

Petition before
Hon'ble Jharkhand State Electricity Regulatory Commission for
True-up for FY 2018-19, Annual Performance Review for FY 2019-20,
Revised Annual Revenue Requirement for FY 2020-21 and Tariff Proposal
for FY 2020-21
Of
Jamshedpur Utilities & Services Company Limited

Submitted to
Jharkhand State Electricity Regulatory Commission,
Ranchi

By



License Area – Saraikela - Kharasawan
JAMSHEDPUR UTILITIES & SERVICES COMPANY LIMITED
JAMSHEDPUR
December 2019



JAMSHEDPUR UTILITIES & SERVICES COMPANY LIMITED

The Secretary,
Jharkhand State Electricity Regulatory Commission
2nd Floor, Rajendra Jawan Bhawan-cum-Sainik Bazar
Main Road, Ranchi-834001

PBD / 951 / 59 – J / 9 / 2019
December' 04th ' 2019

Sub : Submission of Petition for True up of FY'2018-19, Annual Performance Review of FY'2019-20, Aggregate Revenue Requirement and Tariff proposal for FY 2020-21 by Licensee JUSCO

Dear Sir,

We would like to submit our petition for True up of FY'2018-19, Annual Performance Review of FY'2019-20, Aggregate Revenue Requirement and Tariff proposal for FY 2020-21 in one original and six copies with all Annexures, as per format prescribed under JSERC (Distribution Tariff) Regulations 2015.

We also attach the a cheque no. 089315 dated 09.11.2019 of HDFC Bank for an amount of Rs. 15,00,000/- (Rupees Fifteen Lakhs only), payable to JSERC towards filing fee of this petition according to JSERC (Conduct of Business regulation) 2011.

We request the Hon'ble commission to accept the petition.

Kindly acknowledge the submission.

Thanking You,

Yours Faithfully,


(Vijay Prakash Singh)
GM, Power Services.

Reference No (-) Retn. Amt	Bill value (-) WCT TDS	(-) TDS	Nec Amt. Payable
PHD/826/59-J/10 0.00	1500000.00 0.00	0.00	1500000.00

Remarks - Filing True up Petition 18-19 Review Petition 19-



105 SNP Area,
Sikoli,
JAMSHEDPUR 831 001

A/c Payee
Not Negotiable

IFSC HDFC0000087

CMS DISBURSEMENT CHEQUE
VALID FOR THREE MONTHS FROM THE DATE OF ISSUE

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PAY JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RUPEES/ रुपये FIFTEEN LAKH ONLY **
OR ORDER / अदेश अनुसार

A/c No.
जोता सं. 00870310001117

PAYABLE AT PAR AT ALL CLEARING BRANCHES OF HDFC BANK LTD.

₹ अदा करें ₹ ***15,00,000.00

FOR JAMSHEDPUR UTILITIES AND SERVICES CO LTD

[Signature]

Authorised Signatory

0089315 8312400021 900368 30

भारतीय गैर न्यायिक

पचास
रुपये

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FIFTY
RUPEES

Rs.50

INDIA NON JUDICIAL

झारखण्ड JHARKHAND

473536

AFFIDAVIT

Identified by me and Signed in my Presence


Advocate
Jamshedpur

BEFORE THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION, RANCHI

Filing No.....

Case No.....

IN THE MATTER OF: Filing of the Petition for True-up for FY 2018-19, Annual Performance Review for FY 2019-20, Revised Annual Revenue Requirement and Tariff Proposal for FY 2020-21 for the Licensee under Section 45, 46, 61, 62, 64 and 86 of the Electricity Act, 2003 and as per the regulations of Jharkhand State Electricity Regulatory Commission (JSERC) (Terms and Conditions For Distribution Tariff) Regulation, 2015.

AND

IN THE MATTER OF: Jamshedpur Utilities and Service Company Limited (hereinafter referred to as "JUSCO" which shall mean for the purpose of this petition the Licensee), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Jamshedpur—
Petitioner



AFFIDAVIT VERIFYING THE PETITION

I, Vijay Prakash Singh son of Shri.Umakant Singh, aged 44 years residing at Bungalow no.2, Garua Road, Kaiser Bungalows, Kadma Sonari Link Road, Kadma, Jamshedpur do hereby solemnly affirm and state as follows:

1. I am working as General Manager, Power Services of Jamshedpur Utilities and Service Company Limited (JUSCO), the Petitioner in the above matter and I am duly authorised by the said Petitioner to make this affidavit.

2. I say that on behalf of Jamshedpur Utilities and Service Company Limited (JUSCO), I am now filing this Petition under The Electricity Act, 2003 and relevant provisions under JSERC Tariff Regulations 2015, for approval of Petition for True-up for FY 2018-19, Annual Performance Review for FY 2019-20, Revised Annual Revenue Requirement for FY 2020-21 and Tariff Proposal for FY 2020-21.

3. I further say that the statements made and financial data presented in the Petition are as per records of the Company and on the information received, from the concerned officials, and believed to be true to the best of my knowledge. All the statements and financial data related to April 1st, 2018 to March 31st, 2019 are based on audited accounts and the information related to Annual Performance Review FY 2019-20 for first six months is based on provisional actual and correct to the best of my belief. Revised ARR and tariff proposal for FY 2020-21 are based on estimates projected from past data and future projections of the company.

4. That I solemnly affirm at 21st on this day of November, 2019 that
(i) The contents of the above petition are true to my knowledge and I believe that no part of it is false and no material has been concealed there from.
(ii) Further, to my knowledge and belief, no material information has been concealed in this Petition.



DEPONENT

VERIFICATION

I, Vijay Prakash Singh, solemnly affirm that the contents of above affidavit are true to the best of my knowledge and nothing has been concealed there from.

Verified at Jamshedpur on this 21st day of November, 2019

Witness


Dinesh Narayan Singh
NOTARY
District Court
JAMSHEDPUR


DEPONENT

Identified by me and Signed in my Presence

Advocate
Jamshedpur

BEFORE THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION, RANCHI

Filing No.....

Case No.....

IN THE MATTER OF: Filing of the Petition for True-up for FY 2018-19, Annual Performance Review for FY 2019-20, Revised Annual Revenue Requirement for FY 2020-21 and Tariff Proposal for FY 2020-21 for the Licensee under Section 45, 46, 61, 62, 64 and 86 of the Electricity Act, 2003 and as per the regulations of Jharkhand State Electricity Regulatory Commission (JSERC) (Terms And Conditions For Distribution Tariff) Regulation, 2015.

AND

IN THE MATTER OF: Jamshedpur Utilities and Service Company Limited (hereinafter referred to as "JUSCO" which shall mean for the purpose of this petition the Licensee), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Jamshedpur– Petitioner

The Petitioner respectfully submits as under: -


1. Jamshedpur Utilities and Services Company Limited (JUSCO) is a company incorporated in August 2003 under the provisions of the Companies Act, 1956 and is a wholly owned subsidiary of Tata Steel Limited.
2. JUSCO is the second power distribution licensee for the revenue district of Saraikela - Kharsawan.
3. Pursuant to the enactment of the Electricity Act, 2003, JUSCO is required to submit its Aggregate Revenue Requirement (ARR) for control period and Tariff Petitions as per procedures outlined in section 61, 62 and 64, of Electricity Act 2003, and the governing regulations thereof.
4. The Petitioner is now filing this petition for True up of FY 2018-19, Annual Performance Review for FY 2019-20, Revised Annual Revenue Requirement for FY 2020-21 and Tariff Proposal for FY 2020-21.



5. JUSCO along with this petition is submitting the regulatory formats with data & information to an extent applicable and would make available any further information/ additional data as may be required by the Hon'ble Commission during the course of tariff determination process.

Prayers to the Commission:

6. The petitioner respectfully prays that the Hon'ble Commission may:
- a) Admit the Petition and examine the proposal submitted by the petitioner in the enclosed petition for a favourable dispensation.
 - b) Pass suitable orders with respect to its claim based on regulations and audited accounts for the True-up of ARR of Rs. **385.23** Crs for FY 2018-19 which is incurred by JUSCO for serving its consumers.
 - c) Pass suitable orders with respect to its claim based on regulations and provisional actual for first six months and revised estimate for balance six months of FY 2019-20 for ARR of Rs. **347.43** Crs for FY 2019-20;
 - d) Pass suitable orders with respect to its claim based on regulations and revised Annual Revenue Requirement (ARR) for FY 2020-21 for Rs. **391.43** Crs;
 - e) Pass suitable orders with respect to the Tariff Proposal submitted by the petitioner;
 - f) Condone the delay, if any in filing this petition;
 - g) Condone any inadvertent omissions/errors/shortcomings and permit JUSCO to add/change/modify/alter this filing and make further submissions as may be required at a future date;
 - h) Pass such further, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;


Jamshedpur Utilities and Services Company Limited

Petitioner

Jamshedpur

Dated: December' 2019

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List of Abbreviations	
Abbreviation	Description
A&G	Administration and General
ARR	Annual Revenue Requirement
AT&C	Aggregate Technical and Commercial
AS	Accounting Standard
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
Ckt Km	Circuit Kilo Meter
Crs	Crores
CWIP	Capital Works In Progress
DPS	Delayed Payment Surcharge
DS	Domestic Service
DS HT	Domestic Service High Tension
DSM	Demand Side Management
DVC	Damodar Valley Corporation
EA 2003	The Electricity Act 2003
F&A	Finance & Accounts
FY	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HR	Human Resources
HT	High Tension
HTS	High Tension Service
HTSS	High Tension Special Service
IAS	Irrigation & Agriculture Service
IDC	Interest During Construction
ISU	Industry Service - Utilities
IT	Income Tax
IT	Information Technology
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JTS	Jamshedpur Town Services
JUSCO	Jamshedpur Utilities and Service Company Limited
KV	Kilo Volt
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt Hours
LF	Load Factor
LT	Low Tension
LTIS	Low Tension Industrial and Medium Power
MD	Maximum Demand
MU	Million Units

List of Abbreviations	
Abbreviation	Description
MVA	Mega Volt Ampere
MW	Megawatt
MYT	Multi Year Tariff
NDS	Non-Domestic Service
O&M	Operation and Maintenance
PF	Power Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PSD	Power Services Division
RBI	Reserve Bank of India
REC	Renewable energy Certificate
R&M	Repairs and Maintenance
RoE	Return on Equity
RPO	Renewable energy Certificate
Rs.	Rupees
SAP	System, Application and Production
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
STU	State Transmission Utility
T&D	Transmission & Distribution
TPCL	Tata Power Company Limited
TPL	Torrent Power Limited
TSL	Tata Steel Limited
WPI	Wholesale Price Index
w.e.f	with effect from
YoY	Year-on-Year

Chapter 1. Introduction

1.1 Background

- 1.1.1** Jamshedpur Utilities and Services Company Limited (*hereinafter to be referred as "the Petitioner" or "JUSCO"*) is a Company incorporated on 25th August, 2003 under the provisions of the Companies Act, 1956. JUSCO is having its registered office at Sakchi Boulevard Road, Northern Town, Bistupur, Jamshedpur – 831001. JUSCO is a wholly owned subsidiary of Tata Steel Limited and became operational w.e.f. 1st April 2004.
- 1.1.2** JUSCO was incorporated primarily to cater the infrastructure and utility services to the city of Jamshedpur. The Company's services encompass Power Services, Water and Waste Water Management, Public Health & Horticulture Services, and Planning Engineering & Construction. JUSCO conforms to the standards of ISO-9001: 2015 (Quality Management System). JUSCO is a Power Distribution Licensee for Seraikela-Kharasawan district in Jharkhand. JUSCO also manages the power distribution operations in Jamshedpur city on behalf of Tata Steel Limited.
- 1.1.3** The Hon'ble Commission in January 2016 has issued JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 (*hereinafter to be referred as "JSERC Tariff Regulations 2015"*) which are applicable for the Control Period (FY 2016-17 to FY 2020-21).
- 1.1.4** JSERC (Terms & Conditions of Distribution Tariff) Regulation 2015 provide for the truing up during the Control Period (FY2016-17 to FY 2020-21). The relevant clause of the regulation is as reproduced below: -
“
10.1 *These Regulations do not provide for any truing up for controllable items during the Control Period. Depreciation and return on equity shall be trued up only at the end of the Control Period. Truing up of other controllable items would be done only on account of Force Majeure events;*

10.2 *Variations on account of uncontrollable items like energy sales and power purchase cost shall be trued up with the Annual Performance Review. Truing-up shall be carried out for each year based on the audited information and subject to the prudence check by the Commission;*
.....
”
- 1.1.5** As per Regulation A11 of the JSERC Tariff Regulations 2015, Distribution companies are required to file their True-up petition by 30th November of each year from second year of the Control period.



1.2 Previous Petition

1.2.1 The Commission in its tariff order dated 07.06.2018 had directed petitioner to file a consolidated petition. The relevant extract is as under:

"13.9 The Commission directs the Petitioner to file a consolidated Petition for determination of ARR and Tariff for FY 2018-19 and FY 2019-20 along with the True-up of FY 2016-17 and FY 2017-18, within the timelines stipulated in the Tariff Regulations, viz. November 30th, 2018"

1.2.2 The Petitioner as per applicable regulations and above direction in tariff order had filed Petition for True-up of FY 2016-17 and FY 2017-18, Annual Performance Review for FY 2018-19, Revised Annual Revenue Requirement for FY 2019-20 and Tariff Proposal for FY 2019-20 vide letter dated PBD/079/59-J/9/2019, dated 06.03.2019

1.2.3 The Petitioner had subsequently submitted the additional data requirements pertaining to deficiencies observed in the Petition for True Up of FY 2016-17 and FY 2017-18, Annual Performance Review of FY 2018-19, ARR and Tariff proposal for FY 2019-20 – letter no. PBD/232/09/59-J/2019, dated 06.05.2019

1.2.4 Comments / Suggestion/Objections from stakeholders on the above petition were invited by JUSCO through press notification on 13th and 14th Oct'2019. Last date for receiving the same was notified as 4th Nov'2019.

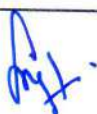
1.3 Present Petition

1.3.1 The Petitioner as per applicable regulations is now filing Petition for True-up of FY 2018-19, Annual Performance Review for FY 2019-20, Revised Annual Revenue Requirement for FY 2020-21 and Tariff Proposal for FY 2020-21.

1.3.2 The True-up of FY 2018-19, is based upon the annual audited accounts annexed at **Annexure – 1** of this petition.

1.3.3 The annual performance review of FY 2019-20 is based on available provisional actual data for first six months (Apr'19 to Sep'19) w.r.t power purchase, sales, O&M costs and capital expenditure and capitalisation of Assets. The balance six months performance is re-estimated to arrive at APR figures for FY 2019-20.

1.3.4 Similarly based on latest data and information, the APR figures for FY 2019-20 and ARR figures for FY 2020-21 are revised and Tariff Proposal for FY 2020-21 is submitted. There is a significant revision in the Energy Sales Figures from the previous estimates, primarily due to sudden reduction in industrial consumption (down by almost 35% in Quarter 2 of FY2019-20), corresponding Power purchase figures has also been revised accordingly.



Chapter 2. True-up for FY 2018-19

2.1 Actual Financial Performance

2.1.1 The Hon'ble Commission has approved the Business plan for the 2nd MYT control period from FY 2016-17 to FY 2020-21 on 28th February, 2017. In the same Order dated 28th February, 2017, the Hon'ble Commission has also approved the ARR for the MYT Control Period FY 2016-17 to FY 2020-21.

2.1.2 JUSCO hereby submits the financial performance for FY 2018-19 based on audited accounts and the provisions of Regulations for true-up purpose. The following sections summarise each of the components of ARR for FY 2018-19. A comparison of figures approved in ARR order dated 28th February, 2017 and figures based on audited accounts / normative claims are shown under relevant sections discussed herewith.

2.2 Sales, Consumers and Connected Load

2.2.1 The table below provides the details of actual no of consumers, connected load and respective sales for different consumer category for FY 2018-19.

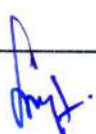
Table 1: Consumers, Connected Load & Sales – FY 2018-19 (Actuals)

Consumers, Connected Load & Sales - FY 2018-19 (Actuals)					
Consumer Category	Number of Consumers	Connected Load (KW/ KVA /HP)	Connected Load- Unit	Connected Load (KVA)	Sales (Mus)
Domestic Services (DS)					20.73
Domestic Services - Rural	400	768	KW	904	0.49
Domestic Services - Urban	2710	18267	KW	21491	11.64
Domestic Services - HT	32	6473	KW	7615	8.60
Commercial Services (Non Domestic)					6.65
Commercial Services - Rural	18	136	KW	160	0.09
Commercial Services - Urban	738	6041	KW	7107	6.56
Low Tension Industrial Services (LTIS)					13.85
LTIS Installation Base	219	13259	HP	11641	12.74
LTIS Demand Base	10	608	HP	534	1.11
High Tension Services (HTS)					556.40
HTS-11 KV	208	68515	KVA	68515	194.00
HTS-33 KV	28	89536	KVA	89536	362.40
HT Special Services (HTSS)					111.66
HTSS-11 KV	5	5115	KVA	5115	29.76
HTSS-33 KV	9	23850	KVA	23850	81.90
Temporary Services	4	35	KW	41	0.01
Total	4381	232602		236508	709.30

*Connected Load in KVA has been arrived based on appropriate multiplication factor

2.2.2 The petitioner submits to Hon'ble Commission that No. of Consumers, Load and Sales as submitted above for FY 2018-19 are higher than estimates approved in MYT order due to following broad reasons:

- Ease of Doing business initiatives of Government had pushed industrial production and therefore energy taken by various industries



- Due to significant difference in quality of power supply and Tariff of JUSCO and other utility several HTSS consumers have shifted to JUSCO power supply. As compared to ~10% to 20% sales increase in other consumer segment, sales in this HTSS customer segment had increased almost 106%. (FY18 sales -54.28 MU where as FY19 sales was 111.66 MU)

The energy sales as approved in MYT order dated 28.02.2017 was 540.74 MUs. Sales as per audited accounts for FY 2018-19 is **709.30** MUs. Accordingly, it is requested to Hon'ble Commission to approve the sales of **709.30** MUs for FY 2018-19.

2.3 Energy Balance

2.3.1 The Energy Balance for FY 2018 - 19 is provided in the Table below:

Table 2: Energy Balance for FY 2018-19 (MUs)

Energy Balance for FY 2018-19 (Mus)			
Sr. no.	Particulars	Approved in MYT dated 28.02.17	Audited/Claimed in this Petition
		FY 2018-19	FY 2018-19
1	ENERGY REQUIREMENT		
	Total Energy Sales	540.74	709.30
	Overall Distribution Losses %	2.00%	1.83%
	Overall Distribution Losses (Mus)	11.04	13.23
	Total Energy Requirement	551.78	722.53
2	ENERGY AVAILABILITY		
	- From Tata Steel Ltd (A)	337.95	408.39
	- From DVC at 33 kV (B)	43.83	119.51
	- From DVC at 132 kV (C)	170.00	194.64
	Total Pooled Energy Availability (A+B+C)	551.78	722.53

2.3.2 The increase in Power purchase is commensurate to the increase in sales. The petitioner has been able to sustain the T&D losses at lowest possible levels, which is among one of the best in the industry. The petitioner requests Hon'ble Commission to approve the energy balance as tabulated above for FY 2018-19.

2.4 Power Purchase Cost

2.4.1 For FY 2018-19, JUSCO had sourced its power purchase requirement from TSL and DVC. The actual power purchase expense based on audited accounts is Rs. **311.43** Crs for FY 2018-19. However, the power purchase expense claim for power purchase from TSL is based on the principles adopted by Hon'ble Commission. Details of power purchase quantum and cost for FY 2018-19 is as given below:




Table 3: Total Power Purchase Cost FY 2018-19

Total Power Purchase Cost for FY 2018-19									
Particulars	Approved vide T.O. dt 28.02.2017 for FY 2018-19			Audited for FY 2018-19			Claimed for FY 2018-19		
	Mus	Per Unit Cost	Cost (Rs. Crs)	Mus	Per Unit Cost	Cost (Rs. Crs)	Mus	Per Unit	Cost (Rs. Crs)
132 KV	337.95	4.25	143.63	407.28	4.25	173.09	407.28	5.19	211.42
6.6 KV				1.11	4.25	0.47	1.11	5.19	0.58
FPPPA						9.15			
Less: Credit Notes for FY 2015-16(True Up)						-0.85			
Total from TSL Source	337.95	4.25	143.63	408.39	4.45	181.87	408.39	5.19	212.00
DVC	213.83	4.86	103.83	314.14		129.56	314.14		129.56
DVC (33 KV)	43.83	4.98	21.84	119.51	4.20	50.14	119.51	4.20	50.14
DVC (132 KV)	170.00	4.82	81.99	194.64	4.08	79.42	194.64	4.08	79.42
Total of DVC & TSL	551.78	4.48	247.46	722.53	4.31	311.43	722.53	4.73	341.55

2.4.2 The power purchase cost claimed for FY 2018-19 is Rs. **341.55** Crs. Out of the above mentioned power purchase cost, Rs. **212.00** Crs is towards power purchase from TSL and Rs. **129.56** Crs is towards power purchase from DVC source.

2.4.3 **Power Purchase cost from TSL** – As per the information received from Tata Steel, the weighted average power purchase cost for FY 2018-19 is **Rs.5.191 per unit**. It is submitted that Hon'ble Commission during true-up has followed the same methodology to allow the power purchase cost from TSL source to JUSCO based on weighted average cost as arrived in true-up of TSL petition for corresponding year. Therefore, in this petition, the petitioner has considered the same value for the purpose of true-up. While the petitioner has considered Rs.5.191 per unit, this value is subject to final determination by the Hon'ble Commission during truing up of average power purchase cost of Tata Steel (TSL), licensee for the year FY2018-19. We request the Hon'ble Commission to approve the same based on final determination of TSL power purchase costs for the FY 2018-19.

2.4.3.1 The monthly power purchase bills of TSL source for the year FY 2018-19 are enclosed at **Annexure 2** of this petition.

2.4.4 **Power purchase cost from DVC** – JUSCO has purchased **314.14** MUs from DVC at a cost of Rs. **129.56** Crs as per the audited figures of FY 2018-19.

2.4.4.1 The monthly power purchase bills of DVC source (33kV and 132 kV) for the year FY 2018-19 are enclosed at **Annexure 3** of this petition.

2.4.4.2 The petitioner would like to submit that the landed power purchase cost of JUSCO for FY2018-19 is approx. Rs 4.73/Unit. This is the landed power purchase cost at distribution



system and therefore also has the element of Transmission losses and other transmission related charges which is shown separately by several other Licensees in the country. Purchase cost of few other private licensees are given below for reference ~~for~~ FY 2017-18 and FY 18-19 for reference purpose)

Table 4: Details of Power Purchase Cost of similar utilities for FY 2017-18 and FY 2018-19

Name of Utility	FY 2017-18 (Approved) Rs/kWh*	FY 2018-19 (Approved) Rs/kWh#	Source
BYPL	4.52	4.14	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BYPL.pdf
TDDPL	5.07	5.19	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/TPDDL.pdf
BRPL	5.19	5.06	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BRPL.pdf
TPL-Ahmd & Surat	5.03	4.66	https://www.gercin.org/order-category/tariff-orders/ https://www.gercin.org/wp-content/uploads/document/5919b8e4-22a6-4e6c-aa1b-574566c10655.pdf

*Approved under True-up for FY17-18

#For BYPL, TDDPL, BRPL and TPL- Approved under ARR and TPL-Ahmd & Surat- Approved under MYT for FY18-19

2.4.5 Renewable Power Obligation for FY 2018-19: JUSCO purchases power from two sources viz (i) DVC and (ii) Tata Steel Limited. The RPO compliance for the units purchases from DVC and Tata Steel rest with them and therefore RPO compliance on units purchased from Tata Steel and DVC are not considered for JUSCO. The same has already been approved by the Hon'ble Commission in the previous tariff order. The relevant extract from MYT Order dated 28.02.2017 is as under:

"...8.15 Further, the Petitioner is mandated to purchase power from renewable energy (RE) sources to meet its RPO. The Petitioner has submitted that both DVC and TSL are distribution licensees and show energy sale to petitioner as a part of its Energy Requirement and both the licensees fulfil RPO as a percentage of this energy requirement which includes petitioner's requirement. Hence, the Petitioner has not considered any Renewable Power Purchase for meeting the RPO and the Commission approves the same..."

2.4.5.1 We would like to communicate that this subject had also been dealt by Hon'ble Commission (JSERC) in the review petition of TSL vide order dated 09.11.2012, wherein the Hon'ble Commission had ordered that on the unit purchased by JUSCO licensee from TSL licensee, TSL licensee is supposed to meet the RPO obligation.

2.4.5.2 It is further submitted that the Hon'ble Commission has approved similar methodology in subsequent Tariff Order of TSL. Relevant part of TSL tariff order dated. 31.05.2015 is represented below:

.... "With respect to the computation of RPO for the Petitioner, the Commission accepts the methodology proposed by the Petitioner which is in line with the methodology followed by the Commission in case of power sold to JUSCO from TSL



and accordingly, have estimated the RPO on total energy requirement estimated now for FY 2013-14 net of power purchase from DVC at 132 kV.”

2.4.5.3 TSL has also confirmed that TSL is meeting the RP obligations on all units sold to JUSCO. Whereas in a recent communication given by DVC vide letter no. Coml/JUSCO/2019-20/1672 dated 29/4/2019, they have now stated that on the units sold to Licensee they don't meet the RP Obligation. This statement of DVC however is a matter of detailing as JUSCO, purchases power from DVC at a tariff which is determined by Hon'ble Commission for any consumer of DVC. Therefore, the element of Renewable Purchase Obligation cost which is loaded in the consumer tariff of DVC is also being paid by JUSCO.

2.4.5.4 Any further compliance will result into duplicate compliance and subsequent burdening the consumers of JUSCO with additional costs. In view of the above and also in line with previous orders of the Hon'ble Commission, JUSCO has not considered any RPO compliance on the purchased energy. We request the Hon'ble Commission to kindly approve the same

2.4.6 The Petitioner thus request the Hon'ble Commission to approve the total power purchase cost at Rs. **341.55** Crs for FY 2018-19.

2.5 Operation and Maintenance Expenses for FY 2018-19

2.5.1 The Operation and Maintenance (O&M) Expenses includes Employee Cost, R&M Expenses and A&G Expenses. As per provision 6.6 of Tariff Regulations 2015, the expenses are to be claimed as below:

6.6 The above components shall be computed in the manner specified below:

a) $R\&M_n = K * GFA$

Where,

'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;

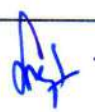
'GFA' is the opening value of the gross fixed asset of the nth year;

b) $EMP_n \text{ (excluding terminal liabilities)} + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}) + G_n$

Where,

$INDX_n$ – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking with the



efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

$$c) \text{INDX}_n = 0.55 * \text{CPI}_n + 0.45 * \text{WPI}_n;$$

Note 1: For the purpose of estimation, the same $\text{INDX}_n / \text{INDX}_{n-1}$ value shall be used for all years of the control period. However, the Commission will consider the actual values in the $\text{INDX}_n / \text{INDX}_{n-1}$ at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc. will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies.

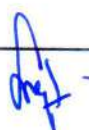
2.5.2 Computation of Inflation Factor: The petitioner would like to submit the calculation of Inflation Factor for FY 2018-19 as per above Note 1 of Tariff Regulations 2015.

Table 5: Computation of Inflation Factor for FY 2018-19

Computation of Inflation Factor for FY 2018-19													
WPI Inflation													
Month/Year	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2018-19	117.3	118.3	119.1	119.9	120.1	120.9	122	121.6	119.7	119.2	119.5	119.9	119.79
FY 2017-18	113.2	112.9	112.7	113.9	114.8	114.9	115.6	116.4	115.7	116	116.1	116.3	114.88
https://eaindustry.nic.in/download_data_1112.asp													Annual Increase over FY 2017-18 4.28%
													Weightage of 45% 1.93%
CPI Inflation													
Month/Year	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2018-19	288.00	289.00	291.00	301.00	301.00	301.00	302.00	302.00	301.00	307.00	307.00	309.00	299.92
FY 2017-18	277.00	278.00	280.00	285.00	285.00	285.00	287.00	288.00	286.00	288.00	287.00	287.00	284.42
http://labourbureau.gov.in/LBO_indtab_Feb_2019.pdf													Annual Increase over FY 2017-18 5.45%
													Weightage of 55% 3.00%
													Total Inflation WPI+CPI 4.92%

2.5.2.1 Accordingly the Inflation Factor for FY 2018-19 works out to **4.92%**, which need to be considered for true-up purpose as against the inflation value of **4.36%** considered while projecting the Employee and A&G costs in last tariff order.

2.5.3 Actual O&M Expenses: The petitioner would first like to discuss and present the expenses based on actual audited accounts and then discuss about O&M expenses based on normative principles. The petitioner would like to make submissions on each of the element of O&M expenses based on the audited accounts.



- 2.5.3.1 **Actual Employee Expenses:** It is submitted that employee expense as per audited account is Rs. **7.59** Crs for FY 2018-19 and mainly includes Salaries & Wages, Contribution to Provident and other funds and Staff welfare expenses.
- 2.5.3.2 **Actual A&G Expenses:** It is submitted that A&G expense as per audited account is Rs. **4.14** Crs for FY 2018-19 and mainly includes Rent, Travelling & Conveyance, Consultancy charges, Advertisement expenses, Security Charges, Vehicle hiring charges etc.
- 2.5.3.3 **Actual R&M Expenses:** It is submitted that R&M expense as per audited account is Rs. **6.43** Crs for FY 2018-19 and mainly includes Cost of Repairs, Consumption of stores & spare parts and repairs to machinery.

Change in Law -

- 2.5.3.4 ***Allowance of Increase in License &/ Petition Filing fees under Change in Law due to Change in Conduct of Business Regulations:*** It is submitted that Hon'ble Commission notified the amended Regulations in 2016 including JSERC (Conduct of Business Regulations), 2016 which led to higher fees for petition filing as compared to previous year. The amendment of conduct of business regulations with higher petition filing fees is a Change in Law and need to be dealt with the relevant provisions of the section 5.32 of the Tariff Regulations 2015, to allow the increased costs due to change in law. The relevant extract of the regulation is given below:

"...5.32 The Commission shall also permit pass-through of variations in controllable items on account of Force Majeure events such as acts of god, war, change in law etc, in the ARR for the ensuing year, based on the submission of actual values by the Licensee and subsequent validation and approval by the Commission..."

- 2.5.3.5 The comparison of fees to be charged for filing petitions by Licensees as per Conduct of Business Regulations 2012 and Conduct of Business Regulations 2016 for major filings are tabulated below:

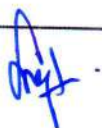
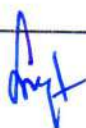


Table 6: Comparison of Fees as per CBR 2012 & CBR 2016

Particulars	Fees as per CBR 2012 (Rs)	Fees as per CBR 2016 (Rs)	Approx % Increase in Fees
Annual / base year determination of tariff for a distribution licensee without generation (Annual Tariff Framework and APR Filing)	0.05 Paise/'Units' (Minimum Rs. 10,00,000 Maximum Rs. 25,00,000) Units = Projected sales for ensuing year	0.06 Paise/'Units' (Minimum Rs. 15,00,000 Maximum Rs. 30,00,000) Units = Projected sales for ensuing year	20% - 50%
Annual / base year determination of tariff for a distribution licensee without generation (MYT Framework)	0.025 Paises/'Units' [Minimum Rs. 20,00,000 Maximum Rs. 50,00,000] Units = Projected sales for entire control period	0.05 Paises/'Units' [Minimum Rs. 20,00,000 Maximum Rs. 60,00,000] Units = Projected sales for entire control period	20% - 50%
Application for review of Tariff Order or power purchase agreement or power procurement rate by Licensee under Section 86 (b) of the Electricity Act.	(i) by licensee - 10 per cent of the fees paid at the time of the original application for determination of tariff.	(i) By licensee – Rs. 5,00,000/-	20-25%
Any other petition / Application 1. By utility/licensee/deemed licensee/person granted exemption from license	Rs. 10,000 (Rs. Ten Thousand)	Rs. 25,000 (Rs. Twenty Five Thousand)	>100%

2.5.3.6 Allowance of additional increase in Consumer Grievance Redressal Forum expenses arising out of complying to the Order of Hon'ble Commission, Expenses under "Change in Law/ Savings of inherent powers of the Commission" due to compliance of the Order of the Hon'ble Commission

We would like to bring to the notice of Hon'ble Commission that that there has been significant increase in CGRF Expenses in FY 2016-17 onwards to comply with the order of Hon'ble commission vide letter no JSERC/54-CGRF/IR/79 Dt 9th May 2016. To comply to the order of Hon'ble Commission, the CGRF office was required to be shifted to new prominent location. In addition, order was also to appoint appropriate staffs and members. Subsequently rented office space in Adityapur Auto Cluster was taken up on rent. One registrar and one office staff were deployed additionally. There had also been wage revision by the Pay Commission which was also applicable on Hon'ble Chairman of CGRF. All these has resulted in an increase in CGRF expenses (rent and remuneration) from Rs.9.60 Lakhs to Rs.10.26 Lakhs from FY 2015-16 to FY 2016-17 and from Rs.10.26 Lakhs to Rs.21.66 Lakhs from FY 2016-17 to FY 2017-18 and **from Rs.21.66 Lakhs to Rs.23.96 Lakhs from FY 2017-18 to FY 2018-19**. We request Hon'ble Commission to also consider this increase in cost under Change in Law or under any other provisions of the regulations as the normal increase of the normative A&G costs are inadequate to cover these expenses. The petitioner submitted the compliance to inspection report to Hon'ble Commission vide letter no. PBD/573/59-J/2016 dated 1st August 2016.



We would also like to bring to the notice of the Hon'ble Commission that section 12.7 of the Distribution Tariff Regulations 2016 (reproduced below) provides sufficient power to Hon'ble Commission to undertake such decisions-

"..... 12.7 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary for ends of justice to meet or to prevent abuses of the process of the Commission..."

2.5.3.7 The table below depicts that the expense under **Petition filing fees and CGRF expense has increased to Rs.44.55 Lakhs**, whereas the normative A&G will have increase at 3.96% for FY 2016-17, 3.01% for FY 2017-18 and 4.92% for FY 2018-19 over FY 2015-16. The additional amount, which is the difference between the actual payment and normative figure need to be considered as allowance under Change in law. **The Petitioner requests the Hon'ble Commission to thus consider Rs. 22.53 Lakhs** as additional A&G costs under Change in Law in addition to the normative values (as normative target values have been calculated based on inflation only).

Table 7: Statutory / Change in Law payments for FY 2018-19

Particulars	FY 2015-16 (Rs.Lacs)	Normative value for FY16-17 considering inflation of 3.96%	Normative value for FY17-18 considering inflation of 3.01%	Normative value for FY18-19 considering inflation of 4.92%	FY 2018-19 (Rs.Lacs)	Balance part to be allowed under Change in Law (Rs.Lacs)
Annual Performance Review Fee for FY 2016-17	10.00				-	
Review Petition and other petitions of JUSCO					5.59	
True-up Petition License fee for FY 2016-17	-				15.00	
CGRF Expenses (Rent and Remuneration)	9.60				23.96	
Total	19.60	20.38	20.99	22.02	44.55	22.53

2.5.4 Normative O&M Expenses: The petitioner would now like to discuss about O&M expenses based on normative principles i.e. as per Tariff Regulations and Tariff order issued from time to time for the current control period.

2.5.4.1 **Normative Employee Expenses**

2.5.4.2 In line with the methodology, normative employee cost for FY 2018-19 considering Inflation of 4.92% (for FY 2018-19) and Load growth is computed in the table below.



Table 8: Computation of Normative Employee Cost for FY 2018-19

Computation of Normative Employee Cost for FY 2018-19		
Financial Year	Units	Normative Computation FY 2018-19
Employee Cost as per normative basis for FY 2017-18	Rs. Crs	9.12
Connected Load in FY 2017-18	KVA	206330
Employee Cost per KVA for FY 2017-18	Rs./KVA	441.82
Weighted Avg. Inflation factor for FY 2018-19	%	4.92%
Employee Cost per KVA for FY 2018-19 with Inflation Factor	Rs./KVA	463.57
Connected Load in FY 2018-19	KVA	236508
Employee Cost as per normative basis for FY 2018-19	Rs. Crs	10.96

2.5.4.3 We therefore request the Hon'ble Commission to kindly approve the normative employee cost of Rs. **10.96** Crs based on normative principles.

2.5.4.4 **Normative A&G Expenses:** The normative A&G expenses are allowed with inflation factor over previous year approved figures. The Hon'ble Commission had considered Rs. **2.22** Crs of FY 2017-18 and inflation of **4.36%** and projected Rs. **2.32** Crs as normative A&G expenses for FY 2018-19 in tariff order dated 28.02.2017. It is submitted that inflation factor for FY 2018-19 based on actual indices is **4.92%** as against **4.36%**. Accordingly, normative A&G expenses for FY 2018-19 has got revised as tabulated below:

Table 9: Computation of Normative A&G Expenses for FY 2018-19

Computation of Normative A&G Expenses for 2018-19		
Particulars	As per T.O. dt 28.02.2017	Normative Calculation
	FY 2018-19 (Rs. Crs)	FY 2018-19 (Rs. Crs)
Normative A&G Cost Calculation		
A&G Costs for FY 2017-18	2.22	3.25
Add: Inflation factor for FY 2018-19	4.36%	4.92%
Sub-total	2.32	3.41
Add: Load Growth Factor for FY 2018-19	0%	14.63%
Normative A&G Cost for FY 2018-19	2.32	3.91

2.5.4.5 It is submitted that allowing normative A&G expenses with mere inflation also deprives the licensee of legitimate claim with respect to growth in consumer load, network and area of operations. As the business grows, network base increases, number of consumer increases, no of employee increases; A&G expenses will also increase proportionately. Accordingly, the load growth factor has been considered as per the provisions of the MYT Regulations 6.6 referred in the preceding paragraphs. The same is referred again for reference as under:

$$b) EMP_n \text{ (excluding terminal liabilities)} + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}) + G_n$$

Where,



INDX_n – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking with the efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

*c) $INDX_n = 0.55 * CPI_n + 0.45 * WPI_n$;*

2.5.4.6 The petitioner in line with methodology adopted by Hon'ble Commission for Employee expenses in Review Order dated 25th September 2018, has computed normative A&G expenses considering load growth factor in connected load. The connected load in FY 2017-18 was 206330 kVA and it increased to 236508 kVA in FY 2018-19 with reasons already explained in preceding section of sales growth. This increase is ~ **14.63%** which has been considered along with Inflation factor of **4.92%** to arrive at the normative A&G expense for FY18-19.

2.5.4.7 The petitioner requests the Hon'ble Commission to kindly approve the Normative A&G expense linked to Inflation and Growth Factor at Rs. **3.91** Crs.

2.5.4.8 **Normative R&M Expenses:** It is submitted that as per regulatory provisions, the petitioner is allowed to claim R&M expenses linked to Opening Gross Fixed Asset (GFA) multiplied by 'K' factor approved in MYT order i.e. 2.54% which was derived based on figures of FY 2014-15 (preceding year to base year).

2.5.4.9 It is submitted that petitioner is here again is deprived of the inflationary increases in R&M expenses (material, labour etc) and is allowed only expenses linked to Asset base. It is also submitted that the Tariff Regulations 2015 has ignored to make provision for statutory increases like wages & labour charges, service tax levy, GST levy, other taxes & duties etc while allowing the R&M expenses which has direct impact on the expenses of the company and the same are totally uncontrollable. Every business and each expense under it tends to be affected with inflationary increases and R&M expenses under distribution is no different.

2.5.4.10 It is submitted that several State Commissions have recognised this need and have considered the inflationary adjustment in R&M expenses. For eg. Maharashtra State Electricity Regulatory Commission also allows Inflation on total O&M expenses (WPI-30% & CPI-70% on 5 years average increase). Gujrat State Electricity Regulatory Commission also allows 5.72% inflationary adjustment. Odisha State Electricity Regulatory Commission allows 5.4% on GFA plus special allowances to undertake critical activities of loss reduction, energy audit etc.



2.5.4.11 It is also submitted that K factor of 2.54 itself is low as it considers the base cost of the year FY 2014-15. This was the 7th year of operation of the Licensee and several maintenance activities which became due after 7 to 8 years were not part of such costs. Licensee has been trying hard to restrict the R&M costs, within the approved values, but it is unable to carry out the desired Repair and Maintenance actions which are required now, for the general upkeep and maintenance of the system. This is due to limitations of budget. To name a few activities include-

1. Civil repair of old substation buildings including external and internal painting,
2. Updating the electricity distribution network in Geographical Information System,
3. Engagement of consultant for Load flow/ short circuit study and review of protection grading of the distribution network.
4. Replacement of defective ABS&DOF with outdoor panel type HT Link Switch and Fuse units for increased reliability.
5. Various Work to secure the distribution network access & Right of Way.
6. Safety Audit of Customer Installations.

The overall share of the R&M cost in the entire tariff paid by Consumer is considerably low; but reasonable expense on this directly impacts power supply reliability, quality and service levels.

2.5.4.12 We request the Hon'ble Commission to kindly consider the above submission and allow inflationary adjustment while approving the normative R&M expense. Such consideration will allow Licensee to undertake appropriate level of repair and maintenance work needed to ensure efficient service delivery.

2.5.4.13 Accordingly, the petitioner has computed R&M Expenses for FY 2018-19 on normative principles with Inflation factor as given in the table below:

Table 10: Computation of Normative R&M Cost for FY 2018-19

Computation of Normative R&M Cost for FY 2018-19		
Particulars	As per T.O. dt 28.02.2017	Normative Calculation
	FY 2018-19 (Rs. Crs)	FY 2018-19 (Rs. Crs)
Normative R&M Cost Calculation		
Opening GFA as on 01.04.2018	175.43	199.95
K Factor as per MYT Order	2.54%	2.54%
Normative R&M Cost for FY 2018-19	4.46	5.08
Add: Inflation factor for FY 2018-19	0.00%	4.92%
Normative R&M Cost for FY 2018-19	4.46	5.33



2.5.4.14 The petitioner requests the Hon'ble Commission to kindly consider the above submissions and approve the Normative R&M expense linked to 'K' factor and Inflation factor at **Rs. 5.33 Cr.**

2.5.5 Summary of O&M Expenses: The summary of O&M expenses with respect to approved, actual audited and normative computation is given in the table below:

Table 11: Summary of O&M Expenses for FY 2018-19

Summary of O&M Expenses for FY 2018-19			
Particulars	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited Accounts (Rs. Crs)	Normative Amount (Rs. Crs)
A&G Costs	2.32	4.14	3.91
R&M Expenses	4.46	6.43	5.33
Employee Cost	7.25	7.59	10.96
Total O&M Expenses for the purpose of sharing of Gains/Losses	14.02	18.16	20.20
Add: Additional expenses due to Statutory/ Change in Law payments	-	-	0.23
Total O&M Expenses	14.02	18.16	20.43

2.5.6 Sharing of Gains/ (Loss): According to JSERC Distribution tariff Regulations, 2015, O&M Expense is a "controllable" item.

2.5.6.1 The petitioner has considered the actual figures excluding additional impact due to change in law for the purpose of sharing of gains and losses.

2.5.6.2 The computation of Sharing of Gains/ Losses on account of Controllable parameter as per provisions of Tariff Regulations 2015 is given below:

Table 12: Sharing of Gains/ Loss – O&M Expenses for FY 2018-19

Sharing of Gains/Loss - O&M Expenses for FY 2018-19	
Particulars	FY 2018-19 (Rs. Crs)
	Sharing Calculation
Normative O&M Expenses - a	20.20
Actual O&M Expenses - b	18.16
Sharing of Gains/Losses c=a-b	2.04
Sharing of Gains to be retained by Licensee @ 60% - d	1.22
Add: Additional expenses due to Statutory/ Change in Law payments - e	0.23
Total O&M Claim of JUSCO f=b+d+e	19.61

2.5.6.3 Accordingly, the petitioner requests Hon'ble Commission to approve total O&M expenses of **Rs. 19.61 Crs** for FY 2018-19 on normative basis including treatment on account of sharing of gains and statutory / change in law payments.



2.5.6.4 The petitioner would like to submit the approved O&M cost comparison of other similar licensees for FY 2017-18 and FY2018-19 for reference purpose. Petitioner would like to submit that it had been able to contain its O&M costs at lowest possible levels of Rs. 0.28/kWhr; but is facing tremendous difficulty to undertake all the needed repair, maintenance and service functions. The O&M cost of other similar Licensee is in the range of Rs 0.36/kWhr to Rs. 0.96/kWhr.

Table 13: Details of O&M Expenses of similar utilities for FY 2017-18 & FY 18-19

Name of Utility	FY 2017-18 (Approved) Rs/kWh*	FY 2018-19 (Approved) Rs/kWh#	Source
BYPL	0.86	0.96	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BYPL.pdf
TDDPL	0.68	0.78	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/TPDDL.pdf
BRPL	0.65	0.71	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BRPL.pdf
TPL- Ahmd & Surat	0.38	0.36	https://www.gercin.org/order-category/tariff-orders/

* Approved under True-up for FY17-18, O&M Expenses includes impact of the 7th Pay Commission

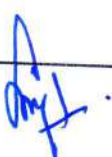
#For BYPL, TDDPL, BRPL and TPL- Approved under ARR and TPL-Ahmd & Surat- Approved under MYT for FY18-19

2.6 Capital Work in Progress, Gross Fixed Assets and Depreciation

2.6.1 The Capital Work in Progress (CWIP), Gross Fixed Assets (GFA) and the depreciation on GFA for FY 2018-19 are discussed hereunder. The table below provides the details of opening CWIP, Capital Expenditure incurred during the year, Capitalisation of Assets and the working of the depreciation for the year.

Table 14: Summary of CWIP, GFA and Depreciation for FY 2018-19

Summary of CWIP, GFA and Depreciation for FY 2018-19		
Particulars	FY 2018-19 (Rs. Crs.)	
	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited / Normative Claim
Capital Work in Progress		
Opening CWIP	24.32	14.12
Add: Capex during the year	21.48	37.27
Total CWIP	45.80	51.39
Less: Trfd to GFA	16.31	22.87
Closing CWIP	29.49	28.53
Gross Fixed Assets (GFA)		
Opening GFA	175.43	199.95
Add: Trfd from CWIP	16.31	22.87
Closing GFA	191.74	222.82
Depreciation		
Depreciation for the FY 2018-19	10.66	12.64
Less: Depreciation on Assets created out of Consumer Contribution	3.66	5.37
Net Depreciation	7.00	7.27



2.6.2 Capital Works in Progress (CWIP): The petitioner has considered Opening and Closing CWIP as Balance sheet statement of FY 2018-19. The assets transferred to GFA are considered the Audited Accounts statement.

2.6.3 With regards to the Capital expenditure incurred during the year amounting to Rs. **37.27** Crs (including consumer contribution amount) as against approval of Rs.21.48 Cr in MYT order; petitioner would like to explain the variations.

Table 15: Reasons for variation in Capital Expenditure FY 2018-19

Sr #	Summary of Expenditure Plan	Approved Expenditure In MYT order in FY'19 (Rs.Crs)	Actual Expenditure in FY'19 (Rs.Crs)	Remarks
1	Works for different scheme to Augment existing network, create new network to increase area of coverage.	17.37	20.63	JUSCO's own capex
2	Works for power connection to individual consumers	4.11	17.03	For last point connection, mainly through consumer's contribution.
3	Sub-total			
4	Increase / decrease in value of materials in Capital store	--	(0.39)	Increase / decrease in value of store items as on last of year.
5	Total	21.48	37.27	

2.6.4 It is submitted that petitioner has done capital expenditure and resultant capitalization as per plan and scope of the work duly approved by the Commission. Higher values in the Capex is due to shifting of some of the capex from previous year to this year and also due to expediting some of the execution of approved capex to meet the customer demand. Scheme wise expense is well within the approved values by the Hon'ble Commission. The scheme wise details of Capital Expenditure and Capitalisation are provided at **Annexure 4** of this petition.

2.6.5 The petitioner therefore requests the Hon'ble Commission to kindly review the Capital expenditure and Capitalization for FY 2018-19 as presented above which are based on audited accounts for FY 2018-19 and approve the same.

2.6.6 Consumer Contribution: The consumer contribution during the year is added and total closing contribution for FY 2018-19 is computed in the table below:



Table 16: Details of Consumer Contribution for FY 2018-19

Particulars	FY 2018-19 (Rs. Crs.)
Opening Consumer Contribution	66.38
Add: Consumer Contribution during the year	13.42
Less: Transferred to Depreciation / Deferred Income	5.37
Closing Consumer Contribution	74.43

2.6.7 Gross Fixed Assets: The details of the Gross Fixed Assets for FY 2018-19 taken from audited accounts are tabulated below:

Table 17: Details of GFA for FY 2018-19

Particulars	GFA as on 01.04.2018 (Rs.Crs)	Additions for FY 2018-19 (Rs.Crs)	GFA as on 31.03.2019 (Rs.Crs)
Land	0.16	0.67	0.83
Buildings	3.78	-	3.78
Plant & Equipments	194.29	22.16	216.46
Furniture & Fixtures and Office Equipment	0.19	0.03	0.22
Vehicles	0.08	-	0.08
Licenses	0.78	-	0.78
Software	0.67	-	0.67
Total (in Crs.)	199.95	22.87	222.82

2.6.8 Depreciation: The depreciation costs proportionate to the extent of fixed assets being funded through Consumer Contribution has been deducted from the total depreciation in order to arrive at the net depreciation allowable to be charged in the ARR.

Table 18: Details of Depreciation for FY 2018-19

Particulars	Accumulated Depreciation as on 01.04.2018 (Rs.Crs)	Depreciation for FY 2018-19 (Rs.Crs)	Accumulated Depreciation as on 31.03.2019 (Rs.Crs)
Land	-	-	-
Buildings	0.84	0.11	0.95
Plant & Equipments	66.28	12.44	78.72
Furniture & Fixtures and Office Equipment	0.15	0.01	0.16
Vehicles	0.07	-	0.07
Licenses	0.56	0.05	0.61
Software	0.49	0.03	0.52
Total (in Crs.)	68.40	12.64	81.04

2.6.9 The details of accumulated depreciation can be referred in Notes to Audited Accounts for FY 2018-19 and Depreciation charged during the year can be referred from Profit and Loss Statement for FY 2018-19. It is further submitted that the net depreciation



amount to be claimed in true-up in proportion to the own assets is computed after deducting the amount treated as deferred income for assets created out of consumer contribution.

Table 19: Net Depreciation Claim for FY 2018-19

Particulars	FY 2018-19	
	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited/ Normative Claim (Rs. Crs.)
Depreciation for FY 2018-19	10.66	12.64
Less: Depreciation on Assets created out of Consumer Contribution	3.66	5.37
Net Depreciation	7.00	7.27

2.6.10 Accordingly, the net depreciation to be charged for FY 2018-19 computes to Rs. **7.27** Crs as against Rs. **7.00** Crs allowed by the Hon'ble Commission in its Tariff Order dated 28th February, 2017. The Petitioner therefore request to the Hon'ble Commission to kindly approve the net depreciation as above.

2.7 Interest and Finance Charges

2.7.1 The normative loans have been computed considering the Capital Investment Norm in the Regulatory regime in which Debt-Equity Ratio has been kept at 70:30. Therefore, deemed addition to the normative loans have been taken at 70% of the closing GFA net of Consumer Contribution reduced by the Accumulated Depreciation on own assets. The deemed repayment has been considered equivalent of the net depreciation cost for the financial year.

2.7.2 The table below shows the normative loan and normative equity added during the FY 2018-19 as per methodology discussed above. Normative loan is estimated based on actual capitalization and consumer contribution received during the year as per audited accounts for FY 2018-19.

Table 20: Normative Loan & Equity added during FY 2018-19

Particulars	FY 2018-19 (Rs.Crs)
Assets added during the year 2018-19	22.87
Less: Consumer Contribution received during the year	13.42
Amount to be considered for normative Debt & Equity Addition for FY 2018-19	9.45
Equity Addition for FY 2018-19 @ 30%	2.83
Debt Addition for FY 2018-19 @ 70%	6.61

2.7.3 Interest on Normative Loan - The normative interest is computed on the average balance of loan during the financial year. The opening balance of normative loan has been taken from closing normative loan balance for FY 2017-18. Additions to loan



account has been considered from above table and repayments are considered equal to depreciation. Further, in accordance with the regulation 6.24 and 6.25 of Distribution Tariff Regulations, 2015, the interest on normative loan has been calculated on the average normative loan as outstanding during the year. The rate of interest for the year is considered as applicable SBI Base Rate plus 200 basis points as on April 1st, 2018 i.e. **10.70%** (Source: <https://www.sbi.co.in/portal/web/interest-rates/base-rate-historical-data>). The normative interest comes to Rs. **3.77** Crs as against Rs. **3.77** Crs approved by Hon'ble Commission in Tariff order dated 28.02.2017. The table below provides calculation of Interest on Normative Loan for FY 2018-19.

Table 21: Interest on Normative Loan – FY 2018-19

Particulars	FY 2018-19 (Rs. Crs.)	
	As per T.O. dt 28.02.2017	Normative Claim
Opening Balance of Normative Loan	33.24	35.52
Add: Deemed Additions during the year	7.23	6.61
Less: Deemed Repayments	7.00	7.27
Closing Balance of Normative Loan	33.47	34.86
Average Balance of Normative Loan	33.36	35.19
SBI Base Rate plus 200 BP as on 1st April 2018	11.30%	10.70%
Normative Interest Amount	3.77	3.77

2.7.4 Interest on Security Deposit - The petitioner in the table below has furnished the details of security deposit as per Audited figures for FY 2018 -19. In the year FY 2018 - 19, the actual outflow towards interest on security deposit paid to consumers is Rs. **5.74** Crs. Considering the actual security deposits, period of security deposits held and applicable interest rate, the interest on security deposit is paid.

Table 22: Interest on Security Deposit for FY 2018-19

Particulars	FY 2018-19	
	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited/ Claimed (Rs. Crs.)
Opening Security Deposit	56.92	63.09
Security Deposit received during the year	0.46	8.81
Closing Security Deposit	57.38	71.90
Average Security Deposit	57.15	67.50
SBI base Rate (%) as on 1st April'18		8.70%
Interest on Security Deposit for FY 2018-19	5.31	5.74

2.7.5 The customer wise interest on security deposit paid during FY 2018-19 is attached as **Annexure 5** of this petition.

2.7.6 It is submitted that petitioner also receives security deposit in the form of Bank Guarantee (BG) as per provision 8.2.20 of Supply Code Regulations 2015.



“..8.2.20 The Consumer whose total amount of Security Deposit exceeds Rs. 10 Lacs may, at his option, furnish irrevocable Bank Guarantee from a nationalized or scheduled commercial Bank initially valid for a period of two years. It shall be the responsibility of the consumer to keep the Bank Guarantee valid at all times and to renew the Bank Guarantee at least 2 months prior to its expiry.”

2.7.7 The petitioner submits that apart from cash security deposit mentioned in above table, it has also received BG from customers to the extent of Rs.23.90 Crs till March, 2019.

2.7.8 Finance Charges - The petitioner would like to submit that it has provided Bank Guarantee (BG) to DVC against payments to be made for power purchase. It is submitted that BG and other bank charges for FY 2018-19 based on audited accounts is Rs.13.31 Lakhs. With more and more demand of power, power purchase cost and its related BG value goes up, which increases the BG charges. There have been directions from Ministry also for opening of LCs for ensuring timely payments to power generators. Such charges are not covered under A&G historical costs and relate directly to Power Purchase. We request the Hon'ble Commission to approve the same.

2.7.9 Accordingly, the total Interest and Finance Charges for FY 2018-19 are summarized in the table below:

Table 23: Interest and Finance Charges for FY 2018-19

Particulars	FY 2018-19	
	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited/ Claimed (Rs. Crs.)
Normative Interest Amount	3.77	3.77
Interest on Security Deposit	5.31	5.74
Finance Charges	-	0.13
Total Interest and Finance Charges	9.08	9.64

2.7.10 The Petitioner therefore request to the Hon'ble Commission to kindly approve the total interest and finance charge amounting to Rs. 9.64 Crs for FY 2018-19.

2.8 Return on Equity

2.8.1 The deemed addition to the normative equity has been taken at 30% of Closing GFA net of Consumer Contribution. The normative return on equity is claimed @ 15.5% which is the return prescribed under the Distribution Tariff Regulation 2015.

2.8.2 The Opening Balance of Equity for FY 2018-19 is taken as equal to the closing of FY 2017-18. The amount of equity addition for FY 2018-19 is explained in Table 20.



2.8.3 Income Tax: It is submitted that petitioner has paid actual income tax for FY 2018-19. The income tax challan paid are provided at **Annexure – 6** of this Petition. The normative tax computation as per the principles laid down in Tariff Regulations 2015 and as per methodology approved by Hon'ble Commission in previous tariff orders is adopted and accordingly return on equity is grossed by tax rate and claimed for truing up purpose.

2.8.4 It is submitted that petitioner has paid Minimum Alternate Tax (MAT) Rate and accordingly the computation of composite Tax Rate for FY 2018-19 is as below:

Table 24: Computation of Income Tax Rate for FY 2018-19

Income Tax		FY 2018-19
MAT Rate	A	18.50%
Add: Surcharge	B	12.00%
Mat Rate with Surcharge	$C=A*(1+B)$	20.72%
Add: Education Cess	D	3.00%
Composite Tax Rate	$E=C*(1+D)$	21.342%

2.8.5 The computation of ROE based on normative approach including income tax is as under:

Table 25: Return on Equity for FY 2018-19

Particulars	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited/ Claimed (Rs. Crs.)
Opening Balance of Normative Equity	34.68	35.95
Add: Deemed Additions during the year	3.10	2.83
Closing Balance of Normative Equity	37.78	38.78
Average Balance of Normative Equity	36.23	37.37
Rate of Return on Equity	15.50%	15.50%
Normative ROE Amount	5.62	5.79
Add: Income Tax on ROE		21.342%
ROE Including Income Tax (Rs. Crs)	5.62	7.36

2.8.6 The Petitioner therefore requests the Hon'ble Commission to kindly approve the Post-tax Return on Equity of Rs. **7.36** Crs for FY 2018-19 as per above claim.

2.9 Funding Cost of Delayed Payment Surcharge (DPS)

2.9.1 The Hon'ble Commission normally considers the 'Delayed Payment Surcharge' as part of power income to compute net ARR. However, as per APTEL order, the additional working capital requirement for funding of Delayed Payment Surcharge at SBI PLR has been additionally allowed in ARR. Thus, precedence of judgement for allowing cost of funding of DPS and working of funding cost of DPS for JUSCO is as follows:

2.9.2 Precedence of judgment for Allowing cost of funding of DPS: However, there is judgment of Hon'ble Appellate Tribunal for Electricity (APTEL) dated 12.07.2011 in



case no. 142 & 147 of 2009 wherein working capital requirement is additionally allowed for funding of DPS at SBI PLR. The relevant extracts of the Judgment In the matter of *BSES Rajdhani Power Limited vs Delhi Electricity Regulatory Commission & Government of NCT of Delhi* are reproduced below:

*"The normative working capital compensates the distribution company in delay for the 2 months credit period which is given to the consumers. The late payment surcharge is only if the delay is more than the normative credit period. For the period of delay beyond normative period, the distribution company has to be compensated with the cost of such additional financing. It is not the case of the Appellant that the late payment surcharge should not be treated as a non- tariff income. The Appellant is only praying that the financing cost is involved due to late payment and as such the Appellant is entitled to the compensation to incur such additional financing cost. Therefore, the financing cost of outstanding dues, i.e the entire principal amount, should be allowed and it should not be limited to late payment surcharge amount alone. Further, the interest rate which is fixed as 9% is not the prevalent market Lending Rate due to increase in Prime Lending Rate since 2004-05. Therefore, the State **Commission is directed to rectify its computation of the financing cost relating to the late payment surcharge for the FY 2007-08 at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate". Emphasis added***

The Bihar Electricity Regulatory Commission has been allowing the same to BSEB. The extract from the Tariff Order dated 15.3.2013 for FY 2012-13 is provided below:

- As prevailing SBI PLR as on 1st April, 2011 was 13%, the Commission has allowed the financing cost for DPS @ 12.50%. The financing cost approved by the Commission is shown in Table below.

Table 4.32: Funding of DPS

Sl.No	Particulars	(Rs.crore)
		FY 2011-12
1	DPS as per audited annual accounts for FY 2011-12 (@ 1.5% per month) (A)	114.53
2	Principal amount on which DPS was charged (B=A/18%)	636.28
3	Interest Rate for funding of Principal of DPS	12.50%
4	Interest on funding of Principal amount of DPS	79.54



Accordingly, the Commission has computed the amount of Non -Tariff Income as summarized below:

Table 4.33: Trued-up Non-tariff Income for FY 2011-12

Sl.No.	Particulars	(Rs. crore)
1	Total Non - tariff Income	Amount
2	Less: Financing cost of principal amount of DPS	193.12
3	Net Non-tariff income	79.54
		113.58

Therefore, the Commission approves Rs. 113.58 crore as Non-Tariff Income for FY 2011-12, against the Petitioners claim of Rs. 193.12 crore as given in the Table below: - - - "

2.9.3 Working of Funding cost of DPS for JUSCO:

Based on the above ruling, the computation of funding cost for JUSCO for FY 2016-17, FY 2017-18 and FY 2018-19 is provided in the table below:

Delayed Payment Surcharge Rate charged by JUSCO per/annum

18.00%

Sr.	Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
1	DPS as per audited annual accounts (A)	0.11	0.13	0.07	0.05	0.11	0.47
2	Principal amount on which DPS was charged (B=A/DPS %)	0.61	0.72	0.40	0.27	0.60	1.27
3	Interest Rate for funding of Principal of DPS (C) #	14.75%	14.75%	14.05%	13.85%	13.45%	
4	Interest on funding of Principal amount of DPS (D=B*C)	0.09	0.11	0.06	0.04	0.08	0.37

Prevailing SBI PLR as on 1st April

Thus, petitioner requests the commission to allow the above-mentioned funding cost of DPS for JUSCO for FY14-15, FY15-16, FY16-17, FY17-18 and FY18-19. The funding cost of DPS for JUSCO for FY14-15, FY15-16, FY16-17, FY17-18, FY18-19 has been taken into account in estimating the Net Annual Revenue requirement for FY18-19.

The Hon'ble commission is requested to allow the funding cost of Delayed Payment Surcharge for FY14-15, FY15-16, FY16-17, FY17-18 and FY18-19 in this petition.

2.10 Non-Tariff Income

2.10.1 Non-Tariff Income includes income from interest, miscellaneous charges etc. The non-tariff Income for FY 2018-19 as per the Notes to Audited accounts and Reconciliation



of Revenue/ Income is Rs.0.66 Crs as against the approved Rs. 0.12 Crs in Tariff order dated 28th February, 2017.

2.10.2 The Hon'ble Commission is requested to kindly approve an amount of Rs.0.66 Crs as non-tariff income for FY 2018-19.

2.11 Revenue from sale of power

2.11.1 It is submitted that revenue from sales of power as per Note 17A of audited accounts for Reconciliation of Revenue/ Income is **Rs. 377.53 Crores** for FY 2018-19. The category wise revenue from sale of power for FY 2018-19 is given below:

Table 26: Revenue from Sale of Power for FY 2018-19

Revenue from Sale of Power for FY 2018-19											
S. no.	Consumer Category	No. of Consumers	Contract Demand	Connected Load- Unit	Contract Demand	Sales	Revenue from Fixed Charge	Revenue from Energy Charge	Power Factor Surcharge	Rebates	Total Revenue
		Nos.	KW/HP/ KVA		KVA	Mus	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
A	Domestic Services (DS)	3,142	25,508		30,009	20.73	0.66	5.51	-	-0.02	6.15
	Domestic Services - Rural	400	768	KW	904	0.49	0.004	0.11		-0.00	0.12
	Domestic Services - Urban	2,710	18,267	KW	21,491	11.64	0.18	3.29		-0.02	3.45
	Domestic Services - HT	32	6,473	KW	7,615	8.60	0.48	2.11		-0.00	2.59
B	Commercial Services (Non Domestic)	756	6,177		7,267	6.65	0.89	2.54	-	-0.01	3.43
	Commercial Services - Rural	18	136	KW	160	0.09	-	0.02		-0.00	0.02
	Commercial Services - Urban	738	6,041	KW	7,107	6.56	0.89	2.52		-0.01	3.40
C	Industrial Services										
C1	Low Tension Industrial Services (LTIS)	229	13,867		12,175	13.85	1.85	5.61	0.45	-0.05	7.86
	LTIS_Installation Base	219	13,259	HP	11,641	12.74	1.74	5.16	0.45	-0.05	7.31
	LTIS_Demand Base	10	608	HP	534	1.11	0.11	0.45	0.00	-0.00	0.56
C2	High Tension Services (HTS)	236	1,58,051		1,58,051	556.40	32.91	286.55	0.90	-10.81	309.55
	HTS-11 KV	208	68,515	KVA	68,515	194.00	13.82	99.91	0.84	-1.45	113.12
	HTS-33 KV	28	89,536	KVA	89,536	362.40	19.09	186.64	0.06	-9.36	196.43
C3	HT Special Services (HTSS)	14	28,965		28,965	111.66	11.47	41.12	0.02	-2.05	50.55
	HTSS-11 KV	5	5,115	KVA	5,115	29.76	2.84	10.94	0.00	-0.23	13.56
	HTSS-33 KV	9	23,850	KVA	23,850	81.90	8.63	30.18	0.01	-1.83	36.99
D	Irrigation & Agriculture Service										
E	Institutional Services										
F	Temporary Services	4	35		41	0.01	0.00	0.00			0.00
	Total	4,381	2,32,602		2,36,508	709.30	47.78	341.33	1.37	-12.95	377.53

*Contract Demand/Sanction load in KVA has been arrived based on appropriate multiplication factor.

2.11.2 The Petitioner requests Hon'ble Commission to kindly approve the revenue of **Rs. 377.53 Crs** from sale of power as per above table for FY 2018-19.

2.12 Summarised ARR and Revenue gap/ (surplus) for FY 2018-19

2.12.1 The ARR and Revenue gap/ (surplus) for FY 2018-19 along with Tariff order dated 28th February 2017 are presented in the table below.

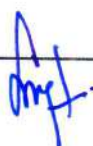
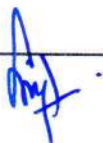


Table 27: Summarised ARR and Revenue gap/ (surplus) for FY 2018-19

Summarised ARR and Revenue gap / (Surplus) for FY 2018-19		
Particulars	FY 2018-19	
	As per T.O. dt 28.02.2017 (Rs. Crs.)	Audited/ Normative Claimed (Rs. Crs.)
Power Purchase Cost	247.46	341.55
Operation & Maintenance Expenses	14.02	19.61
Depreciation	7.00	7.27
Interest and Finance Charges	9.08	9.64
Funding Cost of DPS FY19	0	0.08
Sub Total	277.57	378.16
Add: Return on Equity	5.62	7.36
Total Expenditure	283.18	385.52
Less: Non Tariff Income	0.12	0.66
Prior Period Funding cost of DPS (FY15, FY16, FY17 & FY18)	0	0.37
Aggregate Revenue Requirement	283.06	385.23
Revenue from Sale of Power @ Existing Tariff		377.53
Revenue Gap/ (Surplus) for FY 2018-19		7.70

2.12.2 The Hon'ble Commission is requested to kindly approve the ARR of **Rs. 385.23** and the resultant revenue gap/ (surplus) of **Rs. 7.70 Crs** for FY 2018-19 based on Audited figures for FY 2018-19 and normative claims.



Chapter 3. Annual Performance Review of FY 2019-20

3.1 Background

3.1.1 The Hon'ble Commission has approved the Business plan for the 2nd MYT control period from FY 2016-17 to FY 2020-21 on 28th February, 2017. In the same Order dated 28th February, 2017, the Hon'ble Commission has also approved the ARR for the MYT Control Period FY 2016-17 to FY 2020-21.

3.1.2 JUSCO hereby submits the annual performance review (APR) for FY 2019-20 based on first six months (H1) actual performance and estimated for balance six months (H2). The following sections summarise each of the components of APR for FY 2019-20. A comparison of figures approved in ARR order dated 28th February 2017 which were estimated at that point of time and figures based on accounts & estimates / normative claims are shown under relevant sections discussed herewith as there is no APR order figures available for comparison.

3.2 Sales, Consumers and Connected Load

3.2.1 The table below provides the details of actual no of consumers, connected load and respective sales for different consumer category for FY 2019-20.



Table 28: Consumers, Connected Load & Sales – FY 2019-20

No. of Consumers, Load and Sales for FY 2019-20								
Consumer Category	Estimates Approved in MYT Order of 28.2.2017			Revised Estimates for FY 2019-20				
	No. of Consumers	Connected Load (kW/ KVA)	Sales (MU)	No. of Consumers	Connected Load (kW/ KVA)	Connected Load (kW/ KVA)	Connected Load (KVA)	Sales (MU)
Domestic								
Rural	312	343	0.24	712	1,235	KW	1,453	0.88
Urban	2,270	13,492	10.92	3,865	25,326	KW	29,795	20.76
DS HT	32	7,919	10.60	39	9,643	KW	11,345	13.69
Non Domestic (Commercial)								
Rural	6	5	-	28	189	KW	223	0.28
Urban	644	5,716	5.91	1,147	9,015	KW	10,605	9.85
Low Tension Industrial								
LTIS Installation based	201	11,819	14.25	276	13,141	HP	11,538	12.64
LTIS Demand based				14	759	HP	667	1.09
High Tension Service								
HTS 11 KV	205	62,709	179.47	222	71,754	KVA	71,754	173.73
HTS 33 KV	22	95,766	308.54	31	95,096	KVA	95,096	312.13
HT Special S								
HTSS 11 KV	7	6,365	24.71	11	8,645	KVA	8,645	13.09
HTSS 33 KV	8	12,250	29.40	14	27,450	KVA	27,450	79.63
Temporary	-	-	-	3	-			0.01
Total	3,707	2,16,384	584.03	6,362	2,62,253		2,68,571	637.78

*Power Factor considered for the KVA calculation is 0.85

3.2.2 The petitioner submits to Hon'ble Commission that No. of Consumers, Load and Sales as submitted above for FY 2019-20 are higher than estimates approved in MYT order due to following broad reasons:

- Ease of Doing business initiatives of Government had pushed industrial production and therefore energy taken by various industries
- Due to significant difference in quality of power supply and Tariff of JUSCO, there is increasing demand from prospective customers to get supply from JUSCO.

However, the expected sales are below our previous filings in March'2019, wherein we have reported expected sales for FY2019-20 as 773.61MU. This figure was subsequently revised downward in Oct'2019 as Industrial Sales in Quarter 2 of FY2019-20 was significantly down due to overall recession in the economy.

3.2.3 The figures for H2 are estimated based on H1 performance and expected trend in H2.



Table 29: Consumers, Connected Load & Sales – FY 2019-20 (H1 + H2)

No. of Consumers, Load and Sales for FY 2019-20 (H1 + H2 breakup)													
Consumer Category	No of Consumers			Connected Load (kW/ KVA)							Sales (MUs)		
	H1- Up to 30th Sep 19	Addition in H2	FY19-20	H1- Up to 30th Sep 19	Addition in H2	FY19-20	Unit	H1- Up to 30th Sep 19	Addition in H2- KVA	FY19-20- KVA*	H1- Up to 30th Sep 19	H2	FY19-20
Domestic													
Rural	463	249	712	1,087	148	1,235	KW	1,279	174	1,453	0.43	0.45	0.88
Urban	3,034	831	3,865	23,412	1,914	25,326	KW	27,543	2,252	29,795	10.27	10.48	20.76
DS HT	33	6	39	5,276	4,367	9,643	KW	6,207	5,138	11,345	6.20	7.49	13.69
Non Domestic (Commercial)													
Rural	21	7	28	189	-	189	KW	223	-	223	0.14	0.14	0.28
Urban	747	400	1,147	7,458	1,557	9,015	KW	8,774	1,832	10,605	4.80	5.05	9.85
Low Tension													
LTIS Installation based	226	50	276	11,793	1,348	13,141	HP	10,354	1,184	11,538	6.23	6.41	12.64
LTIS Demand based	10	4	14	551	208	759	HP	484	183	667	0.52	0.57	1.09
High Tension Service													
HTS 11 KV	222	-	222	71,692	62	71,754	KVA	71,692	62	71,754	86.86	86.88	173.73
HTS 33 KV	31	-	31	89,536	5,560	95,096	KVA	89,536	5,560	95,096	154.86	157.27	312.13
HT Special S													
HTSS 11 KV	4	7	11	4,115	4,530	8,645	KVA	4,115	4,530	8,645	5.75	7.34	13.09
HTSS 33 KV	10	4	14	27,150	300	27,450	KVA	27,150	300	27,450	39.76	39.87	79.63
Temporary	1	2	3	-	-	-					-	-	0.01
Total	4,802	1,560	6,362					2,47,357	21,213	2,68,571	315.84	321.94	637.78

*Power Factor considered for the KVA calculation is 0.85

3.2.4 The Hon'ble Commission is requested to approve the same for the purpose of APR, subject to true-up based on actual values after the end of Financial year.

3.3 Energy Balance

3.3.1 The petitioner has considered H1 performance and estimated the overall FY 2019-20 performance. The estimated performance for H2 has been arrived based on H1 performance and other factors. There has been increasing demand from LT segment and extension of network in Seraikela Town and nearby village area. Impact of the same has been considered, while projecting the Energy Balance. (LT segment approved sales is ~42 MUs and APR expected sales is ~ 59 MUs; resulting in ~41% growth).



- 3.3.2** Power Purchase volume for H2 is assumed in line with H1 power purchase from same sources. For APR purpose, the T&D loss level for FY2019-20 has been considered at 02.50%. Energy requirement for FY 2019-20 is provided in the table below:

Table 30: Energy Balance for FY 2019-20 (MUs)

Sr No	Particulars	Estimates Approved in MYT dt. 28.02.17	Apr-Sep 2019 (H1)	Oct-Mar 2020 (H2)	APR Figure (H1 + H2)
		FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20
1	ENERGY REQUIREMENT				
	Total Energy Sales	584.03	315.84	321.94	637.78
	Overall Distribution Losses %	2.00%	1.98%	3.14%	2.56%
	Overall Distribution Losses (MU)	11.92	6.24	10.12	16.35
	Total Energy Requirement	595.95	322.08	332.06	654.13
2	ENERGY AVAILABILITY				
	- From Tata Steel Ltd (A)	337.95	174.48	179.88	354.36
	- RPO Purchases (B)	0.00	0.00	0.00	0.00
	- From DVC at 33 kV (B)	31.40	58.65	60.47	119.13
	- From DVC at 132 kV (C)	226.61	88.95	91.70	180.65
	- Others (E)				
3	Total Pooled Energy Availability (A+B+C)	595.95	322.08	332.06	654.13

- 3.3.3** The petitioner requests Hon'ble Commission to approve the energy balance as tabulated above for FY 2019-20 considering the sales growth trend in LT segment and Licensees efforts to provide connections to the consumers in the licence area.

3.4 Power Purchase Cost

- 3.4.1** The actual power purchase cost of H1 FY 2019-20 is considered for estimating power purchase cost for H2 FY 2019-20. The rate of power purchase from TSL source for H2 FY 2019-20 is considered same as actual in H1 FY 2019-20. The rate of Power Purchase cost from DVC source for H2 FY 2019-20 has been considered at 2% higher than the actual rate of power purchase cost of H1 FY 2019-20, to accommodate inflationary increase in H2 FY 2019-20.

- 3.4.2** The details of power purchase quantity and cost for FY 2019-20 is given in table below:



Table 31: Total Power Purchase Cost FY 2019-20

Power Purchase Expenses for FY 2019-20										
Particulars	Estimates Approved vide T.O. dt. 28.2.2017 for FY 2019-20			Apr- Sep 2019 (H1)		Oct-Mar 2020 (H2)		APR for FY 2019-20		
	MUs	Per Unit Cost	Cost (Rs.Crs)	MUs	Cost (Rs.Crs)	MUs	Cost (Rs.Crs)	MUs	Per Unit Cost	Cost (Rs.Crs)
132 KV	337.95	4.30	145.32	173.68	74.68	179.06	77.00	352.74	4.3000	151.68
6.6 KV				0.80	0.34	0.82	0.35	1.62	4.3000	0.69
FPPPA Charges				-	7.50	-	7.74	-		15.24
Total from TSL Source	337.95		145.32	174.48	82.53	179.88	85.08	354.36	4.73	167.61
DVC	258.01	4.87	125.66	147.60	61.85	152.17	65.04	299.77	4.23	126.89
DVC (33 kv)	31.40	5.01	15.73	58.65	24.75	60.47	26.03	119.13	4.26	50.77
DVC (132 kv)	226.61	4.85	109.93	88.95	37.10	91.70	39.01	180.65	4.21	76.11
Total of DVC & TSL	595.96	4.55	270.98	322.08	144.37	332.06	150.12	654.13	4.50	294.50

3.4.3 Power Purchase cost from TSL – The monthly breakup of TSL 132 and 6.6 kV source for power purchase quantum and cost are given at **Annexure 2** of this petition.

3.4.4 Power purchase cost from DVC – The monthly breakup of DVC 132 and 33 kV source for power purchase quantum and cost are given at **Annexure 3** of this petition.

3.4.5 Renewable Power Obligation for FY 2019-20: JUSCO purchases power from two sources viz (i) DVC and (ii) Tata Steel Limited. The RPO Obligation for the units purchase from DVC and Tata Steel rest with them and therefore RPO obligation on units purchased from Tata Steel and DVC are not applicable for JUSCO. The same has already been discussed in **section 2.4.5** of this petition.

3.4.6 The Petitioner thus request the Hon'ble Commission to approve the total power purchase cost at Rs. **294.50** Crs for FY 2019-20 for the purpose of APR subject to final true-up.

3.4.7 Intimation of power sourcing at Seraikela town from JBVNL:

3.4.7.1 The Petitioner would like to intimate the Hon'ble Commission that we have applied for one new source of power of 200 kVA from JBVNL at Seraikela town. This new connection is required, because in case of breakdowns / shutdowns / stoppage of power due to any external reasons, at least some emergency & critical power supply is fed to consumers. JUSCO's main substation is at Gamharia, which is 30 KM away from Seraikela town. This new source shall act as a backup for connections to Seraikela town's consumers, and this facility shall improve the reliability of the power supply to consumers of this area.



- 3.4.7.2 The rate of power purchase shall be based on power distribution tariff of JBVNL as determined by the Hon'ble Commission. The approved tariff for JBVNL for other distribution licensee/Deemed licensee for FY19-20 as per the JBVNL tariff order dated 28th February, 2019 is Energy Charge: Rs. 5.50/kVAh and Demand Charge: Rs. 350/KVA/month. (Table 174: Summary of Approved Tariff for FY 2019-20 of the JBVNL Tariff Order dated 28.02.2019)
- 3.4.7.3 The draft "HT Agreement Form" for the referred power supply is enclosed in Annexure 10 with this petition. We request the Hon'ble commission to kindly consider the same.
- 3.4.8 The petitioner would like to submit the approved power purchase cost comparison of other similar private licensees for FY 19-20 for reference purpose. The power purchase cost of petitioner is Rs.4.60/kWh for FY 2019-20 which is in line with most of the private Discoms in the country.

Table 32: Details of Power Purchase Cost of similar utilities for FY 2019-20

Name of Utility	FY 2019-20 (Approved) Rs/kWh#	Source
BYPL	4.33	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BYPL.pdf
TDDPL	5.44	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/TPDDL.pdf
BRPL	5.08	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BRPL.pdf
TPL-Ahmd & Surat	4.80	https://www.gercin.org/order-category/tariff-orders/ , https://www.gercin.org/wp-content/uploads/document/5919b8e4-22a6-4e6c-aa1b-574566c10655.pdf

#For BYPL, TDDPL, BRPL and TPL- Approved under ARR and TPL-Ahmd & Surat- Approved under MYT for FY19-20

3.5 Operation and Maintenance Expenses for FY 2019-20

- 3.5.1 The Operation and Maintenance (O&M) Expenses includes Employee Cost, R&M Expenses and A&G Expenses. As per provision 6.6 of Tariff Regulations 2015, the expenses are to be claimed as below:

6.6 The above components shall be computed in the manner specified below:

a) $R\&M_n = K * GFA$

Where,

'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;



'GFA' is the opening value of the gross fixed asset of the nth year;

$$b) EMP_n \text{ (excluding terminal liabilities)} + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}) + G_n$$

Where,

$INDX_n$ – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking with the efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

$$c) INDX_n = 0.55 * CPI_n + 0.45 * WPI_n;$$

Note 1: For the purpose of estimation, the same $INDX_n / INDX_{n-1}$ value shall be used for all years of the control period. However, the Commission will consider the actual values in the $INDX_n / INDX_{n-1}$ at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc. will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies.

3.5.2 Computation of Inflation Factor: The petitioner would like to submit the calculation of Inflation Factor for FY 2019-20 as per above Note 1 of Tariff Regulations 2015. Since the financial year is in progress, the inflation rate applicable for FY 2018-19 is considered for FY 2019-20.

Table 33: Computation of Inflation Factor for FY 2019-20 (same as FY 2018-19)

WPI Inflation

Month/Year	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2018-19	117.3	118.3	119.1	119.9	120.1	120.9	122	121.6	119.7	119.2	119.5	119.9	119.79
FY 2017-18	113.2	112.9	112.7	113.9	114.8	114.9	115.6	116.4	115.7	116	116.1	116.3	114.88

https://eaindustry.nic.in/download_data_1117.asp

Annual Increase over FY 2017-18 4.28%

Weightage of 45% 1.93%

CPI Inflation

Month/Year	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2018-19	288.00	289.00	291.00	301.00	301.00	301.00	302.00	302.00	301.00	307.00	307.00	309.00	299.92
FY 2017-18	277.00	278.00	280.00	285.00	285.00	285.00	287.00	288.00	286.00	288.00	287.00	287.00	284.42

http://labourbureau.gov.in/LBO_indtab_Feb_2019.pdf

Annual Increase over FY 2017-18 5.45%

Weightage of 55% 3.00%

Total Inflation WPI+CPI 4.92%



3.5.3 The Inflation Factor for FY 2018-19 is **4.92%**, which is considered for FY 2019-20 and would be subject to actual change in inflation indices at the time of true-up purpose.

3.5.4 Revised Estimates for O&M: The petitioner would first like to provide the scenario of O&M expenses based on actual performance of H1 and revised estimate for H2 by petitioner. The revised estimated O&M expenses and estimates approved by Commission in MYT order for FY 2019-20 are tabulated below:

Table 34: Computation of Revised Estimated O&M expenses for FY 2019-20

Particulars	Approved in MYT Order Dt 28.2.2017	Apr-Sep 2019 (H1)	Oct-Mar 2020 (H2)	Total APR FY 2019-20
Employee Cost	7.63	4.34	4.46	8.80
A&G Expenses	2.42	3.07	2.93	6.00
R&M Expenses	4.87	3.19	3.81	7.00
Total O&M Expenses	14.92	10.60	11.20	21.80

3.5.5 Normative O&M Expenses: The petitioner would also like to provide the scenario based on normative principles as per computations done in earlier chapter of FY 2018-19. The Normative O&M expenses for FY 2019-20 are tabulated below:

Table 35: Computation of Normative O&M expenses for FY 2019-20

Financial year	Units	Normative Computation FY 2019-20
Employee Cost as per normative basis for FY 2017-18	Rs.Crs	10.96
Connected Load in FY 2018-19	kVA	2,36,508
Emp. cost per kVA for FY 2018-19	Rs/kVA	463.57
Weighted avg. inflation factor for FY 2019-20	%	4.92%
Emp. cost per kVA for FY 2019-20 with Inflation Factor	Rs/kVA	486.40
Connected Load in FY 2019-20	kVA	2,62,253
Employee Cost as per normative basis for FY 2019-20	Rs.Crs	12.76
Normative A&G Cost Calculation		
Normative A&G Costs for FY 2018-19	Rs.Crs	3.91
Add: Inflation factor for FY19-20	%	4.92%
Sub-total	Rs.Crs	4.10
Add: Load Growth Factor for FY 2019-20 (projected increase over FY 2018-19 load)	%	10.89%
Normative A&G Cost for FY 2019-20	Rs.Crs	4.55
Normative R&M Cost Calculation		
Opening GFA as on 1.4.2019	Rs.Crs	222.82
K Factor as per MYT Order	%	2.54%
Sub-total	Rs.Crs	5.66
Add: Inflation factor for FY 2018-19	%	4.92%
Normative R&M Cost for FY 2018-19	Rs.Crs	5.94
Normative O&M Cost for FY2019-20	Rs.Crs	23.24



- 3.5.5.1 It is submitted that petitioner is here again deprived of the inflationary increases in R&M expenses (material, labour etc) and is allowed only expenses linked to Asset base. It is also submitted that the Tariff Regulations 2015 has ignored to make provision for statutory increases like wages & labour charges, service tax levy, GST levy, other taxes & duties etc while allowing the R&M expenses which has direct impact on the expenses of the company and the same are totally uncontrollable. Every business and each expense under it tend to be affected with inflationary increases and R&M expenses under distribution is no different.
- 3.5.5.2 It is submitted that several State Commissions have recognised this need and have considered the inflationary adjustment in R&M expenses. For eg. Maharashtra State Electricity Regulatory Commission also allows Inflation on total O&M expenses (WPI-30% & CPI-70% on 5 years average increase). Gujrat State Electricity Regulatory Commission also allows 5.72% inflationary adjustment. Odisha State Electricity Regulatory Commission allows 5.4% on GFA plus special allowances to undertake critical activities f loss reduction, energy audit etc.
- 3.5.5.3 It is also submitted that K factor of 2.54 itself is low as it considers the base cost of the year FY 2014-15. This was the 7th year of operation of the Licensee and several maintenance activities which became due after 7 to 8 years were not part of such costs. Licensee has been trying hard to restrict the R&M costs, within the approved values, but it is unable to carry out the desired Repair and Maintenance actions which are required now, for the general upkeep and maintenance of the system. This is due to limitations of budget. To name a few activities include-
1. Civil repair of old substation buildings including external and internal painting,
 2. Updating the electricity distribution network in Geographical Information System,
 3. Load flow/ short circuit study and review of protection grading of the distribution network.
 4. Various Work to secure the distribution network access & Right of Way.
 5. Safety Audit of Customer Installations etc.

We would request the Hon'ble Commission to kindly consider the above submission and allow inflationary adjustment while approving the normative R&M expense

- 3.5.6 Summary of O&M Expenses:** The summary of O&M expenses with respect to estimates approved, revised estimated and normative amount is given in the table below:



Table 36: Summary of O&M Expenses for FY 2019-20

Particulars	Estimates Approved in ARR dt. 28.02.17 (Rs.Crs)	Actual / Estimated (Rs.Crs)	Revised Target Based on Normative Values (Rs Crs)
	FY 2019-20	FY 2019-20	FY 2019-20
A&G Costs	2.42	6.00	4.55
R&M Expenses	4.87	7.00	5.94
Employee Cost	7.63	8.80	12.76
Total O&M Expenses	14.92	21.80	23.24

3.5.7 The petitioner would like to reiterate its submission that normative A&G expenses may be allowed with Inflation and Growth Factor and normative R&M expenses be allowed with GFA linked to 'K' factor with Inflation factor. Accordingly, the petitioner requests Hon'ble Commission to approve total O&M expenses as per normative principles at Rs. **23.24** Crs for FY 2019-20. The variation in R&M costs and employee costs is due to delay in recruitment of appropriate staff, because of which few works is being undertaken by contract staff, the cost of which is booked under the R&M costs. Petitioner has taken initiative to fill up the positions, subject to availability of suitable skills.

3.5.8 The petitioner would like to submit the approved O&M cost comparison of other similar licensees for FY 2019-20 for reference purpose. The O&M cost of petitioner is Rs. **0.36** /kWh for FY 2019-20, which will go down further with increase in industrial production. The current level of O&M cost is at one of the lowest levels. O&M cost for other utilities is given below for reference:

Table 37: Details of O&M Expenses of similar utilities for FY 2019-20

Name of Utility	FY 2019-20 (Approved) Rs/kWh#	Source
BYPL	0.87	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BYPL.pdf
TDDPL	0.67	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/TPDDL.pdf
BRPL	0.64	http://www.derc.gov.in/ordersPetitions/orders/Tariff/Tariff%20Order/FY%202019-20/Tariff%20Order%20FY%202019-20/Tariff%20Orders%202019-20/BRPL.pdf
TPL-Ahmd & Surat	0.37	https://www.gercin.org/order-category/tariff-orders/

#For BYPL, TDDPL, BRPL and TPL- Approved under ARR and TPL-Ahmd & Surat- Approved under MYT for FY19-20



3.6 Capital Work in Progress, Gross Fixed Assets and Depreciation

3.6.1 The Capital Work in Progress (CWIP), Gross Fixed Assets (GFA) and depreciation on GFA for FY 2019-20 are discussed hereunder. The table below provides details of opening CWIP, Capital Expenditure incurred during the year, Capitalisation of Assets and the working of the depreciation for the year based on H1 actual performance and H2 estimates.

Table 38: Summary of CWIP, GFA and Depreciation for FY 2019-20

Particulars	FY 2019-20			
	Approved in ARR at 28.02.17 (Rs.Crs)	Apr-Sep 2019 (H1) (Rs.Crs)	Oct-Mar 2020 (H2) (Rs.Crs)	Revised Total Based on H2 estimate Values(Rs.Crs)
Capital Works in Progress (CWIP)				
Opening CWIP	29.49	28.53	28.00	28.53
Add: Capex during year	19.52	23.10	21.47	44.57
Total CWIP	49.01	51.63	49.47	73.10
Less: Trfd to GFA	19.27	23.63	23.80	47.43
Closing CWIP	29.74	28.00	25.67	25.67
Gross Fixed Assets (GFA)				
Opening GFA	191.74	222.82	246.44	222.82
Add: Trfd from CWIP	19.27	23.63	23.80	47.43
Closing GFA	211.01	246.44	270.24	270.24
Depreciation				
Depreciation for the FY	11.70	7.01	7.73	14.74
Less: Depreciation on Assets created out of consumer contribution	4.01	2.00	2.92	4.92
Net Depreciation	7.69	5.01	4.80	9.82

3.6.2 Capital Works in Progress (CWIP): The petitioner has considered Opening CWIP for FY 2019-20 as closing CWIP of FY 2018-19 from Balance sheet statement of FY 2018-19. The Capital expenditure and Capitalization for FY 2019-20 is as per H1 performance and capex planning for H2 including additional approved schemes.

3.6.3 With regards to the Capital expenditure incurred during the year amounting to **Rs. 44.57** Crs (including consumer contribution amount) as against approval of Rs.19.52 Crs in MYT order; petitioner would like to explain the variations.

Table 39: Reasons for variation in Capital Expenditure FY 2019-20

Sr #	Summary of Expenditure Plan	Approved Expenditure in MYT order in FY'19 (Rs.Crs)	Actual/ Estimated Expenditure in FY'20 (Rs.Crs)	Remarks
1	Works for different scheme to Augment	14.99	31.76	JUSCO's own capex



Sr #	Summary of Expenditure Plan	Approved Expenditure in MYT order in FY'19 (Rs.Crs)	Actual/ Estimated Expenditure in FY'20 (Rs.Crs)	Remarks
	existing network, create new network to increase area of coverage.			
2	Works for power connection to individual consumers	4.53	11.73	For last point connection, mainly through consumer's contribution.
3	Sub-total			
4	Increase / decrease in value of materials in Capital store	--	1.08	Increase / decrease in value of store items as on last of year.
5	Total	19.52	44.57	

3.6.4 It is submitted that petitioner has done capital expenditure and resultant capitalization as per planned only. However due to demand from consumers, new/ additional capex had to be done and there is change in capitalisation schedule. The scheme wise expenditures on capex is well within the value approved by the Hon'ble Commission. The details of Capital Expenditure and Capitalisation are provided at **Annexure 4** of this petition.

3.6.5 The scheme wise details of Capital Expenditure and Capitalisation are provided at **Annexure 4** of this petition.

3.6.6 It is submitted that petitioner is undertaking capital expenditure and resultant capitalization as per plan. Any variation in the capital expenditure and capitalisation is only to meet the growing demand of consumers and to serve them with reliable power supply.

3.6.7 The petitioner therefore requests the Hon'ble Commission to approve the Capital expenditure and Capitalization for FY 2019-20 as presented in above tables.

3.6.8 **Consumer Contribution:** Similar to approach adopted in previous year, the consumer contribution received in H1 and expected to be received in H2 is added to arrive at total consumer contribution for FY 2019-20. The details of estimation of consumer contribution are given in the table below:



Table 40: Details of estimated Consumer Contribution for FY 2019-20

Particulars	FY 2019-20 (Rs Crs)
Opening Consumer Contribution	74.43
Add: Consumer Contribution during the year	11.50
Less: Transfer to deferred Income / Depreciation during year	4.92
Closing Balance of Consumer Contribution	81.01

3.6.9 Gross Fixed Assets: The details of the Gross Fixed Assets for FY 2019-20 are considered as per actuals of H1 and above capitalisation plan given in **Annexure 4** of this petition. The total GFA amount at the end of FY 2019-20 is estimated at **Rs. 270.24 Crs.**

3.6.10 Depreciation: For the purpose APR gross depreciation is computed based on weighted average rate of 5.98%, which is the average depreciation rate of FY2018-19. This value is subject to final determination during true-up.

3.6.11 Accordingly, the net depreciation to be charged for FY 2019-20 computes to **Rs. 9.82 Crs** as against **Rs.7.00 Crs** allowed by the Hon'ble Commission in MYT Order. The Petitioner therefore request to the Hon'ble Commission to kindly approve the net depreciation as above for the purpose of APR subject to final true-up.

3.7 Interest and Finance Charges

3.7.1 The normative loans have been computed considering the Capital Investment Norm in the Regulatory regime in which Debt-Equity Ratio has been kept at 70:30. Therefore, deemed addition to the normative loans have been taken at 70% of the closing GFA net of Consumer Contribution reduced by the Accumulated Depreciation on own assets. The deemed repayment has been considered equivalent of the net depreciation cost for the financial year.

3.7.2 The table below shows the normative loan and normative equity to be added during the FY 2019-20 as per methodology adopted in orders of Commission. Normative loan is estimated based on actual capitalization and consumer contribution received during the year as per audited accounts for FY 2019-20.



Table 41: Normative Loan & Equity added during FY 2019-20

Particulars	FY 2019-20 (Rs Crs)
Assets added during the year 2019-20	47.43
Add: Consumer Contribution during the year	11.50
Amount to be considered for normative Debt & Equity Addition for FY 2019-20	35.93
Equity Addition for FY 2019-20 @ 30%	10.78
Debt Addition for FY 2019-20 @ 70%	25.15

3.7.3 Interest on Normative Loan - The normative interest is computed on the average balance of loan during the financial year. The opening balance of normative loan has been taken from closing normative loan balance for FY 2018-19. Additions to loan account has been considered from above table and repayments are considered equal to depreciation. Further, in accordance with the regulation 6.24 and 6.25 of Distribution Tariff Regulations, 2015, the interest on normative loan has been calculated on the average normative loan as outstanding during the year. The rate of interest for the year is considered as applicable SBI Base Rate plus 200 basis points as on April 1st, 2019 i.e. **11.05%**. The normative interest comes to **Rs. 4.70** Crs as against Rs. 3.85 Crs approved by Hon'ble Commission in MYT order. The table below provides calculation of Interest on Normative Loan for FY 2019-20.

Table 42: Interest on Normative Loan – FY 2019-20

Particulars	FY 2019-20	
	Estimate Approved in ARR dt. 23.02.17 (Rs Crs)	Revised Estimate based on current data (Rs Crs)
Opening Balance of Normative Loan	33.47	34.86
Add: Deemed Additions during the FY	8.88	25.15
Less: Deemed Repayments	7.68	9.82
Closing Balance of Normative Loan	34.67	50.20
Average Balance of Normative Loan	34.07	42.53
SBI base rate plus 200 bp as on 1st April 2018	11.30%	11.05%
Normative Interest Amount	3.85	4.70

3.7.4 Interest on Security Deposit - The petitioner in the table below has estimated the security deposit amount to be received during the year based on the growth expected in FY 2019-20. The petitioner submits that it has received Cash security deposit amount of Rs.2.42 Crs during H1 FY19 and estimates around Rs.4.84 Crs on overall FY 2019-20 basis. The table below provides the details of interest on security deposit.



Table 43: Interest on Security Deposit for FY 2019-20

Particulars	FY 2019-20	
	Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Estimates based on current data (Rs.Crs)
Opening security deposit	57.38	71.90
Security deposit received during FY	0.46	4.84
Closing security deposit	57.84	76.74
Average security deposit	57.61	74.32
SBI Base Rate (%) as on 1st April	9.30%	9.05%
Interest on security deposit	5.36	6.73

3.7.4.1 It is submitted that petitioner also receives security deposit in the form of Bank Guarantee (BG) as per provision 8.2.20 of Supply Code Regulations 2015.

"8.2.20 The Consumer whose total amount of Security Deposit exceeds Rs. 10 Lacs may, at his option, furnish irrevocable Bank Guarantee from a nationalized or scheduled commercial Bank initially valid for a period of two years. It shall be the responsibility of the consumer to keep the Bank Guarantee valid at all times and to renew the Bank Guarantee at least 2 months prior to its expiry."

3.7.4.2 The petitioner submits that apart from cash security deposit mentioned in above table, it has also received BG from customers to the extent of Rs. 23.89 Cr till March, 2019 and Rs. 27.33Cr till September, 2019.

3.7.5 Finance Charges - The petitioner would like to submit that it has provided Bank Guarantee (BG) to DVC against payment security for power purchase. It is submitted that BG charges for FY 2018-19 based on audited accounts was Rs.13.31 Lakhs.

3.7.6 Accordingly, the total Interest and Finance Charges for FY 2019-20 are summarized in the table below:

Table 44: Interest and Finance Charges for FY 2019-20

Particulars	Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Estimates based on current data (Rs.Crs)
Normative interest amount	3.85	4.70
Interest on Security Deposit	5.36	6.73
Finance Charges	0.00	0.15
Total interest and finance charges	9.21	11.58



3.7.7 The Petitioner therefore request to the Hon'ble Commission to kindly approve the total interest and finance charge amounting to Rs. **11.58** Crs for FY 2019-20 for the purpose of APR subject to final true-up.

3.8 Return on Equity

3.8.1 The deemed addition to the normative equity has been taken at 30% of Closing GFA net of Consumer Contribution. The normative return on equity is claimed @ **15.5%** which is the return prescribed under the Distribution Tariff Regulation 2015.

3.8.2 The Opening Balance of Equity for FY 2019-20 is taken as equal to the closing of FY 2018-19. The amount of equity addition for FY 2019-20 is explained in **Table 41**.

3.8.3 Income Tax: It is submitted that petitioner has considered income tax at MAT rate for grossing up ROE for FY 2019-20. The computation of composite Tax Rate for FY 2019-20 is as below:

Table 45: Computation of Income Tax Rate for FY 2019-20

Computation of Income Tax Rate for FY 2019-20		
Income Tax		FY 2019-20
MAT Rate	A	22.00%
Add: Surcharge	B	10.00%
Mat Rate with Surcharge	$C=A*(1+B)$	24.20%
Add: Education Cess	D	4.00%
Composite Tax Rate	$E=C*(1+D)$	25.168%

3.8.4 The computation of ROE based on normative approach is as under:

Table 46: Return on Equity for FY 2019-20

Particulars	Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Target Based on Normative Values (Rs.Crs)
Opening Balance of Normative Equity	37.78	38.78
Add: Deemed Additions during the FY	3.81	10.78
Closing Balance of Normative Equity	41.59	49.56
Average Balance of Normative Equity	39.69	44.17
Rate of return on equity	15.50%	15.50%
Normative ROE Amount	6.15	6.85
Add: Income Tax on ROE		25.168%
ROE including income tax (Rs. Crs)	6.15	9.15



3.8.5 The Petitioner therefore requests the Hon'ble Commission to kindly approve the Return on Equity of **Rs. 9.15** Crs for FY 2019-20 as per above claim.

3.9 Non-Tariff Income

3.9.1 The petitioner estimates that Non-tariff income for FY 2019-20 would be around **Rs. 0.85** Crs as against **Rs.0.12** Crs MYT approved figure. The Hon'ble Commission is requested to kindly approve the same.

3.10 Revenue from Sale of power

3.10.1 It is submitted that revenue from sales of power for H1 is taken as per actuals and for H2 the same is calculated based on load growth additions during H2 at prevailing tariffs. The revenue from sale of power for H1, H2 and overall are provided in the table below:

Table 47: Revenue from Sale of Power for FY 2019-20 (H1)

Revenue from Sale of Power for FY 2019-20 (H1)											
Sl. No.	Consumption Category	No. of Consumers	Current Demand	Connected Load (MW)	Connected Load (KVA)	Sales	Revenue from Fixed/Demand Charge	Revenue from Variable Charge	Subsidized Subsidies	Total Revenue	Revenue per unit
1	2	3	4	5	6	7	8	9	10	11	12
A	Domestic	3,530			35,029	16.91	0.35	4.83	-	5.18	3.07
	Rural	463	1,087	KW	1,279	0.43	0.00	0.11	-	0.11	2.56
	Urban	3,034	23,412	KW	27,543	10.27	0.12	3.08	-	3.20	3.12
	DS HT	33	5,276	KW	6,207	6.20	0.23	1.64	-	1.87	3.02
B	Non Domestic (Commercial)	768			8,997	4.94	0.48	1.84	-	2.32	4.69
	Rural	21	189	KW	223	0.14	-	0.04	-	0.04	2.50
	Urban	747	7,458	KW	8,774	4.80	0.48	1.80	-	2.28	4.76
C	Low Tension Industrial	236			10,838	6.76	1.07	2.74	0.20	4.00	5.92
	LTIS Installation based	226	11,793	HP	10,354	6.23	1.02	2.52	0.20	3.74	6.01
	LTIS Demand based	10	551	HP	484	0.52	0.05	0.21	0.00	0.26	4.97
D	High Tension Service	253			1,61,228	241.72	16.65	124.49	-3.85	137.29	5.68
	HTS 11 KV	222	71,692	KVA	71,692	86.86	7.21	44.74	-0.14	51.82	5.97
	HTS 33 KV	31	89,536	KVA	89,536	154.86	9.43	79.75	-3.71	85.48	5.52
E	HT Special S	14			31,265	45.51	5.91	17.07	-0.87	22.11	4.86
	HTSS 11 KV	4	4,115	KVA	4,115	5.75	0.83	2.16	-0.05	2.95	5.12
	HTSS 33 KV	10	27,150	KVA	27,150	39.76	5.08	14.91	-0.82	19.17	4.82
F	Temporary	1	-			-	-	-	-	-	-
	Total	4,802	-		2,47,357	315.84	24.46	150.97	-4.52	170.91	5.41

*Power Factor considered for the KVA calculation is 0.85



Table 48: Revenue from Sale of Power for FY 2019-20 (H2)

Revenue from Sale of Power for FY 2019-20 (H2)											
S.No.	Consumer Category	No. of Consumers	Contract Demand	Chargeable Load Unit	Connected Load KVA*	Load	Revenue from Fixed / Demand Charge	Revenue from Variable Charge	Revenue from Surcharges	Total Revenue	Revenue per unit
1	2	3	4	5	6	7	8	9	10	11	12
A	Domestic	4,616			42,593	18.42	0.40	5.24	-	5.64	3.06
	Rural	712	1,235	KW	1,453	0.45	-	0.11	-	0.11	2.50
	Urban	3,865	25,326	KW	29,795	10.48	0.12	3.15	-	3.27	3.12
	DS HT	39	9,643	KW	11,345	7.49	0.28	1.98	-	2.26	3.02
B	Non Domestic (Commercial)	1,175			10,828	5.19	0.51	1.93	-	2.44	4.70
	Rural	28	189	KW	223	0.14	-	0.04	-	0.04	2.50
	Urban	1,147	9,015	KW	10,605	5.05	0.51	1.89	-	2.40	4.76
C	Low Tension Industrial	290			12,204	6.98	1.10	2.83	0.20	4.13	5.92
	LTIS Installation based	276	13,141	HP	11,538	6.41	1.05	2.60	0.20	3.85	6.01
	LTIS Demand based	14	759	HP	667	0.57	0.05	0.23	0.00	0.28	4.97
D	High Tension Service	253			1,66,850	244.14	16.79	125.74	-3.90	138.63	5.68
	HTS 11 KV	222	71,754	KVA	71,754	86.88	7.21	44.75	-0.14	51.83	5.97
	HTS 33 KV	31	95,096	KVA	95,096	157.27	9.58	80.99	-3.77	86.80	5.52
E	HT Special S	25			36,095	47.21	6.16	17.70	-0.88	22.98	4.87
	HTSS 11 KV	11	8,645	KVA	8,645	7.34	1.06	2.75	-0.06	3.76	5.12
	HTSS 33 KV	14	27,450	KVA	27,450	39.87	5.09	14.95	-0.83	19.22	4.82
F	Temporary	3	-			0.01	0.00	0.00	-	0.00	2.05
	Total	6,362			2,68,571	321.95	24.96	153.44	-4.59	173.82	5.40

*Power Factor considered for the KVA calculation is 0.85



Table 49: Revenue from Sale of Power for FY 2019-20 (H1 + H2)

Revenue from Sale of Power for FY 2019-20 (H1 + H2)											
S.No.	Generation Category	No. of Generators	Contract Demand	Contracted Power (kW)	Contracted Power (KVA)	Rate	Revenue from Fixed / Contract Charge	Revenue from Variable Charge	Revenue from Incentives and Disincentives	Total Revenue	Revenue per unit
1	2	3	4	5	6	7	8	9	10	11	12
A	Domestic	4,616			42,593	35.32	0.75	10.08	-	10.82	3.06
	Rural	712	1,235	KW	1,453	0.88	0.00	0.22	-	0.22	2.53
	Urban	3,865	25,326	KW	29,795	20.76	0.24	6.23	-	6.47	3.12
	DS HT	39	9,643	KW	11,345	13.69	0.51	3.63	-	4.13	3.02
B	Non Domestic (Commercial)	1,175			10,828	10.13	0.99	3.76	-	4.76	4.69
	Rural	28	189	KW	223	0.28	-	0.07	-	0.07	2.50
	Urban	1,147	9,015	KW	10,605	9.85	0.99	3.69	-	4.68	4.76
C	Low Tension Industrial	290			12,204	13.74	2.17	5.56	0.40	8.14	5.92
	LTIS Installation based	276	13,141	HP	11,538	12.64	2.07	5.12	0.40	7.59	6.01
	LTIS Demand based	14	759	HP	667	1.09	0.10	0.44	0.00	0.54	4.97
D	High Tension Service	253			1,66,850	485.86	33.44	250.23	-7.75	275.92	5.68
	HTS 11 KV	222	71,754	KVA	71,754	173.73	14.43	89.49	(0.27)	103.64	5.97
	HTS 33 KV	31	95,096	KVA	95,096	312.13	19.01	160.75	(7.48)	172.28	5.52
E	HT Special S	25			36,095	92.72	12.07	34.77	-1.75	45.09	4.86
	HTSS 11 KV	11	8,645	KVA	8,645	13.09	1.90	4.91	(0.10)	6.70	5.12
	HTSS 33 KV	14	27,450	KVA	27,450	79.63	10.18	29.86	(1.65)	38.39	4.82
F	Temporary	3	-			0.01	0.00	0.00	-	0.00	2.05
	Total	6,362			2,68,571	637.78	49.42	304.41	-9.10	344.73	5.41

*Power Factor considered for the KVA calculation is 0.85

3.10.2 The Petitioner requests Hon'ble Commission to kindly approve the revenue of Rs. **344.73** Crs from sale of power as per above table for the purpose of APR subject to final true-up.

3.11 Summarised ARR and Revenue gap/ (surplus) for FY 2019-20

3.11.1 The APR and Revenue gap/ (surplus) for FY 2019-20 along with figures of MYT order are presented in the table below.



Table 50: Summarised ARR and Revenue gap/ (surplus) for FY 2019-20

Particulars	Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Target Based on Normative Values (Rs.Crs)
	FY 2019-20	FY 2019-20
Power Purchase Cost	270.98	294.50
Employee Expenses	7.63	12.76
A&G Expenses	2.42	4.55
R&M Expenses	4.87	5.94
Depreciation	7.69	9.82
Interest on Normative loan	3.85	4.70
Interest on Security Deposit	5.36	6.73
Finance Charges	-	0.15
Add: Return on Equity	6.15	9.15
Total Expenditure	308.95	348.28
Less: Non Tariff Income	0.12	0.85
Aggregate Revenue Requirement	308.83	347.43
Revenue from Sale of Power @ Existing Tariff		344.73
Revenue Gap / (Surplus) for FY 2018-19		2.70

3.11.2 The Hon'ble Commission is requested to kindly approve the APR of **Rs. 347.43** Crs and the resultant revenue gap/ (surplus) of **Rs. 2.70** Crs for FY 2019-20 based on actual performance of H1 FY 2019-20 and revised estimates for H2 FY 2019-20.



Chapter 4. Revised Annual Revenue Requirement for FY 2020-21

4.1 Background

4.1.1 The Hon'ble Commission has approved the Business plan for the 2nd MYT control period from FY 2016-17 to FY 2020-21 on 28th February, 2017. In the same Order dated 28th February, 2017, the Hon'ble Commission has also approved the ARR for the MYT Control Period FY 2016-17 to FY 2020-21.

4.1.2 JUSCO hereby submits the revised estimates/ projections for FY 2020-21 based on APR figures of FY 2019-20. The following sections summarise each of the components of ARR for FY 2020-21. A comparison of figures approved in ARR order dated 28th February 2017 which were estimated at that point of time and revised estimates for FY 2020-21 are shown under relevant sections discussed herewith.

4.2 Sales, Consumers and Connected Load

4.2.1 The table below provides the details of revised estimates for no of consumers, connected load and sales for different consumer categories for FY 2020-21.

Table 51: Consumers, Connected Load & Sales – FY 2020-21

No. of Consumers, Load and Sales for FY 2020-21								
Consumer Category	Estimates Approved in MYT Order on 28.2.2017			Revised Estimates for FY 2020-21				
	No. of Consumers	Connected Load (kW/ KVA)	Sales (MUs)	No. of Consumers	Connected Load (kW/ KVA)	Connected Load Unit	Connected Load (KVA)	Sales (MUs)
Domestic								
Rural	352	386	0.27	862	1,535	KW	1,806	1.04
Urban	2,499	15,024	12.16	4,565	30,226	KW	35,560	24.01
DS HT	33	8,167	10.93	40	9,843	KW	11,580	14.65
Non Domestic (Commercial)								
Rural	6	6	-	33	224	KW	264	0.33
Urban	702	6,236	6.45	1,227	9,655	KW	11,358	10.79
Low Tension Industrial								
LTIS Installation based	218	12,778	15.41	294	14,005	HP	12,296	13.82
LTIS Demand based				16	859	HP	755	1.23
High Tension Service								
HTS 11 KV	215	65,768	188.22	228	73,254	KVA	73,254	185.97
HTS 33 KV	22	95,766	308.54	32	98,096	KVA	98,096	335.78
HT Special S								
HTSS 11 KV	8	7,365	28.60	12	9,395	KVA	9,395	14.44
HTSS 33 KV	8	12,250	29.40	15	29,450	KVA	29,450	87.31
Temporary	-	-	-			KW		
Total	4,063	2,23,746	599.98	7,324	2,76,542			689.37

*Power Factor considered for the KVA calculation is 0.85



4.2.2 The load growth and sales growth approved by Commission for FY 2020-21 over FY 2019-20 as per MYT order was around 3.4% and 2.7% respectively. As against this, the projected growth in connected load and sales for FY 2020-21 over FY 2019-20 is 5.4% and 8% respectively. The growth in sales is due to both reasons of new customer addition as well as consumption increase in existing consumers. The tentative details worked out by petitioner are depicted below:

Table 52: Category-wise Sales Forecast – FY 2020-21

Consumer Category	Sales (MUs)			
	FY20 (Exp)	Additional Sales due to growth in consumption of existing customer base	Additional Sales due to new customer addition	FY21 (Exp)
Domestic	35.32	2.26	2.12	39.70
Rural	0.88	0.11	0.05	1.04
Urban	20.76	2.01	1.25	24.01
DS HT	13.69	0.14	0.82	14.65
Non Domestic (Commercial)	10.13	0.38	0.61	11.12
Rural	0.28	0.03	0.02	0.33
Urban	9.85	0.35	0.59	10.79
Low Tension Industrial	13.74	0.49	0.82	15.05
LTIS Installation based	12.64	0.42	0.76	13.82
LTIS Demand based	1.09	0.07	0.07	1.23
High Tension Service	485.86	6.74	29.15	521.75
HTS 11 KV	173.73	1.82	10.42	185.97
HTS 33 KV	312.13	4.92	18.73	335.78
HT Special S	92.72	3.47	5.56	101.76
HTSS 11 KV	13.09	0.57	0.79	14.44
HTSS 33 KV	79.63	2.90	4.78	87.31
Temporary	0.01	0.00	0.00	0.00
Total	637.78	13.33	38.27	689.37

The petitioner submits to Hon'ble Commission that No. of Consumers, Load and Sales as submitted above for FY 2020-21 are higher than estimates approved in MYT order primarily due to significant demand for JUSCO power supply on account of relatively lower tariff and better quality of service

4.3 Energy Balance

4.3.1 Considering the sales as projected above and distribution loss as approved in MYT order, the overall energy balance is estimated for FY 2020-21.

4.3.2 The Power Purchase from TSL & DVC 33 sources are estimated 7-8% higher considering the energy requirement for FY 2020-21 and physical interconnections of loads in the source end feeders. The losses are assumed at 2.50% for FY 2020-21 by licensee considering substantial growth in network and also LT consumer segment. The Energy balance for FY 2020-21 is provided in the table below:



Table 53: Energy Balance for FY 2020-21 (MUs)

Sr No	Particulars	Estimates Approved in MYT dt. 28.02.17	Revised Estimates
		FY 2020-21	FY 2020-21
1	ENERGY REQUIREMENT		
	Total Energy Sales	599.98	689.37
	Overall Distribution Losses %	2.00%	2.50%
	Overall Distribution Losses (MU)	12.24	17.23
	Total Energy Requirement	612.22	706.60
2	ENERGY AVAILABILITY		
	- From Tata Steel Ltd (A)	337.95	382.71
	- From DVC at 33 kV (B)	30.40	128.66
	- From DVC at 132 kV (C)	243.87	195.24
3	Total Pooled Energy Availability (A+B+C)	612.22	706.60

4.3.3 The petitioner requests Hon'ble Commission to approve the energy balance as tabulated above for FY 2020-21.

4.3.4 Petitioner would like to communicate that during the MYT order, Hon'ble Commission had considered merit order approach while approving the energy balance. Petitioner would like to communicate that such approach is not implementable in JUSCO as these sources are Load Feeders and petitioner don't have any imbedded Generation in its network. Loads drawn from these sources depends purely upon the load demand of consumers. Further Consumers can't be shifted from one source to another source under normal conditions due to physical distance and connectivity. Each individual feeder feeds power supply to different geographical areas. Interconnections (not synchronised) between these geographical areas are primarily for emergency supply and not for full demand of customer. Further as all these feeders originate from different sources, they can't be paralleled at distribution level, for technical reasons as their phase angle and other electrical parameters are different. Petitioner had already explained the detailed system interconnection diagram of the entire power distribution network. We request the Hon'ble Commission to consider these facts and kindly approve the Energy Balance as above for ARR Purpose.

4.4 Power Purchase Cost

4.4.1 The power purchase rate for TSL and DVC sources for FY 2020-21 is considered with **4% overall** increase over average power purchase rate of FY 2019-20 to cover up the inflationary increases.



4.4.2 Renewable Power Obligation for FY 2019-20: JUSCO purchases power from two sources viz (i) DVC and (ii) Tata Steel Limited. The RPO Obligation for the units purchases from DVC and Tata Steel rest with them and therefore RPO obligation on units purchased from Tata Steel and DVC are not considered for JUSCO. The same has already been discussed in **section 2.4.5** of this petition.

4.4.3 The details of projected power purchase quantum and cost for FY 2020-21 is given in table below:

Table 54: Total projected Power Purchase Cost FY 2020-21

Particulars	Estimates Approved vide T.O. dt. 28.2.2017 for FY 2020-21			Revised Estimates for FY 2020-21		
	MUs	Per Unit Cost	Cost (Rs.Crs)	MUs	Per Unit Cost	Cost (Rs.Crs)
132 KV	337.95	4.32	145.99	380.96	4.91920	187.40
6.6 KV				1.74	4.91920	0.86
Total from TSL Source	337.95	4.32	145.99	382.71	4.91920	188.26
DVC	274.27	4.90	134.31	323.90	4.35776	141.15
DVC (33 kv)	30.40	5.03	15.30	128.66	4.38804	56.46
DVC (132 kv)	243.87	4.88	119.01	195.24	4.33781	84.69
Total	612.22	4.58	280.31	706.60	4.66184	329.41

4.4.4 The Petitioner thus request the Hon'ble Commission to approve the projected total power purchase cost at **Rs. 329.41** Crs for FY 2020-21.

4.5 Operation and Maintenance Expenses for FY 2020-21

4.5.1 The Operation and Maintenance (O&M) Expenses includes Employee Cost, R&M Expenses and A&G Expenses. As per provision 6.6 of Tariff Regulations 2015, the expenses are to be claimed as below:

6.6 The above components shall be computed in the manner specified below:

a) $R\&M_n = K * GFA$

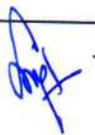
Where,

'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;

'GFA' is the opening value of the gross fixed asset of the nth year;

b) EMP_n (excluding terminal liabilities) + $A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}) + G_n$

Where,



INDX_n – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking with the efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

*c) $INDX_n = 0.55 * CPI_n + 0.45 * WPI_n$;*

Note 1: For the purpose of estimation, the same $INDX_n / INDX_{n-1}$ value shall be used for all years of the control period. However, the Commission will consider the actual values in the $INDX_n / INDX_{n-1}$ at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc. will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies.

4.5.2 Computation of Inflation Factor: The petitioner has considered same inflation factor of 4.92% (as considered for FY 2019-20) for FY 2020-21 which would be subject to true-up based on actual inflation movement in FY 2020-21.

4.5.3 Normative O&M Expenses: The petitioner has computed normative employee expenses, normative A&G expenses and normative R&M expenses for FY 2020-21 in same lines as FY 2019-20. The petitioner would like to present the normative O&M Expenses for FY 2020-21 based on normative principles as tabulated below:

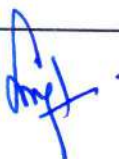


Table 55: Computation of Normative O&M expenses for FY 2020-21

Particulars	Units	Normative Computation
		FY 2020-21
Normative Employee Cost Calculation		
Employee Cost as per normative basis for FY 2019-20	Rs.Crs	12.76
Connected Load in FY 2019-20	kVA	2,62,253
Emp. cost per kVA for FY 2019-20	Rs/kVA	486.40
Weighted avg. inflation factor for FY 2020-21	%	4.92%
Emp. cost per kVA for FY 2020-21 with Inflation Factor	Rs/kVA	510.35
Connected Load in FY 2020-21	kVA	2,76,542
Employee Cost as per normative basis for FY 2020-21	Rs.Crs	14.11
Normative A&G Cost Calculation		
Normative A&G Costs for FY 2019-20	Rs.Crs	4.55
Add: Inflation factor for FY20-21	%	4.92%
Sub-total	Rs.Crs	4.77
Add: Load Growth Factor for FY 2020-21 (projected increase over FY 2019-20 load)	%	5.45%
Normative A&G Cost for FY 2020-21	Rs.Crs	5.03
Normative R&M Cost Calculation		
Opening GFA as on 1.4.2020	Rs.Crs	270.24
K Factor as per MYT Order	%	2.54%
Sub-total	Rs.Crs	6.86
Add: Inflation factor for FY 2020-21	%	4.92%
Normative R&M Cost for FY2020-21	Rs.Crs	7.20
Normative O&M Cost for FY2020-21	Rs.Crs	26.35

4.5.3.1 It is submitted that petitioner is here again deprived of the inflationary increases in R&M expenses (material, labour etc) and is allowed only expenses linked to Asset base. It is also submitted that the Tariff Regulations 2015 has ignored to make provision for statutory increases like wages & labour charges, service tax levy, GST levy, other taxes & duties etc while allowing the R&M expenses which has direct impact on the expenses of the company and the same are totally uncontrollable. Every business and each expense under it tend to be affected with inflationary increases and R&M expenses under distribution is no different.

4.5.3.2 It is submitted that several State Commissions have recognised this need and have considered the inflationary adjustment in R&M expenses. For e.g. Maharashtra State Electricity Regulatory Commission also allows Inflation on total O&M expenses (WPI-30% & CPI-70% on 5 years average increase). Gujrat State Electricity Regulatory Commission also allows 5.72% inflationary adjustment. Odisha State Electricity Regulatory Commission allows 5.4% on GFA plus special allowances to undertake critical activities f loss reduction, energy audit etc.



4.5.3.3 It is also submitted that K factor of 2.54 itself is low as it considers the base cost of the year FY 2014-15. This was the 7th year of operation of the Licensee and several maintenance activities which became due after 7 to 8 years were not part of such costs. Licensee has been trying hard to restrict the R&M costs, within the approved values, but it is unable to carry out the desired Repair and Maintenance actions which are required now, for the general upkeep and maintenance of the system. This is due to limitations of budget. To name a few activities include-

1. Civil repair of old substation buildings including external and internal painting,
2. Updating the electricity distribution network in Geographical Information System,
3. Load flow/ short circuit study and review of protection grading of the distribution network.
4. Various Work to secure the distribution network access & Right of Way.
5. Safety Audit of Customer Installations etc.

We would request the Hon'ble Commission to kindly consider the above submission and allow inflationary adjustment while approving the normative R&M expense.

4.6 Onetime Repair and Maintenance work proposed for FY2020-21:

Petitioner has estimated the additional R&M costs on some of the key work, the cost of which is not included in the historical baseline costs, but is needed to be executed now for efficient operations and request the Hon'ble Commission to kindly allow these expenditures as onetime R&M cost for executing these work:

Onetime Repair and Maintenance work proposed for FY2020-21			
Sl. No	Description	Estimated Cost (Rs Lakh)	Remarks
1	Repairing of approach road to 132/33 KV Main Grid Substation	43	This is the only approach to 4x56 MVA main 132kV Substation and was last repaired in 2007 during construction of substation.
2	Securing of the Right of Way and approach to various installations.	22	Required to make approach to several ABS & DOF installed by the side of drain/ road etc. In absence of proper approach there had been lot of vegetation growth and in some cases encroachment on the way.
3	Replacement of Old partly defective ABS & DOF.	30	Defective ABS and DOF will be replaced with panel type disconnection switch and Fuse unit.
4	Civil Repairing and External Painting of Substation building	58	Since its construction between 2007-2010, this substation building external repair has not been taken up. It is now due for repair for proper upkeep and maintenance.



5	Replacement of Battery Bank at TGS Substation	38	This is the 1st time replacement of battery bank and such costs are not included in the historical cost base. The average age of the battery system is in excess of 10 years.
Total		192	

We request the Hon'ble Commission to kindly allow these expenditures as one-time R&M expenditure, to ensure proper upkeep and health of distribution system. The detailed justification and costs for the same is included in **Annexure 9** of this petition.

4.7 Summary of O&M Expenses:

The summary of O&M expenses with respect to estimates approved in MYT order, normative amount and one-time R&M costs is given in the table below:

Table 56: Summary of O&M Expenses for FY 2020-21

Summary of O&M Expenses (Rs. Crs)		
Particulars	Estimates Approved in ARR at 28.02.17 (Rs.Crs)	Normative amount (Rs Crs) (Including One-time R&M Cost)
	FY 2020-21	FY 2020-21
A&G Costs	2.52	5.03
R&M Expenses	5.36	7.20
Employee Cost	8.00	14.11
Onetime Repair and Maintenance work proposed for FY2020-21	-	1.92
Total O&M Expenses	15.88	28.27

4.7.1 The petitioner would like to reiterate its submission made in previous chapter of FY 2019-20 that normative A&G expenses may be allowed with Inflation and Load Growth Factor and normative R&M expenses be allowed with GFA linked to 'K' factor with Inflation factor. Accordingly, the petitioner requests Hon'ble Commission to approve total O&M expenses at **Rs. 28.27 Crs** for FY 2020-21.

4.8 Capital Work in Progress, Gross Fixed Assets and Depreciation

4.8.1 The Capital Work in Progress (CWIP), Gross Fixed Assets (GFA) and the depreciation on GFA for FY 2020-21 are discussed hereunder. The table below provides the details of opening CWIP, Capital Expenditure estimated during the year, Capitalisation of Assets and the working of the depreciation for the year.



Table 57: Summary of CWIP, GFA and Depreciation for FY 2020-21

Particulars	FY 2020-21	
	Estimates Approved in ARR dt. 28.02.17 (Rs.Crs) *	Revised Target Based on Normative Values (Rs.Crs)
Capital Works in Progress (CWIP)		
Opening CWIP	29.74	25.67
Add: Capex during year	18.14	27.51
Total CWIP	47.88	53.18
Less: Trfd to GFA	20.71	40.83
Closing CWIP	27.17	12.35
Gross Fixed Assets (GFA)		
Opening GFA	211.01	270.24
Add: Trfd from CWIP	20.71	40.83
Closing GFA	231.72	311.07
Depreciation		
Depreciation for the FY	12.86	17.38
Less: Depreciation on Assets created out of consumer contribution	4.42	5.21
Net Depreciation	8.44	12.17

* Commission vide order dt 25.9.2018 (Case no.20 of 2018) has approved New Capex and Capitalisation as per petition of JUSCO. The same needs to be considered by Commission while approval of Capex and related elements.

4.8.2 Capital Works in Progress (CWIP): The petitioner has considered Opening CWIP for FY 2020-21 same as closing CWIP of FY 2019-20 from estimated figures in previous chapter. The scheme wise details of Capital Expenditure and Capitalisation are provided at **Annexure 4** of this petition.

4.8.3 However, the table below provides brief comparison of estimated approved figures vs estimated figures for FY 2020-21 including breakup of JUSCO Own capex and Consumer Contribution.

Table 58: Capital Expenditure FY 2020-21 (Own and Consumer Contribution)

Sr #	Summary of Expenditure Plan	Estimated Approved In MYT order (Rs.Crs) *	Revised Estimated Expenditure (Rs.Crs)	Remarks
1	Works for different scheme to Augment existing network, create new network to increase	13.06	20.21	Jusco's own capex



Sr #	Summary of Expenditure Plan	Estimated Approved in MYT order (Rs.Crs) *	Revised Estimated Expenditure (Rs.Crs)	Remarks
	area of coverage.			
2	Works for power connection to individual consumers	5.08	10.00	For last point connection, mainly through consumer's contribution.
3	Sub-total	18.14	30.21	
4	Increase / decrease in value of materials in Capital store	--	(2.7)	Additional materials purchased during year, to use them for capital works to meet the demand of consumers.
5	Total	18.14	27.51	

* including figures as per additional capital expenditure approved

4.8.4 It is submitted that petitioner is undertaking capital expenditure and resultant capitalization as per plan. Any variation in the capital expenditure and capitalisation is only to meet the growing demand of consumers and to serve them with reliable power supply.

4.8.5 The petitioner therefore requests the Hon'ble Commission to approve the Capital expenditure and Capitalization for FY 2020-21 as presented in above tables.

4.8.6 **Consumer Contribution:** The details of the Opening Consumer Contribution are taken from previous year figures and Consumer Contribution expected during the year is added. The details of estimation of consumer contribution are given in the table below:

Table 59: Details of Consumer Contribution for FY 2020-21

Particulars	FY 2020-21 (Rs.Crs)
Opening Consumer Contribution	81.01
Add: Consumer Contribution during the year	11.50
Less: Transfer to deferred Income / Depreciation during year	5.21
Closing Balance of Consumer Contribution	87.30

4.8.7 **Gross Fixed Assets:** The details of the Gross Fixed Assets for FY 2020-21 are considered as per capitalisation plan is estimated at Rs. **311.07** Crs.



4.8.8 Depreciation: The gross depreciation is computed based on weighted average rate of **5.98%** as explained in FY 2018-19 chapter and computed on pro-rata basis for assets created out of consumer contribution (last year figures of consumer contribution and depreciation). The calculation of gross and net depreciation is provided at **Table 57**.

4.8.9 Accordingly, the net depreciation to be charged for FY 2020-21 computes to Rs. **12.17** Crs as against Rs.8.44 Crs allowed by the Hon'ble Commission in MYT Order. The Petitioner therefore request to the Hon'ble Commission to kindly approve the net depreciation as above.

4.9 Interest and Finance Charges

4.9.1 The normative loans have been computed considering the Capital Investment Norm in the Regulatory regime in which Debt-Equity Ratio has been kept at 70:30. Therefore, deemed addition to the normative loans have been taken at 70% of the closing GFA net of Consumer Contribution reduced by the Accumulated Depreciation on own assets. The deemed repayment has been considered equivalent of the net depreciation cost for the financial year.

4.9.2 The table below shows the normative loan and normative equity to be added during the FY 2019-20 as per methodology adopted in orders of Commission. Normative loan is estimated based on estimated capitalization and consumer contribution during the year for FY 2020-21.

Table 60: Normative Loan & Equity added during FY 2020-21

Particulars	FY 2020-21 (Rs.Crs.)
Assets added during the year 2020-21	40.83
Less: Consumer Contribution during the year	11.50
Amount to be considered for normative Debt & Equity Addition for FY 2020-21	29.33
Equity Addition for FY 2020-21 @ 30%	8.80
Debt Addition for FY 2020-21 @ 70%	20.53

4.9.3 Interest on Normative Loan - The normative interest is computed on the average balance of loan during the financial year. The opening balance of normative loan has been taken from closing normative loan balance for FY 2019-20. Additions to loan account has been considered from above table and repayments are considered equal to depreciation. Further, in accordance with the regulation 6.24 and 6.25 of Distribution Tariff Regulations, 2015, the interest on normative loan has been calculated on the average normative loan as outstanding during the year. The rate of interest for the year is considered as applicable SBI Base Rate plus 200 basis points as on April 1st, 2019 i.e.**11.05%**. The normative interest comes to Rs. **6.01** Crs as against



Rs.3.97 Crs approved by Hon'ble Commission in MYT order. The table below provides calculation of Interest on Normative Loan for FY 2020-21.

Table 61: Interest on Normative Loan – FY 2020-21

Particulars	FY 2020-21	
	Estimates Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Target Based on Normative Values (Rs.Crs)
Opening Balance of Normative Loan	34.67	50.20
Add: Deemed Additions during the FY	9.43	20.53
Less: Deemed Repayments	8.44	12.17
Closing Balance of Normative Loan	35.66	58.56
Average Balance of Normative Loan	35.17	54.38
SBI base rate plus 200 bp as on 1st April 2019	11.30%	11.05%
Normative Interest Amount	3.97	6.01

4.9.4 Interest on Security Deposit - The petitioner in the table below has estimated the security deposit amount to be received during the year based on the growth expected in FY 2020-21. The table below provides the details of interest on security deposit.

Table 62: Interest on Security Deposit for FY 2020-21

Particulars	FY 2020-21	
	Estimates Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Estimates (Rs.Crs)
Opening security deposit	57.84	76.74
Security deposit received during FY	0.46	5.00
Closing security deposit	58.30	81.74
<i>Average security deposit</i>	58.07	79.24
SBI Base Rate (%) as on 1st April	9.30%	9.05%
Interest on security deposit	5.40	7.17

4.9.5 Finance Charges - The petitioner would like to submit that it has provided Bank Guarantee (BG) to DVC against payments to be made for power purchase. The petitioner has assumed same finance charges of Rs.15.00 Lakhs for FY 2020-21 as estimated for FY 2019-20.

4.9.6 Accordingly, the total Interest and Finance Charges for FY 2020-21 are summarized in the table below:



Table 63: Interest and Finance Charges for FY 2020-21

Particulars	FY 2020-21	
	Estimates Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Target Based on Normative Values
Normative interest amount	3.97	6.01
Interest on Security Deposit	5.40	7.17
Finance Charges	0.00	0.15
Total interest and finance charges	9.37	13.33

4.9.7 The Petitioner therefore request to the Hon'ble Commission to kindly approve the total interest and finance charge amounting to Rs.**13.33** Crs for FY 2020-21 as against approved Rs.9.37 Crs in MYT order.

4.10 Return on Equity

4.10.1 The deemed addition to the normative equity has been taken at 30% of Closing GFA net of Consumer Contribution. The normative return on equity is claimed @ **15.5%** which is the return prescribed under the Distribution Tariff Regulation 2015.

4.10.2 The Opening Balance of Equity for FY 2020-21 is taken as equal to the closing of FY 2019-20. The amount of equity addition for FY 2020-21 is explained in **Table 60**.

4.10.3 Income Tax: It is submitted that petitioner will claim income tax based on performance during APR submission of FY 2020-21.

4.10.4 The computation of ROE based on normative approach is as under:

Table 64: Return on Equity for FY 2020-21

Particulars	Estimates Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Target Based on Normative Values (Rs.Crs)
Opening Balance of Normative Equity	41.59	49.56
Add: Deemed Additions during the FY	4.04	8.80
Closing Balance of Normative Equity	45.63	58.36
Average Balance of Normative Equity	43.61	53.96
Rate of return on equity	15.50%	15.50%
Normative ROE Amount	6.76	8.36
Add: Income Tax on ROE		25.168%
ROE including income tax (Rs. Crs)	6.76	11.18



4.10.5 The Petitioner therefore requests the Hon'ble Commission to kindly approve the Return on Equity of **Rs. 11.18** Crs for FY 2020-21 as per above claim.

4.11 Non-Tariff Income

4.11.1 The petitioner projects that Non-tariff income for FY 2020-21 will be same as FY 2019-20 for the purpose of revised projections i.e. **Rs. 0.85 Crs.** The Hon'ble Commission is requested to kindly approve the same.

4.12 Revenue from Sale of power at Existing Tariff

4.12.1 It is submitted that revenue from sales of power at existing tariff is calculated based on load growth additions during year and as per prevailing tariffs. The details are given in the table below:

Table 65: Revenue from Sale of Power for FY 2020-21 (Existing Tariff)

Revenue from Sale of Power for FY 2020-21 at Existing Tariff											
S.No.	Consumer Category	No. of Consumers	Contract Demand	Connected Load-Unit	Connected Load-KVA *	MUs	Revenue from Fixed Charge	Revenue from Energy Charge	Rebate and Discounts	Total Revenue	Revenue per unit
1	2	3	4	5	6	7	8	9	10	11	12
A	Domestic	5,467			48,946	39.70	1.06	11.34	-	12.41	3.13
	Rural	862	1,535	KW	1,806	1.04	0.01	0.26	-	0.27	2.60
	Urban	4,565	30,226	KW	35,560	24.01	0.36	7.20	-	7.56	3.15
	DS HT	40	9,843	KW	11,580	14.65	0.69	3.88	-	4.58	3.12
B	Non Domestic (Commercial)	1,260			11,622	11.12	1.45	4.13	-	5.58	5.02
	Rural	33	224	KW	264	0.33		0.08	-	0.08	2.50
	Urban	1,227	9,655	KW	11,358	10.79	1.45	4.05	-	5.49	5.09
C	Low Tension Industrial	310			13,051	15.05	2.25	6.10	0.37	8.72	5.79
	LTIS Installation based	294	14,005	HP	12,296	13.82	2.10	5.60	0.37	8.07	5.84
	LTIS Demand based	16	859	HP	755	1.23	0.15	0.50	-	0.65	5.30
E	High Tension Service	260			1,71,350	521.75	40.10	268.70	(10.64)	298.16	5.71
	HTS 11 KV	228	73,254	KVA	73,254	185.97	17.14	95.78	(10.08)	102.84	5.53
	HTS 33 KV	32	98,096	KVA	98,096	335.78	22.95	172.93	(0.56)	195.32	5.82
F	HT Special S	27			38,845	101.76	17.01	38.16	(2.54)	52.63	5.17
	HTSS 11 KV	12	9,395	KVA	9,395	14.44	4.12	5.42	(2.27)	7.26	5.03
	HTSS 33 KV	15	29,450	KVA	29,450	87.31	12.90	32.74	(0.27)	45.37	5.20
G	Temporary	-	-			-	0.00	-	-	0.00	-
	Total	7,324			2,83,814	689.37	61.87	328.43	(12.81)	377.50	5.48

*Power Factor considered for the KVA calculation is 0.85

4.12.2 The Petitioner requests Hon'ble Commission to kindly approve the revenue of **Rs. 377.50** Crs from sale of power as per above table.



4.13 Summarised ARR and Revenue gap/ (surplus) for FY 2020-21

4.13.1 The APR and Revenue gap/ (surplus) for FY 2020-21 along with figures of MYT order are presented in the table below.

Table 66: Summarised ARR and Revenue gap/ (surplus) for FY 2020-21

Particulars	Revised Estimates Approved in ARR dt. 28.02.17 (Rs.Crs)	Revised Target Based on Normative Values (Rs.Crs)
	FY 2020-21	FY 2020-21
Power Purchase Cost	280.31	329.41
Employee Expenses	8.00	14.11
A&G Expenses	2.52	5.03
R&M Expenses	5.36	7.20
Depreciation	8.44	12.17
Interest on Normative loan	3.97	6.01
Interest on Security Deposit	5.40	7.17
Add: Return on Equity	6.76	11.18
Total Expenditure	320.76	392.28
Less: Non Tariff Income	0.12	0.85
Aggregate Revenue Requirement	320.65	391.43
Revenue from Sale of Power @ Existing Tariff		377.50
Revenue Gap / (Surplus) for FY 2020-21		13.94

4.13.2 The Hon'ble Commission is requested to kindly approve the projected revised ARR of Rs. **391.43** Crs and the resultant revenue gap/ (surplus) of Rs. **13.94** Crs for FY 2020-21.

4.14 Segregation of ARR into Wheeling and Retail costs

4.14.1 Based on the allocation policy approved by the Hon'ble Commission in MYT Order, the petitioner has segregated the ARR into wheeling business and supply business for FY 2020-21. The Wheeling charges per unit comes to **63.54** paise (about Rs. **0.64** /unit), as per this segregation of data of FY 2020-21, with total expected sales of MUs.



Table 67: Wheeling & Retail Segregation of ARR for FY 2020-21

Particulars	Wheeling %	Retail %	Total ARR (Rs.Crs)	Wheeling ARR (Rs.Crs)	Retail ARR (Rs.Crs)
Power Purchase Cost	0%	100%	329.41	-	329.41
Employee Expenses	60%	40%	14.11	8.47	5.65
A&G Expenses	50%	50%	5.03	2.52	2.52
R&M Expenses	90%	10%	7.20	6.48	0.72
Depreciation	90%	10%	12.17	10.95	1.22
Interest on Normative loan	90%	10%	6.01	5.41	0.60
Interest on Security Deposit	0%	100%	7.17	-	7.17
Add: Return on Equity	90%	10%	11.18	10.06	1.12
Total Expenditure			392.28	43.89	348.40
Less: Non Tariff Income	10%	90%	0.85	0.09	0.77
Aggregate Revenue Requirement			391.43	43.80	347.63
Projected Sales (MUs)				689.37	
Wheeling Tariff (Rs/kWh)				0.64	

4.14.2 The petitioner requests Hon'ble Commission to approve the same.



Chapter 5. Cumulative Gap/ (Surplus)

5.1 Cumulative Gap / (Surplus) till FY 2020-21

5.1.1 The revenue gap/ (surplus) as approved by Hon'ble Commission till FY 2015-16 in T.O. dated 07.06.2018 is taken as base for subsequent years. The carrying cost has been taken based on methodology adopted and approved by Commission in previous tariff orders i.e. Interest equivalent to prevailing SBI Base rate as on 1st April + 3.50%.

5.1.2 The Hon'ble Commission in review order dated 25.09.2018 revised O&M expenses for FY 2015-16 and hence there was change in sharing of gains/ (losses) from Rs. (0.94) Crs to Rs. (0.02) Crs and the resultant revenue gap/ (surplus) for FY 2015-16. The relevant extract from APR order and review order is given below which is duly considered by petitioner in the cumulative revenue gap/ (surplus) computed in subsequent table.

Table 68: Cumulative Revenue gap/ (surplus) as per T.O. dated 07.06.2018

Table 44: Cumulative Revenue gap and carrying cost upto FY 2017-18 (in Rs Cr)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Opening Revenue Gap/ (Surplus) as on 1 st April of the FY	(11.44)	(1.50)	21.87	19.84	11.45
Revenue Gap/ (Surplus) created during the year	8.12	20.09	(4.31)	(10.94)	(20.90)
Add/ Less: Incentives on T&D Losses/ Penalty on O&M expenses	1.15	1.67	-0.94	-	-
Total additions during the year	9.27	21.76	(5.25)	(10.94)	(20.90)
Rate of Interest (as per prevailing SBI PLR)	14.45%	14.75%	14.75%	12.80%	12.60%
Carrying Cost on Opening Balance	-	-	3.23	2.54	1.44
Carrying Cost on Additional Gap	0.67	1.60 *	-	-	-
Total Carrying Cost	0.67	1.60	3.23	2.54	1.44
Total Gap/ (Surplus) incl. Carrying Cost	(1.50)	21.87	19.84	11.45	(8.01)



Table 69: Revised Sharing of Gains/ (Losses) for FY 2015-16 as per Review Order dated 25.09.2018

Table 2: Revised Gains/ Losses for FY 2015-16 for JUSCO

Particulars	Units	Submitted by the Petitioner	Approved in order dated 7.6.2018	Approved now
Energy Sales	MU	465.75	465.75	465.75
Loss Target Set by Commission	%	2.50%	2.50%	2.50%
Energy Required at normative basis	MU	477.69	477.69	477.69
Actual achieved Distribution Loss	%	1.18%	1.18%	1.18%
Actual energy purchased	MU	471.31	471.31	471.31
Power Purchase Cost Claimed	Rs Cr	205.54	205.54	205.54
Average Power Purchase Cost	Rs/kWh	4.36	4.36	4.36
Energy Saved/Reduction in Power Purchase	MU	6.38	6.38	6.38
Saving in Power Cost	Rs Cr	2.78	2.78	2.78
Shared with Consumers (40%)	Rs Cr	1.11	1.11	1.11
Entitlement of JUSCO	Rs Cr	1.67	1.67	1.67
Penalty on O&M expenses	Rs Cr	-	-2.61	-1.69
Total Gains/Losses	Rs Cr	1.67	-0.94	-0.02

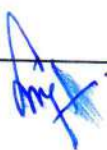
5.1.3 Based on the submissions for FY 2016-17, FY 2017-18 in previous petition and submissions of FY 2018-19, FY 2019-20 and FY 2020-21 in current petition, the cumulative revenue gap/ (surplus) till FY 2020-21 is presented in the table below.

Table 70: Cumulative Revenue gap/ (surplus) till FY 2020-21

Cumulative Revenue Gap / (Surplus) till FY 2020-21 (Rs.Crores) with existing tariff							
Particulars		FY 2015-16 *	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Revenue Gap/ (Surplus) as on 1st April of FY	A	21.87	20.76	12.64	(0.38)	7.79	11.64
Revenue Gap/ (Surplus) created during the year incl. Incentives/ Penalty on O&M exps	B	(4.31)	(10.78)	(14.61)	7.70	2.70	13.94
Add/ Less: Incentives/ Penalty	C	(0.02)	-	-	-	-	-
Total additions during the year	D=B+C	(4.33)	(10.78)	(14.61)	7.70	2.70	13.94
Rate of Interest (as per prevailing SBI Base Rate + 350 Bps)	E	14.75%	12.80%	12.60%	12.20%	12.55%	12.55%
Carrying Cost on Opening Balance	F=A*E	3.23	2.66	1.59	-	0.98	1.46
Carrying Cost on Additional Gap / (surplus)	G=E*D*0.5	-	-	-	0.47	0.17	0.87
Total Carrying Cost	H=E+G	3.23	2.66	1.59	0.47	1.15	2.34
Total Gap/ (Surplus) incl. Carrying Cost	I=A+D+H	20.76	12.64	(0.38)	7.79	11.64	27.91
Status of Revenue Gap / (Surplus) recognition/ approval by Commission		Done	Submitted	Submitted	Proposed	Proposed	Proposed

* Refer table 44 of Tariff order dated 7.6.2018 column FY 2015-16 (row 2)

** Commission vide review order dt 25.9.2018 has revised net gain/ (loss) from Rs.(0.94) Crs to Rs.(0.02) Crs.



proportion of fixed and variable cost and revenue for the petitioner is calculated for FY 2020-21, and has been presented in table given below.

Table 71: Calculation of Fixed & Variable component of ARR & Revenue for FY 2020-21

Particulars	Unit	Amount (Rs. Crs)
Total Annual Revenue Requirement	Rs. Crs	391.43
Lesss: Variable cost component of Power purchase cost	Rs. Crs	305.70
Net Fixed Charges componenet in ARR	Rs. Crs	85.74
Proportion of Fixed cost in ARR	%	22%
Proportion of Variable cost in ARR	%	78%
Total Revenue from Sale of Power	Rs. Crs	377.50
Fixed/ Demand Charges	Rs. Crs	61.87
Energy/ Variable Charges	Rs. Crs	315.62
Proportion of Fixed/ Demand charges	%	16%
Proportion of Energy/ Variable charges	%	84%

6.2.4 In current tariff structure, the recovery from fixed charges is **16%** of the total revenue, whereas the total fixed costs of the petitioner is **22%** of total ARR.

6.2.5 In view of the same, power tariff between Fixed charges and Energy charges should be adjusted gradually, say over a period of three to five years, so as to make the retail tariff cost structure reflective of the actual Fixed Cost.

6.3 Proposed changes in Tariff Schedule

6.3.1 The petitioner suggests that for the purpose of tariff alignment, in line with National Tariff Policy, the fixed part of tariff needs to be revised upward to make it more realistic & closer to Average Cost of supply.

6.3.2 Also, currently domestic tariff is cross subsidised and need to be increased to align with the provisions of National Tariff Policy, which states that tariff for individual category of consumers should be brought within +/- 20% of cost of supply. Also, consideration needs to be given to people belonging to lower strata of the society while fixing the tariff. Hence petitioner suggests for having consumption slabs for Domestic Rural and Urban as under:

- 0-200 units
- Above 200 units

6.3.3 Accordingly, tariff increase/ rationalisation has been proposed for Domestic Rural, Urban, DSHT and HTSS category.

6.3.4 In subsequent year(s), the petitioner would also like to merge the HTS with the HTSS category by aligning the tariffs linked to Cost of Supply in a phased manner.



Chapter 6. Tariff Philosophy

6.1 Tariff Philosophy

6.1.1 The petitioner proposes a tariff increase of overall 6% for ensuing year, with slightly higher increase in domestic category & HTSS, since their existing average tariffs are much less than the average cost of supply. This tariff increase has been proposed to ensure that the cumulative revenue gap for the petitioner is further reduced by the end of FY2020-21. After this tariff increase, cumulative revenue gap as on 31st March 2021 becomes **Rs. 3.36 Crs.**

6.1.2 The average cost of supply for FY 2020-21 is Rs. **5.6781** per unit, and the existing average tariff is Rs. **5.4760** per unit. For Domestic consumer category (rural consumers) the average tariff is Rs. **2.60** per unit, for Domestic urban consumers it is Rs. **3.15** per unit, and for Domestic HT consumers it is Rs. **3.12** per unit, while for HTSS the average tariff is Rs. **5.17** per unit.

6.1.3 In view of the above, the petitioner intends to adjust the tariff of Domestic Category & HTSS category such that their average tariff moves closer to the average cost of supply. Thus, tariff increases of about 6% only has been considered for most of the category except domestic & HTSS which are cross-subsidised today.

6.2 Analysis of fixed and variable costs of Licensee & Tariff Rationalisation

6.2.1 The petitioner again wants to reiterate the need for changes in certain tariff category and need for tariff rationalisation. The petitioner has been requesting Hon'ble Commission for Rationalisation of Tariff i.e. Fixed / Demand Charges linked to Fixed charges expenses and Energy Charges linked to variable components since last 2-3 years; however, petitioner is awaiting cognisance of the same from Commission.

6.2.2 The Commission in Tariff order dated 07.06.2018, para 10.3 has stated as under:
The Commission has scrutinized the proposals submitted by the Petitioner for changes in the categorization /tariff structure. Since the Commission has undertaken tariff simplification exercise and has reduced the number of slabs, the Commission has not undertaken tariff rationalisation exercise separately. Based on the revised tariff structure, the Petitioner may re-work its analysis of the fixed and variable cost structure vis-à-vis tariff recovery.

6.2.3 The petitioner submits that from his entire ARR, all costs except variable power purchase cost are fixed in nature i.e O&M and Financial Costs will be incurred / claimed in ARR irrespective of sale of energy. Hence petitioner has deducted power purchase variable charges from the total ARR to arrive at fixed cost obligation. The



- 6.3.5 As per the existing supply code regulation in the state all new consumer connections are to be provided with appropriate meter (Ref. Clause 5.4.3(e) of JSERC Electricity Supply Code, Regulations, 2015). Also, there are no unmetered connections in JUSCO network including rural consumers. In view of the same no tariff is proposed under the unmetered category expect for individual street light connections where metering becomes cost ineffective.
- 6.3.6 It is proposed to change the timing of period under the ToD tariff option to match the timing with the overall demand curve of petitioner network.
- 6.3.7 The petitioner would also like to bring to the notice of the Hon'ble Commission that if kVAh based billing is allowed and deems fit, the kVAh billing may also be incorporated for HT consumers in the tariff schedule. In such a case, the Rs/kVAh needs to be adjusted apprx. 3% downwards as compared to Rs/kwh as per estimate of the petitioner. We have also proposed an alternative tariff for HT Industrial consumer category based on kVAh billing.
- 6.3.8 Under HT category penalty for exceeding Contract Demand continuously for three months in a year is proposed to be levied at 200% in place of 150% existing.
- 6.3.9 In schedule for Miscellaneous Charges no changes have been proposed except Disconnection/Reconnection, as current level of disconnection / reconnection charges is not commensurate with the cost structure of the licensee.
- 6.4 Revenue from Sale of Power at Proposed Tariff**
- 6.4.1 Based on above philosophy and proposal and considering the consumption slabs for Domestic Rural and Urban LT consumers as under:
- 0-200 units
 - Above 200 units
- , the petitioner hereby submits the revenue from sale of power at proposed tariff for FY 2020-21 as under:



Table 72: Revenue from sale of Power for FY 2020-21 at Proposed Tariff

Revenue from Sale of Power for FY 2020-21 at Proposed Tariff												
S.No.	Customer Category	No. of Consumers	Contract Demand	Connected Load	Connected Load	Sales	Fixed/ Demand Charge	Energy Charge	Revenue from Fixed Charge	Revenue from Energy Charge	Revenue from Subsidies	Total Revenue
		Nos	kW/BHP/kVA	Unit	KVA	MUs	(Rs/Conn/month or Rs/kW/ month or Rs/kVA/ month)	Rs/kWh	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
1	2	3	4	5	6	7.00	8	9	10	11	12	13
A	Domestic	5,467	41,604	KW	86,312	39.70	-		1.29	12.93	0.00	14.21
	Rural	862	1,535	KW	1,806	1.04		2.85	0.02	0.30	0.00	0.31
	0-200 Units	690	1,228	KW	1,445	0.83	15	2.85	0.01	0.24		0.25
	Above 200 Units	172	307	KW	361	0.21	15	2.90	0.00	0.06		0.06
	Urban	4,565	30,226	KW	35,560	24.01			0.44	8.26	0.00	8.70
	0-200 Units	3,652	24,181	KW	28,448	19.21	80.0	3.40	0.35	6.53		6.88
	Above 200 Units	913	6,045	KW	7,112	4.80	80.0	3.60	0.09	1.73		1.82
	DS HT	40	9,843	KW	11,580	14.65	60	3.05	0.83	4.47	-	5.30
B	Non Domestic (Commercial)	1,260	9,879		11,622	11.12	-	-	1.74	4.13	-	5.87
	Rural	33	224	KW	264	0.33	-	2.65	-	0.09	-	0.09
	Urban	1,227	9,655	KW	11,358	10.79	150	3.75	1.74	4.05	-	5.78
C	Low Tension Industrial	310	14,864		13,051	15.05	-	-	2.70	6.10	0.37	9.17
	LTIS Installation based	294	14,005	HP	12,296	13.82	150	4.05	2.52	5.60	0.37	8.49
	LTIS Demand based	16	859	HP	755	1.23	200	4.10	0.18	0.51	-	0.69
E	High Tension Service	260	1,71,350		1,71,350	521.75	-	-	50.38	273.92	(10.64)	313.66
	HTS 11 KV	228	73,254	KVA	73,254	185.97	245	5.25	21.54	97.64	(10.08)	109.09
	HTS 33 KV	32	98,096	KVA	98,096	335.78	245	5.25	28.84	176.28	(0.56)	204.57
F	HT Special S	27	38,845		38,845	101.76	-	-	20.51	40.19	(2.54)	58.16
	HTSS 11 KV	12	9,395	KVA	9,395	14.44	440	3.95	4.96	5.70	(2.27)	8.39
	HTSS 33 KV	15	29,450	KVA	29,450	87.31	440	3.95	15.55	34.49	(0.27)	49.77
G	Temporary	-	-			-	-	-	-	-	-	-
	Total	7,324	2,76,542			689.37			76.61	337.37	(12.81)	401.18

*Power Factor considered for the KVA calculation is 0.85

6.4.2 The proposed average tariff increase in the Domestic category is approx. 15%, for HTSS Category it is approx. 10%, and for rest other categories it is approx. 5%, which lead to overall tariff increase of approx. 6% (Revenue at existing is ~Rs. 377.50 Crs and at proposed is ~ 401.18 Rs. Crs).

6.4.3 Based on the submissions for FY 2016-17, FY 2017-18 in previous petition and submissions of FY 2018-19, FY 2019-20 and FY 2020-21 in current petition, the cumulative revenue gap/ (surplus) till FY 2020-21 based on the above proposed tariff for FY 2020-21 is presented in the table below.

Table 73: Cumulative Revenue Gap/(Surplus) till FY 2020-21 for the Proposed Tariff

Cumulative Revenue Gap / (Surplus) till FY 2020-21 (Rs.Crores) with proposed tariff							
Particulars		FY 2015-16 *	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Revenue Gap/ (Surplus) as on 1st April of FY	A	21.87	20.76	12.64	(0.38)	7.79	11.64
Revenue Gap/ (Surplus) created during the year incl. Incentives/ Penalty on O&M exps	B	(4.31)	(10.78)	(14.61)	7.70	2.70	(9.75)
Add/ Less: Incentives/ Penalty on T&D loss	C	(0.02)	-	-	-	-	-
Total additions during the year	D=B+C	(4.33)	(10.78)	(14.61)	7.70	2.70	(9.75)
Rate of Interest (as per prevailing SBI Base Rate + 350 Bps)	E	14.75%	12.80%	12.60%	12.20%	12.55%	12.55%
Carrying Cost on Opening Balance	F=A*E	3.23	2.66	1.59	-	0.98	1.46
Carrying Cost on Additional Gap / (surplus)	G=E*D* 0.5	-	-	-	0.47	0.17	-
Total Carrying Cost	H=E+G	3.23	2.66	1.59	0.47	1.15	1.46
Total Gap/ (Surplus) incl. Carrying Cost	I=A+D+H	20.76	12.64	(0.38)	7.79	11.64	3.36
Status of Revenue Gap / (Surplus) recognition/ approval by Commission		Done	Submitted	Submitted	Proposed	Proposed	Proposed

* Refer table 44 of Tariff order dated 7.6.2018 column FY 2015-16 (row 2)

** Commission vide review order dt 25.9.2018 has revised net gain/ (loss) from Rs.(0.94) Crs to Rs.(0.02) Crs.



Chapter 7. Tariff Proposal

7.1 Retail Tariff Proposal

This chapter discusses the approach and philosophy for addition of categories, increases in tariffs.

7.2 Tariff Philosophy and Proposed tariff Schedule

7.2.1 The consumers classified under different categories will be charged different tariff for energy supplied to them as given below based on the nature of use of energy, supply voltage and demand of power

7.3 Domestic Service (DS)

7.3.1 Applicability:

- A. Domestic Service – LT (rural & Urban)
- B. Domestic Service - HT
- This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including Motors pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.
- This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/ Crematorium grounds and other recognised charitable institutions, where no rental or fees are charged by the institution for any service. If any fee or rentals are charged, such institution will be charged under Commercial category.

7.3.2 Category of Services

Domestic Service – Rural: For rural areas (including rural drinking water schemes) not covered by area indicated under DS-Urban.

Domestic Service – Urban: For Urban areas covered by Nagar Nigam, Nagar Parishad, Nagar Panchayat.

Domestic service – HT: This Schedule shall apply for domestic connection in Housing Colonies / Housing Complex / Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 33 kV or 11 KV voltage level. Individual households in the housing colonies/ multi-storeyed buildings/ housing complexes would pay the same tariff as applicable for this category.

7.3.3 Service Character



- For DS- LT (Rural and Urban): AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.
- For DS-HT: For HT: AC, 50 Cycles, at 11 KV or 33 kV

7.3.4 Proposed Tariff in the previous petition

Consumer Category	Existing tariff			Proposed tariff	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
Domestic	Unit	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
LT – Rural	₹/Conn/ Month	10	2.50	15	-
0-100 units					2.50
Above 100 units					2.65
LT – Urban	₹/Conn/ Month	65	3.00	75	-
0-100 units					3.00
Above 100 units					3.20
HT	₹/kVA/ Month	50	2.65	55	2.75

7.3.5 Proposed Tariff in the current petition

Consumer Category	Existing Tariff			Proposed Tariff	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
Domestic	Unit	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
LT-Rural	₹/Conn/ Month	10	2.5	15	-
0-200 Units					2.85
Above 200 Units					2.90
LT-Urban	₹/Conn/ Month	65	3	80	-
0-200 Units					3.40
Above 200 Units					3.60
HT	₹/kVA/ Month	50	2.65	60	3.05

7.3.6 Delayed Payment Surcharge:

- In accordance with **Clause IV of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

7.3.7 Prompt Payment Rebate/ Rebate for online payment

- In accordance with **Clause IX and Clause X of Terms & Conditions of Supply** of the present petition.

7.4 Commercial Service

7.4.1 Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private),



nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel – oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshala, and such other installations not covered under any other tariff schedule.

This schedule shall also applicable to electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments.

7.4.2 Service Category:

Commercial Service Rural: For Rural Areas not covered by area indicated for CS-Urban.

Commercial Service Urban: For Urban areas covered by Nagar Nigam, Nagar Parishad, Nagar Panchayat.

7.4.3 Service Character:

AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

7.4.4 Proposed Tariff in the previous petition:

Consumer Category	Existing Tariff			Proposed	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
Rural	₹/kW/Month	-	2.50	-	2.50
Urban	₹/kW/Month	125	3.75	125	3.75

7.4.5 Proposed Tariff in the current petition:



Consumer Category	Existing Tariff			Proposed	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
Rural	₹/kW/Month	-	2.5	-	2.65
Urban	₹/kW/Month	125	3.75	150	3.75

7.4.6 Delayed Payment Surcharge:

- In accordance with **Clause IV of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

7.4.7 Installation of Shunt capacitors:

- In accordance with **Clause VII as provided in section on Terms and conditions of supply** of the present petition.

7.4.8 Prompt Payment Rebate/ Rebate for online payment:

- In accordance with **Clause IX and Clause X of Terms & Conditions of Supply** as of the present Petition.

7.5 Industrial Services:

7.5.1 Applicability:

- Low Tension Industrial Service (LTIS)
- High Tension Voltage Supply Service (HTS)
- High Tension Special Service (HTSS)

Low Tension Industrial Service (LTIS): This schedule shall apply to all industrial units applying for a load of less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85.044 kW.

High Tension Voltage Supply Service (HTS): The schedule shall apply for consumers having contract demand above 100 kVA.

High Tension Special Service (HTSS): This tariff schedule shall apply to all consumers who have a contracted demand of 300 KVA and more for induction/arc Furnace. In case of induction/arc furnace consumers (applicable for existing and new consumers), the contract demand shall be based on the total capacity of the induction/arc furnace and the equipment as per manufacturer technical specification and not on the basis of measurement. This tariff schedule will not apply to casting units having induction furnace of melting capacity of 500 Kg or below.

7.5.2 Service Character:

Low Tension Industrial Service (LTIS): AC, 50 Cycles, Single Phase supply at 230 Volts or 3 Phase Supply at 400 volts. Demand Based tariff / Installation based tariff for sanctioned load upto 85.044 kW.



High Tension Industrial Service (HTS): 50 Cycles, 3 Phase at 6.6 kV / 11 kV / 33 kV / 132 kV / 220 kV / 400 kV

High Tension Special Service (HTSS): 50 Cycles, 3 Phase at 11 kV / 33 kV / 132 kV / 220 kV / 400 kV.

7.5.3 Proposed Tariff based on kWh in the previous petition

Consumer Category	Existing Tariff			Proposed	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate (₹/kWh)	Rate	Rate(₹/kWh)
LTIS – Demand based	₹/kVA/Month	170	4.05	170	4.05
LTIS – Installation based	₹/HP/Month	125	4.05	125	4.05
HTS	₹/kVA/Month	195	5.15	195	5.15
HTSS	₹/kVA/Month	365	3.75	370	3.85

7.5.4 Proposed Tariff based on kWh in the current petition

Consumer Category	Existing Tariff			Proposed	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate (₹/kWh)		Rate(₹/kWh)
LTIS – Demand based	₹/kVA/Month	170	4.05	200	4.1
LTIS – Installation based	₹/HP/Month	125	4.05	150	4.05
HTS	₹/kVA/Month	195	5.15	245	5.25
HTSS	₹/kVA/Month	365	3.75	440	3.95

Alternative Tariff for Industrial Service, based on kVAh billing-

As discussed in earlier section, alternative proposed for kVAh based billing is as given below. The Hon'ble Commission may decide upon kWh or kVAh billing as appropriate.

7.5.5 Tariff based on kVAh

Consumer Category	Existing Tariff			Proposed	
	Fixed Charges			Fixed Charges	Energy Charges
	Unit	Rate		Rate	Rate(₹/kVAh)
HTS	₹/kVA/Month			245	5.10
HTSS	₹/kVA/Month			440	3.83



- 7.5.6 LTIS – Demand Based:** The billing demand shall be the maximum demand recorded during the month or 50% of contract demand whichever is higher. In case actual demand is recorded at more than 100 kVA in any month, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumer will have to pay the bills applicable for HT category, along with other charges required for load enhancement.
- 7.5.7 HTS and HTSS:** The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Terms & Conditions of Supply.
- 7.5.8 Load Factor Rebate for HTS, HTSS:** In accordance with Clause VI of Terms & Conditions of Supply.
- 7.5.9 Voltage Rebate for HTS, HTSS:** In accordance with Clause V of Terms & Conditions of Supply.
- 7.5.10 TOD Tariff for HTS:** In accordance with Clause VIII as provided in section on Terms and conditions of supply of the present Order.
- 7.5.11 Delayed Payment Surcharge:** In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A12 of this Tariff Order.
- 7.5.12 Power Factor Penalty/ Rebate for LTIS:** In accordance with Clause II of Terms & Conditions of Supply.
- 7.5.13 Installation of Shunt Capacitors for LTIS:** In accordance with Clause VII of Terms & Conditions of Supply.
- 7.5.14 Prompt Payment Rebate/ Rebate for online payment:** In accordance with Clause IX and Clause X of Terms & Conditions of Supply

Load factor rebate and power factor rebate shall not be allowed to consumers with outstanding arrears.

7.6 Irrigation & Agriculture Service (IAS)

7.6.1 Applicability:

This schedule shall apply to all consumers for use of electrical energy for Agriculture purposes including tube wells and processing of the agricultural produce, confined to



Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, when operated by the agriculturist in the field or farm and does not include Rice mills, Flour mills, Oil mills, Dal mills, Rice-Hauler or expellers.

7.6.2 Service Character:

AC 50 Cycles, Single Phase at 230 volts / 3 Phase at 400 volts

7.6.3 Tariff:

Consumer Category	Existing Tariff			Proposed	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
All units	₹/HP/Month	20	3.70	22	3.92

7.6.4 Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply

7.6.5 Power Factor Penalty/Rebate: In accordance with Clause II of Terms & Conditions of Supply.

7.6.6 Prompt Payment Rebate/ Rebate for online payment: In accordance with Clause IX and Clause X of Terms & Conditions of Supply.

7.7 Institutional Services

7.7.1 This tariff schedule shall apply for use of Utilities/ Street Lighting system, Railway Traction, Military Engineering Services and Other Distribution Licensees.

7.7.2 Applicability:

Street Light Service (SS): This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, notified area committee, panchayats etc. and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than five.

Railway Traction (RTS) and Military Engineering Services (MES): This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defense cantonment and related area.



Other distribution licensees: This tariff schedule shall apply to other distribution licensees procuring power from JUSCO

7.7.3 Service Character:

- Street Light Service (SS): AC, 50 cycles, Three phase at 415V or 220V or 6.6 kV
- Railway Traction Service (RTS): AC, 50 cycles, Single phase at 132 kV.
- Military Engineering Services (MES): AC, 50 cycles, three phase at 11 KV/ 33 KV/ 132 kV
- Other Distribution Licensees: AC, 50 cycles, three phase at 11 KV/ 33 KV/ 132 kV

7.7.4 Tariff

Consumer Category	Existing Tariff			Proposed	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
Street Light	₹/Conn/ Month	50	5.00	60	5.20
Railway Traction Services, Military Engineering Services and Other Distribution Licensees*	₹/kVA/ Month	160	4.00	245	5.25

**Note: The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply mentioned in this Tariff Order.*

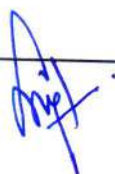
7.7.5 Maximum Demand for Railway Traction Services:

The demand charge shall be applied on maximum demand recorded or 75% of the contract-demand whichever is higher at any fifteen minutes time block for which the meter installed should have 15 minutes integration time.

7.7.6 Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply

Load factor rebate shall not be allowed to consumers with outstanding arrears.

7.7.7 Prompt Payment Rebate/ Rebate for online payment: In accordance with Clause IX and Clause X of Terms & Conditions of Supply



7.8 Temporary Connections

7.8.1 Applicability:

The Temporary tariff shall be applicable as per the following conditions:

Temporary tariff is proposed to be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.

7.8.2 Tariff:

Consumer Category	Existing		Proposed	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
	Rate	Rate(₹/kWh)	Rate	Rate(₹/kWh)
All units	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charges	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charges

7.9 Public Charging Infrastructure for Electric Vehicles (EV) :

Government of India have undertaken multiple initiatives to promote manufacturing and adoption of electric vehicles in India. With support of the Government, electric vehicles have started penetrating the Indian market. However, availability of adequate charging stations is one of the key requirements for accelerated adoption of electric vehicles in India. Thus, it is proposed that JUSCO would lay down an enabling infrastructure for electric vehicles by setting up 5 Public Charging Stations near its sub-station area in the Saraikela- Kharasawan License Area as a promotional measure.

Also, as per the revised guidelines & standards for charging infrastructure for electric vehicles issues by Ministry of Power on 1st October, 2019:

1. Private charging at residences/offices shall be permitted. Distribution companies may facilitate the same.
2. Setting up of Public Charging Stations (PCS) shall be a de-licensed activity and any individual/entity is free to set up public charging stations provided that, such stations meet the technical, safety as well as performance standards and protocols laid down in the revised guidelines as well as any further norms/ standards/ specifications laid down by Ministry of Power and Central Electricity Authority (CEA) from time to time
 - a. Any person seeking to set up a Public Charging Station may apply for connectivity and he shall be provided connectivity on priority by the Distribution Company licensee to supply power in the area



- b. Any Charging Station/ Chain of Charging Stations may also obtain electricity from any generation company through open access
- c. For these guidelines, Electric Vehicle Supply Equipment (EVSE) shall mean an element in EV infrastructure that supplies electric energy for recharging the electric vehicles

Thus, the petitioner requests the Commission to create a separate tariff category for public electric vehicle charging stations.

The Petitioner expects to commission (capex and capitalization) the Public Electric Vehicle Charging Stations by FY20-21. Thus, it requests the Hon'ble Commission to consider the additional Capital Expenditure and Capitalization for setting up the Public EV Charging Stations in FY20-21 to the tune of 2.5 Cr (50 Lakhs per station approx.). Since the capex and capitalization are not part of the original MYT plan, the petitioner is claiming this separately and requests Hon'ble Commission to approve the same along with the subsequent impact on Gross Fixed Assets balance, Depreciation, Interest on Loan, Return of Equity etc.

The petitioner proposes the below mentioned Tariff for FY20-21 only. Further, the petitioner would request the Commission to revisit and decide the Tariff for the category for future years later. For reference, the tariffs approved by various Commission in other States are provided in table below.

7.9.1 Public Electric Vehicle Charging Stations:

This schedule shall apply for all consumers using electrical energy for Public Electric Vehicles Charging Stations.

Service Character:

Rural: AC 50 Cycles, Single phase at 230 Volts.

Urban: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Proposed Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	
Rural	Rs./conn./month	40	6.00
Urban	Rs./conn./month	150	6.25

Delayed Payment Surcharge: As provided for other categories in the Tariff Order

Further, the petitioner proposes that the Tariff applicable for **Domestic Category consumption** shall be applicable for **Domestic Charging of Electric Vehicles**. (In line with the Ministry of Power revised Guidelines on 1st October, 2019)



7.10 Clauses of Terms and Conditions of supply

The Petitioner is hereby submitting following terms and conditions of supply besides terms and conditions provided in the JSERC (Electricity Supply Code), Regulations, 2015, for kind perusal of the Hon'ble Commission.

Clause I: Penalty for exceeding Billing/ Contract Demand

In case the consumer's actual recorded demand exceeds 110% of the contract demand, then demand charges shall be levied at penal rate, which will be 150% of applicable Demand charges on full exceeded demand.

In cases where contract demand is exceeded in more than 3 billing months in a financial year, penal rate will be 200% of applicable demand on months exceeding 3 months.

Clause II: Power factor Penalty/Rebate

Power Factor Penalty:

Power Factor Penalty will be applicable in case of maximum demand meters.

In case average power factor in a month for a consumer (i.e. up to 33 KV consumers) falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.01 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges, plus 3% for every fall below 0.30.

Power Factor Rebate:

Power Factor rebate will be applicable in case of maximum demand meters.

In case average power factor as maintained by the consumer (up to 33 KV consumers) is more than 90%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy shall be applicable.

Clause III: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of Electricity Duty/ Surcharge to the consumers under the Bihar Electricity Duty Act, 1948 as adopted by Jharkhand vide S.O. No. 117 dated 15.12.2000 and the rules framed there under as amended from time to time and any other Statutory levy which may take effect from time to time after making corrections for the loss in the distribution system.



Clause IV: Delayed Payment Surcharge

The Delayed Payment Surcharge will be levied for all consumers at the rate of 1.5% per month and part thereof for all consumer categories. The due date for making payment of energy bills or other charges shall be as stipulated in the JSERC (Supply Code) Regulations, 2015 and its amendments which is presently minimum 15 days after issue date of bill for LT Domestic, Commercial and Agriculture category and minimum 21 days after issue date of bill for other categories. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Clause V: Voltage Rebate

Voltage rebate will be applicable on energy charges as given below:

Consumer Category	Voltage Rebate
HTS & HTSS - 33 kV	3.00%
HTS & HTSS - 132 kV	5.00%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebates. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.

Clause VI: Load Factor Rebate

Load Factor rebate will be applicable on energy charges as given below:

Consumer Category	Load Factor Rebate
40 - 60 %	Nil
>60 - 70%	7.50%
>70 - 100%	10%

Note: The Load Factor rebate will be available only on energy charges on monthly basis and consumer with arrears shall not be eligible for the above rebates. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.



Clause VII: Installation of Shunt capacitors

All consumers having aggregate inductive load greater than 3 HP (2.2 kW) and above (except domestic and street lights), shall install capacitors of required KVAR rating provided in the following table:

Rating of individual Inductive Load in HP	kVAR rating of LT capacitors
3 to 5	1
5 to 7.5	2
7.5 to 10	3
10 to 15	4
15 to 20	6
20 to 30	7
30 to 40	10
40 to 50	10 – 15
50 to 100	20 - 30

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers does not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

No connection shall be released for any consumer having aggregate inductive load greater than 3 HP (2.2 kW) unless the capacitors of suitable rating are installed.

Clause VIII: TOD Tariff

TOD tariff proposed shall be applicable as follows-

- Off Peak Hours: 10:00 PM to 06:00 AM: 85% of normal rate of energy charge.
- Peak Hours: 06:00 AM to 10.00 AM and 6.00 PM to 10:00 PM: 120% of normal rate of energy charge.

Clause IX: Rebate for prompt payment

The due date for making payment of energy bills or other charges shall be as stipulated in the JSERC (Supply Code) Regulations, 2015 and its amendments which is presently minimum 15 days after issue date of bill for LT Domestic, Commercial and Agriculture category and minimum 21 days after issue date of bill for other categories. Rebate of 0.5% on the billed amount for payment of the bills within ten (10) days of issue date of bill for all the category of consumers shall be allowed.



Clause X: Rebate for online payment

To motivate the consumers to make online payment of the bills through online web portal or digital methods, a rebate of 1% (subject to a maximum of Rs 250) of the billed amount in addition to rebate @ 0.5% for prompt payment, shall be allowed. However, online payment rebate shall be applicable if the consumer makes full payment of the bill within due date.

Clause X: Other Terms & Conditions

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises.

Dishonoured Cheques

In the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs 300 or 0.5% of the billed amount, whichever is higher. The DPS shall be levied extra as per the applicable terms and conditions of DPS for the respective category.

Stopped/ defective meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued on the basis of average of previous twelve months consumption.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of sanctioned/ contract load on following load factor applicable to respective categories, as shown below:

Consumer Category	Load Factor
Domestic & Religious Institution	0.10
Non-Domestic	0.20
LTIS/ PHED LT	0.15
DS-HT	0.15
HTS	
11 KV/ PHED	0.25
33 KV / PHED	0.30
132/220/400 kV	0.50
HTSS	0.50
RTS	0.25



Consumer Category	Load Factor
RTS	0.25

Sale of energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/ entity.

Release of new connections

No new connections shall be provided without appropriate meter.

Conversion factors

The following shall be the conversion factors, as and where applicable: (PF=0.85):

1 Kilowatt (KW) = 1.176 Kilo Volt Ampere (kVA)

1 Kilowatt (KW) = 1 / 0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 Kilovolt ampere (KVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

Applicable as per 'Distribution Tariff Regulations, 2015' and as amended by the Commission from time to time.



7.11 Schedule of General and Miscellaneous Charges

Sr. No.	Purpose	Existing Scale of charges (₹)	Proposed Scale of Charges(₹)	Manner in which payment will be realized
1	Application fee			
	Agriculture	10	No Change	Application should be given in standard requisition form of the licensee which will be provided free of cost. Payable with energy bill
	Street light	20	No Change	
	Domestic	15 (Kutir Jyoti) 20 (Others)	No Change	
	Commercial	20	No Change	
	Other LT Categories	50	No Change	
	HTS	100	No Change	
	HTSS, EHTS, RTS	100	No Change	
2	Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application.			
	Agriculture	10	No Change	Payable with energy bill
	Domestic	30	No Change	
	Commercial	30	No Change	
	Other LT Categories	50	No Change	
	HT Supply	150	No Change	
3	Testing of Consumer Installation			
	First test and inspection free of charge but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection	100	No Change	Payable with energy bill
4	Meter test when accuracy disputed by consumer			
	Single Phase	40	No Change	If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be
	Three Phase	100	No Change	
	Trivector/special type meter	650	No Change	



Sr. No.	Purpose	Existing Scale of charges (₹)	Proposed Scale of Charges(₹)	Manner in which payment will be realized
				charged in the next energy bill.
5	Removing/Re-fixing the meter			
	Single Phase	50	No Change	Payable with energy bill
	Three Phase	100	No Change	
	Trivector/special type meter	300	No Change	
6	Changing of meter /meter equipment/fixing of sub meter on the request of the consumer/fixing of sub meter			
	Single Phase	50	No Change	Payable with energy bill
	Three Phase	100	No Change	
	Trivector/special type meter	300	No Change	
7	Resealing of meter when seals are found broken			
	Single Phase	25	No Change	Payable with energy bill
	Three Phase	50	No Change	
	Trivector/special type meter	100	No Change	
8	Replacement of meter card, if lost or damaged by consumer	10	No Change	Payable with energy bill
9	Fuse call – Replacement			
	Board fuse due to fault of consumer	30	No Change	Payable with energy bill
	Consumer Fuse	30	No Change	
10	Disconnection/Reconnection			
	Single Phase	100	500	Payable in advance along with the request by the consumer. If the same consumer is reconnected / disconnected within 12 months of last disconnection/ reconnection, 50% will be added to the charges
	Three Phase	200	700	
	LT Industrial Supply	600	1000	
	HT Supply	1000	1500	
11	Security Deposit			As per clause 8.2.8 – 8.2.20 of the JSERC (Electricity Supply code) Regulations, 2015
12	Meter Rent/ Month			As per clause 8.2.8 – 8.2.20 of the JSERC



Sr. No.	Purpose	Existing Scale of charges (₹)	Proposed Scale of Charges(₹)	Manner in which payment will be realized
				(Electricity Supply code) Regulations, 2015
	Domestic category- Single Phase/ Three Phase	20/ 50	No Change	Payable with energy bill
	LT meter with CT	250	No Change	
	11 KV at low voltage	400	No Change	
	11 KV at 6.6/ 11 KV	600	No Change	
	33 KV HT side	2500	No Change	
	132 KV	15000	No Change	
	RTS or 220 KV	15000	No Change	
13	Replacement of burnt meter	Cost of Meter	Cost of Meter	Payable with energy bill
14	Transformer Rent*			
	Upto 200 KVA	5500/ month	No Change	Payable with energy bill
	Above 200 KVA	7500/ month	No Change	

*Applicable for a 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable

Note:

Estimation of Disconnection / Reconnection Charges: The petitioner has worked out the cost involved in disconnection and reconnection of power connections. A team of supervisors, two technicians / lineman, two Security staff with One Vehicle & additional support on requirement costs about Rs. 10000/- per day. In a day, the team can disconnect / reconnect approximately 10 numbers of power connections. So, the average cost involved in disconnections are approximately Rs. 1000/-.

The approved charges with increase in previous tariff order are neither sufficient to recover the full cost of disconnection, nor provide adequate pressure on defaulting consumers to pay on time. Few consumers have become habitual of paying late, getting disconnections and again reconnections. These habits of defaulting consumers puts additional burden of power tariff to the good consumers. In view of the same, we have proposed disconnection / reconnection charges of Single phase, Three phase, Low Tension Industrial Supply, and HT supply, as Rs. 500/-, Rs. 700/-, Rs. 1000/-, and Rs. 1500/- per disconnection / reconnection respectively.



Chapter 8. Proposal for Open Access Charges for FY 2020-21

8.1 Proposal for Open Access Charges

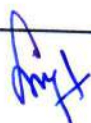
- 8.1.1 As per the provisions of Electricity Act 2003 the distribution utilities are mandated with Universal Service Obligation to consumers. Nationwide, the present tariff structure has cross subsidization mechanism whereby the tariff for some category of consumers are lower than cost of supply to them.
- 8.1.2 Open Access consumers are required to bear transmission charges, transmission losses, wheeling charges, wheeling losses, reactive charges, cross subsidy surcharge, additional surcharge, standby charges etc as may be applicable depending upon the voltage level at which open access power is availed and the charges as may be approved by Hon'ble Commission from time to time.
- 8.1.3 The petitioner submits that Section 2 (47) of the Electricity Act 2003 defines "Open Access", while Section 42 of the said Act inter-alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of "Cross Subsidy Surcharge", "Additional Surcharge" & other applicable charges.
- 8.1.4 Section 42 (2) of the Electricity Act 2003 provides following provisions wherein the powers have been given to State Commissions for specifying cross subsidy surcharge. The relevant part of the same is reproduced as under:

"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 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:"

*"to provide non-discriminatory open access to its transmission system for use by-
(i) any licensee or generating company on payment of the transmission charges ;
or
(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:*

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that the manner of payment and utilisation of the surcharge shall be specified by the State Commission:

- 8.1.5** Section 86 deals with the functions of State Commission and its sub-section (1) (a) reads as follows:

*"86. (1) The State Commission shall discharge the following functions, namely:
(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:
Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;"*

- 8.1.6** As per Clause 3.1 of the JSERC Distribution Tariff Regulations, 2015, the Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges. The relevant extract of the regulations has been reproduced below:

"3.1

...

Provided further that where the Commission has permitted open access to any category of consumers under Section 42 of the Act, the Commission shall determine the wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges in accordance with these Regulations and JSERC (Open Access



in Intra-State Transmission and Distribution) Regulations, 2005 and as amended from time to time;”

8.1.7 As per the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, the Open Access charges includes wheeling charges, wheeling losses, Cross subsidy charges and additional surcharge apportioned volt-age wise at HT/ EHT and LT levels.

8.1.8 In line with the directions of the Commission, the Petitioner hereby submit its proposal for the determination of open access charges for the FY 2020-21.

8.2 Wheeling charges

8.2.1 The petitioner hereby submits that it had provided the allocation ratio for Wheeling & Retail Supply business in line with Clause 5.5 of Tariff Regulations 2015 and as approved by its Board of Directors; however, the Commission approved allocation ratios in accordance with JSERC (Power Regulatory Accounting) Regulations, 2015. Accordingly, the allocation for wire and supply business for each ARR component for FY 2020-21 and the wheeling charges is given below:

Table 744 : Allocation and Wheeling charges for FY 2020-21

Wheeling and Retail ARR for FY 2020-21					
Particulars	Wheeling %	Retail %	Total ARR (Rs.Crs)	Wheeling ARR (Rs.Crs)	Retail ARR (Rs.Crs)
Power Purchase Cost	0%	100%	329.41	-	329.41
Employee Expenses	60%	40%	14.11	8.47	5.65
A&G Expenses	50%	50%	5.03	2.52	2.52
R&M Expenses	90%	10%	7.20	6.48	0.72
Depreciation	90%	10%	12.17	10.95	1.22
Interest on Normative loan	90%	10%	6.01	5.41	0.60
Interest on Security Deposit	0%	100%	7.17	-	7.17
Add: Return on Equity	90%	10%	11.18	10.06	1.12
Total Expenditure			392.28	43.89	348.40
Less: Non Tariff Income	10%	90%	0.85	0.09	0.77
Aggregate Revenue Requirement			391.43	43.80	347.63
Projected Sales (MUs)				689.37	
Wheeling Tariff (Rs/kWh)				0.64	



8.3 Cross Subsidy Surcharge

8.3.1 The Petitioner calculates Cross Subsidy Surcharge as per the methodology outlined in National Tariff Policy 2016. The methodology keeps the interest of distribution companies as well as consumers in mind while determining a mathematical formula, thus ensuring competition in electricity through open access is not constrained.

Surcharge formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where

- S is the surcharge
- T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation
- C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation
- D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level
- L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level
- R is the per unit cost of carrying regulatory assets.

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.

8.3.2 In line with the above formula and methodology adopted by Hon'ble Commission in previous tariff order, CSS for consumers connected to JUSCO is calculated as per table below based on existing tariffs:

Table 755 : Cross Subsidy Surcharge calculation for FY 2020-21

Consumer Categories	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-Power Purchase Cost (Rs/kWh)	L-System losses for applicable voltage	D-Wheeling Charge	Cross Subsidy Surcharge (Rs/kWh)
Domestic	LT	3.13	4.66	14.00%	0.64	-
Commercial	LT	5.02	4.66	14.00%	0.64	-
Industrial - LTIS	LT	5.79	4.66	14.00%	0.64	0.49
Industrial - HTS 11 kV	HT	5.53	4.66	1.31%	0.64	0.23
Industrial - HTS 33 kV	HT	5.82	4.66	1.31%	0.64	0.52
Industrial - HTSS 11 kV	HT	5.03	4.66	1.31%	0.64	-
Industrial - HTSS 33 kV	HT	5.20	4.66	1.31%	0.64	-



8.4 Additional Surcharge:

8.4.1 Section 8.5 of the National Tariff Policy 2016 provides following provision that deals with applicability of additional surcharge to be paid by open access consumers.

"8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges."

8.4.2 The petitioner craves for determination of additional surcharge on case to case basis and reserves its right to approach Commission for the same at appropriate time within the given provisions of applicable regulations.



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Annexure 2: TSL source wise Summary with Power Purchase bills for FY 2018-19	
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[Signature]