Part – I

True-up for the FY 2015-16

Submitted by:

Power & Electricity Department

Government of Mizoram

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LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administration & General
ARR	Aggregate Revenue Requirement
CAGR	Compound Annual Growth Rate
CD	Contract Demand
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CoS	Cost of Supply
CPSU	Central Power Sector Undertakings
Crs	Crore
D/E	Debt Equity
P&ED	Power & Electricity Department, Govt. of Mizoram
FAC	Fuel Adjustment Costs
FDR	Fixed Deposits Receipts
FY	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HT	High Tension
JERC (M&M)	Joint Electricity Regulatory Commission for Manipur & Mizoram
KV	Kilovolt
KVA	KilovoltAmps
kWh	kilo Watt hour
LT	Low Tension
LTC	Leave Travel Concession
MU	Million Units
MVA	Million VoltAmps
MW	Mega Watt
O&M	Operation & Maintenance
PLF	Plant Load Factor
PLR	Prime Lending Rate
R&M	Repairs and Maintenance
RoE	Rate of Return
₹	Rupees
S/s	Sub Station
SBI	State Bank of India
T&D	Transmission & Distribution
UI	Unscheduled Interchange

1 True-up for FY 2015-16

1.1. Background

Tariff Order for the FY 2015-16 was issued vide order dated 27.02.2015 under the Joint Electricity Regulatory Commission for Manipur and Mizoram (Multi Year Tariff) Regulations, 2014.

Regulation 10(1) & (2) of the Joint Electricity Regulatory Commission for Manipur and Mizoram (Multi Year Tariff) Regulations, 2014 provides as follows:

"10.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Generating Company or Transmission Licensee or Distribution Licensee is covered under a Multi-Year Tariff framework, then such Generating Company or Transmission Licensee or Distribution Licensee, as the case may be, shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations.

10.2 The Generating Company or Transmission Licensee or Distribution Licensee shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations"

The Hon'ble Commission carried out the review of the FY 2015-16 vide order dated 29.02.2016. The actual figures for the FY 2015-16 are now available. As required by the Regulations, P&ED is submitting the Audited Annual Accounts for the FY 2015-16 and Asset & Depreciation Register.

Further, in accordance with the Regulation 10(1) & (2) of the Joint Electricity Regulatory Commission for Manipur and Mizoram (Multi Year Tariff) Regulations, 2014 as given above, the P&ED is submitting the present true-up petition for the FY 2015-16 on the basis of the audited Annual Accounts.

P&ED requests the Hon'ble Commission to carry out the true-up of expenses in accordance with the Regulation 10 of the Joint Electricity Regulatory Commission for Manipur and Mizoram (Multi Year Tariff) Regulations, 2014.

Data given in this chapter is for the entire year i.e. FY 2015-16.

1.2. Energy Sales

The actual sales for the FY 2015-16 vis-à-vis the sales approved by the Hon'ble Commission in its ARR / Tariff Order for the FY 2015-16 is as summarized below:

Table1.1: Energy Sales FY 2015-16

(In MUs)

	Category	As Approved by Commission	As per Accounts	Deviation
	LT Consumers			
1	Domestic	248.00	222.28	-25.72
2	Commercial	29.00	37.48	8.48
3	Public Lighting	8.00	6.50	-1.50
4	Agriculture	0.11	0.05	-0.06
5	Public Water Works	47.00	49.19	2.19
6	LT Industrial	3.00	1.96	-1.04
	Total LT	**335.11**	**317.46**	**-17.65**
	HT Consumers			
7	HT Industrial	3.00	7.20	4.20
8	Bulk Supply	24.00	14.21	-9.79
	Total HT	**27.00**	**21.41**	**-5.59**
9	Outside State - Trading	**27.09**	**83.75**	56.66
	Total	**389.20**	**423.62**	**33.42**

1.3. Distribution Loss

The actual values of the distribution loss for the FY 2015-16 arrived at in accordance with the actual energy sales & energy purchase.

Table 1.2: Distribution Loss for FY 2015-16

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Distribution Loss	20.40%	29.43%	9.03%

1.4. P&ED's Own Generation

The P&ED's own generation approved for the FY 2015-16 and actual value of own generation made by the P&ED for the FY 2015-16 is provided in the table below:

Table 1.3: P&ED's Own Generation FY 2015-16

In (MUs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Total Generation (Net)	66.52	28.36	-38.16
	Total	**66.52**	**28.36**	**-38.16**

1.5. Power Purchase

The power purchase approved for the FY 2015-16 and actual value of power purchase made by the P&ED for the FY 2015-16 is provided in the table below:

Table 1.4: Power Purchase Units FY 2015-16

In (MUs)

Sl. No.	Particulars	Units As Approved by Commission	Unit As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Power Purchase Units	443.01	567.17	124.16
	Total	**443.01**	**567.17**	**124.16**

1.6. Energy Balance

The actual energy balance for the FY 2015-16 and the approvals accorded are compared in the table provided below:

Table 1.5: Energy Balance FY 2015-16

Sl. No.	Energy Balance	As Approved by Commission	As per Accounts	Deviation
A	**Energy Requirement**			
1	Energy Sales	362.11	338.88	-23.23
2	Distribution Loss (%)	20.40%	29.43%	9.03%
3	Distribution Loss (MUs)	92.80	141.32	48.52
4	**Total Energy Requirement**	**454.91**	**480.20**	25.29
B	**Energy Availability**			
5	Own Generation	66.52	28.36	-38.16
6	Energy Purchase from ER	30.01	31.62	1.61
7	Less: ER Pool Loss (%)	2.12%	2.20%	0.08%
8	Less: ER Pool Loss (Mus)	0.65	0.70	0.05
9	Net Energy for ER	29.36	30.92	1.56
10	Energy Purchase from NER	399.00	462.54	63.54
11	Sub Total	428.36	493.46	65.10
12	Less: NER Pool Loss (%)	2.99%	3.25%	0.26%
13	Less: NER Pool Loss (Mus)	12.81	16.04	3.23
14	Net Energy at NERLDC	415.55	477.43	61.88
15	UI / RPO Purchase	14.00	73.01	59.01
16	Energy Available	496.07	578.80	82.73
17	Less: Outside State - Trading	27.09	83.75	56.66
18	Total Energy Available	468.98	495.05	26.07
19	Less: Intra State Tr. Loss (%)	3.00%	3.00%	0.00%
20	Less: Intra State Tr. Loss (%)	14.07	14.85	0.78
21	Net Energy Available	454.91	480.20	25.29
22	**Less: Energy requirement at State Periphery**	**454.91**	**480.20**	**25.29**
23	**ENERGY SURPLUS/(DEFICIT)**	**0.00**	**0.00**	**0.00**

1.7. Fuel Cost

The values of fuel cost for the FY 2015-16 are compared with those approved by the Hon'ble Commission in the tariff order for the FY 2015-16.

Table 1.6: Fuel Cost FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Cost of Fuel	7.00	1.50	-5.50
	Total	**7.00**	**1.50**	**-5.50**

1.8. Power Purchase Cost

The Hon'ble Commission in the tariff order for the FY 2015-16 had approved a power purchase quantum of 443.01 MUs at a total cost of ₹ 13,764.00 Lakhs. P&ED has actually procured 567.17 Mus during the FY 2015-16 at a total cost of ₹ 16,697.19 Lakhs. The actual power purchase cost based on the audited annual accounts as compared to the approved figure is provided in the table below.

Table 1.7: Power Purchase Cost FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	Approved by Commission	As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Power Purchase Cost	13764.00	16697.19	2933.19
	Total	**13764.00**	**16697.19**	**2933.19**

1.9. Transmission Charges

The Hon'ble Commission in the tariff order for the FY 2015-16 had approved transmission charges of ₹ 1,931.00 Lakhs. The actual transmission charges for the FY 2015-16 is ₹ 3,058.44 Lakhs. The actual transmission charges based on the audited annual accounts as compared to the approved figure is provided in the table below.

Table 1.8: Transmission Charges FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	Approved by Commission	As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Transmission Charges	1931.00	3058.44	1127.44
	Total	**1931.00**	**3058.44**	**1127.44**

1.10. Employee Cost

The Hon'ble Commission had approved employee cost of ₹ 4,102.00 Lakhs for the FY 2015-16. The employee cost approved as above only relates to the distribution function. However, the audited accounts for department is not function wise hence, segregated actual employee expenses for distribution function is not available. The actual employee cost provided below is total for the department as a whole.

It is submitted that in view of the fact that the function wise segregated costs are not available and the audited costs are inclusive of the cost of generation & transmission function, P&ED is not claiming the cost of generation & intra-state transmission charges separately.

The Hon'ble Commission may kindly consider the above submission and true-up the employee cost for the FY 2015-16.

The approved employee cost and actual value of employee cost for FY 2015-16 is provided in the table below:

Table 1.9: Employee Cost FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Employee Cost	4102.00	8735.43	4633.43
	Total	**4102.00**	**8735.43**	**4633.43**

1.11. Repair & Maintenance Expenses

The Hon'ble Commission had approved repair & maintenance expenses of ₹ 622.00 Lakhs for the FY 2015-16. Repair & maintenance expenses approved as above only relates to the distribution function. However, the audited accounts for department is not function wise hence, segregated actual repair & maintenance expenses for distribution function is not available. The actual repair & maintenance expenses provided below are total for the department as a whole.

It is submitted that in view of the fact that the function wise segregated costs are not available and the audited costs are inclusive of the cost of generation & transmission function, P&ED is not claiming the cost of generation & intra-state transmission charges separately.

The Hon'ble Commission may kindly consider the above submission and true-up the repair & maintenance expenses for the FY 2015-16.

The approved repair & maintenance expenses and actual value of repair & maintenance expenses for FY 2015-16 is provided in the table below:

Table 1.10: Repair & Maintenance Expenses FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Repair & Maintenance expenses	622.00	997.26	375.26
	Total	**622.00**	**997.26**	**375.26**

1.12. Administration & General Expenses

The Hon'ble Commission had approved Administration & General Expenses of ₹ 102.00 Lakhs for the FY 2015-16. Administration & General Expenses approved as above only relates to the distribution function. However, the audited accounts for department is not function wise hence, segregated actual Administration & General Expenses for distribution function is not available. The actual Administration & General Expenses provided below is total for the department as a whole.

It is submitted that in view of the fact that the function wise segregated costs are not available and the audited costs are inclusive of the cost of generation & transmission function, P&ED is not claiming the cost of generation & intra-state transmission charges separately.

The Hon'ble Commission may kindly consider the above submission and true-up the Administration & General Expenses for the FY 2015-16.

The approved Administration & General Expenses and actual value of Administration & General Expenses for the FY 2015-16 is provided in the table below:

Table 1.11: Administration & General Expenses FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Administration & General Expenses	102.00	244.49	142.49
	Total	**102.00**	**244.49**	**142.49**

1.13. Depreciation

The Hon'ble Commission had approved Depreciation of ₹ 96.00 Lakhs for the FY 2015-16. Depreciation approved as above only relates to the distribution function. In this regard it is submitted that in view of the fact that the function wise segregated costs are not available and the audited costs are inclusive of the cost of generation & transmission function, P&ED is not claiming the cost of generation & intra-state transmission charges separately. Therefore, the depreciation is also submitted for the department as a whole.

The Hon'ble Commission may kindly consider the above submission and true-up the Depreciation for the FY 2015-16.

The approved Depreciation and actual value of Depreciation as per the Fixed Asset & Depreciation Register for the FY 2015-16 is provided in the table below:

Table 1.12: Depreciation FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Depreciation	96.00	599.78	503.78
	Total	**96.00**	**599.78**	**503.78**

1.14. Interest & Finance Charges

The interest & finance charges approved for the FY 2015-16 and actual value of interest & finance charges made by the P&ED for the FY 2015-16 is provided in the table below:

Table 1.13: Interest & Finance Charges FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Interest & Finance Charges	316.00	316.08	0.08
	Total	**316.00**	**316.08**	**0.08**

1.15. Interest on Working Capital

The Interest on Working Capital as approved for the FY 2015-16 and actual value of Interest on Working Capital for the FY 2015-16 is provided in the table below:

Table 1.14: Interest on Working Capital FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Interest on Working Capital	320.00	404.14	84.14
	Total	**320.00**	**404.14**	**84.14**

1.16. Provision for Bad & Doubtful Debt

The Hon'ble Commission did not approve Provision for Bad & Doubtful Debt for the FY 2015-16 and actual provisions made in the Accounts for the FY 2015-16 is also nil.

Table 1.15: Provision for Bad & Doubtful Debt FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Provision for Bad Debt	0.00	0.00	0.00
	Total	**0.00**	**0.00**	**0.00**

1.17. Other Income

The Other Income approved for the FY 2015-16 and actual value of other income made by the P&ED for the FY 2015-16 is provided in the table below:

Table 1.16: Other Income FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Non Tariff Income	244.00	1457.02	1213.02
	Total	**244.00**	**1457.02**	**1213.02**

1.18. Return on Equity

The Hon'ble Commission did not approve return on equity for FY 2015-16. No provision for the return on equity is made in the Accounts by the P&ED for FY 2015-16.

Table 1.17: Return on Equity FY 2015-16

(In ₹ Lakhs)

Sl. No.	Particulars	As Approved by Commission	As per Accounts	Deviation
1	2	3	4	5
1	Return on Equity	0.00	0.00	0.00
	Total	**0.00**	**0.00**	**0.00**

1.19. Revenue from sale of power

The revenue from sale of power approved for the FY 2015-16 and actual value of revenue from sale of power for the FY 2015-16 is provided in the table below:

Table 1.18: Revenue from Sales FY 2015-16

(In ₹ Lakhs)

Sl. No.	Category	As Approved by Commission	As per Accounts	Deviation
	LT Consumers			
1	Domestic	8259.00	8001.18	-257.82
2	Commercial	1536.00	2485.43	949.43
3	Public Lighting	396.00	364.36	-31.64
4	Agriculture	2.00	1.36	-0.64
5	Public Water Works	2650.00	3602.92	952.92
6	LT Industrial	147.00	120.48	-26.52
	Total LT	**12990.00**	**14575.73**	**1585.73**
	HT Consumers			
7	HT Industrial	192.00	453.05	261.05
8	Bulk Supply	1246.00	1052.16	-193.84
	Total HT	**1438.00**	**1505.21**	**67.21**
	Outside State	864.00	1841.25	977.25
	Total	**15292.00**	**17922.18**	**2630.19**

1.20. True-up of ARR

It is submitted that in view of the fact the function wise segregated costs are not available and the audited costs are inclusive of the cost of generation & transmission function, P&ED is not claiming the cost of generation & intra-state transmission charges separately.

The Annual Revenue Requirement approved for the FY 2015-16 and actual value of Annual Revenue Requirement for the FY 2015-16 is provided in the table below:

Table 1.19: True up of ARR FY 2015-16

(In ₹ Lakhs)

Sl. No.	Item of Expense	As Approved by Commission	As per Accounts	Deviation
1	**2**	**3**	**4**	**5**
1	Cost of Fuel	7.00	1.50	-5.50
2	Cost of Generation	845.00	0.00	-845.00
3	Cost of Power Purchase	13764.00	16697.19	2933.19
4	Transmission Charges	1931.00	3058.44	1127.44
2	Intra-stateTransmission Charges	1855.00	0.00	-1855.00
3	Employee Costs	4102.00	8735.43	4633.43
4	R&M Expenses	622.00	997.26	375.26
5	Administration and General Expenses	102.00	244.49	142.49
6	Depreciation	96.00	599.78	503.78
7	Interest charges	316.00	316.08	0.08
8	Interest on Working Capital	320.00	404.14	84.14
9	Provision for bad debts	0.00	0.00	0.00
10	Return on NFA /Equity	0.00	0.00	0.00
11	**Total Revenue Requirement**	**23958.00**	**31054.31**	**7094.31**
12	Less: Non Tariff Income	244.00	1457.02	1213.02
13	Less: Net surplus in FY 2012-13 true-up	3767.00	3767.00	0.00
14	**Net Revenue Requirement**	**19947.00**	**25830.28**	**5881.29**
15	Less: Revenue from Sale of Power	15292.00	17922.18	2630.18
16	**Net Gap**	**4655.00**	**7908.10**	**3253.10**

It is prayed that the Hon'ble Commission may kindly consider the above submission and approve the Aggregate Revenue Requirement and Gap for the FY 2015-16.