

**BEFORE THE HONOURABLE JOINT ELECTRICITY REGULATORY  
COMMISSION FOR GOA AND UNION TERRITORIES EXCEPT NCT OF  
DELHI**

FILING NO \_\_\_\_\_

CASE NO \_\_\_\_\_

IN THE MATTER OF:      Approval of filing of Aggregate Revenue Requirement ("ARR") for the Financial Year 2009-10 for Determination of Tariff (for Distribution and Retail sale of Electricity) of Electricity Department, Puducherry.

AND

IN THE MATTER OF:      Electricity Department, 137, N.S.C Bose Salai, Puducherry

**PETITIONER**

THE APPLICANT ABOVE NAMED RESPECTFULLY SUBMITS

**AFFIDAVIT**

I, **T. Anandhakrishnan**, Son of (late) Shri N. Thulasingham, aged 55 years, residing at No 20, 10<sup>th</sup> Cross Street, Brindavan, Puducherry 605 013 do hereby solemnly affirm and state on oath as under:-

1. I am **Superintending Engineer – I / Head of Electricity Department, Puducherry**, the petitioner in the above matter and am duly authorised by the Government of Puducherry to make this affidavit on its behalf.
2. I solemnly affirm at Puducherry on this day of **5<sup>th</sup> October 2009** that the contents of the accompanying petition are based on the records of the Electricity Department, Government of Puducherry maintained in the ordinary course of business and believed by them to be true and I believe that no part of it is false and no material has been concealed there from.

**Details of enclosures:**

- a) Proposal for Aggregate Revenue Requirement ("ARR") for the Financial Year 2009-10 for Determination of Tariff
- b) Annexure – Volume of Supporting Documents
- c) Petition Fee - Rs 7,13,755 /- vide DD no. 430159 dated 1.10.2009.

Place: Gurgaon  
Date : 05.10.2009

**(T.Anandhakrishnan)**  
Superintending Engineer –I  
Electricity Department, Puducherry

I, \_\_\_\_\_ Advocate, \_\_\_\_\_, 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 5<sup>th</sup> day of October 2009 at \_\_\_ 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.

**ABBREVIATION**

1.	A & G	Administrative and General
2.	AT&C	Aggregate Technical and Commercial
3.	ARR	Aggregate Revenue Requirement
4.	CAGR	Compounded Annual Growth Rate
5.	CAPEX	Capital Expenditure
6.	CEA	Central Electricity Authority
7.	CERC	Central Electricity Regulatory Commission
8.	CGS	Central Generating Stations
9.	EDP	Electricity Department, Government of Puducherry
10.	FPA	Fuel Price Adjustment
11.	FRS	Financial Resource Statement
12.	FY	Fiscal Year
13.	HT	High Tension
14.	JERC	Joint Electricity Regulatory Commission for UTs & Goa
15.	KAPS	Kaiga Atomic Power Station
16.	kV	Kilo Volt
17.	KVA	Kilo Volt Ampere
18.	kW	Kilo Watt
19.	kWh	Kilo Watt Hour or Unit
20.	KSEB	Kerala State Electricity Board
21.	LT	Low Tension
22.	MAPS	Madras Atomic Power Station
23.	MoP	Ministry of Power
24.	MW	Mega Watt
25.	NLC	Neyveli Lignite Corporation Ltd.
26.	NTPC	NTPC Ltd
27.	PPCL	Puducherry Power Corporation Limited
28.	SRPC	Southern Region Power Committee
29.	R & M	Repair and Maintenance
30.	T & D	Transmission and Distribution
31.	TNEB	Tamil Nadu Electricity Board
32.	TNERC	Tamil Nadu Electricity Regulatory Commission
33.	UMPP	Ultra Mega Power Projects
34.	UT	Union Territory

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## 1 INTRODUCTION

### 1.1 Background of Electricity Department, Government of Puducherry

The Union Territory of Puducherry is spread over an area of 492 Sq.Km., which constitutes of the four erstwhile French establishments of Puducherry, Karaikal, Mahe and Yanam. The total population of the UT of Puducherry is 9,74,375 as per the 2001 census.

- **Puducherry region**, which is the largest of all the four, lies on the east – coast, consisting of 12 scattered areas, surrounded by the State of Tamil Nadu and by the Bay of Bengal on the East.
- **Karaikal region** is about 150 Kms. South of Puducherry. Like Puducherry region, the Karaikal region is also surrounded by the State of Tamil Nadu and by the Bay of Bengal on the East.
- **Yanam region** is located at about 840 Kms. North East of Puducherry near Kakinada in Andhra Pradesh.
- **Mahe region** is located at about 653 Kms away, on the west- coast near Tellicherry in Kerala.

Semi-arid type of climate, with a mean annual temperature of around 30° C and 70-85% relative humidity, is prevalent in the Union Territory. While Puducherry, Karaikal and Yanam region receive rain mostly through North – East monsoon, Mahe region benefits from the South-West monsoon.

### 1.2 Power Position

The territory of Puducherry was merged with the Indian Union with effect from 01.11.1954 and since then Puducherry has been one of the

Union Territories. The Government of Puducherry through the Electricity Department undertakes the distribution and retail supply of electricity in Puducherry and unlike many other places there is no Electricity Board or independent body corporate to undertake the electricity functions. At the time of merger with Indian Union the power demand of Puducherry was only 1.70 MW and the energy consumed was only around 3.00 million units.

The route length of HT/LT distribution network at the time of merger was 38 Kms. of HT lines and 156 Kms. of LT lines and 26 numbers of distribution transformers were in existence to feed 3072 numbers of various categories of consumers and 534 nos. of street lights. This includes 3 nos. of HT industrial services and 267 nos. of Agricultural Services. Supply was also fed to only 72 nos. of villages against the total no. of 334 villages.

Further the per capita consumption at the time of merger was only 16 units. Soon after merger, the Electricity Department had taken strenuous efforts to upgrade the distribution network and as a result, all the 334 villages had been electrified by the end of 1972 itself. Besides as the Electricity Department has provided wider HT/LT distribution network in all the four regions of the Union Territory, the industrial entrepreneurs of neighboring States and from far away places came and set up a number of Industrial establishments in this Union Territory. The Transmission and Distribution Losses and the AT & C losses are comparatively lower than many of the other States and the National average. The Reliability Index of Electricity has been mostly higher than 98%, which shows that the system is reliable and stable. This has been achieved only because of the efforts taken by the Engineers and as well as the staff of the Electricity Department. The progress of Electrification

in Puducherry has been commendable and the details of electrification achieved till 31.03.2009 are as follows:

**Table 1-1: Details of Electrification**

Sr. No.	Description	Unit	Total
1	Distribution Transformers	Nos.	1957
2	HT Lines	Kms.	1173
3	LT Lines	Kms.	4286
4	HT/ EHT Industrial Services	Nos.	418
5	LT Industrial Services	Nos.	5770
6	Agricultural Services	Nos.	8960
7	Domestic Services	Nos.	217672
8	Commercial Services	Nos.	38609
9	One Hut One Bulb Services	OC	Nos. 22353
		SC	Nos. 16885
		Total	Nos. 39238
10	Street Lights	Nos.	46297
11	HT Under Ground Cables	Kms.	63
12	LT Under Ground Cables	Kms.	754

There is no major power generation plant in the Union Territory of Puducherry, except a 32.5 MW combined cycle gas power plant in Karaikal owned by the Puducherry Power Corporation Limited. The entire power requirement of Puducherry is met from the power allocated from the Central Generating Stations, Tamil Nadu Electricity Board, Kerala State Electricity Board and from the Puducherry Power Corporation Limited. The entire power for the Puducherry region is availed through two major 230 / 110 KV interconnected Sub-stations located at Villianur and Bahour and 10 numbers of 110 KV Sub-stations located at load centers. Besides, the power from TNEB is availed at 110 KV Sub-station located at Bahour. The power supply from these sub-stations is distributed to the HT consumers through HT feeders and to the LT consumers after stepping down to LT level by means of Distribution

Transformers. In respect of Karaikal region, power from the Puducherry Power Corporation Limited and Tamil Nadu Electricity Board are availed at 110 KV level and distributed to the consumers through three numbers of 110 KV Sub-stations. Similarly, Mahe is fed at 110 KV level from Kerala State Electricity Board through one number of 110 KV Sub-station and Yanam region receives power from Central Generating Stations through the transmission network of Andhra Pradesh through one number of 132 KV Sub-station. The region wise details of power allocation in MW are indicated below:

**Table 1-2: Details of power allocated to EDP**

					MW
Sr. No.	Description	Puducherry & Yanam	Karaikal	Mahe	Total
1	Allocation of Power from Central Generating Stations				
	a. NLC TS-II Stage I	72.07			72.07
	b. NLC TS-II Stage II	24.28			24.28
	c. NLC TS-I Expansion	17.77			17.77
	d. NTPC Ramagundam Stage I&II	79.17			79.17
	e. NTPC Ramagundam Stage III	20.10			20.10
	f. NTPC Talcher Stage II	69.80			69.80
	g. MAPS, Kalpakkam	7.13			7.13
	h. KAPS, Kaiga (Unit 1 & 2 )	14.26			14.26
	i.KAPS, kaiga(unit-3)	6.12			6.12
	Total allocation from Central Generation Stations (A)#	335.96	0	0	335.96
2	Availability from other State Electricity Boards/PPCL				0
	a. Tamil Nadu Electricity Board	28	48		76
	b. Puducherry Power Corporation Limited *		32		32
	c. Kerala State Electricity Board			4.73	4.73
	Total availability from other State Electricity Board/PPCL (B)	28	80	4.73	112.73
	<b>Total power allocation/availability in MW (A + B)</b>	<b>363.96</b>	<b>80.00</b>	<b>4.73</b>	<b>448.69</b>

#It includes additional 50 MW of power allocated by MoP from CGS plants based on EDP's request to meet the shortage of power till Power Generation from CGS improves.

\* The Puducherry Power Corporation Limited, a wholly owned corporation of the Government of Puducherry is operating a 32.5 MW combined cycle Gas Power Plant in Karaikal region and the entire power generated from this power plant is consumed in Karaikal region.

In addition, the Government of India has also confirmed allocation of power from on-going power projects. However, these power plants are expected to achieve its COD (Date of Commercial Operation) only at the end of the year 2009-10. Hence, for the purpose of projecting Power Purchase Cost for FY 2009-10, the EDP has not considered power

allocation from these plants. The details of such power plants are indicated below:

**Table 1-3: Details of Expected Availability in FY 2009-10**

Sr.No	Name of agency	Expected year of availability	Power Allocated
1	Kudankulam Atomic Power Station	2009-10	67.0 MW
2	NLC TS-II Expansion Project	2009-10	15.0 MW
3	Kaiga Unit IV	2009-10	6.0 MW
<b>Total power allocated from future CGS</b>			<b>88.0 MW</b>

Apart from the above, the EDP had made request for allocation of power from the following Generating units that are likely to come up in near future. The required power purchase agreements have already been signed with the respective generating agencies for availing power from the following generating units. The details are given below:

**Table 1-4: Details of Expected Allocation in FY 2010-11 & 2011-12**

Sr. No	Name of the agency	Expected year of availability	Power allocation requested
1	1000 MW TNEB-NTPC Joint venture Vallur power project	2010-11	50.0 MW
2	1000 MW Tuticorin project of NLC	2011-12	25.0 MW
3	1000 MW Simhadri Expansion Project of NTPC	2011-12	50.0 MW
<b>Total power allocation</b>			<b>125.00 MW</b>

In addition to the above, Puducherry has also requested allocation of 50 MW each from Krishnapattnam Ultra Mega Power Project and Tamil Nadu Ultra Mega Power Project, which is yet to be confirmed by the Government of India. Further, an allocation of 70 MW from the proposed UMPP in Orissa has been made by the Government of India.

### **1.3 Power demand forecast**

The power demand during the financial year 2008-09 was around 380 MW. During the financial year 2009-10, the power demand is expected to be around 410 MW and by the end of the eleventh five year plan i.e. FY 2011-12, the anticipated demand is estimated to be around 475 MW.

Till the year 2007-08, the availability from the Central Generating Stations was comfortable and adequate to meet the power requirements of Puducherry. However, from April 2008, the availability of the Central Generating Stations have got reduced due to shortage of coal, nuclear fuel etc. Due to this, the availability of power has got drastically reduced forcing Puducherry to curtail its unrestricted power requirement. For instance, the availability of power from the Neyveli Lignite Corporation Limited has become almost zero during the end of November 2008. The HT consumers have been subjected to load shedding frequently, to cope up with the situation..

During the months of June & July during FY 2009-10, Puducherry faced huge power shortages. On request of Government of Puducherry, Ministry of Power has allocated additional power of 50 MW from the Central Generating Station to Puducherry, till the time this power situation improves.

If the generation of the Central Generating Stations picks up and the total availability of power from Central Generating Stations and from other sources of supply is available to the UT, then power is expected to be adequate to meet the normal requirement of power of this UT until FY 2011-12.

#### **1.4 System Control Centre**

The Power Grid Corporation of India Limited had established a System Control Center (SCC) in the Electricity Department at Puducherry. The total capital cost for the entire project for the Southern Region is Rs 530.79 Crores out of which the share of UT of Puducherry is Rs 23.43 Crores. This cost is being recovered over a period of 15 years with interest from Puducherry. The monthly payment to be made by the UT of Puducherry is about Rs 32.11 Lakhs. After full recovery, the assets shall be transferred to Puducherry at nominal value. Puducherry would crave reference to the order dated 27.01.2009 passed by the CERC in, Petition No. 143/2005 in regard to the above.

The SCC was made operational with effect from February 2003. As per the scheme, real time data from the two 230 KV Sub-Stations and 110 KV Sub-Stations in Puducherry region and other Sub-Stations in the outlying regions are acquired through a dedicated communication network using Remote Terminal units (RTU) erected at the respective sub-stations. These data are also transmitted to the Southern Regional Load Dispatch Centre at Bangalore.

#### **1.5 Background of Tariff Petition:**

The EDP had filed its original Petition for approval of ARR & determination of tariff for FY 2009-10 on 7<sup>th</sup> January 2009. The Hon'ble Commission vide order dated 20<sup>th</sup> August 2009, scheduled a hearing for admittance of the Petition on 3<sup>rd</sup> September 2009. In hearing with the EDP, the Hon'ble Commission opined that the EDP at its discretion can submit the revised Petition for approval of ARR & determination of Distribution & retail tariff for FY 2009-10, further vide the order dated 14<sup>th</sup> September 2009, the Hon'ble Commission directed the EDP to file the revised Petition within the stipulated time frame i.e. on or before 5<sup>th</sup> October 2009.

In view of above, the EDP hereby submits its revised Petition with revised approach for determination of ARR along with revised tariff Proposal for FY 2009-10. In the original petition, the projections were made on cash basis while in the revised Petition, the EDP has adopted the methodology of projections for FY 2009-10 on accrual basis consistent with the practice being adopted by other utilities across the country. Further, for FY 2009-10, the EDP has not considered UI sales which have resulted into revision in T&D and AT&C losses for the EDP.

#### **1.6 Aggregate Revenue Requirement for Generation & Transmission:**

The generation of the Power in Puducherry is the function of the Puducherry Power Corporation Limited (PPCL), a separate entity. Further, the transmission component is very meager in size in comparison with distribution & retail business under purview of the EDP and the restructuring of the power transmission and Distribution business is currently under process. Further the Transmission Lines used in Puducherry are essential part of the distribution system used for delivery of power to consumers as envisaged in section 2 (72) of the Electricity Act, 2003 and therefore can be considered along with distribution system instead of being separately dealt with. In the circumstances mentioned above EDP is not submitting the Annual Revenue Requirement for Transmission for FY 2009-10 separately and the transmission aspects are treated as integrated part of the distribution and retail supply of electricity. However, the EDP would like to submit to the Hon'ble Commission that as and when the transfer scheme is approved by the Government, the EDP will file a separate ARR Petition for Transmission Business during the next tariff filing process.

### **1.7 Basis of this filing:**

Section 62 of Electricity Act 2003 provides that the Appropriate Commission shall determine the tariff in for Retail & Distribution Business in accordance with provisions of the Act. In exercise of the powers conferred by Section 45(2), 61 and 62 read with Section 181 of the Electricity Act, 2003 (No. 36 of 2003), various State Regulatory Commission has formulated with the Terms & Conditions of tariff Regulations.

The EDP has adopted the Principles outlined in the Tariff Regulations issued by other State Regulatory Commissions.

## **2 AGGREGATE REVENUE REQUIREMENT FOR FY 2009-10**

### **2.1 Preamble**

**2.1.1** This section provides projection for various expenses, investment plan and revenue with existing tariff for FY 2009-10. Projections of various cost components required for determination of Aggregate Revenue Requirement for FY 2009-10 along with the rationale for estimation of such cost. Further, the philosophy adopted by Electricity Department, Government of Puducherry for projecting sales, no. of consumers and power purchase cost for FY 2009-10 has been covered in this section. For the purpose of projecting the financial & technical parameters for FY 2009-10, the EDP has considered its actual performance during FY 2008-09 as base and has projected the figures for FY 2009-10 with rationales. Further, the past trends have also been considered for the purpose of filing. It may be noted that the figures for FY 2007-08 & FY 2008-09 outlined in this Petition are indicative.

### **2.2 Projection for Energy Requirement during FY 2009-10**

#### **2.2.1 Approach for Sales Projection**

The EDP has adopted the historical trend method for estimating the number of consumers and energy consumption which has been proved to be a reasonably accurate and well accepted method. In light of the above, EDP has estimated the sales and no. of consumers for various consumer categories primarily based on the CAGR trends during past years. Where ever the trend has seemed unreasonable or unsustainable, the growth factors have been corrected by the EDP, to arrive at more realistic projections.

## 2.2.2 Summary of Growth & Projections

The growth rates observed in the energy sold to each consumer category has been analyzed for the purpose of formulating sales projections for the FY 2009-10. The analysis of the growth rate lends insight into the behavior of each category and hence forms the basis of forecasting the sales for each category.

## 2.2.3 Category-wise Units Sold

The Break-up of the past sales and the CAGR growth rates for different periods (7 years, 6 years, 5 years, 3 years and year on year) thereof are given herein. It may be noted that the 7 year CAGR growth rate is for the period between FY 2002-03 to FY 2008-09, 6 year CAGR growth rate is for the period between FY 2002-03 to FY 2007-08, 5 year CAGR growth rate is for the period between FY 2003-04 & FY 2007-08 while the 3 year CAGR growth rate is for the period between FY 2005-06 & FY 2007-08. The year on year (YoY) growth rate is for each year in the period between FY 2006-07 & FY 2008-09.

**Table 2-1: Historical Trend in Category-wise Units sold**

Sales	MUs								
	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10 (Projected)	FY 09-10 (As per 17th EPS)
<b>Low Tension Consumers</b>									
Domestic	244.37	264.68	286.46	324.21	357.00	392.81	425.83	475.30	493.00
Commercial	70.76	76.84	87.39	112.27	129.56	132.29	141.28	160.07	137.00
Agriculture	97.63	117.73	118.36	88.73	101.05	81.63	53.54	81.63	137.00
Public Lighting	12.42	15.13	15.56	12.61	15.65	16.17	17.01	17.83	20.00
LT Industrial	66.51	80.98	100.00	114.34	126.18	133.24	131.93	146.89	177.00
<b>LT Total</b>	<b>491.69</b>	<b>555.36</b>	<b>607.77</b>	<b>652.15</b>	<b>729.44</b>	<b>756.14</b>	<b>769.58</b>	<b>881.72</b>	<b>964.00</b>
<b>High Tension Consumers</b>									
HT I	840.94	876.28	944.75	952.51	998.24	1,019.74	953.49	1,071.37	
HT II	20.21	21.99	23.79	25.38	26.11	26.10	26.22	27.42	
HT III	194.37	227.93	242.77	237.98	271.20	269.98	249.13	286.42	
<b>HT Total</b>	<b>1,055.52</b>	<b>1,126.20</b>	<b>1,211.32</b>	<b>1,215.88</b>	<b>1,295.55</b>	<b>1,315.83</b>	<b>1,228.84</b>	<b>1,385.21</b>	<b>2,009.00</b>
<b>TOTAL</b>	<b>1,547.21</b>	<b>1,681.56</b>	<b>1,819.09</b>	<b>1,868.03</b>	<b>2,024.99</b>	<b>2,071.97</b>	<b>1,998.43</b>	<b>2,266.93</b>	<b>2,973.00</b>

**Table 2-2: Category-wise Growth rates of Units Sold**

Consumer Category	Growth Rates CAGR (%)							Growth Rate Considered
	7 Years FY 08-09 over FY 02-03	6 Years FY 07-08 over FY 02-03	5 Years FY 07-08 over FY 03-04	3 Years FY 07-08 over FY 05-06	FY 06-07 over FY 05-06	FY 07-08 over FY 06-07	FY 08-09 over FY 07-08	
<b>Low Tension Consumers</b>								
Domestic	9.70%	9.96%	10.37%	10.07%	10.11%	10.03%	8.41%	<b>10.00%</b>
Commercial	12.21%	13.33%	14.55%	8.55%	15.40%	2.11%	6.80%	<b>10.00%</b>
Agriculture	-9.53%	-3.52%	-8.75%	-4.08%	13.89%	-19.22%	-34.42%	<b>0.00%</b>
Public Lighting	5.38%	5.42%	1.68%	13.23%	24.08%	3.33%	5.17%	<b>5.00%</b>
LT Industrial	12.09%	14.91%	13.26%	7.95%	10.36%	5.59%	-0.98%	<b>5.00%</b>
<b>LT Total</b>	<b>7.75%</b>	<b>8.99%</b>	<b>8.02%</b>	<b>7.68%</b>	<b>11.85%</b>	<b>3.66%</b>	<b>1.78%</b>	
<b>High Tension Consumers</b>								
HT I	2.12%	3.93%	3.86%	3.47%	4.80%	2.15%	-6.50%	<b>2.50%</b>
HT II	4.44%	5.25%	4.38%	1.40%	2.86%	-0.04%	0.48%	<b>2.50%</b>
HT III	4.22%	6.79%	4.32%	6.51%	13.96%	-0.45%	-7.73%	<b>3.00%</b>
<b>HT Total</b>	<b>2.57%</b>	<b>4.51%</b>	<b>3.97%</b>	<b>4.03%</b>	<b>6.55%</b>	<b>1.56%</b>	<b>-6.61%</b>	
<b>TOTAL</b>	<b>4.36%</b>	<b>6.01%</b>	<b>5.36%</b>	<b>5.32%</b>	<b>8.40%</b>	<b>2.32%</b>	<b>-3.55%</b>	

The Energy sales projected by the EDP are on lower side in comparison with the values provided in 17<sup>th</sup> Electric Power Survey. The reasons for the same are economic slowdown & recession. Thus, considering above, the Hon'ble Commission is requested to approve above sales figures projected by the EDP.

## 2.2.4 Consumer Profile

The Break-up of the category-wise number of consumers and the CAGR growth rates for different periods (7 years, 6 years, 5 years, 3 years and year on year) are as follows:

**Table 2-3: Category-wise No. of Consumers**

No. of Consumers	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10 (Projected)
<b>Low Tension Consumers</b>								
Domestic	192,856	202,958	213,423	222,914	234,734	245,822	256,910	269,756
Commercial	30,517	31,973	33,428	34,824	36,205	37,407	38,609	40,539
Agriculture	10,418	8,662	8,715	8,772	8,834	8,897	8,960	8,960
Street Light (Nos. of Lights)	36,656	38,389	40,033	41,880	43,421	44,859	46,297	47,686
LT Industrial	4,888	5,064	5,227	5,383	5,516	5,643	5,770	5,885
<b>LT Total</b>	<b>275,335</b>	<b>287,046</b>	<b>300,826</b>	<b>313,773</b>	<b>328,710</b>	<b>342,628</b>	<b>356,546</b>	<b>372,826</b>
<b>High Tension Consumers</b>								
HT I	302	324	342	354	402	408	373	379
HT II	31	32	32	32	32	32	40	40
HT III	4	4	4	5	5	5	5	5
<b>HT Total</b>	<b>337</b>	<b>360</b>	<b>378</b>	<b>391</b>	<b>439</b>	<b>445</b>	<b>418</b>	<b>424</b>
<b>TOTAL</b>	<b>275,672</b>	<b>287,406</b>	<b>301,204</b>	<b>314,164</b>	<b>329,149</b>	<b>343,073</b>	<b>356,964</b>	<b>373,250</b>

**Table 2-4: Growth rate of No. of Consumers**

Consumer Category	Growth Rates CAGR (%)							Growth Rate Considered
	7 Years FY 08-09 over FY 02-03	6 Years FY 07-08 over FY 02-03	5 Years FY 07-08 over FY 03-04	3 Years FY 07-08 over FY 05-06	FY 06-07 over FY 05-06	FY 07-08 over FY 06-07	FY 08-09 over FY 07-08	
<b>Low Tension Consumers</b>								
Domestic	4.90%	4.97%	4.91%	5.01%	5.30%	4.72%	4.51%	<b>5.00%</b>
Commercial	4.00%	4.16%	4.00%	3.64%	3.97%	3.32%	3.21%	<b>5.00%</b>
Agriculture	-2.48%	-3.11%	0.67%	0.71%	0.71%	0.71%	0.71%	<b>0.00%</b>
Public Lighting	3.97%	4.12%	3.97%	3.50%	3.68%	3.31%	3.21%	<b>3.00%</b>
LT Industrial	2.80%	2.91%	2.74%	2.39%	2.47%	2.30%	2.25%	<b>2.00%</b>
<b>LT Total</b>	<b>4.40%</b>	<b>4.47%</b>	<b>4.52%</b>	<b>4.50%</b>	<b>4.76%</b>	<b>4.23%</b>	<b>4.06%</b>	
<b>High Tension Consumers</b>								
HT I	3.58%	6.20%	5.93%	7.36%	13.56%	1.49%	-8.58%	<b>1.50%</b>
HT II	4.34%	0.64%	0.00%	0.00%	0.00%	0.00%	25.00%	<b>0.00%</b>
HT III	3.79%	4.56%	5.74%	0.00%	0.00%	0.00%	0.00%	<b>0.00%</b>
<b>HT Total</b>	<b>3.66%</b>	<b>5.72%</b>	<b>5.44%</b>	<b>6.68%</b>	<b>12.28%</b>	<b>1.37%</b>	<b>-6.07%</b>	
<b>TOTAL</b>	<b>4.40%</b>	<b>4.47%</b>	<b>4.53%</b>	<b>4.50%</b>	<b>4.77%</b>	<b>4.23%</b>	<b>4.05%</b>	

## 2.2.5 Growth Projections for FY 2009-10

This section discusses in detail the basis for taking the growth projections for various categories of consumers as enumerated above.

The EDP submits that due to reduced power availability from the Central Generating Stations to the UT of Puducherry, the EDP was forced to curtail the consumptions of all the consumers, in particular the consumption of Industries. This has resulted in reduction in sales during FY 2008-09 when compared to that of the FY 2007-08. Thus, Growth rates for individual categories have been assumed for sales and applied to values of the FY 2007-08 rather than FY 2008-09 to arrive at the projection for a FY 2009-10. However, for projecting no. of consumers for FY 2009-10, the growth rate assumed has been applied to the value of FY 2008-09.

### **Domestic**

The EDP has witnessed a nearly double digit growth in the units sold in the last few years to this category. The three years CAGR between FY

2005-06 and FY 2007-08 was ~ 10.00%. The EDP expects this trend to continue for the FY 2009-10.

The number of consumers added in the category has witnessed a three year CAGR of ~ 5.00% between FY 2005-06 and FY 2007-08. The EDP expects this trend to continue.

The number of connections and unit sales as estimated above have been added to the projections based on the growth rates discussed above to arrive at an estimate of the sales projections from this category. These Projections are inclusive of 41,200 numbers of consumers under One Hut one Bulb categories.

### **Commercial**

For this Category, the EDP has considered a growth rate of ~ 10.00% for projecting sales for the FY 2009-10 which is very near to three year CAGR observed between FY 2005-06 and FY 2007-08.

The EDP has projected no. of consumers for FY 2009-10 assuming a growth rate ~ 5.00%. This growth rate is approximately near to three year CAGR growth rate recorded for the growth in consumers between FY 2005-06 and FY 2007-08.

### **Industrial LT**

The year on year growth rate recorded between FY 2006-07 and FY 2007- 08 for units sold to this category was ~ 5.00%. The same has been assumed as the growth rate for the FY 2009-10.

The year on year growth rate recorded for the growth in consumers between FY 2006-07 and FY 2007- 08 was ~ 2.00%. The same has been assumed as the growth rate for the FY 2009-10.

### **Public Lighting**

The year on year growth rate recorded between FY 2007- 08 and FY 2008-09 for units sold to this category were ~ 5.00%. The same has been assumed as the growth rate for the FY 2009-10.

The year on year growth rate recorded for the growth in number of lighting connections between FY 2007-08 and FY 2008-09 was ~ 2.00%. The same has been assumed as the growth rate for the FY 2009-10.

### **Agriculture**

For this category, the EDP has observed reduction in the energy consumption in FY 2008-09. Thus, the EDP has assumed growth rate ~ 0.00% for projecting units sold to this category for the FY 2009-10, keeping the Units sold to Agriculture consumers same as that of FY 2007-08.

For FY 2009-10, the EDP has not considered any growth in no. of consumers keeping number of Agriculture consumers same as that of previous year i.e. 8,960 out of which total no. of small farmers would be 1,260.

### **Industrial HT**

For projecting unit sold in FY 2009-10 for HT category, the EDP has assumed growth rate of ~ 2.50% for HT-I & HT-II which is near to year on year growth Rate and a growth rate ~ 3.00% for HT-III.

For projecting the growth in no. of consumers for the FY 2009-10, the EDP has assumed growth rate of ~ 1.50% for HT-I category based on year on year growth rate for FY 2007-08 over FY 2006-07 while for HT-II & HT-III category no. of consumers are kept at same as during FY 2008-09.

### 2.3 T&D and AT&C Losses

The EDP has achieved a significant reduction in transmission & distribution losses, during recent years. The EDP submits that the system improvement works executed every year under the plan schemes fetches the result of improvement in the reduction of T & D losses. These efforts shall be continued and will be enhanced henceforth.

The overall collection efficiency of the EDP is in the order of around 95%. The Government of India has set a target to reduce the AT & C losses to a level of 15% by the end of 11<sup>th</sup> plan. The EDP has taken efforts to increase the collection efficiency, thus, endeavoring to bring down the AT & C losses.

The trajectory of T & D and AT & C losses for FY 2007-08 to FY 2009-10 is as shown below:

**Table 2-5: Transmission & Distribution Loss Trajectory**

Particular	FY 2007-08 (Actuals)	FY 2008-09 (Actual)	FY 2009-10 (Projected)
T & D Losses	14.80%	14.41%	14.00%
AT & C Losses	18.96%	18.61%	18.54%

### 2.4 Energy Balance

The energy requirement for the EDP will be met by supply of power from Central Generating Stations, TNEB, KSEB & PPCL. While predicting Energy Balance for FY 2009-10, the EDP has not considered UI Sales/overdrawl as estimation of the same is not possible at this stage. However, same will be taken into consideration while doing truing up.

The Energy Balance of the EDP for the FY 2009-10 is as shown below:

**Table 2-6: Energy Balance**

Energy Balance (Units)	MUs		
	FY 2007-08 (Actual)	FY 2008-09 (Actual)	FY 2009-10 (Projected)
<b>ENERGY REQUIREMENT</b>			
Energy Sales			
LT Supply	756.14	769.58	881.72
HT Supply	1,315.83	1,228.84	1,385.21
<b>Total Energy Sales</b>	<b>2,071.97</b>	<b>1,998.43</b>	<b>2,266.93</b>
<b>Overall T &amp; D Losses %</b>	<b>14.80%</b>	<b>14.41%</b>	<b>14.00%</b>
<b>Overall T &amp; D Losses</b>	<b>360.00</b>	<b>336.45</b>	<b>369.04</b>
<b>Total Energy Requirement</b>	<b>2,431.96</b>	<b>2,334.87</b>	<b>2,635.97</b>
<b>ENERGY AVAILABILITY</b>			
Power Purchase from CGS			
- NLC Stations	693.77	581.22	690.58
- NTPC Stations	1,143.08	1,086.46	1,189.24
- Atomic Stations (KAPS & MAPS)	71.83	74.04	94.05
- UI Overdrawl / (Sale)	(137.40)	(43.60)	
Power Purchase from Other SEB's			
- TNEB	376.79	369.06	379.73
- KSEB	26.64	25.46	31.89
Power Purchase from PPCL	257.25	242.24	250.47
<b>Total Energy Availability</b>	<b>2,431.96</b>	<b>2,334.87</b>	<b>2,635.97</b>

## 2.5 Capital Expenditure Plan for FY 2009-10

The EDP envisages capital expenditure for strengthening the existing electricity network and augment new networks for ensuring reliable power to its consumers. In order to achieve the above objectives, the EDP has determined following activities on which Electricity Department, Government of Puducherry will be investing during FY 2009-10:

- 1) Rationalisation and improvement of distribution in urban areas;
- 2) Conversion of HT Overhead lines into UG cable System;
- 3) System Improvement for reduction of Transmission and Distribution losses;
- 4) Extension and Development of Power Supply to Industries;

- 5) Extension and Development of Power Supply to Agricultural, Domestic and Commercial Services;
- 6) Extension and Development of power supply to EWS and Street lights;
- 7) Up-gradation of existing primary SS and EHT lines in the UT of Pondicherry;
- 8) Rural electrification (BNP);
- 9) Establishment of third 230 KV S.S. at Pondicherry;
- 10) Erection of 230 KV lines from Villianur 230 KV sub-station to the proposed 230 KV sub-station;
- 11) Creating of Infra structural facilities in Tsunami affected areas.

Further, the EDP has initiated the process of availing the funds from central Government through Power Finance Corporation under R-APDRP scheme. Also, the EDP has approached Rural Electrification Corporation (REC) for Loans required for ongoing & future development schemes. As of now the REC has agreed to provide Rupee Term Loan up to Rs 7093.31 Lakhs details of which have been Annexed.

Table below summarises capitalised expenditure incurred during FY 2007-08 & FY 2008-09 and proposed for FY 2009-10.

**Table 2-7: Capitalised Expenditure**

Rs in Lakhs				
Sr. No.	Capex Schemes	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
1	Providing additional primary main SS & EHT lines in the UT of Pondicherry	4	1	-
2	Rationalisation and improvement of distribution in urban areas	87	117	227
3	Conversion of HT Overhead lines into UG cable System	118	163	115
4	System Improvement for reduction of Transmission and Distribution losses	225	576	523
5	Extension and Development of Power Supply to Industries	62	203	236
6	Extension and Development of Power Supply to Agricultural, Domestic and Commercial Services	130	224	260
7	Extension and Development of power supply to EWS and Street lights	138	201	256
8	Up-gradation of existing primary SS and EHT lines in the UT of Pondicherry	641	546	381
9	Rural electrification (BNP)	54	55	55
10	Providing meters for all consumers under 100% metering programme.	11	20	37
11	Establishment of third 230 KV S.S. at Pondicherry	754	253	257
12	Erection of 230 KV lines from Villianur 230 KV sub-station to the proposed 230 KV sub-station.	548	5	-
13	Creating of Infra structural facilities in Tsunami affected areas.	130	60	250
<b>14</b>	<b>Total CAPEX</b>	<b>2,902</b>	<b>2,424</b>	<b>2,596</b>

**Capital Expenditure Schemes:**

The EDP is in the process of working out a scheme for upgradation and installation of static meters which would be a three years program involving an estimated expenditure of about Rs. 1500 Lakhs. In the FY 2009-10 the expected expenditure is Rs. 200 Lakhs. The EDP has planned investments programmed under the transmission & normal development scheme for ongoing & future years as indicated below.

**Table 2-8: Capital Expenditure Schemes**

Rs in Lakhs

Sl.No	Name of the Scheme	Estimated cost	Cumulative expenditure till the end of previous years	Fund requirement		
				2009-10	2010-11	2011-12
<b>I TRANSMISSION SCHEMES :</b>						
<b>A ONGOING WORKS:</b>						
1	Establishment of Thondamanatham 230/110 KV Sub-stations and allied EHT lines	6,520	2,752	2,857	618	
2	Renovation and Modernisation work at Villianur 110/22 KV Sub-station	631	188	214	314	
3	Strengthening of 110 KV line Bahour to Villianur	660	198	132	330	
<b>Total Ongoing Works</b>		<b>7,811</b>	<b>3,138</b>	<b>3,202</b>	<b>1,262</b>	<b>-</b>
<b>B NEW WORKS:</b>						
1	Establishment of 110/11 KV Vengatta Nagar Sub-station and allied EHT and HT cable works	7,094		3,244	3,806	
2	Erection of 110 KV line from Villianur to Marapalam EHV Sub-stations	200				40
3	Acquisition of additional lands and erection of additional power transformer at Kurumbapet EHV Sub-station	335		35	150	150
4	Establishment of 110/22 KV Sub-station and allied 110 KV cable works at Lawspet	6,500			3,000	3,000
5	Establishment of 110/22 KV Sub-station and allied 110 KV line/cable works at Thavalakuppam	2,500			1,000	300
6	Establishment of 230/110 KV Sub-station at Polagam, Karaikal, with associated 230 KV lines from Neyveli/ Thiruvarur/ Mailaduthurai	7,500			1,500	2,850
7	Establishment of 110/11 KV Sub-station at Polagam	1,200			240	600
8	Establishment of 110/22 KV Sub-station at PS Palayam and allied 110 KV line works	1,500			300	750
9	Establishment of 110/22 KV Sub-station with associated 110 KV lines at Special Economic Zone	2,500			500	500
10	Augmentation of Villianur 230/110 KV Sub-station with additional 100 MVA Power Transformer	1,500				300
11	Miscellaneous works such as improvement works at Thirubuanai, Marapalam, Kurumbapet EHV Sub-stations, Renovation and Modernisation work of HT Capacitor Banks, providing bay erection works at Eripakkam and Bahour EHV Sub-stations, etc	1,000			350	410
<b>Total New works</b>		<b>31,829</b>	<b>-</b>	<b>3,279</b>	<b>10,846</b>	<b>8,900</b>
<b>Total Transmission schemes</b>		<b>39,640</b>	<b>3,138</b>	<b>6,481</b>	<b>12,108</b>	<b>8,900</b>
<b>II NORMAL DEVELOPMENT SCHEMES :</b>						
<b>A ONGOING WORKS:</b>						
1	Extension of power supply to various categories of services and street lights			752	1,000	1,000
2	Improvement of HT/LT distribution network			578	610	635
3	Cable conversion works			692	630	680
4	General schemes			287	750	750
5	Replacement of existing meters by static meters			200	650	650
<b>Total Ongoing Works</b>		<b>-</b>	<b>-</b>	<b>2,509</b>	<b>3,640</b>	<b>3,715</b>
<b>Total Normal Development schemes</b>		<b>-</b>	<b>-</b>	<b>2,509</b>	<b>3,640</b>	<b>3,715</b>
<b>Total Power Sector</b>		<b>39,640</b>	<b>3,138</b>	<b>8,991</b>	<b>15,748</b>	<b>12,615</b>

The Hon'ble Commission is humbly requested to approve above Capital Expenditure in tune of Rs 8,991 Lakhs for FY 2009-10. It may be noted

that the EDP has estimated that Capital Expenditure of Rs 2,596 Lakhs would be capitalised during FY 2009-10 while remaining amount would remain as Capital Works in Progress.

## **2.6 Gross Fixed Asset**

The EDP has projected the Gross Fixed Assets for FY 2009-10 taking audited figure of FY 1992-93 as base and capital additions as Capital Expenditures during the respective years as per FRS submitted to Planning Commission. Accordingly, the gross block of fixed assets as on 31/03/2008 is Rs. 36,206 Lakhs. Out of 24 numbers of plan schemes operated by the department, the following schemes have been categorized as Revenue Plan Schemes:

1. Modernization of billing methods and development.
2. Providing communication network for the Electricity department, Puducherry.
3. Establishment of computer based system monitoring centre at Puducherry.
4. Research and development setting up of standards laboratory.
5. Formation of electrical inspectorate and licensing board/ Regulatory Commission Liaison Cell, for Puducherry.
6. Human Resources and Development.

In view of the above, the department submits that the expenditure incurred for the procurement of MRT equipments, various systems, etc have not been capitalized. Similarly, as the expenditure incurred for the construction of building under building component are being accounted in the Head of Account operated by Public Works Department, the same has not been considered in capitalization. In view of the above, the department requests the Hon'ble Commission to admit the Gross block of fixed assets as mentioned above. The capital additions incurred by the EDP during the FY 2007-08 & 2008-09 was Rs. 2,902 Lakhs & Rs 2,424

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Lakhs respectively and projected capital additions during FY 2009-10 is Rs 2,596 Lakhs. Based on above, the Gross Fixed Assets as on 31/03/2009 & 31/3/2010 is Rs 38,630 Lakhs & Rs 41,226 Lakhs respectively as indicated in table 2-16. The detailed working for Gross Fixed Assets has been provided as Annexure.

## **2.7 Aggregate Revenue Requirement - Philosophy**

The EDP has determined the Aggregate Revenue Requirement for FY 2009-10 which comprises of following components:

- Power Purchase Cost
- Operation & Maintenance Expenses
  - Employee Cost
  - Repair and Maintenance Charges
  - Administrative & General Charges
- Depreciation
- Return on Equity
- Interest on Loans
- Interest on Working Capital
- Provision for Bad Debts

## **2.8 Power Purchase Cost**

For the determination of Power Purchase cost for FY 2009-10, the EDP has adopted following Methodology:

- Considered three years average Plant Availability Factor;
- Considered three Years Average or maximum gross generation as the case may be;
- Actual % allocation of power for central generating station based on actual bills;
- Revised % allocation of Power from central generating stations, effective from 1<sup>st</sup> August 2009 as per the communication received from SRPC vide Letter No. SRPC/SE-I/54/UA/2009, dated

27.07.2009 and as per CEA Ref. No. 5/ER/CSA/GM-2009/2032 dated 29.07.2009). It is assumed that same % allocation will be continued for remaining months of FY 2009-10;

- Auxiliary consumption has been taken based on latest CERC norms;
- Southern region central pooled losses of 5% has been considered for power from CGS while losses of 4% is considered for power from TNEB;
- An escalation of 24.84% has been considered on PGCIL's Transmission Charges as per PGCIL's letter no. comm1: 2009-10/953 dated 18.06.2009. The escalation has been applied to the values arrived from last five month actual PGCIL charges taken from the latest bills;
- Actual Fixed cost for CGS & other Stations as per latest available bills;
- Actual Energy charges and FPA charges as per latest available bills;
- Other Cost comprises of
  - Income tax
  - Other charges
- The EDP has not considered UI purchase for FY 2009-10 as estimation of the same is not possible at this stage. However, same will be taken into consideration while doing truing up.

The trend of last three years Plant Availability Factor along with their respective Average values is indicated below.

**Table 2-9: Trend for Plant Availability Factor**

Sr. No	Station	PAF (%)			Three Years Avg PAF (%)
		FY 2006-07	FY 2007-08	FY 2008-09	
<b>A</b>	<b>NLC</b>				
1	NLC TS II Stage I	76.10%	87.88%	80.00%	81.33%
2	NLC TS II Stage II	76.10%	87.88%	80.00%	81.33%
3	NLC TS I Expn	92.49%	91.77%	87.86%	90.71%
<b>B</b>	<b>NTPC</b>				
1	NTPC, Ramagundam ST-I+II	86.45%	91.49%	93.52%	90.49%
2	NTPC, Ramagundam St-III	86.45%	91.49%	93.52%	90.49%
3	NTPC, Talcher	93.87%	95.03%	91.67%	93.52%

EDP has consciously adopted the approach of estimation of Power Purchase cost, wherein, the EDP has estimated fixed cost for FY 2009-10 based on last three year Average of Plant Availability rather than on the normative availability.

For projection of fixed cost for the FY 2009-10 for CGS, the EDP has considered revised formula provided in new CERC (Terms & Condition for Tariff) Regulation, 2009.

For the projection of Gross Generation for the FY 2009-10, the EDP has analyzed last three year trend and taken average of three year except for NLC station and NTPC Talcher Power station, where maximum gross generation during past three years has been considered. This is due to low level of Generation in these plants in FY 2008-09. The Gross Generation for FY 2009-10 has been projected based on actual % allocation to the EDP for first four months of the FY 2009-10 and revised % allocation to the EDP for next eight months. The table below provides the trend for Gross Generation during last three years.

**Table 2-10: Trend for Gross Generation**

Sr. No	Station	Gross Generation (MUs) for the Plant			3 Years Avg/ Max. Gross Generation (MUs)
		FY 2006-07	FY 2007-08	FY 2008-09	
<b>A</b>	<b>NLC</b>				
1	NLC TS II Stage I	3,136.38	4,533.62	3,728.45	4,533.62
2	NLC TS II Stage II	5,401.37	5,984.65	5,334.09	5,984.65
3	NLC TS I Expn	3,265.71	3,266.40	3,126.03	3,266.40
<b>B</b>	<b>NTPC</b>				
1	NTPC, Ramagundam ST-I+II	16,345.94	16,620.40	17,367.22	16,777.85
2	NTPC, Ramagundam St-III	3,901.76	3,967.27	4,145.54	4,004.86
3	NTPC, Talcher	16,284.29	16,928.97	14,788.26	16,928.97
<b>C</b>	<b>Other CGS</b>				
1	MAPS	2,622.00	1,749.00	1,517.00	1,962.67
2	KAPS Stage 1&2	2,539.53	2,085.35	2,235.66	2,286.85
3	KAPS Stage 3&4	-	-	452.50	452.50
<b>D</b>	<b>Other Utilities</b>				
1	PPCL	270.60	270.59	258.17	266.45
2	TNEB (Pondy & KKL)	371.16	392.49	372.61	378.75
3	KSEB	-	26.64	-	26.64

For determining variable cost applicable, the EDP has considered per unit cost based on latest bills.

Initially, power availed by EDP from TNEB was charged at the rate paid by TNEB to NLC plus wheeling charges. Unilaterally with effect from 01.12.2001, TNEB revised the tariff to Rs 3.00 per unit treating EDP as a HT consumer, which was challenged by filing Petition before the Tamil Nadu Electricity Regulatory Commission. The Hon'ble Commission concluded that sale of power between EDP and TNEB was in the nature of inter state sale of power and EDP cannot be treated as a HT consumer. However, the Hon'ble Commission ordered to maintain status quo. The order of the Tamil Nadu Electricity Regulatory Commission was challenged by EDP in the Hon'ble High Court of Judicature at Madras by filing C.M.A. 1034 of 2003, wherein the Hon'ble High Court was pleased

to grant an order of stay of operation of the order of the Commission. Recently, the Hon'ble High Court directed payment to TNEB at the rate charged by NLC plus wheeling charges and the EDP made the payment. However, the main issue is yet to be decided.

Based on above methodology, the Power Purchase Cost estimated by the EDP for FY 2009-10 is Rs 61,408 Lakhs. The Hon'ble Commission is requested to approve the Power Purchase cost for FY 2009-10 as tabulated below.

**Table 2-11: Power Purchase Cost for FY 2009-10**

Sr. No	Station	Gross Power Available (MU)	Losses (MU)	Net Power drawl (MU)	Fixed Cost (Rs in Lakhs)	Per Unit Fixed Cost (Rs/kWh)	Variable Cost (Rs in Lakhs)	Per Unit Variable Cost (Rs/kWh)	Other Cost (Rs in Lakhs)	Total Power Purchase Cost (Rs in Lakhs)	Total Per unit Cost (Rs/kWh)
<b>A</b>	<b>NLC</b>										
1	NLC TS II Stage I	452.42	22.62	429.80	1,500	0.33	6,103	1.35	958	8,561	1.89
2	NLC TS II Stage II	150.45	7.52	142.93	531	0.35	2,030	1.35	311	2,872	1.91
3	NLC TS I Expn	124.06	6.20	117.85	1,149	0.93	1,548	1.25	255	2,952	2.38
	<b>Total (A)</b>	<b>726.93</b>	<b>36.35</b>	<b>690.58</b>	<b>3,179</b>	<b>0.44</b>	<b>9,681</b>	<b>1.33</b>	<b>1,525</b>	<b>14,384</b>	<b>1.98</b>
<b>B</b>	<b>NTPC</b>										
1	NTPC, Ramagundam ST-I+II	562.29	28.11	534.17	1,866	0.33	7,474	1.33	500	9,840	1.75
2	NTPC, Ramagundam St-III	145.31	7.27	138.05	1,196	0.82	1,775	1.22	127	3,098	2.13
3	NTPC, Talcher	544.23	27.21	517.02	3,189	0.59	7,972	1.46	477	11,639	2.14
	<b>Total (B)</b>	<b>1,251.83</b>	<b>62.59</b>	<b>1,189.24</b>	<b>6,251</b>	<b>0.50</b>	<b>17,222</b>	<b>1.38</b>	<b>1,104</b>	<b>24,577</b>	<b>1.96</b>
<b>C</b>	<b>Other CGS</b>										
1	MAPS	26.66	1.33	25.32	-	-	509	1.91	-	509	1.91
2	KAPS Stage 1&2	61.92	3.10	58.82	-	-	1,880	3.04	-	1,880	3.04
3	KAPS Stage 3&4	10.43	0.52	9.91	-	-	317	3.04	-	317	3.04
	<b>Total (C)</b>	<b>99.00</b>	<b>4.95</b>	<b>94.05</b>	<b>-</b>	<b>-</b>	<b>2,707</b>	<b>2.73</b>	<b>-</b>	<b>2,707</b>	<b>2.73</b>
<b>D</b>	<b>Other Utilities</b>										
1	PPCL	250.47	-	250.47	-	-	5,031	2.01	-	5,031	2.01
2	TNEB (Pondy & KKL)	395.55	15.82	379.73	-	-	7,555	1.91	-	7,555	1.91
3	KSEB	31.89	-	31.89	156	0.49	885	2.78	-	1,041	3.26
	<b>Total (D)</b>	<b>677.91</b>	<b>15.82</b>	<b>662.09</b>	<b>156</b>	<b>0.02</b>	<b>13,471</b>	<b>1.99</b>	<b>-</b>	<b>13,627</b>	<b>2.01</b>
<b>E</b>	<b>Other Charges</b>										
1	PGCIL Charges	-	-	-	6,113	-	-	-	-	6,113	-
	<b>Total (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,113</b>	<b>-</b>
	<b>Grand Total (A+B+C+D+E)</b>	<b>2,755.68</b>	<b>119.71</b>	<b>2,635.97</b>	<b>15,700</b>	<b>0.57</b>	<b>43,080</b>	<b>1.56</b>	<b>2,629</b>	<b>61,408</b>	<b>2.23</b>

The EDP submits that the power purchase for the FY 2008-09 was lesser, because of shortage of supply of power from various Central Generating Stations, from where the UT sources its major share of power requirements. Further, until FY 2008-09, the EDP has recorded the Power Purchase cost on cash basis and hence power purchase cost recorded during FY 2007-08 & FY 2008-09 is on lower side in comparison

with the projected Power Purchase cost for FY 2009-10 for which projections has been made on accrual basis.

## 2.9 Operation & Maintenance Expenses

Operation & Maintenance Expenses comprises of Employee Cost, Repair & Maintenance Expenses and Administrative & General Expenses. The methodology adopted by the EDP for projecting the values of these components for FY 2009-10 has been explained in following section. Table below summarises the Operation & Maintenance Expenses for FY 2009-10.

**Table 2-12: Operation & Maintenance Expenses for FY 2009-10**

**Rs in Lakhs**

Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
1	Employee Cost	3,231	4,873	6,684
2	Repair & Maintenance Expenses	738	606	683
3	Administration & General Expenses	667	674	887
	<b>Total Operation &amp; Maintenance Expenses</b>	<b>4,637</b>	<b>6,153</b>	<b>8,254</b>

### 2.9.1 Employee Cost

The expense head of employee cost is indication of cost of man power which includes salary and allowance, bonus, LTC & Honorarium etc. The EDP submits that the employees cost component under plan schemes has been considered neither under O & M expenses nor under capital works in the FR statement. Since, the employee cost under Plan Schemes has not at all been considered in the FR statement, the same has not been capitalized. In view of the above, the employees cost to the extent available in the plan schemes for the FY 2007-08, 2008-09 and 2009-10 has been considered in the ARR statement. Similarly, the EDP has not considered leave salary contribution, pension and terminal benefits of the employees. The EDP reserves the right to approach the Hon'ble commission at the appropriate stage for the above. The EDP has

projected Employee cost for FY 2009-10 taking into consideration increase in the basic salary and related other remunerations on account of implementations of recommendations of Sixth Pay Commission. Further, EDP has distributed 40% of total Arrears arise due to implementation of Sixth Pay Commission during FY 2008-09 and remaining 60% of Arrears will be paid to the employees during FY 2009-10. Thus, due to the impact of implementation of Sixth Pay Commission, EDP has projected considerably high employee cost for FY 2009-10. The Hon'ble Commission may consider the above facts while allowing the employee cost indicated in the table below.

**Table 2-13: Employee Cost for FY 2009-10**

Rs in Lakhs				
Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
<b>1</b>	<b>Salary</b>			
1.1	Salary (Without VI pay Revision Arrears)	3,113	3,894	5,168
1.2	Arrears Paid (40% - FY 2008-09 & 60% - FY 2009-10)		864	1,296
	<b>Total Salary (inclusive of VI pay revision Arrears)</b>	3,113	4,758	6,464
<b>2</b>	<b>Overtime Allowance (OTA)</b>	51	52	82
	<i>Sub Total</i>	<i>3,164</i>	<i>4,810</i>	<i>6,546</i>
<b>3</b>	<b>Other Allowances</b>			
3.1	Wages	9	12	26
3.2	Domestic Traveling Expenses (DTE)	37	36	78
3.3	Stipend	21	16	35
	<i>Sub Total (Other Allowance)</i>	<i>67</i>	<i>63</i>	<i>138</i>
	<b>Total Employee Cost</b>	<b>3,231</b>	<b>4,873</b>	<b>6,684</b>

While approving the proposed employee cost, the Hon'ble Commission may consider changes in pay scales provided as an Annexure supporting genuine approach of the EDP in projecting such a high employee cost.

### 2.9.2 Repair and Maintenance Expenses

Repair & Maintenance (R & M) expenses include expenses on repairs and maintenance of electrical equipments, distribution system, vehicles, furniture and fixtures, office equipments, buildings, etc. The EDP has

projected Repair & Maintenance expenses taking growth rate of 10% twice on the R & M expenses incurred by the EDP in FY 2007-08. For projecting R&M expenses for FY 2009-10, the EDP has not considered R & M expenses incurred in FY 2008-09, same being very less due to non availability of funds from the Government. Further, under head of Building, the EDP has claimed Rs 50 Lakhs required for electrical Maintenance work in EDP buildings only instead of Rs 351 Lakhs required for Electrical maintenance of all Government Buildings.

Table below depicts the R&M expenses incurred by the EDP in FY 2007-08 & FY 2008-10 and projected R&M Expenses for FY 2009-10.

**Table 2-14: Repair & Maintenance Expenses for FY 2009-10**

Rs in Lakhs				
Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
1	Plant and Machinery	523	453	633
2	Building*	215	153	50
	<b>Total Repair &amp; Maintenance Expenses</b>	<b>738</b>	<b>606</b>	<b>683</b>

\* For FY 2007-08 & FY 2008-09, Expenses under Building sub-head is inclusive of all the Government Building

The Hon'ble Commission is requested to allow the R&M expenses proposed by the EDP in the above table to the fullest extent in order to ensure better & timely maintenance of distribution network under the purview of the EDP and subsequently, to have better consumer services and higher consumer satisfaction.

### 2.9.3 Administrative & General Expenses

The Administration & General (A&G) expenses include computerization, communication, repayment towards establishment of SLDC and its AMC charges to Power Grid, R & D of Meter Relay & Testing (MRT), Human Resource Development (HRD), Taxes, Legal charges etc. While making projections of A & G Expenses for the FY 2009-10, the EDP has

accounted tentative expenditure on fees payable to the Hon'ble JERC and to the Consultants hired for implementation of various improvement activities. However, adjustment for actual expenses on fees payable to the Hon'ble JERC & consultants, consumer forum etc will be undertaken at the time of truing up exercise for FY 2009-10. Table below provides A & G expenses incurred by the EDP in FY 2007-08 & FY 2008-09 along with the projections for FY 2009-10.

**Table 2-15: Administrative & General Expenses for FY 2009-10**

Rs in Lakhs

Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
1	<b>Rent Rate &amp; taxes</b>	21	20	23
2	<b>Regulatory Fee</b>	-	-	36
3	<b>Communication, Computerisation, SLDC, R&amp;D, HRD, Other Charges etc</b>	547	548	623
4	<b>Legal &amp; Consultancy Charges (PrS) etc</b>	0	1	26
5	<b>Miscellaneous</b>			
5.1	Office Expenses (OE)	90	95	130
5.2	Other Administrative Expenses (OAE)	3	2	2
5.3	Advertisement	5	9	12
	<i>Sub Total (Miscellaneous)</i>	<i>98</i>	<i>105</i>	<i>144</i>
	<b>Total Administration &amp; General Expenses</b>	<b>667</b>	<b>674</b>	<b>851</b>

In line of above, the Hon'ble Commission is requested to allow the above mentioned A & G Expenses.

## 2.10 Depreciation

Based on CERC regulation, the EDP has applied rate of depreciation as 3.60% for FY 2007-08 & FY 2008-09 on opening GFA of respective years and half of capital additions during the years. For FY 2009-10, the EDP has considered rate of Depreciation as 5.28%, which is line with rates provided in CERC (Terms & Condition for Tariff) Regulation, 2009. The EDP has applied this rate on opening GFA of FY 2009-10 and 50% of capital additions proposed during FY 2009-10. The table below indicates

the methodology adopted by the EDP for projecting depreciation for FY 2009-10.

**Table 2-16: Depreciation for FY 2009-10**

Rs in Lakhs				
Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
1	Gross Block in Beginning of the year	33,304	36,206	38,630
2	Additions during the Year	2,902	2,424	2,596
3	Cumulative Depreciation at the Beginning of the Year	17,721	18,972	20,319
4	<b>Average Rate of Depreciation</b>	<b>3.60%</b>	<b>3.60%</b>	<b>5.28%</b>
5	<b>Depreciation for the Year</b>	<b>1,251</b>	<b>1,347</b>	<b>2,108</b>
6	Cumulative Depreciation at the End of the Year	18,972	20,319	22,428
7	Net Block in the Beginning of the Year	15,583	17,234	18,311
8	Net Block in the End of the Year	17,234	18,311	18,799

In absence of annual audited accounts, the asset wise detail is not available. The Hon'ble Commission is requested to approve the above depreciation. The EDP submits that the block wise details are being assimilated and will be made available in the future filings.

### 2.11 Return on Equity

The EDP would like to submit that Distribution Business has always been perceived to be a business having a greater inherent risk than the Generation or Transmission Business due to various factors amongst which the direct interface with the retail consumers is the biggest risk. The same has been recognized by many Commissions across the country and they have proposed a higher rate of return on the equity invested in distribution business as compared to generation and transmission business. This has been demonstrated by the various Commissions by offering rate of return @16% for distribution business as compared to 14% offered to other business areas.

It may also kindly be noted that CERC in its recent Tariff Regulations of 2009 for Generation and Transmission has fixed pre-tax return on equity

at 15.50% with an additional return of 0.50% for projects completing within specified timelines.

The EDP being a Government Department, the entire capital employed till date has been funded through equity infusion by the Government of Puducherry through Budgetary support without any external borrowings. The EDP is now migrating to regulatory control of the Hon'ble Commission and will begin to function as a commercial utility under the Electricity Act, 2003. The EDP has therefore taken 1.4.2009 as the base date for the above change and from 1.4.2009 onwards the EDP will be subjected to tariff determination as in the case of other commercial entities.

In a similar case where the funding has been through budgetary support of the Government (Damodar Valley Corporation vs CERC) before Hon'ble Appellate Tribunal, Damodar Valley Corporation was allowed normative debt equity of 50:50 for the purpose of tariff determination. The relevant portion of said order is reproduced below:

*"A-5. Further, the Tariff Regulations provides that in case of generating stations or transmission projects where the tariff for the period ending March 31, 2004 has not been determined by the Central Commission, Debt Equity ratio shall be as may be decided by the Commission (para 52 of the impugned order). In the past, the Commission has also dealt with determination of applicable Debt Equity Ratio in the case of Central Power Sector Undertakings (CPSUs) such as NTPC, NHPC, PGCIL etc. where the actual equity deployed in the assets created prior to formulation of Tariff Regulations, was much higher than the equity calculated considering a normative DE ratio of 70:30. These CPSUs were allowed a normative DE ratio of 50:50 for the purpose of determination of tariff, in respect of their old assets."*

Similar approach has been adopted in the case of number of Central Government companies such as NTPC. PGCIL etc.

Accordingly the entire capital expenditure till 31.3.2009 has been considered as funded by equity. Accordingly, the detail working for equity for FY 2007-08 & FY 2008-09 has been indicated below.

**Table 2-17: Equity Detail for FY 2007-08 & FY 2008-09**

**Rs in Lakhs**

Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)
1	Opening Equity	33,304	36,206
2	Add: Capex for the FY (Considered as 100% Equity)	2,902	2,424
3	Closing Equity	36,206	38,630
4	Average Equity	34,755	37,418

For FY 2009-10, based on above precedence, the EDP has considered a normative Debt Equity Ratio of 50:50 and accordingly the Opening Equity for FY 2009-10 has been considered as equivalent to 50% of Gross Fixed Assets as on 1/4/2009 which may not match with closing equity of FY 2008-09 indicated in above table. The Capital Addition in FY 2009-10 has also been assumed to be funded through Debt Equity ratio of 70:30 which is in line with Tariff Regulations issued by various State Commissions across the country.

The EDP has computed the Return on Equity considering a rate of return at 16% on the Average equity for the fiscal year.

The computation methodology adopted by the EDP for determination of Return on Equity for FY 2009-10 is indicated below.

**Table 2-18: Return on Equity for FY 2009-10**

Rs in Lakhs		
Sr. No.	Particulars	FY 2009-10 (Projected)
1	Opening Equity	19,315
2	Equity Addition (30% Capex for the FY )	779
3	Closing Equity	20,094
4	Average Equity	19,705
5	Rate of Return on Equity	16%
<b>6</b>	<b>Return on Equity</b>	<b>3,153</b>

### 2.12 Interest & Finance Charges

Based on the philosophy adopted in the above section, the EDP has treated the balance 50% of Gross Fixed ASSET as on 31.3.2009 as notional debt. Thus, the balance 50% of Gross Fixed Assets as on 1/4/2009 has been taken as opening loan for FY 2009-10 and 70% of capital additions during FY 2009-10 has been considered to be funded through normative loan. Further, it is assumed that these notional loans will be repaid in next 10 years.

The EDP has considered an Interest on loan at the rate of 12.25% which is SBI PLR as on 1<sup>st</sup> April 2009. The Interest on Loan computed on the above methodology has been indicated in the Table below.

**Table 2-19: Interest & Finance Charges for FY 2009-10**

Rs in Lakhs		
Sr. No.	Particulars	FY 2009-10 (Projected)
1	Opening Loan	19,315
2	Loan Additions	1,817
3	Repayment	1,932
4	Closing Loan	19,201
5	Average Loan	19,258
6	Wt Avg Interest on Loan	12.25%
7	<b>Interest on Loan</b>	<b>2,359</b>
8	Guarantee Fees	-
<b>9</b>	<b>Total Interest &amp; Finance Charges</b>	<b>2,359</b>

The Hon'ble Commission is requested to allow the above interest on loan for FY 2009-10.

It may be noted that various SERC's Tariff Regulation provides recovery of finance charges such as Guarantee Fees, Processing fees etc along with the Interest on Loan. However, till FY 2009-10, whole capital Expenditure has been funded through 100% equity and does not involve any external borrowings, the EDP has not claimed any Finance Charges for FY 2009-10. In future, in case of funding of CAPEX through external borrowing, the EDP would be claiming finance charges for those fiscal years.

### **2.13 Interest on Working Capital**

The EDP has computed the Interest on Working Capital for FY 2009-10 on normative basis. As per the terms and condition of tariff Regulations issued by the various SERCs, working capital shall cover:

1. Operation and Maintenance expenses for one month;
2. Book Value of stores, Material, & supplies for one month or Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and
3. Receivables equivalent to two months.

The rate of interest on working capital has been considered as SBI Prime lending rate as on 1<sup>st</sup> April of the respective years, which was 12.25% as on 1<sup>st</sup> April 2009.

The normative interest on working capital for FY 2009-10 has been estimated as below.

**Table 2-20: Interest on Working Capital for FY 2009-10**

Rs in Lakhs				
Sr. No.	Particulars	FY 2007-08 (Normative)	FY 2008-09 (Normative)	FY 2009-10 (Projected)
1	O&M Expenses (1 Month)	386	513	685
2	Book Value of Stores, Materials & Supplies (1 Month)	205	217	230
3	Receivables (2 Months)	8,832	8,801	12,838
<b>4</b>	<b>Total Working Capital</b>	<b>9,423</b>	<b>9,530</b>	<b>13,753</b>
5	Rate of Interest on Working Capital	12.25%	12.25%	12.25%
<b>6</b>	<b>Total Interest on Working Capital</b>	<b>1,154</b>	<b>1,167</b>	<b>1,685</b>

Note: Figures for FY 2007-08 & FY 2008-09 are indicative

The Hon'ble Commission is requested to approve the above interest on working capital for FY 2009-10.

#### 2.14 Provisions for Bad Debts

The EDP has considered provision for bad debts as 0.25% of Revenue from sale of power to the consumers. Thus, for FY 2009-10, the EDP has projected provision for bad debts as Rs. 142 Lakhs as shown below.

**Table 2-21: Provision for Bad Debts for FY 2009-10**

Rs in Lakhs	
Particulars	FY 2009-10 (Projected)
Provision for Bad Debts	142

#### 2.15 Non Tariff Income

The Non-tariff income includes the collection of Supervision Charges, Storage charge, departmental charges, cost of auctioned stores etc. The non-tariff income for the years 2007-08, 2008-09 and 2009-10 are Rs 269 Lakhs, Rs. 300 Lakhs and Rs. 325 Lakhs respectively.

**Table 2-22: Non Tariff Income for FY 2009-10**

Rs in Lakhs			
Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
Non Tariff Income	269	300	325

## 2.16 Aggregate Revenue Requirement for FY 2009-10

Based on above, the EDP has estimated total Aggregate Revenue Requirement for FY 2009-10 as Rs 78,748 Lakhs as indicated below.

**Table 2-23: Aggregate Revenue Requirement for FY 2009-10**

Rs in Lakhs

Sr. No.	Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
1	Power Purchase Cost	43,397	50,257	61,408
2	Operation & Maintenance Expenses			
2.1	Employee Cost	3,231	4,873	6,684
2.2	Repair & Maintenance Expenses	738	606	683
2.3	Administration & General Expenses	667	674	851
3	Depreciation	1,251	1,347	2,108
4	Interest & Finance Charges	-	-	2,359
5	Interest on Working Capital	1,154	1,167	1,685
6	Provision for bad debts	132	132	142
<b>7</b>	<b>Sub Total</b>	<b>50,571</b>	<b>59,056</b>	<b>75,920</b>
8	Return on Equity	-	-	3,153
<b>9</b>	<b>Total Expenditure</b>	<b>50,571</b>	<b>59,056</b>	<b>79,073</b>
10	Less: Non Tariff Income	269	300	325
<b>11</b>	<b>Aggregate Revenue Requirement</b>	<b>50,302</b>	<b>58,756</b>	<b>78,748</b>

## 2.17 Revenue with Existing Tariff for FY 2009-10

Taking into the consideration the existing tariff and projected energy sales, the total revenue for FY 2009-10 is estimated as Rs 56,973 Lakhs as shown below.

**Table 2-24: Revenue with Existing Tariff for FY 2009-10**

Rs in Lakhs

Particulars	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Projected)
Revenue at Existing Tariff	52,991	52,804	56,973

## 2.18 Revenue Gap with Existing Tariff for FY 2009-10

Based on the above Aggregate Revenue Requirement & Revenue at existing tariff for FY 2009-10, the Revenue Gap of Rs 21,776 Lakhs has

been observed. The EDP, for meeting this Gap, wishes to propose revised tariff for various categories which has been discussed in detail in following section.

**Table 2-25: Revenue Gap with Existing Tariff for FY 2009-10**

**Rs in Lakhs**

<b>Sr. No.</b>	<b>Particulars</b>	<b>FY 2007-08 (Actuals)</b>	<b>FY 2008-09 (Actuals)</b>	<b>FY 2009-10 (Projected)</b>
1	Annual Revenue Requirement	50,302	58,756	78,748
2	Revenue at Existing Tariff	52,991	52,804	56,973
<b>3</b>	<b>Surplus / (Gap)</b>	<b>2,688</b>	<b>(5,953)</b>	<b>(21,776)</b>

### **2.19 Cost to supply**

Based on above, the EDP has projected Annual Revenue Requirements of Rs 78,748 Lakhs for the FY 2009 -10 and with the saleable units 2,267 MUs after adjustments for T &D losses, the average cost to supply works out to Rs 3.47 per unit.

### 3 TARIFF PROPOSAL FOR FY 2009-10

#### 3.1 Tariff Proposal for FY 2009-10

EDP, in the previous sections has discussed its performance for the year FY 2007-08 and FY 2008-09. Further, the Aggregate Revenue Required for FY 2009-10 has also been estimated. The gaps in the year FY 2007-08 and FY 2008-09 have also been presented. However, EDP does not propose to recover the past gaps (i.e. prior to FY 2009-10) as they relate to the period prior to the exercise of regulatory control by the Hon'ble Commission and further as this may result in huge burden on the consumers.

This section outlines the net impact of the performance of EDP made in this submission and the proposal for the treatment of the gap in FY 2009-10.

#### 3.2 Revenue Gap in FY 2009-10

The overall revenue gap for FY 2009-10 is tabulated as under:

**Table 3-1: Revenue Gap in FY 2009-10**

<b>Rs. in Lakhs</b>	
<b>Revenue Gap in FY 2009-10</b>	
<b>Particulars</b>	<b>Amount</b>
Annual Revenue Requirement for FY 2009-10	78,748
Revenue from Sale of Power at Existing Tariff	56,973
<b>Revenue Gap for FY 2009-10</b>	<b>(21,776)</b>

As can be seen from the above table, the total revenue gap to be covered is Rs. 21,776 Lakhs which is approximately 28% of the Total ARR for FY 2009-10. This gap is primarily attributable to surge in power purchase cost and employee expenses on account of pay revision due to Sixth Pay Commission. It may also be noted that the last tariff revision

was effected in the FY 2002-03 and since then there has been no hike in tariff for continuous seven years.

### **3.3 Proposed Tariff for FY 2009-10**

The provisions of the Section 61 (g) of the Electricity Act, 2003 state that the Appropriate Commission should be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. In line with the above provision, the National Tariff Policy also states that the tariffs should be within  $\pm 20\%$  of the average cost of supply. Based on the above, the Tariff proposal has been formulated by EDP with an endeavour to progressively approach towards the average cost of supply for majority of consumer categories, with minimum impact on lower income domestic consumers and agriculture. Furthermore, attempt has been made to evenly distribute the impact of increase in tariff required to fill the proposed gap within the given constraint of consumer mix in Puducherry.

### **3.4 Tariff Rationalisation**

The average cost of supply for the EDP as per the ARR submitted above is Rs. 3.47 per unit in the FY 2009-10. This is without considering the past recoveries on account of revenue gap in the FY 2007-08 and FY 2008-09. Against the same, the average realisation from the Domestic, Agriculture and Public Lighting categories is very low and is Rs. 0.80 per unit, Rs. 0.06 and Rs. 1.75 per unit respectively. The comparison of the average cost of service and average realisation from all the consumer categories is as given below:

**Table 3-2: Effective Tariff v/s Average Cost of Supply**

S.No.	Consumer Category	Effective Tariff			
		% of Avg CoS @ Rs. 3.47 per Unit (FY 2009-10)	% of Avg CoS @ Rs. 3.47 per Unit (FY 2009-10)	FY 2009-10 (Existing)	FY 2009-10 (Proposed)
		Existing	Proposed	Rs per Unit	Rs per Unit
1	Domestic	-77%	-62%	0.80	1.33
2	Commercial	-19%	9%	2.81	3.78
3	Agricultural	-98%	-97%	0.06	0.12
4	Public Lighting	-50%	1%	1.75	3.50
5	LT Industrial	-32%	2%	2.38	3.53
<b>6</b>	<b>High Tension</b>				
a	HT - I	-7%	22%	3.22	4.22
b	HT - II	-16%	10%	2.90	3.81
c	HT - III	-4%	25%	3.33	4.35
	<b>Total</b>	<b>-28%</b>	<b>-2%</b>	<b>2.51</b>	<b>3.40</b>

As is evident from the above table there are variations in the average cost of service and average realisation of different consumer categories, and as per the existing tariff applied to the ARR for FY 2009-10 all consumer categories are being subsidized to varying extent from as high as 98% in Agriculture to 4% in HT-III category. Due to the non increase in tariff on one hand and continuous pressure on average cost of supply on the other hand has resulted in gradual increase in total overall subsidy to -28% in FY 2009-10 at present tariff. The EDP is proposing a tariff rationalization broadly consistent with the Tariff policy which provides for tariff (excluding the life line and agriculture consumers) to reach a level of plus or minus 20% of the average cost to supply. Accordingly, following is the summary of Tariff Proposal by EDP for FY 2009-10:

**Table 3-3: Existing V/s. Proposed Tariff**

S.No.	Consumer Category & Slabs	Fixed Charge			Energy Charge (Rs./Kwh)	
		Unit	Existing	Proposed	Existing	Proposed
<b>1</b>	<b>Domestic</b>					
a	<b>Domestic Urban</b>					
	0-100		Nil	Nil	0.55	0.90
	101-200		Nil	Nil	0.80	1.30
	201-300		Nil	Nil	1.45	2.25
	Above 300		Nil	Nil	1.75	3.00
b	<b>One Hut One Bulb</b>	Rs./Month/Connection	Nil	15	-	-
<b>2</b>	<b>Commercial</b>					
a	<b>A1</b>					
	0-250 (0-100 & 101-250 merged)		Nil	Nil	1.90	3.50
			Nil	Nil	2.80	
	Above 250		Nil	Nil	3.25	4.00
b	<b>A1-II / (to be merged in A1)</b>		Nil	Nil	3.25	As applicable to A1
<b>3</b>	<b>Agricultural</b>					
a	Small Farmers	Rs. per HP per Annum	Nil	50	Nil	Nil
b	Other Farmers*	Rs. per HP per Annum	75	150	0.19	Nil
<b>4</b>	<b>Public Lighting</b>				1.75	3.50
<b>5</b>	<b>LT Industrial</b>					
a	Industry					
	0-1000				2.30	3.30
	Above 1000				2.50	3.75
b	Water Tank				1.80	3.50
<b>6</b>	<b>HT Industrial</b>					
a	HT - I (A)					
	0-100000	Rs./ kVA / Month	135	205	2.60	3.45
	Above 100000	Rs./ kVA / Month	135	205	2.75	3.55
	<i>Sub total HT -I (A)</i>					
	HT- I (B)	Rs./ kVA / Month	140	210	2.80	3.55
	<b>Sub total HT - I</b>					
b	HT - II	Rs./ kVA / Month	120	190	2.10	2.85
c	HT - III	Rs./ kVA / Month	140	210	2.80	3.55

*\*In case of Other Farmers, though there is an existing tariff based on per unit consumption, however the same is proposed to be abolished.*

### 3.5 Revenue at Proposed Tariff in FY 2009-10

Based on the tariff proposed above, following is the summary of the revenue from various consumer categories at the proposed tariff rates, which is being compared with the consumer category-wise revenue at existing tariff:

**Table 3-4: Comparison of Proposed Tariff with Existing Tariff**

Revenue from Sale of Power			Existing Tariff		Proposed Tariff	
S.No.	Consumer Category	Units (MU)	Revenue (Rs. Lakhs)	Average Revenue (Rs/unit)	Revenue (Rs. Lakhs)	Average Revenue (Rs/unit)
1	Domestic	475.30	3,825	0.80	6,304	1.33
2	Commercial	160.07	4,497	2.81	6,052	3.78
3	Agricultural	81.63	47	0.06	97	0.12
4	Public Lighting	17.83	312	1.75	624	3.50
5	LT Industrial	146.89	3,492	2.38	5,191	3.53
	<b>Sub-Total LT (A)</b>	<b>881.72</b>	<b>12,173</b>	<b>1.38</b>	<b>18,269</b>	<b>2.07</b>
6	<b>HT Industrial</b>					
a	HT-I	1,071.37	34,461	3.22	45,264	4.22
b	HT - II	27.42	796	2.90	1,045	3.81
c	HT - III	286.42	9,543	3.33	12,452	4.35
	<b>Sub-Total HT (B)</b>	<b>1385.21</b>	<b>44,800</b>	<b>3.23</b>	<b>58,761</b>	<b>4.24</b>
	<b>Total (A+B)</b>	<b>2266.93</b>	<b>56,973</b>	<b>2.51</b>	<b>77,030</b>	<b>3.40</b>

Accordingly the summary of the revenue recovery in FY 2009-10 and the gap for the year is as given below:

**Table 3-5: Revenue Gap and its recovery proposal**

Particulars	Figures
<b>Total Sales (MUs)</b>	2,266.93
<b>(Figures in Rs. Lakhs)</b>	
Annual Revenue Requirement for FY 2009-10	78,748
Revenue at Existing Tariff	56,973
<b>Gap</b>	<b>(21,776)</b>
Annual Revenue Requirement for FY 2009-10	78,748
Revenue at Proposed Tariff	77,030
<b>Gap</b>	<b>(1,718)</b>
<b>(Figures in Rs. per unit)</b>	
Average Cost of Service	3.47
Average Revenue at Existing Tariff	2.51
<b>Per unit Gap at Existing Tariff</b>	<b>(0.96)</b>
Average Cost of Service	3.47
Average Revenue at Proposed Tariff	3.40
<b>Per unit Gap at Proposed Tariff</b>	<b>(0.076)</b>
<b>Per Unit increase in Average Tariff</b>	<b>0.88</b>
<b>% increase in Average Tariff</b>	<b>35%</b>

Since there has been no change in the Tariff for the last many years, the EDP submits that it is appropriate to recover the gap attributable to FY 2009-10 which requires 35% hike in average tariff in the ensuing financial year.

In view of the above, it is prayed to the Hon'ble Commission to permit to permit the recovery of gap in the FY 2009-10 by allowing a tariff increase as requested by EDP.

### **3.6 Regulatory Asset**

Though it is proposed to recover majority of the gap attributable to FY 2009-10 by increasing in tariff, the Hon'ble Commission is hereby requested to allow the remaining gap left after increase in tariff to be considered as a Regulatory Assets as specified under the National Tariff Policy as well as Tariff related regulations of various State Electricity Regulatory Commissions which includes provisions for maintaining Regulatory Assets and its recovery in future period. Also, as specified in the National Tariff Policy, the carrying cost of Regulatory Asset is proposed to be charged at SBI PLR rates prevailing as on 1<sup>st</sup> April 2009.

### **3.7 Proposed Tariff for FY 2009-10**

#### **Changes in basis assumption on the tariff – Category wise**

Considering the situation of Puducherry, it is expected that the certain inherent factors needs to be considered for providing services to the consumers based on the current economic factors, consumer mix, geographical area, tariff legacy, etc. Hence based on these factors, it is proposed to have the following changes in the tariff recovery mechanism.

### **Domestic Category**

For Domestic Category, the current level of Energy Charge is very low as compared to Average Cost of Supply. At the same time there is a need to protect the interest of life line and needy customers who cannot afford to pay the energy charges at the current level of cost to supply. For 0-100 units slab in domestic category, it is proposed to limit the increase in the energy charges to Rs. 0.90 per unit, considering the fact that majority of consumers falling in this category are from the lower income (under-privileged) group. It is proposed to keep the minimum tariff for One Hut One Bulb consumer category as Rs 15 per Connection per Month. For next slab of 101-200 units, the present energy charge is proposed to be increased from Rs. 0.80 per unit to Rs. 1.30 per unit. The next slab of 201-300 units is proposed to be increased to Rs. 2.25 per unit. The maximum slab of Domestic i.e. above 300 units as well as for Domestic Temporary Supply, the energy charges presently at Rs. 1.75 per unit is proposed to be increased to Rs. 3.00 per unit. It is important to note that even for the highest slab, the proposed tariff is 16% lower than the average cost of supply, which is currently at Rs. 3.47 per unit.

### **Commercial Category**

For Commercial Category, it is proposed to abolish the categorization of consumers based on use of Air-Conditioners. The A-1-II is proposed to be merged in A-1-I category. Further, 0-100 & 101-250 slabs are proposed to be merged by creating one slab of 0-250. For Commercial category consumers, the tariff for the slab of 0-250 units is being proposed to be Rs. 3.50 per unit thereby effecting an increase of 84% from the previous slab of 0-100 i.e. Rs 1.90 per unit and increase of 25% from previous slab of 101-250 i.e. Rs 2.80 per unit. For the highest slab of above 250 units, where current energy charges are at Rs. 3.25 per unit is proposed to be increased to Rs. 4.00 per unit. It is important to note here that, even earlier also consumers consuming in the highest

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slab in Commercial Category were being charged at a rate higher than the average cost of supply. Therefore, it is proposed that, high end commercial consumers continue to contribute towards subsidizing the under-privileged categories for the time being. However, it is evident from the Table 3-2 depicted earlier that their proportionate contribution as a subsidizing category is 9% in FY 2009-10.

### **Agriculture Category**

Agriculture consumers are being categorized into Small farmers and Other farmers. The tariff of small farmers is currently Nil, which is now proposed to be fixed at a minimal of Rs. 50 per HP per Annum, as supplying electricity free of charge to any category should not be encouraged in the overall interest of the energy sector of Puducherry. In case of other farmers, the fixed charges are proposed to be increased from Rs. 75 per HP per Annum to Rs. 150 per HP per Annum.

### **Public Lighting**

The Energy charged of Public Lighting category is proposed to be increased to Rs. 3.50 per unit from current level of Rs. 1.75 per unit. Considering that Public Lighting is a common service, benefit of which is being availed by community at large, the tariff of the same is proposed to be kept at level near to the average cost of supply,

### **LT Industrial**

For first slab of LT Industrial of 0-1000 units the energy charge is proposed to be increased from Rs. 2.30 per unit to Rs. 3.30 per unit. For slab consuming units above 1000 units, the proposed energy charge is Rs. 3.75 from current level of Rs. 2.50 unit, thereby increasing both slab rates by 43% & 50% respectively from their present levels. The tariff of water tank has also been proposed to be increased from Rs. 1.80 per

unit to Rs. 3.50 per unit which is nearly at the level of average cost of supply.

### **HT Industrial**

For HT-I (A) Category, the current level of energy charge of Rs. 2.60 per unit for 0-100000 units slab is proposed to increase to Rs. 3.45 per unit. For consumption above 100000 units the energy charge is proposed to be increased from Rs. 2.75 per unit to Rs. 3.55 per unit. The present Fixed Charge of Rs. 135 per kVA per month is proposed to be increased to Rs. 205 per kVA per month. For HT-I(B) category, the proposed increase in energy charge is from Rs. 2.80 per unit to Rs. 3.55 per unit and fixed charge from Rs. 140 per kVA per month to Rs. 210 per kVA per month. The effective increase through these hikes for HT-I category as a whole is envisaged to be approximately 31% from the present level.

For HT-II category energy charge is proposed to be increased from Rs. 2.10 per unit to Rs. 2.85 per unit. The fixed charge is also proposed to be increased from Rs. 120 per kVA per month to Rs 190 per kVA per month. Through these proposed hikes, the effective increase is expected to be approximately 31% from the present level.

For HT-III category energy charge is proposed to be increased from Rs. 2.80 per unit to Rs. 3.55 per unit, thereby an increase of 27% from present level. The fixed charge is also proposed to be increased from Rs. 140 per kVA per month to Rs. 210 per kVA per month. Through these proposed hikes, the effective increase is expected to be approximately 30% from the present level.

## 4 PRAYER

The Electricity Department, Government of Puducherry (EDP) respectfully prays to the Hon'ble Commission;

1. To admit this revised Aggregate Revenue Requirement Petition. This will supersede our previous submission.
2. Approve the Aggregate Revenue Requirement (ARR) for FY 2009-10.
3. Determine the Tariff for FY 2009-10 based on tariff proposed by the EDP for recovery of Revenue Gap.
4. Approve the Capital Expenditure as indicated in the Petition.
5. To create Regulatory Asset for any unmet gap remaining after tariff revision.
6. To grant any other relief as the Hon'ble Commission may consider appropriate. The petitioner craves leave of the Hon'ble Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
7. To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

**Declaration that the subject matter of the petition has not been raised by the petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any orders in relation thereto.**

PLACE: PUDUCHERRY  
DATED: 5<sup>th</sup> October, 2009

SIGNATURE OF PETITIONER

## 5 **TARIFF SCHEDULE**

### **A. LOW TENSION SUPPLY**

#### **Domestic purposes (A2):**

This tariff is applicable to lighting, combined lighting, Air-conditioning, Heating and other installations used for:

- a) Genuine domestic purposes including common services for stair-case, lifts, water tanks with motor not exceeding 3 H.P in the domestic apartments.
- b) Supply to actual places of public worship such as temples, mosques, churches.
- c) Ashrams and Mutts, Non-commercial orphanage homes and old people homes run by religious and charitable institutions, social welfare and voluntary organisations.
- d) Youth hostels, Harijan hostels, Rehabilitation Centres, Anganwadies and Balwadies run by Social Welfare Department.
- e) For own residences where one room is set apart for the purpose of consultation by doctors, lawyers, engineers, architects and auditors.
- f) To handloom in residence of handloom weavers (regardless of the fact whether outside labour is employed or not) and to handloom in sheds erected.
- g) To the residences where supply from a house is extended to tailoring shops, Job typing, document writing, Laundry pressing, and small caterers set up in the verandah of the house with small lighting load only (one tube light only).

The proposed energy charges for Domestic Service are as indicated in the table below.

Description	Energy Charge (Rs. per Unit)
0 – 100 units per Month	0.90
101-200 units per Month	1.30
201 – 300 units per Month	2.25
Above 300 units per Month	3.00

**Minimum Charges : Rs. 15.00 per month per service**

Note:

1. In areas where spot billing is not done, flat rate payment system for domestic consumers is being followed. Efforts are being made by the department to do away with this mode of billing once all such consumers are covered under spot billing system which may be completed by 31<sup>st</sup> January 2010.
2. The scheme for concessional supply to Domestic Consumers with Energy Consumption not exceeding 75 units per month is now withdrawn.
3. If separate service exists for Air-conditioners, Lifts, and Water Motors provided in the residences, this shall be discontinued and merged with the already existing domestic services within three months.

**Hut Services (A3):**

For supply to bonafide hut services with only two numbers of 40 W Florescent Tube lights. At present the electricity is supplied free of charge and the same is proposed to be changed as given below:

Description	Fixed Charges
Hut Services	Rs. 15 per Connection per Month

- (1) Hut is defined as a living place not exceeding 300 sq. ft. or 27.87 sq.m. with mud wall/brick wall or thatched wall and thatched roof only. Hut does not include farm huts. If any of the conditions is changed at a later stage, this concessional supply will be discontinued and the consumer will have to take metered supply.

- (2) The tariff under this item is also applicable for houses constructed for economically weaker sections under the "Chief Minister's 5000 houses programme" and houses constructed by the District Rural Development Agency under Indira Awaas Yojana and by the Adi Dravidar Welfare Department having a living space not exceeding 300 sq. ft. or 27.87 sq.
- (3) The consumer under this category should use only two numbers of 40 Watts florescent Tube lights. He should not use bulbs/tube lights of higher wattage or connect any other electrical equipment/ appliances other than those mentioned above. Supply from such services should not be tapped for any other purposes including functions , public meetings and also for neighboring huts. If at any time, any unauthorized load or extension, use of higher wattage bulbs or use of service for other purposes is detected, the service will be disconnected forthwith.

**Commercial (A1):**

This tariff is for Lights and combined installation of lights and fans, Mixed loads of lights and Power, Heating and Air-conditioning applicable to:

- a) Non-domestic and Non-industrial consumers, Trade and commercial premises.
- b) Educational institutions, hostels, Public Libraries.
- c) Hotels, Restaurants, Boarding and Lodging Homes
- d) Hospitals, Private clinics, Nursing Homes, Diagnostic Centres, X-ray Units etc.
- e) IT related development Centres and Service centres.
- f) Common services for Stair-case, lifts, water tanks with motor not exceeding 5 H.P etc in the purely commercial / combination of commercial and domestic.

The energy charges proposed are as indicated in the table below.

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<b>Description</b>	<b>Energy Charge (Rs. per Unit)</b>
<b>A1</b>	
0-250 units per Month	3.50
Above 250 units per Month	4.00

**Minimum Charges : Rs. 50.00 per month per service**

**Service Charges : Rs. 20.00 per month per service**

**Note:** Separate Services extended for Air-Conditioners, Lifts and other power loads are proposed to be merged into the existing service under A1 category and billed as a single service within a period of three months.

**Agricultural Services (D):**

**Agriculture/Cottage Industries, etc.:** For supply to bonafide Agricultural Services with a connected load of not less than 3 HP per service.

**Agriculture (D1):**

<b>Description</b>	<b>Fixed Charges</b>
Small Farmers	Rs. 50 per HP per Annum
Other Farmers	Rs. 150 per HP per Annum plus <b>Service Charges @</b> Rs. 200 per Service per Annum

**Note:** The earlier option of charging other farmers at Rs. 0.19 per unit is proposed to be discontinued.

- (1) Electricity will be supplied under the tariff category "Small farmers" to those consumers whose families are solely dependent on the income derived from their agricultural land holding, which should not exceed two

and half acres of wet land or five acres of dry land. A certificate to this effect from Revenue authority shall be produced. "Small farmer means a person whose total holding, whether as owner, tenant or mortgaged with possession or partly in one capacity and partly in another, does not exceed two-and-a half acres of wet lands or five acres of dry land. In computing the extent of land held by a person who holds both wet and dry lands, two acres of dry land shall be taken as equivalent to one acre of wet land.

- (2) The above concession will be withdrawn if resale of energy or unauthorized load / extension or use for other purpose is detected by the Department.
- (3) Agricultural power loads below 3 H.P. will be charged under General Category Tariff A1. A bona fide farmer may use his motor in the Agricultural Service for allied agricultural purposes such as sugarcane crushing, thrashing etc. with the prior approval of concerned Executive Engineer (Operation & Maintenance), Electricity Department.
- (4) However, power supply to Farm Houses shall be metered separately and charged under Domestic tariff.

**Payment of Tariff Charges by Agriculture consumers:-**

- (1) The Tariff shall be collected in three equal installments payable in April, August and December in each year. The installments shall be payable before the 15<sup>th</sup> of the respective months. The service charges of Rs. 200 per annum shall also be collected in three installments of Rs. 75, Rs. 75 and Rs. 50 along with installment of flat rate in April, August and December.
- (2) For new service, the first installment shall be proportionate to the number of whole months remaining till the month in which the first installment is due. Fraction of a month shall be reckoned as a whole month.

**Cottage Industries / Horticulture / Poultry Farms (D2):** It is applicable to cottage industries, private Horticultural nurseries including Plant tissue culture media and bona fide poultry farms.

Description	Energy Charges (Rs. per Unit)
Cottage Industries	Tariff rates as applicable in case of Domestic Consumers
Horticulture	
Poultry Farms	

**Cottage industries:**

The following conditions should be satisfied in order that an industry may be classified as a bona fide cottage industry:

- (1) It should be conducted entirely within the home, the home being deemed to be permanent residence of the proprietor.
- (2) The industry shall not cause any residence to constitute a factory within the meaning of the Factories Act, 1948.
- (3) Not more than two persons outside the immediate family of the proprietor shall be employed in the factory.
- (4) It should be certified by the Director of Industries that the industry for which power is used is a cottage industry.
- (5) The produce is not purely utilised mainly for the domestic consumption of the proprietor but should also be available for sale to the public.

**Poultry farms**

The following conditions should be satisfied in order that the service may be classified as a bona fide poultry farm.

- (1) The capacity of the farm shall be a minimum of 100 birds and maximum of 5,000 birds (both layer and broiler birds).

- (2) The application of the beneficiary seeking such concession shall be verified and recommended by the Animal Husbandry Department.

**Horticultural**

- (1) The applications of the beneficiary seeking such concession shall be verified and recommended by the Director, Agriculture Department.

**Public lighting:**

The proposed tariff for public lighting (exclusive of installation, renewal charges, etc.) shall be as follows:

<b>Description</b>	<b>Energy Charges (Rs. per Unit)</b>
Public Lighting (Entire Consumption)	3.50

This tariff will also apply to public lighting in markets, Bus stands, Traffic signals, High Mast Lights on public ways, public parks, public lighting in notified Industrial Estates.

**Industrial (C):**

**LT Industrial (C1)**

Applicable to low tension industrial consumers including lighting in the industrial services except those mentioned in Tariff `C2' category.

The proposed energy charges are as indicated in the table below.

<b>Description</b>	<b>Energy Charges (Rs. per Unit)</b>
<b>LT – Industrial C1</b>	
(i) Upto 1000 units per Month	3.30

Description	Energy Charges (Rs. per Unit)
(ii) Above 1000 units per Month	3.75

**Minimum Charges : Rs. 60.00 per HP per month**

**Service Charges : Rs. 20.00 per service per month**

Note: The existing services under the tariff categories A1, A1(II) and C1 + 20 effected for the offices located within the premises of the industrial service will be dispensed within three months and shall be charged alongwith the Industrial service under tariff category C1 as a single service. Till such time, the energy consumption under these categories shall be considered under A1 category.

**LT Industrial (C2):**

Applicable to water tanks including lighting in the premises maintained by State Government Departments / Undertakings and Local Bodies.

The proposed energy charges are as indicated in the table below.

Description	Energy Charges (Rs. per Unit)
<b>Water Tank C2</b>	
Entire Consumption	3.50

**Minimum Charges : No Minimum Charges**

**Service Charges : Rs. 25.00 per service per month**

Separate services existing for lighting purpose shall be merged with the existing tariff category C2 service within a period of three months.

**B. HIGH TENSION SUPPLY**

**High Tension I:** Applicable to industrial and commercial establishments, registered factories, laboratories, telephone exchange, Broadcasting and other

establishments other than those coming under the category "High Tension II & III" under the heading "High Tension Supply".

The proposed demand and energy charges are as indicated in the table below.

Description	Charges
<b>(I) HT (I) (a) - For Contracted Demand of 2000 KVA &amp; less</b>	
I. Demand Charges	Rs. 205 per kVA per Month
II. Energy Charges	
(i) Upto 100000 units	Rs. 3.45 per kWh
(ii) Above 100000 units	Rs. 3.55 per kWh
<b>(I) HT (I) (b) - For Contracted Demand greater than 2000 &amp; less than or equal to 5000 KVA</b>	
I. Demand Charges	Rs. 210 per kVA per Month
II. Energy Charges	
(i) Entire consumption	Rs. 3.55 per kWh

The above tariff is subject to a monthly minimum payment of three-fourth times the demand charges for the contracted load in KVA.

The billing demands shall be the maximum demand recorded during the month or 75% of contracted demand whichever is higher. If in anyone month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand will be billed at double the normal rate.

**I. Supply Voltage:**

The supply voltage for HT consumers upto 5000 KVA will be 22 KV or 11 KV as the case may be. New High Tension consumers who want to avail a maximum demand above 5000 KVA or existing High Tension consumers

who want to enhance their demand to the above level should avail power only at 110 KV or 132 KV as the case may be. In case the existing consumers whose sanctioned demand exceeds the above limit of 5000 KVA at 22 KV or 11 KV as the case may be, the consumer shall be charged an extra levy over and above the normal tariff at double the normal tariff rate for the energy consumed in excess, calculated on the basis of 500 units per KVA over the excess demand.

**II. Seasonal demand:**

For loads strictly seasonal in character, the main plant is regularly totally closed down during certain months in the year, the consumption of the consumer will be charged under "High Tension I" category + 10% for energy charges only and not for demand charges. The billing demand shall be the actual maximum demand recorded. This concession is however subject to the express condition that-

- (a) For the off-season and the working season in the same month, the calculation of billing demand for working season shall be proportionate to the actual maximum demand or 75% whichever is higher and for off-season period the proportionate actual maximum demand recorded.
- (b) The consumer gives advance notice in writing to the Superintending Engineer, Electricity Department, of the total or partial closing down of the plant.

**High Tension II:** Applicable to State and Central Government Departments of non-industrial and non-commercial nature.

The proposed demand and energy charges are as indicated in the table below.

Description	Charges
<b>(I) HT (II)</b>	
I. Demand Charges	Rs. 190 per kVA per Month
II. Energy Charges	
(i) Entire consumption	Rs. 2.85 per kWh

The above tariff is subject to a monthly minimum payment of three-fourth times the demand charges for the contracted load in KVA.

**High Tension III:-** Applicable to all types of industries supplied at 110 KV or 132 KV as the case may be.

The proposed demand and energy charges are as indicated in the table below.

Description	Charges
<b>(I) HT (III)</b>	
I. Demand Charges	Rs. 210 per kVA per Month
II. Energy Charges	
(i) Entire consumption	Rs. 3.55 per kWh

The above tariff is subject to a monthly minimum payment of three-fourth times the demand charges for the contracted load in KVA.

**C. Temporary supply:-**

The tariff applicable and minimum charges for the temporary services more than a period of fifteen days will be as follows:

<b>SI No</b>	<b>Category</b>	<b>Tariff Applicable</b>	<b>Minimum charges per month</b>
(1)	(2)	(3)	(4)
(a)	Lights or combined installation of lights and fans, Motive Power, Heating etc.	Entire Consumption: Rs.5.00 per unit	Rs. 120 per service
(b)	Special Illumination	Entire Consumption: Rs.8.00 per unit	Rs. 300 per service
(f)	Construction and testing purpose for load exceeding 130 HP	Entire Consumption: Rs.5.00 per unit	As in High Tension-I

- (1) The rate for Special illumination shall apply to weddings, garden-parties and other Private/Government functions when the illumination is obtained through bulbs fastened in other surfaces of wall of buildings, on trees and poles inside the compound and in pandal etc., outside the main building. The rates of Special illumination shall however not apply for such illumination obtained by the political parties/ independent candidates for a period of one month from the date of announcement of General, Parliamentary, Municipal and Panchayat elections.
- (2) In cases where such Special illumination is done in the existing regular services the energy utilised for such illumination shall be metered separately and the consumption will be charged under Special illumination charge as levied under temporary supply.
- (3) Wherever such Special illumination is done unauthorisedly, a penal charge of Rs.100 for service shall be levied in addition to the existing tariff of the installation.
- (4) Other conditions for collection of line and service connection charges, dismantling, security deposit etc. will be as per the rules now in force.

- (5) For supply required at short notice that is within three days from the date of application for temporary service connections, an urgency charge of Rs.25 shall be paid along with other normal tariff charges.