

No. PFI/Prog/JERC/2025-26/037

Dated: 27/01/2026

To,

The Secretary

Joint Electricity Regulatory Commission
(For State of Goa & UTs)
3rd and 4th floor, Plot No. 55-56, Pathkind Lab Building,
Sector-18, Udyog Vihar, Phase IV,
Gurugram, Haryana - 122015

Subject: PFI Comments: Goa DISCOM True Up Petition for FY 2024-25

Reference: JERC (Goa & UTs) inviting Comments on True Up of FY 2024-25

Dear Sir,

Power Foundation of India (PFI) is a Policy Research and Advocacy entity and a registered society under the aegis of Ministry of Power, Government of India. PFI is supported by leading Central Power Sector Organizations to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and other concerned stakeholders.

With reference to above, PFI has analyzed the True Up Petition for FY 2024-25 by Electricity Department, Government of Goa before JERC (Goa & UTs). Our comments/ suggestions on the said Petition of are enclosed herewith for your consideration as *Annexure- I* respectively. We would also like to orally submit our comments/ suggestions on the day of Public Hearing through video conference.

The comments have also been emailed to secy.jercuts@gov.in.

Warm Regards,

Encl: Annexure – I

Copy to:

- 1. The Hon'ble Chairperson**
Joint Electricity Regulatory Commission (State of Goa & UTs)
- 2. The Hon'ble Member**
Joint Electricity Regulatory Commission (State of Goa & UTs)

Yours Sincerely,



Executive Director, PFI

Annexure – I

PFI Comments/Suggestions: ED- Goa True-up Petition for FY 2024-25

A. Petition For ARR FY 2026-27

- 1) Section 64 of the Electricity Act, 2003 mandates the procedure of Tariff Order wherein in sub-section (3) it has been inter-alia mentioned that the appropriate Commission, within 120 days from receipt of an application shall issue the Tariff Order after considering all suggestions and objections received from the public.
- 2) The need for timely issuance of Tariff Orders and True-up Orders has been decided by Hon'ble APTEL in its judgement dtd. 11/11/2011 in OP No. 1 of 2011, as follows:

"57. This Tribunal has repeatedly held that regular and timely truing-up expenses must be done since:

(a) No projection can be so accurate as to equal the real situation.

(b) The burden/benefits of the past years must not be passed on to the consumers of the future.

(c) Delays in timely determination of tariff and truing-up entails:

(i) Imposing an underserved carrying cost burden to the consumers, as is also recognised by para 5.3 (h) (4) of National Tariff Policy.

(ii) Cash flow problems for the licensees.

.....

65. *In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:*

(i) Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.

(ii) It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year...

(iii) In the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate Suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.

.....

(v) Truing up should be carried out regularly and preferably every year..."

- 3) It is evident from above that Hon'ble APTEL has even decided that SERCs can also initiate Suo-moto proceedings and collect the data and information and give suitable directions and then determine the tariff even in the absence of the application filed by the Utilities by exercising the powers under the provisions of the Act as well as the Tariff Regulations.
- 4) Thus, Tariff determination ought to be treated as a time bound exercise. If there is any lack of diligence on the part of the Utilities which has led to the delay, SERCs must play a pro-active role in ensuring the compliance of the provisions of the Act and Regulations made thereunder. Timely issuance of Tariff and True-up Orders that too cost reflective results in timely passing of escalated cost in the power sector supply chain thereby maintaining adequate cash flow with the utilities, thus enabling them to supply uninterrupted quality supply to the consumers. It further avoids creation of Regulatory Assets, burden of Carrying Cost and Tariff shock at once to the end consumers. The same goes in-line with the Draft Electricity (Amendment) Bill, 2025.
- 5) It must be noted that the Electricity Department, Goa has only filed the petition for True-up FY 2024-25. While The Hon'ble Commission has issued MYT Tariff order from FY 2025-26 to FY 2029-30.
- 6) **PFI prays to the Hon'ble Commission to conduct ARR of FY 2026-27 on Suo-moto basis by 31st March 2026 as mandated by Hon'ble APTEL as stipulated above.**

B. POWER PURCHASE COST

B.1 OTHER AND SUPPLEMENTARY CHARGES

- 7) ED-Goa has claimed Other and Supplementary charges of Rs. 84.18 Cr. and Rs. 24.64 Cr. respectively.
- 8) It is observed that ED-Goa has neither submitted the details of such expenses in the Petition nor the same was available in the Audited Accounts. PFI is unable to verify the same due to lack of information.

- 9) PFI requests the Hon'ble Commission to direct ED-Goa to submit the details of Other and Supplementary charges and the same may be approved after Prudence Check of the details.

B.2 UI DEVIATION

- 10) ED - Goa has considered 36.48 MU through deviations (Table 2.7 of the Petition) as part of Power Purchase Quantum and corresponding Rs. 58.82 Cr. as Power Purchase cost.
- 11) The relevant extract from the APTEL order in the matter concerning PSPCL (erstwhile PSEB), as referenced in **Appeal No 7, 24 & 122 of 2011**, provides the regulatory basis for such action. The Commission has authority to not consider the UI charges and penalize the DISCOM if they find out the UI purchase is not done in economic and judicious manner. This authority stems from the Commission's mandate to ensure prudent power procurement practices, grid discipline, and protection of consumer interests under the provisions of PSERC MYT Regulations are as follows:

“19 (2).

At this frequency the Board is not expected to overdraw. Regulation 19(2) allows UI charges if power is purchased through UI mechanism in a judicious and economic manner. Such disallowance was on the basis of the decision of the Forum of Regulators dated 1.8.2009 and according to the appellant, it should be only from that date and not for the entire tariff year 2009-10”

- 12) PFI also wants the point out towards the Hon'ble APSERC decision on not allowing UI charges in Tariff order dated 26/03/2025 against the petitioned cost and quantum submitted by Department of Power Arunachal Pradesh. Moreover, the Commission has explicitly specified that the Deviation is not a source of power procurement. The relevant extract from the True-Up Order FY 2023-24 is as follows:

“3.2.7The Commission has also not considered energy received from UI/Deviation as it is not a source of power procurement.....”

- 13) As per the submission of power purchase quantum & Costs for FY 2024-25 (Table 2-7). The ED-Goa has claimed Rs 61.62 Cr. towards Over Drawal charges and

Rs. 2.81 Cr is claimed towards Under Drawal of power. The figure indicate a large settlement has to be paid towards penalty/settlement and small amount is received towards incentive.

- 14) **PFI submits that such charges should not be considered, as these charges are a commercial mechanism for grid discipline and such charges must not be passed on to consumers.**
- 15) **PFI requests the Hon'ble Commission to direct DISCOM to submit justification on deviation charges paid and disallow the penal charges paid by the Discom. If the Over Drawal is caused due to uncontrollable factor than such cost can be allowed to be passed through to the consumers.**
- 16) **In view of above, PFI requests the Hon'ble Commission to not consider the Rs. 58.82 Cr. towards deviation charges. The same may be borne by the Government of Goa in the form of subsidy.**

B.3 NO SCHEDULING OF POWER FROM GAS POWER PLANT

- 17) Hon'ble Commission via its tariff order dated 13th June 2024 have projected power procurement from KGPP and GGPP.
- 18) However, as per the petition, it can be observed that the total quantum procured from KGPP and GGPP is not specified and the fixed cost has been paid, whose total sum is Rs. 17.51 Cr. No further clarification has been provided or submitted separately highlighting the reason for no scheduling of power from Gas based power plant.

Table 2-7: Power Purchase Quantum & Cost for FY 2024-25

S/No	Source	Approved in T.O dated 13 th June 2024		Actual FY 2024-25	
		Quantum (MUs)	Total Cost (Rs. Crore)	Quantum (MUs)	Total Cost (Rs. Crore)
A)	NTPC	3,990.34	1,272.25	3,952.67	1,433.48
1.	KSTPS	1,747.91	346.78	1,643.33	378.11
2.	VSTPS-I	292.39	73.79	249.13	72.84
3.	VSTPS-II	119.47	27.91	107.90	28.65
4.	VSTPS-III	103.76	25.43	98.95	27.14
5.	VSTPS-IV	123.04	38.57	124.98	42.90
6.	VSTPS-V	58.58	18.90	58.28	20.43
7.	KGPP	59.75	79.35	-	7.96
8.	GGPP	61.13	9.75	-	9.55

- 19) It is further observed that avg. ECR of KGPP as approved by Hon'ble Commission was Rs. 13.28/kWh and for GGPP was Rs. 1.59/kWh.
- 20) PFI requests the Hon'ble Commission to direct DISCOM to submit the reason to not procuring power from GGPP which is available at cheaper price.

B.4 PURCHASE OF POWER FROM NON-APPROVED PPA

- 21) ED-Goa has procured power from RE sources towards fulfilment of its RPO target. The Hon'ble Commission from time to time have approved the procurement of power as submitted by the DISCOM after prudent checking of the PPA, plant capacity etc.
- 22) It is observed that DISCOM has procured 2.28 MU power from Vasudha Waste Treatment Plant, Goa, which was not approved by the Hon'ble Commission in its Tariff Order dated 13th June 2024.
- 23) **In view of above, PFI requests the Hon'ble Commission to not consider Rs. 1.14 Cr. towards power purchase cost and direct DISCOM to submit the clarification for procuring power from Vasudha Waste Treatment plant.**

C. INCENTIVE FOR REDUCTION IN DISTRIBUTION LOSSES

- 24) ED - Goa has claimed actual Distribution Loss as 7.44 % for FY 2024-25 against the target of 7.95% as approved by Hon'ble Commission in Tariff Order dated 13th June 2024.
- 25) As per the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (to be referred as JERC (MYT Regulations), 2021). The Regulation 13.2 (c) outlines that categorization of distribution losses as controllable factor.

“For the purpose of these Regulations, the term “controllable factors” for a Transmission or Distribution Licensee shall comprise of the factors which were within the control of the Licensee, shall inter-alia include:

.....

c) Variations in technical and commercial losses of Distribution Licensee;”

26) It is submitted that the **actual distribution losses claimed by DISCOM is 7.44%**, which is **0.51% lower than the approved level**, thereby demonstrating performance **better than the trajectory approved by the Hon’ble Commission**.

27) Based in the JERC (MYT Regulations), 2021, the mechanism for sharing of the gain are as follows:

“15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers.”

28) Accordingly, PFI has calculated the gain with respect to the reduction in the T&D as follows

Particular	Approved	Actual
Input Energy at DISCOM periphery (MUs)	5,399	5,370
T&D loss	7.95%	7.44%
T&D loss (MUs)	429	400
Energy Sold (MUs)	4,970	4,970
Gain/ (Loss) (MU)		30
APPC (Rs. /kWh)		3.62
Gain/ (Loss) (Rs. Cr.)		10.77
DISCOM share		5.39

29) In view of above, PFI requests the **Hon’ble Commission to allow Rs. 5.39 Cr.** may be passed on to the consumers of Goa.

D. COMPENSATION ON INJURY, DEATH & DAMAGE

30) PFI notes that DISCOM claim the expenses booked on Compensation on injury, death & damage as part of O&M expenses. As per table 2-13, ED-Goa claims Rs. 0.14 Cr. towards compensation paid towards compensation for electrocuted victims.

31) PFI observes that Section 57 (2) and Section 59 (1) of the Electricity Act 2003 focus on two key points i.e., Compensation and Furnishing Case-wise information. Relevant sections are as follows:

“Section 57. (Consumer Protection: Standards of performance of licensee):

(1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.

(2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice against any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

...

Section 59. (Information with respect to levels of performance):

(1) Every licensee shall, within the period specified by the Appropriate Commission, furnish to the Commission the following information, namely:-

(a) the level of performance achieved under sub-section (1) of the section 57;

(b) the number of cases in which compensation was made under subsection (2) of section 57 and the aggregate amount of the compensation.”

32) Conjoint reading of Section 57 & Section 59 leads to the conclusion **that DISCOMs need to submit case-by-case details to the Commission** and the Commission will determine the compensation only after going through the merits of each case.

33) Further, Hon'ble APTEL vide its Judgment¹ dated 27/09/2012 in Appeal No.141 of 2012 provided clarification of Section 57(2) stating that SERCs will determine compensation on a case-by-case basis after analyzing the failure in meeting standard of performance and other details, relevant extract from said judgement is as follows:

“Section 57(2) provides for a case-by-case determination of compensation. Such compensation has to be paid to the affected person. This will make it clear that the State Commission will have to determine on the basis of allegation that a particular

¹https://www.aptel.gov.in/judgements/Judgment%20in%20APPEAL%20No.141%20of%202012_Replace_27092012_ssi.pdf

standard of performance had been violated, as to how and what extent the person has been affected due to such violation.”

- 34) It is pertinent to note that all penalties and compensation payable by the DISCOM to any party for failure to meet any Standards of Performance or for damages, as a consequence of the orders of the Commission, Courts, Consumer Grievance Redressal Forum, and Ombudsman, etc., should not be allowed to be recovered through the Aggregate Revenue Requirement.
- 35) In view of above, PFI proposes the Hon’ble Commission to direct DISCOM to submit case-by-case reason of accident and allow pass through of compensation only in cases where the reason is not attributable to the DISCOM.

E. DISCREPANCY IN NUMBER OF CONSUMER

- 36) ED-Goa in its petition states number of consumer as 7,23,710 (Table 2-2), while the balance sheet attached with the petition shows the number of consumers as 9,22,136 as per DCB statement (B/S-15).
- 37) PFI prays that the Hon’ble Commission may kindly take note of the apparent discrepancy in the petition filed by ED-Goa, wherein the number of consumers is stated differs from attached balance sheet/DCB statement and provide necessary direction to ED-Goa for appropriate explanation, reconciliation or correction of the figures so as to ensure accuracy, transparency and fairness in the tariff determination process, in the larger interest of consumers

F. SUMMARY OF ED - Goa TRUE-UP PETITION FOR FY 2024-25

- 38) As stipulated above, summary of PFI Comments on True-up of FY 2024-25 for ED - Goa is as follows, Hon’ble Commission is requested to kindly consider the same.

(Rs. Cr.)

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
1	Sales	4,970	4,970	0
2	Distribution Loss	7.44%	7.44%	0
3	Transmission Loss	3.91%	3.91%	0
5	Power Purchase Cost	2,310	2,251	(60)
5a	Less: UI Charges		59	

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
5b	<i>Less: Non Approved PPA (Vasudha WTPP)</i>		1	
6	Transmission Charges	248	248	0
7	Operation & Maintenance (O&M) Expenses (7a+7b+7c)	488	488	0
7a	Employee Expenses	402	402	0
7b	Administrative & General (A&G) Expenses	35	35	0
7c	Repair & Maintenance (R&M) Expenses	51	51	0
7c-i	<i>Less: Compensation on injury, death & damage</i>		0.14	
8	Return on Equity/ Return on Capital Employed (ROE/ROCE)	69	69	0
9	Interest on Loan	25	25	0
10	Interest on Working Capital	9	9	0
11	Depreciation	65	65	0
12	Interest on Consumer Security Deposit	7	7	0
13	Aggregate Revenue Requirement	3,220	3,160	(60)
14	Non-Tariff Income	69	69	0
15	Net ARR	3,151	3,091	(60)
16	Revenue from Sale of Power	2,970	2,965	(5)
17	<i>Less: Incentive on account of Distribution Loss</i>		5	
18	Revenue (Gap)/Surplus	(181)	(126)	55

- 39) In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers, rather it should be borne by Govt. of Goa in the form of subsidy. **Accordingly, Govt. of Goa should provide additional subsidy of Rs. 55 Cr.**

PRAYERS BEFORE HON'BLE JERC (Goa & UTs):-

- 1) To consider the comments / suggestions of Power Foundation of India (PFI) on Tariff Petition for FY 2024-25 of ED - Goa.**
- 2) To disallow UI charges as they are penal in nature.**
- 3) The inefficiencies of ED - Goa should not be allowed to socialize to consumers at large rather it should be borne by Government of Goa by providing additional subsidy of Rs 55 Cr.**
- 4) To consider the additional submissions, if any, made by PFI for ED - Goa True-up FY 2024-25 petition.**