



## **ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION**

**Review True Up Order for FY 2017-18**

**Review True Up Order for FY 2018-19**

**Review True Up Order for FY 2019-20**

**Review True Up Order for FY 2020-21**

**Review True Up Order for FY 2021-22**

**Review True Up Order for FY 2022-23**

**For**

**Department of Power,  
Government of Arunachal Pradesh**

**Issued on 21<sup>st</sup>, February-2023**

**Arunachal Pradesh State Electricity Regulatory Commission**

**अरुणाचल प्रदेश राज्य विद्युत नियामक आयोग**

**2ND FLOOR, O. T. BUILDING, NITI VIHAR MARKET, T. T. MARG,**

**ITANAGAR-791111**

**Website: [www.apserc.nic.in](http://www.apserc.nic.in)**

Before

**The Arunachal Pradesh State Electricity Regulatory Commission (APSERC)**

**Itanagar, Arunachal Pradesh**

**Review Petition No. TP 01 of 2024**

**in**

**Petition No. TP 02 of 2023**

**In the matter of:**

Petition for the review of the Commission's order dated 09/01/2024 in the matter of truing up of tariff for the tariff of FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 in respect of *Department of Power, Govt. of Arunachal Pradesh*

AND

**In the matter of:**

*Department of Power, Govt. of Arunachal Pradesh*

----- *Petitioner*

**CORAM:**

**Shri R. K. Joshi, Chairperson**

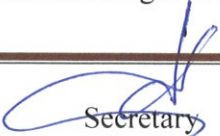
**Shri Nich Rika, Member (Law)**

**ORDER**

**(Passed on 21<sup>st</sup> February, 2024)**

1. The Petitioner, Department of Power, Govt. of Arunachal Pradesh (APDoP) has filed the present Review Petition dated 02/02/2024 for review of Order of the Commission dated 9<sup>th</sup> January 2024 (Order) passed on the Petitioner's Petition no TP 02 of 2023 pertaining to the True up for the FY 2021-22 and FY 2022-23.
2. The Petitioner has filed the Review petition under section 94 (1) (f) of the Electricity Act, 2003, and Regulation 37 of the APSERC (Conduct of Business), 2011, seeking a review of the Order issued by the Commission in light of few new facts.

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3. The Petitioner, the Department of Power, a government department functioning under the Government of Arunachal Pradesh, and is the sole electricity Distribution Utility for the entire state of Arunachal Pradesh in the capacity of a deemed Distribution Licensee as per Section 14, proviso 3 of the Electricity Act 2003.


## **I. PROCEDURAL HISTORY:**

1. The Commission issued Tariff Order for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 on 25th October 2023 and issued a corrigendum to Tariff Order dated 25/10/2023 on 11th November 2023.
2. As per the MYT Regulations, 2018, the licensee is required to file Petition for True-up annually. Also, as per directives of Hon'ble APTEL in the Judgment dated 11th November, 2011 in the matter of O.P. No.1 of 2011, the DISCOMs are required to file their True-up Petitions for every year regularly.
3. The Petitioner vide letter dated 13<sup>th</sup> November, 2023, filed their true up Petition for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and 2022-23.
4. Accordingly, The Commission issued True Up Order for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and 2022-23 on 09<sup>th</sup> January 2024.
5. On 02/02/2024 the Petitioner filed the Review Petition for review of Order of the Commission dated 9<sup>th</sup> January 2024 (Order) passed on the Petitioner's Petition no TP 02 of 2023 pertaining to the True up for the FY 2021-22 and FY 2022-23, in light of few additional facts.
6. After initial scrutiny/analysis, the review petition was admitted on 12<sup>th</sup> February 2024. The hearing was conducted by the Commission on 14<sup>th</sup> February 2024 in Courtroom of APSERC at the 2nd Floor, O.T. Building, Niti Vihar Market, Itanagar Arunachal Pradesh.
7. **The Proceedings of the Hearing :**

### **7.1 ACS-ARR Gap of FY 2021-22 & FY 2022-23**

The petitioner pleaded that Government of Arunachal Pradesh (GoAP) funds the Department of Power i.e deemed distribution licensee, for its all operations including filling up the revenue gap. The ACS-ARR Gap in the FY 2021-22 & FY 2022-23 is also funded by grants from GoAP, and therefore qualifies for consideration on the revenue side as at the end of every year no revenue gap is carried forwarded by petitioner.

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The Secretary, APERC responded by saying that as per Electricity Act-2003 clause-65, proper word for such grants by the Government is “Subsidy” and, the petitioner will have to submit a confirmation specifying that grants are for meeting the revenue gaps as subsidy and not as CAPEX. The petitioner replied that though, no such segregation of CAPEX and Revenue support funds has been made specific in such grants from GoAP, but assured that it will be clarified by filing supplementary affidavit for consideration of Commission.

The Commission decided to dispose of the petition on receipt of clarification on Grants for Revenue gap as subsidy or CAPEX by the petitioner.

### **7.2 Mechanism for automatic pass-through of fuel and power purchase cost adjustment (FPPCA) Charges.**

The petitioner pleaded for devising a mechanism of automatic pass-through of fuel and power purchase cost of adjustment (FPPCA) charges.

Secretary, APERC referred to Clause 14 Para 2 of MoP’s notification dated 29<sup>th</sup> December, 2022 wherein it states,

***“Provided that till such a methodology and formula is specified by the Appropriate Commission, the methodology and formula specified in the Schedule-II annexed to these rules shall be applicable”.***

In view of the above reference of MoP, the petitioner may be allowed to carry on with the prevalent practice of distribution licensee related to automatic pass-through of fuel and power purchase cost adjustment (FPPCA) charges as requested for till such a time a regulation on FPPCA is in place in state.

The Commission took cognizance of the request made by the petitioner and position of law on it.

### **7.3 Determination of ACS and ARR may be done on energy sold both within and outside the state basis.**

The petitioner pleaded that determination of Average Cost of Supply (ACS) and Average Revenue Realisable (ARR) may be done on energy sold both within and outside the state basis.

Secretary, APERC clarified that the energy sold outside the state is executed as bi-lateral trade through IEX by petitioner therefore, energy so sold outside cannot be considered while calculating ACS for distribution licensee.

In its rejoinder, the petitioner contended that in such case the net revenue i.e. numerator in ACS calculation formulae may be reduced to that extent by subtracting the Revenue earned from such traded power. And while calculating ACS, such reduced net revenue requirement should be divided by billed energy within the state.

The Commission took cognizance of the request made by the petitioner and position of law on it.

Chairperson concluded the hearing with the direction to file a supplementary affidavit submitting these new facts covering above pleadings for the FY2017-18, FY2018-19, FY2019-20, FY2020-21 along with FY2021-22 & FY2022-23 to avoid liquidation of cumulative ACS-ARR shortfall which has mounted to a tune of Rs 1938 cr in these years.

8. Accordingly, the Petitioner on 15/02/2024 submitted the supplementary affidavit containing additional information for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 along with FY 2021-22 & FY 2022-23. And the petitioner also inform that the *“Gap in the Aggregate Revenue Requirement & actual Revenue earned from tariff of the Respective years was funded by the Government of Arunachal Pradesh in form of Revenue grant i.e subsidy & not Capital Grant. Hence, the same may be considered as Revenue of the APDoP for the respective years.”*

## II. PRAYERS BEFORE THE HON'BLE COMMISSION:

The petitioner prayed

- a. Admit this Review Petition;
- b. Examine the prayer for Review submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
- c. Pass suitable Orders with respect to the Review Petition;

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- d. Permit to propose suitable changes to the Review Petition, prior to the final approval by the Hon'ble Commission.
- e. Condone any inadvertent omission/errors/short comings and permit the petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date;
- f. Pass desired impact of issues raised by APDOP in appeals & review along with carrying cost in ensuing Tariff Order in case the appeals & review are ruled in favour of APDOP;
- g. Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

### III. COMMISSION'S ANALYSIS AND ORDER:

#### 1. ACS-ARR GAP FOR FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 AND 2022-23.

##### **Petitioner's Submission**

The ACS-ARR Gap in the FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and 2022-23 is also funded by grants from GoAP, and therefore qualifies for consideration on the revenue side as per section 64 of Electricity Act- 2003, as at the end of every year no revenue gap is carry forwarded by petitioner. The petitioner submitted that *"This gap amount was funded by the Government of Arunachal Pradesh and was used for the Power Purchase, O&M Expenses, Interstate and Intrastate Transmission charges, etc. Hence this gap amount funded by the Government of Arunachal Pradesh may be considered as revenue and considered in the ARR."*

In this regard it is submitted that Gap in the ARR & actual Revenue earned from tariff of the Respective years were funded by the Government of Arunachal Pradesh in form of Revenue grant & not Capital Grant. Hence, the same may be considered as Revenue of the APDoP for the respective years.



## **Commission's Analysis and Order**

As submitted by petitioner that the Government of Arunachal Pradesh has given annual Grants for revenue shortfall to petitioner and there is no annual carried forward revenue gap in these years to subsequent year, Commission approves the revenue grant as subsidy in accordance of Section 65 of Electricity Act-2003, which result into Zero revenue gap for these years. (as shown below in table no. 1.9, 2.9, 3.8 & 4.8).

## **2. MECHANISM FOR AUTOMATIC PASS-THROUGH OF FUEL AND POWER PURCHASE COST ADJUSTMENT (FPPCA) CHARGES.**

### **Petitioner's Submission**

The petitioner pleaded for devising a mechanism of automatic pass-through of fuel and power purchase cost of adjustment (FPPCA) charges.

### **Commission's Analysis and Order**

For fuel and power purchase cost of adjustment (FPPCA) charges commission had not notified any separate mechanism in light of the following proviso.

As per Clause 14 Para 2 of MoP's notification dated 29<sup>th</sup> December, 2022 wherein it states,

***"Provided that till such a methodology and formula is specified by the Appropriate Commission, the methodology and formula specified in the Schedule-II annexed to these rules shall be applicable"***.

In view of the above reference of MoP, the petitioner is allowed for automatic pass-through of fuel and power purchase cost adjustment (FPPCA) charges as requested till such a time a regulation on FPPCA is in place.

## **3. DETERMINATION OF ACS AND ARR MAY BE DONE ON ENERGY SOLD BOTH WITHIN AND OUTSIDE THE STATE BASIS.**

### **Petitioner's Submission**

The petitioner pleaded that determination of Average Cost of Supply (ACS) and Average Revenue Realisable (ARR) may be done on energy sold both within and outside the state basis.

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## Commission's Analysis and order

As per analysis it is found that the energy sold outside the state is executed as bi-lateral trade through IEX by petitioner therefore, energy so sold outside cannot be considered while calculating ACS for the distribution licensee for which tariff petition is admitted in accordance to sec-62 of Electricity Act-2003.

In view of the petitioner's submission, the net revenue i.e. numerator in ACS calculation formulae is reduced to that extent by subtracting the Revenue earned from such traded power subsuming the cost incurred (if any), & presumably the profit earned by such trading though for which the details as sought in various orders are yet to be complied by APDoP. And while calculating ACS, such deduced net revenue requirement should be divided by billed energy within the state. Therefore, the table no. 1.8 & 1.9 (for FY 2017-18), 2.8 & 2.9 (for FY 2018-19), 3.7 & 3.8 (for FY 2019-20 & FY 2020-21) and 4.7 & 4.8 (for FY 2021-22 & FY 2022-23) of the True up Order dated 09/01/2024 shall be deleted and substituted by table placed below with the same no.: -

### REVENUE GAP AND AVERAGE COST OF SUPPLY FOR FY 2017-18

Table 1.8 - Revenue GAP and Average Cost of Supply - Commissions' Analysis

| Sl. No | Description                               | Formulae | Unit    | As per the Tariff Petition for FY 2017-18 | Approved in the Tariff order for FY 2017-18 | Actuals as per Petitioner's Submission | Now approved (True Up) |
|--------|---|----------|---------|---|---|--|------------------------|
| 1      | Revenue from energy sale within the state |          | Rs Crs  | 144.29                                    | 142.88                                      | 183.93                                 | 183.93                 |
| 2      | Revenue for subsidy of Govt. AP           |          | Rs Crs  | 0   | 0   | 381.78                                 | 369.48                 |
| 3      | Revenue from surplus sale of power        |          | Rs Crs  | 22.22                                     | 14.83                                       | 0                                      | 0                      |
| 4      | Non- tariff Income                        |          | Rs Crs  | 3.57                                      | 3.57  | 0                                      | 0                      |
| 5      | Deviation Export                          |          | Rs. Crs | 0   | 0   | 0                                      | 0                      |

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|    |                               |                      |                 |               |                |              |              |
|----|-------------------------------|----------------------|-----------------|---------------|----------------|--------------|--------------|
| 6  | Total Income                  | Sl<br>(1+2+3+4+5)    | Rs Crs          | 170.08        | 161.28         | 565.71       | 553.41       |
| 7  | Total Revenue Requirement     |                      | Rs Crs          | 432.21        | 424.865        | 565.71       | 553.41       |
| 8  | <b>Revenue Gap</b>            | <b>Sl (7-6)</b>      | <b>Rs Crs</b>   | <b>262.13</b> | <b>263.585</b> | <b>0</b>     | <b>0</b>     |
| 9  | Net Revenue Requirement       | Sl (7-4)             | Rs Crs          | 428.64        | 421.295        | 565.71       | 553.41       |
| 10 | Energy Sales within State     |                      | MU              | 497.15        | 438.04         | 491.27       | 414.53       |
| 11 | <b>Average cost of supply</b> | <b>Sl ((9-3)/10)</b> | <b>Rs/un it</b> | <b>8.62</b>   | <b>9.62</b>    | <b>11.52</b> | <b>13.35</b> |

The Revenue requirement of the licensee has been met from the various revenue streams mentioned at Sl. No. 1 - 5 resulting into no gap between revenue requirement and revenue earned, as Govt. of Arunachal Pradesh has given subsidy in form of grants for revenue. Hence Commission approves the revenue gap as Zero.

### SUMMARY OF TRUE UP FOR FY 2017-18

Table 1.9: – Summary of True Up for FY 2017-18

| True Up of FY 2017-18 |   |                           |  |  |
|-----------------------|---|---------------------------|--|--|
| SL No.                | Item of Expenses  | Actual FY 2017-18 (Rs Cr) | Approved in Tariff Order 2017-18 (Rs Cr) | True-up approved by the Commission (Rs Cr) |
| 1                     | Cost of Power Purchase                                  | 209.88                    | 196.63                                   | 197.58                                     |
| 2                     | Fuel Cost   | 0                         | 0.875                                    | 0  |
| 3                     | Employee Cost   | 265.52                    | 197.15                                   | 265.52                                     |
| 4                     | R&M Expenses  | 44.25                     | 25.5                                     | 44.25                                      |
| 5                     | Administration and General expenses                     | 5.57                      | 1.15                                     | 5.57                                       |
| 6                     | Depreciation  | 0                         | 0  | 0  |
| 7                     | Interest on Working Capital                             | 0                         | 0  | 0  |
| 8                     | Interest Charges Including interest on working capital) | 0                         | 0  | 0  |
| 9                     | Return on NFA/Equity                                    | 0                         | 0  | 0  |
| 10                    | Provision for Bad Debt                                  | 0                         | 0  | 0  |

|    |  |               |                |               |
|----|--|---------------|----------------|---------------|
| 11 | Renewable Energy (Solar) Purchase Obligation                                     | 0             | 2.76           | 0             |
| 12 | Annual License Fee for 2017-18   | 0             | 0.05           | 0.05          |
| 13 | Safety Harness and Skilling/Training   | 0             | 0.75           | 0             |
| 14 | Total NERPC board fund and Fees and charges of NERLDC/ NERPC                     | 0.48          | 0              | 0.48          |
| 15 | Interstate Transmission Charges  | 40.01         | 0              | 40.01         |
| 16 | Intrastate Transmission Charges  | 0             | 0              | 0             |
| 17 | Solar Compliance   | 0             | 0              | 0             |
| 18 | <b>Total Revenue Requirement</b>   | 565.71        | 424.87         | 553.46        |
| 19 | Less: Non-Tariff income  |               | 3.57           |               |
| 20 | <b>Net Revenue Requirement</b>   | 565.71        | 406.465        | 553.46        |
| 21 | Revenue from Existing Tariff   | 183.93        | 142.88         | 183.93        |
| 22 | Revenue from Sale of Surplus Power   | 0             | 14.83          | 0             |
| 23 | <b>Grant for Revenue as subsidy</b>  | <b>381.78</b> | <b>248.755</b> | <b>369.53</b> |
| 24 | <b>Total Annual Income</b>   | 565.71        | 410.035        | 553.46        |
| 25 | Total Gap  | 0.00          | 0.00           | 0.00          |
| 26 | Regulatory Assets  |               | 0              |               |
| 27 | Energy Sales within State (MU)   | 414.53        | 378.08         | 414.53        |
| 28 | Total Energy Sale (MU)   | 491.27        | 438.04         | 414.53        |
| 29 | Gross Energy Input (MU)  | 925.37        | 718.57         | 834.49        |
| 30 | <b>Average Cost of Supply based on billed Energy (ACS) ((20-22)/26 - Rs/Kwh)</b> | 13.65         | 9.62           | 13.35         |
| 31 | <b>AT&amp;C Loss</b>   | 63.48%        | 41%            | 41%           |

## REVENUE GAP AND AVERAGE COST OF SUPPLY FOR FY 2018-19

Table 2.8: - Revenue GAP and Average Cost of Supply- Commissions' Analysis

| Sl. No | Description                               | Formulae | Unit   | As per the Tariff Petition for FY 2018-19 | Approved in the Tariff order for FY 2018-19 | Actuals as per Petitioner's Submission | Now approved (True Up) |
|--------|---|----------|--------|---|---|--|------------------------|
| 1      | Revenue from energy sale within the state |          | Rs Crs | 155.03                                    | 161.47                                      | 202.73                                 | 202.73                 |

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|    |                                     |                |          |        |        |        |        |
|----|-------------------------------------|----------------|----------|--------|--------|--------|--------|
| 2  | Revenue for Subsidy of Govt. of A.P |                | Rs Crs   | 0      | 0      | 476.08 | 438.71 |
| 3  | Revenue from surplus sale of power  |                | Rs Crs   | 23.07  | 23.07  | 5.37   | 5.37   |
| 4  | Non- tariff Income                  |                | Rs Crs   | 3.81   | 3.81   | 0      | 0      |
| 5  | Deviation Export                    |                | Rs. Crs  | 0      | 0      | 0      | 0      |
| 6  | Total Income                        | Sl (1+2+3+4+5) | Rs Crs   | 181.91 | 188.35 | 684.18 | 646.81 |
| 7  | Total Revenue Requirement           |                | Rs Crs   | 689.83 | 568.01 | 684.18 | 646.81 |
| 8  | Revenue Gap                         | Sl (7-6)       | Rs Crs   | 507.92 | 379.66 | 0      | 0      |
| 9  | Net Revenue Requirement             | Sl (7-4)       | Rs Crs   | 686.02 | 564.2  | 684.18 | 646.81 |
| 10 | Energy Sales within State           |                | MU       | 408.45 | 423.61 | 498.11 | 437.78 |
| 11 | Average cost of supply              | Sl ((9-3)/10)  | Rs/un it | 16.80  | 13.32  | 13.63  | 14.65  |

The Revenue requirement of the licensee has been met from the various revenue streams mentioned at Sl. No. 1 - 5 resulting into no gap between revenue requirement and revenue earned, as Govt. of Arunachal Pradesh has given subsidy in form of grants for revenue. Hence Commission approves the revenue gap as Zero.

#### SUMMARY OF TRUE UP FOR FY 2018-19

Table 2.9: - Summary of True Up for 2018-19

| True Up of FY 2018-19 |                                     |                           |  |  |
|-----------------------|-------------------------------------|---------------------------|--|--|
| SL No.                | Item of Expenses                    | Actual FY 2018-19 (Rs Cr) | Approved in Tariff Order 2018-19 (Rs Cr) | True-up approved by the Commission (Rs Cr) |
| 1                     | Cost of Power Purchase              | 324.37                    | 186.06                                   | 287  |
| 2                     | Fuel Cost                           | 0                         | 2.21                                     | 0  |
| 3                     | Employee Cost                       | 267.49                    | 325.84                                   | 267.49                                     |
| 4                     | R&M Expenses                        | 50.55                     | 43.94                                    | 50.55                                      |
| 5                     | Administration and General expenses | 7.28                      | 6.48                                     | 7.28                                       |
| 6                     | Depreciation                        | 0                         | 0  | 0  |
| 7                     | Interest on Working Capital         | 0                         | 0  | 0  |

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|    |  |               |               |               |
|----|--|---------------|---------------|---------------|
| 8  | Interest Charges Including interest on working capital)                          | 0             | 0             | 0             |
| 9  | Return on NFA/Equity   | 0             | 0             | 0             |
| 10 | Provision for Bad Debt   | 0             | 0             | 0             |
| 11 | Renewable Energy (Solar) Purchase Obligation                                     | 0             | 2.69          | 0             |
| 12 | Annual License Fee for 2018-19   | 0             | 0.05          | 0.05          |
| 13 | Safety Harness and Skilling/Training   | 0             | 0.75          | 0             |
| 14 | Total NERPC board fund and Fees and charges of NERLDC/ NERPC                     | 0.73          | 0             | 0.73          |
| 15 | Interstate Transmission Charges  | 33.76         | 0             | 33.76         |
| 16 | Intrastate Transmission Charges  | 0             | 0             |               |
| 17 | Solar Compliance   | 0             | 0             | 0             |
| 18 | <b>Total Revenue Requirement</b>   | 684.18        | 568.02        | 646.86        |
| 19 | Less: Non-Tariff income  |               | 3.81          |               |
| 20 | <b>Net Revenue Requirement</b>   | 684.18        | 564.21        | 646.86        |
| 21 | Revenue from Existing Tariff   | 202.73        | 161.47        | 202.73        |
| 22 | Revenue from Sale of Surplus Power   | 5.37          | 23.07         | 5.37          |
| 23 | <b>Grant for Revenue as subsidy</b>  | <b>476.08</b> | <b>379.67</b> | <b>438.76</b> |
| 24 | <b>Total Annual Income</b>   | 684.18        | 568.02        | 646.86        |
| 25 | Total Gap  | 0.00          | 0.00          | 0.00          |
| 26 | Regulatory Assets  | 0             | 0             | 0             |
| 27 | Energy Sales within State (MU)   | 437.79        | 423.61        | 437.79        |
| 28 | Total Energy Sale (MU)   | 498.11        | 423.61        | 456.03        |
| 29 | Gross Energy Input (MU)  | 985.13        | 715.44        | 896.64        |
| 30 | <b>Average Cost of Supply based on billed Energy (ACS) ((20-22)/26 - Rs/Kwh)</b> | 15.51         | 13.32         | 14.65         |
| 31 | <b>AT&amp;C Loss</b>   | 61.93%        | 38%           | 63.48%        |

## REVENUE GAP AND AVERAGE COST OF SUPPLY FOR FY 2019 - 20 AND FY 2020 - 21

Table 3.7 - Revenue GAP and Average Cost of Supply- Commissions' Analysis

| Sl no | Description | Formula e | Unit | Appro ved in the Tariff order for FY 2018-19 | Actuals as per true up Petition for FY 2019-20 Submiss ion | Actuals as per true up Petition for FY 2020-21 Submiss ion | Now approv ed for FY 2019-20 | Now approv ed FY 2020-21 (Trued Up) |
|-------|-------------|-----------|------|--|--|--|------------------------------|-------------------------------------|
|-------|-------------|-----------|------|--|--|--|------------------------------|-------------------------------------|

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|    |   |                |          |        |        |        | (Trued Up) |        |
|----|---|----------------|----------|--------|--------|--------|------------|--------|
| 1  | Revenue from energy sale within the state |                | Rs Crs   | 161.47 | 211.93 | 264.26 | 211.93     | 264.26 |
| 2  | Revenue for subsidy of Govt. AP           |                | Rs Crs   | 0      | 478.89 | 300.66 | 456.19     | 271.67 |
| 3  | Revenue from surplus sale of power        |                | Rs Crs   | 23.07  | 32.81  | 46.14  | 32.18      | 46.14  |
| 4  | Non- tariff Income                        |                | Rs Crs   | 3.81   | 0      | 0      | 0          | 0      |
| 5  | Deviation Export                          |                | Rs. Crs  | 0      | 0      | 0      | 0          | 0      |
| 6  | Total Income                              | Sl (1+2+3+4+5) | Rs Crs   | 188.35 | 723.63 | 611.06 | 700.3      | 582.07 |
| 7  | Total Revenue Requirement                 |                | Rs Crs   | 568.01 | 723.63 | 781.1  | 700.3      | 752.11 |
| 8  | Revenue Gap                               | Sl (7-6)       | Rs Crs   | 379.66 | 0      | 170.04 | 0          | 170.04 |
| 9  | Net Revenue Requirement                   | Sl (7-4)       | Rs Crs   | 564.2  | 723.63 | 781.1  | 700.3      | 752.11 |
| 10 | Energy Sales within State                 |                | MU       | 423.61 | 455.99 | 405.08 | 455.99     | 405.08 |
| 11 | Average cost of supply                    | Sl ((9-3)/10)  | Rs/u nit | 13.32  | 15.15  | 18.14  | 14.65      | 17.43  |

The Revenue requirement of the licensee has been met from the various revenue streams mentioned at Sl. No. 1 - 5 resulting into no gap between revenue requirement and revenue earned, as Govt. of Arunachal Pradesh has given subsidy in form of grants for revenue. Hence Commission approves the revenue gap as Zero.

## SUMMARY OF TRUE UP FOR FY 2019-20 AND FY 2020-21

Table 3.8 - SUMMARY OF TRUE UP FOR FY 2019-20 AND FY 2020-21

| True Up of FY 2019-20 & FY 2020-21 |  |                           |                           |   |   |
|------------------------------------|--|---------------------------|---------------------------|---|---|
| SL No.                             | Item of Expenses   | Actual FY 2019-20 (Rs Cr) | Actual FY 2020-21 (Rs Cr) | True-up approved by the Commission for FY 2019-20 (Rs Cr) | True-up approved by the Commission for FY 2020-21 (Rs Cr) |
| 1                                  | Cost of Power Purchase                                       | 308.15                    | 352.86                    | 284.77  | 323.82  |
| 2                                  | Fuel Cost  | 0                         | 0                         | 0   | 0   |
| 3                                  | Employee Cost  | 312.81                    | 315.38                    | 312.81  | 315.38  |
| 4                                  | R&M Expenses   | 48.18                     | 40.83                     | 48.18   | 40.83   |
| 5                                  | Administration and General expenses                          | 5.86                      | 5.46                      | 5.86  | 5.46  |
| 6                                  | Depreciation   | 0                         | 0                         | 0   | 0   |
| 7                                  | Interest on Working Capital                                  | 0                         | 0                         | 0   | 0   |
| 8                                  | Interest Charges Including interest on working capital)      | 0                         | 0                         | 0   | 0   |
| 9                                  | Return on NFA/Equity   | 0                         | 0                         | 0   | 0   |
| 10                                 | Provision for Bad Debt                                       | 0                         | 0                         | 0   | 0   |
| 11                                 | Renewable Energy (Solar) Purchase Obligation                 | 0                         | 0                         | 0   | 0   |
| 12                                 | Annual License Fee for FY 2019-20 & FY 2020-21               | 0                         | 0                         | 0.05  | 0.05  |
| 13                                 | Safety Harness and Skilling/Training                         | 0                         | 0                         | 0   | 0   |
| 14                                 | Total NERPC board fund and Fees and charges of NERLDC/ NERPC | 1.05                      | 0.65                      | 1.05  | 0.65  |
| 15                                 | Interstate Transmission Charges                              | 40.58                     | 54.12                     | 40.58   | 54.12   |
| 16                                 | Intrastate Transmission Charges                              | 6.99                      | 11.81                     | 6.99  | 11.81   |
| 17                                 | Solar Compliance   | 0                         | 0                         | 0   | 0   |
| 18                                 | <b>Total Revenue Requirement</b>                             | <b>723.62</b>             | <b>781.11</b>             | <b>700.29</b>   | <b>752.12</b>   |

  
 Secretary  
 State Electricity Regulatory Commission  
 Arunachal Pradesh



|    |  |               |               |               |               |
|----|--|---------------|---------------|---------------|---------------|
| 19 | Less: Non-Tariff income  |               |               | 0             |               |
| 20 | <b>Net Revenue Requirement</b>   | 723.62        | 781.11        | 700.29        | 752.12        |
| 21 | Revenue from Existing Tariff   | 211.93        | 196.52        | 211.93        | 196.52        |
| 22 | Revenue from Sale of Surplus Power   | 32.81         | 46.14         | 32.81         | 46.14         |
| 23 | <b>Grant for Revenue as subsidy</b>  | <b>478.88</b> | <b>538.45</b> | <b>455.55</b> | <b>509.46</b> |
| 24 | <b>Total Annual Income</b>   | 723.62        | 781.11        | 700.29        | 752.12        |
| 25 | Total Gap  | 0.00          | 0.00          | 0.00          | 0.00          |
| 26 | Regulatory Assets  | 0             | 0             | 0             |               |
| 27 | Energy Sales within State (MU)   | 455.99        | 405.08        | 455.99        | 405.99        |
| 28 | Total Energy Sale (MU)   | 642.78        | 690.39        | 567.84        | 675.49        |
| 29 | Gross Energy Input (MU)  | 1077.85       | 1146.8        | 1057.09       | 1106.54       |
| 30 | <b>Average Cost of Supply based on billed Energy (ACS) ((20-22)/26 - Rs/Kwh)</b> | <b>15.15</b>  | <b>18.14</b>  | <b>14.64</b>  | <b>17.39</b>  |
| 31 | <b>AT&amp;C Loss (%)</b>   | 33.6          | 53.6          | 35            | 32            |

### REVENUE GAP AND AVERAGE COST OF SUPPLY OF FY 2021-22 & FY 2022-23

Table 4.7: - Revenue GAP and Average Cost of Supply- Commissions' Analysis

| Sl no | Description                               | Formula | Unit          | Approved in the Tariff order for FY 2018-19 | Actuals as per true up Petition for FY 2021-22 Submission | Actuals as per true up Petition for FY 2022-23 Submission | Now approved for FY 2021-22 (Trued Up) | Now approved FY 2022-23 (Trued Up) |
|-------|---|---------|---------------|---|---|---|--|------------------------------------|
| 1     | Revenue from energy sale within the state |         | Rs Crs        | 161.47                                      | 223.11  | 264.26  | 223.11                                 | 264.26                             |
| 2     | <b>Revenue for subsidy of Govt. AP</b>    |         | <b>Rs Crs</b> |   | <b>483.35</b>   | <b>506.06</b>   | <b>463.52</b>                          | <b>484.19</b>                      |

  
Secretary

State Electricity Regulatory Commission  
Arunachal Pradesh

|    |                                    |                |         |        |        |         |        |         |
|----|------------------------------------|----------------|---------|--------|--------|---------|--------|---------|
| 3  | Revenue from surplus sale of power |                | Rs Crs  | 23.07  | 128.81 | 216.18  | 128.81 | 216.81  |
| 4  | Non- tariff Income                 |                | Rs Crs  | 3.81   | 0      | 41.59   | 0      | 41.59   |
| 5  | Deviation Export                   |                | Rs. Crs | 0      | 0      | 0       | 0      | 0       |
| 6  | Total Income                       | Sl (1+2+3+4+5) | Rs Crs  | 188.35 | 835.27 | 1028.09 | 815.44 | 1006.85 |
| 7  | Total Revenue Requirement          |                | Rs Crs  | 568.01 | 835.27 | 1028.09 | 815.44 | 1006.85 |
| 8  | Revenue Gap                        | Sl (7-6)       | Rs Crs  | 379.66 | 0      | 0       | 0      | 0       |
| 9  | Net Revenue Requirement            | Sl (7-4)       | Rs Crs  | 564.2  | 835.27 | 986.5   | 815.44 | 965.26  |
| 10 | Energy Sales within State          |                | MU      | 423.61 | 518.25 | 582.1   | 518.25 | 582.1   |
| 11 | Average cost of supply             | Sl ((9-3)/10)  | Rs/unit | 13.32  | 13.63  | 13.23   | 13.25  | 12.86   |

The Revenue requirement of the licensee has been met from the various revenue streams mentioned at Sl. No. 1 - 5 resulting into no gap between revenue requirement and revenue earned, as Govt. of Arunachal Pradesh has given subsidy in form of grants for revenue. Hence Commission approves the revenue gap as Zero.

#### SUMMARY OF TRUE UP FOR FY 2021-22 & FY 2022-23

Table 4.8: - SUMMARY OF TRUE UP FOR FY 2021-22 & FY 2022-23

| True Up of FY 2021-22 & FY 2022-23 |                        |                           |                           |   |   |
|------------------------------------|------------------------|---------------------------|---------------------------|---|---|
| SL No.                             | Item of Expenses       | Actual FY 2021-22 (Rs Cr) | Actual FY 2022-23 (Rs Cr) | True-up approved by the Commission for FY 2021-22 (Rs Cr) | True-up approved by the Commission for FY 2022-23 (Rs Cr) |
| 1                                  | Cost of Power Purchase | 337.84                    | 475.75                    | 317.96  | 454.46  |
| 2                                  | Fuel Cost              | 0                         | 0                         | 0   | 0   |
| 3                                  | Employee Cost          | 336.88                    | 372.93                    | 336.88  | 372.93  |



|    |   |               |               |               |               |
|----|---|---------------|---------------|---------------|---------------|
| 4  | R&M Expenses  | 28.85         | 28.96         | 28.85         | 28.96         |
| 5  | Administration and General expenses                         | 9.24          | 15.11         | 9.24          | 15.11         |
| 6  | Depreciation  | 0             | 0             | 0             | 0             |
| 7  | Interest on Working Capital                                 | 0             | 0             | 0             | 0             |
| 8  | Interest Charges Including interest on working capital)     | 0             | 0             | 0             | 0             |
| 9  | Return on NFA/Equity  | 0             | 0             | 0             | 0             |
| 10 | Provision for Bad Debt                                      | 0             | 0             | 0             | 0             |
| 11 | Renewable Energy (Solar) Purchase Obligation                | 2.25          | 10.25         | 2.25          | 10.25         |
| 12 | Annual License Fee for FY 2021-21 & FY 2022-23              | 0             | 0             | 0.05          | 0.05          |
| 13 | Safety Harness and Skilling/Training                        | 0             | 0             | 0             | 0             |
| 14 | Total NERPC board fund and Fees and charges of NERLDC/NERPC | 1.02          | 1.12          | 1.02          | 1.12          |
| 15 | Interstate Transmission Charges                             | 107.75        | 112.51        | 107.75        | 112.51        |
| 16 | Intrastate Transmission Charges                             | 11.45         | 11.45         | 11.45         | 11.45         |
| 17 | Solar Compliance  | 0             | 0             | 0             | 0             |
| 18 | <b>Total Revenue Requirement</b>                            | 835.28        | 1028.08       | 815.45        | 1006.84       |
| 19 | Less: Non-Tariff income                                     |               | 41.59         | 0             | 41.59         |
| 20 | <b>Net Revenue Requirement</b>                              | 835.28        | 986.49        | 815.45        | 965.25        |
| 21 | Revenue from Existing Tariff                                | 223.11        | 264.26        | 223.11        | 264.26        |
| 22 | Revenue from Sale of Surplus Power                          | 128.81        | 216.18        | 128.81        | 216.18        |
| 23 | <b>Grant for Revenue as subsidy</b>                         | <b>483.36</b> | <b>506.05</b> | <b>463.53</b> | <b>484.81</b> |
| 24 | <b>Total Annual Income</b>                                  | 835.28        | 1028.08       | 815.45        | 1006.84       |
| 25 | Total Gap   | 0.00          | 0.00          | 0.00          | 0.00          |



|    |   |         |         |         |         |
|----|---|---------|---------|---------|---------|
| 26 | Regulatory Assets   | 0       | 0       | 0       | 0       |
| 27 | Energy Sales within State (MU)  | 518.25  | 582.1   | 518.25  | 582.1   |
| 28 | Total Energy Sale (MU)  | 844.14  | 1032.92 | 831     | 1018.16 |
| 29 | Gross Energy Input (MU)   | 1329.06 | 1523.15 | 1279.85 | 1456.81 |
| 30 | Average Cost of Supply based on billed Energy (ACS) ((20-22)/26 - Rs/Kwh) | 13.63   | 13.23   | 13.25   | 12.87   |
| 31 | AT&C Loss (%)   | 50.7    | 56.24   | 45      | 35      |

#### 4. GRANT FROM GOVT. OF A.P. FOR UI PURCHASED

| Grant from Govt. of Arunachal Pradesh for UI Purchase |            |                   |
|---|------------|-------------------|
| Sl. No.   | Year       | Amount (Rs. Crs.) |
| 1   | FY 2017-18 | 12.3              |
| 2   | FY 2018-19 | 37.37             |
| 3   | FY 2019-20 | 23.38             |
| 4   | FY 2020-21 | 29.44             |
| 5   | FY 2021-22 | 19.88             |
| 6   | FY 2022-23 | 21.29             |

With the above terms the instant Petition hereby disposed of.

Date: 21<sup>st</sup> February, 2024

Nich Rika

R. K. Joshi

Place: Itanagar

Member

Chairperson

Secretary  
State Electricity Regulatory Commission  
Arunachal Pradesh