

JOINT ELECTRICITY REGULATORY COMMISSION

(For State of Goa and UTs)

NOTIFICATION

Gurugram, the, XXXX 2024

No. JERC: XX/2024.— In exercise of the powers conferred on it by sub-Section (2) of Section 181 read with Section 36, Section 39, Section 40, Section 41, Section 51, Section 61, Section 62, Section 63, Section 64, Section 65 and Section 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (except Delhi), after previous publications, hereby makes the following Regulations, namely:

Chapter 1: Preliminary

1. Short Title, Commencement and Extent

- 1.1 These Regulations shall be called the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024.
- 1.2 These Regulations shall be applicable for determination of tariff in all matters covered under these Regulations from FY 2025-26 onwards and upto FY 2029-30, i.e. from April 1, 2025 to March 31, 2030, unless otherwise reviewed/modified/extended.
- 1.3 These Regulations shall extend to the whole of the State of Goa and the Union Territories of Andaman and Nicobar Islands, Lakshadweep, Dadra & Nagar Haveli and Daman & Diu, Puducherry and Chandigarh.

2. Definitions

2.1 In these Regulations, unless the context otherwise requires:

1. **“Accounting Statements”** shall mean for each Financial Year, the balance sheet, the profit and loss statement, the cash flow statement and the report of the statutory auditors together with notes thereto:

Provided that in case of any local authority engaged in the business of distribution of electricity, the Accounting Statement shall mean the items, as mentioned above, prepared and maintained in accordance with the relevant Acts or Statutes as applicable to such local authority;

Provided further that once the Commission notifies the Regulations for submission of Regulatory Accounts, the applications for tariff determination and truing up shall be based on the Regulatory Account;

2. **“Act”** shall mean the Electricity Act, 2003 (36 of 2003), as amended from time to time;
3. **“Additional Capital expenditure”** shall mean the capital expenditure incurred, or projected to be incurred after the date of commercial operation of the project by the generating company or the transmission licensee or the distribution licensee, as the case may be, in accordance with the provisions of these regulations;
4. **“Additional Capitalisation”** shall mean the additional capital expenditure admitted by the Commission after prudence check, in accordance with these regulations;
5. **“Aggregate Revenue Requirement” or “ARR”** shall mean the costs pertaining to the Generating Company, Transmission Licensee or Distribution Licensee which are permitted, in accordance with these regulations, to be recovered from the tariffs and charges determined by the Commission;
6. **“Aggregate Technical and Commercial Losses” or “AT&C”** is the difference between energy input units into the system and the units for which payment is collected;
7. **“Allocation Statement”** shall mean for each Financial Year, a statement showing the amounts of any revenue, cost, asset, liability, reserve or provision etc. determined by apportionment or allocation between Distribution Wires Business and Retail Supply Business of a Distribution Licensee;

8. **“Allotted Transmission Capacity”** shall mean the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a Long-term Consumer or a Medium-term Consumer on the intra-State transmission system under the normal circumstances and the expression "allotment of transmission capacity" shall be construed accordingly;
9. **“Applicant”** shall mean a Generating Company, Transmission Licensee or Distribution Licensee who has made an application for determination of Aggregate Revenue Requirement and tariff in accordance with the Act and these Regulations and shall include a Generating Company, Transmission Licensee or Distribution Licensee whose tariff is being determined by the Commission on Suo- motu basis or as part of a Truing-up exercise;
10. **“Area of Supply”** shall mean the area within which a Distribution Licensee is authorised by its licence to supply electricity;
11. **“Authority”** shall mean the Central Electricity Authority referred to in Section 70 of the Act;
12. **“Auxiliary Energy Consumption”** or **“AUX”** in relation to a period in case of a Generating Station shall mean the quantum of energy consumed by auxiliary equipment of the Generating Station, such as the equipment being used for the purpose of operating plant and machinery including switchyard of the Generating Station and the transformer losses within the Generating Station, expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the Generating Station:

Provided that Auxiliary Energy Consumption shall not include energy consumed for supply of power to housing colony and other facilities at the Generating Station and the power consumed for construction works at the Generating Station:

Provided further that auxiliary energy consumption for compliance of revised emission standards shall be considered separately by the Commission;
13. **“Availability”** in relation to a transmission system for a given period shall mean the time in hours during the period the transmission system is capable of transmitting electricity at its rated voltage expressed in percentage of total hours in the given period;
14. **“Average Power Purchase Cost (APPC)”** shall mean the weighted average pooled power price at which the distribution licensee has purchased the electricity including cost of self generation, if any, from all the long-term and short-term energy suppliers, including power exchanges.
15. **“Bank Rate”** shall mean the Bank Rate declared by the Reserve Bank of India from time to time;
16. **“Base Year”** shall mean the Financial Year immediately preceding the first Year of the Control Period and used for the purposes of these regulations;
17. **“Bulk Power Transmission Agreement”** shall mean an executed Agreement that contains the terms and conditions under which a Transmission System User is entitled to access the intra- State transmission system of a Transmission Licensee;
18. **“Carrying Cost”** shall mean one (1) Year State Bank of India (SBI) MCLR as on 1st April of the relevant Year plus 100 basis points;
19. **“Change in Law”** shall mean the occurrence of any of the following events:
 - a) enactment, bringing into effect or promulgation of any new Indian law: or
 - b) adoption, amendment, modification, repeal or re-enactment of any existing Indian law:
or
 - c) change in interpretation or application of any Indian law by a competent court, Tribunal or Indian Governmental Instrumentality, which is the final authority under law for such interpretation or application: or
 - d) change by any competent statutory authority in any condition or covenant of any consent or clearances or approval or licence available or obtained for the project: or
 - e) coming into force or change in any bilateral or multilateral agreement/treaty between the Government of India and any other Sovereign Government having implication for the Generating Station or the transmission system or the distribution system regulated

under these Regulations;

20. **“Central Commission” or “CERC”** shall mean the Central Electricity Regulatory Commission referred to in sub-section (1) of Section 76 of the Act;
21. **“Commission”** shall mean the Joint Electricity Regulatory Commission for the State of Goa and Union Territories referred to in Section 83 of the Act;
22. **“Control Period”** shall mean a multi-year period comprising of Three (3) financial years of FY 2025-26 to FY 2027-28, and as may be extended by the Commission, for submission of forecast in accordance with these Regulations; **“Central Transmission Utility” or “CTU”** shall mean any Government company which the Central Government may notify under sub-section (1) of Section 38 of the Act;
23. **“Cut-off Date”** shall mean the last day of the calendar month of a financial year after thirty-six months from the date of commercial operation of the project:

Provided that the Cut-off Date may be extended by the Commission if it is proved on the basis of documentary evidence that the capitalisation could not be made within the Cut-off Date for reasons beyond the control of the project developer;
24. **“Consumer”** shall mean any person who is supplied with electricity for his own use by a Licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a Licensee, the Government or such other person, as the case may be, but shall be restricted to such Consumers within the State;
25. **“Contracted Capacity”** shall mean the capacity in MW contracted by a Transmission System User;
26. **“Day”** shall mean a day starting at 00:00 hours and ending at 24:00 hours;
27. **“Date of Commercial Operation” or “COD”** in case of a transmission system or a distribution system as the case may be, shall mean the date declared by the Transmission Licensee or the Distribution Licensee from 00:00 hours for which an element of the transmission system or distribution system as the case may be, is in regular service after successful trial operation for transmitting or distributing electricity as the case may be, and communication signal from sending end to receiving end:

Provided further that the Date of Commercial Operation for a Generating Station shall be as defined in the prevalent CERC Tariff Regulations;
28. **“De-capitalisation”** for the purpose of the tariff under these regulations, shall mean reduction in Gross Fixed Assets of the project as approved by the Commission corresponding to the assets taken out from service;
29. **“Distribution Business”** shall mean the business of operating and maintaining a distribution system for supplying electricity in the Area of Supply of the Distribution Licensee;
30. **“Distribution Licensee”** shall mean a Licensee authorised to operate and maintain a distribution system for supplying electricity to the Consumers in its Area of Supply;
31. **“Distribution Wires Business”** shall mean the business of operating and maintaining a distribution system for wheeling of electricity in the Area of Supply of the Distribution Licensee;
32. **“Expected Revenue from Tariff and Charges”** shall mean the revenue estimated to accrue to the Generating Company, Transmission Licensee or Distribution Licensee from the regulated business at the prevailing tariff;
33. **“Electricity Supply Code”** shall mean the Electricity Supply Code specified under Section 50 of the Act;
34. **“Existing Project”** shall mean a project declared under commercial operation prior to April 1, 2025;
35. **“Force Majeure Event”** shall mean, with respect to any party, any event or circumstance or combination of events or circumstances including those stated below, which is not within the reasonable control of, and is not due to an act of omission or commission of that party

and which, by the exercise of reasonable care and diligence, could not have been avoided, and without limiting the generality of the foregoing, would include the following events:

- a) An Act of God including lightning, drought, fire and explosion, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, geological surprises, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred Years: or
- b) Any act of war, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action: or
- c) Industry-wide strikes and labour disturbances having a nationwide impact in India;

36. **“Generating Company”** shall mean any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a Generating Station and for the purpose of these Regulations, shall exclude a company generating electricity from renewable sources;
37. **“Generating Station”** shall mean any station for generating electricity, including any building and plant with step-up transformer, switchgear, switch yard, cables or other appurtenant equipment, if any, used for that purpose and the site thereof; a site intended to be used for a Generating Station, and any building used for housing the operating staff of a Generating Station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station and for the purpose of these Regulations shall exclude stations generating electricity from renewable sources;
38. **“Grid”** shall mean the high voltage backbone system of inter-connected transmission lines, sub-stations and generating plants;
39. **“Gross Station Heat Rate”** or **“SHR”** shall mean the heat energy input in kCal required to generate one kWh of electrical energy at generator terminals of a thermal Generating Station;
40. **“IDC”** Interest During Construction;
41. **“IEDC”** Incidental Expenditure during Construction;
42. **“Integrated Utility”** shall mean the Department of Power in the State of Goa and the Union Territories of Andaman and Nicobar Islands, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Lakshadweep and Puducherry, in its present form or the successor entities performing more than one of the functions of generation, transmission and distribution after restructuring thereof;
43. **“Licensed Business”** shall mean as defined in Regulation 2 of Joint Electricity Regulatory Commission for Goa & Union Territories (Treatment of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2009 as amended from time to time;
44. **“Licensee”** shall mean a person who has been granted licence under Section 14 of the Act and for the purpose of these Regulations shall also include an Integrated Utility;
45. **“MCLR”** shall mean One Year (1) State Bank of India Marginal Cost of Funds based Lending Rate;
46. **“Month”** shall mean a calendar month as per the Gregorian calendar;
47. **“New Project”** shall mean a project declared under commercial operation on or after April 1, 2025;
48. **“Non-Tariff Income”** shall mean income relating to the licensed business other than from tariff and open access charges such as wheeling charges and excluding any income from other business, cross-subsidy surcharge, additional surcharge, etc. ;
49. **“Operation and Maintenance expenses”** or **“O&M expenses”** in relation to a Generating Company, Transmission Licensee or Distribution Licensee shall mean the expenditure incurred on operation and maintenance of the system by the Generating Company, Transmission Licensee or Distribution Licensee, and includes the expenditure on manpower, repairs and maintenance, spares, consumables, insurance and overheads etc.;
50. **“Original Project Cost”** shall mean the capital expenditure incurred by the Generating Company or the Transmission Licensee or the Distribution Licensee, as the case may be,

within the original scope of the project up to the Cut-off Date as admitted by the Commission;

51. **“Other Business”** shall mean as defined in Regulation 2(i)(f) of Joint Electricity Regulatory Commission for Goa & Union Territories (Treatment of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2009, as amended from time to time;
 52. **“Prudence Check”** shall mean scrutiny of the reasonableness of expenditure (incurred or proposed to be incurred), financing plan, use of efficient technology, cost and time over-run and such other factors as may be considered appropriate by the Commission for determination of tariff;
 53. **“Rated Voltage”** shall mean the manufacturer’s design voltage at which the transmission system is designed to operate or such lower voltage at which the line is charged, for the time being, in consultation with Transmission System Users;
 54. **“Retail Supply Business”** shall mean the business of sale of electricity by a distribution licensee to the consumers within the area of supply in accordance with the terms of the licence for distribution and retail supply of electricity;
 55. **“Small Gas Turbine Generating Station”** shall mean and include open cycle gas turbine or combined cycle generating station with gas turbines in the capacity range of 50 MW or below;
 56. **“State”** shall mean the State of Goa, and includes the Union Territories under the jurisdiction of JERC;
 57. **“State Grid Code”** shall mean the State Grid Code specified by the Commission under Clause (h) of sub-section (1) of Section 86 of the Act;
 58. **“State Load Despatch Centre”** or **“SLDC”** shall mean the Centre established under sub-section (1) of Section 31 of the Act;
 59. **“Transmission Licensee”** shall mean a Licensee authorised to establish or operate transmission lines;
 60. **“Transmission System User”** shall mean the Distribution Licensee or Open Access User, as the case may be, who uses the intra-State transmission network for the purpose of transmission of electricity;
 61. **“Useful life”** in relation to a unit of a generation, transmission and distribution assets from the Date of Commercial Operation shall be as defined in Appendix I of these Regulations;
 62. **“Wheeling”** shall mean the operation whereby the distribution system and associated facilities of a distribution licensee are used by another person for the conveyance of electricity under section 42(2) on payment of charges to be determined under section 62.
 63. **“Wheeling Business”** shall mean the business of operating and maintaining a distribution system for conveyance of electricity in the area of supply of the distribution licensee.
 64. **“Working Day”** shall mean a Day on which banks are open for business;
 65. **“Year”** or **“Financial Year”** shall mean a Financial Year (FY), beginning from 1st April of calendar Year and ending on 31st March of the next calendar Year.
- 2.2 Words and expressions occurring in these Regulations and not defined herein but defined in the Act or Grid Code or CERC Tariff Regulations or State Grid Code shall bear the same meanings as respectively assigned to them in the Act or Grid Code or CERC Tariff Regulations or State Grid Code and the words and expressions used herein but not specifically defined herein or in the Act or Grid Code or CERC Tariff Regulations or State Grid Code shall have the meanings generally assigned to them in the electricity industry.
- 2.3 In the interpretation of these Regulations, unless the context otherwise requires:
- a) The words “Application” or “Petition” shall be interpreted synonymously.
 - b) Words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
 - c) The terms “include” or “including” shall be deemed to be followed by “but not limited

to” regardless of whether such terms are followed by such phrases or words of like import;

- d) References herein to the “Regulations” shall be construed as a reference to these Regulations or as may be amended or modified by the Commission from time to time in accordance with the applicable laws in force;
- e) The headings within the Regulations are inserted for convenience and be read together with the text below for the purpose of interpretation of these Regulations;
- f) References to the Statutes, Regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such Statutes, Regulations or guidelines, as the case may be, referred to;
- g) In case of inconsistency between any provision of these Regulations and any other Regulations or Orders passed by the Commission, the provisions of these Regulations shall prevail.

3. Scope of Regulation and extent of application

3.1 The Commission shall determine tariff within the Multi Year Tariff framework, for all matters for which the Commission has jurisdiction under the Act, including in the following cases:

- a) Supply of electricity by a Generating Company to a Distribution Licensee:

Provided that where the Commission believes that there is shortage of supply of electricity, it may fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a Generating Company and a Distribution Licensee or between Distribution Licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

- b) Intra-State transmission of electricity;
- c) Intra-State wheeling of electricity;
- d) Retail supply of electricity:

Provided that in case of distribution of electricity in the same area by two or more Distribution Licensees, the Commission may, for promoting competition among Distribution Licensees, fix only the maximum ceiling of tariff for retail sale of electricity:

3.2 In accordance with the principles laid out in the Regulation 56, Regulation 58 and Regulation 68, the Commission shall determine Aggregate Revenue Requirement for:

- a) Distribution Wires Business; and
- b) Retail Supply Business.

3.3 The Distribution Licensee shall file an application containing separate details for determination of Aggregate Revenue Requirement for Distribution Wires Business and Retail Supply Business, in accordance with Regulation 56 specified in these Regulations.

3.4 The wheeling charges shall be based on the Aggregate Revenue Requirement determined for the Distribution Wires Business.

3.5 The Retail Supply tariff for retail sale of electricity shall be based on the Aggregate Revenue Requirement determined for the Retail Supply Business.

3.6 The Commission shall also determine Cross-Subsidy Surcharge in addition to the charges for wheeling under the first proviso to sub-section (2) of Section 42 of the Act, in accordance with the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time.

3.7 The Commission shall also determine Additional Surcharge under sub-section (4) of Section 42 of the Act, in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time.

3.8 Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff, if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government pursuant to Section 63 of the Act.

4. Norms of operation to be ceiling norms

4.1 For removal of doubts, it is clarified that the norms of operation specified under these Regulations are the ceiling norms and this shall not preclude the Transmission Licensee or the Distribution Licensee, as the case may be, and the beneficiaries from accepting improved norms of operation as determined by the Commission and such improved norms shall be applicable for determination of tariff.

Chapter 2: General Principles

5. Guiding Principles for MYT Framework

5.1 The Commission shall determine the tariff for matters covered under clauses (a), (b), (c) and (d) of Regulation 3.1, under a Multi Year Tariff framework with effect from April 1, 2025.

5.2 The Multi Year Tariff framework for determination of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges for Generating Company, Transmission Licensee, Distribution Wires Business and Retail Supply Business shall include the following:

a) Detailed Business Plan for the Generating Company and Licensees, shall be submitted to the Commission for approval, prior to the start of the Control Period, comprising of the year-wise forecast of Aggregate Revenue Requirement and Expected Revenue from existing Tariff and Charges and also proposed tariff for each year of the Control Period, in formats specified by the Commission from time to time;

Provided that the detailed Business Plan shall be based on the operational Norms and trajectories of the performance parameters specified in these Regulations, year wise for the entire control period:

b) MYT petition with the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff and from proposed tariff for each year of the control period, based on the Business Plan as approved by the Commission by order, for approval of the Commission;

c) True up petition of the previous year's actual expenses and revenue based on audited accounts vis-à-vis the approved forecast of expenses and revenue with sharing of gains or losses on account of variation in performances for those caused by factors within the control of the applicant (Controllable factors) and those caused by factors beyond the control of the applicant (Uncontrollable factors) in accordance with the mechanism of sharing of approved gains or losses as specified in these Regulations.

6. Values for Base Year

6.1 The values for the Base Year of the Control Period for the purpose of estimation, shall be determined on the basis of the audited accounts or provisional accounts of last three (3) Years, and/or other factors considered relevant by the Commission:

Provided that, in absence of availability of audited accounts or provisional accounts of last three (3) Years, the Commission may benchmark the parameters with other similar utilities to establish the values for Base Year:

Provided further that the Commission shall consider the values for Base Year, while truing up, considering the actual figures from audited accounts.

7. Segregation of Retail Supply and Distribution Wires Business

7.1 The Distribution Licensee shall segregate the accounts of the Licensed Business into Distribution Wires Business and Retail Supply Business. The ARR for Distribution Wires Business which shall include the ARR for Distribution Wire Business, in accordance with Regulation 56, shall be used to determine wheeling charges. The ARR for Retail Supply Business, which shall include the ARR for Distribution Wire Business, in accordance with Regulation 68, shall be used to determine retail supply tariff.

7.2 For such period until accounts are segregated, the Licensees shall use the Allocation Statement provided in the Regulation 56 to apportion costs and revenues to respective businesses.

8 Business Plan

- 8.1 The Generating Company, Transmission Licensee and Distribution Licensee shall file a petition, duly approved by the competent authority, for approval of Business Plan by the Commission for the entire Control Period, latest by Oct 31, 2024:
- 8.2 The Business Plan filed by the Distribution Licensee shall contain separate sections on Distribution Wires Business and Retail Supply Business.
- 8.3 The Business Plan filed by the Generating Company shall inter-alia contain:
- Additional Capital Investment Plan; if any, during the control period;
 - Capital structure of the proposed additional CAPEX and the cost of financing (interest on debt and return on equity), terms of the loan agreements, etc;
 - Performance targets items such as generation availability, Auxiliary Consumption, Station Heat Rate, etc;
- 8.4 The Business Plan filed by the **Transmission Licensee** shall inter-alia contain:
- Projections for the growth of load in the transmission network;
 - (i) **Capital Investment Plan** for each Year of the Control Period commensurate with load growth, transmission loss reduction trajectory and quality improvement measures proposed in the Business Plan in accordance with Regulation 8.6;
(ii) The capital investment plan shall show separately, on-going projects that will spill into each year of the control period and new projects (along with justification) that will commence but may be completed within or beyond the control period.

Provided that the Capital Investment Plan of the Transmission System of 66kV & above voltage level shall take into account schemes costing below the threshold limit as given below:

State/UT	Threshold Limit
Goa/Chandigarh/ Dadra & Nagar Haveli and Daman & Diu i.e., (DNHDD)	Rs. 50 Crore
Puducherry	Rs. 25 Crore

Provided further that the Capital Investment Plan of Transmission System of 66kV & above voltage level exceeding the threshold limit as mentioned in the above proviso shall be done through Tariff Based Competitive Bidding (TBCB).

- Capital structure** of each scheme proposed and the cost of financing (interest on debt and return on equity), terms of the existing loan agreements, etc.;
 - Performance targets** items such as transmission loss, availability of transmission system, transformer failure rate, and any other parameters for quality of supply for each year of the Control Period, consistent with the Capital Investment Plan proposed by the Transmission Licensee;
 - Projections for number of employees** during each Year of the Control Period based on proposed recruitments and retirement;
 - Proposals in respect of income from Other Business** for each Year of the Control Period.
- 8.5 The Business Plan filed by **Distribution Licensee** shall inter-alia contain:
- Projection for the growth of load/demand
 - (i) **Capital Investment Plan** for each Year of the Control Period commensurate with load growth, distribution loss reduction trajectory and quality improvement measures proposed in the Business Plan in accordance with Regulation 8.6;
(ii) The capital investment plan shall show separately, on-going projects that will spill into each year of the control period and new projects (along with justification) that will commence but may be completed within or beyond the control period.
 - Capital Structure** of each scheme proposed and the cost of financing (interest on debt and return on equity), terms of the existing loan agreements, etc.;
 - Sales Forecast** for each Consumer category and sub-categories (slab-wise) for each Year

of the Control Period in accordance with Regulation 8.7;

- e) **Power Procurement Plan** based on the Sales Forecast and distribution loss trajectory for each Year of the Control Period in accordance with the Regulation 8.8;
- f) Performance **Targets** items such as distribution loss, reliability indexes (SAIFI, SAIDI & MAIFI), transformer failure rate and any other parameter for quality of supply for each Year of the Control Period consistent with the Capital Investment Plan proposed by the Distribution Licensee;
- g) **Projections for number of employees** during each Year of the Control Period based on proposed recruitments and retirement;
- h) **Proposals in respect of income from Other Business** for each Year of the Control Period.

8.6 **Capital Investment Plan/Additional Capital Investment Plan**

- a) The Capital Investment Plan/Additional Capital Investment Plan to be submitted as part of Business Plan shall include details of New Projects/Renovation & Modernization of Existing Projects planned during the Control Period, purpose of investment, capital structure, implementation schedule, quarter-wise capital expenditure and capitalisation schedule, financing plan, cost-benefit analysis, improvement in operational efficiency envisaged in each year of the Control Period owing to proposed investment and such details for ongoing projects that will spill over into the Control Period along with justification;

Provided that the Capital Investment Plan shall be submitted on scheme wise basis.

- b) The Additional Capital Investment plan proposed by the Generating Company shall be in conformity with the Resource Adequacy Plans made by the SLDC;
- c) The Capital Investment Plan proposed by the Transmission Licensee shall be in conformity with the plans made by the Authority/Central/State Transmission Utility and with the Capital Investment Plan of the Distribution Licensee;
- d) The true up of the capital cost incurred for the new projects and additional capital cost for the existing projects shall be done on yearly basis based on the actual capital cost incurred.:

Provided that any capital cost incurred but not approved by the Commission, shall not be given pass-through during true up.

- e) In case the capital expenditure is required for emergency work which has not been approved in the Capital Investment Plan, the Licensee shall submit an application containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval of the Commission:

Provided that in case capital expenditure is required for emergency work or unforeseen situation to mitigate threat to life and property and if prior intimation thereof to the Commission shall cause any irreparable loss or injury, the Licensee may undertake that capital expenditure and submit the details along with adequate justification for post facto approval of the Commission:

Provided further that for the purpose of Regulation 8.6(e) above, such approved capital expenditure shall be treated as a part of both the actual capital expenditure incurred by the Licensee and approved capital expenditure by the Commission;

Provided also that the Transmission Licensee or the Distribution Licensee as the case may be shall take up the work prior to receiving the approval from the Commission provided that the emergent nature of the scheme has been certified by its Board of Directors.

- f) The Licensee shall **submit a report for every quarter** detailing the progress of the capital expenditure and capitalisation undertaken against that proposed in the Capital Investment Plan, on or before the last Day of the month succeeding the respective quarter for review by the Commission.

8.7 **Sales Forecast**

- a) The Distribution Licensee shall forecast sales for each Consumer category and sub-

categories, at different voltage levels, for each Year of the Control Period in their Business Plan filings, for the Commission's approval;

- b) The forecast shall be based on the actual demand of electricity in previous Years, anticipated growth in demand in coming Years, expected growth in the number of Consumers, load growth, changes in the pattern of consumption, target AT&C losses including distribution losses and collection efficiency and other relevant factors;

Provided that where the Commission has stipulated a methodology for forecasting sales to any particular Tariff category, the Distribution Licensee shall incorporate such methodology in developing the sales forecast for such Tariff category.

- c) The Distribution Licensee, while forecasting sales, shall also consider effect of target; if any, set for Energy Efficiency and Demand Side Management Schemes;
- d) The sales forecast shall be consistent with the load forecast prepared as part of the power procurement plan under Regulation 8.8 of these Regulations and shall be based on past data and reasonable assumptions regarding the future:
- e) The Licensee shall indicate separately the sale of electricity to traders or another Licensee and category wise sales to Open Access Consumers.

8.8 Power Procurement Planning

- a) The Distribution Licensee shall prepare a plan for procurement of power (in MW/MU) to serve the demand for electricity in its Area of Supply and submit such plan to the Commission for approval as a part of Business Plan:

Provided that such power procurement plan may include long term (more than 5 years), medium-term (above 1 year and upto 5 years) and short-term (upto 1 year) sources of power procurement, in accordance with these Regulations.

- b) The power procurement plan of the Distribution Licensee shall comprise of the following:

- (i) A quantitative forecast of the unrestricted base load and peak load for electricity within its Area of Supply;
- (ii) An estimate of the quantity of electricity supply from the identified sources of power purchase, including own generation, if any;
- (iii) Measures proposed for Renewable Purchase Obligation (RPO), energy conservation, energy efficiency, and demand side management;
- (iv) An estimate of availability of power to meet the base load and peak load requirement:

Provided that such estimate of demand and supply shall be on month-wise basis in Megawatt (MW) as well as expressed in Million Units (MU);

- (v) Standards to be maintained with regard to quality and reliability of supply, in accordance with the relevant Regulations of the Commission;
- (vi) The requirement for new sources of power procurement, including augmentation of own generation capacity, if any, and identified new sources of supply, based on (i) to (v) above;
- (vii) The sources of power, quantity and cost estimates for such procurement;
- (viii) The impact of Open Access on load
- (ix) Impact of Storage capacities including Batteries, Electric Vehicle charging stations etc.;

Provided that the forecast or estimates contained in the long-term procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power to be procured (in MU) and maximum demand (in MW):

Provided further that the forecast or estimates for the Control Period shall be prepared for each month over the Control Period:

Provided also that the long-term/medium-term / short term procurement plan shall be a least cost plan based on available information regarding costs of various sources of supply;

- c) The forecast or estimate shall be prepared using forecasting techniques based on past data, impact of loss reduction initiatives, improvement in Generating Station Plant Load Factors, overall economic growth, consumption growth of electricity-intensive sectors, advent of competition in the electricity sector and other relevant factors;
- d) Where the Commission has specified a percentage of the total consumption of electricity in the area of a Distribution Licensee to be purchased from co-generation or renewable sources of energy, the power procurement plan shall include the plan for procurement from such sources at least up to the specified level;
- e) The Distribution Licensee shall also consult the State Transmission Utility at the time of preparation of the power procurement plan, and shall forward a copy of its power procurement plan to the State Transmission Utility to ensure consistency of such plan with the transmission system plan;
- f) Every long-term/medium-term agreement or arrangement for power procurement, including on a Standby basis, by a Distribution Licensee from a Generating Company or Licensee or from another source of supply, and any change to an existing agreement or arrangement shall come into effect only with the prior approval of the Commission:

Provided that the prior approval of the Commission shall not be required for purchase of power from Renewable Energy sources at the generic/preferential tariff determined by the Commission for meeting its Renewable Purchase Obligation (RPO).

- g) The Distribution Licensee may undertake additional power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, where there has been an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply during the Year or when the sourcing of power from existing tied-up sources becomes costlier than other available alternative sources.:

Provided that any variation, during the first or second block of six months of a Year, in the quantum or cost of power procured, including from a source other than a previously approved source, that is expected to be in excess of five per cent of that approved by the Commission, shall require its prior approval:

Provided further that the five per cent limit shall not apply to variation in the cost of power procured on account of changes in the price of fuel for own generation or the fixed or variable cost of power purchase that is allowed to be recovered through FPPCA mechanism;

- h) The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system:

Provided that within thirty days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall submit to the Commission its details, including the quantum, Tariff computations, duration, supplier particulars, method of supplier selection and such other details as the Commission may require so to assess that the conditions specified in this Regulation have been complied with;

- i) Where the Commission has reasonable grounds to believe that the agreement or arrangement entered into by the Distribution Licensee does not meet the criteria specified in Regulations 8.8(g) and 8.8(h), it may disallow any increase in the total cost of power procurement over the approved level arising there from or any loss incurred by the Distribution Licensee as a result, from being passed through to consumers.

9 Multi Year Tariff Application

- 9.1 The Applicant shall, based on the Business Plan as approved by the Commission, submit Multi Year Tariff Application containing the forecast of Aggregate Revenue Requirement, expected revenue and tariff proposal for each year of the Control Period, in a manner as provided in these Regulations and in formats specified by the Commission from time to time. The application shall be accompanied by such fee payable, as may be specified by the Commission in the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, as amended from time to time, by November 30, 2024:

Provided that the application shall also be accompanied by the true-up Petition of previous years based on the latest available audited accounts.

Provided also that the Applicant shall keep on filing true up petition for succeeding years, separately, by 30th November of each year.

9.2 The Applicant shall develop the forecast of Aggregate Revenue Requirement for each year of the control period using the assumptions relating to the behaviour of individual variables that comprise the Aggregate Revenue Requirement during each year of the Control Period, including inter-alia detailed category-wise sales and demand projections, power procurement plan, Capital Investment Plan, trajectories of parameters specified in these Regulations and as approved in the Business Plan, in accordance with guidelines and formats, as may be specified by the Commission from time to time.

9.3 The Applicant shall develop the forecast of Expected Revenue from Tariff and Charges based on the following:

- a) In the case of a Generating Company, estimates of the quantum of electricity to be generated by each unit/station for each Financial Year of the Control Period;
- b) In the case of a Transmission Licensee, estimates of the transmission capacity allocated to Transmission System Users for each Financial Year of the Control Period;
- c) In the case of a Distribution Licensee, estimates of the quantum of electricity to be supplied to Consumers and to be wheeled on behalf of distribution system users for the each Financial Year of the Control Period;
- d) Prevailing Tariff Categories and the tariff as on the date of making the application.
- e) Proposed Tariff Categories & Sub-categories along with proposed slabs in cases of Telescopic tariff.
- f) Proposed Miscellaneous income, which includes but not limited to recovery of Service Connection Charges, Reconnection Charges, Testing Fees, Meter Shifting Charges etc.
- g) Proposed Open Access Charges.

9.4 Based on the forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges for each year of the Control Period, the Generating Company, Transmission Licensee and Distribution Licensee for the Distribution Wires Business and Retail Supply Business, shall propose the tariff for each year of the Control Period:

Provided that the tariff proposed by Distribution Licensee shall be in accordance with Regulation 82 and these Regulations.

9.5 The Applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.

9.6 On receipt of the application, the Commission shall either:

- a) issue an Order approving the Aggregate Revenue Requirement and the tariff for each year of the Control Period; or
- b) reject the application for reasons to be recorded in writing, as the Commission may deem appropriate:

Provided that the Applicant shall be given a reasonable opportunity of being heard before rejecting its application.

9.7 The Multi Year Tariff approved by the Commission shall be sacrosanct for the entire control period and shall not be tampered mid-way in any case. Any gap/surplus, if any, arising on account of review/true up duly admitted by the Commission shall be levied as surcharge over & above the approved tariff.

10 Trajectory for Specific Variables

10.1 The Commission, while approving the Business Plan and/or Multi Year Tariff Petition, may stipulate a trajectory for certain variables, including but not limited to Auxiliary consumption, Station Heat Rate, Transmission Availability, O&M expenses, AT&C losses, Reliability Indices & Quality of Power etc.:

Provided that the utilities shall adhere to the norms as specified in the Order on Multi Year tariff petition:

11 Truing-up of Expenses and Revenue during the Control Period

11.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations.

11.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the truing up of the previous Year or the Year for which the audited accounts are available on or before 30th November of each Year, in formats specified by the Commission from time to time :

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.

11.3 The scope of the truing up shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

- a) **True-up:** a comparison of the audited financial and actual operational performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;
- b) **Tariff determination** for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;
- c) Review of compliance with directives issued by the Commission from time to time;
- d) Other relevant details, if any.

11.4 Upon completion of the exercise, the Commission shall attribute any variations in performance for variables specified under Regulation 12 below, to factors within the control of the Applicant (controllable factors) or to factors beyond the control of the Applicant (uncontrollable factors):

Provided that any variations in actual performance, for variables other than those specified under Regulation 12.1 below shall be attributed entirely to controllable factors:

11.5 Upon completion of the truing up exercise, the Commission shall pass an order recording:

- a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 13 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

- b) Approved gain or loss to the Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 14 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

- c) Carrying Cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from which such gap has become due till Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

[**Clarification:** If the true-up of ARR for FY 2021-22 is done in FY 2023-24 then carrying cost shall be computed for ½ yrs of FY 2021-22, full year of FY 2022-23 & ½ yrs of FY 2023-24.]

Provided that Carrying Cost on the amount of revenue gap shall be allowed subject to prudence check and submission of documentary evidence for having incurred the

carrying cost in the years prior to the year in which the revenue gap is addressed:

Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR /any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points;

Provided further that in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost for the period from which such surplus has become due, till the Year in which it is addressed on simple interest basis at one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as maybe, applicable as on 1st April of the relevant Year plus 100 basis points.

- d) Surcharge specifying Category wise/Sub-category wise rate (in Rs./kW or kVA or HP; as the case may be) to be levied from the consumers in the ensuing financial year(s).

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

12 Uncontrollable and Controllable factors

12.1 For the purpose of these Regulations, the term “uncontrollable factors” for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

- a) Force Majeure events;
- b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;
- c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers limited to metered sales;
- d) Interstate Transmission loss & Intra-State Transmission losses;
- e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;
- f) Variation in fuel cost;
- g) Change in power purchase mix;
- h) Inflation;
- i) Transmission Charges for a Distribution Licensee;
- j) Variation in market interest rates for long-term loans;
- k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;
- l) Taxes and Statutory levies and Duties;
- m) Taxes on income;
- n) Income from the realisation of bad debts written off;

Provided that the uncontrollable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.

12.2 For the purpose of these Regulations, the term “controllable factors” for a Transmission or Distribution Licensee shall comprise of the factors which were within the control of the Licensee, shall inter-alia include:

- a) Variations in capitalization on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;
- b) Variation in Interest and Finance Charges, Return on Equity, and Depreciation on account of variation in capitalisation, as specified in clause (a) above;

- c) Variations in AT&C losses of distribution licensee/integrated licensees;
- d) Intrastate Transmission loss for transmission licensee;
- e) Availability of transmission system;
- f) Variations in performance parameters;
- g) Failure to meet the standards specified in the Joint Electricity Regulatory Commission for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015, as amended from time to time;
- h) Variations in labour productivity;
- i) Variation in O&M Expenses, except to the extent of inflation;
- j) Bad debts written off, in accordance with the provisions of Regulation 76:

Provided further that the controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.

13 Mechanism for pass through of gains or losses on account of uncontrollable factors

- 13.1 Approved gain or loss to the Transmission Licensee or Distribution Licensee on account of uncontrollable factors shall be pass-through as an adjustment in the tariff of the Transmission Licensee or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations:

Provided that the mechanism for pass through of gains or losses on account of uncontrollable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.

- 13.2 The Transmission Licensee or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned and the figures approved by the Commission, in the specified format to the Commission, along with the detailed computations and supporting documents as may be required for verification by the Commission.

14 Mechanism for sharing of gains or losses on account of controllable factors

- 14.1 Approved gains/losses to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared between Licensee and consumers/beneficiaries in the following manner:

(a) Two-third of the amount of such gains, shall be passed on to the consumers/beneficiaries in the Annual Revenue Requirement (ARR) and one-third of the amount of such gain shall be borne by the respective licensees;

(b) Two-third of the amount of such losses shall be borne by the respective licensee and one-third of the amount of such losses shall be passed on to the consumers/beneficiaries in the Annual Revenue Requirement.

Provided that losses, during any year of the control period, above the limit as approved by the Commission under AT&C loss reduction trajectory for the control period shall not be passed on to the consumers.

- 14.2 The mechanism for sharing of gains or losses on account of controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.

15 Determination of Tariff

- 15.1 The proceedings to be held by the Commission for determination of tariff based on an application made by the Generating Company, Transmission Licensee or Distribution Licensee shall be in accordance with the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, as amended from time to time.

- 15.2 The Commission shall determine tariff and charges for Generation, Transmission, Distribution Wire Business and Retail Supply Business in accordance with the Regulation 16 of these Regulations and:

- (i) For Generation of electricity, in accordance with the terms and conditions contained in Chapter 4 of these Regulations;
- (ii) For Transmission of electricity, in accordance with the terms and conditions contained in Chapter 5 of these Regulations;

(iii) For Distribution Wires Business, in accordance with the terms and conditions contained in Chapter 6 of these Regulations; and

(iv) For Retail Supply Business, in accordance with the terms and conditions contained in Chapter 7 of these Regulations.

15.3 The Commission shall determine the tariff of a Generating Company, Transmission Licensee and Distribution Licensee covered under a Multi Year Tariff framework for each Year of the Control Period, within the timelines as specified in Regulation 16, of these Regulations.

Provided that no tariff or part of any tariff shall be amended except in respect of any changes expressly permitted under the terms of Fuel and Power Purchase Cost Adjustment Surcharge formula as specified by Regulation 20 of these Regulations.

Provided further that the gap or surplus: if any aroused on account of truing up exercise of previous years carried out by the Commission based on the audited accounts of Generating Company or Transmission Licensee or Distribution Licensee, in accordance with Regulation 11 of these Regulations shall be charged separately over and above the approved tariff under surcharges as specified by the Commission.

15.4 Notwithstanding anything contained in these Regulations, the Commission shall, at all times, have the authority, to determine the tariff, including terms and conditions thereof, of the Generating Company, Transmission Licensee or Distribution Licensee, on Suo motu basis:

Provided that such determination of tariff may be pursuant to an agreement or arrangement or otherwise whether or not previously approved by the Commission and entered into at any time before or after the applicability of these Regulations.

15.5 Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff, if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government:

Provided that the Applicant shall provide such information as the Commission may require for satisfying itself that the guidelines issued by the Central Government in this regard have been duly followed.

15.6 Tariff for an existing Generation Station:

a) Where the Commission has, at any time, prior to the date of effectiveness of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating unit/station, the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission;

b) Where, as on the date of effectiveness of these Regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing Generating Station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, the supply of electricity by such Generating Company to such Distribution Licensee after the date of effectiveness of these Regulations shall be in accordance with a power purchase agreement approved by the Commission:

Provided that an application for approval of such power purchase agreement or arrangement shall be made by the Distribution Licensee to the Commission within a period of three (3) months from the date of notification of these Regulations:

Provided further that the supply of electricity shall be allowed to continue under the present agreement or arrangement, as the case may be, until such time as the Commission approves such power purchase agreement and shall be discontinued forthwith if the Commission rejects, for reasons recorded in writing, such power purchase agreement or arrangement.

15.7 Determination of Tariff for a new Generating Station:

a) The tariff for the supply of electricity by a Generating Company to a Distribution Licensee

from a new generating unit/station shall be in accordance with tariff as per power purchase agreement approved by the Commission.

15.8 Determination of Tariff for Transmission, Distribution Wires Business and Retail Supply Business:

- a) The Commission shall, based on an application made by the Transmission or Distribution Licensees in accordance with the Regulations 16 determine the tariff for:
 - (i) Transmission of electricity, in accordance with the terms and conditions contained in Chapter 5 of these Regulations;
 - (ii) Distribution Wires Business, in accordance with the terms and conditions contained in Chapter 6 of these Regulations; and
 - (iii) Retail Supply Business, in accordance with the terms and conditions contained in Chapter 7 of these Regulations.

16 Filing Procedure

- 16.1 The Applicant shall provide, as part of its MYT Petition to the Commission, in such formats as specified by the Commission from time to time, full details of its calculation of the Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges, and thereafter, shall furnish such further informations or particulars or documents as the Commission may reasonably require to assess such calculation:

Provided that the Petition shall be accompanied by Category-wise/Sub Category-wise and Slab-wise tariff and charges proposal showing category-wise/Sub Category-wise and Slab-wise recovery of Aggregate Revenue Requirement for each year of the Control Period:

Provided further that the Commission may specify additional/alternative formats for details to be submitted by the Applicant, from time to time, as it may reasonably require for assessing the Aggregate Revenue Requirement and for determining the tariff.

- 16.2 Upon receipt of a complete Petition accompanied by all requisite informations, particulars and documents in compliance with all the requirements specified in these Regulations, the Petition shall be deemed to be received and the Commission shall intimate to the Applicant regarding the acceptance of Petition.
- 16.3 The Petition shall be supported by an affidavit of the person acquainted with the facts stated in the application.
- 16.4 The Applicant shall, within seven (7) Days after acceptance of the Petition by the Commission, publish a notice of its Petition in at least two English and two Vernacular language daily newspapers having wide circulation in the relevant area:

Provided that the notice of the Petition shall include but not limited to the following parameters:

- i. Capex and Captilization;
- ii. Category wise Quantum of Sales;
- iii. Energy Requirement and Energy Availability;
- iv. Power Purchase Quantum and Cost;
- v. AT&C losses including T&D losses and collection efficiency;
- vi. Auxiliary Consumption;
- vii. Transmission/Generation/Supply Availability;
- viii. Operation & Maintenance Expenses;
- ix. Return on Equity;
- x. Interest on Loan
- xi. Depreciation;
- xii. Annual Revenue Requirement;
- xiii. Non-Tariff Income

- xiv. Net Annual Revenue Requirement;
- xv. Category-wise/Sub Category-wise & Slab-wise Tariff Proposal;
- xvi. Any other parameter as directed by the Commission from time to time;

Provided that the Applicant shall make available a hard copy of the complete Petition to any person, at such locations and at such rates as may be stipulated by the Commission:

Provided further that the Applicant shall also provide on its internet website, in text searchable format or in downloadable spreadsheet format furnishing detailed computations, the Petition filed before the Commission along with all regulatory filings, information, particulars and documents in the manner stipulated by the Commission:

Provided also that the web link to such informations mentioned shall be easily accessible, archived for downloading and be prominently displayed on the Applicant's internet website:

Provided also that the Applicant may be exempted by the Commission from providing any such information, particulars or documents, which are confidential in nature.

- 16.5 The suggestions and objections, if any, on the proposal for determination of tariff, may be filed before the Secretary, Joint Electricity Regulatory Commission (for the State of Goa and Union Territories), by any person within the timeline specified in the notice so published, with a copy to the Applicant.
- 16.6 The Applicant, within seven (7) Days from the date of publication of the notice as aforesaid, shall submit to the Commission, on affidavit, the details of the notice published and shall also file copies of the newspapers wherein the notice has been published.
- 16.7 The Applicant shall file its comments on the suggestions and objections, if any, received in response to its application within the time limit specified by the Commission.

17 Tariff Order

17.1 The Commission shall, within one hundred and twenty (120) Days from the date of acceptance of the complete Petition, subject to petitioner's submission of informations subsequently sought by the Commission in a timely manner, and after accepting the application with such modifications or such conditions as may be specified in that Order and considering all suggestions and objections received from the various stakeholders:

- a) issue Multi Year Tariff Order;
- b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the Rules & Regulations made there under or the provisions/gap of any other law for the time being in force:

Provided that an Applicant shall be given a reasonable opportunity of being heard before rejecting its application.

- 17.2 The Applicant shall publish the tariff approved by the Commission in at least two English and two vernacular language daily newspapers having wide circulation in the State of location of Generating Company or Transmission Licensee or Area of Supply of Distribution Licensee, as the case may be, display the approved tariff schedule on its internet website, and make available for sale a booklet containing such tariff to any person upon payment of reasonable reproduction charges.
- 17.3 The tariff so published shall be in force from the date specified in the said Order and shall, unless amended or revoked, continue to be in force for such period as may be stipulated therein.

18 Adherence to Tariff Order

18.1 If any Generating Company or Licensees recovers a price or charge exceeding the tariff determined by the Commission under Section 62 of the Act and in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to State Bank of India Marginal Cost of Funds based Lending Rate (MCLR) of one year tenor, as on first April of the corresponding year plus 100 basis points without prejudice to any other liability that may be incurred by such Generating Company or Transmission Licensee or Distribution Licensee :

Provided that such interest payable to any party shall not be allowed to be recovered through

the Aggregate Revenue Requirement of the Licensee:

Provided further that the Licensee shall maintain separate details of such interest paid or payable by it, and shall submit them to the Commission along with its Petition.

- 18.2 The Generating Company or the Transmission Licensee or the Distribution Licensee shall submit periodic returns on quarterly basis or the period as may be required by the Commission, containing operational and cost data to enable the Commission to monitor the implementation of its Order.

19 Subsidy Mechanism

- 19.1 If the Government requires to grant any subsidy to any Consumer or class of Consumers in the tariff determined by the Commission, the Government shall, notwithstanding any direction which may be given under Section 108 or 109 of the Act, as the case may be, pay in advance, the amount, to compensate the Distribution Licensee/person affected by the grant of subsidy, as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the Government, in the manner specified in these Regulations:

Provided that no such direction of the Government shall be operative if the payment is not made in accordance with the provisions contained in these Regulations, and the tariff fixed by the Commission shall be applicable from the date of issue of orders by the Commission in this regard.

20 Fuel and Power Purchase Cost Adjustment Surcharge (FPPCAS)

- 20.1 For these Regulations "Fuel and Power Purchase Cost Adjustment Surcharge" (FPPCAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the State Commission;

- 20.2 Fuel and power purchase cost adjustment surcharge shall be calculated and billed to consumers automatically, without going through regulatory approval process, on a monthly basis, according to the formula specified in Regulation 20.9 of these Regulations, subject to true up, on an annual basis, in accordance with Regulation 11 of these Regulations:

Provided that the automatic pass through shall be adjusted in the monthly billing in accordance with these Regulations;

- 20.3 Fuel and Power Purchase Cost Adjustment Surcharge shall be computed and charged by the distribution licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month. (For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year):

Provided that in case the distribution licensee fails to compute and charge fuel and power purchase cost adjustment surcharge within the time line as specified above, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recover the fuel and power purchase adjustment surcharge determined during true-up shall also be forfeited;

- 20.4 The distribution licensee shall submit detailed computation, on monthly basis, of the variation between expenses incurred and the fuel and power purchase cost adjustment surcharge/billed, along with supporting documents, as may be required by the Commission, for verification of the fuel and power purchase cost adjustment surcharge billed/to be billed and the Commission shall examine the same;

- 20.5 The discrepancies, if any, found by the Commission, on examination, in computation of fuel and power purchase cost adjustment surcharge, the Commission shall inform the Distribution Licensee, such discrepancy, directing it for counter adjustment in the subsequent month's fuel and power purchase cost adjustment surcharge to be charged;

- 20.6 The revenue recovered on account of pass through fuel and power purchase cost adjustment surcharge by the distribution licensee, shall be true up later for the year under consideration in accordance with these Regulations;

- 20.7 To ensure smooth implementation of the fuel and power purchase cost adjustment surcharge mechanism and its recovery, the distribution licensee shall ensure that the licensee billing

system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open source software as available;

20.8 The distribution licensee shall publish all details including the fuel and power purchase cost adjustment surcharge formula, calculation of monthly fuel and power purchase cost adjustment surcharge and recovery of fuel and power purchase cost adjustment surcharge on its website and archive the same through a dedicated web address;

20.9 Fuel and Power Purchase Cost Adjustment Surcharge Formula:

$$\text{Monthly FPPCAS for } n^{\text{th}} \text{ Month (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1 - \text{Distribution losses in\%/100})\} * \text{ABR}}$$

Where,

n^{th} month = the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in $(n-2)^{\text{th}}$ month

A (in kWh) = Total units procured in $(n-2)^{\text{th}}$ Month from all Sources including Long-term, Medium –term and Short-term Power purchases.

B (in kWh) = Bulk sale of power from all Sources in $(n-2)^{\text{th}}$ Month.

C (in Rs./kWh) = Incremental Average Power Purchase Cost= Actual Average Power Purchase Cost (APPC) from all Sources in $(n-2)$ month - Approved Average Power Purchase Cost (APPC) from all Sources.

D (in Rs.) = Actual inter-state and intra-state Transmission Charges in the $(n-2)^{\text{th}}$ Month,

E (in Rs.) = Approved Cost of Transmission Charges for $(n-2)^{\text{th}}$ Month = (Approved Transmission Charges (in Rs.)/12)

Z (in kWh) = [{Actual Power purchased from all the sources outside the State in $(n-2)^{\text{th}}$ Month. (in kWh)* (1 – Approved Interstate transmission losses in % /100) + Power purchased from all sources within the State (in kWh)]*(1 – Approved Intra state losses in %) – B/100

ABR (in Rs./kWh) = Approved Average Billing Rate for the year

Distribution Losses (in %) = Approved Distribution Losses

Chapter 3: Financial Principles

21 Financial Principles for a Generating Company, Transmission and Distribution Licensee

21.1 The Capital Cost for a Generating Company, Transmission and Distribution Licensee shall be in accordance with these Regulations.

Provided that the Capital Cost for a Generating Company shall be determined by the Commission, guided by the relevant provisions of the prevalent CERC Tariff Regulations governing generation of electricity, subject to prudence check.

Provided further that the norms for Additional Capitalisation and Renovation and Modernisation for a Generating Company shall be in accordance with the prevalent CERC Tariff Regulations, governing generation of electricity.

21.2 The financial principles including principles governing Debt to Equity Ratio, Return on Equity, Interest on Loan, Foreign Exchange Risk Variation, Interest on Working Capital, treatment of Tax on Income, norms for working capital etc. for a Generating Company, Transmission and Distribution Licensee shall be as specified in the subsequent sections of this Chapter read with chapter 4, 5, 6 & 7 of these Regulations.

22 Capital Cost

22.1 Capital cost for a capital investment Project shall include:

(a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges and Incidental Expenses During Construction, as admitted by the Commission after prudence check;

- (b) capitalised initial spares subject to the ceiling rates specified in this Regulation;
- (c) the expenses incurred by the Licensee on obtaining right of way, as admitted by the Commission after prudence check;
- (d) additional capitalisation determined in accordance with Regulation 23;
- (e) any gain or loss on account of foreign exchange rate variation pertaining to the loan amount availed up to the Date of Commercial Operation, as admitted by the Commission after prudence check:

Provided that any gain or loss on account of foreign exchange rate variation pertaining to the loan amount availed up to the Date of Commercial Operation shall be adjusted only against the debt component of the capital cost:

Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost:

Provided also that the Licensee shall submit documentary evidence in support of its claim of assets being put to use.

22.2 The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff:

Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan including but not limited to the choice and manner of funding, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff.

22.3 The approved capital cost shall be considered for determination of tariff and if sufficient justification is provided for any escalation in the capital cost, the same may be considered by the Commission subject to prudence check:

Provided that in case the actual capital cost is lower than the approved capital cost, then the actual capital cost shall be considered for determination of tariff of the Licensee.

22.4 The actual capital expenditure on Date of Commercial Operation for the original scope of work based on audited accounts of the Generating Company, Transmission Licensee and Distribution Licensee, limited to original cost may be considered subject to prudence check by the Commission.

22.5 Where the Bulk Power Transmission Agreement provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling.

22.6 The capital cost may include initial spares capitalised as a percentage of the Plant and Machinery cost upto Cut-off Date, subject to the following ceiling norms:

a) Transmission Line & Distribution Line	1.0%
b) Transmission Sub-station & Distribution Sub-station (Green Field)	4.0%
c) Transmission Sub-station (Brown Field)	6.0%
d) Series Compensation devices and HVDC Station	4.0%
e) Gas Insulated Sub-station (GIS) (Green Field)	5.0%
(Brown Field)	7.0%
f) Communication System	3.5%
g) Gas turbine/combined cycle Generating Stations	4.0%

Provided that:

i. Plant and Machinery cost shall be considered as the original project cost excluding IDC, IEDC, Land Cost and Cost of Civil Works. The generating company and the transmission and Distribution Licensee, for the purpose of estimating Plant and Machinery Costs, shall submit the break-up of head-wise IDC and IEDC in its tariff application;

ii. where the generating station has any transmission equipment forming part of the generation project, the ceiling norms for initial spares for such equipment shall be as per the ceiling norms specified for the transmission system under these regulations.

iii. where the emission control system is installed, the norms of initial spares specified in the

prevalent CERC Tariff Regulations for coal or lignite based thermal generating stations, as the case may be, shall apply.

iv. Initial spares of high voltage underground cables used for the transmission system shall be allowed based on actuals on a case-to-case basis after carrying out due prudence check.

22.7 Any expenditure on the replacement, renovation and modernization or extension of life of old fixed assets, as applicable to the Generating Company, Transmission Licensee and Distribution Licensee, shall be considered after writing off the net value of such replaced assets from the original capital cost and shall be calculated as follows:

Net Value of Replaced Assets = OCFA – AD - CC

Where;

OCFA: Original capital cost of Replaced Assets

AD: Accumulated depreciation pertaining to the Replaced Assets

CC: Total Consumer Contribution pertaining to the Replaced Assets:

Provided further that the amount of insurance proceeds received, if any, towards damage to any asset requiring its replacement shall be first adjusted towards outstanding actual or normative loan and the balance amount, if any, shall be utilised to reduce the capital cost of such replaced asset, and any further balance amount shall be considered as Non-Tariff Income.

22.8 Consumer's contribution towards cost of capital asset shall be treated as capital receipt and credited in current liabilities until transferred to a separate account on commissioning of the assets.

Provided that an amount equivalent to the depreciation charge on such assets for the year shall be appropriated from this account as income to the profit and loss account over the useful life of the asset.

23 Additional Capitalisation

23.1 The capital expenditure, actually incurred or projected to be incurred, in respect of New Project or an Existing Project, on the following counts within the original scope of work, after the Date of Commercial Operation and up to the Cut-off Date may be admitted by the Commission, subject to prudence check:

- (i) Undischarged liabilities recognized to be payable at a future date;
- (ii) Payment made towards admitted liabilities for works executed up to the cut-off date;
- (iii) Works deferred for execution;
- (iv) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 22.6;
- (v) Payment made towards liabilities against the award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law; and
- (vi) Change in law or compliance with any existing law:

Provided that the details of works scheme wise/asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the application for determination of tariff.

23.2 The capital expenditure incurred or projected to be incurred in respect of the Existing project or New Project on the following counts within the original scope of work and after the Cut-off Date may be admitted by the Commission, subject to prudence check:

- (i) Payment made against liabilities to award of arbitration or for compliance with the directions or order of any statutory authority, or order or decree of any court of law;
- (ii) Change in law or compliance with any existing law which is not provided for in the original scope of work;
- (iii) Payment made towards liability admitted for works within the original scope executed

prior to the cut-off date

- (iv) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made;
- (v) Any liability for works executed prior to the Cut-off Date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments, etc.

23.3 In case of replacement of assets deployed under the original scope of the existing project after the cut-off date, the additional capitalization may be admitted by the Commission after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

- (i) Assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;
- (ii) The replacement of the asset or equipment is necessary on account of a change in law or Force Majeure conditions;
- (iii) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and
- (iv) The replacement of such asset or equipment has otherwise been allowed by the Commission.
- (v) The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.

23.4 The capital expenditure, in respect of Existing Project, incurred or projected to be incurred on the following counts beyond the original scope of work and after the Cut-off Date, may be admitted by the Commission, subject to prudence check:

- (i) Payment made against the liabilities to award of arbitration or for compliance with the order or decree of a court of law;
- (ii) Change in law or compliance of any existing law;
- (iii) Force Majeure events:
- (iv) Any expenses to be incurred on account of need for higher security and safety of the capital asset as advised or directed by appropriate Government agencies or statutory authorities responsible for national security/internal security;
- (v) Any liability for works executed prior to the Cut-off Date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments etc.;
- (vi) Any liability for works admitted by the Commission after the Cut-off Date to the extent of discharge of such liabilities by actual payments;
- (vii) Any additional capital expenditure, which has become necessary for efficient operation of the Generating Station, transmission system or the distribution system. The claim shall be substantiated with the technical justification duly supported by the documentary evidence like test results carried out by an independent agency in case of deterioration of assets, report of an independent agency in case of damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level; and
- (viii) In case of transmission system, any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, DC batteries, replacement due to obsolesce of technology, replacement of switchyard equipment due to increase of fault level, tower strengthening, communication equipment, emergency restoration system, insulators cleaning infrastructure, replacement of porcelain insulator with polymer insulators, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission system:

Provided that any expenditure on acquiring the minor items or the assets including tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, computers, fans, washing machines, heat convectors, mattresses, carpets, etc., bought after the Cut-off Date shall not be considered for additional capitalization for determination of tariff:

Provided further that if any expenditure has been claimed under Renovation and Modernisation (R&M) or repairs and maintenance under O&M Expenses, the same expenditure cannot be claimed under this Regulation.

23.5 Impact of variation in additional capitalization on the tariff, as the case may be, shall be considered during truing up of each Financial Year of the Control Period subject to prudence check.

23.6 In case of de-capitalisation of assets of a Generating Company or Transmission Licensee or Distribution licensee, as the case may be, the original cost of such asset as on the date of decapitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.

Provided that in cases where an asset forming part of a scheme is de-capitalised and wherein the historical value of such asset is not available, the value of de-capitalisation shall be computed by de-escalating the value of the new asset by 5% per year until the year of capitalisation of the old asset subject to a minimum of 10% of the replacement cost of the asset.

24 Additional Capitalisation on account of Renovation and Modernisation

24.1 The generating company intending to undertake renovation and modernization (R&M) of the generating station or unit thereof for the purpose of extension of life beyond the originally recognised useful life for the purpose of tariff, shall file a petition before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, and any other information considered to be relevant by the generating company or the transmission licensee:

Provided that the generating company intending to undertake renovation and modernization (R&M) shall seek the consent of the beneficiaries for such renovation and modernization (R&M) and submit the response of the beneficiaries along with the Petition

24.2 Where the generating company or the transmission licensee or the distribution licensee, as the case may be, makes an application for approval of its proposal for renovation and modernisation (R&M), approval may be granted after due consideration of the reasonableness of the proposed cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, expected duration of life extension, the response of the beneficiaries or long term customers, and such other factors as may be considered relevant by the Commission.

24.3 In the case of gas/ liquid fuel based open/ combined cycle thermal generating station after 25 years of operation from the date of commercial operation, any additional capital expenditure which has become necessary for the renovation of gas turbines/ steam turbines or additional capital expenditure necessary due to obsolescence or the non-availability of spares for efficient operation of the stations may be allowed subject to a prudence check:

Provided that any expenditure included in the renovation and modernisation (R&M) on consumables and cost of components and spares, which is generally covered in the O&M expenses during the major overhaul of gas turbines shall be suitably deducted from the expenditure to be allowed after prudence check.

24.4 After completion of the renovation and modernisation (R&M), the generating company, as the case may be, shall file a petition for determination of tariff. Expenditure incurred or projected to be incurred and admitted by the Commission after a prudence check and after deducting the accumulated depreciation already recovered from the admitted project cost shall form the basis for the determination of tariff.

25 Consumer Contribution, Deposit Work, Grant and Capital Subsidy

- 25.1 The works carried out by the Generating Company, Transmission Licensee and Distribution Licensee after obtaining a part or all of the funds from the users shall be classified as Deposit Works;
- 25.2 Capital works undertaken by the Generating Company, Transmission Licensee and Distribution Licensee utilising grants received from the State and Central Governments, including funds under various schemes shall be classified under the category of Grants;
- 25.3 The works carried out with any other grant of similar nature or such amount received without any obligation to return the same and with no interest costs attached to such subvention shall also be classified as works performed through consumer contribution, deposit work, capital subsidy or grant.
- 25.4 The expenses on such capital expenditure shall be treated as follows:
- a) normative O&M expenses as specified in these Regulations shall be allowed;
 - b) the debt to equity ratio shall be considered in accordance with Regulation 26, after deducting the amount of financial support provided through consumer contribution, deposit work, capital subsidy or grant;
 - c) depreciation to the extent of works performed through consumer contribution, deposit work, capital subsidy or grant shall not be allowed as specified in Regulation 30;
 - d) provisions related to return on equity, as specified in Regulation 27, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant;
 - e) provisions related to interest on loan capital, as specified in Regulation 28, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant.

26 Debt to Equity Ratio

- 26.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2025 shall be considered:

Provided that in the case of a generating station or a transmission system, including a communication system or a distribution system which has completed its useful life as on 01.04.2025 or is completing its useful life during the 2025-28 tariff period, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided also that in case of retirement or replacement or De-capitalisation of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or De-capitalisation of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

- 26.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 22, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the repayment of the loan for each year of the control period shall be deemed to be equal to the depreciation allowed for the respective years:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided also that any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt:equity ratio:

Provided also that assets funded by consumer contribution, capital subsidies/grants shall not form part of the capital base. Actual equity infused as per book value shall be considered as per actual and shall be used for computation in this Regulations:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

26.3 Any expenditure incurred or projected to be incurred on or after April 1, 2025, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in these Regulations.

26.4 The generating company or the transmission licensee or the distribution licensee, as the case may be, shall submit the resolution of the Board of the company or the approval of the competent authority in other cases regarding the infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system Including communication system or the distribution system, as the case may be.

26.5 In the case of the generating station or transmission system, including communication system or the distribution system declared under commercial operation prior to 01.04.2025, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.03.2025, the Commission shall approve the debt: equity ratio in accordance with clause 26.2 of this Regulation

27 Return on Equity

27.1 Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 27 for the assets put to use and shall be allowed in accordance with the prevalent CERC Tariff Regulations for the Generating Company and the transmission Licensees.

Provided that the Return on Equity shall be grossed up with the effective tax rate of the respective financial year.

27.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use at 15.50% rate of return on equity.

27.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use, at the rate of sixteen (16) per cent per annum.

27.4 The return on equity shall be computed on average of equity capital at the beginning and end of Year.

Provided that assets funded by consumer contribution, capital subsidies/grants and corresponding depreciation shall not form part of the capital base. Actual equity infused in the Distribution Licensee as per book value shall be considered as perpetual and shall be used for computation in this Regulation.

28 Interest on Loan

28.1 The loans arrived at in the manner indicated in Regulation 26 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided further that in case of De-capitalisation or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the de-capitalised or retired or replaced assets, based on documentary evidence.

28.2 The normative loan outstanding as on April 1, 2025, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2025, from the gross normative loan.

Provided that the repayment shall be deemed to be equal to the depreciation allowed.

28.3 Notwithstanding any moratorium period availed by the Generating Company or the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 30.

28.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Generating Company or the Transmission Licensee or the Distribution Licensee:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Generating Company or Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

Provided also that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State bank of India (SBI) MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

Provided also that if the Generating Company or the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

Provided further that if the generating station or the transmission system, as the case may be, does not have any actual loan, then the weighted average rate of interest of the loan portfolio of the generating company or the transmission licensee as a whole shall be considered.

28.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest.

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the Year.

28.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points, and (ii) weighted average rate of interest proposed by the Generating Company or Transmission Licensee or the Distribution Licensee.

28.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by the Generating Company or the Transmission Licensee or Distribution Licensee.

28.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

28.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable

to an agency or contractor or supplier engaged by the Generating Company or Transmission or Distribution Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

- 28.10 The Generating Company or the Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries; i.e., the Generating Company or the Transmission Licensee, as the case may be, and the Distribution Licensee and the Consumers of Distribution Licensee as the case may be, in accordance with Regulation 14 of these Regulations.

Provided that the Distribution Licensee shall submit the calculation of such benefit to the Commission for its approval.

- 28.11 Interest shall also be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the relevant Financial Year:

Provided that, for the purpose of estimation, prior to 1st April of a financial year, when Bank rate is not available for the relevant year, the latest available Bank Rate on the 1st April of the year, in which the petition is filed, shall be taken.

Provided further that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission.

29 Foreign Exchange Rate Variation

- 29.1 The Licensee may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the Generating station or transmission system or distribution system, in part or in full at its discretion.
- 29.2 The Licensee shall be permitted to recover the cost of hedging of foreign exchange rate variation corresponding to the foreign debt, in the relevant Year as an expense, subject to prudence check by the Commission, and extra rupee liability corresponding to such variation shall not be allowed against the hedged foreign debt.
- 29.3 To the extent that the foreign exchange exposure is not hedged, any extra rupee liability towards interest payment and loan repayment corresponding to the foreign currency loan in the relevant Year shall be allowed subject to prudence check by the Commission.

30 Depreciation

- 30.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:
- Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:
- Provided also that no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.
- 30.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.
- Provided that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) per cent of the allowable capital cost.
- 30.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.
- 30.4 In case of existing assets, the balance depreciable value as on April 1, 2025, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2025, from the gross depreciable value of the assets.
- 30.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalised at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalised by the Applicant, subject to the prudence check of the Commission.

Provided further that in case, the operation of the asset is for a part of the year, depreciation shall be charged on proportionate basis:

- 30.6 The depreciation shall be calculated at rates and norms specified in Appendix-I of these Regulations.

Provided that for Generation and Transmission, the depreciation shall be calculated at rate and norms specified in the prevalent CERC Tariff Regulations.

- 30.7 The Generating Company, Transmission or the Distribution Licensee shall provide the list of assets added and list of assets completing 90% of depreciation during each year of the Control Period along with the MYT Petition.

31 Interest on Working Capital

- 31.1 The norms for working capital for Generating Company shall be as specified in chapter 4 of these Regulations.
- 31.2 The norms for working capital for Transmission Licensee shall be as specified in Chapter 5 of these Regulations.
- 31.3 The norms for working capital for Distribution Wires Business and Retail Supply Business shall be as specified in Chapter 6 and Chapter 7 of these Regulations respectively.
- 31.4 The interest on working capital shall be payable on normative basis notwithstanding that the Generating Company or the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.
- 31.5 The rate of interest on working capital shall be equal to one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Financial Year plus 325 basis points.

Provided that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State bank of India (SBI) MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

32 Tax on Income

- 32.1 The treatment of income tax for a Generating Company or the Transmission Licensee or the Distribution Licensee shall be done by grossing up the rate of return on equity with the effective income tax rate.
- 32.2 The Commission in its MYT Order shall provisionally consider the effective income tax rate for each Year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to true-up.

33 Rebate

- 33.1 The rebate to be provided by a Generating Company or Transmission Licensee to a Distribution Licensee for early payment of bills shall be in accordance with the prevalent CERC Tariff Regulations.
- 33.2 The rebate to be provided by a Distribution Company to its consumers for early payment of bills shall be as approved in the relevant tariff orders.
- 33.3 Such rebate earned by the Distribution Licensee shall be considered under Non-Tariff Income for the Distribution Licensee.
- 33.4 Any rebate provided by the Generating Company or Transmission Licensee or Distribution Licensee to the beneficiaries shall not be allowed as an expense for the Generating Company or Transmission Licensee or the Distribution Licensee, as the case may be.

34 Late Payment Surcharge

- 34.1 In case the payment of bills of Generation charges or the transmission charges by a

beneficiary is delayed beyond a period as specified in the prevalent CERC Tariff Regulations, a late payment surcharge shall be levied on the billed amount in accordance with the prevalent CERC Tariff Regulations.

- 34.2 In case the payment of bills of wheeling charges or retail tariff charges of Distribution Licensee or Supply Licensee is delayed beyond a period as specified in the relevant tariff order, a late payment surcharge shall be levied on the billed amount in accordance with the prevalent tariff order
- 34.3 The delayed payment surcharge earned by the Generating Company or the Transmission Licensee or the Distribution Licensee shall not be considered under its Non-Tariff Income.
- 34.4 The delayed payment surcharge paid or payable by the Distribution Licensee to the Generating Company or the Transmission Licensee shall not be allowed as an expense for such Distribution Licensee.

35 Income from Other Business

- 35.1 Where the Transmission Licensee or Distribution Licensee is engaged in any Other Business, the income from such business shall be calculated in accordance with the Joint Electricity Regulatory Commission for Goa & Union Territories (Treatment of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2009, as amended from time to time and shall be deducted from the Aggregate Revenue Requirement of the Licensee:

Provided that the Licensee shall follow a reasonable basis for allocation of all joint and common costs between the transmission or distribution business and the Other Business and prepare Accounting Statements in accordance with Joint Electricity Regulatory Commission for Goa & Union Territories (Treatment of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2009, as amended from time to time and submit to the Commission along with its application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Licensee on account of such Other Business.

Chapter 4: Generation

36 Applicability

- 36.1 The Regulations contained in this Chapter shall apply for determination of tariff for supply of electricity to Distribution Licensee from a Generating Station located in the State.
- 36.2 The Commission shall be guided by the terms and conditions contained in this Chapter in determining the tariff for supply of electricity by a Generating Company to a Distribution Licensee in the following cases:
 - (a) where such tariff is pursuant to a power purchase agreement or arrangement entered into subsequent to the date of effectiveness of these Regulations; or
 - (b) where such tariff is pursuant to a power purchase agreement or arrangement entered into prior to the date of effectiveness of these Regulations and either the Commission has not previously approved such agreement/arrangement or the agreement/arrangement envisages that the tariff shall be based on the Tariff Regulations notified by the Commission; or
 - (c) where the Distribution Licensee is engaged in the business of generation of electricity, in determining the price at which electricity is supplied by the Generating Station of the Distribution Licensee to its Retail Supply Business.
- 36.3 Notwithstanding anything contained in this Chapter 4, the Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

37 Components of Tariff

- 37.1 The Aggregate Revenue Requirement for a Generation Company shall comprise of the following components:
- Return on Equity;
 - Interest and finance charges on Loan;
 - Depreciation;
 - Interest on Working Capital;
 - Operation and maintenance expenses;
 - Income tax.
- 37.2 The treatment of each of the above components shall be in accordance these Regulations. However, in case of non-inclusion of any component in these Regulations, the prevalent CERC Tariff Regulations governing generation of electricity shall be considered.
- 37.3 The recovery of Aggregate Revenue Requirement and fuel cost for a Generation Company shall be in accordance with the prevalent CERC Tariff Regulations governing generation of electricity

38 Norms of Operation and Maintenance Expenses:

- 38.1 The Operation and Maintenance Expenses for Small Gas Turbine Power Generating Stations (Closed Cycle such as PPCL) shall be as per the table below:

(in Rs Lakh/MW)

Year	Small gas turbine power generating stations (Closed Cycle) PPCL
FY2025-26	50.37
FY2026-27	53.02
FY2027-28	55.80

39 Norms of Working Capital for Generating Company

- 39.1 The Generating Company shall be allowed interest on the working capital for a gas turbine generating station on the estimated level of the financial year computed as follows:
- Fuel cost for 15 days corresponding to the normative annual plant availability factor, duly taking into account the mode of operation of the generating station on gas fuel and liquid fuel;
 - Liquid fuel stock for 15 days corresponding to the normative annual plant availability factor, and in case of use of more than one liquid fuel, cost of main liquid fuel duly taking into account mode of operation of the generating stations of gas fuel and liquid fuel;
- Provided that the above shall only be allowed to generating stations that have facilities to store liquid fuel.
- Maintenance spares @ 30% of operation and maintenance expenses, including water charges and security expenses;
 - Receivables equivalent to 45 days of capacity charge and energy charge for the sale of electricity calculated on the normative plant availability factor, duly taking into account the mode of operation of the generating station on gas fuel and liquid fuel;
 - Operation and maintenance expenses, including water charges and security expenses, for one month.
- 39.2 The Rate of interest on working capital shall be equal to one (1) year State Bank of India MCLR /any replacement thereof as notified by RBI for the time being in effect applicable for (1) year period, as may be applicable on 1st April of the relevant financial year, plus 325 basis points.

Provided that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State bank of India (SBI) MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

40 Return on Equity:

- 40.1 Return on equity for existing project shall be computed at the base rate of 15.50% for thermal generating station and run-of- river hydro generating station and at the base rate of 16.50% for storage type hydro generating stations, pumped storage hydro generating stations and run-of- river generating station with pondage;
- 40.2 The rate of return on equity as allowed by the Commission under Regulation 40.1 of these regulations shall be grossed up with the effective tax rate of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the concerned generating company by excluding the income of non-generation business, and the corresponding tax thereon.

Provided that in case a generating company is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;

Provided further that in case a generating company has opted for Section 115BAA, the effective tax rate shall be tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.

41 Depreciation:

- 41.1 Depreciation for Existing Projects shall be calculated annually based on the Straight Line Method and at rates specified in prevailing CERC regulations for the assets of the generating station :
Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the generating station, shall be spread over the balance useful life of the assets.
- 41.2 In the case of the existing projects, the balance depreciable value as on 01.04.2025 shall be worked out by deducting the cumulative depreciation as admitted to by the Commission up to 31.03.2025 from the gross depreciable value of the assets.
- 41.3 The generating company shall submit the details of capital expenditure proposed to be incurred during three years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciation value over the balance operational life of the generating station or unit thereof.

42 Interest and Finance charges on Loan:

- 42.1 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered;

Provided further that if the generating station, does not have any actual loan, then one (1) year State Bank of India (SBI) MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for one (1) year, as may be applicable as on 1st April of the relevant years shall be considered as the rate of interest for the purpose of allowing the interest on normative loan.

Provided also that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State bank of India

(SBI) MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

Provided further that if the generating station has taken actual loan, then the weighted average rate of interest of the loan portfolio of the generating company as a whole shall be considered.

43 Norms of Operation

43.1 The norms of operation for a Generating Station including Normative annual plant availability factor (NAPAF), Gross Station heat Rate, Auxiliary Consumption etc. shall be as per the table below:

(A) Normative Annual Plant Availability Factor (NAPAF):

For the Gas based Thermal Generating Stations:

GPS	85%
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(B) Normative Annual Plant Load Factor (NAPLF) for Incentive: 85%

(C) Gross Station Heat Rate: The Gross Station Heat Rate for the the gas based generating station (PPCL) shall be as 2646 kCal/kWh.

(D) Auxiliary Energy Consumption: The Auxiliary Energy Consumption for the gas based generating station (PPCL) shall be as 3.30%.

44 Non Tariff Income

44.1 The Non-Tariff Income shall inter-alia include:

- a) Income from rent on land or buildings;
- b) Income from sale of scrap in excess of 10% of the salvage value;
- c) Income from statutory investments;
- d) Interest on advances to suppliers/contractors;
- e) Rental from staff quarters;
- f) Rental from contractors;
- g) Income from hire charges from contractors and others;
- h) Income from advertisements, etc.;
- i) Miscellaneous receipts like parallel operation charges;
- j) Deferred Income from grant, subsidy, etc., as per Annual Accounts;
- k) Excess found on physical verification;
- l) Interest on investments, fixed and all deposits and bank balances;
- m) Prior period income, etc.:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Licensed Business of the Transmission Licensee shall not be included in Non-Tariff Income.

44.2 The amount of Non-Tariff Income relating to the generation business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining Annual Fixed Cost of the generating company.

Chapter 5: Intra-State Transmission

45 Applicability

The Regulations contained in this Chapter shall apply for determination of tariff for access and use of the intra-State transmission system in the States.

45.1 The annual transmission charges for each Financial Year of the Control Period shall provide for the recovery of the Aggregate Revenue Requirement of the Transmission Licensee for the respective Financial Year of the Control Period, as reduced by the amount of Non-Tariff Income, income from Other Business and short-term transmission charges of the relevant Year in accordance with Joint Electricity Regulatory Commission for the State of Goa and

Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time:

Provided that in case of competitively awarded transmission system projects in pursuance of Section 63 of the Act and in accordance with guidelines for competitive bidding for transmission, the annual transmission charges shall be as per the annual Transmission Service Charges (TSC) quoted by such competitively awarded transmission projects.

- 45.2 The annual transmission charges of the Transmission Licensee shall be determined by the Commission on the basis of an application for determination of Aggregate Revenue Requirement made by the Transmission Licensee in accordance with Chapter 2 of these Regulations.

46 Component of Tariff

- 46.1 The Aggregate Revenue Requirement for a Transmission Licensee shall comprise of the following components:

- a) Return on Equity;
- b) Depreciation;
- c) Interest and Finance Charges on Loan Capital;
- d) Interest on Working Capital and deposits from Transmission System Users;
- e) Operation and maintenance expenses;
- f) Income Tax;

Less:

- g) Income from Open Access Charges, in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017 as amended from time to time;
- h) Non-Tariff Income;
- i) Income from Other Business, to the extent specified in these Regulations:

Provided that Return on Equity, Interest on Loan, Depreciation, Interest on Working Capital and deposits from Transmission System Users and Income Tax for Transmission Licensees shall be allowed in accordance with the provisions specified in Chapter 3 & 5 of these Regulations:

Provided further that prior period income/expenses shall be allowed by the Commission at the time of truing up based on audited accounts, on a case-to-case basis, subject to prudence check.

47 Operation and Maintenance (O&M) expenses for Transmission Licensees

- 47.1 Operation and Maintenance (O&M) expenses shall comprise of the following:

- a) Employee expenses - salaries, wages, pension contribution and other employee costs;
- b) Administrative and General expenses including insurance charges if any; and
- c) Repairs and Maintenance expenses.

- 47.2 The Transmission Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the transmission Licensee, estimates of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.

- 47.3 O&M expenses for the n^{th} Year of the Control Period shall be approved based on the formula given below:

$$\text{O\&M}_n = (\text{R\&M}_n + \text{EMP}_n + \text{A\&G}_n) \times (1 - X_n) + \text{Terminal Liabilities}$$

Where,

$$\text{R\&M}_n = K \times \text{GFA}_{n-1} \times (1 + \text{WPI}_{\text{inflation}})$$

$$\text{EMP}_n = (\text{EMP}_{n-1}) \times (1 + \text{G}_n) \times (1 + \text{CPI}_{\text{inflation}})$$

$$A\&G_n = (A\&G_{n-1}) \times (1 + CPI_{inflation})$$

‘K’ is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee’s filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

$CPI_{inflation}$ – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

$WPI_{inflation}$ – is the average increase in the Wholesale Price Index (WPI) for immediately preceding three (3) Years before the base Year;

EMP_n – Employee expenses of the Transmission Licensee for the n^{th} Year;

$A\&G_n$ – Administrative and General expenses of the Transmission Licensee for the n^{th}

Year; $R\&M_n$ – Repair and Maintenance expenses of the Transmission Licensee for the

n^{th} Year; GFA_{n-1} – Gross Fixed Asset of the transmission Licensee for the $n-1^{th}$ Year;

G_n is a growth factor for the n^{th} Year. Value of G_n shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee’s filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate.

47.4 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved, as part of Employee cost, as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

47.5 For the purpose of estimation, the same value of factors – $CPI_{inflation}$ and $WPI_{inflation}$ shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of base O&M components from audited accounts and also actual values of the factors – $CPI_{inflation}$ and $WPI_{inflation}$ during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year.

47.6 For New Transmission Licensee, the Year-wise O&M norms shall be determined on case to case basis:

Provided that the same shall not apply to those New Projects, which are awarded on a competitive bidding basis.

Note: The term “New Transmission Licensee” shall mean the Transmission Licensee(s) for which transmission licence is granted by the Commission after the date of effectiveness of these Regulations, and whose transmission project assets are commissioned on or after April 1, 2025.

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 14.

48 Interest on Working Capital:

48.1 The Transmission Licensee shall be allowed interest on the estimated level of the working capital for transmission system for the financial year computed as follows:

- a) Receivables equivalent to 45 days of Annual Fixed Cost;
- b) Maintenance spares @ 15% of O&M expenses;
- c) O&M expenses for one month;

48.2 The Rate of interest on working capital shall be equal to one (1) year State Bank of India (SBI) MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for (1) year period, as may be applicable on 1st April of the relevant financial year plus 325 basis points;

Provided that for the estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State Bank of India (SBI) rate on the 1st April of the year in which the petition is filed, shall be taken.

48.3 The Interest on working capital shall be payable on a normative basis, notwithstanding that

the transmission licensee has not taken a loan for working capital from any outside agency.

49 Return on Equity:

49.1 Return on equity for existing project shall be computed at the base rate of 15.50% for transmission system including communication system;

49.2 Return on equity for new project achieving COD on or after 01.04.2025 shall be computed at the base rate of 15.00% for the transmission system, including the communication system;

Provided that return on equity in respect of additional capitalization beyond the original scope, including additional capitalization on account of the emission control system, Change in Law, and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;

Provided further that for the estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year SBI rate on the 1st April of the year in which the petition is filed, shall be taken.

49.3 The rate of return on equity as allowed by the Commission under Regulation 49.1 & 49.2 above of these regulations shall be grossed up with the effective tax rate of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant financial act applicable for that final year to the concerned transmission licensee by excluding the in our of non-transmission business and the corresponding tax thereof.

Provided that in case a transmission licensee is paying Minimum Alternate tax (MAT) under section 115 JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;

Provided further that in case a transmission licensee has opted for Section 115 BAA, the effective tax rate shall be tax rate including surcharge and cess, as specified under section 115 BAA of the Income Tax Act, 1961.

50 Depreciation:

50.1 Depreciation for Existing project shall be calculated annually based on the Straight Line Method and a rates specified in prevailing CERC Regulations for the assets of the transmission system.

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the transmission system shall be spread over the balance useful life of the assets.

50.2 Depreciation shall be computed from the date of commercial operation of a transmission system or element thereof including communication system. In the case of the tariff of all elements of a transmission system including the communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

Provided that the effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which a single tariff needs to be determined.

50.3 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple elements of a transmission system, the weighted average life for the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In the case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro rata basis.

50.4 The transmission licensee, shall submit the details of capital expenditure proposed to be incurred during three years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the transmission system.

50.5 In case of de-capitalization of assets in respect of transmission system or element thereof, the

cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalised asset during its useful service.

51 Interest on Loan and Finance Charges

51.1 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio.

Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered.

Provided further that if the transmission system does not have any actual loan, then one (1) year State Bank of India (SBI) MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for one (1) year, as may be applicable as 1st April of the relevant year shall be considered as the interest rate for the purpose of allowing the interest on normative loan.

Provided also that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State bank of India (SBI) MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

Provided further that if the transmission system have taken actual loan, then the weighted average rate of interest of the loan portfolio of the transmission licensee as a whole shall be considered.

52 Norms of Operations for Transmission Licensee

52.1 The norms of operations for a Transmission Licensee shall be applicable as specified below:

(A) Normative Annual Transmission System Availability Factor (NATAF):

(a) For recovery of Annual Fixed Cost, NATAF shall be 98% for AC Transmission system;

(b) For Incentive, NATAF for AC Transmission system shall be 98.50%;

Provided that no Incentive shall be payable for availability beyond 99.75%;

Provided further that for transmission system, actual outage hours shall be considered for computation of availability up to two tripping per year. After two tripping in a year, for every tripping, an additional 12 hours of outage shall be considered in addition to the actual outage hours;

Provided also that in case of an outage of a transmission element affecting evacuation of power from a generating station, outage hours shall be multiplied by a factor of 2.

(B) Auxiliary Energy Consumption in the Sub-station

The charges for auxiliary energy consumption in the AC sub-station for the purpose of air-conditioning, lighting and consumption in other equipment shall be borne by the transmission licensee and included in the normative operation and maintenance expenses.

(C) Transmission Loss

The energy losses in the transmission system of the Transmission Licensee, as determined by the State Load Despatch Centre, shall be borne by the Transmission System Users in proportion to their usage of the intra-State transmission system.

53 Non-Tariff Income

53.1 The amount of Non-Tariff Income relating to the transmission business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining annual transmission charges of the Transmission Licensee:

Provided that the Transmission Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of Aggregate Revenue Requirement.

53.2 The Non-Tariff Income shall inter-alia include:

a) Income from rent on land or buildings;

b) Income from sale of scrap in excess of 10% of the salvage value;

- c) Income from statutory investments;
- d) Interest on advances to suppliers/contractors;
- e) Rental from staff quarters;
- f) Rental from contractors;
- g) Income from hire charges from contractors and others;
- h) Income from advertisements, etc.;
- i) Miscellaneous receipts ;
- j) Deferred Income from grant, subsidy, etc., as per Annual Accounts;
- k) Excess found on physical verification;
- l) Interest on investments, fixed and all deposits and bank balances;
- m) Prior period income, etc.:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Licensed Business of the Transmission Licensee shall not be included in Non-Tariff Income.

54 Sharing of charges for Intra-State Transmission Network

- 54.1 The Aggregate Revenue Requirement of the Transmission Licensee, as approved by the Commission, shall be shared by all long-term users and medium-term users of the transmission system on a monthly basis in the ratio of their respective Allotted Transmission Capacity to the total Allotted Transmission Capacity, in accordance with the following formula:

$$ATC_n = (\text{Transmission ARR} / 12) \times (CC_n /$$

SCC)Where,

ATC_n = annual transmission charges payable by the n^{th} long-term user or medium-term user of the transmission system;

Transmission ARR = Aggregate Revenue Requirement of the Transmission Licensee, determined in accordance with these Regulations;

CC_n = Allotted Transmission Capacity by the n^{th} long-term user or medium-term user of the transmission system;

SCC = sum of Allotted Transmission Capacity by all long-term users and medium-term users of the transmission system:

Provided that the ATC_n shall be payable on a monthly basis by each long-term user or medium-term user of the transmission system and shall be collected by the State Transmission Utility (STU).

- 54.2 The short-term Open Access Consumers shall pay transmission charges on Rs/MW/day basis determined in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time.

75% of charges collected from the short-term Open Access Consumers shall be adjusted towards reduction in the charges payable by the long-term and medium-term Open Access Consumers. The remaining 25% of the charges collected from short-term Open Access users shall be retained by the Transmission Licensee.

55 Consequential Impact of any Government of India Scheme

- 55.1 The consequential impact of any Government of India scheme for waiver/reduction of transmission charges, incentives, and losses for any entity/ies, on the transmission charges payable by the other entities, shall be addressed through separate Orders to be issued by the Commission from time to time.

56 Separation of Accounts of Distribution Licensee

56.1 Every Distribution Licensee shall segregate accounts for Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement. The wheeling charges pertaining to Distribution Wires Business of the Distribution Licensee shall be determined by the Commission on the basis of these segregated accounts:

Provided that in case complete accounting segregation has not been done, the following Allocation Statement shall be applicable:

Table 1: Allocation Statement for segregation of Distribution Wires Business and Retail Supply Business

Particulars	Wires Business (%)	Retail Supply Business (%)
Power Purchase Expenses	0%	100%
Inter-State Transmission Charges	0%	100%
Intra-State Transmission Charges	0%	100%
Employee Expenses	40%	60%
Administration & General Expenses	50%	50%
Repair & Maintenance Expenses	90%	10%
Capital Cost	90%	10%
Depreciation	90%	10%
Interest on Long-term Loan Capital	90%	10%
Interest on working capital and on consumer security deposits	10%	90%
Bad Debts Written off	0%	100%
Income Tax	90%	10%
Non-Tariff Income	10%	90%
Income from Other Business	50%	50%

Provided further that the above Allocation Statement shall be applied for all or any of the heads of expenditure and revenue, where actual accounting separation has not been done between the Distribution Wires Business and Retail Supply Business.

57 Applicability

57.1 The Regulations contained in this Chapter shall apply to the determination of wheeling charges for usage of distribution wires of a Distribution Licensee by a distribution system user, other than retail supply Consumers.

58 Aggregate Revenue Requirement for Distribution Wires Business

58.1 The wheeling charges for Distribution Wires Business of the Distribution Licensee shall provide for the recovery of the Aggregate Revenue Requirement, which shall comprise of the following:

- a) Return on Equity;
- b) Interest and finance charges on Loan;
- c) Depreciation;
- d) Interest on Working Capital and deposits from distribution system users;
- e) Operation and maintenance expenses;
- f) Income Tax;

Less:

- g) Non-Tariff Income;
- h) Income from Other Business, to the extent specified in these Regulations:

Provided that Return on Equity, Interest on Loan Capital, Depreciation, Interest on Working Capital, Interest on deposits from Consumers and distribution system users, and Income Tax for Distribution Wires Business shall be allowed in accordance with the provisions specified in Chapter 3 of these Regulations:

Provided further that prior period income/expenses shall be allowed by the Commission at the time of truing up based on audited accounts, on a case-to-case basis, subject to prudence check:

Provided also that all penalties and compensation payable by the Licensee to any party for failure to meet any Standards of Performance or for damages, as a consequence of the orders of the Commission, Courts, Consumer Grievance Redressal Forum, and Ombudsman, etc., shall not be allowed to be recovered through the Aggregate Revenue Requirement:

Provided also that the Distribution Licensee shall maintain separate details of such penalties and compensation paid or payable by the Licensee, if any, and shall submit them to the Commission along with its Petition.

59 Operation and Maintenance (O&M) expenses for Distribution Wires Business

59.1 The Operation and Maintenance expenses for the Distribution Wires Business shall be computed in accordance with this Regulation.

59.2 Operation and Maintenance (O&M) expenses shall comprise of the following:

- a) Employee expenses - salaries, wages, pension contribution and other employee costs;
- b) Administrative and General expenses including insurance charges if any; and
- c) Repairs and Maintenance expenses.

59.3 The Distribution Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

59.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n)$$

Where,

$$R\&M_n = K \times GFA_{n-1} \times (1+WPI_{inflation})$$

$$EMP_n = (EMP_{n-1}) \times (1+G_n) \times (1+CPI_{inflation})$$

$$A\&G_n = (A\&G_{n-1}) \times (1+CPI_{inflation})$$

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

$CPI_{inflation}$ – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

$WPI_{inflation}$ – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMP_n – Employee expenses of the Distribution Licensee for the n^{th} Year;

$A\&G_n$ – Administrative and General expenses of the Distribution Licensee for the n^{th} Year;

$R\&M_n$ – Repair and Maintenance expenses of the Distribution Licensee for the n^{th} Year;

GFA_{n-1} – Gross Fixed Asset of the Distribution Licensee for the $n-1^{th}$ Year;

G_n is a growth factor for the n^{th} Year. Value of G_n shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that in case the Distribution Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, O&M Expenses shall be determined on case to case basis.

59.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as part of employee cost, as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

59.6 For the purpose of estimation, the same value of factors – $CPI_{inflation}$ and $WPI_{inflation}$ shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of base O&M components from audited accounts and also actual values of the factors – $CPI_{inflation}$ and $WPI_{inflation}$ during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year.

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 14.

60 Norms of Working Capital for Distribution Wires Business

60.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:

- a) O&M Expenses for one (1) month; plus
- b) Maintenance spares at 40% of repair and maintenance expenses for one (1) month; plus
- c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff;

Less

- d) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be recalculated on the basis of the values of components of working capital approved by the Commission in the truing up.

60.2 The Rate of interest on working capital shall be equal to one (1) year State Bank of India (SBI) MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for (1) year period, as may be applicable on 1st April of the relevant financial year plus 325 basis points;

Provided that for the estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State Bank of India (SBI) rate on the 1st April of the year in which the petition is filed, shall be taken.

- 60.3 The Interest on working capital shall be payable on a normative basis, notwithstanding that the transmission licensee has not taken a loan for working capital from any outside agency.

61 Return on Equity

- 61.1 Return on Equity shall be computed on the paid-up equity capital determined in accordance with Regulation 27 for the assets put to use.

- 61.2 The Return on Equity shall be computed on average of equity capital at the beginning and end of year.

Provided that assets funded by consumer contribution, capital subsidies/grants and corresponding depreciation shall not form part of the capital base. Actual equity infused in the Distribution Licensee as per book value shall be considered as per actual and shall be used for computation in this Regulation.

- 61.3 The rate of return on equity for the Distribution Wire Business shall be allowed at 15.50%.

Provided that the rate of return on equity shall be grossed up with the effective tax rate of the respective financial year.

62 Depreciation

- 62.1 The value base for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission;

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets;

Provided also that no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.

- 62.2 Depreciation shall be chargeable from the past year of commercial operation. In case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro-rata basis.

- 62.3 Depreciation for existing project shall be calculated based on the Straight Line Method and a rate specified in Appendix-1 of these Regulations.

- 62.4 Depreciation shall be allowed upto a maximum of 90% of the capital cost of the asset and 10% of the capital cost of the asset shall be considered a salvage value;

Provided that the salvage value of I.T. equipment and computer software shall be considered at zero(0) percent of the allowable capital cost.

- 62.5 Land other than the land held under lease shall not be a depreciable asset.

63 Interest on Loan and Finance Charges

- 63.1 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered;

Provided further that if the Distribution Wire Business does not have any actual loan, then one (1) year SBI MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for one (1) year, as may be applicable on 1st April of the relevant years shall be considered as the rate of interest for the purpose of allowing the interest on normative loan.

Provided also that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year SBI MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

64 Non-Tariff Income

- 64.1 The amount of Non-Tariff Income relating to the Distribution Wires Business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining the

wheeling charges of Distribution Wires Business of the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of wheeling charges.

64.2 The Non-Tariff Income shall inter-alia include:

- a) Income from rent of land or buildings;
- b) Income from sale of scrap in excess of 10% of the salvage value;
- c) Income from statutory investments;
- d) Income from interest on contingency reserve investment;
- e) Interest on advances to suppliers/contractors;
- f) Rental from staff quarters;
- g) Rental from contractors;
- h) Income from hire charges from contractors and others;
- i) Income from advertisements, etc.;
- j) Miscellaneous receipts;
- k) Excess found on physical verification;
- l) Deferred Income from grant, subsidy, etc., as per Annual Accounts;
- m) Prior period income, etc. ;
- n) Interest on investments, fixed and all deposits and bank balances:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Distribution Wires Business of the Distribution Licensee shall not be included in Non-Tariff Income.

65 Determination of Wheeling Charges

65.1 The Commission shall specify the Wheeling Charge of Distribution Wires Business of the Distribution Licensee in its Order passed under sub-section (3) of Section 64 of the Act:

Provided that the revenue from wheeling charges paid by the distribution system users other than the retail Consumers under the above proviso shall be used to reduce the Aggregate Revenue Requirement of the Distribution Wires Business to be recovered from the retail Consumers of the concerned Distribution Licensee, in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time.

66 Wheeling Losses

66.1 The Distribution Licensee shall be allowed to recover, in kind, the approved level of wheeling losses arising from the operation of the distribution system, as stipulated in the respective Tariff Order.

Chapter 7: Retail Supply of Electricity

67 Applicability

67.1 These Regulations shall apply to determination of tariff for retail supply of electricity by a Distribution Licensee to its Consumers.

68 Aggregate Revenue Requirement for Retail Supply Business

68.1 The tariff for retail supply of the Distribution Licensee shall provide for the recovery of the Aggregate Revenue Requirement of the Retail Supply Business for the respective Years of the Control Period, as approved by the Commission and comprising the following components:

- a) Cost of own power generation and power purchase expenses from other sources;
- b) Inter-State transmission charges;
- c) Intra-State transmission charges;
- d) SLDC fees and charges;
- e) Balance Aggregate Revenue Requirement for Distribution Wires Business, as determined under Chapter 6 of these Regulations, after deducting income from

wheeling charges payable by distribution system users other than the retail Consumers getting electricity supply from the same Distribution Licensee in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time;

- f) Provision for bad and doubtful debts written off;
- g) Return on Equity capital;
- h) Operation and Maintenance Expenses;
- i) Depreciation;
- j) Interest and finance charges on Loan Capital;
- k) Interest on Working Capital;
- l) Interest on consumer security deposits;
- m) Income Tax;

Less

- n) Non-Tariff income;
- o) Income from Other Business, to the extent specified in these Regulations;
- p) Receipts on account of Cross-Subsidy Surcharge;
- q) Receipts on account of Additional Surcharge;

Provided that prior period income/expenses shall be allowed by the Commission at the time of truing up based on audited accounts, on a case-to-case basis, subject to prudence check:

Provided further that all penalties and compensation payable by the Licensee to any party for failure to meet any Standards of Performance or for damages, as a consequence of the orders of the Commission, Courts, Consumer Grievance Redressal Forum, and Ombudsman, etc. or penalty imposed by Commission on Licensee for non-compliance with Renewable Purchase Obligations in accordance with Joint Electricity Regulatory Commission for state of Goa & Union Territories (Procurement of Renewable energy) Regulations, 2010, as amended from time to time shall not be allowed to be recovered through the Aggregate Revenue Requirement:

Provided also that the Distribution Licensee shall maintain separate details of such penalties and compensation paid or payable by the Licensee, if any, and shall submit them to the Commission along with its Petition.

69 Cost of Power Purchase

- 69.1 The Distribution Licensee shall be allowed to recover the cost of power generated by the Generating Stations owned by it or purchased from approved sources for supply to Consumers based on the power procurement plan of the Distribution Licensee, approved by the Commission.
- 69.2 The Distribution Licensee shall recover the incremental cost on account of Fuel and Power Purchase Cost Adjustment Surcharge (FPPCAS) in accordance with the formula and related terms and conditions as specified in Regulation 20 of these Regulations.

70 Transmission Charges

- 70.1 The Distribution Licensee shall be allowed to recover transmission charges payable for access to and use of the inter-state and intra-State transmission system in accordance with the tariff approved by the Commission under Chapter 5 of these Regulations.

71 Operation and Maintenance (O&M) expenses for Retail Supply Business

- 71.1 The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation.
- 71.2 O&M Expenses shall comprise of the following:
 - a) Employee expenses - salaries, wages, pension contribution and other employee costs;
 - b) Administrative and General expenses including insurance charges if any; and
 - c) Repairs and Maintenance expenses.

71.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

71.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n)$$

Where,

$$R\&M_n = K \times GFA_{n-1} \times (1+WPI_{inflation})$$

$$EMP_n = (EMP_{n-1}) \times (1+G_n) \times (1+CPI_{inflation})$$

$$A\&G_n = (A\&G_{n-1}) \times (1+CPI_{inflation})$$

‘K’ is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee’s filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPI_{inflation} – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPI_{inflation} – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMP_n – Employee expenses of the Distribution Licensee for the nth Year;

A&G_n – Administrative and General expenses of the Distribution Licensee for the nth Year;

R&M_n – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFA_{n-1} – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;

G_n is a growth factor for the nth Year. Value of G_n shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee’s filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that in case the Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, the O&M Expenses shall be determined on a case to case basis.

71.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as part of employee cost, as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

71.6 For the purpose of estimation, the same value of factors – CPI_{inflation} and WPI_{inflation} shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of base O&M components from audited accounts and also actual values of the factors – CPI_{inflation} and WPI_{inflation} during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation.

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 14.

72 Return on Equity

72.1 Return on Equity shall be computed on the paid-up equity capital determined in accordance with Regulation 27 for the assets put to use.

72.2 The Return on Equity shall be computed on average of equity capital at the beginning and end of year.

Provided that assets funded by consumer contribution, capital subsidies/grants and corresponding depreciation shall not form part of the capital base. Actual equity infused in the Distribution Licensee as per book value shall be considered as per actual and shall be used for computation in this Regulation.

72.3 The rate of return on equity for the Retail Supply Business shall be allowed at 16%.

Provided that the rate of return on equity shall be grossed up with the effective tax rate of the respective financial year.

73 Depreciation

73.1 The value base for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission;

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets;

Provided also that no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.

73.2 Depreciation shall be chargeable from the past year of commercial operation. In case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro-rata basis.

73.3 Depreciation for existing project shall be calculated based on the Straight Line Method and a rate specified in Appendix-1 of these Regulations.

73.4 Depreciation shall be allowed upto a maximum of 90% of the capital cost of the asset and 10% of the capital cost of the asset shall be considered a salvage value;

Provided that the salvage value of I.T. equipment and computer software shall be considered at zero(0) percent of the allowable capital cost.

73.5 Land other than the land held under lease shall not be a depreciable asset.

74 Interest on Loan and Finance Charges

74.1 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;

Provided that if there is no actual loan outstanding for a particular year but the normative loan is still outstanding, the last available weighted average rate of interest of the loan portfolio for the project shall be considered;

Provided also that if the Retail Supply Business does not have any actual loan, then one (1) year SBI MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for one (1) year, as may be applicable on 1st April of the relevant years shall be considered as the rate of interest for the purpose of allowing the interest on normative loan.

Provided further that for the purpose of estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year SBI MCLR rate on the 1st April of the year in which the petition is filed, shall be taken.

75 SLDC Fees & Charges

75.1 The Distribution Licensee shall be allowed to recover SLDC fees and charges payable to SLDC in accordance with the tariff approved by the Commission.

76 Provision for bad and doubtful debts

76.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:

Provided also that the provision for bad and doubtful debts shall be limited to 1% of the annual Revenue Requirement of the Distribution Licensee:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised.

77 Norms of Working Capital for Retail Supply Business

77.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail Supply Business for the Financial Year, computed as follows:

- a) O&M Expenses for one (1) month; plus

- b) Maintenance spares at 40% of repair and maintenance expenses for one (1) month; plus
- c) Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;

Less

- d) Power Purchase cost for one (1) month; plus
- e) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Consumers except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be recalculated on the basis of the values of components of working capital approved by the Commission in the truing up.

- 77.2 The Rate of interest on working capital shall be equal to one (1) year State Bank of India (SBI) MCLR/any replacement thereof as notified by RBI for the time being in effect applicable for (1) year period, as may be applicable on 1st April of the relevant financial year plus 325 basis points;

Provided that for the estimation, prior to 1st April of a financial year, when MCLR is not available for the relevant year, the latest available one (1) year State Bank of India (SBI) rate on the 1st April of the year in which the petition is filed, shall be taken.

- 77.3 The Interest on working capital shall be payable on a normative basis, notwithstanding that the transmission licensee has not taken a loan for working capital from any outside agency.

78 Non-Tariff Income

- 78.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of tariff.

- 78.2 The Non-Tariff Income shall inter-alia include:

- a) Income from rent of land or buildings;
- b) Income from sale of scrap in excess of 10% of the salvage value;
- c) Income from statutory investments;
- d) Interest on advances to suppliers/contractors;
- e) Rental from staff quarters;
- f) Rental from contractors;
- g) Income from hire charges from contractors and others;
- h) Income from advertisements, etc.;
- i) Meter/metering equipment/service line rentals;
- j) Service charges;
- k) Consumer charges;
- l) Recovery for theft and pilferage of energy;
- m) Rebate availed on account of timely payment of bills;
- n) Miscellaneous receipts;
- o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;
- p) Prior period income, etc.;
- q) Interest on investments, fixed and all deposits and bank balances:

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:

Provided further that any income earned by a Distribution Licensee by sale of power to other

Distribution Licensees or to Consumers as per Section 56 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time.

79 Subsidy

79.1 The Commission shall determine the ARR and Tariff without considering subsidy.

Provided that in case the State Government declares subsidy in advance or during tariff filing proceedings and the licensee incorporates the subsidy in the petition, the Commission shall notify two tariff schedules, one with subsidy and the other without subsidy:

Provided further that the Government's subsidy provided for or declared shall be supported by documentary evidence of time schedule of payment, mode of the payment of the subsidy and categorization of the subsidy amount into subsidized consumer categories:

79.2 The Commission may clarify in the tariff order, post the declaration from the Government, the quantum of Government's subsidy as applicable to the fuel cost adjustment along with the range (%) of variable cost up to which the fuel adjustment cost shall not be passed to the consumers, category wise classification, mode of payment and schedule of payment etc.

79.3 In case of no disbursement or delayed disbursement of subsidy by the Government, the licensee shall charge consumers as per the tariff schedule which is approved by the Commission, without consideration of subsidy.

79.4 The distribution licensee(s) shall submit to the Commission on quarterly basis the information on subsidy due, subsidy overdue and subsidy realized based on actual energy supplied to subsidized categories of consumer. The report on subsidy status shall be hosted on the distribution licensee's website

80 Receipts on account of Cross-Subsidy Surcharge and Additional Surcharge

80.1 The Cross-Subsidy Surcharge and Additional Surcharge received by the Distribution Licensee in accordance with the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time, at the rate approved by the Commission shall be deducted from the Aggregate Revenue Requirement, at the time of truing up.

81 AT&C Losses

81.1 The Distribution Licensee shall recover the approved level of AT&C losses arising from the Retail Supply of electricity.

81.2 The AT&C loss shall be computed as per the methodology specified in Annexure-I.

81.3 The Commission may stipulate a trajectory for AT&C losses including distribution losses and collection efficiency for the Control Period in accordance with these Regulations, as part of the Multi Year Tariff Order.

81.4 Any variation between the actual level of AT&C losses and the approved level shall be dealt with, as part of the Truing up exercise in accordance with Regulation 14.

82 Determination of Tariff & Tariff Design

82.1 The tariff for retail supply by the Distribution Licensee for each year of the control period shall be determined by the Commission as a part of the MYT Petition filed by the Distribution Licensee in accordance with these Regulations:

Provided that the Aggregate Revenue Requirement of the Distribution Licensee shall be allocated or apportioned between the Distribution Wires Business and Retail Supply Business in accordance with the Table 1 in Regulation 56, till the accounts for Distribution Wires Business and Retail Supply Business are not separated:

Provided further that the tariff for retail supply may comprise of any combination of fixed/demand charges, energy charges, and any other charges, for the purpose of recovery from the Consumers, as may be stipulated by the Commission:

Provided also that the Commission may determine the area-wise tariff for Distribution Licensee based on the performance parameters as may be stipulated by the Commission.

- 82.2 The Commission may categorize Consumers on the basis of their load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required and any other factor as considered appropriate by the Commission.
- 82.3 The Commission shall endeavour to determine cost of supply for each category/ sub-category of Consumers.
- 82.4 The Commission shall endeavour to reduce gradually the cross-subsidy between Consumer categories with respect to the cost of supply in accordance with the provisions of the Act.
- 82.5 The tariff proposal by Licensee and the tariff determination by the Commission shall be based on the following principles:
- (a) The tariff for all categories shall preferably be two part, consisting of fixed and variable charges.
 - (b) The fixed charges in tariff shall progressively reflect actual fixed cost incurred by Distribution Licensee;
 - (c) The overall retail supply tariff for different Consumer categories shall progressively reflect the cost of supply for respective categories of Consumers;
 - (d) The tariff for residential Consumers shall be set considering the affordability of tariff for various class of Consumers;
 - (e) The tariff shall be set in such a manner that it may not present a tariff shock to any category of Consumers.

Chapter 8: Miscellaneous

83 Saving of Inherent Power of the Commission

- 83.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.
- 83.2 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 83.3 Nothing in these Regulations shall, expressly or by implication, bar the Commission to deal with any matter or exercise any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

84 Issue of Orders and Practice Directions

- 84.1 Subject to the provision of the Act and these Regulations, the Commission may, from time to time, issue Orders and Practice directions with regard to the implementation of these Regulations and procedure to be followed on various matters.

85 Power to amend

- 85.1 The Commission may, at any time, vary, alter, modify or amend any provisions of these Regulations following the due process of law.

86 Power to remove difficulties

- 86.1 If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

87 Power of Relaxation

- 87.1 The Commission, for reasons to be recorded in writing, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

88 Interpretation

- 88.1 If a question arises relating to the interpretation of any provision of these Regulations, the decision of the Commission shall be final.

89 Repeal and savings

- 89.1 Save as otherwise provided in these Regulations, the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, are hereby repealed.
- 89.2 Notwithstanding such repeal, any proceedings before the Commission pertaining to the period prior to the commencement of the Control Period 2025-2030, including Petitions for True up of expenses, annual performance review, etc. shall be governed by prevalent JERC MYT Regulations.

S. D. Sharma,
Secy (I/c), JERC

Appendix –I: Depreciation Schedule and Useful Life for assets

(a) Generation and Transmission Assets

The Useful Life and depreciation rates for generation and transmission assets shall be as specified in the prevalent CERC Tariff Regulations.

(b) Distribution Assets

S. No	Asset Class	Useful Life (Years)	Rate (%)
1	Land owned under full title	Infinity	0
2	Land held under lease		
(A)	For investment in land	Period of lease or the period remaining unexpired on the assignment of the lease	0
(B)	For cost of clearing site	Period of lease remaining unexpired at the date of clearing the site	0
3	Assets purchased new		
(A)	Buildings and civil engineering works of a permanent character, not mentioned above:		
(i)	Offices and showrooms	50	1.80
(ii)	Temporary erection such as wooden structures	5	18.00
(iii)	Roads other than kutcha roads	50	1.80

S. No	Asset Class	Useful Life (Years)	Rate (%)
(iv)	Others	50	1.80
(B)	Transformers, transformer (kiosk) substation equipment & other fixed apparatus (including plant foundations)		
(i)	Transformers (including foundations) having a rating of 100 kilo volt amperes (kVA) and over	25	3.60
(ii)	Others	25	3.60
(C)	Switchgear, including cable connections	25	3.60
(D)	Lightning arrestors:		
(i)	Station type	25	3.60
(ii)	Pole type	15	6.00
(iii)	Synchronous condenser	35	2.57
(E)	Batteries	5	18.00
(F)	Underground cable including joint boxes and disconnected boxes	35	2.57
(G)	Cable duct system	50	1.80
(H)	Overhead lines including supports:		
(i)	Lines on fabricated steel operating at nominal voltages higher than 66 kV	35	2.57
(ii)	Lines on steel supports operating at nominal voltages higher than 11 kV but not exceeding 66 kV	25	3.60
(iii)	Lines on steel or reinforced concrete supports	25	3.60
(iv)	Lines on treated wood supports	25	3.60
(I)	Meters		
	Electro Mechanical	15	6.00
	Electronic/Smart Meters	10	9.00
(J)	Self propelled vehicles	5	18.00
(K)	Air conditioning plants:		
(i)	Static	15	6.00
(ii)	Portable	5	18.00
(L)	Others		
(i)	Office furniture and fittings	15	6.00

S. No	Asset Class	Useful Life (Years)	Rate (%)
(ii)	Office equipment	15	6.00
(iii)	Internal wirings including fittings and apparatus	15	6.00
(iv)	Street Light fittings	15	6.00
(M)	Apparatus let on hire:		
(i)	Other than motors	5	18.00
(ii)	Motors	15	6.00
(N)	Communication equipment		
(i)	Radio and higher frequency carrier systems	15	6.00
(ii)	Telephone lines and telephones	15	6.00
(O)	I.T. Equipment and Software	6.67	15.00
(P)	Assets purchased in second hand and assets not otherwise provided for in the schedule	such reasonable period as the Commission determines in each case having regard to the nature, age and conditions of assets at the time of its acquisition by the current owner	

METHODOLOGY FOR COMPUTATION OF AT&C LOSS

Name of State				
Name of Distribution licensee				
S. No.	Particulars	Calculation	Unit	Year
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of Distribution licensee.	A	MU	
2	Input energy (metered Import) received at interface point of Distribution licensee's network	B	MU	
3	Input energy (metered Export) by the Distribution licensee at interface points of Distribution licensee network	C	MU	
4	Total Energy available for sale within the licensed area to the consumers of the Distribution licensee.	$D=A+B-C$	MU	
5	Energy billed to metered consumers within the licensed area of the Distribution licensee.	E	MU	
6	Total Energy Billed	$G=E$	MU	
7	Amount billed to consumer within the licensed area of the Distribution licensee.	H	Rs	
8	Late payment Surcharge	I	Rs.	
9	Amount realized by the Distribution licensee out of the amount Billed at H#	J	Rs	
10	Subsidy Amount Received	K	Rs.	
11	Amount Realised on account of theft cases	L	Rs.	
12	Energy Realized on account of theft cases	$M=(L \times G)/H$	MU	
13	Collection Efficiency (%)	$N=(J-I+K+L/H+K+L) \times 100$	%	

14	Energy Realized by the Distribution licensee.	$P=N \times G$	MU	
15	Distribution Loss (%)	$Q = \{(D-G)/D\} \times 100$	%	
16	AT&C Loss (%)	$R = \{(D-(P+M))/D\} \times 100$	%	
<p># Amount received in the current year for the amount billed in the previous years should not be excluded in this head. However, subsidy received against the current year's sale should be considered in this head.</p>				
<p>Note: Audited figures must be taken from the Commercial Department of the utility (Billing and Revenue Section) for computing the AT&C losses.</p>				
