

Part – I

True-up for the FY 2016-17
&
Review for the FY 2017-18

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SECTION - I

***Provisional True Up
for the FY 2016-17***



1 Provisional True-up FOR FY 2016-17

1.1. Background

Tariff Order for the FY 2016-17 was issued vide order Dt. 11/04/2016

E&PDS submits that the Annual Accounts for the FY 2016-17 is under compilation and same shall be submitted subsequently. E&PDS requests the Hon'ble Commission to carry out the provisional true-up of expenses submitted in the petition and further submitted that a final true-up may be carried out after Annual Accounts for the year are finalized and got audited.

E&PDS requests the Hon'ble Commission to allow the provisional true-up of the year 2016-17 as there are significant variations in various items of ARR for the year 2016-17 as against those approved in the Tariff Order of 2016-17.

Data given in this chapter is for the entire year i.e. FY 2016-17.

1.2. Energy Sales

The actual sales for the FY 2016-17 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY2016-17 is as summarized below:

Table 1.1: Energy Sales for FY 2016-17

(In MUs)

Category	As approved by Commission	Provisional as per Accounts	Deviation
Domestic	94.97	96.74	1.77
Commercial	40.75	39.68	-1.07
Public Lighting	0.35	0.26	-0.09
Temporary Supply	1.45	2.92	1.47
HT Industrial Consumers	153.21	156.16	2.95
LT Industrial Consumers	1.45	1.31	-0.14
Bulk Supply	25.07	26.40	1.33
Outside State	412.26	478.88	66.62
Total	729.51	802.35	72.84



1.3. Transmission and Distribution Losses

The provisional values of the transmission and distribution losses for FY 2016-17 arrived at in accordance with the actual Energy Sales, Energy Purchase is given in below table:

Table 1.2: T&D Loss for FY 2016-17

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Transmission & Distribution Loss	27.41%	30.61%	3%
	Total	27.41%	30.61%	3.20%

1.4. E&PDS Own Generation

The own generation approved for FY 2016-17 and pre-actual value of own generation made by the E&PDS for FY 2016-17 is in the table provided below:

Table 1.3: E&PDS Own Generation for FY 2016-17

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Total Generation	10.00	8.14	-1.86
	Total	10.00	8.14	-1.86

1.5. Power Purchase

The power purchase units approved for FY 2016-17 and pre-actual value of power purchase units of the E&PDS for FY 2016-17 is given in the table below:



Table 1.4: Power Purchase Units for FY 2016-17

In (MUs)

Sl. No.	Particulars	Cost As approved by Commission	Unit Provisional as per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Units	512.26	944.91	432.65
	Total	512.26	944.91	432.65

1.6. Energy Balance

The pre-actual energy balance for FY 2016-17 and the approvals accorded are compared in the table provided below:

Table 1.5: Energy Balance for FY 2016-17

Energy Balance	As approved by Commission	Provisional as per Accounts	Deviation
	MU's		
ENERGY REQUIREMENT			
Energy Sales within State	317.25	323.47	6.22
Sales Outside State (UI)	91.49	478.88	387.39
Total Energy Sales	408.74	802.35	393.61
Overall T & D Losses %	27.41	30.61	3.00
Overall T & D Losses (MUs)	119.80	142.67	22.87
Total Energy Requirement	528.54	945.02	416.48
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	512.26	944.91	432.65
Less: Overall Pool Loss	10.60	8.03	-2.57
Generation	10.00	8.14	-1.86
Total Energy Availability	511.66	945.02	433.36
ENERGY SURPLUS/(GAP)	-16.88	0.00	-16.88



1.7. Fuel Cost

The values of fuel cost for the FY 2016-17 are compared with those approved by the Hon'ble Commission in the tariff order for FY 2016-17.

Table 1.6: Fuel Cost for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.15	0.17	0.02
	Total	0.15	0.173	0.023

1.8. Power Purchase Cost

The power purchase cost approved for FY 2016-17 and pre-actual value of power purchase made by the E&PDS, including transmission charges, for FY 2016-17 is provided in the table below.

Table 1.7: Power Purchase Cost for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	Cost As approved by Commission	Cost Provisional as per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	180.29	213.51	33.22
	Total	180.29	213.51	33.22

1.9. Employee Cost

The Employee cost approved for FY 2016-17 and pre-actual value of employee cost made by the E&PDS for FY 2016-17 is provided in the table below:



Table 1.8: Employee Cost for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	80.36	101.00	20.64
	Total	80.36	101.00	20.64

1.10. Repair & Maintenance Expenses

The Repair & Maintenance expense approved for FY 2016-17 and pre-actual value of repair & maintenance expense made by the E&PDS for FY 2016-17 is provided in the table below:

Table 1.9: Repair & Maintenance Cost for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	25.26	22.29	-2.97
	Total	25.26	22.29	-2.97

1.11. Administrative & General Expenses

The Admin.& General expenses approved for FY 2016-17 and pre-actual value of Admin.& General expenses made by the E&PDS for FY 2016-17 is provided in the table below:



Table 1.10: Admin. & General Expenses for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Administration & General Expense	2.53	1.14	-1.39
	Total	2.53	1.14	-1.39

1.12. Depreciation

The approved depreciation for FY 2016-17 and pre-actual value of depreciation for FY 2016-17 is provided in the table below:

Table 1.11: Depreciation for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Depreciation	21.36	27.15	5.79
	Total	21.36	27.15	5.79

1.13. Interest & Finance Charges

The Interest & Finance charges has not been claimed for the FY 2016-17

1.14. Interest on Working Capital

The Interest on Working Capital as approved for FY 2016-17 and pre-actual value of Interest on Working Capital for E&PDS for FY 2016-17 is provided in the table below:



Table 1.12: Interest on Working Capital for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Interest on Working Capital	4.82	10.66	5.84
	Total	4.82	10.66	5.84

1.15. Other Income

The Other Income approved for FY 2016-17 and pre-actual value of Other Income made by the E&PDS for FY 2016-17 is provided in the table below:

Table 1.13: Other Income for FY 2016-17

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional As per Accounts	Deviation
1	2	3	4	5
1	Non Tariff Income	0.94	1.52	0.58
	Total	0.94	1.52	0.58

1.16. Return on Equity

E&PDS has not claimed Return on Equity for the FY 2016-17.

1.17. Revenue from Sale of Power

The revenue from sale of power approved for FY 2016-17 and pre-actual value of revenue from sale of power made by the E&PDS for FY 2016-17 is provided in the table below:



Table 1.14: Revenue from Sales for FY 2016-17

(In Rs.Crs.)

Category	As approved by Commission	Provisional as per Accounts	Deviation
Domestic	22.91	24.96	2.05
Commercial	20.35	22.26	1.91
Public Lighting	0.14	0.11	-0.03
Temporary Supply	1.05	2.20	1.15
HT Industrial Consumers	87.64	106.44	18.80
LT Industrial Consumers	0.70	0.78	0.08
Bulk Supply	13.88	16.69	2.81
Outside State	126.52	86.31	-40.21
Total	273.19	259.75	-13.44

1.18. True-up of ARR for FY 2016-17

The approved Annual Revenue Requirement for FY 2016-17 and pre-actual value of Annual Revenue Requirement for FY 2016-17 is provided in the table below:



Table 1.15: True-up of ARR for FY 2016-17

(In Rs.Crs.)

Sl. No.	Item of Expense	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.15	0.17	0.02
2	Cost of Power Purchase	180.29	213.51	33.22
3	Employee Costs	80.36	101.00	20.64
4	R&M Expenses	25.26	22.29	-2.97
5	Administration and General Expenses	2.53	1.14	-1.39
6	Depreciation	21.36	27.15	5.79
7	Interest Charges	0.00	0.00	0.00
8	Interest on Working Capital	4.82	10.66	5.84
9	Return on Equity	0.00	0.00	0.00
10	Provision for Bad Debts	0.00	0.00	0.00
11	Total Revenue Requirement	314.76	375.92	61.16
12	Less: Non Tariff Income	0.94	1.52	0.58
13	Net Revenue Requirement	313.82	374.40	60.58
14	Revenue from Tariff	146.67	173.44	26.77
15	Revenue from Outside State Sale	126.52	86.31	-40.21
16	Gap (13 - 14- 15)	40.63	114.65	74.02

SECTION - II

Review for the FY 2017-18



2. Review for FY 2017-18

2.1. Background

Tariff Order for the FY 2017-18 was issued vide order Dt. 21/03/2017

Regulation 5.1 [a](ii)] of the Sikkim State Electricity Regulatory Commission (SSERC)(Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013 provides as follows:

a) *MYT Petition shall comprise of:*

ii. *Annual Performance Review for FY 2017-18 to be carried out under Sikkim State Electricity Regulatory Commission (**Terms and Conditions of Tariff**) Regulations, 2012;*

Further, Regulation 14(1) of the Sikkim State Electricity Regulatory Commission (Terms & Conditions for determination of Tariff) Regulations, 2012 provides as follows:

(1) The Commission shall undertake a 'Review' of the expenses and revenues approved by the Commission in the Tariff Order. While doing so, the Commission shall consider variation between approvals and revised estimates/pre-actuals of sale of electricity, income and expenditure for the relevant year and permit necessary adjustments/changes in case such variations are for adequate and justifiable reasons. Such an exercise shall be called 'Review'.

E&PDS represents its submissions for the purpose of review for the financial year 2017-18 as per the provisional figures for the year. E&PDS submits that the review petition is based on actual figures upto September, 2014 and estimated figures for the period October'2014 to March'2015. E&PDS shall submit for true-up after the actual figures are available and Annual accounts for the FY 2017-18 is finalized and got audited.

E&PDS therefore requests the Hon'ble Commission to consider the information submitted in this petition and in the formats and allow review of expenses as prayed in this petition.

Data given in this chapter is for the entire year i.e. FY 2017-18.



2.2. Energy Sales

The provisional sales for the FY 2017-18 vis-à-vis the sales approved by the Commission in its ARR/ Tariff Order for FY2017-18is as summarized below:

Table: 2.1: Energy Sales for FY 2017-18

(In MUs)

Category	As approved by Commission	Provisional as per Accounts	Deviation
Domestic	78.20	101.58	23.38
Commercial	40.45	40.47	0.02
Public Lighting	0.16	0.27	0.11
Temporary Supply	1.21	1.50	0.29
HT Industrial Consumers	143.31	171.78	28.47
LT Industrial Consumers	1.44	1.32	-0.12
Bulk Supply	26.56	27.72	1.16
Outside state	466.32	473.98	7.66
Total	757.64	818.61	60.96

2.3. Transmission and Distribution Losses

The provisional values of the transmission and distribution losses for FY 2017-18 arrived at in accordance with the actual Energy Sales, Energy Purchase is:

Table: 2.2: T&D Loss for FY 2017-18

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Transmission & Distribution Loss	26%	27.43%	1%
	Total	26%	27.43%	1%

2.4. E&PDS Own Generation

The own generation approved for FY 2017-18 and provisional value of own generation made by the E&PDS for FY 2017-18 is provided in the table below:



Table: 2.3: E&PDS Own Generation for FY 2017-18

(In MUs)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Total Generation	12.00	12.00	0.00
	Total	12.00	12.00	0.00

2.5. Power Purchase

The power purchase units approved for FY 2017-18 and provisional units of power purchase made by the E&PDS for FY 2017-18 is given in the table below:

Table: 2.4: Power Purchase Units for FY 2017-18

(In MUs)

Sl. No.	Particulars	Units as approved by Commission	Unit Provisional as per Accounts	Deviation
1	2	4	6	5
1	Power Purchase Units	507.53	944.91	437.38
	Total	507.53	944.91	437.38

2.6. Energy Balance

The provisional Energy Balance for FY 2017-18 and the approvals accorded are compared in the table provided below:



Table: 2.5: Energy Balance for FY 2017-18

Energy Balance	As Approved by Commission	Provisional as per Accounts	Deviation
	(MU's)		
ENERGY REQUIREMENT			
Energy Sales within State	291.32	344.64	53.32
Sales Outside State (UI)	0	473.98	473.98
Total Energy Sales	291.32	818.61	527.29
Overall T & D Losses %	26	27.43	1.00
Overall T & D Losses (MUs)	102.36	130.27	27.91
Total Energy Requirement	393.68	948.88	555.20
ENERGY AVAILABILITY			
Power Purchase from CGS/UI etc.	857.91	944.91	87.00
Less: Overall Pool Loss	9.91	8.03	-1.88
Generation	12.00	12.00	0.00
Total Energy Availability	860.00	948.88	88.88
ENERGY SURPLUS/(GAP)	-466.32	0.00	466.33



2.7. Fuel Cost

The provisional values of fuel cost for the FY 2017-18 are compared with those approved by the Hon'ble Commission in the tariff order for FY 2017-18.

Table: 2.6: Fuel Cost for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.18	0.18	0.00
	Total	0.18	0.18	0.00

2.8. Power Purchase Cost

The power purchase cost approved for FY 2017-18 and provisional value of power purchase expense made by the E&PDS for FY 2017-18 is provided in the table below:

Table: 2.7: Power Purchase Cost for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	Cost as approved by Commission	Cost Provisional as per Accounts	Deviation
1	2	3	4	5
1	Power Purchase Cost	202.90	226.25	23.35
	Total	202.90	226.25	23.35

2.9. Employee Cost

The Employee Cost approved for FY 2017-18 and provisional value of employee cost incurred by the E&PDS for FY 2017-18 is provided in the table below:



Table: 2.8: Employee Cost for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	99.64	106.19	6.55
	Total	99.64	106.19	6.55

2.10. Repair & Maintenance Expenses

The Repair & Maintenance expense approved for FY 2017-18 and provisional value of Repair & Maintenance expense of E&PDS for FY 2017-18 is provided in the table below:

Table: 2.9: Repair & Maintenance Cost for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance Cost	25.41	21.80	-3.61
	Total	25.41	21.80	-3.61

2.11. Administrative & General Expenses

The Admin.& General expenses approved for FY 2017-18 and provisional value of Admin.& General expenses made by the E&PDS for FY 2017-18 is given in the table below:

Table: 2.10: Administrative & General Expense for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Administrative & General Expense	3.08	1.14	-1.94
	Total	3.08	1.14	-1.94



2.12. Depreciation

The approved depreciation for FY 2017-18 and provisional value of depreciation for FY 2017-18 is provided in the table below:

Table: 2.11: Depreciation for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Depreciation	28.60	33.21	4.61
	Total	28.60	33.21	4.61

2.13. Interest & Finance Charges

3. The Interest & Finance charges has not been claimed for the FY 2017-18.

3.1. Interest on Working Capital

The Interest on Working Capital as approved for FY 2017-18 and provisional value of Interest on Working Capital of E&PDS for FY 2017-18 is provided in the table below:

Table: 2.12: Interest on Working Capital for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Interest on Working Capital	4.62	10.87	6.25
	Total	4.62	10.87	6.25

3.2. Other Income

The Other Income approved for FY 2017-18 and provisional value of other income of E&PDS for FY 2017-18 is provided in the table below:



Table: 2.13: Other Income for FY 2017-18

(In Rs.Crs.)

Sl. No.	Particulars	As approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Non Tariff Income	1.55	1.55	0.00
	Total	1.55	1.55	0.00

3.3. Return on Equity

E&PDS has not claimed Return on Equity for the FY 2017-18.

3.4. Revenue from Sale of Power

The revenue from sale of power as approved for FY 2017-18 and provisional value of revenue from sale of power of E&PDS for FY 2017-18 is provided in the table below:

Table: 2.14: Revenue from Sales for FY 2017-18

(In Rs.Crs.)

Category	As approved by Commission	Provisional as per Accounts	Deviation
Domestic	22.16	26.21	4.05
Commercial	22.05	22.71	0.66
Public Lighting	0.07	0.11	0.04
Temporary Supply	1.05	2.00	0.95
HT Industrial Consumers	93.89	110.83	16.94
LT Industrial Consumers	1.06	0.78	-0.28
Bulk Supply	16.85	16.93	0.08
Outside State	108.15	86.46	-21.69
Total	265.30	266.03	0.75



3.5. Review of ARR for FY 2017-18

The Annual Revenue Requirement approved for FY 2017-18 and provisional value of Annual Revenue Requirement for FY 2017-18 is provided in the table below:

Table: 2.15: Review of ARR for FY 2017-18

(In Rs.Crs.)

Sl. No.	Item of Expense	As Approved by Commission	Provisional as per Accounts	Deviation
1	2	3	4	5
1	Cost of Fuel	0.18	0.18	0.00
2	Cost of Power Purchase	202.90	226.25	23.35
3	Employee Costs	99.64	106.19	6.55
4	R&M Expenses	25.41	21.80	-3.61
5	Administration and General Expenses	3.08	1.14	-1.94
6	Depreciation	28.60	33.21	4.61
7	Interest Charges	0.00	0.00	0.00
8	Interest on Working Capital	4.62	10.87	6.25
9	Return on Equity	0.00	0.00	0.00
10	Income Tax	0.00	0.00	0.00
11	Total Revenue Requirement	364.43	399.64	35.21
12	Less: Non Tariff Income	1.55	1.55	0.00
13	Net Revenue Requirement	362.88	398.08	35.20
14	Revenue from Tariff	157.14	179.57	22.43
15	Revenue from Outside State Sale	108.15	86.46	-21.69
16	Gap (13 - 14- 15)	97.58	132.05	34.47