



सत्यमेव जयते

ANNUAL REPORT

2017-18



Sikkim State Electricity Regulatory Commission
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From the desk of the Chairperson

It has been seven years since the Sikkim State Electricity Regulatory Commission (SSERC) started functioning in the State of Sikkim since the day of assumption of office by its first Chairperson in April 2011. During this short journey of seven years, the SSERC has been able to provide the necessary regulatory framework for generation, transmission and distribution of electricity in the State thereby taking forward the aims and objectives of the Electricity Act, 2003. The SSERC has been keeping a close watch on the developments taking place in power sector both within the country and outside and keenly following the policy decisions, reforms and other steps taken in the country for overall development of the power sector.

One of the key area of focus for the SSERC during 2017-18 has been development of renewable energy in the State especially roof top solar keeping in view the massive target set by the Government of India for achieving 175 GW of Renewable Energy in the country by the year 2022 and the need for all States to contribute towards achieving the massive target. The SSERC issued several advisories and has had several rounds of meetings and discussions with the Energy & Power Department, Govt. of Sikkim as well as the Sikkim Renewable Energy Development Agency (SREDA) for taking immediate steps towards setting up of rooftop solar in the State. The initiatives and constant push of the SSERC has resulted in the SREDA getting rooftop solar projects of total capacity 500 Kilowatt sanctioned from the Ministry of New & Renewable Energy, Govt. of India. The tendering process for the sanctioned projects has been already initiated by the SREDA. Further survey of available rooftops of State Government Buildings, Hospitals, Schools, etc is being undertaken by the SREDA to assess the area available of setting up of rooftop solar. The SSERC also amended and revised the Renewable Purchase Obligation trajectory for the obligated entities in line with the trajectory issued by the Ministry of Power, Govt. of India so as to achieve total renewable purchase obligation of 17% (excluding hydro consumption) and solar 7% solar by the year 2018-19.

Other key areas of focus for the SSERC have been reduction of the Transmission & Distribution losses, rationalization of tariff structure, bridging the gap between cost of supply and revenue realization and consumer grievance redressal in the State. The SSERC has been making persistent efforts to provide the necessary regulatory frameworks for overall development of the power sector in the State. The efforts made by the SSERC have slowly but certainly started showing results especially towards reduction of Transmission & Distribution losses, 24x7 quality power supply and timely redressal of consumer grievances. Although many challenges remain, the SSERC is confident that with the collective efforts and support from all the stake holders, the power sector in the State has only one way and that is the way forward.

I convey my heartfelt thanks and gratitude to the State Government, the Officers and staffs of the SSERC, the Energy & Power Department, Government of Sikkim and the members of the State Advisory Committee for their support and cooperation.

Place: Gangtok
Date: 07.5.2018

Sd/-
(N.R.Bhattra)
CHAIRPERSON

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1. THE COMMISSION

The notification constituting the Sikkim State Electricity Regulatory Commission was issued by the State Government on 15th day of November, 2003 vide Gazette Notification No.28/P/GEN/97/524 Dated 15.11.2003. The Commission is constituted as a one member Commission. The Commission is presently in the 7th year of its operation since the appointment of the first Chairperson in April 2011.

1.1 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) summoning and enforcing 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.

1.2 Functions of the Commission

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:

- a. 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.
- b. 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 distribution and supply within the State.
- c. to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objectives and purpose of the Act.

- d. to regulate inter-State transmission of electricity and to determine the tariff for inter-State transmission and wheeling of electricity.
- e. to issue licenses to persons to function as transmission licensee, distribution licensee and electricity trader with respect to their inter-State Operations.
- f. 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;
- g. adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- h. levy fee for the purpose of this Act;
- i. specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of Section 79;
- j. specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- k. fix the trading margin in the intra-state trading of electricity, if considered necessary; and
- l. discharge such other functions as may be assigned to it under this Act.
- m. section 86(2) of the Electricity Act, 2003 , states that the State

Commission shall advise the State Government on all or following matters, namely:

- 1. promotion of competition , efficiency and economy in activities of the electric industry;
- 2. promotion of investment in electric industry; (iii) re-organization and restructuring of electricity industry;
- n. matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- o. section 86(3) of the Act states that the State Commission shall ensure transparency while exercising its power and discharging its functions.
- p. 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.

1.3 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 2017-18 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.

2. AIMS, OBJECTIVES AND MISSION STATEMENT

The aims and objectives of the State Electricity Regulatory Commission have been clearly laid out in the Electricity Act, 2003. The following are the main aims, objectives and mission of the Commission:

- 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 guidelines laid down 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. Power Sector in Sikkim

3.1 Introduction

Sikkim was a tiny Himalayan Kingdom ruled by the "Chogyals" or Dharma Kings until its merger to India in 1973. The total geographical area of the State is 7,096 SqKm. and has a population of 6,10,577 as per 2011 census. In spite of its small size, Sikkim is endowed with rich natural resources and bio-diversity. The State is blessed with unparalleled natural beauty and is among the top tourist destinations in the country. Lakhs of tourists visit the State to enjoy its pristine

natural beauty. More than 50% of its total geographical area is covered under forest area making it one of the hot spots of biodiversity. The third highest peak of the world Mount Kangchen Dzenga is located in the State. The **Kangchen Dzenga National Park (KNP)** has been declared as “**UNESCO world mix-heritage site**” by the United Nations Organization. The KNP is home to some of the rarest flora and fauna. There are pristine lakes, glaciers, peaks, streams and rivers making the State a favorite destination for nature lovers.

The State Government has banned use of all kinds of chemical fertilizers, insecticides and pesticides in the State. Sikkim is today recognized worldwide as the “**First Organic State**” in India and also one of the greenest and cleanest States. Although Sikkim has limited area available for agriculture, the State has made its mark in the field of Organic Farming. Sikkim has become the pioneer of Organic farming in the country and has the distinction of being declared the first “**Organic State**” in the Country. The major sources of revenue for the State are Eco-Tourism, Hydropower and Organic Farming apart from horticulture and floriculture. Due to its small population and less number of high power consuming industrial units, the requirement of power is also very small in the State. The only major industrial units in the State are the pharmaceutical units, breweries, and distilleries. There are also small scale industries like hatcheries, restaurants, hotels etc. Therefore, the power demand and supply scenario is very well balanced in the State.

The EPDS is the only utility entrusted with the responsibility of transmission and distribution of electricity in the State of Sikkim. The EPDS is a deemed licensee under the provisions of Electricity Act, 2003, in the State of Sikkim. The EPDS also own and operates a number of small hydropower projects and diesel generating stations. Thus the EPDS is also a power generator. Apart from the EPDS, the Sikkim Power Development Corporation Limited (SPDCL), A Government of Sikkim Enterprise is also engaged in the development of small hydropower projects in the State. The SPDCL presently owns and operates 3 (three) small hydropower projects with an installed capacity of 10 MW.

3.2 Power Projects under Energy & Power Department

The Energy & Power Department, a Department of the State Government is the sole utility engaged in distribution, supply and retail supply of electricity in Sikkim. The Department is a deemed licensee as per the provisions of the Electricity Act, 2003. In addition, the Department is also a power generating utility and it owns and operates a number of micro, mini and small hydropower projects in the State. The Department also owns “Diesel Power Houses/Generating Sets” to provide power under emergency situations.

The following table indicates the various power projects owned and operated by the Department and their present status:

Sl. No.	Name of Projects	Installed Capacity (In MWs)	Status
Hydro			
1	Lower Lagyap Hydel Power Project (LLHP)	2 x 6.00	Shut down due to 18th September, 2011 Earthquake
2	Jali Power House (JPH)	6 x 0.35	Operational
3	Rimbi-I HEP	3 x 0.20	Shut down
4	Rimbi-II Mini HEP	2 x 0.05	Shut down due to landslide
5	Rothak Micro HEP	2 x 0.10	Powerhouse abandoned
6	Rongnichu Small HEP	5 x 0.50	Operational
7	Chaten Micro HEP	2 x 0.50	Powerhouse abandoned
8	Meyongchu Small HEP	2 x 2.00	Operational
9	Upper Rongnichu Hydel Project (URHP)	4 x 2.00	No Generation due to failure of water conductor system
10	Kalez	2 x 1.00	Operational
11	Lachung Micro HEP	2 x 0.10	Powerhouse abandoned
12	Rabomchu Small HEP	2 x 1.50	Operational
Diesel			
13	Diesel Power House Gangtok	4 x 1.00	Operational
14	DPH LLHP, Ranipool	4 x 0.248	Shut down due to 18th September, 2011 Earthquake
Total		40.692	

3.3 Power Projects under Sikkim Power Development Corporation Ltd

Sikkim Power Development Corporation Limited (SPDCL), A Government of Sikkim Enterprise was formed by the State Government for development of small hydropower projects upto 25 MW capacity in the State. The SPDCL is deemed generating licensee in the State. The SPDCL owns and operates small hydropower projects of total installed capacity of 10 MW. The power from the projects are injected into the State Transmission Grid and the entire power is purchased by the Energy & Power Department, Government of Sikkim.

The following table gives the details of the small hydropower projects of the SPDCL.

Sl.No	Name of the Project	Installed Capacity (MW)	Status
1	Lachung Small HEP	3.00	Operational
2	Mangley Small HEP	2.00	Operational
3	Rongli Small HEP	5.00	Operational

3.4 Power Projects under NHPC Limited

The State Government has signed Memorandum of Understanding (MoU) with the National Hydroelectric Power Corporation Limited (NHPC), A Govt. of India Undertaking for development of hydropower projects under Build , Own and Operate (B.O.O) basis. As per the terms and conditions of the MoU , NHPC provides 12% free power to the State as royalty throughout the life of the project. NHPC has already commissioned two projects in Sikkim and one is expected to be taken up for construction shortly.

The details of the projects own and operated by NHPC are as indicated below:

Sl.No	Name of the Project	Installed Capacity (MW)	Status
1	Rangit-III HEP	60.00	Operational
2	Teesta-V HEP	510.00	Operational
3	Teest-IV HEP	520.00	Land acquisition process underway

3.5 Power Projects under Joint Venture/Private Developers

The State Government has allotted a number of hydropower projects for development in the State. Some of these projects are being developed as Joint Venture projects between the private developers and the State Government with 26% equity by the State Government whereas as some projects are being developed purely by private power developers.

The projects have been allotted to the private developers on BOOT principle i.e. Build, Own, Operate and Transfer. The State Government has signed Implementation Agreements with the private power developers and the term of the agreement is for 35 years. The State Government will get royalty at the rate of 12% free power from the projects for the first 15 years of operation and from 16th to 25th year at the rate of 15%. On termination of the agreement period i.e. 35 years, the projects shall be reverted to the State Government in fully smooth running condition.

The details of the projects already commissioned and operational are indicated below:

Sl. No.	Name of the Project	Capacity (In MWs)	Owner/developer	Status
1	Chuzachen HEP	110	Gati Infrastructure Pvt. Ltd.	Commissioned
2	Jorethang Loop HEP	96	DANS Energy Pvt. Ltd.	Commissioned
3	Teesta Stage - III HEP	1200	Teesta Urja Ltd (A Govt. of Sikkim Undertaking)	Commissioned
4	Dikchu HEP	96	Sneha Kinetic Power Projects Pvt. Ltd.	Commissioned
5	Tashiding HEP	97	Shiga Energy Pvt. Ltd.	Commissioned

The construction works of the following projects are under way and the projects are expected to be commissioned soon:

Sl. No.	Name of the Project	Capacity (In MWs)	Owner/developer	Status
1	Rongnichu HEP	96	Madhya Bharat Power Corpn. Ltd.	Under construction
2	Rangit-II HEP	66	Sikkim Hydropower Ventures Pvt. Ltd.	Under Construction
3	Rangit- IV HEP	120	Jal Power Corporation Ltd.	Works stalled due to fund constraint
4	Panan HEP	300	Himagiri Hydro Energy Pvt. Ltd.	Under Construction
5	Bhasmey HEP	51	Gati Infrastructure Pvt. Ltd.	Works stalled due to fund constraint
6	Teesta-VI HEP	500	Lanco Energy Pvt Limited	Works stalled due to fund constraint

3.6 Power Demand and Supply Scenario in Sikkim

The total number of consumers in the State as on September 2017 (estimated) for F.Y 2017-18 was 1, 10,276 (provisional) and the energy sales within the State for different consumer category is as given in Table 3.6.1 under:

Table 3.6.1: Energy Requirement within the State
In MUs)

Sl.No.	Category	Energy Sales within the State (MUs)
1	Domestic	101.58
2	Commercial	40.47
3	Public Lighting	0.27
4	Temporary Supply	1.50
5	HT Industrial	171.78
6	LT Industrial	1.32
7	Bulk Supply	27.72
Total		344.64

The total energy requirement of the State including outside State sales and Transmission and Distribution Losses are as given in Table 3.6.2 below:

Table 3.6.2: Total Energy Requirement of the State

Sl.No.	Particulars	Unit	Energy Requirement
1	Energy sales within the state	MUs	344.64
2	Outside state sale through UI / Trading	MUs	473.98
3	Total energy sales (1+2)	MUs	818.62
4	Overall T & D losses	%	27.11
5	Overall T & D losses	MUs	128.18
Total energy requirement (3+5)			946.80

The above requirement of power is met from the power purchases, free power and own generation of the Energy & Power Department as indicated in Table 3.6.3 below:

Table 3.6.4 : Power Purchase for F.Y 2017-18

Sl.No.	Stations	Power Purchase in MUs
1	NTPC	
	a) FSTPP	113.07
	b) KHSTPP-I	63.97
	c) KHSTPP-II	21.63
	d) BSTPP	30.18
	e) TSTPP	153.89
2	NHPC	
	a) RANGIT-III	4.34
	b) TEESTA-V	31.87
3	Other Sources	
	a) PTC	45.62
	b) WBSEDCL	52.65
	c) SPDC	27.09
4	UI/Deviation	40.02
5	Free Power	360.56
6	Own Generation	12.00
Total		956.91
Deduct Overall Pool Loss		(-)10.09
Surplus/Energy Gap		946.82

4. ACTIVITIES OF THE COMMISSION DURING F.Y 2017-18

4.1 Amendment of existing Regulations and Notification of New Regulations

Section 181 of the Electricity Act, 2003 empowers the Commission to make regulations consistent with the Act and rules generally to carry out the provisions of the Act. Accordingly, the Commission has made several regulations by notifying them in the State Government Gazette. Considering the policy decisions taken by the Government of India and also the guidelines issued by the Government of India from time to time, the Commission has amended the existing regulations to make them consistent with the revised policies/guidelines and also notified new regulations to provide necessary regulatory framework for the power sector. The Commission has amended existing regulations and notified the following new regulations during F.Y 2017-18:

Sl. No	Name of the Regulations	Date of Notification
1	Sikkim State Electricity Regulatory Commission (Renewable Energy Purchase Obligation and its Compliance) (First Amendment) Regulations, 2017.	24.03.2017
2	Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) (Second Amendment) Regulations, 2017	20.6.2017
3	Sikkim State Electricity Regulatory Commission (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2017	06.11.2017
4	Sikkim State Electricity Regulatory Commission (Demand Side Management) Regulations, 2017	08.11.2017

4.2 Meeting of the State Advisory Committee

The Commission vide Notification No. 09/SSERC/AC/2013-14/19 Dated 24.01.2017 constituted the State Advisory Committee as per the provisions of section 87 of the Electricity Act, 2003 read with regulation 3(b) 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 Commission conducted meetings of the State Advisory Committee (SAC) on several occasions wherein various issues and topics related to power sector were discussed. Some of the key issues which were deliberated during the SAC meetings were as follows:

- Annual Revenue Requirement and Tariff for F.Y 2017-18 of the Energy & Power Department.
- Development/implementation of solar and wind power projects in the State.
- Need for revival of stalled hydropower projects.
- Efforts for reduction of Transmission and Distribution losses.
- Renewable Purchase Obligation and its compliance.
- Unbundling of the Energy & Power Department.
- Need for cutting down of excess manpower.
- Energy efficiency.
- Awareness campaigns for sensitization of consumers.
- Annual Revenue Requirement under Multi Year Tariff Regime for F.Y 2018-19 to 2020-21 & Tariff for F.Y 2018-19.

4.3 Meeting with the Energy & Power Department/Sikkim Renewable Energy Development Agency

Section 86 (2) of the Electricity Act, 2003 empowers the Commission to advise the State Government on all or any of the following matters, namely:

- (i) Promotion of competition ,efficiency and economy in activities of the electrical 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 the State Government.

The Commission keeping in view the above provisions of the Electricity Act, 2003, convened several rounds of meeting with the Energy & Power Department, Government of Sikkim and the Sikkim Renewable Energy Development Agency (SREDA). The purposes of the meetings/interactions with the Energy & Power Department and the SREDA were to deliberate upon key issues relating to power supply , distribution and generation in the State.

The Commission deliberated upon the following key issues during the meeting and necessary directives/advisories were issued by the Commission to resolve the issues:

- (a). need for taking timely action for restructuring of the Energy & Power Department.

- (b). need for taking stringent actions for recovery of outstanding dues.
- (c). strengthening of consumer grievance redressal mechanism and establishment of CGRFs in all four districts.
- (d). reduction/cutting down of excess manpower.
- (e). need for setting up of fully functional and properly manned State Load Despatch Centre.
- (f). setting up of solar power projects in the State.
- (g). improvement of the own generating capacity of the Department
- (h). measures to mitigate/minimize accidental deaths of linemen, other staffs and public.
- (i). 100 % metering of all consumers, distribution transformers and feeders.
- (j). proper monitoring of all schemes and projects under implementation to avoid time and cost overrun.
- (k). need for exploring options to curtail/cutting down procurement of high cost thermal power including feasibility of power banking.
- (l). need for adhering to the various milestones agreed upon by the State in the Memorandum of Understanding (MoU) executed with the Government of India for schemes like UDAY, etc.
- (l). need for conducting/organizing public awareness campaigns on safety, energy efficiency, consumer grievance redressal and various provisions of the Electricity Act, 2003 and other standing rules/regulations.

4.4 Visit/Inspection of State Load Dispatch Centre

The Commission has been constantly reviewing the progress of setting up of a fully operational and well manned State Load Despatch Centre (SLDC) in the State. The Commission's constant push and advisories for setting up of an independent SLDC showed the result. A fully operational and well equipped SLDC has been set up in the State recently.

The Commission paid a visit to the SLDC and interacted with personnel of the SLDC. The Commission was happy to observe that facilities for monitoring real time data of power being injected and being drawn into/from the State Power Grid were available at the SLDC.

4.5 Meeting of the Forum of Regulators for Eastern and North Eastern States

Sikkim State Electricity Regulatory Commission is a member of the Forum of Regulators for Eastern and North Eastern States (FORENS). All the State Electricity Regulatory Commissions (SERCs) and Joint Electricity Regulatory Commissions of the North and North Eastern States are the members of the FORENS. The meeting of the FORENS is held in the member States on rotational basis. The Commission had been participating in the meeting of the FORENS conducted by the different members in the past.

The SSERC was called upon to hold the 7th meeting of the FORENS at Gangtok. Accordingly, the 7th meeting of the FORENS was organized by the SSERC at Gangtok during 27th to 30th April, 2017. The meeting was attended by the Hon'ble Chairpersons and Hon'ble Members of the following SERCs/JERCs:

- i. Arunachal Pradesh State Electricity Regulatory Commission
- ii. Assam Electricity Regulatory Commission
- iii. Bihar Electricity Regulatory Commission
- iv. Jharkhand Electricity Regulatory Commission
- v. Odisha Electricity Regulatory Commission
- vi. Meghalaya Electricity Regulatory Commission
- vii. Joint Electricity Regulatory Commission for Mizoram and Manipur
- viii. Nagaland Electricity Regulatory Commission
- ix. Sikkim State Electricity Regulatory Commission
- x. Tripura Electricity Regulatory Commission
- xi. West Bengal Electricity Regulatory Commission

The Inaugural Session of the meeting had the august presence of Shri Bimal Dawari, Hon'ble Zilla Ahyaksha of East District as the Chief Guest. The inaugural session witnessed addresses by the Chief Guest and also by Shri U.N. Behera, Chairperson of FORENS (Hon'ble Chairperson of Odisha Electricity Regulatory Commission). Shri Nanda Ram Bhattarai, Hon'ble Chairperson of Sikkim State Electricity Regulatory Commission presented the welcome address.

Shri A.B.Rai, Principal Chief Engineer, Energy & Power Department, Government of Sikkim presented a "Power Point Presentation" on "Power Scenario in the State of Sikkim". The following were some of the important agendas that were deliberated upon during the meeting:

- i. Renewable Purchase Target Setting and Weak Compliance.
- ii. Challenges in achieving Perform ,Achieve and Trade (PAT) Target
- iii. Exemption from payment of Income Tax by ERCs
- iv. Inter State Comparison of Retail Supply Tariff



Shri Bimal Dawari, Zilla Adhyaksha (Chief Guest) Lighting the Ceremonial Lamp



Welcome speech by Shri N.R. Bhattarai, Hon'ble Chairperson (SSERC),



Address by Shri U.N.Behera, Honble Chairperson, Odisha SERC cum Chairperson FORENS



Hon'ble Chairpersons and Members during the Inaugural Session



Meeting of the FORENS



Members engaged in discussion during the meeting



Another shot of the meeting

4.6 Conduct of Public Hearing

As mandated by the Electricity Act, 2003, the deemed Distribution Licensee in the State i.e the Energy and Power Department, Government of Sikkim filed its petition before the Commission for approval of the Annual Revenue Requirement and Tariff Petition for the F.Y 2017-18 on 30th November 2016.

The Commission conducted an open Public Hearing on the Annual Revenue Requirement and Tariff Petition for the F.Y 2017-18 filed by the Department on 6th March 2017. 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. Further, there was hardly any participation by the public in the hearing except for one lone individual. The Commission deemed it fit to continue with the hearing process and the views, comments, suggestions etc of the lone participant were admitted and heard by the Commission.



Public Hearing at Chintan Bhawan, Gangtok

4.7 Tariff Order for F.Y 2017-18

The Commission, after following the various statutory procedures as enshrined in the Electricity Act, 2003 like soliciting of public comments/suggestion/objections on the Tariff proposal, interaction with the petitioner, public hearing, meeting with the State Advisory Committee Members etc finalized and disposed off the ARR and Tariff Petition for F.Y 2017-18 (Case No. TRP-01/SSERC/2017-18) vide Commission's order 21st March 2017. The Tariff approved by the Commission for F.Y. 2017-18 is as shown below:

Sl No.	Category of Consumers	Monthly Minimum Charges (₹/Consumer)	Demand Charges (HT Supply) (₹/KVA/Month)	Approved Energy Charges (Paisa/KWH)
1	Domestic			
a)	Up to 50 units	Single Phase - 40 3 Phase - 200		110
b)	51 to 100 units			234
c)	101-200 units			365
d)	201 to 400 units			457
e)	401 & above			493
2	Commercial			
a)	Up to 50 units	Single Phase - 200 3 Phase - 500		330
b)	51 to 200 units			561
c)	201 to 400 units			594
d)	401 & above			635
3	Public lighting			
	Rural Areas			270
	Urban Areas			500
4	Industrial			
A	HT			
a)	HT (AC) above 3.3 KV			
b)	Upto 100 KVA		200	336
c)	100 - 250 KVA		250	389
d)	250- 500 KVA		290	459
e)	500 KVA & above		550	496
B	LT (Rural)			
a)	Up to 500 units	120		250
b)	501 - 1000 units			440
c)	1001 & above			580
C	LT (Urban)			
a)	Up to 500 units	200		528
b)	501 - 1000 units			616
c)	1001 & above			713
5	Bulk supply			
a)	LT	200		606
b)	HT			657

5. ANNUAL STATEMENT OF ACCOUNTS

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 2017 approved by the CAG and duly certified by the Commission is shown below:

Balance Sheet As on 31st March 2017

	Schedule	As on 31.03.2017 Amount (Rs)	As at 31.03.2016 Amount (Rs)
<u>CAPITAL FUND AND LIABILITY</u>			
CORPUS FUND	1	2,0389,218.57	2,40,95,216.57
CURRENT LAIBILITIES	2	16,17,733.00	9,13,201.00
TOTAL		2,20,06,951.57	2,50,08,417.57
<u>APPLICATION OF FUND</u>			
FIXED ASSETS	6	57,78,844.00	61,87,080.00
INVESTMENTS	3	27,68,257.00	76,26,240.00
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
ADVANCES	4	4,73,875.00	26,750.00
BANK BALANCE	5	1,29,74,258.57	1,11,56,630.57
CASH BALANCE		11,717.00	11,717.00
TOTAL		2,20,06,951.57	2,50,08,417.57
NOTES ON ACCOUNTS	10		

IN TERMS OF OUR REPORT OF EVEN DATE

For Pravin K Agarawal & Co.
Chartered Accountants

Sd/-

(Pravin Kr. Agarwal)
Proprietor
M.No. 511455

Place: Gangtok

Sd/-
Chairperson

Sd/-
Financial Advisor

Sd/-
Secretary

Statement of Income and Expenditure for the year ended on 31.03.2017

	Schedule	For the year ended 31.03.2017 Amount (Rs.)	For the year ended 31.03.2016 Amount (Rs.)
<u>INCOME</u>			
GRANT IN AID FROM GOVERNMENT		1,35,00,000.00	1,35,00,000.00
FEE RECEIVED		5,64,000.00	5,58,000.00
OTHER INCOME	7	6,36,033.00	8,54,312.00
TOTAL		1,47,00,033.00	1,49,12,312.00
<u>EXPENDITURE</u>			
ESTABLISHMENT EXPENSES	8	1,18,15,047.00	90,19,114.00
ADMINISTRATIVE EXPENSES	9	52,33,854.00	50,26,521.00
DEPRACIATION	6	13,09,930.00	14,75,369.00
		47,200.00	57,500.00
TOTAL		1,84,06,031.00	1,55,78,504.00
<u>SURPLUS/DEFICIT FOR THE YEAR</u>		(37,05,998.00)	(6,66,192.00)
ADJUSTMENTS / PRIOR PERIOD EXPENSES (BALANCE OF EXCESS / DEFICIT) TRANSFERRED TO CAPITAL FUND			1,68,540.00
		(37,05,998.00)	(8,34,732.00)
NOTE ON ACCOUNTS			

IN TERMS OF OUR REPORT OF EVEN DATE

For Pravin K Agarwal & Co.
Chartered Accountants

Sd/-
Chairperson

Sd/-

Sd/-
Financial Advisor

(Pravin Kr. Agarwal)
Proprietor
M.No. 511455

Sd/-
Secretary

Place: Gangtok

6. DISPUTES AND GRIEVANCES

There were no regulatory disputes or grievances during the Financial Year 2017-18

7. GRANT OF LICENSE

The Commission did not receive any application for grant of license for Transmission, Generation or Distribution Business during the F.Y 2017-18. Therefore the Commission did not grant any license during the F.Y 2017-18.

8. STANDARD OF PERFORMANCE AND GRIEVANCE REDRESSAL

The Commission regularly monitored the compliance of the Standards of Performance by the Energy & Power Department, Government of Sikkim. The Commission issued directives/advisories to the Department to make all possible efforts to live upto the standards of performance prescribed by the Commission. The Commission has also emphasized the need for instituting an effective Consumer Complaint Cell and Consumer Grievance Redressal Forums (CGRF) to handle consumer complaints and grievances. The Electricity Ombudsman of the Commission is regularly monitoring the functioning of the CGRF and obtaining periodic reports from the CGRF.

The details of grievances and redressal during the F.Y 2017-18 are as indicated below:

ELECTRICITY OMBUDSMAN		
No. of Grievances Received during F.Y 2017-18	No. of Grievances Disposed Off during F.Y 2017-18	No. of Cases Pending during F.Y 2017-18
Nil	Nil	Nil

CONSUMER GRIEVANCE REDRESSAL FORUM, ENERGY & POWER DEPARTMENT, GANGTOK, EAST SIKKIM		
No. of Grievances Received during F.Y 2017-18	No. of Grievances Disposed Off during F.Y 2017-18	No. of Cases Pending during F.Y 2017-18
2 (Two)	2 (Two)	Nil

9. ADJUDICATION OF DISPUTES AND DIFFERENCES

No any cases or petitions related to differences or disputes were filed before the Commission during the F.Y. 2017-18.

10. CONFERENCES/WORKSHOPS/SEMINARS CAPACITY BUILDING PROGRAMS

The Commission has given top priority to training of the Officers and Staffs of the Commission in order to build a well trained and skilled human resource for handling the day to day works. As a part of human resource development initiative, the Commission has been deputing its Officers and staffs to attend and participate in various conference, workshop, seminars and capacity building programs conducted both within and outside the State. In addition, the Hon'ble Chairperson and the Officers of the Commission has attended the meetings of the Forum of Regulators (FOR), Forum of Regulators for Eastern and North Eastern States (FORENS) and other conferences/meetings.

The details of the participation by the Commission in such training programs including conferences during the F.Y 2017-18 are as given below:

Sl.No	Particulars	Date and Venue	Name/Designation of the Participants from the Commission
1	6 th meeting of the FORENS	17 th April 2017 Imphal	Shri N.R.Bhattacharai, Hon'ble Chairperson Shri S.D.Dhakar, Secretary Shri P.D.Chaktha, Director (T&T)
2	7 th meeting of the FORENS	27 th to 30 th April 2017 Gangtok	Shri N.R.Bhattacharai, Hon'ble Chairperson Shri S.D.Dhakar, Secretary Shri Jigme D.Denjongpa, Director (Legal) cum Electricity Ombudsman Shri P.D.Chaktha, Director (T&T)
3	60 th meeting of the Forum of Regulators	23 rd June 2017 New Delhi	Shri N.R.Bhattacharai, Hon'ble Chairperson
4	Interactive Meeting of the Electricity Regulators with Hon'ble Minister Power, Govt. of India	8 th June 2018 New Delhi	Shri N.R.Bhattacharai, Hon'ble Chairperson
5	61 st Meeting of the Forum of Regulators	22 nd September 2017 Chennai	Shri N.R.Bhattacharai, Hon'ble Chairperson
6	Protection of Consumer Interest for Officers of CGRF and Ombudsman.	22 nd to 23 rd March 2018 Faridabad	Shri Jigme D.Denjongpa, Director (Legal) cum Electricity Ombudsman.
7	Induction Training for Cutting Edge Level (Group C) Employees	13 th to 25 th November, 2017 Gangtok	Mrs. Yangzom Bhutia, Office Assistant Mrs. Zangmu Bhutia, Office Assistant Mrs. Hishey Donka Bhutia, Office Assistant Mr. Hem K. Chettri, Office Assistant

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