

ANSWER KEY

Question

No.1

- i b. Internal Rate of Return
- ii c.Rs.1000/-
- iii b.Jammu and Kashmir
- iv c.Net Present Value
- v d. Fixed Asset Account
- vi c) Stock
- vii c) 0.90
- viii b)Actual Recorded Demand or 90% of the Sactioned Demand whichever is high.
- ix c. II-A
- x b.Rs.350/- per KVA
- xi b) 0.85
- xii a) I -A
- xiii b) 5%
- xiv b) III
- xv b. LT Tariff III-B and LT Tariff V, services with a connected load of 18.6 KW and above
- xvi b.Goods and Service Tax
- xvii c.Income Tax
- xviii c.20%
- xix c. Purchase of goods from a unregistered person by a Registered dealer
- xx d. Service Accounting Code

Question

No.2

- i b) LTCT metering
- ii (b) 01.07.2017
- iii (a)1000 KVA
- iv d. 2%
- v c.11th May 2019
- vi b. 31st July
- vii a. 0.9
- viii d. All the above
- ix d.2000 Sq.ft

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|-------|---|
| x | a) Inter Unit Accounts |
| xi | c. IV |
| xii | b) Transfer Debit Advice |
| xiii | d). Traffic-V |
| xiv | d) 3 HP and above |
| xv | a.application fee, HT Meter Rent. Shifting & Labour Charges |
| xvi | c) 60 days |
| xvii | d)Rs.1,00,000/- |
| xviii | c. Charged to capital works |
| xix | a. State Electricity regulatory Commission |
| xx | c.Letter of Authority |

3) **(a) Unconnected services:**

As soon as an extension scheme is energized and brought into operation and Assistant Engineers of the Distribution System should issue notices in (M.E.D Form 206) to the consumers who have signed power agreement and to the other prospective consumers listed in the revenue forecast of the scheme from whom applications have been received. Acknowledgements for the notices, if served in person, should be taken from the consumers. If the notices are sent by post, they should be sent by registered post acknowledgement due. A report about the energizing of the lines together with the list of persons to whom notices have been sent should be sent to the Central Office simultaneously.

3) **(b) Administrative approval:**

Except to the extent delegated in Appendix I of this Manual, all works require the administrative approval of Board. The administrative approval is, in effect, an order to execute a certain specified work at a stated cost. It is to be noted that, for almost all works both the administrative approval and technical sanction are to be accorded.

3) **(c) Technical sanction:**

For each individual work to be carried out after obtaining administrative approval a detailed estimate must be prepared for the technical sanction of authority competent in the Electricity Board. This sanction is known as the Technical sanction and must be obtained before the execution of the work is commenced. As its name indicates, it amounts to no more than a guarantee that the proposals are technically sound and that the estimates are accurately calculated and based on adequate data.

3) **(d) Auxiliary Energy Consumption (AUX):**

'Auxiliary Energy Consumption' or 'AUX' in relation to a period means the quantum of energy consumed by auxiliary equipment of the Generating Station and transformer losses within the Generating Station, and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the Generating Station;

4) (a) Plant Load Factor' or 'PLF:

PLF for a given period, means the total sent out energy corresponding to scheduled generation during the period, expressed as a percentage of sent out energy corresponding to installed capacity in that period and shall be computed in accordance with the following formula:

$$PLF = 10000 \times \sum_{i=1}^N SG_i / \{ \{ \{ N \times IC \times (100 - AUX_n) \} \} \} \%$$

where,

IC = Installed Capacity of the Generating Station in MW,

SG_i = Scheduled Generation in MW for the ith time block of the period,

N = Number of time blocks during the period, and

AUX_n = Normative Auxiliary Energy Consumption as a percentage of gross generation;

4) (b) Time- of-the- Day Tariff

(1) To promote demand side management peak and off-peak tariff may be implemented.

(2) The time between 0600 hrs and 0900 hrs and between 1800 hrs and 2100 hours shall be treated as peak hour.

(3) The duration between 2200 hours and 0500 hours shall be off-peak hours.

4. (c) Types of Work Orders.

- i. Capital Work order (Extension/Improvement/Replacement etc
- ii. Token Work Order-
- iii. Temporary Supply Work Order
- iv. DCW Work Order and
- v. Stock Work Order

4).(d) INPUT TAX CREDIT (ITC) under GST Act:

A registered person is entitled to take credit of input tax charged on supply of goods or services or both to him which are used or intended to be used in the course or furtherance of business, subject to other conditions and restrictions.

It also includes tax paid on reverse charge basis and Integrated GST charged on import of goods. It includes taxes paid on input goods, input services and capital goods. Credit of tax paid on capital goods is permitted to be availed in one instalment.

In TANGEDCO as the principal supply ie., Sale of electrical energy and Distribution services is exempt from GST, all the gst paid on purchase of goods and services for generation and distribution cannot be availed as input credit.

But there is possibility of availing Input Tax Credit (ITC) on the taxable supply of Goods or Services or Both. The GST paid on the inputs involved in the supply of Taxable Goods / Services could be adjusted against the collections of GST by TANGEDCO and net amount alone may be remitted to Govt. This would provide certain cash flow savings to TANGEDCO, only to the extent of Input GST on the GST recovered on the taxable supply of Goods and Services.

5) (a) Definition of “Tender Document” under Tamil Nadu Transparency in Tenders Act, 1998..

‘Tender Document’ means a set of papers containing schedule of works, rates, requirement of goods or services, technical specifications, procedure and criteria as may be prescribed for evaluation and comparison of tenders and such other particulars as may be prescribed;

5) (b)) Exemption available for HRA under Income Tax Act

According to Rule 2A of the Rules, the quantum of exemption allowable on account of grant of special allowance to meet expenditure on payment of rent shall be the least of the following.

a) The actual amount of such allowance received by the assessee in respect of the relevant period i.e. the period during which the accommodation was occupied by the assessee during the financial year: or

b) The actual expenditure incurred in payment of rent in excess of one-tenth of the salary due for the relevant period or

(i) Where such accommodation is situated in Bombay, Calcutta, Delhi or Madras, 50% of the salary due to the employee for the relevant period: or

(ii) Where such accommodation is situated in any other places, 40% of the salary due to the employee for the relevant period.

For this purpose “Salary” includes Dearness allowance if the terms of employment so provide but excludes other all other allowances and perquisites.

5) (C) Chart of Accounts.

The chart of Accounts contains Account numbers for various transactions to be uniformly followed by all the Electricity Boards. The Account number has got a five digit code in which first two digits represent Account Group code. Accounts have been grouped under (1) Fixed Assets (2) Current Assets (3) Inter Unit Accounts (4) Current Liabilities (5) Capital liabilities (6) Reserves and Surplus (7) Revenue (8) Expenditures. The grouping is briefly explained below.

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|-------------|-----------------------|
| 1) 10 to 19 | Fixed Assets |
| 2) 20 | Investments |
| 3) 21 to 29 | Current Assets. |
| 4) 30 to 37 | Inter Unit Accounts |
| 5) 40 to 49 | Current Liabilities. |
| 6) 50 to 54 | Capital Liabilities. |
| 7) 55 to 59 | Reserves and Surplus. |
| 8) 60 to 69 | Income. |
| 9) 70 to 89 | Expenses and Losses. |

5) (d) Connected Load:

“Connected Load” means the aggregate of the manufacturer’s rating of all equipments connected to the consumer’s installation and of all portable equipments and also the capacity of the power source required to test manufactured products and repaired equipment in the installation.

Explanation: Where the rating is in terms of KVA, it shall be converted to KW by multiplying it by a power factor of 0.9 and where the rating is in terms of HP, it shall be converted to KW by multiplying it by a factor of 0.746.

6) Explain , how the work of Capitalization of Assets are done in our Corporations.

CAPITALISATION:-

- 1) When an asset is completed and brought into beneficial use, the expenditure incurred and collected under capital work-in-progress and work shall be transferred to Fixed Asset Account. This is said to be capitalisation of Assets.
- 2) Immediately on completion of work, and on bringing the Asset into beneficial use, a certificate to that effect shall be sent to Central Office by the officials in charge of work based on which the journal entry for capitalisation shall be passed in Central Office.
- 3) Commissioning of an Asset shall not be postponed due to the following reasons. When the asset is put into use:.

- a. For want of any finishing touches which may not be significant in work and value.
 - b. Mere disputes with contractors/Suppliers regarding the fulfilment of terms and conditions of contract.
 - c. Non- finalisation of contractors' bills.
- 4) Even though an asset is completed and is in commissionable state it shall not be capitalised until it is actually put into use.
 - 5) Any expenditure incurred to maintain the asset in commissionable state shall also be added to the capital cost of the Asset concerned, until it is put into use.
 - 6) In respect of Rural Electrification schemes, the infra-structure for the scheme shall be capitalised as soon as the infra structure is first put to use. The individual service connections under the scheme shall be capitalised as and when the service connection is connected.
 - 7) If a particular Asset constitutes a common facility for more than one unit in the Power Station the full value of the Asset shall be capitalised immediately on commissioning the first unit.
 - 8) Full value of an Asset shall be capitalised even if the Asset is under utilised initially.
13.45 A generating plant shall be treated as "Commissioned" at the end of the trial stage run.
 - 9) Beginning and ending of trial stage run in respect of generating stations shall be regulated according to the provisions of Para 1.18 of Annexure-V "Procedural Matters relating to Accounting transactions" of the "Electricity Boards Annual Accounts Rules 1985".
 - 10) The date of commissioning of Transmission lines and Sub-stations shall be regulated according to Para 1.19 to 1.21 of Annexure-V to the Rules.
 - 11) When service lines are capitalised, both Board's Portion and Consumer's portion shall be taken to Fixed Assets.
 - 12) When consumer portion of work is carried out by them, providing their own materials, the value of Asset relating to consumer's portion shall be assessed and accounted.
 - 13) Consumer's portion of service lines shall be accounted as Liability.
 - 14) Capital Spares, purchased before commissioning of a generating station shall be capitalised along with the mother equipments when the generating station is commissioned.
 - 15) Capital spares purchases subsequently shall be capitalised upon purchase.
 - 16) Stand-by units shall be capitalised when they are put into usable condition, regardless of whether they are actually used or not.

7) Explain the Powers of State Commission to make regulations under Electricity Act 2003.

Section 181. (Powers of State Commissions to make regulations): ---

(1) The State Commissions may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the power contained in sub-section (1), such regulations may provide for all or any of the following matters, namely: -

- (a) period to be specified under the first proviso of section 14;
- (b) the form and the manner of application under sub-section (1) of section 15;
- (c) the manner and particulars of application for licence to be published under sub-section (2) of section 15;
- (d) the conditions of licence section 16;
- (e) the manner and particulars of notice under clause(a) of sub-section (2) of section 18;
- (f) publication of the alterations or amendments to be made in the licence under clause (c) of sub-section (2) of section 18;
- (g) levy and collection of fees and charges from generating companies or licensees under sub-section (3) of section 32;
- (h) rates, charges and the term and conditions in respect of intervening transmission facilities under proviso to section 36;
- (i) payment of the transmission charges and a surcharge under sub-clause (ii) of clause(d) of sub-section (2) of section 39;
- (j) reduction 1[***] of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (d) of sub-section (2) of section 39;
- (k) manner and utilisation of payment and surcharge under the fourth proviso to sub-clause(ii) of clause (d) of sub-section (2) of section 39;
- (l) payment of the transmission charges and a surcharge under sub-clause(ii) of clause (c) of section 40;
- (m) reduction 1[***] of surcharge and cross subsidies under second proviso to sub-clause (ii) of clause (c) of section 40;
- (n) the manner of payment of surcharge under the fourth proviso to sub-clause (ii) of clause (c) of section 40;

- (o) proportion of revenues from other business to be utilised for reducing the transmission and wheeling charges under proviso to section 41;
- (p) reduction 2[***] of surcharge and cross-subsidies under the third proviso to sub-section (2) of section 42;
- (q) payment of additional charges on charges of wheeling under sub-section (4) of section 42;
- (r) guidelines under sub-section (5) of section 42; (s) the time and manner for settlement of grievances under sub-section (7) of section 42;
- (t) the period to be specified by the State Commission for the purposes specified under sub-section (1) of section 43;
- (u) methods and principles by which charges for electricity shall be fixed under sub-section (2) of section 45;
- (v) reasonable security payable to the distribution licensee under sub-section (1) of section 47;
- (w) payment of interest on security under sub-section (4) of section 47;
- (x) electricity supply code under section 50; (y) the proportion of revenues from other business to be utilised for reducing wheeling charges under proviso to section 51;
- (z) duties of electricity trader under sub-section (2) of section 52;
- (za) standards of performance of a licensee or a class of licensees under sub-section (1) of section 57;
- (zb) the period within which information to be furnished by the licensee under sub-section (1) of section 59;
- 1[(zc) the manner of reduction of cross-subsidies under clause (g) of section 61;]
- (zd) the terms and conditions for the determination of tariff under section 61;
- (ze) details to be furnished by licensee or generating company under sub-section (2) of section 62;
- (zf) the methodologies and procedures for calculating the expected revenue from tariff and charges under sub-section (5) of section 62;
- (zg) the manner of making an application before the State Commission and the fee payable therefor under sub-section (1) of section 64;
- (zh) issue of tariff order with modifications or conditions under sub-section(3) of section 64;
- (zi) the manner by which development of market in power including trading specified under section 66;

(zj) the powers and duties of the Secretary of the State Commission under sub-section (1) of section 91;

(zk) the terms and conditions of service of the secretary, officers and other employees of the State Commission under sub-section (2) of section 91;

(zl) rules of procedure for transaction of business under sub-section (1) of section 92; (zm) minimum information to be maintained by a licensee or the generating company and the manner of such information to be maintained under sub-section (8) of section 128;

(zn) the manner of service and publication of notice under section 130;

(zo) the form of preferring the appeal and the manner in which such form shall be verified and the fee for preferring the appeal under sub-section (1) of section 127;

(zp) any other matter which is to be, or may be, specified.

(3) All regulations made by the State Commission under this Act shall be subject to the condition of previous publication.

8) Answer

Amount in Rs.

| | | |
|---|-------------|----------------|
| Energy charges | (8500 x 8) | 680000 |
| Demand charges | (900 x 350) | <u>315000</u> |
| | | 995000 |
| Power Factor Penalty ((Rs.680000+(800x350))x5%) | | <u>48000</u> |
| | | <u>1043000</u> |
| Electricity Tax 5% on ((Rs.680000+(800x350)+48000)x5%) | | 50400 |
| Meter rent | | 2000 |
| GST 18% | | <u>360</u> |
| | Total | <u>1095760</u> |