



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.04 of 2020/401

Date: 28th January 2021

To

Shri K. K. Verma
Executive Director (C&R)
Jharkhand Bijli Vitran Nigam Limited (JBVNL)
Engineering Building, H.E.C.
Dhurva, Ranchi – 834004

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for Truing-up for FY 2019-20, APR for FY 2020-21 and ARR for MYT Control Period for FY 2021-22 to FY 2025-26 of Jharkhand Bijli Vitran Nigam Limited (JBVNL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dated 28.01.2021 passed by the Commission in Case (Tariff) No. 04 of 2020 along with office report dated 27.01.2021 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 order.

Thanking you.

Encl. – As stated above.

Yours faithfully,


(R. P. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 04 of 2020

Jharkhand Bijli Vitran Nigam Limited (JBVNL)

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Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	28.01.2021	<p>The petition dated 01.12.2020 of Jharkhand Bijli Vitran Nigam Limited (JBVNL) for Truing-up for FY 2019-20, APR for FY 2020-21 and ARR for MYT Control Period for FY 2021-22 to FY 2025-26 have been scrutinized and several deficiencies/discrepancies have been pointed out in the office report dated 27.01.2021.</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 style="text-align: right;">Sd/- Member (L)</p>	



Office Report

The petition dated 01.12.2020 of Jharkhand Bijli Vitran Nigam Limited (JBVNL) for Truing-up for FY 2019-20, APR for FY 2020-21 and ARR for MYT Control Period for FY 2021-22 to FY 2025-26 have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

General

1. The Petitioner is required to confirm whether the Petitioner has complied with the Clause 12.5 of the JSERC (Conduct of Business) Regulations, 2016.

True up for FY 2019-20

1. It is observed that the Petitioner has submitted the provisional accounts for FY 2019-20. The Petitioner is required to submit the complete final audited accounts for FY 2019-20 along with auditor reports/comments/remarks for carrying out the true up.
2. The Petitioner should submit the MS Excel ARR Model including revenue model with proper linkages and formulas.
3. The Petitioner is directed to submit the consumer category wise sales duly certified by the statutory auditor. Further, as communicated by the Petitioner, in its Petition, 100% metering is still in progress for rural consumers, hence, the Petitioner is required to demonstrate how they are measuring the sales to un-metered consumers/areas.
4. The Petitioner is required to provide the basis for scheduling of power from each source on daily basis. Further, the Petitioner is required to demonstrate along with documentary evidence that Merit Order Dispatch (MOD) is followed while scheduling the power.
5. The Petitioner is required to provide the documentary evidence in support of power purchase quantum and expenses as claimed by the Petitioner (Table -2 of Petition). Further, the Petitioner is also required to bifurcate each component of power purchase cost and submit in the format (excel) attached as Annexure-1 along with actual payment made to generating plant.
6. It is observed that the Petitioner has claimed adjustment (credit) of Rs. 2.96 Crore in APRNL power purchase bill. The Petitioner is required to provide the detail for the same.

7. It is observed, in the case of Rungta Mines, the Petitioner has shown the units purchase as 20.45 MU and cost as (negative) Rs. -2.11 Crore. The Petitioner is required to submit the reason for negative power purchase cost.
8. The Petitioner is required to provide the documentary evidence towards its claim of Rs. 210.24 Crore against PGCIL bills. Further, the Petitioner is required to provide the details of Delay payment Surcharge and payment made for previous years, if any.
9. It is observed that the Petitioner has claimed the UI Payable (Rs. 66.84 Crore) at Rs. 6.02/kWh. The Petitioner is required to submit UI penalty paid against overdrawal in FY 2019-20..
10. It is observed that the Transmission losses of 5.17% for FY 2019-20 has been considered by the Petitioner against the approved Transmission Loss of 2.23% in the MYT Order dated February 24, 2018. The Petitioner should justify its claim of higher transmission losses along with documentary evidence that such losses are to the account of JUSNL.
11. The Petitioner should submit the basis and detail (excel) calculation for considering intra-state transmission charges of Rs. 206.28 Crore for FY 2019-20 and also provide the details of actual payment made against the claimed amount.
12. The Petitioner is required to provide justification for the increase in Employee expenses from the approved value of Rs. 288.87 Crore vis-a-vis the actuals of Rs. 306.71 Crore.
13. It is observed that the Petitioner has claimed normative debt-equity ratio of 70:30 to calculate Normative Equity and normative loan. The Petitioner is required to provide the details regarding source of Debt and Equity for the capital expenditure and capitalisation as claimed for FY 2019-20.
14. The Petitioner is required to provide the detail of activities carried out under each capex plan as claimed for FY 2019-20. Further, the Petitioner is also required to provide comparison with approved scheme along with approved amount.
15. The Petitioner is required to provide the documentary evidence of Grants and Consumer Contribution as submitted in the Petition. Further, the Petitioner is also required to provide the detail of actual amount received under grants and Consumer Contribution.
16. The Petitioner should submit the detailed scheme-wise comparison of capitalization approved by the Commission vis-a-vis claimed for FY 2019-20. Further, in addition to above, the Petitioner is required to provide the project/scheme completion certificate certifying that the project/scheme is completed and in operation/put to use.
17. The Petitioner should submit the details of the actual loan portfolio as on 1st April, 2019, for calculation of weighted average rate of interest as per Regulation 6.24 of the Tariff Regulations, 2015.

18. It is observed that the Petitioner had claimed Interest on Consumer Security Deposit (CSD) as Rs. 54.04 Crore. The Petitioner is required to provide the details of actual interest disbursed to consumers against the claimed amount.
19. The Petitioner in its petition has proposed to adjust the difference between the Commission's approved collection efficiency (100%) and actual collection efficiency (86.70%) against RGF as per letter dated July 14, 2014 of Energy Department, Government of Jharkhand. The Petitioner is required to provide the letter as mentioned above.
20. It is observed that the Petitioner had requested to relax target for T&D loss from 14% to 18% for calculation of disallowance. The Petitioner is required to provide the reason for deviation from the approved target.
21. It is observed that as per the Petitioner's audited account for FY 2019-20, the State Government has granted Rs. 600 Crore under the head of Grants-in-aid for debt services. The Petitioner is directed to detail for which purpose/scheme the same has been disbursed.

APR for FY 2020-21

22. It is observed that the Petitioner has projected the Transmission and Scheduling Charges by escalating the actual transmission and scheduling charges for FY 2019-20 by 5%. The Petitioner is required to provide the basis for such escalation and actual transmission and scheduling charges for the FY 2020-21 (till Dec'20).
23. The Petitioner has projected the Power Purchase cost from new NTPC plants at Rs. 4.00 kWh (Energy Charge- Rs 1.75/kWh and Capacity Charge-Rs 2.25/kWh). The Petitioner is required to provide the basis for such assumption.
24. The Petitioner is required to provide the basis for claim of UI Payable, UI Receivable, PTC (IEX) Purchase, PTC (IEX) Sale and Supplementary Bill/REA for FY 2020-21.
25. It is observed that the Petitioner has claimed Transmission losses as 5.00% for FY 2020-21 against the approved value of 2.23% in the MYT Order dated February 24, 2018. The Petitioner is required to provide the basis for same.
26. It is observed that the Petitioner has claimed normative debt-equity ratio of 70:30 to calculate Normative Equity and normative loan. The Petitioner is required to provide the detail regarding source of funding for the capital expenditure and capitalisation as claimed for FY 2020-21.
27. It is observed that there is deviation in the capital expenditure and capitalisation plan as proposed by the Petitioner vis-à-vis approved by the Commission for FY 2020-21. The Petitioner is required to provide the proper reasoning for the same and scheme wise

source of funding. In addition to above, the Petitioner is also required to provide the detail of physical progress of work till Dec'20 along with project completion certificate in support of the same.

28. The Petitioner is required to provide the basis for claim of Rs. 2443.46 Crore towards Consumer Contribution & Grants (CCG) against the approved value of Rs. 4315.58 Crore by the Commission.
29. The Petitioner requested to revise the target of T&D loss as 18% against 13% approved by the Commission for FY 2020-21. The Petitioner is required to provide under which clause of MYT Regulation, the Petitioner had made such relaxation in claim of T&D loss.

Business Plan

30. As per Clause 6.7 of MYT Distribution Regulations, 2020, the Petitioner is required to provide the purpose of investment, DPR & Load Flow Analysis, Capital Structure, Capitalization Schedule, Implementation schedule including timelines, Cost-benefit analysis and Rate reasonability, etc. The Petitioner is required to comply the MYT regulations and provide the above said detail.
31. The Petitioner in its Petition has submitted that in order to cater to the load growth and addition of new consumers in the system, the State has kept aside budget apart from centrally sponsored scheme in the form of Annual Development Plan (ADP) budget. In FY 2020-21, a budget of Rs. 290 Crore has been sanctioned, but the amount hasn't been received. The funding of ADP is provided by State Government in form of loan bearing interest rate of 13% per annum. The Petitioner further added that such loans from State Government have never been serviced by JBVNL and are most likely to be converted to grant at a future date. The Petitioner is directed to clearly specify such type of funding from State Government for the projected capex for the Control period from FY 2021-22 to FY 2025-26.
32. It is observed that the Petitioner has not provided the detailed basis and reasoning for projection of number of consumers, Connected Load and Sales for the MYT period from FY 2021-22 to FY 2025-26. Therefore, the Petitioner is required to provide the detailed basis along with reasoning for projection in workable excel format with proper linkage.
33. The Petitioner is required to provide the following details of Power Purchase Agreements (PPA) entered with Generating Plants in the format enclosed as Annexure-2.
34. The Petitioner has submitted that for making projection for power purchase quantum and per unit cost from each generating source for the Control period from FY 2021-22 to FY 2025-26, the provisional values of FY 2020-21 has been considered, with certain adjustments based on the relevant information about availability of source of generation

and escalation. The Petitioner is directed to provide the source wise detailed basis of assumption and adjustments made while projecting the power purchase quantum and per unit cost from each source for the Control Period.

35. It is observed that the Petitioner has not provided the estimated manpower requirement for the next Control Period. Further, the Petitioner has also not provided the details of existing arrangement/manpower including Contractual employees in the Petition. The Petitioner is required to provide the details of existing manpower including Contractual employees along with projection for each year of the Control period.
36. The Petitioner is directed to provide the detailed break up of actual Employee Expenses, R&M Expenses & A&G Expenses along with break-up of the Legal/Litigation Expenses for the previous Years (FY 2015-16 to FY 2019-20) duly certified by the Statutory Auditor of the Company as required under Regulation 6.11 of the JSERC MYT Regulations, 2020.
37. The Petitioner has projected the transmission loss and distribution loss at 5% and 15% for each year of the Control period against the approved Transmission Loss of 2.23% in the MYT Order dated February 24, 2018 and distribution loss of 13% for FY 2020-21. The Petitioner is required to provide the justification for projecting higher losses than earlier approved values.

MYT Petition for Control Period from FY 2021-22 to FY 2025-26

38. The Petitioner is required to provide the component-wise details of Non-Tariff Income (NTI) on actual basis for the period from FY 2015-16 to FY 2019-20.
39. The Petitioner submitted that they have not considered any effect of RGF for FY 2020-21 as per letter no. 4040 dated 20.10.2017 by Energy Department, Govt. of Jharkhand. The Petitioner is required to furnish the letter.
40. The Petitioner submitted that in compliance to Commission's Order dated September 21, 2020 (Case no. (Suo-Moto): 15 of 2020) regarding relief to the consumers due to lock-down imposed by the Government to contain the spike COVID-19, the Petitioner has incurred loss of Rs. 86.85 Crore and requested to pass the same in the ARR for FY 2021-22. The Petitioner is directed to provide the detail along with audited certificate certifying the above submitted impact along with necessary computations.
41. The Petitioner should submit the calculation of voltage-wise wheeling charges, Cross-Subsidy Surcharge and Additional Surcharge for FY 2021-22 in MS Excel format along with assumptions and detailed approach and methodology.

42. The Petitioner is required to provide the following year wise details of each consumer category (as approved by the Commission in its latest Tariff Order of JBVNL) for FY 2015-16 to FY 2019-20 duly certified by the Statutory Auditor.

Sl. No.	Consumer Category	Contracted Load (kW/kVA)	Sales (MU)
1	DS-Rural (upto 5 kW)		
2	DS-Urban (upto 5 kW)		
3	DS-Rural (greater than 5 kW)		
4	DS-Urban (greater than 5 kW)		
5	DS-HT		
6	Irrigation & Agriculture Service		
7	CS-Rural (greater than 5 kW)		
8	CS-Urban (greater than 5 kW)		
9	LTIS (greater than 5 kW)		
10	HTS		
11	Street Light		
12	HT Institutional Services-RTS		
13	HT Institutional Services-MES		
14	HT Institutional Services-Other Distribution Licensees		

43. It is observed that the Petitioner submission and compliance is not found satisfactory for the following directions of the Commission issued in its earlier Orders:

- Abolishment of unmetered category
- RPO Obligation
- Quality of power/ Reliability Indices and Standard of Performance (SOP)
- Strengthening of Distribution Network
- Energy Audit & T&D Loss Reduction Plan
- Interest on Consumer Security Deposit
- Wheeling Charges
- Employee Performance Appraisal
- Monitoring of Compliance to Directives
- Quarterly forecast of the Quantum of Short Term Power to be purchased
- Computation of SAIDI
- Safety Regulations Compliance

The Petitioner should submit compliances to the above directions.

44. The Petitioner should submit the details of consumer category wise revenue for FY 2019-20 along with proper formulae and linkages detailing the ABR for each category of consumers.
45. The Petitioner has proposed implementation of unmetered tariffs, claiming that JBVNL may be constraint to bill some of the consumers without meter for reasons beyond its control. The Petitioner should provide reason for proposing unmetered tariff and what are the constraints faced by it in billing its consumers.
46. The Petitioner is required to provide the detail tariff proposal for FY 2021-22 along with basis for consideration. The Petitioner is also required to provide the excel calculation for the same along with proper linkage. Further, the Petitioner is required to provide the category wise cross subsidy at existing tariff and proposed tariff.

Rajendra
27/1/21
Secretary

[illegible]

Generation Source/ Station	Total Capacity (MW)	Allotted capacity to JBVNL (MW)	Fixed Cost approved by CERC/appropriate Commission	Fixed Cost allotted to JBVNL (Rs. Cr.)	Variable Cost Rate (Rs./kWh)	Link/Source of Data

