

11670/2023/Diary Section

**OFFICE OF THE CHIEF ELECTRICAL ENGINEER
GOVERNMENT OF GOA
ELECTRICITY DEPARTMENT
VIDYUT BHAVAN, 3RD FLOOR
PANAJI – GOA**

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No.120/03/MYT22-23 to 24-25/CEE/Tech/2022-23/ 1774 Dated: - 10/02/2023

To,

Secretary,
Joint Electricity Regulatory Commission,
(For State of Goa &UTs)
3rd and 4th Floor,Plot No. 55-56,Pathkind Lab Building,
Sector -18, Udyog Vihar, Phase IV
Gurugram, (122015) Haryana
Telephone:+91(124)4684705

Sub: - Petition for approval of True-Up for FY 2020-21 & FY 2021-22 by Electricity Department, Govt. of Goa and Note of Submission with respect to hearing held on Petition No. 77 of 2022 on behalf of Electricity Department, Govt. of Goa

Dear Sir,

Please find enclosed herewith 6 sets (1 original + 5 Copies) of True-Up Petition for FY 2020-21 & FY 2021-22 by Electricity Department, Govt. of Goa. As regards the fees of the Petition are concerned, the same are under process and will be remitted shortly.

Also, the duly signed and notarised copies (1 original + 1 Copy) of the Note of submissions of the Petitioner, Electricity Department, Govt. of Goa (EDG) in accordance with the directions given by the Hon'ble Commission during the hearing for Petition No. 77/2022 on 31st January, 2023 are attached herewith.

Yours faithfully,



(Stephen Fernandes)
Chief Electrical Engineer

BEFORE

JOINT ELECTRICITY REGULATORY COMMISSION

FOR THE STATE OF GOA AND UNION TERRITORIES

GURUGRAM



PETITION

FOR

APPROVAL OF

TRUE-UP FOR FY 2020-21 & FY 2021-22

BY



ELECTRICITY DEPARTMENT
Government of GOA

FEBRUARY 2023

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**BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA, &
UNION TERRITORIES, GURUGRAM**

Filing No.....

Case No.....

IN THE MATTER OF: Petition for True-up of FY 2020-21 & FY 2021-22

AND

IN THE MATTER OF: Electricity Department, Government of Goa,

Vidyut Bhavan, Panaji, Goa



[Handwritten Signature]

.....Petitioner

Electricity Department, Government of Goa (hereinafter referred to as "EDG"), files petition for approval of True-Up of FY 2020-21 & FY 2021-22 for the Electricity Department of Goa under section 45, 46, 61, 62, 64 and 86 of the Electricity Act, 2003 (EA 2003).

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BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA, &
UNION TERRITORIES, GURUGRAM

Filing No.....

Case No.....

IN THE MATTER OF: Petition for approval of True-Up of FY 2020-21 & FY 2021-22.

AND

IN THE MATTER OF: Electricity Department, Government of Goa

Vidyut Bhavan, Panaji, Goa

.....Petitioner



AFFIDAVIT VERIFYING THE PETITION

I, Shri. Stephen Fernandes, son of Shri. Rogue Fernandes aged **45** years, the deponent named above do hereby solemnly affirm and state on oath as under:

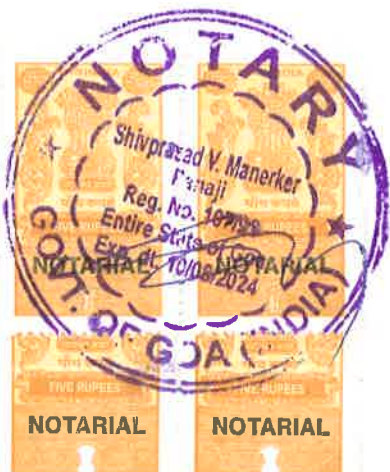
1. That I am Chief Electrical Engineer and Head of Electricity Department, Government of Goa and am authorised to sign and submit the said petition and am acquainted with the facts deposed to below.
2. I say that on behalf of EDG, I am now filing this Petition under The Electricity Act, 2003, Petition for approval of True-Up of FY 2020-21 & FY 2021-22.
3. I further say that the statements made, and financial data presented in the aforesaid Petition are as per records of the Department and believe that to be true to the best of my knowledge.

(Signature)

4. Further, to my knowledge and belief, no material information has been concealed in the aforesaid Petition.

The Electricity Department,
Government of Goa

DEPONENT



Place: Panaji, Goa

Dated: 09 February, 2023



SOLEMNLY AFFIRMED, AND VERIFIED
BEFORE ME BY Shri Stephen
Fernandes, chief Electrical Engineer Govt. E.
REG. No. 1259 DATED 9/2/23

SHIVPRASAD V. MANERKER
NOTARY AT PANAJI
ENTIRE STATE OF GOA (INDIA)

VERIFICATION

I, Shri Shivprasad V. Manerker Advocate and Notary having office at Panaji-Goa, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

Advocate

Solemnly affirmed before me on this day of **February 2023** by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.



**BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA, &
UNION TERRITORIES, GURUGRAM**

Filing No.....

Case No.....

IN THE MATTER OF: Petition for approval of True-Up of FY 2020-21 & FY 2021-22.

AND

IN THE MATTER OF: Electricity Department, Government of Goa

Vidyut Bhavan, Panaji, Goa

.....Petitioner

PETITIONER, UNDER SECTIONS 45, 46, 61, 62 AND 64 OF THE ELECTRICITY ACT, 2003 FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR DECIDING ON THE MATTERS CONCERNING THE PETITION FOR APPROVAL OF TRUE-UP OF FY 2020-21 & FY 2021-22.

The Petitioner respectfully submits as under: -

1. The Petitioner, Electricity Department – Goa (EDG) is deemed Distribution Licensee for the State of Goa.
2. EDG hereby submits the present Petition for approval of True-up of FY 2020-21 and FY 2021-22 based on the principles outlined in the JERC MYT Regulations 2018, notified by the Hon'ble Commission.
3. EDG hereby submits that the documents of Budgetary Support assurance from the Government of Goa FY 2020-21 and FY 2021-22 have been submitted as **Annexure-2** of this petition.



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4. EDG prays to the Hon'ble Commission to admit the attached petition for True-up of FY 2020-21, FY 2021-22.

Prayers to the Hon'ble Commission:

- A. Formulating True Up exercise for FY 2020-21 and FY 2021-22 based on the principles specified in JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 and the parameters approved in the MYT Order for the Control Period FY 2019-20 to FY 2021-22 dated 20th May 2019.
- B. In order to align the thoughts and principles behind the True-Up Petition, EDG respectfully seeks an opportunity to present its case prior to the finalization of the Tariff Order. EDG believes that such an approach would go a long way towards providing a fair treatment to all the stakeholders and may eliminate the need for a review or clarification.

The Petitioner respectfully prays that the Hon'ble Commission may:

- Accept and admit the petition for True-up of FY 2020-21 and FY 2021-22 as per the principles laid by the Hon'ble Commission contained in MYT Tariff Regulations 2018;
- Approve the total recovery and revenue gap for Final True up of FY 2020-21 and FY 2021-22 and other claims as proposed by EDG.
- Approve the Revenue Gap for FY 2020-21 and FY 2021-22 as Rs. 192.06 Cr and Rs. 407.56 Cr respectively as per True up, and the revenue gap as may be approved by the Hon'ble Commission during the process of finalising the True-Up petition;
- The revenue gap is proposed to be met through budgetary support by the Government of Goa. The letter for Budgetary Support have been submitted as **Annexure-2** to this Petition;
- Pass suitable orders with respect to True-up of FY 2020-21 and FY 2021-22 for the expenses incurred by EDG for serving its consumers;
- Grant any other relief as the Hon'ble Commission may consider appropriate;
- The petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time;



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-
- Condone any inadvertent omissions/errors/shortcomings and permit EDG to add/change/ modify/ alter this filing and make further submissions as may be required at a future date;
 - To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

Electricity Department,
Government of Goa



Petitioner

Place: Panaji

Dated: 09th February 2023





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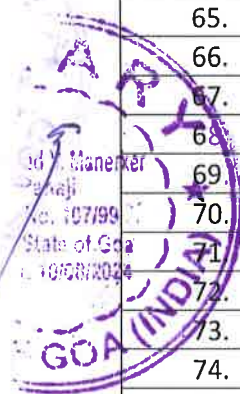
LIST OF ABBREVIATIONS

| S. No. | Abbreviations | Descriptions |
|--------|---------------|---|
| 1. | A&G | Administrative and General |
| 2. | AAD | Advance against Depreciation |
| 3. | APPCL | Arunachal Pradesh Power Corporation Limited |
| 4. | APR | Annual Performance review |
| 5. | ARR | Aggregate Revenue Requirement |
| 6. | APTEL | Appellate Tribunal for Electricity |
| 7. | CAG | Comptroller and Auditor General |
| 8. | CAGR | Compound Annual Growth Rate |
| 9. | CAPEX | Capital Expenditure |
| 10. | CEA | Central Electricity Authority |
| 11. | CERC | Central Electricity Regulatory Commission |
| 12. | CGS | Central Generating Station |
| 13. | CPI | Consumer Price Index |
| 14. | CWIP | Capital work in progress |
| 15. | DISCOM | Distribution Companies |
| 16. | DSM | Demand Side Management |
| 17. | EA Act | The Electricity Act 2003 |
| 18. | ED | Electricity Duty |
| 19. | EDG | Electricity Department, Government of Goa |
| 20. | EHT | Extra High Tension |
| 21. | EHV | Extra High Voltage |
| 22. | FPPCA | Fuel and power purchase cost adjustment |
| 23. | FY | Financial Year |
| 24. | GFA | Gross Fixed Assets |
| 25. | GoI | Government of India |
| 26. | GST | Goods and Services Tax |
| 27. | HP | Horse Power |
| 28. | HRA | House Rent Allowance |
| 29. | HT | High Tension |
| 30. | HV | High Voltage |
| 31. | HVDC | High Voltage Direct Current |
| 32. | IEX | Indian Energy Exchange Limited |
| 33. | IPDS | Integrated Power Development Scheme |
| 34. | IPP | Independent Power Producer |
| 35. | JERC | Joint Electricity Regulatory Commission |
| 36. | KV | Kilo Volt |
| 37. | kVA | Kilo Volt Ampere |
| 38. | kVAh | Kilo Volt Ampere Hour |



Petition for True-up of FY 2020-21 & 2021-22

| S. No. | Abbreviations | Descriptions |
|--------|---------------|--|
| 39. | kW | Kilo Watt |
| 40. | kWh | Kilo Watt Hour |
| 41. | LC | Letter of Credit |
| 42. | LGBR | Load Generation Balance Report |
| 43. | LT | Low Tension |
| 44. | MCLR | Marginal Cost of funds based Lending Rate |
| 45. | MDI | Maximum Demand Indicator |
| 46. | MU | Million Units (Million kWh) |
| 47. | MVA | Mega Volt Ampere |
| 48. | MW | Mega Watt |
| 49. | MYT | Multi Year Tariff |
| 50. | NFA | Net Fixed Assets |
| 51. | NPCIL | Nuclear Power Corporation of India Limited |
| 52. | NTPC | National Thermal Power Corporation |
| 53. | NVVNL | NTPC Vidyut Vyapar Nigam Limited |
| 54. | O&M | Operation & Maintenance |
| 55. | PGCIL | Power Grid Corporation of India |
| 56. | PLF | Plant Load Factor |
| 57. | PLR | Prime Lending Rate |
| 58. | POC | Point of Connection |
| 59. | PPA | Power Purchase Agreement |
| 60. | R&M | Repair and Maintenance |
| 61. | R-APDRP | Restructured Accelerated Power Development and Reforms Programme |
| 62. | RBI | Reserve Bank of India |
| 63. | REC | Renewable Energy Certificate |
| 64. | RPO | Renewable Purchase Obligation |
| 65. | SBI | State Bank of India |
| 66. | SECI | Solar Energy Corporation of India |
| 67. | SEM | Special Energy Meter |
| 68. | SLDC | State Load Dispatch Centre |
| 69. | SPS | Single Point of Supply |
| 70. | SR | Southern Region |
| 71. | SRPC | Southern Regional Power Committee |
| 72. | STOA | Short Term Open Access |
| 73. | T&D | Transmission and Distribution |
| 74. | TOD | Time of Day |
| 75. | UI | Unscheduled Interchange Charges |
| 76. | UT | Union Territory |
| 77. | VCoS | Voltage Wise Cost of Supply |





Petition for True-up of FY 2020-21 & 2021-22

| S. No. | Abbreviations | Descriptions |
|--------|---------------|----------------------------------|
| 78. | WR | Western Region |
| 79. | WRPC | Western Regional Power Committee |
| 80. | WPI | Wholesale Price Index |



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1 INTRODUCTION

1.1 Preamble

The Hon'ble Commission has notified JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018. In line with the same, EDG submits this Petition for True up for FY 2020-21 & FY 2021-22 as per the provisions of the MYT Tariff Regulations, 2018.

1.2 Background: Electricity Department of Goa

The Electricity Department was formed in January 1963 under the Government of Goa, Daman & Diu. It is the only licensee operating in the State of Goa for transmission and distribution of Electrical Energy. The Electricity Department of Goa does not have its own generation. Most of the power requirement for the State of Goa is met through its share from Central Sector Power Stations of NTPC Ltd as allocated by the Central Government.

ED-Goa came into regulatory regime w.e.f. FY 2011-12 i.e. the first tariff filing year. The Electricity Department is a deemed Distribution Licensee within the meaning of Section 2 (17) of Electricity Act 2003 and pursuant to the Section 14 of the Electricity Act. Further, Section 42 and 43 of the Electricity Act 2003 prescribes the following duties of the deemed Distribution Licensee:

- To develop and maintain an efficient, co-ordinated and economical distribution system;
- To supply electricity on an application of the consumer in accordance with the provisions specified in the Electricity Act 2003;
- To provide non-discriminatory open access to the consumers;
- To establish a forum for redressal of grievances of the consumers.

The main purpose is to undertake the transmission, distribution and retail supply of electricity in its license area and for this purpose to plan, acquire, establish, construct, erect, lay, operate, run, manage, maintain, enlarge, alter, renovate, modernize, automate, work and use a power system network in all its aspects and also to carry on the business of purchasing, selling, importing of electrical energy, including formulation of tariff, billing and collection thereof and then to study, investigate, collect information and data, review operations, plan, research, design and prepare project reports, diagnose operational difficulties and weaknesses and advise on the remedial measures to improve and modernize existing sub-transmission and supply





lines and sub-stations.

The Electricity Department of Goa caters 6.66 Lakh consumers (Nos.) with an annual energy consumption of 3767.16 MU for FY 2020-21. The Consumers of the Electricity Department of Goa are classified as under:

Table 1-1: No. of Consumers (Nos.) and Sales (MU) for FY 2020-21

| Particulars | FY 2020-21 | | | |
|-----------------------|-------------------------|----------------|----------------|----------------|
| | No. of Consumers (Nos.) | % | Sales (MU) | % |
| Domestic | 534483 | 80.16% | 1340.47 | 35.58% |
| Commercial | 102607 | 15.39% | 463.56 | 12.31% |
| Industrial | 6608 | 0.99% | 1832.21 | 48.64% |
| Agriculture | 12382 | 1.86% | 32.51 | 0.86% |
| Temporary | 4657 | 0.70% | 21.16 | 0.56% |
| Defence Establishment | 14 | 0.00% | 27.08 | 0.72% |
| Others | 6016 | 0.90% | 50.16 | 1.33% |
| Total | 666767 | 100.00% | 3767.16 | 100.00% |

The Electricity Department of Goa caters 6.81 Lakh consumers (Nos.) with an annual energy consumption of 4019.41 MU for FY 2021-22. The Consumers of the Electricity Department of Goa are classified as under:

Table 1-2: No. of Consumers (Nos.) and Sales (MU) for FY 2021-22

| Particulars | FY 2021-22 | | | |
|-----------------------|-------------------------|----------------|----------------|----------------|
| | No. of Consumers (Nos.) | % | Sales (MU) | % |
| Domestic | 546228 | 80.13% | 1290.78 | 32.11% |
| Commercial | 104982 | 15.40% | 507.83 | 12.63% |
| Industrial | 6602 | 0.97% | 2090.54 | 52.01% |
| Agriculture | 12703 | 1.86% | 31.28 | 0.78% |
| Temporary | 5019 | 0.74% | 24.89 | 0.62% |
| Defence Establishment | 14 | 0.00% | 29.44 | 0.73% |
| Others | 6169 | 0.90% | 44.64 | 1.11% |
| Total | 681717 | 100.00% | 4019.41 | 100.00% |

The peak demand of Goa during FY 2020-21 was around 698 MW (March 2021). As per CEA LGBR report, for FY 2020-21, the Energy Deficit and the peak deficit for the State of Goa were 0.00% (NIL) and 0.00% (NIL) respectively.

The peak demand of Goa during FY 2021-22 was around 693 MW (March 2022). As per



CEA LGBR report, for FY 2021-22, the Energy Deficit and the peak deficit for the State of Goa were (-)0.10% and 0.00% (NIL) respectively.

The peak demand in FY 2021-22 (April to September) recorded in April was 685 MW. EDG is currently receiving Central Allocated share of 418 MW of power from the Western Region (WR) and 100 MW from the Southern Region (SR). The total firm allocation of power from central sector is 518 MW. In addition, the department also purchases power from Co-generation stations within state and short-term power procurement from the market, Traders, DEEP portal.

1.3 Filing in the current Petition

EDG hereby submits that that the audit of the accounts for FY 2020-21 and FY 2021-22 (**Annexure-4**) are completed and audit certificate has been issued by CAG. Accordingly, EDG is filing the true Up Petition for FY 2020-21 and FY 2021-22 and tariff Formats are annexed as **Annexure-1** of this Petition.





2 OVERALL APPROACH FOR PRESENT FILING

The Hon'ble Commission had notified JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 on 10th August, 2018. In line with the above Regulations, EDG is filing the True-up for consideration of the Hon'ble Commission.

2.1 Truing Up of ARR of FY 2020-21

Goa Electricity Department (EDG) for FY 2020-21 submits the final truing up of FY 2020-21 by comparing actual audited figures for the financial year with those approved by the Hon'ble Commission for FY 2020-21 vide ARR order dated 19th May 2020. The balance sheet for FY 2020-21 and CAG certificate is enclosed as **Annexure-3** of this petition.

This chapter summarizes each of the components of ARR for FY 2020-21 thereby working out the revenue gap for FY 2020-21.

2.2 Energy Sales

The total actual sales of EDG for 2020-21 are 3,767.16 MU's. The Category wise actual and approved sale for FY 2020-21 is shown in the table below.

Table 2-1: Sales for FY 2020-21 (MUs)

| Sr. No. | Category of Consumer | Approved in Order dt. 19-05-2020 | Audited |
|-------------------------------|--|----------------------------------|----------------|
| A. LOW TENSION SUPPLY | | 1926.41 | 1848.19 |
| 1 | LTD/Domestic | 1256.86 | 1338.48 |
| 2 | LT-L.I.G (Low income Group) | 1.76 | 1.42 |
| 3 | LTC/Commercial | 536.20 | 361.13 |
| 4 | LTI/ Industrial | 104.63 | 78.25 |
| 5 | LT Mixed/ LT-P Hotel Industries | 5.78 | 2.89 |
| 6 | Low Tension-AG/LT-AGP (Pump Sets/Irrigation) | 17.37 | 18.31 |
| 7 | Low Tension-AG/LT-AGA (Allied Activities) | 0.91 | 0.95 |
| 8 | LTPL Public lighting | 2.66 | 46.61 |
| 9 | LT Hoarding /Sign Board | 0.24 | 0.14 |
| B. HIGH TENSION SUPPLY | | 2226.67 | 1894.40 |
| 10 | HTD Domestic | 0.29 | 0.57 |
| 11 | HT Commercial | 127.11 | 102.42 |
| 12 | HTI Industrial | 1620.19 | 1300.31 |
| 13 | High Tension-Ferro/SM.PI/SR | 442.64 | 450.76 |



| Sr. No. | Category of Consumer | Approved in Order dt. 19-05-2020 | Audited |
|-------------------------------|--|----------------------------------|----------------|
| 14 | High Tension-AG/HT-AGP (Pump Sets/Irrigation) | 4.85 | 4.66 |
| 15 | High Tension-AG/HT-AG (Allied Activities) | 4.52 | 8.60 |
| 16 | Military Engineering Services/defense Establishments | 27.07 | 27.08 |
| C. TEMPORARY SUPPLY | | 20.81 | 21.16 |
| 16 | L.T. Temporary | 20.51 | 18.34 |
| 17 | H.T. Temporary | 0.30 | 2.82 |
| D. Single Point Supply | | 5.46 | 3.41 |
| 18 | Residential Complexes | - | - |
| 19 | Commercial Complexes | 5.46 | 3.41 |
| 20 | Industrial Complexes | - | - |
| Total | | 4179.35 | 3767.16 |

The Hon'ble Commission is requested to approve the sales figures considered in the table above for FY 2020-21.

2.3 Intra-state & Interstate Transmission & Distribution Loss

EDG submits that the actual Intra State T&D Loss and Inter State Loss are 7.74% and 3.62% (Interstate loss for WRPC 3.13% & SRPC 6.44%) respectively for FY 2020-21 compared to that approved by Hon'ble Commission at Distribution Loss as 10.50% and Interstate loss for WRPC 3.26% & SRPC 9.87%. it is requested to approve the actual Distribution Loss level as mentioned in this para.

EDG while computing Energy balance for entire FY 2020-21 has considered actual of UI Over- Drawal / Under Drawal, purchase of traders, sale to exchange etc.

Table 2-2: Energy Balance for FY 2020-21

| Sr. No. | Item | FY 2020-21 Audited (MUs) |
|---------|---|--------------------------|
| 1 | Energy Input at Goa Periphery | 3919.50 |
| 2 | Total Power Scheduled/ Purchased at Goa Periphery | |
| | Total Schedule Billed Drawal - CGS | 3,855.14 |
| | Add: Overdrawal | 28.70 |
| | Add: Power purchase from NVVN / Banking | 18.17 |
| | Add: Power purchase from Traders/ Open Market | 105.95 |
| | Less: Underdrawal | 32.53 |
| | Add: Renewable Power | 493.06 |



| Sr. No. | Item | FY 2020-21 Audited (MUs) |
|----------|---|--------------------------|
| | Less: Power diverted to Exchange | 401.79 |
| | Total | 4066.71 |
| 3 | PGCIL Losses - MUs | 147.21 |
| | PGCIL Losses - % | 3.62% |
| 4 | Total Power Purchased within Goa State | |
| | Add: Co-generation | 149.77 |
| | Add: Solar Generation | 12.65 |
| | Add: Independent Power Producers (IPP) | 1.13 |
| | Total | 163.55 |
| 5 | Total Power Purchase availability after PGCIL Losses | 4083.05 |
| | Less: Retail Sales to Consumers | 3767.16 |
| | Distribution Losses - MUs | 315.89 |
| 6 | Distribution Losses - % | 7.74% |

EDG would like to submit that in FY 2020-21 H1, the economic and commercial activities were affected due to outbreak of COVID-19 pandemic. Thus, the energy sale in FY 2020-21 (H1) was very less compared to the corresponding period of previous years.

Further ED-Goa submits, during FY 2019-20 billing cycle followed was bi-monthly and further due to breakout of the CoVID -19 pandemic and imposition of nation-wide complete lockdown which hampered the billing cycle and resulted in lower sales during FY 2019-20.

When the lockdown was declared, the Meter Readers could not move out to complete the meter reading for the month of February and March 2020 and the sales details of the same were not considered as the part of FY 2019-20 and the same were accounted in the FY 2020-21. Due to this reason, Distribution Loss for FY 2019-20 was recorded as high as 15.03% compared to 7.74% of FY 2020-21. The distribution loss was high to the level of 15.03% in FY 2019-20 because of Covid-19 Pandemic due to which the energy sales recorded for the month of March 2020 were not accounted for FY 2019-20. These sales has been accounted during FY 2020-21 which has resulted in major reduction in distribution loss of FY 2020-21 to 7.74%.

The Hon'ble Commission is requested to approve the Distribution Loss for True-Up of FY 2020-21 as submitted in the above table.



2.4 Power Purchase Quantum & Cost for 2020-21

EDG meets its total energy requirement from its allocation from the Central Generating Stations (CGS) i.e., NTPC, NPCIL and Co-generating Company like Vedanta Plant-1, Vedanta Plant-2 and Goa Sponge & Power Ltd. EDG also meets a part of its energy requirement through purchase of short-term power from traders and power exchanges.

The transmission charges comprise of transmission charges to Western Region, Southern Region and POSOCO fee and charges.

The Power Purchase cost also includes ED, cess, Incentives, Supplementary Charges, etc. and the same are considered on actual basis. During FY 2020-21, EDG has procured actual renewable power of 506.84 MU for RPO obligation. The renewable purchase includes procurement of 148.16 MU of Solar power from NVVN, SECI & Short term traders and 358.67 MU of Non-Solar power from SECI Wind, Short term traders & Hindustan Waste Treatment Plant. The details regarding the fulfilment of RPO has been provided in Tariff format 4(A) of this petition.

Due to Covid-19 Lockdown, the Industrial and other commercial activities became standstill and the energy consumption for these categories were reduced in comparison with previous years. Accordingly, the Power requirement for the State of Goa for FY 2020-21 (April to August) reduced to considerable extent and the consumption of Power shifted to majorly to Domestic consumers.

The table below shows the summary of Power Purchase from various sources along with their costs for FY 2020-21 including Transmission Charges, UI charges and purchase from traders.

Table 2-3: Power Purchase Quantum & Cost for FY 2020-21

| S. No. | Source | FY 2020-21 (Approved) | | FY 2020-21 (Audited) | |
|--------|------------------|-----------------------|------------------|----------------------|------------------|
| | | Quantum (MUs) | Cost (Rs. Crore) | Quantum (MUs) | Cost (Rs. Crore) |
| 1 | NTPC | 3393.71 | 1032.05 | 3632.51 | 1034.64 |
| 2 | Lara STPP-I & II | 49.89 | 24.95 | | |
| 3 | Khargone STPP | 80.19 | 40.10 | | |
| 4 | NPCIL | 186.11 | 56.36 | 222.63 | 64.42 |
| 5 | Co-Generation | 168.19 | 40.37 | 149.77 | 35.33 |
| 6 | Renewable Energy | 497.93 | 189.73 | 506.84 | 230.74 |
| 7 | Kameng HEP | 10.88 | 5.44 | - | - |
| 8 | Open Market | 282.75 | 87.65 | - | - |
| 9 | IEX Purchase | - | - | 105.95 | 37.86 |



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| S. No. | Source | FY 2020-21 (Approved) | | FY 2020-21 (Audited) | |
|--------|-------------------------------------|-----------------------|------------------|----------------------|------------------|
| | | Quantum (MUs) | Cost (Rs. Crore) | Quantum (MUs) | Cost (Rs. Crore) |
| 10 | IEX Sale | - | - | (401.79) | (102.51) |
| 11 | Net Over & Under-Drawal | - | - | (3.82) | 3.07 |
| 12 | Banking | - | - | 18.17 | 0.17 |
| 13 | Transmission and Other Charges | | 151.26 | - | 159.76 |
| 14 | Total | 4669.66 | 1627.91 | 4,230.26 | 1,463.48 |
| | Power purchase cost per unit | 2.87 | | 3.46 | |

EDG submits that actual overall power purchase cost per unit is arrived at Rs. 3.46/kWh against approved power purchase cost of Rs. 2.87/kWh in Tariff Order.

EDG request the Hon'ble Commission to approve the power purchase cost including the transmission charges for FY 2020-21.

2.5 Capital Work in Progress, GFA and Depreciation

GFA: The Opening Balance of GFA for FY 2020-21 comes to around Rs. 1,398.63 Cr. as per annual accounts of respective years. The following table shows the opening balance, additions, deductions and closing balance of GFA for FY 2020-21.

Table 2-4: GFA for FY 2020-21

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|---------------------|--------------------|
| Opening Value of Assets at the beginning of the year | 2457.45 | 1398.63 |
| Additions during the year | 303.13 | 51.90 |
| Less: Capitalization through grants | - | - |
| Value of assets sold/disposed off | - | 5.63 |
| Gross Fixed Assets at the end of year | 2760.58 | 1,444.90 |

The Hon'ble Commission vide its Order dated 19th May 2020 has considered the Opening GFA value of assets for FY 2020-21 as Rs. 2457.45 Cr as the audited accounts were not available. In the current petition, for True Up for FY 2020-21, EDG is submitting the above mentioned GFA figures based on the Audited Accounts and Fixed Asset Register for FY 2020-21 as directed by the Hon'ble Commission.

CAPEX and Capitalisation: EDG submits that to relieve the overloaded infrastructure, to cater to the load, to improve the quality of Supply and increasing demand from HT and LT consumers, EDG had undertaken the CAPEX of Rs. 165.65 Cr. and capitalisation of Rs. 51.90 Cr. for FY 2020-21 as per the audited accounts. The detailed capital investment plan (scheme wise) in line with Regulations 22 of JERC MYT Regulations



2018 has been submitted with format 5 of the submission.

EDG requests the Hon'ble Commission to allow the actual expenditure and capitalisation in order to ensure the creation of infrastructure for adherence to Standard of Performance and Supply Code Regulations.

Depreciation: As per Regulation 30 of JERC MYT Regulations 2018, depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories. EDG would further submit that the depreciation arrived in annual accounts for FY 2020-21 is based on the rates specified by Hon'ble Commission in its Tariff Regulations. The rates of depreciation for various assets are used as tabulated below:

Table 2-5: Rate of Depreciation applicable for various assets for FY 2020-21

| Particulars | Rate of Depreciation |
|---------------------------------|----------------------|
| Land and Land Rights | 0.00% |
| Building | 1.80% |
| Plant and Machinery | 3.60% |
| Lines and Cables | 3.60% |
| Office Equipment | 6.00% |
| IT Equipment | 6.00% |
| Vehicles | 18.00% |
| Furniture and Fixtures | 6.00% |
| Testing and measuring equipment | 6.00% |
| SCADA Centre | 6.00% |

The following table below shows the depreciation arrived by EDG for FY 2020-21 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. Depreciation of Rs. 70.88 Cr. is reflecting in the audited annual accounts. However, in below table EDG has claimed Depreciation amounting to Rs. 55.12 Cr. excluding the amount of depreciation on assets created through Electricity Duty, Consumer Contribution and Grants. The detailed working of depreciation is provided in Tariff format 12 of this petition.

Table 2-6: Depreciation for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|---|------------------------|-----------------------|
| Opening Value of Assets at the beginning of the year excluding grants | 2217.00 | 1,091.08 |
| Additions during the year | 53.36 | 51.90 |
| Less: Capitalization through grants and Electricity duty | 0 | 17.42 |



| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|------------------------|-----------------------|
| Less: Value of assets sold/disposed off | 0 | 5.63 |
| Gross Fixed Assets at the end of year | 2270.36 | 1,119.93 |
| Average Gross Fixed Assets | 2243.68 | 1,105.50 |
| Rate of depreciation | 3.63% | 4.99% |
| Depreciation | 81.53 | 55.12 |

EDG submitted that, from the above table it can be observed that average rate of depreciation over GFA was 3.63% approved by the Hon'ble Commission. However as per audited accounts, average depreciation rate is 4.99%.

The Hon'ble Commission is requested to approve the depreciation for FY 2020-21 as submitted in the table above.

2.6 Operation & Maintenance Expenses

Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day-to-day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as also in the reduction of losses in the system.

Employee Expenses: EDG has computed the Employee expense for FY 2020-21 based on the actual employee expenses incurred during the entire year.

The details of the Employee Expenses are outlined in the following table for the approval of the Hon'ble Commission:

Table 2-7: Employee Expenses for FY 2020-21 (Rs. Cr.)

| FY 20-21 | FY 20-21 (Approved) | FY 20-21 (Audited) |
|-----------------------|------------------------|-----------------------|
| Salaries & Allowances | 300.81 | 332.21 |



| FY 20-21 | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--------------------------------------|------------------------|-----------------------|
| Terminal Benefits | | |
| Other Salary payments | | |
| Total | 300.81 | 332.21 |
| Less: Add/Deduct share of others | | |
| Total | 300.81 | 332.21 |
| Less: Amount capitalized | | |
| Net amount | 300.81 | 322.21 |
| Add: Pension/ DA and other Provision | | |
| Total Employee Expenses | 300.81 | 332.21 |

EDG submits that Employee Expenses as approved by the Hon'ble Commission for FY 2020-21 was Rs. 300.81 Cr. whereas the actual expenditure for FY 2020-21 was Rs. 332.21 Cr., resulting in increase of ~10.43% over approved cost. Employee cost FY 2020-21 is on higher side, which is due to increase in dearness allowance, HRA and Travel allowance, out of the same dearness allowance is uncontrollable factor.

It is submitted that Employee Expenses needs to be considered as uncontrollable and therefore, EDG request the Hon'ble Commission to approve the actual Employee Expenses during FY 2020-21 reflecting in annual accounts.

Repairs & Maintenance Expenses: The Repairs & Maintenance Expenses have been claimed as per expenses actually incurred during FY 2020-21 which is reflected in the annual accounts of FY 2020-21.

Table 2-8: R&M Expenses for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|---|------------------------|-----------------------|
| Plant & machinery | | |
| Buildings (Electricity Residential & Non-Residential) | | |
| Hydraulic works & civil works | | |
| Line cable & network | 73.65 | 12.48 |
| Vehicles | | |
| Furniture & fixtures | | |
| Office equipments | | |
| Minor R&M Works | | |
| Total | 73.65 | 12.48 |
| Add/Deduct share of others (To be specified) | - | - |
| Total expenses | 73.65 | 12.48 |
| Less : Capitalized | - | - |



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| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|-------------------------------|------------------------|-----------------------|
| Net expenses | 73.65 | 12.48 |
| Add: prior period | - | - |
| Total R&M expenses | 73.65 | 12.48 |

It is submitted that EDG has been undertaking various Repairs & Maintenance activities as a step towards improvement of systems, reduction in breakdowns, and reduction in response time and increasing preventive maintenance.

EDG further submits that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standard of Performance of the Electricity Department Goa and therefore request the Hon'ble Commission to approve Rs. 12.48 Cr for FY 2020-21 as R&M expenses.

Administrative & General expenses: The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the EDG for FY 2020-21 are shown in the table below.

Table 2-9: A&G Expenses for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|------------------------|-----------------------|
| Travelling Expenses | | 0.20 |
| Office Expenses | | 15.25 |
| Petrol, Oil, Lubricant (P.O.L) | | |
| Rent, Rates & Taxes | | 0.61 |
| Advertisement & Publicity | | 0.25 |
| Professional & Special Services | 28.24 | 0.57 |
| Other Charges | | 8.68 |
| Overtime Allowance | | |
| Minor Works | | 0.54 |
| Audit of Accounts and Professional Fees | | 0.10 |
| Total | 28.24 | 26.20 |
| Less : share of others (To be specified) | | |
| Total expenses | 28.24 | 26.20 |
| Less : Capitalized | | |
| Net expenses | 28.24 | 26.20 |
| Add: prior period | | |
| Total A&G expenses | 28.24 | 26.20 |





The Hon'ble Commission is requested to approve the actual A&G expenses of Rs. 26.20 Cr. for FY 2020-21.

O&M Expenses Summary: Based on the foregoing paragraphs, the O&M expenses for the year FY 2020-21 vis-a-vis the approved level by the Hon'ble Commission is shown in the table below:

Table 2-10: O&M Expenses for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|-------------------------|------------------------|-----------------------|
| Employee Expenses | 300.81 | 332.21 |
| A&G Expenses | 28.24 | 26.20 |
| R&M Expenses | 73.65 | 12.48 |
| O&M Expenses | 402.70 | 370.89 |

The Hon'ble Commission is requested to approve the O&M Expenses for FY 2020-21 as shown in the table above. The details of O&M expense for FY 2020-21 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

2.7 Interest & Finance Charge

The Regulation 28 of JERC MYT Regulations, 2018 provides for Interest and Finance Charges on Loan. EDG has submitted that the majority of capital assets are created out of the equity contribution from Government of Goa.

EDG has claimed the interest expenses based on normative loan calculation whereby closing GFA for FY 2019-20 has been considered as opening GFA for FY 2020-21 and 70% of capitalisation (after deducting the assets created through Electricity Duty fund available as grants) during FY 2020-21 has been considered as normative debt addition during the financial year. Working of the addition of normative loan during FY 2020-21 is shown as below:

Table 2-11 : Working of Normative loan addition during FY 2020-21 (Rs. Cr.)

| Particulars | FY 2020-21 |
|--|--------------|
| Additions to GFA (A) | 51.90 |
| Less: 60% for Grant Component of APDRP Part-B and 75% Grant Component of IPDS scheme (B) | 2.74 |
| Less: Schemes out of ED Fund (C) | 14.68 |
| Net Additions to GFA (D) | 34.48 |
| Normative Loan addition during the year (70% x D) | 24.14 |

Opening balance of normative loan for FY 2020-21 considered as per the closing balance of normative loan during true up for FY 2019-20. Accordingly, the Interest



expenses vis-a-vis approved by the Hon'ble Commission for FY 2020-21 shown below.

Table 2-12 : Interest on normative loan for FY 2020-21 (Rs. Cr.)

| Particulars | FY 2020-21 (Approved) | FY 2020-21 (Audited) |
|-------------------------------------|--------------------------|-------------------------|
| Opening Normative Loan | 1138.90 | 135.58 |
| Add: Normative Loan during the year | 37.35 | 24.14 |
| Less: Normative Repayment | 81.53 | 55.12 |
| Closing Normative Loan | 1094.72 | 104.60 |
| Average Normative Loan | 1116.81 | 120.09 |
| Rate of Interest (@SBI PLR rate) | 8.85% | 8.75% |
| Interest on Normative Loan | 98.84 | 10.51 |

EDG submits that the Regulation 28 of JERC MYT Regulations, 2018 states that,

“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 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 Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest:

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 further that if 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 plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.”

In view of the above, EDG submits that since, no last available weighted average rate of interest is available, EDG has considered the SBI MCLR Rate plus 100 basis point as on 1st April 2020, i.e. 8.75% as the interest rate on normative loan.

As seen from the above table, EDG has submitted Interest on normative loan which is considerably lower than that approved in the Tariff Order by the Hon'ble Commission. The main reason for the lower Interest Charges in true-up compared to the approved is the lower opening normative loan as well as lower normative loan added during the year. The opening Normative Loan for FY 2020-21 considered by EDG is same as what as the closing Normative Loan for Truing up of FY 2019-20. Moreover, in the Tariff



Order for FY 2020-21, the normative loan added during FY 2020-21 was 37.35 Cr while in this true-up petition, the normative loan added is Rs. 24.14 Cr only, based on the actual capitalization during FY 2020-21 of Rs. 51.90 Cr.

EDG further submits that the repayment of normative loan has been considered equal to the normative depreciation for FY 2020-21, which is in line with JERC MYT Tariff Regulations 2018.

Other than Interest on normative loan, EDG has claimed other Interest & Finance charges in the table highlighted below, it is submitted that certain financial charges are incurred by the department which are related to bank charges, LC charges, etc. and the same also is in line with audited accounts.

Table 2-13 : Other Interest and Finance Charges for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|---|------------------------|-----------------------|
| Interest on Normative Loan | 98.94 | 10.51 |
| Other Finance Charges | - | 2.72 |
| Total Interest & Finance Charges | 98.94 | 13.23 |

The Hon'ble Commission is requested to approve the Interest & Finance Charges for FY 2020-21 as computed in the above table. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

2.8 Interest on Working Capital

Regulation 52 of JERC MYT Tariff Regulations 2018, stipulates the methodology for calculation of normative Working Capital and Interest on Working Capital as applicable to Goa Electricity Department. This is as shown below:

"52. Norms of Working Capital for Distribution Wires Business

52.1 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:

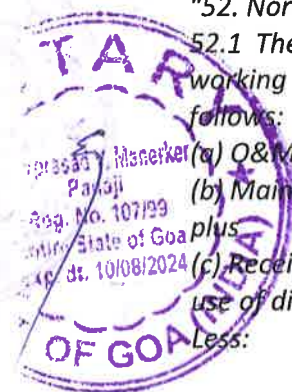
(a) O&M Expenses for one (1) month; plus

(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 re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Further, Regulation 31.3 & 31.4 of the MYT Regulation, 2018 stipulates the following:

"31.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

31.4 The rate of interest on working capital shall be equal 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 Financial Year in which the Petition is filed plus 200 basis points."

The EDG hereby submits that it has adopted the same methodology adopted by the Hon'ble Commission in the Tariff Order dated 19th May 2020 and that stipulated in the aforesaid Regulation 52 and 31.3 & 31.4 of JERC MYT Tariff Regulations, 2018. EDG also submits that in line with the aforesaid regulations, the Interest Rate has been considered as SBI MCLR Rate applicable as on 01st April 2020, i.e. 9.75%.

Table 2-14 : Interest on Working Capital for FY 2020-21 (Rs. Cr.)

| Particulars | FY 2020-21 (Approved) | FY 2020-21 (Audited) |
|--|--------------------------|-------------------------|
| O&M Expenses for one (1) month | 33.56 | 30.91 |
| Maintenance spares at 40% of repair and maintenance expenses for one (1) month | 2.46 | 0.42 |
| Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff | 387.94 | 292.59 |
| Less: Security Deposit | 143.53 | 48.54 |
| Total Working Capital Requirement | 280.43 | 275.38 |
| Interest Rate (%) | 10.55% | 9.75% |
| Interest on working capital | 29.58 | 26.85 |

The Hon'ble Commission is requested to approve the Interest on Working Capital for FY 2020-21 as presented in the table above.

2.9 Interest on Consumer Security Deposits

Interest on Security Deposits has been calculated in accordance with the JERC MYT Regulations, 2018 based on the average of opening and closing consumer security



deposits during the year. The opening security deposit has been derived based on the closing security deposit of FY 2019-20. The addition during the year has been considered as per the actuals as reflected in the audited accounts for FY 2020-21.

In accordance with the JERC (Electricity Supply Code) Regulations, 2018 (First Amendment) Regulations, 2019, the rate of interest to the consumer has been considered at the Bank Rate declared by the Reserve Bank of India prevailing on the 1st of April 2020 i.e., 4.65% and the same has been considered for computation of Interest on Security deposit which comes out to be Rs.2.26 Cr. However, as per the audited annual accounts, the actual Interest on Security Deposit paid by EDG during FY 2019-20 was Rs.5.41 Crore and the same has been considered as Interest on Security Deposit for the purpose of true-up.

Table 2-15 : Interest on Security deposit for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|------------------------|-----------------------|
| Opening Security Deposit | 123.87 | 45.87 |
| Add: Deposits during the Year | 39.32 | 13.04 |
| Less: Deposits refunded | - | 7.70 |
| Closing Security Deposit | 163.19 | 51.21 |
| Average Security Deposit | 143.53 | 48.54 |
| Bank Rate | 5.40% | 4.65% |
| Interest on Security Deposit | 7.75 | 2.26 |
| Interest on Security Deposit Paid during the year | 7.75 | 5.41 |

2.10 Return on Equity

EDG submits that Regulation 27.2 and 27.3 of JERC MYT Regulations 2018 provides for Return on Equity (RoE) which stipulates as under:

"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 post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

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."

In line with the Tariff Order dated 19th May 2020, 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. Return on equity rate of 15.50%



for the Distribution Wires Business and a rate of 16% for the Retail Supply Business has been considered.

EDG has considered the Opening equity base for FY 2020-21 as 30% of Opening GFA for FY 2020-21 (Net of assets funded by consumer contribution, capital subsidies and grants). The computation of Opening Equity for FY 2020-21 is provided in the table given below:

Table 2-16 : Equity Addition during FY 2020-21 (Rs. Cr.)

| Particulars | FY 2020-21 |
|--|--------------|
| Additions to GFA (A) | 51.90 |
| Less: 60% for Grant Component of APDRP Part-B and 75% Grant Component of IPDS scheme (B) | 2.74 |
| Less: Schemes out of ED Fund (C) | 14.68 |
| Net Additions to GFA (D) | 34.48 |
| Normative equity addition during the year (30% X D) | 10.34 |

EDG also submits that the Equity addition during the year has been considered as 30% of the assets capitalized during FY 2020-21 (Net of Schemes created out of Grant Component of APDRP Part-B / IPDS scheme and Electricity Duty). Considering the RoE@15.5% for Distribution Wires Business and RoE @16.0% for the Retail Supply Business, the total Return on Equity for FY 2020-21 is computed as given below:

Table 2-17 : Computation of return on Equity FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|---------------------|--------------------|
| Opening balance of Normative Equity | 665.10 | 319.75 |
| Equity Addition during year (30% of Capitalization) | 16.01 | 10.34 |
| Closing balance of Normative Equity | 681.11 | 330.09 |
| Average Equity Amount | 673.11 | 324.92 |
| Average Equity – Wires Business (90%) | 605.80 | 292.43 |
| Average Equity – Retail Supply Business (10%) | 67.31 | 32.49 |
| Return on Equity -Wires Business (%) | 15.50% | 15.5% |
| Return on Equity Retail Supply Business (%) | 16% | 16% |
| Return on Equity -Wires Business (Rs Crore) | 93.90 | 45.33 |
| Return on Equity Retail Supply Business (Rs. Crore) | 10.77 | 5.20 |
| Total Return on Equity (Rs. Crore) | 104.67 | 50.52 |

In view of above, the Hon'ble Commission is requested to approve the above Return on Equity for FY 2020-21 as calculated in the above table.



2.11 Provision for Doubtful debts

EDG submits that the Regulation 62 of JERC MYT Regulations 2018 states that,

“62. Provision for bad and doubtful debts

62.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of write off of bad debts 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.”

EDG submits that though it has made the provision of Rs. 3.88 Cr. in Audited Annual Accounts for FY 2020-21 towards Doubtful debt, the doubtful debt written off during that financial year is Rs. 3.88 Cr.

In view of above, EDG has considered provision for Doubtful Debt for FY 2020-21 is Rs.3.88 Cr.

2.12 Non-Tariff Income

In accordance with the Regulation 64 of the JERC MYT Regulations, 2018, the Non-Tariff income stipulates the following:

“64. Non-Tariff Income

64.1 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.

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



- (a) Income from rent of land or buildings;
- (b) Income from sale of scrap;
- (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.:

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 49 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."

The Non-Tariff Income approved by the Hon'ble Commission in the ARR for FY 2020-21 was Rs. 25.34 Cr.

The details of actual Non-Tariff Income for FY 2020-21 are provided in Format 20 of the Tariff Filing Formats.

The summary of total Non-Tariff Income for FY 2020-21 is tabulated below:

**Table 2-18: Non-Tariff Income for FY 2020-21 (Rs. Cr.)**

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|------------------------|-----------------------|
| Meter/service rent | 25.34 | 11.95 |
| UI Sales / Sales to Exchange | | |
| Wheeling charges under open access | | 0.06 |
| Sale Proceeds of dead stock, wastepaper etc | | 2.43 |
| Misc. Receipts/income | | 27.17 |
| Deferred Income (Electricity Development fund) | | |
| Income from trading | | 0.17 |
| Total income | 25.34 | 41.78 |
| Add: prior period income | | |
| Total Non-tariff income | 25.34 | 41.78 |

In view of above, the Hon'ble Commission is requested to approve the Non-Tariff Income for FY 2020-21 as calculated in the above table.

2.13 Aggregate Revenue Requirement for FY 2020-21

In view of the various parameters of the ARR discussed in above paragraphs, the Aggregate Revenue Requirement for FY 2020-21 as approved by the Hon'ble Commission and as per the true-up Petition claimed by EDG are outlined in the following table:

Table 2-19: Aggregate Revenue Requirement for FY 2020-21 (Rs. Cr.)

| S.No | Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|------|--|------------------------|-----------------------|
| 1 | Cost of fuel | - | |
| 2 | Cost of power purchase (Including Provision for RPO Obligation for previous years) | 1,627.91 | 1,463.48 |
| 3 | Employee costs | 300.81 | 332.21 |
| 4 | Administration and General expenses | 28.24 | 26.20 |
| 5 | R&M Expenses | 73.65 | 12.48 |
| 6 | Depreciation | 81.53 | 55.12 |
| 7 | Interest and Finance Charges | 98.84 | 13.23 |
| 8 | Interest on Working Capital | 29.58 | 26.85 |
| 9 | Return on Equity | 104.67 | 50.52 |
| 10 | Provision for Bad Debt | | 3.88 |
| 11 | Interest on Consumer Security Deposit paid | 7.75 | 5.41 |
| 12 | Total Revenue Requirement | 2,352.99 | 1,989.38 |
| 13 | Less: Non-Tariff Income | 25.34 | 41.78 |



| S.No | Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|------|----------------------------------|------------------------|-----------------------|
| 14 | Net Revenue Requirement (12-13) | 2,327.65 | 1,947.60 |
| 15 | Revenue from Tariff | 1,885.30 | 1,755.54 |
| 16 | Net Gap (14-15) | 442.35 | 192.06 |
| 17 | Energy sales (MU) | 4,179.35 | 3,767.16 |
| 18 | Average Cost of Supply (Rs./kWh) | 5.57 | 5.17 |

The Hon'ble Commission is requested to approve the net Aggregate Revenue Requirement for FY 2020-21 as described in the above table.

2.14 Revenue from Retail Sale of Power

The Revenue from Tariff for FY 2020-21 approved by the Hon'ble Commission in ARR order dated 19th May 2020 was Rs. 1885.30 Cr.

The actual revenue earned from tariffs for FY 2020-21 is Rs. 1,755.54 Cr. and the same has been shown in the table below:

Table 2-20: Actual Revenue from Tariff for FY 2020-21

| Particulars | FY 2020-21 (Audited) | | | | |
|---|----------------------|---|---|--------------------------------------|-----------------------------|
| | Sales (MUs) | Revenue from Demand Charges (Rs. Cr) | Revenue from Energy Charges (Rs. Cr) | Revenue from FPPCA (Rs. Cr) | Total Revenue (Rs Cr) |
| <u>A. LOW TENSION SUPPLY</u> | | | | | |
| LTD/Domestic | 1,338.48 | 23.99 | 307.96 | 33.15 | 365.10 |
| LTD/Low Income Group | 1.42 | 0.04 | 0.22 | 0.02 | 0.28 |
| LTC/Commercial | 361.13 | 12.67 | 161.25 | 15.95 | 189.86 |
| LT Mixed Hotel Industries | 2.89 | 0.09 | 1.32 | 0.13 | 1.53 |
| LT-I Industrial | 78.25 | 5.76 | 28.59 | 3.08 | 37.42 |
| LTAG/Agriculture (Pump sets/Irrigation) | 18.31 | 0.87 | 2.34 | 0.00 | 3.21 |
| LTAG/Agriculture (Allied Activities) | 0.95 | 0.05 | 0.21 | - | 0.26 |
| Metered Street Light | 46.61 | 32.36 | 12.64 | 1.23 | 46.23 |
| Hoardings/Signboards | 0.14 | 0.04 | 0.12 | 0.01 | 0.18 |
| <u>B. HIGH TENSION SUPPLY</u> | | | | | |
| HT- D Domestic | 0.57 | 0.10 | 0.21 | 0.02 | 0.34 |
| HT- C Commercial | 102.42 | 20.55 | 56.55 | 5.54 | 82.64 |



| Particulars | FY 2020-21 (Audited) | | | | |
|---|----------------------|--------------------------------------|--------------------------------------|-----------------------------|-----------------------|
| | Sales (MUs) | Revenue from Demand Charges (Rs. Cr) | Revenue from Energy Charges (Rs. Cr) | Revenue from FPPCA (Rs. Cr) | Total Revenue (Rs Cr) |
| HTI / Industrial - Connected at 11/33kV | 1,090.62 | 106.80 | 479.80 | 52.46 | 639.07 |
| HTI / Industrial - Connected at 110 kV | 209.69 | 12.79 | 88.04 | 9.67 | 110.51 |
| HT-Indust. (F/M, Steel Melt, Power Intensive) | 450.76 | 24.59 | 197.14 | 20.80 | 242.53 |
| HTAG/Agriculture (Pump sets/Irrigation) | 4.66 | 0.29 | 0.84 | 0.00 | 1.13 |
| HTAG/Agriculture (Allied Activities) | 8.60 | 0.12 | 1.61 | - | 1.73 |
| HT. MES / Defence Establishment | 27.08 | 1.42 | 13.88 | 1.34 | 16.64 |
| C. TEMPORARY SUPPLY | | | | | |
| L.T. Temporary Domestic | 1.74 | 0.06 | 0.66 | 0.06 | 0.79 |
| L.T. Temporary Commercial | 16.60 | 0.69 | 11.46 | 0.97 | 13.13 |
| H.T. Temporary | 2.82 | 0.87 | 2.40 | 0.23 | 3.50 |
| D. SINGLE POINT SUPPLY | | | | | |
| Residential Complexes | - | | | | |
| Commercial Complexes | 3.41 | 0.70 | 1.47 | 0.18 | 2.36 |
| Industrial Complexes | - | | | | |
| E. OTHERS | | | | | |
| Unmetered LTPL | - | (0.54) | 0.09 | (0.03) | -0.48 |
| RRC referred | - | 0.00 | (2.40) | (0.00) | -2.40 |
| Total | 3,767.16 | 244.32 | 1,366.40 | 144.82 | 1,755.54 |

In view of above, the Hon'ble Commission is requested to approve Revenue from sale of power for FY 2020-21 as detailed in the above table.

2.15 Revenue Gap for FY 2020-21

EDG in its submission of the Tariff Proposal for FY 2020-21 had submitted to recover the partial revenue gap for FY 2020-21 through average tariff hike of 3.84% and balance revenue gap was proposed to be met through budgetary support from Government of Goa. The Hon'ble Commission vide its Tariff Order dated 19th May 2020 has considered with hike of 5.31% for FY 2020-21. The Commission in accordance with the Petitioner' submission has limited the average tariff hike (5.31%) with the remaining gap of Rs.342.36 Crores to be recovered from Govt's budgetary support.



EDG would like to submit before Hon`ble Commission that due to the COVID-19 pandemic, in order to boost the economic activity in the State, Government of Goa vide Cabinet decisions taken in the Cabinet Meeting of the Council of Ministers held on 22/10/2020 and 25/03/2021 has approved the following:

Cabinet Decision dated 22/10/2020:

“Table Item No.4

Subsidy to all categories of consumers for the period 1st June 2020 till 30th September 2020 against the tariff hike as per new Tariff Order issued vide Petition No 21/2019 dated 19th May 2020 for Electricity Department, Government of Goa by Hon`ble Joint Electricity Regulatory Commission (JERC)

DECISION: *The Council of Ministers resolved to:*

Grant subsidy to all categories of consumers from 01st June, 2020 to 31st December, 2020 (7 months) in view of COVID-19 to nullify the impact of hike in Tariff Order issued vide Petition No 21/2019 dated 19th May 2020 Joint Electricity Regulatory Commission for the State of Goa and Union Territories thereby maintaining the existing rates for all categories of consumers”

Cabinet Decision dated 25/03/2021:

“TABLE ITEM No.2

Extension of subsidy to all categories of consumers beyond the period 31st December, 2020 i.e from 1st January, 2021 till 31st March 2021 against the tariff hike as per new Tariff Order issued vide Petition No 21/2019 dated 19th May, 2020 for Electricity Department, Government of Goa by Hon`ble Joint Electricity Regulatory Commission (JERC).

DECISION: *The Council of Ministers resolved for extension of grant of subsidy to all categories of consumers for the period beyond 31st December, 2020 i.e. from 1st January, 2021 to 31st March, 2021 (3 months) to nullify the impact of hike in Tariff*





Order issued vide Petition No 21/2019 the Joint Electricity Regulatory Commission for the State of Goa and Union Territories."

Post issuance of above-mentioned Cabinet Decision of Government of Goa, the Electricity Department, in FY 2020-21 has been levying the Tariff approved by JERC for FY 2019-20 on all consumers. The difference in the revenue was considered as subsidy from the Government to each category of consumer during FY 2020-21, in addition, the Government would provide budgetary support to take over any revenue gap remaining for the year.

Thus, The revenue gap of Rs. 192.06 Cr. is arrived for FY 2020-21 under True Up exercise shall be met by the Government of Goa as per the budgetary support letter issued at the time of filing the Petition (**Annexure-2**). Thus, the revenue gap carried forward to the subsequent financial years has been considered as NIL.

Table 2-21: Revenue Gap for FY 2020-21 (Rs. Cr.)

| Particulars | FY 20-21 (Approved) | FY 20-21 (Audited) |
|--|------------------------|-----------------------|
| Aggregate Revenue Requirement | 2,327.65 | 1,947.60 |
| Revenue from Tariff including FPPCA | 1,985.39 | 1,755.54 |
| Revenue Gap | 342.26 | 192.06 |
| Less: Budgetary Support from Govt. | 342.26 | 192.06 |
| Net Final revenue Gap to be carry forward | - | - |

In view of above, the Hon'ble Commission is requested to approve the Revenue Gap for FY 2020-21 as NIL as computed in the above table for the purpose of carrying forward to subsequent years.





3 TRUING UP OF ARR OF FY 2021-22

Goa Electricity Department (EDG) for FY 2021-22 submits the final truing up of FY 2021-22 by comparing actual audited figures for the financial year with those approved by the Hon'ble Commission for FY 2021-22 vide ARR order dated 30th March 2021. The balance sheet for FY 2021-22 and CAG certificate is enclosed as **Annexure-3** of this petition.

This chapter summarizes each of the components of ARR for FY 2021-22 thereby working out the revenue gap for FY 2021-22.

3.1 Energy Sales

The total actual sales of EDG for 2021-22 are 4019.40 MU's. The Category wise actual and approved sale for FY 2021-22 is shown in the table below.

Table 3-1: Sales for FY 2021-22 (MUs)

| Sr. No. | Category of Consumer | Approved in Order dt. 30-03-2021 | Audited |
|-------------------------------|--|----------------------------------|---------|
| A. LOW TENSION SUPPLY | | | |
| 1 | LTD/Domestic | 1301.53 | 1289.26 |
| 2 | LT-L.I.G (Low Income Group) | 1.37 | 1.16 |
| 3 | LTC/ Commercial | 460.24 | 390.16 |
| 4 | LTI/ Industrial | 80.90 | 81.35 |
| 5 | LT Mixed/ LT-P Hotel Industries | 4.48 | 3.24 |
| 6 | Low Tension-AG/LT-AGP (Pump Sets/Irrigation) | 18.18 | 14.28 |
| 7 | Low Tension-AG/LT-AGA (Allied Activities) | 0.83 | 1.11 |
| 8 | LTPL Public lighting | 29.61 | 39.18 |
| 9 | LT Hoarding /Sign Board | 0.16 | 0.18 |
| B. HIGH TENSION SUPPLY | | | |
| 10 | HTD Domestic | 0.49 | 0.36 |
| 11 | HT Commercial | 128.26 | 117.67 |
| 12 | HT Industrial | 1469.88 | 1547.62 |
| 12 | High Tension-Ferro/SM.PI/SR | 530.73 | 458.34 |
| 13 | High Tension-AG/HT-AGP (Pump Sets/Irrigation) | 4.81 | 5.31 |
| 14 | High Tension-AG/HT-AG (Allied Activities) | 10.48 | 10.58 |
| 15 | Military Engineering Services/defense Establishments | 26.06 | 29.44 |
| C. TEMPORARY SUPPLY | | | |
| 16 | L.T. Temporary | 9.77 | 20.34 |



| Sr. No. | Category of Consumer | Approved in Order dt. 30-03-2021 | Audited |
|-------------------------------|-----------------------|----------------------------------|----------------|
| 17 | H.T. Temporary | 2.33 | 4.56 |
| D. Single Point Supply | | | |
| 18 | Residential Complexes | | |
| 19 | Commercial Complexes | 5.65 | 4.08 |
| 20 | Industrial Complexes | | |
| 21 | E-Vehicle | | 1.20 |
| | Total | 4085.77 | 4019.40 |

The Hon'ble Commission is requested to approve the sales figures considered in the table above for FY 2021-22.

3.2 Intra-state & Interstate Transmission & Distribution Loss

EDG submits that the actual Intra State T&D Loss and Inter State Loss are 8.46% and 3.65% (for WRPC 3.15% & SRPC 6.81%) respectively for FY 2021-22 compared to that approved by Hon'ble Commission at Intra State T&D Loss as 10.25%. it is requested to approve the actual Transmission and Distribution Loss level as mentioned in this para.

EDG while computing Energy balance for entire FY 2021-22 has considered actual of UI over- drawal / under drawal, purchase of traders, sale to exchange etc.

Table 3-2: Energy Balance for FY 2021-22 (Nos)

| S. No. | Item | FY 2021-22 Audited (MU) |
|----------|--|-------------------------|
| 1 | Energy Input at Goa Periphery | 4192.88 |
| 2 | Total Power Scheduled/ Purchased at Goa Periphery | |
| | Total Schedule Billed Drawal - CGS | 3980.30 |
| | Add: Overdrawal | 51.47 |
| | Add: Purchase from NVVN | (16.83) |
| | Add: Power purchase from Traders / Open Market | 140.98 |
| | Less: Under drawal | 26.77 |
| | Less: Power diverted to Exchange | 291.56 |
| | Less: Banking Power | |
| | Add : Renewable Power | 514.04 |
| | Total | 4351.64 |
| 3 | PGCIL Losses - MUs | 158.76 |
| | PGCIL Losses - % * | 3.65% |





| S. No. | Item | FY 2021-22 Audited (MU) |
|----------|---|-------------------------|
| 4 | Total Power Purchased within Goa State | |
| | Add: Co-generation | 180.37 |
| | Add: Solar Generation | 16.03 |
| | Add: Independent Power Producers (IPP) | 1.74 |
| | Total | 198.14 |
| 5 | Total Power Purchase availability after PGCIL Losses | 4391.02 |
| | Less: Retail Sales to Consumers | 4019.40 |
| | Distribution Losses - MUs | 371.62 |
| 6 | Distribution Losses - % | 8.46% |

The Hon'ble Commission is requested to approve the T&D Loss for True-Up of FY 2021-22 as submitted in the above table.

3.3 Power Purchase Quantum & Cost for 2021-22

EDG meets its total energy requirement from its allocation from the Central Generating Stations (CGS) i.e., NTPC, NPCIL and Co-generating Company like Vedanta Plant1, Vedanta Plant 2 and Goa Sponge & Power Ltd. EDG also meets a part of its energy requirement through purchase of short-term power from traders and power exchanges.

The transmission charges comprise of transmission charges to Western Region, Southern Region and POSOCO fee and charges.

The Power Purchase cost also includes ED, cess, Incentives, Supplementary Charges, etc. and the same are considered on actual basis. During FY 2021-22, EDG has procured actual renewable power of 531.81 MU for RPO obligation. The renewable purchase includes procurement of 212.90 MU of Solar power from NVVN, SECI Solar & Net Metering in short term and 318.91 MU of Non-Solar power from SECI Wind, Hindustan Waste Treatment Plant, short term traders. The details regarding the fulfilment of RPO has been provided in Tariff format 4(A) of this petition.

The table below shows the summary of Power Purchase from various sources along with their costs for FY 2021-22 including Transmission Charges, UI charges and purchase from traders.



**Table 3-3: Power Purchase Quantum & Cost for FY 2021-22 (Goa periphery)**

| Sr. No. | Source | FY 2021-22 (Approved) | | FY 2021-22 (Audited) | |
|---------|-------------------------------------|-----------------------|------------------|----------------------|------------------|
| | | Quantum (MUs) | Cost (Rs. Crore) | Quantum (MUs) | Cost (Rs. Crore) |
| 1 | NTPC | 3476.07 | 967.64 | 3,754.74 | 1,166.63 |
| 2 | NPCIL | 190.00 | 80.24 | 225.55 | 63.13 |
| 3 | Co-Generation | 168.19 | 40.37 | 180.37 | 42.83 |
| 4 | Renewable Energy | 372.10 | 147.29 | 531.81 | 220.70 |
| 5 | Open Market | 305.61 | 83.03 | | |
| 6 | Gadarwara | 102.65 | 43.24 | | |
| 7 | Lara STPP-1 & 2 | 51.57 | 16.85 | | |
| 8 | Khargone STPP | 82.90 | 26.15 | | |
| 9 | Traders (Purchase) | | | 16.16 | 7.02 |
| 10 | Traders (Sales) | | | (14.63) | (4.25) |
| 11 | IEX Purchase | | | 124.82 | 58.81 |
| 12 | IEX Sale | | | (276.93) | (92.82) |
| 13 | Net Over & Under Drawal | | | 24.71 | 30.99 |
| 14 | Banking | | | (16.83) | 0.32 |
| 15 | Transmission and Other Charges | | 185.60 | | 237.33 |
| 16 | Total | 4749.09 | 1590.40 | 4,549.79 | 1,730.69 |
| | Power purchase cost per unit | 3.34 | | 3.80 | |

EDG submits that actual overall power purchase cost per unit is arrived at Rs. 3.80/kWh against approved power purchase cost of Rs.3.34/kWh in Tariff Order.

EDG request the Hon'ble Commission to approve the power purchase cost including the transmission charges for FY 2021-22.

3.4 Capital Work in Progress, GFA and Depreciation

GFA: The Opening Balance of GFA for FY 2021-22 comes to around Rs. 1,444.90 Cr. as per annual accounts of FY 2021-22. The following table shows the opening balance, additions, deductions and closing balance of GFA for FY 2021-22.

Table 3-4: GFA for FY 2021-22

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|--|---------------------|--------------------|
| Opening Value of Assets at the beginning of the year | 2760.58 | 1444.90 |
| Additions during the year | 345.00 | 165.19 |
| Less: Capitalization through grants | - | - |
| Value of assets sold/disposed off | - | 3.17 |
| Gross Fixed Assets at the end of year | 3105.58 | 1567.55 |





The Hon'ble Commission vide its Order dated 30th March 2021 has considered the Opening GFA value of assets for FY 2021-22 as Rs. 2,760.58 Cr as the audited accounts were not available. In the current petition, for True Up for FY 2021-22, EDG is submitting the above mentioned GFA figures based on the Audited Accounts and Fixed Asset Register for FY 2021-22 as directed by the Hon'ble Commission.

CAPEX and Capitalisation: EDG submits that to relieve the overloaded infrastructure and to cater to the load and increasing demand from HT and LT consumers, EDG had undertaken the CAPEX of Rs. 245.31 Cr. and capitalisation of Rs. 165.19 Cr. for FY 2021-22 as per the audited accounts. The detailed capital investment plan (scheme wise) in line with Regulations 22 of JERC MYT Regulations 2018 has been submitted with format 5 of the submission.

EDG request the Hon'ble Commission to allow the actual expenditure and capitalisation in order to ensure the creation of infrastructure for adherence to Standard of Performance and Supply Code Regulations.

Depreciation: As per Regulation 30 of JERC MYT Regulations 2018, depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories. EDG would further submit that the depreciation arrived in annual accounts for FY 2021-22 is based on the rates specified by Hon'ble Commission in its Tariff Regulations. The rates of depreciation for various assets are used as tabulated below:

Table 3-5: Rate of Depreciation applicable for various assets for FY 2021-22

| Particulars | Rate of Depreciation |
|---------------------------------|----------------------|
| Land and Land Rights | 0.00% |
| Building | 1.80% |
| Plant and Machinery | 3.60% |
| Lines and Cables | 3.60% |
| Office Equipment | 6.00% |
| IT Equipment | 6.00% |
| Vehicles | 18.00% |
| Furniture and Fixtures | 6.00% |
| Testing and measuring equipment | 6.00% |
| SCADA Centre | 6.00% |

The following table below shows the depreciation arrived by EDG for FY 2021-22 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. Depreciation of Rs. 65.82 Cr. and Rs. 8.48 Cr is reflecting in the audited



annual accounts. However, in below table EDG has claimed Depreciation amounting to Rs. 56.66 Cr. excluding the amount of depreciation on assets created through electricity duty and grants. The detailed working of depreciation is provided in Tariff format 12 of this petition.

Table 3-6: Depreciation for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|---|------------------------|-----------------------|
| Opening Value of Assets at the beginning of the year excluding grants | 2270.36 | 1119.93 |
| Additions during the year | 75.00 | 165.19 |
| Less: Capitalization through grants and Electricity duty | | 89.90 |
| Less: Value of assets sold/disposed off | | 3.17 |
| Gross Fixed Assets at the end of year | 2345.36 | 1192.04 |
| Average Gross Fixed Assets | 2307.86 | 1,155.98 |
| Rate of depreciation | 3.82% | 4.90% |
| Depreciation | 88.18 | 56.66 |

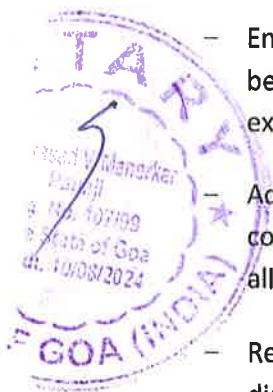
EDG submitted that, from the above table it can be observed that average rate of depreciation over GFA was 3.82% approved by the Hon'ble Commission. However as per audited accounts, average depreciation rate is 4.90%.

The Hon'ble Commission is requested to approve the depreciation for FY 2021-22 as submitted in the table above.

3.5 Operation & Maintenance Expenses

Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expense and R&M Expense:

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- Repairs and Maintenance Expenses go towards the day-to-day upkeep of the distribution network of the Company and form an integral part of the Company's





efforts towards reliable and quality power supply as also in the reduction of losses in the system.

Employee Expenses: EDG has computed the Employee expense for FY 2021-22 based on the actual employee expenses incurred during the entire year.

The details of the Employee Expenses are outlined in the following table for the approval of the Hon'ble Commission:

Table 3-7: Employee Expenses for FY 2021-22 (Rs. Cr.)

| Particulars | FY 2021-22 (Approved) | FY 2021-22 (Audited) |
|--------------------------------------|--------------------------|-------------------------|
| Salaries & Allowances | 311.98 | 353.55 |
| Terminal Benefits | | |
| Other Salary payments | | |
| Total | 311.98 | 353.55 |
| Less: Add/Deduct share of others | | |
| Total | 311.98 | 353.55 |
| Less: Amount capitalized | | |
| Net amount | 311.98 | 353.55 |
| Add: Pension/ DA and other Provision | | |
| Total Employee Expenses | 311.98 | 353.55 |

EDG submits that Employee Expenses as approved by the Hon'ble Commission for FY 2021-22 was Rs. 311.98 Cr. whereas the actual expenditure for FY 2021-22 was Rs. 353.55 Cr., resulting in increase of ~13% over approved cost. Employee cost FY 2021-22 is on higher side, which is due to increase in dearness allowance, HRA and Travel allowance, out of the same dearness allowance is uncontrollable factor.

It is submitted that Employee Expenses needs to be considered as uncontrollable and therefore, EDG request the Hon'ble Commission to approve the actual Employee Expenses during FY 2021-22 reflecting in annual accounts.

Repairs & Maintenance Expenses: The Repairs & Maintenance Expenses have been claimed as per expenses actually incurred during FY 2021-22 which is reflected in the annual accounts of FY 2021-22.

Table 3-8: R&M Expenses for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|-------------------|------------------------|-----------------------|
| Plant & machinery | 86.58 | 60.77 |



Petition for True-up of FY 2020-21 & 2021-22

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|---|------------------------|-----------------------|
| Buildings (Electricity Residential & Non-Residential) | | |
| Hydraulic works & civil works | | |
| Line cable & network | | |
| Vehicles | | |
| Furniture & fixtures | | |
| Office equipments | | |
| Minor R&M Works | | |
| Total | 86.58 | 60.77 |
| Add/Deduct share of others (To be specified) | - | - |
| Total expenses | 86.58 | 60.77 |
| Less : Capitalized | - | - |
| Net expenses | 86.58 | 60.77 |
| Add: prior period | - | - |
| Total R&M expenses | 86.58 | 60.77 |

It is submitted that EDG has been undertaking various Repairs & Maintenance activities as a step towards improvement of systems, reduction in breakdowns, and reduction in response time and increasing preventive maintenance.

EDG further submits that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standard of Performance of the Electricity Department Goa and therefore request the Hon'ble Commission to approve Rs. 60.77 Cr for FY 2021-22 as R&M expenses.

Administrative & General expenses: The administrative expense mainly comprise of rents, professional charges, office expenses, etc. The expenses incurred by the EDG for FY 2021-22 are shown in the table below.

Table 3-9: A&G Expenses for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|---------------------------------|------------------------|-----------------------|
| Travelling Expenses | 31.02 | 0.51 |
| Office Expenses | | 25.73 |
| Petrol, Oil, Lubricant (P.O.L) | | |
| Rent, Rates & Taxes | | 0.66 |
| Advertisement & Publicity | | 0.65 |
| Professional & Special Services | | 0.42 |

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| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|--|------------------------|-----------------------|
| Other Charges | | 11.18 |
| Overtime Allowance | | |
| Minor Works | | 0.54 |
| Audit of Accounts and Professional Fees | | 0.10 |
| Total | 31.02 | 39.79 |
| Less : share of others (To be specified) | | |
| Total expenses | 31.02 | 39.79 |
| Less : Capitalized | | |
| Net expenses | 31.02 | 39.79 |
| Add: prior period | | |
| Total A&G expenses | 31.02 | 39.79 |

The Hon'ble Commission is requested to approve the actual A&G expenses of Rs. 39.79 Cr. for FY 2021-22.

O&M Expenses Summary: Based on the foregoing paragraphs, the O&M expenses for the year FY 2021-22 vis-a-vis the approved level by the Hon'ble Commission is shown in the table below:

Table 3-10: O&M Expenses for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|-------------------------|------------------------|-----------------------|
| Employee Expenses | 311.98 | 353.55 |
| A&G Expenses | 31.02 | 39.79 |
| R&M Expenses | 86.58 | 60.77 |
| O&M Expenses | 429.58 | 454.10 |

The Hon'ble Commission is requested to approve the O&M Expenses for FY 2021-22 as shown in the table above. The details of O&M expense for FY 2021-22 are provided in the Formats 13, 15 & 16 of the Tariff Filing Formats.

3.6 Interest & Finance Charge

The Regulation 28 of JERC MYT Regulations 2018 provides for Interest and Finance Charges on Loan. EDG has submitted that the majority of capital assets are created out of the equity contribution from Government of Goa.

EDG has claimed the interest expenses based on normative loan calculation whereby



closing GFA of the Truing up for FY 2020-21 has been considered as opening GFA for FY 2021-22 and 70% of capitalisation (after deducting the assets created through Electricity Duty fund available as grants) during FY 2021-22 has been considered as normative debt addition during the financial year. Working of the addition of normative loan during FY 2021-22 is shown as below:

Table 3-11 : Working of Normative loan addition during FY 2021-22 (Rs. Cr.)

| Particulars | FY 2021-22 |
|--|--------------|
| Additions to GFA (A) | 165.19 |
| Less: 60% for Grant Component of APDRP Part-B and 75% Grant Component of IPDS scheme (B) | 30.45 |
| Less: Schemes out of ED Fund (C) | 59.45 |
| Net Additions to GFA (D) | 75.28 |
| Normative Loan addition during the year (70% x D) | 52.70 |

Opening balance of normative loan for FY 2021-22 considered as per the approved closing balance of normative loan during truing up for FY 2020-21. Accordingly, the Interest expenses vis-a-vis approved by the Hon'ble Commission for FY 2021-22 shown below.

Table 3-12 : Interest on normative loan for FY 2021-22 (Rs. Cr.)

| Particulars | FY 2021-22 (Approved) | FY 2021-22 (Audited) |
|-------------------------------------|-----------------------|----------------------|
| Opening Normative Loan | 1094.72 | 104.60 |
| Add: Normative Loan during the year | 52.50 | 52.70 |
| Less: Normative Repayment | 88.18 | 56.66 |
| Closing Normative Loan | 1059.04 | 100.63 |
| Average Normative Loan | 1076.88 | 102.61 |
| Rate of Interest (@SBI PLR rate) | 8.00% | 8.00% |
| Interest on Normative Loan | 86.15 | 8.21 |

EDG submits that the Regulation 28 of JERC MYT Regulations 2018 states that,

"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 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 Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest:

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 further that if 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 plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.”

In view of the above, EDG submits that since, no last available weighted average rate of interest is available, EDG has considered the SBI MCLR Rate plus 100 basis point as on 01st April 2020, i.e. 8.00% as the interest rate on normative loan.

As seen from the above table, EDG has submitted Interest on normative loan which is considerably lower than that approved in the Tariff Order by the Hon'ble Commission. The main reason for the lower Interest Charges in true-up compared to the approved is the lower opening normative loan. The opening Normative Loan for FY 2021-22 considered by EDG as the closing Normative Loan of Truing up of FY 2020-21. In the Tariff Order for FY 2021-22, the normative loan added during FY 2020-21 was 52.50 Cr while in this true-up petition, the normative loan added based on the actual capitalization during FY 2021-22 was Rs. 52.70 Cr. This is due to the reason that few projects started in FY 2020-21 were partially deferred and completed in FY 2021-22. So, actual capitalisation for FY 2020-21 was Rs.51.90 Cr and for FY 2021-22 was of Rs.165.19 Cr.

EDG further submits that the repayment of normative loan has been considered equal to the normative depreciation for FY 2020-21, which is in line with JERC MYT Tariff Regulations 2018.

Other than Interest on normative loan, EDG has claimed other Interest & Finance charges in the table highlighted below, it is submitted that certain financial charges are incurred by the department which are related to bank charges, LC charges, etc. and the same also is in line with audited accounts.

Table 3-13 : Other Interest and Finance Charges for FY 2021-22 (Rs. Cr.)

| Particulars | FY 2021-22 (Approved) | FY 2021-22 (Audited) |
|---|--------------------------|-------------------------|
| Interest on Normative Loan | 86.15 | 8.21 |
| Other Finance Charges | - | 3.29 |
| Total Interest & Finance Charges | 86.15 | 11.50 |

The Hon'ble Commission is requested to approve the Interest & Finance Charges for



FY 2021-22 as computed in the above table. The details of Interest & Finance charges are provided in Format 10A of the Tariff Filing Formats.

3.7 Interest on Working Capital

Regulation 52 of JERC MYT Tariff Regulations 2018, stipulates the methodology for calculation of normative Working Capital and Interest on Working Capital as applicable to Goa Electricity Department. This is as shown below:

"52. Norms of Working Capital for Distribution Wires Business

52.1 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 re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Further, Regulation 31.3 & 31.4 of the MYT Regulation, 2018 stipulates the following:

"31.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

31.4 The rate of interest on working capital shall be equal 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 Financial Year in which the Petition is filed plus 200 basis points."

The EDG hereby submits that it has adopted the same methodology adopted by the Hon'ble Commission in the Tariff Order dated 30th March 2021 and that stipulated in the aforesaid Regulation 52 of JERC MYT Tariff Regulations 2018. EDG also submits that in line with the aforesaid regulations, the Interest Rate has been considered as SBI MCLR Rate applicable as on 01st April 2021, i.e. 9.00%.



Table 3-14 : Interest on Working Capital for FY 2021-22 (Rs. Cr.)

| Particulars | FY 2021-22 (Approved) | FY 2021-22 (Audited) |
|--|--------------------------|-------------------------|
| O&M Expenses for one (1) month | 35.80 | 37.84 |
| Maintenance spares at 40% of repair and maintenance expenses for one (1) month | 2.89 | 2.03 |
| Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff | 320.37 | 317.00 |
| Less: Security Deposit | 188.74 | 68.91 |
| Total Working Capital Requirement | 170.32 | 287.96 |
| Interest Rate (%) | 9.75% | 9.00% |
| Interest on working capital | 16.61 | 25.92 |

The Hon'ble Commission is requested to approve the Interest on Working Capital for FY 2021-22 as presented in the table above.

3.8 Interest on Consumer Security Deposits

Interest on Security Deposits has been calculated in accordance with the JERC MYT Regulations, 2018 based on the average of opening and closing consumer security deposits during the year. The opening security deposit has been derived based on the closing security deposit of FY 2020-21. The addition during the year has been considered as per the actuals as reflected in the audited accounts for FY 2021-22.

In accordance with the JERC (Electricity Supply Code) Regulations, 2018 (First Amendment) Regulations, 2019, the rate of interest to the consumer has been considered at the Bank Rate declared by the Reserve Bank of India prevailing on the 1st of April 2020 i.e., 4.25% and the same has been considered for computation of Interest on Security deposit which comes out to be Rs. 2.93 Cr. However, as per the audited annual accounts, the actual Interest on Security Deposit paid by EDG during FY 2021-22 was Rs.5.43 Crore and the same has been considered as Interest on Security Deposit for the purpose of true-up.

Table 3-15 : Interest on Security deposit for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|---------------------------------|------------------------|-----------------------|
| Opening Security Deposit | 163.19 | 51.21 |
| Add: Deposits during the Year | 51.10 | 43.31 |
| Less: Deposits refunded | - | 7.92 |
| Closing Security Deposit | 214.29 | 86.60 |



| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|--|------------------------|-----------------------|
| Average Security Deposit | 188.74 | 68.91 |
| Bank Rate | 4.65% | 4.25% |
| Interest on Security Deposit | 8.78 | 2.93 |
| Interest on Security Deposit paid | - | 5.43 |
| Interest on Security Deposit Paid during the year | 8.78 | 21.63 |

3.9 Return on Equity

EDG submits that Regulation 27.2 and 27.3 of JERC MYT Regulations 2018 provides for Return on Equity (RoE) which stipulates as under:

“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 post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

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.”

In line with the Tariff Order dated 30th March 2021, 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. Return on equity rate of 15.50% for the Distribution Wires Business and a rate of 16% for the Retail Supply Business has been considered.

EDG has considered the Opening equity base for FY 2021-22 as 30% of Opening GFA for FY 2021-22 (Net of assets funded by consumer contribution, capital subsidies and grants) The computation of Opening Equity for FY 2021-22 is provided in the table given below:

Table 3-16 : Equity Addition during FY 2021-22 (Rs. Cr.)

| Particulars | FY 2021-22 |
|--|--------------|
| Additions to GFA (A) | 165.19 |
| Less: 60% for Grant Component of APDRP Part-B and 75% Grant Component of IPDS scheme (B) | 30.45 |
| Less: Schemes out of ED Fund (C) | 59.45 |
| Net Additions to GFA (D) | 75.28 |
| Normative equity addition during the year (30% X D) | 22.59 |

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EDG also submits that the Equity addition during the year has been considered as 30% of the assets capitalized during FY 2021-22 (Net of Schemes created out of Grant Component of APDRP Part-B / IPDS scheme and Electricity Duty). Considering the RoE@15.5% for Distribution Wires Business and RoE @16.0% for the Retail Supply Business, the total Return on Equity for FY 2021-22 is computed as given below:

Table 3-17 : Computation of Return on Equity FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|---|------------------------|-----------------------|
| Opening balance of Normative Equity | 681.11 | 330.09 |
| Equity Addition during year (30% of Capitalization) | 22.50 | 22.59 |
| Closing balance of Normative Equity | 703.61 | 352.68 |
| Average Equity Amount | 692.36 | 341.38 |
| Average Equity – Wires Business (90%) | 623.12 | 307.25 |
| Average Equity – Retail Supply Business (10%) | 69.24 | 34.14 |
| Return on Equity -Wires Business (%) | 15.50% | 15.50% |
| Return on Equity Retail Supply Business (%) | 16.00% | 16.00% |
| Return on Equity -Wires Business | 96.58 | 47.62 |
| Return on Equity Retail Supply Business | 11.08 | 5.46 |
| Total Return on Equity | 107.66 | 53.09 |

In view of above, the Hon'ble Commission is requested to approve the above Return on Equity for FY 2021-22 as calculated in the above table.

3.10 Provision for Doubtful debts

EDG submits that the Regulation 62 of JERC MYT Regulations 2018 states that,

"62. Provision for bad and doubtful debts

62.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of write off of bad debts 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.”

EDG submits that though it has made the provision of Rs. 4.88 Cr. in Audited Annual Accounts for FY 2021-22 towards Doubtful debt, the doubtful debt written off during that financial year is Rs. 4.88 Cr.

In view of above, EDG has considered provision for Doubtful Debt for FY 2021-22 is Rs.4.88 Cr.

3.11 Non-Tariff Income

In accordance with the Regulation 64 of the JERC MYT Regulations, 2018, the Non-Tariff income stipulates the following:

“64. Non-Tariff Income

64.1 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.

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

- (a) Income from rent of land or buildings;
- (b) Income from sale of scrap;
- (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.:

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 49 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."

The Non-Tariff Income approved by the Hon'ble Commission in the ARR for FY 2021-22 was Rs. 26.32 Cr.

The details of actual Non-Tariff Income for FY 2021-22 are provided in Format 20 of the Tariff Filing Formats.

The summary of total Non-Tariff Income for FY 2021-22 is tabulated below:

Table 3-18: Non-Tariff Income for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|--|------------------------|-----------------------|
| Meter/service rent | | 15.76 |
| UI Sales / Sales to Exchange | | |
| Sale Proceeds of Dead stock, Waste paper etc | | 1.27 |
| Wheeling charges under open access | | 0.55 |
| Misc. Receipts/income | 26.32 | 15.15 |
| Deferred Income (Electricity Development fund) | | |
| Income from trading | | |
| Total income | 26.32 | 32.73 |
| Add: prior period income | | |
| Total Non-tariff income | 26.32 | 32.73 |

In view of above, the Hon'ble Commission is requested to approve the Non-Tariff Income for FY 2021-22 as calculated in the above table.



3.12 Aggregate Revenue Requirement for FY 2021-22

In view of the various parameters of the ARR discussed in above paragraphs, the Aggregate Revenue Requirement for FY 2021-22 as approved by the Hon'ble Commission and as per the true-up Petition claimed by EDG are outlined in the following table:

Table 3-19: Aggregate Revenue Requirement for FY 2021-22 (Rs. Cr.)

| S.No | Particulars | FY 2021-22 (Approved) | FY 2021-22 (Audited) |
|------|--|--------------------------|-------------------------|
| 1 | Cost of fuel | - | |
| 2 | Cost of power purchase (Including Provision for RPO Obligation for previous years) | 1,590.40 | 1,730.69 |
| 3 | Employee costs | 311.98 | 353.55 |
| 4 | Administration and General expenses | 31.02 | 39.79 |
| 5 | R&M Expenses | 86.58 | 60.77 |
| 6 | Depreciation | 88.18 | 56.66 |
| 7 | Interest and Finance Charges | 86.15 | 11.50 |
| 8 | Interest on Working Capital | 16.61 | 25.92 |
| 9 | Return on Equity | 107.66 | 53.09 |
| 10 | Provision for Bad Debt | | 4.88 |
| 11 | Interest on Consumer Security Deposit paid | 8.78 | 5.43 |
| 12 | Total Revenue Requirement | 2,327.36 | 2,342.27 |
| 13 | Less: Non-Tariff Income | 26.32 | 32.73 |
| 14 | Net Revenue Requirement (12-13) | 2,301.04 | 2,309.54 |
| 15 | Revenue from Tariff | 1,863.01 | 1,901.97 |
| 16 | Net Gap (14-15) | 438.03 | 407.56 |
| 17 | Energy sales (MU) | 4,085.77 | 4,019.41 |
| 18 | Average Cost of Supply (Rs/kWh) | 5.63 | 5.75 |

The Hon'ble Commission is requested to approve the net Aggregate Revenue Requirement for FY 2021-22 as described in the above table.

3.13 Revenue from Retail Sale of Power

The Revenue from Tariff for FY 2021-22 approved by the Hon'ble Commission in Tariff Order dated 30th March 2021 was Rs. 1863.01 Cr.

The actual revenue earned from tariffs for FY 2021-22 is Rs. 1,901.97 Cr. and the same has been shown in the table below:



Table 3-20: Actual Revenue from Tariff for FY 2021-22

| Particulars | FY 2021-22 (Audited) | | | | |
|---|----------------------|--------------------------------------|--------------------------------------|-----------------------------|-----------------------|
| | Sales (MUs) | Revenue from Demand Charges (Rs. Cr) | Revenue from Energy Charges (Rs. Cr) | Revenue from FPPCA (Rs. Cr) | Total Revenue (Rs Cr) |
| A. LOW TENSION SUPPLY | | | | | |
| LTD/Domestic | 1,289.26 | 25.54 | 292.90 | 24.70 | 343.15 |
| LTD/Low Income Group | 1.16 | 0.10 | 0.37 | 0.04 | 0.51 |
| LTC/Commercial | 390.16 | 14.13 | 173.68 | 15.13 | 202.94 |
| LT Mixed Hotel Industries | 3.24 | 0.12 | 0.61 | 0.14 | 0.87 |
| LT-I Industrial | 81.35 | 6.39 | 30.91 | 3.15 | 40.44 |
| LTAG/Agriculture (Pump sets/Irrigation) | 14.28 | 0.89 | 1.75 | 0.00 | 2.64 |
| LTAG/Agriculture (Allied Activities) | 1.11 | 0.05 | 0.23 | 0.00 | 0.28 |
| Metered Street Light | 39.18 | 6.36 | 16.30 | 1.15 | 23.81 |
| Hoardings/Signboards | 0.18 | 0.04 | 0.18 | 0.02 | 0.24 |
| B. HIGH TENSION SUPPLY | | | | | |
| HT- D Domestic | 0.36 | 0.04 | 0.06 | 0.01 | 0.12 |
| HT- C Commercial | 117.67 | 24.78 | 63.29 | 6.66 | 94.74 |
| HTI / Industrial - Connected at 11/33kV | 1,292.15 | 175.12 | 521.44 | 57.62 | 754.18 |
| HTI / Industrial - Connected at 110 kV | 255.47 | 14.64 | 109.90 | 11.05 | 135.59 |
| HT-Indust. (F/M, Steel Melt, Power Intensive) | 458.34 | 74.95 | 167.58 | 19.38 | 261.92 |
| HTAG/Agriculture (Pump sets/Irrigation) | 5.31 | 0.71 | 0.29 | - | 0.99 |
| HTAG/Agriculture (Allied Activities) | 10.58 | 0.14 | 2.08 | - | 2.23 |
| HT. MES/ Defence Establishment | 29.44 | 1.47 | 13.97 | 1.16 | 16.60 |
| C. TEMPORARY SUPPLY | | | | | |
| L.T. Temporary Domestic | 2.08 | 0.07 | 0.83 | 0.07 | 0.97 |
| L.T. Temporary Commercial | 18.26 | 0.77 | 10.68 | 1.28 | 12.73 |
| H.T. Temporary | 4.56 | 1.46 | 3.75 | 0.31 | 5.51 |
| D. SINGLE POINT SUPPLY | | | | | |
| Residential Complexes | - | | | | |
| Commercial Complexes | 4.08 | 0.72 | 1.94 | 0.21 | 2.88 |
| Industrial Complexes | - | | | | |
| E. OTHERS | | | | | |
| Unmetered LTPL | - | 0 | (2.16) | 0 | -2.16 |



Petition for True-up of FY 2020-21 & 2021-22

| Particulars | FY 2021-22 (Audited) | | | | |
|--------------|----------------------|--------------------------------------|--------------------------------------|-----------------------------|-----------------------|
| | Sales (MUs) | Revenue from Demand Charges (Rs. Cr) | Revenue from Energy Charges (Rs. Cr) | Revenue from FPPCA (Rs. Cr) | Total Revenue (Rs Cr) |
| RRC referred | (0.00) | 0.00 | 0.21 | 0.00 | 0.21 |
| E-Vehicle | 1.20 | - | 0.53 | 0.06 | 0.59 |
| Total | 4,019.41 | 348.52 | 1,411.31 | 142.14 | 1,901.97 |

In view of above, the Hon'ble Commission is requested to approve Revenue from sale of power for FY 2021-22 as detailed in the above table.

3.14 Revenue Gap for FY 2021-22

EDG in its submission of the Tariff Proposal for FY 2021-22 has proposed to recover the revenue gap of INR 301.40 Cr. partly from moving towards kVAh based tariff for HT/EHT consumers and non-telescopic billing for LT Domestic (for consumption above 200 units) and LT Commercial categories. Further, proposed that these changes will result in an additional revenue of INR 122.75 Cr (after considering the reduction in revenue from the proposed reduction in tariff across various categories). The remaining gap of INR 178.65 Cr is proposed to be met from budgetary support from the Government of Goa. However, the Petitioner vide its letter No. 1/14/2019-FIN (BUD)/57 dated 7th January 2021 has submitted the budgetary support letter from the Government of Goa that any net revenue gap ascertained by the Commission shall be completely met through budgetary support. Further, has proposed reduction in tariff across various categories.

The Commission in the Tariff Order dated 30th March 2021 has, however, accepted the Petitioner's proposal to move towards kVAh based tariff for HT/EHT consumers only. The Commission has considered the kVAh tariff for HT/EHT consumers to be the same as kWh tariff approved in the previous Tariff Order, which translates to an average tariff hike of 3.18% with the remaining gap of Rs.378.81 Crores to be recovered from Govt's budgetary support.

EDG would like to submit before Hon'ble Commission that due to the COVID-19 pandemic, in order to boost the economic activity in the State, Government of Goa vide Cabinet decisions taken in the Cabinet Meeting of the Council of Ministers held on 25/08/2021, has approved the following:



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Petition for True-up of FY 2020-21 & 2021-22

The Council of Ministers resolved to keep the Tariff Order for FY 2021-22 in abeyance for the period from 1st April, 2021 till 31st March, 2022 (12 months) except for levy of Tariff of Rs.3.50/Unit as per Tariff Order for FY 2021-22 to Consumer Category "Electric Vehicle Charging Station" and implementation of kVAh based tariff for HT/EHT Categories and to grant of subsidy to all categories of Consumers to nullify the impact of hike in Tariff Order for FY 2021-22 issued vide Petition No: 39/2020 by the joint Electricity Regulatory Commission for the State of Goa and Union Territories.

Post issuance of above-mentioned cabinet decision by the Government of Goa, the Electricity Department, in FY 2021-22 had been levying the Tariff approved by JERC for FY 2019-20 on all consumers except for EV Charging Stations, and implementation of kVAh based tariff for HT/EHT Categories. The difference in the revenue was considered as subsidy from the Government of Goa to each category of consumer during FY 2021-22, in addition, the Government would provide budgetary support to take over any revenue gap remaining for the year.

Thus, the revenue gap of Rs. 407.56 Cr. arrived for FY 2021-22 under True Up exercise shall be met by the Government of Goa through budgetary support letter issued at the time of filing the Petition (**Annexure-2**). Thus, the revenue gap carried forward to the subsequent financial years has been considered as NIL.

Table 3-21: Revenue Gap for FY 2021-22 (Rs. Cr.)

| Particulars | FY 21-22 (Approved) | FY 21-22 (Audited) |
|--|------------------------|-----------------------|
| Aggregate Revenue Requirement | 2301.04 | 2,309.54 |
| Revenue from Tariff including FPPCA | 1,922.23 | 1,901.97 |
| Revenue Gap | 378.81 | 407.56 |
| Less : Budgetary Support from Govt. | 378.81 | 407.56 |
| Net Final revenue Gap to be carry forward | - | - |

In view of above, the Hon'ble Commission is requested to approve the Revenue Gap for FY 2021-22 as NIL as computed in the above table for the purpose of carrying forward to subsequent years.

PRAYER'S TO THE COMMISSION

Prayer to the Hon'ble Commission

The Electricity Department, Government of Goa (EDG) respectfully prays to the Hon'ble Commission to:



- (a) Accept and admit the petition for True-up of FY 2020-21 and FY 2021-22 as per the principles laid by the Hon'ble Commission contained in MYT Tariff Regulations 2018;
- (b) Approve the total recovery and revenue gap for Final True up of FY 2020-21 and FY 2021-22 and other claims as proposed by EDG.
- (c) Approve the Revenue Gap for FY 2020-21 and FY 2021-22 as Rs. 192.06 Cr and Rs. 407.56 Cr respectively as per True up, and the revenue gap as may be approved by the Hon'ble Commission during the process of finalising the True-Up petition;
- (d) The revenue gap is proposed to be met through budgetary support by the Government of Goa. The letter for Budgetary Support have been submitted as **Annexure-2** to this Petition;
- (e) Pass suitable orders with respect to True-up of FY 2020-21 and FY 2021-22 for the expenses incurred by EDG for serving its consumers;
- (f) Grant any other relief as the Hon'ble Commission may consider appropriate;
- (g) The petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time;
- (h) Condone any inadvertent omissions/errors/shortcomings and permit EDG to add/change/ modify/ alter this filing and make further submissions as may be required at a future date;
- (i) To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

5 ANNEXURES.

5.1 Annexure 1: Tariff Formats

5.2 Annexure 2: Budgetary Support Letter of FY 2020-21 & FY 2021-22

5.3 Annexure 3: CAG certificate for Audit of EDG Accounts of FY 2020-21 & FY 2021-22

5.4 Annexure 4: Audited Accounts of FY 2020-21 & FY 2021-22.