



# ANNUAL REPORT

For F.Y. 2012-13

&

For F.Y 2013-14

(Combined)



## SIKKIM STATE ELECTRICITY REGULATORY COMMISSION

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### **From the Desk of the Chairperson.**

The Electricity Act, 2003 was enacted with the aim of reforming the power sector in the Country by ushering in an era of openness, transparency and accountability. Even though the Sikkim State Electricity Regulatory Commission (SSERC) came into existence slightly late and could start functioning only from April 2011, the SSERC has been making relentless efforts to ensure that the aims and objectives as envisaged in the Electricity Act, 2003 are attained within the shortest possible time. The Act has given the mandate to both the Regulators and the stake holders to accelerate the process of fulfilling the reforms as laid out in the Act. The role of the Regulator in the whole process of electricity generation, transmission, distribution and trading is not only to ensure supply of reliable and reasonably priced power to the consumers but also to ensure that there is healthy competition among the various utilities/service providers for overall development of the electricity sector.

Sikkim is small State with a population of 6,10,557 as per 2011 census. There are hardly any heavy industries in the State and major consumption of power is for domestic use. As such, Sikkim is placed very comfortably so far as energy requirement is concerned. The State Government is focussing on development of vast hydropower resource of the State and some of the hydropower projects are already in their advanced stage of completion. The 99 MW Chuzachen Hydropower Project was commissioned in May 2013 and the 96 MW Jorethang Loop Hydropower Project is expected to be commissioned this financial year. Once all the projects are commissioned, Sikkim will have surplus power which will be supplied to other power deficient regions of the country. Thus, Sikkim is already at the threshold of being a big player in the energy sector and it is the right time for all the stake holders like the developers, transmission utilities, distributors, traders, consumers and power exchanges to liaise and cooperate with each other and contribute towards power sector reforms as mandated by the Electricity Act, 2003.

The Commission has made onerous efforts and intensified its activities as mandated by the Act during the year 2012-13 and 2013-14 to encourage more and more participation by the stake holders in the Regulatory process. I am happy to note that the Commission has left no stones unturned in its efforts towards achieving the aims and objectives of the Electricity Act, 2003. However, there are still many areas where additional efforts are required to be put in by the State Government, the Commission and the Utilities. Reducing the Transmission & Distribution losses in the State is one such area where maximum efforts are required. The other area of concern is the need of having in place, a sound and reliable transmission and power evacuation network for the State considering the numerous power projects coming up in the State. Although, steps have been taken, there is a lot of ground to be covered in the area of Energy Auditing, metering of all consumers and un-bundling of the power sector in the State.

Let me reiterate that the Commission will put in its best efforts in the coming years to take ahead the reforms agenda as prescribed by the Electricity Act, 2003. I take this opportunity to express my gratitude to all the Stake holders, the State Government, the Energy & Power Department, the members, staffs and officers of the Commission for their active participation and cooperation in taking forward the Regulatory process.

Sd-

**Gangtok, September 2014**

**(T.T.Dorji), IAS (Retd.)**

**CHAIRPERSON**

**TABLE OF CONTENTS**

<b>Chapter</b>	<b>Particulars</b>	<b>Page Nos.</b>
<b>I</b>	<b>INTRODCUTION</b>	
1.	Sikkim State Electricity Regulatory Commission	1
2.	Objectives and Mission	1-2
3.	Powers and Functions of the Commission	2-4
4.	Annual Report of the Commission	4
5.	An Overview of Power Generation, Transmission and Distribution in Sikkim.	5-7
<b>II</b>	<b>ACTIVITIES OF THE COMMISSION F.Y. 2012-13</b>	
1.	Notification of Regulations	8
2.	Notification For Constitution Of State Advisory Committee.	8-9
3.	Constitution of State Advisory Committee	9
4.	Determination of ARR and Tariff for the FY 2012-13.	9-10
5.	Order of the Commission for F.Y 2012-13	10
6.	Fresh Directives Issued by the Commission for F.Y.2012-13	11-15
7.	SSERC Obtains Membership of Various Forum of Regulators.	15
8.	Organizing the 29 <sup>th</sup> Meeting of Forum of Regulators	15
9.	Establishment of Commission Fund.	15-16
10.	Accounts of Commission for FY 2012-13	16
11.	Regulatory Disputes	17
12.	Grant of Licence	17
13.	Standards of Performance and Grievances Redressal	17
14.	Adjudication of Disputes and Differences	17
<b>Annexure –I</b>	<b>Tariff Schedule for F.Y. 2012-13.</b>	18-22
<b>III</b>	<b>ACTIVITIES OF THE COMMISSION DURING FY 2013-14</b>	
1.	Notification of Regulations	23
2.	Constitution of the State Advisory Committee and Notification of Its Members	23
3.	Determination of ARR and Tariff for the FY 2013-14 for the Energy and Power Department , Government of Sikkim and Sikkim Power Development Corporation Limited.	24
4.	Order of the Commission for F.Y 2013-14	24
5.	Tariff Schedule for FY 2013-14	25
6.	Fresh Directives Issued by the Commission for F.Y.2013-14	25-27
7.	Accounts of the Commission for FY 2013-14	27
8.	Regulatory Disputes.	27
9.	Grant of Licence	27
10.	Standards of Performance and Grievances Redressal	27
11.	Adjudication of Disputes and Differences.	27
<b>Annexure-II</b>	<b>Tariff Schedule for F.Y. 2013-14</b>	28-36
<b>IV</b>	<b>OVERVIEW OF ELECTRICITY STATISTICS</b>	
Table. 1.	Consumer Profile & Energy sales	37
Table. 2.	Compounded Growth rate of Energy Sales	37
Table. 3.	Transmission and Distribution Losses Trends	37

## CHAPTER – I

### Introduction.

#### 1. Sikkim State Electricity Regulatory Commission (SSERC)

The Sections 82 and 83 of the Electricity Act, 2003 made it mandatory for every State of the Union of India to constitute and notify a Commission for the State. Accordingly as per the provisions of the Act, the Sikkim State Electricity Regulatory Commission was constituted on 15<sup>th</sup> day of November, 2003 vide Extraordinary Gazette Notification No.28/P/GEN/97/524 Dated 15.11.2003.

Even though the Commission had been constituted in 2003, the Commission was not operative till April 2011. It was only on 11<sup>th</sup> April 2011 that the First Chairperson was appointed on the recommendation of the Selection Committee constituted as per Section 85 of the Act, vide Home Department Notification No.34/Home/2011, Dated 11.04.2011. Thereafter, the Secretary and other Officials were appointed and the Commission began its works.

The Commission is a one member Commission, who is the Chairperson. The Commission is presently in its 3<sup>rd</sup> year of operation since the appointment of the Chairperson in April 2011. Presently, Shri. T.T. Dorji, IAS( Retd.) is holding the post of the Chairperson.

#### 2. The Objectives and Mission

The Sikkim State Electricity Regulatory Commission (SSERC) has been constituted with the single minded objective of fulfilling the various aims and objectives as assigned by the Electricity Act, 2003. The following are the main objectives and mission of the SSERC:

- ☐ To promote and protect consumer in terms of quality, reliability and reasonable pricing of a sustainable supply of electricity.
- ☐ To promote development of eco- friendly Renewable Energy Sources in line with the State's image of a "Green State" and 100% Organic State.
- ☐ To promote competition, efficiency and economy in bulk power matters.
- ☐ To promote investments and advise the State Government of removal of institutional barriers to bridge the demand supply gap and thus foster the interests of the consumers.
- ☐ To cultivate informed, educated and participative power consumers.
- ☐ Consistent power development planning

- ☐ To set up responsive technical standards and security compliance.
- ☐ To create a stable environment for competition and with no barriers on entry with strict and vigilant surveillance.
- ☐ To guarantee the provision of efficient and quality services to the consumers.
- ☐ To work for the reforms in the power sector to ensure supply of not only reliable, reasonably and affordable power but also to ensure the overall progress and development of the State.

The Commission is guided in discharge of its functions by the various guidelines laid down by the Government of India in the National Electricity Policy 2005, National Electricity Plan 2004 and Tariff Policy 2006 . The Commission keeps the interests of the State and the protection of the consumers paramount and mantra of transparency , good governance and the vision of the State Government of a “Green and 100% Organic State”.

### **3. Powers and Functions of the Commission**

- I. The Commission has three-fold function viz (i) Quasi-Judicial;(ii) Quasi-Legislative and (iii) Executive functions.

**Section 86** of the Electricity Act, 2003 mandates the following functions and powers for the State Electricity Regulatory Commissions:

- (i). determine tariff for electricity for generation, supply, transmission and wheeling of electricity -wholesale, bulk, grid or retail, as the case may be , within the State, in the manner provided in Section 29 of the Electricity Act, 2003.
- (ii). Regulate electricity purchases and procurement process of distribution licenses including price of purchase of power from generating companies or licensees or from other sources through agreements for power purchases for distribution and supply within the State.
- (iv). To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objectives and purpose of the Act.
- (v). to regulate inter-State transmission of electricity and to determine the tariff for inter-State transmission and wheeling of electricity.

- (vi) to issue licenses to persons to function as transmission licensee, distribution licensee and electricity trader with respect to their inter-State Operations.
  - (vii). To promote co-generation and generation of electricity from renewable sources of energy by providing suitable means for grid connectivity and sale of electricity from such sources, a percentage of the total consumption of electricity in the area of distribution licensee;
  - (viii). Adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
  - (ix). Levy fee for the purpose of this Act;
  - (x). Specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of Section 79;
  - (xi). Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
  - (xii). Fix the trading margin in the intra-state trading of electricity, if considered necessary; and
  - (xiii). Discharge such other functions as may be assigned to it under this Act.
- II. **Section 86(2)** of the Electricity Act, 2003 , states that the State Commission shall advise the State Government on all or following matters, namely:-
- (i) promotion of competition , efficiency and economy in activities of the electric industry;
  - (ii) promotion of investment in electric industry;
  - (iii) re-organization and restructuring of electricity industry;
  - (iv) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- III. **Section 86(3)** of the Act states that the State Commission shall ensure transparency while exercising its power and discharging its functions.

- IV. **Section 86 (4)** provides that the State Commission shall be guided by the National Electricity Policy , 2005, National Electricity Plan and Tariff Policy , 2006 published under section 3 of the Electricity Act, 2003.

#### 4. ANNUAL REPORT OF THE COMMISSION

**Section 105** of the Electricity Act, 2003 states that,

- (i) the State Commission shall prepare once every year in such form and at such times as may be prescribed , as annual report giving summary of its activities during the previous year and copies of the report shall be forwarded to the State Government.
- (ii). A copy of the report received under sub-section (i) shall be laid, as soon as may be after it is received, before the State Legislature.

In compliance to the above said provisions of the Electricity Act, 2003, the Sikkim State Electricity Regulatory Commission (SSERC) has been preparing the Annual Report since 2011-12 for circulation to various authorities/agencies including the State Legislature.

The Commission has prepared the combined Annual Report for F.Y 2012-13 and 2013-14 giving an overall view of the various activities undertaken by the Commission during the F.Y 2012-13 and 2014-15. The Commission has tried to give a comprehensive picture of the overall scenario of the energy industry in this report.

During a short span on less than 4 years since it began functioning, the SSERC has been able to successfully frame Regulations as required under the Electricity act, 2003 for achieving the target as set out in the National Electricity Policy , 2005, National Electricity Plan and Tariff Policy , 2006. The Commission has been making all round efforts for improving the quality of supply of power and services to the consumers and at the same time maintaining a reasonable and affordable price. The Commission has been making efforts to ensure that there is not only competition, efficiency and economy in the activities of the electricity industry but also promote investment in the electricity industry.



## 5. AN OVERVIEW OF POWER GENERATION, TRANSMISSION AND DISTRIBUTION IN SIKKIM.

Sikkim is tiny landlocked State with an area of 7096 SqKm and population of around 6.08 Lakhs as per 2011 census. The Energy & Power Department is responsible for generation, transmission and distribution of electricity in the State. The Energy & Power Department (EPDS) is a deemed licensee under the provisions of the Electricity Act, 2003 in the State of Sikkim. The per capita energy consumption is about 373 Kwh for the year 2012-13. The EPDS serves about 92771 consumers as on 31<sup>st</sup> March 2013 with an annual consumption of about 227 MU.

The Energy & Power Department owns and operates the transmission & distribution network as given under as on 31<sup>st</sup> March, 2013:

**Table 1: Transmission and Distribution Network as on 31st March, 2013**

Sl. No	Details	UOM	Nos.	Ckt km	Capacity (MVA)
<b>I</b>	<b>Substations</b>				
1	132/66 KV	Nos.	1		
2	66/11 KV	Nos.	11		
	<b>Total SS</b>		<b>12</b>		
<b>II</b>	<b>EHT Lines</b>				
3	132 KV	Ckt.KM		48.20	
	<b>Total 132 KV lines</b>			<b>48.20</b>	
<b>III</b>	<b>HT Lines</b>				
4	66 KV D.C	Ckt.KM	45.26	45.26	
5	66 KV S.C	Ckt.KM	234.13	234.13	
6	11 KV / 3 phase	KM	3037	303.7.00	
7	11 KV / 2 phase	KM	337	337	
	<b>Total HT Lines</b>			<b>3656.39</b>	
<b>IV</b>	<b>LT Lines</b>				
8	LT / 3 phase	KM		2969	
9	LT / Single phase	KM		1979	
	<b>Total LT lines</b>			<b>4948</b>	
<b>V</b>	<b>Power Transformers</b>				
10	50 MVA	Nos.	2		100
11	15 MVA	Nos.			
12	10 MVA	Nos.	3		30
13	7.5 MVA	Nos.	2		15
14	5 MVA	Nos.	9		45
15	2.5 MVA	Nos.	8		20
	<b>Total P. Trs.</b>		<b>24</b>		<b>210 MVA</b>
<b>VI</b>	<b>Distribution Transformers</b>				
16	500 KVA	Nos.	97	48.50	
17	300 KVA	Nos.	119	35.70	

18	200 KVA	Nos.	96	19.20	
19	150 KVA	Nos.	42	6.30	
20	100 KVA	Nos.	176	17.60	
21	63 KVA	Nos.	425	26.78	
22	25 KVA	Nos.	726	18.15	
23	10 KVA	Nos.	389	3.89	
	<b>Total DTRs</b>		<b>2070</b>	<b>176.12</b>	

The Energy & Power Department (EPDS) also has generating stations in the State. The total installed capacity of the Department is 40.692 MW of which 35.70 MW is hydro and about 4.992 MW is Diesel generation as detailed in Table below:

**Table 2: EPDS own installed capacity**

Sl.No	Name of the Projects	Installed Capacity (MW)	Remarks
<b>Hydropower:</b>			
1	Lower Lhagap Hydel Power (LLHP)	2 x 6.00	
2	Jali Power House (JPH)	6 x 0.35	
3	Rimbi-I	3 x 0.20	
4	Rimbi-II	2 x 0.50	
5	Rothak	2 x 0.10	Power house Abandoned
6	Rongnichu	5 x 0.50	
7	Chaten	2 x 0.05	Power house Abandoned
8	Meyongchu	2 x 2.00	
9	Upper Rongnichu Hydel Project (URHP)	4 x 2.00	No Generation due to failure of water conductor system
10	Kalez	2 x 1.00	
11	Lachung	2 x 0.10	
12	Rabomchu	2 x 1.50	
<b>Diesel</b>			
13	Diesel Power House Gangtok	4 x 1.00	
14	DPH LLHP, Ranipool	4 x 0.248	
	<b>Total</b>	<b>40.692</b>	

Apart from the above, the power supply requirement of the Energy & Power Department is met from the Sikkim Power Development Corporation Limited (SPDCL) and its share from Central Generating Station. SPDCL owns and operates three hydropower generating stations with an installed capacity of 10 MW. National Hydro Electric Power Corporation Limited (NHPC) owns and operates two hydropower generating stations with an installed capacity of 570MW. In the private sector, M/s Gati Infrastructure Private Limited has very

recently commissioned (18<sup>th</sup> May 2013) the Chujachen Hydro Electric Power Project with an installed capacity of 99 MW. A number of hydropower projects are under implementation in the private sector and some of which are already at advance stage of completion. Once all the hydropower projects are commissioned, Sikkim will become one of the hubs of hydropower in the County.

Thus the total installed capacity in the State stands at 719.692 MW including 4.992 MW as on 31<sup>st</sup> March 2013. The details are as given in Table below:

**Table 3. Total installed Capacity**

Sl.No	Name of Owner	Installed Capacity ((MW)	Remarks
1.	Energy & Power Department	40.692	Including 4.992 MW Diesel.
2.	Sikkim Power Development Corporation Limited	10	Hydro
3.	National Hydroelectric Power Corporation Ltd.	570	Hydro
4.	Gati Infrastructure Limited	99	Hydro
<b>Total Installed Capacity</b>		<b>719.692</b>	....

## CHAPTER- II

## ACTIVITIES OF THE COMMISSION DURING F.Y. 2012-13

**1. NOTIFICATION OF REGULATIONS.**

In exercise of the powers conferred under Sub-Section (2) Of Section 181 of the Electricity Act, 2003, the SSERC has framed and notified the following Regulations in the State Government Gazette during the FY 2012-13 :

Sl.No	Name of the Regulation.	Gazette Notification Number	Date of Notification.
1	Sikkim State Electricity Regulatory Commission (Conduct of Business) Regulations, 2012	111	15 <sup>th</sup> March 2012
2	Sikkim State Electricity Regulatory Commission (Standards of Performance for Distribution and Transmission Licensee) Regulations, 2012	132	23 <sup>rd</sup> March 2012
3	Sikkim State Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2012	133	23 <sup>rd</sup> March 2012
4	Sikkim State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2012	172	13 <sup>th</sup> April 2012
5	Sikkim State Electricity Regulation Commission (Redressal of Grievances of Consumers and establishment of Forum and Electricity Ombudsman) Regulations , 2012.	219	30 <sup>th</sup> April 2012
6	Sikkim State Electricity Regulatory Commission (Terms and Conditions of Intra-state Open Access) Regulations, 2012	309	30 <sup>th</sup> June 2012
7	Sikkim State Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for generation from Renewable Energy sources) Regulations, 2012	512	11 <sup>th</sup> October 2012
8	Sikkim State Electricity Regulatory Commission (State Grid Code ) Regulations, 2013	321	19 <sup>th</sup> February 2013

The Commission was also in the process of framing of various other Regulations required to be notified as mandated by the Electricity Act, 2003.

**2. NOTIFICATION FOR CONSTITUTION OF STATE ADVISORY COMMITTEE.**

Section 87 of the Electricity Act, 2003 provides that the State Commission may, by notification, establish with effect from such date as it may specify in such notification, a

Committee to be known as the State Advisory Committee. In accordance with the said provision, the Sikkim State Electricity Regulatory Commission (Constitution of State Advisory Committee and its function) Regulation 2013 was notified vide Sikkim Government Gazette Notification No. 283 dated 11<sup>th</sup> June 2013. As per the said Notification, the main functions of the State Advisory Committee are as under:

(i). Pursuant to section 87 of the Act, the functions of Committee shall be to advise the Commission on:

- a). Major questions of policy.
- b). Matters relating to quality, continuity and extent of service provided by licensees.
- c). Compliance by licensees with the conditions and requirements of their license.
- d). Protection of Consumer interest and
- e) Electricity Supply and overall standards of performance by utilities.

### **3. CONSTITUTION OF THE STATE ADVISORY COMMITTEE.**

Pursuant to the Notification of the Sikkim State Electricity Regulatory Commission (Constitution of State Advisory Committee and its function) Regulation 2013, the Commission finalized and empanelled the list of person to be appointed as the members of the State Advisory Committee and the list was sent to the State Government for concurrence.

### **4. DETERMINATION OF ARR AND TARIFF FOR THE FY 2012-13 FOR THE ENERGY POWER DEPARTMENT, GOVERNMENT OF SIKKIM (Case No. TR-1/2012-13)**

For the first time after the Constitution of the Sikkim State Electricity Regulatory Commission, the SSERC issued the Suo-Moto Tariff Order on 30.03.2012 for determining the Annual Revenue Requirement (ARR) and Retail Supply Tariff for supply of electricity by the Energy & Power Department, Government of Sikkim, duly taking into consideration, information provided by the Department, objections received by the Commission from consumers/consumer organizations and individuals and issues raised in the public hearing held at Gangtok on 24<sup>th</sup> March 2012.

The Commission had to take up suo-moto action due to the pending issue of SSERC (Terms and Conditions for determination of Tariff) Regulations, 2012. The Tariffs in Sikkim were last revised in the year 2006, as such the Commission considered it necessary to suo-moto revise the Retail Supply Tariffs for 2012-13.

The Commission has interacted with the Energy & Power Department and directed the Department for providing the various data/information required for compilation of the ARR and Tariff Petition. However, the Energy & Power Department, being State Government

9

Department don't maintain Assets Register, Depreciation Register, Profit and Loss Account, Cash Flow Statement etc, which are required for obtaining the information. Thus the Commission had to collect all the relevant details, data and other information from the Energy & Power Department and start taking up the Tariff Revision on suo-moto.

#### 5. ORDER OF THE COMMISSION FOR F.Y. 2012-13 (Order Dated 30.03.2012)

Having considered the data furnished by the Energy and Power Department for approval of the Aggregate Revenue Requirement and determination of retail tariff for supply of energy and considering non receipt of any suggestions/complaints from any quarters during the Public Hearing conducted, the Commission issued the Order for 2012-13 and approved the Aggregate Revenue Requirement for the Energy & Power Department for the FY 2013-13 as given below in Table.

#### Aggregate Revenue Requirement for F.Y 2012-13 as approved by the Commission.

Sl.No	Details	Amount (Rs. Crore)
1.	Fuel cost	0.85
2.	Power purchase cost	196.66
3.	Employee cost	49.61
4.	R&M expenses	8.60
5.	Administration and expenses	1.95
6.	Depreciation	4.50
7.	Interest and finance charges	1.87
8.	Interest on working capital	3.46
9.	Return on equity	-
10.	Provision for bad debts	-
<b>11.</b>	<b>Total requirement</b>	<b>267.50</b>
12.	Less: Non-tariff income	15.19
<b>13.</b>	<b>Net revenue requirement</b>	<b>252.31</b>
14.	Total revenue from revised tariff	125.36
<b>15.</b>	<b>Gap</b>	<b>126.95</b>

While issuing the Tariff Order for 2012-13, the past performance of the Energy & Power Department during the year 2011-12 and other factors were taken into consideration. The Commission issued several directives to the Energy & Power Department in the Tariff Order for 2012-13. The Commission issued several directives to the Energy & Power Department to ensure that timely actions are taken by the Department in future to file the Tariff Petition with the Commission and also to improve the overall performance for the benefit of the consumers and the State.

The Tariff Schedule for 2012-13 is placed as **Annexure –I**

#### 6. FRESH DIRECTIVES ISSUED BY THE COMMISSION FOR FY 2012-13

During the process of examining of the information and data furnished by the Energy & Power Department for the year 2012-13, the Commission observed that compilation and computation of data have not been done in the formats prescribed in the SSERC (terms and conditions for determination of tariff) Regulations, 2012. The Commission also observed that the performance of the licensee has to be improved in most of the areas. Therefore, the Commission decided and issued the following fresh directives to the Energy & Power Department in the larger interest of the stakeholders;

Directive No	Particulars	Directives
1	Recovery of Arrears	As the EPDS had reported that substantial amount of dues are outstanding against some consumers, the EPDS is directed to take action to recover the same at the earliest. Section 56 of the Electricity Act 2003 provides the Deemed Licensee power to disconnect supply in case of default in payment. This should be resorted to in case the payments are not made by the concerned consumers. The EPDS is therefore directed to submit the report on the action taken and the recovery made within two months of the date of issue of this order.
2	Submission of ARR and Tariff Petition	As per Regulation 96 of SSERC (Terms and Conditions for determination of Tariff) Regulations 2012, the distribution licensee shall file an application for determination of tariff for retail supply of electricity along with Annual Revenue Requirement (ARR) by 30 <sup>th</sup> November every year in the manner and formats as specified in chapter 3 of the regulations. The EPDS's is therefore directed to file the ARR and Tariff petition well in time i.e., on or before 30 <sup>th</sup>

		November each year in future with all the data / information as required in the formats.
3	Maintenance of asset and Depreciation Registers	The EPDS is directed to assimilate asset and depreciation registers and update them with due

		physical verification of fixed assets. This task should be completed by 31.10.2012 and submit them along with the ARR & Tariff Petition for FY 2013-14.
4	Annual Statement of Accounts	The Electricity Business in the State of Sikkim has now come under regulations framed under the provisions of Electricity Act 2003. The EPDS has to prepare Annual Accounts such as Balance sheet, Profit and loss account along with required statements and schedules prescribed under the Electricity (Supply) (Annual Accounts) Rules 1985 and get them audited and submit the same along with the future filing.
5	Management Information System (MIS)	The EPDS has not maintained proper data in respect of sales (slab wise), with number of consumers and connected load / demand etc. for proper analysis of the past data based on actuals and estimation of proper projections for consideration in the ARR. The EPDS is directed to take steps to build credible and accurate data base and management information system (MIS) to meet the requirements for filing ARR & Tariff Petition as per regulatory requirement. The formats, software and hardware may be synchronized with the Regulatory Information and Management System (RIMS) circulated by Central Electricity Regulatory Commission (CERC).
6	Pilferage of Energy	The EPDS has furnished the T&D losses at 73.86% during 2010-11 and projected the losses at 69% for 2011-12 and



		<p>64% 2012-13. The Department has not segregated the losses into technical and commercial losses. It is possible that substantial percentage of losses projected may be commercial losses on account of pilferage and malpractices.</p>
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		<p>Pilferage of energy may be by illegal tapings from electrical lines, tampering meters etc. The Commission feels that there is need to launch an extensive drive to remove illegal connections, if any, check meter tampering, replace the defective meters, maintain proper account of un-metered services and keep constant vigil so that corrective measures could be taken to reduce the AT &amp; C losses. Requisite action may be taken as per the provisions under sections 135 and 138 of Electricity Act, 2003.</p> <p>The EPDS is directed to furnish an action plan in a month time to arrest the pilferage and malpractice.</p>
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7	Use of/replacement of Non-functional/Defective Meters	<p>Section 55 of the Electricity Act makes it mandatory for all consumers to have a meter installed at the place of residence / office. EPDS must ensure that all households in the State be properly metered. EPDS may like to avail of the assistance of the Government Undertakings like State Trading Corporation Sikkim (STCS) and Sikkim State Cooperative Supply and Marketing Federation (SIMFED) for making available standard meters that can be availed of by the consumers at a reasonable price.</p> <p>It is understood that about 50% of total connections are with defective meters. Information of non-functional meters may be obtained from the field officers and ensure that data is maintained correctly.</p> <p>Replacement of meters shall be planned on priority wise i.e., meters of Bulk supply, commercial, industrial and high value domestic categories to be replaced on priority. In respect of defective meters billing may be done by adopting standard method. The Data on defective meters, replacement, pendency shall be filed with the next petition.</p>
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8	Consumer Contribution for Capital Investment	<p>The fact of consumer contribution for capital investment is not brought out in the ARR and Tariff Petition.</p> <p>The EPDS is directed to furnish the details of contributions being collected from consumers for capital works. The amounts collected from the consumers towards capital investment shall be brought out in the accounts. The depreciation and Return on Equity / Capital Base should not be claimed on the amount contributed by the consumers towards capital investment.</p>
9	Energy Audit	The EPDS has projected the transmission and distribution loss at 69% for the year 2011-12 & 64%

		<p>for FY 2012-13. The loss level is high for a small distribution.</p> <p>The EPDS is directed to get Energy Audit conducted by providing meters on all the feeders (132 kV, 66 kV and 11 kV) and at distribution transformers to identify the high loss areas and take appropriate measures to reduce both technical and commercial losses to the level fixed by the Commission. Intrastate transmission loss shall be assessed by providing meters on incoming 132 kV feeders and 66 kv feeders to facilitate assessment of distribution losses in the State. The EPDS shall also comply with loss reduction trajectory for T&amp;D losses for the next three years. EPDS shall improve the metering, meter readings, billing, revenue collection etc.</p> <p>The investment required to reduce the losses shall be included in the investment plan for augmentation of T&amp;D system to be submitted to the Commission. Effective technical and administrative measures shall be taken to reduce the commercial losses. The action plan for energy audit and loss reduction measures shall be furnished to the Commission by 30-9-2012.</p>
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10	Investment on security deposit	Annual Investment Plan shall be submitted to the Commission and approval of Commission should be obtained for all major capital works costing Rs. 5.00 crore and above before execution of the works.
11	Interest on security deposit	EPDS did not indicate the amount of security deposit collected from the consumers. EPDS is directed to maintain consumer-wise security deposit collected. Such data shall be furnished with the next filing.

**7. SSERC OBTAINS MEMBERSHIP OF VARIOUS FORUMS OF REGULATORS.**

The Sikkim State Electricity Regulatory Commission has been admitted as member of the various Forums. The induction of the Commission as a member of such Forums has given a good platform for exchange of views and sharing of Regulatory experiences not only within the country but also amongst the SAAR nations. The SSERC has obtained the membership of the following Forums:

- i. Forum of Regulators (FOR).
- ii. Forum of Regulators of North eastern State (FORENS).
- iii. South Asian Forum of Infrastructure Regulation.

The annual subscription fees/membership fees have been paid by the SSERC for the period 2012-13.

#### **8. ORGANIZING THE 29<sup>TH</sup> MEETING OF THE FORUM OF REGULATORS.**

The 29<sup>th</sup> Meeting of the Forum of Regulators (FOR) was successfully conducted/organised by the Sikkim State Electricity Regulatory Commission on 19<sup>th</sup> and 20<sup>th</sup> of April, 2012 at Gangtok. The meeting was attended by the representatives of the various State Regulatory Commissions of the country. The meeting was a grand success and a new experience and an enlightening experience for the comparatively young SSERC.

#### **9. ESTABLISHMENT OF COMMISSION FUND.**

Section 102 of the Electricity Act, 2003, provides that the State Government may, after due appropriation made by Legislature of a State, make to the State Commission grants and loans of such money as the Government may consider necessary.

Further, Section 103 of the Act, elaborates the above provision and provides for Establishment of Fund by the State Government.

Section 103 Of the Act states that,

- (1) There shall be constituted a Fund to be called the State Electricity Regulatory Commission Fund and there shall be credited thereto –
  - (a) any grants and loans made to the State Commission by the State Government under Section 102;
  - (b) All fees received by the State Commission under this Act;
  - (c) All sums received by the State Commission from such other sources as may be decided upon by the State Government;
- (2) The Fund shall be applied for meeting-
  - (a) The salary, allowances and other remuneration of Chairperson, Members, Secretary, officers, and other employees of the State Commission;
  - (b) The expense of the State Commission in discharge of its functions under section 86;

(c) The expenses on objects and purposes authorised by this Act.

(3).The State Government may, in consultation with the Comptroller and Auditor –General of India , prescribe the manner of applying the Fund for meeting the expenses specified in clause (b) or clause (c) of sub-section (2).

(4) Presently, the Commission (SSERC) is functioning with the grand-in aid received from the State Government and receipts by way of fees from others sources to meet the expenses towards salary and other establishment expenditures. The annual Auditing of Accounts of the Commission is being done by the Chartered Accounts engaged by the Commission and also by the Office of Comptroller and Auditor-General Sikkim.

#### 10. ACCOUNTS OF THE COMMISSION FOR F.Y 2012-13

1. Statement of the Income and Expenditure of the Commission as on 31<sup>st</sup> March ,2013.

Description	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
<b>Income</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Grants in Aid	20,000,000.00	20,001,000.00
Fees for Tariff	6,27,500.00	2,47,435.00
Other Income	3,46,669.57	2,02,48,435.00
<b>Total "A"</b>	<b>2,09,74,169.57</b>	<b>2,02,48,435.00</b>
<b>Expenditures</b>		
Establishment Expenses	74,33,568.00	22,57,583.00
Administrative Expenses	97,17,900.00	19,15,592.00
Depreciation	13,28,489.00	3,74,878.00
Audit Fees	56,180.00	56,180.00
<b>Total "B"</b>	<b>1,85,36,137.00</b>	<b>46,04,233.09</b>
<b>Balance of Excess/(Deficit Transferred to Capital Fund (A-B)</b>	<b>24,38,032.57</b>	<b>1,56,44,201.91</b>

#### 11. REGULATORY DISPUTES.

There were no regulatory disputes during the financial year 2012-13.

#### 12. GRANT OF LICENCE.

The SSERC did not grant any licence during the period from April 2013-March 2013.

#### 13. STANDARDS OF PERFORMANCE AND GRIEVANCE REDRESSAL.

The Commission has monitored the compliance to the standard of performance by the deemed licensee i.e. Energy & Power Department, Government of Sikkim and also monitored the redressal of grievances by the Consumer Grievance Redressal Forum (CGRF) and Ombudsman.

The details of grievances and redressal during the FY 2012-13 are as given below:

<b>Electricity Ombudsman</b>		
<b>No. of Grievances Received</b>	<b>No. Of Grievances Disposed Off</b>	<b>No. Of Pending Cases.</b>
Nil	Nil	Nil
<b>Consumer Grievance Redressal Forum, Gangtok, East Sikkim.</b>		
<b>No. of Grievances Received</b>	<b>No. Of Grievances Disposed Off</b>	<b>No. Of Pending Cases.</b>
Nil	Nil	Nil

#### 14. ADJUDICATION OF DISPUTES AND DIFFERENCES

No any cases of differences or disputes were reported before the Commission during F.Y 2012-13.

#### Annexure –I

#### TARIFF SCHEDULE FOR FY 2012-13

##### I. Domestic Supply (DS):

(a) Nature of service:

Low Tension AC 400/230 volts, 50 cycles/sec. (HZ)

(b) Rates

<b>Units Consumption</b>	<b>Paisa per KWH (Unit)</b>
(i) Upto 50 unit	110
(ii) 51 to 100 unit	225
(iii) 101 to 200 unit	345

(iv) 201 to 400 unit	415
(iv) Consumption exceeding 400 units	440
<b>(c) Monthly minimum charge:</b>	
(i) Single phase supply	Rs.40.00
(ii) Three phase supply	Rs.200.00
(d) Monthly rebate (If paid within the due date)	10% on gross amount
(e) Annual Surcharge (Charge on the gross arrear outstanding every March end)	10%

**II. Commercial Supply (CS):**

**(a) Nature of supply:**

Low Tension AC 400/230volts, 50 cycles/Sec(Hz)

**(b) Rate**

<b>Units Consumption</b>	<b>Paisa per KWH (Unit)</b>
(i) Upto 50 units	275
(ii) 51 to 200 units	440
(iii) 201 to 400 units	470

(iv) Consumption exceeding 400 units	500
<b>(c) Monthly minimum charge:</b>	
(i) Single phase supply	Rs.150.00
(ii) Three phase supply	Rs.400.00
(d) Monthly rebate (If paid within the due date)	10% on gross amount
(e) Annual Surcharge (on the gross arrear outstanding every March end)	10%

**III. LT Industrial Supply (LTIS):****(a) Nature of service:**

Low Tension AC 400/230volts, 3 phase/single phase, 50 cycles/Sec(Hz)

**(b) Rate**

Paisa per KWH (Unit)

Consumption	Rural	Urban
(i) Upto 500 units	220	445
(ii) 501 to 1000 units	385	505
(iii) 1001 and above	495	565
(c) Monthly minimum charge:	a) Rural Rs.50 /KVA/Month b) Urban Rs.90/KVA/Month	
(d) Monthly rebate (If paid within the due date)	10% on gross amount	
(e) Annual Surcharge (on the gross arrear outstanding every March end)	10%	

**IV. High Tension Supply (HTS):****(a) Nature of supply:**

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

19

**(b) Rate**

Units Consumption	Paisa per KWH (Unit)
(i) Upto 100 KVA Demand Charge  Plus  Energy Charge	145/KVA/Month     250 Paisa/Month



(ii) Above 100 to 250 KVA Demand Charge  Plus  Energy Charge	180/KVA/Month     290 Paisa/Month
(iii) Above 250 KVA Demand Charge  Plus  Energy Charge	220 /KVA/Month     330 Paisa/Month
<b>(c) Monthly minimum charge:</b>	Demand charge
<b>(d) Monthly rebate</b> (If paid within the due date)	10%
<b>(e) Annual Surcharge</b> (on the gross arrear outstanding every March end)	15%

**V. Bulk Supply (BS): (non-commercial supply)**

**(a) Nature of service:**

Low Tension AC 400/230 volts or High tension above 3.3 KV

20

**(b) Rate**

All consumptions	
i) LT	500 Paisa/unit
ii) HT	515 Paisa/unit
<b>(c) Monthly minimum charge:</b>	
(i) For L.T supply (430/230 volts)	145/KVA of sanction load
(ii) For H.T supply (11 KV or 66 KV)	130/KVA of sanction load

(d) Monthly rebate (If paid within the due date)	10% on gross amount
(e) Annual Surcharge (on the gross arrear outstanding every March end)	15%

**VI. Supply to Army Pensioners:**

**(a) Nature of service:**

Low Tension AC 230/400 volts, 50 cycles/Sec(Hz)

**(b) Rate**

Domestic supply rate is applicable

(i) Upto 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**

**(a) Nature of service:**

Low Tension AC 230/400 volts, 50 cycles/Sec(Hz)

21

**(b) Rate**

Domestic supply rate is applicable

(i) Upto 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 (SPW)**

**(a) Nature of service:**

Low Tension 400/230 volts, 50 cycles/Sec(Hz)

**(b) Rate**

Domestic rate is applicable.

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

**IX. PUBLIC LIGHTNING ENERGY CONSUMPTION CHARGES**

**Rate**

(i) Rural Areas	210 Paisa/KWH (Unit)
(ii) Urban Areas	385 Paisa/KWH (Unit)

**X. TEMPORARY SUPPLY:**

**(a) Nature of Service:**

Low tension AC 400/230 volts, 50 Hz /H.T.AC 11 KV whichever is applicable and possible at the discretion of the department.

**(b) Rate**

Tariff under schedule DS/CS/LTIS/HT for corresponding permanent supply plus 25 percent additional charges on the total bill.

**CHAPTER- III**

**ACTIVITIES OF THE COMMISSION DURING FY 2013-14**

**1. NOTIFICATION OF REGULATIONS.**

In exercise of the powers conferred under Sub-Section (2) Of Section 181 of the Electricity Act, 2003, the SSERC has framed and notified the following Regulations in the State Government Gazette during the FY 2013-14 in addition to the notifications already issued upto F.Y 2012-13 :

Sl.No	Description of the Regulation	Gazette Notification No	Date
1	Sikkim State Electricity Regulatory Commission (Constitution of State Advisory Committee and its Functions) Regulations, 2013	283	11 <sup>th</sup> June 2013
2	Sikkim State Electricity Regulation Commission (Renewable Energy Purchase Obligations and Its Compliance) Regulations, 2012.	536	27 <sup>th</sup> September 2013
3	Sikkim State Electricity Regulation Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013	204	21 <sup>st</sup> November 2014

## 2. CONSTITUTION OF THE STATE ADVISORY COMMITTEE AND NOTIFICATION OF ITS MEMBERS.

The Commission had initiated the process for Constitution of the State Advisory Committee and submitted a panel of names to the State Government for inclusion as the Members of the State Advisory Committee during the FY 2012-13. Based on the same panel of names, constituted the State Advisory Committee (SAC). The details of the Chairperson and the Members of the Committee are as indicated below:

- i. Shri. T.T. Dorji, IAS (Retd.) Chairperson of SSERC.....Ex-Officio Chairperson
- ii. Shri. K.C Pradhan, IAS (Retd.) Chief Secretary , Government of Sikkim.....Member.
- iii. Shri. P.K Pradhan , IAS (Retd.) Chief Secretary , Government of Sikkim..Member
- iv. Shri. O.P Singhi, (Retd) Secretary, Government of Sikkim.....Member
- v. Shri. Taga Khampa, (Rtd.) Managing Director, .....Member Sikkim Time Corporation Ltd.
- vi. Secretary, Food and Civil Supplies & Consumer Affairs Department, Government of Sikkim..... Ex-Officio Member

## 3. DETERMINATION OF ARR AND TARIFF FOR THE FY 2013-14 FOR THE ENERGY POWER DEPARTMENT, GOVERNMENT OF SIKKIM AND SIKKIM POWER DEVELOPMENT CORPORATION LIMITED (SPDCL). (Case No. TR-3/2013-14)

The Commission took up the examination and analysis of the ARR and Tariff Petitions filed by the Energy & Power Department (deemed distribution licensee) and M/s Sikkim Power Development Corporation Limited , a power generating Company for the FY 2013-14.

Public Notices were issued and Public Hearings were fixed on 14<sup>th</sup> and 15<sup>th</sup> of March 2013 to solicit the views/suggestions and objections from the stake holders as required under the Electricity Act 2003. However, as in the case of previous year, the response of the general public and stake holders was regrettably not forthcoming during FY 2013-14 as well excepting the attendance of a solitary local news reporter. As such, the Commission deemed it prudent to associate prominent knowledge based individuals from the Civil society to facilitate in the on-going exercise of ARR and Tariff determination for FY 2013-14. Accordingly, a meeting was convened to elicit the views and suggestions from the nominees enlisted in the panel which had been specifically intended to subsequently serve as composition of the State Advisory Committee. The suggestions and views offered by the eminent participants during the course of the meeting were worthy of note and were duly considered by the Commission in the process of framing of the Directives issued with the Tariff Order for FY 2013-14.

#### 4. ORDER OF THE COMMISSION FOR F.Y. 2013-14 (Order Dated 30.03.2013)

Having considered the data furnished by the Energy & Power Department for approval of the Aggregate Revenue Requirement and Determination of retail tariff for supply of energy, the Commission in exercise of power conferred by the Section 62 of the Electricity Act, 2003, approved the ARR for FY 2013-14 as detailed below:

##### Aggregate Revenue Requirement for F.Y 2013-14 as approved by the Commission.

Sl.No	Details	Amount (Rs. Crore)
1.	Fuel cost	0.32
2.	Power purchase cost	212.30
3.	Employee cost	79.03
4.	R&M expenses	17.00
5.	Administration and expenses	3.71
6.	Depreciation	11.66
7.	<b>Total requirement</b>	<b>324.20</b>
8.	Less: Non-tariff income	2.40
9.	<b>Net revenue requirement</b>	<b>321.62</b>
10	Total revenue from revised tariff	135.23
11	<b>Gap</b>	<b>186.39</b>
12	<b>Revenue Gap in FY 2012-13</b>	<b>126.95</b>
13	<b>Total gap</b>	<b>313.34</b>

#### 5. TARIFF SCHEDULE FOR 2013-14

While determining the retail supply tariff, the Commission was guided by the principles laid down in section 61 of the Electricity Act, 2003, as well its own Regulations, relevant aspects of National Electricity Policy, National Tariff Policy and inputs collected from the relevant sources. The average cost of supply is substantially high at Rs.8.86/unit in the Energy & Power Department and as such, the tariff @50% average cost of supply to BPL consumers at +/- 20% to other consumers would have resulted in tariff shock. Since the

Tariff Order being only the second order under the Regulatory regime, the Commission considered moderate increase in Tariff in the order for FY 2013-14.

The Tariff Schedule for the F.Y 2013-14 is placed as **Annexure –II** to this Report.

**6. FRESH DIRECTIVES ISSUED BY THE COMMISSION FOR F.Y 2013-14**

- i. During the course of the performance review relating to the Energy and Power Dept., the deemed Licensee in the State, for the financial year 2012-2013, it was observed that with exception of marginal improvements recorded in some areas of operation, the compliance requirements as enjoined in the directives issued by the Commission have not been adequately satisfied by the licensee. The Commission reiterates the directives in this regard for the concerned Licensee to address these pertinent issues with utmost diligence and ensure compliance of the same.
- ii. The status with regard to outstanding billing arrears in respect of consumer particularly involving Govt. Departments including Public sector Undertakings, Central Govt. / Army establishments, etc. was found to be disturbing. Immediate steps to recover such outstanding arrears need to be taken up on a war footing. The EPDS is directed to consider the option to seek legal remedies under section 56 of the Electricity Act for realization of all unsettled bills.
- iii. The EPDS is called upon to institute effective and conscious measures to mitigate revenue shortfalls attributable to T & D losses. In this regard, the concerned deemed licensee is advised to address critical areas viz. institutionalizing an in-built energy auditing mechanism, introduction of pre-paid billing system, unbundling of generation, transmission and distribution as distinct segments, etc. The EPDS is also advised to undertake installation of Remote Sensing Meters in all Bulk load consuming units such as Industrial Units, Star category Hotels, etc. in order to facilitate effective and efficient monitoring and

25

billing of energy consumption. These administrative measures are underlined with the view to bringing about a tangible improvement in the overall performance of the licensees.

- iv. In the area of energy auditing, the EPDS has reportedly undertaken a pilot project for Gangtok to address issues impacting technical and commercial losses. While appreciating the initiative taken by the EPDS in this regard, it is suggested that appropriate steps be also taken to install meters covering all Feeder 132KV, 66KV and 11KV transmission lines including the distribution Transformer points to facilitate effective monitoring of distribution

and consumption of energy load. These measures would contribute to containing the Transmission and Distribution losses.

- v. The need for instituting a mechanism for monitoring of all licensees involved in the energy generation and distribution chain vis-à-vis the parameters as envisaged in the respective Project Implementation Agreements needs to be addressed to obviate any omissions and commissions which would be detrimental to the interest of the Govt. as well the consumers.
- vi. It is recommended that whereas the power tariff in the case of domestic consumers may be maintained status quo, there is abundant scope for enhancing the tariff rates in the case of commercial and industrial consumer categories which may be examined by the EPDS. As a measure of support and incentive for promotion of small industrial units in the State, it is deemed worthy of consideration to undertake a review of the tariff structure in respect of this segment of consumer and for which purpose the EPDS may take appropriate action.
- vii. The Commission observes that despite specific directives having been issued with regard to maintenance of Asset and Depreciation Register, it is regretted that the EPDS has not complied with the orders. The EPDS is hereby directed to ensure that appropriate action is taken and the requisite Document submitted to the Commission latest by the 30<sup>th</sup>. Sept. 2013.
- viii. On the request of the EPDS, the Commission has agreed to permit extension of the time for submission of all the prescribed documents and schedules relating to the Annual Accounts and the Balance Sheets along with the Profit and Loss Accounts as required

26

under the Electricity (Supply/ Annual Accounts) Rules 1985 and submit the same to the Commission by the 30<sup>th</sup>. Sept. 2013 after having the same duly audited.

**7. ACCOUNTS OF THE COMMISSION.**

1. Statement of the Income and Expenditure of the Commission as on 31<sup>st</sup> March ,2014.

Description	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>Income</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Grants in Aid	20,000,000.00	20,000,000.00

Fees for Tariff	5,52,000.00	6,27,500.00
Other Income	4,65,834.15	3,46,669.57
<b>Total "A"</b>	<b>2,10,17,834.15</b>	<b>2,09,74,169.57</b>
<b>Expenditures</b>		
Establishment Expenses	88,61,754.00	74,33,568.00
Administrative Expenses	36,56,507.06	97,17,900.00
Depreciation	21,65,997.00	13,28,489.00
Audit Fees	56,180.00	56,180.00
<b>Total "B"</b>	<b>1,47,40,438.06</b>	<b>1,85,36,137.00</b>
<b>Balance of Excess/(Deficit Transferred to Capital Fund (A-B))</b>	<b>62,77,396.09</b>	<b>24,38,032.57</b>

**8. REGULATORY DISPUTES.**

There were no regulatory disputes during the Financial Year 2013-14

**9. GRANT OF LICENCE.**

The SSERC did not grant any licence during the period from April 2013-March 2014.

**10. STANDARDS OF PERFORMANCE AND GRIEVANCE REDRESSAL.**

The Commission has monitored the compliance to the standard of performance by the deemed licensee i.e. Energy & Power Department, Government of Sikkim and also monitored the redressal of grievances by the Consumer Grievance Redressal Forum (CGRF) and Ombudsman.

The details of grievances and redressal during the FY 2013-14 are as given below:

<b>Electricity Ombudsman</b>		
<b>No. of Grievances Received</b>	<b>No. Of Grievances Disposed Off</b>	<b>No. Of Pending Cases.</b>
Nil	Nil	Nil
<b>Consumer Grievance Redressal Forum, Gangtok, East Sikkim.</b>		
<b>No. of Grievances Received</b>	<b>No. Of Grievances Disposed Off</b>	<b>No. Of Pending Cases.</b>
Nil	Nil	Nil

**11. ADJUDICATION OF DISPUTES AND DIFFERENCES**

No any cases of differences or disputes were reported before the Commission during FY 2013-14.

**Annexure –II****TARIFF SCHEDULE FOR FY 2013-2014****I. DOMESTIC SUPPLY (DS)****Type of consumer**



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

**(a) Nature of service:**

Low Tension AC 400/230 volts, 50 cycles/sec (HZ)

**(b) Rates:**

Units Consumption	Paisa per KWH (Unit)
Upto 50	110
51 to 100	225
101 to 200	345
201 to 400	415
Consumption exceeding 400 units	440

**(c) Monthly Minimum Charge:**

Single Phase Supply	Rs. 40.00
Three Phase Supply	Rs. 200.00

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

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

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

**Free supply of electricity for consumption upto 50 units applicable to all the domestic consumers in rural areas as per clause 1 of Government Notification No.33/P/GEN/97/PART-V dated 29.11.2003 is now proposed on the basis of**

**assessment recorded through energy meter only and assessment accounted on average basis shall not be entertained for subsidy.**

## 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 parlours, saloons, beauty parlours, health clubs or any house of profit as identified by the Assistant Engineer/Executive Engineer concerned of the Department.

#### (a) Nature of supply:

Low Tension AC 400/230volts, 50 cycles/Sec(Hz)

#### (b) Rate:

Units Consumption	Paisa per KWH (Unit)	
Upto 50	315	
51 to 200	490	
201 to 400	515	
Consumption exceeding 400 units	540	
<b>Demand Charge</b> – For those establishments whose sanction load is more than 25 KVA & does	<b>Rural Areas</b>	<b>Urban Areas</b>
	Rs.	Rs. 100/KVA/

29

not have independent transformer but run their unit through shared transformers.	60/KVA/Month Plus energy charges as shown above	Month plus energy charge as shown above
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#### (c) Monthly Minimum Charge:

Single Phase Supply	Rs. 200.00
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Three Phase Supply	Rs. 500.00
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(d) **Monthly Rebate (if paid within due date)** :5% on Energy Charges

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

### III. LT INDUSTRIAL SUPPLY (LTIS):

#### Type of consumer

Power supply to the industries like poultry, Agriculture load or any other units of such kind under small-scale industries having connected load not exceeding 25 KVA in total.

#### (a) Nature of service:

Low Tension AC 400/230volts, 3 phase/single phase, 50 cycles/Sec (Hz)

#### (b) Rate:

Units Consumption	Rural	Urban
Upto 500	235	480
501 to 1000	420	550
1001 & Above	545	620
<b>Demand Charge</b> – For those establishment whose sanction load is more than 25 KVA & does not have independent transformer but run their unit through shared transformers.	Rural	Urban
	Rs. 60/KVA/Month plus energy charges as shown above	Rs. 100/KVA/Month plus energy charge as shown above

30

#### (c) Monthly Minimum Charge:

<b>Rural</b>	Rs. 60/KVA/Month
<b>Urban</b>	Rs. 100/KVA/Month

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

(e) **Annual Surcharge(charge on the gross arrear outstanding every March**

end): 10%

#### IV. HIGH TENSION SUPPLY (HTS):

##### Type of consumer

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

##### (a) Nature of supply:

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

Executive Engineer should sanction the demand In the Requisition and Agreement form of the Department before the service connection is issued based on the availability of quantum of Power. The demand sanctioned by the Executive Engineer will be considered as the contract demand. A maximum demand indicator will be installed at the consumer premises to record the maximum demand on the monthly basis. If in a month, the recorded maximum demand exceeds the contract demand, that portion of the demand in excess of the contract demand will be billed at twice the prevailing demand charges. In case recorded maximum demand exceeds the contract demand for three consecutive months the demand charges will be payable on the basis of installed capacity of the transformer.

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

##### (b) Rate:

Units Consumption	Charge
Upto 100 kVA Demand Charge	Rs. 150/KVA/Month
Plus Energy Charge	300 Paisa/Unit

Above 100 to 250 kVA Demand Charge Plus Energy Charge	Rs. 200/KVA/Month  348 Paisa/Unit
Above 250 kVA to 500 kVA Demand Charge Plus Energy Charge	Rs. 230/KVA/Month  396 Paisa/Unit
Above 500 kVA Demand Charge Plus Energy Charge	Rs. 450/KVA/Month  410 Paisa/Unit

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

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

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

#### 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,

SAP, All Government Non residential buildings, Hospitals, Aerodromes and other similar establishments as identified as such supply by the concerned Executive Engineer.

**(a) Nature of service:** Low Tension AC 400/230 volts or High tension above 3.3 KV

32

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

**(b) Rate:**

All Consumptions	Paisa/Unit

LT	540
HT	560

**(c) Monthly Minimum Charge:**

LT (430/230 Volts)	Rs. 150/KVA of Sanction Load
HT (11KV or 66 KV)	Rs. 140/KVA of Sanction Load

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

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

**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 230/400 volts, 50 cycles/Sec(Hz)

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

- |      |                |   |
|------|----------------|---|
| (i)  | Upto 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 230/400 volts, 50 cycles/Sec(Hz)

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

- (i) Upto 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 (SPW)**

**Type of consumer**

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

**(a) Nature of service:** Low Tension 400/230 volts, 50 cycles/Sec(Hz)

**b) Rate**

**Revised tariff as per the order of SERC**

**Paisa per KWH**

**(Unit)** Domestic rate is applicable.

*Places of worship having:*

*(1) Having 3 lights points:*

*A) up to 100 units*

*B) Above 101 units*

*(ii) Having 4 to 6 lights points.*

*A) up to 150 units*

34

*B) Above 151 units*

*(iii) Having 7 to 12 points*

*A) up to 300 units*

*B) Above 301 units*

*(iv) Having 13 and more light points*

- A) upto 500 units  
 B) Above 501 units  
 A) To be billed to Secretary, Ecclesiastical Department and to be submitted to the head of Department in the District.  
 B) To be billed to Head of the Place of worship.

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

**Rate:**

<b>Rural Areas</b>	250 Paisa/KWH (Unit)
<b>Urban Areas</b>	460 Paisa/KWH (Unit)

#### X. TEMPORARY SUPPLY

**Type of consumer**

Available for temporary purposes and for the period not exceeding two months in the first instance but can be extended for the further-period not exceeding one month on each occasion. The Assessment of energy consumption shall be on the basis of recorded meter reading and not on average.

35

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

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

**(a) Nature of Service:**



Low tension AC 400/230 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

**CHAPTER- IV**

**OVERVIEW OF ELECTRICITY STATISTICS**

**Table 5.Consumer Profile and Energy sales.**

Sl.No	Category of Consumers	YEAR/Energy sales (MU)					
		2010-201 1	MU	2011-201 2	MU	2012-201 3	MU
1.	Domestic	73482	57.97	77707	82.77	81508	78.98

2.	Commercial	9088	29.23	9372	29.72	9663	38.26
3.	LT Industrial	213	1.31	298	8.63	389	1.15
4.	Public Lighting	.....	2.60	....	2.30	31	0.43
5.	Temporary Supply	.....	0.15	.....	0.30	....	0.09
6.	HT Supply	207	58.39	283	71.63	332	91.76
7.	Bulk Supply	187	13.35	617	13.21	848	16.23
8.	<b>Total</b>	<b>83177</b>	<b>163.00</b>	<b>88277</b>	<b>208.56</b>	<b>92771</b>	<b>226.90</b>

Source: Tariff Order and Tariff Petition 2014-15

**Table 6. Compounded Growth Rate (CAGR) of Energy Sales.**

Sl.No	Consumer Category	YEAR/Energy Sales				CAGR for	CAGR for	CAGR for
		2009-10	2010-11	2011-12	2012-13	2009-10 (%)	2009-10 (%)	2009-10 (%)
1	Domestic	58.40	57.97	82.77	78.98	10.59	16.72	4.58
2	Commercial	29.30	29.23	29.72	38.26	9.30	14.41	28.73
3	Public lighting	2.60	2.60	2.30	0.43	45.11	59.33	81.30
4	Temporary Supply	0.10	0.15	0.30	0.09	3.45	22.54	70.00
5	HT Industrial	59.20	58.39	71.63	91.76	15.73	25.36	28.10
6	LT Industrial	1.90	1.31	8.63	1.15	15.41	6.31	86.67
7	Bulk Supply	14.50	13.35	13.21	16.23	3.83	10.26	22.86
8	<b>Total</b>	<b>166.00</b>	<b>163.00</b>	<b>208.56</b>	<b>226.90</b>	<b>24.53</b>	<b>21.43</b>	<b>162.86</b>

Source: Tariff Order and Tariff Petition 2014-15

**Table 7. Transmission and Distribution Losses Trends**

Sl.No	Particulars	YEAR		
		2010-11	2011-12	2012-13
1.	Energy Available for Sale within the State	455.60	567.92	403.00
2.	Energy sales within the State	163.00	208.56	226.90
3.	T&D Loss (%)	64%	63.27%	43.70%

Source: Tariff Order and Tariff Petition 2014-15