



# ASSAM POWER DISTRIBUTION COMPANY LIMITED

## NOTICE

Assam Power Distribution Company Limited (APDCL) submitted the following Petitions before the Hon'ble Assam Electricity Regulatory Commission (AERC) in adherence to the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2018 & 2021 vis-à-vis provisions of the Electricity Act, 2003 for approval:

1. True Up for FY 2020-21	2. Annual Performance Review (APR) for FY 2021-22
3. Capital Investment Plan for the MYT Control Period FY 2022-25	4. MYT Petition for FY 2022-25
5. Aggregate Revenue Requirement and Determination of Tariff for FY 2022-23	

All the petitions are collectively admitted and registered as **Petition No. 12 of 2021**.

Hon'ble Commission has admitted the aforesaid Petitions collectively registered as **Petition No. 12 of 2021** with directive to APDCL for publishing this Notice giving the salient features of the Petitions under Section 64(2) of the Electricity Act, 2003.

### Detail facts of the cases:

#### **1. True Up FY 2020-21:**

Revenue gap in the true-up for FY 2020-21 works out to **Rs. 973.49** Crore as depicted below:

Sl. No.	Particulars	Amount in Rs. Crore			
		Approved (a)	Actual (b)	Claim (c)	Deviation (d=c-a)
1	Cost of power purchase	5199.13	5807.24	5807.24	608.11
2	Operation & Maintenance Expenses	<b>1005.73</b>	<b>879.35</b>	<b>1002.37</b>	<b>-3.36</b>
2.1	Employee Cost	779.26	626.26	771.83	-7.43
2.2	Repair & Maintenance	171.98	214.07	184.05	12.07
2.3	Administrative & General Expenses	54.49	39.02	46.49	-8.00
3	Depreciation	24.22	84.60	47.69	23.47
4	Interest and Finance Charge	37.24	125.08	81.51	44.27
5	Interest on Working Capital		6.04	0.00	0.00
6	Other Debits incl. Provision for Bad Debt	15.52	16.60	16.60	1.08
7	Interest on Consumer security deposit	33.84	72.33	30.17	-3.67
8	Exceptional Items, if any		-269.80	61.81	61.81
<b>9</b>	<b>Sub total (1+2+(3 to 8))</b>	<b>6315.68</b>	<b>6721.43</b>	<b>7047.40</b>	<b>731.72</b>
10	Return on Equity	26.04		48.69	22.65
11	<b>Total Expenditure (9 to 10)</b>	<b>6341.72</b>	<b>6721.43</b>	<b>7096.09</b>	<b>754.37</b>
12	Less Non Tariff Income	297.36	388.29	388.29	90.93

Sl. No.	Particulars	Amount in Rs. Crore			
		Approved (a)	Actual (b)	Claim (c)	Deviation (d=c-a)
13	Sharing of efficiency gain/(losses)				
	a) Reduction in Power Purchase cost due to incremental losses			-106.22	-106.22
	b) Sharing of gains/(losses) on account of O&M expenses			-29.77	-29.77
<b>14</b>	<b>Aggregate Revenue Requirements (11-12+13)</b>	<b>6044.36</b>	<b>6333.14</b>	<b>6571.81</b>	<b>527.45</b>
15	Revenue with approved Tariff (including Targeted Subsidy)	5750.90	5373.72	5373.72	-377.18
16	Other Income (Consumer Related)	516.93	476.41	476.41	-40.52
17	Total Revenue Before Other Subsidy (15+16)	<b>6267.83</b>	<b>5850.13</b>	<b>5850.13</b>	<b>-417.70</b>
18	Other subsidy/Revenue Grant				
	a. Tariff subsidy on Power purchase	400.00	300.00	300.00	-100.00
	b. UDAY OFR		60.07		0.00
	c. Loss in perpetuity for COVID		71.67	71.67	71.67
	d. Waiver of Fixed charge for C&I consumers		33.33		0.00
<b>19</b>	<b>Total Revenue after subsidy</b>	<b>6667.83</b>	<b>6315.20</b>	<b>6221.79</b>	<b>-446.04</b>
<b>20</b>	<b>Surplus(+)/Shortfall(-) Standalone FY 20-21</b>	<b>623.47</b>	<b>-17.95</b>	<b>-350.02</b>	<b>-973.49</b>
	<b>True up adjustment</b>				
<b>21</b>	Differential Revenue Gap/(Surplus) from True up for FY 2018-19	<b>499.73</b>		<b>499.73</b>	<b>0.00</b>
	Net Carrying Cost	<b>123.74</b>		<b>123.74</b>	<b>0.00</b>
	<b>Sub-total (21): True Up adjustment</b>	<b>623.47</b>	<b>0.00</b>	<b>623.47</b>	<b>0.00</b>
<b>22</b>	<b>Gross Surplus(+)/Shortfall(-)</b>	<b>0.00</b>	<b>-17.95</b>	<b>-973.49</b>	<b>-973.49</b>

## 2. APR FY 2021-22:

Revenue gap in the APR of FY 2021-22 works to **Rs. 645.57** Crore as depicted below:

Sl. No.	Particulars	Approved (a)	Actual (b)	Deviation (c=b-a)
1	Cost of power purchase	5444.21	5808.66	364.45
2	Operation & Maintenance Expenses	<b>1069.76</b>	<b>1118.40</b>	<b>48.64</b>
2.1	Employee Cost	813.58	818.13	4.55
2.2	Repair & Maintenance	210.62	246.02	35.40
2.3	Administrative & General Expenses	45.56	54.25	8.69
3	Depreciation	16.65	33.52	16.87
4	Interest and Finance Charge	24.31	88.65	64.34
5	Interest on Working Capital	5.11	0.00	-5.11
6	Other Debits incl. Provision for Bad Debt	22.10	22.10	0.00
7	Interest on Consumer security deposit	38.06	30.17	-7.89
8	Exceptional Items, if any			0.00
<b>9</b>	<b>Sub total (1+2+(3 to 8))</b>	<b>6620.20</b>	<b>7101.51</b>	<b>481.31</b>
10	Return on Equity	75.91	381.53	305.62

Sl. No.	Particulars	Approved	Actual	Deviation
		(a)	(b)	(c=b-a)
11	<b>Total Expenditure (9 to 10)</b>	<b>6696.11</b>	<b>7483.04</b>	<b>786.93</b>
12	Less Non Tariff Income	395.62	398.04	2.42
13	Sharing of efficiency gain/(losses)			
<b>14</b>	<b>Aggregate Revenue Requirements (11-12+13)</b>	<b>6300.49</b>	<b>7085.00</b>	<b>784.51</b>
15	Revenue with approved Tariff (including Targeted Subsidy)	5668.98	5927.63	258.65
16	Other Income (Consumer Related)	356.82	274.11	-82.71
17	Total Revenue Before Other Subsidy (15+16)	<b>6025.80</b>	<b>6201.74</b>	<b>175.94</b>
18	Other subsidy/Revenue Grant			
	a. Tariff subsidy on Power purchase	400.00	363.00	-37.00
<b>19</b>	<b>Total Revenue after subsidy</b>	<b>6425.80</b>	<b>6564.74</b>	<b>138.94</b>
<b>20</b>	<b>Surplus(+)/Shortfall(-) Standalone FY 21-22</b>	<b>125.31</b>	<b>-520.26</b>	<b>-645.57</b>
	<b>True up adjustment</b>			
<b>21</b>	Differential Revenue Gap/(Surplus) from True up for FY 2019-20	<b>87.03</b>	87.03	<b>0.00</b>
	Net Carrying Cost	<b>38.28</b>	38.28	<b>0.00</b>
	<b>Sub-total (21): True Up adjustment</b>	<b>125.31</b>	<b>125.31</b>	<b>0.00</b>
<b>22</b>	<b>Gross Surplus(+)/Shortfall(-)</b>	<b>0.00</b>	<b>-645.57</b>	<b>-645.57</b>

**3. Summary of Capital Investment Plan for the MYT period from FY 2022-23 to FY 2024-25:**

Name of the Project/Scheme	Amount in Rs. Crore		
	FY 2022-23	FY 2023-24	FY 2024-25
State Owned Priority Development	503.97	503.97	503.97
Revamped Distribution Sector Scheme	1,255.69	2,737.83	456.31
SAUBHAGYA-2	1,202.03	-	
Distribution System Enhancement and Loss Reduction	892.75	892.75	1,190.33
<b>TOTAL</b>	<b>3,854.44</b>	<b>4,134.56</b>	<b>2,150.61</b>

**4. Annual Revenue Requirement for MYT period from FY 2022-23 to FY 2024-25 is as shown below:**

Sl. No.	Particulars	Amount in Rs. Crore		
		FY 2022-23	FY 2023-24	FY 2024-25
1	Cost of power purchase	6162.74	6860.29	7224.20
2	Operation & Maintenance Expenses	<b>1291.87</b>	<b>1436.11</b>	<b>1628.02</b>
2.1	Employee Cost	875.48	933.10	994.51
2.2	Repair & Maintenance	340.41	441.14	567.60
2.3	Administrative & General Expenses	75.98	61.86	65.91
3	Depreciation	128.17	160.03	186.93
4	Interest and Finance Charge	81.32	74.86	65.41

Sl. No.	Particulars	Amount in Rs. Crore		
		FY 2022-23	FY 2023-24	FY 2024-25
5	Interest on Working Capital	13.49	15.55	25.01
6	Other Debits incl. Provision for Bad Debt	16.60	8.30	0.00
7	Interest on Consumer security deposit	30.17	30.17	30.17
8	Exceptional Items, if any			
9	Return on Equity	399.58	550.86	663.06
10	Less, Non Tariff Income	402.49	390.76	382.26
11	Less, Other Income	185.18	445.03	381.53
12	<b>Aggregate revenue requirement</b>	<b>7536.29</b>	<b>8300.39</b>	<b>9059.01</b>

**5. The cumulative revenue gap up to FY 2022-23 is depicted herein under:**

Particulars	Rate of Interest	Amount (Rs. Crores)
Revenue Gap after true-up for FY 2020-21		<b>973.49</b>
Carrying/(Holding) cost for FY 2020-21 (half Year)	10.00%	48.67
Carrying/(Holding) cost for FY 2021-22 (full Year)	10.00%	97.35
Carrying/(Holding) cost for FY 2022-23 (half Year)	10.00%	48.67
<b>Total carrying cost</b>		<b>194.70</b>
<b>Total Revenue Gap for FY 2020-21</b>		<b>1168.19</b>
Revenue Gap after APR of FY 2021-22		<b>645.57</b>
Carrying/(Holding) cost for FY 2021-22 (half Year)	10.00%	32.28
Carrying/(Holding) cost for FY 2022-23 (half Year)	10.00%	32.28
Total carrying cost		<b>64.56</b>
<b>Total Revenue Gap for FY 2021-22</b>		<b>710.13</b>
<b>Revenue Gap for FY 2022-23</b>		<b>1157.53</b>
<b>Cumulative Revenue Gap for FY 2022-23</b>		<b>3035.84</b>

6. As such, Aggregate Revenue Requirement (ARR) for FY 2022-23 works out to Rs. 9414.60 Crore as under:

Particulars	Amount (Rs. Crore)
A. Standalone Aggregate Revenue Requirement for FY 2022-23	<b>7536.29</b>
B. True up for FY 2020-21	
i. Principal amount	973.49
ii. Carrying Cost	194.70
<b>Sub-total (B)::</b>	<b>1168.19</b>
C. APR for FY 2021-22	
i. Principal amount	645.57
ii. Carrying Cost	64.56
<b>Sub-total (C)::</b>	<b>710.13</b>
<b>Grand total (A+B+C)::</b>	<b>9414.60</b>

7. Revenue from existing tariff for FY 2022-23 is assessed at Rs. 6378.76 Crore. The petitioner proposes retail sale of 9,043 MU during FY 2022-23. Thus, average cost of supply to recover entire ARR of Rs. 9414.60 Crore during FY 2022-23 will be Rs. 10.41 per unit against prevailing Approved cost of supply for FY 2021-22 at Rs. 7.55 per unit (without Government subsidy).
8. It is very evident that recovery of entire amount will lead to increase of existing retail tariff by 48% on average over approved cost of supply.
9. It is also an undeniable fact that delayed recovery of dues will have adverse effect to the utility on discharge of its obligations.
10. In this context, it is also to be noted that with the prevailing socio-economic structure, consumer profile of Assam is heavily loaded (more than 93%) with domestic consumers. Such adverse consumer mix has already resulted in significantly higher tariff for a miniscule group of industrial/ commercial consumers. The same is already creating hurdle in the way of industrialization in the state of Assam. As per regulation, being an agile utility APDCL is left with no option but to place claim for the entire amount. However, being sensitive to consumers so as to avoid sudden tariff shock, APDCL is proposing the following recovery of the revenue gap of the licensee.
11. Meanwhile, Govt. of Assam has accorded sanction of Rs. 137 Crore pertaining to left over of power purchase subsidy for FY 2020-21 (Rs. 100 Crore) and FY 2021-22 (Rs. 37 Crore). As the same was not considered in True up petition for FY 2020-21 and APR for FY 2021-22 respectively, the same proposed to be adjusted on the basis of the approval for State Government. It is prayed before Hon'ble Commission to consider the impact of such adjustments in truing up for respective years.
12. Being sensitive to its valued consumers and the global crisis faced by every segment of consumers, amount pertaining to APR for FY 2021-22 with associated carrying cost is not claimed herein. Moreover, only 50% of the RoE component for FY 2022-23 is proposed to be claimed in this instant petition as under:

Particulars	Amount (Rs. Crore)
A. Standalone Aggregate Revenue Requirement for FY 2022-23	<b>7536.29</b>
Less, 50% of RoE	199.79
<b>Net for FY 2022-23</b>	<b>7336.49</b>
B. True up for FY 2020-21	
i. Principal amount	973.49
ii. Carrying Cost	194.70
<b>Sub-total (B)::</b>	<b>1168.19</b>
Less, left over of power purchase subsidy for FY 20-21 and FY 21-22	137.00
<b>Grand total ::</b>	<b>8367.68</b>

13. The amounts are estimated without considering any Government support for the year as is factorized during FY 2020-21 and FY 2021-22. Support from Govt. of Assam at a subsequent date may be considered by Hon'ble Commission at its discretion like previous years.

14. Recovery of the reduced amount of Rs. 8367.68 Crore will provide relief by around 17% over the gross claim amount.
15. In this regard, it is to be mentioned here that there is continuous decline in energy charge component of retail tariff of all categories since FY 2018-19 ranging from 5 paisa to 50 paisa per unit as under:

**Range of reduction**

FY 18-19	10 paisa to 50 paisa
FY 19-20	5 paisa to 40 paisa
FY 20-21	15 paisa to 40 paisa
FY 21-22	15 paisa to 20 paisa

16. It is also to be mentioned that considering the observations by Hon'ble Commission in its previous Tariff Orders, APDCL has not made any claim on various items viz. interest on GPF, NPS, and interest on actual debt etc. in the petitions to provide tariff relief to consumers to that extent. Claim is preferred only to the extent of unavoidable expenses to ensure reliable service to its valued consumers.
17. APDCL has proposed the retail tariff for different category of consumers as depicted below for FY 2022-23:

Sl. No.	Category/Consumption Slab	Existing Tariff		Inc./Dec in Tariff		Proposed Retail Tariff	
		Fixed Charges	Variable Charges	Fixed Charges	Variable Charges	Fixed Charges	Variable Charges
		Rs per month per connection/kW/kVA/HP	Rs/kWh	Rs per month per connection/kW/kVA/HP	Rs/kWh	Rs. per month per connection/kW/kVA/HP	Rs/kWh
<b>A</b>	<b>LT Category</b>						
1	JEEVAN DHARA (upto 30 kWh per month)	20	4.25	20	1.75	40	6.00
2	DOMESTIC A below 5 kW						
	0 to 120 units per month	50	4.90	25	1.85	75	6.75
	121 to 240 units per month	50	6.15	25	1.75	75	7.90
	Balance units	50	7.15	25	1.25	75	8.40
3	Domestic-B 5 kW and above up to 25 kW	50	6.75	25	1.50	75	8.25
4	Commercial Load above 0.5 kW and up to 25 kW	130	7.20	20	1.00	150	8.20
5	General Purpose Supply						
	A. Non-commercial and Non-domestic users	145	6.15	25	1.50	170	7.65
	B. Government Primary and Secondary / Higher Secondary Schools	70	6.15	25	1.00	95	7.15
6	Public Lighting	120	6.25	25	0.25	145	6.50
7	Agriculture upto 25 kW	45	4.30	25	1.75	70	6.05
8	Small Industries Rural upto 25 kW	50	4.75	10	1.00	60	5.75
9	Small Industries Urban upto 25 KW	60	4.75	15	1.00	75	5.75

Sl. No.	Category/Consumption Slab	Existing Tariff		Inc./Dec in Tariff		Proposed Retail Tariff	
		Fixed Charges	Variable Charges	Fixed Charges	Variable Charges	Fixed Charges	Variable Charges
		Rs per month per connection/ kW/kVA/HP	Rs/kWh	Rs per month per connection/ kW/kVA/HP	Rs/kWh	Rs. per month per connection/ kW/kVA/HP	Rs/kWh
10	LT Electric Vehicles Charging Stations	130	5.10	0	0.00	130	5.10
11	Temporary					0	0.00
	Domestic	85	9.09	15	1.00	100	10.09
	Non-Domestic Non-Agriculture	135	11.19	15	2.00	150	13.19
	Agriculture	45	4.35	5	1.50	50	5.85
<b>B</b>	<b>HT Category</b>						
1	HT Domestic above 25 kW (30 kVA)	50	6.80	35	1.35	85	8.15
2	HT Commercial 25 kW (30 kVA) & above	180	7.10	25	1.65	205	8.75
3	Public Water Works	135	6.05	15	1.50	150	7.55
4	Bulk Supply Govt. Edu Inst above 25 kW (30 kVA)	130	6.45	20	0.75	150	7.20
5	Bulk Supply Others above 25 kW (30 kVA)	180	7.20	50	1.50	230	8.70
6	HT Small Industries above 25 kW (30 kVA) and upto 50 kVA	70	5.45	25	1.25	95	6.70
7	HT Industries-I 50 kVA to 150 kVA	130	5.85	35	1.50	165	7.35
8	HT Industries-II above 150 kVA						
	Option 1	220	6.35	100	2.25	320	8.60
	Option 2	300	5.95	100	1.95	400	7.90
9	Tea, Coffee & Rubber	270	6.35	50	1.50	320	7.85
10	Oil & Coal	300	7.40	35	1.75	335	9.15
11	HT Irrigation Load above 25 kW (30 kVA)	65	5.80	10	0.55	75	6.35
12	HT Temporary	170	8.85	15	3.00	185	11.85
13	HT Electric Crematorium	170	4.15	0	0.00	170	4.15
14	HT Railway Traction	300	5.95	0	0.00	300	5.95
15	Electric Vehicles Charging Station	160	6.60	10	0.40	170	7.00

18. It is to be noted that the proposal is made with increments in both fixed as well as energy charge for almost all category of consumers in such a manner so as not to burden any particular category.

19. With improved power supply position, it is proposed to review the fixed charge component so as to facilitate full fixed cost recovery. As the fixed charge component is very much essential

to ensure reliable supply via-a-vis commercial sustainability of the utility, the proposed increase will only yield in better supply to our valued consumers.

20. All the documents are downloadable from official website [www.apdcl.org](http://www.apdcl.org) (free of cost). The above information is also available on the website of the Commission [www.aerc.gov.in](http://www.aerc.gov.in) in downloadable format (free of cost).

A consolidated handout (**Executive Summary**) on the petitions may be collected free of cost from the office of the undersigned on office days on or after January 1, 2022 between 11:00 AM and 04:00 PM.

The Hon'ble Commission has further directed that any stakeholder who intends to file comments in regard to the aforementioned ARR and Tariff Petitions may do so by filing statement of comments before the Secretary, Assam Electricity Regulatory Commission with copies of relevant documents and evidences in support thereof along with the affidavit as in **Form-2** of Assam Electricity Regulatory Commission (Conduct of Business) Regulations, 2004. Such comments shall be submitted in 5 (Five) copies by registered post or in person, which shall reach **the Secretary, Assam Electricity Regulatory Commission, ASEB Complex, 6th Mile, Dwarandhar, Guwahati-22** positively on or before **January 21, 2022**. A copy of the filing submitted to the Secretary, AERC shall also be made available to the undersigned positively in hard as well soft format (scanned pdf as well as editable word/spreadsheet, as applicable) in the designated email ID [tariffpetitionsapdcl@gmail.com](mailto:tariffpetitionsapdcl@gmail.com) as well as to [aerc\\_ghy@hotmail.com](mailto:aerc_ghy@hotmail.com) and proof of such submission shall be furnished to the Commission.

The Hon'ble Commission may hear the person filing comments at the venue and date as may be determined by the Commission. The date and place will be notified later. Persons filing comments shall also indicate whether they would like to be heard by the Commission in person.

Sd/-  
**General Manager**  
**Tariff Regulatory Cell**  
**Assam Power Distribution Company Limited**  
**5<sup>th</sup> Floor, Bijulee Bhawan**  
**Guwahati – 781001**