



**Petition for True-up for the FY 2017-18, FY 2018-19, FY
2019-20, FY 2020-21**

**Submitted by:
Electricity Department
Andaman & Nicobar Administration
December-2021**



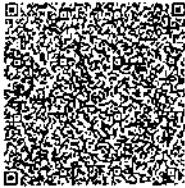
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Andaman and Nicobar Administration

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**BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA & UNION TERRITORIES**

FILE No: _____

CASE No: _____

IN THE MATTER OF

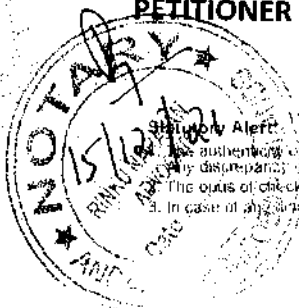
AND

IN THE MATTER OF THE
PETITIONER

: Petition for Approval of True-up for the FY 2017-18,
FY 2018-19, FY 2019-20, FY 2020-21.

: The Electricity Department, Vidyut Bhawan, Port
Blair-744101, U.T. of Andaman & Nicobar

.....Petitioner



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AFFIDAVIT

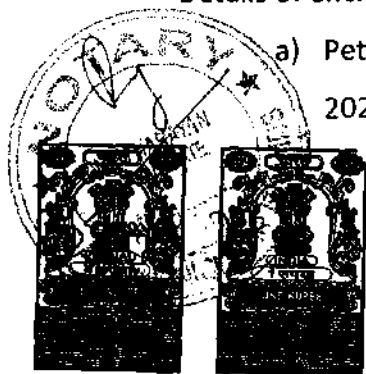
I, KARUNA JAYDHAR, S/o KANAI LAL JAYDHAR, (aged 58 years), (occupation) Government Service residing at 19- Tagore Road, Port Blair, Andaman & Nicobar Islands, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the Superintending Engineer of Electricity Department of Andaman & Nicobar Administration and is acquainted with the facts deposed to below.
2. I, the deponent named above do hereby verify that the contents of the accompanying petition are based on the records of Andaman & Nicobar Electricity Department maintained in the ordinary course of business and believed by them to be true and I believe that no part of it is false and no material has been concealed there from.

Details of enclosures:

- a) Petition for Approval of True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21.

for Tariff Petition is being transferred through RTGS.



Place: Port Blair, Andaman & Nicobar

Dated:

For The Electricity Department of A&N

Petitioner

अधीक्षक अभियंता / Superintending Engineer
विद्युत विभाग / Electricity Department
अ. नि. प्रशासन / A & N Administration
पोर्ट ब्लेयर / Port Blair

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

Ramendra Agarwal
Advocate

Solemnly affirmed before me on this 15 day of December 2021 at a.m. /p.m. by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.

Altered before me after the contents were read over and explained to the deponent
day of December 2021

RINKU NARAYAN
ADVOCATE & NOTARY
PORT BLAIR

Serial No
353/XV/2021

**BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA & UNION TERRITORIES**

FILE No: _____

CASE No: _____

IN THE MATTER OF

**Petition for Approval of True-up for the FY 2017-18,
FY 2018-19, FY 2019-20, FY 2020-21.**

AND

**IN THE MATTER OF THE
PETITIONER**

**The Electricity Department, Vidyut Bhawan, Port
Blair-744101, U.T. of Andaman & Nicobar.**

.....Petitioner

PETITIONER, UNDER JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA AND UNION TERRITORIES (MULTI YEAR TARIFF) REGULATIONS, 2014, 2018 & 2021 FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR APPROVAL OF PETITION FOR APPROVAL OF TRUE-UP FOR THE FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 OF ELECTRICITY DEPARTMENT OF ANDAMAN & NICOBAR ADMINISTRATION (HEREIN AFTER REFERRED TO AS "EDA&N").

**THE ELECTRICITY DEPARTMENT OF ANDAMAN & NICOBAR ADMINISTRATION RESPECTFULLY
SUBMITS:**

1. The Petitioner, The Electricity Department of Andaman & Nicobar Administration has been allowed to function as Distribution Utility for UT of Andaman & Nicobar.
2. Pursuant to the enactment of the Electricity Act, 2003, EDA&N is required to submit its Aggregate Revenue Requirement (ARR) and Tariff Petitions as per procedures outlined in section 61, 62 and 64, of EA 2003, and the governing regulations thereof.
3. The Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2014 & 2018 requires the EDA&N to file True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 which shall comprise but not be limited to detailed category-wise sales and demand, power procurement, capital investment, financing, physical targets, cost components etc..



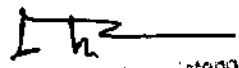
अधीक्षक अभियंता / Superintending Engineer
विद्युत विभाग / Electricity Department
अ. नि. प्रशासन / A & N Administration
पोर्ट ब्लेयर / Port Blair

4. EDA&N is submitting its Petition for Approval of True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 to Hon'ble Commission on the basis of the principles outlined in tariff regulations notified by the Joint Electricity Regulatory Commission.
5. EDA&N prays to the Hon'ble Commission to admit the attached Petition for Approval of True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and would like to submit that:

PRAYERS TO THE HON'BLE COMMISSION:

1. The petition provides, inter-alia, EDA&N's approach for formulating the present petition, the broad basis for projections used, summary of the proposals being made to the Hon'ble Commission, performance of EDA&N in the recent past, and certain issues impacting the performance of EDA&N in the Licensed Area.
2. Broadly, in formulating the Petition for Approval of True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, the principles specified by the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2014 & 2018 ("MYT Regulations") have been considered as the basis.
3. In order to align the thoughts and principles behind the MYT petition and Tariff Proposal, EDA&N respectfully seeks an opportunity to present their case prior to the approval of the business plan. EDA&N 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.
4. EDA&N may also be permitted to propose suitable changes to the petition and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.

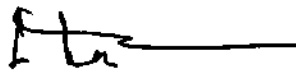



अ. नि. प्रशासन / Superintending Engineer
विद्युत विभाग / Electricity Department
अ. नि. प्रशासन / A & N Administration
पोर्ट ब्लेयर / Port Blair

In view of the above, the petitioner respectfully prays that Hon'ble Commission may:

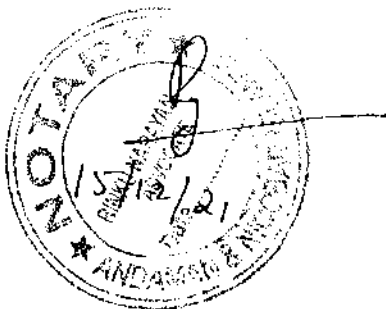
- Approve of True-up for the FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21 for EDA&N formulated in accordance with the guidelines outlined as per the regulation of Joint Electricity Regulatory Commission relating to Distribution Licensee and the principles contained in Tariff Regulations;
- Condone any inadvertent delay/ omissions/ errors/ rounding off differences/shortcomings and EDA&N may please be permitted to add/ change/ modify/ alter the petition;
- Permit EDA&N to file additional data/ information as may be necessary;
- Pass such further and other orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

The Electricity Department of Andaman & Nicobar administration

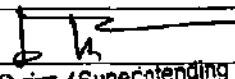
Petitioner 
अधीक्षक अभियंता / Superintending Engineer
विद्युत विभाग / Electricity Department
अ. नि. प्रशासन / A & N Administration
पोर्ट ब्लेयर / Port Blair

Place: Port Blair, Andaman & Nicobar Islands

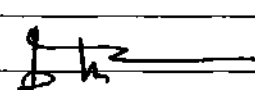
Dated: 15/12/2021



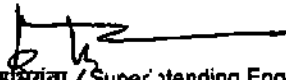
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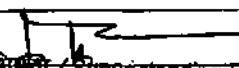

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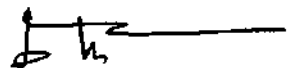
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 अधीक्षक अभियंता / Superintending Engineer
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LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administration & General
ARR	Annual Revenue Requirement
CAGR	Compound Annual Growth Rate
CD	Contract Demand
CoS	Cost of Supply
Crs	Crone
D/E	Debt Equity
EDA&N	Electricity Department of Andaman & Nicobar
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
JERC	Joint Electricity Regulatory Commission
KV	Kilovolt
KVA	Kilovolt Amps
kWh	kilo Watt hour
LT	Low Tension
LTC	Leave Travel Concession
MU	Million Units
MVA	Million Volt Amps
MW	Mega Watt
O&M	Operation & Maintenance
PLF	Plant Load Factor
MCLR	Marginal Cost Lending Rate
R&M	Repairs and Maintenance
RoE	Rate of Return
Rs.	Rupees
S/s	Sub Station
SBI	State Bank of India
T&D	Transmission & Distribution
UT	Union Territory
MYT	Multi Year Tariff


 अधीक्षक अभियंता / Superintending Engineer
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1. INTRODUCTION

1.1. Historical Perspective

The Department of Electricity of Andaman & Nicobar Administration ("EDA&N") is responsible for power supply in the union territory. Power requirement of EDA&N is met by own generation station as well as power purchase.

Andaman & Nicobar Islands is cluster of islands scattered in the Bay of Bengal. These islands are truncated from rest of India by more than 1000 kms. The total area of the territory is 8249 sq. kms having population of 3,79,944 as per 2011 Census provisional records & average growth rate is 6.68%. The tempo of economic development has tremendously accelerated along with all-round expansion in the areas/sectors viz. (i) Shipping Services, (ii) Civil Supplies, (iii) Education, (iv) Fisheries, (v) Tourism & Information Technology, (vi) Health, (vii) Industries, (viii) Rural Development, (ix) Social Welfare, (x) Transport, (xi) Increase in District Headquarters (xii) Central Government Department, (xiii) Public Undertaking & other offices, (xiv) Services & Utilities, (xv) Defense Establishment (xvi) Commercial Organizations/Business Centre's etc. Thus, these islands have reached at the take-off stage of total economic transformation. All these economic and infrastructure developments require power as a vital input & to play a key role for achieving overall transformations.

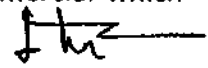
1.2. Power Scenario

1.2.1. The key duties being discharged by EDA&N are:

- ❖ Laying and operating of such electric line, sub-station and electrical plant that is primarily maintained for the purpose of distributing electricity in the area of Andaman & Nicobar Islands, notwithstanding that such line, sub-station or electrical plant are high pressure cables or overhead lines or associated with such high-pressure cables or overhead lines; or used incidentally for the purpose of transmitting electricity for others, in accordance with Electricity Act, 2003 or the Rules framed there under.
- ❖ Operating and maintaining sub-stations and dedicated transmission lines connected there with as per the provisions of the Act and the Rules framed there under.
- ❖ Generation of electricity for the supply of electricity required within the boundary of the UT and for the distribution of the same in the most economical and efficient manner;
- ❖ Supplying electricity, as soon as practicable to any person requiring such supply, within its competency to do so under the said Act;
- ❖ Preparing and carrying out schemes for distribution and generally for promoting the use of electricity within the UT.

1.2.2. The current demand is primarily dependent on the domestic and commercial which contributed approx. 80% to the total sales of EDA&N in FY 20-21.

Electricity Department, Union Territory of Andaman & Nicobar Islands


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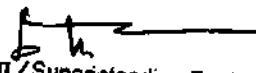
1.3. JERC Formation

In exercise of the powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all Union Territories to be known as "Joint Electricity Regulatory Commission for Union Territories" as notified on 2nd May 2005. Later with the joining of the State of Goa, the Commission came to be known as "Joint Electricity Regulatory Commission for the State of Goa and Union Territories" as notified on 30th May 2008.

The Hon'ble Commission is a two-member body designated to function as an autonomous authority responsible for regulation of the power sector in the State of Goa and Union Territories of Andaman & Nicobar, Lakshadweep, Chandigarh, Daman & Diu, Dadra Nagar & Haveli and Puducherry. The powers and the functions of the Hon'ble Commission are as prescribed in the Electricity Act 2003. The Head Office of the Commission presently is located in the district town of Gurgaon, Haryana and falls in the National Capital Region.

The Joint Electricity Regulatory Commission for the State of Goa and Union Territories started to function with effect from August 2008 with the objectives and purposes for which the Commission has been established. Presently the Hon'ble Commission is framing various regulations as mandated in the Electricity Act 2003 to facilitate its functioning. Some of the Regulations notified by the Hon'ble Commission include the following:

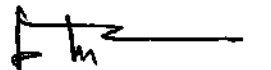
- JERC Conduct of Business Regulations 2009;
- JERC Establishment of Forum for Redressal of Grievances of Consumers Regulations 2009;
- JERC Appointment and Functioning of Ombudsman Regulations 2009;
- JERC Recruitment, Control and Service Conditions of Officers and Staff Regulations 2009;
- JERC Treatment of other businesses of Transmission Licensees and Distribution Licensees Regulations, 2009.
- JERC State Advisory Committee Regulations, 2009.
- JERC Appointment of Consultants Regulation, 2009.
- JERC Open Access in Transmission and Distribution Regulations, 2009.
- JERC Electricity Supply Code Regulations 2010
 - (a) 1st Amendments
 - (b) 2nd Amendments
 - (c) Corrigendum dt. 6th Jan. 2014
- JERC State Grid Code Regulations 2010
- JERC Electricity Trading Regulations 2010
- JERC Procurement of Renewable Energy Regulations 2010 along with amendments.
- JERC (Distribution Code) Regulations 2010
- JERC (Procedure for filling Appeal before the Appellate Authority) Regulations 2013
- JERC for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015
- JERC (Solar Power -Grid Connected Ground Mounted and Solar Rooftop and Metering) Regulations, 2015
- JERC (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017
- JERC for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2018
- JERC for the State of Goa and Union Territories (Multi Year Tariff) Regulations, 2021.


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1.4. Filing of Petition for Approval of True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21.

EDA&N is hereby filing the instant petition for approval of True-up for the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 in accordance with the provisions of MYT Regulations, 2014 & 2018. The petitioner has attempted to comply with the various guidelines in the Act and regulations within the limitations of availability of data.



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2. True up of FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21

2.1 Preamble

EDA&N submits that the audit of the accounts has been completed by AG and the audit certificates also issued.

This chapter summarizes each of the components of ARR for FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21 and thereby working out the revenue gap for the respective years.

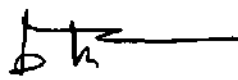
2.1.1 True-up for the FY 2017-18

2.2 Energy Sales for the FY 2017-18

2.2.1. EDA&N submits before the Hon'ble Commission the category wise actual and approved sales for FY 2017-18 in the table below:

Table - 2.2.1 Category wise sales for the FY 2017-18			
Category	As approved by Commission	As per Audited Accounts	Deviation
Domestic	140.92	127.38	13.54
Commercial	65.31	56.86	8.45
Industrial	17.35	17.49	-0.14
Bulk Supply	31.34	32.05	-0.71
Public Lighting	9.53	7.61	1.92
Irrigation Pumps & Agriculture	0.87	0.98	-0.11
Total	265.32	242.37	22.95

2.2.2. It is requested to the Hon'ble Commission to approve the actual sales as submitted in the above table for FY 2017-18.


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2.3 Number of consumers

2.3.1. EDA&N submits before the Hon'ble Commission, the actual consumer numbers for FY 2017-18 in comparison to the approved numbers as highlighted below:

Table - 2.3.1 Category wise No. of Consumers for the FY 2017-18			
Category	As approved by Commission	As per Audited Accounts	Deviation
Domestic	110103	110547	-444
Commercial	19416	20056	-640
Industrial	575	579	-4
Bulk Supply	66	64	2
Public Lighting	697	688	9
Irrigation Pumps & Agriculture	270	374	-104
Total	131127	132308	-1181

2.3.2 It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2017-18.

2.4 Connected Load

2.4.1. EDA&N submits before the Hon'ble Commission the actual connected Load for FY 2017-18 in comparison to the approved numbers as highlighted below:

Table - 2.4.1 Category wise connected load approved for the FY 2017-18			
Category	As approved by Commission	As per Audited Accounts	Deviation
Domestic	138672	145189	-6517
Commercial	49503	57670	-8167
Industrial	18098	21602	-3504
Bulk Supply	11273	12388	-1115
Public Lighting	2699	2832	-133
Irrigation Pumps & Agriculture	800	1016	-216
Total	221043	240697	-19654

2.4.2. It is requested to the Hon'ble Commission to approve the connected Load as submitted in the above table for FY 2017-18.

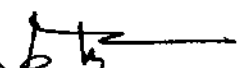
2.5 Energy Balance

- 2.5.1. The Hon'ble Commission approved the T&D loss for the FY 2017-18 as 15.34%. The comparison of energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

Table - 2.5.1 Energy Requirement for the FY 2017-18			
Energy Balance	As approved by Commission	As per Audited Accounts	Deviation
ENERGY REQUIREMENT			
Energy Sales			
LT Supply	265.32	242.37	22.95
HT Supply			
Total Energy Sales	265.32	242.37	22.95
Overall T & D Losses %	15.34	15.34	0.00
Overall T & D Losses (MUs)	48.07	43.92	4.16
Total Energy Requirement	313.39	286.29	27.11
Power Purchase	186.62	142.83	43.79
Own Generation	127.21	143.46	-16.25
Total Energy Availability	313.83	286.29	27.54
ENERGY SURPLUS/(GAP)	-0.44	0.00	-0.44

- 2.5.2. EDA&N requests the Hon'ble Commission to approve the Distribution Loss as submitted above for FY 2017-18.

Table- 2.5.2 T&D Loss for the FY 2017-18			
Particulars	As approved by Commission	As per Actual Data	Deviation
T&D Losses (%)	15.34	15.34	0.00


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2.6 Cost of fuel

- 2.6.1. The energy requirement of EDA&N is met from own generation & power purchase from the IPPs. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.
- 2.6.2. EDA&N submits before the Hon'ble Commission, the actual cost of fuel and the approved figures for FY 2017-18 in the table below:

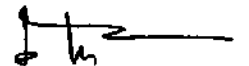
Table - 2.6.2 Own Generation Fuel Cost for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Own Generation Cost	132.35	248.72	-116.37
	Total	132.35	248.72	

- 2.6.3. The Hon'ble Commission is requested to approve the fuel cost as submitted above for FY 2017-18.

2.7 Cost of Power Purchase

- 2.7.1. EDA&N has also procured power from various IPPs and other generators. The actual power purchase cost for the FY 2017-18 and approved figure is provided below. It is requested that the Hon'ble Commission may kindly consider & approve the same.

Table - 2.7.1 Power Purchase Expenses for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	216.72	212.74	3.98
	Total	216.72	212.74	



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2.8 GFA, Capitalisation & Depreciation

2.8.1. GFA: The Opening Balance of GFA, additions and closing balance of GFA for FY 2017-18 as per annual accounts is submitted in the table below:

Table - 2.8.1 Gross Fixed Asset for FY 2017-18				
SL. No.	Particulars	Opening Assets	Additions	Assets at End
1	2	3	4	5
1	Plant & Machinery	163.19	3.11	166.31
2	Buildings	35.82	0.00	35.82
3	Vehicles	5.18	0.00	5.18
4	Furniture & Fixture	1.23	0.003	1.24
5	Office Equipment	15.78	0.01	15.78
6	Land & Land Rights	0.86	0.00	0.86
	Total	222.07	3.12	225.19

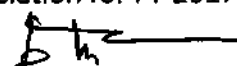
2.8.2. Depreciation: As per Regulation 23 of JERC Tariff Regulations, 2014 depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories.

2.8.3. EDA&N would like to submit that the depreciation arrived in annual accounts for FY 2017-18 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.

2.8.4. The following table shows the depreciation arrived by EDA&N for FY 2017-18 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for respective years.

Table - 2.8.4 Depreciation for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Depreciation	10.75	5.90	4.85
	Total	10.75	5.90	

2.8.5. The Hon'ble Commission is requested to approve the actual depreciation for FY 2017-18 as submitted in the table above.



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2.9 Operation & Maintenance expenses

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

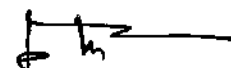
- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.
- Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling 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 well as in the reduction of losses in the system.
- Regulation 21 of JERC MYT Regulations, 2014 provides for trajectory of norms for each of the component of O&M Expense viz., Employee Expenses, A&G Expense and R&M Expense. The Hon'ble Commission has approved the O&M expenses for the FY 2017-18 in the MYT order for the control period FY 2016-17 to FY 2018-19. EDA&N has provided the component wise details of approved & actual figures for the FY 2017-18 in the subsequent section.

2.9.2. Employee Expenses

2.9.2.1 EDA&N has computed the O&M (Employee) expense for FY 2017-18 based on the actual employee expenses incurred during the entire year. The actual employee cost along with the approved figure for the FY 2017-18 is given below:

Table - 2.9.2.1 Employee Expenses for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Employee Cost	55.61	125.09	-69.48
	Total	55.61	125.09	

2.9.2.2 EDA&N requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2017-18 as reflecting in audited annual accounts.



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2.9.3. Repair & Maintenance Expenses

2.9.3.1 The actual repairs and maintenance cost as compared with the approved figures for the FY 2017-18 are provided in the table below:

Table-2.9.3.1 R&M Expenses for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	41.31	33.29	8.02
	Total	41.31	33.29	

2.9.3.2 EDA&N submit that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standards of Performance of the utility. There is a need for R&M expenses to be growing in line with the increase in GFA also. EDA&N therefore requests the Hon'ble Commission to approve the R&M expenses as submitted in the table above for the FY 2017-18.

2.9.4. Administrative & General Expenses

2.9.4.1 The administrative expense mainly comprises of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2017-18 are shown in the table below.

Table - 2.9.4.1 A&G Expenses for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Administration & General Expenses	1.83	16.63	-14.80
	Total	1.83	16.63	

2.9.4.2 EDA&N request the Hon'ble Commission to approve the A&G expenses as submitted in the table above for the FY 2017-18.


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2.10 Interest & Finance charges

- 2.10.1. The Regulation 24 of JERC MYT Regulations, 2014 provides for Interest and Finance Charges on Loan. EDA&N has submitted that all the capital assets are created out of the budgetary allocation from the Government of India.
- 2.10.2. It is submitted that the EDA&N has finalized the Fixed Asset Register for the year & the GFA figures have been considered as per the audited FAR. The closing normative loan for the previous year has been taken as opening balance. Further, in line with the Tariff Regulations, 70% of GFA addition during the year as per the audited Fixed Asset Register has been considered to arrive at the normative loan for the FY 2017-18. Further, normative repayment has been considered to be equal to the depreciation for the year. SBI Prime lending rate of 13.85% as on 01.04.2017 has been considered as rate of interest for the year.
- 2.10.3. Interest on loan for the FY 2017-18 has been arrived at based on the above normative loan & in accordance with the MYT Regulations. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2017-18.

Table - 2.10.1 Interest and Finance Charges for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Opening Normative Loan/WIP	18.80	72.12	9.07
2	Add: Normative Loan during the year/GFA during the year		2.19	
3	Less: Normative Repayment		0.00	
4	Less: Normative Repayment for the year		5.90	
5	Closing Normative Loan/ GFA		68.40	
6	Average Normative Loan		70.26	
7	Rate of Interest (@ SBI PLR rate)		13.85%	
8	Interest on Normative Loan		9.73	

- 2.10.4. The Hon'ble Commission is requested to approve the Interest & Finance Charges at as submitted above for FY 2017-18.

2.11 Interest on Working Capital

- 2.11.1. The Regulation 25 of JERC MYT Regulations, 2014 stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable. This is as shown below:

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Working capital for retail supply activity of the licensee shall consist of:

- i. Receivables of two months of billing
- ii. Less power purchase cost of one month
- iii. Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt
- iv. Inventory for two months based on annual requirement for previous year.

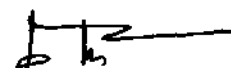
The rate of interest on working capital shall be equal to the base rate for the State Bank of India on the 1st April of the relevant financial year. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan worked out on the normative figures.

2.11.2. The working capital has been computed in accordance with the above Regulation. Further, the rate of interest of 9.10% (SBI Base rate) as on 01.04.2017 has been considered for computation of interest on working capital.

2.11.3. The table below shows the Interest on working capital vis-a-vis approved by the Hon'ble Commission for FY 2017-18.

Table - 2.11.1 Interest on Working Capital for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	FY 2017-18	Deviation
1	2	3	4	5
1	Receivables for 2 months	4.89	23.78	1.07
2	Less: Power Purchase Cost of one month		17.73	
3	Less: Consumer security Deposit but BG/FD		0.00	
4	Add: Inventory based on Annual Requirement for previous FY for two months		35.96	
5	Net Working Capital		42.01	
6	Rate of Interest for Working Capital		9.10%	
7	Interest on Working Capital		3.82	

2.11.4. The Hon'ble Commission is requested to approve the Interest on working capital as submitted above for FY 2017-18.


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2.12 Interest on Security deposits

2.12.1. EDA&N does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount and a lien is created in favour of the EDA&N towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, EDA&N has not claimed Interest on Security deposit in the ARR.

2.13 Return Equity

- 2.13.1. EDA&N has calculated the Return on Equity in accordance with the regulation 27 of JERC MYT Regulations, 2014. Debt: Equity norm of 70:30 and RoE of 16% for FY 2017-18 has been considered and accordingly, the return on equity is calculated as given below.
- 2.13.2. The summary of the Return on Equity as approved by the Hon'ble Commission and as calculated for FY 2017-18 is tabulated below:

Table - 2.13.2 Return on Equity for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Opening Equity Amount	10.34	66.62	-0.39
2	Equity Addition during year (30% of Capitalisation)		0.94	
3	Closing Equity Amount		67.56	
4	Average Equity Amount		67.09	
5	Rate of Return on Equity		16%	
6	Return on Equity		10.73	

2.13.3. The Hon'ble Commission is requested to kindly allow the above Return on Equity for FY 2017-18.

2.14 Provision for Bad & Doubtful Debts

2.14.1 As per regulation 32- Bad and Doubtful Debt of the MYT Regulations

"Bad and doubtful debt shall be limited to 1% of the receivables in the true-up, subject to the condition that amount of bad and doubtful debt is actually written-off in the licensee's books of accounts."

2.14.2 The EDA&N has not written off any Bad and Doubtful debts in Accounts for the FY 2017-18. Accordingly, no claim towards Provision for Bad & Doubtful Debts has been made by the EDA&N in the petition for the FY 2017-18.

2.15 Non-Tariff Income

2.15.1. The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, and income from trading, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Hon'ble Commission for FY 2017-18 is provided in the table below:

Table - 2.15.1 Non-Tariff Income for the FY 2017-18				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Non-Tariff Income	2.67	2.32	0.35
	Total	2.67	2.32	

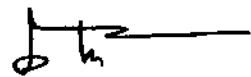
2.15.2. The Hon'ble Commission is requested to kindly allow Non-Tariff Income for FY 2017-18 as submitted above.

2.16 Revenue from sale of Power at Existing Tariff

2.16.1. The actual Revenue from Tariff for FY 2017-18 at existing tariff is shown in the table below:

Table - 2.16.1 Revenue from Existing Tariff		
2017-18		
Sr. No	Particular	At Existing Tariff (Rs. Crores)
1	2	3
1	Total Revenue	142.65

2.16.2. The Hon'ble Commission is requested to kindly allow Revenue from Tariff for FY 2017-18 at existing tariff as submitted above.


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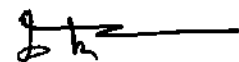
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2.17 Aggregate Revenue Requirement

2.17.1 The Aggregate Revenue Requirement for FY 2017-18 as approved by the Hon'ble Commission and the calculation for Aggregate Revenue Requirement on the basis of actual for FY 2017-18 is shown below:

Table - 2.17.1 True Up of ARR for FY 2017-18				
(in Rs. Crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Cost of fuel	132.35	248.72	-116.37
2	Cost of power purchase	216.72	212.74	3.98
3	Employee costs	55.61	125.09	-69.48
4	R&M expenses	41.31	33.29	8.02
5	A&G Expenses	1.83	16.63	-14.80
6	Depreciation	10.75	5.90	4.85
7	Interest & Finance Charges	18.80	9.73	9.07
8	Interest on working Capital	4.89	3.82	1.07
9	Return on NFA /Equity	10.34	10.73	-0.39
10	Provision for Bad Debit	0.00	0.00	0.00
11	Total revenue requirement	492.59	666.66	-174.07
12	Less: non-tariff income	2.67	2.32	0.35
13	Net revenue requirement (11-12)	489.92	664.33	-174.41
14	Revenue from tariff	144.10	142.65	1.45
15	Total gap (13-14)	345.82	521.68	-175.86

2.17.2 The Petitioner requests the Commission to approve the ARR for FY 2017-18 as submitted above.



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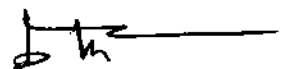
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2.18 Revenue Gap for FY 2017-18

2.18.1 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of true up of FY 2017-18 is shown in the table below:

Table - 2.18.1 Revenue Gap at Existing Tariff FY 2017-18				
Sr. No.	Particulars	As Approved by Commission	As per Audited Accounts	Deviation
I	Net Annual Revenue Requirement	489.92	662.22	-172.30
II	Revenue from Sale of Power	144.10	142.65	1.45
III	(Gap)/ Surplus (III)	345.82	519.57	-173.75

2.18.1 Hon'ble Commission is requested to approve the revenue gap for FY 2017-18 as shown in the table above.


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3.1 True-up for the FY 2018-19

3.2 Energy Sales for the FY 2018-19

3.2.1 EDA&N submits before the Hon'ble Commission the category wise actual and approved sales for FY 2018-19 in the table below:

Table - 3.2.1 Category wise sales for the FY 2018-19			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	150.56	133.66	16.90
Commercial	66.99	62.14	4.85
Industrial	18.93	21.03	-2.10
Bulk Supply	31.82	29.83	1.99
Public Lighting	9.70	6.72	2.98
Irrigation Pumps & Agriculture	0.87	1.02	-0.15
Total	278.87	254.38	24.49

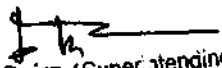
3.2.2 It is requested to the Hon'ble Commission to approve the actual sales as submitted in the above table for FY 2018-19.

3.3 Number of consumers

3.3.1 EDA&N submits before the Hon'ble Commission, the actual consumer numbers for FY 2018-19 in comparison to the approved numbers as highlighted below:

Table - 3.3.1 Category wise No. of Consumers for the FY 2018-19			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	113813	112014	1799
Commercial	19972	20261	-289
Industrial	590	581	9
Bulk Supply	69	64	5
Public Lighting	726	689	37
Irrigation Pumps & Agriculture	276	381	-105
Total	135445	133990	1456

3.3.2 It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2018-19.


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3.4 Connected Load

3.4.1 EDA&N submits before the Hon'ble Commission the actual connected Load for FY 2018-19 in comparison to the approved numbers as highlighted below:

Table - 3.4.1 Category wise connected load approved for the FY 2018-19			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	150669	155414	-4745
Commercial	50637	62911	-12274
Industrial	19704	22990	-3286
Bulk Supply	11783	12388	-605
Public Lighting	2752	2870	-118
Irrigation Pumps & Agriculture	838	2977	-2139
Total	236383	259550	-23167

3.4.2 It is requested to the Hon'ble Commission to approve the connected Load as submitted in the above table for FY 2018-19.

3.5 Energy Balance

3.5.1 The Hon'ble Commission approved the T&D loss for the FY 2018-19 as 13.59%. The comparison of energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

Table - 3.5.1 Energy Requirement for the FY 2018-19			
Energy Balance	As approved by Commission	Review as per Accounts	Deviation
ENERGY REQUIREMENT			
Energy Sales			
LT Supply	278.87	254.38	24.49
HT Supply			
Total Energy Sales	278.87	254.38	24.49
Overall T & D Losses %	13.59	15.00	-1.41
Overall T & D Losses (MUs)	43.86	44.89	-1.03
Total Energy Requirement	322.73	299.28	23.45
Power Purchase	186.62	218.46	-31.84
Own Generation	136.45	80.81	55.64
Total Energy Availability	323.07	299.28	23.79
ENERGY SURPLUS/(GAP)	-0.34	0.00	-0.34

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3.5.2 EDA&N requests the Hon'ble Commission to approve the Distribution Loss as submitted above for FY 2018-19.

Table - 3.5.2 T&D Loss for the FY 2018-19			
Particulars	As approved by Commission	Review as per Accounts	Deviation
T&D Losses (%)	13.59	15.00	-1.41

3.6 Cost of fuel

3.6.1 The energy requirement of EDA&N is met from own generation & power purchase from the IPPs. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

3.6.2 EDA&N submits before the Hon'ble Commission, the actual cost of fuel and the approved figures for FY 2018-19 in the table below:

Table - 3.6.2 Own Generation Fuel Cost for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Own Generation Cost	142.87	185.43	-42.56
	Total	142.87	185.43	

3.6.3 The Hon'ble Commission is requested to approve the fuel cost as submitted above for FY 2018-19.

3.7 Cost of Power Purchase

3.7.1 EDA&N has also procured power from various IPPs and other generators. The actual power purchase cost for the FY 2018-19 and approved figure is provided below. It is requested that the Hon'ble Commission may kindly consider & approve the same.

Table - 3.7.1 Power Purchase Expenses for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	216.72	371.51	-154.79
	Total	216.72	371.51	

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3.8 GFA, Capitalisation & Depreciation

3.8.1 GFA: The Opening Balance of GFA, additions and closing balance of GFA for FY 2018-19 as per annual accounts is submitted in the table below:

Table - 3.8.1 Gross Fixed Asset for FY 2018-19				
SL. No.	Particulars	Opening Assets	Additions	Assets at End
1	2	3	4	5
1	Plant & Machinery	166.31	0.00	166.31
2	Buildings	35.82	0.00	35.82
3	Vehicles	5.18	0.00	5.18
4	Furniture & Fixture	1.24	0.001	1.24
5	Office Equipment	15.78	0.004	15.79
6	Land & Land Rights	0.86	0.00	0.86
	Total	225.19	0.005	225.20

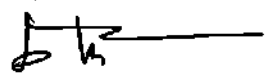
3.8.2 Depreciation: "As per Regulation 23 of JERC Tariff Regulations, 2014 depreciation for the assets shall be calculated annually at the rates specified by CERC from time to time. The same have been applied on different asset categories.

3.8.3 EDA&N would like to submit that the depreciation arrived in annual accounts for FY 2018-19 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.

3.8.4 The following table shows the depreciation arrived by EDA&N for FY 2018-19 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for respective years.

Table - 3.8.4 Depreciation for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Depreciation	11.73	5.99	5.74
	Total	11.73	5.99	

3.8.5 The Hon'ble Commission is requested to approve the actual depreciation for FY 2018-19 as submitted in the table above.


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3.9 Operation & Maintenance expenses

3.9.1 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 well as in the reduction of losses in the system.

3.9.2 Regulation 21 of JERC MYT Regulations, 2014 provides for trajectory of norms for each of the component of O&M Expense viz., Employee Expenses, A&G Expense and R&M Expense. The Hon'ble Commission has approved the O&M expenses for the FY 2018-19 in the MYT order for the control period FY 2016-17 to FY 2018-19. EDA&N has provided the component wise details of approved & actual figures for the FY 2018-19 in the subsequent section.

3.9.3 Employee Expenses

3.9.3.1 EDA&N has computed the O&M (Employee) expense for FY 2018-19 based on the actual employee expenses incurred during the entire year. The actual employee cost along with the approved figure for the FY 2018-19 is given below:

Table - 3.9.3.1 Employee Expenses for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	54.94	127.41	-72.47
	Total	54.94	127.41	

3.9.3.2 EDA&N requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2018-19 as reflecting in audited annual accounts.

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3.9.4 Repair & Maintenance Expenses

3.9.4.1 The actual repairs and maintenance cost as compared with the approved figures for the FY 2018-19 are provided in the table below:

Table - 3.9.4.1 R&M Expenses for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	41.31	41.47	-0.16
	Total	41.31	41.47	

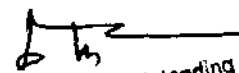
3.9.4.2 EDA&N submit that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standards of Performance of the utility. There is a need for R&M expenses to be growing in line with the increase in GFA also. EDA&N therefore requests the Hon'ble Commission to approve the R&M expenses as submitted in the table above for the FY 2018-19.

3.9.5 Administrative & General Expenses

3.9.5.1 The administrative expense mainly comprises of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2018-19 are shown in the table below.

Table - 3.9.5.1 A&G Expenses for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Administration & General Expenses	1.91	15.93	-14.02
	Total	1.91	15.93	

3.9.5.2 EDA&N request the Hon'ble Commission to approve the A&G expenses as submitted in the table above for the FY 2018-19.


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3.10 Interest & Finance charges

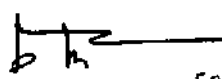
3.10.1 The Regulation 24 of JERC MYT Regulations, 2014 provides for Interest and Finance Charges on Loan. EDA&N has submitted that all the capital assets are created out of the budgetary allocation from the Government of India.

3.10.2 It is submitted that the EDA&N has finalized the Fixed Asset Register for the year & the GFA figures have been considered as per the audited FAR. The closing normative loan for the previous year has been taken as opening balance. Further, 18 in line with the Tariff Regulations, 70% of GFA addition during the year as per the audited Fixed Asset Register has been considered to arrive at the normative loan for the FY 2018-19. Further, normative repayment has been considered to be equal to the depreciation for the year. SBI Prime lending rate of 13.45% as on 01.04.2018 has been considered as rate of interest for the year.

3.10.3 Interest on loan for the FY 2018-19 has been arrived at based on the above normative loan & in accordance with the MYT Regulations. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2018-19.

Table - 3.10.1 Interest and Finance Charges for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	As per Audited Accounts	Deviation
1	2	3	4	5
1	Opening Normative Loan/WIP	19.21	68.40	10.41
2	Add: Normative Loan during the year/GFA during the year		0.003	
3	Less: Normative Repayment		0.00	
4	Less: Normative Repayment for the year		5.99	
5	Closing Normative Loan/ GFA		62.41	
6	Average Normative Loan		65.40	
7	Rate of Interest (@ SBI PLR rate)		13.45%	
8	Interest on Normative Loan		8.80	

3.10.4 The Hon'ble Commission is requested to approve the Interest & Finance Charges at as submitted above for FY 2018-19.


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3.11 Interest on Working Capital

3.11.1 The Regulation 25 of JERC MYT Regulations, 2014 stipulates the procedure for calculation of Working Capital and Interest on Working Capital as applicable. This is as shown below:

Working capital for retail supply activity of the licensee shall consist of:

- i. *Receivables of two months of billing*
- ii. *Less power purchase cost of one month*
- iii. *Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt*
- iv. *Inventory for two months based on annual requirement for previous year.*

The rate of interest on working capital shall be equal to the base rate for the State Bank of India on the 1st April of the relevant financial year. The interest on working capital shall be 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 worked out on the normative figures.

3.11.2 The working capital has been computed in accordance with the above Regulation. Further, the rate of interest of 8.70% (SBI Base rate) as on 01.04.2018 has been considered for computation of interest on working capital.

3.11.3 The table below shows the Interest on working capital vis-a-vis approved by the Hon'ble Commission for FY 2018-19.

Table - 3.11.1 Interest on Working Capital for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	FY 2018-19	Deviation
1	2	3	4	5
1	Receivables for 2 months	5.00	25.62	1.86
2	Less: Power Purchase Cost of one month		30.96	
3	Less: Consumer security Deposit but BG/FD		0.00	
4	Add: Inventory based on Annual Requirement for previous FY for two months		41.45	
5	Net Working Capital		36.12	
6	Interest on Working Capital		8.70%	
	Interest on Working Capital		3.14	

3.11.4 The Hon'ble Commission is requested to approve the Interest on working capital as submitted above for FY 2018-19.

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3.12 Interest on Security deposits

- 3.12.1 EDA&N does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount and a lien is created in favour of the EDA&N towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, EDA&N has not claimed Interest on Security deposit in the ARR.

3.13 Return on Equity

- 3.13.1 EDA&N has calculated the Return on Equity in accordance with the regulation 27 of JERC MYT Regulations, 2014. Debt: Equity norm of 70:30 and RoE of 16% for FY 2018-19 has been considered and accordingly, the return on equity is calculated as given below.
- 3.13.2 The summary of the Return on Equity as approved by the Hon'ble Commission and as calculated for FY 2018-19 is tabulated below:

Table - 3.13.2 Return on Equity for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Opening Equity Amount	11.30	67.56	0.49
2	Equity Addition during year (30% of Capitalisation)		0.001	
3	Closing Equity Amount		67.56	
4	Average Equity Amount		67.56	
5	Rate of Return on Equity		16%	
6	Return on Equity		10.81	

- 3.13.3 The Hon'ble Commission is requested to kindly allow the above Return on Equity for FY 2018-19.

3.14 Provision for Bad & Doubtful Debts

- 3.14.1 As per regulation 32- Bad and Doubtful Debt of the MYT Regulations

"Bad and doubtful debt shall be limited to 1% of the receivables in the true-up, subject to the condition that amount of bad and doubtful debt is actually written-off in the licensee's books of accounts."

- 3.14.2 The EDA&N has not written off any Bad and Doubtful debts in Accounts for the FY 2018-19. Accordingly, no claim towards Provision for Bad & Doubtful Debts has been made by the EDA&N in the petition for the FY 2018-19.

3.15 Non-Tariff Income

3.15.1 The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, and income from trading, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Hon'ble Commission for FY 2018-19 is provided in the table below:

Table - 3.15.1 Non-Tariff Income for the FY 2018-19				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Non-Tariff Income	2.73	3.70	-0.97
	Total	2.73	3.70	

3.15.2 The Hon'ble Commission is requested to kindly allow Non-Tariff Income for FY 2018-19 as submitted above.

3.16 Revenue from sale of Power at Existing Tariff

3.16.1 The actual Revenue from Tariff for FY 2018-19 at existing tariff is shown in the table below:

Table - 3.16.1 Revenue from Existing Tariff		
2018-19		
Sr. No	Particular	At Existing Tariff (Rs. Crores)
1	2	3
1	Total Revenue	153.74

3.16.2 The Hon'ble Commission is requested to kindly allow Revenue from Tariff for FY 2018-19 at existing tariff as submitted above.

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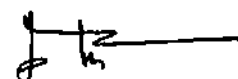
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3.17 Aggregate Revenue Requirement

3.17.1 The Aggregate Revenue Requirement for FY 2018-19 as approved by the Hon'ble Commission and the calculation for Aggregate Revenue Requirement on the basis of actual for FY 2018-19 is shown below:

Table - 3.17.1 Review of ARR for FY 2018-19				
(in Rs. Crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Cost of fuel	142.87	185.43	-42.56
2	Cost of power purchase	216.72	371.51	-154.79
3	Employee costs	54.94	127.41	-72.47
4	R&M expenses	41.31	41.47	-0.16
5	A&G Expenses	1.91	15.93	-14.02
6	Depreciation	11.73	5.99	5.74
7	Interest & Finance Charges	19.21	8.80	10.41
8	Interest on working Capital	5.00	3.14	1.86
9	Return on NFA /Equity	11.30	10.81	0.49
10	Provision for Bad Debit	0.00	0.00	0.00
11	Total revenue requirement	504.98	770.50	-265.52
12	Less: non-tariff income	2.73	3.70	-0.97
13	Net revenue requirement (11-12)	502.25	766.80	-264.55
14	Revenue from tariff	163.06	153.74	9.32
15	Total gap (13+14)	339.19	613.06	-273.87

3.17.2 The Petitioner requests the Commission to approve the ARR for FY 2018-19 as submitted above.



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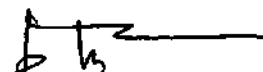
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3.18 Revenue Gap for FY 2018-19

- 3.18.1 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of true up of FY 2018-19 is shown in the table below:

Table - 3.18.1 Revenue Gap at Existing Tariff FY 2018-19				
Sr. No.	Particulars	As Approved by Commission	As per Audited Accounts	Deviation
I	Net Annual Revenue Requirement	502.25	766.80	-264.55
II	Revenue from Sale of Power	163.06	153.74	9.32
III	(Gap)/ Surplus (III)	339.19	613.06	-273.87

- 3.18.2 Hon'ble Commission is requested to approve the revenue gap for FY 2018-19 as shown in the table above.



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4.1 True-up for the FY 2019-20

4.2 Energy Sales for the FY 2019-20

4.2.1 EDA&N submits before the Hon'ble Commission the category wise actual and approved sales for FY 2019-20 in the table below:

Table - 4.2.1 Category wise sales for the FY 2019-20			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	141.50	142.93	-1.43
Commercial	66.91	72.41	-5.50
Industrial	17.52	12.82	4.70
Bulk Supply	31.92	32.26	-0.34
Public Lighting	6.67	6.73	-0.06
Irrigation Pumps & Agriculture	1.13	1.12	0.01
Total	265.66	268.27	-2.62

4.2.2 It is requested to the Hon'ble Commission to approve the actual sales as submitted in the above table for FY 2019-20.

4.3 Number of consumers

4.3.1 EDA&N submits before the Hon'ble Commission, the actual consumer numbers for FY 2019-20 in comparison to the approved numbers as highlighted below:

Table - 4.3.1 Category wise No. of Consumers for the FY 2019-20			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	115766	116413	-647
Commercial	20871	20828	43
Industrial	598	469	129
Bulk Supply	66	66	0
Public Lighting	697	738	-41
Irrigation Pumps & Agriculture	424	443	-19
Total	138423	138957	-535

4.3.2 It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2019-20.

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4.4 Connected Load

4.4.1 EDA&N submits before the Hon'ble Commission the actual connected Load for FY 2019-20 in comparison to the approved numbers as highlighted below:

Table - 4.4.1 Category wise connected load approved for the FY 2019-20			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	170069	185858	-15789
Commercial	64282	90671	-26389
Industrial	24829	14554	10275
Bulk Supply	13115	1293	11822
Public Lighting	2870	2990	-120
Irrigation Pumps & Agriculture	3191	1042	2149
Total	278356	296409	-18053

4.4.2 It is requested to the Hon'ble Commission to approve the connected Load as submitted in the above table for FY 2019-20.

4.5 Energy Balance

4.5.1 The Hon'ble Commission approved the T&D loss for the FY 2019-20 as 14.34%. The comparison of energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

Table - 4.5.1 Energy Requirement for the FY 2019-20			
Energy Balance	As approved by Commission	Review as per Accounts	Deviation
ENERGY REQUIREMENT			
Energy Sales			
LT Supply	265.66	268.27	-2.61
HT Supply			
Total Energy Sales	265.66	268.27	-2.61
Overall T & D Losses %	14.34	21.58	-7.24
Overall T & D Losses (MUs)	44.47	73.82	-29.35
Total Energy Requirement	310.13	342.09	-31.96
Power Purchase	245.87	254.35	-8.48
Own Generation	64.26	87.75	-23.49
Total Energy Availability	310.13	342.09	-31.96
ENERGY SURPLUS/(GAP)	0.00	0.00	0.00

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4.5.2 EDA&N requests the Hon'ble Commission to approve the Distribution Loss as submitted above for FY 2019-20.

Table - 4.5.2 T&D Loss for the FY 2019-20			
Particulars	As approved by Commission	Review as per Accounts	Deviation
T&D Losses (%)	14.34	21.58	-7.24

4.6 Cost of fuel

4.6.1 The energy requirement of EDA&N is met from own generation & power purchase from the IPPs. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

4.6.2 EDA&N submits before the Hon'ble Commission, the actual cost of fuel and the approved figures for FY 2019-20 in the table below:

Table - 4.6.2 Own Generation Fuel Cost for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Own Generation Cost	88.18	159.42	-71.24
	Total	88.18	159.42	

4.6.3 The Hon'ble Commission is requested to approve the fuel cost as submitted above for FY 2019-20.

4.7 Cost of Power Purchase

4.7.1 EDA&N has also procured power from various IPPs and other generators. The actual power purchase cost for the FY 2019-20 and approved figure is provided below. It is requested that the Hon'ble Commission may kindly consider & approve the same.

Table - 4.7.1 Power Purchase Expenses for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	413.40	424.64	-11.24
	Total	413.40	424.64	

4.8 GFA, Capitalisation & Depreciation

4.8.1 GFA: The Opening Balance of GFA, additions and closing balance of GFA for FY 2019-20 as per annual accounts is submitted in the table below:

Table - 4.8.1 Gross Fixed Asset for FY 2019-20				
SL No.	Particulars	Opening Assets	Additions	Assets at End
1	2	3	4	5
1	Plant & Machinery	166.31	1.28	167.59
2	Buildings	35.82	0.00	35.82
3	Vehicles	5.18	0.00	5.18
4	Furniture & Fixture	1.24	0.00	1.24
5	Office Equipment	15.79	0.08	15.87
6	Land & Land Rights	0.86	0.01	0.87
	Total	225.20	1.38	226.57

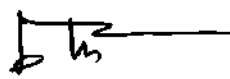
4.8.2 Depreciation: Regulation 30 of JERC Tariff Regulations, 2018 provides that the depreciation for the assets shall be calculated annually at the rates specified in the Regulations. The same have been applied on different asset categories.

4.8.3 EDA&N would like to submit that the depreciation arrived in annual accounts for FY 2019-20 is based on the rates specified by Hon'ble Commission in its Tariff Regulations.

4.8.4 The following table shows the depreciation arrived by EDA&N for FY 2019-20 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for respective years.

Table - 4.8.4 Depreciation for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Depreciation	6.35	5.99	0.36
	Total	6.35	5.99	

4.8.5 The Hon'ble Commission is requested to approve the actual depreciation for FY 2019-20 as submitted in the table above.


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4.9 Operation & Maintenance expenses

4.9.1 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 well as in the reduction of losses in the system.

4.9.2 Regulation 60 of JERC MYT Regulations, 2018 provides for trajectory of norms for each of the component of O&M Expense viz., Employee Expenses, A&G Expense and R&M Expense. The Hon'ble Commission has approved the O&M expenses for the FY 2019-20 in the MYT order for the control period FY 2019-20 to FY 2021-22. EDA&N has provided the component wise details of approved & actual figures for the FY 2019-20 in the subsequent section.

4.9.3 Employee Expenses

4.9.3.1 EDA&N has computed the O&M (Employee) expense for FY 2019-20 based on the actual employee expenses incurred during the entire year. The actual employee cost along with the approved figure for the FY 2019-20 is given below:

Table - 4.9.3.1 Employee Expenses for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	102.39	131.05	-28.66
	Total	102.39	131.05	

4.9.3.2 EDA&N requests the Hon'ble Commission to kindly approve the actual cost during the year for FY 2019-20 as reflecting in audited annual accounts.

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4.9.4 Repair & Maintenance Expenses

4.9.4.1 The actual repairs and maintenance cost as compared with the approved figures for the FY 2019-20 are provided in the table below:

Table - 4.9.4.1 R&M Expenses for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	44.03	60.31	-16.28
	Total	44.03	60.31	

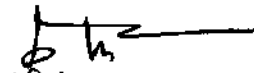
4.9.4.2 EDA&N submit that R&M expenses are necessary for maintenance of infrastructure and for ensuring proper Standards of Performance of the utility. There is a need for R&M expenses to be growing in line with the increase in GFA also. EDA&N therefore requests the Hon'ble Commission to approve the R&M expenses as submitted in the table above for the FY 2019-20.

4.9.5 Administrative & General Expenses

4.9.5.1 The administrative expense mainly comprises of rents, professional charges, office expenses, etc. The expenses incurred by the petitioner for FY 2019-20 are shown in the table below.

Table - 4.9.5.1 A&G Expenses for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Administration & General Expenses	36.01	15.36	20.65
	Total	36.01	15.36	

4.9.5.2 EDA&N request the Hon'ble Commission to approve the A&G expenses as submitted in the table above for the FY 2019-20.


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4.10 Interest & Finance charges

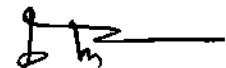
4.10.1 The Regulation 28 of JERC MYT Regulations, 2018 provides for Interest and Finance Charges on Loan. EDA&N has submitted that all the capital assets are created out of the budgetary allocation from the Government of India.

4.10.2 It is submitted that the EDA&N has finalized the Fixed Asset Register for the year & the GFA figures have been considered as per the audited FAR. The closing normative loan for the previous year has been taken as opening balance. Further, in line with the Tariff Regulations, 70% of GFA addition during the year as per the audited Fixed Asset Register has been considered to arrive at the normative loan for the FY 2019-20. Further, normative repayment has been considered to be equal to the depreciation for the year. SBI MCLR (1 Year) plus 100 basis points in accordance with Regulation 28.4 of JERC MYT Regulations, 2018 has been considered. SBI MCLR (1 Year) as on 01.04.2019 was of 8.55%. Accordingly, 9.55% (8.55% +1%) has been considered as rate of interest for the year.

4.10.3 Interest on loan for the FY 2019-20 has been arrived at based on the above normative loan, rate of interest & in accordance with the MYT Regulations. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2019-20.

Table - 4.10.1 Interest and Finance Charges for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Opening Normative Loan/WIP	1.51	62.41	-4.21
2	Add: Normative Loan during the year/GFA during the year		0.96	
3	Less: Normative Repayment		0.00	
4	Less: Normative Repayment for the year		5.99	
5	Closing Normative Loan/ GFA		57.38	
6	Average Normative Loan		59.89	
7	Rate of Interest (@ SBI SBAR rate)		9.55%	
8	Interest on Normative Loan		5.72	

4.10.6 The Hon'ble Commission is requested to approve the Interest & Finance Charges at as submitted above for FY 2019-20.



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4.11 Interest on Working Capital

4.11.1 Regulation 52 of the MYT Regulations provides the norms for calculating the working capital. The same is provided below:

"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) Operation and maintenance expenses for one (1) month; plus*
- b) Maintenance spares at 40% of R&M 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 tariffs; 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...."*

4.11.2. Further, Regulation 31 of the MYT Regulations provides that the rate of interest on Working Capital shall be equal to State Bank of India (SBI) MCLR applicable for 1 Year period, as on 1st April of the financial Year plus 200 basis points. SBI MCLR as on 01.04.2019 was 8.55%. Accordingly, interest rate of 10.55% (8.55% +2%) has been considered for computation of interest on working capital.

4.11.3 The table below shows the Interest on working capital vis-a-vis approved by the Hon'ble Commission for FY 2019-20.

Table - 4.11.1 Interest on Working Capital for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	O&M Expenses for 1 month	4.99	17.23	-0.03
2	Maint. Of Spares 40% of R&M for 1 month		2.01	
3	Receivables for 2 months		28.36	
4	Less; Adjustment for security Deposit		0.00	
5	Net Working Capital		47.60	
6	Rate of Interest for Working Capital		10.55%	
7	Interest on Working Capital		5.02	

4.11.4 The Hon'ble Commission is requested to approve the Interest on working capital as submitted above for FY 2019-20.

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4.12 Interest on Security deposits

4.12.1 Regulation 28.11 of the MYT Regulations, 2018 provides that interest shall be allowed on the amount held in cash as security deposit at Bank Rate as on 1st April of year.

4.12.2 It is submitted that EDA&N does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount and a lien is created in favour of the EDA&N towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, EDA&N has not claimed Interest on Security deposit in the ARR.

4.13 Return on Equity

4.13.1 EDA&N has calculated the Return on Equity in accordance with the regulation 27 of JERC MYT Regulations, 2018. Debt: Equity norm of 70:30 and RoE of 16% for FY 2019-20 has been considered and accordingly, the return on equity is calculated as given below.

4.13.2 The summary of the Return on Equity as approved by the Hon'ble Commission and as calculated for FY 2019-20 is tabulated below:

Table - 4.13.1 Return on Equity for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Opening Equity Amount	8.36	67.56	-2.48
2	Equity Addition during year (30% of Capitalisation)		0.41	
3	Closing Equity Amount		67.97	
4	Average Equity Amount		67.77	
5	Rate of Return on Equity		16%	
6	Return on Equity		10.84	

4.13.3 The Hon'ble Commission is requested to kindly allow the above Return on Equity for FY 2019-20.

4.14 Provision for Bad & Doubtful Debts

Regulation 62 - Bad and Doubtful Debt of the MYT Regulations, 2018 provides that Bad and doubtful debt shall be limited to 1% of the Annual Revenue Requirement.

4.14.1 The EDA&N has not written off any Bad and Doubtful debts in Accounts for the FY 2019-20. Accordingly, no claim towards Provision for Bad & Doubtful Debts has been made by the EDA&N in the petition for the FY 2019-20.

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4.15 Non-Tariff Income

- 4.15.1 The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, and income from trading, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Hon'ble Commission for FY 2019-20 is provided in the table below:

Table - 4.15.1 Non-Tariff Income for the FY 2019-20				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Non-Tariff Income	2.94	3.89	-0.95
	Total	2.94	3.89	

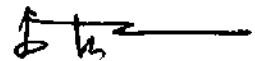
- 4.15.2 The Hon'ble Commission is requested to kindly allow Non-Tariff Income for FY 2019-20 as submitted above.

4.16 Revenue from sale of Power at Existing Tariff

- 4.16.1 The actual Revenue from Tariff for FY 2019-20 at existing tariff is shown in the table below:

Table - 4.16.1 Revenue from Existing Tariff		
2019-20		
Sr. No	Particular	At Existing Tariff (Rs. Crores)
1	2	3
1	Total Revenue	170.17

- 4.16.2 The Hon'ble Commission is requested to kindly allow Revenue from Tariff for FY 2019-20 at existing tariff as submitted above.


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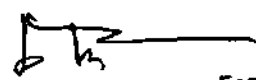
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4.17 Aggregate Revenue Requirement

4.17.1 The Aggregate Revenue Requirement for FY 2019-20 as approved by the Hon'ble Commission and the calculation for Aggregate Revenue Requirement on the basis of actual for FY 2019-20 is shown below:

Table - 4.17.1 Review of ARR for FY 2019-20				
(in Rs. Crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Cost of fuel	88.18	159.42	-71.24
2	Cost of power purchase	413.40	424.64	-11.24
3	Employee costs	102.39	131.05	-28.66
4	R&M expenses	44.03	60.31	-16.28
5	A&G Expenses	36.01	15.36	20.65
6	Depreciation	6.35	5.99	0.36
7	Interest & Finance Charges	1.51	5.72	-4.21
8	Interest on working Capital	4.99	5.02	-0.03
9	Return on NFA /Equity	8.36	10.84	-2.48
10	Provision for Bad Debit	0.00	0.00	0.00
11	Total revenue requirement	705.23	818.35	-113.12
12	Less: non-tariff income	2.94	3.89	-0.95
13	Net revenue requirement (11-12)	702.29	814.46	-112.17
14	Revenue from tariff	183.98	170.17	13.81
17	Total gap (13+14)	518.31	644.29	-125.98

4.17.2 The Petitioner requests the Commission to approve the ARR for FY 2019-20 as submitted above.


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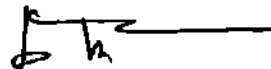
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4.18 Revenue Gap for FY 2019-20

4.18.1 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of true up of FY 2019-20 is shown in the table below:

Table - 4.18.1 Revenue Gap at Existing Tariff FY 2019-20				
Sr. No.	Particulars	As Approved by Commission	As per Audited Accounts	Deviation
I	Net Annual Revenue Requirement	702.29	814.46	-112.17
II	Revenue from Sale of Power	183.98	170.17	13.81
III	(Gap)/ Surplus (III)	518.31	644.29	-125.98

4.18.2 Hon'ble Commission is requested to approve the revenue gap for FY 2019-20 as shown in the table above.


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5.1 True-up for the FY 2020-21

5.2 Energy Sales for the FY 2020-21

5.2.1 EDA&N submits before the Hon'ble Commission the category wise actual and approved sales for FY 2020-21 in the table below:

Table - 5.2.1 Category wise sales for the FY 2020-21			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	139.08	139.30	-0.22
Commercial	46.28	48.55	-2.27
Industrial	8.81	8.53	0.28
Bulk Supply	28.93	27.03	1.90
Public Lighting	6.15	7.77	-1.62
Irrigation Pumps & Agriculture	0.99	1.08	-0.09
Total	230.25	232.27	-2.03

5.2.2 It is requested to the Hon'ble Commission to approve the actual sales as submitted in the above table for FY 2020-21.

5.3 Number of consumers

5.3.1 EDA&N submits before the Hon'ble Commission, the actual consumer numbers for FY 2020-21 in comparison to the approved numbers as highlighted below:

Table - 5.3.1 Category wise No. of Consumers for the FY 2020-21			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	116991	118597	-1606
Commercial	20885	21256	-371
Industrial	471	468	3
Bulk Supply	66	70	-4
Public Lighting	734	807	-73
Irrigation Pumps & Agriculture	457	478	-21
Total	139604	141676	-2072

5.3.2 It is requested to the Hon'ble Commission to approve the number of consumers as submitted in the above table for FY 2020-21.

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5.4 Connected Load

5.4.1 EDA&N submits before the Hon'ble Commission the actual connected Load for FY 2020-21 in comparison to the approved numbers as highlighted below:

Table - 5.4.1 Category wise connected load approved for the FY 2020-21			
Category	As approved by Commission	Review as per Accounts	Deviation
Domestic	182955	182955	0
Commercial	92813	92813	0
Industrial	14591	14591	0
Bulk Supply	14331	14331	0
Public Lighting	2786	2786	0
Irrigation Pumps & Agriculture	1210	1210	0
Total	308688	308686	0

5.4.2 It is requested to the Hon'ble Commission to approve the connected Load as submitted in the above table for FY 2020-21.

5.5 Energy Balance

5.5.1 The Hon'ble Commission approved the T&D loss for the FY 2020-21 as 13.84%. The comparison of energy balance statement and the loss levels based on audited accounts and approved figures are shown in the table below:

Table - 5.5.1 Energy Requirement for the FY 2020-21			
Energy Balance	As approved by Commission	Review as per Accounts	Deviation
ENERGY REQUIREMENT			
Energy Sales			
LT Supply	230.25	232.27	-2.02
HT Supply			
Total Energy Sales	230.25	232.27	-2.02
Overall T & D Losses %	13.84	18.01	-4.17
Overall T & D Losses (MUs)	36.98	51.02	-14.05
Total Energy Requirement	267.23	283.29	-16.07
Power Purchase	244.55	244.55	0.00
Own Generation	85.82	38.75	47.07
Total Energy Availability	330.37	283.29	47.08
ENERGY SURPLUS/(GAP)	-63.14	0.00	-63.14

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5.5.2 EDA&N requests the Hon'ble Commission to approve the Distribution Loss as submitted above for FY 2020-21.

Table - 5.5.2 T&D Loss for the FY 2020-21			
Particulars	As approved by Commission	Review as per Accounts	Deviation
T&D Losses (%)	13.84	18.01	-4.17

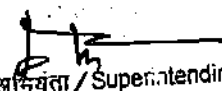
5.6 Cost of fuel and Power Purchase

5.6.1 The energy requirement of EDA&N is met from own generation & power purchase from the IPPs. There is no availability of power from Central Generating Stations or from other sources/ open market/ power exchanges etc.

5.6.2 EDA&N submits before the Hon'ble Commission, the actual cost of fuel and also procured power from various IPPs and other generators. the actual own generation fuel cost and power purchase cost approved figures is provided below for FY 2020-21 in the table:

Table - 5.6.2 Own Generation & Power Purchase Cost for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Own Generation Cost	413.63	542.23	-164.06
2	Power Purchase Cost		35.46	
	Total	413.63	577.69	

5.6.3 The Hon'ble Commission is requested to approve the own generation fuel and power purchase cost as submitted above for FY 2020-21.


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5.7 GFA, Capitalisation & Depreciation

5.7.1 GFA: The Opening Balance of GFA, additions and closing balance of GFA for FY 2020-21 as per annual accounts is submitted in the table below:

Table - 5.7.1 Gross Fixed Asset for FY 2020-21				
SL. No.	Particulars	Opening Assets	Additions	Assets at End
1	2	3	4	5
1	Plant & Machinery	452.09	23.32	475.41
2	Buildings	82.08	0.47	82.55
3	Vehicles	4.01	0.00	4.01
4	Furniture & Fixture	1.44	0.04	1.47
5	Office Equipment	2.61	0.05	2.66
6	Land & Land Rights	0.00	0.00	0.00
	Total	542.22	23.88	566.10

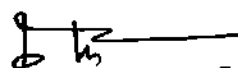
5.7.2 Depreciation: As per Regulation 30 of JERC Tariff Regulations, 2018 depreciation for the assets shall be calculated annually at the rates specified in the Regulations. The same have been applied on different asset categories.

5.7.3 EDA&N would like to 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.

5.7.4 The following table shows the depreciation arrived by EDA&N for FY 2020-21 based on the approved depreciation rates specified by the Hon'ble Commission for different asset class. The same is reflecting in the annual audited accounts for respective years.

Table - 5.7.4 Depreciation for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Depreciation	7.05	17.10	-10.05
	Total	7.05	17.10	

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


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5.8 Operation & Maintenance expenses

5.8.1 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 well as in the reduction of losses in the system.

5.8.2 Regulation 60 of JERC MYT Regulations, 2018 provides for trajectory of norms for each of the component of O&M Expense viz., Employee Expenses, A&G Expense and R&M Expense. The Hon'ble Commission has approved the O&M expenses for the FY 2020-21 in the MYT order for the control period FY 2019-20 to FY 2021-22. EDA&N has provided the component wise details of approved & actual figures for the FY 2020-21 in the subsequent section.

Table - 5.8.1 O&M Expenses for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	195.86	143.71	4.13
2	Repair & Maintenance Cost		45.66	
3	Administration & General Expenses		2.36	
	Total	195.86	191.73	

5.8.3 EDA&N requests the Hon'ble Commission to kindly approve the actual O&M cost during the year for FY 2020-21 as reflecting in audited annual accounts.

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5.9 Interest & Finance charges

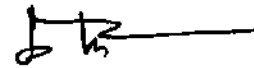
5.9.1 The Regulation 28 of JERC MYT Regulations, 2018 provides for Interest and Finance Charges on Loan. EDA&N has submitted that all the capital assets are created out of the budgetary allocation from the Government of India.

5.9.2 It is submitted that the EDA&N has finalized the Fixed Asset Register for the year & the GFA figures have been considered as per the audited FAR. The closing normative loan for the previous year has been taken as opening balance. Further, 18 in line with the Tariff Regulations, 70% of GFA addition during the year as per the audited Fixed Asset Register has been considered to arrive at the normative loan for the FY 2020-21. Further, normative repayment has been considered to be equal to the depreciation for the year. SBI MCLR (1 Year) plus 100 basis points in accordance with Regulation 28.4 of JERC MYT Regulations, 2018 has been considered. SBI MCLR (1 Year) as on 01.04.2020 was of 7.75. Accordingly, 8.75% (7.75% +1%) has been considered as rate of interest for the year.

5.9.3 Interest on loan for the FY 2020-21 has been arrived at based on the above normative loan & in-accordance with the MYT Regulations. The table below shows the Interest and Finance Charges vis-a-vis approved by the Hon'ble Commission for FY 2020-21.

Table - 5.9.1 Interest and Finance Charges for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Opening Normative Loan/WIP	2.00	279.29	-22.42
2	Add: Normative Loan during the year/GFA during the year		16.71	
3	Less: Normative Repayment		0.00	
4	Less: Normative Repayment for the year		17.10	
5	Closing Normative Loan/ GFA		278.91	
6	Average Normative Loan		279.10	
7	Rate of Interest (@ SBI SBAR rate)		8.75%	
8	Interest on Normative Loan		24.42	

5.9.6 The Hon'ble Commission is requested to approve the Interest & Finance Charges as submitted above for FY 2020-21.


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5.10 Interest on Working Capital

5.10.1 Regulation 52 of the MYT Regulations provides the norms for calculating the working capital. The same is provided below:

"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) Operation and maintenance expenses for one (1) month; plus*
- b) Maintenance spares at 40% of R&M 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 tariffs; 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...."*

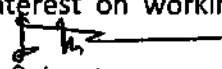
5.10.2. Further, Regulation 31 of the MYT Regulations provides that the rate of interest on Working Capital shall be equal 1 Year State Bank of India (SBI) MCLR applicable for 1 Year period, as on 1st April of the financial Year in which the Petition is filed plus 200 basis points. SBI MCLR as on 01.04.2020 was 7.75%. Accordingly, interest rate of 9.75% (7.75%+2%) has been considered for computation of interest on working capital.

5.10.3 The table below shows the Interest on working capital vis-a-vis approved by the Hon'ble Commission for FY 2020-21.

Table - 5.10.1 Interest on Working Capital for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	O&M Expenses for 1 month	4.23	15.98	-0.02
2	Maint. Of Spares 40% of R&M for 1 month		1.52	
3	Receivables for 2 months		26.09	
4	Less; Adjustment for security Deposit		0.00	
5	Net Working Capital		43.59	
6	Rate of Interest for Working Capital		9.75%	
7	Interest on Working Capital		4.25	

5.10.4 The Hon'ble Commission is requested to approve the Interest on working capital as submitted above for FY 2020-21.

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5.11 Interest on Security deposits

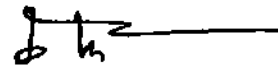
- 5.11.1 Regulation 28.11 of the MYT Regulations, 2018 provides that interest shall be allowed on the amount held in cash as security deposit at Bank Rate as on 1st April of year.
- 5.11.2 It is submitted that EDA&N does not collect security deposit from consumers in cash. The consumers are required to create a Term Deposit in scheduled bank equivalent to the security amount and a lien is created in favour of the EDA&N towards security deposit. Hence, Interest on Security deposits is not payable to the consumers. Therefore, EDA&N has not claimed Interest on Security deposit in the ARR.

5.12 Return on Equity

- 5.12.1 EDA&N has calculated the Return on Equity in accordance with the regulation 27 of JERC MYT Regulations, 2018. Debt: Equity norm of 70:30 and RoE of 16% for FY 2020-21 has been considered and accordingly, the return on equity is calculated as given below.
- 5.12.2 The summary of the Return on Equity as approved by the Hon'ble Commission and as calculated for FY 2020-21 is tabulated below:

Table - 5.12.1 Return on Equity for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Opening Equity Amount	9.31	162.67	-17.29
2	Equity Addition during year (30% of Capitalisation)		7.16	
3	Closing Equity Amount		169.83	
4	Average Equity Amount		166.25	
5	Rate of Return on Equity		16%	
6	Return on Equity		26.60	

- 5.12.3 The Hon'ble Commission is requested to kindly allow the above Return on Equity for FY 2020-21.


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5.13 Provision for Bad & Doubtful Debts

Regulation 62 - Bad and Doubtful Debt of the MYT Regulations, 2018 provides that Bad and doubtful debt shall be limited to 1% of the Annual Revenue Requirement.

- 5.13.1 The EDA&N has not written off any Bad and Doubtful debts in Accounts for the FY 2020-21. Accordingly, no claim towards Provision for Bad & Doubtful Debts has been made by the EDA&N in the petition for the FY 2020-21.

5.14 Non-Tariff Income

- 5.14.1 The Non-Tariff Income comprises metering, late payment charges, interest on staff loans, and income from trading, reconnection fee, and miscellaneous income among others. The actual Non-Tariff Income and that approved by the Hon'ble Commission for FY 2020-21 is provided in the table below:

Table - 5.14.1 Non-Tariff Income for the FY 2020-21				
(Rs. in crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Non-Tariff Income	3.09	4.16	-1.07
	Total	3.09	4.16	

- 5.14.2 The Hon'ble Commission is requested to kindly allow Non-Tariff Income for FY 2020-21 as submitted above.

5.15 Revenue from sale of Power at Existing Tariff

- 5.15.1 The actual Revenue from Tariff for FY 2020-21 at existing tariff is shown in the table below:

Table - 5.15.1 Revenue from Existing Tariff		
2020-21		
Sr. No	Particular	At Existing Tariff (Rs. Crores)
1	2	3
1	Total Revenue	156.53

- 5.15.2 The Hon'ble Commission is requested to kindly allow Revenue from Tariff for FY 2020-21 at existing tariff as submitted above.

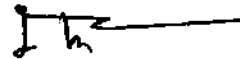
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5.16 Aggregate Revenue Requirement

5.16.1 The Aggregate Revenue Requirement for FY 2020-21 as approved by the Hon'ble Commission and the calculation for Aggregate Revenue Requirement on the basis of actual for FY 2020-21 is shown below:

Table - 5.16.1 Review of ARR for FY 2020-21				
(In Rs. Crores)				
Sr. No	Particulars	As approved by Commission	Review as per Accounts	Deviation
1	2	3	4	5
1	Cost of fuel	413.63	542.23	-164.06
2	Cost of power purchase		35.46	
3	Employee costs	195.86	143.71	4.13
4	R&M expenses		45.66	
5	A&G Expenses		2.36	
6	Depreciation	7.05	17.10	-10.05
7	Interest & Finance Charges	2.00	24.42	-22.42
8	Interest on working Capital	4.23	4.25	-0.02
9	Return on NFA /Equity	9.31	26.60	-17.29
10	Provision for Bad Debit	0.00	0.00	0.00
11	Total revenue requirement	632.09	841.79	-209.70
12	Less: non-tariff income	3.09	4.16	-1.07
13	Net revenue requirement (11-12)	629.00	837.63	-208.63
14	Revenue from tariff	153.19	156.53	-3.34
17	Total gap (13+14)	475.81	681.10	-205.29

5.16.2 The Petitioner requests the Commission to approve the ARR for FY 2020-21 as submitted above.


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5.17 Revenue Gap for FY 2020-21

- 5.17.1 The Revenue Gap as approved by the Hon'ble Commission and as calculated on the basis of true up of FY 2020-21 is shown in the table below:

Table - 5.17.1 Revenue Gap at Existing Tariff FY 2020-21				
Sr. No.	Particulars	As Approved by Commission	As per Audited Accounts	Deviation
I	Net Annual Revenue Requirement	629.00	837.63	-208.63
II	Revenue from Sale of Power	153.19	156.53	-3.34
III	(Gap)/ Surplus (III)	475.81	681.10	-205.29

- 5.17.2 Hon'ble Commission is requested to approve the revenue gap for FY 2020-21 as shown in the table above.



