सत्यमेव जयते

केन्द्रीय विद्युत विनियामक आयोग

CENTRAL ELECTRICITY REGULATORY COMMISSION

के. वि. वि. आयोग
C.E.R.C.

No.15/9(1)/2011/APTEL-TA/FOR/CERC

Dated: 8th August, 2014

To

The Registrar
Appellate Tribunal for Electricity
7th Floor, Core-4, SCOPE Complex
Lodhi Road
New Delhi – 110 003.

SUB: Compliance of the directions given by the Appellate Tribunal for Electricity

Sir,

This has reference to the order O.P. No.1 of 2011 of the Hon'ble APTEL dated 30.6.2014 on the above subject. Vide Para Nos. 7 & 8 of this Order, APTEL issued directions to all SERCs / JERCs to furnish information relating to (a) Determination of Tariff for FY 2014-15, (b) True-up of accounts, (c) Fuel & Power purchase adjustment mechanism & (d) Creation of Regulatory Assets, directly to the Secretary, FOR. APTEL further directed Secretary, FOR to furnish a consolidated report on the same by 11.8.2014.

2. In pursuance to the above directions, a statement summarizing the information submitted by the 26 SERCs/JERCs on the points specified vide Para 7(i) to 7(iv) of the Order dated 30.6.2014 is **enclosed** as **Annexure-I**. A copy each of the communications received from SERCs/JERCs in reply to the APTEL direction is also enclosed.

RBO
M. Wile
Ml/1209

Yours faithfully,

(Shubha Sarma)
SECRETARY, CERC /FOR

Encl.: As above.

तीसरी और चौथी मंजिल, चन्द्रलोक बिल्डिंग, 36, जनपथ, नई दिल्ली–110001
3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi-110001
Phone : 91-11-23353503 Fax : 91-11-23753923
Web Site : www.cercind.gov.in E-mail : info@cercind.gov.in

Annexure - I

Summary of responses from SERCs/JERCs regarding compliance of APTEL Order OP no. 1 of 2011

S. No.	SERC/JERCs	Date of issue of tariff order for FY 2014-15 for the distribution licensees. If the tariff order for FY 2014-15 has not been issued, the reasons for delay and the present status.	Year up to which truing up of accounts has been completed and orders issued.	Whether Fuel and Power Purchase Adjustment mechanism for atleast quarterly adjustment as directed in Order dated 11.11.2011 is in place?	Whether any new Regulatory Assets have been created in the tariff order for FY 2014-15? If the answer is yes, then give details.
1	KERC	Date of Issue of Tariff Order - 12th May 2014 The reason for delay in issue of Tariff Order is as detailed below: 1) The Election Commission of India vide its letter No.437/6/Misc./2014/2014-CC&BE/322 dated 17.02.2014 addressed to the Chairperson, CERC, New Delhi conveyed that the Model Code of Conduct imposed on account of Lok Sabha Election shall also be applicable to Electricity Regulatory Commissions and for any relaxation required under the Model Code of Conduct, CERC/SERC may refer the matter to the Election Commission. 2) In response to this, KERC vide its letter No.B/3/14/2304 dated 07.03.2014 had sought clarification from the Election Commission of India through the Chief Electoral Officer-Karnataka as to the holding of Public Hearings in respect of tariff revision applications filed by ESCOMs/KPTCL	The truing up of accounts has been completed up to FY 13 and relevant Orders have been issued by the Commission on 12th May 2014.	The Commission has notified the Regulations for Collection of FAC on 22nd March 2013 and first amendment on 3rd December 2013. The FAC is effective from 1st July, 2013. The Commission is issuing separate Orders on quarterly basis and the FAC mechanism is in place	The following is the ESCOM wise regulatory asset created as per the Tariff Order dated 12.05.2014: (Rs. Cr.) BESCOM: 611.00 MESCOM: 101.02 CESC: 131.60 HESCOM: 214.58 GESCOM: 151.73 This regulatory asset is proposed to be recovered over the next two years i.e. FY 15 & FY 16 with a carrying cost at 12% per annum.

		(Copy enclosed). 3) The Election Commission of India vide their letter No.464/KL-HP/2014 dated 18.03.2014 had clarified that KERC may hold Public Hearing on the tariff revision applicaions filed by ESCOMs/KPTCL, but seek prior concurrence of the Commission for issue of Tariff Orders (Copy enclosed). 4) Subsequently, the Election Commission of India vide its letter No.437/6/1/2014-CC&BE/235 dated 29.03.2014 had communicated that KERC shall issue Tariff Orders only on the completion of poll date in the State (Copy enclosed). 5) The polling for Lok Sabha seats in Karnataka State was held on 17.04.2014. Accordingly the Public Hearings were held between 21.04.2014 to 30.04.2014 and the Tariff Orders were issued on 12.05.2014. Present Status: The Revised tariff is effective from 1st May, 2014 and all the ESCOMs in the State have implemented the revised tariff.			
2	MSERC	12.04.2014 effective from 01.04.2014	Provisional truing up of FY 2009-10 was done. Final truing up of FY 2009-10 to be based on audited accounts is under final stage of completion and order of the	yes	no

			same will be issued thereafter.		
3	HPERC	Tariff Order was issued on 12 June 2014 for the MYT Control period from FY 2014-15 to FY 2018-19.	The truing up has been done upto the FY 2012-13 based on the provisional audited accounts available at the time of processing of the Petition.	Yes; Vide the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) (First Amendment) Regulations, 2012, notified on 30.03.2012	no
4	SSERC	Tariff order for FY 2014-15 for distribution licensee was issued by the Commission on 15th April, 2014	Truing up for the FY 2012-13 and 2013-14 have not been done as the distribution licensee has not submitted the Audited Accounts for FY 2012-13 and 2013-14	Fuel surcharge adjustment have not been provided in the Regulations as there are no thermal generating stations in Sikkim	No Regulatory Assets have been created in the Tariff order for FY 2014-15
5	KSERC	The ARR/ERC & Tariff petition for 2014-15 of the Kerala State Electricity Board Limited is under consideration of the Commission. The Government of Kerala has issued Orders on revesting of assets and liabilities (2nd transfer scheme) of the erstwhile Kerala State Electricity Board into a new company namely Kerala State Electricity Board Limited as per its order No.G.O.(P) No.46/2013/PD dated 31-10-2013, which was subsequently amended vide orders dated 11-4-2013 and 27-5-2014. In the said transfer scheme, many changes including revaluation of fixed assets, establishment of pension master trust, enhancement of equity etc., are envisaged. Based on the request of the Kerala State Electricity Board Limited to incorporate the	The truing up of accounts of KSEB Limited has been completed till 2010-11. The petitions for the remaining years are due and not yet filed. The truing up of remaining years can be considered only after appropriately taking into consideration the impact of financial restructuring plan and the netting off of dues of KSEB with Government.	The Commission had already issued KSERC (Fuel surcharge formula) Regulations 2009 for quarterly adjustment of changes in fuel cost.	The tariff petition for 2014-15 is under process.

3

Dr 8/8/14

		impact of the second transfer scheme and the financial restructuring plan in the ARR&ERC petition for 2014-15, the Commission has allowed extension of time for filing the petition. The petition for approval of ARR and Tariff Petition was filed on 15-5-2014 and public hearings on the petition have been held in three places Kozhikode (30-6-2014), Ernakulam (2-7-2014) and Thiruvanathapuram (4-7-2014). The order on the petition will be issued after due process within the time limit as per the provisions of Electricity Act 2003.			
6	OERC	The different tariff orders for FY 2014-15 have been passed on dtd. 22.03.2014 by the Commission but have been made public on 26.04.2014 due to Model Code of Conduct for General Election 2014.	The truing up of accounts for DISCOMs have been completed up to the FY 2012-13 in the Retail Supply Tariff Order for FY 2014-15.	Regulation 60 (Appendix-7) of OERC Conduct of Business Regulations, 2004 provides for Fuel Surcharge Mechanism. As per that Regulation, if there is a requirement, the licensees shall apply to the Commission after 31st October of any year.	No Regulatory Asset has been created in the Retail Supply Tariff Order for FY 2014-15.
7	JERC, GOA & UTs	The tariff orders were issued as soon as the Polling in general elections, 2014 got completed in the respective territories.	Name of the Utility — Year upto which truing-up of accounts has been completed Andaman & Nicobar — 2011-12 Chandigarh — 2012-13 Dadra & Nagar Haveli — 2012-13	Fuel and Power Purchase Adjustment mechanism is in place for all the territories regulated by JERC.	no

(4)

8/8/14

<table>
<tr>
<td></td>
<td></td>
<td>
<table>
<tr><th>Name of the Utility</th><th>Date of Election</th><th>Date of Issue of Tariff Order</th></tr>
<tr><td>Goa</td><td>12.4.2014</td><td>15.4.2014</td></tr>
<tr><td>Andaman & Nicobar</td><td>10.4.2014</td><td>11.4.2014</td></tr>
<tr><td>Chandigarh</td><td>10.4.2014</td><td>11.4.2014</td></tr>
<tr><td>Dadra & Nagar Haveli</td><td>30.4.2014</td><td>5.5.2014</td></tr>
<tr><td>Daman & Diu</td><td>30.4.2014</td><td>1.5.2014</td></tr>
<tr><td>Lakshadweep</td><td>10.4.2014</td><td>11.4.2014</td></tr>
<tr><td>Puducherry</td><td>24.4.2014</td><td>25.4.2014</td></tr>
</table>
</td>
<td>
<table>
<tr><td>Daman & Diu</td><td>2012-13</td></tr>
<tr><td>Goa</td><td>Till date audited accounts have not been submitted by them for any of the years. So, truing up could not be carried out</td></tr>
<tr><td>Lakshadweep</td><td>Till date audited accounts have not been submitted by them for any of the years. So, truing up could not be carried out</td></tr>
<tr><td>Puducherry</td><td>2010-11</td></tr>
</table>
</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>DERC</td>
<td>The Tariff Petition from the DISCOMs for ARR of FY 2014-15 was admitted vide order dated 5.3.2014.

The Model Code of Conduct was applicable till 18th May 2014 during General Elections 2014. The Tariff Order for FY 2014-15 was then delayed since public notices and public hearing had to be postponed. It is submitted that Tariff Order will be issued shortly.</td>
<td>Truing up of accounts of the DISCOMs has been completed during FY 2011-12 whose relevant Orders are available in public domain at DERC website www.derc.gov.in. It is submitted that Truing up of FY 2012-13 has also been completed and will be given effect in the coming Tariff Order FY 2014-15.</td>
<td>As per Hon'ble APTEL direction in its Order dated 11.11.2011, it is submitted that DERC has implemented Fuel Power Price Adjustment (FPA) Charges vide its order dated 26.8.2011 which was later on replaced by Power Purchase Adjustment Cost (PPAC) charges in Tariff Order dated 13th July 2012.</td>
<td>It is submitted in point no.1 herewith that Tariff Order for FY 2014-15 is in progress. Hence, creation of any new regulatory asset, is not yet finalised. The same would be available once the Tariff Order is finalised.</td>
</tr>
<tr>
<td>9</td>
<td>BERC</td>
<td>The Commission issued tariff order for FY 2014-15 for South Bihar Power</td>
<td>The Commission has completed the truing up for FY 2012-13 on</td>
<td>Yes FPPCA mechanism for monthly adjustment has been</td>
<td>The revenue gap of Rs.25.41 crs. Of NBPDCL and Rs.77.19 crs. of</td>
</tr>
</table>

		Distribution Co. Ltd. (SBPDCL) and North Bihar Power Distribution Co. Ltd. (NBPDCL) on 28.02.2014.	28.02.2014 and order issued.	provided in the earlier tariff orders and that of FY 2014-15.	SBPDCL totaling of Rs.102.60 crs. arrived at is based on the projected figures of FY 2014-15. The experience shows that while truing up based on the audited annual accounts for the earlier Tariff Orders, the estimated revenue gap resulted into surplus in truing up. The Commission is of the view that the cost components and revenue based on the audited annual accounts may vary in truing up for FY 2014-15. The Commission is also of the view that the Distribution Companies shall make efforts to make up the gap by improving the operational performances particularly, reduction of high distribution losses which in turn will reduce the resource gap grant given by the Government to meet the disallowed power cost due to not achieving the distribution loss target specified by the Commission and this saving in resource gap grant can be utilized to reduce the ARR. Hence, the Commission did not consider creation of any regulatory assets in FY 2014-15.
10	UERC	Tariff Order for FY 2014-15 for the distribution licensee in the State was signed on 10.04.2014. However, as per directions of Election Commission of India, Tariff Order has been issued	Final truing up has been carried out till FY 2011-12 and provisional truing up for FY 2012-13 has been done.	Yes, the tariff Regulations issued by the Commission specifies the mechanism for quarterly adjustment of Fuel and Power Purchase Adjustment as directed	No new Regulatory Assets have been created in the tariff order for FY 2014-15.

6

18/8/13

		on 08.05.2014, i.e. after the casting of votes in the State got over for the parliamentary elections.		in order dated 11.11.2011.	
11	TERC	Licensee of Tripura i.e. Tripura State Electricity Corporation Limited (TSECL) couldn't submit the Tariff Petition for the FY 2014-2015 in due time on account of the following reasons due to which TERC was not in a position to issue Tariff Order effecting 1st April 2014 for FY 2014-2015. 1. (a) Non-finalization of Annual account for the FY 2012-2013 b) Delay in approval of budget for FY 2014-2015 by TSECL c) Due to model code of Parliamentary Election and Panchayet Election As per report of Licensee, Tariff Petition is ready and will be submitted within few days for the FY 2014-2015	Accounts up to FY 2012-2013 has been completed	Quarterly FPPA has not been implemented but it will be adjusted during Tariff Petition for FY 2014-2015	Regulatory Assets have not been created in the State of Tripura for any FY still date.
12	WBERC	There are altogether seven electricity utilities in the State of West Bengal for which tariff orders are to be issued by this Commission. Out of these there are five distribution licensees. The Tariff Order for the year 2014-15 for the distribution licensees under this Commission are yet to be issued. The Multi Year Tariff (MYT) application for the Fourth Control Period comprising the ensuing years 2014-15, 2015-16 and 2016-17 had been submitted by the distribution licensees except one viz. DPSC Limited to this Commission and gists for those have already been	The truing up of accounts up to the year 2012-13 in respect of all distribution licensees except DVC and DPSC Limited have been issued by the Commission. The complete application for revision of tariff for the years 2009 to 2014 have been submitted by DVC only on 28 April, 2014 order on which is yet to be issued by the Commission. Regarding DPSC Limited an application for APR for the year 2012-13 has however	This Commission has already introduced for monthly adjustment of Fuel and Power Purchase Cost from the month of April 2011. All the distribution licensees are carrying out Monthly Variable Cost Adjustment (MVCA) since April, 2011. In this context it may be mentioned that the Commission has observed that the licensees perhaps fail to understand the true spirit of the MVCA and they	The tariff orders for 2014-15 of all the distribution licensees are yet to be issued by the Commission. This Commission normally does not create any revenue gap in the tariff order. The amount found recoverable during truing up of account of any licensee for the past year(s) are required to be adjusted with the ARR of the ensuring year(s) while processing tariff order for the year. In some cases part of such recoverable amount are adjusted in the ARR for future year instead of

(7)

		published inviting suggestions and objections from the public as per provision of the Act. The Tariff Orders for the year 2014-15 determining the Aggregate Revenue Requirement (ARR) for all the three years 2014-15, 2015-16 and 2016-17 and tariffs for 2014-15 are under process. The reasons for delay are explained as follows: a) The MYT applications submitted by the licensees were scrutinized and after scrutiny, most of the distribution licensees were asked to submit further information and/or further documents as per provision of Regulations made under the Act. The MYT applications submitted by distribution licensees have been admitted by the Commission after receipt of such further information/documents as were asked for and gists were published afterwards. An MYT application was submitted by one India Power Corporation Limited (IPCL) which is not the distribution licensee under this Commission. It appeared that IPCL submitted the application on behalf of DPSC Limited. The Commission did not admit such Tariff Petition submitted by IPCL and asked DPSCL to submit the said tariff petition. DPSCL is yet to submit any MYT petition for 2014-15 to 2016-17. b) Damodar Valley Corporation (DVC)	been submitted by one India Power Corporation Limited (IPCL) which is not the distribution licensee under this Commission. The Commission therefore did not admit the APR Application submitted by IPCL and asked DPSC Limited to submit the same. DPSC Limited however, did not submit any APR application for 2012-13 till date.	are not considering all the eligible cost in computation of their MVCA as per the formula specified in the Tariff Regulations properly. As a result considerable amounts are further being recoverable by the licensees during truing up after completion of the year. The Commission has already given necessary direction to the distribution licensees in this respect. It is also directed by the Commission to the licensees that in case of failure in computation of MVCA by the licensees to recover the actual cost, the Commission will think not to allow the adjustment in full in future and not to pass the amount as found recoverable during truing up of accounts of the distribution licensees after completion of the year.	adjustment of full amount and regulatory asset are created to avoid tariff shock. The major Regulatory Assets so far created in the truing up for the previous years is in respect of WBSEDCL and the amount of such regulatory assets created in respect of WBSEDCL is Rs.2989 Cr. This Regulatory Assets are to be released through the tariff orders of WBSEDCL in the ensuing years in a phased manner. The Commission decides to release such Regulatory Assets in next 5 (five) years. The Commission however allows Carrying Cost to WBSEDCL on such Regulatory Assets as per provisions of the Tariff Policy.

		submitted application for determination of tariff for 2011-12 to 2013-14 earlier. The gist of the said application was published on 05.08.2013 inviting suggestions and objections on that application. The matter was challenged before the Hon'ble High Court at Calcutta on 04.09.2013 by M/s. Bhaskar Sharachi Alloys Limited and Anrs., the consumers of DVC. Hon'ble High Court at Calcutta passed an order dated 23.12.2013 directing DVC to file application for determination of retail tariff in terms of the order dated 30.09.2013 of Central Electricity Regulatory Commission before the State Commission for the period 2009-2014 and the State is directed to dispose of the matter preferably within a period of 120 days but not later than six months from the date of filing of the said petition. DVC could submit the tariff application for 2009-2014 complete in all respect only on 28.04.2014. The gist of the said application inviting suggestions and objections was published on 10.05.2014. The tariff order on that application is under process. c) This Commission is now functioning with single Member since 13th September, 2013 after retirement of the then Chairperson of the Commission on 12.09.2013. In the month of February, 2013 the State			

8/8/14

(9)

<table>
<tr>
<td></td>
<td></td>
<td>Government was informed as per provisions of the Act for processing to fill up the post of Chairperson which would be created in the month of September, 2013. The vacancy of another Member since October, 2011 still exists. Unfortunately the State Government is yet to fill up the vacancies in the post of the Chairperson and the Member.

In this connection the enclosed notes of the existing Member may also be looked into. Copies of Memos sent to State Government in this connection are also enclosed for kind perusal.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>MPERC</td>
<td>1. Distribution and retail supply tariff order for FY 2014-15 for three distribution companies of the State was issued on 24th May 2014
2. Distribution and retail supply tariff order for FY 2014-15 for distribution licensees SEZ, Pithampur was issued on 18th February 2014</td>
<td>Truing up of accounts of distribution licensees have been completed up to FY 2011-12.</td>
<td>Yes. The mechanism for recovery of Fuel Cost Adjustment Charge on quarterly basis is in place in MP since April, 2012. Details of FCA charge levied from time to time are given in the table below: Period
<table>
<tr><th colspan="2">Period</th><th rowspan="2">FCA Charge (Paise per Unit)</th></tr>
<tr><th>From</th><th>To</th></tr>
<tr><td>1-Apr-12</td><td>30-Jun-12</td><td>13</td></tr>
<tr><td>1-jul-12</td><td>30-sep-12</td><td>10</td></tr>
<tr><td>1-oct-12</td><td>31-dec-12</td><td>17</td></tr>
<tr><td>1-jan-13</td><td>31-mar-13</td><td>25</td></tr>
<tr><td>1-apr-13</td><td>30-jun-13</td><td>4</td></tr>
<tr><td>1-jul-13</td><td>30-sep-13</td><td>16</td></tr>
<tr><td>1-oct-13</td><td>31-dec-13</td><td>21</td></tr>
<tr><td>1-jan-14</td><td>31-mar-14</td><td>24</td></tr>
<tr><td>1-apr-14</td><td>30-jun-14</td><td>24</td></tr>
<tr><td>1-jul-14</td><td>30-sep-14</td><td>29</td></tr>
</table></td>
<td>No Regulatory Assets have been created in the tariff order for FY 2014-15.</td>
</tr>
</table>

<table>
<tr>
<td>UPERC</td>
<td>The licensees filed their petitions in time but this time the determination of ARR/Tariff for FY 2014-15 & True Ups has been delayed because of the Lok Sabha Elections. The public hearings are in progress after which the Tariff Orders will be issued</td>
<td>For MVVNL, PVVNL, DVVNL, PuVVNL & KESCo (all State owned distribution companies) - True Up from FY 2008-09 to FY 2011-12 is under consideration of the Commission. True-Up till FY 2007-08 has been completed vide Order dt.21st May, 2013.

For NPCKL (the only private distribution company) - True Up for FY 2012-13 is under consideration of the Commission. True-Up till FY 2011-12 has been completed vide Tariff Order dt.31st May, 2013</td>
<td>Yes.

However the distribution licensees are facing some practical difficulty in implementation of the formula provided in the UPERC Tariff Regulations. The matter is under review of the Commission.</td>
<td>Regulatory Asset has been created vide True Ups of FY 2000-01 to FY 2007-08 & ARR / Revenue Gap of FY 2013-14, which is being recovered as Regulatory Surcharge from all the consumers. The details have been provided in the Commission's Tariff Orders for FY 2013-14 dt.31st May, 2014.</td>
</tr>
<tr>
<td>AERC</td>
<td>The Tariff Order for FY 2014-15 has not been issued till date. The reasons for delay are:

a) The tariff petitions were submitted on 1st February 2014 instead of 1st December 2013 (As per the AERC Tariff Regulations). The utilities sought two months additional time from the Commission stating that the information required for submitting the petition was not available.

b) The tariff petitions submitted in February 2014 by the power companies were found to be incomplete in material submissions. Clarifications and additional</td>
<td><table>
<tr><th>Financial Year</th><th>Generation (APGCL)</th><th>Transmission (AEGCL)</th><th>Distribution (APDCL)</th></tr>
<tr><td>2010-11</td><td>Done</td><td>Done</td><td>Done</td></tr>
<tr><td>2011-12</td><td>Done</td><td>To be completed in 2014-15</td><td>To be completed in 2014-15</td></tr>
<tr><td>2012-13</td><td>To be completed in 2014-15</td><td>To be completed in 2014-15</td><td>To be completed in 2014-15</td></tr>
</table></td>
<td>Yes. The AERC (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2010 were notified in December 2010 and adjustment is being done accordingly.</td>
<td>Not applicable. Status of new Regulatory Assets is not known as Tariff Order for FY 2014-15 is yet to be issued.</td>
</tr>
</table>

		information were sought on different issues. Although the generation and distribution companies provided the clarifications/information in June 2014, these are yet to be received from the transmission licensee.	2012-13 In 2014-15 to be completed In 2014-15		
16	PSERC	Tariff Order for FY 2014-15 has not yet been issued. In this regard, it is intimated that at the time of elections to 16th Lok Sabha, Hon'ble Election Commission of India vide No.437/6/1/2014 CC & BE dated 29.03.2014 has been its stand on issue of Electricity tariff and related order by the State Electricity Regulatory Commissions as under: "The Commission has no objection to the continuance of the process required for decision on power tariff. However, tariff award shall be made only on completion of poll in the relevant State i.e. after the poll date / dates in that State". Due to Model Code of Conduct being in force, on account of Lok Sabha Elections, 2014, Tariff Orders for Punjab State Power Corporation Limited (PSPCL) and Punjab State Transmission Corporation Limited (PSTCL) for FY 2014-15 could not be issued in time and this Commission is in the process of issuing the same shortly. However, due to ensuing Assembly By-Elections for Patiala and Talwandi Sabo Assembly constituencies, the Chief Electoral Officer,	The truing-up of accounts up to FY 2009-10 has been completed and orders issued. Truing-up of accounts for FY 2010-11 and 2011-12 shall be carried out with Tariff Order for FY 2014-15.	yes	The Tariff Order for FY 2014-15 is yet not issued.

(12)

18/8/14

		Punjab, Chandigarh has been requested vide this office memo No.PSERC/Reg./9156 dated 28.07.2014 to allow issuance of Electricity Tariff Orders for Punjab State Power Corporation Limited (PSPCL) and Punjab State Transmission Corporation Limited (PSTCL) for FY 2014-15.			
17	RERC	(i) Regulations for current control period of FY 15 to FY 19 namely RERC (Terms and Conditions of Tariff) Regulations, 2014 were notified on 27.03.2014. As per regulations 11 (1) of the aforesaid Regulations, every Generating Company and Licensee was required to file application for approval of ARR and determination of tariff for the first year of the control period i.e. FY 2014-15 within four weeks of notification of these Regulations in the official gazette. Accordingly, the Discoms were required to file the tariff petitions by 25.04.2014. However, the Discoms requested the Commission to extend the time for submission of ARR & Tariff petitions for the year 2014-15 and sought further extension for filing the tariff petitions. The Commission directed Discoms to file the ARR and Tariff petitions on or before 06.06.14. (ii) The Distribution Companies of the State accordingly filed petitions for determination of ARR and retail tariff for FY 2014-15 and true-up of ARR for FY 12-13 on 06.06.2014. These petitions were	(i) Truing up the ARR up to FY 2011-12 has been completed and orders have been issued on 15.07.2014 for all three Discoms of the State. Discoms have also filed petitions for true-up of ARR for FY 2012-13, for which public comments have been invited by 23.07.2014. Thereafter hearing will be held and order will be issued.	Yes. Discoms are regularly recovering the fuel surcharges last one being vide their order dt.26.05.2014. Fuel surcharge is a pass through as per regulation 88 of RERC (Terms and Conditions of Tariff) Regulations, 2014. The relevant regulation is reproduced below: "88. Fuel Surcharge (1) The Fuel Surcharge (FS) chargeable by the Distribution Licensee from its consumers for any quarter, shall be computed as per the following formula: $FS = \frac{C}{E}$ Rs./kWh Where C (in Rs. Lakh) = {(Weighted Average Variable Cost of all sources of power purchase during previous quarter in Rs/kWh - Base Weighted Average Variable Cost of all sources of power	Order in the matter is yet to be issued.

		admitted on 18.06.2014 by the Commission. Notices for inviting comments/objections have been published in the news papers on the tariff petitions and the last date for filing comments has been kept as 23.07.2014. Thereafter, hearing will be held in the matter and order will be issued.		purchase as approved under **Tariff Order for the year under** operation in Rs/kWh) x Corresponding Power Purchase from all sources during previous quarter in LU} E (in Lakh Units) = Energy sold (metered plus estimated) during previous quarter. Note: (i) Quarter referred under this formula shall correspond to financial quarter (s) viz. Q1 (Apr. to Jun), Q2 (Jul to Sept), Q3 (Oct to Dec), and Q4 (Jan to Mar) (ii) The variation in power purchase cost due to Unscheduled Interchange and Hydro based generation and other unapproved purchases shall not be covered under fuel surcharge adjustment (iii) For the generation stations/power purchase sources, which have single part tariff, 1/3 of the tariff shall be considered as fixed charge and 2/3 of the tariff shall be considered as energy charge for adjustment under this formula (iv) The cost and quantum of power purchase shall be based on bills paid/credits received during the previous quarter irrespective of period to which it pertains and	

				shall include arrears or refunds, if any, for previous period, not considered earlier. (2) The rate of Fuel Surcharge shall be worked out in Rs./kWh rounded off to the next second decimal place. (3) The Fuel Surcharge per unit for any quarter shall not exceed 10% of weighted average power purchase cost approved by the Commission, or such other ceiling as may be stipulated by the Commission from time to time. (4) The total Fuel Surcharge recoverable, as per the formula specified above, shall be recovered from the actual sales and in case of un-metered consumers, it shall be recoverable based on estimated sales to such consumers, calculated in accordance with such methodology as may be stipulated by the Commission".	
18	APERC	a) APERC has issued the following tariff orders on 9th May, 2014 after completion of the election process and cessation of the model code of conduct. (i) Wheeling Tariffs for Distribution Business for the period FY 2014-15 to FY 2018-19 (ii) Transmission Tariffs for the period FY 2014-15 to FY 2018-19 (iii) SLDC Annual Fee & Operating Charges	As per APERC Regulation Nos.4 & 5 of 2005, truing up of accounts has to be completed at the end of every control period. Truing up of accounts has been completed for the 1st control period i.e. up to FY 2008-09 and related orders were issued. For the second control period i.e. from FY 2009-10 to FY 2013-	Yes. A Fuel and Power Purchase Adjustment mechanism is in place. List of FSA orders issued by the Commission and status of collection is herewith attached. Fuel and Power Purchase adjustment mechanism on quarterly basis was originally provided by APERC (Conduct of Business) First Amendment Regulation, 2000 (Regulation	no

8/8/14

(15)

		for the period FY 2014-15 to FY 2018-19 b) However, the Commission could not issue the Retail Supply Tariff Order for the FY 2014-15, though it was ready to do so on 29.03.2014 due to the following sequence of events: (i) Erstwhile APDISCOMs and APTRANSCO had submitted their ARR & Tariff filings before the Commission on 04.12.2013 and after alotting O.P. Numbers, the Commission has conducted public hearings at different locations in the State of Andhra Pradesh in the months of January and February, 2014 on the above filings. Based on the comments and suggestions received during the public hearings on the filings of Distribution Business, Transmission Business and SLDC activities, the Commission stood on ready on 29.03.2014 to issue the Tariff Orders including Retail Supply Tariff order to be operative from 01.04.2014 (ii) In letter No.APERC/Secy/EAS/S-96/Tariff Order/2014/2, dated 20.03.2014, the Commission requested the then Government of Andhra Pradesh under Section 65 of the Electricity Act, 2003, to confirm the level of subsidy they wish to provide to any consumer or class of consumers in the tariff determined by the State Commission under Section 62 of the said Act (iii) The Election Commission of India in its letter No.464/P-HP/2014, dated 28.02.2014 and Letter No.464/AP-	14, truing up of accounts will be taken up after receipt of audited accounts from the Licensees for the period ending 31.03.2014.	No.8 of 2000). The clause pertaining to Fuel Surcharge Adjustment Formula was deleted by APERC (Conduct of Business) Third Amendment Regulation, 2013 (Regulation No.2 of 2013). The APERC (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) First Amendment Regulation, 2014 (Regulation No.1 of 2014) authorizes distribution licensees to claim variation in power purchase cost in their annual ARR filings. Thus, a Fuel and Power Purchase adjustment mechanism is in place in this commission.	

16

		HP/2014, dated 27.03.2014 had informed that the Model Code of Conduct is in force and the issue of tariff order by the Commission would require their prior concurrence (iv) The State Election Commission vide letter No.519/SEC-B1/2014, dated 21.03.2014 had directed that the Electricity Regulatory Commission shall not pass any tariff order as long as the Model Code of Conduct is in force in connection with on-going local body elections (v) Government of Andhra Pradesh in its letter No.1248/Pr.II(1)/2014-1, dated 28.03.2014 from Energy (Pr.II) department, had informed that in view of the Model Code of Conduct being in force because of the on-going local body elections and the forth-coming General Elections, Government was unable to communicate any specific view on the subsidy support they wish to provide to the tariff proposal (vi) Government has also stated that after the Model Code of Conduct ceased, Government would communicate their considered view point to the Commission. In letter No.1248/Pr.II(1)/2014-1, dated 28.03.2014 from Energy (Pr.II) department, Government had further clarified that the present level of subsidy being provided by the State Government will continue to be provided after 01.04.2014, till the Government gives its			

(17)

		response to the subsidy support for tariff proposal of 2014-15 (vii) In view of the above circumstances, the Commission after careful consideration ordered on 29.03.2014 that the existing tariffs in all the above cases would continue from 01.04.2014 till further orders (viii) Subsequently, after completion of the election process and cessation of the model code of conduct, the Commission vide its letter No.APERC/Secy/EAS/S-96/Tariff Order/2014/3, dated 03.05.2014 once again requested the Government to confirm the level of subsidy they wish to provide. The then Government of Andhra Pradesh replied that in view of the bifurcation of the State, the Commission is requested to continue the tariff of last year along with subsidy commitment of last year till further correspondence in the matter (ix) The Andhra Pradesh Reorganisation Act, 2014 came into effect from 2nd June, 2014 and the new states of Andhra Pradesh and Telangana came into existence from that date. As per the schedule XII of AP Reorganisation Act 2014, Anantapur and Kurnool Districts which previously fell within the jurisdiction of APCPDCL have been reassigned to APSPDCL. The Government of Andhra Pradesh vide G.O.Ms.No.24, dated 29.05.2014 has issued necessary guidelines for reassignment of distribution business of above two			

		districts to APSPDCL (x) Similarly, as per Section 3 of the amended AP Reorganisation Act 2014, certain areas in the territory of Khammam district in the erstwhile state of Andhra have been retained in the new state of Andhra Pradesh. This necessitates a corresponding reassignment of distribution business from APNPDCL to APEPDCL (xi) Thus, consequent to the amended AP Reorganisation Act 2014, the jurisdiction of the DISCOMs have been altered. Correspondingly, the sales quantity, power purchase quantity, power purchase cost and Aggregate Revenue Requirement included in the filings of each DISCOM will undergo corresponding changes, along with the volume of power supplied to subsidizing and subsidized consumers. All these changes will feed into the cost of service for each DISCOM, which will impact the level of subsidy to be provided to each DISCOM (xii) Further, the respective shares of power allocated between the four Discoms originally fixed in G.O.Ms.No.58, dated 07.06.2005 under the 3rd Transfer scheme has been amended in G.O.Ms.No.20, dated 08.05.2014. (xiii) A common merit order dispatch month wise for all Discoms i.e., for entire state has been previously considered by the Commission in its earlier examination of the filings. This merit order dispatch is no longer relevant in the light of the			

18/8/14

		creation of the two new states of Andhra Pradesh and Telangana and the respective DISCOMs have to redraw the merit order dispatch for the two states separately (xiv) Thus, the ARR and Tariff filings made by erstwhile APDISCOMs, which were a valid base for the Commission to issue a Retail Supply tariff order on 29.03.2014 have now been overtaken by events and the creation of two new states. These filings can no longer be considered by the Commission for the purpose of determining tariffs because the jurisdiction of the four DISCOMs in the two new states has been changed. Further the Discom filing contains zero tariff proposals for certain categories of consumers. This zero tariff was proposed as per then extant policy of the erstwhile Government of Andhra Pradesh which anticipated payment of subsidy to meet the deficit u/s 65 of the Electricity Act, 2003. This significant policy involving substantial budgetary support needs to be reconfirmed by the newly formed governments of Andhra Pradesh and Telangana (xv) In the light of the above circumstances, ARR and Tariff filings made by erstwhile APDISCOMs were returned on 10/06/2014 as they were no longer relevant after creation of Andhra Pradesh and Telangana (xvi) The Commission awaits fresh filings from Licensees in both the States.			

8/8/14

	JERC FOR MANIPUR & MIZORAM	Tariff Order for FY 2014 was issued on 28.02.2014.	Truing up of accounts has not been completed for want of audited accounts for which request has been sent to both the States Governments to get their revenue expenditure and revenue receipts audited by the Principal Accountant General of both States. However, the Commissions undertook a review up to FY 2012-13.	Yes, the formulae/mechanism is in place in the Joint Electricity Regulatory Commission for Manipur & Mizoram (Terms and Conditions for determination of Tariff) Regulations, 2010. As per MYT Regulations, 2014, no tariff or part of any tariff may be ordinarily amended, more frequently than once in any financial year except FPPPA based on FPPPA formulae approved by the Commission from time to time.	No.
20	APSERC	Tariff order for FY 2014-15 has already been issued by APSERC on 3/6/2014 and is available on the website also.	No petition for truing up has been filed by the department of power, Govt. of Arunachal Pradesh, as such it has not been done.	Not required in view of reply at 7 (ii) above.	No. Regulatory Asset has been created in tariff order for 2014-15.
21	HERC	The tariff order for FY 2014-15 for the distribution licensee has been issued on 29th May, 2014. The tariff order got delayed due to general election and code of conduct thereto.	True-up of accounts has been completed up to FY 2012-13 i.e. the latest financial year for which the audited accounts were available.	Yes, Fuel & Power Purchase Adjustment is in place and defined in the Regulation 66 of HERC MYT Regulation, 2012.	No new addition to the Regulatory Asset has been made in Tariff Order FY 2014-15.
22	NERC	NERC issued the the Tariff Order for FY 2014-15 on 31/03/2014 to be effective from 1st April,2014	NERC could not exercise the truing up of accounts.	Quarterly adjustment for fuel and Power Purchase Adjustment Mechanism could not be done.	No new Regulatory Assets created in Tariff order for FY 2014-15
23	MERC	The State of Maharashtra has four electricity Distribution Licensees, namely the Maharashtra State Electricity Distribution Company Limited (MSEDCL), the Brihanmumbai Electric Supply and Transport Undertaking (BEST), Reliance Infrastructure Limited (RInfra) and The Tata Power Company Limited (TPC). MSEDCL is a State Government Company	The Commission has issued Orders for truing up of accounts in respect of Distribution licensee as follows: Name of Distribution Licensee / Date of Order / True Up / Provisional True Up till FY / Remark Reliance Infrastructure Ltd.-Distribution (RInfra-D) / 4 Apr 2013 / FY 2011-12 / MERC Order in Case No.124 of 2012	The MERC (Terms and Conditions of Tariff) Regulations, 2005 were notified on August 26, 2005. Regulation 82 of those Regulations provided for monthly pass through of variation in fuel and power purchase cost to the consumers by Distribution Licensees.	No new Regulatory Assets have been created in the Tariff Orders for FY 2014-15 issued by the Commission.

21

and the BEST Undertaking is a Local Authority associated with the Municipal Corporation of Greater Mumbai. RInfra and TPC are two private Distribution Licensees (operating mainly in parts of Mumbai).

Details of the Tariff Orders issued by the Commission for FY 2014-15 are as under:

S.No.	Distribution Licensee	Date of Tariff Order	Remark
1	Reliance Infrastructure Ltd - Distribution(RInfra-D)	22 Aug, 2013	MYT Order in Case No.9 of 2013
2	The Tata Power Co. Ltd - Distribution(TPC-D)	28 June, 2013	MYT Order in Case No.179 of 2011
3	Bruhan Mumbai Electric Supply and Transport Undertaking (BEST)	28 Aug, 2013	MYT Order in Case No.26 of 2013
4	Maharashtra State Electricity Distribution Co Ltd (MSEDCL)		MSEDCL) has filed MYT Petition on 11 June, 2014 (In Process)

MSEDCL has filed its MYT Petition for FY 2013-14 to FY 2015-16 on 11 June, 2014. The Petition is under process.

MERC (Multi Year Tariff) Regulations, 2011 are applicable to MSEDCL for FY 2013-14 to FY 2015-16. Under the Regulations, Tariff determination is a two step process. Business Plan for Control Period is approved as first step and based on the approved Business Plan, Tariff Petition for Control Period needs to be filed and approved as a second step.

The Commission has approved the

The Tata Power Co Ltd Distribution (TPC-D)	28 June 2013	FY 2011-12	MERC Order in Case No.179 of 2011
Bruhan Mumbai Electric Supply and Transport Undertaking (BEST)	28 Aug 2013	FY 2011-12	MERC Order in Case No. 26 of 2013
Maharashtra State Electricity Distribution Co Ltd (MSEDCL)	11 June 2014	FY 2012-13	MERC Order in Case No. 38 of 2014

The Commission has issued Tariff Order for TPC-D, RInfra-D and BEST for FY 2012-13 to FY 2015-16. As per MYT Regulations, a mid term review is applicable to every Distribution Licensee, which has to file its provisional true up with the mid term review Petition. True up for FY 2012-13 of RInfra-D, TPC-D and BEST will be done with mid term review of MYT, which is to be filed by November, 2014.

Subsequently, the Commission notified the MERC (Multi Year Tariff) Regulations, 2011 which are presently in force. The provision relating to FAC in these said Regulations (as amended to date) are inter alia as follows:

"*13.1 The approved aggregate gain or loss to the Generating Company (except the adjustment provided to the Generating Company as per Regulation 49.6 of these Regulations) or Distribution Licensee on account of uncontrollable factors due to variation in fuel and power purchase cost shall be passed through under the FAC component of the Z-factor Charge (ZFAC), as an adjustment in the tariff of the Generating Company or Distribution Licensee on a* ***monthly basis,*** *as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations*" ***(emphasis added)***.

The Regulations provide for monthly pass through of variation in fuel and power purchase cost to the consumers by Distribution Licensees.

		Business Plan of MSEDCL vide its Order dated 26 August 2013 in Case No.134 of 2012. In that Order, the Commission directed MSEDCL to submit its Multi Year Tariff Petition within 60 days i.e. on or before 26 October 2013. Through the Multi Year Tariff Order, the Commission would decide the Annual Revenue Requirement (ARR) and Tariff of MSEDCL for FY 13-14, FY 14-15 and FY 15-16. On the request of the MSEDCL, the Commission extended the time period for filing its MYT Petition. Instead, MSEDCL submitted True up Petition for FY 2011-12 and FY 2012-13 (Case No.38 of 2014). The Commission issued its Order on 3 March 2014 on that Petition allowing MSEDCL to recover the revenue gap through interim charges in addition to the existing Tariff. These Charges are applicable for the period from 1 March, 2014 to 28 February, 2015. The Commission also directed MSEDCL to file its MYT Petition by 31 May 2014. On 11 June, 2014, MSEDCL has filed its MYT Petition for FY 2013-14 to FY 2015-16 which is under process.			
24	GERC	Gujarat Electricity Regulatory Commission (GERC) has issued the Orders for determination of tariff for FY 2014-15 for the distribution licensees. The dates of issue of Tariff Orders for various Utilities is as per Table below:	GERC has issued Orders for truing up of accounts of all the Utilities till FY 2012-13, except Kandla Port Trust (KPT) and Aspen Infrastructures Ltd. (AIL). Truing up of KPT is not carried out as	Yes, GERC has mechanism in place for quarterly adjustment of Fuel and Power Purchase Adjustment variations.	No, Regulatory Assets have not been created by GERC.

		S.No. Name of Utility — Date of Tariff Order 1 Dakshin Gujarat Vij Co.Ltd. (DGVCL) 29.04.2014 2 Madhya Gujarat Vij Co.Ltd. (MGVCL) 29.04.2014 3 Paschim Gujarat Vij Co.Ltd. (PGVCL) 29.04.2014 4 Uttar Gujarat Vij Co. Ltd. (UGVCL) 29.04.2014 5 Torrent Power Ltd. - Distribution (Ahmedabad): TPL-D(A) 29.04.2014 6 Torrent Power Ltd. Distribution (Surat): TPL-D(S) 29.04.2014 7 Torrent Energy Ltd. (TEL) 29.05.2014 8 MPSEZ Utilities Pvt. Ltd. (MUPL) 29.05.2014 9 Kandla Port Trust (KPT) 29.05.2014 10 Aspen Infrastructures Ltd. (AIL) 29.05.2014	KPT had not submitted segregated accounts for FY 2012-13. Truing up of AIL is to be carried out from FY 2013-14 and onwards as AIL is new licensee and ARR for it has been determined by the Commission from FY 2013-14 to FY 2015-16.		
25	TNERC	The tariff order for the licensees on Tamil Nadu for FY 2014-15 is under way. The Commission has undertaken suo motu determination of tariff as the licensees did not file the petition inspite of several reminders.	Truing up has been completed till 2010-11 and the same has been addressed in the Tariff Order dated 20-06-2013. Provisional true up has been done for FY 2011-12 based on provisional accounts. Presently, the final true up of FY 2011-12 and FY 2012-13 will be undertaken as the audited financial statements are made available by TANGEDCO.	TANGEDCO had filed the petition for Fuel and Power purchase adjustment mechanism with the Commission but the same was withdrawn by the licensee on 18-10-2012 as there were data infirmities which needed to be addressed. Therefore, as on date, the mechanism is not in place.	The same would be decided when the Tariff Order FY 2014-15 is issued by the Commission as the process of suo motu determination of tariff is under way.
26	CSERC	Tariff Order for FY 2014-15 in respect of Bhilai Steel Plant and CSPDCL, the Orders have been issued on 7.5.2014 and 12.6.201 respectively. These Orders cold not be issue din specified time frame because of imposition of model code of conduct for general elections 2014. It took considerable time to get clarification			

(24)

	that model code of Conduct will not be applicable for tariff determination proceedings of Electricity Regulatory Commissions.			

21