



TARIFF ORDER

Approval of Aggregate Revenue Requirements (ARR) for 3rd MYT Control Period from FY 2022-23 to FY 2024-25 and Determination of Retail Tariff for FY 2022-23

Petition No. 63/2021

for

Electricity Department, Government of Goa (ED-Goa)

31st March 2022

JOINT ELECTRICITY REGULATORY COMMISSION
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List of abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
AMR	Automatic Meter Reading
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal of Electricity
BPL	Below Poverty Line
CAGR	Compound Annualized Growth rate
Capex	Capital Expenditure
CC	Current Consumption
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
COD	Commercial Operation Date
Cr	Crores
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
Discom	Distribution Company
DSM	Deviation Settlement Mechanism
DT	Distribution Transformer
ED	Electricity Department
EHT	Extra High Tension
ERP	Enterprise Resource Planning
FPPCA	Fuel and Power Purchase Cost Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
IEX	Indian Energy Exchange Limited
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISTS	Inter-State Transmission System
JERC	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
KSEB	Kerala State Electricity Board Limited
LT	Low Tension
MCLR	Marginal Cost of funds based Lending Rate
MU	Million Units
MYT	Multi-Year Tariff
NFA	Net Fixed Assets

Abbreviation	Full Form
NTI	Non-Tariff Income
NTPC	NTPC Ltd.
OHOB	One Hut One Bulb
O&M	Operation and Maintenance
PLF	Plant Load Factor
PLR	Prime Lending Rate
PSDF	Power System Development Fund
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
R-APDRP	Restructured Accelerated Power Development and Reforms Programme
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI PLR	SBI Prime Lending Rate
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Center
SOP	Standard of Performance
T&D	Transmission & Distribution
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory

Before the
Joint Electricity Regulatory Commission
For the State of Goa and Union Territories, Gurugram

QUORUM

Ms. Jyoti Prasad, Member

Petition No. 63/2021

In the matter of

Approval of Aggregate Revenue Requirements (ARR) for 3rd MYT Control Period from FY 2022-23 to FY 2024-25 and Determination of Retail Tariff for FY 2022-23.

And in the matter of

Electricity Department, Government of Goa (ED-Goa)Petitioner

ORDER

Dated: 31st March 2022

- 1) This Order is passed in respect of the Petition filed by the Electricity Department, Government of Goa (ED-Goa) (herein after referred to as “The Petitioner” or “ED-Goa” or “The Licensee”) for Approval of Annual Performance Review for FY 2021-22 and Aggregate Revenue Requirement (ARR) for 3rd MYT Control Period and determination of Retail Tariff for the FY 2022-23 before the Joint Electricity Regulatory Commission (herein after referred to as “The Commission” or “JERC”).
- 2) The Commission scrutinised the said Petition and generally found it in order. The Commission admitted the Petition on 30th December 2021. The Commission thereafter requisitioned further information/clarifications on the data gaps observed to take a prudent view of the said Petition. The Commission also held a Technical Validation Session to determine sufficiency of data and the veracity of the information submitted. Further, due to the COVID-19 pandemic that had adversely impacted the movement of people as per the guidelines of GoI which had suggested avoiding of travel and gathering of people as far as possible, the Commission had decided to conduct the Public Hearing virtually. The virtual Public Hearing was held on 24th January 2022, and all the Stakeholders/Electricity Consumers present in the Public Hearing were heard. Further, suggestions/ comments/ views and objections were invited from the Stakeholders and Electricity Consumers.
- 3) The Commission based on the Petitioner’s submission, relevant JERC MYT Regulations, facts of the matter, rules and provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved the Aggregate Revenue Requirement (ARR) for 3rd MYT Control Period and determination of Retail Tariff for the FY 2022-23.
- 4) A Summary has been provided as follows:
 - (a) The following table provides ARR, Revenue and Standalone Gap/ (Surplus) at existing tariff as submitted by the Petitioner and approved by the Commission for the FY 2022-23:

Table 1: Standalone Revenue Gap/ (Surplus) at existing tariff for the FY 2022-23 (INR Cr.)

S. No.	Particulars	Petitioner's Submission	Approved by Commission
1	Net Revenue Requirement	2,361.15	2,408.15
2	Revenue from Retail Sales at Existing Tariff	2,109.47	1,992.53
	Net Revenue Gap/ (Surplus)	251.69	415.62

- (b) The following table provides ARR, Revenue and Standalone Gap/ (Surplus) at approved tariff as approved by the Commission for the FY 2022-23:

Table 2: Standalone Revenue Gap/ (Surplus) at proposed/approved tariff for the FY 2022-23 (INR Cr.)

S. No.	Particulars	Petitioner's Submission	Approved by Commission
1	Net Revenue Requirement	2,361.15	2,408.15
2	Revenue from Retail Sales at Approved Tariff	2001.02	2,024.02
3	Gap / (Surplus) for the year	360.13	384.13
4	Upfront assurance of Budgetary support from Govt.	360.13	384.13
	Net Revenue Gap/ (Surplus)	0.00	0.00

- (c) The Petitioner has proposed a reduction in average tariff rate thereby estimating a reduction of INR 108.44 Cr. from the projected revenue in FY 2022-23.
- (d) The Commission has approved an average tariff hike of 1.58% to further reduce the reliance of the Petitioner on budgetary support from the Govt. of Goa. The Commission has also introduced fixed charges based on connected load for all Domestic and Commercial slabs. The Commission has approved the Average Billing Rate (ABR) of INR 4.77/kWh against the approved Average Cost of Supply (ACoS) of INR 5.68/kWh. The entire revenue gap shall be met through the budgetary support as per assurance letter of the Govt. of Goa dated 29th December 2021. The Commission acknowledges this letter of assurance from the Government of Goa towards meeting any prospective revenue gap for FY 2022-23, and hence the revenue gap for FY 2022-23 has been considered as nil.
- (e) The Commission has increased the tariff levels for cross-subsidized categories by higher than the average hike and has reduced/maintained the tariff levels at lower than average tariff hike for cross-subsidizing categories.
- (f) The ABR without the Government Budgetary support has been calculated considering the per unit gap of INR 0.91/kWh (difference between ACoS and ABR at Approved Tariff with Govt. Budgetary Support). However, the Commission would like to highlight that in case this gap had to be entirely fulfilled by revenue from consumers then it would have demanded an additional average tariff increase of 18.98%.
- 5) This Order shall come into force with effect from 1st April 2022 and shall, unless amended or revoked, continue to be in force till further orders of the Commission.
- 6) The licensee shall publish the Tariff Schedule and salient features of Tariff as determined by the Commission in this Order within one week of receipt of the Order in three daily newspapers in the respective local languages of the region, besides English, having wide circulation in their respective areas of supply and also upload the Tariff Order on its website.

- 7) Ordered accordingly, the attached documents giving detailed reasons, grounds and conditions are the Integral part of this Order.

Sd/-

(Jyoti Prasad)

Member

Place: Gurugram

Date: 31st March 2022

Certified Copy



(Rakesh Kumar)
Secretary, JERC

1. Chapter 1: Introduction

1.1. About Joint Electricity Regulatory Commission for the State of Goa and UT's (JERC)

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted the Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated 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” (hereinafter referred to as “JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May 2008.

JERC is a statutory body responsible for regulation of the Power Sector in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity etc. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting the interests of consumers and ensuring supply of electricity to all areas.

1.2. About Goa

Goa is a state on the southwestern coast of India within the region known as the Konkan, and geographically separated from the Deccan highlands by the Western Ghats. It is surrounded by the Indian states of Maharashtra to the north and Karnataka to the east and south, with the Arabian Sea forming its western coast. It is India's smallest state by area and the fourth-smallest by population. The state is divided into two districts: North Goa and South Goa. North Goa is divided into three subdivisions — Panaji, Mapusa, and Bicholim and further into five talukas (subdistricts). South Goa is divided into five subdivisions — Ponda, Mormugao-Vasco, Margao, Quepem, and Dharbandora and further into seven talukas (subdistricts).

Goa has the highest GDP per capita among all Indian states, two and a half times that of the country. The state of Goa is famous for its excellent beaches, churches, and temples. Tourism is Goa's primary industry, it gets 12% of foreign tourist arrivals in India. The state is also rich in minerals and ores, and mining forms the second largest industry. Iron, bauxite, manganese, clays, limestone, and silica are mined extensively in Goa.



Goa is often described as a fusion between Eastern and Western culture with Portuguese culture having a dominant position in the state in its architectural, cultural or social settings.

1.3. About Electricity Department, Government of Goa (EDG)

The Electricity Department, Government of Goa (hereinafter referred to as “ED-Goa” or “EDG” or ‘Petitioner’) is a deemed Distribution Licensee within the meaning of Section 2 (17) of Electricity Act 2003 and pursuant to the Section 14 of the Electricity Act. Further, Section 42 and 43 of the Electricity Act 2003 prescribes the following duties of the deemed Distribution Licensee:

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

The primary objective of EDG is to undertake the transmission, distribution and retail supply of electricity in its license area and for this purpose plan, construct, and manage the power system network in all its aspects. EDG is further responsible for carrying out the business of purchasing and selling of electricity along with activities such as billing and collection in the area.

1.4. Multi Year Tariff Regulations, 2021

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as MYT Regulations, 2021) on 22th March 2021. These Regulations are applicable in the 3rd MYT Control Period comprising of three financial years from FY 2022- 23 to FY 2024-25. These Regulations are applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

1.5. Filing and Admission of the Present Petition

The present Petition was admitted on 30th December 2021 and marked as Petition No. 63 of 2021. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

1.6. Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted, and certain deficiencies were observed. Accordingly, discrepancy notes were issued to the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petitioner and key data gaps, which included retail sales, revenue from retail tariff, capitalization, tariff proposal etc. The Petitioner submitted its response to the issues through various letters/emails.

The Commission conducted the Technical Validation Session (TVS) with the Petitioner at the Commission's office in Gurugram, during which the discrepancies in the Petition were conveyed and additional information required by the Commission was sought. Subsequently, the Petitioner submitted replies to the issues raised in this session and provided documentary evidence to substantiate its claims regarding various submissions. The following table provides the list of interactions with the Petitioner along with the dates:

Table 3: Timelines of the interaction with the Petitioner

S. No	Subject	Date
1	Public Hearing	24 th January 2022
2	Issue of First Deficiency Note	28 th January 2022
3	Reply received from Petitioner	17 th February 2022
4	Technical Validation Session	21 st February 2022
5	Issue of Second Deficiency Note	22 nd February 2022
6	Replies received from Petitioner	28 th February 2022 & 4 th March 2022

1.7. Notice for Public Hearing

Public Notices were published by the Commission in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearing to be conducted by the Commission. These notices were also uploaded on the Commission's website