

**DEPARTMENTAL EXAMINATION  
MAY 2017  
DEPARTMENTAL TEST FOR ACCOUNTS OFFICERS – PAPER I(AO-01)  
ANSWER KEY**

**I**

- 1) c            2) b   3) d   4) c   5) d   6) b   7) a   8) d   9) a   10) b  
11) c   12) d   13) a   14) c   15) b   16) a   17) a   18) c   19) b   20) d

**II a) Complaints in Billing.**

- (i) Any complaints in billing received prior to the due date for payment shall be resolved before the next billing along with refund / adjustments, if any. However, the complaints in respect of arithmetic error if any received three days prior to the due date for payment shall be set right within the due date for payment.  
(ii) The consumer shall not, on the plea of incorrectness, withhold any portion of the amount billed.

**II b) "two-cover system"** means a procedure under which the tenderers are required to simultaneously submit two separate sealed covers, one containing the Earnest Money Deposit and the details of their capability to undertake the tender which will be opened first and the second cover containing the price quotation which will be opened only if the tenderer is found qualified to execute the tender

**II © Components of Tariff**

- (1) The tariff for sale of power by the Generating Companies shall be of two part namely the Fixed Charges (recovery of annual capacity charges) and variable (energy) charges.  
(2) The Fixed (annual capacity) charges shall consist of the following elements:  
(b) Interest on Loan Capital;  
(c) Depreciation  
(d) Return on Equity;  
(e) Operation and Maintenance expenses; and  
(f) Interest on Working Capital:  
(3) The energy (variable) charges shall cover fuel cost.

**II (d) Capital Works :- (Capital Expenditure)**

Expenditures incurred to create acquire/asset in order to accomplish the objectives of the Organisation and which is for permanent use of the business. It will not be recurring in nature. It is one time expenditure (Ex.) Plant & Machinery, Furniture & Fixture, Office equipment etc.

In TNEB the following Capital Works are undertaken

1. New Works (Ex.: Establishment of SS/Gen. Stations in Thermal/Hydel/Gas/Wind etc. Construction of Building – Office/Residential, Formation of Road etc.)

2. Replacement with necessary improvement (Ex.: Enhancing the Transformer Capacity, Additional Load in the existing service connection)
  3. Replacement without Improvements (Ex.: Replacement of Existing Transformer with same rating Transformer)
  4. Additions (Ex.: Construction of one Addl. Floor in the existing building)
- Alteration/Renovation and Modernisation with Residual Life Assessment / without Residual Life Assessment (Ex.: R & M works in Generating Stations)
- The capital expenditures are booked under Group code 14. After the completion of work and getting a work completion certificate from the field, the work order is closed and the total expenditure is transferred to Fixed Asset under Group Code 10.

**III. Sec 16.** The provisions of sections 9 and 10 shall not apply to procurement,-

- (a) during natural calamities and emergencies declared by the Government;
- (b) available from a single source only from a supplier or cases in which a particular supplier or contractor has exclusive rights in respect of the goods or services or construction and no reasonable alternative or substitute exists or where the procuring entity having procured goods, equipment, technology from a supplier or contractor determines that additional supplies must be procured from that specific supplier or contractor for reasons of standardization and compatibility with the existing goods, equipment or technology;

Provided that a committee of three experts consisting one technical representative of the procuring entity, one technical representative of a State or Central Government Organisation dealing with similar procurement and one representative from a reputed Academic or Research Institution or Non-commercial Institution having expertise in such line, declares it as single source procurement;

- (c) from certain departments of Government, public sector undertakings, statutory boards and such other institutions only in respect of goods manufactured or services provided by them for a period not exceeding eleven years from the date of commencement of this Act;

- (d) of low value and local purchases as may be prescribed;

2(dd) from domestic small-scale industrial unit for the reserved items identified by the Central Government:

Provided that where a procuring entity intends to procure any of such reserved items, the procuring entity shall procure such item from the domestic small-scale industrial units and the provisions of section 9 and 10 shall apply to such procurement;

- (e) from the rate contracts of Director-General of Supplies and Disposals and Association of State Road Transport Undertakings; and

- (f) by spot purchase of cotton by Spinning Mills, Oil Seeds and Oils by Tamil Nadu Agro Industries Corporation or Tamil Nadu Cooperative Oil Seeds Growers' Federation Limited, animals from shanties, Sugarcane by Sugar Mills, Paddy by direct purchase centres of the Tamil Nadu Civil Supplies Corporation, Clothing by Co-optex from registered Primary Weaver Co-operatives, Milk by Tamil Nadu Cooperative Milk

Producers Federation from Districts and Primary Milk Co-operative Societies, Palm oil by Tamil Nadu Civil Supplies Corporation from Tamil Nadu Cooperative Oil Seeds Growers' Federation for Noon Meal Scheme, Clothing by Government Departments, Public Sector Undertakings and statutory departments from Co-optex and similar organisations and materials as may be notified by Government.

(g) of cement from the Tamil Nadu Cement Corporation Limited, or of paper from the Tamil Nadu Newsprints and Papers Limited:

Provided that,--

(a) a committee consisting of the Secretary to Government, Industries Department, the Secretary to Government, Finance Department and the Chairman-cum-Managing Director or the Managing Director, Tamil Nadu Cement Corporation Limited shall determine the price of cement to be procured;

(b) the price of paper shall be negotiated with the Tamil Nadu Newsprints and Papers Limited by the procuring entity."

**IV a)** This tariff is applicable to the following:

a) Domestic/Residential purposes of lights, fans, Air conditioners, radio/TV and all other home appliances.

b) Supply used in the house/residence/premises for the following purpose with a total connected load not exceeding 2 kW.

1. To provide lighting, water and other facilities to domestic animals/pets including chaff cutting, milking etc.

2. Watering for gardening including growing of trees in and around residential houses/buildings.

c) Handlooms in residences of handloom weavers and handlooms in sheds regardless of use of outside labour and where energy is availed of only for lighting, fans and all other residential uses.

d) Public conveniences and Integrated woman sanitary Complexes.

e) Community Nutrition Centres, Anganwadi Centres and Nutritious Meal Centers.

f) Old Age Homes, Leprosy Centers and sub centres. Orphanages, Homes for destitute run by Government/Local bodies/Charitable Institutions rendering totally free services.

g) Consulting rooms of size limited to 200 square feet of any professionals attached to the residence of such professionals. This facility is extended exclusively to take advantage of using the residence by the professionals.

h) In respect of multi tenements/residential complexes supply used for common lighting, water supply, lift and such other facilities provided only to the residents alone may be given a separate connection and charged under this tariff. Only one service connection shall be given for the premises for all common facilities.

i) In respect of multi tenements/multi-story flats/residential complexes having both domestic and non-domestic utilities, common facilities such as common lighting, common water supply, lift and such other facilities will be charged under this tariff only if the non-residential built up area does not exceed 25% of the total built up area.

j) In multi tenements residential buildings/Group Houses the additional service connections requested by the owners/tenants shall be given. If only a meter is required to effect the additional service connection, service line charges shall not be collected.

k) Electric crematorium of local bodies.

l) Handicraft/Artisan works carried out by Potters, Goldsmiths etc. attached to the residence, done predominantly by self or family members using a connected load not exceeding 1 kW. This facility is extended exclusively to take advantage of utilizing the space in and around the residence and participation of family members in the small scale production.

m) Any additional lights, serial lights etc. used in the pandals/shamiana and in the premises of the existing domestic/residential service connection of the consumer for a period not exceeding one week at a time, with a connected load not exceeding 3 kW for the family functions/occasions.

#### IV b)

Calculation of Amount Payable by the HT Consumer

1, Energy Charges (Normal)	35650 units x Rs.6.35	Rs 2,26,377.50
2. Peak Hour Charges	3860 Units x Rs.6.35 x 20%	Rs. 4,902.20
3. Nigh Hour Concession	2497 Units x Rs.6.35 x 5%	(-) Rs. 792.80
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Total Energy Charges		Rs. 2,30,486.90
4. Demand Charges	550 x 90% x Rs.350 per KVA	Rs. 1,73,250.00
5. Total Demand and Energy Charges		Rs. 4,03,736.90
6. Meter Rent		Rs. 2,000.00
7. Electricity Tax		
a) Energy Charges	Rs. 231279.7(226377.5 + 4902.2)	
b) actual recorded demand charges	Rs. 151200/-	
	<u>Rs. 382479.7- x 5%</u>	Rs. 19,123.99

Total amount Payable by H.T. Consumer Rs. 4,24,860.89

Rounded off Rs. 4,24,861/-

(Rupees Four Lakh twenty four Thousand eight Hundred and Sixty one Only)

#### V a) Section 42. (Duties of distribution licensee and open access):

(1) It shall be the duty of a distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in his area of supply and to supply electricity in accordance with the provisions contained in this Act.

(2) The State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for

wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:

Provided that [such open access shall be allowed on payment of a surcharge] in addition to the charges for wheeling as may be determined by the State Commission:

Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee :

Provided also that such surcharge and cross subsidies shall be progressively reduced 2[\*\*\*] in the manner as may be specified by the State Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use:

3[Provided also that the State Commission shall, not later than five years from the date of commencement of the Electricity (Amendment) Act, 2003, by regulations, provide such open access to all consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one megawatt.]

(3) Where any person, whose premises are situated within the area of supply of a distribution licensee, (not being a local authority engaged in the business of distribution of electricity before the appointed date) requires a supply of electricity from a generating company or any licensee other than such distribution licensee, such person may, by notice, require the distribution licensee for wheeling such electricity in accordance with regulations made by the State Commission and the duties of the distribution licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access .

(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.

(5) Every distribution licensee shall, within six months from the appointed date or date of grant of licence, whichever is earlier, establish a forum for redressal of grievances of the consumers in accordance with the guidelines as may be specified by the State Commission.

(6) Any consumer, who is aggrieved by non-redressal of his grievances under sub-section (5), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed or designated by the State Commission.

(7) The Ombudsman shall settle the grievance of the consumer within such time and in such manner as may be specified by the State Commission.

(8) The provisions of sub-sections (5),(6) and (7) shall be without prejudice to right which the consumer may have apart from the rights conferred upon him by those sub-sections.

<b>V(b) Energy Charges</b>	15432 units((50 x Rs.5)+(15382xRs.8.05)	Rs.124075.10
Fixed Charges	101 KW x Rs.140	Rs. 14140.00
Power factor penalty (0.85 – 0.83) x 124075.1		Rs. 2481.50
Excess demand charges (110 – 101) x 1% X 124075.1		Rs 11166.76
Electricity tax ( (110 x 140) + 124075.1+2481.5) x 0.05		Rs. 7097.83

Total Rs. 158961.19

Or say Rs.158961/-

### **VI a) 31. Procurement in special cases.-**

In the case of purchase of goods where the quantity offered at the lowest price is less than the total quantity required, the Tender Accepting Authority may, after placing orders with the lowest evaluated tenderer for the entire quantity offered by such tenderer subject to his ability to supply, adopt either or both of the following procedures to procure the balance quantity.-

(1) Negotiate with the next lowest tenderers in strict ascending order of evaluated price and require them to match the price offered by the lowest evaluated tenderer and place orders until the entire quantity required is ordered; or

(2) Require all the other eligible tenderers who participated in the tender and offered a price higher than that offered by the lowest evaluated tenderer, to submit sealed offers of the quantity they would be willing to supply at the price quoted by the lowest evaluated tenderer, and thereafter place orders for the remaining required quantity with all those who match the lowest evaluated price such that those who bid lower prices in the original tender get a higher priority for supply.

(3) In case the bidders other than the lowest evaluated bidder fail to agree to accept the lowest price or the total quantity offered by them at the price quoted by the tenderer with lowest evaluated price is less than the required quantity the Tender Accepting Authority may place orders for remaining required quantity at different rates with different suppliers in the ascending order of evaluated price until the entire quantity required is covered:

Provided that, where different quantities have to be procured at more than one price from one or more tenderers, the Tender Accepting Authority may decide not to procure beyond a price considered economical although the entire quantity originally stated to be required in the tender documents is not ordered.

(4) In cases where, the Tender Accepting Authority such as Tamil Nadu Electricity Board, Tamil Nadu Civil Supplies Corporation, Project Director, Integrated Child Development Scheme (ICDS) and **Tamil Nadu State Transport Corporations** is of the view that the commodity to be purchased is so vital in nature and the failure in supply would affect the public interest and that it is necessary to have more than one supplier, the Authority may place orders on the tenderer quoting the lowest evaluated price for not less than 60% of the quantity covered in the tender at the price quoted by him and place orders for the remaining quantity on the tenderers quoting the next lowest evaluated prices at the lowest evaluated price and shall specify this in the tender documents.

2"Provided that the commodity to be purchased by the Tamil Nadu State Transport Corporations shall be restricted to bus chassis only".

**VI b) Excess demand charge**

Whenever the consumer exceeds the sanctioned demand, excess demand charge shall be:.

(i) In the case of HT supply, the maximum demand charges for any month shall be based on the KVA demand recorded in that month at the point of supply or such percentage of sanctioned demand as may be declared by the Commission from time to time whichever is higher. The exceeded demand shall alone be charged at double the normal rate.

(ii) In case of LT supply,

(a) For Domestic and Agricultural category of service, the excess demand charges shall not be applicable.

1[(b) For other categories of LT services with contracted demand equal to or less than 18.6 KW (25 HP), the excess demand charges shall not be applicable where the connected load is equal to or less than the contracted demand.

Note: For services with contracted demand less than or equal to 18.6 KW (25 HP), whenever the consumer.s connected load exceeds the contracted demand, the licensee shall install meters with demand recording facility and bring the consumer under the scope of excess demand chargeable category. After installation of the meter, if the recorded demand is in excess of contracted demand, the existing demand, shall, after intimation to the consumer, be revised to the level of recorded demand and all relevant charges applicable for extension of additional demand shall be included in the next bill. No excess demand charge is leviable till such time the licensee installs meter with demand recording facility and bring the consumer under the scope of excess demand chargeable category.]

(c) For the remaining LT services other than those service connections covered in (a) and (b) above, when the contracted demand is in excess of 18.6KW (25HP) and for such of those consumers whose contracted demand is less than 18.6 KW (25HP) but opted for having meters with demand recording facility, the excess demand charges shall be -,

(I) Where the recorded demand does not exceed 112 KW, for every KW or part thereof in excess of the sanctioned demand, at the rate of 1% of the total energy charges;

(II) where the recorded demand exceeds 112KW, for every KW or part thereof in excess of sanctioned demand:-

- for the first two occurrences, at the rate of 1% of the charges for electricity supplied up to 112 kW;

- and 1.5% for every KW or part thereof over and above 112KW,

- and thereafter, that is, the third and subsequent occurrences at the rate of three percent for every KW or part thereof over and above 112KW.

(III) Where the recorded demand exceeds the sanctioned demand for the second and subsequent times ,-

(A) In case the recorded demand has not exceeded 112 KW, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence to the level of recorded demand and all the relevant charges applicable to the additional load shall be included in the next bill ;

(B) In case the recorded demand has exceeded 112 KW,, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence, to the level of 112 KW and all relevant charges applicable to the additional load shall be included in the next bill; if, however, the recorded demand has exceeded 112 KW for the third or more number of times, it is open to the consumer to opt for HT service.

(iii) In the case of temporary supply, the excess demand charges shall be the difference between the minimum charges for temporary supply computed at the rate notified, for a back period of six months or date of supply whichever is lesser, and the corresponding current consumption charges already recovered from the consumer.

**VII a) Compensation**

The Licensee is expected to achieve the performance prescribed. If a Licensee fails to meet the standards specified for various service areas, the affected consumer is entitled for compensation by the Licensees as stipulated in the Act. **1**[The compensation payable is set out in the table below, namely:-

Sl. No	Event	Compensation payable
	Duty to give supply on request a) New Service connection b) Additional Load c) Temporary Supply d) Shifting of service connection e) Transfer of service connection f) Change of tariff	Rs.100/- per day of delay subject to maximum of Rs.1000/-
	Complaints in billing	Rs.150/- for non-reply within the period.
	Replacement of meters	Rs.100/- for each day of delay subject to a maximum of Rs.1000/-
	Interruption of supply	Rs.50/- for each six hours (or part thereof) of delay in restoration of supply subject to a maximum of Rs.2000/-
	Voltage fluctuations and complaints	Rs.250/- for failure to visit or convey findings within the stipulated period
	Responding to consumer's complaints	Rs.25/- for each day of delay subject to a maximum of Rs.250/-

Sl. No	Event	Compensation payable
	Making and keeping appointments	Rs.50/- for failure of keeping appointment
	Grievance handling	Rs.50/- for failure of grievance handling
	[Refund of deposit in respect of temporary supply after the expiry of the temporary supply period and refund of balance deposit within the period as stipulated in regulation 6 of Distribution Standards of Performance Regulations or in the regulation 17 (6) of the Tamil Nadu Electricity Supply Code or in the regulation 33 (5) of the Tamil Nadu Electricity Distribution Code]	[Rs.100/- per week or part thereof of delay in addition to the interest at the rate specified by the Commission till the date of refund.]

### VII b) Work order Closing

Certificate of closure of Work order along with estimate card to be sent to the Work order section of Central Office. Postings verified, Devolutions Checked and Closed.

**Revalidation:** T & P items valid for three years, get extension thereafter

**Balance work order:** Every W.O to be closed on 31st of March every year for completed portion of works. For Non-Completed works balance w.o to be obtained by a separate requisition.

### Extension W.O:

The work order issued is valued upto 31st March of every year. To operate the work order for a limited period (say for 3 months) in the next financial year extension of work order is to be obtained from competent authority.

### Initial Accounts Relating To Works (Para 614 of TNEB Manual Volume – I)

In order to facilitate the closing of work orders field officer should maintain an initial account in respect of each work in a simple form. The form should provide for materials and labour.

1. Drawal of material is to be posted with date, number and quantity
2. Devolution of materials with date, number and quantity is to be posted as minus
3. Labour charges, transport changes, bills for petrol, drivers expenses etc. should be posted with reference to chit / K2 agreement, imprest account, temporary advance voucher.

This account is to maintain an account as accurately as possible of the expenditure on work and to record final measurement and check measure the erected quantities and

surplus remaining on completion of the work.

**Check Measurement**

The actual work executed is to be checked by the higher officer as per the delegation of powers.

**Completion Report**

A report of completion of works is to be prepared and sent to the central office along with the work order for closing the work orders.

**VIII. Procedure for making application for Determination of Tariff**

(1) The licensee may file the application for determination of tariff in Form 1 in Annexure 1 to the TNERC Conduct of Business Regulations. The tariff changes should normally be applied for to take effect from the 1st day of ensuing financial year and hence the application shall be filed before 30th November of Current Year along with Aggregate Revenue Requirement (ARR).

(2) The application shall be accompanied by the fees specified in the TNERC Fees and Fines Regulations and verified by an affidavit in Form 2 specified in Annexure 2 to the TNERC Conduct of Business Regulations.

(3) The application for determination of tariff for the existing Generating Stations and Transmission System shall be accompanied by information in the respective formats appended to these regulations duly furnishing the figures for the previous year, current year and ensuing year. The application for determination of tariff by Distribution licensees shall be accompanied by the information in the ARR formats appended to these Regulations. The information for the previous year should be based on the Audited Accounts and in case audited account of previous year are not available, the audited accounts for the immediately preceding year should be filed along with the unaudited accounts of the previous year.

(4) If a person holds more than one licence and / or deemed to be licensee for more than one area of distribution or transmission, he shall submit separate calculation as above in respect of each licence or area of transmission or distribution. The licensee shall endeavour to separate the accounts function wise. Distribution and Supply shall be treated as separate function.

(5) A licensee having a Generating Station shall maintain and submit separate accounts for the licensed business and Generating Station.

(6) Transmission licensee and Distribution licensee engaged in other business for optimum utilisation of their Assets in the licensed business, shall maintain separate account for such other business and submit with tariff proposal the proportion of revenue utilised to reduce the transmission / wheeling charges as stipulated in TNERC (Licensing) Regulations.

(7) In case of Generating Station or the Transmission system declared under commercial operation on or after the date of notification of these Regulations, an application for fixation of tariff shall be made in two stages as below:

1[(i) (a) A generation company or a licensee may make an application as per Appendix . I to these regulations, for determination of provisional tariff in advance of the anticipated date of completion of the project, based on the capital expenditure actually incurred upto the date of making of the application or a date prior to making of the application, duly audited and certified by the statutory auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective units of the generation station or the line or sub-station of the transmission system.

(b) Provisional tariff or provisional billing of charge, wherever allowed by the Commission based on the application made by the generating company or the transmission licensee or by the Commission on its own or otherwise, shall be adjusted against the final tariff approved by the Commission.

Provided that where the provisional tariff charged exceeds the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall pay simple interest @ 6% per annum computed on monthly basis, on the excess amount so charged from the date of payment of such excess amount and upto the date of adjustment.

Provided further that where the provisional tariff charged is less than the final tariff approved by the Commission, the beneficiaries shall pay simple interest at 6% per annum, computed on monthly basis on the deficit amount from the date on which final tariff will be applicable upto the date of billing of such deficit amount.

Provided also that excess/deficit amount along with simple interest at 6% shall be adjusted within three months from the date of order failing which the defaulting licensee / beneficiary shall be liable to pay penal interest on excess / deficit amount at the rate as may be decided by the Commission].

(ii) A licensee shall make a fresh application in the same format as above, for the determination of final tariff based on actual capital expenditure incurred upto the date of commercial operation of the Generating Station or Transmission system duly audited and certified by the Statutory Auditors.

(8) In case the licensee does not initiate tariff filings in time, the Commission shall initiate tariff determination and regulatory scrutiny on suo motu basis.