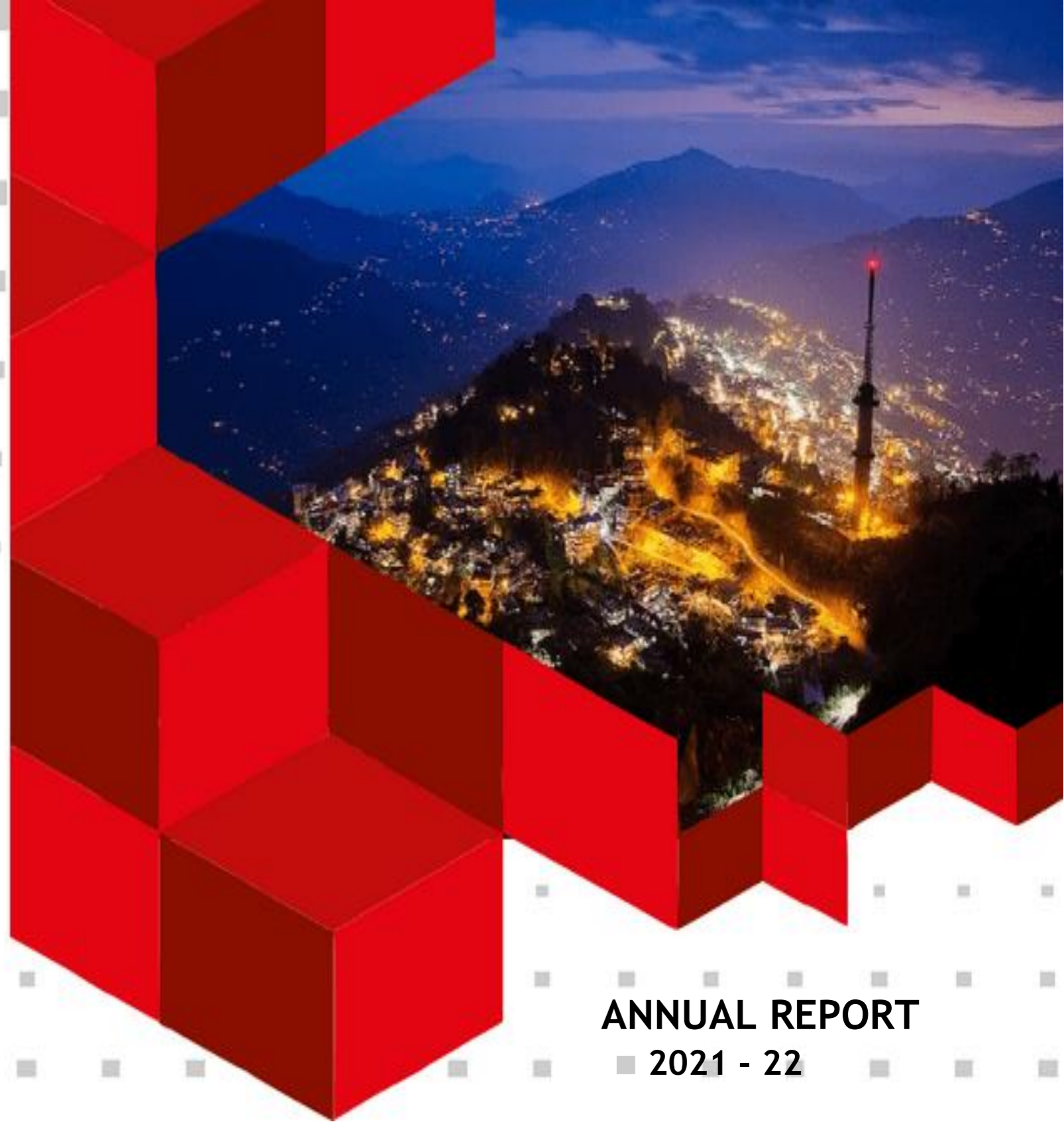


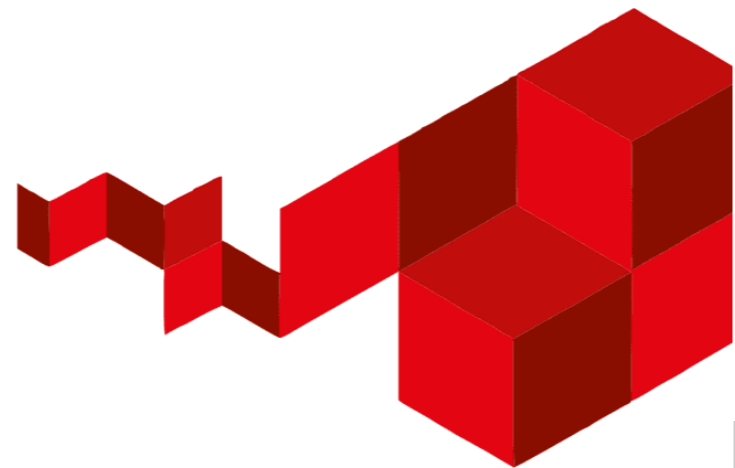


**SSERC**  
SIKKIM STATE ELECTRICITY REGULATORY COMMISSION



**ANNUAL REPORT**  
2021 - 22

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**SIKKIM STATE ELECTRICITY REGULATORY COMMISSION**



सत्यमेव जयते

# ANNUAL REPORT 2021 - 22



## SIKKIM STATE ELECTRICITY REGULATORY COMMISSION

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## From the Desk of the Chairperson



**K.B.Kunwar, Chairperson**

I am immensely pleased to present the Annual Report of the Sikkim State Electricity Regulatory Commission (SSERC) for the Financial Year 2021-22.

SSERC is required to publish an Annual Report every year, highlighting the important activities it has undertaken in the last financial year, as per Section 105 (1) and (2) of the Electricity Act, 2003. The Annual Report thus gives a glimpse of the various activities undertaken by the Commission and also important orders, notifications, directives and advisories issued by it. The report also highlights the details of the grievances dealt by the Consumer Grievance Redressal Forums (CGRFs) and also a brief report of the Electricity Ombudsman.

I took over as the Chairperson of the Commission in August 2021 amidst the challenging Covid-19 pandemic phase. The strict Covid-19 restrictions put in across the country had brought almost all activities to a halt and functioning of offices had to be done duly following the strict Covid-19 protocols. However, despite the challenging situation, SSERC was able to very smoothly and efficiently carry out its functions.

The Commission, although constituted in the year 2003, started formally functioning from April 2011 after the assumption of Office by its 1<sup>st</sup> Chairperson. Thus, the Commission has completed 11 years in April 2022 since it started functioning in April 2011. During the last 11 years, the Commission has been successful in providing the much-needed regulatory framework for electricity generation, distribution & retail sale and transmission in the State, by framing rules, regulations and providing other regulatory tools.

Like in the past years, the Commission has made efforts to ensure that the regulatory framework provided by it are consistent with the emerging trends in the power sector vis-à-vis the latest guidelines and policies of both the State and Central Government.

As mandated by the Electricity Act, 2003, the Commission with the aim of overall improvement of the power sector held several rounds of meeting and interactions with the Power Department, Govt. of Sikkim and issued advisories and directives during the year 2021-22. Some of the key areas/topics of focus were:

- Development of Renewable Energy
- Strengthening of Information dissemination and Consumer Grievance Redressal Mechanism
- Direct Benefit Transfer to Consumers
- Strengthening/Upgradation of Distribution & Transmission Network
- Reduction of AT & C losses
- Cutting down of Employee Cost
- Reliable and Quality Power Supply
- Surrendering of high-cost thermal power purchase

The Commission also notified new regulations and amended several existing regulations to keep pace with the changing power market scenario both at the State and National levels.

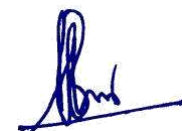
The Commission, being a member of various august forums like the Forum of Regulators (FOR), Forum of Regulators for East and North Eastern States (FORENS), Forum of Indian Regulators (FOIR), South Asian Forum of Infrastructure Regulators (SAFIR) etc, the Chairperson and the Officers of the Commission participated in various national level meetings and conferences of the said forums. The Commission placed its views and suggestions on the various topics discussed by these forums.

I also had the opportunity of participating in the interactive meeting of the Hon'ble Minister for Power and MNRE, Government of India with the Electricity Regulators on 28<sup>th</sup> January 2022. The meeting gave opportunity not only to interact and share ideas with the electricity regulators from across the country but also understand the views, visions and plans of the Government of India for taking forward the power sector through coordinated efforts of all stake holders and decision makers.

I take this opportunity to thank the State Government, Power Department, SREDA, the members of the State Advisory Committee for their support and cooperation and hope that with the collective effort of all the stakeholders, the power sector in Sikkim will grow for the better in coming days.

I also thank the Secretary, Officers and staff of the Commission for their cooperation and congratulate them for bringing out this Annual Report.

Gangtok  
November 2022



(K.B. Kur  
Chairperson

## 1

## About Sikkim State Electricity Regulatory Commission (SSERC)

Realizing the need for constituting an independent and professional body for regulating electricity tariffs of both public and private utilities, the Government of India enacted the Electricity Regulatory Commission Act, 1998 thereby paving the way for creation of Regulatory Commission at the Centre and in the States. The main objective of the 1998 Act was to distance the Government from tariff regulation in the Country. The Act further aimed at rationalization of electricity tariff and bringing in transparency in policies regarding subsidies among other things.

The Electricity Regulatory Commission Act, 1998 was replaced by the Electricity Act, 2003 (36 of 2003) thereby assigning more powers and functions to the Regulatory Commissions for development of market vis-à-vis bringing in competition and efficiency in the area of electricity generation, transmission, distribution and retail supply.

Sikkim State Electricity Regulatory Commission (SSERC) was constituted by the Government of Sikkim as per Section 82 of the Electricity Act, 2003. SSERC was constituted by the State Government Gazette Notification No.28/P/GEN/97/524 dated 15<sup>th</sup> November 2003. SSERC is a single Member Commission headed by the Chairperson.

Although SSERC was constituted in November 2003, it actually started functioning only from April 2011 after the first Chairperson was appointed by the State Government in April 2011, based on the recommendations of the Selection Committee constituted as per Section 85 of the Electricity Act, 2003.

Thus, since the assumption of office by the first Chairperson in April 2011, SSERC has had three Chairpersons as indicated below:

- Shri T.T.Dorji, IAS (retd.) - April 2011 to November 2015
- Shri N.R. Bhattarai - March 2016 to March 2021
- Shri K.B. Kunwar - August 2021 to till date

### Powers and Functions

The Commission is 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. All proceedings before the Commission are deemed to be judicial proceedings within the meaning of section 193 and 228 of the Indian Penal Code (45 of 1860) and the Commission is also a deemed Civil Court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).

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 summons for the examination of witnesses;
- f. reviewing its decisions, directions and orders;
- g. any other matter which may be prescribed.



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 licensees to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
  - (e) promote co generation 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.

## Mission Statement

The Commission intends to promote competition, efficiency and economy in retail and 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.

## Annual Report

All the State Electricity Regulatory Commissions are required to prepare an Annual Report giving summary of its activities during the previous year and forward the same to the State Government for the purpose of



laying before State Legislature, as per Section 85 of the Electricity Act, 2003, which states that:

- 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.
- 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.

Accordingly in compliance of Section 85 of the Act, SSERC has prepared the Annual Report for the FY 2021-22 highlighting the activities undertaken by it during the previous financial year.



The year 2021 began on a slow note and in a precautious manner following the challenging times posed in the previous years by the global pandemic Covid-19. Despite the tough precautionary measures put in place to curb the pandemic, the SSERC managed to carry out all its activities undeterred.

The activities of the SSERC were as under:

### 2.1 Notification of Regulations.

- Draft SSERC (Renewable Purchase Obligation and its Compliance) Regulations, 2021

The Ministry of Power, Government of India vide its Order dated 29<sup>th</sup> January 2021 specified the Renewable Purchase Obligation/ Hydro Purchase Obligation trajectory applicable to Obligated Entities for the years 2019-20 to 2029-30 and asked all State Electricity Regulatory Commissions/ Joint Electricity Regulatory Commissions to fix the trajectories in their respective States in line with the trajectory fixed by the Ministry.

Keeping in view the Order issued by the Ministry of Power, GoI, SSERC formulated the draft SSERC (Renewable Purchase Obligation and its Compliance) Regulations, 2021 and placed the same in public domain on 16.11.2021 soliciting views, suggestions and objections from the stake holders. The draft regulations were also circulated to the Power Department, Govt. of Sikkim, Sikkim Power Development Corporation Ltd, Sikkim Renewable Development Agency and other stake holders with the request to give their views and comments.

The regulations have been finalized and notified duly considering the suggestions and comments received from the stake holders.

- SSERC (Grid Interactive Solar Power PV Systems) Regulations, 2021

SSERC had notified the SSERC (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014 on 31<sup>st</sup> December 2014 thereby providing the regulatory framework for development grid connected solar power in the State.

Considering the developments in the solar power development vis-à-vis the policy changes including revised guidelines/directives issued by the Government of India, SSERC deemed it necessary to amend the SSERC (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014.

SSERC framed the draft SSERC (Grid Interactive Rooftop Solar Power System) Regulations, 2021 and placed the same in the public domain and after taking into consideration the suggestions received from the stake holders notified the regulations in the State Government Gazette Notification No. 397 dated 31<sup>st</sup> December 2021 in supersession of SSERC (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014 on 31<sup>st</sup> December 2014.

- SSERC (Constitution of State Advisory Committee and its Functions) (First Amendment) Regulations, 2021

SSERC felt the need for updating the Regulations notified earlier for the State Advisory Committee and accordingly amended the SSERC (Constitution of State Advisory Committee and its Functions) Regulations, 2013 and notified the SSERC (Constitution of State Advisory Committee and its Functions) (First Amendment) Regulations, 2021 in the State Government Gazette No. 07 dated 25<sup>th</sup>

January 2022.

## 2.2 Meetings of the Forum of Regulators

### 76<sup>th</sup> Meeting of the Forum of Regulators (FOR)

Shri K.B.Kunwar, Hon'ble Chairperson of the Commission participated in the 76<sup>th</sup> meeting of the FOR held on 1<sup>st</sup> October 2021 at CERC Office, New Delhi. The following were the main agenda items discussed during the meeting:

- ❑ Electricity Regulatory Information Access and Analytics Platform (Regulatory Tool)
- ❑ Expenditure Planning by State Transmission Companies- reference by Electric Power Transmission Association
- ❑ Evolving of rates of depreciation for distribution assets, return on investment, and operating norms for distribution assets
- ❑ Modification of electricity tariff slabs for armed forces – reference from Ministry of Power
- ❑ Model tariff regulations- reference from Ministry of Power
- ❑ Discussion on issues related to smart prepaid meter, E.V. & storage
- ❑ Approach for determining uniformity in E.V. tariff

### 77<sup>th</sup> Meeting of the Forum of Regulators

The 77<sup>th</sup> Meeting of the FOR was held at Lucknow, Uttar Pradesh on 7<sup>th</sup> December 2021. The Hon'ble Chairperson, SSERC, participated in the meeting and took part in the discussions covering the following agenda items:

- ❑ Convergence concept around PM KUSUM Scheme.
- ❑ FOR Working Group report on “Evolving of rates of Depreciation for distribution assets, Return on Investment, and Operating Norms on Distribution Sector”
- ❑ Unlocking Demand Side Flexibility
- ❑ Power market development in India with reference to development on Financial Derivatives
- ❑ Establishment of Consumer Grievance Redressal Forum (CGRF) and amendments in the Supply Code- Reference from Ministry of Power.
- ❑ APTEL Order Dated 02.8.2021 regarding guidelines for RE curtailment
- ❑ General Network Access



77<sup>th</sup> Meeting of the Forum of Regulators (Lucknow, UP)

■ 78<sup>th</sup> Meeting of the Forum of Regulators

The 78<sup>th</sup> meeting of the FOR was held during 3<sup>rd</sup> to 5<sup>th</sup> March 2022 at Sundarbans and Kolkata in West Bengal. The following were the important agenda items taken up for discussion by the FOR during the meeting:

- FOR Model Tariff regulations – Reference from Ministry of Power
- Implementation of AGC in the generating stations of the States
- Technical Assistance to the FOR under USAID's new "South Asia Regional Energy Partnership (SAREP)" Program & Study tour on Financial Derivatives and Battery Energy Storage system to Europe and U.S.
- Recommendations of FOIR Working Group on "Cross-Sector Collaborative Regulation between Telecom Regulators and Electricity Regulators"

The Hon'ble Chairperson of SSERC attended the above meeting and participated in the discussions/deliberations on the agenda items.



78<sup>th</sup> Meeting of the Forum of Regulators (3<sup>rd</sup> to 5<sup>th</sup> March 2022, Sudarbans/Kolkata)

- 1<sup>st</sup> Meeting of the FOR Working Group on Regulatory Framework for Energy Storage Systems and E.V.
  - As decided in the 76<sup>th</sup> meeting of the FOR, a working group comprising of Chairpersons of different State Electricity Regulatory Commissions (SERCs) was constituted by the FOR on 22<sup>nd</sup> November 2021. Shri K.B.Kunwar, Chairperson, SSERC, is one of the Members of the “FOR Working on Regulatory Framework for Energy Storage Systems and Electric Vehicles”. Accordingly, the Chairperson, SSERC attended the 1<sup>st</sup> meeting of the Working Group that was held on 4<sup>th</sup> January 2022 in the Conference Room of the CERC at New Delhi.

## 2.3 Interaction with the Union Minister for Power and New & Renewable Energy

The Hon'ble Union Minister for Power and New & Renewable Energy, Govt. of India held an interactive virtual meeting with the Electricity Regulators from across the country on 28<sup>th</sup> January 2022. The Chairperson of SSERC, Shri K.B. Kunwar attended the meeting and took part in the discussions. The main agenda items discussed during the meeting were:

- Status of Pendency of cases in the Commission
- Timely issuance of Tariff Orders, True-up Orders etc. by ERCs
- Formation of Consumers Grievance Redressal Forum at various levels in accordance with the Electricity (Rights to Consumers) Rules, 2020.
- Alternate dispute resolution mechanism

## 2.4 Meeting with Power Department, Govt. of Sikkim

A meeting was held with the Power Department and Sikkim Renewable Energy Development Agency (SREDA) under the Chairmanship of Shri K.B. Kunwar, Hon'ble Chairperson, on 17<sup>th</sup> November 2021 at 11.00 AM. The meeting was held to discuss and deliberate on the draft SSERC (Grid Interactive Solar PV Systems) Regulations, 2021. The main objective of the meeting was to obtain the views, comments, objections and suggestions from the Power Department and SREDA on the draft SSERC (Grid Interactive Solar PV Systems) Regulations, 2021 formulated and placed in the public domain by the SSERC.



## 2.5 Meeting of the State Advisory Committee (SAC)

### 1<sup>st</sup> Meeting of the SAC:

The first physical meeting of the State Advisory Committee post Covid-19 was held on 23<sup>rd</sup> December 2021 under the Chairmanship of the Chairperson, SSERC. Some of the important agenda items discussed during the meeting were:

- ❑ Applications filed by the Defense Establishment for Review of Tariff
- ❑ Draft SSERC (Renewable Purchase Obligation and its Compliance) Regulations, 2021

### 2<sup>nd</sup> Meeting of the SAC:

The 2<sup>nd</sup> meeting of the State Advisory Committee (SAC) was held on 25<sup>th</sup> February 2022 in the Chamber of the Chairperson, SSERC from 11.30 AM onwards. The meeting was chaired by Shri K.B. Kunwar, Chairperson, SSERC. The following were the main agenda items discussed during the meeting:

- ❑ Truing Up of ARR for F.Y. 2020-21 (Power Department, Govt. of Sikkim)
- ❑ Review of ARR for F.Y. 2021-22 (Power Department, Govt. of Sikkim)
- ❑ Estimated ARR for FY 2022-23 and Tariff proposed by the Power Department for F.Y. 2022-23



Meeting of State Advisory Committee (25.02.2022)

## 2.6 Meeting with Indian Army (Black Cat Division)

The 17<sup>th</sup> Mountain Division of Indian Army made representations before the SSERC on several occasions regarding review of tariff applicable to the Defense Establishments. SSERC held several rounds of meetings with the representatives of the Army. Some of the items discussed during the meetings were:

- ❑ Domestic Tariff in lieu of 'Bulk Supply Category' tariff for Army establishments.
- ❑ Introduction of Maximum Demand Indicator (MDI) meters for Defense establishments.
- ❑ Creation of Separate tariff category for the Army



Meeting with Indian Army

## 2.7 Meeting with ERLDC

As a part of handholding exercise and capacity building between ERLDC & SLDCs, a team from ERLDC visited SSERC alongwith officers from SLDC on 21.02.2022. The ERLDC team had a detailed discussion with the Hon'ble Chairperson and Officers of SSERC.

Some of the points discussed during the meeting were:

- ❑ Handholding/ capacity addition in Scheduling of 110 MW Chuzachen HEP
- ❑ Operational /Commercial aspects in addition to SAMAST and other regulation implementation.

The ERLDC Team and SLDC Team was represented by:

1. Mr. Saugato Mondal, DGM (System Operations)
2. Mr. Nadim Ahmed, DGM( Market Operations)
3. Mr. Debajyoti Majumder, Manager ( System Operations)
4. Mr. Sandeep Maurya, Asst. Manager (System Operations)
5. Mr. Namgyal Tashi, Executive Engineer, SLDC Sikkim



Meeting with ERLDC & SLDC



## 2.8. Online Workshops and Trainings

The Officers and staff of the SSERC attended physical/online workshops & training programs. The trainings and workshops were intended to horn the skill and knowledge of the Officers and staff. The Officers and staff of SSERC participated in a number of online trainings. Details of the Training Programs attended by SSERC Officers and staff were as follows:

Sl. No	Particulars of Training	Conducted by	Date	Name of Officer/Staff who attended Training	Designation
1	Training on Basic Computer Course for Group C&D	Department of Information Technology, Govt. of Sikkim	8 <sup>th</sup> & 9 <sup>th</sup> April 2021	Mr. Arun Kr. Bhujel Mr. Ganesh Kr. Chettri Mr. Kharga Bdr. Chettri	Peon
2	Webinar on Electricity Regulatory information Access	Forum of Regulators	26 <sup>th</sup> & 30 <sup>th</sup> October 2021	Mr. Palchen D. Chaktha Mr. Pema R. Gyansapa	Director (T&T) Assistant Director (Tariff)
3	FOR 15 <sup>th</sup> Capacity Building Program for Officers of SERCs and JERCS	Forum of Regulators	9 <sup>th</sup> to 11 <sup>th</sup> March 2022	Mr. Palchen D. Chaktha Mr. Jigme W. Bhutia	Director (T&T) Joint Director
4	2 Days Online Training Program on Regulatory Framework in Power Sector for Offices of CGRF and Ombudsman	Forum of Regulators	17 <sup>th</sup> & 18 <sup>th</sup> October 2022	Mr. Sonam Gyamtso Bhutia	Assistant Director (Legal) cum Ombudsman



SSERC Staff attending Training on Basic Computer Course



Webinar on Electricity Regulatory information Access (26<sup>th</sup> & 30<sup>th</sup> October 2021)

## 2.9. Approval of Power Purchase Agreement

A Petition under section 86 (1) (b) read with Section 61, 62 and 64 of the Electricity Act, 2003 was filed before the SSERC by M/s Hanuman Ganga Hydro Projects Pvt. Limited for approval of the Power Purchase Agreement signed by it with the Power Department, Government of Sikkim on 04.03.2021 for purchase of power from 7 (seven) small hydropower projects of Sikkim.

The Petition was admitted and registered as case No. P-01/PPA/2021-22 on 8<sup>th</sup> October 2021. After publication of Public Notice soliciting views/comments/objections on the matter and hearing the parties on 8<sup>th</sup> December 2021, the Commission approved the PPA dated 04.03.2021. The Commission disposed the Case through its Order dated 10<sup>th</sup> December 2021.

## Admission / Registration of Petition of Power Department

Power Department, Government of Sikkim, the deemed Distribution Licensee in the State filed a Petition before the Commission for approval of “Truing up for FY 2020-21, Review for F.Y. 2021-22 and ARR/Tariff for F.Y 2022-23” on 30<sup>th</sup> November 2021.

The Commission admitted the Petition and registered it as Case No. P-01/PDS/2021-22 on 10<sup>th</sup> December 2021.

### 3.1 Public Notice

The Commission initiated the process of conducting an open hearing on the Petition filed by the Power Department for “Truing up for FY 2020-21, Review for F.Y. 2021-22 and ARR/Tariff for F.Y 2022-23” by issuing Public Notices in local newspapers and also in the official website of the Commission.

The Commission issued Public Notices in local newspapers and solicited views, comments, suggestions and objections on the Petition for general public/stake holders. The details of the newspapers areas under:

1. Sikkim Express (English Newspaper) dated 22<sup>nd</sup> December 2021
2. Hamro Varta (Nepali Newspaper) dated 22<sup>nd</sup> December 2021

### 3.2 Public Hearing

An Open Public Hearing was conducted on the Petition of the Power Department on 23<sup>rd</sup> February 2022 in the Court Room of the Commission at Deorali, Gangtok from 10.30 AM onwards for all categories of consumers. The Hon'ble Chairperson of the Commission presided over the Public Hearing. The hearing was attended by the Officials of Power Department, Sikkim Renewable Energy Development Agency, representatives from Indian Army, local public and other stake holders.

The Public Hearing witnessed raising of various issues and points by the general public/consumers and representatives of the India Army and also furnishing of clarifications/justifications by the Power Department.

The proceedings of the hearing were recorded by the Commission and the points/issues raised in during the hearing were given due consideration by the Commission while finalizing/approving the ARR and Tariff Order.





### 3.3 Disposal of Petition and Issue of Tariff Order

After completion of the detailed scrutiny/prudence checks and successful conduct of the Public Hearing and after taking the views of the State Advisory Committee on the Petition filed by the Power Department for approval of "Truing up for FY 2020-21, Review for F.Y. 2021-22 and ARR/Tariff for F.Y 2022-23", the Commission disposed the Petition (Case No. P-01/PDS/2021-22) through its order dated 14<sup>th</sup> March 2022. Through the said Order, the Commission approved the Annual Revenue Requirement (ARR) for F. Y 2022-23 and also issued a number of directives/advisories to the Power Department. The ARR approved by the Commission for F.Y. 2022-23 is given in table below.

ARR approved by the Commission for F.Y 2022-23

Sl. No	Particulars	₹ in Crores
1	Cost of Fuel	0.2
2	Cost of Generation	0.00
3	Cost of Power Purchase	264.03
4	Intra State Transmission Charge	33.55
5	Employee Costs	193.38
6	Repair and Maintenance Expense	35.38
7	Administration and General Expenses	7.56
8	Depreciation	32.29
9	Interest Charges	0.00
10	Interest on Working Capital	7.55
11	Return on NFA/Equity	0.00
12	Total Revenue Requirement	573.94
13	Less : Non-Tariff Income	1.35
14	Net Revenue Requirement	572.59

Approved Revenue at Existing Tariff & Gap

Sl. No.	Particulars	FY 2022-23
1	Net Revenue Requirement (₹ in Crore)	572.59
2	Revenue from Tariff	277.21
3	Revenue from Sale Outside the State	200.00
4	GAP	95.38
5	Energy Sale within the State (MUs)	443.82
6	Energy Sale Outside the State (MUs)	694.27
7	Average Cost of Supply Rs/ kWh	5.03

The Revenue gap of ₹ 95.38 Crores has been arrived at on the basis of the approved data for the FY 2022-23. The Revenue Gap is about 17% of the Net Revenue Requirement. The average cost of supply for the FY 2022-23 is ₹ 5.03/kWh & average revenue from tariff is ₹ 4.19/kWh. The average revenue gap is ₹0.84/kWh.



### 3.4 Tariff approved by the Commission for F.Y 2022-23

SSERC vide its Order dated 14<sup>th</sup> March 2022 disposed the case No. P-01/PDS/2021-22 and also approved the tariff for distribution and retail sale of electricity by the Power Department, Government of Sikkim. The tariff and other charges approved by the Commission for F.Y.2022-23 are as given below.

Sl. No.	Category of Consumers	Approved Tariff & Charges for 2022-23			
		Monthly Minimum Charges (₹/consumer)	Demand Charges (₹/KVA/Month)	Energy Charges (Paisa/Kwh)	
1	Domestic				
a)	Up to 50 units	1. Single Phase: ₹ 50 2. 3 Phase- :₹ 200	Nil	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	Sanctioned Load below 25 KVA 1.Single Phase– ₹ 200 2. 3 Phase- ₹ 500	Sanctioned Load 25 KVA & Above Rural: ₹ 60 Urban: ₹ 100	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	Nil		400	
	Urban Areas			500	
4	Industrial				
A	HT(AC) above 3.3 KV	Nil			
a)	Up to 100 KVA			200/KVA/Month	540
b)	101 - 250 KVA			250/KVA/Month	590
c)	251- 500 KVA			290/KVA/Month	640
d)	501 KVA & above			560/KVA/Month	690
B	LT (Rural)				
a)	Up to 500 units	Contract Load 45KW& Below ₹ 500/Month Contract Load above 45KW 120/KVA/Month	Sanctioned load above 25 KVA with shared transformer ₹ 60/KVA/Month	360	
b)	501 - 1000 units			440	
c)	1001 & above			580	
C	LT (Urban)				
a)	Up to 500 units	Contract Load 45KW&below ₹ 500/Month Contract Load above 45KW 200/KVA/Month	Sanctioned load above 25 KVA with shared transformer ₹ 100/ KVA/ Month	530	
b)	501 - 1000 units			620	
c)	1001 & above			715	
5	Bulk supply				
a)	LT	Contract Load 45KW& Below L.T: ₹ 500/Month H.T: ₹ 500/Month	Contract load above 45KW L.T & H.T: ₹ 150/KVA/ Month	550	
b)	HT			550	

### 3.5 Directives and Advisories issued by the Commission

The Commission in its order dated 14<sup>th</sup> March 2022 issued a number of directives and advisories to the Power Department, Govt. of Sikkim. The directives and advisories issued were as under:

#### **Directive 1: Quality of Power**

Power Department is directed to ensure reliable and quality power supply, which is not only basic need but also the right of the consumers. Rapid advancement in technology and its dependence on electricity to function, demands availability of quality/reliable power supply 24x7. The PDS is also directed to adhere to the standards of operation and see that it is complying with the provisions of the Electricity (Rights of Consumers) Rules, 2020 notified by the Government of India.

#### **Directive 2: General Awareness to the public**

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

#### **Directive 3: Planning for Efficient Pre-paid metering**

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

#### **Directive 4: Up-gradation and maintenance of Distribution & Transmission Network.**

Power Department is directed to upgrade and also carry out timely maintenance of Distribution & Transmission networks before occurrence of any avoidable breakdowns and disruption of power supply. Critical and frequently needed spares need to be kept in stock to ensure timely restoration. PDS may consider keeping spare/standby transformers to replace the faulty ones to avoid long power outages.

#### **Directive 5: Verification of actual consumer category.**

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

### 3.6 Participation in the National Energy Conservation Day

The State Designated Agency (SDA) of the Power Department, Government of Sikkim, established as per the requirements of Bureau of Energy Efficiency (BEE) celebrated the National Energy Conservation Day on 14<sup>th</sup> December 2021 in the Auditorium of Nar Bahadur Degree College, Tadong, Gangtok with the theme "Save Today Survive Tomorrow".

Shri K.B.Kunwar, Hon'ble Chairperson graced the celebration programme as the Chief Guest with officers of the SSERC at the invitation of the SDA. The event comprised of cultural programs, skits etc on energy conservation performed by School Students and NGOs from in and around Gangtok. The Hon'ble Chairperson also addressed the gathering and stressed on the need for energy conservation and explained simple ways & means to reduce electricity consumption and saving energy. The event also saw distribution of prizes to the winning team from the hands of the Hon'ble Chairperson.



Chairperson Addressing the National Energy Conservation Day (14<sup>th</sup> December 2021)



Prize Distribution by Chairperson on National Energy Conservation Day (14<sup>th</sup> December 2021)

The accounts of the Commission for year ended 31<sup>st</sup> March 2022 have been audited by the Chartered Accountant engaged by the Commission. The accounts are yet to be audited by the Office of the Comptroller and Accountant General, India (Sikkim). The preliminary audited accounts of the Commission are placed below:

### BALANCE SHEET AS AT 31ST MARCH, 2022

	Schedule	As on 31.03.2022 Amount (Rs)	As on 31.03.2021 Amount (Rs)
<b><u>CAPITAL FUND AND LIABILITY</u></b>			
CORPUS FUND	1	7,358,101.27	6,574,367.57
CURRENT LAIBILITIES	2	3,853,888.00	5,171,419.00
<b>TOTAL</b>		<b>11,211,989.27</b>	<b>11,745,786.57</b>
<b><u>APPLICATION OF FUND</u></b>			
FIXED ASSETS	6	4,319,410.00	4,950,614.00
INVESTMENTS	3		
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
ADVANCES	4	154,250.00	26,000.00
RECEIVABLE			
BANK BALANCE	5	6,738,329.27	6,769,172.57
<b>TOTAL</b>		<b>11,211,989.27</b>	<b>11,745,786.57</b>
<b>NOTES ON ACCOUNTS</b>	10		

IN TERMS OF OUR REPORT OF EVEN DATE

For Pravin Kumar & Co  
Chartered Accountants

Sd/-  
(Pravin K. Agarwal)  
Proprietor  
M. No. . 511455

Sd/-  
Financial Advisor/SSERC

Sd/-  
Secretary/SSERC

Sd/-  
Chairperson/SSERC

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED ON 31.03.2022**

	Schedule	For the year ended 31.03.2022 Amount (Rs.)	For the year ended 31.03.2021 Amount (Rs.)
<b>INCOME</b>			
GRANT IN AID FROM GOVERNMENT		22,355,000.00	22,242,000.00
FEE RECEIVED		1,004,420.00	582,500.00
OTHER INCOME	7	169,337.00	221,432.00
<b>TOTAL</b>		<b>23,528,757.00</b>	<b>23,045,932.00</b>
<b>EXPENDITURE</b>			
ESTABLISHMENT EXPENSES	8	18,831,579.00	18,990,777.00
ADMINISTRATIVE EXPENSES	9	3,139,605.30	2,445,571.00
DEPRECIATION	6	726,639.00	848,986.00
AUDIT FEES		47,200.00	47,200.00
<b>TOTAL</b>		<b>22,745,023.30</b>	<b>22,332,534.00</b>
<b>SURPLUS/ DEFICIT FOR THE YEAR</b>		783,733.70	713,398.00
ADJUSTMENTS / PRIOR PERIOD EXPENSES		-	-
<b>BALANCE OF EXCESS/ DEFICIT) TRANSFERRED TO CAPITAL FUND</b>		<b>783,733.70</b>	<b>713,398.00</b>
<b>NOTES ON ACCOUNTS</b>		10	

IN TERMS OF OUR REPORT OF EVEN DATE

For Pravin Kumar & Co  
Chartered Accountants

Sd/-  
Financial Advisor/SSERC

Sd/-  
(Pravin K. Agarwal)  
Proprietor  
M. No. . 511455

Sd/-  
Secretary/SSERC

Sd/-  
Chairperson/SSERC

## SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2022

AMOUNT (RS.)

31-03-22

31-03-21

SCHEDULE - 1		
CORPUS FUND		
BALANCE B/F	6,574,367.57	5,860,969.57
GRANT IN AID		
	6,574,367.57	5,860,969.57
Add : Surplus/ Deficit	783,733.70	713,398.00
<b>TOTAL</b>	<b>7,358,101.27</b>	<b>6,574,367.57</b>

SCHEDULE - 2		
CURRENT LIABILITIES		
PROVISION FOR CONSULTANCY EXPENSES	275,000.00	574,525.00
PROVISION FOR AUDIT FEES	47,200.00	47,200.00
PROVISION FOR TELEPHONE EXPENSES	10,042.00	4,993.00
PROVISION FOR SERVICE GRATUITY	3,001,879.00	3,001,879.00
PROVISION FOR CAG AUDIT FEES	97,962.00	77,016.00
PROVISION FOR ELECTRICITY CHARGES	16,414.00	4,684.00
PROVISION FOR STATIONERY EXPENSES	500.00	8,850.00
PROVISION FOR NEWS PAPER	926.00	1,129.00
REVENUE STAMP AND PROFESSIONAL TAX	30.00	5.00
PROVISION FOR MAINTENANCE OF VEHICLES	46,538.00	5,808.00
PROVISION FOR MEDICAL REIMBURSEMENT	7,520.00	2,500.00
ANNUAL SUBSCRIPTION	348,880.00	1,442,830.00
POSTAGE	997.00	-
<b>TOTAL</b>	<b>3,853,888.00</b>	<b>5,171,419.00</b>

SCHEDULE - 3		
INVESTMENTS		
WITH SCHEDULED BANKS IN TERM DEPOSITS	-	-
FDR - AXIS BANK	-	-
FDR - HDFC BANK		
<b>TOTAL</b>	<b>-</b>	<b>-</b>

SCHEDULE - 4		
ADVANCES		
FOR EXPENSES		
ADVANCE - MEETINGS	150,000.00	26,000.00
STAFF ADVANCE	4,250.00	-
5TH PAY COMMISSION ADVANCE	-	-
SUNDRY DEBTORS	-	-
<b>TOTAL</b>	<b>154,250.00</b>	<b>26,000.00</b>







<b>SCHEDULE - 5</b>		
<b>BANK BALANCE</b>		
<b>WITH SCHEDULED BANKS IN SAVINGS ACCOUNT</b>		
<b>8235-200-04-SSERC Fund</b>	2,355,000.00	-
AXIS BANK (11010034741928)	540,145.79	223,779.09
STATE BANK OF SIKKIM (3251)	19,918.48	6,482,095.00
HDFC BANK (114551450000258)	3,823,265.00	63,298.48
<b>TOTAL</b>	<b>6,738,329.27</b>	<b>6,769,172.57</b>

<b>SCHEDULE - 7</b>		
<b>OTHER INCOME</b>		
INTEREST INCOME	169,337.00	211,432.00
MISC. RECEIPTS	-	10,000.00
<b>TOTAL</b>	<b>169,337.00</b>	<b>221,432.00</b>

<b>SCHEDULE 8</b>		
<b>ESTABLISHMENT EXPENSES</b>		
MEDICAL REIMBURSEMENT	78,817.00	232,089.00
SALARIES	18,637,605.00	17,410,870.00
WAGES	115,157.00	114,528.00
PROVISION FOR GRATUITY	-	838,390.00
TOUR OUTSIDE INDIA	-	-
LEAVE ENCASHMENT	-	394,900.00
5TH PAY COMMISSION ARREAR	-	-
<b>TOTAL</b>	<b>18,831,579.00</b>	<b>18,990,777.00</b>

<b>SCHEDULE 9</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
ADVERTISEMENT & PUBLICITY	10,080.00	26,880.00
ADVISORY BOARD EXPENSES	52,809.00	-
ANNUAL MEMBER SHIP FEES	-	1,352,692.00
BANK CHARGES	929.30	600.00
CAG AUDIT FEES	20,946.00	38,508.00
COMPUTER EXPENSES	57,200.00	17,400.00
CONSULTANCY FEES	275,000.00	310,400.00
ELECTRICITY EXPENSES	97,853.00	50,323.00
FUEL EXPENSES	417,018.00	357,132.00
HOSPITALITY EXPENSES	5,742.00	8,195.00
MAINTENANCE OF VEHICLE	667,725.00	12,874.00
MEETING EXPENSES	52,152.00	-
NEWS PAPER	5,148.00	7,655.00
OFFICE EXPENSES	24,013.00	-
POSTAGE	1,287.00	304.00
REPAIRS & MAINTENANCE (OTHER ASSETS)	992,553.00	-
STATIONERY & PRINTING	263,888.00	177,640.00
TELEPHONE EXPENSES	71,513.00	84,968.00
TRAVEL EXPENSES	123,749.00	-
<b>TOTAL</b>	<b>3,139,605.30</b>	<b>2,445,571.00</b>

## 8. Reports and Functioning of the Consumer Grievance Redressal Forum

The Commission has been regularly receiving the quarterly reports from the Power Department regarding functioning and details of grievances handled by the CGRFs in the State.

The details of grievances received and disposed by the CGRFs and the Electricity Ombudsman during FY 2021-22 are given as under:

### Electricity Ombudsman

Grievances Received /Disposed by the Electricity Ombudsman		
No. of Grievances Received during FY 2021-22	No. of Grievances Disposed off during FY 2021-22	No. of Cases Pending
Nil	Nil	Nil

### Consumer Grievance Redressal Forum

Grievances Received /Disposed by Cosumer Grievance Redresssal Forum (CGRF)		
No. of Grievances Received during FY 2021-22	No. of Grievances Disposed offduring FY 2021-22	No. of Cases Pending
Nil	Nil	Nil

## 9. Guaranteed Standards of Performance & Compensation to Consumers

The Commission did not receive any complaints or petitions regarding non compliance or default of the Guaranteed Standards of Performance by the Power Department during the FY 2021-22. Therefore, no compensation was paid to any consumers.

## 10. Adjudication of Disputes and Differences

The Commission did not receive petitions or complaints requiring adjudication of disputes or differences during FY 2021-22.





# NOTES