ORDER

ON

TRUE UP FOR THE F.Y. 2024-25,33

REVIEW FOR THE F.Y. 2025-26

&

AGGREGATE REVENUE REQUIREMENT

AND

TARIFF FOR THE F.Y. 2026-27

For

Power Department,
Government of Sikkim

June, 2026

Sikkim State Electricity Regulatory Commission
Gangtok, Sikkim

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ABBREVIATIONS

Abbreviation	Description
A&G	Administration & General
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal For Electricity
CAGR	Compounded Annual Growth Rate
CD	Contract Demand
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CoS	Cost of Supply
CPSU	Central Power Sector Undertakings
Crs	Crore
D/E	Debt Equity
E&PDS	Energy & Power Department, Govt. of Sikkim
EHT	Extra High Tension
ER	Eastern Region
FAC	Fuel Adjustment Costs
FDR	Fixed Deposits Receipts
FSTPS	Farakka Super Thermal Power Station
F.Y.	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HT	High Tension
SSERC	Sikkim State Electricity Regulatory Commission
KHSTPS	Kahalgaon Thermal Power Station
KV	Kilovolt
KVA	Kilo volt Amps
kWh	kilo Watt hour
L.T.M.D.	Low Tension Maximum Demand
LNG	Liquefied Natural Gas
LT	Low Tension
LTC	Leave Travel Concession
MU	Million Units
MVA	Million volt Amps
MW	Mega Watt
NHPC	National Hydroelectric Power Corporation Ltd.
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PLR	Prime Lending Rate
PTC	Power Trading Corporation of India Ltd.
R&M	Repairs and Maintenance
RoR	Rate of Return
Rs.	Rupees

₹	Rupees
S/s	Sub Station
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SPV	Special Purpose Vehicle
T&D	Transmission & Distribution
UI	Unscheduled Interchange
WBSEDCL	West Bengal State Electricity Distribution Company Ltd.
MYT	Multi Year Tariff

1. BACKGROUND

Before the
State Electricity Regulatory Commission for the
State of Sikkim, Gangtok

Case No.: P-01/PDS/2026

In the matter of

Petition for True Up for the F.Y. 2024-25, Review for the F.Y. 2025-26 and Aggregate Revenue Requirement (ARR) and Tariff proposals for F.Y. 2026-27 filed by the Power Department, Government of Sikkim, herein after referred to as 'PDS'--Petitioner.

Coram

Shri Tempo Gyatso Bhutia, Member (Law)

ORDER

Date of Order: 30th June, 2026

1.1 Introduction

This order relates to the Petition filed by the Power Department, Government of Sikkim (PDS), for True-Up for F.Y.2024-25, Review for F.Y. 2025-26, Aggregate Revenue Requirement (ARR) and Tariff proposals for F.Y. 2026-27 in terms of Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020 and subsequent amendments thereof.

Sikkim State Electricity Regulatory Commission

Sikkim State Electricity Regulatory Commission (hereinafter referred to as the ('Commission') was established as a single Member Commission by the Government of

Sikkim vide Sikkim Government Extraordinary Gazette Notification No. 28/P/GEN/97/524 dated 15.11.2003 dated 15th November, 2003. However, the Commission started functioning only from April 2011 after the first Chairperson was appointed.

Keeping in view the judgment dated 12th April 2018 of the Hon'ble Supreme Cour of India in Civil Appeal No. 14697 of 2015 in the matter of "State of Gujarat Vs Utility Users Welfare Association and Others" for mandatorily having a Member (Law) in the State Electricity Regulatory Commissions, the Government of Sikkim vide Sikkim Government Extraordinary Gazette Notification No. 452 dated 15th November 2025 has reconstituted the Commission as a 2 (two) Member Commission comprising of the Chairperson and Member (Law).

The functions of the State Commission are specified under Section 86 of the Electricity Act, 2003. These functions include determination of tariff for generation, transmission, distribution and wheeling of electricity (wholesale, bulk or retail) as the case may be within the State. Further, Section 62 (1) of the Act empowers the State Commission to determine tariffs, both in accordance with the provisions of the Act and under the Regulations framed by the State Regulatory Commission, for supply of electricity by a generating company to a distribution licensee, for transmission of electricity, for wheeling of electricity and retail sale of electricity within the State.

In the discharge of its functions, the Commission is guided by National Electricity Plan, the National Tariff Policy and other Acts/Policies and guidelines issued by the Government of India and the State Government from time to time.

1.3 Power Department, Government of Sikkim

Power Department, Government of Sikkim (PDS) is a State Government Department and is engaged in Distribution, Transmission and Generation & Retail Supply of Electricity in the State of Sikkim. PDS is the sole Distribution Licensee in the State and is a Deemed Distribution as per the provisions of the Electricity Act, 2003.

1.4 Multi Year Tariff Regulations

Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020 was notified by the Commission on 9th September

2020. The said regulations specified the period from F.Y. 2021-22 to F.Y.2023-24 as the 2nd Three-Year Control Period for Multi Year Tariff Regime.

The Commission vide Notification No. 14/SSERC/MYT/AMDT/2015/01 dated 26/04/2023 specified the period from F.Y. 2024-25 to F.Y. 2026-27 as the 3rd 3-year Control Period for Multi Year Tariff and directed the PDS to file its petition for approval of Aggregate Revenue Requirement (ARR) and Tariff in line with Sikkim State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020.

Therefore, the present petition of the PDS for True Up, Review and approval of ARR and Tariff for F.Y 2026-27 dealt in this Order falls within the 3rd Three-Year Control Period specified by the Commission.

1.5 Filing of Petition By PDS

As required by Section 61, 62 and 65 of the Electricity Act, 2003 and SSERC (Terms and Conditions of Tariff Determination for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020 and Notification No. 14/SSERC/MYT/AMDT/2015/01 dated 26/04/2023, the PDS had filed the Petition for True Up for the F.Y. 2024-25, Review for the F.Y. 2025-26 including petition for approval of the ARR and Tariff proposal for F.Y. 2026-27 before the Commission on 28th November 2025 via letter No. 05/PD/REV/Nodal/2014-15 (Part-II)/743.

Although the petition was filed by the PDS within the specified timeline (by 30th November as per the Regulations). However, the Commission could not admit the Petition as the post of Chairperson SSERC was vacant w.e.f 23rd October 2025 due to completion of term of the then Chairperson Shri K.B. Kunwar.

As per the provisions of the Electricity Act, 2003 and the SSERC (Conduct of Business) Regulations, 2012,

i. The Petitioner shall file/submit additional data/information and documents as and when sought by the Commission.

ii. The Petitioner shall provide clarifications/justifications and details of calculations/estimates/projections made/adopted by it for arriving at the figures presented in the petition.

iii. The Petitioner shall issue a 'public notice' with details of the ARR and Tariff proposals seeking views, comments, suggestions and objections from the public and other stake holders.

iv. The Commission shall hold hearing on the Petition of the PDS to obtain the views, suggestions and comments of the public and other stake holders.

The Commission could not proceed with the public hearing and other statutory process due to vacancy in the post of the Chairperson. The Member (Law) was appointed by the State Government vide Notification No33/Home/2026 dated 02.04.2026 and accordingly the Member (Law) assumed charge of his office w.e.f 15th April 2026. Admission of the petition and other statutory procedures could start only after assumption of office by the Member (Law).

The Petition was admitted as Case No. P-01/PDS/2026 by the Commission on 16th April 2026 after the assumption of office by the Member (Law).

1.5.1 FILING OF REVISED PEIITON BY PDS

PDS vide its application dated 2nd June 2026 filed a revised petition before the Commission. The submission and prayers made by the PDS in the revised petition for consideration by the Commission are as under:

I. Submissions:

a. PDS had filed its original ARR and tariff petition on 28th November 2025 based on financial, operational and power purchase data available upto September 2026.

b. After filing of the original petition on 28th November 2025, there has been substantial increase in power purchase cost, including escalation in fuel relate charges and levy of ash handling charges by NTPC India Limited, resulting in significant increase in the ARR and consequential revenue gap.

c. Nearly six months have elapsed since filing of the original petition, during which there has been substantial increase in power purchase cost, constituting a major uncontrollable component of the ARR. The increase in the cost of the uncontrollable component could not have been reasonably anticipated at the time of filing of the original petition and therefore necessitating revision of ARR and tariff proposals.

d. Revision of proposed tariff has become necessary to bridge the resultant gap and enable recovery of prudently incurred expenditures.

e. If the ARR and tariff revision are not done, the financial viability and operational sustainability of the Department would be adversely affected, thereby impacting its statutory obligations to ensure reliable and uninterrupted supply of electricity throughout the State.

II. Prayers:

a. Admit consider and approve the True Up for Fy 2024-25 and Review for Fy 2025-26 as per the original petition.

b. Permit withdrawal of the ARR and tariff proposals for FY 2026-27 submitted in the original petition filed on 28th November 2025 and substitute the same with the revised/fresh ARR/Tariff proposals submitted through the revised petition dated 2nd June 2026.

c. Consider and approve the revised ARR duly considering the increase in power purchase cost, transmission charges, scheduling and system operation charges, ash handling charges and other uncontrollable expenditure.

d. Approve suitable revision of tariff and other applicable charges for FY 2026-27 so as to enable recovery of the legitimate revenue requirements and liquidation of the resultant revenue gap.

e. Allow pass-through of additional power purchase cost and other uncontrollable expenses in accordance with the provisions of the Electricity Act, 2003 and applicable regulations.

f. Pass such order or orders as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

III. Admission/Acceptance of Revised Petition by the Commission

The Commission after detailed scrutiny of the revised petition and the submissions made by the PDS deemed it fit, reasonable and within the permissible limits of the law to admit and accept the revised petition filed by the PDS. The decision to admit/accept the revised petition was taken in view of the following legitimate reasons:

i. PDS had filed the original petition on 28th November 2025 for approval of True up for F.Y. 2024-25, Review for F.Y. 2025-26 and ARR & Tariff proposals for F.Y. 2026-27. Due to vacancy in the post of the Chairperson w.e.f 23rd October 2025 (completion of term of incumbent Chairperson), the functions of SSERC remained suspended from 23rd October 2026. Therefore, the Commission had to keep all cases/petitions in abeyance till assumption of Office by the Chairperson. This resulted in delay in admission of the petition dated 28th November 2026 filed by the PDS and further action on the petition by the Commission.

ii. Due to vacancy in the post of the Chairperson, the timeline of 120 days for disposal of petition by the Commission from the date of receipt of application/petition as provided under section 64(3) of the Electricity Act, 2003, could not be complied with by the Commission.

iii. The Member (Law) was appointed by the State Government and he assumed his office on 15th April 2025. Considering the need for expediting the timely disposal of the matter i.e. the Original Petition dated 28th November 2026, the Commission deemed it fit to admit the petition on 16th April 2026 and proceeded ahead with the statutory procedures of directing the PDS for publishing the ARR/Tariff proposals in newspapers and seeking objections/comments of consumers/stake holders , holding of public hearing and convening meeting of the State Advisory Committee.

iv. The statutory/regulatory procedures as mandated by the Electricity Act, 2003, were completed and SSERC was on verge of finalizing the order and disposal of the original petition of the PDS. In the meantime, an application from the PDS was filed before the Commission on 2nd June 2026, requesting withdrawal of the original petition relating to ARR/ Tariff proposals for F.Y. 2026-27 and substituting the same by the fresh/revised petition dated 2nd June 2026.

vi. Upon detailed scrutiny and prudence checks of the revised petition, the following facts and circumstances came to light:

a**. NTPC Limited has raised the following invoices to the PDS as Ash Handling Charges:**

i. Invoice dated: 17.05.2026 for the period 01.4.2024 to 31.03.2026 for ₹ 24,70, 91, 542.00

ii. Invoice dated: 11.06.2026 for the period 01.4.2025 to 01.4.2026 for ₹ 5,31,86,956.00

iii. Total invoice raised for the period 01.4.2024 to 31.04.2026 (falling in the F.Y. 2024-25, 2025-26 and FY 2026-27 partially) was ₹ 30.03 crores.

iv. The invoices have been raised by NTPC Ltd only from the month of May 2026 and therefore, the cost of the Ash Handling charges was not considered by the PDS in the original petition nor could have been included in the petition for the earlier F.Ys viz F.Y. 2024-25 and FY 2025-26.

v. The mandatory framework requiring Distribution Licensees like the PDS to pay or absorb Ash Handling and Transportation Charges is established through the regulatory structure provided by the Government of India and categorized as "Change in Law" guidelines. The foundation being the Ministry of Environment, Forests and Climate Change Notification No. S.O. 5481 (E) dated 31st December 2021 and subsequently amended on 30th December 2022 and 1st January 2024. The Ministry of Power, Government of India through its various Office Memorandums issued guidelines in February 2022 and revised guidelines during 2024 and 2026 whereby thermal power plants were allowed to charge for 'ash handling/transportation cost' on distribution licensees based on the Power Purchase Agreements. The thermal power plants were allowed to bill to the Distribution Licensee on monthly basis.

vi. The Ash handling charges as claimed by the PDS are found to be legitimate, reasonable and in line with the standing rules/regulations and law.

vii. The PDS, in their revised ARR/Tariff proposals dated 2nd June 2026, has increased the Projected Repair & Maintenance Cost to ₹ 7.89 Crore from ₹ 5.60 crores and added the additional costs of Ash handling charges (actual plus projected for remaining months of F.Y. 2026-27) of ₹ 40.00 crores in the revised petition. Consequently, the projected ARR for FY 2026-27 has been revised to ₹ 764.76 crores against the original projected ARR of ₹ 722.47 crores.

viii. It is observed that the major revision in the projected ARR for F.Y. 2026-27 has come about due to "Ash Handling Charges of ₹ 30.03 crores claimed by NTPC Ltd and projected charges of ₹ 10.00 for the remaining months of F.Y. 2026-27.

ix. The PDS has revised the projected Repair & Maintenance Cost to ₹ 7.89 crore from originally projected cost of ₹ 5.60 crore, which has further hiked the projected ARR and the revenue gap for F.Y 2026-27.

x. The Commission is of the considered view that in line with the standing guidelines, National Tariff Policy Guidelines and the need for allowing recovery of legitimate costs incurred and cost reflective tariffs, it is reasonable and justifiable to permit withdrawal of the original petition relating to ARR/Tariff proposals for F.Y .2026-27 and allow/admit the petition dated 2nd June 2026 for revised ARR/Tariff proposals and take on record the facts and figures submitted in the revised petition.

1.6 Interaction with the Petitioner

The Commission vide letter No. 318/SSERC/2017-18/Part-III/362 dated 13.12.2025 acknowledged receipt of the Petition filed by the PDS and informed that the details of admission of the Petition, case number etc will be intimated in due course of time.

Despite the absence of the Chairperson, it was deemed fit that the scrutiny and prudence check of the Petition be done by SSERC. Accordingly, SSERC forwarded the Petition to the Consultant engaged by the Commission for scrutiny of the Petition. During the scrutiny and prudence check carried out by the SSERC and the Consultant, several data gaps were observed in the Petition.

The Commission vide letter No.318/SSERC/2017-18/Part-III/20 dated 27.01.2026 directed the PDS to submit additional information/clarifications on the figures and projected/estimated figures presented in the Petition. In response to the said letter, the PDS submitted the additional information/clarification vide letter No. 37/CE/NO/REV/PD/2025-26/756 dated 10.02.2026. Thereafter, vide letter No. 37/CE/NO/REV/PD/2025-26/758 dated 13.03.2026, the PDS submitted some additional information for inclusion in the tariff proposed by it for F.Y 2026-27.

The details of communications made by the Commission and the replies/responses received from the Petitioner are as under:

Sl. No	Queries/ Clarifications sought by the Commission		Replies/Responses furnished by the Petitioner	
	Letter no. / E-mail	**Date**	**Letter no. / E-mail**	**Date**
1	318/SSERC/2017-18/Part-III/362	13.12.2025	37/CE/NO/REV/PD/2025-26/756	10.02.2026

2	318/SSERC/2017-18/Part-III/20	28.01.2025	37/CE/NO/REV/PD/2025-26/758	13.03.2026
3	Email	27.01.2026	Email	08.02.2026
			Email	10.02.2026

The Commission also held meeting with the PDS to get further insights into the methodology adopted, projections/estimations made and other aspects of the ARR /Tariff Petition. During the meetings, the representatives of the PDS apprised the Commission about the details of methodology and procedure adopted by it for arriving at the various estimates/projections made in the petition. The PDS also explained and submitted the justifications/reasons for seeking revision in tariff vis-à-vis other charges.

1.7 Public Hearing Process

The Commission vide letter No. 318/SSERC/2017-18/Part-III/60 dated 18.03.2026 directed the PDS to issue a Public Notice on the ARR and the Tariff proposals in two local newspapers seeking comments, views, suggestions and objections of the public and other stake holders on the ARR and Tariff proposal for F.Y 2026-27. The Department was also directed to upload the Petition in the official website and share the details of the Office (s) where public can read/obtain the nard copy of the Petition and other documents.

As per the directives issued by the Commission, the PDS published an abridged form of its ARR and Tariff proposals and issued Public Notices soliciting objections, suggestions, comments and views of the members of the public, consumers and stake holders on the ARR and Tariff proposal.

The details of the Public Notice issued by the PDS are as under:

i. Summit Times (English)-----------------20th , 21st and 22nd March 2026

ii. Himalaya Darpan (Nepali)--------------20th , 21st and 22nd March 2026

As per the Public Notice issued by the PDS, the last date for receiving the comments, objections and suggestions from the public/stake holders by the Secretary of the Commission was fixed as 30th March 2026.

The copies of the ARR and Tariff petition were made available for viewing and information of public, interested persons and stake holders at the following office:

Office of the Chief Engineer (Elect. cum Nodal Officer (Revenue), Power Department, Govt. of Sikkim, Kazi Road, Gangtok, East Sikkim.

The ARR and Tariff petition were also uploaded in the official website of the Power Department **"power.sikkim.gov.in"** in downloadable format for the ease of the public and stake holders.

The Commission vide its letter dated 16th June 2026 informed the PDS that the revised petition filed by the PDS had been accepted/admitted and that fresh public notice be issued on the revised tariff proposals seeking comments, suggestions and objections from consumers and stake holders.

The fresh public notice was issued by the PDS as under:

i. Sikkim Express (English)---------------------18th June 2026

ii. Himalaya Darpan (Nepali)……………….18th June 2026

As per the revised public notice, the last date for receiving the comments, objections and suggestions from the public/stake holders by the Secretary of the Commission was fixed as 22nd June 2026. The PDS further made the copies of the ARR and Tariff available for viewing and information of public, interested persons and stake holders in the **Office of the Chief Engineer (North) cum Nodal Officer (Revenue), Power Department, Govt. of Sikkim, Kazi Road, Gangtok, East Sikkim** and in the official website of the PDS **"power.sikkim.gov.in".**

1.8 Notice For Public Hearing

The Commission deemed it fit to hold 'hearing' on the Petition of the PDS and to obtain the views, comments and objections, if any, from the public and other sate holders. Accordingly, the Commission issued Public Notices in local newspapers giving date, time and venue of the 'Public Hearing' to be conducted by the Commission. The Public Notice was also placed in the official website of the Commission ("www.sserc.org"). The Commission through the Public Notice appealed the public and the stake holders to participate in the Public Hearing and for placing their views/comments/suggestions on the ARR & Tariff proposals. Through the public notice, thee Commission also informed that the prayers/submissions of interested individuals, parties and stake holders shall be heard in person during the hearing.

The details of the Public Notice issued by the Commission for the Hearing are as given here under:

- Sikkim Express (English)--------- 17th April 2026
- Hamro Prajashakti (Nepali)------ 17th April 2026

Considering the revised petition filed by the PDS on 2nd June 2026 and its admission/acceptance by the Commission, the Commission deemed it necessary to obtain the views, suggestions and objections, if any, from consumers and stake holders on the revised ARR/Tariff Petition of the PDS. Accordingly, the Commission decided to hold a 'public hearing' on the revised petition on 24th June 2026. The Commission issued public notice in local newspapers for the hearing to be held on 24.06.2026 as under:

- Sikkim Express (English)----------18th June 2026
- Himalaya Darpan (Nepali)---------18th June 2026

1.9 Public Hearing

Public Hearing on the Petition was conducted by the Commission on 30th April 2026 in the Courtroom of the Commission at Deorali, Gangtok, Sikkim from 10.30 A.M to 2.30 P.M for all categories of consumers. The Hearing was chaired by the Member (Law), SSERC.

A fresh public hearing on the revised Petition dated 2nd June 2026 of the PDS was held on 24th June 2026 in the Courtroom of the Commission from 10.30 AM for all categories of consumers.

The details of the queries, submissions and objections received, response of the PDS to the queries/submissions/objections received from the consumers/stake holders and the comments of the Commission are discussed in Chapter- 4 of this Order.

1.10 State Advisory Committee Meeting

Considering the need for arriving at a balanced decision on the Petition, the Commission deemed it fit to obtain the views/suggestions/comments of the Members of the State Advisory Committee on the Petition particularly the proposal of the PDS for changes in the

Tariff for F.Y 2026-27. Accordingly, a meeting of the Committee was held on 2nd May 2026 at 11.00 AM in the Chamber of the Member (Law).

The Petition for approval of True Up for F.Y 2024-25, Review for F.Y 2025-26 and proposed ARR and Tariff for F.Y.2026-27 were taken up for discussion by the Committee. The views, comments, observations and suggestions of the Committee on each component of the ARR/Tariff petition are given hereunder:

Agenda Item No. 1: Truing up of ARR for F.Y 2024-25

Some of the key observations and comments of the Members are as follows:

- Power Purchase Costs and Employee Costs are the two main components of ARR contributing more than 85 % of the total revenue requirement.
- Significant increase in the power purchase cost is understandable in view of reduction in the free power due to impact of GLOF of 2023 and resultant need for importing power. However, the ever-increasing Employee Cost is one aspect that the Power Department must take serious note, if it intends to bring down the revenue gap.
- In the past years the Committee members had advised the Power Department to explore the possibilities of curtailing the employee cost by deputing the excess manpower to some other Department/Agencies. However, the trend of increasing employee cost has continued and it is necessary that a feasible way to bring down the cost is worked out by the Department.
- The Committee observed that the Gap has come down from the approved amount of ₹ 42.42 crores to ₹ 32.67 crores, subject to further scrutiny by the Commission, which is praiseworthy. The Committee noted that the revenue from sale of power outside the State has come down significantly compared to past years, which is also not good for the Department.
- The Committee members stressed on the need for taking steps for curtailing the employee costs vis-à-vis improving the revenue from sale of power outside the State.

Agenda Item No. 2: Review for F.Y. 2025-26

The pertinent observations and comments offered by the Committee members are as under:

- As in the previous financial years, there seems to be major difference in the "Power Purchase Cost" approved by the Commission and the review amount projected by the Department.
- The members opined that the Department needs to consider all possible scenarios before the projected/estimated figures are submitted to the Commission. The members observed that the estimated power purchase cost submitted in the 'review petition' is

almost double of the cost approved, which indicates lack of proper application of mind of flaws in the methodologies adopted for estimation/projections.

- The members opined that since the figures are projected figures only, significantly variations can be expected in the Truing Up.

Agenda Item No. 3: Projected ARR for F.Y 2026-27 and Tariff Proposed for FY 2026-27

- The members observed that in every ARR, power purchase cost is going up thereby significantly increasing the revenue gap. They opined that since State is receiving 12% free power from hydropower projects, the Department should explore the possibility of drawing the free power for distribution within the State rather than importing costly thermal power.

- The members suggested that a study needs to be consulted by the Power Department to ascertain whether using the free power for meeting power requirement within the State is more beneficial than selling the excess power outside the state.

- The members opined that increasing the tariff on account of 'monthly meter charge' is not justifiable. They added that initially the consumers were informed that the meter is free of cost and were being installed with the funds provided by the Central Government but at this stage the Department intends to realise the cost of meters from the consumers, which is neither reasonable nor justifiable.

- The members observed that the proposed increase in tariff will put additional burden not only on the domestic consumers but also commercial and other category consumers. They opined that the proposed merger of LTIs-Rural and Urban into a single consumer category will seriously impact the livelihood of the local entrepreneurs running hotels and other small businesses. The suggested that a detailed analysis needs to be done to ascertain the impact of 'merger of LTIS consumer category into one' and resultant increase in revenue of the Department. The members opined that such exercise will help get a clear whether hike in tariff is necessary or not.

- The members opined that excessive increase in tariff will have negative impact on the tourism sector and affect employment opportunities for locals if the hotels/industrial units operating in the State closes due to high operating costs.

- The members opined that the State Government must have availed loan for installing smart meters and therefore provisions for paying the meter cost by the Department should have been incorporated in the loan agreements rather than taxing the consumers at this stage.

- The members noted that the 'per meter per month' charge proposed by the Department varies from ₹ 0.30 per unit to ₹ 0.46 per unit for domestic and other consumers respectively and opined that considering the cost of meters, the proposed meter charge on per unit basis appears to be exorbitantly high. The members felt that rather than charging on unit basis, collecting a fixed monthly charge would be more reasonable and logical.

- The members opined that with the proposed hike in tariffs, the tariffs for commercial and industrial category consumers in Sikkim have almost equalled the tariffs in other 'power deficient' states and therefore could severely impact the survival of the commercial/industrial entities in the State. They feared that the commercial and industrial consumers might opt for buying power from 'open access' sources, which will seriously impact the 'consumer base' of the Power Department.

2. SUMMARY OF AGGREGATE REVENUE REQUIREMENT FOR F.Y. 2026-27

2.1 Aggregate Revenue Requirement (ARR) as per Original Petition dated 28th November 2025

The Petitioner has submitted the Aggregate Revenue Requirement for the F.Y. 2026-27 for meeting its expenses and estimated the revenue with the existing tariff and the True Up for F.Y. 2024-25 and Review for F.Y. 2025-26. The True Up of ARR for F.Y. 2024-25, Review for F.Y. 2025-26 and the projected ARR and Revenue gaps for F.Y. 2026-27 are shown in the table below:

Table 2.1: Aggregate Revenue Requirement Projected by PDS

(Rs. in Crore)

Sl. No.	Particulars	F.Y. 2024-25 (Actual)	F.Y. 2025-26 (Estimated)	F.Y. 2026-27 (Projected)
1	Cost of Fuel	0.00	0.00	0.00
2	Cost of Generation	0.00	0.00	0.00
3	Cost of Power Purchase	295.34	309.19	329.43
4	Intra State Transmission Charge	37.02	39.33	40.50
5	ERLDC Fees & Other	0.91	1.34	1.39
6	Employee Costs	227.97	278.18	285.58
7	Repair and Maintenance Expense	11.65	5.04	5.60
8	Administration and General Expenses	4.71	1.54	2.82
9	Depreciation	36.23	57.50	55.15
10	Interest Charges	0.00	0.00	0.00
11	Interest on Working Capital	0.00	0.00	0.00
12	Return on equity	0.00	0.00	0.00
13	Previous Year Expenses of Power Cost	1.01	2.00	2.00
14	**Total Revenue Requirement**	**614.84**	**694.12**	**722.47**
15	Less: Non-Tariff Income	128.25	139.00	12.82
16	**Net Revenue Requirement**	**486.59**	**555.12**	**709.65**
17	Revenue from Tariff	360.38	377.61	439.88
18	Revenue from Outside State Sales	93.54	130.00	140.00
19	Total Revenue (17+18)	**453.92**	**507.61**	**579.88**
20	**Gap (19-16)**	**32.67**	**47.52**	**129.77**

2.2.1 Aggregate Revenue Requirement (ARR) for FY 2026-27 as per Revised Petition dated 2nd June 2026.

Sl No.	Particulars	2026-27 Projected (₹ Crore)
1	Cost of Fuel	0.00
1	Cost of Generation (Fuel)	0.00
2	Cost of Power Purchase	329.43
3	Intra State Transmission Charges	40.50
4	POC/Non POC, ERLDC & Other Charges	1.39
5	Ash Handling Charges	40.00
6	Employee Costs	285.58
7	Repairs & Maintenance Expenses	7.89
8	Administration and General Expenses	2.82
9	Depreciation	55.15
10	Interest Charges	0.00
11	Interest on Working Capital	0.00
12	Previous Year Expenses of Power Cost	2.00
13	**Total Revenue Requirement**	**764.76**
14	**Less: Non-Tariff Income**	**22.82**
15	**Net Revenue Requirement**	**741.94**
16	Revenue from Tariff	**439.88**
17	Revenue from Outside State Sale	**140.00**
18	**Total Revenue**	**579.88**
19	**Gap /(Surplus)**	**162.06**

2.2 Tariff – Existing vs. Proposed as per Original Petition dated 28th November 2025

In its Petition dated 28th November 2025, PDS has submitted the proposed Tariffs for the F.Y. 2026-27, as detailed in the table below:

Table 2.2: Existing Tariffs v/s Proposed Tariffs for the F.Y. 2026-27

Sl. No.	Particulars	Existing Rate Paisa /kWh	Proposed Rate Paisa /kWh
1	**Domestic**		
a)	Up to 50 units	160	190
b)	51 to 100 units	260	290
c)	101-200 units	360	390
d)	201 to 400 units	410	440
e)	401 & above	460	490
2	**Commercial**		
a)	Up to 50 units	410	455
b)	51 to 100 units	510	555
c)	101 to 200 units	610	655
d)	201 to 400 units	710	755
e)	401 & above	740	785
3	**Public Lighting**		
A	Rural Areas	500	746
B	Urban Areas	600	746
4	Supply to Army Pensioners	Domestic rates are applicable	Domestic rates are applicable
5	Supply to Blind		
6	Supply to place of worship		
7	**Industrial**		
A	HT		
a)	HT (AC) above 3.3 KV		
b)	Up to 100 KVA	690	796
c)	100-250 KVA	690	
d)	250-500 KVA	740	846
e)	500KVA and Above	790	896
B	**LT (Rural)**		
a)	Up to 500 Units	460	Slab Removed
b)	501-1000 Units	540	Slab Removed
c)	1001 & Above	680	Slab Removed
C	**LT(Urban)**		
a)	Up to 500 Units	630	696
b)	501-1000 Units	720	796
c)	1001 & Above	815	896
8	**BULK SUPPLY**		
a)	LT	650	800
b)	HT	650	800

9(1)	**High Tension Supply HTS (Demand Charge)**	**In Rs**	**In Rs**
i)	Upto 250 KVA	250	250
ii)	250 KVA to 500KVA	290	290
iii)	500KVA and above	560	560
9(2)	**Time of Day Tariff (ToD), Applicable only to HT consumers.**	**Rupees/KVAh**	**Rupees/KVAh**
i)	00.00 hrs to 05.00 hrs (5 hours) Off Peak	0.40/KVAh less than Normal Tariff	0.40/KVAh less than Normal Tariff
ii)	05.00 hrs to 8.00 hrs (3 hours) Morning Peak hour		1.00/KVAh more than Normal Tariff
iii)	17.00 hrs to 20.00 PM (3 hours) Evening Peak hour		1.00/KVAh more than Normal Tariff
10	**Annual Surcharge (charge on the arrear outstanding every March end)**		
i)	All category of consumer	10%	5%

2.2.1 Tariff – Existing vs. Proposed as per revised Petition dated 2nd June 2026

Sl. No.	Category of Consumers	Existing Rate Rupees/kWH (FY 2025-26)	Proposed Rate Rupees/kWH (FY 2026-27)
1	**Domestic**		
i)	Up to 50 units	1.60	2.60
ii)	51 to 100 units	2.60	3.60
iii)	101-200 units	3.60	4.60
iv)	201 to 400 units	4.10	5.10
v)	401 & above	4.60	5.60
2	**Commercial**		
i)	Up to 50 units	4.10	5.25
ii)	51 to 100 units	5.10	6.25
iii)	101 to 200 units	6.10	7.25
iv)	201 to 400 units	7.10	8.25
v)	201 & above	7.40	8.55
3	**Bulk supply**		
i)	LT	6.50	8.00
ii)	HT	6.50	
4	**Public lighting**		
a)	Rural Areas	5.00	7.46
b)	Urban Areas	6.00	
5	Supply to Army Pensioners	Domestic rates	Domestic rates are applicable

6	Supply to Blind	are applicable	
7	Supply to place of worship		
8	**Low tension Industrial Supply (LTIS)**	**Rupees/KVAh**	**Rupees/KVAh**
(A)	**Rural Areas**		Category Removed & Renamed LTIS only
i)	Up to 500 units	4.60	Slab Removed
ii)	501 - 1000 units	5.40	Slab Removed
iii)	1001 & above	6.80	Slab Removed
(B)	**Urban Areas**		Category Removed & Renamed LTIS only
i)	Up to 500 units	6.30	6.96
ii)	501 - 1000 units	7.20	7.96
iii)	1001 & above	8.15	8.96
9(1)	**High Tension Supply HTS (Energy Charge)**		
	3.3 kV & Above		
i)	Upto 250 KVA	6.90	7.96
ii)	250 KVA to 500KVA	7.40	8.46
iii)	500KVA and above	7.90	8.96
9 (2)	**High Tension Supply HTS (Demand Charge)**	**In Rs**	**In Rs**
i)	Upto 250 KVA	250.00	250.00
ii)	250 KVA to 500KVA	290.00	290.00
iii)	500KVA and above	560.00	560.00
9 (3)	**Time of Day Tariff (ToD), Applicable only to HT consumers.**	**Rupees/KVAh**	**Rupees/KVAh**
i)	00.00 hrs to 05.00 hrs (5 hours) Off Peak	0.40/KVAh less than Normal Tariff	0.40/KVAh less than Normal Tariff
ii)	05.00 hrs to 8.00 hrs (3 hours) Morning Peak hour	------	1.00/KVAh more than Normal Tariff
iii)	17.00 hrs to 20.00 PM (3 hours) Evening Peak hour	-------	1.00/KVAh more than Normal Tariff
10	**Annual Surcharge (charge on the arrear outstanding every March end)**		
i)	All category of consumer	10%	5%

2.3 Prayers of PDS

The PDS has in its Petition prayed for the following:

- To consider and approve the True-up of expenses for the F.Y. 2024-25.
- To Review the estimates for the F.Y. 2025-26.
- To admit the Petition and approve the ARR and Tariff for the F.Y. 2026-27.
- To approve category-wise tariff, including fixed/demand charges submitted by PDS to meet revenue requirement for the F.Y. 2026-27.

- To approve the suggestions regarding the tariff philosophy.
- Pass such orders as the Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

3. SIKKIM ENERGY SECTOR- STATUS & OUTLOOK

3.1 Introduction

Sikkim, a tiny kingdom tucked in the lap of the Himalayas and was under the reign of the "Chogyals" or Dharma Kings until 1950, when it became a protectorate of India. Sikkim joined India as its 22nd State on 16th May 1973. The total geographical area of the State is 7,096 SqKm and roughly measures 114 KM North to South and around 64 KM East to West. Sikkim has a population of around 7.00 Lakhs; Sikkim is one of the least populated State. Sikkim is bordered by the Tibet Autonomous Region of China to the north and north east, by the Kingdom of Bhutan to the southeast, Nepal to the west and the State of West Bengal to the South.

Despite its small size, Sikkim today tops the list in many sectors amongst small States. Sikkim's per capita income stood approximately ₹ 5.87 Lakhs in 2024, making it the second higher in the country after Goa. Sikkim's overall literacy rate was around 81.42% in 2024. Sikkim also has the distinction of being the first and the only "100% Organic State" State in India and the also the first State to completely ban use of chemical fertilizers, pesticides and insecticides.

Although, Sikkim has small population and a tiny geographical size, it has great political and strategic importance for the country because of its location along several international boundaries. Sikkim is surrounded by mountains and there is very little lowlands and the variation of relief is extreme. Within a stretch of about 80 kilometers, the land rises from 225 m in the Teesta River to about 8600 m at Mt. Kangchen-Dze-Nga (Kangchenjunga). Almost two third of its total area consists of perpetually snow-covered mountains, dominated by Mt. Kangchedzenga, the 3rd highest peak in the world. Sikkim is drained by two main river systems viz Teesta and Rangit. These two rivers cut deep valleys into the mountains thereby descending steeply into the plains of West Bengal. Teesta and Rangit rivers are joined by numerous tributaries during their long journey from the Himalayas to the Great Plains of India.

Sikkim's varied and unique geography makes it one of the most beautiful States in the country with numerous pristine lakes, streams, rivulets, magnificent peaks adorning its landscape. Due to its unique geography, Sikkim is also a bio-diversity hot spot and home to highly endangered species. Some of the rarest flora and fauna are found here. A major chunk of its total area is under forest cover (almost 50%) and thus Sikkim is also one of the greenest States in the country.

Kangchenjunga National Park or "KNP" as popularly known the world over, is a "UNESCO World Heritage Site" the first in India under 'Mixed Category' (Culture and Nature). KNP is a biodiversity hotspot and is home to some of the most endangered flora and fauna. A mix of natural beauty, colorful cultures & traditions, clean environment , friendly locals and the distinction of being the first 100% organic State makes Sikkim an ideal destination for those seeking peace and relaxation.

National Geographic in its survey had chosen Sikkim as one of the **'coolest places to visit in 2024'**. This list comprises of 30 destinations from around the globe and Sikkim is the only Indian destination. The unique initiatives taken by the State Government and its natural beauty makes Sikkim a jewel in the crown of India.

Having joined the Union of India much later compared to others, Sikkim has made significant growth in all sectors. Sikkim's small population could be attributed as one of the main reasons for its rapid growth and development. Sikkim has the 2nd highest per capita income and one of the highest growth rates among the small States. As per the CEA and the 20th Electric Power Survey, the per capita electricity consumptions for Sikkim in 2024-25 was recorded as one of the highest in the country. While the real time data is currently being integrated into the *Growth of Electricity Sector in India (1947-2025)*, the projected figurestood at 2400 to 2410 kWh against the National per capita consumption of 1460 kWh for 2024-25. The peak demand in the State as per CEA was between 160 MW to 171 MW during 2024-25 in 2024.As per the 20th Electric Power Survey, Sikkim's peak demand is growing at a Compounded Annual Growth Rate (CAGR) of roughly 6.4 % to 7%. Some of the key factors leading to increase in peak demand are:

- Dominance of Pharmaceutical Industries- (industries account for 55 % to 60 % energy requirement).
- Tourism Surge and Floating Population
- Rapid Urbanization and Lifestyle Changes
- Government Initiative (Power for all).

The total metered consumers in the State as on 31st March 2025 was around 1,38,874. Out of the said number of consumers, 86.6% were domestic Consumers, 9.8% % were Commercial

Consumers, 1.00% were Industrial Consumers (HT and LT) and 1.55% were Bulk Consumers. Although Industrial Consumers accounted for 1.00% of the total consumers in the State, they accounted for 57.62 % followed by Domestic Consumers at 25% of total consumption within the State during F.Y .2024-25.

Power Department (PDS), a Department of the Government of Sikkim is the only deemed licensee in the State engaged in transmission, distribution and supply of electricity. PDS is a deemed licensee under the provisions of Electricity Act, 2003.The PDS is also a generation utility and owns a few small hydropower projects and diesel generating stations. However, to ease the high O& M cost of its old Powerhouses, the PDS has leased out all its small hydropower projects to private power developer and receives royalty in the form of free power.

The PDS, being a State Government Department functions with budgetary support from the State Government and many of its schemes are funded by the Government of India. Under the Transmission sector, the Department has a small presence.

3.2 Consumer Profile

As on 31st March 2025, the total number of registered consumers stood at 138874 with an annual power consumption of 533.54 MUs. The category-wise consumer profiled is as given in the table below:

Category	No. of consumers 2024-25	Percentage of break up (%)
Domestics	120322	86.64
Commercial	13615	9.80
Industrial Consumers (HT & LT)	1400	1.00
Bulk Supply	2152	1.55
Army Pensioners/Places of Worship/Visually Impaired/Public lighting	1385	0.99
Total	**138874**	

3.3 Hydro Power Project Development

Owing to its unique geographical and relief features, Sikkim is blessed with abundant natural resources, especially hydropower. With the vision to harness this renewable energy source, Sikkim took the conscious decision to develop hydropower to strive towards energy self-sufficiency. Most of the projects out of available potential of around 8000 MW has been developed through Independent Power Developers and NHPC Ltd. So far projects totaling more than 2200 MW installed capacity have been successfully implemented in the State. The total installed capacity of the State stood at 2265 MW in 2025. The development of hydropower projects has not only substantially curtailed State's dependance on import of thermal power and cost of power purchase, but also significantly improved the revenue by way of 'free power' and sale of excess power. The projects commissioned in the State so far are given below:

I. Commissioned Projects:

Sl.No	Name of the Project	Installed Capacity (MW)	Developer
1	**Teesta -III HEP	1200	Sikkim Urja Ltd (A Govt. of Sikkim Undertaking)
2	**Dikchu HEP	96	Sneha Kinetics Power Projects Pvt Ltd
3	Chujachen HEP	110	Gati Infrastructures Pvt Ltd
4	**Teesta –V HEP	510	NHPC Ltd
5	Rangit –III HEP	60	NHPC Ltd
* 6	Tashiding HEP	97	Shiga Energy Pvt Ltd
7	Jorethang Loop HEP	96	DANS Energy Pvt Ltd
* 8	Rongnichu HEP	96	Madhya Bharat Power Corporation Pvt Ltd

*** Projects under reconstruction/repairs due to damages caused by GLOF in 2023.**

In addition to the above, some more projects are under implementation and are as indicated below:

II. Projects under Implementation/to be implemented

Sl.No	Name of the Project	Installed Capacity (MW)	Developer
1	Bhasmey HEP	62	Gati Infrastructure Limited
2	Teesta-VI HEP	500	NHPC Ltd
3	Rangit- IVHEP	120	NHPC Ltd
4	Rangit-II HEP	66	Sikkim Hydropower Ventures Pvt Ltd
5	Panan HEP	300	Himagiri Hydro Energy Pvt Ltd

3.4 Transmission and Distribution Network in the State

Power Department, Government of Sikkim, is the deemed licensee for Distribution and Transmission of electricity within the State and it owns and operates Transmission and Distribution network in the State. The details of the Transmission and Distribution network owned and being operated by the PDS as on 31st March,2024 and 31st March 2025 are as given below:

I. Power Transformers

Sl No	Description (MVA)	Quantity (No) 31.03.2024	Total Capacity (in MVA) 31.03.2024	Quantity (No) 31.03.2025	Total Capacity (in MVA) 31.03.2025
1	2.5 MVA	8	20	11	27.5
2	5 MVA	25	125	24	120
3	6MVA	1	6	1	6
4	7.5 MVA	6	45	6	45
5	10 MVA	12	120	14	140
6	15 MVA	1	15	2	30
7	20 MVA	1	20	1	20
8	50 MVA	2	100	2	100
	Total	56	451	61	488.5

II. Distribution Transformers

Sl No	Description KVA	Quantity (No) 31.03.2024	Total Capacity (in KVA) 31.03.2024	Quantity (N o) 31.03.2025	Total Capacity (In KVA) 31.03.2025
1	3500	2	7000	2	7000
2	3000	2	6000	2	6000
3	2500	8	20000	10	25000
4	2000	4	8000	2	4000
5	1600	5	8000	7	11200
6	1500	8	12000	5	7500
7	1250	4	5000	4	5000
8	1100	1	1100	1	1100
9	1000	3	3000	4	4000
10	800	5	4000	5	4000
11	750	17	12750	18	13500
12	650	1	650	0	0
13	630	4	2520	5	3150
14	615	6	3690	6	3690
15	500	172	86000	178	89000
16	450	0	0	0	0
17	400	11	4400	12	4800
18	375	0	0	0	0
19	350	9	3150	1	350
20	315	46	14490	110	34650
21	300	103	30900	83	24900
22	250	72	18000	73	18250
23	200	157	31400	170	34000
24	160	0	0	14	2240
25	150	35	5250	35	5250
26	125	40	5000	4	500
27	100	490	49000	475	47500
28	75	1	75	1	75
29	63	661	41643	858	54054

30	50	150	7500	6	300
31	25	1025	25625	1227	30675
32	16	1	16	1	16
33	10	314	3140	300	3000
	Total	3373	421859	3619	444700

III. EHT Lines, HT Lines and LT Lines

Sl No	Description	Length As on 31.03.2024	Length As on 31.03.2025
A	EHT Lines	(Ckt.Km)	
1	220KV	10.00	10.00
2	132KV	68.50	68.50
3	66 KV	404.90	411.10
4	33KV		32.50
	Total EHT Lines	483.40	522.10
B	HT Lines		
1	11 KV (Over Head)	3277.82	3355.84
2	11 KV (Underground)	239.44	295.81
	Total Ckt.Km	3517.26	3651.65
C	LT Lines		
1	LT (Over Head)	5092.92	5542.01
2	LT (Underground)	328.14	334.96
3	LT AB cable	48.54	54.74
4	Covered Conductor		130.50
	Total Ckt.Km	5469.60	6062.21

4. BRIEF SUMMARY OF OBJECTIONS RAISED, RESPONSE OF PDS AND COMMENTS OF THE COMMISSION

The details of the "Public Hearing Process" have been already discussed in Chapter 1. The Power Department, Government of Sikkim issued Public Notice in local newspapers soliciting views, comments, suggestions and objections from the consumers, public, organizations, parties and stake holders on the ARR and Tariff proposal for F.Y. 2026-27.

Through the Public Notice, the Department advised that all kinds of objections and suggestions if any, be filed before the Secretary of the Commission latest by **30th March 2026.** The public notice was published by the Department in the following local newspapers:

i. Summit Times (English)-----------------20th , 21st and 22nd March 2026

ii. Himalaya Darpan (Nepali)--------------20th , 21st and 22nd March 2026

The ARR and Tariff Petition were also uploaded in the official website of the Department and copies were made available to the public free of costs at designated offices of the Department. The Commission also uploaded the ARR and Tariff Petition in its official website for information of the public and other stake holders.

VIEWS/SUGGESTIONS AND OBJECTIONS RAISED/ GIVEN BY THE PUBLIC AND OTHER STAKE HOLDERS DURING THE PUBLIC HEARING HELD ON 30TH APRIL 2026.

The Commission, with the aim of obtaining the views and suggestions of the consumers and stake holders, issued notices for Public Hearing on the proposed ARR and Tariff proposals. In order to get maximum participation from the public and stake holders, the Commission published the 'public notice' in two widely circulated local newspapers in two different issues. The Public Hearing was held on 30th April 2026 in the Court Room of the Commission, Deorali, Gangtok from 10.30 AM to 2.30 PM for all categories of consumers. The details of the Public Notice published by the Commission are as under:

- **Sikkim Express (English)---------17th April 2026**
- **Hamro Prajashakti (Nepali)-----17th April 2026**

Proceedings of the Public Hearing

The Public Hearing commenced at 10.30 AM in the Court Room of the Commission. The Hearing was held in the presence of the Member (Law). The Secretary and Officers of the Commission and the PCE cum Secretary, Principal Chief Engineers, Chief Engineers and other senior officials of the Department and other individuals attended the Public Hearing.

The views, suggestions, comments and objections received from the public and other stake holders, the response given by the Power Department and the comments of the Commission are as given hereunder:

1. **Queries /Points raised and submissions made by Shri Navin Chettri, Phadamchen,East Sikkim :**

- Consumers are charged the same tariff for commercial category in both rural and urban areas although the income generated from commercial units like (small hotels/restaurants) in rural areas is much less compared to commercial units in urban areas.
- A hotel in rural areas hardly earn ₹ 40 to ₹ 50 thousand annually compared to hotels in Gangtok (urban area). Additionally, the hotels in rural areas only provide basic facilities therefore the electricity bill is ought to be less but in contrast hotels in rural areas are getting monthly bill of ₹ 10 thousand and above, which might be higher the bills being paid by hotels in Gangtok.
- Considering the limited income from commercial units like hotels in rural areas, the Department must consider lowering the commercial category tariff for rural areas to support rural tourism and livelihood of rural citizens.

Response of the Power Department:

- Power Department is buying power from outside the state at relatively higher price of ₹ 5.20 per unit and selling in the State at a much lower tariff (around average of ₹ 3.50 perunit for domestic consumers). In addition, the State Government is providing 100 units free power in the rural areas. Therefore, despite the directives of the Government of India to go for 'cost-reflective tariff", Department has not been able to recover the actual cost of power.

- As per the decision of the Government of India, in the recent years, the Department has the extra burden of paying the charges towards 'ash handling' of thermal power stations and the Department has to pay around ₹ 24.00 crores annually towards Ash handling charges. This also has further resulted in increased power purchase cost.

- For domestic and commercial consumers, the Department has not proposed any tariff hike but only proposed collecting 'per meter per month' charge from the consumers as per the guidelines of the Government of India. Under the RDSS scheme, the GoI has funded 22.5 % of the cost of meters and remaining cost has to be collected from the consumers by the Department.

- The electricity tariff in Sikkim is the lowest in the country and no major hike in tariffs has been done since last many years although the cost of all materials and services have gone up significantly.

- The Power Department being a 'Distribution Licensee' can't decide to increase or reduce the tariffs on its own and is guided by the National Tariff Policy, Electricity Act, 2003 and the regulations notified by the SSERC. The increase in tariff vis-vis the meter charges have been proposed duly considering the actual expenses likely to be incurred and the bare minimum return to be collected for sustenance and operation of the Department.

- The stake holders like hoteliers and other businesses have the liberty and the option to approach the State Government and request for grant of any subsidies/incentives.

Comments of the Commission:

- The main and basic idea behind the enactment of the Electricity Act, 2003, was to usher competition, efficiency, transparency and quality service in the power generation, distribution and transmission. The job of scrutinizing the ARR and approving the tariffs have been exclusively given to the SERCs by the Act.

- SERCs are guided by the National Tariff Policy, National Electricity Plan and Tariff Design principles for determining the tariffs to ensure balance growth of electricity sector. Thus, SERCs have the responsibility of protecting not only the interest of the consumers but also ensure that the 'Licensees' get a reasonable return over and above the investments made by them, which will ensure efficient and reliable services, necessary repair and maintenance and sound growth of the electricity sector. Therefore, while approving the tariffs, SERC has ensured that the overall growth of power sector vis-vis the interest of the consumers is protected and there is no unreasonable hike in the tariffs.

2. **Query/Points raised and submission made by Shri Pempa Zongten Sherpa, Phadamchen, East Sikkim.**

- Hailing from rural area, persons like me and others run small homestays in difficult terrain and climatic conditions with limited access to modern facilities. We have started our homestays with our own hard work of last 5 to 6 years. The occupancy of the homestays as well as the income generation from the home stays are very less compared to that in Urban areas and cities.

- The tariff being charged to home stays is under 'Commercial Category' presently and the tariff for this category is already quite high. Now, the Department has proposed to hike the tariff for this category, which will put the survival of the home stays at stake. Therefore, the proposal for hiking of tariff must be reconsidered by the Department and thereby provide relief to the home stay operators.

- The power supply in remote and difficult areas is also not reliable. There is no power supply in our area since last few days and supply is very unreliable. The Department needs to improve the supply in remote rural areas.

Response of the Power Department:

- From this financial year, a decision has been taken to bring home stays under 'domestic category' and as such, the homestays will have to pay much less tariffs from this year, therefore, the home stay owners/operators will be able to run their business with better income.

- There are many possible causes for power failure in rural and difficult areas. One of the main challenges being faced by the Department is reluctance on the part of the landowners to allow the lineman/field staff of the Department to tree felling and chopping of branches touching the overhead conductors. Villagers don't allow the Department to clear the tree branches, bamboos and other vegetations causing faults in power supply.

- The landowners demand high 'compensation' from the Department for every tree felled or bamboos cut down. The Department can't continue paying such compensation at frequent intervals due to its limited resources and need for obtaining permission from the forest department for tree felling. These factors result in delayed repair of damaged lines, clearing of faults and delays in timely restoration of supply. The Department solicits cooperation from the public in improving its service quality and restoration efforts.

- The Department is already in the process of replacing the overhead naked lines with 'covered conductor' starting from highly susceptible areas in a phased manner. Once the replacement is completed, the disturbances in supply due to trees and other vegetations will be stopped.

Comments of the Commission:

- Homestays and small business units in remote rural areas have become a reliable source of income and livelihood for the citizens. Supplying quality and reliable electricity at reasonable tariff is important for the growth of home stay business in the State.

- The decision of the Department to bring the home stays under 'domestic consumer category' is not only a well thought but a timely decision and the Commission opines that the step will hugely boost growth of home stays in the state and boost the rural economy thereby creating more livelihood opportunities.

- The reasons for power failure in the difficult rural areas as explained by the Secretary, Power Department are reasonable and efforts to replace the conventional overhead conductors with covered conductors are praise worthy. The Department must take the line departments, local authorities (panchayats) and the landowners into confidence and hold awareness campaigns. Such efforts will significantly help the Department in dealing with issues at the local level.

3. Queries /Points raised and submissions made by Sikkim Manipal University

The representatives from Sikkim Manipal University (SMU) led by Col. V.S Yadav (Retd.), Head General Services submitted a written representation to the Commission. The key prayers/submissions made are as under:

- SMU is operating the Manipal Referral Hospital and other Institutions since inception and providing free medical services to the public. The hospital is a teaching hospital and being run on no-profit basis.
- The doctors, interns, PGs and all other staff of SMU are also all helping the hospital in providing services to the public. Free seats for Sikkim students in medical, engineering and other curriculum are being given by SMU since day one of its operation.
- SMU was being levied tariff Bulk Supply tariff since inception of the University/Hospital. Power Department had also earlier agreed in principle to continue with the existing arrangements. However, contrary to the said agreement, directions were issued by the Department to segregate the CRH electrical lines from the remaining campus load and that the electricity consumption shall be metered as under:

  a. Bulk supply (non-commercial)- for CRH (Hospital)

  b. HTIS - for the balance campus load
- SMU has complied with the said directions and completed the segregation works incurring an additional expenditure of approximately ₹ 10 Lakhs. It was also conveyed that three separate meters would be installed. However, the matter now appears to be under the consideration of the Commission.
- SMU is a significant consumer of electricity, with monthly consumption charges of approximately ₹ 32 lakhs and therefore it is earnestly requested that clear and unambiguous instructions may be issued to the Power Department to proceed with the installation of new meters as per the completed segregation and to commence billing accordingly i.e. Bulk Supply (Non-commercial tariff for the hospital (CRH) and HTIS tariff for the remaining campus.
- SMU also has institute in Pokhra, Nepal, where the Nepal Government has provided relief in tariff to SMU. If a foreign nation can provide tariff relief to SMU, it should be reasonable that SMU gets similar tariff relief in our own country.

- Considerable time has elapsed since SMU's last communication to the Department and SMU has been waiting for a positive revolution and request kind intervention of the Commission to resolve the matter at the earliest.

Response of Power Department:

- The Department had been levying non-commercial tariff to SMU. However, because SMU is a profit-making institute, serious objections/observations from the Audit were received by the Department for charging non-commercial tariff. The Department had immense difficulties in replying to the Audit and therefore the tariff category for SMU had to be changed.
- The activities of the SMU being 'commercial in nature' and the SMU being a profit-making organisation, the request for levying non-commercial/industrial tariff to SMU cannot be considered.
- Today's hearing is on the tariff petition and annual revenue requirement of the Department and therefore it is not the appropriate forum for SMU to seek relief from the Hon'ble Commission.
- SMU may approach the Hon'ble Commission with a separate petition seeking intervention of the Commission in the matter subject to the directives of the Commission.
-

Comments of the Commission:

- The issues raised by the SMU pertains to charging 'Bulk supply' and 'HTIS' tariffs to the CRH (Hospital) and other campuses respectively, as per the site inspection and survey done jointly by the SMU and Department engineers.
- The authority to decide the 'category of consumer' lies exclusively with the Discom ie the Power Department. As per the last Order dated 27th March 2025 of the Commission, the Executive Engineer of the Department is authorised to 'sanction' the load for HTIS and Bulk Supply consumers based on the nature and quantum of supply required by the consumer.
- The public hearing for seeking suggestions, comments and objections, if any, from the consumers and other stake holders on the ARR and tariff proposed by the Power Department for the F.Y 2026-27 rather than hearing on 'correctness of consumer category' being applied by the Department.
- The Department and the SMU appear to have had multiple communications for resolving the issues and the SMU has carried out the necessary exercise for segregating its consumption as directed by the Department. Further, SMU has also incurred expenses towards segregating their consumption details. Therefore, the Commission deems it appropriate that the matter be resolved by the Department and the SMU at their level. However, SMU has the liberty to approach the Commission with a formal petition duly following the procedures laid won by the Commission for filing of petition, if SMU desires so.

VIEWS/SUGGESTIONS AND OBJECTIONS RAISED/ GIVEN BY THE PUBLIC AND OTHER STAKE HOLDERS DURING THE PUBLIC HEARING HELD ON 24TH JUNE 2026.

The abstract of queries raised , comments/suggestions and submission made by the above consumers/stake, the response/clarifications given by the representatives of the Power Department and comments of the Commission are as under:

1. **Queries raised, comments/suggestions and submissions of consumers/stake holder:**

The consumers/stake holders submitted that they all belong to the same area i.e. Zuluk Village under Gangtok District and are all running homestays for their livelihood and that the run their homestays in the remote and difficult area falling on the famous silk route and have the same submissions and grievances. The issues raised, grievances submitted and requests made by the consumers/stake holders are as under:

- Most of the consumers/people in Sikkim feel and opine that Sikkim has so many hydropower projects and huge power generation and as such public should be provided electricity at very minimal tariff and the quality of power supply should also be uninterrupted and at proper voltage. Despite sizeable hydropower generation in the State, public are neither getting poor at low tariff nor uninterrupted supply, especially in remote rural areas.
- Friends and relatives from Zuluk had participated in the previous public hearing held on 30th April 2026 and had placed their grievances and requests before the Commission and the Department for favorable consideration. However, their submission and requests made in the last public hearing for charging 'domestic tariff' to all rural homestays in the place of 'commercial tariff' has not been considered till date. The Department has continued charging commercial tariff to the homestays and no relief has been given to the homestay operators so far.
- Almost all the homestays remain closed during the off-seasons (7 to 8 months) but full electricity bills are being charged to the homestays throughout the year. Considering no consumption of electricity during the off-season, homestays should not be billed during the off-season.
- Homestays operating in rural areas should not be treated at par with hotels/homestays being operated in Gangtok or other town areas. Levying commercial tariff on homestays located in remote and difficult areas like Zuluk village is not justifiable and the Department needs to review the same.
- Homestays have limited 'occupancy' due to tough weather conditions, lack of facilities like internet/wifi , road connectivity issues and irregular power supply. The homestays remain operational only for 4 to 5 months in a year and for the rest of year, they have no business. Even during the peak season, there is high rate of cancellation of bookings by the tourists due to road blockages, bad weather and other reasons. Therefore, the homestays in rural areas must be brought under domestic tariff category to ensure growth of rural economy and encourage local entrepreneurship.

- Power supply is not regular and there are frequent power cuts/shutdowns due to local faults and repairs. These power cuts severely affect homestay business and therefore the Department must investigate the issues of irregular power supply and frequent power cuts.
- Power supply to the entire village is shutdown whenever there are minor faults in other areas. Shutdowns are done right from the main supply station (Rongli), resulting in severe problems for the tourists staying in the homestay as well as the homestay owners. The Department needs to ensure that shutdowns are taken with prior intimation to the public and avoid shutting down supply to entire area. As far as feasible, shut downs should be confined only to areas where repairs/removal of faults are being carried out.
- In the event of the rural homestays being upgraded to 'hotels' by expansion in the future, the Department should continue charging 'domestic tariff' to such homestays/hotels.
- Mobile networks and internet connectivity are almost non-existent in Zuluk and surrounding areas. After installation of smart prepaid meters, it will be extremely difficult for public to recharge or pay electricity bill. This may result in line disconnection or discontinuation of supply for no faults of consumers. The Department must consider this genuine issue before taking actions for delayed bill payment or online recharge problems.

Responses/Clarification given by the Representatives of Power Department:

i. The Department being a State Government Department functions as per the policy/directives of the State Government. There is no intention on the part of the State Government or the Department to unnecessarily increase the tariff or [put burden on the consumers.

ii. Prior to the GLOF, Sikkim was getting around 31 crore units of free power from the hydropower projects. However, post GLOF, a major portion of the free power has been lost and therefore the Department is forced to buy around 77 MW extra thermal power to meet the power requirement of the State.

iii. The Department is buying the extra expensive thermal power from outside the State during the non-summer seasons when the generation from hydro sources goes down drastically, particularly after the GLOF of October 2023.

iv. The need for revising the tariff proposal arisen due to major changes in the unavoidable expenses on account of 'Ash Handling/Transportation Charges' levied by NTPC Ltd., which amounts to ₹ 30.00 crores till date. This cost didn't exist earlier and the Department is bound to pay as the same is applicable on thermal power being purchased.

v. The Department has proposed to collect a minimal Per Meter Per Month (PMPM) charge through minor hike in tariff towards the smart meters being installed in the

State as per the RDSS scheme of the Government of India. Collection of PMPM is necessary for annual payout to be given to the service provider as per the terms of the RDSS scheme.

vi. As per the policy decision taken by the State Government, the Department has already proposed to bring 'rural homestays' under 'domestic category tariff' from this year. The rural homestays are still being charged at commercial rate as the tariff order is yet to be issued by the Commission. As soon as the Commission approves the tariff proposals and issues the tariff order, domestic tariff shall become effective on rural homestays.

vii. The issue of incorrect billing, over charging and average billing will be solved once the smart meters are installed. The issue of billing for off season could have arisen due to average billing. The consumers/homestays have to mandatorily pay the monthly minimum charges irrespective of whether they consume power or not.

viii. As per the standing norms of the Central Government, tariff has to be cost reflective, which means tariff has to be such that a distribution licensee is able to atleast recover the actual cost incurred by it for supplying power. As such, minimal hike in tariff is necessary not only to recover the cost incurred but also for financial sustainability of the Department.

ix. The issues like irregular power supply, frequent power shutdown and other problems and grievances raised by the consumers/stake holders of Zuluk village and surrounding areas have been noted by the Department. A team of Senior Officers from the Department will shortly visit the areas to take stock of the ground realities and shall take necessary action for redressal of the grievances highlighted by the consumers/stake holders in the public hearing.

x. The request of the stake holders for continuing with domestic tariff for rural homestays after their upgradation to hotels is not feasible. The reasons being that there are star category hotels operating in some rural areas of Sikkim like Pelling, Yuksam etc and therefore it will be unjustifiable for the Department to give preferential treatment to hotels in a single rural area in the State.

xi. Consumers need not worry about poor internet and connectivity issues after installation of smart prepaid meters. The responsibilities of installing the meters and providing proper connectivity/service lie with the concerned agency /firm who is installing the meters. The agency/firm will not be paid unless the meters installed by them are fully operational with proper connectivity.

Comments of the Commission:

- The grievances and issues raised by the consumers/stake holders in the last public hearing and the present public hearing deserves due consideration and at the same time, the need for cost reflective tariff and recovery of genuine cost incurred by the Department can't be ignored by the Commission while approving the ARR and tariff proposals of the Department.

- The Commission has deemed it reasonable to allow the revise petition considering the genuine facts and circumstances due to which the need for revision in tariff has arisen. The Commission is guided by the principle that recovery of genuine expenses owing to 'increase in cost of power purchase due to uncontrollable factors' is to be allowed but at the same time ensuring that the consumers are not burdened excessively due to sudden hike in tariff and giving tariff shock to the consumers.

- The increase in the quantum of thermal power being purchased by the Department after the GLOF of 2023 and Ash Handling Charges are unavoidable expenses and have significantly increased the cost of power purchase of the Department.

- The Department has already proposed to charge 'domestic tariff' to all rural homestays in the State from the current financial year and the same has been approved by the Commission in the present order. As such, the requests of the stake holders have been given due consideration both by the Commission and the Department.

- Issues and grievances of the public like irregular power supply, outages and unplanned shutdowns etc need to be taken up separately by the Department and the same can't clubbed with the present matter. The consumers have the rights and the liberty to approach the Department or the Consumer Grievance Redressal Forum (CGRF) for redressal of such issues/grievances. However, the Commission has not been a mute spectator to the problems being faced by the consumers or the grievances relating to quality of power supply and other services being provided to the consumers.
  The Commission has issued several directives and advisories in the past and in the current order considering the grievances and issues raised by the consumers and on 'suo-moto' basis. The Commission is strictly monitoring the compliance of the directives by the Department and action taken on the advisories issued.

  The submissions made and grievances/issues raised by the public and the responses/clarifications and justifications given by the Power Department have been taken into consideration by the Commission while finalizing this order.

5. TRUE UP FOR THE F.Y. 2024-25

5.1 Preamble

The Commission had approved the Multi Year ARR for the F.Y. 2024-25 to F.Y. 2026-27 vide its Order dated 13.03.2024 and Final ARR & Tariff order dated 27.03.2025 based on the projected data submitted by the PDS. Now, the PDS has submitted proposals for True up for the F.Y. 2024-25, duly furnishing the actuals for the F.Y. 2024-25.

5.2 Energy Demand (Sales)

The energy sales approved by the Commission, vide its Tariff Order for the F.Y. 2024-25, the actual sales given by PDS, as per audited accounts with the True up Petition for the F.Y. 2024-25 and now approved by the Commission, are summarised in the table below:

Table 5.1: Energy Sales approved by Commission for F.Y. 2024-25 (MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Domestics*	130.94	126.29	126.93	127.39
2	Commercial	49.19	50.02	51.53	51.53
3	Public Lighting	0.92	0.31	0.72	0.71
4	Temporary Supply	3.89	5.51	8.80	8.80
5	HT Industrial Consumers	343.70	289.15	305.13	305.13
6	LT Industrial Consumers	1.94	1.19	1.78	1.78
7	Bulk Supply	32.62	34.37	38.65	38.65
8	**Total**	**563.21**	**506.84**	**533.54**	**533.99**
9	Outside State		348.68	404.08	404.08
10	**Total**	**563.21**	**855.52**	**937.62**	**938.07**

**Domestic Sales includes:0.51 MUs of billed sales to Place of Worship.*

The Commission now approves energy sales for the F.Y. 2024-25 at 938.07 MUs, as per the actuals furnished by PDS.

5.3 Transmission & Distribution Losses (T&D Losses)

In the MYT Tariff Order, the T&D Losses were fixed and as per the trajectory the Commission has fixed the T&D losses at 15% for FY 2024-25. However, PDS has projected T&D losses at 26.35 % in the ARR for the FY 2024-25. The PDS in its True up Petition for the F.Y. 2024-25, has stated that the T&D losses during the F.Y. 2024-25 is 21.83 % as per audited accounts.

Commission's Analysis:

The inter-state transmission loss (pool loss) for the F.Y. 2024-25 has been considered at 5.07 % and T&D Loss, when recalculated, is as shown in table below.

Table 5.2: T&D Loss calculation approved by the Commission for F.Y. 2024-25

Sl. No.	Particulars	Units	2024 -25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Revised T&D losses worked out
1	Own Generation	MUs	-	-	-	-
2	Energy Purchased from NTPC	MUs	176.97	583.21	572.95	572.95
3	Energy Purchased from WBSEDCL	MUs	26.83	46.42	37.63	37.63
4	Energy Purchased from NHPC	MUs	25.55	2.51	4.26	4.26
5	**Energy Purchased (2+3+4)**	**MUs**	**229.35**	**632.14**	**614.84**	**614.84**
6	Pool Loss	%	2.14%	2.14%	5.07%	5.07%
7	Pool Loss	MUs	4.91	13.53	36.49	31.17
8	**Net Energy Available (5-7)**	**MUs**	**224.44**	**618.61**	**578.35**	**583.67**
9	Energy Purchased from Chukha PTC	MUs	31.54	32.38	19.53	19.53
10	Energy Purchased from SPDC	MUs	60.37	32.76	26.42	26.42
11	Energy Purchased - Mangedechu PTC		1.39	1.21	0.79	0.79
12	Energy Purchased from Hanuman Ganga	MUs	140.65	-	-	-
13	Energy Purchased from RTM Purchase	MUs	72.51			-
14	PTC KHEP				-	-
15	UI Purchased	MUs	-	-	14.27	14.27
16	Banking Kreate Purchase		-	53.07	51.97	51.97
17	Banking APPCL			15.21	96.82	96.82

18	Kundan hydro			106.58	94.53	94.53
19	IPP		-	120.95	-	-
20	Free Energy	MUs	244.69	60.78	203.99	203.99
21	**Total Energy Available at State Periphery (8 to 19)**	**MUs**	**775.59**	**1,041.55**	**1,086.67**	**1,091.99**
22	Outside state sale through UI / Trading	MUs	-	206.44	258.13	258.13
23	**Return Banking**		-	142.24	145.95	145.95
24	**Net Energy Available for sale within the State (20-21)**	**MUs**	**775.59**	**692.87**	**682.58**	**687.91**
25	Energy Sale within the State	MUs		506.84	533.54	533.99
26	**T& D LOSS (23-24)**	**MUs**	**775.59**	**186.03**	**149.04**	**153.92**
27	**T&D Loss**	**%**	**15.00%**	**26.85%**	**21.83%**	**22.37%**

Though the revised T& D losses worked out as 22.37%, the Commission now approves T&D Loss at 15% for the F.Y. 2024-25 as approved in the MYT Order.

5.4 Own Generation

The Commission in its Tariff Order dated 13.03.2024 had approved Own Generation for the PDS at 00.00 MUs for the F.Y. 2024-25 and revised in order dated 27.03.2025 at 0.00 MUs. Now, the PDS has furnished actual own generation as NIL MUs during the F.Y. 2024-25, as detailed in the table below:

Table 5.3: Own Generation approved by the Commission during F.Y. 2024-25

(in MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Own Generation	0.00	0.00	0	**0**
2	**Total**	**0.00**	**0.00**	**0**	**0**

The Commission now approves Own Generation of PDS during the F.Y. 2024-25 at NIL MUs, as per actuals furnished by PDS.

5.5 Power Purchase

The Commission in its Tariff Order dated 13.03.2024 had approved the power purchase quantity of 780.50 MUs including free power quantity at 244.69 MUs and revised in order dated 27.03.2025 at 759.27 MUs including free power quantity of 60.78 MUs. Now, the PDS has furnished actual for the F.Y. 2024-25 at 1123.15 MUs including free power of 203.99 MUs in the True up petition for the F.Y. 2024-25, as detailed in table below:

Table 5.4: Power Purchase approved by the Commission during F.Y. 2024-25(MUs)

Sl. No.	Particulars	2024-25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
	NTPC				
1	BSTPP I	35.79	68.15	69.51	69.51
2	BSTPP II		3.64	3.50	3.50
3	FSTPP	5.85	384.04	367.36	367.36
4	FSTPP III		1.19	1.15	1.15
5	KHSTPP-I	1.75	1.39	1.37	1.37
6	KHSTPP-II	2.49	2.44	2.08	2.08
7	KKANTI-II/MTS		14.87	14.29	14.29
8	TSTPP	2.92	1.43	1.52	1.52
9	DARLAPLI	82.71	74.30	81.99	81.99
10	KBUNL	11.43	-	-	-
11	NPGCL	31.17	28.22	26.71	26.71
12	North Karanpura STPS	2.86	3.54	3.47	3.47
13	FARAKKA-1 & 2		-	-	-
	Total (A)	**176.97**	**583.21**	**572.95**	**572.95**
	NHPC				
9	RANGIT-III, NHPC	4.57	2.51	4.26	4.26
10	TEESTA-V, NHPC	20.98	-	-	-
	Total (B)	**25.55**	**2.51**	**4.26**	**4.26**
	Other				
11	CHUKHA, PTC	31.54	32.38	19.53	19.53
12	PTC Khep	-		-	-
13	WBSEDCL	26.83	46.42	37.63	37.63
14	Mangdechu PTC	1.39	1.21	0.79	0.79
15	Hanuman Ganga	140.65	-	-	-
16	SPDC	60.37	-	26.42	26.42
	Rongli	0.00	23.69	0.00	0.00
	Mangley	0.00	-	0.00	0.00

	Chaten	0.00	1.88	0.00	0.00
	Lachung	0.00	7.19	0.00	0.00
17	UI/ Deviation	-	-	14.27	14.27
18	RHPPL	-	-		
19	RTM Purchase	72.51			
	Total (C)	**333.29**	**112.77**	**98.63**	**98.63**
	TOTAL (A+B+C)	**535.81**	**698.49**	**675.84**	**675.84**
20	Free Power				
	RANGIT-III, NHPC			37.37	37.37
	TEESTA-V, NHPC		44.54	-	-
	UI Free Power		16.24		
	IPP		120.95	166.62	166.62
	Total Free Power	**244.69**	**181.73**	**203.99**	**203.99**
	Grand Total	**780.50**	**880.22**	**879.83**	**879.83**
21	**Short Term Sources**				
	IPP				
	KUNDAN HYDRO				
	i) RONGICHU		-		
	ii) MEYONGCHU		37.77	25.86	25.86
	iii) KALEZ KHOLA		10.71	11.65	11.65
	iv) LLHP		58.10	50.92	50.92
	v) Rabomchu			6.10	6.10
22	Banking Kreate Purchase		53.07	51.97	51.97
23	Banking APPCL Purchase		15.21	96.82	96.82
	Grand Total	**780.50**	**1,055.08**	**1,123.15**	**1,123.15**

The Commission now approves power purchase of 1123.15 MUs, including free power of 203.99 MUs during the F.Y. 2024-25, as per the actuals furnished by PDS.

5.6 Energy Balance

The details of energy requirement and availability approved by the Commission in its Tariff Order dated 13.03.2024 and revised order dated 27.03.2025 for the F.Y. 2024-25 and the actuals furnished by the PDS, and now approved by the Commission, are presented in table below:

Table 5.5: Energy Balance approved by the Commission for F.Y. 2024-25

Sl. No.	Particulars	Units	2023 -24 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
A.	**ENERGY REQUIREMENT**					
1	Energy Sales within State	MUs	563.21	506.84	533.54	533.99
2	Sales Outside State (UI)	MUs		348.68	404.08	404.08
3	**Total Energy Sales**	**MUs**	**563.21**	**855.52**	**937.62**	**938.07**
4	Overall T & D Losses %	%	15.00	15.00	21.83	15.00
5	Overall T & D Losses (MUs)	MUs	99.39	89.44	149.04	94.23
6	Total Energy Requirement (3+5)	MUs	**662.60**	**944.96**	**1,086.66**	**1032.30**
B.	**ENERGY AVAILABILITY**					
1	Own Generation	MUs	-	-	-	-
2	Power Purchase from CGS/UI etc	MUs	535.81	994.30	919.16	919.16
3	Free Power	MUs	244.69	60.78	203.99	203.99
4	Overall Pool loss %	%	2.14	2.14	5.07	5.07
5	Less: Overall Pool Loss	MUs	9.50	13.53	36.49	31.17
6	**Total Energy Availability (1+2+3-5)**	MUs	**771.00**	**1,041.55**	**1,086.66**	**1092.00**
C.	**ENERGY SURPLUS/ (GAP)**	**MUs**	**108.41**	**96.59**	**0.00**	**59.69**

5.7 Fuel Cost

PDS owns 12 hydro generating stations, with a total installed capacity of 35.70 MWs and 2 diesel-generating stations, with a total installed capacity of 4.99 MWs. The fuel cost approved by the Commission in its Tariff Order dated 13.03.2024 and revised in order dated 27.03.2025, actuals furnished by PDS and the cost now approved by the Commission are given in table below:

Table 5.6: Fuel Cost approved by the Commission for F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	2024 -25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Cost of Fuel	0.00	0.00	0.00	0.00
	Total	**0.00**	**0.00**	**0.00**	**0.00**

The Commission now approves the fuel cost of ₹ Nil for the F.Y. 2024-25, as per actuals furnished by PDS.

5.8 Power Purchase Cost

The Power Purchase Cost approved by the Commission in the Tariff Order for the F.Y. 2024-25 and revised in Order dated 27.03.2025, actuals furnished by PDS and the cost now approved by the Commission are given in table below:

Table 5.7: Power Purchase Cost approved by the Commission for F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	2024 -25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Total Energy Purchased	162.59	238.44	295.34	276.19
2	Transmission & Other Charges	37.73	40.29	37.93	42.59*
	Total	**200.30**	**278.73**	**333.27**	**318.78**

* Transmission charges include POC/Non POC, ERLDC & Other.

The petitioner has claimed the power purchase cost of ₹ 295.34 Crore and Transmission Charges of Rs. ₹ 37.93 Crore. The petitioner has purchased the excess power due to higher distribution losses. However, the Commission has considered only the approved distribution losses of 15%. Therefore, the excess power is being disallowed by the Commission. Accordingly, the Commission now approves power purchase cost of ₹ 318.78 Crore including ERLDC and transmission charges of Rs. 42.59 Crore for the F.Y. 2024-25.

PDS has claimed Rs. 1.01 Crore towards previous year expenses of power cost, the same is verified from Audited Accounts. Accordingly, the same is allowed separately during 2024-25.

5.9 Employee Cost

The Commission vide its Order dated 13.03.2024, had approved employee cost at ₹ 216.63 Crore and revised in Order dated 27.03.2025 ₹ 208.45 Crore for the F.Y. 2024-25. The PDS has furnished actuals at ₹ 227.97 Crore for the F.Y. 2024-25 and the cost now approved by the Commission for PDS as a whole due to non-availability of segregated audited accounts are given in table below:

Table 5.8: Employee Cost approved by the Commission for F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	2024 -25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Employee Cost	216.63	208.45	227.97	227.97
	Total	**216.63**	**208.45**	**227.97**	**227.97**

The Commission, now approves ₹ 227.97 Crore towards employee cost for the F.Y. 2024-25.

5.10 Repair and Maintenance Expenses

The Commission vide its Order dated 13.03.2024 had approved Repair & Maintenance Expenses of ₹ 8.85 Crore and revised in Order dated 27.03.2025 ₹ 13.43 Crore for the F.Y. 2024-25. The PDS has furnished actual Repair & Maintenance Expenses at ₹ 11.65 Crore for the F.Y. 2024-25 and the cost now approved by the Commission for PDS are given in table below:

Table 5.9: Repair & Maintenance Expenses approved by the Commission for F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	2024 -25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Repair & Maintenance Expenses	8.85	13.43	11.65	11.65
	Total	**8.85**	**13.43**	**11.65**	**11.65**

The Commission, accordingly, now approves ₹11.65 Crore towards Repair & Maintenance Expenses for the F.Y. 2024-25.

5.11 Administrative and General Expenses

The Commission vide its Order dated 13.03.2024 had approved ₹ 3.15 Crore towards Administrative and General Expenses and revised in order dated 27.03.2025 ₹ 3.49 Crore for the F.Y. 2024-25. The PDS has furnished actuals at ₹ 4.71 Crore for the F.Y. 2024-25 and the cost now approved by the Commission for PDS are given in table below:

Table 5.10: A & G Expenses approved by the Commission for F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	2024-25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Administration & General Expenses	3.15	3.49	4.71	4.67
	Total	**3.15**	**3.49**	**4.71**	**4.67**

The Commission, now approves ₹ 4.67 Crore towards Administrative & General Expenses as per Audited Accounts for the F.Y. 2024-25.

5.12 Gross Fixed Assets

The PDS in its True up Petition for the F.Y. 2024-25, PDS has stated that the values of gross fixed assets performa accounts, as detailed in table below:

Table 5.11: Gross Fixed Assets during F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	Amount
1	Opening Balance	1227.76
2	Addition During The Year	84.03
3	Less Deduction	0.00
	Closing Balance of GFA (1+2)	**1311.80**

Commission's Analysis:

The commission has considered the aforesaid GFA for depreciation calculation as furnished by the PDS and admitted in this order.

5.13 Depreciation

The PDS in its True up Petition for the F.Y. 2024-25, has furnished actuals at ₹ 36.23 Crore for the F.Y. 2024-25.

Commission's Analysis:

The Commission in its Tariff Order dated 13.03.2024 had approved a depreciation of ₹ 16.22 Crore for the F.Y. 2024-25.

Now based on the performa accounts, the Commission calculated Depreciation is shown in the table below:

Table 5.12: Depreciation approved by the Commission for F.Y. 2024-25

(Rs. Crore)

Sl. No.	Particulars	Amount
1	Opening Balance of GFA as on 01.04.2024	1227.76
2	Addition During the Year	84.03
3	Grant received during the year	16.43
4	Closing Balance to end of 31.03.2025 (1+2-3)	1295.37
5	Average GFA	1261.56
6	Rate of Depreciation	2.85%
7	**Depreciation**	**36.00**

Petitioner submitted that during the financial 2024-25 it has received grants of Rs. 16.43 Cr from Govt of India which has been utilised for implementation of capital projects as mentioned below:

1, Capital Work PSDP

2. Capital Work RDSS

The Grant received has been capitalised in the audited Accounts as capital Grant. The assets created out of the Grant has been accounted for as Fixed Assets Grant Fund.

The Commission accordingly now approves a depreciation of ₹ 36.00 Crore for the F.Y. 2024-25.

5.14 Interest and Finance Charges

The PDS in its True Up Petition for the F.Y. 2024-25, has not furnished interest and finance charges during the F.Y. 2024-25.

Commission's Analysis:

The Commission in its Tariff Order dated 13.03.2024 had approved a interest and finance charges of ₹ 2.94 Crore for the F.Y. 2024-25. PDS has not shown any loans and interest. No interest is allowed in Tariff Order dated 27.03.2025 for the F.Y. 2024-25. **The Commission therefore, does not consider any interest.**

5.15 Interest on Working Capital

The PDS in its True up Petition for the F.Y. 2024-25, has furnished Interest on Working Capital at ₹ 6.68 Crore during the F.Y. 2024-25.

Commission's Analysis:

As per Regulations, 32 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, interest on working capital shall be calculated on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency.

Distribution

(a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the financial year, computed as follows:

(i) Operation and maintenance expenses for one month; plus

(ii) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus

(iii) Receivables equivalent to two (2) months of the expected revenue from charges for use of Distribution Wires at the prevailing tariffs; minus

(iv) Amount, if any, held as security deposits under clause (b) of sub- section (1) of

Section 47 of the Act from Distribution System Users except the security deposits held in the form of Bank Guarantees.

(b) Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

Accordingly, the Commission has arrived at the interest on working capital as shown in the Table below:

Table 5.13: Interest on Working Capital calculated by the Commission for F.Y. 2024-25

Sl. No.	Particulars	Total Cost	Working Capital & Interest
1	O & M Expenses		
a)	Employee Cost	227.97	19.00
b)	Repair &Maintenance Expenses	11.65	0.97
c)	Administration & General Expenses	4.67	0.39
2	Maintenance of Spares		
3	Receivables	480.87	80.14
4	Less: Security Deposit		0.00
	Total		**100.50**
5	SBAR as on 01.04.2024		9.00%
	Interest on Working Capital		**9.05**

Table 5.14: Interest on Working Capital now approved by the Commission for F.Y. 2024-25

Sl No	Category	2024-25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Interest on Working Capital	6.68	10.88	0.00	9.05
	Total	**6.68**	**10.88**	**0.00**	**9.05**

The Commission now approves interest on working capital at ₹ 9.05 Crore for the F.Y. 2024-25 as against the ₹0.00 Crore furnished by PDS.

5.16 Return on Equity

PDS has not claimed any amount towards Return on Equity for the F.Y. 2024-25.

Commission's Analysis:

Regulation 29 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, provides for return on equity at 14% PA on the equity amount appearing in the audited balance sheet of the annual accounts.

Since PDS is a State Government Department, the expenses are funded by the Government. **As such, no separate return is to be allowed as return on equity.**

5.17 Non-Tariff Income

PDS has projected non-tariff income at ₹ 128.25 Crore during the F.Y. 2024-25.

Commission's Analysis:

As per Regulation 69 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, non-tariff income comprises of:

- Meter /metering equipment/service line rentals
- Service charges
- Customer charges
- Revenue from late payment surcharge
- Recoveries on account of theft and pilferage of energy
- Miscellaneous receipts
- Interest on staff loans and advances
- Interest on advances to suppliers
- Income from other business
- Income from staff welfare activities
- Excess found on physical verification of stores
- Interest on investments fixed and call deposits and bank balances
- Prior period Income

Keeping in view the above types of income the Commission had approved a non-tariff income of ₹ 0.58 Crore in its Tariff Order dated 13.03.2024 and ₹ 8.57 crore in revised the Order dated

27.03.2025 for the F.Y. 2024-25. PDS now submits a non-tariff Income of ₹ 128.25 Crore as the actuals.

Table 5.15: Non-Tariff Income approved by the Commission for F.Y. 2024-25

Sl. No.	Particulars	2024 -25 As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Non- Tariff Income	0.58	8.57	128.25	128.25
	Total	**0.58**	**8.57**	**128.25**	**128.25**

The Commission therefore considers ₹ 128.25 Crore towards Non-Tariff Income for the F.Y. 2024-25, as per the actuals furnished by PDS.

5.18 Revenue from Existing Tariffs for the F.Y. 2024-25

Revenue from existing tariffs approved by the Commission for the F.Y. 2024-25 in the Tariff Order dated 27.03.2025 and actuals furnished by the PDS and now approved by the Commission are furnished in the table below.

Table 5.16: Revenue from Sales approved by Commission for F.Y. 2024-25

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Domestic			42.92	42.93
2	Commercial			26.28	26.29
3	Public Lighting			0.34	0.34
4	Temporary Supply			3.74	3.74
5	HT Industrial Consumers			262.59	262.59
6	LT Industrial Consumers			0.98	0.98
7	Bulk Supply			21.34	21.34
8	Surcharge on sales			7.44	7.44
9	Total	**364.39**	**395.59**	**365.63**	**365.64**
10	Less:-Rabate	**0.00**	**6.70**	**5.25**	**5.25**
11	Outside State	47.40	110.42	93.54	93.54
12	**Total**	**411.79**	**499.30**	**453.92**	**453.93**

The Commission now approves revenue from existing tariff at ₹ 453.93 Crore including revenue from outside sales at ₹ 93.54 Crore for the F.Y. 2024-25, as per the actuals furnished by PDS.

5.19 Aggregate Revenue Requirement (ARR) for the F.Y. 2024-25

The ARR for the F.Y. 2024-25 approved by the Commission in its Tariff Order dated 13.03.2024 and revised in order dated 27.03.2025, actuals furnished by the PDS and now approved by the Commission are furnished in the table below:

Table 5.17: Aggregate Revenue Requirement approved by Commission for F.Y. 2024-25

Sl. No.	Particulars	2024 -25 approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	As per Petition	Now Approved by Commission
1	Cost of Fuel	0.00	0.00	0.00	0.00
2	Cost of Generation	0.00	0.00	0.00	0.00
3	Cost of Power Purchase	162.59	238.44	295.34	276.19
4	Intra State Transmission Charge	37.73	40.29	37.02	37.63
5	ERLDC Fees & Other			0.91	4.96
6	Employee Costs	216.63	208.45	227.97	227.97
7	Repair and Maintenance Expense	8.85	13.43	11.65	11.65
8	Administration and General Expenses	3.15	3.49	4.71	4.67
9	Depreciation	16.22	17.50	36.23	36.00
10	Interest Charges	2.94	0.00	0.00	-
11	Interest on Working Capital	6.68	10.88	0.00	9.05
12	Return on equity	0.00	0.00	0.00	-
13	Previous Year Expenses of Power Cost	0.00	0.00	1.01	1.01
14	**Total Revenue Requirement**	**454.79**	**532.48**	**614.84**	**609.12**
15	Less: Non-Tariff Income	0.58	8.57	128.25	128.25
16	**Net Revenue Requirement**	**454.21**	**523.91**	**486.59**	**480.87**
17	Revenue from Tariff	364.39	388.88	360.38	360.38
18	Revenue from Outside State Sales	47.40	110.42	93.54	93.54
19	**Surplus/ (Gap)**	**(42.42)**	**(24.61)**	**(32.67)**	**(26.95)**

True up for the F.Y. 2024-25 indicates that the revenue gap has been arrived to ₹ 26.95 Crore as against ₹ 42.42 Crore revenue deficit approved by the Commission in the Tariff Order dated 13.03.2024 and revenue gap of ₹ 32.67 Crore claimed by PDS.

6. REVIEW FOR THE F.Y. 2025-26

6.1 Preamble

The Commission had approved the ARR and Tariffs for the F.Y. 2025-26 in its order dated 13.03.2024 based on the projected data furnished by the PDS. Now the PDS has submitted proposals for review the performance for F.Y. 2025-26 duly furnishing data based on the revised estimates for the F.Y. 2025-26.

6.2 Energy Demand (Sales)

Vide its Tariff Order dated 13.03.2024, the Commission had approved energy sales of 607.20 MUs for the F.Y. 2025-26. The PDS in its Review Petition for the F.Y. 2025-26 has submitted the estimated sales considering actual for ascertain period and estimate for the balance period. Accordingly comparative statements of category-wise energy sales approved by the Commission for the F.Y. 2025-26, estimate by PDS and approved by the Commission are shown in table below:

Table 6.1: Energy Sales approved by the Commission for F.Y. 2025-26 (MUs)

Sl. No.	Category	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Domestic *	136.33	131.11	131.11
2	Commercial	50.96	53.67	53.67
3	Public Lighting	1.18	0.84	0.84
4	Temporary Supply	3.97	11.45	11.45
5	HT Industrial Consumers	378.66	323.83	323.83
6	LT Industrial Consumer	2.04	1.77	1.77
7	Bulk Supply	34.05	40.61	40.61
8	**Total**	**607.20**	**563.28**	**563.28**
9	Outside State		484.78	484.78
10	**Grand Total**	**607.20**	**1048.06**	**1048.06**

*Domestic sales include: billed sales to place of worship, domestic subsidy and army pensioners and to the visually impaired.

The Commission now approves energy sales for the F.Y. 2025-26 of 1048.06 MUs as projected by PDS.

6.3 Transmission & Distribution Losses (T&D Losses)

The Commission in its order for the F.Y. 2025-26 had fixed the target of T&D Losses at 14.50%. PDS in its Review Petition for the F.Y. 2025-26, has stated that the estimated T&D Losses during the F.Y. 2024-25 is at 14.88%.

Commission's Analysis:

The pool loss for the F.Y. 2025-26 is considered at 2.14% and T&D Loss is shown as detailed in table below:

Table 6.2: T&D Loss calculation approved by the Commission for F.Y. 2025-26

Sl. No	Category	Units	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Revised T&D losses Calculation
1	Own Generation	MUs		-	-
2	Energy Purchased from NTPC	MUs	180.50	615.66	615.66
3	Energy Purchased from WBSEDCL	MUs	27.37	46.04	46.04
4	Energy Purchased from NHPC	MUs	26.18	5.29	5.29
5	**Energy Purchased (2+3+4)**	**MUs**	**234.05**	**666.99**	**666.99**
6	Pool Loss	%	2.14%	5.07%	2.14%
7	Pool Loss	MUs	5.01	35.34	14.27
8	**Net Energy Available (5-7)**	**MUs**	**229.04**	**631.65**	**652.72**
9	Energy Purchased from CHUKHA, PTC	MUs	32.17	42.93	42.93
10	Energy Purchased from KHEP PTC	MUs		0.05	0.05
11	Energy Purchased from Mangedechu PTC	MUs	1.42	1.47	1.47
12	Energy Purchased from SPDC	MUs	61.58	0	-
	Energy Purchased from Rongli	MUs		26.69	26.69
	Energy Purchased from Lachung	MUs		15.26	15.26
	Energy Purchased from Mangley	MUs			-
	Energy Purchased from Chaten	MUs		2.28	2.28
17	Energy Purchased from Kreate Purchase	MUs		-	-
18	Energy Purchased from RTM Purchase	MUs	73.96	-	-
19	Energy Purchased from RHPPL	MUs		-	-
20	Energy Purchased from UI/ Deviation	MUs		31.24	31.24
21	Banking Kreate	MUs		1.86	1.86
22	Banking APPCL	MUs		42.41	42.41

23	Energy Purchased from Hanuman Ganga	MUs	143.46	-	-
24	Kundan Hydro	MUs		125.52	125.52
25	Free Energy	MUs	248.15	227.00	227.00
26	**Total Energy Available at State Periphery (sum=8 to 25)**	**MUs**	**789.78**	**1,148.36**	**1,169.43**
27	Outside state sale through UI / Trading	MUs		325.74	325.74
28	**Return Banking**	MUs		159.05	159.05
29	**Net Energy Available for sale within the State (13-14)**	**MUs**		**661.79**	**684.64**
30	Energy Sale within the State	MUs		563.28	563.28
31	**T& D LOSS (29-30)**	**MUs**		**98.51**	**121.36**
32	**T&D Loss**	**%**	**14.50%**	**14.88%**	**17.73%**

Though the revised T&D losses worked out as 17.73% However, the Commission now approves T&D Loss at 14.50% for the F.Y. 2025-26 as approved in the MYT Order.

6.4 Own Generation

Although the PDS owns 12 small Hydro generating stations with a total installed capacity of 35.70 MWs and 2 diesel generating stations with a total installed capacity of 4.99 MWs, all the Small HEPs have been leased out to private developers. Therefore, the Commission in its Tariff Order for the F.Y. 2025-26 had not approved any own generation. The PDS in its review Petition for the F.Y. 2025-26, has not furnished any own generation. Therefore, the Commission does not consider and approve own generation.

Table 6.3: Own Generation approved by the Commission for F.Y. 2025-26

Sl. No.	Stations	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Own Generation	0	0	0
	Total	**0**	**0**	**0**

6.5 Power Purchase

The Commission in its Tariff Order dated 13.03.2024 had approved power purchase quantity at 794.79 MUs including free power quantity at 248.15 MUs. The PDS has furnished RE for the F.Y. 2025-26 at 1181.91 MUs including free power of 31.86 MUs in Review Petition for the F.Y. 2025-26 as detailed in table below:

Table 6.4: Power Purchase approved by the Commission for F.Y. 2025-26 (MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	NTPC			
1.1	BSTPP I	31.05	93.69	93.69
1.2	BSTPP II	5.45	2.98	2.98
1.3	FSTPP	5.97	374.88	374.88
1.4	FSTPP III	-	0.98	0.98
1.5	KHSTPP-I	1.79	1.43	1.43
1.6	KHSTPP-II	2.54	1.80	1.80
1.7	KKANTI-II/MTS	-	15.28	15.28
1.8	TSTPP	2.98	1.91	1.91
1.9	DARLAPLI	84.36	90.61	90.61
1.1	KBUNL	11.65	-	-
1.11	NPGCL	31.80	27.75	27.75
1.12	North Karanpura STPS	2.91	4.37	4.37
1.13	FARAKKA-1 & 2	-		-
	Total (A)	**180.50**	**615.66**	**615.66**
2	**NHPC**			
2.1	RANGIT-III, NHPC	4.68	5.29	5.29
2.2	TEESTA-V, NHPC	21.50	-	-
	Total (B)	**26.18**	**5.29**	**5.29**
3	**Other**			
3.1	CHUKHA, PTC	32.17	42.93	42.93
3.2	KHEP -PTC		0.05	0.05
3.3	Mangedechu PTC	1.42	1.47	1.47
3.4	WBSEDCL	27.37	46.04	46.04
3.5	SPDC	61.58	-	-
3.6	Rongli		26.69	26.69
3.7	Mangley		-	-
3.8	Chaten		2.28	2.28
3.9	Lachung		15.26	15.26
3.10	Kreate Purchase		-	-
3.11	RTM Purchase	73.96	-	-
3.12	Hanuman Ganga	143.46	-	-
	Total (C)	**339.96**	**134.71**	**134.71**
	TOTAL (A+B+C)	**546.64**	**755.66**	**755.66**
4	**Free Power**			

	Free Power (Other Sources)	248.15		
4.1	RANGIT-III, NHPC		31.86	31.86
4.2	TEESTA-V,NHPC		0	
4.3	UI Free Power		0	
	Total Free Power	**248.15**	**31.86**	**31.86**
	Grand Total	**794.79**	**787.52**	**787.52**
5	UI Deviation		29.46	29.46
5	IPP		195.14	195.14
6	**KUNDAN HYDRO**			-
	i) RONGICHU		17.40	17.40
	ii) MEYONGCHU		38.36	38.36
	iii) KALEZ KHOLA		11.01	11.01
	iv) LLHP		58.76	58.76
	Banking Kreate		1.86	1.86
	Banking APPCL		42.41	42.41
7	**Total**	-	394.39	394.39
8	**Grand Total**	**794.79**	**1,181.91**	**1,181.91**

The Commission now approves power purchase of 1181.91 MUs including free power of 31.86 MUs during the F.Y. 2025-26.

6.6 Energy Balance

The details of energy requirement and availability projected by the PDS and approved by the Commission for the F.Y. 2025-26 and now approved by the Commission are furnished in table below:

Table 6.5: Energy Balance approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	Units	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
A.	**ENERGY REQUIRMENT**				
1	Energy Sales within State	Mus	607.20	563.28	563.28
2	Sales Outside State (UI)	Mus	-	484.78	484.79
3	Total Energy Sales	Mus	607.20	1,048.06	1,048.07
4	Overall T & D Losses %	%	14.50%	14.88%	14.50%
5	Overall T & D Losses (MUs)	Mus	102.98	98.51	95.53
6	Total Energy Requirement (3+5)	Mus	**710.18**	**1,146.57**	**1,143.60**

B.	**ENERGY AVAILABILITY**				
1	Own Generation	Mus	0	0.00	0.00
2	Power Purchase from CGS / UI etc.	Mus	546.64	954.91	956.70
3	Free Power	Mus	248.15	227	227.00
4	Overall pool loss	%	2.14%	5.07%	2.14%
5	Overall pool loss	Mus	9.69	35.34	14.27
6	Total Energy Availability (1 + 2 +3 -5)	Mus	**785.10**	**1,146.57**	**1,169.43**
C	**ENERGY SURPLUS/ (GAP)**	Mus	**74.92**	**0.00**	**25.83**

6.7 Fuel Cost

The Commission in its Tariff Order for the F.Y. 2025-26 had not approved any fuel cost. The PDS in its review Petition for the F.Y. 2025-26, has not furnished any fuel cost. Therefore, the Commission does not consider and approve fuel cost.

Table 6.6: Fuel Cost approved by the Commission for F.Y. 2025-26

Sl. No.	Stations	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Cost of Fuel	0	0	0
	Total	**0**	**0**	**0**

6.8 Cost of Generation

The Commission in its Tariff Order for the F.Y. 2025-26 had not approved any cost of generation. The PDS in its review Petition for the F.Y. 2025-26, has not furnished any cost of generation. Therefore, the Commission does not consider and approve cost of generation.

Table 6.7: Cost of Generation approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Cost of Generation	0	0	0
	Total	**0**	**0**	**0**

6.9 Power Purchase Cost

The Power Purchase Cost approved by the Commission in Tariff order for the F.Y. 2025-26, RE furnished by the PDS and now approved by the Commission are furnished in table below:

Table 6.8: Power Purchase Cost approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Total Energy Purchased	164.21	309.19	300.83
2	Transmission & Other Charges	38.11	39.33	39.33
	Total	**202.32**	**348.52**	**340.16**

The Commission now approves the power purchase cost of ₹ 340.16 Crore for the F.Y. 2025-26, as per RE furnished by PDS. The PDS has claimed previous year power purchase of Rs. 2.00 crore which is not considered by the Commission for review purpose.

6.10 Intra State Transmission Charges

The Intra State Transmission Charges approved by the Commission in Tariff Order for the F.Y. 2025-26, RE furnished by PDS and now approved by the Commission (which is already incorporated in above power purchase cost) are furnished in table below:

Table 6.9: Intra State Transmission Charges approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Intra State transmission Charge	38.11	39.33	39.33
	Total	**38.11**	**39.33**	**39.33**

The Commission now approves Intra State Transmission Charges of ₹ 39.33 Crore for the F.Y. 2025-26, as per RE furnished by PDS.

6.11 Employee Cost

The employee cost approved by the Commission in Tariff Order for the F.Y. 2025-26, RE furnished by PDS and now approved by the Commission are furnished in table below:

Table 6.10: Employee Cost approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Employee Cost	223.13	278.18	278.18
	Total	**223.13**	**278.18**	**278.18**

The Commission now approves the employee cost of ₹ 278.18 Crore for the F.Y. 2025-26, as per RE furnished by PDS.

6.12 Repair and Maintenance Expenses

The Repair & Maintenance Expenses approved by the Commission in Tariff Order for the F.Y. 2025-26, RE furnished by PDS and now approved by the Commission are furnished in table below:

Table 6.11: Repair & Maintenance Expenses approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Repair & Maintenance Expenses	9.30	5.04	5.04
	Total	**9.30**	**5.04**	**5.04**

The Commission now approves ₹ 5.04 Crore towards Repair & Maintenance Expenses for the F.Y. 2025-26, as per RE furnished by PDS.

6.13 Administrative and General Expenses

The Administrative and General Expenses approved by the Commission in Tariff Order for the F.Y. 2025-26, RE furnished by PDS and now approved by the Commission are furnished in table below:

Table 6.12: A & G Expenses approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Administration & General Expenses	3.31	1.54	1.54

	Total	3.31	1.54	1.54

The Commission now approves ₹ 1.54 Crore towards Administrative & General Expenses for the F.Y. 2025-26, as per RE furnished by PDS.

6.14 Gross Fixed Assets

PDS has not filed the information of GFA for review of FY 2025-26.

Table 6.13: Gross Fixed Assets furnished by PDS for F.Y. 2025-26

Sl. No.	Particulars	Amount
1	Opening Balance	1311.79
2	Addition During The Year	69.70
3	**Closing Balance (1+2)**	**1381.49**

Commission Analysis:

The closing balance of True Up order for F.Y. 2024-25 has been taken as opening balance of GFA for F.Y. 2025-26.

6.15 Depreciation

The PDS in its review petition has furnished depreciation of ₹ 57.50 Crore for the F.Y. 2025-26.

Commission's Analysis:

The PDS has not furnished the calculation at which the amount of depreciation calculated, further, PDS has filed assets addition of Rs. 69.70 Crore during FY 2025-26. As such the depreciation has been worked out accordingly as detailed in table below:

Table 6.14: Depreciation approved by the Commission for 2025-26

Sl. No.	Particulars	Amount
1	Opening Balance of NFA as on 01/04/2024	1295.37
2	Addition During the Year	69.70
3	Closing Balance to end of 31/03/2025(1+2)	1365.07
4	Average GFA	1330.22
5	Rate of Depreciation	2.85%
6	**Depreciation**	**37.95**

The Commission accordingly approves depreciation at ₹ 37.95 Crore for the F.Y. 2025-26.

6.16 Interest and Finance Charges

The PDS has not projected interest and finance charges during the F.Y. 2025-26.

Commission's Analysis:

The Commission in its Tariff Order dated 13.03.2024 had approved interest and finance charges of ₹ 3.09 Cr. for the F.Y. 2025-26. In review petition the PDS has not shown any interest and finance charges during the F.Y. 2025-26. **As such the Commission has not considered interest and finance charges during the F.Y 2025-26.**

6.17 Interest on Working Capital

The PDS has not projected interest on working capital during the F.Y. 2025-26.

Commission's Analysis:

As per Regulations, 32 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) 2020, interest on working capital shall be calculated on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency.

Distribution

(a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the financial year, computed as follows:

(i) Operation and maintenance expenses for one month; plus

(ii) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus

(iii) Receivables equivalent to two (2) months of the expected revenue from charges for use of Distribution Wires at the prevailing tariffs; minus

(iv) Amount, if any, held as security deposits under clause (b) of sub- section (1) of Section 47 of the Act from Distribution System Users except the security deposits held in the form of Bank Guarantees.

(b) Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

Accordingly, the interest on working capital works out to ₹ 10.17 Crore, as detailed in table below:

Table 6.15: Interest on Working Capital calculated by the Commission for F.Y. 2025-26

Sl. No.	Particulars	Total Cost	Working Capital & Interest
1	O & M Expenses		
a)	Employee Cost	278.18	23.18
b)	Repair & Maintenance Expenses	5.04	0.42
c)	Administration & General Expenses	1.54	0.13
2	Maintenance of Spares		
3	Receivables	535.63	89.27
	Less: Security Deposit		0.00
4	Total	820.14	112.96
5	SBAR as on 01.04.2024		**9.00%**
6	**Interest on Working Capital**		**10.17**

Table 6.16: Interest on Working Capital approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Interest on Working Capital	6.87	0.00	10.17
	Total	**6.87**	**0.00**	**10.17**

The Commission now approves interest on working capital at ₹ 10.17 Crore for the F.Y. 2025-26 against the RE furnished by PDS at ₹ 0.00 Crore.

6.18 Return on Equity

The PDS has not projected Return on Equity for the F.Y. 2025-26.

Commission's Analysis:

Regulation 29 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) (Second Amendment Regulations), 2020, provides for return on equity at 14% PA on the equity amount appearing in the audited balance sheet of the annual accounts.

Since, PDS is a State Government Department, the expenses are funded by the Government. **As such, no separate return is to be allowed for return on equity.**

6.19 Non-Tariff Income

The PDS has furnished non-tariff income at ₹139.00 Crore during the F.Y. 2025-26

Commission's Analysis:

Table 6.17: Non-Tariff Income approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Review Estimate	Now Approved by Commission
1	Non- Tariff Income	0.61	139.00	139.00
	Total	**0.61**	**139.00**	**139.00**

The Commission now approves Non-Tariff Income at ₹ 139.00 Crore for the F.Y. 2025-26, as per the RE furnished by PDS.

6.20 Revenue from tariff for the F.Y. 2025-26

Revenue from the tariff approved by the Commission for the F.Y. 2025-26 in its Tariff Order dated 27.03.2025 and revised estimates furnished by the PDS and now approved by the Commission are shown in table below:

Table 6.18: Revenue from the Tariff approved by the Commission for F.Y. 2025-26

Sl. No.	Particulars	As Approved by the Commission in Review Order dated 27.03.2025	Review Estimate	Now Approved by Commission
1	Domestics		39.19	39.19
2	Commercial		27.37	27.37
3	Public Lighting		0.40	0.40
4	Temporary Supply		4.87	4.87
5	HT Industrial Consumers		278.69	278.69
6	LT Industrial Consumers		0.97	0.97
7	Bulk Supply		22.42	22.42
8	Surcharge on sale		10.60	10.60
9	**Total**	**349.30**	**384.51**	**384.51**
10	Less: Rebate		**6.90**	**6.90**
11	Outside States	184.25	130.00	130.00
	Total	**533.55**	**507.60**	**507.60**

The Commission approves the Revenue from Tariff at ₹507.60 Crore including Revenue from outside sales at ₹130.00 Crore for the F.Y. 2025-26.

6.21 Aggregate Revenue Requirement (ARR) for the F.Y. 2025-26

The ARR for the F.Y. 2025-26 approved by the Commission in its Tariff Order dated 13.03.2024, Revised Estimate furnished by the PDS and now approved by the Commission are furnished in table below.

Table 6.19: Aggregate Revenue Requirement and Gap approved for F.Y. 2025-26

(Rs. Crore)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	2024-25 Revised as approved by the Commission in Review Order dated 27.03.2025	Review Estimate	Now Approved by Commission
1	Cost of Fuel	-	-	-	-
2	Cost of Generation	-	-	-	-
3	Cost of Power Purchase	164.21	277.49	309.19	300.83
4	Intra State Transmission Charge	38.11	41.36	39.33	39.33
5	POC/Non POC, ERLDC & Other Charges			1.34	1.34
6	Employee Costs	223.13	214.70	278.18	278.18
7	Repair and Maintenance Expense	9.30	14.12	5.04	5.04
8	Administration and General Expenses	3.31	3.64	1.54	1.54
9	Depreciation	18.69	17.52	57.50	37.95
10	Interest Charges	3.09		-	-
11	Interest on Working Capital	6.87	10.21	-	10.17
12	Return on NFA/Equity	-		-	-
13	Previous Year Expenses of Power Cost	-		2.00	-
14	**Total Revenue Requirement**	**466.71**	**579.04**	**694.12**	**674.38**
15	Less: Non-Tariff Income	0.61	8.75	139.00	139.00
16	**Net Revenue Requirement**	**466.10**	**570.29**	**555.12**	**535.38**
17	Revenue from Tariff		349.30	377.61	377.61
18	Revenue from Outside State Sales		**184.25**	130.00	130.00
19	**Surplus/(Gap)**	**(466.10)**	**(36.74)**	**(47.52)**	**(27.77)**

Review for the F.Y. 2025-26 indicates that the revenue gap has arrived to a deficit of ₹ (27.77) Crore as against deficit of ₹ (47.52) Crore claimed by petitioner for the F.Y. 2025-26

7. AGGREGATE REVENUE REQUIREMENT FOR THE F.Y. 2026-27 AND COMMISSION'S ANALYSIS AND DECISIONS

7.1 Consumer Categories

The PDS was serving 1,38,874 consumers as on 31.03.2025 in its area of operation. The consumers could be broadly categorized as under:

LT Category

- Domestic - Rural, Urban
- Commercial - Rural, Urban
- Public Lighting
- Industrial - Rural, Urban
- Temporary Supply

HT Category

- Industrial

LT & HT Category

- Bulk Supply

The PDS serves the consumers at 250 V, 440 V and 11 kV levels. It is reported that, except public lighting, most of the consumers are metered. However, the unmetered consumers are being provided with meters in a phased manner.

7.2 Growth of Consumers

Details of the category-wise growth of consumers over the actuals during the F.Y. 2024-25, the estimated figures for the F.Y. 2025-26 and the projections for the F.Y. 2026-27 are furnished in table below:

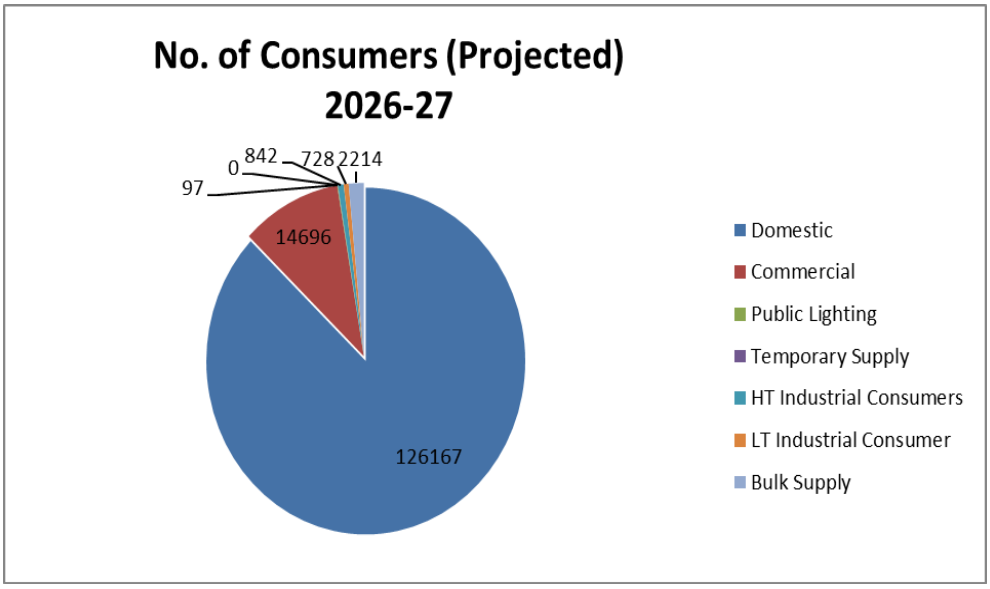
Table 7.1: Projected of no. of consumers

(In No)

Sl. No.	Category	2024-25 (Actuals)	2025-26 (Estimated)	No. of Consumers (Projected) 2026-27
1	Domestic	121628	123863	126167
2	Commercial	13615	14425	14696
3	Public Lighting	79	95	97
4	Temporary Supply	0	0	0
5	HT Industrial Consumers	726	828	842
6	LT Industrial Consumer	674	721	728
7	Bulk Supply	2152	2211	2214
8	**Total**	**138874**	**142143**	**144744**

*Domestic Consumers includes: Consumers of place of worship, army pensioners and visually impaired.

Chart 7.1: No. of consumers projected by PDS for F.Y. 2026-27



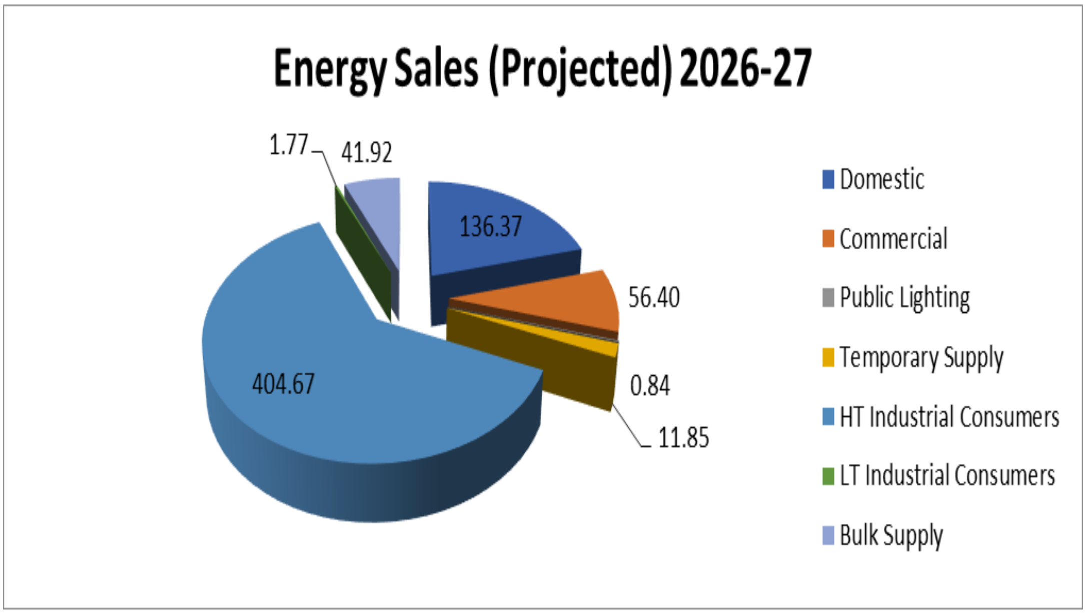
7.3 Category-wise Energy Sales

Category-wise energy sales approved by the Commission for the F.Y. 2026-27 vide Tariff Order dated 13.03.2024 and the projected energy sales to various categories of consumer for the F.Y. 2026-27 is given in table below:

Table 7.2: Energy Sales projected by PDS for the F.Y. 2026-27 (MUs)

Sl. No.	Category	As approved by the Commission in MYT Order dated 13.03.2024	2026-27 (Projected)
1	Domestic	141.95	136.37
2	Commercial	52.80	56.40
3	Public Lighting	1.50	0.84
4	Temporary Supply	4.06	11.85
5	HT Industrial Consumers	417.19	404.67
6	LT Industrial Consumers	2.14	1.77
7	Bulk Supply	35.54	41.92
8	**Total**	655.18	653.82
9	Outside State	-	484.78
10	**Total**	**655.18**	**1,138.60**

Chart 7.2: Energy Sales projected by PDS for F.Y. 2026-27



The PDS has projected the category-wise energy sales for the F.Y. 2026-27 based on the actual past sales and growth rate and new developments on account of Government policies, socio-economic changes, industrial growth etc., which would affect consumption across various categories of consumers. In addition to this, the growth trend in number of consumers have been taken as guiding factors in arriving at the requirement of demand and energy.

7.4 Analysis of Energy Sales Projections by PDS and the Commission's decision

Reasonable projection of category-wise energy sales is essential for determining the energy required to be purchased and likely revenue by sale of electricity. Sales forecast using the CAGR as the basis for projections is a tried and tested method and is used extensively across the states and accepted by the Regulators.

The CAGR of the past energy sales from the F.Y. 2019-20 to F.Y. 2024-25 is worked out and shown in table below:

Table 7.3: CAGR of energy sales

Sl.	Category	2017-18 (Actual)	2018-19(Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)	2024-25 (Actual)	CAGR for 5 years from FY 2019-20 to FY 2024-25	CAGR for 4 years from FY 2020-21 to FY 2024-25	CAGR for 3 years from FY 2021-22 to FY 2024-25	CAGR for 2 years from FY 2022-23 to FY 2024-25	CAGR for 1 years from FY 2023-24 to FY 2024-25
No.		(In MUs)								(In %)				
1	Domestic	98.72	107.46	107.94	112.78	135.14	120.79	122.92	127.39	3.37%	3.09%	-1.95%	2.70%	3.64%
2	Commercial	38.38	40.91	42.05	34.11	45.80	45.82	48.37	51.53	4.15%	10.87%	4.01%	6.07%	6.53%
3	Public Lighting	0.17	0.25	0.34	0.31	0.89	0.57	0.30	0.71	23.22%	23.02%	-7.26%	-10.68%	133.55%
4	Temporary Supply	3.38	4.69	2.36	3.06	4.86	3.74	5.36	8.8	13.41%	30.22%	21.88%	34.56%	64.18%
5	HT Industrial	174.43	197.67	226.64	223.39	272.69	283.15	271.39	305.13	9.07%	8.11%	3.82%	5.78%	12.43%
6	LT Industrial	4.43	4.89	1.85	2.02	2.60	1.76	1.51	1.78	-18.30%	-3.11%	-11.86%	-17.26%	17.88%
7	Bulk Supply	24.16	24.94	30.17	27.69	33.20	29.94	32.58	38.65	9.16%	8.69%	5.20%	7.90%	18.63%
8	**Total**	**343.67**	**380.81**	**411.35**	**403.36**	**495.18**	**485.77**	**482.444**	**534.00**					

Table 7.4: Specific monthly consumption/consumer

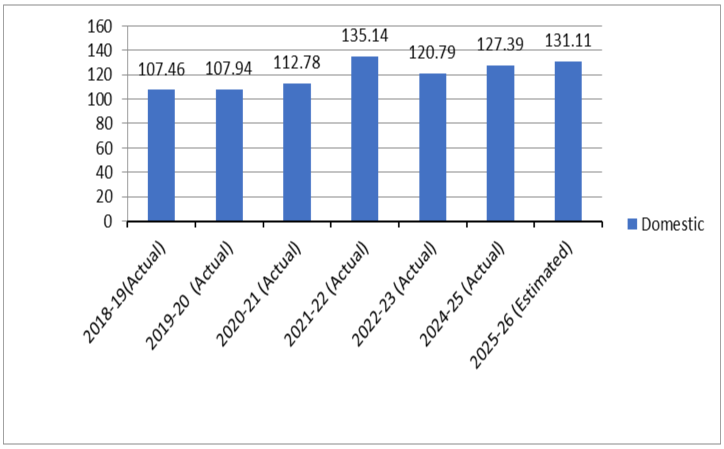
Sl. No.	Category	2024-25 (Actual)
1	Domestic	105
2	Commercial	378
3	HT Industrial	42029
4	LT Industrial	264
5	Bulk Supply	1796

The consumption of each category of consumers is discussed below, so as to arrive at a reasonable projection of energy sales for the F.Y. 2026-27.

Domestic

The PDS has projected energy sales to this category at 136.37 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.3: Trend of actual consumption – Domestic Category



On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is 3.37%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is 3.09%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is -1.95%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is 2.70% and the YoY growth (F.Y. 2023-24 to F.Y.

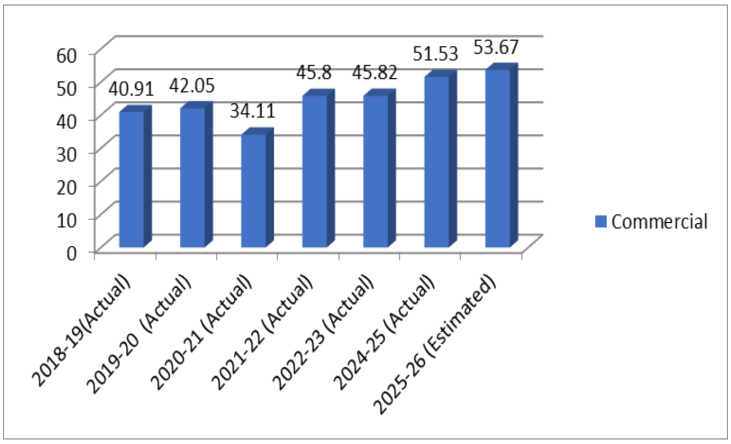
2024-25) is 3.64%. The actual specific consumption during the F.Y. 2024-25 is 105 Kwh. On analysis of the above trend, the CAGR for 4 years of 3.09 % is considered reasonable & consumption work out to 135.39 MUs for the F.Y. 2026-27.

The Commission approves energy sales at 135.39 MUs against 136.37 MUs projected by PDS for the F.Y. 2026-27.

Commercial

The PDS has projected energy sales to this category at 56.40 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.4: Trend of actual consumption – Commercial Category



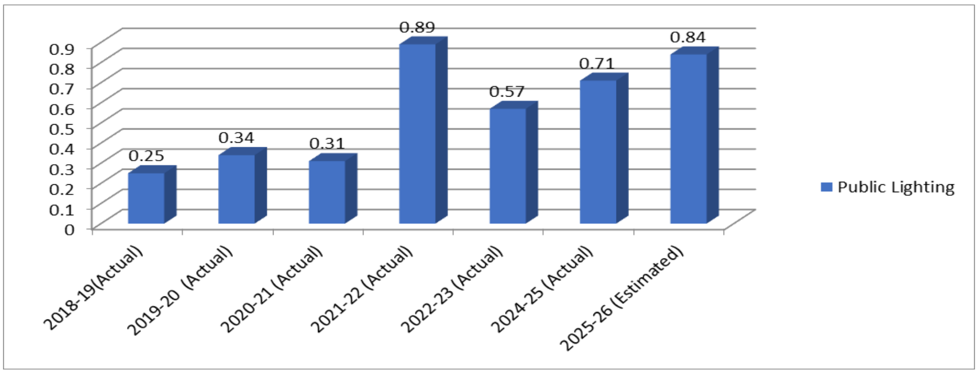
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is 4.15%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is 10.87%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is 4.01%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is 6.07% and the YoY growth (F.Y. 2023-24 to F.Y. 2024-25) is 6.53%. The actual specific consumption during the F.Y. 2024-25 is 378 Kwh. On analysis of the above trend, the CAGR for 1 years of 6.53% is considered reasonable & consumption work out to 58.48 MUs for the F.Y. 2026-27.

The Commission approves energy sales at 58.48 MUs against 56.40 MUs projected by PDS for the F.Y. 2026-27.

Public Lighting

The PDS has projected energy sales to this category at 0.84 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.5: Trend of actual consumption – Public Lighting Category



On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is 23.22%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is 23.02%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is -7.26%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is -10.68% and the YoY growth (F.Y. 2023-24 to F.Y. 2024-25) is 133.55%. On analysis of the above trend, the CAGR for 5 years of 23.22% is considered reasonable & consumption work out to 1.08 MUs for the F.Y. 2026-27.

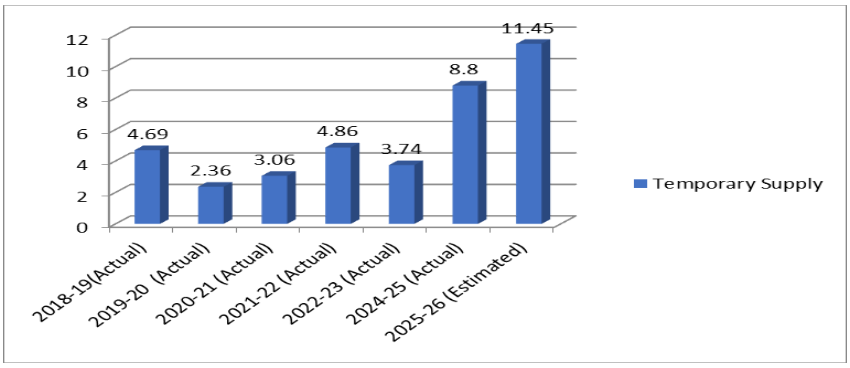
The Commission approves energy sales at 1.08 MUs against 0.84 MUs projected by PDS for the F.Y. 2026-27.

Temporary Supply

The PDS has projected energy sales to this category at 11.85 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE

for the F.Y. 2025-26 is shown in the chart below:

Chart 7.6: Trend of actual consumption – Temporary Supply Category



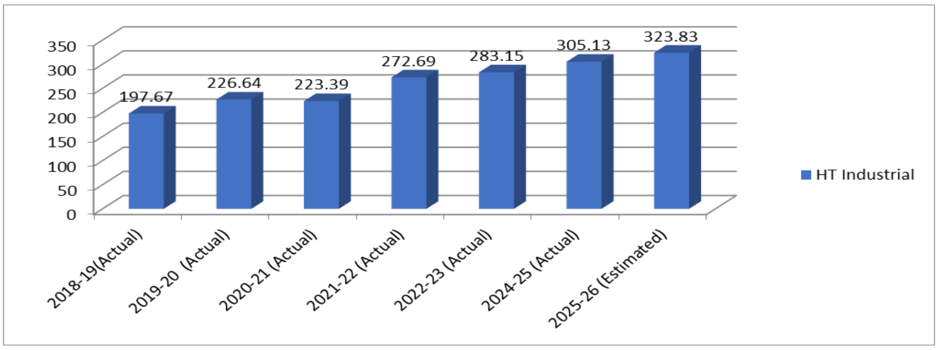
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is 13.41%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is 30.22%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is 21.88%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is 34.56% and the YoY growth (F.Y. 2023-24 to F.Y. 2024-25) is 64.18%. On analysis of the above trend, the CAGR for 3 years of 21.88% is considered reasonable & consumption work out to 13.07 MUs for the F.Y. 2026-27.

The Commission approves energy sales at 13.07 MUs against 11.85 MUs projected by PDS for the F.Y. 2026-27.

<u>HT Industrial</u>

The PDS has projected energy sales to this category at 404.67 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.7: Trend of actual consumption – HT Industrial Category



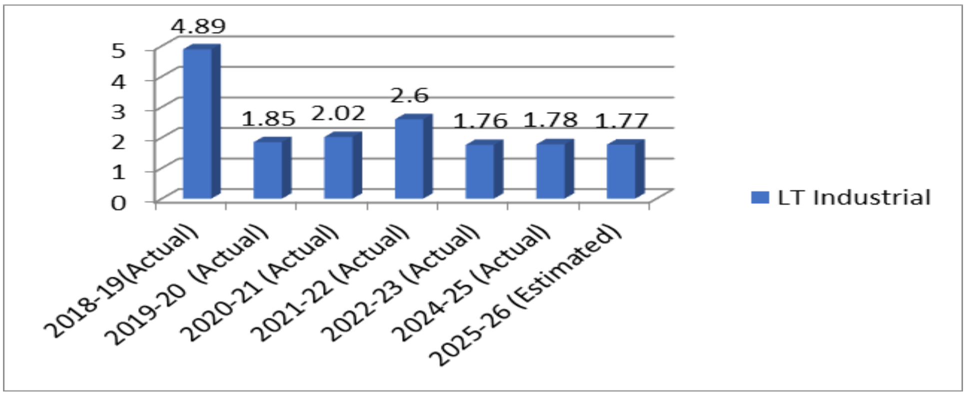
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is 9.07%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is 8.11%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is 3.82%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is 5.78% and the YoY growth (F.Y. 2023-24 to F.Y. 2024-25) is 12.43%. The actual specific consumption during the F.Y. 2024-25 is 42029 Kwh. On analysis of the above trend, the CAGR for 5 years of 9.07% is considered reasonable & consumption work out to 363.00 MUs for the F.Y. 2026-27.

The Commission approves energy sales at 363.00 MUs against 404.67 MUs projected by PDS for the F.Y. 2026-27.

<u>LT Industrial</u>

The PDS has projected energy sales to this category at 1.77 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.8: Trend of actual consumption – LT Industrial Category

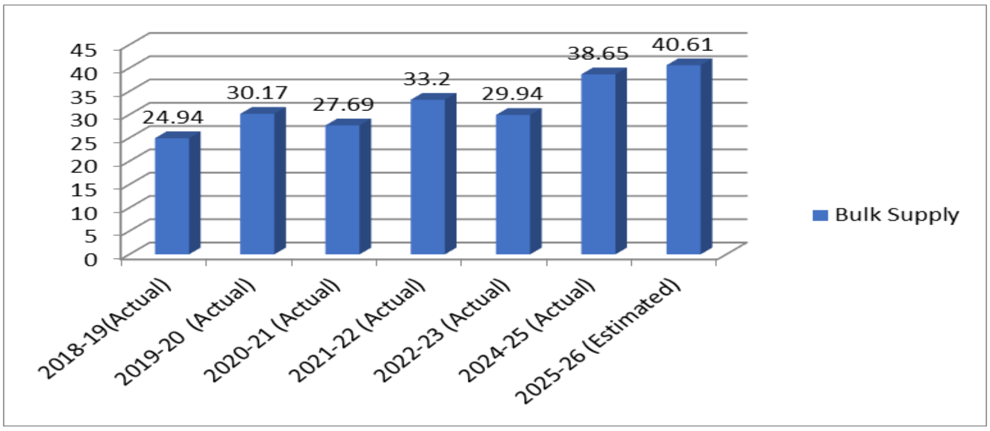


On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is -18.30%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is -3.11%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is -11.86%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is -17.26% and the YoY growth (F.Y. 2023-24 to F.Y. 2024-25) is 17.88%. The actual specific consumption during the F.Y. 2024-25 is 264 Kwh. On analysis of the above trend, negative CAGR over different periods and sales projection of 1.77 MUs in the F.Y. 2026-27, **The Commission approves energy sales at 2.09 MUs against 1.77 MUs projected by PDS for the F.Y. 2026-27.**

<u>Bulk Supply</u>

The PDS has projected energy sales to this category at 41.92 MUs for the F.Y. 2026-27. The trend of the actual consumption in the category for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.9: Trend of actual consumption – Bulk Supply Category



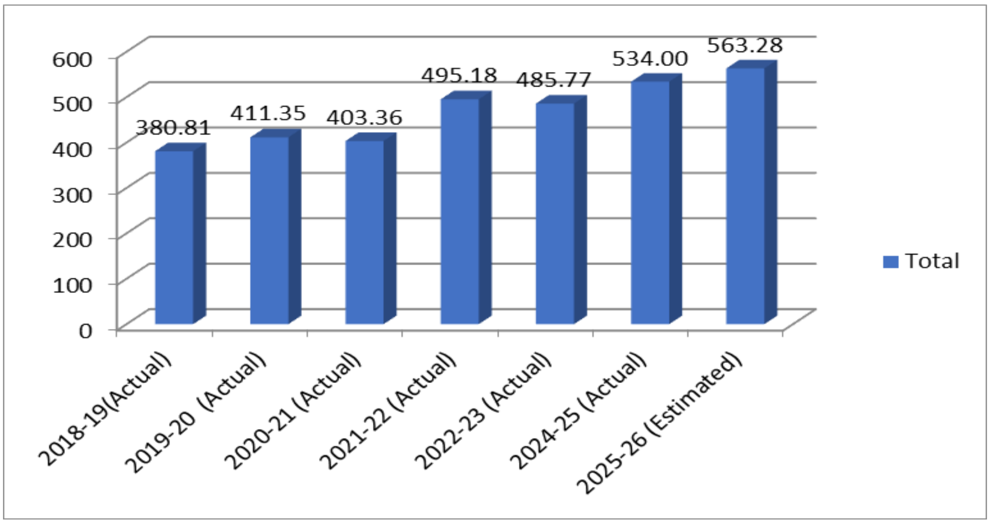
On analysis of the above trend and CAGR over different periods it is seen that the 5 years CAGR (F.Y. 2019-20 to F.Y. 2024-25) is 9.16%, the 4 years CAGR (F.Y. 2020-21 to F.Y. 2024-25) is 8.69%, the 3 years CAGR (F.Y. 2021-22 to F.Y. 2024-25) is 5.20%, the 2 years CAGR (F.Y. 2022-23 to F.Y.2024-25) is 7.90% and the YoY growth (F.Y. 2023-24 to F.Y. 2024-25) is 18.63%. The actual specific consumption during the F.Y. 2024-25 is 1796 Kwh. On analysis of the above trend, the CAGR for 3 years of 5.20% is considered reasonable & consumption work out to 42.77 MUs for the F.Y. 2026-27.

The Commission approves energy sales at 42.77 MUs against 41.92 MUs projected by PDS for the F.Y. 2025-26.

Total sales

The trend of the actual consumption within the State of Sikkim for the F.Y. 2019-20 to F.Y. 2024-25 and RE for the F.Y. 2025-26 is shown in the chart below:

Chart 7.10: Trend of actual consumption – Sales within the State



7.5 Category-Wise Energy Sales

The category-wise energy sales approved by the Commission for the F.Y. 2026-27 is given in table below:

Table 7.5: Category-wise energy sales approved by the Commission

Sl. No.	Category	F.Y. 2026-27 (Projected)
1	Domestic	135.39
2	Commercial	58.48
3	Public Lighting	1.08
4	Temporary Supply	13.07
5	HT Industrial	363.00
6	LT Industrial	2.09
7	Bulk Supply	42.77
8	**Total**	**615.88**

The Commission approves total energy sales within the state at 615.88 MUs for the F.Y. 2026-27.

7.6 Transmission and Distribution Losses (T&D Losses)

PDS projected T&D Losses at 6.55% for the F.Y. 2026-27.

Commission's Analysis:

As per the Electricity Act, 2003, CEA is to prepare the National Electricity Plan once in five years. Further, Section 73 (a) of the Act also provides the formulation of short-term and perspective plans for development of the electricity system as one of the functions of the CEA.

Accordingly, a Draft Distribution Perspective Plan 2030 (DPP-2030) has been prepared by CEA to fulfil its obligation of the Act. The petitioner is directed to follow the road map and adapt the best practice as given above distribution prospective plan 2030.

Further, Commission in the MYT order dated 13.03.2024 has approved the T&D losses of 13.50% for FY 26-27. **The Commission accordingly approves T&D Losses at 13.50% for F.Y. 2026-27. The PDS shall make all efforts for reduction of losses in the system.**

<u>Energy Requirement</u>

The energy requirement of PDS to meet the demand would be the sum of energy sales to consumers within the State and T&D Losses, as worked out in table below:

Table 7.6: Energy Requirement approved by the Commission

Sl. No.	Particulars	Unit	F.Y. 2026-27
1	Energy sales approved	MUs	615.88
2	T & D Losses approved	%	13.50
3	T & D Losses approved	MUs	96.12
4	Energy requirement	MUs	**712.00**

7.7 Power Procurement

7.8.1 Own Generation

The Commission in its Tariff Order for the F.Y. 2026-27 had not approved any own generation. The PDS in its Petition for the F.Y. 2026-27, has not furnished any own generation**. Therefore, the Commission does not consider and approve nil own generation**.

7.8.2 Power purchase from Central Generating Stations

The power procurement projected for the F.Y. 2026-27 is furnished in table below:

Table 7.8: Summary of Power Purchase furnished by PDS

(In MUs)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	F.Y. 2026-27 (Projected)
1	**NTPC**		
	BSTPP I	37.23	96.50
	BSTPP II	-	3.07
	FSTPP	6.10	386.12
	FSTPP III	-	1.01
	KHSTPP-I	1.83	1.47
	KHSTPP-II	2.59	1.86
	KKANTI-II/MTS	-	15.73
	TSTPP	3.04	1.96
	DARLAPLI	86.05	93.32
	KBUNL	11.89	-
	NPGCL	32.43	28.58
	North Karanpura STPS	2.97	4.50
2	**NHPC**		
	RANGIT-III, NHPC	4.78	5.39
	TEESTA-V,NHPC	21.93	-
3	**Other**		
	CHUKHA, PTC	32.82	44.22
	KHEP -PTC	-	0.05
	Mangedechu PTC	1.44	1.51
	WBSEDCL	27.91	47.42
	SPDC	62.81	-
	Rongli	-	27.49
	Mangley	-	-
	Chaten	-	2.35
	Lachung	-	15.71
	Kreate Purchase	0	0
	Hanuman Ganga	146.33	0
	RTM Purchase	75.44	0
	IPP	0	200.99
	KUNDAN HYDRO		
	i) RONGICHU	0	0
	ii) MEYONGCHU	0	39.94
	iii) KALEZ KHOLA	0	15.56
	iv) LLHP	0	60.25
	Banking Kreate	0	1.91
	Banking APPCL	0	43.68

	Rabomchu	0	17.92
	Free Power		
	Free Power (Other Sources)	253.11	0
	RANGIT-III, NHPC	0	32.82
	TEESTA-V, NHPC	0	0
	UI Free Power	0	30.46
	Total	**810.70**	**1221.81**

Commission's Analysis

The Commission has considered the power procurement projected by PDS during the financial year except power procurement from UI free power. If any contingency arises to procure power apart from allocated sources, the same will be considered at the time of true up & review. Power procurement approved by the Commission is shown in the table below:

Table 7.9: Power Procurement approved by the Commission

(In MUs)

Sl. No.	Source	F.Y. 26-27
	Central Sector	
	NTPC	
1	BSTPP I	96.50
2	BSTPP II	3.07
3	FSTPP	386.12
4	FSTPP III	1.01
5	KHSTPP-I	1.47
6	KHSTPP-II	1.86
7	KKANTI-II	15.73
8	TSTPP	1.96
9	DARLAPLI	93.32
10	KBUNL	-
11	NPGCL	28.58
12	North Karanpura STPS	4.50
	NHPC	
13	RANGIT-III, NHPC	5.39
14	TEESTA-V,NHPC	0
	Other	
15	CHUKHA, PTC	44.22
16	Khep PTC	0.05
17	Mangdechu PTC	1.51
18	WBSEDCL	47.42
	SPDC	
24	Rongli	27.49
25	Mangley	0
26	Chaten	2.35
27	Lachung	15.71
28	Hanuman Ganga	0
289	RTM Purchase	0

	Free Power	
30	RANGIT-III, NHPC	32.82
31	TEESTA-V,NHPC	0
	Total	**811.10**
32	IPP	200.99
33	KUNDAN HYDRO	
	i) RONGICHU	0
	ii) MEYONGCHU	39.94
	iii) KALEZ KHOLA	15.56
	iv) LLHP	60.25
34	Banking Kreate	1.91
35	Banking APPCL	43.68
36	Robomchu	17.92
	other free sources (32 to 35)	**380.26**
37	**Grant Total**	**1191.35**

The Commission approves power procurement of 1191.35 MUs for the F.Y. 2026-27.

7.8 Energy requirement and availability

The energy requirement and availability projected for the F.Y. 2026-27 is furnished by the PDS in the table below:

Table 7.10: Energy Balance projected by PDS

Sl. No.	Particulars	F.Y. 2024-25 (Actual)	F.Y. 2025-26 (Estimates)	F.Y. 2026-27 (Projected)
A.	**ENERGY REQUIREMENT**			
1	Energy Sales within State	533.54	563.28	653.82
2	Sales Outside State (UI)	404.08	484.78	484.78
3	Total Energy Sales	937.62	1048.06	1,138.60
4	Overall T & D Losses %	21.83	14.88%	6.55%
5	Overall T & D Losses (MUs)	149.04	98.51	45.84
6	Total Energy Requirement (3+5)	**1086.66**	**1146.57**	**1,184.44**
	ENERGY AVAILABILITY			
B.	Own Generation	0.00	0.00	0.00
1	Power Purchase from CGS/UI etc	919.15	954.91	988.02
2	Free Power	203.99	227.00	233.81
3	Overall Pool loss %	5.07	5.07%	5.07%
4	Less: Overall Pool Loss	36.49	35.34	37.37
5	**Total Energy Availability (1+2+3-5)**	**1086.66**	**1146.57**	**1184.44**
	ENERGY SURPLUS/ (GAP)	**0.00**	**0.00**	**0.00**

Commission's Analysis

Considering the inter-state transmission loss at 2.14% as approved in MYT order dated 13.03.2024, the energy balance is worked out as detailed in table below:

Table 7.11: Energy Balance approved by the Commission

Sl. No	Energy Balance	Units	Now approved by Commission F.Y. 2026-27 (Projected)
A	**ENERGY REQUIREMENT**		
1	Energy Sales within State	MUs	615.88
2	Sales Outside State (UI & other)	MUs	
3	Total Energy Sales	MUs	615.88
4	Overall T & D Losses	%	13.50
5	Overall T & D Losses	MUs	96.12
6	Total Energy Requirement		**712.00**
B	**ENERGY AVAILABILITY**		
1	Own Generation	MUs	0
2	Power Purchase-CGS/UI etc	MUs	1,012.09
3	Free Power	MUs	380.26
4	Overall Pool loss	%	2.14
5	Less: Overall Pool Loss	MUs	17.09
6	Total Energy Availability (1+2+3-5)	MUs	**1375.26**
7	**ENERGY SURPLUS/ (GAP)**		**663.26**

The energy balance approved for a surplus energy of 663.26 MUs for the F.Y. 2026-27.

7.9 Aggregate Revenue Requirement

The PDS has projected Aggregate Revenue Requirement at ₹ 741.94 Crore for the F.Y. 2026-27, as detailed in table below:

Table 7.12: Aggregate Revenue Requirement projected by PDS

(Rs. in Crore)

Sl No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	F.Y. 2026-27 (Projected)
1	**2**	**3**	**4**
1	Cost of Fuel	0.00	0.00
2	Cost of Generation	0.00	0.00
3	Cost of Power Purchase	167.52	329.43
4	Intra State Transmission Charge	38.87	40.50

5	POC/Non POC, ERLDC & Other Charges		1.39
6	Ash Handling Charges	0.00	40.00
7	Employee Costs	229.82	285.58
8	Repair and Maintenance Expense	9.76	7.89
9	Administration and General Expenses	3.47	2.82
10	Depreciation	20.85	55.15
11	Interest Charges	3.24	0.00
12	Interest on Working Capital	7.09	0.00
13	Return on Equity	0.00	0.00
14	Previous Year Expenses of Power Cost	0.00	2.00
15	**Total Revenue Requirement**	**480.62**	**764.76**
16	Less: Non-Tariff Income	0.64	22.82
17	**Net Revenue Requirement**	**479.98**	**741.94**

The expenses projected by PDS and the Commission's analysis are discussed hereunder.

7.10 Fuel Cost

The Commission in its MYT Order for the F.Y. 2026-27 had not approved any fuel cost. The PDS in its tariff Petition for the F.Y. 2026-27, has not furnished any fuel cost. **Therefore, the Commission does not consider and approve any fuel cost.**

7.11 Cost of generation

The Commission in its MYT Order for the F.Y. 2026-27 had not approved any Cost of Generation. The PDS in its tariff Petition for the F.Y. 2026-27, has not furnished any Cost of Generation. **Therefore, the Commission does not consider and approve Cost of Generation.**

7.12 Power Purchase Cost

<u>Power Purchase Cost projected for the F.Y.2026-27</u>

The PDS has projected a power purchase cost at ₹ 294.90 Crore. The details are furnished in the table below:

Table 7.13: Power Purchase Cost projected by PDS

(Rs. In Crore)

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	Projected 2026-27
1	NTPC		
1.1	BSTPP I	16.94	52.53

1.2	BSTPP II	2.84	1.47
1.3	FSTPP	15.36	144.27
1.4	FSTPP III	0.88	0.51
1.5	KHSTPP-I	0.78	0.61
1.6	KHSTPP-II	1.01	0.72
1.7	KKANTI-II	0.00	8.89
1.8	TSTPP	0.82	3.33
1.9	DARLAPLI	24.32	24.86
1.2	KBUNL	3.28	0
1.1	NPGCL	14.19	13.92
1.11	North Karanpura STPS	1.11	1.73
	Total (A)	**81.53**	**252.83**
2	**NHPC**		
2.1	RANGIT-III, NHPC	1.83	2.19
2.2	TEESTA-V, NHPC	4.42	0
	Total (B)	**6.25**	**2.19**
3	**Other**		
3.1	CHUKHA, PTC	7.80	14.44
3.2	KHEP PTC		0.00
3.3	Mangdechu PTC	0.55	0.93
3.4	WBSEDCL	3.53	6.10
3.5	SPDC	26.15	0.00
3.6	Rongli		11.00
3.7	Mangley		0.00
3.8	Chaten		1.15
3.9	Lachung		6.29
3.10	IPP & Other		0.00
3.11	UI Deviation & Other	0.00	34.52
3.12	RTM Purchase	36.36	0.00
	Total	**74.39**	**74.41**
	Total Energy Purchase	**162.17**	**329.42**

Commission Analysis:

As seen from the above, the PDS has claimed the power purchase cost for the F.Y. 2026-27. The Commission has considered the power purchase cost at as at F.Y. 2026-27 as projected by PDS except UI claimed by PDS.

As per the SSERC (Renewable Consumption Obligation and its Compliance) Regulations, 2025 notified by the Commission on 14th July 2025, the Renewable Consumption Obligation (RCO) targets for the period F.Y 2024-25 to F.Y 2029-30 are as under:

Minimum Quantum of Consumption in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption						
Sl.No	**Year**	**Wind renewable energy**	**Hydro renewable energy**	**Distributed renewable Energy***	**Other renewable energy***	**Total renewable energy**
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2024-25	0.67%	0.38%	0.75%	28.10%	**29.91%**

2.	2025-26	1.45%	1.22%	1.05%	29.29%	**33.01%**
3.	2026-27	1.97%	1.34%	1.35%	31.29%	**35.95%**
4.	2027-28	2.45%	1.42%	1.65%	33.29%	**38.81%**
5.	2028-29	2.95%	1.42%	1.95%	35.05%	**41.36%**
6.	2029-30	3.48%	1.33%	2.25%	36.27%	**43.33%**

The Commission has also worked out the same based on the approved energy sales & purchases quantity. The details are furnished in the table below:

Table 7.14: Requirement of RCO Compliance

Sl. No.	Sources	F.Y. 2026-27
I	**Hydro (25 MW & above)**	
1	RANGIT-III, NHPC	5.39
2	CHUKHA, PTC	44.22
3	WBSEDCL	47.42
4	Mangedechu PTC	1.51
5	Free Power	32.82
6	IPP	200.99
7	Banking Kreate	1.91
8	Banking APPCL	43.68
Total consumption from Hydro Sources (A)		**377.95**
II	**Small Hydro (below 25 MW)**	
1	SPDC and Kundan Hydro	161.30
Total consumption from Small Hydro Sources (B)		**161.30**
III	**Total Consumption including T&D loss (C)**	**712.00**

The Power Department has not considered nor made any provision in its power procurement projection for the F.Y. 2026-27 meeting or fulfilling the RCO compliance. The Commission is separately monitoring the RCO compliance on Quarterly basis and if there is any shortfall in the RCO at the end of the Financial Year, the PDS will be obligated to fulfil the RCO by purchase of REC or other means as per the order of the Commission.

The detail of Power Purchase cost approved by the Commission is given in the Table below:

Table 7.15: Power Purchase Cost approved by the Commission

Particulars	As approved by the Commission in MYT Order dated 13.03.2024	F.Y. 2026-27 (Projected)	Approved by commission
NTPC			
BSTPP I	16.94	52.53	52.53
BSTPP II	2.84	1.47	1.47
FSTPP	15.36	144.27	144.27
FSTPP III	0.88	0.51	0.51
KHSTPP-I	0.78	0.61	0.61
KHSTPP-II	1.01	0.72	0.72
KKANTI-II	0.00	8.89	8.89
TSTPP	0.82	3.33	3.33
DARLAPLI	24.32	24.86	24.86
KBUNL	3.28	0	0
NPGCL	14.19	13.92	13.92
North Karanpura STPS	1.11	1.73	1.73
Total (A)	**81.53**	**252.83**	**252.83**
NHPC			
RANGIT-III, NHPC	1.83	2.19	2.19
TEESTA-V,NHPC	4.42	0	0
Total (B)	**6.25**	**2.19**	**2.19**
Other			
CHUKHA, PTC	7.80	14.44	14.44
Khep PTc		0.00	0.00
Mangdechu PTC	0.55	0.93	0.93
WBSEDCL	3.53	6.10	6.10
SPDC	26.15	0.00	0.00
Rongli		11.00	11.00
Mangley		0.00	0.00
Chaten		1.15	1.15
Lachung		6.29	6.29
IPP & Other		0.00	0.00
UI Deviation & Other	0.00	34.52	34.52
RTM Purchase	36.36	0.00	0.00
Total	**74.39**	**74.41**	**74.43**
Total Energy Purchase	**162.17**	**329.42**	**329.45**

The Commission approves the power purchase cost at ₹ 329.45 Crore for F.Y. 2026-27 against the total cost as projected by the PDS. The PDS has claimed Previous Year Expenses of Power Cost of Rs. 2.00 Crore, which is not considered by the Commission.

7.11 Intra State Transmission Charges

The PDS has projected Intra State Transmission Charges for the F.Y. 2026-27 as shown in the table below:

Table 7.16: Intra State Transmission Charges projected by PDS

Sl. No.	Particulars	F.Y. 2026-27 (Projected)
1	Intra State Transmission Charge	40.50

Commission's Analysis:

The Commission approved the Intra State Transmission Charges for the F.Y. 2026-27, as detailed in table below.

Table 7.17: Intra State Transmission Charges approved by the Commission

Sl. No.	Particulars	F.Y. 2026-27
1	Intra State Transmission Charge	40.50

The Commission therefore, approves the Intra State Transmission Charges at ₹ 40.50 Crore as projected by the PDS for the F.Y. 2026-27.

7.12 Employee Cost

PDS has projected employee cost for the F.Y. 2026-27 as shown in the table below:

Table 7.18: Employee Cost furnished by PDS

Sl. No.	Particulars	F.Y. 2026-27 (Projected)
1	Employees Expense	285.58

Commission's Analysis:

The Commission has considered all the factors, the employee cost are approved by the Commission for the F.Y. 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of Employee Cost at the time of Review & True-up.

Table 7.19: Employee Cost approved by the Commission

Sl. No.	Particulars	F.Y. 2026-27
1	Employees Expense	285.58

The Commission therefore, approves the employee cost at ₹285.58 Crore as projected by the PDS for the F.Y. 2026-27.

7.13 Administrative and General Expenses

The PDS has projected Administrative and General Expenses at ₹2.82 Crore for the F.Y. 2026-27. The Administrative and General Expenses include Telephone, Postage & telegram expenses, , Consultancy fee, Conveyance expenses, Electricity and Water charges, Printing & Stationary and other professional charges. The details of expenses projected by the PDS are furnished in the table below:

Table 7.20: Administrative and General Expenses Projected by PDS

Sl. No.	Particulars	F.Y. 2026-27 (Projected)
1	Administration & General Expense	2.82

Commission's Analysis:

The Commission has considered all the factors, the A&G expenses are approved by the Commission for the F.Y. 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of A&G expenses at the time of Review & True-up.

Table 7.21: Administration & Generation Expenses approved by the Commission

Sl. No.	Particulars	F.Y. 2026-27
1	Administration & General Expense	2.82

The Commission therefore, approves the Administrative and General Expenses at ₹ 2.82 Crore as projected by the PDS for the F.Y. 2026-27.

7.14 Repairs and Maintenance Expenses

The PDS has projected at ₹7.89 Crore for the F.Y. 2026-27 towards Repair and Maintenance Expenses which includes expenses towards operation and maintenance of electrical equipment, plant & machinery and vehicles The details of expenses projected by PDS are furnished in the table below:

Table 7.22: Repair and Maintenance Expenses projected by PDS

Sl. No.	Particulars	F.Y. 2026-27 (Projected)
1	Repair & Maintenance Expense	7.89

Commission's Analysis:

The Commission has considered all the factors, the Repair and Maintenance Expenses are approved by the Commission for the F.Y. 2026-27 as shown in table below. Further, the Commission directs PDS to furnish the details of Repair and Maintenance Expenses at the time of Review & True-up.

Table 7.23: Repair and Maintenance Expenses approved by the Commission

Sl. No.	Particulars	F.Y. 2026-27
1	Repair &Maintenance Expense	7.89

The Commission therefore, approves the Repair and Maintenance Expenses at ₹ 7.89 Crore for the F.Y. 2026-27 as projected by the PDS for the F.Y. 2026-27.

7.15 Depreciation

The PDS has projected depreciation of ₹55.15 Crore for the F.Y. 2026-27. The PDS has stated that the depreciation has been calculated on the value of the opening GFA plus additions during the year at the rates prescribed in the SSERC Regulations. The Depreciation calculated for the assets of the distribution function. The same is detailed in the table below:

Table 7.24: Depreciation Projected by PDS

Sl. No.	Particulars	F.Y. 2026-27 (Projected)
1	Depreciation	55.15

Commission's Analysis:

The Commission has approved the Depreciation of ₹ 39.38 Crore for the F.Y. 2026-27, as detailed in the table below:

Table 7.25: Depreciation approved by the Commission

Sl. No.	Particulars	F.Y. 2026-27
1	Opening GFA	1365.07
2	Addition during the Year	30.00
3	Closing GFA	1395.07
4	Average GFA	1380.07
5	Rate of Depreciation	2.85%
6	**Depreciation**	**39.38**

The Commission therefore, approves the Depreciation at ₹ 39.38 Crore for the F.Y. 2026-27.

7.16 Interest and Finance Charges

The PDS has not projected interest and finance charges during the F.Y. 2026-27.

Commission's Analysis:

As the PDS has not claimed interest and finance charges. **As such the Commission has not considered interest and finance charges during the F.Y. 2026-27.**

7.17 Interest on Working Capital

The PDS has not projected interest on working capital at nil for the F.Y. 2026-27 on normative basis.

The PDS has worked out interest on working capital as detailed in the table below:

Table 7.26: Interest on Working Capital Projected by PDS

Sl. No.	Particulars	F.Y. 2026-27 (Projected)
1	O & M Expenses for 1 month	Nil
2	Maintenance Spares @ 1% plus Escalation @ 6% per annum	
3	Receivable equivalent to 2 month's Revenue	
4	**Total Working Capitals**	
5	Less : Security Deposit of Consumers	
6	**Net Working Capital**	
7	SBI Advance Rate	
8	**Interest on Working Capital**	

Commission's Analysis:

As per Regulation 32 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, interest on working capital shall be calculated on normative basis, notwithstanding the fact that the licensee has taken working capital loan from any outside agency. Accordingly, the Interest on Working Capital has been worked out on the costs approved by the Commission, as detailed in the table below:

Table 7.27: Interest on Working Capital approved by the Commission

Sl. No.	Particulars	F.Y. 2026-27
1	O & M Expenses for 1 month	24.69
2	Maintenance Spares @ 1% plus Escalation @ 6% per annum	
3	Receivable equivalent to 2 month's Revenue	127.48
4	**Total Working Capitals**	**152.17**
5	Less : Security Deposit of Consumers	0.00
6	**Net Working Capital**	**152.17**
7	SBI Advance Rate	9.00%
8	**Interest on Working Capital**	**13.70**

The Commission approves the Interest on Working Capital at ₹ 13.70 Crore for the F.Y. 2026-27. The above Interest on Working Capital is approved.

7.18 Return on Equity

The PDS has not projected Return on Equity during the F.Y. 2026-27.

Commissions Analysis:

Regulation 29 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020, provides for Return on Equity at 14% p.a. on the equity amount appearing in the audited balance sheet of annual accounts.

In addition, it is a State Government Department; the expenses are funded by the Government. **As such, no separate return is to be allowed for Return on Equity.**

7.19 Provision for Bad Debts

The PDS has not claimed any provision for bad debts during the F.Y. 2026-27.

7.20 Non-Tariff Income

The PDS has projected a Non-Tariff Income ₹ 22.82 Crore for the F.Y. 2026-27.

Commission's Analysis:

PDS is directed to submit the details of the energy meters provided by the department and procured by the consumers at their cost. Further, PDS has projected the Non-tariff Income of ₹22.82 Crore.

The Commission approves the Non-Tariff Income at ₹ 22.82 Crore for the F.Y. 2026-27, as projected by the PDS for the F.Y. 2026-27.

7.21 Revenue from Existing Tariff

The PDS has projected revenue from sale of energy with existing tariff at ₹ 439.88 Crore within the states for the F.Y. 2026-27. Further, the PDS has projected revenue from outside state sale at ₹ 140.00 Crore for the F.Y. 2026-27.

Commissions Analysis:

It is observed that the revenue from domestic category contributes after the highest contribution by HT Industrial. Hence, impact of change in tariff on the revenue is mostly dependent on these categories. The revenue approved at the existing Tariff is detailed in the table below:

Table 7.28: Revenue at Existing Tariff as approved by the Commission for F.Y. 2026-27

(Rs. Crores)

Sl. No.	Particulars	F.Y.2026-27
1	**Total Sales within the State**	414.54
2	Sale outside State	240.35
3	**Total Sales (1+2)**	**654.89**

The Commission approves revenue from sale of energy with existing tariff at ₹ 414.54 Crore on sale of 615.88 MUs within the state at an average rate of ₹6.73/kWh & ₹240.35 Crore on sale of 663.26 MUs from outside State sale at an average rate of ₹3.62/kWh for the F.Y. 2026-27.

7.22 Aggregate Revenue Requirement (ARR) and Gap

The Aggregate revenue requirement and gap projected by PDS for the F.Y. 2026-27 is furnished in table below:

Table 7.29: Aggregate Revenue Requirement projected by PDS

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	2026-27 (Projected)
1	**2**	**3**	**4**
1	Cost of Fuel	0.00	0.00
2	Cost of Generation	0.00	0.00
3	Cost of Power Purchase	167.52	329.43
4	Intra State Transmission Charge	38.87	40.50
5	POC/Non POC, ERLDC & Other Charges		1.39
6	Ash Handling Charges	0.00	40.00
7	Employee Costs	229.82	285.58
8	Repair and Maintenance Expense	9.76	7.89
9	Administration and General Expenses	3.47	2.82
10	RDSS (Metering Expenses)	0.00	-

11	Depreciation	20.85	55.15
12	Interest Charges	3.24	0.00
13	Interest on Working Capital	7.09	0.00
14	Return on Equity	0.00	0.00
15	Previous Year Expenses of Power Purchase Cost	0.00	2.00
16	**Total Revenue Requirement**	**480.62**	**764.76**
17	Less: Non-Tariff Income	0.64	22.82
18	**Net Revenue Requirement**	**479.98**	**741.94**
19	Less: Penalty on account of non-compliance of HPO	0.00	--
20	**Net Revenue Requirement**	**479.98**	**741.94**
21	Revenue from Tariff		439.88
22	Revenue from Outside State Sales		140.00
23	**Surplus /(Gap)**		**(162.06)**

7.23 RDSS Expenses (AMISP Expenses)

The Petitioner submitted that, under the RDSS Smart Metering Programme, the Department is required to make payments towards Advanced Metering Infrastructure Service Provider (AMISP) on a Per Meter Per Month (PMPM) basis. The estimated PMPM liability for F.Y. 2026-27 is approximately ₹27.60 crore and that the same be made a part of its Annual Revenue Requirement (ARR).

Since the PMPM payment is a fixed monthly obligation linked to each operational smart meter and is independent of the quantum of electricity consumed, the Department submitted that recovery through a separate per-unit energy charge may not be appropriate. At the same time, introducing a separate Smart Meter Service Charge in the tariff schedule may complicate billing and consumer understanding. Accordingly, the Department proposed that the Commission may permit recovery of the approved PMPM expenditure through the proposed hike in retail tariff.

The Commission after considering the submissions of the Petitioner, deems it reasonable and allows the RDSS expenses to be included in the ARR for F.Y 2026-27 and the annual payment towards the AMISP shall be made from within the revenue from sale of power approved by the Commission.

Based on the approvals of the above projections, the ARR & Gap of PDS for the F.Y. 2026-27 works out as detailed in table below:

Table 7.30: Aggregate Revenue Requirement approved by the Commission

Sl. No.	Particulars	As approved by the Commission in MYT Order dated 13.03.2024	2026-27 (Projected)	Now approved by Commission
1	**2**	**3**	**4**	**5**
1	Cost of Fuel	0.00	0.00	0.00
2	Cost of Generation	0.00	0.00	0.00
3	Cost of Power Purchase	167.52	329.43	329.45
4	Intra State Transmission Charge	38.87	40.50	40.50
5	POC/Non POC, ERLDC & Other Charges		1.39	1.39
6	Ash Handling Charges	0.00	40.00	40.00
7	Employee Costs	229.82	285.58	285.58
8	Repair and Maintenance Expense	9.76	7.89	7.89
9	Administration and General Expenses	3.47	2.82	2.82
10	RDSS Expenses (AMISP Expenses)	0.00	-	27.00
11	Depreciation	20.85	55.15	39.38
12	Interest Charges	3.24	0.00	-
13	Interest on Working Capital	7.09	0.00	13.70
14	Return on Equity	0.00	0.00	-
15	Previous Year Expenses of Power Cost	0.00	2.00	-
16	**Total Revenue Requirement**	**480.62**	**764.76**	**787.70**
17	Less: Non-Tariff Income	0.64	22.82	22.82
18	**Net Revenue Requirement**	**479.98**	**741.94**	**764.88**
19	**Less: Penalty on account of noncompliance of RPO**	**0.00**	**-**	**0.03**
20	**Net Revenue Requirement**	**479.98**	**741.94**	**764.85**
21	Revenue from Tariff		439.88	414.54
22	Revenue from Outside State Sales		140.00	240.35
23	**Surplus /(Gap)**		**(162.06)**	**(109.96)**

7.24 Penalty for non-compliance of Hydro Purchase Obligation (HPO)

It is observed that petitioner has failed to comply with Hydro Power Obligation (HPO) under Renewable Purchase Obligation (RPO) for F.Y. 2022-23, 2023-24 and F.Y. 2024-25. As per Section 142 of the Electricity Act, 2003 Jan Vishwash Amendment Act, 2026, penalties on the non-compliance of HPO are imposed as under:

1. **Penalty for F.Y 2022-23 and F.Y 2023-34**
   a. Nominal Base Penalty for F.Y 2022-23 - ₹ 30,000.00
   b. Nominal Base Penalty for F.Y 2023-24 - ₹ 30,000.00

2. **Penalty for F.Y 2024-25**
   a. Minimum Base Penalty for F.Y 2024-25 - ₹ 30,000.00

Total Penalty (1+2) - ₹ 90,000.00 (Rupees Ninety Thousand Only)

Therefore, the total penalty of ₹ 0.90 Lakh has been imposed on the petitioner and the approved ARR for F.Y 2026-27 has been reduced by ₹ 0.90 Lakh.

Accordingly, the Commission approves the Aggregate Revenue Requirement at ₹ 764.87 Crore against ₹ 741.94 Crore projected by PDS for the F.Y. 2026-27.

7.23 Revenue Gap for the F.Y. 2026-27

Based on the Aggregate Revenue Requirement and revenue from existing tariffs for F.Y. 2026-27, the resultant Gap is as shown in the table below.

Table 7.31: Approved Revenue at Existing Tariff & Gap/surplus

Sl. No.	Particulars	F.Y. 2026-27
1	**Net Revenue Requirement**	764.87
2	Revenue from Tariff	414.54
3	Revenue from Sale Outside the State	240.35
4	**GAP/(Surplus)**	**109.98**
5	Energy Sale within the State (MUs)	615.88
6	Energy Sale Outside the State (MUs)	663.26
7	**Average Cost of Supply ₹/ kWh**	**5.98**

The Revenue gap of ₹ 109.98 Crore has been arrived at on the basis of the approved data for the F.Y. 2026-27. The Average Cost of Supply (ACS) for the F.Y. 2026-27 is ₹ 5.98/kWh & average revenue from tariff is ₹ 5.12/kWh. The average revenue gap is ₹0.86/kWh.

7.24 Recovery of Revenue Gap for the F.Y. 2026-27

As seen from para above, there is a revenue Gap of ₹ 109.98 Crore during the F.Y. 2026-27 which is 14.38% of net ARR for the F.Y. 2026-27. The existing tariff was fixed with effect from 01.04.2025.

PDS does not propose to recover the entire gap as this would have a substantial impact on social economic and financial well-being of the public at. PDS being a Government Department funded by budgetary support from State Government, proposes to absorb the unrecovered gap. However, PDS proposed an average increase in tariff to bridge the gap partially. PDS has also proposed to do away with the segregation of LTIS into Rural and Urban categories and keep a single LTIS category. The PDS has not proposed any changes in monthly minimum charges and Demand Charges for all categories of consumers.

Further, PDS has also proposed introduction of Peak and Off-Peak Time of Day (ToD) tariff for High Tension Industrial Consumers in its petition.

As such, the Commission considers it reasonable to approve slight revision of tariffs for all categories without giving tariff shock to consumers and to bridge revenue gap partially. Owing to revision of tariffs, the PDS is expected to generate an additional revenue of ₹ 58.08 Crore as detailed in table below:

Table 7.32: Revenue from revised Tariff approved by the Commission for F.Y. 2026-27

Sl. No.	Particulars	Sales (MUs)	Total (₹ In Crore)
1	**Domestic (DLT)**		
a)	1 to 50 Units	28.79	6.91
b)	51 to 100 Units	27.80	9.45
c)	101 to 200 Units	25.98	11.43
d)	201 to 400 Units	21.84	10.70
e)	401 & above	30.98	16.73
	Total		**55.22**
2	Commercial		
	1 to 50 Units	33.18	16.76
b)	1 to 100 Units	8.30	5.02
c)	101 to 200 Units	7.26	5.12
d)	201 to 400 Units	5.18	4.17
e)	401 & above	4.56	3.81
	Total		**34.88**
3	Public Lighting		
a)	Rural Areas	0.28	0.21
b)	Urban Areas	0.80	0.59
	Total		**0.80**
4	**Temporary**	13.07	**5.56**
5	**Industrial**		
A	HT		
	HT (AC) above 3.3 KV		
a)	Upto 250 KVA	85.22	69.98
b)	250-500 KVA	98.38	87.46
c)	500KVA and Above	179.40	183.14
	Total HT		**340.59**
B	**LT (Rural)**		
a)	Up to 500 Units	1.21	0.84

b)	501-1000 Units	0.35	0.28
c)	1001 & Above	0.35	0.32
	Total		**1.43**
C	**LT(Urban)**		
a)	Up to 500 Units	0.04	0.02
b)	501-1000 Units	0.04	0.03
c)	1001 & Above	0.09	0.08
	Total		**0.14**
6	**BULK SUPPLY**		
a)	LT	20.41	16.22
b)	HT	22.37	17.78
	Total		**34.00**
7	**Grand Total**	**615.88**	**472.62**

With the revision of tariff, the PDS will generate additional revenue of ₹ 58.08 Crores and thereby, the revenue gap is calculated to ₹ 51.88 Crore during F.Y. 2026-27 after tariff revision.

The revenue after tariff revision has increased to ₹ 472.62 crore as against ₹414.54 crore. The revised revenue has been arrived based on the approved data for the F.Y. 2026-27. The Commission, accordingly approves revenue from revised tariffs at ₹ 472.62 crore with the energy sales of 615.88 MUs within the State.

The Commission has considered ₹ 27.00 crores in the approved ARR for F.Y. 2026-27 towards RDSS expenses (Annual payout to Advanced Metering Infrastructure Service Provider or AMISP). The PDS shall meet the annual payout of ₹ 27.00 crores for AMISP for F.Y. 2026-27 from the revenue generated from tariff.

To ensure transparency, accountability, and regulatory oversight, protection of interest of consumers and the financial sustainability of the Department, the Commission issues the following directives for payment towards AMISP:

(a) A separate accounting head and a dedicated bank account shall be maintained exclusively for AMISP-related receipts and payments.

(b) Payments to the AMISP shall be made exclusively from the aforesaid account and shall be limited to the PMPM expenditure approved by the Government and admitted by the Commission.

(c) Detailed records of collections, payments made to the AMISP, and the account balance shall be maintained and made available to the Commission as and when required. Any surplus remaining after meeting the approved AMISP liability shall be dealt with in accordance with the directions of the Commission and the applicable tariff regulations.

(d) **Any excess or short recovery of AMISP expenditure shall be adjusted in the subsequent ARR through the truing-up mechanism, as may be directed by the Commission.**

7.25 Peak and Off-Peak Tariff for H.T. Industrial Consumers ToD Tariff

Considering the submissions of the PDS, the Commission deems it fit to introduce both Peak and Off-Peak ToD Tariff only for HT Industrial consumers during F.Y. 2026-27. The approved ToD tariff shall as be as indicated in the Tariff Schedule (Annexure).

8. DIRECTIVES AND ADVISORIES

Introduction

The Commission had issued several directives and advisories for compliance by the PDS. The directives and advisories were issued by the Commission with the aim and objective of not only improving the overall performance and efficiency of the department but also to ensure that the quality and standard of service to the consumers improve in the long run. The advisories and directives were issued with the sole intension to help the Department to make steady improvement its financial state and reduction of the revenue gaps in the future.

This section of the Tariff Order deals with the different issued by the Commission and status of compliance of the directives by the PDS, the views/comments of commission on the past directives and fresh directives for compliance.

<u>Directives for F.Y 2021-21</u>

6.1 Directive 1: Information on RPO/HPO Compliance

The Power Department is directed to create a separate page in its official website indicating the details of RPO/HPO compliance. The Department is advised to ensure that the RPO/HPO compliance details are provided in such a form/manner in the website that the details are very easy to see and understand.

Comments of the Commission in the last Order:

The Department is obligated as per the standing regulations and directives of Government of India to furnish the RPO compliance report on quarterly basis. Further, the Department has not made any effort so far to dedicate a separate column/page in its official website for RPO Compliance. The Department is directed to take immediate steps to upload the RPO compliance on its website and also update the data on regular basis.

Compliance submitted by the Department:

The Department has up loaded the RPO/HPO compliance in the official web site of Power Department.

<u>Comments of the Commission</u>

The Commission is happy to note that the directive has been complied by the Department.

Directive 2: Introduction of Direct Benefit Transfer

In order to prevent and curtail the revenue losses, especially in the rural areas, where the State Government is providing free electricity upto 100 units, the Department is directed to introduce Direct Benefit Transfer (DBT) and transfer the subsides well in advance to the eligible consumers and realize the bills for electricity consumed by the consumers about the DBT and the concept of free power considering the notion of free power amongst the rural masses and past unsuccessful attempt of DBT.

Comments of the Commission in the last order:

The Department has not furnished any information/response on the Directives issued by the Commission. The Commission views the laid-back response of the Department on a serious note and warns the Department to take the directives seriously. Non-compliance of the directives/orders of the Commission amounts to 'contempt of court' and non-compliance in future will lead to penal action. The Commission reiterates the directives and directs the Department to submit an' action taken report' **<u>within a period of 15 days from the date of this Order.</u>**

Compliance submitted by the Department:

No compliance has been submitted by the Department.

<u>Comments of the Commission:</u>

The Commission has taken strong note of the lackadaisical approach of the PDS to the directive/advisory issued and the failure of the PDS to submit its compliance. The PDS is directed to submit to the Commission the methodology that the PDS intents to adopt or otherwise regarding the DBT.

DIRECTIVES FOR FY 2024-25

1. Compliance of Directives / Advisories.

The Department's compliance of directives issued by the commission vis-a-vis the efforts made towards follow up action on the advisories issued are very poor. The commission observes that the Department is not taking the directives and advisories issued by the commission are indented not only for improvement of the services being provided to the consumer but also for improvement of the financial health and enhancement of the standard of performance of the Department. The Department is directed to take the directives/advisories issued by the Commission seriously.

Comments of the Commission in the last order:

The Commission notes that compliance of directives/advisories by the Department is still not upto the mark. The Department needs to appreciate the facts that the Directives are being issued by the Commission not merely to fulfil regulatory provision but to help improve the quality of services and financial health of the Department, which in the long run will be beneficial to the entire power sector including the consumer.

Compliance by the Department:

No compliance has been submitted by the PDS.

Comments of the Commission:

The Commission is pained to observe that despite repeated directives, the PDS has failed to take serious note of the directives/advisories issued by the Commission. As repeatedly highlighted by the Commission, the directives/advisories are issued by the Commission for the improving both the financial health of the PDS vis-à-vis the quality of services provided to the consumers. Therefore, the Commission calls upon the PDS to take the directives/advisories seriously to avoid imposition of penalties and strict actions by the Commission.

2. Filing of Correct data/information

Petition/application filed by the Department before the commissionaire under oath and on affidavit. However, it is observed that there are numerous errors in the various data/ figures being submitted by the department in its petition, which amount to demeaning the Hon'ble Commission and liable to fine/ action as per the Electricity Act,2003 . The Department is directed to make sure that all the data / information are properly checked/ verified prior to submission to the commission that all the data/ information are properly checked/verified prior to submission to the commission.

Comments of the Commission in the last order:

The Commission feels that there is more scope for improving/upgrading the quality of data/documents and filings being done in the Petition. The Department is directed to take serious note of the directives.

Compliance submitted by the Department:

No compliance submitted by the Department.

Comments of the Commission:

The Commission reiterates the directives.

NEW DIRECTIVES FOR F.Y 2025-26

1**. Public Awareness on Smart Prepaid Meters/Issues of Prepaid meters**

There is still major lack of awareness among the consumers regarding smart prepaid meters/prepaid meters including the nitty-gritties about their functions/operations etc. The Department is directed to ramp up its efforts towards giving wider public awareness on smart meters. It takes time for public to accept new technologies/mechanisms and same is the case with the smart prepaid meters. Unless the Department creates wider awareness among the public, it will encounter lot of hurdles in ensuring 100% coverage of smart prepaid meters.

Frequent complaints/issues related to non-functional smart prepaid meters, wrong meter reading etc are being reported by consumers. The Department is directed to take immediate steps to rectify the shortcomings. Unless the issues/shortcomings are addressed, the whole objectives behind installing of smart prepaid meters will be defeated.

Compliance submitted by the Department:

Hon'ble Commission's directives are noted and the Department has been organizing frequent awareness campaigns throughout the State. The Department has also been taking all necessary steps to address the complaints of the consumers. The Department has also launched the portal, self-service power. Sikkim where consumers can apply new service connection and also address their grievances online through this portal.

Comments of the Commission:

The Commission appreciates the efforts made by the Department for compliance of the directive.

2. Delay in Implementation of Smart prepaid meter installation

It has been considerable time since the process of installing smart prepaid meters started in the State. However, the progress of meter installation is very poor. The Commission is aghast to note that not even 15% of total consumers has been covered by smart prepaid meters so far. Even the meters already installed have not been activated in most locations. If the Department intends to bring down the losses and improve its revenue, top priority must be given for speeding up the meter installation. The Department is directed to invariably complete the smart meter installation latest by the end of F.Y. 2025-26.

Compliance submitted by the Department:

The Hon'ble Commission's directives are noted and the smart meter installation shall be completed by F.Y.2025-26.

Comments of the Commission:

The Commission observes that the Department has not been able to adhere to a definite timeline for completion of installation of smart meters in the State. Timely completion of the smart meter installation is beneficial both for the Department as well as the consumers. **The Department is directed to submit a 'status report' to the Commission regarding progress of smart meter installation and the timeline for completion of the same within a period of 15 days from the date of issue of this order.**

3. Monitoring Quality of works and Machines/Equipment

The Department is undertaking several infrastructural development works/schemes funded by the Central/State Government. These works/schemes are intended to improve the overall quality of Transmission and Distribution networks in the State. Therefore, it is necessary that highest standards are maintained both in the works and the machines/equipment being installed/supplied.

The Department is directed to regularly inspect the quality/standard of works being implemented and the machines/equipment being installed. For which, the Department is advised to conduct surprise site visits and checks to ensure that the quality is not compromised.

Compliance submitted by the Department:

All materials and machinery under the scheme undergo a Pre-Dispatch Inspection (PDI) at the manufacture's facility in the presence of departmental and contractor representatives. Only materials that meet the PDI standards are cleared for dispatch to site.

Upon arrival at site, the TPQMA appointed by REC (Nodal Agency) conducts NABL-accredited testing on randomly selected samples. If any sample fails the NABL test, the contractor must replace the entire lot of the concerned material/machinery.

Field works are continuously monitored by the concerned field engineers, the Project Management Agency (PMA) and the RDSS Nodal Office. In addition, the TPQMA inspects the quality of works at various stages of progress. These TPQMA quality reports are mandatory and form a critical requirement for the final completion of the RDSS Project.

Comments of the Commission:

The Commission takes note of the compliance submitted by the Department and shall be keenly observing the fulfillment of the commitments made by the Department.

FRESH DIRECTIVES FOR F.Y.2026-27

1. Billing and Digital Payment Hurdles

Although the Department has move forward toward digitalization, the transition has not been seamless. Some of the key issues are:

- Software mitigation issues - resulting in periodic ‘blackout periods’ for bill payments during software upgrades resulting in online bill payment difficulties or at banks, leading to confusion over due dates and late fees.
- Arrear discrepancies – consumers often report that ‘cumulative arrears” from old billing systems do not reflect correctly on new upgraded bills, making it difficult to track actual outstanding payments.
- Friction regarding Demand Charges- Cases of commercial consumers to attempt bypass paying ‘demand charges’ using multiple connections, which complicates Department’s load management.

The Department is advised to ensure that a systematic plan/way forward is available with it to resolve the above issues.

2. Lack of awareness regarding CGRFs

The Department has set up Consumer Grievance Redressal Forums (CGRFs) in all the districts for the ease of redressal of grievances of the consumers. However, it is observed that no tangible efforts have been made by the Department for giving information to the consumers/public regarding the functioning and existence of “CGRFs”. As a result, the consumers are approaching the Commission directly for redressal of their grievances.

The Department is advised to use platforms like social media, Print and Electronic Media, WhatsApp etc to relay information to the consumers regarding CGRFs. The Department may also hold programs in Schools and Gram Sabhas to sensitize the public.

3. Timely restoration of outages during natural calamity

Sikkim being a hilly State with challenging landscapes and weather pattern, during severe rains/lightning, storms, landslides and other natural calamities, restoration of power supply especially in far flung and rural areas take considerable time. Lack of spares, standby manpower and means of conveyance for the restoration team are key factors affecting timely power restoration. The field personnel neither have the adequate resources nor the necessary back up for facing such situation.

The Commission feels that the Department needs to have the necessary back-up plan as well as provide the basic necessary support/equipment etc to the local field personnel, who are the first to respond. Providing necessary equipment/tools, financial resource and quick and easy mode of conveyance will not only motivate the personnel but also curtail the delay in restoration efforts.

4. Possibility of supplying "free power from Hydro projects (IPP projects) within the State"

To reduce the burden of excessive import of high-cost thermal power and resultant passing of the cost to the consumers in the form of tariff, the PDS is directed to explore the possibility of drawing free power from IPP projects for supply within the State rather than trading the excess power outside the State and re-importing the power at much higher rates. PDS may carry out a study on the same and submit a report to the Commission before the filing of the next petition.

9. TARIFF PRINCIPLES AND DESIGN

9.1 Background

(a) The Commission in determining the revenue requirement of PDS for the ARR and retail tariff for the F.Y. 2026-27 has been guided by the provisions of Electricity Act, 2003. The National Tariff Policy (NTP), CERC Regulations in this regard and SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020. Section 61 of the Act lays down the broad principles, which shall guide determination of retail tariff. As per these principles the tariff should "Progressively reflect cost of supply" and reduce the Cross subsidies "within a period specified by the Commission". The Act lays special emphasis on safeguarding consumer interests and requires that the costs should be recovered in a reasonable manner. The Act mandates that tariff determination should be guided by the factors, which encourage competition, efficiency, economical use of resources, good performance and optimum investment.

The NTP notified by GOI in January, 2006 provides comprehensive guidelines for determination of tariff as also working out the revenue requirement of power utilities. The Commission has endeavored to follow these guidelines as far as possible.

(b) The NTP mandates that Multi Year Tariff (MYT) framework be adopted for determination of tariff from 1st April, 2015. However, the Commission permitted the PDS to file petition under single year tariff regime till F.Y. 2017-18 considering the fact that the PDS was functioning as a State Government Department and the fact that the Generation, Distribution and Transmission business had not been segregated. An attempt was made by the PDS to file petition under multiyear tariff regime during the F.Y. 2015-16 but the petition was not admitted by the Commission as the PDS could not furnish the vital details/data/documents etc. required for processing of the petition under MYT regime. Therefore, the Commission deemed it fit to continue with single year tariff regime till such a time that the PDS is in a position to furnish the basic/bare necessary data/figures/details required by the Commission. Accordingly, the MYT regime has been introduced only from the F.Y. 2018-19 and the F.Y 2026-27 falls in the 3rd Three-Year Control Period (F.Y 2024-25 to F.Y 2026-27) specified by the Commission.

(c) The mandate of the NTP is that tariff should be within plus/ minus 20% of the average cost of supply. It is not possible for the Commission to implement this at present because of consumers' paying capacity in Sikkim is low. There has been a high level of the fluctuating revenue gap. However, in this tariff order an element of performance target has been indicated by setting target for T&D loss reduction. The improved performance, by reduction of loss level, and increase in sale will result in substantial reduction in average cost of supply. The Commission has considered for a nominal increase in tariff in view of the paying capacity of the consumers.

(d) Clause 8.3 of National Tariff Policy lays down the following principles for tariff design:

(i) In accordance with the National Electricity Policy, consumers below poverty line who consume below a specified level, say 30 units per Month, may receive a special support through Cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply. This provision will be re-examined after five years.

(ii) For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SSERC would notify the roadmap, within six Months with a target that latest by the end of the F.Y. tariffs are within ± 20% of the average cost of supply. The road map would have intermediate milestones, based on the approach of a gradual reduction in Cross subsidy.

(e) Regulation 72 of SSERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2020 specifies that,

"The amount received by the Distribution Licensee by way of cross subsidy surcharge as approved by the Commission in accordance with the Sikkim State Electricity Commission (Terms and Condition of Intra-State Open Access) regulations, 2012 as applicable and as amended from time to time, shall be deducted from the Aggregate Revenue Requirement in calculating the tariff supply of electricity by such Distribution Licensee at the time of truing up."

(f) The Commission has considered special treatment to BPL consumers. It has also aimed at raising the per capita consumption of the State. The Commission endeavors that the tariff progressively reflects cost of supply in a reasonable period and the Government subsidy is also reduced gradually. The tariff has been rationalized with regards to inflation, paying capacity and to avoid tariff shock.

(g) The Commission has approved only marginal hikes in tariffs considering the difficulties faced the public owing to increase in prices of fuels, LPG etc due to the ongoing international conflicts and the consumers switching to electrical appliances due to rise in LPG price and possible increase in the use of electric vehicles.

9.2 Tariff Proposed by the PDS and Approved by the Commission

(a) Existing & Proposed Tariff

PDS in its tariff petition for the F.Y. 2026-27 has proposed for revision of the existing retail tariffs to various categories of consumers to earn additional revenue to meet the expenses to a reasonable extend. The PDS has proposed tariff revision as indicated in table below:

Table 9.1: Existing Tariffs v/s proposed Tariffs for F.Y. 2026-27

Sl. No.	Particulars	Existing Rate Paisa /kWh	Proposed Rate Paisa /kWh
1	**Domestic**		
i)	Up to 50 units	160	260
ii)	51 to 100 units	260	360
iii)	101-200 units	360	460
iv)	201 to 400 units	410	510
v)	401 & above	460	560
2	**Commercial**		
i)	Up to 50 units	410	525
ii)	51 to 100 units	510	625
iii)	101 to 200 units	610	725
iv)	201 to 400 units	710	825
v)	401 & above	740	855
3	**Bulk Supply**		
i)	L.T	650	8.00
ii)	H.T	650	
4	**Public Lighting**		
a)	Rural Areas	500	746
b)	Urban Areas	600	
5	Supply to Army Pensioners	Domestic rates are applicable	Same as proposed for Domestic Category
6	Supply to Blind		
7	Supply to place of worship		
8	**Low Tension Industrial Supply (LTIS)**		
A	**LT (Rural)**	**Paisa/KVAh**	**Paisa/KVAh**
i)	Up to 500 Units	460	Slab Removed
ii)	501-1000 Units	540	Slab Removed
ii)	1001 & Above	680	Slab Removed
B	**LT(Urban)**		Category removed and renamed as LTIS only
i)	Up to 500 Units	630	696
ii)	501-1000 Units	720	796
iii)	1001 & Above	815	896
9 (1)	**High Tension Supply HTS (Energy Charge)**	**Paisa/KVAh**	**Paisa/KVAh**
	3.3 kV & Above		
i)	Upto 250 KVA	690	796
ii)	250 KVA to 500KVA	740	846

iii)	500KVA and above	790	896
9 (2)	**High Tension Supply HTS (Demand Charge)**	**₹/KVA/Month**	**₹/KVA/Month**
i)	Upto 250 KVA	250.00	250.00
ii)	250 KVA to 500KVA	290.00	290.00
iii)	500KVA and above	560.00	560.00
9 (3)	**Time of Day Tariff (ToD), Applicable only to HT consumers.**	**₹/KVAh**	**₹/KVAh**
i)	00.00 hrs to 05.00 hrs (5 hours) Off Peak	0.40/KVAh less than Normal Tariff	0.40/KVAh less than Normal Tariff
ii)	05.00 hrs to 8.00 hrs (3 hours) Morning Peak hour	----	1.00/KVAh more than Normal Tariff
iii)	17.00 hrs to 20.00 PM (3 hours) Evening Peak hour	----	1.00/KVAh more than Normal Tariff
10	**Annual Surcharge (charge on the arrear outstanding every March end)**		
i)	All category of consumer	10%	5%

(b) Tariff Categories

The approved tariff categories v/s sub categories are given below:

- Domestic Supply (DS)
- Commercial Supply (CS)
- LT Industrial Supply (LTIS)
- Public Lighting
- HT Supply
- Bulk Supply

  a. LT
  b. HT
  c. Temporary Supply

(c) Tariffs approved by the Commission

Having considered the case no.P-01/PDS/2026 for approval of Aggregate Revenue Requirement (ARR) and determination of retail tariff for sale of energy and having approved Aggregate Revenue Requirement in aforesaid paras, the Commission has revised the tariff for different categories of consumers as detailed in the table below:

Table 9.2: Tariff approved by the Commission for F.Y. 2026-27

<table>
<tr><th rowspan="2">Sl No</th><th rowspan="2">Category of Consumers</th><th>Energy Charges</th><th colspan="2">Fixed Charges</th></tr>
<tr><th>Tariff approved (Paisa/Unit)</th><th>Monthly Minimum Charge (₹ per Month)</th><th>Demand Charge (₹/KVA/Month)</th></tr>
<tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>1</td><td colspan="4">Domestic</td></tr>
<tr><td>a)</td><td>Up to 50 units</td><td>240</td><td rowspan="5">1 Phase: ₹ 100
3 Phase : ₹ 200</td><td rowspan="5">Nil</td></tr>
<tr><td>b)</td><td>51 to 100 units</td><td>340</td></tr>
<tr><td>c)</td><td>101 to 200 units</td><td>440</td></tr>
<tr><td>d)</td><td>201 to 400 units</td><td>490</td></tr>
<tr><td>e)</td><td>401 and above</td><td>540</td></tr>
<tr><td>2</td><td colspan="4">Commercial</td></tr>
<tr><td>a)</td><td>Up to 50 units</td><td>505</td><td rowspan="5">Applicable to sanctioned load below 25 KVA:
1 Phase: ₹ 300
3 Phase: ₹ 500</td><td rowspan="5">Applicable to sanctioned load 25 KVA and above:
Rural : ₹ 60
Urban: ₹ 100</td></tr>
<tr><td>b)</td><td>51 to 100 units</td><td>605</td></tr>
<tr><td>c)</td><td>101 to 200 units</td><td>705</td></tr>
<tr><td>d)</td><td>201 to 400 units</td><td>805</td></tr>
<tr><td>e)</td><td>401 and above</td><td>835</td></tr>
<tr><td>3</td><td>Public Lighting</td><td>746</td><td>Nil</td><td>Nil</td></tr>
<tr><td>4</td><td colspan="4">Industrial</td></tr>
<tr><td>A</td><td colspan="4">HT</td></tr>
<tr><td>a)</td><td colspan="4">HTIS (AC) above 3.3 KV</td></tr>
<tr><td>b)</td><td>Upto 250 KVA</td><td>786</td><td rowspan="3">Demand Charges</td><td>₹ 250/KVA/Month</td></tr>
<tr><td>c)</td><td>250 to 500 KVA</td><td>836</td><td>₹ 290/KVA/Month</td></tr>
<tr><td>d)</td><td>500 KVA and above</td><td>886</td><td>₹ 560/KVA/Month</td></tr>
<tr><td>B</td><td colspan="4">LTIS</td></tr>
<tr><td>a)</td><td>Upto 500 Units</td><td>691</td><td rowspan="3">Contract Demand of 50 KVA & below:
₹ 500/Month
Contract Demand of above 50 KVA:
₹200/KVA/Month</td><td rowspan="3">Sanctioned load above 25 KVA & up to 100 KVA with shared transformers:
₹100/KVA/Month</td></tr>
<tr><td>b)</td><td>501 to 1000 units</td><td>791</td></tr>
<tr><td>c)</td><td>1001 and above</td><td>891</td></tr>
<tr><td>5</td><td>Bulk Supply</td><td>795</td><td>Contract Demand of 50 KVA & below:
₹ 500/Month</td><td>Contract Demand of Above 50 KVA:
₹ 150/KVA/Month</td></tr>
</table>

Details are given in tariff schedule in the Appendix.

This order shall come into force from 1st July 2026 and shall remain effective till revised or amended by the Commission. The Order shall be uploaded in the official website of Commission and copies to be forwarded to the Power Department, Central Electricity Authority and Central Electricity Regulatory Commission.

The Commission directs the Power Department, Government of Sikkim, to publish the tariff approved by the Commission in two local newspapers having wide circulation in the State for information of the public and to upload it in the official website of the Department.

Accordingly, the Case No. P-01/PDS/2026 stands disposed of.

Sd/-

(Tempo Gyatso Bhutia)

Member (Law)

Place: Gangtok

Date: 30th June 2026

10. WEELING CHARGES, OPEN ACCESS TRANSMISSION CHARGES, CROSS SUBSIDY, ADDITIONAL SURCHARGE

10.1 Wheeling Charges

The net distribution ARR approved is segregated into wire business and retail supply business in accordance with the matrix detailed in the table below:

Table 10.1: Allocation Matrix

Sl No.	Particulars	Wire Business	Retail Supply Business
1	Cost of Fuel	0	100
2	Cost of Power Purchase	0	100
3	Employees Costs	60	40
4	Repair & Maintenance Expense	90	10
5	Administration & General Expense	50	50
6	Depreciation	90	10
7	Interest Charge	90	10
8	Interest on Working Capital	10	90
9	Return on NFA/Equity	90	10
10	Non-Tariff Income	10	90

The expenses are segregated into wire business and retail supply business as per the above Matrix and shown in the table below:

Table 10.2: Segregation of wires and Retail Supply Costs for F.Y. 2026-27

Sl No.	Particulars	Approved Cost	Wire Business	Retail Supply Business
1	Cost of Fuel	0.00	-	-
2	Cost of Generation	0.00	-	-
3	Cost of Power Purchase	329.45	-	329.45
4	Intra State Transmission Charge	41.89	41.89	-
5	Ash Handling Charges	40.00	40.00	-
6	Employees Costs	285.58	171.35	114.23
7	Repair & Maintenance Expense	7.89	7.10	0.79
8	Administration & General Expense	2.82	1.41	1.41
9	RDSS (Metering Expenses)	27.00	24.30	2.70
10	Depreciation	39.38	35.44	3.94
11	Interest Charge	0.00	-	-
12	Interest on Working Capital	13.70	1.37	12.33
13	Return on NFA/Equity	0.00	-	-
14	Less : Non Tariff Income	22.82	2.28	20.54
15	**Total**	**764.88**	**320.58**	**444.31**

The wheeling charges have been computed on the basis of approved cost for its distribution wire business and the total energy expected to be wheeled through its network. In the absence of segregated data on costs of operation of 33 KV and 11 KV networks and sales, Wheeling Charges are not segregated voltage wise. Combined wheeling charges determined are given in table below:

The Commission has arrived the Wheeling Charges based on the above wire cost and energy sale for the F.Y. 2026-27 and shown in the table below:

Table 10.3: Wheeling Tariff approved by the Commission

Sl No.	Particulars	F.Y. 2026-27
1	ARR for Wheeling Function approved by Commission (In ₹ Crore)	320.58
2	Total Sale - Approved (In MUs)	1279.14
3	Wheeling Tariff (Rs./kWh)	2.51

The wheeling tariff arrived at ₹ 2.51/kWh is based on the combined ARR of Generation, Transmission and Distribution/Retail Sale Businesses. Further, the PDS has not segregated the accounts for the three businesses. The wheeling charges thus arrived at by the Commission is on higher side as compared to that of other States. Further PDS is a State Government Department and most of its distribution system infrastructures have been set up with budgetary support of the State Government or funding/grants provided by the Central Government.

Keeping in view the difficulties that can be posed to open access consumers/stake holders due to high wheeling tariff, the Commission deems it fit to fix the wheeling tariff @ 25% of ₹ 2.51/kWh. Accordingly, the Commission approves wheeling Tariff at ₹ 0.63 /kWh for the F.Y. 2026-27.

10.2 Open Access Transmission Charges

PDS did not submit the data or worked out the Transmission Charges. However, based on transmission charges approved by the Commission for F.Y 2026-27 & peak load handling capacity of the PDS, the Commission has arrived at Open Access Transmission Charge for the F.Y. 2026-27 shown in the Table below:

Table 10.4: Open Access Transmission Charges for F.Y 2026-27

Sl. No.	Particulars	F.Y. 2026-27
1	Open Access Charges (₹ Crores)	40.50
2	MW Capacity (MW)	150
3	**Open Access Charges (₹/MW/Month)**	225000.00
4	**Open Access Charges (₹ /MW/Day)**	7397.00

Accordingly, the Commission approves Open Access Transmission Charges @ ₹225000/MW/Month and ₹ 7397/MW/Day for F.Y 2026-27. The charges shall be applicable only to Open Access Users who intend to use the intra-state transmission system of the PDS.

10.3 Cross Subsidy surcharge

As per Section 42 of the Electricity Act 2003, Cross-subsidy surcharge is payable by Open Access Consumers**.**

The Commission has determined the Cross Subsidy Surcharge for FY 2026-27 based on approved ARR for FY 2026-27. For computation of Cross Subsidy Surcharge (CSS) for FY 2026-27, the Commission has considered the formula as specified in the SSERC MYT Tariff Regulations, 2022.The CSS determined in the order is in accordance with the spirit of the Act on Cross Subsidy Surcharge. Accordingly in this order the Commission has capped CSS at the rate of 20% of Average cost of supply as per provisions of Electricity (Amendment) Rules, 2022.

The Cross Subsidy Surcharge payable for FY 2026-27 by the open access consumers works out as below:

Category of consumer	Consumer	Tariff (T)	Weighted Average Cost of Power (P)	System Losses (L)	Transmission, Distribution and Wheeling Charges (D)	PER UNIT COST OF CARRYING REGULATORY ASSETS (R)	Cross Subsidy Surcharge (S)	20% of Tariff	Cross Subsidy Surcharge to be Levied
		(A)	(B)	(C)	(D)	(E)	S=T-[C/(1-L/100)+D+R] (F)	(G)	Min (F,G)
HT	1 MW and above	8.91	3.67	10.00%	2.51	0.00	2.33	1.78	1.78

For the purpose of ARR for F.Y. 2026-27, Commission has considered distribution losses of 13.50%, while working out the CSS for HT consumers, the Losses cannot be considered at 13.50% as it includes both LT and HT losses, therefore, in the absence of losses segregation, Commission has assumed losses at 10% for HT consumers. Accordingly, the Commission determines the following Cross Subsidy Surcharge payable for F.Y. 2026-27 by Open Access Consumers of the HT category who are liable to pay CSS in accordance with the Electricity Act, 2003 and Rules and Regulations made thereunder:

FY 2026-27		
Category of Open Access Consumer	**Voltage Level**	**Cross Subsidy Surcharge (Rs. /Unit)**
HT	For 1 MW & above	1.78

The above Cross Subsidy Surcharge shall be levied and collected with effect from the date of applicability of this order and shall remain in force till CSS is re-determined by the Commission.

10.4 Additional Surcharge

It is observed that whenever any consumer opts for open access, the PDS continues to pay fixed charges to its contracted generation stations as per the PPAs. However, the PDS is not able to sufficiently recover such fixed cost obligation from the open access consumers. The cost recovered from fixed tariff schedule is less than the fixed costs incurred by the PDS which leads to the situation where the PDS is saddled with the stranded cost on account of its universal supply obligation.

To ensure that the burden of fixed cost of stranded power due to open access does not adversely impact the PDS and is also not passed onto the general consumers at large, the PDS is entitled to collect Additional Surcharge as per Section 42 (4) of the Electricity Act, 2003.

Section 42 (4): Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply."

However, in the absence of any proposal for additional surcharge from the Petitioner, the Commission has not determined any Additional Surcharge for F.Y .2026-27 and directs the PDS to file a suitable proposal in the next tariff petition.

10.5 ToD Tariff

A **Time of Day (ToD) tariff** is a type of electricity pricing structure where the rate charged for electricity consumption varies depending on the time of day, day of the week, or season. Open access allows large consumers of electricity to buy power directly from the open market or from a supplier of their choice, bypassing the local distribution utility.

The **ToD tariff** model benefits both **consumers** and the **power sector** by encouraging energy consumption during off-peak periods, reducing costs, and improving the overall efficiency and stability of the power grid.

PDS proposed to recover the Gap partially through TOD collections. Accordingly, the **Commission approves the ToD Tariff applicable only to H.T Consumers for FY 2026-27 as under:**

Approved ToD for F.Y. 2026-27	**00:00 Hrs to 5:00 Hrs (5 Hrs) Off Peak** ₹ 0.40 /KVAh less than normal tariff
	05.00 Hrs to 8.00 Hrs (3 Hours) Morning Peak ₹ 1.00/KVAh more than Normal Tariff
	17.00 Hrs to 20.00 Hrs (3 Hours) Evening Peak ₹ 1.00/KVAh more than Normal Tariff

The approved ToD tariff shall be applicable to HT consumers only.

11. FUEL AND POWER PURCHASE COST ADJUSTMENT

11.1 Background

Section 62 sub-section 4 of the Electricity Act, 2003 provides that no Tariff or part of any Tariff any ordinarily be amended, more frequently than once in every financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified. This provision of the Act requires the Commission to specifying the formula for fuel surcharges

11.2 The Ministry of Power, Government of India has notified the Electricity (Amendment) Rules, 2022 and Rule 14 of the said Amendment Rules provides for specifying a price adjustment formula by the Appropriate Commission for recovery of the costs, arising on account of the variation in the price of fuel, or power purchase costs and that the impact in the cost due to such variation shall be automatically passed through in the consumer tariff, on a monthly basis, using the formula and such monthly automatic adjustment shall be trued up on annual basis by the Appropriate Commission:

Provided that till such a methodology and formula is specified by the Appropriate Commission, the methodology and formula specified in the Schedule – II of the Rules shall be applicable:

Accordingly, the Commission specifies the formula given by the Ministry of Power, Government of India in Schedule-II to the Electricity (Amendment) Rules, 2022 as the formula for computation of Fuel and Power Purchase Adjustment Surcharge as under:

Fuel and Power Purchase Adjustment Methodology

1. Computation of fuel and power purchase adjustment surcharge:

(1) For these rules “Fuel and Power Purchase Adjustment Surcharge” (FPPAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, powerpurchase cost and transmission charges with reference to cost of supply approved by the State Commission.

(2) Fuel and power purchase adjustment surcharge shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the respective the State Commission, subject to true up, on an annual basis, as decided by the State Commission: Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these rules.

(3) Fuel and Power Purchase Adjustment Surcharge shall be computed and charged by the distribution licensee, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the n^{th} month. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year: Provided that in case the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge within this time line, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recovery the fuel and power purchase adjustment surcharge determined during true-up shall also be forfeited.

(4) The distribution licensee may decide, fuel and power purchase adjustment surcharge or a part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of fuel and power purchase adjustment surcharge shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total fuel and power purchase adjustment surcharge for a Billing Month, including any carry forward of fuel and power purchase adjustment surcharge over the previous month exceeds twenty per cent of variable component of approved tariff.

(5) The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through fuel and power purchase adjustment surcharge shall first be accounted towards the oldest carry forward portion of the fuel and power purchase adjustment surcharge followed by the subsequent month.

(6) In case of carry forward of fuel and power purchase adjustment surcharge, the carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate plus one hundred and fifty basis points shall be allowed till the same is recovered through tariff and this carrying cost shall be trued up in the year under consideration.

(7) Depending upon quantum of fuel and power purchase adjustment surcharge, the automatic pass through shall be adjusted in such a manner that, (i) If fuel and power purchase adjustment surcharge≤5%, 100% cost recoverable of computed fuel and power purchase adjustment surcharge by distribution licensee shall be levied automatically using the formula. (ii) If fuel and power purchase adjustment surcharge>5%, 5% fuel and power purchase adjustment surcharge shall be recoverable automatically as per 6(i) above. 90% of the balance fuel and power purchase adjustment surcharge shall be recoverable automatically using the formula and the differential claim shall be recoverable after approval by the State Commission during true up.

(8) The revenue recovered on account of pass-through fuel and power purchase adjustment surcharge by the distribution licensee, shall be trued up later for the year under consideration and the true up for any financial Year shall be completed by 30th June of the next financial year.

(9) In case of excess revenue recovered for the year against the fuel and power purchase adjustment surcharge, the same shall be recovered from the licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the State Commission and the under recovery of fuel and power purchase adjustment

surcharge shall be allowed during true up, to be billed along with the automatic Fuel and Power Purchase Adjustment Surcharge amount.

Explanation: -For example, in the month of July, the automatic pass-through component for the power supplied in May and additional Fuel and Power Purchase Adjustment Surcharge, if any, recoverable after true up for the month of April in the previous financial year, shall be billed.

(10) The distribution licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and the fuel and power purchase adjustment surcharge recovered, and the detailed computations and supporting documents, as required by the State Commission, during true up of the normal tariff.

(11) To ensure smooth implementation of the fuel and power purchase adjustment surcharge mechanism and its recovery, the distribution licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open-source software as available.

(12) The licensee shall publish all details including the fuel and power purchase adjustment surcharge formula, calculation of monthly fuel and power purchase adjustment surcharge and recovery of fuel and power purchase adjustment surcharge (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.

Formula:

$$\text{Monthly FPPAS for } n^{th} \text{ Month (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \text{Distribution losses in \%}/100)\} * ABR}$$

Where,

N^{th} month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in $(n-2)^{th}$ month

A is Total units procured in $(n-2)^{th}$ Month (in kWh) from all Sources including Long-term, Medium–term and Short-term Power purchases (To be taken from the bills issued to distribution licensees)

B is bulk sale of power from all Sources in $(n-2)^{th}$ Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10^{th} day of each month).

C is incremental Average Power Purchase Cost= Actual average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs. / kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs. / kWh)- (from tariff order)

D = Actual inter-state and intra-state Transmission Charges in the (n-2)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

Z = [{Actual Power purchased from all the sources outside the State in (n-2)th Month. (in kWh)* (1 – Interstate transmission losses in % /100) + Power purchased from all the sources within the State(in kWh)}*(1 – Intra state losses in %) – B]/100 in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

Inter-state transmission Losses (in %) = As per Tariff Order

Note:

a. The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

b. Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted though the true-up approved by the State Commission.

11.3 Recovery of Costs due to Change in Law

Rule 3 of the Electricity (Timely Recovery of Cost Due to Change in Law) Rules, 2021 notified by the Ministry of Power, Government of India provides for adjustment in tariff due to change in law. The rules states that "on the occurrence of change in law, the monthly tariff or charges shall be adjusted and recovered in accordance with these Rules to compensate the affected party so as to restore to affected party to the same economic position as if change in law have not occurred".

Accordingly, recovery of cost due to change in Law shall be done as per the provisions of Rule 3 sub rules (1) to (9) of the Electricity (Timely Recovery of Cost Due to Change in Law) Rules, 2021, as amended from time to time.

Further, the formula for determination of impact on tariff or charges due to change in law as provided in The Schedule to the said Rules shall be applicable to all generating companies or transmission licensees.

APPENDIX

TARIFF SCHEDULE FOR THE F.Y. 2026-27

I. DOMESTIC SUPPLY (DS):

Type of Consumer:

Power supply to private houses, residential flats, Government residential buildings, Government Schools and rural homestays, for lighting, heating/electrical appliances, fans etc. for domestic purpose. This schedule can also be made applicable to the charitable organization after verifying the genuineness of their non-commercial aspects by the concerned Divisional office.

(a) Nature of service:

Low Tension 430/230 volts, 50 Hz

(b)Rate:

Units Consumption	Rupees per kWh (Unit)
Up to 50	2.40
51 to 100	3.40
101 to 200	4.40
201 to 400	4.90
401 & above	5.40

(c). Monthly Minimum Charge:

A minimum charge is a provision in rate schedule that establishes a fixed minimum billing amount to recover the utility's cost of maintaining service availability, irrespective of actual energy consumption. It ensures that customers' bills do not fall below a pre-determined threshold, even when energy usage is minimal or zero.

Details	Rate (In ₹)
Single Phase Supply	100.00
Three Phase Supply	200.00

(d) Annual Surcharge: Annual Surcharge shall be levied every March end, only on the outstanding principal amount of electricity charges pertaining to the relevant financial year (the annual surcharge applies only to the current year's outstanding principal and not to the previous arrears or accumulated surcharge amount) : 5%

If electricity supplied in domestic-premises is used for commercial purpose, the entire supply shall be charged under commercial supply.

II. COMMERCIAL SUPPLY (CS):

Type of Consumer:

Supply of energy for light, fan, heating and power appliances in commercial and non- domestic establishments such as shops, business houses, hotel, restaurant, urban homestay, 1 phase fabrication workshop (welding), 1 phase poultry farm, petrol pumps, service stations, auditoriums, cinema houses, banquet halls, nursing homes, dispensaries, doctors clinic, diagnostics lab, private schools which are used for private gains, telephone exchange, nurseries, show rooms, x-ray plants, libraries, banks, video parlors, saloons, beauty parlors, health clubs or any house of profit as identified by the Assistant Engineer/Executive Engineer concerned of the Department. In the event of exceeding connected load of 25 KVA and above, the Demand charge at the following rates shall be imposed. The seasonal consumers are allowed to install MDI meter for assessment of their monthly load profile.

(a) Nature of supply

Low Tension 430/230 volts, 50 Hz

(b) Rate:

<table>
<tr><th>Consumption range</th><th colspan="2">Rupees per Kwh (Unit)</th></tr>
<tr><td>Up to 50</td><td colspan="2">5.05</td></tr>
<tr><td>51 to 100</td><td colspan="2">6.05</td></tr>
<tr><td>101 to 200</td><td colspan="2">7.05</td></tr>
<tr><td>201 to 400</td><td colspan="2">8.05</td></tr>
<tr><td>401 & above</td><td colspan="2">8.35</td></tr>
<tr><td rowspan="2">Demand Charges - For those establishments whose sanctioned load is 25 KVA and above does not have independent transformer but run their unit through shared transformers.</td><td>Rural</td><td>Urban</td></tr>
<tr><td>₹60/KVA/Month plus energy charges as shown above</td><td>₹100/KVA/Month plus energy charges as shown above</td></tr>
</table>

Consumers having connected load of 50 KVA and above shall install their own independent transformers. Domestic rates (DS) shall be applicable to homestays in urban area where Solar Rooftop plant of 2kWp & above is installed.

(c.) Monthly Minimum Charge:

A minimum charge is a provision in rate schedule that establishes a fixed minimum billing amount to recover the utility's cost of maintaining service availability, irrespective of actual energy consumption. It ensures that customers' bills do not fall below a pre-determined threshold, even when energy usage is minimal or zero.

(i) Consumer having sanctioned load below 25 KVA shall be charged in the following rate.

Details	Rate (In ₹)
Single Phase Supply	300.00
Three Phase Supply	500.00

(ii) Consumer having sanction load of 25 KVA and above Demand charge is Monthly minimum charge

(**d) Annual Surcharge:** Annual Surcharge shall be levied every March end only on the outstanding principal amount of electricity charges pertaining to the relevant financial year (the annual surcharge applies only to the current year's outstanding principal and not to the previous arrears or accumulated surcharge amount) : 5%

III. LOW TENSION INDUSTRIAL SUPPLY (LTIS):

Type of Consumer:

Power supply to the industries having 3 phase supply like poultry, hatcheries, fabrication (welding works), sheet metal works and auto workshop or any other units of such kind under small-scale industries having connected load not exceeding 25 kVA in total. In the event of exceeding connected load beyond 25 kVA, the Demand charge at the following rates shall be imposed.

(a) Nature of service:

Low Tension 3 phase, 430 volts, 50 Hz

(b) Rate:

Unit Consumption	Rupees per KVAh
Up to 500	6.91
501 to 1000	7.91
1001 & Above	8.91
Demand Charge – for those establishments whose sanction load is more than 25 KVA & up to 100 KVA does not have independent transformer but run their unit through shared transformers.	₹100/kVA/Month plus, energy charges as shown above

(c.)Monthly Minimum Charge:

A minimum charge is a provision in rate schedule that establishes a fixed minimum billing amount to recover the utility's cost of maintaining service availability, irrespective of actual energy consumption. It ensures that customers' bills do not fall below a pre-determined threshold, even when energy usage is minimal or zero.

(i) Consumer having contract demand of load 50 KVA & below shall be charged @ ₹ 500/month.

(ii) Consumer having contract demand of load above 50 KVA shall be charged @ ₹ 200/KVA/Month of sanctioned load.

(d) **Annual Surcharge:** Annual Surcharge shall be levied every March end only on the outstanding principal amount of electricity charges pertaining to the relevant financial year (the annual surcharge applies only to the current year's outstanding principal and not to the previous arrears or accumulated surcharge amount) : 5%

IV. HIGH TENSION INDUSTRIAL SUPPLY (HTIS):

Type of Consumer:

All types of supply with contract demand at single point having 3 phase supply and voltage 11 kV & above.

(a)Nature of supply:

High Tension 11 kV & above, 3 phase, 50 Hz

Executive Engineer should sanction the demand In the Requisition and Agreement form of the Department before the service connection is issued based on the availability of quantum of Power. The demand sanctioned by the Executive Engineer will be considered as the contract demand; however, the contract demand can be reviewed once a year if the consumer so desires. A maximum demand indicator will be installed at the consumer premises to record the maximum demand on the monthly basis. If in a month, the recorded maximum demand exceeds the contract demand, that portion of the demand in excess of the contract demand will be billed at twice the prevailing demand charges.

Energy meters are compulsorily to be installed on HT side of all transformers having capacity equal to or above 200 KVA. The meters are also allowed to install on LT side of those consumers having transformer capacity less than 200 KVA, but in such case the assessed energy consumption shall be grossed up by 4% to account for as transformation loss.

(b) Rate:

Units Consumption	Charges
Up to 250 kVA Demand Charge Plus Energy Charge	₹250/kVA/Month + ₹ 7.86 /KVAh
Above 250 to 500 kVA Demand Charge Plus Energy Charge	₹290/kVA/Month + ₹ 8.36 /KVAh
Above 500 kVA & above Demand Charge Plus Energy Charge	₹560/kVA/Month + ₹ 8.86 /KVAh

(c). Monthly Minimum Charges:

A minimum charge is a provision in rate schedule that establishes a fixed minimum billing amount to recover the utility's cost of maintaining service availability, irrespective of actual energy consumption. It ensures that customers' bills do not fall below a pre-determined threshold, even when energy usage is minimal or zero.

Monthly Minimum Charge : Demand Charges

(d) Annual Surcharge: Annual Surcharge shall be levied every March end only on the outstanding principal amount of electricity charges pertaining to the relevant financial year (the annual surcharge applies only to the current year's outstanding principal and not to the previous arrears or accumulated surcharge amount) : 5%

V. BULK SUPPLY (BS) (NON – COMMERCIAL SUPPLY):

Type of Consumer:

Available for general mixed loads to M.E.S. and other Military Establishments, Borders roads, Sikkim Armed Police Complex (SAP), Electric vehicle charging station, all Government Non-residential buildings, Government Hospitals, Aerodromes and other similar establishments as identified as such supply by the Concerned Executive Engineer.

(a) Nature of service:

Low Tension AC 430/230 volts or High tension 11 kV & above.

Executive Engineer should sanction the demand in the Requisition and Agreement form of the Department before the service connection is issued.

Bulk Supply consumers are allowed to install Energy Meter on LT side of transformer and assessed energy consumption shall be grossed up by 4% to account for transformation loss.

(b) Rate:

All Units Consumption	Rs /Unit
All voltage level	7.95

(c.) Monthly Minimum Charge:

A minimum charge is a provision in rate schedule, that establishes a fixed minimum billing amount to recover the utility's cost of maintaining service availability, irrespective of actual energy consumption. It ensures that customers' bills do not fall below a pre-determined threshold, even when energy usage is minimal or zero.

(i)Consumer having contract demand of load 50 KVA & below shall be charged in the following rate:

All voltage level	₹500/month

(ii) Consumer having contract demand of load above 50 KVA shall be charged in the following rate:

All voltage level	₹150 /KVA/month of

d) **Annual Surcharge**: **Annual Surcharge shall be levied every March end, only on the outstanding principal amount of electricity charges pertaining to the relevant financial year (the annual surcharge applies only to the current year's outstanding principal and not to the previous arrears or accumulated surcharge amount) :** 5%

Consumer having contract demand of load 50 KVA and above shall have the option of installing Maximum Demand Indicator (MDI) meter at their premises if the consumer so desires.

VI. SUPPLY TO ARMY PENSIONERS:

Type of Consumer:

Provided to the army pensioners or their surviving widows based on the list provided by Sikkim Rajya Sainik Board.

(a) Nature of service:

Low Tension AC 230/430 volts, 50 cycles/Sec (Hz)

(b) Rate:

Domestic supply rate is applicable.

Up to 100 units: To be billed to Secretary, Rajya Sainik Board

101 and above: To be billed to the Consumer

Minimum charge, surcharge, and rebate etc. will be applicable as per domestic supply category.

VII. SUPPLY TO BLIND:

Type of Consumer:

Service connection provided to a house of a family whose head of the family is blind and the same is certified by the National Association for Blinds.

(a) Nature of service:

Low Tension AC 230/430 volts, 50 cycles/Sec (Hz)

(b) Rate:

Domestic supply rate is applicable.

(i) Up to 100 units: To be billed to Secretary, Social Welfare Department

(ii) 101 and above: To be billed to the Consumer

Minimum charges, surcharges, and rebate etc. will be applicable as per domestic supply category.

VIII. SUPPLY TO THE PLACES OF WORSHIP (PW):

Type of Consumer:

Supply of power to Gumpas, Manilakhangs, Tsamkhangs, Mandirs, Churches, and Mosques as identified by the State Ecclesiastical Department.

(a) Nature of service:

Low Tension 430/230 volts, 50 cycles/Sec (Hz).

(b) Rate:

Domestic supply rate is applicable

(i) Up to 100 units: To be billed to Secretary, Ecclesiastical Department
(Registered under State Ecclesiastical Affairs Department)

(ii) 101 and above: To be billed to the Consumer
Minimum charges, surcharges, and rebate etc. will be applicable as per domestic supply category.

IX. PUBLIC LIGHTING ENERGY CONSUMPTION CHARGES

The electrical energy consumption charges of public lighting, street light etc. in urban area shall be paid by the Urban Development & Housing Department/Municipal Corporation. Similarly, the consumption of electrical energy for street light etc. in rural areas shall be paid by the concerned Panchayat / Rural Management & Development Department. The necessary meter/metering equipment shall be provided by the Power Department and for which the standard (Tariff Schedule) charges shall be applicable in accordance with rules and regulations of the Department.

(a) Rate:

Category	Rate
Public Light	₹ 7.46 /KWH

X. TEMPORARY SUPPLY:

Type of consumer:

The Assessment of energy consumption shall be on the basis of recorded meter reading and not on average basis, however if the connection is being taken for less than one month, an advance payment should be taken from the consumer as per his/her connected load based on the “average system of calculation” to be done based on the tariff schedule.

Approval of the Temporary Supply and its duration will be the discretion of the Assistant Engineer of the Department.

In notified Municipal towns viz Gangtok-Ranipool, Mangan, Singtam, Rangpo, Jorethang, Naya Bazar, Namchi and Gyalshing where pre-paid meters are being installed, the temporary connection shall only be provided through pre-paid energy meter for consumers having connected load below 45 KW.

(a) Nature of Service:

Low tension 430/230 volts, 50 Hz

HT, AC 11 kV whichever is applicable and possible at the discretion of the department.

(b)Rate:

Twice the Tariff under schedule DS/CS/LTIS/HTS for corresponding permanent supply (**Temporary supply connection shall not be entertained without energy meter**). Two months assessment on sanction load shall have to be paid in advance as security deposit before taking the connection.

XI.ADDITIONAL BENEFIT FOR CONSUMERS HAVING PREPAID METERS

(i) 1% rebate on energy charge will be allowed to consumers having prepaid meters.
(ii) No meter rent shall be charged to the consumer having pre-paid meter.
(iii) Vending charge of Rs 17/meter/month which is inclusive of all taxes shall be applicable only for Pre-paid Meter (not applicable to smart meters)
(iv) The above shall be consonance to the Gazette Notification No. 28 dated 04/02/2020 along with any amendments therein with respect to the prepaid consumer.

XII. SCHEDULE FOR MISCELLANEOUS CHARGES

1. Service Connection

Following procedures should be strictly followed while giving the new service connection. On receipt of written application with requisite, Revenue Stamp from any intending consumer addressed to the Assistant Engineer (Commercial/Revenue) the department will issue the Requisition and Agreement form of the Department. This form will be issued on production of BR in the following rates for offline application.

He/ She will complete the form in all respect and submit to the office of the Assistant Engineer. Assistant Engineer will issue the service connection estimate with the approval of the Executive Engineer. If the Substation of the area or any other connected Electrical network is under capacity, the department can decline the service connection till the capacity is increased as required. If the demand is more than 25 kVA the Department reserves the right to ask the applicant to provide suitable substation at his/her own cost.

The Power Department also reserves the right to disconnect the service connection of any consumer if he/she increases the load above sanctioned load without written approval of the Department and will be treated such cases as theft of power.

(a) Single connection will be provided to the legal landlord of the building. However, an additional connection can also be given in the name of his/her legal heir subject to production of valid agreement by the landlord stating that he/she shall take the responsibility to clear all the electricity dues created thereof by his legal heir before the close of every financial year.

(b)In case the flat or part of the private building is occupied by Government /Semi Government /Government Undertakings offices, separate service connection in the name of head of office can be given with the approval of the concerned Executive Engineer.

(c.)₹ 100.00 per certificate shall be charged for issuing NDC (No dues certificate), NOC (No Objection Certificate) or any other kind of certificate to be issued to the consumer by the Department.

XIII. METER RENT /MONTH

(i)	Energy Meter	Amount
(a)	Single Phase	₹40.00
(b)	Three Phase	₹80.00
(ii)	Maximum demand indicator	₹200.00
(iii)	Time switch	₹150.00

XIV. TESTING OF METERS

i)	Energy Meters Single Phase/Three phase	₹200
ii)	Other Metering Instruments	₹250

XV. DISCONNECTION & RECONNECTION CHARGES

(i)	DS and CS category	₹150.00
(ii)	LTIS, HTS & BS category	₹250.00

Unless otherwise demanded by the Department replacement of meters or shifting the position of meter boards etc., can be entertained exclusively on the specific written request by the consumer against a payment of ₹100.00 each time which does not include the cost of requirement and labour and the same will be extra.

XVI. REPLACEMENT OF FUSES

Service for replacement of fuses in the main cut-outs available against the following Payments:
-

(i)	Low tension	Single phase	₹30.00
		Three phase	₹40.00
(ii)	High tension		₹50.00

XVII. RESEALING OF METERS

If by any reason the seal affixed in the meter or cutouts installed and secured by the Department are found tampered, the Department reserves the right to disconnect the service connection immediately and impose penalty as applicable under The Indian Electricity Act, 2003. In addition, the consumer is liable for payment as resealing charges @ ₹50.00 per call of each service.

XVIII. SECURITY DEPOSIT

Security deposit shall be deposited, by the consumer, in the following rates for the meters provided by the Department.

1	Electronic Meter	3 phase	₹500.00
		1 phase	₹200.00
2	Electromagnetic Meters	3 phase	₹150.00
		1 phase	₹75.00

The Security deposit will be forfeited and the line will be disconnected if the consumer tampers the meter. The line will be reconnected only after the fresh security deposit is deposited and other applicable charges are paid along with the penalty.

All HTIS consumer shall deposit security amount equivalent to two months anticipated bill inclusive of demand charge and energy charge. The security deposit shall be in the form Fixed Deposit from State Bank of Sikkim/ Scheduled Banks in the name of Secretary, Power Department. In case of default in payment, the same shall be adjusted against the electricity dues. In such case the consumer again has to re-deposit the security amount.

XIX. OTHER CONDITIONS FOR SUPPLY OF ELECTRICAL ENERGY

a. Meter found out of order

In the event of meter being found out of order (which includes meter ceasing to record, running fast or slow, creeping or running reverse direction) and where the actual errors on reading cannot be ascertained the meter will be declared faulty and the correct quantum of energy consumption shall be determined by taking the average consumption for the previous three months.

If the average consumption for the three months cannot be taken due to the meter ceasing to record the consumption or any other reason, then the correct consumption will be determined based on the average consumption for succeeding 'three months (after installation of meter) where any differences or dispute arise as to the correctness of meter reading or bill amount etc. then the matter shall be decided by the concerned Chief Engineer of the Department upon the written intimation either from the concerned Executive Engineer or from concerned consumer end. However, the bill should be paid on or before the due date. The amount so paid will be considered as advance to the credit of the consumer's account until such time as the billed amount in dispute is fully settled. After determining the correct consumption due billing will be made and necessary adjustment shall be done in the next bill issued. This method shall be applicable to all categories of consumers.

b. Defaulting consumer

The Department shall not give any type of service connection to a defaulting consumer.

c. Fixing the position of meter/metering equipment

During the inspection of Assistant Engineer of the Department the point of entry of supply of mains and position of meter, cut-out/metering equipment etc. will be decided and should not be changed later on without written permission from Department.

The Department will in no case fix/install the meter, main cut-out or metering equipment nor allow the same to be fixed/installed in a location where the Department's employees are prohibited from entering into or where there is difficulty of access for the Department's employees.

d. Notification/Application before connection

The consumer must submit an application for new service connection or should apply for additional power supply well in advance for domestic and commercial purpose. In the case of HTS/LTIS/BS consumers, long period notices which may extend to six months or more may be required to enable the Department to make necessary arrangement for such supply, which will subject to its availability in the system. The Assistant Engineer of the area will issue seven clear days notice to the applicant for inspecting his/her premises to verify the feasibility of providing power supply.

e. Sketch of the premises

i. A neat sketch of the premises should be submitted for internal electrification of the building showing the light points, light plug points, power plug points, fan/exhaust fan points, main isolator position, distribution Control system location and other fittings etc.

ii. In the case of industrial/workshop etc. the consumer should submit a neat sketch showing the location of all E&M equipment and its motor capacity if any etc. in addition to the above.

f. Load sanction

Depending on the availability of the quantum of electrical energy in the system, the load shall be sanctioned for all categories of consumers by the authorized officer of the Department.

XX LAND - Free of cost for service connection and other associated facilities:

The consumer shall provide the necessary land to the Department belonging to his/her on free of cost basis and afford all reasonable facilities for bringing in the direct cables or overhead lines from the Department's T&D system for servicing the consumers but also cables or overhead lines connecting 'the Department's other consumers and shall permit the Department to provide all requisite switch gear thereto on the above premises and furnish supply to such other consumers through cables/ overhead lines and terminals situated on the consumer's premises.

XXI. ACCESS TO PREMISES AND APPARATUS

(a) If any consumer obstructs or prevents departments authorized officers/employees in any manner, from inspecting his/her premises at any time to which the supply is afforded or where the electrical installations or equipment belonging to the Department or the consumers situated in such premises and if there is scope of suspecting any malpractice, the authorized officer; employees of the Department may disconnect the power supply forthwith without notice and keep such power supply disconnected till the consumer affords due facilities for inspection. If such inspection reveals nothing to undertake any malpractice or pilferage, the Department then restore the power supply to his/her premises.

(b) If such inspection reveals any commission of malpractice as specified in the "Malpractice clauses mentioned below, this may be dealt as per the relevant clauses which are indicated in the sub-head of malpractice.

(c). The Department shall not be responsible for any loss or damage or inconvenience caused to the consumer on account of such disconnection of supply.

XXII. INTERFERENCE WITH SUPPLY MAINS AND APPARATUS

(a) A consumer shall not interfere with the supply main or apparatus including the metering arrangement, which may have been installed in his/her premises.

(b) The consumer shall not keep connected to the department supply system if any apparatus to which the Department has taken reasonable objection or which the Department may consider likely to interfere or affect injudiciously the Departmental equipment installed in his/her premises or the Department's supply to other consumer.

(c.)The consumer shall not keep the unbalanced loading of three phase supply taken by him/her from the Department.

(d) The consumer shall not make such use of supply given to him/her by the Department as to act prejudicially to the Department's supply system in any manner whatsoever.

XXIII. MALPRACTICE

(i) Contravention of any provision of the terms conditions of supply the Indian Electricity Act 2003, the Indian Electricity Rules 1956 or any other law/rule governing the supply and use of electricity regulating order shall be treated as malpractice and the consumer indulging in any such malpractice shall be liable at law/rule/order, subject to generality as above.

(ii) Cases mentioned hereunder, shall be generally treated as mal practice: -

(a)Exceeding sanctioned/contract load authorized by the Department without the permission of the Department.

(b) Addition, alteration and extension of electrical installation in the consumer’s premises without permission of the Department or extension to any premises other than the one for which supply sanctioned/contracted for.

(c)Unauthorized supply of electricity to any service which is including the service line disconnected by the Department against electricity revenue arrear or any other offended clauses and the same service line reconnected without permission of the Department.

(d)Non-compliance of orders in force imposing restriction of use of energy for rational and equitable distribution thereof.

(e)Use of electricity for any purpose other than that for which supply is contracted /sanctioned for.

(f)Resale of energy without the permission of the Department.

(g)Theft of energy.

(h)Obstruction to lawful entry of authorized officer/employee of the Department into consumer's premises.

(i)Interfering and tampering with the meter and metering system.

XXIV. PAYMENT OF COMPENSATION FOR MALPRACTICES

Where a consumer is found to be indulging in malpractice with regard to use of electricity and use of device to commit theft of energy etc. the Assessing Authority of the Department will decide about the payment of compensation amount to be imposed against such consumer as per the relevant Acts, Rules and Regulations.

XXV. INSTITUTION OF PROSECUTION

Any officer/employee authorized to inspect and deal with the cases of malpractice and theft of electricity may launch prosecution as mentioned in section 135 and 150 of the Indian Electricity Act 2003, as amended from time to time.

XXVI. READING OF METER AND PREPARATION OF BILL

(a)The meter reading will be taken once in a month. The reading of meter will be recorded by meter reader in a card provided near the meter box which is open to the consumer for inspection. Bill for energy consumption charges will be prepared based on the reading noted in the card.

(b)Any complaint with regards to the accuracy of the bill the same shall be intimated immediately by the consumer to the Assistant Engineer, who has issued the bill quoting the bill number/ account number, date etc.

(c). If the consumer does not receive the electricity bill, he/she shall inform the Assistant Engineer concerned about non-receipt of his bill and in such representation, a copy will be supplied to him.

XXVII. DISCONNECIION OF SUPPLY FOR NON-PAYMENT OF ELECTRICITY BILL AND LEGAL ACTION

If the consumer fails to pay any bill presented to him/her, the Department shall be at liberty to take action under sub- section (1) of section 56 of Indian Electricity Act 2003 for disconnection of supply. The disconnection notice is printed in the bill form and further notice will not be issued by the Department for disconnection. If supply is disconnected, surcharge shall be levied only for the current financial year and shall not be charged thereof.

XXVIII. FAILURE OF POWER SUPPLY

The Department shall not be responsible for loss, damage or compensation what so ever out of failure of supply.

XXIX. RESTRICTION OF POWER SUPPLY

The supply of electricity is liable to be curtailed or staggered or cut off all together as may be ordered by the State Government or any other enactment as amended from time to time governing the supply and use of electricity.

XXX. CONSUMER NUMBER

Consumer number is given to all the consumers. The same is mentioned in the Meter reading card as well. Consumer must know his/her consumer number and should quote the same while corresponding with the Department for prompt attention by the Department.

XXXI. FUSE CALL

In case the department's main fuse or fuses fail, the consumer or his representative may give the intimation in the adjacent control room either in person or through phone. Employees bearing the identity card of the Department are allowed to replace those fuses. Consumers are not allowed to replace those fuses and they will render themselves shall be liable to pay heavy penalty if the Department's seals are found broken.

In attending the fuse – off calls. Top most priority will be given to cases of fire due to short circuit, accident, arcing in consumer’s main etc.

XXXII. THEFT OF POWER

Theft of power is a criminal offence under Electricity Act 2003. Whosoever commits theft of electricity shall be punishable under relevant Section of the Electricity Act 2003.

XXXIII. SUPPLY WITHOUT METER

Where a supply to the consumer is given without meter the consumption of Electrical Energy in kWh will be computed in the manner indicated below:

i. Government office building: Sanctioned load (kW) x 6 hrs x 30 days x 60/100

ii. Other Consumers: Sanctioned load (kW) x 8 hrs x 30 days x 60/100

XXXIV. SUBSIDY

The subsidy will be provided based on the subsequent Notification issued by the Government and as amended time to time.

XXXV. OTHER CHARGES

a. Wheeling Charges

Wheeling Charges (Rs/kWh)	0.63

b. Cross Subsidy Surcharge

Category of Open Access Consumer	Voltage level	Cross Subsidy surcharge (Rs. /Unit)
HT	For 1MW & above	1.78

c. Open Access Transmission Charges.

Sl. No.	Particulars	Rate
1	Open Access charge (Rs. /MW/Month)	2,25,000.00
2	Open Access charge (Rs. /MW/Day)	7,397.00

d. Time of Day Tariff (ToD) Applicable to High Tension Supply (HTS)

Sl.No	Time of Day/ Peak and Off-Peak Hours	Tariff
1	00.00 hrs to 05.00 hrs (5 hours) Off Peak	0.40/KVAh less than Normal Tariff
2	05.00 hrs to 8.00 hrs (3 hours) Morning Peak hour	1.00/KVAh more than Normal Tariff
3	17.00 hrs to 20.00 hrs (3 hours) Evening Peak hour	1.00/KVAh more than Normal Tariff

XXXVI. INSTALLATON OF SMART PRE-PAID METER

a. Consumer has to bear the expenditure incurred in replacement of new meter if found defective once installed by the Department other than manufacturing defects or damage arising from system faults.

Cost of smart pre-paid meter	₹ 6000.00 per meter
Installation charge	₹ 12000.00 per installation

XXXVII. Service Connection Charges for Electrified Areas up to 150 KW (Within the Distribution Network)

1. **Low Tension, Single Phase, for load up to 10kW, (Overhead line)**

Registration Fee (₹)	Meter Inspection, Testing and Connection Charges (₹)	Cost of Materials (₹)	Type of meter/Cost of Meter (₹)			Service Connection Charges (₹)		
			Prepaid	Postpaid	Smart Prepaid	Prepaid	Postpaid	Smart Prepaid
300	500	12691	5000	751	6000	18491	14242	19491

2. Low Tension, Single Phase, for load up to 10kW, (Underground cable

Registration Fee (₹)	Meter Inspection, Testing and Connection Charges (₹)	Cost of Materials (₹)	Type of meter/Cost of Meter (₹)			Service Connection Charges (₹)		
			Prepaid	Postpaid	Smart Prepaid	Prepaid	Postpaid	Smart Prepaid

300	500	49780	5000	751	6000	55580	51331	56580
3. Low Tension, 3 Phase (For load more than 10 kW and up to 50 kW)								
Registration Fee (₹)	**Meter Inspection, Testing and Connection Charges (₹)**	**Cost of Materials (₹)**	**Type of meter/Cost of Meter (₹)**			**Service Connection Charges (₹)**		
			Prepaid	**Postpaid**	**Smart Prepaid**	**Prepaid**	**Postpaid**	**Smart Prepaid**
300	700	66382	5000	1063	6000	72382	68445	73382
4. Low Tension , 3 phase with C.T for load above 51 kW and upto 150 kW								
Registration Fee (₹)	**Meter Inspection, Testing and Connection Charges (₹)**	**Cost of Materials (₹)**	**Type of meter/Cost of Meter (₹)**			**Service Connection Charges (₹)**		
			Prepaid	**Postpaid**	**Smart Prepaid**	**Prepaid**	**Postpaid**	**Smart Prepaid**
300	2000	123737	5000	1609	6000	131037	127646	132037
5. H.T. Supply up to 150 kW with C.T and P.T Unit								
Registration Fee (₹)	**Meter Inspection, Testing and Connection Charges (₹)**	**Cost of Materials (₹)**	**Type of meter/Cost of Meter (₹)**			**Service Connection Charges (₹)**		
			Prepaid	**Postpaid**	**Smart Prepaid**	**Prepaid**	**Postpaid**	**Smart Prepaid**
300	15000	123737	5000	1609	6000	144037	140646	145037

Note

1.Cost of material is excluding GST and as per the latest Schedule of Rates/Market Rates.

2.Consumers shall have the option to self-purchase the materials. In case of self-purchase, meter inspection, testing and connection charge shall be applicable to the consumer.

3.Service connection to H.T supply consumers shall be provided as per the Distribution System Load bearing capacity in electrified areas, if existing sub-station is overloaded additional cost for associated materials shall be applicable as per site condition.

4. Installation, upgradation & integration charges of smart meter Rs.1200.00 (Rupees Twelve

Hundred only)

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