

**Answer to Q.No.1**

(a) Industrial consumption @ Rs.5.50 per unit for 6,77,760 units =Rs.3727680\*  
Add: Peak hour consumption @ Rs.1.10 per unit for 1,45,440 units =Rs. 159984\*  
Less: Night hour consumption @Re.0.275 per unit for 1,97,100 units =Rs. 54202  
Total Energy Charges (A) =Rs.3833462  
Demand Charges @Rs.300 per KVA for 4590 KVA (B) =Rs.1377000\*  
Total Demand & Energy charges C=(A)+(B) =Rs.5210462  
E-Tax@5% on \* ----- (D) =Rs. 263233  
Meter Rent----- (E) =Rs. 2000  
Total HT Bill value for Sep 2013 (C)+(D)+(E) =Rs.5475695

(b). The due date for the HT bill dated 30.9.2013 is-----06.10.2013.

When the last day of the due date falls on a holiday, then

The due date is-----07.10.2013.

**Answer to Q.No.2**

(a). The Formula to assess the quantum of misused energy:

Quantum of misused energy,  $U = X (b / c)$  kwh, where

- a-----Total consumption recorded during the preceding period of existence of such violations limited to a specified period
- b-----Misused load found at the time of inspection
- c-----Total connected load found at the time of inspection

The Formula to calculate the Penal charges for the misused energy:

$$= (2 \times U \times d) - (U \times e), \text{ Where}$$

U---Quantum of misused energy, kwh

d---Tariff of unauthorised use

c---Tariff of authorised use

(b). The Formula to assess the quantum of energy in case of Theft of Electricity:

$$U = \frac{L \times L F \times H \times D}{D F}$$

Where, U---quantum of energy assessed in units

L-----Load/demand in kw

LF---Load Factor

H----Number of hours the load is considered to be used in a day

D-----Duration of assessment in days

DF---Diversity Factor..

### Answer to Q.No.3

As per the Electricity Act, 2003, the definitions are as below:

- (a). Section 2(23) "electricity" means electrical energy-
- (a) generated, transmitted, supplied or traded for any purpose; or
  - (b) used for any purpose except the transmission of a message;
- (b). Section 2(76) "wheeling" means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under section 62 of the Act.
- (c). Section 2(47) "open access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission;
- (d). Section 2(61) "service line" means any electric supply-line through which electricity is, or is intended to be, supplied-
- (a) to a single consumer either from a distributing main or immediately from the Distribution Licensee's premises; or
  - (b) from a distributing main to a group of consumers on the same premises or on continuous premises supplied from the same point of the distributing main;
- (e). Section 2(25) "electricity system" means a system under the control of a generating company or licensee, as the case may be, having one or more-
- (a) generating stations; or
  - (b) transmission lines; or
  - (c) electric lines and sub-stations,
- and when used in the context of a State or the Union, the entire electricity system within the territories thereof;

### Answer to Q.No.4

- (a) (i) The TNE Supply Code, Regulation 7(10) states the procedures to be followed for **Replacement of defective/ damaged/ burnt meter** as follows:
- i) It is the responsibility of the Licensee to replace all defective meters belonging to the licensee at his cost.
  - ii) Since the safe custody of the meter is the consumer's responsibility, replacement of meter due to damages shall be at the cost of consumer.
  - iii) The cost of replacement for burnt meters shall be met by the Licensee unless it is proved otherwise that the burning out is due to the fault of the consumer.
  - iv) When the meter is owned by the consumer and becomes defective/ damaged or when the meter is burnt due to the fault of the consumer, it

is the responsibility of the consumer to replace the meter by a healthy one, if he elects to continue to have his own meter. Otherwise the Licensee shall replace the meter and enter into an agreement for hire and collect the specified deposits.

(ii) The TNE Supply Code, Regulation 5(7) details the procedure for the **Name Transfer** of a Service Connection as below:

(a) Every application for transfer of name consequent to the death of the consumer shall be in Form (1) Appendix to the code accompanied by:

(a) Legal heirship certificate from the Tahsildar concerned or proof of ownership such as local body tax receipt (latest) .

(b) No objection certificate from other legal heirs, if any, (or) an indemnity bond in Form(3) in Appendix to the Code on non-judicial stamp paper for a value of Rs.80/- and a sworn-in affidavit and authenticated by a Notary Public or by a gazetted officer to show the status of other legal heirs.

(c) Fresh application with fee as specified by the Commission and agreement form.

(b) Every application for transfer of name, in other cases, shall be in Forms(1) and (2) in Appendix to the Code accompanied by-

(1) The document supporting the transfer with an undertaking in Form(4) in Appendix to the Code.

(2) Consent letter from the consumer for the transfer of the Security Deposit if it is not included in the document supporting the transfer. Where no such consent letter can be produced, the applicant shall pay fresh Security Deposit,

(3) Fresh application with fee as specified by the Commission and agreement form.

(c) The name transfer is effected only for such services which are not under disconnection.

(b) The TNE Supply Code, Regulation 5(3) states that the **Excess Contracted load charges:**

are applicable to the subsidized category of Agricultural service connections, which need to be regulated with a view to-

(i) comply with the contracted load until the cross subsidy from other sources are eliminated and a viable tariff is implemented for agricultural services.

(ii) comply with the directives of Government towards restriction on exploitation of ground water for irrigation and environmental constraints.

(a) No electric motor shall be used in Agricultural service connections without its manufacturer's nameplate indicating its rating/capacity permanently affixed on it.

(b) If, at the time of effecting service connections under agricultural category, it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer shall refuse to effect supply. If the intending consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, he may make an appeal to the next higher officer, furnishing certificate regarding capacity of motor issued by

Government/Government Laboratory/any agency accredited/approved by Bureau of Energy Efficiency. The decision of the next higher officer shall be final and binding on the consumer.

(c) If during periodical check or inspection of an existing Agriculture service connection by the Engineer, it is found that the name plate of any motor does not show the correct capacity of the motor or the name plate is missing or the rating of such motor as assessed by the Engineer under authorized in this behalf is in excess of the rating noted in the test report, action shall be taken under this Code to recover the excess contracted load charges on the basis of the assessed capacity of the motor.

(d) If the existing consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, a letter may be issued to the consumer asking him to test the motor for its capacity at Government Laboratory or by any other agency accredited by Bureau of Energy Efficiency at the cost of the consumer and produce the test report of such Government Laboratory or agency to the officer concerned within two months from the date of issue of such letter. However, after producing suchtest report the, charges shall be adjusted to the certified load in the subsequent Consumption Charge bills. The excess contracted load charges for both metered and unmetered supply shall be sixty rupees per HP per month prospectively and as long as the excess contracted load remains connected.

#### **Answer to Q.No.5**

(a). The following charges have to be levied and collected before effecting supply, in case of mere service connection, to a LT 3 phase commercial application with a load of 7 kw:

- (i) Registration charges-----Rs. 50
- (ii) Service connection charges---- Rs. 500
- (iii) Meter caution deposit----- Rs.2500
- (iv) Development charges----- Rs.1400 (Rs.200/kw X 7 kw)
- (v) Initial Security deposit-----Rs. 4200 (Rs.600/kw X 7 kw)

(b). The TNE Distribution Code, Regulation 34 details on the **EARNEST MONEY DEPOSIT** as follows:

- (1) The applicants required to pay Earnest Money Deposit will be asked to pay Earnest Money Deposit along with registration fee for registration of application.
- (2) This Earnest Money Deposit will be adjusted against the quantum of initial Security Deposit payable by the applicant before availing supply and balance amount if any shall be collected.
- (3) In respect of High Tension applicant the Earnest Money Deposit payable will be equal to the quantum of initial Security Deposit.
- (4) If the applicant backs out after registration and payment of E.M.D but before payment of development charges, Service Connection charges and Meter Caution Deposit, then the application shall be cancelled and E.M.D forfeited.
- (5) If the applicant backs out after payment of all charges and execution of agreement, the application shall be cancelled and agreement terminated

- forfeiting all amount remitted except meter caution deposit in the case of both High Tension and Low Tension.
- (6) If the H.T applicant who prefers to back out partially against the sanctioned demand before availing supply, then the above forfeiture rule may be applied proportionate to the demand backed out.
- (7) The Earnest Money Deposit paid does not bear any interest until the date of service connection.

### **Answer to Q.No.6**

**(a).** The procedure for accounting the cost of capital asset is as below:

- (1) Material related costs: All materials in capital construction activities are chargeable to capital works. Where capital and O&M is carried out, costs such as inland freight on imported capital equipment, testing charges, etc at CIF value plus Customs duty is capitalised.
- (2) All labour charges in respect of capital jobs are included in the concerned capital asset.
- (3) Employee cost in respect of construction units are fully charged to cost of capital assets. In case where O&M cum capital unit, project allowance is to be capitalised.
- (4) All expenses such as Insurance, legal charges, Technical documentation, consultancy charges, power consumption, of construction unit is to be capitalised. No part of any other Administration and general expenses is to be charged to capital works.
- (5) Depreciation on construction facilities such as earthmovers, cement mixers, etc are to be capitalised.
- (6) Consumers' contribution, subsidies and grants towards cost of capital assets is to be treated as a reduction in the 'cost' but as a capital receipt to be credited to capital reserve account.

**(b) (i)** The cost incurred and the revenue earned from sale of power generated by the unit under trial is as follows:

- (1) Full period of trial stage or the period of 3 months from the start of trial stage, whichever is shorter, is the capitalisable period.
- (2) Trial stage costs incurred during the capitalisable period is to be treated as capital costs of assets involved.
- (3) Revenue earned from the sale of power generated during the capitalisable period is to be treated as reduction in capital costs.
- (4) The excess of costs over the revenue is to be added to the costs of the assets involved in the trial stage. If the amount of revenue is greater than the amount of costs, the excess shall be deducted from the cost of the assets involved in the trial stage.
- (5) All trial stage costs incurred or revenue earned after the end of capitalisable period is to be taken to Revenue Account without capitalisation of any part of it.

- (ii) The transfer of assets, during bifurcation of Circles, is accounted as follows:  
 (i) The assets related to the bifurcated Circle is transferred through a Inter Unit account. Both original cost of asset under group code 10 and the accumulated depreciation under group code 12 are transferred.  
 (ii) Along with the transfer of Fixed Assets, the respective Asset Card is also transferred.  
 (iii) The ledger accounts available in the subsidiary ledger relating to the transferred assets shall be segregated and transferred.

#### Answer to Q.No.7

(a). The compensation payable for non-performance as per the Standards of Performance Regulation, 2005 is as follows:

- (i) Duty to give Temp sy ----- Rs.100/-per day of delay,s.t.max of Rs.1000/-  
 (ii) complaints in billing----- Rs.150/-for non-reply within the period  
 (iii) Replacement of meters----- Rs.100/-per day of delay,s.t. max of Rs.1000/-  
 (iv) Responding to consumers' complaints-Rs.25/-per day of delay,s.t.max Rs.250/-  
 (v) Making & keeping appointments-----Rs.50/- for failure to keep appointment.

(b). The **Procedure for Payment of Compensation:**

The claim for compensation shall be dealt with in the following manner  
**I.Automatic-** This mode of payment requires the Licensee to pay the compensation amount to the affected consumer automatically, following the non-compliance to a particular standard in the next billing cycle through credit entry in the consumption bill.

**II. Upon Claim:** An aggrieved consumer has the right to claim the compensation for non-compliance of the standards if the Licensee fails to pay the compensation in the next billing by representing to the designated employee of the Licensee.

#### Answer to Q.No.8

- (a) The deduction in respect of Interest on loan taken for residential property under section 80 EE of the Income Tax, 2013 is as below:  
 (1) Deduction can be made from the total income of an assessee, being an individual, in respect of interest payable on loan taken by him from any financial institution for buying a residential house property during 2013-14.  
 (2) The first home buyer with borrowing upto Rs.25 lakhs is eligible for an additional deduction of interest of Rs.1 lakh, in addition to Rs.1.5 lakhs allowed under section 24 of the IT Act.  
 (3) The deduction under this section not to exceed Rs.1 lakh.  
 (4) This deduction is subject to:  
 (i) The loan being sanctioned during 1.4.2013 to 31.3.2014  
 (ii) The loan sanctioned for buying residential house does not exceed Rs.25 lakhs

- (iii) The value of the residential house property does not exceed Rs.40 lakhs.
- (iv) The individual assessee does not own any residential house property on the date of sanction of the loan.

**(b).** Section 206 C(1) of the Income Tax Act elucidates about the collection of Tax at Source as follows:

- (1) The tax is collected from the buyer or licensee or lessee.
- (2) Every person being a seller, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the buyer, whichever is earlier, collect from the buyer of any goods of the nature below:
  - (a) Alcoholic liquor for human consumption
  - (b) Tendu leaves
  - (c) Timber obtained under a forest lease
  - (d) Any other forest produce not being timber or tendu leaves
  - (e) Scrap
  - (f) Minerals, being coal or lignite or iron ore.
- (3) Surcharge on IT and additional surcharge on IT is not collectable from a buyer who is a domestic company or any other person who is resident in India.
- (4) The amount so collected is to be paid to the credit of the Central Government within 1 week from the last day of the month in which such collection is made.

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