

TRIPURA ELECTRICITY REGULATORY COMMISSION

NO.17/TERC/2004

Dated, Agartala, 11.1.2005.

NOTIFICATION

In exercise of the powers conferred under Section 62, 64 and 181 of the Electricity Act 2003 (36 of 2003) and all powers enabling on that behalf **Tripura Electricity Regulatory Commission (TERC)** hereby makes the following regulations :-

1. **Short title, commencement & interpretation** :

This Regulation may be called “ **The Tripura Electricity Regulatory Commission (Tariff Procedure) Regulation 2004.**

- (a) This shall come into force on the date of publication in the Official Gazette unless otherwise stated in these Regulations.
- (b) These Regulations shall be concurrent within the area of jurisdiction of Tripura Electricity Regulatory Commission.
- (c) The Regulation shall be applicable to the Licensee and to its consumers.
- (d) Tripura General Clause Act shall apply in interpretation of various words used unless specified in the Regulation and notwithstanding with the provisions of the Electricity Act, 2003.

2. **Definition** :

In this Regulation unless the context otherwise requires the :-

- (i) ‘**Act**’ means Electricity Act 2003.
- (ii) “**Regulation**” means Regulation made under the Act.
- (iii) “**Rule**” means the Rules made under the Act.
- (iv) “**Commission**” means the Tripura Electricity Regulatory Commission, constituted under Section 82 of the Electricity Act, 2003 and in short called TERC.
- (v) The “**Licensee**” means a person licensed u/s 14 of Electricity Act, 2003.

3. Consumer means any person who is supplied with Electricity for his own use by Licensee or Government or any other persons engaged in the business of electricity supply to the public under this Act or in any other law for the time being in force and includes whose premises for the time being connected for the purpose of receipt of electricity with the works of Licensee, the appropriate Government or such other persons as the case may be.

4. Tariff order shall mean the order issued from time to time by the Commission on annual revenue requirement tariff for licensee for its area of supply.

5. Unless the context otherwise requires word expression used in this Regulation and not defined shall have the same meaning as in the Act/Regulation/Order of Commission or any absence thereof, the meaning as only understood in the Electricity supply industry.

CHAPTER-I : TARIFF.

Procedure for Tariff Order.

1. The Commission may suo-moto ask the Generating Companies or Licensee to file such application and the same shall be as per the Regulations in the manner as directed within given time by the Commission.

2. Notwithstanding anything above the Commission shall be entitled to require the generating company/licensee to give such other or further information, particulars or documents as the Commission may consider appropriate.

3. The applicant shall publish the approved gist of study, tariff publication in such form and manner as may be decided by the Commission from time to time within 7 days of its acceptance.

4. The Commission shall within 120(one hundred twenty days) days from receipt of an application under this Regulation and after considering all suggestions and objections received from the public with such notification or such conditions as may be specified in the order or after granting the applicant a reasonable opportunity of being heard, reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and Rules and Regulations made there-under or the provisions of any other law for the time being in force.

5. The tariff including calculation of expected revenue from tariff and charges shall be calculated as per regulation relating to tariff.

6. The Commission shall within 7(seven) days of making order, send a copy of the order to the State Government, the Central Electricity Authority and the concerned applicant.

7. If the State Government requires the grant any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall notwithstanding any direction which may be given under Section 108 of the Act, pay, in advance by a separate Account Payee Cheque in favour of the Licensee or such other person to implement the subsidy the

amount to compensate the person affected by the grant of subsidy as a condition for the licensee or any other in person concerned to implement the subsidy provided for by the State Government, provided that in such direction of the State Government shall be operative if the payment is not made in the manner decided by the Commission.

8. The applicant shall publish the tariff as approved by the Commission in the manner as may be decided by the Commission. The tariff so published shall be in force until any amendment to the tariff is approved by the Commission.

9. All publications for amendment of tariff shall be made in such form with such fees as the Commission may direct from time to time and the provisions of Chapter-II and Chapter-IV of TERC CBR 2004 in so far as they are applicable shall apply to proceedings for fixation of tariff and amendment of tariff.

10. Appeal under section 127 of the Act, interim order, review of the decisions, directions and orders, proceedings after death, publication of petition and other conditions shall be as per TERC-CBR 2004 shall be applicable in prescribed formats for filing tariff petition.

11. The Commission may at any time at its sole discretion vary, alter, modify, add or amend any provision of these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Commission.

12. Model procedure for calculation of expected revenue for tariff and charges shall be as under-

EXPECTED REVENUE FROM TARIFF AND CHARGES

PROCEDURE OF CALCULATION.

1. The Licensee or generating company shall provide to the Commission all details as given below and any other details that may be necessary for the purpose of computation of tariff and charges. The details are to be given duly verified and authenticated and shall be submitted to the Commission along with specified fees while filing an application for fixation of tariff.

1.1 The details to be furnished are for 3 years i.e. ensuing year (year for which tariff and charge to be determined), current year (year immediately prior to ensuing year), and previous year (year immediately prior to current year). The Commission shall specify these data both in case of Multi Year Tariff (MYT).

1.2 Copies of relevant requirements for the period as per **Annexure-1** along with its **Forms-A to E** and **Annexure-2, 3, 4, 5 and 6.**

- 1.3. Statement of current tariff rates and applicable terms and conditions of the expected revenue for the ensuing year based on the current tariff rates as in Annexure-II.
- 1.4. Statement of the proposed tariff rates and proposed terms and conditions and expected revenue for the ensuing year based on the proposed tariff rates as in Annexure-III.
- 1.5. Detailed plan for reduction of energy loss in generation, transmission and distribution both short term and long term.
- 1.6.
 - (a) Details of energy audit conducted, if any, along with result to be submitted.
 - (b) Details of energy conservation measures adopted.
- 1.7. Details of transmission and distribution losses may be given as in **Annexure-IV**.
- 1.8. The method and system of determining the losses and basis of bifurcation between technical losses and other than technical losses be suitably explained in detail.
- 1.9. Performance measurement details to be given as per **Annexure-V**.
- 1.10. Cash flow statement.
- 1.11. Statement showing flow details of subsidies received and receivable, if any, to the Consumers to whom it is directed and the way in which such subsidies is proposed to be reflected for the proposed tariff applicable to these consumers.
- 1.12. Details of allocation of R/R into various categories and sub-categories of consumers, basis and justification of such allocation, determination of cost based tariff for each category including sub-category. The details of cost subsidies for the existing and proposed tariff.
- 1.13. Audited Accounts of last 3 years along with audited report and reply of the Management.
- 1.14. **Proforma A to E** in Cost Accounting Records (Electrical Industry), Rules to the extent applicable.
- 1.15. Operational result of training activities, if any with a Note.
- 1.16. Draft gist of the tariff application for publication. The Commission reserves the right to ask for additional information.

- 1.17 Procedure for receipt of application shall be as per separate regulation issued by the Commission.
- 1.18 During the regulation period, in force, if tariff petition is made for the first time the present applicable terms and conditions including rebate, incentives, penalties, charges etc. shall be submitted.
- 1.19 A consolidated annual report on operational Forum for Redressal of Grievances procedure to be submitted in place of distribution Licensee.
- 1.20 All information including statement of reports, notes to be submitted under the provisions shall be duly verified as per prescribed procedure.
- 1.21 Failure to submit complete and required information, datas, figures, documents etc. in required manner, may entail rejection of the petition.
- 1.22 Formsw-1 to 5 : General Headings for the proceedings.

(By Order of the Commission)

(P.C.Roy)
Secretary to the Commission.

REVENUE REQUIREMENT FORM

Terms used are to be read as per the meanings assigned to the same under the Act and Regulations. All financial figures, unless mentioned otherwise, are to be in rupees lakhs. The figures should be based on audited accounts for previous year, estimated for current year and projected for next year. The figures as allowed by the Commission for previous year and current year may also be given. The figures as are relevant and applicable be provided in the Annex's.

1.1(A) **Original cost of fixed assets available for use and necessary for the purpose of the business.**

- (1) Generation Assets (station wise)
- (2) Transmission Assets(voltage class wise)
- (3) Distribution Assets(Voltage class wise)
- (4) Other Assets, if any.

Gross Total 1.1(a)

Contribution from consumers including advance from them

Net Total 1.1(A)

Notes :

- (1) Generation assets will include assets up to Station Bus bar as per Section 2(72) of the Act. Distribution assets will be assets as per Section 2(919) of the Act.
- (2) Details of capital expenditure proposed to be made during the ensuing year(whether included in fixed assets or capital work-in-progress) is to be submitted for assets individually costing more than 0.1% of overall net fixed assets as standing at the end of the previous year, along with complete details and justifications from the angle of the utility and consumer. All capital expenditure more than Rs.100 lakhs for any individual item will be supported with DPR or detailed techno-economic analysis unless already approved by the Commission.
- (3) The value of the assets, if any, retired or not available for use is not to be included in revenue requirement. Figures for ensuing year, current year and previous year of the assets so retired/likely to be retired/not available for use are to be submitted.

- (4) Period during which the units of the operational power stations were scheduled to be under planned repairs and maintenance or were under major repairs other than the above, as contained in Form-A may be submitted.
- (5) In case the cost of any assets has been revalued, or purchased on revalued cost basis, the details thereof, along with the year of revaluation are to be submitted.
- (6) Foreign exchange variation charged/adjusted, in capital cost in any period, if any, is to be separately indicated.
- (7) Figures for capital expenditure for projects under construction are to be separately indicated along with the sanctions required if any and the DPR.

1.1(B) Cost of intangible assets including expenses on account of new capital issues.

Note :

Details of items included in this item valuing Rs. 5 lakhs & above are to be submitted.

1.1(C) Original cost of works in progress.

Notes :

- (1) The notes under 1.1(A) are also applicable and relevant details and documents submitted.
- (2) Interest during construction(to be charged and actually charged) may be indicated separately along with basis for calculation.
- (3) The break-up of major capital works in progress at the beginning of the year, proposed expenditure for the year and balance to be incurred. The physical status in brief along with estimated date of completion and capitalization. The variations from the projections of earlier years to be suitably explained.

1.1(D) Investments.

Note :

Details of investments made along with date and amount, nature, period, income from such investments and the entity in which the investment has been made are to be given. Also give the source of funds for such investments.

1.1(E) Working capital

All relevant details including (a) average cost of monthly stores excluding fuel, (b) average cost of monthly fuel, (c) average monthly cash balance.

Sub-total (1.1) to 1.1(E)

1.2(A) Depreciation

The amount written off or set aside on account of depreciation on fixed assets and amount written off in respect of intangible assets.

Notes :

- (1) Category-wise details, along with the rates of depreciation charged on assets and total of accumulated depreciation at the beginning and end of the year may be submitted.
- (2) Details of depreciation chargeable to revenue account for the year to be given as in Form-B.
- (3) Withdrawals from depreciation fund, if any, to be separately indicated.
- (4) Details of amount charged/taken in revenue requirements, but actually not set aside or written off as depreciation in books and not included in the above are to be indicated.
- (5) The basis and the approval of the Competent Authority for the rates of Depreciation be enclosed.

1.2(B) Loans

Loans borrowed from institutions, organizations and the public.

Notes :

- (1) Statement of loans taken/proposed to be taken along with rates of interest, tenure, repayment schedule and the purpose for which the loans were taken and other relevant details are to be submitted as in Form-C.
- (2) The impact of all foreign exchange variations to be indicated separately along with manner in which the same has been dealt in the accounts and revenue requirements.

1.2(C) Cash Security deposits by consumers

1.2(D) Others

- (i) Consumers Account (amount available for distribution to consumers at the beginning of the year).
- (ii) Tariffs and Dividends Control Reserve (Credit balance at the beginning of the year)
- (iii) Development Reserve (Credit balance at the end of the year)

Notes :

Please also indicate how the funds under these heads has been deployed and income earned there from treated.

Sub-Total 1.2(A) to 1.2(D).

2. Reasonable Return

As per Tariff Regulations.

3. Expenditure

Notes :

Expenditure properly, prudently and economically incurred on generation, transmission and distribution are to be submitted. Expenditure to be capitalized are not be included herein. If any foreign exchange variation is claimable and being under any head, details thereof are to be indicated separately.

3.1(A) Purchase of Energy

Notes :

- (1) Source of energy purchased, purchase rate, quantum of energy purchased, escalation/rebate adjustment clause in the purchase rate, if any, may be given along with all the relevant details. Whether there is any dispute on purchase rate and if yes, the details thereof may be submitted.; Also indicate the maximum and minimum power down in MW from each source and date and time of such drawal and similar data from own generation.
 - (2) Whether any power purchase agreements (PPA), if required, have been entered into which will be in force during the period for which the tariff has been proposed. Copies of PPAs are to be enclosed.
 - (3) Whether the Commission has approved the purchase and procurement process as per the Act and if not, details and reasons thereof.
 - (4) Whether any procurement is made from co-generation/renewable sources of energy. If yes, details thereof may be submitted.; If not, plans for such procurement may be indicated.
 - (5) Merit Order Purchase Planning and detailed justification for purchase from each source.
- (B)** Cost of Energy from own Generation.
- (C)** Notes :

- (1) Expenses to be shown under 3.1(A) and 3.1(M) are to be excluded.
- (2) Station wise cost sheets giving information relating to fuel charges, other fuel related costs, repairs & maintenance (separately for buildings and civil work, plant & machinery and electrical installations and others), salary & wages, depreciation, interest, other

financing charges, if any, water charges, travel, other management & administrative expenses, bad debts & others, if any.

(3) Unit wise and plant wise availability factors and plant load factors are to be given.

(4) Plant wise gross energy available at generators, terminals, auxiliary consumption and net energy set out ex-bus (before transmission loss) are to be given. The energy consumed in the offices and also allowed to employee free or concessional rate are to be shown separately.

(5) Consumption statements of primary fuel and secondary fuel both in physical quantity and financial value and heat value of coal and fuel oil are to be given. Details as required in **Form-D** may be submitted.

(6) Main sources of fuel supply and break up of fuel prices to be submitted.

(7) The normative value of various parameters like station heat rate and secondary fuel consumption etc. Adopted, if any, may also be submitted.

(C) Expenses on Transmission, Distribution and Sale of Energy.

Notes :

(1) Expenses shown under d.1(A), 3.1(B) & 3.1(D) to 3.1(M) are to be excluded.

(2) Relevant details, as applicable, as in Note 2 under 3.1(B) are to be submitted.

(D) Rent, rates * taxes.
(other than all taxes on income and profits)

(E) Interest.

(1) Interest charges on accounts borrowed/funding facilities from institutions, organizations and the public.

(2) Lease rental.

(3) Interest on security deposits

(4) Interest on working capital

(5) Interest on other than loan

(6) Financing charges.

Note : The broad details and basis of financing charges and its justification.

(F) Bad debts.

(G) Legal charges.

(H) Consultancy Fees, Charges & Expenses.

(I) Auditor's fees.

Separately details for Audit Fee for audit of Accounts, Audit expenses, Fees for certification and other audits, Consultancy/Management services etc.

(J) Depreciation.

(K) Effects of variation of exchange rate in case of debts linked to any foreign currency.

(L) Other Expenses.

Notes :

Expenses as are admissible and/or arising from and/or arising from and ancillary/incidental to the business of electricity generation/supply and not covered under any other specific expenditure head are to be given. If expenditure under any particular head of expenditure is more than ½% of total projected revenue of the year or 5% of the other expenses whichever is less, the same may be shown under a separate head of expense.

Sub-Total-3

4. Special Appropriation, if any

As per Tariff Regulations.

Sub-Total-4

Sub-Total 3 & 4

5. Income

As per existing tariff and charges, as detailed in Annex 2.

5.1 Receipts from Sale of Energy

5.2 Other Income derived from :

(1) Rental of meters and other apparatus hired out

(2) Rents

(3) Income on fixed and call deposits, bank balance and investments

(4) Charges recovered from consumers under section 46 of the Act.

(5) Surcharge for late payments

(6) Other general receipts arising from and ancillary or incidental to the business of generation/supply of electricity. Please give separate details if any, individual item is more than ½% of the total income or 5% of the other income.

(7) Trading Income Loss with relevant details.

Sub-Total 5.2

Total 5

6. Contingencies Reserve

NOTE :

Opening balance of Contingencies Reserve, the amount appropriated to be Reserve, the amount drawn from the Reserve to meet charges, amount drawal as advance, purposes for which

drawn and the authority who has approved the drawal along with terms and conditions as may have been prescribed by such authority. In case any advance has been drawn and if the same has been refunded or it has been utilized for financing any project or capital assets, then details thereof may be submitted.

7. Summary of revenue requirement

As in enclosed Form-E.

8. Debtors List

A list of debtors indicating the total amount outstanding against a consumer and/or party who satisfies both the following criteria

(a) whose debts are outstanding for over six months, and,

(b) such debts exceeds 2 lakhs in individual case,

may be enclosed. Steps taken for realization of such sums may be indicated in details.

9. Utilization of assets in other business

Please indicate whether the licensee has engaged and utilized its assets in any other business. If yeas, the details thereof and the income and benefits derived there from along with the expenditure, if any and how the same has been treated in Revenue Requirement.

10. Gist of Tariff Revision Petition

A gist of tariff revision petition with following minimum details may be submitted.

- (1) Gist of tariff revision petition before the Tripura Electricity Regulatory Commission for the year.....and admitted on.....(date).
- (2) Name of the licensee/generation company
- (3) Address of the licensee/generating company
- (4) Tariff revision proposed to be applicable from.....
- (5) Expected revenue at current tariff – Rs..... crores
- (6) Expected revenue at proposed tariff – Rs.....crores.
- (7) Range of percentage of increase/decrease sought in Petition.
- (8) Major reasons for increase/decrease in Tariff proposed.
- (9) Major factors not considered in the above increase sought, if any.
- (10) Details of major changes proposed in applicable terms and conditions.
- (11) Amount of Outstanding Debtors along with name of party/consumer against whom consolidated amount of 1% of the sale of last year or Rs.25 lakhs whichever is lower is outstanding for more than 6 months.
- (12) Any other important issue.

- (13) Petition submitted by the licensee/generating company may be inspected at the office of the Commission and.....(other addresses, if any) by(date) and copies obtained from the office of the Commission on by.....(date).
- (14) Objections and comments, if any, may be submitted at the office of the Commission by(date).

Note: Dates will be filled by the Commission later on.

ANNEXURE-2

CURRENT TARIFF RATES AND EXPECTED REVENUE AT CURRENT TARIFF

A. A statement of expected revenue of current tariff.

Following details may be submitted –

- (1) Category/Sub-Category of Consumers.
- (2) Annual sales volume (million units)
- (3) Gross tariff rate (paise per unit)
- (4) Rebates (paise per unit)
- (5) Net tariff rate (paise per unit)
- (6) Fuel and power purchase adjustment charge, if any (paise per unit)
- (7) Subsidy from external sources, if any (paise per unit)
- (8) Full year revenue on gross basis separately indicating rebate and surcharges to arrive at net revenue (rupees lakhs)
- (9) Full year revenue on net basis (rupees lakhs)

Notes :

- (1) Final total of Items (8) and (9) to be the same.
- (2) In case of unmetered supply, the rate charged is to be multiplied with estimated usage and suitably included in the above. A note for the reasons for unmetered supply and basis for various estimations is to be submitted as also plans and estimated timeframe for installing meters for such supplies.
- (3) Meter rental and late payment surcharge are to be included in Item-B.
- (4) Duties and taxes, if any, are not to be included herein.

B. Revenue from other4 charges.

Items not included under Item A are to be submitted (meter rental, late payment surcharge etc.)

C. Broad financial terms of supply

Present terms of supply may be indicated.

ANNEXURE-3

PROPOSED TARIFF RATES AND EXPECTED REVENUE AT PROPOSED TARIFF

A statement of expected revenue at proposed tariff

Following details may be submitted –

- (1) Category/Sub-Category of consumers.
- (2) Annual sales volume (million units)
- (3) Gross tariff rate (paise per unit)
- (4) Rebates (paise per unit)
- (5) Net tariff rate (paise per unit)
- (6) Subsidy from external sources, if any (paise per unit)
- (7) Full year revenue on gross basis, separately indicating rebates and surcharges to arrive at net revenue (rupees lakhs)
- (8) Full year revenue on net basis (rupees lakhs)

Notes:

- (1) Final total of Items (7) and (8) to be the same.
- 2) In case of un-metered supply, the rate charged is to be multiplied with estimated usage and suitably included in the above.
- (3) Meter rental and late payment surcharge are to be included in Item-B.
- (4) Duties and taxes, if any, are not to be included herein.
- (5) There will be no fuel and power purchase adjustment charge under the proposed tariff; the same will be merged into gross/net tariff rate.

Revenue from terms of supply

Present terms of supply may be indicated.

Monthly Tariff change for average consumers

- (1) Category/sub-category of consumers.
- (2) Average monthly consumption(units)
- (3) Gross tariff rate under proposed tariff(paise per unit)
- (4) Rebates under proposed tariff (paise per unit)
- (5) Net tariff rate under proposed tariff(paise per unit)
- (6) Total amount payable on energy charges under proposed tariff(rupees)(2) x (5)
- (7) Other charges under proposed tariff, including meter rental(rupees)
- (8) Duties and taxes (as presently applicable)(rupees)
- (9) Total payable under proposed tariff(rupees(6+7+8)
- (10) Gross tariff rate under current tariff (paise per unit)

- (11) Rebates under current tariff (paise per unit)
- (12) Net tariff rate under current tariff(paise per unit)
- (13) Fuel and power purchase adjustment charge, if any, under current tariff(paise per unit).
- (14) Total payable on energy charges and fuel and power purchase adjustment charges under current tariff(rupees $((2) \times (12+13))$)
- (15) Other charges under current tariff including meter rental(rupees)
- (16) Duties and taxes (as presently applicable)(rupees)
- (17) Total payable under current tariff(rupees)(14+15+16)
- (18) Total incremental (+)/ decremental (-)payment
- (19) Percentage change $(19/17-1)$.