

## CHAPTER – 9

### DIRECTIVES OF TARIFF ORDER FOR 2007-08

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#### Directives for APGCL :

- 9.1 The petitioners are directed to file :
- a. **Audited Financial Statements** for FY 2005-06 along with all the relevant annexures, schedules and notes to Accounts.
  - b. **Fixed Assets Registers** incorporating and including Gross Fixed Assets (GFA) at the beginning of the relevant financial year, addition, dispositions / sale proceeds, if any, made during the relevant financial year and the written down value of the assets at the end of the relevant financial year.
  - c. **Government Notification** of the opening balance sheet as on 01.04.05.
- The Commission will take up the issue of approval of ARR for FY 2008-09 and 2009-10 only on the receipt of the above documents. The Commission further directs that the audited balance sheet of FY 2006-07 along with annexures be submitted as soon as it is audited by the Statutory Auditors.
- 9.2 The Commission directs the petitioners to account for eligible amount of capital locked up in **Capital Works In Progress (CWIP)** and its conversion into gross fixed assets in the current financial year 2007-08 within 60 (sixty) days of end of FY 2007-08. The Commission also directs the entities to submit a statement of conversion of CWIP into GFA during 2006-07 within 60 (sixty) days from the date of this order.

#### Directives for AEGCL :

- 9.3 The petitioners are directed to file :
- a. **Audited Financial Statements** for FY 2005-06 along with all the relevant annexures, schedules and notes to Accounts.
  - b. **Fixed Assets Registers** incorporating and including Gross Fixed Assets

(GFA) at the beginning of the relevant financial year, addition, dispositions / sale proceeds, if any, made during the relevant financial year and the written down value of the assets at the end of the relevant financial year.

- c. **Government Notification** of the opening balance sheets as on 01.04.05.

The Commission will take up the issue of approval of ARR for FY 2008-09 and 2009-10 only on the receipt of the above documents. The Commission further directs that the audited balance sheet of FY 2006-07 along with annexures be submitted as soon as it is audited by the Statutory Auditors.

- 9.4 The Commission directs the petitioners to account for eligible amount of capital locked up in **Capital Works In Progress (CWIP)** and its conversion into gross fixed assets in the current financial year 2007-08 within 60 (sixty) days of end of FY 2007-08. The Commission also directs the entities to submit a statement of conversion of CWIP into GFA during 2006-07 within 60 (sixty) days from the date of this order.
- 9.5 As per clause 84.3 of AERC (Terms and Conditions for Determination of Tariff) Regulations, 2006, the norms for O & M expenses shall be fixed on the basis of circuit kilometers of transmission lines, transmission capacity and no. of bays in substations. Due to non-availability of required data, the O & M budget for AEGCL is set based on the Commission's assessment of estimates submitted by licensee which may not give the true figures. As such the AEGCL is directed to furnish **complete data on circuit kilometers of transmission lines**, transmission capacity and no. of bays in substations within 2 months of issue of Order so that norms for O & M expenses may be fixed by the Commission for FY 2008-09.
- 9.6 No details regarding **ASEB Employees Pension Fund Trust** has been provided to the Commission. The Commission directs that Rules and Regulations of funds including other vital documents and fund management of the trust created for the purpose shall be submitted within two months from the date of issue of this Tariff Order.
- 9.7 As per figures submitted in the tariff petitions and pointed out in Chapter 2 of this Tariff Order, transmission loss is estimated to be 3.79% in FY 2006-07, whereas as per the data submitted by SLDC the transmission loss for FY 2006-07 is found to be 7.26% in Chapter 5. The AEGCL is directed to explain this huge **discrepancy in**

**transmission loss estimation** within one month of issue of this Order.

### **Directives for DISCOMs :**

9.8 The petitioners are directed to file :

- a. **Audited Financial Statements** for FY 2005-06 along with all the relevant annexures, schedules and notes to Accounts.
- b. **Fixed Assets Registers** incorporating and including Gross Fixed Assets (GFA) at the beginning of the relevant financial year, addition, dispositions / sale proceeds, if any, made during the relevant financial year and the written down value of the assets at the end of the relevant financial year.
- c. **Government Notification** of the opening balance sheets as on 01.04.05.

The Commission will take up the issue of approval of ARR for FY 2008-09 and 2009-10 only on the receipt of the above documents. The Commission further directs that the audited balance sheet of FY 2006-07 along with annexures be submitted as soon as it is audited by the Statutory Auditors.

9.9 The Commission directs the petitioners to account for eligible amount of capital locked up in **Capital Works In Progress (CWIP)** and its conversion into gross fixed assets in the current financial year 2007-08 within 60 (sixty) days from the end of FY 2007-08. The Commission also directs the entities to submit a statement of conversion of CWIP into GFA during 2006-07 within 60 (sixty) days from the date of this order.

9.10 The Discoms are directed to refund interest on security deposit and furnish the up to date position of **interest on security deposits** refunded to the consumers as per Regulation.

9.11 The Discoms are directed to submit the details of **Bad Debts** written off in FY 2006-07 within one month of issue of this Order.

9.12 The Discoms are directed to submit a report on different **externally funded schemes** like APDRP, ADB and others incorporating project wise approved costs, percentage of completion in physical and financial terms and the expected date of completion.

- 9.13 In spite of repeated directions in Tariff Order of last three years, it is observed that no comprehensive report on **Energy Audit** has been submitted by any of the Discoms. Discoms are directed to make a comprehensive plan for making energy audit in their respective networks in a standard format and submit a report on energy audit conducted within four months from the date of this Order.
- 9.14 The Commission intended to extend the **benefit of TOD tariff** to other HT category consumers. At present under HT group, Domestic, Commercial, Public Water Works, HT Small Industries and HT Irrigation are not covered under TOD tariff. The Utilities have built up some database and made available to the Commission the pattern of consumption during different periods of day by different categories under TOD tariff. But the volumes of data in sample forms are not sufficient. The Commission directs that the Load Research Cell under Discoms will collect more data of such consumers and submit to the Commission for making a database on TOD consumption. The data submitted by utilities should be both in hard and soft copy forms.
- 9.15 The Commission directs the Load Research Cell of Discoms to collect information regarding use of solar water heating systems in their respective areas and the total amount of rebate allowed and submit reports of the same along with the next tariff petitions. However, no data is made available to the Commission by any of the Discoms. The Commission directs the Discoms to comply the directions given in the Tariff Order for FY 2006-07 in this regard and submit the required information within one month of issue of this Tariff Order.
- 9.16 The Commission is concerned with the **Theft of Electricity**, unauthorized use of electricity, tampering, distress or damage of electrical plant, electric lines or meter. These are some factors which ultimately lead to high T & D Losses. The Commission gives direction to the Discoms to strictly follow the provisions of the Act and the provisions made in the Assam Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations 2004, (First Amendment) 2007, which was notified vide AERC. 184/2005/301 dated 8<sup>th</sup> May, 2007 and published in the Assam Gazette on 13<sup>th</sup> June, 2007. Discoms are directed to furnish one progress report and action taken in this regard by December in each year.

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