

# **JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION RANCHI**

**Suo-Motu Case No. 12 of 2011**

**In the matter of the Licensee - JSEB**

**Dated : 26<sup>th</sup> Nov. 2012**

## **Order**

The Suo-Motu proceeding was initiated on 09/02/2011 by the Commission to review the entire functioning of the Licensee-JSEB including the measures taken by them towards protecting the interest of the consumers and fulfilling the Standard of Performance (SoP) as laid down in JSERC ( Distribution Licensees' Standards of Performance) Regulations, 2005 wherein continuity and quality power supply is mandated. The proceeding is going on since more than 20 months and 25 hearings have been taken place .

Broadly the following issues have been covered in this proceeding :

- 1. Generation of Electricity.**
- 2. Strengthening of Transmission and Distribution Network.**
- 3. Energy Auditing and T&D Loss Reduction.**
- 4. Augmentation of Resources.**
- 5. Complaint Redressal Mechanism.**

- 1. Generation of Electricity :** The Licensee-JSEB has 10 generating units at Patratu Thermal Power Station. Presently as reported by the JSEB only Unit No. 4, 6 and 10 are functioning. Unit No. 9 is likely to be operational, after renovation, in two months time.

Units No. 4 and 6 are generating 35 MW each whereas Unit No. 10 is generating 90 MW.

The Tenughat Vidyut Nigam Limited which has two units of 210 MW each, and are generating about 185 MW each and this entire power is supplied to the Licensee - JSEB. Besides, the Licensee - JSEB is getting power from DVC as well as from the central pool. Except on some occasions, when the demand is very high, by and large availability of power in Jharkhand is comfortable. The demand for electricity is likely to go up to 2200 MW by the year 2016-2017, the availability will also increase with the commissioning of Ultra Mega Power Plants, Koderma (UMPP) -1000 MW, Dibang, AP (NHPC) -1000 MW and Darlipali, Orissa (NTPC) - 500 MW. Moreover, as stated earlier, Unit No. 9 of the PTPS is also likely to be operational within two months or so, adding around 90 MW of electricity.

There are several independent power producers who are setting up power plants in Jharkhand, a few of them are Adhunik Power, Corporate Ispat Alloy, ESSAR Power, Dalmia Power Limited and Abhijit Group. As per agreement, these private generators will be supplying 25% of their electricity generated to Jharkhand.

Moreover, JSEB has a hydel power generating plant at Sikidiri of 2X65 MW capacity. The generating station works during flood season to generate power 24 hrs. but in other seasons, it is used to meet the peak demand, depending on availability of water.

In view of the above, the Commission feels that there is no likelihood of shortage of power in Jharkhand except in case of the unforeseen reasons.

The Commission is aware that despite the availability of power, the JSEB is not able to supply power to consumers' because of transmission and distribution network problems, which are dealt in the coming paras.

- 2. Strengthening the Transmission and Distribution Network :** During the course of the hearing, the Commission came to know that 81 KMs of transmission line which belongs to Eastern Coal Field Ltd. (ECL) was not available to the Licensee-JSEB for use and as such there was a gap in the transmission network in the Santhal-Pargana area. The

Commission directed all concerned vide order dated 20<sup>th</sup> August 2011 to take up the matter at the highest level and sort it out. The relevant portion of the said order is reproduced as under :

*“The Commission is informed that the licensee-JSEB is feeling difficulty in execution of the works because some of the facilities belong to ECL. It has also been disclosed that negotiations with the ECL are going on to get their permission. It is not disclosed since when the negotiations are going on and how long it will take. It seems the concerned officers are very casual in their approach. If negotiations at their level are not bearing fruits, they should raise this issue at the Chief Secretary level through Secretary, Energy Department to sort out the issue immediately. The licensee-JSEB and the Department of Energy should apprise the Commission about the progress made on this aspect by the next date.”*

The Senior officials took up the matter seriously as a result the ECL allowed the use of the transmission line to the Licensee - JSEB and a 100 MVA transformer has been made operational in Santhal-Pargana, thereby making qualitative change in the supply of electricity in that area.

Another critical area from the point of transmission of electricity is Palamu region. The licensee is trying to connect the Palamu area with Hatia grid station (Ranchi) but forest clearance was a major hurdle. The Commission pursued the issue vigorously with all concerned i.e the officials of the JSEB, Forest Deptt. and district officials. Now the forest clearance has been granted by competent authority and the work of laying the transmission line is stated to be progressing satisfactorily. The Commission is informed that this connectivity is likely to be complete by March 2013 and thereafter, the supply of electricity to Palamu region will improve substantially.

The Commission is also aware that the major work of strengthening of transmission network has been entrusted to Power Grid Corporation of India Ltd. (PGCIL) with the compliance period of 20 months, whereas some of the extra High

Tension lines are being executed by the JSEB itself. The Commission believes that all these steps will go a long way in strengthening the transmission network.

During the course of this proceeding, the Commission has been informed that the works of distribution network upgradation is also going on. The progress made in this behalf has been noted by the Commission in its order dated 30<sup>th</sup> April 2011, the relevant portion of which is as under:

*“ On the last date of hearing, the JSEB was asked to provide information about the existing length of the distribution network. They have done it. According to the information submitted by JSEB, 33/11 KV Sub-Stations were 141 in 2001 which has increased to 236 in 2011. The distribution transformers have increased to 21,678 in 2011 from 15,621 in 2001. Similarly, length of 33 kV line which was 2,922 km in 2001 have gone upto 4,210 km in 2011 and length of 11 kV line have increased from 16,805 km in 2001 to 19,268 km in 2011. The length of LT line is 25,896 km in 2011 which was 23,158 km in 2001. These figures do indicate that the JSEB has increased its distribution network.*

*Similarly, there are additions in the transmission system as well. The information shows that the numbers of Grid Sub-Stations have increased to 24 in 2011 which were 16 in 2001. Similarly, length of 132 kV line has increased to 1698 km in 2011 which was 1628 km in 2001 and there are proposals to add 5 (five) Grid sub-stations and 2648 kms length of 132 kV line. The above figures indicate that the JSEB is trying to expand its transmission and distribution network.”*

There are several other issues in the distribution system which the licensee has to continuously review, monitor and take remedial steps. Periodical inspection of distribution transformers, rectification of loose span, analysis of the tripping and break downs and maintenance of sub-stations and periodical check up of protection equipments are some of such issues which needs constant attention. The Commission

has drawn attention of the licensee to these issues in its order dated 16<sup>th</sup> July 2011, the relevant Para is as under :

*“On the point of strengthening the Distribution and Transmission network, the licensee-JSEB has provided some additional information collected from the field offices. The information includes checking up of loose spans, inspection of Distribution Transformers and Power Transformers, installation of additional Transformers, augmentation of Distribution Sub-Stations and construction of Power Sub-Stations. A perusal of the information shows that it does not reflect the details of the work done by the field functionaries. The information should have included regarding loose spans – name of the feeder, location of the loose spans, materials required for rectification (if any) and action taken for that. Likewise regarding Distribution Transformers, the information should contain - location, make, serial number, capacity, whether AB switch is provided or not, Horn Gap set is available or not, what is the size of the HG fuse (if the HG fuse set is available), whether Transformer oil is available up to optimal level, condition of bushing rods, whether Transformer body and neutral are properly earthed or not, what is the condition of the earth pits viz. whether the earthing is proper or not, Tong tester readings (phase & neutral current and phase & and line voltage) and how many LT Distribution circuits are emanating. (It is better to have more than one circuit, so that I<sup>2</sup> R losses will be reduced). The Commission feels that the work of maintenance in the Distribution network is of utmost important and urgent to supply continuous and quality power to the consumers. Therefore, the Commission directs the licensee-JSEB to work out check-lists for each nature of work giving all the details so that the field staff does not have a chance to miss any item.”*

The information made available to the Commission by the licensee, shows that the field functionaries have started the maintenance work.

The Commission is aware that the Licensee - JSEB has already finalized franchisee for distribution of electricity for Ranchi and Jamshedpur electricity supply circle areas. The Commission is also informed that the franchisee for Dhanbad is also in

the process. The Commission feels that the distribution of electricity through franchisee will improve not only the quality of power supply but revenue collection as well.

- 3. Energy Auditing and T&D Loss Reduction :** The Licensee-JSEB has entered into an agreement with M/s HCL Info. System for establishing energy auditing mechanism for 30 designated towns under the R-APDRP programme. The Commission is informed that civil work of the data centre building is completed and other engineering work in the building is also in final stages. The work of installation of static meters for feeders and distribution transformers is also simultaneously in progress and out of the 684 meters to be installed, 250 meters have already been installed. It is expected that the entire system of energy auditing in the designated 30 towns will be operational by March 2013. Needless to say that energy audit is an important tool in understanding the reasons of T&D Losses and the licensee will be in a better position to take remedial measures. The Commission has also directed the Licensee-JSEB to prepare another project for the remaining areas as well so that energy audit system covers the entire licensed area of the licensee. This issue was highlighted in this proceeding in the order 16<sup>th</sup> July 2011, the relevant portion of which is reproduced as under :

*“ The show-cause has been filed by the licensee-JSEB along with additional information on the issues under consideration. The detailed time-lines have been provided reflecting various milestones in establishing IT system connecting the Headquarters with the field offices. The IT system will include the mechanism, which will be used for energy auditing as well. The licensee-JSEB is directed to adhere to the time-lines by monitoring the programme at regular intervals and remove the bottlenecks in time, if any, because this project is a prestigious one and will help the licensee-JSEB in identifying the causes of the T&D losses and reducing the same by taking appropriate corrective measures. This will also help in establishing the IT system as a whole. The Commission has been informed that this project is only for 30*

*designated towns leaving majority of the consumers outside the project. The licensee-JSEB is directed to prepare another project for the remaining areas as well.”*

The Commission has been informed that in order to reduce the T&D Losses, the Licensee is conducting anti-theft raids at regular intervals and instituting cases wherever necessary. The Commission is also aware that the field functionaries are conducting camps in theft prone areas to give new electricity connections. The Commission feels that physical disconnection of electricity of defaulting consumers can also be used as an effective tool to reduce the losses. The Commission, in consultation of the State Advisory Committee (SAC), worked out the guidelines for the licensees to reduce their T&D losses. These guidelines have been circulated to them for implementation.

- 4. Augmentation of Resources :** During the course of hearing, the Commission came to know that there are huge dues pending with the Govt. department consumers as well as with private consumers . At the initiative of the Commission, the Pr. Secy. Energy. Govt. of Jharkhand called a meeting of all such defaulting govt. consumers and emphasized the urgency of payment of the arrear bills and another meeting was held at Chief Secretary level also. The Commission is informed that some arrear bills were paid by the concerned departments and the Licensee – JSEB, as per decision in the meeting at the Chief Secretary level, have served arrear bills on all the defaulting Govt. consumers for payment. The Commission directs the Licensee to pursue the recovery of arrear bills from the defaulting Govt. departments in right earnest.

The Licensee-JSEB informed that the field functionaries are pursuing the recovery of arrear bills from the private consumers as well and are instituting certificate cases, in case the consumer is not making payments. The licensee informed that positive results are coming from the certificate courts. The Commission was informed that there

is shortage of Certificate Officers. The Commission directed the Govt. as well as the licensee to arrange Certificate Officers in adequate number for speedy disposal of the cases.

The JSERC ( Terms and Conditions for Determination of Distribution Tariff ) Regulations, 2010 provide for 100% billing and 100% collection. But the Commission is aware that the licensee is able to bill only about 85% of its consumers. On the collection side also only 65% of this billed amount is collected. Result is that the licensee is not getting the revenue it should. In the Tariff Order issued for the licensee for the year 2012-13 the Commission has suggested various measures for billing and collection.

**5. Complaint Redressal Mechanism :** The Licensee - JSEB is distributing electricity in the whole state. Obviously for the redressal of the consumers' grievances, one Consumer Grievance Redressal Forum at Ranchi was not sufficient. The Commission directed the licensee to establish four more CGRFs, one each at the revenue divisional head quarters i.e Hazaribagh, Chaibasa, Palamu and Santhal-Paragana. These four new CGRFs have become operational . The licensee has also been directed that all the field functionaries should hold camps at regular intervals in their respective areas for the redressal of grievances of the consumers and also notify their head quarter days so that people, who are not able to come to camps, are able to reach the officers in their offices.

Moreover, based on the experience gained through public hearings, consumers meet and proceeding in various cases, the Commission has built in comprehensive directives in the Tariff Order for the FY 2012 -13 for the licensee which are reproduced as under :

***“ SECTION 16: NEW DIRECTIVES***

***Strengthening of Transmission & Distribution Network***

**16.1** *The Commission directs the Petitioner to take appropriate steps in order to strengthen the Transmission & Distribution network. The Petitioner is directed to submit a detailed plan with expected benefits with the next tariff petition.*

**16.2** *In addition the Commission directs the Petitioner to implement safety measures in its network to avoid accidents which not only disrupt supply but also lead to loss of human life. The Commission also directs the Petitioner to update and implement its Safety Manual in line with the Provisions of Indian Electricity Rules to avoid such disruptions.*

#### ***Energy Audit & T&D Loss Reduction Plan***

**16.3** *The Commission directs the Petitioner to conduct its division-wise Energy Audit & prepare circle-wise T&D Loss Reduction Plan and submit the same to the Commission within six months of issue of this Tariff Order.*

#### ***SoP Implementation***

**16.4** *The Commission directs the Petitioner to submit progress reports on the implementation of Standards of Performance as per the JSERC (Standard of Performance) Regulations, 2005.*

#### ***Power Procurement Plan***

**16.5** *The Commission views that the short-term and long-term Power Purchase planning needs to be ratified by the Commission before implementation by the Petitioner, hence it directs the Petitioner to submit to the Commission a detailed Power Procurement Plan before the start of every financial year so that the Commission can review the need for purchasing and selling power and approve accordingly.*

#### ***Revenue from Free Power to Employees***

**16.6** *The Commission directs Petitioner to provide details of free power along with revenue not billed for such free power to employees in all subsequent audited accounts. Also, the Commission points out that no consideration in revenue will be allowed to the Petitioner on account of free power supplied by the Petitioner to its employees.*

#### ***Interest on Consumer Security Deposit***

**16.7** *The Commission directs the Petitioner to submit the action taken report on actual interest paid to consumers on security deposits along with details of rate of interest considered to the Commission with the next tariff Petition, failure to do so will invite penal action.*

**16.8** *The Commission also directs the Petitioner to prepare a list of consumers who have not been paid at the prevailing bank rate and clear the dues pending on the Petitioner with immediate effect.*

***Metering Plan***

***16.9 The Commission directs the Petitioner to provide status update to the Commission regarding category-wise defective/ burnt/ non-performing meters and action plan on replacement of these with the next tariff petition. The Commission also directs to prepare a metering plan to provide meters to all the unmetered consumers and also ensure that no new connection is released without a meter.***

***Bill Payment Mechanism***

***16.10 The Commission directs the Petitioner to strengthen the bill payment mechanism within six months of this Order, the failure to do so will invite penal action. The Petitioner should find ways and means to simplify the payment procedure and provide alternatives to the consumers such as online payment, payments through ATP machines, payment at multiple Banks, Kiosks etc***

***Reduction in Overtime Expenses***

***16.11 The Commission directs the Petitioner to take necessary steps to reduce the overtime expenses and submit action taken report with the next tariff petition, failing which the Commission will not allow any cost under overtime expenses.***

***Uploading of the Tariff Petition on Website***

***16.12 The Commission has observed that many objectors have raised objections on the error in downloading of the tariff petition from the website. The Commission notes this with serious concern and directs the Petitioner to ensure such errors are not repeated again in future.”***

From the above, the Commission is of the opinion that the Licensee - JSEB has taken several steps to move towards ensuring continuous quality supply of electricity, thereby fulfilling the Standard of Performance. As such, the purpose of initiation of this Suo-Motu proceeding, the Commission feels, has been served to a larger extent and therefore, this proceeding is closed at this stage.

Sd/-

Member (E)

Sd/-

Chairperson