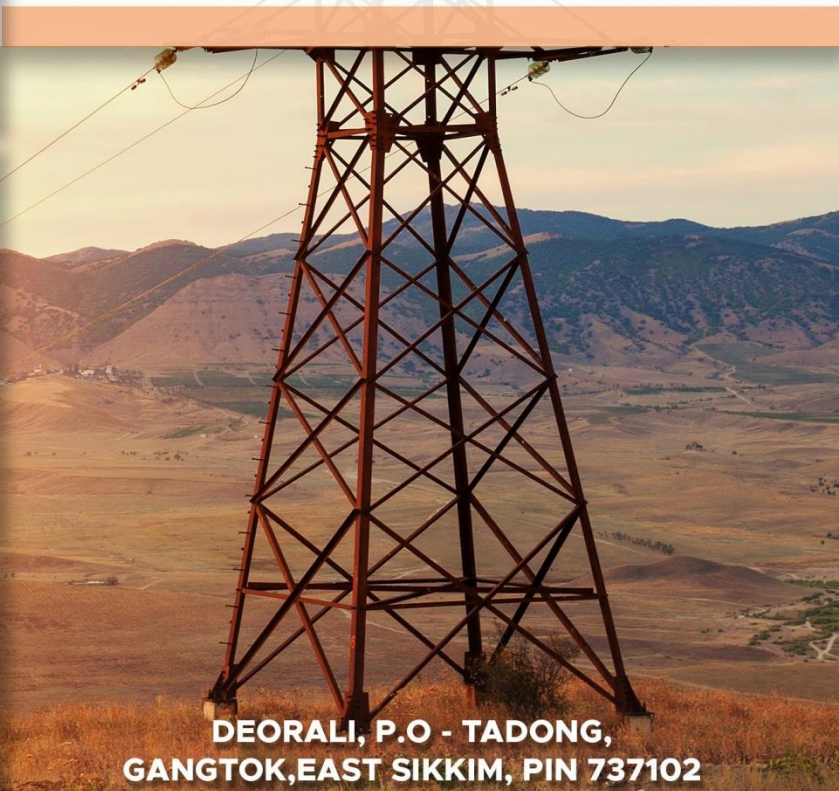




**SIKKIM STATE ELECTRICITY
REGULATORY COMMISSION**

ANNUAL REPORT 2019-2020



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सत्यमेव जयते

ANNUAL REPORT 2019 - 2020



SIKKIM STATE ELECTRICITY REGULATORY COMMISSION (SSERC)

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Shri N.R.Bhattarai Chairperson



From the Desk of the Chairperson

Sikkim State Electricity Regulatory Commission (SSERC) is a quasi-judicial body constituted by the State Government in the year 2003 as per the provisions of the Electricity Act, 2003 (36 of 2003). SSERC is a single member Commission empowered to perform functions as mandated by the Act.

SSERC is one of the youngest State Electricity Regulatory Commissions in the Country and its actual functioning started only from April 2011 after the first Chairperson of the Commission was appointed by the State Government. Presently, SSERC is in the 9th year of its functioning and during this short period of little less than a decade, SSERC has come a long way so far as its functioning and operations are concerned. During the past nine years, SSERC has successfully provided the necessary regulatory framework needed for electricity generation, transmission and distribution including retail sale, as envisaged by the Act.

SSERC has framed and notified numerous rules and regulations in line with the directives and guidelines issued by the Ministry of Power, Government of India, Central Electricity Authority and Central Electricity Regulatory Commission. The Commission has also regularly updated/amended the rules and regulations to ensure that they are in tune with the latest regulatory and technological advancements taking place in the country.

SSERC has made possible efforts to ensure that the necessary regulatory framework and support are available for overall development of the power sector in the State. One of the key areas on which the Commission has been focusing is the development of Solar Power in the State. Considering the mammoth national target of 175 GW of Renewable Energy generation by 2022 set by the Government of India and state specific targets given by the Ministry of Power, SSERC has stressed on the need for tangible action on development of solar power in the State. The State Government has come out with the State Rooftop Solar Policy recently and the new policy will give the required thrust for development of solar power in the State. Another area of concern in the State has been the high power purchase cost and low generation from the State owned power plants. SSERC has been advising the Power Department for exploring possible ways for cutting down of the huge expenses on power purchase. One of the ways suggested was review of the Power Purchase Agreements and surrendering of high cost thermal power. The need for improving power generation and revival of the defunct State owned power plants were the ways suggested by the SSERC and the members of the State Advisory Committee of the SSERC.

Metering of all electric connections with smart meters, remote metering and pre-paid meters to ensure accurate billing and reduction of AT&C losses were some of the measures suggested bringing down the losses. The need for providing 24x7 power of adequate voltage and quality to the consumers have been stressed time and again by the SSERC. Another area where the Power Department needs to give priority for providing digital platform for billing, payment of bills and dissemination of information to the consumers both for rural and urban connections areas. The Department has introduced online bill payment for Gangtok and other nearby towns and also working on pre-paid metering under various schemes sanctioned by the Government of India. Digitization of services and use of technology are the only way forward to prevent human error and pilferage and the Department has made a good start in this direction. Challenges and hurdles still remain but with continued effort, the power sector in State is sure to grow brighter and bigger in the coming days. SSERC is ever ready to provide the necessary support and cooperation for the betterment of the power sector in the State.

I am very glad to bring out the Annual Report of the Commission. The report gives brief insight into the different activities taken up by the Commission during 2019-20 and also gives a glimpse of the electricity statistics in the State.

I would like to extend our heartfelt thanks and gratitude to the State Government, Power Department, State Advisory Committee, consumers and all the stake holders for their constant support and cooperation and for their pro-active participation in taking forward the regulatory process. I also extend my thanks and congratulate all the Officers and staffs of the Commission for their hard work and coming out with this brief but very insightful annual report.

**Gangtok
September 2020**

**Sd/-
Nanda Ram Bhattarai
Chairperson**

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1. The Commission

The concept of Independent Regulatory Commissions for the electricity sector can be traced back to the 90s during which the National Development Council (NDC) Committee recommended the constitution of independent professional Tariff Boards at the regional level for regulating the tariff policies of the public and private utilities. It was observed that the Tariff Boards will be able to bring along with them a high degree of professionalism in the matter of evolving electricity tariffs appropriate to each region and each State.

Constituting Regulatory Commissions was much needed for reforms and restructuring of the State Electricity Boards and the processes to be carried out in definite time frame.

Thus was enacted the Electricity Regulatory Commissions (ERC) Act, 1998 paving the way for creation of the Regulatory Commissions at the Centre and in the States. The 1998 Act was enacted with the main objective of distancing Government from tariff regulation. The Act provided for Electricity Regulatory Commissions at the Centre and in the States for rationalization of electricity tariff, formulation of transparent policies regarding subsidies etc. Under the provisions of this Act, the Central Government constituted the Central Electricity Regulatory Commission (CERC) in July, 1998. The ERC Act, 1998 has since been replaced by the Electricity Act, 2003 and CERC created under the provisions of the ERC Act, 1998 has been recognized as the Central Electricity Regulatory Commission under the Electricity Act, 2003.

The Electricity Act, 2003 has significantly enlarged the spectrum of responsibility of CERC. Under the ERC Act, 1998 only the tariff fixation powers were vested in CERC. The Electricity Act, 2003 has entrusted on CERC and State Electricity Regulatory Commission (SECR) several other responsibilities in addition to the tariff fixation powers. These include the powers to grant license for inter-State/intra-State transmission, inter-State/intra-State trading and consequently to amend, suspend and revoke the license, the powers to regulate the licensees by setting performance standards and ensuring their compliance etc.

The Commission functions in a quasi-judicial manner and has the powers of Civil Court. In recognition of the need for a multidisciplinary approach while addressing issues related to independent regulation, the Act prescribes a broad mix of disciplines to be represented in the Commission. The Chairperson of the SERC is appointed by the State Government on the recommendation of a selection committee constituted by the State Government as prescribed under the Act. The Act also provides for the appointment of a Secretary of the Commission whose powers and duties are defined by the Commission.

Sikkim State Electricity Regulatory Commission was constituted by the State Government on the 15th day of November, 2003 vide Gazette Notification No.28/P/GEN/97/524 Dated 15.11.2003. The Commission is a one member Commission, who is the Chairperson. The Commission is functioning in its 9th year of operation since the appointment of its first Chairperson in April 2011.

Powers of the Commission

Section 82 of the Electricity Act, 2003 (36 of 2003) provides for constituting a Commission for the State and the Commission has been vested with the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) for the purpose of inquiry or proceedings under the Electricity Act, 2003.

Further Section 95 of the Electricity Act, 2003 states that all proceedings before the Commission shall be deemed to be judicial proceedings within the meaning of section 193 and 228 of the Indian Penal Code (45 of 1860) and the Commission shall also be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).

The section 94 of the Electricity Act, 2003 enumerates the following matters in which the Commission shall have the same powers as are vested in a civil court:

- a. summon and enforce the attendance of any person and examining him on oath;
- b. discovery and production of any document or other material objects producible as evidence;
- c. receiving evidence on affidavits;
- d. requisitioning of any public record;
- e. issuing commission for the examination of witnesses;
- f. reviewing its decisions, directions and orders;
- g. any other matter which may be prescribed.

The Mandate

Section 86 (1) of the Electricity Act, 2003 , mandates the State Commission to discharge the following functions, namely:--

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

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

- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-State transmission and wheeling of electricity;
- (d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- (g) levy fee for the purposes of this Act;
- (h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
- (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary;

(k) discharge such other functions as may be assigned to it under the Act.

(2) The State Commission shall advise the State Government on all or any of the following matters, namely:--

- (i) promotion of competition, efficiency and economy in activities of the electricity industry;
- (ii) promotion of investment in electricity industry;
- (iii) reorganization and restructuring of electricity industry in the State;
- (iv) matters concerning generation, transmission , distribution and trading of electricity or any other matter referred to the State Commission by that Government.

2. Mission Statement

The Commission intends to promote competition, efficiency and economy in bulk power markets, improve the quality of supply, promote investments and advise Government on the removal of institutional barriers to bridge the demand supply gap and thus foster the interests of consumers. In pursuit of these objectives, the Commission aims to –

- a. Improve the operations and management of the regional transmission systems through Indian Electricity Grid Code (IEGC), Availability Based Tariff (ABT) etc.
- b. Formulate an efficient tariff setting mechanism, which ensures speedy and time bound disposal of tariff petitions, promote competition, economy and efficiency in the pricing of bulk power and transmission services and ensure least cost investments.
- c. Facilitate open access in inter-State transmission.
- d. Facilitate inter-State trading.
- e. Promote development of power market.
- f. Improve access to information for all stakeholders.
- g. Facilitate technological and institutional changes required for the development of competitive markets in bulk power and transmission services.
- h. Advise on the removal of barriers to entry and exit for capital and management, within the limits of environmental, safety and security concerns and the existing legislative requirements, as the first step to the creation of competitive markets.

Guiding principles

To pursue the mission statement and its goals, the Commission is guided by the following principles:

- a. Protect the Interest of Society including Consumer Interest and Supplier Interest while remaining fair, transparent and neutral to all stakeholders.
- b. Remain equitable in conflict resolution brought to it through petitions after providing sufficient and equal opportunity to participants to be heard.
- c. Maintain regulatory certainty by remaining consistent in views on one hand and being open minded to adopting change in the evolving power sector on the other.
- d. Adopt a stakeholder consultation and participative process in formulation of its regulations to ensure that the regulations are in line with the expectations of stakeholders.

- e. Ensure optimal allocation of resources in the power sector using regulatory and market based mechanism.
- f. Encourage sustainable development by promoting renewable sources in the power generation.

3. Historical Background of Legislative Initiatives

The Indian Electricity Act, 1910

- Provided basic framework for electric supply industry in India.
- Growth of the sector through licensees. License by State Govt.
- Provision for license for supply of electricity in a specified area.
- Legal framework for laying down of wires and other works.
- Provisions laying down relationship between licensee and consumer

The Electricity (Supply) Act, 1948

- Mandated creation of SEBs.
- Need for the State to step in (through SEBs) to extend electrification (so far limited to cities) across the country.
- Main amendments to the Indian Electricity Supply Act
- Amendment in 1975 to enable generation in Central sector.
- Amendment to bring in commercial viability in the functioning SEBs – Section 59 amended to make the earning of a minimum return of 3% on fixed assets a statutory requirement (w.e.f 1.4.1985) .
- Amendment in 1991 to open generation to private sector a establishment of RLDCs.
- Amendment in 1998 to provide for private sector participation transmission, and also provision relating to Transmission Utilities.

The Electricity Regulatory Commission Act, 1998

- Provision for setting up of Central / State Electricity Regulatory Commission with powers to determine tariffs.
- Constitution of SERC optional for States.
- Distancing of Government from tariff determination.

The Electricity Act, 2003

The Electricity Bill, 2001 was introduced in Lok Sabha on 30th August, 2001 and was subsequently referred to the Standing Committee on Energy for examination and report. The Standing Committee submitted its report on 19th December, 2002. Based on the recommendations of the Standing Committee on Energy, the Government of India moved certain amendments. The Electricity Bill, 2001 along with these amendments, was passed by Lok Sabha on 9th April, 2003.

The Bill as passed by Lok Sabha was considered and passed by Rajya Sabha on 5th May, 2003. The Electricity Bill, 2003 as passed by both Houses of the Parliament received President's assent on 26th May, 2003 and was notified in the Gazette of India on 2nd June, 2003. The provisions of the Act except section 121 were brought into force with effect from 10th June 2003.

The salient features of the Act are:

1. Generation has been delicensed and captive generation freely permitted. i.e. Any generating company may establish, operate and maintain a generating station without obtaining a licence under this Act with only exception that it should comply with the technical standards relating to connectivity with the grid referred to in clause (b) of section 73.

Note: Hydro-projects would however need concurrence from Central Electricity Authority

2. No person shall (a) transmit electricity; or (b) distribute electricity; or (c) undertake trading in electricity, unless he is authorised to do so by a licence issued, exceptions informed by authorised commissions through notifications

3. No license required for generation and distribution in rural India

4. Central Government may, make region-wise demarcation of the country, and, from time to time, make such modifications therein as it may consider necessary for the efficient, economical and integrated transmission and supply of electricity, and in particular to facilitate voluntary inter-connections and co-ordination of facilities for the inter-State, regional and inter-regional generation and transmission of electricity. Transmission utility at the central and state level to be a government company with responsibility of planned and coordinated development of transmission network

5. Open access in transmission with provision for surcharge for taking care of current level of cross subsidy, with the surcharge being gradually phased out.

6. The state government required to unbundle State Electricity boards. However they may continue with them as distribution licensees and state transmission utilities

7. Setting up state electricity regulatory commission (SERC) made mandatory

8. An appellate tribunal to hear appeals against the decision of (CERC's) and SERC's

9. Metering of electricity supplied made mandatory

10. Provisions related to thefts of electricity made more stringent

11. Trading as, a distinct activity recognised with the safeguard of Regulatory commissions being authorised to fix ceiling on trading margins

12. For rural and remote areas stand alone system for generation and distribution permitted

13. Thrust to complete rural electrification and provide for management of rural distribution by panchayat, cooperative societies, NGOs, franchises etc.

14. Central government to prepare National Electricity Policy and tariff Policy

15. Central electricity authority to prepare National electricity plan.

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, an 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.

The Annual Report for the F.Y 2019-20 has been prepared by the Commission in compliance to the above said provisions of the Electricity Act, 2003. This report has been prepared to showcase the various activities undertaken during the previous financial year and also highlight the powers, functions and roles of the Commission.

5. Activities during 2019-20

Constitution of State Advisory Committee.

The Commission vide Notification No. 09/SSERC/AC/2013-14/225 Dated 22/08/2019 constituted the State Advisory Committee (SAC) as per the standing provisions of section 87 of the Electricity Act, 2003 read with regulation 3(b), of the Sikkim State Electricity Regulatory Commission (Constitution of State Advisory Committee and its Functions) Regulations, 2013 comprising of 7 (seven) members including the ex-Officio Chairperson. The details of the Chairperson and the Members of the Committee are as indicated below:

1. Shri N.R. Bhattarai,
Chairperson of SSERC.....Ex-Officio Chairperson.
2. Shri D.P. Sharma, IAS (Retd)..... Member
3. Shri N.T.Lepcha, Former Upa-Adakshaya(North)... Member
4. Shri. Uttam Kumar Pradhan, Ex-Chief Engineer.....Member
5. Shri D.P.Deokota, Former Chief Engineer... ..Member
6. Shri B.B.Rai, Social Worker... ..Member
7. Secretary, SSERC..... Ex-Officio Secretary.

Meeting of the State Advisory Committee.

The meeting of the State Advisory Committee was conducted on the 27th of August 2019 at the SSERC Office in the presence of Hon'ble Chairperson, Members of the SAC, Power Department Officials and the Officers of the Commission. The Power sector scenario in the State with emphasis on enhancing the power generating capacity including revival of abandoned/shut-down projects, Roof Top Solar projects status/progress and revival of upper- Rongichu HEP were deliberated upon.

Annual Revenue Requirement & Tariff Petition 2020-21.

The meeting regarding the ARR & Tariff Petition 2020-21 with the State Advisory Committee was conducted on the 03rd of January 2020 at the SSERC Office in the presence of Hon'ble Chairperson, Members of the SAC and the Officers of the Power Department and the Commission. The various aspects of Power sector in regard to generation, transmission and distribution were discussed with emphasis on economy, efficiency, safety and contingencies for providing better service to all categories of consumers within the State. Various key points on the power tariff and the power scenario were deliberated upon in the meeting.

Valuable suggestions, key issues and their approach were put forward by the State Advisory Committee which provided quantum of help in finalizing of the ARR and Tariff Order for the FY 2020-21.

Determination of ARR and Tariff for F.Y 2019-20

The Power Department, Government of Sikkim, the deemed licensee for distribution of power in Sikkim filed its petition for Annual Revenue Requirement and Tariff before the Commission for the F.Y. 2020-21 on 27.11.2019 and the same was accepted and registered as Case No. MYT/2020-21/P-01/PDS on 05.12.2019.

The Commission further held a series of communications and interactions with the Power Department on the requisite clarifications and additional information/data were sought from the Department pertaining to the ARR/Tariff petition 2020-21.

Public Hearing on ARR/Tariff Petition 2020-21.

As mandated by the Electricity Act, 2003, the deemed Distribution Licensee for electricity in the State i.e. the Power Department, Government of Sikkim filed its petition before the Commission for approval of the Annual Revenue Requirement and Tariff Petition for the 2020-2021 on 27th of November 2019.

The Commission conducted an open Public Hearing on the Annual Revenue Requirement and Tariff Petition for the F.Y 2019-20 filed by the Department on 19th February 2020. The Commission also issued Public Notices in the local newspapers soliciting views, suggestions, objections and comments of the general public and stake holders on the petition filed by the Department. However, no any comments/objections and suggestions were received from the public. One individual, few representatives from the Army and Pharmaceutical Industries participated in the hearing. The participants placed their views, comments, objections and suggestions in the hearing. The Power Department responded to the suggestions, views and objections of the participants. The views, suggestions, comments and objections given/raised by the participants were taken into consideration while issuing the Tariff Order.



Public Hearing



Public Hearing

Meeting of Forums

SSERC is a member of the following Forums and Bodies:

1. Forum of Regulators (FOR)
2. Forum of Regulators for Eastern and North Eastern States (FORENS)
3. The Committee for International Council On Large Electric Systems, (CIGRE) ,India
4. South Asian Forum of Infrastructure Regulators (SAFIR)
5. Forum of Indian Regulators (FOIR)
6. Central Board of Irrigation and Power (CBIP)

As a member of the above said Forums/Bodies, SSERC have actively participated in the meetings and discussions on various topics conducted by the Forums/Bodies. SSERC has given its inputs on various discussion papers , draft rules/regulations and acts brought up for discussion/deliberation in the forums.

Some of the meetings wherein the SSERC was actively involved were:

1. 11th meeting of 12th meeting of the Forum of Regulators for Eastern and North Eastern States held during 19th to 22nd April 2019 at Digboi, Assam.
2. 20th Annual General Body Meeting of "FOIR" scheduled to be held on Friday, the 21st June, 2019 at New Delhi
3. 69th meeting of the Forum of Regulators held on 20th September 2019 at Amritsar, Punjab.
4. 12th meeting of the Forum of Regulators for Eastern and North Eastern States held during 26th – 28th September 2019 at Dirang ,Arunachal Pradesh.
5. 70th meeting of the Forum of Regulators held at Diu on 31st January 2020.
6. 13th meeting of the Forum of Regulators for Eastern and North Eastern States held during 22nd to 24th January 2020 at Agartala, Tripura.

SSERC took part in the deliberations of the various meetings and placed its views/opinions on the various topics pertaining to the power sector as well as topics related to regulatory affairs. The issues and difficulties faced by Sikkim and other smaller States were highlighted by the SSERC.

6. Annual Statement of Accounts

Audited Accounts of SSERC for the F.Y. 2018-19.

Annual Auditing of the Accounts of the Commission has been completed by the Office of the Accountant General, Sikkim. The Balance Sheet and Statement of Income & Expenditure of the Commission as on 31st March 2019 approved by the CAG and duly certified by the Commission is shown below:

<u>BALANCE SHEET AS AT 31ST MARCH, 2019</u>			
	Schedule	As on 31.03.2019 Amount (Rs)	As on 31.03.2018 Amount (Rs)
<u>CAPITAL FUND AND LIABILITY</u>			
CORPUS FUND	1	1,08,44,244.57	1,53,82,792.57
CURRENT LAIBILITIES	2	14,33,546.00	10,26,545.00
TOTAL		1,22,77,790.57	1,64,09,337.57
<u>APPLICATION OF FUND</u>			
FIXED ASSETS	6	68,14,199.00	56,28,486.00
INVESTMENTS	3	30,00,000.00	50,00,000.00
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
ADVANCES	4	8,03,750.00	3,73,000.00
BANK BALANCE	5	16,59,841.57	54,07,851.57
CASH BALANCE		-	-
TOTAL		1,22,77,790.57	1,64,09,337.57
NOTES ON ACCOUNTS	10	-	-

IN TERMS OF OUR REPORT OF EVEN DATE

<p>For Pravin K Agarwal & Co. Chartered Accountants</p> <p style="text-align: center;">Sd/-</p> <p>(Pravin Kr. Agarwal) Proprietor M. No. 511455</p> <p>Place : Gangtok Date : 24.07.2019</p>	<p>Sd/- Financial Advisor</p> <p>Sd/- Secretary</p> <p>Sd/- Chairperson</p>
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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED ON 31.03.2019

	Schedule	For the year ended 31.03.2019 Amount (Rs.)	For the year ended 31.03.2018 Amount (Rs.)
<u>INCOME</u>			
GRANT IN AID FROM GOVERNMENT		1,80,00,000.00	1,35,00,000.00
FEES RECEIVED		5,63,000.00	5,61,000.00
OTHER INCOME	7	3,17,097.00	5,28,553.00
TOTAL		1,88,80,097.00	1,45,89,553.00
<u>EXPENDITURE</u>			
ESTABLISHMENT EXPENSES	8	1,83,83,056.00	1,41,30,072.00
ADMINISTRATIVE EXPENSES	9	37,09,960.00	43,39,169.00
DEPRECIATION	6	12,78,429.00	10,79,538.00
AUDIT FEES		47,200.00	47,200.00
TOTAL		2,34,18,645.00	1,95,95,979.00
<u>SURPLUS/ DEFICIT FOR THE YEAR</u>		(45,38,548.00)	(50,06,426.00)
ADJUSTMENTS / PRIOR PERIOD EXPENSES		-	-
BALANCE OF EXCESS/ (DEFICIT) TRANSFERRED TO CAPITAL FUND		(45,38,548.00)	(50,06,426.00)
NOTES ON ACCOUNTS		10	

IN TERMS OF OUR REPORT OF EVEN DATE

For Pravin K Agarwal & Co.
Chartered Accountants

Sd/-

(Pravin Kr. Agarwal)
Proprietor
M. No. 511455Place: Gangtok
Date : 24.07.2019Sd/-
Financial AdvisorSd/-
SecretarySd/-
Chairperson

7. Disputes and Grievances

➤ Regulatory Disputes

There were no regulatory disputes during the Financial Year 2019-20.

➤ Grant of Licence

The SSERC did not grant any licence during the period from April 2019-March 2020.

➤ Standards of performance and grievance redressal

The Commission has monitored the compliance to the standard of performance by the deemed licensee i.e. 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 2019-20 are as given below:

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

➤ Adjudication of disputes and differences

No any cases of differences or disputes were reported before the Commission during the FY 2019-20.

8. Provisional True Up for F.Y 2017-18 and Review for F.Y 2018- 19

The Commission after prudence check and detailed scrutiny of the Petition filed by the Power Department for Provisional True Up for F.Y 2017-18 and Review for F.Y 2018-19, carried out the Provisional Truing Up and considered the same.

ARR and Revenue Gap approved by the Commission for F.Y. 2017-18 (provisional True Up)

(₹ Crores)

Sl. No.	Particulars	As approved by the Commission in Tariff Order dated 28.03.2018	Actuals as per Provisional Accounts	Approved by the Commission
1	Cost of Fuel	0.18	0.12	0.12
2	Cost of Power Purchase	226.25	242.04	242.04
3	Employee Costs	106.19	94.86	94.86
4	Repair & Maintenance Expenses	21.80	28.03	28.03
5	Administrative & General Expenses	1.14	5.19	5.19
6	Depreciation	21.76	26.93	19.18
7	Interest Charges	0.00	0.00	0.00
8	Interest on Working Capital	7.74	11.01	10.19
9	Return on NFA/Equity	0.00	0.00	0.00
10	Total Revenue Requirement	385.06	408.18	399.61
11	Less: Non Tariff Income	1.55	1.42	1.42
12	Net Revenue Requirement	383.51	406.76	398.19
13	Revenue from Tariff	179.57	194.95	194.96
14	Revenue from Outside State Sale	86.46	182.59	182.59
15	Gap (12 - 13 - 14)	117.48	29.21	20.64

Provisional True up for the FY 2017-18 indicates that the revenue gap has been decreased to ₹ 20.64 Crores, as against ₹ 117.48 Crores approved by the Hon'ble Commission in the Tariff Order dated 28.03.2018.

9. Aggregate Revenue Requirement and Gap for FY 2018-19 (Review)

The Power Department filed the revised figures of the ARR and Revenue Gap before the Hon'ble Commission for consideration and approval. After detailed scrutiny and based on the actual of the previous years, the Hon'ble Commission approved the revised estimates for the F.Y 2018-19.

(₹ Crores)

Sl. No.	Particulars	As approved by the Commission in Tariff Order dated 28.03.2018	Review Estimate	Revised Estimates approved by the Commission
1	Cost of Fuel	0.18	0.18	0.18
2	Cost of Generation	18.48	18.48	18.48
3	Cost of Power Purchase	222.89	260.90	260.90
4	Intra State Transmission Charges	40.80	40.80	40.80
5	Employee Costs	78.78	76.95	76.95
6	Repair & Maintenance Expenses	13.95	20.42	20.42
7	Administrative & General Expenses	0.85	3.63	3.63
8	Depreciation	16.41	18.60	16.41
9	Interest charges	0.00	0.00	0.00
10	Interest on Working Capital	7.68	11.06	6.68
11	Return on NFA /Equity	0.00	0.00	0.00
12	Total Revenue Requirement	400.01	451.01	444.45
13	Less: Non Tariff Income	1.59	1.59	1.59
14	Net Revenue Requirement	398.42	449.43	442.86
15	Revenue from Tariff	202.43	212.20	210.05
16	Revenue from Outside State Sale	114.04	191.72	200.39
17	Gap (14 - 15 - 16)	81.95	45.51	32.42

Review for the FY 2018-19 indicates that the revenue gap has decreased to ₹ 32.42 Crores as against at ₹ 81.95 Crores approved in the Tariff Order for the FY 2018-19.

10. Aggregate Revenue Requirement Approved For F.Y 2019-20

The Power Department filed its petition for approval of the Annual Revenue Requirement for the F.Y 2019-20 based on past experience and actual for the previous years.

The Hon'ble Commission after prudence check and detailed scrutiny of the projections and estimates made by the Power Department, approved the ARR for the F.Y 2019-20 as indicated below:

(₹Crores)		
Sl. No.	Particular	FY 2019-20
1	Cost of Fuel	0.18
2	Cost of Generation	18.83
3	Cost of Power Purchase	255.07
4	Intra State Transmission Charges	42.60
5	Employee Costs	79.92
6	Repair & Maintenance Expenses	21.19
7	Administrative and General Expenses	3.73
8	Depreciation	19.28
9	Interest Charges	-
10	Interest on Working Capital	6.66
11	Return on NFA/Equity	-
12	Total Revenue Requirement	447.46
13	Less: Non Tariff Income	1.62
14	Net Revenue Requirement	445.84

The Aggregate Revenue Requirement approved by the Commission was ₹ 445.84 Crores against ₹ 471.92 Crores projected by the Power Department for the FY 2019-20.

11. Tariff Approved by the Commission for F.Y. 2020-21

Sl. No.	Category of Consumers	Monthly Minimum Charges (₹ / Consumer)	Demand Charges (HT Supply only) (₹/kVA/Month)	Approved Energy Charges (Paisa/kWh)
1	Domestic			
a)	Up to 50 units	Single Phase - 40 3 Phase - 200		100
b)	51 to 100 units			200
c)	101-200 units			300
d)	201 to 400 units			350
e)	401 & above			400
2	Commercial			
a)	Up to 50 units	Single Phase - 200 3 Phase - 500		300
b)	51 to 100 units			400
c)	101 to 200 units			500
d)	201 to 400 units			600
e)	401 & above			630
3	Public lighting			
	Rural Areas			400
	Urban Areas			500
4	Industrial			
A	HT			
a)	HT (AC) above 3.3 KV			
b)	Upto 100 KVA		200	500
c)	100 - 250 KVA		250	550
d)	250- 500 KVA		290	600
e)	500 KVA & above		555	650
B	LT (Rural)			
a)	Up to 500 units	120		450
b)	501 - 1000 units			600
c)	1001 & above			650
C	LT (Urban)			
a)	Up to 500 units	200		650
b)	501 - 1000 units			700
c)	1001 & above			800
5	Bulk supply			
a)	LT	200		700
b)	HT			700

12. Revenue from revised Tariff approved by the Commission for F.Y. 20-21

Sl. No.	Category	Energy Sales (In MUs)	Total (₹ in Crores)
1	Domestic (DLT)		
a)	Up to 50 units	49.17	4.92
b)	51 to 100 units	29.17	5.83
c)	101-200 units	21.15	6.35
d)	201 to 400 units	17.02	5.96
e)	401 & above	8.87	3.55
	Total	125.39	26.60
2	Commercial (CLT)		
a)	Up to 50 units	6.51	1.95
b)	51 to 100 units	7.29	2.92
c)	101 to 200 units	11.86	5.93
d)	201 to 400 units	10.56	6.34
e)	401 & above	7.80	4.92
	Total	44.02	22.05
3	Public lighting		
a)	Rural Areas	0.09	0.04
b)	Urban Areas	0.21	0.10
	Total	0.30	0.14
4	Temporary	5.17	3.88
5	Industrial		
A	HT		
a)	HT (AC) above 3.3 KV		
b)	Upto 100 KVA	11.76	9.47
c)	100 - 250 KVA	24.26	20.84
d)	250- 500 KVA	49.61	41.95
e)	500 KVA & above	132.30	115.97
	Total HT	217.93	188.22
B	LT (Rural)		
a)	Up to 500 units	4.97	2.24
b)	501 - 1000 units	0.14	0.09
c)	1001 & above	0.12	0.08
	Total	5.23	2.40
C	LT (Urban)		
a)	Up to 500 units	0.01	0.01
b)	501 - 1000 units	0.01	0.01
c)	1001 & above	0.13	0.10
	Total	0.15	0.12
	Total LT (B+C)	5.39	2.52
	Total Industrial (A+B+C)	223.32	190.74
6	Bulk supply		
a)	LT	11.82	8.27
b)	HT	15.37	10.76
	Total	27.19	19.03
7	Grand Total	425.40	262.45

13. Electricity Statistics

Multi-year category wise consumer and connected load.

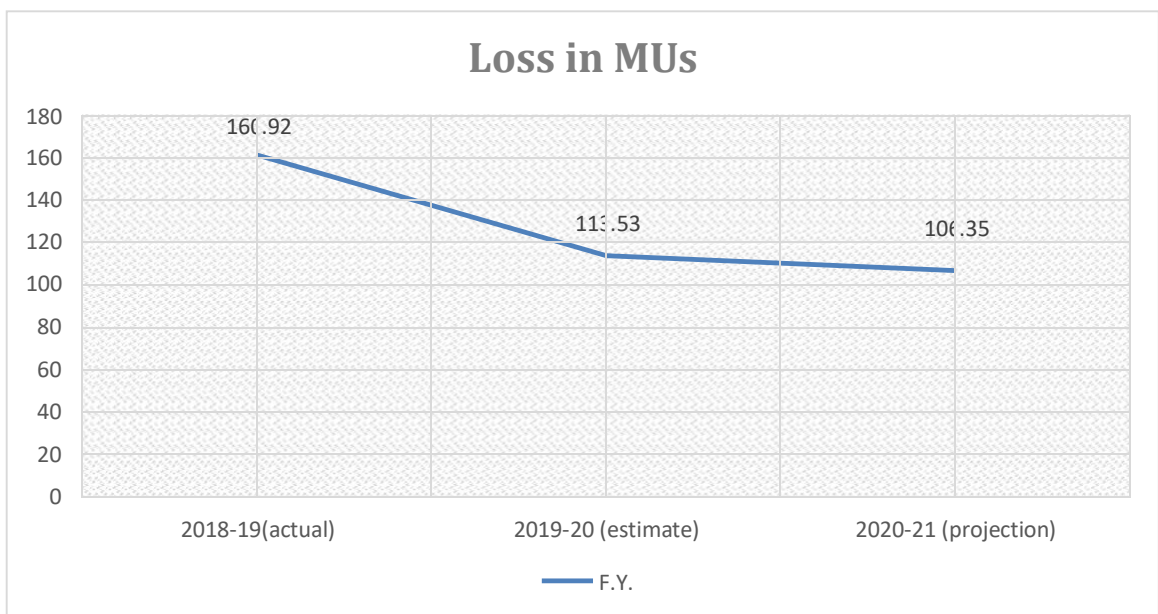
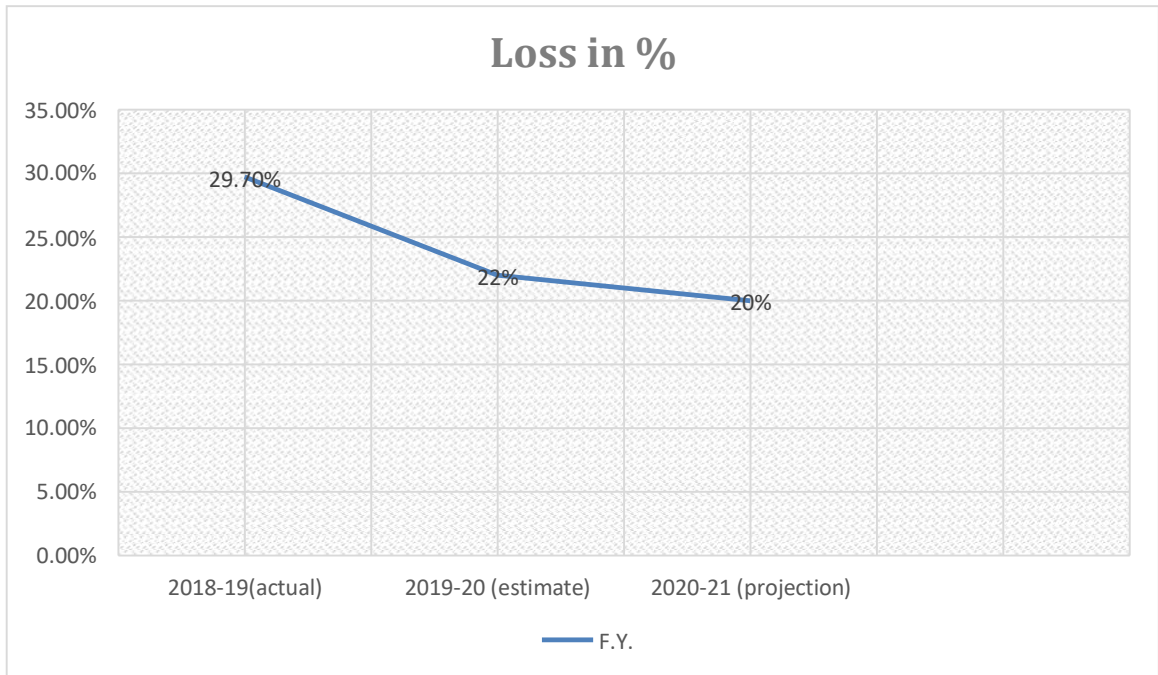
Sl. No	Category	2018-2019 (Actual)		2019-2020 (Estimated)		2020-2021 (Projected)	
		No. of Consumer	Energy Sale /Demand (MUs)	No. of Consumer	Energy Sale /Demand (MUs)	No. of Consumer	Energy Sale /Demand (MUs)
1	Domestic	99303	107.46	100339	116.08	102346	125.39
2	Commercial	11581	40.91	12000	42.44	12240	44.02
3	Public Lighting	34	0.25	36	0.29	37	0.30
4	Temporary	0	4.69	0	4.92	0	5.17
5	Industrial HT	594	197.67	600	207.55	612	217.93
6	Industrial LT	631	4.89	588	5.13	600	5.39
7	Bulk supply	1863	24.94	1861	26.04	1898	27.19
	Total	114,006	380.81	115,424	402.46	117,733	425.40

Trend in Energy Consumption

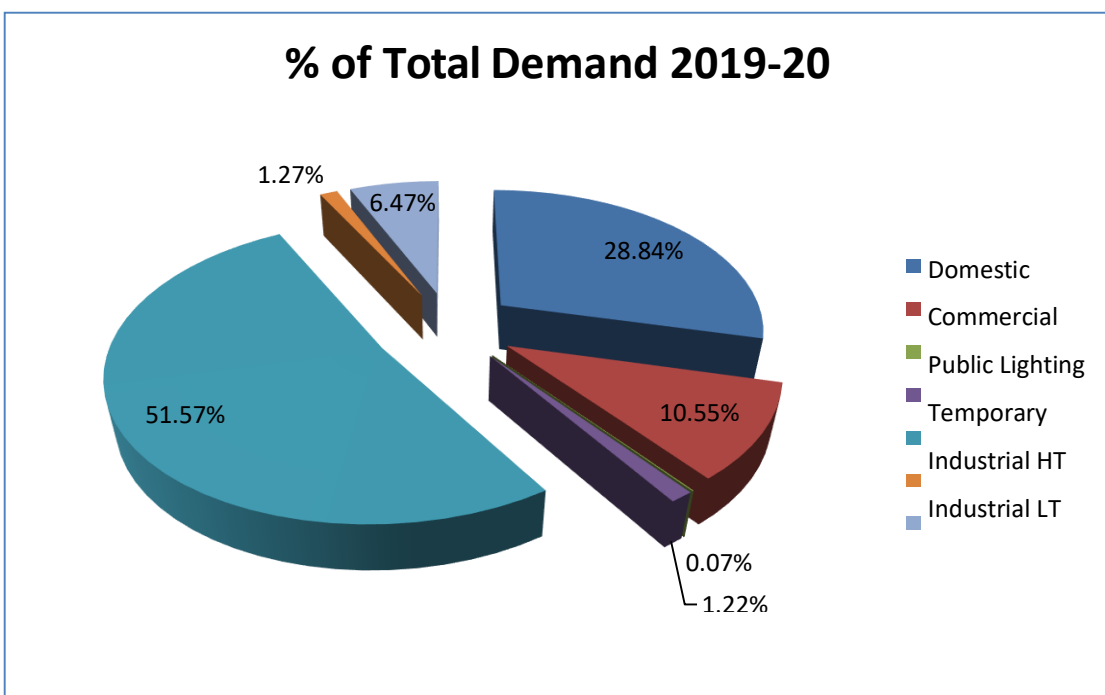
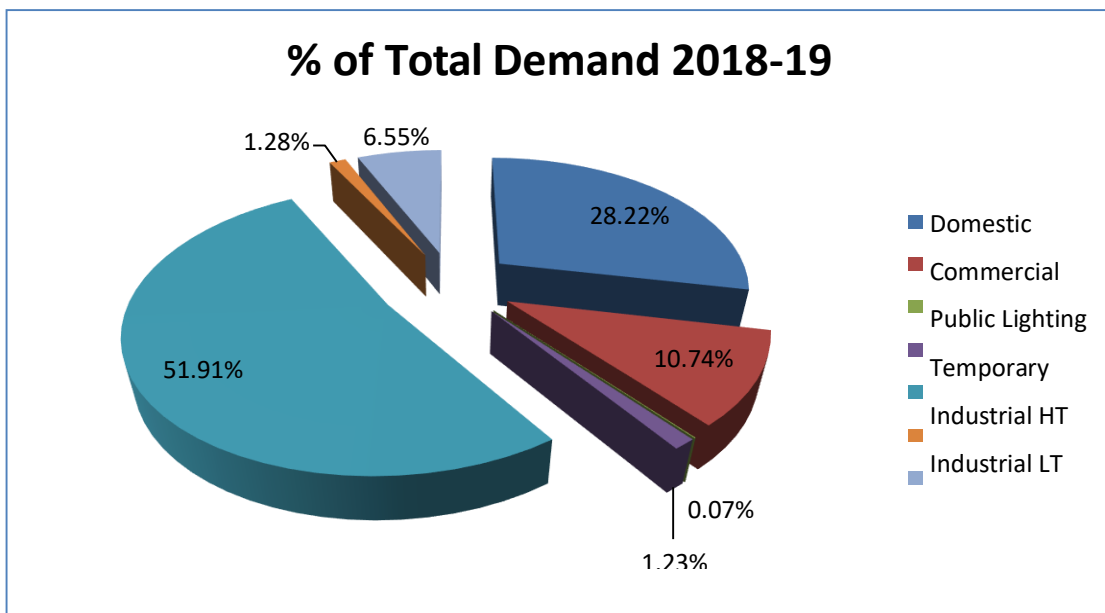
Sl. No	Category	2017-2018 (Actual) (% of Demand)	2018-2019 (Estimated) (% of Demand)	2019-2020 (Projected) (% of Demand)
1	Domestic	28.22%	28.84%	29.48%
2	Commercial	10.74%	10.55%	10.35%
3	Public Lighting	0.07%	0.07%	0.07%
4	Temporary	1.23%	1.22%	1.22%
5	Industrial HT	51.91%	51.57%	51.23%
6	Industrial LT	1.28%	1.27%	1.27%
7	Bulk supply	6.55%	6.47%	6.39%
	Total	100%	100%	100%

Statistics of Transmission and Distribution Losses.

Sl. No	T & D Losses (F.Y.)	Loss in %	Loss in MUs
1	2018-2019 (actual)	29.70 %	160.92
2	2019-2020 (estimate)	22.00 %	113.53
3	2020-2021 (Projected)	20.00%	106.35



Electricity Demand in Sikkim



Energy Requirement and Availability in Sikkim

