

CHAPTER 1. INTRODUCTION

1.1.1 The Union Territory of Puducherry comprises of four regions namely Puducherry, Karaikal, Mahe and Yanam, which are not geographically contiguous and is spread over an area of 492 Sq. km with the total population of 12.45 Lakhs as per provisional results of Census 2011. The basic profiles of four regions are as follows:

- Puducherry is the largest among the four regions and consists of 12 scattered areas interspersed with enclaves of Villupuram and Cuddalore Districts of Tamil Nadu.
- Karaikal is about 150 kms South of Puducherry and is bounded by Nagapattinam and Thiruvarur Districts of Tamil Nadu State.
- Mahe lies almost parallel to Puducherry 653 kms away on the west coast near Kannur District of Kerala State.
- Yanam is located about 840 kms north-east of Puducherry and it is located in the East Godhavari District of Andhra Pradesh State.

1.1.2 The Territory of Puducherry was merged with the Indian Union on 1st November 1954 and is administered under the provisions of Government of Union Territories Act, 1963.

1.2 Electricity Department of Puducherry

1.2.1 Puducherry Electricity Department being a deemed distribution licensee as per section 14 of the Electricity Act 2003, performs the functions of transmission and distribution of electric power to the Union Territory. The sole generating station in Puducherry is a 32.5 MW combined cycle gas power plant in Karaikal owned by the Puducherry Power Corporation Limited. The entire power requirement of Puducherry is met from the power allocated from the Central Generating Stations, and from the Puducherry Power Corporation Limited.

1.2.2 The Union Territory of Puducherry has an extensive network of Power Transmission and Distribution Systems spread along the breath and width of all the four regions of the Union Territory. PED operates a transmission network of 230 kV, 110 kV & 132 kV and distribution network at 33 kV, 22 kV, and 11 kV and at LT levels.

1.3 Filing under Tariff Regulations

1.3.1 PED has been filing its ARR and Tariff petitions for the past years with the Hon'ble Commission based on the principles outlined by the Hon'ble Joint Electricity Regulatory Commission (hereinafter referred to as Hon'ble Commission / JERC) vide their Regulations on applicable terms and conditions of Tariff for Distribution

Licenseses as notified in 2014, 2018 and 2021.

- 1.3.2 PED has filed its petition for True-up for FY 2017-18 and FY 2018-19 under JERC (Multi Year Distribution Tariff) Regulations, 2014, Annual Performance Review for FY 2019-20 and determination of Aggregate Revenue Requirement (ARR) & Retail Tariff for distribution and retail sale of electricity for FY 2020-21 under section 61, 62 & 64 of the Electricity Act, 2003 and JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 (hereinafter referred to as "MYT Regulations 2018") against which Tariff Order was issued by the Hon'ble Commission on 18th May, 2020.
- 1.3.3 PED has filed its petition for True-up for FY 2019-20, Annual Performance Review for FY 2020-21 and determination of Aggregate Revenue Requirement (ARR) & Retail Tariff for distribution and retail sale of electricity for FY 2021-22 under section 61, 62 & 64 of the Electricity Act, 2003 and JERC MYT Regulations 2018 against which Tariff Order was issued by the Hon'ble Commission on 07th April, 2021.
- 1.3.4 The Hon'ble Commission issued the JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as "MYT Regulations 2021") in exercise of powers conferred by Section 61, 62, 63 and 86 read with Section 181 of Electricity Act 2003 on 22nd March, 2021. These regulations were made applicable to all distribution licensee in the State of Goa & Union Territories of Andaman & Nicobar Island, Dadra & Nagar Haveli, Daman & Diu, Chandigarh, Lakshadweep and Puducherry. As per clause 1.2 of the JERC MYT Regulations, 2021, the Control Period was defined as a three-year period from FY 2022-23 to FY 2024-25 i.e. from April 1, 2022 to March 31, 2025.
- 1.3.5 PED has filed its petition for True-up for FY 2020-21, Annual Performance Review for FY 2021-22 and Aggregate Revenue Requirement (ARR) for 3rd Control Period from FY 2022-23 to FY 2023-24 & Retail Tariff for distribution and retail sale of electricity for FY 2022-23 under section 61, 62 & 64 of the Electricity Act, 2003 and JERC MYT Regulations 2021 against which Tariff Order was issued by the Hon'ble Commission on 31st March, 2022.

1.4 Filing of ARR and Tariff Petition

- 1.4.1 Under the provisions of Electricity Act, 2003, Licensee is required to submit its ARR and Tariff Petition as per procedures outlined in section 61, 62 and 64 of EA 2003, and the governing regulations of JERC of the relevant years thereof.

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- 1.4.2 The Hon'ble Commission notified in JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, that
- "These Regulations shall be applicable for determination of tariff in all matters covered under these Regulations from FY 2022-23 onwards and upto FY 2024-25, i.e., from April 1, 2022, to March 31, 2025, unless otherwise reviewed / modified / extended."*
- 1.4.3 As per the JERC MYT Regulations 2021, PED was required to file the ARR and the MYT Petition for the control period by 30th November, 2021.
- 1.4.4 PED has adopted the principles of JERC MYT Regulations, 2021, for determination of ARR and tariff for FY 2023-24. However, PED is also submitting the petition for True-up of FY 2021-22 as per actuals and Annual Performance Review of FY 2022-23 in line with JERC MYT Regulations, 2018 and JERC MYT Regulations, 2021 for the approval of the Hon'ble Commission. The tariff formats as outlined in Regulations and as applicable to PED are provided at the end of this petition.
- 1.4.5 PED is now filing this petition for approval of Hon'ble Commission whereby the Tariff Formats are enclosed as per Annexure 1 of this petition. The details are provided in subsequent chapters.

CHAPTER 2. OVERALL APPROACH FOR PRESENT FILING

In this petition, Puducherry Electricity Department is filing the True-up for FY 2021-22 and APR for FY 2022-23 along with ARR and determination of tariff for FY 2023-24.

2.1 True-up for FY 2021-22

2.1.1 As specified in the JERC MYT Regulations 2018, the Hon'ble Commission shall undertake the truing-up exercise for the previous year based on audited accounts. In the current petition, figures of FY 2021-22 are made available for True-up with the details of ARR specified in the relevant chapter of this petition.

2.2 Annual Performance Review for FY 2022-23

2.2.1 As specified in the JERC MYT Regulations 2021, the Hon'ble Commission shall undertake the Annual Performance Review by considering variations between the approved and revised estimates/pre-actual of sale of electricity, income and expenditure for the relevant year.

2.2.2 PED is filing this Annual Performance Review petition for the year FY 2022-23 based on the approved figures in the Business Plan and the last Tariff Order with modifications in certain components based on the present status.

2.3 Revised ARR Petition and Tariff Determination for FY 2023-24

2.3.1 The Joint Electricity Regulatory Commission had notified the JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, on 22nd March 2021.

2.3.2 As per Clause 9 of the JERC MYT Regulations 2021, PED is filing this petition for the approval Tariff for FY 2023-24 in line with the JERC MYT Regulations 2021. The projections are based on the norms specified in the Regulations, and on the past performance, wherever required and considering expected changes in each element of cost and revenue for the ensuing control period. PED has studied the previous trends and taken cognisance of other internal and external developments to estimate the likely performance for the said period.

2.3.3 The subsequent sections of the petition provides projection for various expenses, the proposed investment plan for the control period and the expected revenue projections with existing tariff based on the tariff notifications in force in the area of supply of PED.

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2.3.4 Projections of various cost components required for determination of Aggregate Revenue Requirement for the control period along with the rationale for estimation of such cost is covered in the subsequent section. Further, the philosophy adopted by PED for projecting power purchase cost has also been elucidated in the respective sections.

2.4 Norms for Projection

- 2.4.1 PED is filing this petition in line with the norms and principles enumerated by Hon'ble Commission in the JERC MYT Regulations 2021.
- 2.4.2 For True-up of FY 2021-22, the petition has been prepared in line with the financial statements and actual figures available with the department. The projections for the FY 2023-24 have been adopted based on the JERC MYT regulations 2021.
- 2.4.3 True-Up for FY 2021-22, APR for FY 2022-23 and ARR for FY 2023-24 have been carried out separately and details of the same are presented separately.

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