



**ASSOCIATION OF POLYESTER CONTINUOUS POLYMERISATION INDUSTRY
OF D & N H, SILVASSA .**

(REGISTRATION NO.: 10/APCPIDNH/2014)

REF: APCPI/JERC/Review/18-19/3

DATE: 23.4.2018

To,

The Federation Industries Association,
Danudyog Industrial Estate,
Silvassa, Gujarat 396230

SUB: Submission of copy of our review petition no.247/2017 in the matter of Determination of Tariff for FY 2018-19, Annual Performance Review of FY 2017-18 and True-up Petition 240/2017 of FY 2016-17.

Respected Sir/Madam,

In reference to the above subject we hereby forward copies of above petition along with two numbers of supplementary submissions.

Thanking you,

Yours sincerely,

For Association of Polyester Continuous Polymerization Industries of D.N.H.

KJ Mody

Executive President

Mobile No.09998962902

BEFORE THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES.
GURGAON, HARYANA.

FILE No: _____

CASE No: _____

IN THE MATTER OF : Application as per Section 74 of JERC (Conduct of Business) Regulation 2009 for Review of Decision/Tariff order of the Commission in DNHPDCL ARR Petition No. 247/2017 in the matter of Determination of Tariff for FY 2018-19, Annual Performance Review of FY 2017-18 and True-up Petition 240/2017 of FY 2016-17

AND

IN THE MATTER OF : ASSOCIATION OF POLYESTER CONTINUOUS POLYMERIZATION INDUSTRY OF D & N H; SILVASSA, (FOR BREVITY ALSO KNOWN AS APCPI) , 7/8 Utkarsh Hotel, Silvassa Naroll Road, Athal, UT Dadra & Nagar Haveli # 396235

..... Applicant/Petitioner

AND

IN THE MATTER OF : Joint Electricity Regulatory Commission

..... The Commission

AND

IN THE MATTER OF : DNH Power Distribution Corporation Ltd. 1st Floor, THE PETITIONER Vidhyut Bhavan, 66 KV Road, Amli, Opp. Secretariat, Silvassa-396230

.....Original Petitioner

IN THE MATTER OF : Respondents in original Petition as below:
THE PETITIONER

1. Federation of Industries Associations of DNH
2. Indian Energy Exchange (IEX)

ABOVE NAMED APPLICANT MOST RESPECTFULLY SUBMITS THIS SUPPLEMENTARY SUBMISSION No. 2 FURTHER TO EARLIER SUBMISSIONS TO REVIEW PETITION ALREADY FILED:

ASSOCIATION OF POLYESTER CONTINUOUS
POLYMERIZATION INDUSTRY (APCPI)
[Signature]
AUTHORISED SIGNATURE

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1	Supplementary submission No. 2 to the Application submitted as per Section 74 of JERC (Conduct of Business) Regulation 2009 for Review of Decision/Tariff order of the Commission in DNHPDCL ARR Petition No. 247/2017 and True-up Petition 240/2017 for FY 2016-17	1-5
2	Copy of Affidavit	

ASSOCIATION OF POLYESTER CONTINUOUS
POLYMERISATION (INDIA) (APCPI)
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1.0 PREAMBE:

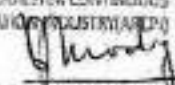
The above named Applicant is the Association of Polyester Continuous Polymerization Industry of Dadra & Nagar Haveli (APCPI), duly registered under Registration No.: 10/APCPIDNH/2014 and has submitted an Application for Review of the Tariff Order dated 30 January 2018 issued by this Hon'ble Commission for original petitioner viz. the DNHPDCL.

The Applicant is one of the respondents in the recent petitions 247/2017 filed in December'17 by the DNHPDCL for Tariff determination for FY 2018-19 and Petition 240/2017 filed in September, 2017 for True-up of FY 2016 - 17.

On finding certain errors apparent in the impugned order, the Petitioner herein filed a review petition on 20-02-2018.

Thereafter supplementary submission dated 16th March 2018 is made as certain additional errors apparent had come to notice of this applicant over and above the apparent errors already referred to this Hon'ble Commission for review under original application submitted in respect of the Tariff Order in Petition No. 247 and 240 of 2017 dated 30th January, 2018.

Further to the above, this supplementary submission No. 2 is now made as certain additional errors apparent has come to notice of this applicant over and above those as already referred to this Hon'ble Commission under earlier submissions.

ASSOCIATION OF POLYESTER CONTINUOUS
POLYMERIZATION INDUSTRY (APCPI)

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2.0 The Matter/Issue:

Under the impugned tariff order dated 30th Jan'18, the applicant has observed that under the Tariff order following new provisions are incorporated.

1. Basis for Energy Billing changed to KVAH basis instead of the continuing it on KWH basis as per the norm/practice over the years immemorial, overlooking the fact that the petitioner viz. DNHPDCL didn't ask for same.

While it is the prerogative of Hon'ble Commission to decide the basis of Energy Billing, the same needs to be a reasoned order bringing out the need for this change after all these years. Even on all India basis the unit for Energy Billing is KWH and not KVAH. The reasoning by Hon'ble Commission would have given an opportunity to the stake holders to respond. Also this contradicts with "General Conditions of HT & LT Supply" enumerated at 8.3.9 on page 128 of the impugned Order, which is reproduced as follows:

Quote:.....

8.3.9: Unless specifically stated to the contrary, the figures of energy charges relate to paisa per unit (KWh) charge for the energy consumed during the month.

Unquote.

2. Power factor incentive available earlier @ 1 % for every incremental PF of 0.01 above 0.95 PF is removed, overlooking the fact that the petitioner viz. DNHPDCL didn't ask to remove PF incentive totally but only prayed for same to be reduced to 0.5% instead of 1%. Here too the Hon'ble Commission has not advanced any reason for such a drastic measure thereby denying an opportunity to the stake holders to respond.

ASSOCIATION OF POLYESTER CONTINUOUS
POLYMERIZATION INDUSTRY (APCPI)

[Signature]
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Since these items/issues were not there in the petition submitted by the petitioners, this Respondent of the original

petition could not respond to these issue and thus an error apparent has crept in to the process of Tariff Determination through interactive deliberations with all stake holders.

Moreover, since in case of almost all Utilities/DISCOMs in this country, the present modalities are operative and such changes without due deliberations on pros and cons of the matter are unwarranted.

Hon'ble Commission is most humbly requested to appreciate the above aspects and do justice to the matter.

3.0 PRAYER:

In view of the foregoing facts, the Applicant most respectfully submits to add the following prayers to the submitted application:

Hold and declare that following changes made under the impugned Tariff are set aside and accordingly,

- (i) the basis for billing for Energy charges shall continue to be the KWH and
- (ii) pf (Power Factor) incentive shall continue to be available as earlier @ 1 % for every incremental PF of 0.01

Place: Silvassa

Date: 20th March, 2018

ASSOCIATION OF POLYESTER CONTINUOUS
FIBRE SPINNING INDUSTRIES (APCI)
[Signature]
AUTHORISED SIGNATORY

(Deponent)

Affidavit
(Set Regulation 14 of Conduct of Business Regulations)

BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES

FILE NO.
CASE NO.

IN THE MATTER OF : Application as per Section 74 of JERC (Conduct of Business) Regulation 2009 for Review of Decision/Tariff order of the Commission in DNHPDCI ARE Petition No. 247/2017 in the matter of Determination of Tariff for FY 2018-19, Annual Performance Review of FY 2017-18 and True-up Petition 240/2017 of FY 2016-17

AND

IN THE MATTER OF : ASSOCIATION OF POLYESTER CONTINUOUS POLYMERIZATION INDUSTRY OF D & N H, SILVASSA, (FOR BREVITY ALSO KNOWN AS APCI), 7/8 Utkarsh Hotel, Silvassa Narali Road, Athal, UT Dadra & Nagar Haveli # 396235
----- Applicant/Petitioner

AND

IN THE MATTER OF : Joint Electricity Regulatory Commission
----- The Commission

: AND

IN THE MATTER OF THE PETITIONER : DNH Power Distribution Corporation Ltd. 1st Floor, Vidhyut bhawan, 66 KV Road, Amli, Opp. Secretariat, Silvassa-396230
---Original Petitioner

IN THE MATTER OF THE PETITIONER : Respondents in original Petition as below:

1. Federation of Industries Associations of DNH
2. Indian Energy Exchange (IEX)

Affidavit

I, Sh. Kaushik J. Mody, S/o Sh. Jagjivandas Dalakubhai Mody, aged about 56 years, occupation Service, residing at Vaji, the deponent named above do hereby solemnly affirm and state on oath as under:-

- 1) That the deponent is the Executive President who is authorised and is acquainted with the facts deposed to below.
- 2) I, the deponent named above do hereby verify that the contents of the Response are true to my personal knowledge and based on the perusal of records and on

Page 9 of 10



Kaushik J. Mody
NOTARY PUBLIC

information received and the legal advice which I believe to be true and verify that no part of this affidavit is false and nothing material has been concealed.

[Signature]
(Deponent)

I, Advocate, Hiteshkumar K. Bhandari, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

Advocate

Solemnly affirmed before me on this 20th day of February 2018 at 6:00 P.M. by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 191 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.



IDENTIFIED BY ME

[Signature]
[Signature]



Solemnly Affirmed before me by Shri. Kamlesh J. Joshi of Vapi who is identified by Shri. Prakash Singh of Surat whom I personally know

[Signature]
HITESHKUMAR K. BHANDARI
B.A., LL.B.
ADVOCATE & NOTARY
Office no 220, 2nd Floor, Land Mark,
Taraknagar, Ahmedabad-380 020.
(Opp. of Dada & Nagar Hotel)



Serial No. 990
Date 22/02/2018

BEFORE THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES.
GURGAON, HARYANA.

FILE No: _____

CASE No: _____

IN THE MATTER OF : Application as per Section 74 of JERC (Conduct of Business) Regulation 2009 for Review of Decision/Tariff order of the Commission in DNHPDCL ARR Petition No. 247/2017 in the matter of Determination of Tariff for FY 2018-19, Annual Performance Review of FY 2017-18 and True-up Petition 240/2017 of FY 2016-17

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IN THE MATTER OF THE PETITIONER : DNH Power Distribution Corporation Ltd. 1st Floor, Vidhyut Bhavan, 66 KV Road, Amli, Opp. Secretariat, Silvassa-396230

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IN THE MATTER OF THE PETITIONER : Respondents in original Petition as below:

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THE ABOVE NAMED APPLICANT MOST RESPECTFULLY SUBMITS THIS SUPPLIMENTRY SUBMISSION TO REVIEW PETITION ALREADY FILED :

ASSOCIATION OF POLYESTER CONTINUOUS
POLYMERIZATION INDUSTRY (APCPI)

[Signature]

AUTHORIZED SIGNATURE

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2	ANNEXURE - I - COPY OF APTEL Judgment dated 8 th October 2014.	
3	ANNEXURE - II - Copy of Computation by the Applicant for HT/EHT consumer Cross Subsidization.	

RECEIVED CONTINUOUS
FOR ASSISTANT COMMISSIONER

[Signature]
AUTHORISED SIGNATORY

1.0 PREAMBLE:

The above named Applicant is the Association of Polyester Continuous Polymerization Industry of Dadra & Nagar Haveli (APCPI), duly registered under Registration No. : 10/APCPIDNH/2014 and has submitted an Application for Review of the Tariff Order dated 30 January 2018 issued by this Hon'ble Commission for original petitioner viz. the DNHPDCL.

The Applicant is one of the respondents in the recent petitions 247 / 2017 filed in December'17 by the DNHPDCL for Tariff determination for FY 2018-19 and Petition 240 / 2017 filed in September, 2017 for True-up of FY 2016 - 17.

Without compromising on the submission made by the Applicant in the subject petition, against various numbers arrived by JERC, this supplementary submission is made as certain additional errors apparent have come to notice of this applicant over and above the apparent errors already referred to this Hon'ble Commission for review under original application submitted in respect of the Tariff Order in Petition No. 247 and 240 of 2017 dated 30th January, 2018.

2.0 The Matter/Issue:

Under the impugned tariff order dated 30th Jan'18, the applicant has observed that there is substantial amount of Cross Subsidization between the Industrial category drawing power at 66kv/220 kv and the Industrial consumers drawing power at 11 kv voltage level.

Since the Industrial Consumers of both the categories are commercial entities, there cannot be any element of cross subsidization among them and the tariff should reflect *cost of supply* as mandated under the Electricity Act 2003 and under a very candid judgment of APTEL; copy of which is attached herewith as

ANNEXURE - I.

The Judgment dated 8th Oct'14 by APTEL in APPEAL NO.42 OF 2014 says that:

".....
 The State Commission shall also indicate category wise cross subsidy with reference to voltage wise cost of supply as mandated in the various judgments of this Tribunal and comprehensively dealt with in the judgment dated 31.5.2013 in Appeal No.179 of 2012.
"

As against this, Hon'ble Commission has erred and determined tariffs which envisage higher tariff recovery from 66kv and 220 kv voltage level Industrial consumers whose cost of supply is lower and lower recovery from 11 kv voltage level Industrial consumers whose cost of supply is higher with respect to 66kv and 220kv voltage level consumers. As such the consumers categories like Agriculture, BPL (Below Poverty Level), Public Water Works etc. only covered under the subsidized category and in no case Industrial category operating commercially.

In this regard, detailed computations, analysis and comparison is made; copy of which is attached herewith as **ANNEXURE -II**.

From the detailed computations, the real picture of comparative recoveries emerges as under.

Particulars	Total power cost distrn. as per JERC (as per Table B)	Total power cost distrn. as per APCPI (as per Table A)	cross subsidy	Cross subsidy
Rupees →	Cr	Cr	Cr	Cr
11 kv- Load up to 1 MW	430.87	514.85	-83.99	-122.25
11 kv- 1 MW and above	710.67	748.93	-38.26	
66 kv	938.93	881.25	57.68	118.12
220 kv	547.86	487.42	60.44	

Hon'ble Commission may please observe from the above data that Revenue recovery from 66 kv and 220 kv Industrial consumers is higher by Rs. 118.12 Crores as against 11 kv Industrial consumers recovery being less by Rs. 122.25 Crores i.e. heavy cross subsidization amongst the same category viz. the Industrial

consumers and hence the error apparent in view of provisions under the Electricity Act 2003.

3.0 OTHER ERRORS:

3.1 Item No. 5.21. Aggregate Revenue Requirement (ARR): Further as per table 111 of Aggregate Revenue Requirement Approved By Commission for FY2018-19, ARR for FY2018-19 is Rs.2601.20 CR (Rs.1052.54 fixed Cost + Rs.1548.66 variable cost) and as per table 130 of Revised Revenue Gap/(Surplus) Approved By Commission, the deficit is Rs.169.66 cr. So total revenue requirement for the year 2018-19 works out to 2601.20+169.66=2770.86Cr. Based on this revenue requirement of Rs.2770.86 Cr, appellant has assessed the energy tariff keeping the same fixed cost/demand charge decided by JERC (i.e 550, 500, 375 Rs/kVA/month for 220, 66, and 11 kv categories respectively) as shown in attached annexure table A, which work out to 3.07, 3.24, 3.75, and 4.48 Rs/KWH(KVAH) for 220 kv, 66 kv, 11 kv (1 MW & above), 11 kv (below 1 MW), category respectively. Accordingly, the Regulatory surcharge works out to about 6.5223%. whereas commission has approved energy tariff 3.20, 3.25, 3.30, 3.30 Rs/KWH(KVAH) for 220 kv, 66 kv, 11 kv (1 MW & above), 11 kv (below 1 MW), category respectively.

So the issue arises that under which rule are 11kv categories of above 1 MW and below 1 MW subsidized by 0.45 and 1.18 Rs/KWH(KVAH) and why are 220 kv & 66 kv not subsidized similarly, but are on the contrary over-charged equivalently, resulting into cross-subsidisation.

3.2 Item No. 6.4.3 of Tariff Order - Revenue from approved retail tariff for FY 2018-19 :

Ref : Table 129 – Revenue from approved retail tariff. Revenue calculated is Rs. 2532.09 Crs. but on verification of collation it works out to 2450.81. Hence, there are arithmetic errors at various stage of calculation in table 129.

3.3 Item No. 6.4.4 of Tariff Order – Regulatory Surcharge:

Regulatory surcharge calculated by JERC for FY 18-19 @ 9.7 % is Rs. 245.61 Crs (Ref Table 130) but on our verification, the said surcharge on approved MUS by JERC 5040.79 @ 9.7 % is 225.13 Crs. According to above variation, still deficit is seen about 82.32 Crs, (refer table B) FY 18-19 and which for achieving zero gap is destined to be ordered to be levied in near future.

3.4 Power Cost Category Wise Distribution Comparison: Further to above, Applicant has also calculated revenue generated from approved tariff by JERC as shown in attached Annexure vide table B. of this Supplementary submission for Review Petition to JERC for Tariff Order of 30thJan.2018 for FY 2018-19 Tariff. Applicant has shown comparison between table A (Total power cost category wise distribution as per Applicant and table B (Total power cost category wise distribution as per JERC) in table C which clearly-shows that, the cross subsidy of Rs 118.12cr to be paid by 220 kv & 66 kv consumers to subsidies the 11 KV industrial consumer. This is highly unfair and unjust on part of 220kv and 66 KV consumer. As the Applicant understands, there is no such rule/provision directing that one category of industry subsidies to another category of industry. Only government can subsidies all industries or part of industries to promote industrial zone/area development. Therefore, this Hon'ble JERC need to relook in to the matter, correct all arithmetic error, make cross subsidy zero between industries and re-determine the tariff by adopting the methodology as shown in table A of attached Annexure -II.

4.0 Cross Subsidy Surcharge :

4.1 Error of Increasing Cross-Subsidy As Against Reduction :

Hon'ble Commission has erred by increasing the Cross Subsidy from Zero for FY 2017-18 to Rs. 0.14/Unit for FY 2018-19 tariff going against the clear and specific directions under the EA'03 as also the Tariff Policy as reproduced here below.

Quote.....

Ref → (Provisions under the Electricity Act 2003:- PART-VII - TARIFF - Section 61. (Tariff regulations):

1[(g) that the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commission:]

.....Unquote

[Ref → National Electricity Policy: The Gazette of India; EXTRAORDINARY; PART I - Section 1 PUBLISHED BY AUTHORITY; New Delhi, Dated, 12th, February, 2005 Ministry of Power; RESOLUTION - No. 23/40/2004-R&R (Vol.II)

"Quote

..... 5.8.3
Under sub-section (2) of Section 42 of the Act, a surcharge is to be levied by the respective State Commissions on consumers switching to alternate supplies under open access. The amount of surcharge and additional surcharge levied from consumers who are permitted open access should not become so onerous that it eliminates competition that is intended to be fostered in generation and supply of power directly to consumers through the provision of Open Access under Section 42(2) of the Act. Further it is essential that the Surcharge be reduced progressively in step with the reduction of cross-subsidies as foreseen in Section 42(2) of the Electricity Act 2003.

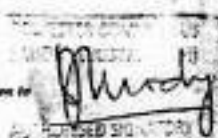
..... Unquote"

Accordingly, increasing the Cross Subsidy Surcharge is clearly against the Law and hence the error apparent in the revised tariff structure that need be corrected so as to ensure that the Cross Subsidy surcharge does not increase.

5 Error in Additional Surcharge Computation:

Hon' Commission has calculated the Additional Surcharge under the impugned Tariff Order as under:

"Quote.....

A handwritten signature in blue ink is written over a circular official stamp. The stamp contains some text, but it is mostly illegible due to the signature and the quality of the scan.

Particulars	FY 2018-19
Total Power Purchase cost approved	2562.98
Fixed Cost component in Power Purchase Cost (excluding Transmission Charges)	1014.32
Energy Sales (MU)	5940.79
Additional Surcharge (Rs./kWh)	1.71

.....Unquote"

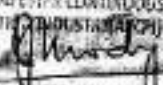
However, since the Stranded capacity is in terms of KW/KVA only, the Additional Surcharge should also be in terms of KW/KVA per Month which is worked out as under:

Particulars	FY 2018-19	Remark
Total Power Purchase cost approved	2,562.98	
Fixed Cost component in Power Purchase Cost (excluding Transmission Charges)	1,014.32	
Contract demand/connected load in KVA (Table 81)	14,47,232.61	fixed cost liability is distributed based on contracted load, hence MUs cannot be taken
Minimum charged on fixed cost is 85 % of CD	12,30,147.72	fixed cost will be distributed to 85 % of CD
Additional Surcharge (Rs./kVA(KW) /Month)	687.13	additional surcharge is compensation to fixed cost liability hence it must be similar to demand charge RS/KVA/Month

Hon'ble Commission is therefore requested to revise the Additional Surcharge accordingly on this account.

6 PRAYER:

In view of the foregoing facts, the Applicant most respectfully submit to add the following prayer to the submitted application :

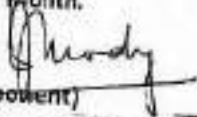
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 PUBLIC RELATIONS & INDUSTRIAL ACPI

 AUTHORIZED SIGNATORY

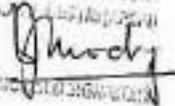
Hold and declare that part of the tariffs of Industrial category are revised and determined the revised tariffs as under:

- a) Re-determine the revised tariffs for Industrial categories so as to reflect the *cost of supply* i.e. 66/220 kv voltage level consumers are lesser than that for 11 kv Industrial consumers having higher *cost of supply* and
- b) Revise the Cross Subsidy to Zero for 220 Kv Consumer Category
- c) Revise the Additional Surcharge to Rs. 687.13/ KW/kva per Month.

Place: Silvassa

Date : 16 March, 2018


(Deponent)


APCI



**Appellate Tribunal for Electricity
(Appellate Jurisdiction)**

Dated: 8th Oct, 2014

Present:

**HON'BLE MR. JUSTICE M KARPAGA VINAYAGAM, CHAIRPERSON
HON'BLE MR. RAKESH NATH, TECHNICAL MEMBER**

APPEAL NO.42 OF 2014

In the Matter of:

**Federation of Karnataka Chambers
Of Commerce & Industry (FKCCI),
Federation House, K.G. Road,
Bangalore-560 009**

..... Appellant

Versus

- 1. Bangalore Electricity Supply Company Limited
K R Circle,
Bangalore-560 001**
- 2. Karnataka Electricity Regulatory Commission
6th & 7th Floor, Mahalaxmi Chambers,
No.9/2, M.G. Road,
Bangalore-560 001**

...Respondent(s)

**Counsel for the Appellant(s) : Mr. Rohit Rao N
Mr. Sridhar Prabhu**

**Counsel for the Respondent(s): Ms. Swapna Seshadri
Ms. Mandakini Ghosh for R-1
Mr. Anand K Ganesan for R-2**

JUDGMENT

PER HON'BLE MR. JUSTICE M. KARPAGA VINAYAGAM,
CHAIRPERSON

1. Federation of Karnataka Chambers of Commerce & Industry is the Appellant herein.
2. Challenging the Order dated 6.5.2013 passed by the Karnataka Electricity Regulatory Commission, the present Appeal has been filed by the Appellant.
3. The basic facts that are relevant to decide the issues raised in this Appeal are as follows:

(a) The Appellant consists of the 15 members who are consumers of the Distribution Licensee. The Bangalore Electricity Supply Company Limited (BESCOM), the Distribution Licensee, is the First Respondent.

(b) Karnataka Electricity Regulatory Commission is the second Respondent.

(c) The BESCOM on 19.12.2012 filed an Application for (a) Annual Performance Review of its figures for the year 2011-12 (b) ARR for the Financial Years 2013-2014 to 2015-2016 and (c) Determination of

J U D G M E N T

PER HON'BLE MR. JUSTICE M. KARPAGA VINAYAGAM,
CHAIRPERSON

1. Federation of Karnataka Chambers of Commerce & Industry is the Appellant herein.
2. Challenging the Order dated 6.5.2013 passed by the Karnataka Electricity Regulatory Commission, the present Appeal has been filed by the Appellant.
3. The basic facts that are relevant to decide the issues raised in this Appeal are as follows:
 - (a) The Appellant consists of the 15 members who are consumers of the Distribution Licensee. The Bangalore Electricity Supply Company Limited (BESCOM), the Distribution Licensee, is the First Respondent.
 - (b) Karnataka Electricity Regulatory Commission is the second Respondent.
 - (c) The BESCOM on 19.12.2012 filed an Application for (a) Annual Performance Review of its figures for the year 2011-12 (b) ARR for the Financial Years 2013-2014 to 2015-2016 and (c) Determination of

ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ನಿಯಂತ್ರಣ ಆಯುಕ್ತರ ಕಛೇರಿ
BANGALORE
ಆಯುಕ್ತರ ಕಛೇರಿ
[Signature]
ಆಯುಕ್ತರ ಕಛೇರಿ

tariff for Distribution and Retail Supply Business for the Financial Year 2013-14.

- (d) After entertaining the said Petition, the State Commission directed for the issuance of public notice. Accordingly, the public notice was issued.
 - (e) During the public hearing, the Appellant appeared before the State Commission and filed the statement raising objection to the Application on various grounds.
 - (f) Ultimately, the State Commission passed the Impugned Order dated 6.5.2013.
 - (g) Aggrieved over the findings on some of the issues, the Appellant has filed the present Appeal.
4. The learned Counsel for the Appellant has raised the following issues:
- (a) Increase in cross subsidy from 11% in the year 2011-12 to 15% in the year 2012-13 which has been passed on in tariff and cross subsidy of some consumers above 20%.
 - (b) Basic level of Cross Subsidy for each category of consumers has not been calculated.

APPELLANT'S ATTORNEY
ADVOCATE GENERAL
[Signature]
ATTORNEYS SIGNATURE

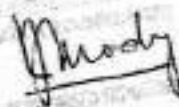
- (c) No prudence check of audited accounts for earlier control period has been carried out.
 - (d) The allocation of power between distribution companies has been done by the State Government.
 - (e) Cross Subsidies to un-metered consumers has not been correctly calculated.
 - (f) Concept of Commission Determined Tariff
5. On these issues, elaborate arguments were advanced by the learned Counsel for the Appellants.
 6. In reply to the said arguments, the learned Counsel for the Respondents in justification of the Impugned Order submitted that there is no infirmity in the findings rendered by the State Commission on these issues.
 7. Let us refer to each of the issues.
 8. The **First two Issues** relating to **Cross Subsidy** are interconnected and therefore being dealt with together.
 9. According to the Appellant, there is increase in cross subsidy 11 to 15% between the years and 2010-11 and 2011-12.

10. According to the State Commission, it has determined the tariff in terms of the National Tariff Policy so as to bring out the cross subsidy level to within $\pm 20\%$ of the average cost of supply. The cross subsidy has actually been reduced between the years 2010-11 and 2011-12 which is evident from the hereunder:

In respect of LT and HT Industries the Cross Subsidy level for FY 11 and FY 12, as per the State Commission's Orders is as follows:

Category of Consumers	Cross Subsidy level in FYH 11	Cross Subsidy level in FY 12
LT Industries	14.58%	14.49%
HT Industries	18.39%	17.69%

11. From the above table it is evident that there is a marginal reduction in the cross subsidy but in any case, the cross subsidy has not increased. The cross subsidy is required to be gradually reduced so as not to result in tariff shock to said consumers. The cross subsidy in FY 11 and FY 12 is in compliance with the tariff policy as contemplated u/s 42 of the Electricity Act, 2003.
12. The State Commission in its Impugned Tariff Order dated 6.5.2013 has held as under:



"5.7 Average Cost of Supply: As per the approved ARR for FY14 and the approved sales, the average cost of supply for FY14 is computed as follows:

TABLE – 5.37

Average Cost of Supply for FY14

S.No.	Particulars	Amount in Rs (Cr)
1	Approved ARR for FY14	12498.31
2	Deficit of FY12	82.94
3	Net ARR for FY14 (1 +2 above)	12581.25
4	Approved Energy sales in MU for FY14	24977.60
5	Average cost of supply in Rs. Per unit	5.04

The determination of the retail supply tariff of BESCO for FY14 on the basis of the approved ARR and the projected revenue deficit is taken up in the subsequent Chapter of this order.

6.3 Consideration for Tariff setting: The Commission has considered the following relevant factors for determination of retail supply tariff:

a) Tariff philosophy:

As discussed in the earlier tariff orders, the Commission continues to fix tariff below the average cost of supply for consumers whose ability to pay is considered inadequate and fix tariff at or above the average cost of supply for categories of consumers whose ability to pay is considered to be greater. As a result the system of cross subsidy continues. However, the Commission has taken due care to progressively bring down the cross subsidy levels as envisaged in the

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 MEMBER

Tariff Policy of the Government of India dated 6th January 2006.

b) Average cost of supply:

The Commission has been determining the retail supply tariff on the basis of the average cost of supply. The KERC (Tariff) Regulations 2000, require the licensees to provide details of embedded cost of electricity voltage / consumers category wise. This methodology requires the necessary data to be furnished by the licensee and the validation of the same by the Commission. Since this process of categorization of data / validation is not finalized, the Commission decides to continue with the existing method of determining retail supply tariff on the basis of average cost of supply.

c) Differential Tariff:

Beginning with its tariff order dated 25th November 2009, the Commission has been determining differential retail supply tariff for consumers in urban and rural areas. The Commission decides to continue the same in the present order also.

6.7 Other tariff related issues:

i) Fuel Cost Adjustment Charge

ii) Cross subsidy surcharge:

BESCOM has not proposed cross subsidy surcharge in its filings. However, the Commission in its MYT Regulations has specified the methodology for calculating the cross subsidy surcharge. Based on the

above methodology, the category wise cross subsidy will be as indicated below.

Particulars	HT-1 Water Supply	HT-2a Industries	HT-2b Commercial	HT-3(a)Lift Irrigation	HT-3(B) Irrigation & Agricultural Farms	HT-4 Residential Apartments	HT-5 Temporary
Average Realization rate-Paise/unit	422.30	616.75	795.93	177.04	439.02	539.00	905.90
Cost of supply at 5% margin @ 66 kV and above level	536.31	536.31	536.31	536.31	536.31	536.31	536.31
Cross subsidy surcharge paise/unit @ 66 kV & above level	-114.00	80.40	259.60	-359.30	-97.30	2.70	369.60
Cross subsidy surcharge paise/unit @ HT level	-155.90	38.50	217.70	-401.20	-139.20	-39.20	327.70

For the categories where the surcharge is negative, the surcharge is made zero at the respective voltage level. For the remaining categories, the Commission decides to determine the surcharge at 80% of the cross subsidy worked out above, as the cross subsidy surcharge has to be gradually reduced. Thus, the cross subsidy surcharge is determined as under:

Paise/Unit

Voltage Level	HT-2a	HT-2b	HT-4	HT-5
66 kV & above	64	208	2	296
HT level-11 kV/33kV	31	174	0	262

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 PUNJAB ELECTRICITY REGULATORY COMMISSION
 CHANDIGARH
 AUTHORIZED SIGNATURE

Since the realization rate for the newly introduced categories HT2(c)(i) and HT2(c)(ii) is not available, the cross subsidy surcharge shall be calculated based on the actual realization rate and adopting the surcharge formula as specified in the KERC (Terms and Conditions for Open Access) (First Amendment) Regulations 2006. The wheeling charges and cross subsidy surcharge determined in this order will supersede the charges determined earlier and are applicable to all open access/wheeling transactions in the area coming under BESCO. The Commission directs the Licensees to account the transactions under open access separately. Further, the Commission directs the Licensees to carry forward the amount realized under Open Access/wheeling to the next ERC, as it is an additional income to the Licensees."

13. We find that the State Commission in the tariff determination for 2013-14 has adopted average cost of supply for the distribution licensee. The Tariff Policy stipulates that the Cross Subsidies have to be reduced gradually and the State Commissions by the end of 2010-11, have to ensure that the tariffs are within $\pm 20\%$ of the average cost of supply. In the Impugned Order the State Commission has not clearly indicated the category wise cross subsidy with respect to the average cost of supply. The average cost of supply is Rs.5.05/ kWh. Therefore, as per the Tariff Policy the tariffs have to be in the range of Rs.5.04/kWh $\pm 20\%$. The

Impugned Tariff order does not indicate variation of average realisation from such consumer category with respect to average cost of supply to establish that the tariffs are within $\pm 20\%$ of the average cost of supply.

14. This Tribunal in judgment dated 31.5.2013 in the matter of Kerala High Tension and Extra High Tension Industrial Electricity Consumers' Association vs KSERC & others in Appeal No.179 of 2012 has considered findings of the Tribunal on the issue of cross subsidy in various judgments including Appeal No.102 of 2010 –Tata Steel Ltd Vs OERC & Others in which it had given detailed findings on this issue. The Tribunal had directed determination of category wise cross subsidy with respect to voltage wise cost of supply to transparently indicate the cross subsidy and to ensure that the cross subsidy determined with respect to voltage wise cost of supply is not increased. At the same time tariffs have to be within $\pm 20\%$ of the average cost of supply as per the Tariff Policy.
15. In the Impugned Order the State commission has not determined the voltage wise cost of supply due to non-availability of data. It is unfortunate that despite clear finding by this Tribunal in various Appeals for determination of cross subsidy surcharge transparently with respect to voltage wise

cost of supply, the State Commission has failed to do so. The State Commission has also to clearly indicate the variation of category wise tariff with respect to overall average cost of supply to ensure that the tariffs for all the categories are within $\pm 20\%$ as per Clause 8.3 of the Tariff Policy. However, the State Commission has failed to indicate the anticipated average revenue realisation from the various consumer categories and its variation with respect to average cost of supply.

16. As the FY 2013-14 is already over and the Respondent have given data to indicate that the cross subsidy in various categories have been reduced, we are not interfering with the Impugned Order. However, we give directions to the State commission to clearly indicate the variation of anticipated category wise average revenue realisation with respect to over all average cost of supply in order to establish that the stipulation of the Tariff Policy that tariffs are within $\pm 20\%$ of the average cost of supply is met in the tariff orders being passed in the future. The State Commission shall also indicate category wise cross subsidy with reference to voltage wise cost of supply so as to show the cross subsidies transparently.
17. These issues are decided accordingly.
18. The **third issue** is with reference to the **prudence check**.

19. According to the Appellant, the State Commission has failed

period.

20. The Appellant on this issue has raised a general contention that the State Commission has not carried out any prudence check and on the other hand, it has allowed the claims of the Distribution Licensee without any prudence check or verifications.

21. The State Commission is vested with the functions of determination of the Revenue Requirement and tariff based on the norms and parameters. After conducting due diligence, verifications of the details, the tariff orders are being passed. These orders are purely based upon the provisions of the Tariff Regulations, 2006 framed by the State Commission which provides for an Annual Performance Review and truing-up for the previous years.

22. The State Commission determines the Revenue Requirement and tariff in advance, based on the estimates. Thereafter, there is an Annual Performance Review conducted by the State Commission as a truing up exercise based on actual truing up data.

23. Therefore, it cannot be contended that the State Commission did not conduct a comprehensive performance review or prudence check of the distribution licensee.
24. According to the Respondent, a comprehensive approach was adopted by the Commission in the truing-up filing wherein the details regarding the expenditure estimated and the expenses approved by the State Commission were provided by the Distribution Company. Each item wise expenditure which were staggered as a controllable and uncontrollable, were explained in detail in the Application filed before the State Commission.
25. That apart, exhaustive information was furnished relating to the power purchase cost duly comparing the source wise energy estimated, approved by the State Commission and the actual, the quantum of purchase and the cost incurred as per the actual. In this Impugned Order, the State Commission validated the figures under each head of expenditure and validated the prudence of expenditure incurred. The State Commission has also carried out prudence check of the capital investment for FY 2010-12 by the Respondent Distribution Licensees with the assistance of a Consultant as evident from the Impugned Order.

26. As per the Tariff Regulations, 2006, the Distribution Licensee shall file estimation of ARR of each year of the control period. The State Commission in turn, will approve requirement of each of the year of the control period. Hence, while truing-up, the actual expenditure of the particular year is to be validated with respect to that of the expenditure approved by the State Commission.
27. The Appellant as pointed out by the State Commission has not pointed out any specific issue on the annual performance review and the truing up process conducted by the State Commission. It merely raised a general issue that there is no prudence check. The State Commission has conducted detailed check considering the claims as per the provisions of law and only such claims which are reasonable, are allowed.
28. Hence, there is no violation of any of the principle. of the Electricity Act, 2003 or Tariff Regulations, 2006. Accordingly, this issue is decided against the Appellant.
29. The 4th Issue is relating to Allocation of Power between the various Distribution Companies by the State Government.
30. The State Commission has submitted that the State Government has allocated the power which was purchased

by the erstwhile Karnataka Electricity Board from various Distribution Licensees in the State and this is outside the jurisdiction of the State Commission.

31. There is no dispute that in the present case, the unbundling of the erstwhile Karnataka Electricity Board was not undertaken by the State Commission but the statutory powers vested with the State Government. Hence, it is for the State Government to decide over the manner in which allocation of power purchase agreement of the erstwhile Karnataka Electricity Board is to be done among the Distribution Licensees which are the successor entities.
32. There is no provision for the State Commission to decide on which Generator will supply the electricity to the Distribution Licensees or otherwise for the State Commission to decide on the transfer of rights and obligation from the erstwhile Karnataka Electricity Board to the successor entity.
33. Under the provisions of the Karnataka Electricity Reforms Act 1999, the State Government had the powers to allocate power purchase between the distribution licensees. Section 185 (3) of the Electricity Act, 2003 provides that the provisions of the enactment are applicable so long it is not in consistence with the provisions of the Act, 2003. Therefore,

there is no infirmity in the allocation of the power being done by the State Government.

34. In any event, the State Government has only a limited role of allocating the source of power based on availability and requirements, the consumer profile and other factors of each Distribution Company. The State Commission is in the stage of allocating power purchase cost, conduct of prudence check and approved only the legitimate cost for passing on to the consumers.
35. As pointed out by the Respondent, the Appellant has not shown any infirmity in the allocation of power by the State Government. Therefore, the challenge on the Government power is without any basis.
36. The **Fifth Issue** is relating to the **Cross Subsidies to un-metered consumers** which has not been correctly calculated.
37. The State Commission has in the Impugned Order determined the tariff for the Irrigation Pump Sets and BJ/KJ category consumers after determination of the Cross Subsidies from other categories of consumers. This is termed as "Commission Determined Tariff (CDT)".

38. The State Commission while considering for the State of Karnataka as a whole, determined the tariff for irrigation pump sets at more than 50% of the average cost of supply. Whereas for the consumers below poverty line, the tariff is being fixed at the rate of average cost of supply. Therefore, there is zero cross subsidy to this category.
39. This issue relating to the agricultural tariff and they being metered on the distribution transformers level, is covered by the judgment of this Tribunal in Appeal No.108 of 2010 dated 2.1.2013. The findings are as follows:

**44. Fourth issue for consideration is related to consumption attributed to Irrigation pump sets.*

45. The learned Counsel for the Appellant submitted that Section 55 of the 2003 Act contemplates that metering of all classes of consumers have to be necessarily be done. The 2nd Respondent BESCOM has not metered the IP set consumers and has always claimed power purchase on assumptions and projections. The Commission in its order has noted that the IP set consumers are not opposed to metering. The Commission has also noted that the data regarding number of IP Set consumers has not been furnished by BESCOM. Further, the Commission has also noted that the data from the meters of Distribution Transformers feeding power predominantly to IP set consumers has not been placed on record. Yet, the Commission has approved 4125.22 Million Units basing its figure on the data

furnished by BESCO. The approach of the Commission is erroneous. It should have disallowed any power purchase on account of IP sets until production of reliable data by BESCO.

46. The Commission has justified the assumption taken by them in regard to consumption by the IP sets and have submitted that it had considered the number of IP sets as per the 2nd Respondent's audited data for FY 2008 and census data produced by the 2nd Respondent BESCO. The Commission has considered IP sets sales on the basis of consumption recorded in the meters installed at the Distribution Transformer Level. Thus the sales to IP sets has been correctly made.

47. This Tribunal in catena of judgments has held that the Commissions ought to approve the power purchase costs subject to prudence check. This Tribunal in its judgment in Appeal No.250 of 2006 in the case of Bangalore Electricity Supply Company Limited & Ors. v/s Karnataka Electricity Regulatory Commission & Ors. 2008 ELR (APTEL) 164 had held as under:

"11. We hold that as the appellant is responsible for meeting the power demand in its area, its projections – unless perverse or grossly wrong – should not be interfered. Any variation in power procurement cost can be taken care of during truing up exercise. In the present case since tariff years 2007-08 and 2008-09 are over and we are in the midst of the tariff year 2009-10, the Commission is directed to i) allow the power purchase cost on the basis of actual available

figures and ii) also allow it the carrying cost, while carrying out the truing up exercise."

48. In view of findings of the Commission that it has considered IP sets sales on the basis of consumption recorded in the meters installed at the Distribution Transformer Level and in view of this Tribunal's judgment quoted above, we do not find any reason to interfere with the findings of the Commission. The issue is decided against the Appellant."

40. In view of the findings rendered earlier by this Tribunal, there is no merit in the contentions of the Appellant on this issue.

41. Accordingly, the same is decided against the Appellant.

42. The last issue is the concept of Commission determined Tariff.

43. According to the Appellant, the concept of Commission determined tariff is not a correct principle and ought not to be given effect to.

44. In the State of Karnataka, the ground water level widely varies from North to South of Karnataka. The concept of Commission Determined Tariff (CDT) is to place different level of subsidy to support poorer farmers of the region where adverse ground water table conditions require larger quantity of electricity for irrigation.

45. The differential tariff under Commission Determined Tariff for Different Distribution Companies is as under:

ESCOMs	Commission Determined Tariff for Irrigation Pump-sets are as under as per Tariff Order dated 06.05.2013 (Rate Rs.Per unit)
BESCOM	1.51
MESCOM	3.68
CESC	3.36
HESCOM	4.42
GESCOM	3.88
Hukkeri Rural Co Operative Society	4.61

46. This determination was done on the basis of the principles laid down in the National Tariff Policy.
47. Para-8.3 of the National Tariff Policy is as under:

"3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a State depending of the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff

differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage."

48. In view of the above, there is no merit in the contention raised by the Appellant on this issue also.
49. Therefore, this issue is also decided as against the Appellant.

50. Summary of Our Findings

(a) The State Commission has not determined variation of category wise revenue realisation per unit with respect to overall average cost of supply to indicate that the tariffs are within $\pm 20\%$ of the average cost of supply as per the Tariff Policy. The State Commission has also not determined voltage wise cost of supply and category wise subsidy with reference to actual cost of supply as mandated by this Tribunal in the various judgments. As the FY 2013-14 is already over and the Respondent have given data to indicate that the cross subsidy in various categories have been reduced, we are not interfering with the Impugned Order. However, we

give directions to the State Commission to clearly indicate the variation of anticipated category wise average revenue realisation with respect to over all average cost of supply to establish that the stipulation of the Tariff Policy that tariffs are within $\pm 20\%$ of the average cost of supply is met, in the future tariff orders. The State Commission shall also indicate category wise cross subsidy with reference to voltage wise cost of supply as mandated in the various judgments of this Tribunal and comprehensively dealt with in the judgment dated 31.5.2013 in Appeal No.179 of 2012..

- (b) There is no merit in the contentions of the Appellant regarding prudence check of the expenditure incurred by the Distribution Licensee by the State Commission.
- (c) There is no merit in the contentions of the Appellant regarding the allocation of power by the State government from various State Generating Companies to the distribution licensees.
- (d) There is no merit in the contentions of the Appellant regarding cross subsidy to un-metered categories and Commission determined tariff.

51. In view of the above, the Appeal is disposed of with certain directions to the State Commission regarding determination of cross subsidy for various categories in the future, without interfering with the Impugned Order. No order as to costs.

52. Pronounced in Open Court on ___ Oct'2014.

(Rakesh Nath)
Technical Member
Dated: 8th Oct, 2014

(Justice M. Karpaga Vinayagam)
Chairperson

✓ REPORTABLE / ~~NON-REPORTABLE~~

ANNEXURE - I

Calculation of revenue generated as per JERC approved tariff and data FY 18-19 (Table B)

A	B	C	D	E	F	G	H	I	J	K	L	M
				ARR	Total Revenue	Total HT/EHT Category		12 KV (used upto 1 MW)	11 KV - 1 MW and above	66 KV	220 KV	Total Other categories
26	Connected Demand	MVA				11.97.247	07	3.91.961	3.32.126	3.48.736	3.83.000	
27	ARR Fixed cost	Cr		3592.34	362.25	891.87	07-01-02	164.14	235.21	317.49	151.00	3.279
28	% Demanded charge recovery requested	%					03	82.95%	82.95%	82.95%	81.80%	
29	Demand charge tariff JERC approved	Rs./MVA/Month						375	375	360	380	
30	Demand charge	Cr				516.96	05-07-09-29-10-10-17	359.50	125.97	173.57	156.90	3.279
31	Energy Charge	Cr				381.89	05-05-04	54.74	100.24	243.30	41.94	328.845
32	ARR Energy cost	Cr		1548.60	1348.16	1422.01	03-02-11-26-19-06	211.34	480.94	511.08	373.61	176.65
33	Total cost recover through Energy charge	Cr				1603.90	04-03-08-10	271.69	269.18	555.00	373.61	129.52
34	ARR for 18-19	Cr		2601.20	2408.41	2328.89	04-04-01	301.84	627.15	828.57	483.50	
35	Energy O&M penalty (MVA)	MVA				5727.27	04-03-01-01	875.30	1618.84	2058.41	1174.85	19.34%
36	Transmission loss	%					03-04-15	3.91%	3.87%	2.89%	6.09%	408.52
37	Energy at consumer End	Max				5332.29	19	3.90	3.90	3.20	3.10	
38	per Unit tariff approved by JERC	Rs./MWh				4.20	16-07-18-10	4.04	4.11	4.11	4.10	
39	ARR	Cr		169.6000	171.7287	225.13	16-07-18-10	97.01	162.45	203.37	46.91	12.60
40	deficit 17-18 & Regulatory surcharge revenue	Cr		2770.85	2688.34	2346.01	03-05-01	418.60	487.36	598.34	338.08	142.53
41	ARR 18-19+Difficulty 17-18	Cr				4.60	16-04-19-10	1.08	4.31	4.32	4.34	3.49
42	Revenue deficit (surplus)	Cr				82.32	14-05-04-20-18	12.17	32.00	35.56	17.37	
43	Total power cost distribution	Cr				2628.31	16-04-04-02	436.87	722.47	916.93	487.84	142.53

ANNEXURE - II

Cross subsidy between 220 KV, 66 KV & 11 KV consumer in Year 18-19 (Table C)

A	B	C	D	E	F	G	H	I	J	K	L	M
	ARR	Total Revenue	Total HT/EHT Category		11 KV (used upto 1 MW)	66 KV	220 KV	Total Other categories				
50	ARR	2770.86	2628.31	60	466.87	310.17	318.90	547.80	142.53			
51	Total power cost distribution as per Table B	1770.86	2628.46	60-070	514.85	748.99	861.25	487.40	138.48			
52	Total power cost distribution as per APCH	6.00	4.13	60-03-04	81.94	38.24	37.68	66.41	4.13			
53	Cross subsidy	0.00	4.13	60-03-04	-322.25	118.12						
54	Cross subsidy	0.00	4.13	60-03-04								

Shree

ANNEXURE - II

Tariff evolution calculation and revenue generated as per APCPI FY 18-19 (Table A)

		ANNEXURE - II											
A		B	C	D	E	F	G	H	I	J	K	L	M
		ARR	Total Revenue	Total HT/HT Category	M	12.90 used upto 1 MW	11.60 1 MW and above	12.90 used upto 1 MW	11.60 1 MW and above	66 HV	220 HV	Total Other categories	
4	Contracted Demand					3 89 841	3 12 138	3 48 758	3 48 758	1 83 000			
5	ARR Fixed cost	1062.54	1661.66	3040.26	60-502/503/5	265.86	301.14	316.21	316.21	165.80		3 278	
6	N. Demand charge recovery expected					85%	85%	85%	85%	85%			
7	Demand charge Thru. JRC. Improved					17%	17%	17%	17%	17%			
8	Demand charge					112.21	127.06	177.87	177.87	307.00		3 279	
9	ARR Energy cost	1848.66	1648.66	1422.01	11-502/2014/13	153.70	178.10	138.33	138.33	65.26		0.00	
10	Total cost recover through Energy charge	2611.20	3511.20	2671.28	18-11-09	217.11	376.04	649.16	649.16	254.31		126 548	
11	ARR for 18-19			5727.27	14-125/0-138	483.31	203.06	2038.41	2038.41	457.38		126 65	
12	Energy Dist. penalty (10%)					879.38	3616.14	2038.41	2038.41	2176.66		129 92	
13	Transmission loss					5.81%	5.81%	2.09%	2.09%	0.69%		19 345%	
14	Energy at consumer End					824.50	3528.20	2019.59	2019.59	1667.61		400 52	
15	per Unit tariff (excluding JRC)					6.07	3.78	3.22	3.22	3.01			
16	ARR			4.67	18-11/18-10	5.86	4.11	4.20	4.20	3.90			
17	Flagatory surcharge to be for zero commmodity deficit at opening of FY 18-19		189 6000	161.10	18-11/18-03	31.20	45.86	53.56	53.56	25.81		8 47	
18	Total power cost distribution as per APCPI	2716.86	1716.86	2632.46	18-11-09	154.26	748.74	981.29	981.29	487.42		138 40	
19				4.76	18-11/18-10	6.24	4.01	4.37	4.37	4.17		3 39	

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 Sriniwas
 Sriniwas

BEFORE THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES.
GURGAON, HARYANA.

FILE No: _____

CASE No: _____

IN THE MATTER OF : Application as per Section 74 of JERC (Conduct of Business) Regulation 2009 for Review of Decision/Tariff order of the Commission in DNHPDCL ARR Petition No. 247/2017 in the matter of Determination of Tariff for FY 2018-19, Annual Performance Review of FY 2017-18 and True-up Petition 240/2017 of FY 2016-17

AND

IN THE MATTER OF : ASSOCIATION OF POLYESTER CONTINUOUS POLYMERIZATION INDUSTRY OF D & N H; SILVASSA, (FOR BREVITY ALSO KNOWN AS APCPI) , 7/B Utkarsh Hotel, Silvassa Naroli Road, Athal, UT Dadra & Nagar Haveli # 396235

..... Applicant/Petitioner

AND

IN THE MATTER OF : Joint Electricity Regulatory Commission
..... The Commission

AND

IN THE MATTER OF THE PETITIONER : DNH Power Distribution Corporation Ltd. 1st Floor, Vidhyut bhavan, 65 KV Road, Amlil, Opp. Secretariat, Silvassa-396230

.....Original Petitioner

IN THE MATTER OF THE PETITIONER : Respondents in original Petition as below:

1. Federation of Industries Associations of DNH
2. Indian Energy Exchange (IEX)

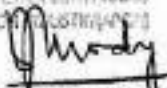
OFFICE OF REGISTRAR GENERAL
INDIAN ENERGY EXCHANGE (IEX)

AUTHORISED SIGNATORY

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ASSOCIATION OF PESTICIDE DISTRIBUTORS
FARMER-BANDED DISTRIBUTORS


AUTHORISED SIGNATORY

THE ABOVE NAMED APPLICANT MOST RESPECTFULLY SUBMITS:

- 1.0 The above named Applicant is the Association of Polyester Continuous Polymerization Industry of Dadra & Nagar Haveli (APCPJ), duly registered under Registration No. : 10/APCPIDNH/2014, bearing address as -

Address: 7/8 Utkarsh Hotel, Silvassa Naroli Road, Athal,
UT Dadra & Nagar Haveli # 396235
Phone # 9998963002
Email: apcpjoffice@gmail.com

The association *Inter alia* represents the issues of its members before the appropriate fora for redressal of problems. The members of this association are directly and substantially affected parties in regard to this petition in the capacity of their being embedded consumers of the DNH Power Distribution Company viz. the Petitioner company.

- 2.0 PREAMBLE: The Applicant is one of the respondents in the recent petitions 247 / 2017 filed in December'17 by the DNHPDCL for Tariff determination for FY 2018-19 and Petition 240 / 2017 filed in September, 2017 for True-up of FY 2016 - 17.

Under the Tariff Order in Petition No. 247 and 240 of 2017 dated 30th January, 20018, there are certain apparent errors severely affecting consumers of Respondent herein above (Original Petitioner) as under:

- i. Hon'ble Commission has inadvertently missed / overlooked Rebate of Rs.100.09 Cr. received from NTPC as considered by Respondent DNHPDCL
- ii. Hon'ble Commission has inadvertently set aside the sum of Rs. 180.00 Cr. citing Government of DNH request though Hon'ble Commission has not brought out the statutory provision which enable setting aside of such a huge sum, more so when it was never earlier reported/stated.
- iii. Hon'ble Commission has approved fund internally accrued to be treated as normative debt for Capex or borrowing for Revenue Expense, thereby allowing charge of normative interest on the same.

✓ **iv.** Hon'ble Commission has imposed Regulatory Surcharge from bills raised from 1st February, 2018 onwards which amounts to amending Tariff Order more than once in any Financial year.

✓ **v.** Hon'ble Commission has inadvertently missed to improve upon maintaining of merit order for projected power purchase for FY2018-19. Hence, for same quantity of power purchase, the cost would reduce by at least a sizable part of Rs.142 Crs.

Since these matters are causing substantial financial loss to consumers, this applicant has preferred this appeal for review of the decisions in regard to the above matters.

3.0 The Matter/issue: Hon'ble JERC has issued Tariff Order dated 30th January, 2018 in the DNHPDCL ARR Petition No. 247/2017 in the matter of ARR and the Tariff proposal for the FY 2018-19, Annual Performance Review for the FY 2017-18 and in Petition no. 240/2017 for approval for the True-up of the FY 2016-17. Under this order Hon'ble Commission also approved the Surplus / Gap for current and previous years as reproduced here under, overlooked (i) amount of Rs. 100.09 Crs. rebate received from NTPC, (ii) allowed interest on funds used from internal accrual, (iii) Merit Order Despatch and (iv) imposed a Regulatory Surcharge for balance of FY 2017 - 18 and for FY 2018 - 19:

3.1 Rebate of Rs.100.09 Cr. received from NTPC:

Referring to Table 50 (Page no. 60,61 of the Tariff Order Dtd 30th January, 2018; Copy attached herewith as Annexure-I) as submitted by Respondent herein above, there is an entry as "Rebate received from NTPC" as 100.09 Cr. whereas referring to Table 51 (Page no. 63,64 of the Tariff Order Dtd 30th January, 2018; Copy attached herewith as Annexure-II) as approved by the Commission, there is no reference to this amount and the same seems to be left unaccounted, leading to unduly escalating the Gap by this amount. Hence the error apparent need correction.

REGULATORY COMMISSION OF AP
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3.2 Setting aside of Rs.180.00 Cr. (Commission's Analysis at page 110)

Year-wise and Cumulative Surplus/Gap Statement							
As per JERC							
	Financial Year	Revenue requirement	Revenue from sale	Surplus/Deficit year	Previous year	Carrying forward	Total
1	FY 10-11	1,233.89	1,265.58	31.69		1.94	33.63
2	FY 11-12	1,693.84	1,700.45	6.61	33.63	4.8	45.04
3	FY 12-13	1873.22	1873.8	0.58	45.04	6.69	52.31
4	FY 13-14	1962.45	2115.34	152.89	52.31	7.56	212.76
5	FY 14-15	2,230.74	2,297.43	66.69	212.76	31.38	310.83
6	FY 15-16	2,043.84	2,071.05	27.21	310.83	45.85	383.89
7	FY 16-17	1,995.45	1,894.94	-100.51	383.89	35.70	319.08

* fig FY 16-17 taken from DNHPDC true up petition.. JERC decision awaited

Analysis of Cumulative Surplus / (Gap) statement from FY 2010 – 11 till FY 2016 – 17 as approved by Hon'ble Commission in various relevant Tariff Orders does not show / mention an amount of Rs.180.00 Cr. being available in the books of account as Capital Grant from the Government of DNH or Govt. of India. Nor has there ever been any mention of it in any of the Reports/Orders/Petitions by either DNHPDCL or JERC. From above placed compilation, it becomes clear that there is an error apparent in arriving at the Surplus / (Gap) amount for FY 2018 – 19 which needs correction.

Please refer Page110 of the subject Tariff Order 2018-19 –

Quote

The Commission, in the APR Order has approved a revenue surplus of Rs. 383.88 Cr. till 31st March 2016. With reference to the above mentioned surplus amount, during the discussions with the Commission, the Government of DNH has requested the Commission not to consider an amount of about Rs 180 Cr. in the surplus considered by the Commission in earlier Order, as this was given to the DNHPDCL as capital grant. However, a written submission to this effect is yet to be received. Based on this request, the Commission has decided to set aside a sum of Rs 180.00 Cr. from revenue surplus considered earlier. The Commission will take cognisance of this matter in the next Tariff Order based on the submissions from the Government of DNH.

Unquote

Without compromising on the above argument, we also submit that natural law of justice demands that only after due examination and confirmation of the injury caused by the accused, can a remedial / punitive judgement be ordered. The Tariff Order has missed on this vital aspect of justice prudence and shown undue haste in ordering Regulatory Surcharge that too with effect from 1st Jan., 2018. Ignoring all the Statutory Audits, account verifications and certifications and True-Ups by this very Hon. JERC over last 5 years and very hastily ordered for a never proposed/discussed earlier Regulatory Surcharge which has some serious error of judgement. Hence, the Petitioner urges the same to be addressed judiciously.

3.3 Use of funds from Internal accrual for Capex or Revenue Expenses :
(Commission's Analysis on page 110)

Hon'ble Commission has observed that the Respondent herein has surplus fund which has a carrying cost which is an opportunity cost for the Respondent. Hon'ble Commission has also observed that the Respondent herein has not taken any loan till date. Such surplus is due to over recovery from consumers with respect to actual revenue requirement and has to be accounted for in ARR and to be refunded to consumers through tariff adjustments. DNHPDCL has not returned such non-retainable consumer surplus funds and only partly used them for funding capital and revenue needs as and when required, while the remaining major portion is invested in Fixed Deposits in Banks.

Erroneously, this very consumer money is construed as deemed loans quantified on normative basis and normative interest is charged on this amount to the consumers not only for Tariff determination but also for True-Up. Resultantly, consumers pay interest to DNHPDCL for DNHPDCL normatively using consumer's own money, which is unfair and bad in law. This wrong practice has motivated DNHPDCL to illegally retain consumer money even at the cost of disobeying JERC Orders.

Hon'ble Commission also observed that as per the Electricity Act, 2003, it is incumbent on Hon'ble Commission to balance the interest of all

stake holders including the consumers. Hence it is imperative that any expenses towards interest on borrowing be it for Capex (to the extent of use of internally accrued funds) or towards working capital be disallowed. Allowing such interest cost would be an error apparent which needs correction.

3.4 Imposition of Regulatory Surcharge on bills raised from 1st February, 2018

Hon'ble Commission has imposed a Regulatory Surcharge on all Consumers for bills raised on or after 1st February, 2018 which tantamount to amending the tariff more than once in FY 2017 - 18. This is against the statute as per 5. 62(4) of the Electricity Act, 2003

3.5 Overlooking Merit Order Despatch :

Power Purchase Quantum and Cost approved for FY2017-18 by Hon'ble Commission as per Table 51 (Page no. 63, 64 of the Tariff Order Dtd 30th January, 2018; Copy attached herewith as Annexure-III) shows actual power purchase cost incurred higher by Rs.121.05 Crs as compared to the cost that would have occurred under ideal execution of the Doctrine of Merit Order Despatch.

Erroneously, the same deviations from Merit Order Despatch have been used as the basis of projecting the power quantity availability from each power source for Tariff Order FY2018-19. Resultantly, there is no thrust / motivation provided for removing/reducing the deviations from Merit Order Despatch and Inherently planning higher cost of power purchase by Rs.142 Crs. (Ref. Annex-IV, based on Table 89 of Tariff Order FY2018-19).

This error needs to be corrected as projections have to be planned for enhancement of efficiencies and not retention of inefficiencies that cost the consumers so heftily.

4 PRAYERS:

In view of the foregoing facts, the Applicant most respectfully prays to this Hon'ble Commission to:

- (a) Hold and declare that part of the ARR and the Gap/Surplus amounts get revised and reduced by taking in to account the refund amount of Rebate received from NTPC
- (b) Hold and declare that Part of the Tariff Order in regard to analysis of Surplus / (Gap) and approval of final Surplus / (Gap) be set aside till properly audited figures are determined.
- (c) Hold and declare that Part of the Tariff Order in regard to Merit Order Despatch and Power Purchase Cost arrived at be set aside till effect of correct Merit Order Despatch be established.
- (d) Hold and declare that Part of the Tariff Order in regard to interest allowed on borrowings for Capital expenditure or Working Capital borrowing be dis allowed.
- (e) Based on the final Surplus / (Gap) analysis, direct Respondent herein to redesign the Tariff Respondent No. 2 herein the DNHPDCL to pass on necessary adjustments / Refund through the tariff of the consumer categories whose tariffs are higher than their cost of supply as mandated under the EA'03 for progressive reduction in cross subsidization.
- (f) Hold and set aside the imposition of Regulatory Surcharge in view of surplus being available due to measures as narrated above.
- (g) Pass on any other reliefs as the Hon'ble Commission may deem necessary.


AUTHORIZED SIGNATORY
(Deponent)

Place: Silvassa

Date: 20th February, 2018

Affidavit
(See Regulation 14 of Conduct of Business Regulations)

**BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES**

FILE NO.
CASE NO.

IN THE MATTER OF : Application as per Section 74 of JERC (Conduct of Business) Regulation 2009 for Review of Decision/Tariff order of the Commission in DNHPDCL ARR Petition No. 247/2017 in the matter of Determination of Tariff for FY 2018-19, Annual Performance Review of FY 2017-18 and True-up Petition 240/2017 of FY 2016-17

AND

IN THE MATTER OF : ASSOCIATION OF POLYESTER CONTINUOUS POLYMERIZATION INDUSTRY OF D & N H; SILVASSA, (FOR BREVITY ALSO KNOWN AS APCPI), 7/B Utkarsh Hotel, Silvassa Naroli Road, Athal, UT Dadra & Nagar Haveli # 396235
..... Applicant/Petitioner

AND

IN THE MATTER OF : Joint Electricity Regulatory Commission
..... The Commission

AND

IN THE MATTER OF THE PETITIONER : DNH Power Distribution Corporation Ltd. 1st Floor, Vidhyut bhavan, 66 KV Road, Amil, Opp. Secretariat, Silvassa-396230
.....Original Petitioner

IN THE MATTER OF THE PETITIONER : Respondents in original Petition as below:

1. Federation of Industries Associations of DNH
2. Indian Energy Exchange (IEX)

Affidavit

I, Sh. Kaushik J. Mody, S/o Sh. Jagjivandas Dalsukhbhai Mody, aged about 56 years, occupation Service, residing at Vapi, the deponent named above do hereby solemnly affirm and state on oath as under:-

- 1) That the deponent is the Executive President who is authorised and is acquainted with the facts deposed to below.
- 2) I, the deponent named above do hereby verify that the contents of the Response are true to my personal knowledge and based on the perusal of records and on



information received and the legal advice which I believe to be true and verify that no part of this affidavit is false and nothing material has been concealed.

CONTINUOUS
DEPOSITION
Shroody
(Deponent)

I, Advocate, Hiteshkumar K. Bhandari, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

Advocate

Solemnly affirmed before me on this 20th day of February 2018 at 6:00 P.M. by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.



IDENTIFIED BY ME

B Singh
Anurag Singh



Solemnly Affirmed before me by
Shri Koushik J. Mody
of *Vapi* who is identified
by *Shri Anurag Singh* of
Vapi whom I personally know

H Bhandari

HITESHKUMAR K. BHANDARI
B.A., LL.B.
ADVOCATE & NOTARY

Office no. 208, 2nd Floor, Land Mark,
Tolmunda, Bijnor-396 250.
(X.T. of Dadra & Nagar Haveli)



Serial No. 930
Date 22/02/2018

ANNEXURE - I

Joint Electricity Regulatory Commission (JERC)

any power purchase from RGPPL. The Petitioner has further not considered fixed charges for the period October 2017 to March 2018 as the RGGPL is scheduling power to Indian Railways under some specific scheme of the Ministry of Power.

- During the first six months of FY 2017-18, there has been no generation from the Kakrapar atomic power station. Hence, the Petitioner has not considered any purchase of energy from Kakrapar during the period from October 2017 to March 2018.
- As per the revised RPO targets, the Petitioner has to purchase 140 MU's of solar energy and 235.20 MU's of non-solar energy during the FY 2017-18. The Petitioner has proposed to fulfill this target through purchase of Renewable Energy Certificates (REC's).

Based on the actual power purchase cost of the first six months of FY 2017-18 and the remaining six months projection, the revised estimated power purchase cost for FY 2017-18 as submitted by the Petitioner has been presented in the following table:

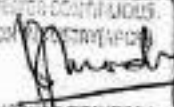
Table 50: Power Purchase quantum (MU) and cost (In Rs. Cr.) submitted by the Petitioner

Source	Units Purchased (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Per Unit Cost (Rs./kwh)
NTPC Stations						
KSTP6	387.22	24.89	56.35	1.86	83.10	2.09
KSTP3	158.43	22.95	21.18	0.66	44.80	2.83
VSTP-I	309.88	24.88	49.20	0.78	75.20	2.40
VSTP-II	224.72	35.15	34.76	0.71	70.62	3.10
VSTP-III	248.47	25.00	33.43	0.71	59.14	2.38
VSTP-IV	334.61	31.50	48.33	2.01	101.84	3.14
KGPP	351.99	49.79	79.23	2.36	131.38	3.73
GKPP	292.06	44.82	88.10	8.74	141.66	4.85
Sipat-I	602.66	84.08	82.57	1.58	168.23	2.77
Sipat-II	220.21	28.42	21.56	0.19	50.17	2.28
Mada	156.31	61.09	40.25	1.63	103.00	6.60
VSTP-V	190.87	30.05	30.63	0.48	61.16	3.09
Mada 2	236.97	17.62	59.72	(0.05)	87.29	3.68
KASTP-I	72.24	2.32	4.36	(0.01)	6.67	2.78
Subtotal - NTPC	3745.76	488.61	628.92	21.51	1109.04	2.91
NPSCL, Bhilai						
	701.59	127.26	148.46	(2.69)	273.23	3.75
NPSCL						
KAPS	0.00	0.00	0.00	0.00	0.00	0.00
TAPS	181.55	0.00	66.41	0.00	66.41	3.65
Subtotal	181.55	0.00	66.41	0.00	66.41	3.65
Others						
EGPPL	0.00	0.00	0.00	0.00	0.00	0.00
EMCO Energy	1495.63	451.53	270.66	0.16	723.35	4.83
Subtotal	1495.63	451.53	270.66	0.16	723.35	4.83
Power Purchases from Other Sources						
IE Exchange/Bilateral	0.00	0.00	0.00	0.00	0.00	0.00
LI	48.66	0.00	11.68	0.00	11.68	2.40
Solar	0.00	0.00	0.00	0.00	0.00	0.00
Non Solar	0.00	0.00	0.00	0.00	0.00	0.00
Solar REC	0.00	0.00	21.00	0.00	21.00	0.00
Non Solar REC	0.00	0.00	35.28	0.00	35.28	0.00
Subtotal	48.66	0.00	56.28	0.00	86.28	1.77

Order on True-up of FY 2016-17, APR for FY 2017-18 and ARR for FY 2018-19
DNN Power Distribution Corporation Limited

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JOINT ELECTRICITY REGULATORY COMMISSION
 GOVERNMENT OF INDIA

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Source	Units Purchased (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Other Charges (Rs. Cr.)	Total Charges (Rs. Cr.)	Per Unit Cost (Rs./kWh)
Total Power Purchase	6183.02	1087.81	1212.41	19.08	2319.30	3.75
Availability at ED-DNR Periphery	6183.02	1087.81	1212.41	19.08	2319.30	3.75
PGCIL Charges					142.43	
FUSOCO					0.62	
WRPC					0.50	
Reactive Charges					0.18	
MSTCL					0.00	
Intra-State Transmission Charges					29.21	
Grand Total of Charges					2491.74	4.03
Rebate received from NTPC					(100.09)	
Credit/ Debit URS					(1.92)	
Grand Total of Charges after deduction of rebate	6183.02	1087.81	1212.41	19.08	2390.36	3.87

Commission's Analysis:

The Commission for projecting the availability of power and cost for FY 2017-18 has considered the actual plant wise power purchase quantum and cost for April - November 2017. Further, the firm and infirm allocation from various generating stations has also been considered while estimating the source wise availability. The source wise methodology followed for projection of quantum and cost of power procurement has been detailed as follows:

4.8.1. Availability of power

Availability of power from NTPC & NTPC-SAIL, Bhilai:

- The power purchase quantum for 5 of the total fifteen NTPC plants has been estimated based on the past 2 years average of quantum of energy scheduled in FY 2015-16 and FY 2016-17.
- For Vindhyachal Phase I, energy scheduled in FY 2015-16 has been considered, due to irregular scheduling of power during major part of FY 2016-17.
- For Vindhyachal Phase V, the availability of power for remaining months has been projected based on the average PLF achieved by the plant during the last five years.
- For Maada Phase I & NSPCL, Bhilai, the availability of power has been projected based on the average PLF achieved by the plants during the last 2-3 years.
- For Kawas and Gandhar gas power plants average PLF achieved during the first 6 months of FY 2017-18 till November 2017 has been considered for projecting the power purchase quantum in the remaining months.
- For Maada Phase II, since the plant was operational only in August 2017, the energy availability has been projected on the basis of average PLF of last 5 years of similar plant for instance Maada Phase I.
- The availability of power from new station Solapur thermal which began operations in October, 2017 has been projected assuming normative PLF of 85% and other relevant parameters as prescribed in CERC.

Other Charges:

No other charges have been considered for the FY 2017-18.

4.8.3. Transmission Charges

The Commission has projected the transmission charges payable to PGCIL based on the total capacity allocation of the Petitioner of the transmission network.

The transmission charges are determined based on the latest quarterly Point of Connection (PoC) rates approved by the Central Electricity Regulatory Commission (CERC) in accordance with Regulation 27(2) of Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010

The following table provides the quantum of energy availability and the power purchase cost approved by the Commission for FY 2017-18:

Table 51: Power Purchase Quantum (MU) and cost (Rs. Cr.) approved by the Commission

Details of the stations	Power Purchase at Generator Periphery (MU)	Power Purchase at UP Periphery (after adjusting ISTS Losses) (MU)	Variable Charges (Rs. Cr.)	Fixed charges (Rs. Cr.)	Total (Rs. Cr.)	Avg. Rate (1/ State Periphery) (Rs./kwh)
NTPC						
KSTPS	494.05	389.15	47.00	34.57	71.58	1.84
KSTPS B	170.18	163.90	19.44	24.00	43.45	2.65
VSTPP-I	325.51	303.50	48.30	24.92	73.21	2.39
VSTPP-II	256.60	241.20	34.50	15.79	50.29	2.10
VSTPP-III	259.21	256.28	37.48	36.01	73.49	2.85
VSTPP-IV	310.07	296.83	43.30	47.09	90.39	3.04
KGPP	300.71	290.24	110.81	46.79	157.60	5.36
GGPP	256.22	246.75	103.00	44.83	147.83	5.99
Sipat-I	681.50	626.35	79.28	84.06	163.34	2.49
Sipat-II	260.86	251.23	31.53	27.12	58.65	2.31
Monda	184.02	184.79	49.55	62.11	111.66	6.03
VSTPS-V	196.76	186.50	27.81	39.29	67.10	3.57
Monda 2	153.98	147.89	37.75	32.95	70.70	4.78
SLP	96.71	93.14	17.90	56.08	73.98	7.83
KHSTPS-II	18.65	18.15	4.01	4.31	8.32	4.44
Subtotal - NTPC	3873.84	3730.87	694.68	551.06	1245.74	3.34
NSPCL Bhilai	646.03	622.19	117.84	124.62	242.46	3.90
NPCIL						
KAPS	0.00	0.00	0.00	0.00	0.00	0.00
TAPS	208.76	201.06	58.91	0.00	58.91	2.93
Subtotal	208.76	201.06	58.91	0.00	58.91	2.83
Others						
RGPF	0.00	0.00	0.00	0.00	0.00	0.00
EMCO Energy Ltd. (GMR Orissa)	1296.71	1248.86	237.69	376.78	614.47	4.92
Subtotal	1296.71	1248.86	237.69	376.78	614.47	4.92

Details of the stations	Power Purchase of Generator Periphery (MU)	Power Purchase at UT periphery (after adjusting ISTS Losses) (MU)	Variable Charges (Rs. Cr.)	Fixed charges (Rs. Cr.)	Total (Rs. Cr.)	Avg. Rate @ State Periphery (Rs./kWh)
Unscheduled Interchange (UI) Continual/Intermittent		48.26	11.68		11.68	2.42
Open Market Purchase		10731	11.81		11.81	2.97
Open Market Sale		84.77	29.67		29.67	3.40
Total	6025.31	5874.01	1122.74	1022.46	2175.20	3.70
Renewable Purchase Obligation (RPO)						
Solar			31.81		31.81	
Non Solar			55.16		55.16	
Subtotal			87.97		87.97	
Transmission Charges						
PGCIL Charges					174.10	
DNH Transmission Charges					21.28	
Subtotal					205.37	
Total	6025.31	5874.01	1210.71	1052.46	2465.44	4.20

The Commission approves the revised quantum of power purchase of 5874.01 MU at State/ UT Periphery with total cost of Rs. 2465.44 Cr. in the APR for the FY 2017-18.

4.9. Renewable Purchase Obligations (RPOs)

Petitioner's submission:

The Petitioner submitted that solar power of 140 MU and Non Solar Power of 235.20 MU has to be procured as per the energy sales projected by the Petitioner.

Commission's analysis:

As per Clause 1, Sub-clause (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010

"Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

The Commission notified the JERC (Procurement of Renewable Energy), (Third Amendment) Regulations, 2016 on 22nd August 2016 and approved the revised RPO targets, as per which the Petitioner has to purchase 6.70% of its total consumption (including 2.50% from Solar) from renewable sources for the FY 2017-18.

The Petitioner is also required to clear the backlog of 212.52 MU (Solar - 73.11 MU and Non Solar - 139.41 MU) upto the FY 2016-17, as discussed in the true up Chapter.

The Petitioner in a written submission also agreed to fulfill the backlog and the RPO target for FY 2017-18 by 31st March 2018. Hence, in accordance with the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010 and the Petitioner's submission, the Commission has determined the following Renewable Purchase Obligation for the Petitioner for FY 2017-18, the table has been provided in the next page.

COMMISSIONER OF REVENUE AND
TAXATION, GOA
[Signature]
AUTHORIZED SIGNATORY

ANNEXURE - III

JERC True-up approval states that DNHPDCL missed to maintain merit order for power purchased during FY 2017-18. Improvement in the same could have power purchase cost reduced upto Rs.2565.44 Cr. - Rs.2344.39 Cr. = Rs.121.05 Cr

Table S1: Power Purchase Quantum (MU) and cost (Rs. Cr.) approved by the Commission

Details of the stations	Power Purchase at Generator Periphery (MU)		Power Purchase at UT periphery (after adjusting 15% Losses) (MMU)		Avg. Rate (G State Periphery) (Rs./kwh)		Fixed Charges (Rs./Cr.)	Total (Rs./Cr.)	Variable Charges (Rs./Cr.)	Per unit variable cost (Rs./unit)	100% power availability generating stations are considered							
	(MU)	(MMU)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)					Fixed Charges (Rs./Cr.)	Variable Charges (Rs./Cr.)	Other Charges (Rs./Cr.)	All Charges (Rs./Cr.)	Per unit cost (Rs./unit)			
NTPC																		
LSTPS	404.05	389.35	47.01	24.57	71.38	1.84				1.16	3	404.449	24.57	47.06	0	71.63	1.77	
ESTPS-3	170.18	163.9	19.46	24	43.46	2.65				1.14	1	175.972	24.00	26.12	0	44.12	2.51	
VSTPP-I	325.51	313.5	48.39	24.32	72.71	2.32				1.49	9	335.858	24.32	49.93	0	74.25	2.21	
VSTPP-II	256.6	241.36	34.89	15.79	50.68	2.1				1.39	6	255.126	15.79	35.52	0	51.31	2.01	
VSTPP-III	269.21	259.28	37.46	16.01	63.47	2.41				1.39	5	270.894	26.01	37.71	0	63.72	2.35	
VSTPP-IV	310.07	298.63	43.3	17.89	61.18	3.05				1.40	7	360.851	47.89	50.39	0	98.28	2.79	
KGPP	310.71	299.24	110.61	49.79	160.4	1.36				3.56	17	0.000	49.79	0.00	0	49.79		
GGPP	256.22	246.76	103	44.83	147.83	1.99				4.02	18	0.000	44.83	0.00	0	44.83		
Sipat-I	681.5	656.35	79.28	84.06	163.34	2.49				1.18	2	698.913	84.06	81.31	0	165.37	2.37	
Sipat-II	260.86	251.23	31.13	27.12	58.25	2.32				1.19	4	243.537	27.12	29.06	0	56.18	2.31	
Mouda	269.02	262.79	42.59	62.11	104.71	6.43				2.52	14	198.088	62.11	49.91	0	112.02	5.66	
VSTPS-V	196.76	189.5	27.61	29.29	56.91	3				1.40	8	200.382	29.29	26.40	0	57.69	2.85	
Mouda 2	153.56	147.89	37.78	32.93	70.72	4.78				2.46	13	486.443	32.95	119.68	0	152.63	3.14	
SLP	96.71	93.14	27.5	56.02	83.92	9.01				2.88	15	0.000	56.02	0.00	0	56.02		
KHSTPP-II	18.85	18.15	4.05	2.31	6.36	3.53				2.15	12	27.594	2.31	5.93	0	8.24	2.99	
Subtotal - NTPC	3873.81	3730.87	694.48	551.06	1345.54	3.34						5560.31	555.05	633.05	0.00	1108.10	3.09	
NSPCL Bihul	646.03	622.89	117.84	124.62	242.46	3.9												

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Table 31: Power Purchase Quantum (MUS) and costs (Rs. Cr.) approved by the Commission

Details of the stations	Power Purchase at LT periphery (after additional S&T losses) (MUS)	Power Purchase at LT periphery (after additional S&T losses) (Rs. Cr.)	Fixed charges (Rs. Cr.)	Total (Rs. Cr.)	Avg. Rate (Rs. State Purchase)	S&T	Priority on Wholesale market	Allocation to Wholesale market	Max. Allocation to Wholesale market	Fixed Charges	Variable Charges	Other Charges	All Charges	Parasit
MPCL														
TAPS	0	0	0	0	0		19	10.9	0.00	0.00	0	0	0	0
Subtotal	208.76	208.76	58.91	58.91	2.93		1.83	15	43.52	0.00	0	0	0	0
Onbass														
SGPP	0	0	0	0	0		20	28	0	0	0	0	0	0
EMCO Energy Ltd. (EMR Group)	1256.73	1248.96	237.82	237.78	614.47		1.83	31	200	1570.8	276.76	289.08	0	665.81
Subtotal	1296.73	1348.96	237.69	614.47	4.92					1570.8	576.76	289.08	0	4.22
Unscheduled interchange (UI)	68.08	68.08	13.08	13.08	2.4		2.40			1570.8	576.76	289.08	0	4.22
Overdraw/Underdraw										68.08	13.08	2.4	0.00	2.40
Open Market Purchase	107.12	107.12	51.81	51.81	2.97		2.97			107.12	51.81	0	0	2.97
Open Market Sale	84.77	84.77	29.67	29.67	3.5		3.50			84.77	29.67	0	0	3.50
Total	6685.82	5874.02	1122.74	1092.46	2175.2		3.7			6685.82	1092.46	2175.2	0.00	2175.2
Renewable Purchase Obligation (RPO)	0006.32	5874.02	1122.74	1092.46	2175.2					0006.32	1092.46	2175.2	0.00	2175.2
Solar														
Hydro Solar														
Subtotal														
Transmission Charges														
PG&I Charges														
DNM Transmission Charges														
Subtotal														
Total	6024.31	5874.02	1228.72	1092.46	2495.44		3.76			6024.31	1092.46	2495.44	0.00	2495.44

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COMMISSIONER OF TRANSMISSIONS
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ANNEXURE IV

In the Tariff Order 2018-19, JERC has accepted sub-optimal power purchase with respect to merit order. Hence for same quantity of power purchase potential for cost reduction based on Merit Order is Rs.2562.98 Cr. – Rs.2420.55 Cr. = Rs.142.43 Cr.

Table 55: Power Purchase Quantum (MU) and cost (Rs. Cr.) approved by the Commission

Name of the station	Power Purchase at Commission		Power Purchase at		Power Purchase at		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
	Quantity (MU)	Cost (Rs. Cr.)	Quantity (MU)	Cost (Rs. Cr.)	Quantity (MU)	Cost (Rs. Cr.)													
NTPC																			
KSTPS	309.12	384.37	48.43	23.05	32.05	1.48													
KSTPS-3	177.67	155.77	15.87	23.98	63.15	2.43													
MSPP-4	318.53	395.76	42.31	25.41	72.23	2.27													
MSPP-6	231.84	222.35	32.28	16.25	49.24	2.17													
MSPP-8	252.57	242.58	35.21	25.99	61.23	2.51													
MSPP-9	296.85	285.71	41.42	42.79	89.31	3.12													
KGPF	300.45	348.15	112.64	50.37	168.03	5.25													
GGPF	272.48	262.44	103.54	45.7	154.64	5.85													
Sipat-1	665.07	640.46	77.36	83.54	160.53	2.51													
Sipat-2	230.78	240.09	29.35	26.55	56.21	2.35													
Sabard	303.11	333.65	50.58	61.53	112.11	5.73													
MSPP-5	373.43	167.03	24.34	30.1	54.44	3.25													
Moudra 2	267.43	269.05	66.28	32.95	99.23	3.82													
SLP	281.22	257.48	75.36	56.02	131.28	5.22													
MSPP-1	22.32	21.5	4.8	2.3	7.1	0.31													
Subtotal - NTPC	4116.83	3543.92	778.24	557.54	1333.77	7.15													
MSPP-2	716.37	689.74	110.53	124.11	254.76	1.69													
Total	4833.20	4233.66	888.77	681.65	1588.53	8.84													

COMMISSIONER OF POWER PURCHASE CONTRACTS
 POWER PURCHASE CONTRACTS

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Details of the stations				Purchase at		Purchase at		Purchase at		Purchase at		Purchase at	
				Periphery		Periphery		Periphery		Periphery		Periphery	
				(M-C)		(M-C)		(M-C)		(M-C)		(M-C)	
				Purch		Purch		Purch		Purch		Purch	
				Chg		Chg		Chg		Chg		Chg	
				Adj		Adj		Adj		Adj		Adj	
				S		S		S		S		S	
				P		P		P		P		P	
NPTEL													
K&S	56.40	54.41	12.57										
LAAS	127.26	110.17	90.96										
Sentinal	378.78	364.78	103.51										
Others													
HOPS	0	0	0										
EMCO Energy Ltr (Gross)	1178.95	1135.44	216.1										
Subtotal	1178.95	1135.44	216.1										
Unallocated													
Interchange (U)													
Direct/Avail/Exchange at													
Open Market Purchase		78.01	23.17										
Open Market Sale		0	0										
Total	4880.7	4732.09	1251.65										
Renewable													
obligation (Prep)													
Solar		21.95											
Non Solar		48.12											
Subtotal		80.07											
Transmission Charges													
APCA Charges													
Open Transmission Charges													
Subtotal													
Total	6380.7	6232.89	1831.21										

Details of the stations				Purchase at		Purchase at		Purchase at		Purchase at		Purchase at	
				Periphery		Periphery		Periphery		Periphery		Periphery	
				(M-C)		(M-C)		(M-C)		(M-C)		(M-C)	
				Purch		Purch		Purch		Purch		Purch	
				Chg		Chg		Chg		Chg		Chg	
				Adj		Adj		Adj		Adj		Adj	
				S		S		S		S		S	
				P		P		P		P		P	
NPTEL													
K&S	19	16.3	0.00										
LAAS	15	43.52	202.61										
Sentinal			32.63										
Others													
HOPS	20	18	0										
EMCO Energy Ltr (Gross)	11	2.09	1576.8										
Subtotal	11	2.09	1576.8										
Unallocated													
Interchange (U)													
Direct/Avail/Exchange at													
Open Market Purchase													
Open Market Sale													
Total	6466.71	1019.33	1109.20										
Renewable													
obligation (Prep)													
Solar		32.95											
Non Solar		43.11											
Subtotal		80.07											
Transmission Charges													
APCA Charges													
Open Transmission Charges													
Subtotal													
Total	568.35	6466.71	1019.33										

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APPROVED BY: *[Signature]*
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