



# झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.13 of 2019/420

Date: 10<sup>th</sup> February 2020

To

Shri K. K. Verma  
Executive Director (C&R)  
Jharkhand Bijli Vitran Nigam Limited (JBVNL)  
Engineering Bhawan, HEC  
Dhurwa, Ranchi – 834004

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up of FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2020-21 of Jharkhand Bijli Vitran Nigam Limited (JBVNL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 10.02.2020 passed by the Commission in Case (Tariff) No. 13 of 2019 along with office report dt. 10.02.2020 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,

(R.P. Nayak)

Secretary



**Office Report**

The petition dated 30.12.2019 of Jharkhand Bijli Vitran Nigam Limited (JBVNL) for True-up of FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2020-21 have been scrutinized and several deficiencies have been found in the petition as indicated below:

**A. General**

1. The Petitioner is required to confirm whether the Petition has approval of its Board of Directors (BoD). If not, the Petitioner is required to furnish the BOD approval for the Tariff Petition filed before the Commission.
2. The Petitioner should submit the MS Excel ARR Model with proper linkages and formulas including.
3. The Petitioner is required to provide the following:
  - a. Latest actual bills of all the Industrial Service (HTSS category consumers) for 3 consecutive months (October 2019, November 2019 and December 2019) along with the details provided for each consumer (all the consumers) as per the Format enclosed.
  - b. Sample bills of 100 HTS category consumers (industries) for 3 consecutive months (October 2019, November 2019 and December 2019) along with the details provided for each consumer (all the consumers) as per the Format enclosed.
4. The Petitioner is required to provide the load curve detailing the base load and peak load for January 2019 to December 2019. Further, the Petitioner is required to furnish the summary of quantum of PPA tied (long term, medium term and short term) with each source for FY 2018-19, FY 2019-20 & FY 2020-21.
5. The Petitioner is required to provide the detail of existing mechanism adopted to address the grievances including complaint escalation mechanism in case the grievance is not addressed in the stipulated time. Further, the Petitioner is free to provide change or modification in the existing mechanism to ensure timely complaint resolution.

**B. Sales and Power Purchase**

6. It is observed that the Transmission losses of 8.29% for FY 2018-19 has been considered by the Petitioner as against the approved Transmission Loss of 2.23% in the MYT Order dated 24 February, 2018. The Petitioner should justify its claim with substantial evidence.



7. The Petitioner should submit the basis for considering intra-state transmission charges of Rs. 203.35 Crore for FY 2018-19 as it does not reconcile with the Intra-State Transmission Charges approved by the Commission vide Order dated 24February, 2018.
8. The Petitioner should provide the basis for projection of source wise power purchase quantum for FY 2019-20 and FY 2020-21.
9. The Petitioner should provide the basis for projecting power purchase cost (per unit basis)for FY 2020-21in the format provided below:

Generation Source	Purchase (MU)	Fixed Cost (Rs. Crore)	Variable Cost Rate (Rs./kWh)	Variable Cost (Rs. Crore)	Total Cost (Rs. Crore)

10. The Petitioner should further submit the actual variable charges in Rs/kWh for all its Thermal generating stations for power procured during April 2019 to December 2019 with appropriate supporting documents.
11. It is observed that the Petitioner has not met the RPO targets for FY 2018-19. The Petitioner should provide justification for the non-compliance.
12. The Petitioner should provide justification for considering the Transmission Losses for FY 2019-20 and FY 2020-21as 5%.

**C. Other Components of ARR:**

13. The Petitioner is required to provide justification for the increase in the A&G and Employee expenses from the approved value of Rs. 79.19 Crore and Rs. 224.44 Crore vis-a-vis the actuals of Rs. 100.73 Crore and Rs. 294.14 Crore respectively for FY 2018-19.
14. The Petitioner should provide justification for incurring capital expenses of Rs. 7261.01 Crore against Rs. 2493.85 Crore approved by the Commission for FY 2018-19.
15. The Petitioner should provide justification of the reduced addition in grants of Rs. 1774.94 Crore as against Rs. 1893.36 Crore approved by the Commission in spite of considerably higher capital expenses incurred for FY 2018-19.



16. The Petitioner should submit the detailed scheme-wise comparison of capitalization approved by the Commission vis-a-vis claimed for FY 2018-19 and that projected for FY 2019-20 and FY 2020-21.
17. It is observed that the Opening GFA for FY 2018-19 excluding Consumer Grants and Consumer Contribution does not match the closing GFA excluding Grants and Consumer Contribution for FY 2017-18 approved by the Commission vide its Order dated February 28, 2019. The Petitioner should reconcile the same and re-submit the depreciation calculations.
18. The Petitioner should submit the details of the actual loan portfolio as on 1<sup>st</sup> April, 2018, for calculation of weighted average rate of interest as per Regulation 6.24 of the Tariff Regulations.

**D. Revenue, Gap/Surplus and Treatment:**

19. It is observed that the average ABR approved by the Commission for FY 2018-19 was Rs. 5.86/kWh while the actual average revenue realisation is Rs. 4.55/kWh. The Petitioner should submit the reason for very low revenue realised for FY 2018-19 in spite of increased tariffs by the Commission.
20. The Petitioner should submit the detailed calculation of Revenue for FY 2019-20 along with proper formulae and linkages if any.
21. It is observed that the carrying cost has been computed on the basis of total gap instead of considering the average addition during the year. The Petitioner should provide necessary justification for the same.
22. The Petitioner has proposed implementation of unmetered tariffs, claiming that JBVNL may be constrained 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.

**E. Wheeling Tariff and OA Charges**

23. The Petitioner should submit the calculation of voltage-wise wheeling charges, Cross-Subsidy Surcharge and Additional Surcharge for FY 2020-21 in MS Excel format along with assumptions and detailed approach and methodology.

**F. Tariff Proposed for FY 2020-21:**

24. The Petitioner has projected voltage wise cost of supply as Rs. 5.91/kWh for 33kV, Rs. 6.09/kWh for 11kV, Rs. 8.78/kWh for LT supply with average cost of supply as Rs.



8.02/kWh for FY 2020-21. The Petitioner is required to provide the basis and detail calculation along with excel for the said voltage wise cost of supply

25. The Petitioner submitted that they have proposed the tariff for various categories in line with cost of supply at their voltage level. The Petitioner is required to substantiate all assumptions made including loss determination.
26. The Petitioner has proposed drastic increase in tariff of Domestic Category and has proposed reduction in Industrial and Institutional Category. The Petitioner has proposed increase in energy charge for rural Domestic Category from Rs. 5.75/kWh to Rs. 7.00/kWh while, reduction in energy charge for Industrial (HTSS Category) from Rs. 5.50/kWh to Rs. 4.25/kWh. The Petitioner is required to provide the reason for such tariff proposal where the domestic category consumers are proposed higher tariff than HT service. The Petitioner should also justify the proposed tariff in view of tariff not exceeding  $\pm 20\%$  of ACOS as per Tariff Policy.
27. The Petitioner is required to provide the category wise cross subsidy at existing tariff and proposed tariff.
28. With reference to MoP letter dated January 16, 2020, regarding reduction in cost of power due to prepayment by end consumers, the Petitioner is required to provide their proposal for implementation of prepaid meters, its pros and cons and impact on tariff structure.

**G. Compliance to Directives:**

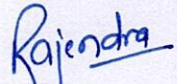
29. It is observed that the Petitioner has not complied with the following directions of the Commission issued in the Order dated February 29, 2019.
  - a. Abolishment of unmetered category
  - b. RPO Obligation
  - c. Quality of power/ Reliability Indices and Standard of Performance (SOP)
  - d. Strengthening of Distribution Network
  - e. Energy Audit & T&D Loss Reduction Plan
  - f. Interest on Consumer Security Deposit
  - g. Wheeling Charges
  - h. Employee Performance Appraisal



- i. Monitoring of Compliance to Directives
- j. Quarterly forecast of the Quantum of Short Term Power to be purchased
- k. Computation of SAIDI
- l. Safety Regulations Compliance

The Petitioner should submit compliances to the above directions.

30. The Petitioner submitted that the SAIDI for Q1 of the FY 2019-20 is already submitted to Commission in State Advisory Committee meeting held on November 5, 2019. Since the SAIDI for the whole state is greater than 20 hours, there has been no requirement for reduction in fixed charges for the consumers. The Petitioner is required to submit the basis for calculation of the SAIDI along with supporting primary data for computing SAIDI of JBVNL as a whole. The Petitioner should submit the computation of SAIDI with all necessary details.

  
Secretary



[illegible]