



TARIFF ORDER

Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement (ARR) and Determination of Retail Tariff for the FY 2023-24

Petition No. 97/2023

For

**Electricity Department Andaman & Nicobar Administration
(EDA&N)**

28th March 2023

JOINT ELECTRICITY REGULATORY COMMISSION

For the State of Goa and Union Territories,

**3rd and 4th Floor, Plot No. 55-56, Sector -18, Udyog Vihar - Phase IV
Gurugram, (122015) Haryana**

Telephone : +91(124) 4684705 Telefax: +91(124) 4684706

Website: www.jercuts.gov.in

E-mail: secy.jercuts@gov.in

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Table of Contents

1. Chapter 1: Introduction	12
1.1. About Joint Electricity Regulatory Commission (JERC)	12
1.2. Andaman & Nicobar Islands	12
1.3. About Electricity Department Andaman & Nicobar Administration (EDA&N)	13
1.4. Multi Year Tariff Regulations, 2021	13
1.5. Filing and Admission of the Present Petition	13
1.6. Interaction with the Petitioner	13
1.7. Notice for Public Hearing	14
1.8. Public Hearing	15
2. Chapter 2: Public Hearing	16
2.1. Regulatory Process	16
2.2. Suggestions/ Comments of the Stakeholders, Petitioner's Response and Commission's Views	16
2.2.1. Tariff Hike	16
2.2.2. Categorizing of Hotels/Restaurants by Electricity Department	16
2.2.3. Power Interruption in Port Blair	17
2.2.4. Subsidy	17
2.2.5. Objection certificate from legal heir of premises for new electric connection.	18
2.2.6. Categorizing of Hotels/Restaurants by Electricity Department	18
3. Chapter 3: True-up of FY 2021-22	20
3.1. Background	20
3.2. Approach for True-up for FY 2021-22	20
4. Chapter 4: Annual Performance Review of FY 2022-23	22
4.1. Background	22
4.2. Approach for Review for the FY 2022-23	22
4.3. Energy Sales, Connected Load and Number of Consumers	22
4.3.1. Energy Sales	22
4.3.2. Number of Consumers	23
4.3.3. Connected Load	24
4.4. Intra-State Transmission and Distribution (T&D) loss	24
4.5. Energy Balance	25
4.6. Power Purchase Quantum & Cost	26
4.7. Renewable Purchase Obligations (RPOs)	28
4.8. Operation & Maintenance Expenses	29
4.8.1. Employee Expenses	31
4.8.2. Administrative and General (A&G) Expenses	32
4.8.3. Repair & Maintenance Expenses (R&M)	33
4.8.4. Total Operation and Maintenance Expenses (O&M)	33
4.9. Capital Expenditure & Capitalisation	34

4.10. Capital Structure	34
4.11. Depreciation	36
4.12. Interest and Finance Charges	38
4.13. Return on Equity (RoE)	40
4.14. Interest on Security Deposits	41
4.15. Interest on Working Capital	41
4.16. Provision for Bad & Doubtful Debts	42
4.17. Non-Tariff Income	42
4.18. Aggregate Revenue Requirement (ARR)	43
4.19. Revenue at existing Retail Tariff	43
4.20. Standalone Revenue Gap/Surplus	44
5. Chapter 5: Determination of Aggregate Revenue Requirement for the FY 2023-24	45
5.1. Background	45
5.2. Approach for determination of ARR for FY 2023-24	45
5.3. Projection of Number of consumers, Connected Load and Energy Sales	45
5.3.1. Energy Sales	46
5.3.2. Number of Consumers	46
5.3.3. Connected Load	47
5.4. Intra-State Distribution Loss	48
5.5. Energy Balance	48
5.6. Power Purchase Quantum & Cost	49
5.7. Renewable Purchase Obligation (RPO)	51
5.8. Operation & Maintenance Expenses	53
5.8.1. Employee Expenses	54
5.8.2. Administrative and General (A&G) Expenses	55
5.8.3. Repair & Maintenance Expenses (R&M)	55
5.8.4. Total Operation and Maintenance Expenses (O&M)	56
5.9. Gross Fixed Assets (GFA) and Capitalization	57
5.10. Capital Structure	57
5.11. Depreciation	59
5.12. Interest on Loan	61
5.13. Return on Equity (RoE)	63
5.14. Interest on Security Deposits	64
5.15. Interest on Working Capital	64
5.16. Income Tax	66
5.17. Provision for Bad & Doubtful Debts	67
5.18. Non-Tariff Income	67
5.19. Aggregate Revenue Requirement (ARR)	69
5.20. Revenue at existing Retail Tariff	69
5.21. Standalone Revenue Gap/ Surplus	70
6. Chapter 6: Tariff Principles and Design	71
6.1. Overall Approach	71

6.2. Applicable Regulations	71
6.3. Cumulative Revenue Gap/ (Surplus) at Existing Tariff	72
6.4. Treatment of Gap /(Surplus) and Tariff Design	73
6.4.1. Tariff Proposal	73
6.4.2. Revenue from Approved Retail Tariff for FY 2023-24	81

7. Chapter 7: Tariff Schedule	84
--------------------------------------	-----------

7.1. Tariff Schedule	84
7.2. Applicability	85
7.3. General conditions of HT and LT Supply	87
7.4. Schedule of Miscellaneous Charges	89

8. Chapter 8: Directives	90
---------------------------------	-----------

8.1. Directives continued in this Tariff Order	90
8.1.1. Bill Payment	90
8.1.2. Energy Audit	91
8.1.3. State load Dispatch Centre	91
8.1.4. Slab wise details	91
8.1.5. Introduction of Fixed charges	92
8.1.6. T&D Losses	92
8.1.7. Details of Hotel Industry Consumer	93
8.1.8. Approval for new Power Purchase Agreements	93
8.1.9. Connected Load and Fixed Charges for Commercial and Government Connections Categories.	93
8.1.10. Tariff Determination for own Renewable Generation	94
8.1.11. Submission of slab wise category wise data	94
8.1.12. Fuel Consumption data for own DG sets	94
8.1.13. Detailed Project Reports for projects proposed for the Control period	95
8.1.14. Promotion of renewable energy across Andaman & Nicobar Islands	95
8.2. New Directives issued in this Order	96
8.2.1. kVAh based tariff	96

Annexures	97
------------------	-----------

Annexure 1: List of Stakeholders who attended the Public hearing on 7 March 2023 and 10 March 2023	97
--	----