Before the
TRIPURA ELECTRICITY REGULATORY COMMISSION
VidyutBhavan, Bhutoria, Banamalipur, Agartala, Tripura (W), PIN-799001

Order No. : 14(SM/TERC) of 2020

IN THE MATTER OF:

Directions to Tripura Electricity Regulatory Commission (TERC) U/s 108 of the Electricity Act 2003 to reduce the Multi Year Tariff (MYT) Petition fees and Annual License fees through relaxation and applying discretion in TERC (Miscellaneous Provisions Relating to Petition fees, License fees and other Fees) Regulations, 2016.

Petitioner : Sou-Motu (Commission)

Respondent :

1. State Government through Principal Secretary, Department of Power, Government of Tripura, Agartala.
2. Managing Director, TSECL, Vidyut Bhavan, Agartala,
3. Managing Director, TPGL, Vidyut Bhavan, Agartala
4. Any stake holder.

ORDER
(Date of Order : 03.08.2020)

1. The Government of Tripura, Power Department vide letter No.F.2(29)/Power/2010/Voll.-III/752, dated 21st July’2020 has issued the following direction reproduced as below :-

“To
The Chairman,
Tripura Electricity Regulatory Commission
B. K Road, Vidyut Bhavan, Bhutoria, Banamalipur
Agartala, West Tripura.

Subject: Directions to Tripura Electricity Regulatory Commission (TERC) u/s 108 of the Electricity Act 2003 to reduce the Multi Year Tariff (MYT) Petition Fees and Annual License Fees through relaxation and applying discretion in TERC (Miscellaneous Provisions Relating to Petition Fees, License Fees and other Fees) Regulations, 2016.
Sir,

1. Tripura State Electricity Corporation Limited (TSECL) being licensee of the state has submitted Multi Year Tariff (MYT) petition for the year 2016-17 to 2020-21 for determination of Tariff by Tripura Electricity Regulatory Commission (TERC) under section 62 of Electricity Act., 2003 read with relevant regulation of Regulatory Commission.

2. The above licensee had been raising concerns on the present structure of petition fees and annual license fee payable to Regulatory Commission compared to the petition fee and license fee prevailing in neighbouring states like Assam, West Bengal, and Meghalaya etc. A comparative table showing petition fees (MYT) and Annual License fee payable based on handled energy of Tripura is furnished below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Assam</th>
<th>West Bengal</th>
<th>Madhya Pradesh</th>
<th>Meghalaya</th>
<th>Tripura</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petition Fees payable as per Tripura 15,298.8 MU (5 Yr. Energy handled)</td>
<td>Rs. 76.494 Lakh 0.05 Paisa/ Kwh</td>
<td>Rs.50.996 Lakh 0.0333 Paisa/ Kwh</td>
<td>Rs.71.90 Lakh 0.05 Paisa/ Kwh</td>
<td>Rs.5.00 Lakh (Fixed)</td>
<td>Rs.191.235 Lakh 0.125 Paisa/ Kwh</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>West Bengal</th>
<th>Manipur/ Mizoram</th>
<th>Meghalaya</th>
<th>Tripura</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual License Fee Payable for FY 20-21 based on FY 19-20 energy handled (2,999.45 MU)</td>
<td>Rs.14.997 Lakh 0.05 Paisa/ Kwh</td>
<td>Rs.5.00 Lakh 0.017 Paisa/ Kwh</td>
<td>Rs.7.00 Lakh 0.023 Paisa/Kwh</td>
<td>Rs.45.00 Lakh 0.15 Paisa/ Kwh</td>
</tr>
</tbody>
</table>

3. From the above, it is observed that the petition fees and Annual License fees, payable as per TERC Regulation is much higher compared to other States Regulations.

4. In this context, TSECL has also filed review petition before Regulatory Commission for review of petition fee payable but appropriate relief is yet to be obtained. Further it is mentioned here that TSECL and TPGL has already paid an amount of Rs.34.80 Lakh for TSECL & Rs.15.00 Lakh for TPGL respectively at the time of filling tariff petition.

5. Tripura is a special category state with consumer strength of 8.8 lakhs and the consumers are mainly domestic in nature. The petition fee at present determined is around I crore 95 lakhs which is substantially high for TSECL considering the scale of operation, size of the state, the paying capacity of consumer and the existing financial position of the utility in view of Covid-19 Pandemic.
6. The Govt. of Tripura imposed section 3 of the Epidemic Disease Act. 1897 to contain spread of Novel Corona virus (COVID-19) and declared Lockdown. It has resulted in severe restriction on the movement of public and the consumer of TSECL are unable to pay their dues because of the unprecedented situation, which is likely to continue for some time. This has also affected the liquidity position of DISCOM and on the other hand the paying capacity of consumers are reduced due to less economical activity arising out of COVID-19 pandemic. Therefore, it is required to rationalize the fees structure so that a reasonable and affordable fees is determined, which can be passed on to end consumers without creating much burden.

7. In view of the above situation and circumstances beyond control, state govt. under exercise of its power under section 108 of Electricity Act., 2003 hereby direct the Commission to implement the following to safeguard the interest of the state, which shall remain in force till such time the existing regulation is replaced, amended as required under appropriate legislation and mandate provided in the Electricity Act, 2003.
   a. The MYT petition fees (Period FY 2016-17 to FY 2020-21) may be fixed at Rs.34.80 Lakh for TSECL & Rs.15.00 lakh for TPGL.
   b. The Annual license fees may be fixed at Rs. 5 lakhs.

8. This is issued for immediate compliance towards determination of MYT tariff as per Section 62 of Electricity Act, 2003.

Yours faithfully

Sd/
21/07/2020
(S . R . Kumar )
Principal Secretary
Department of Power

2. In view of the above letter and in light of the understanding given by APTEL the Commission has taken up the Hearing to satisfy that the directions given by the State Government are in the public interest. It is informed to the Commission that so far no where in the country any direction in respect of reduction/ waiver of License fee and Petition fee has been done as these are considered statuary in nature. The Commission has heard all the parties present. It is informed by Respondent 2 that he has been asked by Respondent No 1 to represent him also. The Commission after hearing in the larger interest of the public is pleased to concur / modify the directions issued by State Government to the extend indicated below:
(i) Whereas, it is being directed by State Government through Principal Secretary, Department of Power, Government of Tripura to reduce the MYT Petition fee for the FY 2016-17 to FY 2020-21 in favour of Tripura State Electricity Corporation Limited (TSECL) to Rs. 34.80 Lakh. It is to mention here that the actual amount payable for 05 years was Rs. 2.76 crore (already paid only Rs. 34.80 Lakh) which was reduced to Rs. 1.95 crore by the Commission as per order No. 09 of 2020, dated the 20th May, 2020. However, in view of the epidemic condition prevailing in the State and in the larger interest of the Public, the direction issued by Government of Tripura is acceded to.

(ii) Whereas, it is being directed by State Government through Principal Secretary, Department of Power, Government of Tripura to reduce the MYT Petition fee for the FY 2016-17 to FY 2020-21 in favour of Tripura Power Generation Limited (TPGL) to Rs. 15 Lakh. It is also agreed in the public interest.

(iii) Whereas, it is being directed by State Government through Principal Secretary, Department of Power, Government of Tripura to reduce Annual License fee in favour of Tripura State Electricity Corporation Limited (TSECL) to Rs. 05.00 Lakh. In this respect it is to mentioned here that as per (Miscellaneous Provisions Relating to Petition fees, License fees and other Fees) Regulations, 2016 The minimum License fee is Rs. 30.00 Lakh for Bundled Licensee like TSECL However, in view of the epidemic condition prevailing in the State and in the larger interest of the Public, the Commission has decided to consider TSECL as Distribution Licensee and direct to pay minimum License Fee of Rs 20 Lakhs as one time relaxation.

(iv) In respect of directions issued by the Government for amend/ replace the existing Regulation the Commission noted the same. It is pointed out that the License fee and Petition fee is a regular practice and the same is being discussed in the Forum of Regulators also for maintaining synchronous approach. However in light of the direction issued by the Government the Commission hereby directs its staff for a Staff Paper from the Commission and the same would be examined in the next 03 months and intimated to the State Government.

(v) Secretary is directed to forward this order to all concerned.

  Sd / ( Jiban Krishna Sen )
  ( D . Radhakrishna )
  Member
  TERC ,Agartala
  Chairman
  TERC , Agartala

Certified True Copy

  Sd/ 03-08-2020
  ( Er. H. K. Das )
  Secretary
  TERC , Agartala