹250/KVA/Month
d)	250 to 500 KVA	640		₹290/KVA/Month
e)	500 KVA and above	690		₹560/KVA/Month
B	LT (Rural)			
a)	Up to 500 units	360	Contract Load 45 KW & Below ₹ 500/Month Contract Load above 45 KW ₹ 120/KVA/Month	Sanctioned load above 25 KVA with shared transformer ₹ 60/KVA/Month
b)	501 to 1000 units	440		
c)	1001 and above	580		
C	LT (Urban)			
a)	Up to 500 units	530	Contract Load 45 KW & Below ₹ 500/Month Contract Load above 45 KW ₹200/KVA/Month of sanctioned load	Sanctioned load above 25 KVA with shared transformer ₹ 100/KVA/Month
b)	501 to 1000 units	620		
c)	1001 and above	715		
5	Bulk Supply			
a)	LT	550	Contract Load 45 KW & Below LT: ₹ 500/Month HT: ₹ 500/Month	Contract Load above 45 KW LT: ₹150/KVA/Month of sanctioned load HT: ₹ 150/KVA/Month of sanctioned load
b)	HT	550		

Details are given in tariff schedule in the Appendix.

This order shall come into force from 01.04.2024 and shall remain effective till revised/ amended by the Commission. The Order shall be uploaded in the official website of Commission and copies to be forwarded to the Power Department, Central Electricity Authority and Central Electricity Regulatory Commission.

The Commission directs the Power Department, Government of Sikkim, to publish the tariff approved by the Commission in two local newspapers having wide circulation in the State for information of the public and also to upload it in the official website of the Department.

Accordingly, Case No. P-01/MYT/PDS/2023 stands disposed of.

**Place: Gangtok
Date: 13th March 2024**

**Sd/-
(K.B.Kunwar)
Chairperson**

WHEELING 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

SI No.	Particulars	Wire Business	Retail Supply Business
1	Cost of Fuel	0	100
2	Cost of Power Purchase	0	100
3	Employees Costs	60	40
4	Repair & Maintenance Expense	90	10
5	Administration & General Expense	50	50
6	Depreciation	90	10
7	Interest Charge	90	10
8	Interest on Working Capital	10	90
9	Return on NFA/Equity	90	10
10	Non-Tariff Income	10	90

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 2024-25

SI No.	Particulars	Approved Cost	Wire Business	Retail Supply Business
1	Cost of Fuel	0	-	0.00
2	Cost of Generation	0	-	0.00
3	Cost of Power Purchase	162.59	-	162.59
4	Intra State Transmission Charge	37.73	37.73	-
5	Employees Costs	216.63	129.98	86.65
6	Repair & Maintenance Expense	8.85	7.97	0.89
7	Administration & General Expense	3.15	1.58	1.58
8	Depreciation	16.22	14.60	1.62
9	Interest Charge	2.94	2.65	0.29
10	Interest on Working Capital	6.68	0.67	6.01
11	Return on NFA/Equity	0.00	0.00	0.00
12	Less: Non-Tariff Income	0.58	0.06	0.52
13	Total	454.21	195.10	259.11

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 2024-25 and shown in the table below:

Table 10.3: Wheeling Tariff approved by the Commission

Sl No.	Particulars	FY 2024-25
1	ARR for Wheeling Function approved by Commission (In Rs Crore)	195.10
2	Total Sale - Approved (In Mus)	670.66
3	Wheeling Tariff (Rs/ kWh)	2.91

The wheeling tariff arrived at ₹ 2.91 /kWh is based on the combined ARR of Generation, Transmission and Distribution/Retail Sale Businesses. Further, the PDS has not segregated the accounts for the three businesses. The wheeling charges thus arrived at by the Commission is on higher side as compared to that of other States. Further PDS is State Government Department and operates with budgetary support/grants provided by the State Government/Central Government.

Keeping in view the difficulties that can be posed to open access consumers/stake holders due to high wheeling tariff, the Commission deems it fit to fix the wheeling tariff @ 25% of ₹ 2.91/kWh. Accordingly, the Commission approves wheeling Tariff at ₹ 0.72 /kWh for the F.Y. 2024-25.

10.2 Open Access Transmission Charges

PDS did not submit the data or worked out transmission charges. However, based on transmission charges approved by the Commission for F.Y 2024-25 & peak load handling capacity of the PDS, the Commission has arrived at Open Access Transmission Charge for the FY 2024-25 shown in the Table below:

Table 10.4: Open Access Transmission Charges for F.Y 2024-25

Sl. No.	Particulars	FY 2024-25
1	Open Charges (₹ Crores)	37.73
2	MW Capacity (MW)	196.00
3	Open Access Charges (₹/MW/Month)	1,60,417.00
4	Open Access Charges (₹ /MW/Day)	5,274.00

Accordingly, the Commission approves Open Access Transmission Charges @ ₹1,60,417/MW/Month and ₹ 5274/MW/Day for F.Y 2024-25. The charges shall be applicable only to Open Access User who intend to use the intra-state transmission system of the PDS.

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 The Ministry of Power, Government of India has notified the Electricity (Amendment) Rules, 2022 and Rule 14 of the said Amendment Rules provides for specifying a price adjustment formula by the Appropriate Commission for recovery of the costs, arising on account of the variation in the price of fuel, or power purchase costs and that the impact in the cost due to such variation shall be automatically passed through in the consumer tariff, on a monthly basis, using the formula and such monthly automatic adjustment shall be trued up on annual basis by the Appropriate Commission:

Provided that till such a methodology and formula is specified by the Appropriate Commission, the methodology and formula specified in the **Schedule – II** of the Rules shall be applicable:

Accordingly, the Commission specifies the formula given by the Ministry of Power, Government of India in Schedule-II to the Electricity (Amendment) Rules, 2022 as the formula for computation of Fuel and Power Purchase Adjustment Surcharge as under:

Fuel and Power Purchase Adjustment Methodology

1. Computation of fuel and power purchase adjustment surcharge:

(1) For these rules “Fuel and Power Purchase Adjustment Surcharge” (FPPAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the State Commission

(2) Fuel and power purchase adjustment surcharge shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the respective the State Commission, subject to true up, on an annual basis, as decided by the State Commission: Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these rules.

(3) Fuel and Power Purchase Adjustment Surcharge shall be computed and charged by the distribution licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year: Provided that in case the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge within this time line, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recover the fuel and power purchase adjustment surcharge determined during true-up shall also be forfeited.

(4) The distribution licensee may decide, fuel and power purchase adjustment surcharge or a part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of fuel and power purchase adjustment surcharge shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total fuel and power purchase adjustment surcharge for a Billing Month, including any carry forward of fuel and power purchase adjustment surcharge over the previous month exceeds twenty per cent of variable component of approved tariff.

(5) The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through fuel and power purchase adjustment surcharge shall first be accounted towards the oldest carry forward portion of the fuel and power purchase adjustment surcharge followed by the subsequent month.

(6) In case of carry forward of fuel and power purchase adjustment surcharge, the carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate plus one hundred and fifty basis points shall be allowed till the same is recovered through tariff and this carrying cost shall be true up in the year under consideration.

(7) Depending upon quantum of fuel and power purchase adjustment surcharge, the automatic pass through shall be adjusted in such a manner that, (i) If fuel and power purchase adjustment surcharge $\leq 5\%$, 100% cost recoverable of computed fuel and power purchase adjustment surcharge by distribution licensee shall be levied automatically using the formula. (ii) If fuel and power purchase adjustment surcharge $> 5\%$, 5% fuel and power purchase adjustment surcharge shall be recoverable automatically as per 6(i) above. 90% of the balance fuel and power purchase adjustment surcharge shall be recoverable automatically using the formula and the differential claim shall be recoverable after approval by the State Commission during true up.

(8) The revenue recovered on account of pass-through fuel and power purchase adjustment surcharge by the distribution licensee, shall be true up later for the year under consideration and the true up for any financial Year shall be completed by 30th June of the next financial year.

(9) In case of excess revenue recovered for the year against the fuel and power purchase adjustment surcharge, the same shall be recovered from the licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the State Commission and the under recovery of fuel and power purchase adjustment surcharge shall be allowed during true up, to be billed along with the automatic Fuel and Power Purchase Adjustment Surcharge amount.

Explanation: -For example, in the month of July, the automatic pass-through component for the power supplied in May and additional Fuel and Power Purchase Adjustment Surcharge, if any, recoverable after true up for the month of April in the previous financial year, shall be billed.

(10) The distribution licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and the fuel and power purchase adjustment surcharge recovered, and the detailed computations and supporting documents, as required by the State Commission, during true up of the normal tariff.

(11) To ensure smooth implementation of the fuel and power purchase adjustment surcharge mechanism and its recovery, the distribution licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open-source software as available.

(12) The licensee shall publish all details including the fuel and power purchase adjustment surcharge formula, calculation of monthly fuel and power purchase adjustment surcharge and recovery of fuel and power purchase adjustment surcharge (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.

Formula:

$$\text{Monthly FPPAS for } n^{\text{th}} \text{ Month (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \text{Distribution losses in \%}/100)\} * \text{ABR}}$$

Where,

N^{th} month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in $(n-2)^{\text{th}}$ month

A is Total units procured in $(n-2)^{\text{th}}$ Month (in kWh) from all Sources including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to distribution licensees)

B is bulk sale of power from all Sources in $(n-2)^{\text{th}}$ Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost= Actual average Power Purchase Cost (PPC) from all Sources in $(n-2)$ month (Rs. / kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs. / kWh)- (from tariff order)

D = Actual inter-state and intra-state Transmission Charges in the $(n-2)^{\text{th}}$ Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for $(n-2)^{\text{th}}$ Month. = (Approved Transmission Charges/12) (in Rs)

Z = [$\{ \text{Actual Power purchased from all the sources outside the State in } (n-2)^{\text{th}}$ Month. (in kWh) * $(1 - \text{Interstate transmission losses in \%} /100) + \text{Power purchased from all the sources within the State(in kWh)} \} * (1 - \text{Intra state losses in \%}) - B$]/100 in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

Inter-state transmission Losses (in %) = As per Tariff Order

Note:

1. The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

2. Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted though the true-up approved by the State Commission.

11.3 Recovery of Costs due to Change in Law

Rule 3 of the Electricity (Timely Recovery of Cost Due to Change in Law) Rules, 2021 notified by the Ministry of Power, Government of India provides for adjustment in tariff due to change in law. The rules states that **“on the occurrence of change in law, the monthly tariff or charges shall be adjusted and recovered in accordance with these Rules to compensate the affected party so as to restore to affected party to the same economic position as if change in law have not occurred”**.

Accordingly, recovery of cost due to change in Law shall be done as per the provisions of Rule 3 sub rules (1) to (9) of the Electricity (Timely Recovery of Cost Due to Change in Law) Rules, 2021, as amended from time to time.

Further, the formula for determination of impact on tariff or charges due to change in law as provided in **The Schedule to the said Rules** shall be applicable to all generating companies or transmission licensees.

APPENDIX**TARIFF SCHEDULE FOR THE FY 2024-25****I. DOMESTIC SUPPLY (DS):****Type of Consumer:**

Power supply to private house, residential flats and Government schools, residential buildings for light, Heating/electric 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)

(a) Rate:

Units Consumption	Paisa per kWh (Unit)
Up to 50	110
51 to 100	210
101 to 200	310
201 to 400	360
Consumption exceeding 400units	410

(c) Monthly Minimum Charge:

Details	Rate (In ₹)
Single Phase Supply	50.00
Three Phase Supply	200.00

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

(Due date shall be 10 days which shall be reckoned from the date of issue of the bill)

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

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

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

(b) Rate:

Consumption range	Paisa per Kwh (Unit)	
Upto 50	310	
51 to 100	410	
101 to 200	510	
201 to 400	610	
Consumption exceeding 400 units	640	
Demand Charges- For those establishments whose sanctioned load is more than 25 KVA and does not have independent transformer but run their unit through shared transformers.	Rural	Urban
	₹ 60/KVA/Month plus energy charges shown above	₹100/KVA/Month plus energy charges shown above

Consumer having connected load of 50 KVA and above shall install their own independent transformer.

(c) Monthly Minimum Charge:

- (i) Consumer having contract demand of load 25 kV & below shall be charge in the following rate.

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

(ii) Consumer having sanctioned load of 25 KVA and above, demand charge is Monthly Minimum Charge.

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

(Due date shall be 10 days which shall be reckoned from the date of issue of the bill)

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

III. LOW TENTION INDUSTRIAL SUPPLY (LTIS):

Type of Consumer:

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

(a) Nature of service:

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

(b) Rate:

Units Consumption	Paisa per Unit (KVAh)	
	Rural	Urban
Area		
Up to 500	360	530
501 to 1000	440	620
1001 & Above	580	715
Demand Charge – for those establishments whose sanction load is more than 25 KVA & does not have independent transformer but run their unit through shared transformers.	₹ 60/kVA/Month plus energy charges as shown above	₹100/kVA/Month plus energy charge as shown above

(c) Monthly Minimum Charge:

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

Rural Areas	₹ 500/Month
Urban Areas	₹ 500/Month

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

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

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

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

IV. HIGH TENSION INDUSTRIAL SUPPLY (HTS):

Type of Consumer:

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

(a) Nature of supply:

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

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

Energy meters are compulsorily to be installed on HT side of all transformers having capacity equal to or above 200 KVA. The meters are also allowed to install on LT

side of those consumers having transformer capacity less than 200 KVA, but in such case the assessed energy consumption shall be grossed up by 4% to account for as transformation loss.

(b) Rate:

Units Consumption	Charges
Up to 100 kVA Demand Charge Plus Energy Charge	₹ 200/kVA/Month + 540 Paisa/KVAh
Above 100 to 250 kVA Demand Charge Plus Energy Charge	₹250/kVA/Month + 590 Paisa/KVAh
Above 250 to 500 kVA Demand Charge Plus Energy Charge	₹290/kVA/Month + 640 Paisa/KVAh
Above 500 kVA Demand Charge Plus Energy Charge	₹560/kVA/Month + 690 Paisa/KVAh

(c) Monthly Minimum Charges: Demand Charges

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

(Due date shall be 20 days which shall be reckoned from the date of issue of the bill)

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

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), Electric Vehicle Charging Station, all Government Non-residential buildings Hospitals, Aerodromes and other similar establishments as identified as such supply by the Concerned Executive Engineer.

(a) Nature of service:

Low Tension AC 430/230 volts or High tension 11 kV & above

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

(b) Rate:

All Units Consumption	Paisa/Unit
LT (430/230Volts)	550
HT (11kV or 66kV)	550

(c) Monthly Minimum Charge:

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

LT (430/230Volts)	₹ 500/month
HT (11kV or 66kV)	₹ 500/month

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

LT (430/230 Volts)	₹ 150 /kVA/month of Sanctioned Load
HT (11kV or 66kV)	₹ 150 /kVA/month of Sanctioned Load

(d) Monthly Rebate (if paid within due date): 3% on Energy Charges

(Due date shall be 20 days which shall be reckoned from the date of issue of the bill)

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

(f) Consumer having contract demand of load above 45 KW and above shall have the option of installing Maximum Demand Indicator (MDI) meter at their premises if the consumer so desires.

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: Domestic supply Rate is applicable

(i) Up to 100 units: To be billed to Secretary, Ecclesiastical 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.

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 Development Department. The necessary meter/metering equipments shall be provided by the Power Department and for which the standard (Tariff Schedule) charges is also applicable in accordance with rules and regulations of the Department.

Rate:

Category	Rate
Rural Areas	400 Paisa/KWH
Urban Areas	500 Paisa/KWH

X. TEMPORARY SUPPLY:

Type of consumer:

The assessment of energy consumption shall be on the basis of recorded meter reading and not on average basis, 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 average system calculation shown in tariff schedule.

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

In notified Municipal towns viz Gangtok, Ranipool, Singtam, Rangpo, Jorethang, Naya Bazar, Namchi and Gyalshing, where prepaid meters are being installed, the temporary connection shall only be provided through prepaid energy meter for consumers having connected load below 45 KW.

Nature of Service:

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

(b) Rate:

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

XI. ADDITIONAL REBATE FOR CONSUMERS HAVING PREPAID METERS

- (i) 1% additional rebate on energy charges will be allowed to consumers having prepaid meters.
- (ii) No meter rent shall be charged to the consumer having Prepaid meter.
- (iii) Vending Charge of ₹ 17/meter/month, which is inclusive of all taxes shall be Applicable.
- (iv) The above shall be in consonance to the Gazette Notification No. 28 dated 04/02/2020 along with any amendments therein with respect to the prepaid consumer.

XII. 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 Bank Receipt at the following rates:

Commercial/Domestic Supply	LTUS/Bulk Supply	HTS
₹ 50.00	₹ 100.00	₹ 200.00

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 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.

XIII. METER RENT / Month

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

XIV. TESTING OF METERS

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

XV. 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

XVII. RESEALING OF METERS

If by any reason the seal affixed in the meter or cut-outs 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.

XVIII. SECURITY DEPOSIT

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

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

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

All High-Tension Industrial consumers shall deposit security amount equivalent to two months anticipated bill inclusive of demand charge and energy charge. The Security Deposit shall be in the form of Fixed Deposit from State Bank of Sikkim/Scheduled Banks in the name of Secretary, Power Department. In case of default in payment, the same shall be adjusted against electricity dues. In such case, the consumer again has to re-deposit the security amount.

XIX. OTHER CONDITIONS FOR SUPPLY OF ELECTRICAL ENERGY

(a) Meter found out of order

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

If the average consumption for the three months cannot be taken due to the meter ceasing to record the consumption or any other reason, then the correct consumption will be determined based on the average consumption for succeeding 'three months (after installation of meter) where any differences or dispute arise as to the correctness of meter reading or bill amount etc. then the matter shall be decided by the concerned Chief Engineer of the department upon the written intimation either from the concerned Executive Engineer or from concerned consumer. 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 submit an application for new service connection or should apply for additional power supply well in advance for domestic and commercial purpose. In the case of High Tension Industrial/Low Tension Industrial/Bulk Supply consumers, longer period notices which may extend to six months or more may be required to enable the Department to make necessary arrangement for such supply, which will subject to its availability in the system. The Assistant Engineer of the area will issue seven clear days' notice to the applicant for inspecting his/her premises to verify the feasibility of providing power supply.

(e) Sketch of the premises

(i) A neat sketch of the premises should 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.

XX. 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 overhead lines from the Department's T&D system for servicing the consumers but also cables or overhead lines connecting the department's other consumers and shall permit the department to provide all requisite switch gear thereto on the above premises and furnish supply to such other consumers through cables/ overhead lines and terminals situated on the consumer's premises.

XXI. ACCESS TO PREMISES AND APPARATUS

- (a) If any consumer obstructs or prevents departments authorized officers/employees in any manner, from inspecting his/her premises at any time to which the supply is afforded or where the electrical installations or 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 will then restore the power supply to his/her premises.
- (b) If such inspection reveals any commission of malpractice as specified in the "Malpractice clauses" mentioned below, this may be dealt as per the relevant clauses which are indicated in the sub-head of malpractice.
- (c) The department shall not be responsible for any loss or damage or inconvenience caused to the consumer on account of such disconnection of supply.

XXII. INTERFERENCE WITH SUPPLY MAINS AND APPARATUS

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

XXIII. MALPRACTICE

- (i) Contravention of any provision of the terms conditions of supply the Indian Electricity Act 2003, The Indian Electricity Rules, 1956 or any other law/rule governing the supply and use of electricity regulating order shall be treated as malpractice and the consumer indulging in any such malpractice shall be liable at law/rule/order, subject to generality as above.
- (ii) Cases mentioned hereunder, shall be generally treated as 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.

XXIV. PAYMENT OF COMPENSATION FOR MALPRACTICES

Where a consumer is found to be indulging in malpractice with regard to the use of electricity and use of device to commit theft of energy etc. the Assessing Authority of the department will decide about the payment of compensation amount to be imposed against such consumer as per the relevant rules and regulations.

XXV. INSTITUTION OF PROSECUTION

Any officer/employee authorized to inspect and deal with cases of malpractice and theft of energy may launch prosecution as an aggrieved person as mentioned in section 135 & 150 of the Indian Electricity Act 2003.

XXVI. READING OF METER AND PREPARATION OF BILL

- (a) The meter reading will be taken once in a month. The reading of meter will be recorded by meter reader in a card provided near the meter 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.

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

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

XXVIII. FAILURE OF POWER SUPPLY

The Department shall not be responsible for loss, damage or compensation what so ever out of failure of supply. However, the Department shall abide by the Standard of Performance Regulations notified by the Commission and as amended from time to time.

XXIX. RESTRICTION OF POWER SUPPLY

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

XXX. CONSUMER NUMBER

Consumer number is given to all the consumers. The same is written in the Meter reading card and the electricity bill. Consumer must know his/her consumer number and should quote the consumer number while corresponding with the department for prompt attention by the department.

XXXI. FUSE CALL

In case the department's main fuse or fuses fail, the consumer or his representative may give the intimation in the adjacent control room either in person or through phone. Employees bearing the identity 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.

XXXII. THEFT OF POWER

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

XXXIII. SUPPLY WITHOUT METER

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

1. Government office building: Sanctioned load (kW) x 6 hrs x 30 days x 60 /100
2. Other Consumers: Sanctioned load (kW) x 8 hrs x 30 days x 60 /100

XXXIV. SUBSIDY

The subsidy will be provided based on the subsequent Notification issued by the Government of Sikkim and as amended from time to time.