



TARIFF ORDER

**TRUE UP FOR FY 2021-22
REVIEW FOR FY 2022-23
AND
DETERMINATION OF AGGREGATE REVENUE REQUIREMENT
FOR 3rd MYT PERIOD FY2023-24 TO FY2027-28
&
RETAIL TARIFF FOR FY 2023-24
FOR
POWER & ELECTRICITY DEPARTMENT
GOVERNMENT OF MIZORAM**

Petition (ARR & Tariff) No. 5 of 2022

**JOINT ELECTRICITY REGULATORY COMMISSION
FOR MANIPUR AND MIZORAM**

CONTENTS

ORDER	1
1. Introduction	9
1.1. JERC for Manipur and Mizoram (JERC, M&M)	9
1.1.1. Further, the Commission shall also advise the State Government on all or any of the following matters namely:	10
1.1.2. The State Commission shall ensure transparency while exercising its powers and discharging its functions.	11
1.1.3. In discharge of its functions, the State Commission is guided by the National Tariff Policy (NTP) has brought out by GOI in compliance to Section 3 of the Act. The objectives of the NTP are to:	11
1.2. Power & Electricity Department (P & ED) and Tariff Petition	11
2. Summary of ARR & Tariff Petition of FY 2023-24 for 3rd MYT Control period	13
2.1. Aggregate Revenue Requirement (ARR)	13
2.2. Tariff	13
2.3. Prayer	14
3. Power Sector in Mizoram - An Overview	17
3.1. Geographical Reality	17
3.2. Power supply.....	17
3.2.1. Own Generation.....	17
3.2.2. Power Purchase	19
3.3. Transmission and Distribution	21
3.4. Distribution losses	22
3.5. Consumer profile and Energy sales	22
3.6. Demand	23
4. Public Hearing Process	25
4.1. Introduction:	25
4.2. Public Hearing:	25
4.3. Proceedings of Public Hearing:.....	25
5. True-up of ARR for 2021-22.....	35
5.1. Back ground	35
5.2. Energy sales.....	36
5.3. Distribution Loss & Energy Balance.....	37
5.4. Energy Requirement	40
5.5. P&ED's Own Generation.....	40
5.6. Purchase of Power	41
5.7. Energy Balance	43
5.7.1. Fuel Cost.....	44
5.7.2. Power Purchase Costs.....	44
5.7.3. Inter State Transmission Charges	48
5.7.4. Intra -State Transmission Charges (State Transmission Charge).....	49
5.7.5. O & M Expenses	50
5.7.6. Depreciation.....	54
5.7.7. Interest & Finance Charges.....	55
5.7.8. Interest on Working Capital	56
5.7.9. Provision for Bad Debts	57
5.7.10. Return on Equity	58

5.7.11. Non-Tariff Income/Other Incomes.....	58
5.7.12. Revenue from approved tariffs	59
5.8. Summary of actuals filed by P&ED for true up & approved by Commission.....	61
5.9. Revenue gap/surplus after true up	63
6. Annual Performance Review for FY2022-23	66
6.1. Back ground	66
6.2. Energy Sales	67
6.3. Number of Consumers.....	68
6.4. Connected Load.	69
6.5. Category wise sales.....	71
6.6. Distribution Loss for FY 2022-23.....	73
6.7. Energy Requirement	74
6.8. P&ED's Own Generation.....	74
6.9. Purchase of Energy from various Stations:	76
6.10. Energy Balance.....	78
6.11. Fuel Cost.....	80
6.12. Cost of Generation.....	81
6.13. Power Purchase Cost	81
6.14. Inter-state Transmission Charges for 2022-23 by P&ED.....	85
6.15. Intra-state Transmission Charges.....	86
6.16. O & M Expenses	86
6.17. Depreciation.....	88
6.18. Interest & Finance Charges.....	89
6.19. Interest on Working Capital	90
6.20. Interest on Consumer Security Deposit	91
6.21. Provision for Bad Debts	91
6.22. Contributions to Contingency Reserve fund	91
6.23. Return on Equity	92
6.24. Non-tariff Income	92
6.25. Revenue from existing tariffs	93
6.26. Review of FY2022-23 ARR filings.....	94
6.27. Govt. Subsidy amount for FY 2022-23.....	95
7. Analysis of ARR for FY 2023-24 and its Approval	96
7.1. Background	96
7.2. Number of consumers and Connected Load.....	98
7.3. Connected Load	98
7.4. Category wise sales Forecast.....	99
7.5. Distribution Loss	101
7.6. Energy Balance & Sources of Power Purchase.....	102
7.6.1. Details of Power Procurement Sources – FY 2023-24 to FY 2027-28.....	103
7.6.2. Power Purchase	104
7.6.3. Energy draws from all CGS stations and other external sources:	106
7.7. Energy Balance:.....	110
7.8. Aggregate Revenue Requirement	111
7.8.1. Cost of Fuel.....	111
7.8.2. Cost of Generation.....	112
7.8.3. Cost of Power Purchase	112
7.8.4. Inter-State Transmission Charges	118
7.8.5. Intra-State Transmission Charges.....	119
7.8.6. O&M Expenses	119
7.8.7. Capital Investment.....	123

7.8.8. Gross Fixed Assets & Depreciation.....	123
7.8.8.1. Gross Fixed Assets	124
7.8.8.2. Depreciation	125
7.8.9. Interest and Finance Charges	127
7.8.10. Interest on Working Capital	129
7.8.11. Contributions to Contingency Reserve Fund	131
7.8.12. Bad Debts	133
7.8.13. Return on Equity	133
7.8.14. Non-Tariff Income	134
7.8.15. Efficiency Gains expected from Performance improvement by Licensee	134
7.9. Aggregate Revenue Requirement	135
7.10. Revenue from existing Tariff for MYT period	136
7.11. Revenue Gap for FY 2023-24	137
7.12. Additional Revenue at Proposed Tariff.....	140
7.13. Recovery of Revenue Gap for FY 2023-24.....	143
7.14. Government Tariff Subsidy/Support.....	144
8. Tariff Principles and Design	147
8.1. Background	147
8.1.1. Section 8.3 of Tariff Policy lays down the following principles for tariff design:	148
8.2. Tariff Proposed by P&ED and Approved by the Commission.....	149
8.2.1. Tariff Categories.....	149
8.2.2. Existing & Proposed Tariff	150
8.2.3. Tariffs Approved by the Commission	151
9. Wheeling Charges.....	155
9.1. Background	155
9.2. Wheeling Tariff	157
10. Fuel and Power Purchase Cost Adjustment.....	160
10.1. Background	160
11. Transmission function Aggregate Revenue Requirement for 3rd MYT period FY2023-24 to FY2027-28	166
11.1. Introduction & Basis of MYT filing	166
11.2. OVERALL APPROACH FOR PRESENT FILING	168
11.3. Capacity allocation and Energy Requirement.....	170
11.4. Transmission Loss	172
11.5. Capital Expenditure & Capitalization	173
11.6. Aggregate Revenue Requirement	174
11.7. Return on Equity	174
11.8. Interest and Finance charges.....	175
11.9. Gross Fixed Assets and Depreciation	176
11.9.1. Gross Fixed Assets.....	176
11.9.2. Depreciation.....	177
11.10. Operation and Maintenance expenses	179
11.10.1. Employee Expenses	180
11.10.2. Administration and General Expenses.....	181
11.11. Repairs and Maintenance expenses.....	182
11.12. Interest on Working Capital	183
11.13. Contribution to Contingency Reserve Fund	185
11.14. Non- Tariff Income	186
11.15. Aggregate Revenue Requirement	187
11.16. Transmission Charges per Unit.....	188
12. ARR of Generation Function for MYT period from FY 2023-24 to FY2027-28.....	190