झारखण्ड राज्य विद्युत नियामक आयोग
JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.15 of 2022/ 310
Date: 06th September 2023

To

The Executive Director (C&R)
Jharkhand Bijli Vitran Nigam Limited (JBVNL)
Engineering Bhawan, HEC
Dhurwa, Ranchi – 834 004.

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for revised True-up petition for FY 2021-22 based on the Audited Accounts for FY 2021-22, along with the revised Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement & Tariff for FY 2023-24 of the Control Period from FY 2021-22 to FY 2025-26 of Jharkhand Bijli Vitran Nigam Ltd. (JBVNL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 06.09.2023 passed by the Commission in Case (Tariff) No. 15 of 2022 along with office report dt. 06.09.2023 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.

Yours faithfully,

Rajendra
(R. P. Nayak)
Secretary

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JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI

FORM OF PROCEEDING

Case (Tariff) No. 15 of **2022**

Jharkhand Bijli Vitran Nigam Limited (JBVNL) …….. Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
3.	06.09.2023	The petition dated 21.04.2023 for revised True-up petition for FY 2021-22 based on the Audited Accounts for FY 2021-22, along with the revised Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement & Tariff for FY 2023-24 of the Control Period from FY 2021-22 to FY 2025-26 of the petitioner - JBVNL has been scrutinized and several deficiencies/discrepancies have been pointed out as shown in the office report dated 06.09.2023. The petitioner is directed to meet the deficiency and remove the defects within two weeks. Put on receipt of replies. Sd/- Member (T) Sd/- Member (L) Sd/- Chairperson	

Case (Tariff) No. 15 of 2022
Date : 06.09.2023

Office Report

The petition dated 21.04.2023 for revised True-up petition for FY 2021-22 based on the Audited Accounts for FY 2021-22, along with the revised Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement & Tariff for FY 2023-24 of the petitioner - JBVNL has been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Note on Discrepancies/ Data gaps in respect of the Petition for Revised Audited True-up of FY 2021-22, APR for FY 2022-23, and ARR & Tariff for FY 2023-24 of the Control Period from FY 2021-22 to FY 2025-26 filed by The Jharkhand Bijli Vitran Nigam Limited (JBVNL).

True-up of FY 2021-22

1. The Petitioner is directed to furnish the details of monthly injection and drawl of energy at intra-state Transmission level i.e. (JUSNL) for FY 2021-22.

2. The Petitioner is directed to furnish detailed bills against the payment made for Interstate & Intrastate Transmission charges for FY 2021-22.

3. As per table 2-1 of the petition, the Petitioner has claimed the energy sale as 9018.19 MUs against 9244.66MUs approved as per approved Business plan for the period. In this regard, the Petitioner is required to proper justification for such a decrease in energy sales.

4. The Petitioner should submit the approval of the Commission for procurement of power from PTC (IEX) on a short-term power requirement basis for FY 2021-22 as per Regulation 6.31-6.37 of the JSERC (Terms and Condition for Determination of the Distribution Tariff) Regulations, 2020.

5. The Petitioner is directed to submit the time-block power purchase and sale rate on the PTC (IEX). Also, the Petitioner is required to submit documentary evidence for such purchase and sale.

6. The Petitioner is directed to provide details computation bills against FPPPA for the period of FY 2021-22.

7. The Petitioner is required to submit the source wise power purchase bills for claiming the Power Purchase Cost of Rs. 6430.83 Cr as per Table- 2-2 of Petition. Also, the Petitioner is directed to submit the reconciliation of Power Purchase Cost with Audited Annual Accounts.

8. As per table 2-2 for FY 2021-22 the Petitioner has mentioned a heading as Supplementary bills and has claimed an amount of Rs.109.99Cr. The Petitioner is directed to provide details of the transaction.

9. 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 whether Merit Order Dispatch is followed while scheduling the power.

10. As per table 2-4 of the petition, the Petitioner has claimed the Transmission Loss as 10.46% against the 2.23% approved in the Business Plan for FY 2021-22. In this regard, the Petitioner should justify its claim with substantial evidence.

11. The Petitioner at para 2.3.3 has submitted that the actual distribution loss for FY 2021-22 is 27.45%. In this regard, the Petitioner is directed to submit a detailed justification for a higher distribution loss for FY 2021-22. The Petitioner is directed to submit the detailed reason for the increase in distribution loss to 27.45% for FY 2021-22. Also, the Petitioner is required to submit the excel computation of claiming of distribution loss.

12. As per table 2-7 of the petition, the Petitioner has claimed Repair and Maintenance expenses as Rs 231.05 Cr against the Rs 224.13 Cr approved in the Business Plan for FY 2021-22. In this regard, the Petitioner is required to submit proper justification for such an increase in R&M expenses.

13. It is observed that the addition to Capital Expenditure for FY 2021-22 is Rs. 1,451.59 Cr. In this regard, the Petitioner is directed to submit the scheme-wise Capital Expenditure details.

14. The Petitioner should submit the detailed scheme-wise comparison of Capitalization approved by the Commission vis-à-vis claimed for FY 2021-22. Further, in addition to above, the Petitioner is required to provide project/ scheme completion certificate certifying that the project/ scheme is completed and in operation/put to use.

15. As per table 2-10 of the petition, the Petitioner has claimed under Consumer contribution and grants as Rs 78.85 Cr. In this regard, the Petitioner is required to provide the documentary evidence for Grants and Consumer Contribution. Also, the Petitioner is directed to submit the details of the actual amount received under Grants and Consumer Contribution.

16. It is observed that, the Petitioner has claimed a normative debt-equity ratio of 70:30 as per Regulation in order to compute normative equity and normative loan. In this regard, the Petitioner is required to provide the details of source of funding for FY 2021-22.

17. The Petitioner should confirm that Depreciation in FY 2021-22 is not more than 90% of the Gross Fixed Assets (GFA) for all assets, since assets cannot be depreciated beyond 90% of

GFA in accordance with the JSERC (Terms and Condition for Determination of the Distribution Tariff) Regulation, 2020.

18. The Petitioner is directed to submit the details of the actual loan portfolio as of 1st April, 2021 for projects, if any.

19. As per table 2-14 of the Petition, the Petitioner has claimed Interest on Consumer Security Deposit as Rs 41.46 Cr. In this regard, the Petitioner is required to provide the details of the actual interest disbursed against the claimed amount.

20. It is observed that, the Petitioner has claimed bank and finance charges as Rs 0.49 Cr against for FY 2021-22. In this regard, the Petitioner is required to provide a detailed break-up of the same. Also, the Petitioner is directed to submit the bills towards bank and finance charges.

21. As per table 2-18 of the petition, the Petitioner has claimed the corresponding receivable against Delayed Payment Surcharge as Rs 2,491.57 Cr which is not in accordance with the clause 10.75 of the JSERC (Terms and Conditions of Distribution Tariff) Regulations,2020. In this regard, the Petitioner is directed to provide the basis for such derivation.

22. The Petitioner is required to submit the compliance towards Renewable Purchase Obligation (RPO) target set by the Commission for FY 2021-22 for solar and non-solar separately as per Regulation 5.2 of the JSERC (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016 and First Amendment, 2021

23. The Petitioner is required to submit the Fixed Asset Register (FAR) for FY 2021-22.

Annual Performance Review for FY 2022-23

1. As per para 3.2.3 JBVNL has estimated nominal growth rate of 7% for metered domestic consumers and 6% for Domestic HT consumer. As such the Petitioner is directed to provide justification for considering such rate along with detailed calculation in excel if any.

2. Similar to above, the Petitioner is also directed to provide detail justification for considering growth rate of consumers for other categories as well.

3. As per para 3.3.1, the Petitioner has provided projected distribution loss of 27.45%, 26.34%,19%,18% & 17% for FY 2021-2022 to FY 2025-2026 respectively which is still higher than the target set by the Commission as 13% in MYT Order. As such the Petitioner is directed to provide clarification for considering the higher Distribution Loss.

4. As per para 3.9.8 the Petitioner has projected addition to Capital Expenditure for FY 2022-23 is Rs. 1,961.22 Cr. In this regard, the Petitioner is directed to submit the scheme-wise Capital Expenditure details.

5. As per para 3.11.6, the Petitioner has considered an escalation rate of 5% over the accumulated consumer security of FY 2021-22 for FY 2022-23. In this regard, the Petitioner is directed to provide the justification for considering the same.

ARR for FY 2023-24

1. As per para 4.1, JBVNL has provided details of consumption parameters (consumer numbers, connected load and sales) and has considered escalation rates accordingly. The Petitioner has directed to provide details for such assumption and provide calculations sheets is any for the same.

2. As per para 4.2 the Petitioner has projected distribution loss of 19% against the approved value of 13% by the Commission. As such the Petitioner is directed to provide justification for the same and necessary actions for achieving the approved trajectory by the Commission.

3. As per para 4.3 the Petitioner has projections for its Power purchase by considering unit escalation of 5% on the generating units of FY 2022-23 for FY 2023-24 and has also confirmed for measures for reducing dependency on costlier plants. The Petitioner is directed to provide basis for such escalation.

4. As such considering the present scenario the Petitioner is directed to provide details of its power procurement as per Merit order Dispatch methodology if any.

5. As per para 4.4.3 JBVNL has mentioned that it will not be able to fulfil its RPO obligation however it has signed PPA with SECI for various projects and also is in process for adopting solar rooftop programme throughout the state and also in agreement for wind Power with INOX which got delayed and has assured to fulfil its RPO obligation in future. Till the projects are commissioned and JBVNL achieves it RPO targets, has JBVNL made any provisions to fulfil the RPO obligation by procuring RE certificates.

6. As per para 4.6.1 the Petitioner has projected an escalation of 5% on intra state transmission charges upon FY 2022-23 to arrive at FY 2023-24. As such the Petitioner is directed to provide basis for such escalation.

7. As per para 4.7.3 the Petitioner has claimed terminal benefits of Rs 35.10 Cr with an escalation factor of 6.08% for FY 2022-23. However, under clause 10.6 (Note-3) of JSERC (Terms and Conditions of Distribution Tariff) Regulation, 2020 states that terminal liabilities will be approved as per the actual submitted. In this regard, the Petitioner is directed to submit a detailed justification for such claim.

8. As per para 4.9.8 the Petitioner has projected capital expenditure of Rs.2780.87 Cr to be transferred to GFA. In this regard the Petitioner is directed to provide details of the same.

9. As per para 4.9.9 the Petitioner has projected Govt grant of Rs.1984.02Cr and Consumer contribution of Rs78.85 Cr. As such the Petitioner is directed to provide details for such consideration.

10. As per para 4.12.1 the Petitioner has considered an escalation of 5% for FY 2023-24 over the accumulated consumer security deposit over the previous year. The Petitioner is directed to provide basis for such consideration.

Rajendra

Secretary