



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 10 of 2022/ 233

Date: 02nd November 2022

To

The General Manager (C&RA)
Jharkhand Urja Sancharan Nigam Ltd.
JUSNL Building
Kusai Colony
Doranda, Ranchi-834002

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up of Transmission business for the FY 2018-19, Annual Performance Review (APR) for FY 2019-20 & Annual Revenue Requirement (ARR) for FY 2020-21 of Jharkhand Urja Sancharan Nigam Ltd. (JUSNL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 01.11.2022 passed by the Commission in Case (Tariff) No. 10 of 2022 along with office report dt. 01.11.2022 pointing out some discrepancies in the petition as cited.

A compliance report to this effect removing the discrepancies together with required additional data may please be sent within two weeks as ordered.

Thanking you.

Yours faithfully,

(R. P. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 10 of 2022

Jharkhand Urja Sancharan Nigam Limited (JUSNL)

Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	01.11.2022	<p>The petition dated 24.08.2021 of Jharkhand Urja Sancharan Nigam Limited (JUSNL) for True-up of Transmission business for the FY 2018-19, Annual Performance Review (APR) for FY 2019-20 & Annual Revenue Requirement (ARR) for FY 2020-21 has been scrutinized and several deficiencies/ discrepancies have been pointed out in the office report dated 01.11.2022.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within two weeks.</p> <p>Put on receipt of replies.</p>	
		<p>Sd/- Member (T)</p> <p>Sd/- Member (L)</p> <p>Sd/- Chairperson</p>	



Office Report

The petition dated 24.08.2021 of Jharkhand Urija Sancharan Nigam Limited (JUSNL) for True-up of Transmission business for the FY 2018-19, Annual Performance Review (APR) for FY 2019-20 & Annual Revenue Requirement (ARR) for FY 2020-21 has been scrutinized and several deficiencies/discrpancies have been found in the petition as indicated below:

First data gaps and queries in the Petition filed by Jharkhand Urija Sancharan Nigam Limited ('JUSNL' / 'Petitioner') for Trueing-up for FY 2018-19, APR of FY 2019-20 and ARR for FY 2020-21:

- i. *Petitioner to submit all the submissions verified by an affidavit (the replies in soft copy (word copy) and hard copy)*
- ii. *The information should also be submitted through email to: secretary@jserc.org*
- iii. *All the letters/ correspondences/ annexures should be submitted in MS Word, PDF and all the Formats / Templates & Models should be submitted in MS Excel with all linkage.*
- iv. *In case any submission which has already been submitted to the Commission and if the same is being referred here below, the same should be re-submitted to make it part of the present proceedings.*

The Petitioner is required to submit the following Information /data gaps:

A. True-up for FY 2018-19:

1. The Petitioner has claimed the O&M expenses on actual basis as per the annual accounts for the FY 2018-19. The Petitioner should submit the normative O&M expenses in line with the Regulation 7.36. The Petitioner also to submit the details of arrears paid in the FY 2018-19 on account of pay revision applicable from 1.1.2016. The Petitioner has submitted that major portion of the A&G expenses are of consultancy charges. The Petitioner to submit complete details of the same.
2. Further, the Petitioner has submitted that its employee strength is 50% of the overall sanctioned posts. However, as per the Format F5 (a), JUSNL is having working strength equal to 100% of the sanctioned strength. Petitioner to submit detailed clarification over the same. The Petitioner shall also submit the recruitment plan, approved posts, sanctioned strength, alongwith the status of the recruitment against each employee category in the past years i.e. from April 2017 upto March 2022.
3. The Petitioner is directed to submit the details of the capitalisation for the FY 2018-19 as per the format provided in the Annexure A. The Petitioner should also submit the DPRs for the all the projects capitalised in the FY 2018-19 alongwith detailed cost benefit analysis.
4. The Petitioner should submit the actual debt, equity, grant, consumer contribution etc. for the FY 2018-19 and those claimed in the true-up petition as per the format below:

(Amount in Rs. Crore)

Funding	As per the Actuals	Claimed in the True-up Petition
Debt		
Equity		
Grant		
Others (Consumer Contribution, deposit works, etc.)		
Total		

5. The Petitioner should submit the relevant documents for Loans Sanctioned along with the amount sanctioned and amount capitalised of the sanctioned loan for calculation of interest on loan.
6. The Petitioner is directed to submit the detailed computation of the Interest on Loan Claimed for the FY 2018-19. The Interest on Loans is claimed considering the loan amounts received from the State Government, while the same should be calculated only based on the part of Capitalisation financed by Debt. Hence, the Petitioner should submit the Interest Charges considering the actual capitalisation and repayment equal to depreciation. The Petitioner should also provide the computation of the weighted avg. interest rate applicable for the FY 2018-19 based on the actual long term loan portfolio of JUSNL.
7. The Equity component considered is more than the normative equity of 30% of the GFA. The Petitioner should justify considering the total equity amount for the FY 2018-19. The Petitioner should submit the same as per the relevant Regulations.
8. The Petitioner should submit the Normative Annual Transmission System Availability factor (NATSAF) (NATSAF) and month-wise availability for the FY 2018-19, alongwith the detailed computation of the element-wise and over system availability. The same shall be certified by the SLDC.
9. Fixed Asset Register upto FY 2018-19 alongwith asset category-wise and location-wise summary in excel.
10. The Petitioner to submit the actual transmission losses for the JUSNL system for FY 2018-19 certified by the SLDC.
11. Basis of considering interest rate of 12.20% for claiming interest on working capital for FY 2018-19.

B. APR for FY 2019-20 & ARR for FY 2020-21:

1. The Petitioner has claimed the O&M expenses by escalating the actual O&M expenses of FY 2018-19. The Petitioner should submit the normative O&M expenses in line with the Regulation 7.36 based on the normative expenses for FY 2018-19. The Petitioner also to

1. submit the details of arrears payable in the FY 2019-20 & FY 2020-21 on account of pay revision applicable from 1.1.2016.
2. The Petitioner shall also submit the recruitment plan, approved posts, sanctioned strength, alongwith expected recruitment in the FY 2019-20 & FY 2020-21.
3. The Petitioner is directed to submit the details of the projected capital expenditure and capitalisation for the FY 2019-20 & FY 2020-21 as per the format provided in the Annexure B. The Petitioner should also submit the DPRs for the all the projects projected to be capitalised in the FY 2019-20 & FY 2020-21 alongwith detailed cost benefit analysis.
4. The Petitioner should submit the proposed debt, equity, grant, consumer contribution etc. for the FY 2019-20 & FY 2020-21 as per the format below:

(Amount in Rs. Crore)

Funding	FY 2019-20	FY 2020-21
Debt		
Equity		
Grant		
Others (Consumer Contribution, deposit works, etc.)		
Total		

5. The Petitioner should submit the relevant documents for Loans Sanctioned along with the amount sanctioned and amount capitalised of the sanctioned loan for calculation of interest on loan for the FY 2019-20 & FY 2020-21.
6. The Petitioner is directed to submit the detailed computation of the Interest on Loan Claimed for the FY 2019-20 & FY 2020-21. The Interest on Loans is claimed considering the loan amounts received from the State Government, while the same should be calculated only based on the part of proposed Capitalisation financed by Debt. Hence, the Petitioner should submit the Interest Charges considering the proposed capitalisation and repayment equal to allowable depreciation. The Petitioner should also provide the computation of the interest rate considered for the FY 2019-20 & FY 2020-21.
7. The Equity component considered is more than the normative equity of 30% of the GFA for the FY 2019-20 & FY 2020-21. The Petitioner should justify considering the total equity amount for the FY 2019-20 & FY 2020-21. The Petitioner should submit the same as per the relevant Regulations.
8. The Petitioner to submit the intra-state transmission losses and transmission system availability considered for the FY 2019-20 & FY 2020-21 and basis of estimating the intra-state and inter-state energy as per the Format S6. The Petitioner should submit the reasons for estimating higher losses for the FY 2019-20 & FY 2020-21.
9. Basis of considering interest rate of 12.55% 11.65% for claiming interest on working capital for FY 2019-20 & FY 2020-21 respectively.

10. Detailed computation of the revenue gap and the carrying cost in excel file as per the "Table 54 Cumulative Revenue Gap" in the petition.
11. The Petitioner has claimed Rs. 3033.21 crore of capitalisation during the FY 2020-21, which is significantly high as compared to the past years. The Petitioner is required to submit detailed justification for the same and breakup of the year-on-year assets pending for capitalisation upto March 2021.

C. Others:

1. The Petitioner to submit the detailed reasons towards the exceptions/comments raised by the Auditor in auditor reports for the FY 2018-19. Status of compliances and addressing the issues raised in the reports alongwith steps taken to rectify these exceptions.
2. Status of the Energy Accounting and audit of its transmission system based on the energy meters installed.
3. Details of PPP/TBCB transmission system projects implemented or awarded till date or to be awarded or implemented in future.
4. Details to submitted in respect of the efforts made by the Petitioner for re-financing of the loan or conversion of loan to grant by the state government.
5. Status of segregation of SLDC from JUSNL.
6. Status and compliances of various directives issued by the Commission in the past orders.
7. The petitioner is directed to submit the following linked files:
 - a. "Projects capitalization ARR 19-20.xlsx"
 - b. "FINAL ACCOUNTS 2018-19 (C&RA).xlsx"
8. Petitioner to submit the complete filled up formats: S6, F1, F8B, F9, F10, F12, F14, F16, FT3, P1, P3, P5, P6 & P8.


Secretary

Annexure A

S. No.	Scheme / Project / Asset	Date of Prior Administrative & Regulatory Approval*	Capital Cost (Rs. Crore) as approved in Business Plan/Ori ginal Estimate	Total Capitali sation as on COD (Rs. crore)	Total Interest Capitali sation as on COD (Rs. crore)	Total Establis hment Expense & other expense Capitali sation as on COD (Rs. crore)	Reason of Deviatio n (in case of Cost overrun)	SCOD	Actual COD	Reason of Delay (in case of time overrun)	Actual Equity Deployed (Rs. Crore)	Loan (Rs. Crore)	Grant / Consum er Contrib ution, etc. (Rs. Crore) if any	Detailed Year-on-year Physical Progress upto March 2019
1.	Schem e 1													
2.	Schem e 2													
3.	Schem e 3													
4.													
5.													
6.	..													
7.														

*Copy of the order to be submitted for each scheme

Annexure B

S · N o ·	Schem e/ Project / Asset	Dat e of Pri or Ad min istr ative & Reg ulat ory Ap pro val *	Capit al Cost (Rs. Cror e) as app roved in Busin ess Plan/ Origi nal Esti mate	SC O D	Capi tal Exp endi ture upto Mar ch 2019	Capital Expenditure in FY 2019-20		Capital Expenditure in FY 2020-21		Capitalisation in FY 2019-20		Capitalisation in FY 2020-21		Equi ty (Rs. Cror e)	Loa n (Rs. Cro re)	Grant / Consumer Contributi on, etc. (Rs. Crore) if any	Detailed Year-on- year Physical Progress upto March 2021
						Appro ved	Clai med	Appro ved	Clai med	Appro ved	Clai med	Appro ved	Clai med				
1.	Scheme 1																
2.	Scheme 2																
3.	Scheme 3																
4.																
5.																
6.	..																
7.																	

**Copy of the order to be submitted for each scheme*