

**Jharkhand State Electricity Regulatory Commission**

**Provisional  
Tariff Order  
on  
Annual Revenue Requirement  
for  
Financial Years 2008-09, 2009-10 & 2010-11  
and  
Determination of Distribution Tariff  
for  
Financial Year 2010-11  
for  
SAIL-Bokaro**

Ranchi

October 2010

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## List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
APTEL	Hon'ble Appellate Tribunal of Electricity
ARR	Annual Revenue Requirement
BSL	Bokaro Steel Plant
CWIP	Capital Work in Progress
DPS	Delayed Payment Surcharge
DNW	Distribution Network
DS	Domestic Service
DS HT	Domestic Service High Tension
DVC	Damodar Valley Corporation
ETL	Electro-Technical laboratory
FAS	Financial Accounting System
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government of India
HT	High Tension
JSERC	Jharkhand State Electricity Regulatory Commission
LT	Low Tension
kV	Kilovolt
kVA	Kilovolt-ampere
kW	Kilowatt
kWh	Kilowatt-hour
MMC	Monthly Minimum Charges
MU	Million Units
NTI	Non Tariff Income
O&M	Operations and Maintenance
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SAIL	Steel Authority of India Limited
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SLM	Straight Line Method
TA	Town Administration

## **A1: INTRODUCTION**

### **Jharkhand State Electricity Regulatory Commission (JSERC)**

- 1.1 The Jharkhand State Electricity Regulatory Commission (herein after referred to as the “JSERC” or “the Commission”) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational w.e.f. April 24, 2003. The Electricity Act, 2003 (hereinafter referred to as “the Act” or “EA, 2003”) came into force w.e.f. June 10, 2003; and the Commission is now deemed to have been constituted and functioning under the provisions of the Act.
- 1.2 The Government of Jharkhand vide its notification dated 22.08.2002 defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:-
  - (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;
  - (b) to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;
  - (c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
  - (d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.
- 1.3 With the Electricity Act, 2003 being brought into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of JSERC are now defined as per Section 86 of the Act.
- 1.4 In accordance with the Act, the JSERC discharges the following functions: -
  - (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;

Provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-state transmission and wheeling of electricity;
- (d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- (g) levy fee for the purposes of this Act;
- (h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- (k) discharge such other functions as may be assigned to it under this Act.

1.5 The Commission advises the State Government on all or any of the following matters, namely :-

- (a) promotion of competition, efficiency and economy in activities of the electricity industry;
- (b) promotion of investment in electricity industry;
- (c) reorganisation and restructuring of electricity industry in the State;
- (d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

- 1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7 In discharge of its functions, the State Commission is guided by the National Tariff Policy as brought out by GoI in compliance to Section 3 of the Act. The objectives of the National Tariff Policy are to:
- (a) ensure availability of electricity to consumers at reasonable and competitive rates;
  - (b) ensure financial viability of the sector and attract investments;
  - (c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
  - (d) promote competition, efficiency in operations and improvement in quality of supply.

#### **Steel Authority of India Limited, Bokaro (SAIL-Bokaro)**

- 1.8 Steel Authority of India Limited, Bokaro (hereinafter referred to as “SAIL-Bokaro” or “the Petitioner”) is a company incorporated in the year 1964 under the provisions of the Companies Act, 1956 and is a wholly owned subsidiary of Steel Authority of India Limited, New Delhi. Bokaro Steel City in the district of Bokaro, Jharkhand is the service area of SAIL-Bokaro.
- 1.9 SAIL-Bokaro was the sanction holder of power supply in Bokaro Steel City under section 28(1) of the erstwhile Indian Electricity Act 1910 and has been managing the power distribution in Bokaro Steel City since its inception.
- 1.10 Post the enactment of Electricity Act, 2003, as per the provisions of section 14 of the Act, Distribution License has been granted by the Commission to SAIL-Bokaro (No.01 of 2005-06) w.e.f. 28.7.2004 for the aforementioned area.
- 1.11 The Town Administration department of SAIL-Bokaro is responsible for providing various municipal services to Bokaro Steel City, including horticulture, water supply, construction and maintenance of roads etc. The Town Administration Electrical Department (TA-Electrical) manages the power distribution system of the licensed area.

#### **Scope of Present Order**

- 1.12 This Order relates to the ARR and Tariff Petition filed by the Petitioner before the Commission for approval of the ARR for FY 2008-09, FY 2009-10 and FY 2010-11 and determination of distribution tariff for FY 2010-11. The Order is in accordance with Sections 61, 62 and 64 of the Act and provisions of the JSERC (Terms and Conditions for Distribution Tariff) Regulation, 2004 (hereinafter referred to as ‘Distribution Tariff Regulations, 2004’).

1.13 While determining tariff for Bokaro Steel City for FY 2010-11, the Commission has taken into consideration the following:

- (a) Provisions of Section 86 of the Act;
- (b) Provisions of the National Electricity Policy;
- (c) Provisions of the National Tariff Policy; and
- (d) Principles laid down in the 'Distribution Tariff Regulations, 2004'



## **A2: PROCEDURAL HISTORY**

### **Background**

- 2.1 The Petitioner had filed its first ARR & Tariff Petition in February 2007 for FY 2007-08. After examining the petition, the Commission directed the Petitioner to submit its tariff petition for the licensed area as per the regulations, after separating the accounts of electricity distribution business from the consolidated audited accounts of the steel plant. However, the Petitioner was unable to segregate the accounts of the electricity distribution business from the consolidated audited accounts of the steel plant. The Petitioner was also not able to provide the requisite data to the Commission for determining the ARR & Tariff for FY 2007-08.
- 2.2 Consequently, the Commission vide its order dated 2<sup>nd</sup> November 2007, decided to allow a provisional tariff for FY 2007-08 for the licensed area of the Petitioner. The approved tariff was the same as was approved for Jharkhand State Electricity Board (JSEB) in FY 2006-07.
- 2.3 The Commission directed the Petitioner to submit the tariff petition for determination of the ARR for FY 2008-09 after segregating accounts of its electricity distribution business from the consolidated accounts of the steel plant. However, the Petitioner requested the Commission, vide SAIL-BSL letter no. DGM I/c(TE-Elect)/2009-840 dated 13<sup>th</sup> August 2009, to give it three months to file the ARR for FY 2008-09. The Commission vide its letter no. JSERC/51/209 dated 19<sup>th</sup> August 2009 accepted the Petitioner's plea.
- 2.4 The Petitioner was again unable to file the ARR and Tariff Petition by the said date. It was submitted by the Petitioner that as the cost of power purchased from DVC, which is the only source of power to the Petitioner, was under dispute at the Appellate Tribunal for Electricity (APTEL), New Delhi, it would not be possible for it to file a petition. It thus requested the Commission vide SAIL-BSL letter no TA/DGM/ (Elect Maint)/860 dated 19<sup>th</sup> November 2009, for further eight weeks to submit the tariff petition which was accepted by the Commission vide letter no. JSERC/51/347 dated 24<sup>th</sup> November 2009.
- 2.5 Since the judgement of the Hon'ble APTEL was still pending by the said date, the Petitioner requested further extension till 15<sup>th</sup> May 2010 for filing the ARR and Tariff Petition. Considering it to be a special case, the Commission accepted the Petitioner's plea vide letter no. JSERC/51/43 dated 23<sup>rd</sup> April 2010.
- 2.6 The Petitioner finally submitted an ARR and Tariff Petition for FY 2008-09, FY 2009-10 & FY 2010-11 on 14<sup>th</sup> of May 2010. The Commission undertook a detailed examination of the petition and observed major data gaps in the petition, which were communicated to the Petitioner for reply. The Petitioner responded to the Commission after a delay of almost two months and subsequently submitted a revised petition with the corrected figures for approval of the Commission, which has now been considered by the Commission for the purpose of this Tariff Order.

- 2.7 Since there has been a delay on part of the Petitioner in submitting the additional information, this Tariff Order could not be issued within 120 days of the filing of petition by the Petitioner.
- 2.8 The Commission’s representatives also interacted with the Petitioner at the Commission’s office in Ranchi and visited Bokaro to validate the data and observe the functioning of the distribution system there.
- 2.9 It is pertinent to mention that the Petitioner has not been able to submit the audited segregated data for the electricity distribution business. Moreover, the Commission has observed many discrepancies in the information provided by the Petitioner. In view of this, the Commission has decided to only provisionally approve the ARR for FY 2008-09, FY 2009-10, FY 2010-11 and Tariff for FY 2010-11 till the time the Petitioner is able to give audited information for each of the ARR components.

### Inviting Public Response

- 2.10 After scrutinizing the information furnished by the Petitioner, the Commission directed the Petitioner to issue a public notice for inviting comments/suggestions from the public and to make available copies of the ARR and tariff petition to the general public. The public notice was subsequently issued by the Petitioner in various newspapers, as detailed below

**Table 1: List of Newspapers and Dates on which the Public Notice Appeared**

Newspaper	Date
Hindustan	10.08.2010
Dainik Jagran	10.08.2010
Ranchi express	11.08.2010
Prabhat Khabar	11.08.2010
The Hindustan Times	11.08.2010 & 12.08.2010
The Times of India	11.08.2010
The Telegraph	12.08.2010

- 2.11 A period of 21 days was provided for submitting the comments/suggestions. Seven persons filed written suggestions/comments on the tariff petition; and their comments have been dealt with in the chapter on public consultation process.
- 2.12 The Commission subsequently issued an advertisement on its website, [www.jserc.org](http://www.jserc.org), and various newspapers for conducting the public hearing on the ARR for FY 2008-09, FY 2009-10 & FY 2010-11 and Tariff filing for FY 2010-11 by the Petitioner. The newspapers in which the advertisement for public hearing was issued by the Commission are detailed hereunder:

**Table 2: List of Newspapers and Dates on which the Public Hearing Notice of JSERC appeared**

Newspaper (Dhanbad Edition)	Date
Hindustan	14.09.2010
Prabhat Khabar	14.09.2010
Ranchi Express	14.09.2010
Dainik Jagran	14.09.2010
The Hindustan Times	15.09.2010
The Times of India	15.09.2010

### **Submission of Objections and Conduct of Public Hearing**

2.13 The public hearing was held on Sunday, the 19th of September, 2010 at Kala Kendra, Bokaro and many respondents gave their comments and suggestions on the ARR & Tariff filing for FY 2010-11 by the Petitioner. The comments/suggestions of the public as well as Petitioner's response to them are detailed in the section dealing with the public consultation process.

## A3: SUMMARY OF ARR & TARIFF PETITION

### Overview

- 3.1 The Petitioner submitted that it is filing a detailed tariff petition for the first time and has made all efforts to provide the necessary data in the prescribed formats.
- 3.2 The Petitioner also submitted that it has attempted to segregate the accounts of the electricity distribution business from the consolidated accounts of the steel plant. Since the Petitioner is not maintaining separate accounts for the electricity business at present, it has extracted accounts for the electricity distribution business for FY 2008-09 from the consolidated accounts of the steel plant for same year on the basis of certain norms and assumptions that have been specified in the petition.
- 3.3 The accounts for FY 2009-10 have not been submitted as the consolidated accounts of the steel plant for FY 2009-10 have not yet been finalized. The submission for FY 2009-10 is based on the provisional accounts for the year.
- 3.4 The Petitioner has submitted that the cost of power purchased from DVC is under dispute and it is not clear at present what will be the final cost of power. Meanwhile, the actual payments made to DVC for FY 2008-09 and FY 2009-10 have been taken as the power purchase cost.
- 3.5 The present petition addresses the calculation of ARR for FY 2008-09, FY 2009-10 and FY 2010-11 and tariff determination for FY 2010-11 after taking into account the revenue gap/surplus up to FY 2010-11.
- 3.6 The figures for FY 2010-11 are based on the past performance and expected growth in each element of cost and revenue of the distribution business of the Petitioner.

### ARR and Tariff Determination

- 3.7 The summary of ARR as submitted by the Petitioner is detailed in Table 3

**Table 3: ARR submitted by the Petitioner for FY 2008-09, FY 2009-10 & FY 2010-11(Rs. Cr)**

Costs	FY 2008-09	FY 2009-10	FY2010-11
Power Purchase Cost	308.46	280.21	285.88
Employee Cost	18.77	20.64	22.70
R&M Expenditure	4.31	4.74	14.74
A&G Expenditure	1.22	1.22	1.22
Interest and Finance Charges	2.70	2.70	2.70
Depreciation	0.26	0.26	0.26
Return on Equity	1.21	1.21	1.21

<b>Interest on Working Capital</b>	5.38	4.98	5.37
<b>Total</b>	342.30	315.96	334.08
<b>Less: Fixed Charges Collected</b>	1.22	1.22	2.03
<b>ARR</b>	<b>341.09</b>	<b>314.74</b>	<b>332.05</b>
<b>Revenue at Existing Tariff</b>	263.55	243.98	249.64
<b>Revenue (Gap)/Surplus</b>	<b>(77.54)</b>	<b>(70.76)</b>	<b>(82.41)</b>

3.8 It is pertinent to mention that during scrutiny of the petition, the Commission sought additional information and clarification on various components of the ARR for FY 2008-09, FY 2009-10 & FY 2010-11. As per the clarification and corrections made by the Petitioner, the petition figures have undergone changes as is reflected in the respective sections of Commission's Analysis later in this Order.

3.9 The Petitioner has also proposed changes in the existing tariff schedule to meet the revenue gap projected by it. The new tariff schedule as proposed in the petition is given in Table 4

**Table 4: Tariff proposed by the Petitioner for FY 2010-11**

Consumer category	Fixed Charge		Energy Charge			Minimum Monthly Charge	
	<i>Existing</i>	<i>Proposed</i>	<i>Unit</i>	<i>Existing</i>	<i>Proposed</i>	<i>Existing</i>	<i>Proposed</i>
DS – II	Rs. 20 per connection per month	Rs. 25 per connection per month	Rs./ kWh (0-200 Units)	1.35	2.60	Nil	Nil
		Rs. 30 per connection per month	Rs./ kWh (200-400 Units)	1.75	3.00	Nil	Nil
		Rs. 50 per connection per month	Rs./ kWh (Above 400 Units)	1.90	3.50	Nil	Nil
DS HT	Rs. 40 per kVA per month	Rs. 40 per kVA per month	Rs./ kWh	2.00	3.50	Nil	Nil
NDS – II	Rs. 100/connection/ Month	Merged with LTIS Category	Rs./ kWh	3.40	Merged With LTIS Category	Nil	Nil
LTIS	Rs. 60/HP/ month Or part thereof	Rs. 80/HP/ month or part thereof	Rs./ kWh	3.40	4.50	Nil	Nil
HTS - 11 kV	Rs. 140 per kVA per month	Rs. 120 per kVA per month	Rs./ kWh	3.80	4.50	Rs. 250 per kVA per month	Nil
HT-DS Composite	NA	Rs. 40 per kVA per month	Rs./ kWh	NA	4.25	NA	Nil
HT/LT Utilities	Rs. 20 per connection per month	Rs. 25 per connection per month	Rs./ kWh	2.83	2.00	Nil	Nil

## A4: PUBLIC CONSULTATION PROCESS

### Submission of Comments/Suggestions and Conduct of Public Hearing

- 4.1 The tariff petition evoked response from several consumers. A public hearing was held on 19<sup>th</sup> September, 2010 at Kala Kendra, Bokaro to ensure maximum participation by the public. Many respondents put forth their comments and suggestions before the Commission in the presence of the Petitioner. Sixty one members of the public took part in the public hearing process. The list of the attendees is attached in Annexure-I.
- 4.2 Further, there were seven persons who filed written suggestions/comments on the tariff petition filed by the Petitioner, as listed hereunder:

**Table 5 : List of persons who filed written suggestions/comments during the Public Hearing**

S. No.	Objector/Organization	Represented by
1	Bokaro District Chamber of Commerce	Mr. Jagdish Chowdhery
2	Bokaro Vyavasaik Plot Holders Welfare Association	Mr. Rajendra Kumar Viswakarma
3	Bokaro Employees Lease House Welfare Society (BELHWS)	Mr. Ram Deo Prasad
4	Senior Citizen Welfare Society	Mr. Ashraf Ali
5	Mr. Rajeshwar Pandey	Self
6	Mr. J.C. Sinha	Self
7	Mr. Madhuban Singh	Self

- 4.3 During the course of the public hearing, the Commission also allowed persons/representatives of entities who had not submitted prior written representations but attended the public hearing to express their views regarding the ARR and tariff petition filed by the Petitioner for FY 2010-11.
- 4.4 The issues raised by the participants, along with the reply of the Petitioner and views of the Commission thereon are discussed hereinafter in this chapter.

### Use of Power from BPSCL Power Plant

#### *Public Comments/Suggestions*

- 4.5 Power is supplied to Bokaro not only by DVC but also by a power plant owned by Bokaro Power Supply Co. Ltd. (BPSCL), a joint venture of DVC and the Petitioner. The plant has an installed capacity of 302 MW and provides power to the steel plant and also to Bokaro Steel City. The residual power requirements of the plant are met by power purchase from DVC and as such the burden of power purchase from DVC should not be borne by the consumers.

*Petitioner's Response*

- 4.6 The power plant run by BPSCL is a captive power plant of the steel plant and caters only to the power requirements of the steel plant. All electricity required for Bokaro Steel City is sourced from DVC only.

*Views of the Commission*

- 4.7 The Commission has observed that power from the BPSCL power plant is being used to meet power requirements of only the steel plant. The power purchased from DVC is being used to meet the electricity demand of the licensed area and the additional power requirements of the steel plant.

**Segregation of Accounts of the Electricity Distribution Business**

*Public Comments/Suggestions*

- 4.8 No separate accounts are being maintained by the Petitioner for the business of distribution of electricity and thus the information in the tariff petition cannot be accepted.
- 4.9 No costs incurred on account of DNW/ETL should be included in the calculation of ARR as the DNW/ETL works almost exclusively for the steel plant and not for the distribution of electricity to the township.
- 4.10 It is not clear whether the employee cost, R&M charges and A&G expenses have been calculated after excluding the relevant figures for ADM (Administration) building, hospital, water supply etc.

*Petitioner's Response*

- 4.11 The accounts for the electricity business have been segregated from the consolidated audited accounts of the steel plant from FY 2008-09.
- 4.12 On the matter of costs incurred on account of DNW/ETL, the Commission should allow the charges after prudence check of the accounts and functioning of the system.
- 4.13 Only the employee cost, R&M charges and A&G expenses related to electricity business have been taken into account.

*Views of the Commission*

- 4.14 The Commission has given its views on the above matters in its analysis of various cost components in the relevant sections of this Tariff Order.

## **Quality of Supply**

### *Public Comments/Suggestions*

- 4.15 The quality of supply in the licensed area has deteriorated over the last couple of years. Power supply is erratic, with frequent power cuts and fluctuation in voltage levels.
- 4.16 The Petitioner does not have a proper complaint redressal system in place and complaints often go unheeded.

### *Petitioner's Response*

- 4.17 All measures are being taken to provide uninterrupted power supply to all consumers.

### *Views of the Commission*

- 4.18 The Commission believes that there is an immediate need to improve the quality of power supply in the licensed area and to have a proper complaint redressal system. The Commission has passed relevant orders in the Directives section of this Tariff Order for the same.

## **Malfunctioning Meters**

### *Public Comments/Suggestions*

- 4.19 The Petitioner has not installed electronic meters in several houses. Further, many of the faulty/damaged meters have not been replaced for several years. Consumers are being billed on the basis of average number of units consumed rather than the actual number of units consumed in a month.

### *Petitioner's Response*

- 4.20 All faulty meters are being replaced by electronic meters in a phased manner.

### *Views of the Commission*

- 4.21 The Petitioner must make all efforts to replace the faulty meters in a speedy manner. The Commission has also passed relevant orders in the Directives section of this Tariff Order for the same.



## **Theft of Power/ Distribution Loss**

### *Public Comments/Suggestions*

- 4.22 There is rampant theft of power in the licensed area and power is being supplied to several unauthorised colonies/jhuggies free of cost. The losses incurred by the Petitioner due to this should not be passed on to the consumers who are being billed for electricity.

### *Petitioner's Response*

- 4.23 The matter shall be decided as deemed fit by the Commission.

### *Views of the Commission*

- 4.24 The Commission takes a serious view of the high level of distribution loss reported by the Petitioner and does not wish to burden the consumers with losses incurred on account of theft of power. Accordingly, the Commission has specified the acceptable level of distribution loss that the Petitioner must adhere to, in the relevant section of this Tariff Order.
- 4.25 The Commission has also given relevant directions for reduction of losses in the Directives section of this Tariff Order.

## **Electricity Supply to the Co-operative Colony**

### *Public Comments/Suggestions*

- 4.26 The Bokaro Steel Co-operative House Construction Society Ltd (BSECHCS) was formed with the help of the Bokaro Steel Plant. The Co-operative Colony, within Bokaro Steel City, belongs to BSECHCS and its residents are primarily employees/ex-employees of the Petitioner. The society has its own electrical distribution network and substation, power to which is received at 11kV from the Petitioner. The society is treated as an HT consumer by the Petitioner even though it primarily has a mix of residential and commercial consumers with only three industrial consumers.
- 4.27 In 2007, a member of the co-operative society – Mr. Rajeshwar Pandey – appealed to the Commission vide case no 10/2007-08 for getting an individual connection from the Petitioner; following which the Commission in its order dated 17.08.2007 and 4.12.2007 directed the Petitioner to provide individual connections to residents of the colony who apply for it. These orders were not challenged by the Petitioner. But at the same time, the applications for providing individual connections remain pending before the Petitioner and no individual connections have been provided so far.
- 4.28 The Commission also imposed a penalty at the rate of Rs. 21,000 per day in case of non compliance of its orders. The penalty has, however, been challenged by the Petitioner in the Jharkhand High Court and the case is pending before the court.

- 4.29 The Petitioner has now introduced, from FY 2010-11, a new category – HT-DS Composite – which will include the co-operative colony residents. This differential treatment of the residents of the colony is unfair and they should be treated at par with other consumers in the licensed area and should be provided with individual commercial and residential connections.

*Petitioner's Response*

- 4.30 The matter shall be decided as deemed fit by the Commission.

*Views of the Commission*

- 4.31 The Commission agrees with the view point of the consumers and does not deem it fit to introduce a separate category – HT-DS Composite – from the already existing categories in the state of Jharkhand when, as per the existing applicable schedule, such class of consumers are already covered under the category of DS HT.
- 4.32 Further, the Commission notes that para two of The Electricity (Removal of Difficulties) Eighth Order, 2005 states:

***“2. Supply of electricity at single point by the distribution licensee to a Co-operative Group Housing Society – A distribution licensee shall give supply of the electricity for residential purposes on an application by a Co-operative Group Housing Society which owns the premises at a single point for making electricity available to the members of such Society residing in the same premises on such terms and conditions as may be specified by the State Commission:***

*Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Co-operative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area on such terms and conditions as may be specified by the State Commission.”*

The Commission thus orders the Petitioner to provide individual commercial/residential connections to all residents of the Co-operative Colony who have applied for it (or apply for it in the future) without any delay.

**Meter Charge**

*Public Comments/Suggestions*

- 4.33 The Petitioner is levying a Meter Charge every month even though meters have been purchased by the consumers themselves.

### *Petitioner's Response*

- 4.34 The Petitioner is not charging any Meter Charge. It is, however, charging a Fixed Charge as per the tariff schedule approved by the Commission.

### *Views of the Commission*

- 4.35 The Petitioner has assured the Commission that it is levying only a Fixed Charge and no Meter Charge. The Fixed Charge being levied by the Petitioner is as per the tariff schedule which was applicable in the licensed area till FY 2009-10, i.e. the Tariff Schedule approved for JSEB in FY 2006-07. The said Tariff Schedule can be found on the Commission's website - [www.jserc.org](http://www.jserc.org).
- 4.36 The Commission accepts the reply of the Petitioner. However, the concerned consumers may approach the Commission if there is evidence to the contrary

### **Electricity Rates**

#### *Public Comments/Suggestions*

- 4.37 The electricity tariff approved for the city of Bokaro should be same as the tariff applicable to other domestic consumers in the state.
- 4.38 The subsidy being provided to the employees of SAIL has not been accounted for in the ARR.
- 4.39 The Petitioner has imposed delayed payment surcharge on the co-operative colony while it says in the petition that no delayed payment surcharge has been levied by it.
- 4.40 There should be a four slab tariff structure rather than three slab tariff structure for the DS II category.

### *Petitioner's Response*

- 4.41 The Petitioner has submitted that the matter shall be decided as deemed fit by the Commission.
- 4.42 No subsidy is being given to the employees.
- 4.43 No delayed payment surcharge was levied on the co-operative colony in FY 2008-09, FY 2009-10 and FY 2010-11.
- 4.44 The Petitioner has submitted that the matter shall be decided as deemed fit by the Commission

### *Views of the Commission*

- 4.45 The Commission views that the tariff of any category depends on the cost of supply of electricity to that category and not necessarily on the geographical location of the consumer. Hence, the Commission does not accept the view that the tariff for domestic category should be the same in the entire state. However, as a cost of supply study has not been conducted by the Petitioner in its licensed area, the Commission, for the time being, intends to keep the tariffs applicable in the licensed area in line with the approved tariffs of JSEB for FY 2010-11.
- 4.46 The Petitioner has assured the Commission that no subsidy is being given to its employees and the Commission has no reason to believe otherwise. Also the Commission, in calculating the ARR, has taken care that the subsidy, if any, is not being passed on to other consumers.
- 4.47 The Commission has been assured by the Petitioner that no delayed payment surcharge was levied on the co-operative colony in FY 2008-09, FY 2009-10 and FY 2010-11, the years for which the petition has been filed. The Commission accepts the position of the Petitioner. However, the concerned consumers may approach the Commission if there is evidence to the contrary.
- 4.48 The Commission does not deem it fit to increase the slabs for a single category as it would lead to complexities in billing as well as understanding of the bills for the consumers. Also, as already mentioned, the Commission, for the time being, intends to keep the tariffs applicable in the licensed area in line with the approved tariffs of JSEB for FY 2010-11.

### **Other Comments**

#### *Public Comments/Suggestions*

- 4.49 The Petitioner has been charging Rs 2.0/kWh as energy charge and Rs. 40/kVA as fixed charge from the DS-HT category whereas in the petition these charges have been shown as Rs 1.5/kWh and Rs.30/kVA respectively.
- 4.50 The R&M expenses for FY 2010-11 have been projected at Rs. 13.04 Crores, which is substantially higher than Rs. 3.04 Crores that was spent on R&M in FY 2009-10. No reason has been given for this increase.

#### *Petitioner's Response*

- 4.51 It is a printing error and is regretted.
- 4.52 The increase in R&M expenses is due to under-ground cabling and metering to be undertaken in FY 2010-11.

*Views of the Commission*

- 4.53 The error in printing has been noted by the Commission and it has considered Rs 2.0/kWh as energy charge and Rs. 40/kVA as fixed charge while calculating the revenue earned by the Petitioner from DS-HT category.
- 4.54 The Commission has commented on R&M expenses in the relevant section of this Tariff Order.

## **A5: COMMISSION'S ANALYSIS OF ARR FOR FY 2008-09, FY 2009-10 AND FY 2010-11**

- 5.1 This section deals with the Petition filed by the Petitioner for determination of Annual Revenue Requirement for FY 2008-09, FY 2009-10 and FY 2010-11 and determination of distribution tariff for FY 2010-11 and the Commission's analysis thereon.
- 5.2 The Commission observed a lot of discrepancies and information gaps in the original petition filed by the Petitioner on 14<sup>th</sup> May 2010 and directed the Petitioner to submit corrected figures after making necessary changes. The Petitioner submitted a revised petition to the Commission on 14<sup>th</sup> September 2010.
- 5.3 The Commission also noticed that Annual accounts submitted by the Petitioner for FY 2008-09 were not audited and were merely extracted from the main audited accounts of Bokaro Steel Plant. Moreover, the accounts did not reflect the true picture of the electricity distribution business of the Petitioner. The deficiencies pertaining to the annual accounts were communicated to the Petitioner during the meeting held at the Commission's office at Ranchi. Therefore, the Commission for the purpose of issuance of this Tariff Order has decided to carry out a provisional true-up exercise for FY 2008-09 and final true-up will be done when the audited accounts for the electricity distribution business for the same year are made available to the Commission.
- 5.4 The figures for FY 2009-10 and FY 2010-11 are approved on the basis of the past performance, expected growth and information made available by the Petitioner. However, as mentioned earlier, since there are a lot of discrepancies observed in the data provided by the Petitioner, the Commission has decided to only provisionally approve the ARR for FY 2009-10 and FY 2010-11 as well as the Tariff for FY 2010-11.

### **Energy Sales**

#### *Petitioner's submission*

- 5.5 The Petitioner has submitted that in many of the quarters the meter is either not working or malfunctioning due to which average billing has been done for such cases.
- 5.6 The Petitioner has stated that it has decided to replace all non-functioning meters in a phased manner and take necessary steps to augment the distribution network to avoid tapping and hooking. Table 6 summarises the number of consumers submitted by the Petitioner for FY 2008-09 and FY 2009-10:

**Table 6: Number of Consumers**

Category	FY 2008-09 (Actual)	FY 2009-10 (Provisional)
DS-II,0-200 U/m	23000	22500
DS-II, 200-400 U/m	14000	14400
DS-II <400 U/m	271	371
DS-HT	4	4
LTIS	40	40
NDS-II	1371	1423
HT/LT Utilities	Various	Various
<b>Total</b>	<b>38686</b>	<b>38738</b>

5.7 The category-wise connected load and consumption for the above consumers for FY 2008-09 and FY 2009-10 submitted by the Petitioner is detailed in Table 7:

**Table 7: Connected Load and Energy Sales for FY 2008-09 & FY 2009-10**

Category	Connected load (in kVA)		Sales (in MUs)	
	FY 2008-09 (Actual)	FY 2009-10 (Provisional)	FY 2008-09 (Actual)	FY 2009-10 (Provisional)
DS-II,0-200 U/m	62281	62482	35.00	34.20
DS-II, 200-400 U/m	27000	27328	49.00	50.40
DS-II <400 U/m	2770	3270	2.603	3.563
DS-HT	3250	3250	6.380	6.50
LTIS	800	800	0.431	0.43
NDS-II	6000	7000	14.76	15.35
HT/LT Utilities*				
<i>Office and Maintenance posts</i>	4800	4800	3.52	3.41
<i>Schools</i>	622	622	0.70	0.68
<i>Recreation</i>	3520	3520	4.93	4.78
<i>Street lights</i>	22000	22000	15.50	15.02
<i>Hospitals &amp; health care</i>	7000	7000	13.39	12.98
<i>Pump Houses</i>	12000	12000	32.41	31.41
<i>Sub-total of Utilities</i>	49942	49942	70.45	68.29
<b>Total</b>			<b>178.63</b>	<b>178.73</b>
T&D Loss			88.88	88.91
<b>Sub-Total</b>			<b>267.52</b>	<b>267.64</b>
Plant Supply			720.21	733.11
<b>Grand Total</b>			<b>987.74</b>	<b>1000.75</b>

\* As per additional information submitted by the Petitioner

- 5.8 The category-wise no. of consumers, connected load and sales projected by the Petitioner for FY 2010-11 is detailed in Table 8.

**Table 8: No. of Consumers, Connected Load and Energy Sales for FY 2010-11**

Category	No. of Consumers	Connected Load (in kVA)*	Energy Sales (in MUs)
DS-I	22000	62900	39.60
DS-II	15000	27400	54.00
DS-III	300	3280	1.62
DS-HT	4	1250	0.60
HT-DS Composite	1	3000	4.60
LTIS	1480	900	28.00
HT Indus/Commercial	7	N/A	0.90
HT/LT Utilities*	Various		
<i>Office and Maintenance posts</i>	-	4800	3.20
<i>Schools</i>	-	622	0.40
<i>Recreation</i>	-	3520	3.10
<i>Street lights</i>	-	22000	14.30
<i>Hospitals &amp; health care</i>	-	7000	10.80
<i>Pump Houses</i>	-	12000	29.20
<b>Sub-total of Utilities</b>	-	49942	61.00
<b>Total</b>	38792		190.32
<b>T&amp;D Loss</b>			86.35
<b>Sub Total</b>			275.67
<b>Plant-Supply</b>			745.33
<b>Grand Total</b>			1021.00

\* As per additional information submitted by the Petitioner

#### *Commission's analysis*

- 5.9 The Commission has scrutinized the commercial information in relation to the number of consumers, connected load and category-wise units sold, as submitted by the Petitioner, for FY 2008-09, FY 2009-10 and FY 2010-11.
- 5.10 The Commission for the purpose of issuance of this Tariff Order, has considered and approved only the energy supplied for the distribution business and not for the power which is used in the steel plant as from the technical arrangement, it is observed that the electricity is received first at the steel plant and then ejected in the township for distribution of power to the consumers in the licensed area.



- 5.11 The Petitioner in its tariff petition has mentioned that it has created a separate category of consumers for schools, street light, hospitals, health care, recreation etc. and the revenue from this category is recovered at the average power purchase cost of Rs 2.83/Kwh. Although, the Petitioner during the discussions stated that it is a notional figure and the entire cost is borne by the Petitioner itself.
- 5.12 The Commission is of the view that there was no such category in the Tariff Schedule which was applicable to the Petitioner for FY 2008-09 and FY 2009-10 and as per applicable schedule, the Commission has categorized office and maintenance posts, schools, recreation, hospitals and health care under NDS category and pump-houses under LTIS category while street lights are covered under separate consumer category of 'Street Light service'. Accordingly, the existing approved rates have been applied to work out the energy charges for these categories of consumers.
- 5.13 For FY 2008-09 and FY 2009-10, the Commission has approved the no. of consumers, connected load and sales as submitted by the Petitioner subject to the condition that it will be trued up when the actual data along with the audited accounts is made available by the Petitioner.
- 5.14 Table 9 below summarises the number of consumers, connected load and energy sales approved by the Commission for FY 2008-09.

**Table 9: Number of Consumers, Connected Load and Energy Sales for FY 2008-09**

Category	No. of Consumers	Connected Load (in kVA)	Energy Sales (in MUs)
DS-II (0-200 kWh)	23000	62281	35.00
DS-II (200-400 kWh)	14000	27000	49.00
DS-II (Above 400 kWh)	271	2770	2.60
DS-HT	4	3250	6.38
LTIS	40	12800	32.84
NDS	1371	21942	37.31
Street Light	Various	22000	15.50
<b>Total</b>	<b>38686</b>		<b>178.64</b>

- 5.15 Table 10 below summarises the number of consumers, connected load and energy sales approved by the Commission for FY 2009-10

**Table 10: Number of Consumers, Connected Load and Energy Sales for FY 2009-10**

Category	No. of Consumers	Connected Load (in kVA)	Energy Sales (in MUs)
DS-II (0-200 kWh)	22500	62482	34.20
DS-II (200-400 kWh)	14400	27328	50.40

<b>DS-II (Above 400 kWh)</b>	371	3270	3.56
<b>DS-HT</b>	4	3250	6.50
<b>LTIS</b>	40	12800	31.84
<b>NDS</b>	1423	22942	37.20
<b>Street Light</b>	Various	22000	15.02
<b>Total</b>	38738		178.73

- 5.16 For FY 2010-11, the Commission has approved the connected load based on the projections made by the Petitioner for FY 2010-11 except for HT category as for this category the Petitioner did not submit any connected load, therefore, the Commission has allowed connected load of 1744 kVA based on the discussions with the officials of the Petitioner, no. of consumers projected by the Petitioner and approved connected load per consumer for HTS category for other utilities in the state.
- 5.17 The Commission has observed that the Petitioner has proposed HT-DS composite category which will include housing colonies taking supply for domestic as well as commercial purposes and it has also proposed to discontinue with the existing NDS category and shifted all its consumers to LTIS category. The Petitioner has projected addition in the existing HT-IS/Commercial category for FY 2010-11.
- 5.18 As per the existing applicable tariff schedule, all connection in Housing colonies/Housing complex, houses of multi-storied building for residential use, with power supply at 11 kV voltage level and load above 75 kW will be covered under DS-HT category and the consumers taking supply for non-domestic purposes such as shops, restaurants, hotels, commercial establishment multi-storied commercial office/building etc. are covered under NDS category. The Commission does not find any merit in introducing a new category when such class of consumers are already covered in an existing tariff schedule.
- 5.19 The Commission analysed that there is growth in consumption for DS-II (200-400 kWh), DS-HT and NDS category in FY 2009-10 as compared to the previous year. Therefore, the Commission has approved the sales for these categories for FY 2010-11 based on the growth in consumption in the past year.
- 5.20 Meanwhile, the Commission noticed there has either been a decline or no growth in the consumption of DS-II (0-200 kWh), LTIS and also for the consumers covered under Utilities category as compared to the previous year. Therefore, for FY 2010-11, the Commission for these categories has approved the same consumption as was prevalent in FY 2009-10.

- 5.21 The Commission also observed that for DS-II (Above 400 kWh) category, the Petitioner has projected lower number of consumers and consumption as compared to the last year. On further analysis and discussion with the Petitioner, the Commission was informed that a large number of employees working with the Petitioner, falling under this category are going to retire in FY 2010-11 and the quarters used by them will have to be vacated. Also, there are many employees who have retired but are still using the company quarters, and shall be vacating the premises in this financial year. Moreover, there is also no recruitment plan in place to replace this category of consumers. Therefore, the Commission based on the above reasons has approved the number of consumers and its respective consumption as submitted by the Petitioner.
- 5.22 For HT category proposed by the Petitioner, the Commission has approved the sales and number of consumers as submitted by the Petitioner.
- 5.23 As mentioned earlier, the Commission has categorized office and maintenance posts, schools, recreation, hospitals and health care under NDS category and pump-houses under LTIS category while street lights are covered under separate consumer category of 'Street Light service'.
- 5.24 Table 11 below summarises the number of consumers, connected load and energy sales approved by the Commission for FY 2010-11

**Table 11: Number of Consumers, Connected Load and Energy Sales for FY 2010-11**

Category	No. of Consumers	Connected Load (in kVA)*	Energy Sales (in MUs)
DS-II (0-200 kWh)	22000	62900	34.20
DS-II (Above 200 kWh)	15300	30680	53.46
DS-HT	5	4250	6.62
LTIS	40	12900	31.84
NDS	1440	23442	37.81
HTS-11 kV	7	1744	0.90
Street Light	Various	22000	15.02
<b>Total</b>	<b>38792</b>		<b>179.85</b>

## Distribution Losses

### *Petitioner's submission*

- 5.25 The Petitioner has submitted distribution losses of 33.22% for FY 2008-09 and FY 2009-10 and has projected distribution losses of 30.96% for FY 2010-11.

5.26 The Petitioner has highlighted the fact that in many of the quarters the meter is either not working or malfunctioning which has lead to average billing of units consumed in each type of quarter. Therefore, it has decided to replace all non-functioning meters in a phased manner and take necessary steps to augment the distribution network to avoid tapping and hooking.

*Commission's analysis*

5.27 As evident from the distribution loss level submitted by the Petitioner, the losses are very high as compared to other licensees in the country. The Table 12 details the sales and distribution losses of the Petitioner and some other utilities.

**Table 12 : Comparison of Distribution losses**

Particulars	Sales (in MUs)	Distribution Loss (in %)
SAIL (Actual for FY 2008-09)*	178.64	33.23
JUSCO (Provisional for FY 2009-10)**	126.65	0.96
JSPL, Raigarh (Actual for FY 2007-08)***	570.50	4.65

Source: \* SAIL-BSL Tariff Petition for FY 2010-11, \*\* JUSCO Tariff Order for FY 2010-11  
 \*\*\* JSPL Tariff Order for FY 2009-10

5.28 As can be seen from the above table, the other utilities with comparable sales have lower distribution losses as compared to that of the Petitioner. The Commission is of the view that the consumer and sales base of the licensed area of the Petitioner is comparatively small and it does not find any merit in approving such high losses. The high level of loss is a result of the Petitioner's inefficiency, the burden of which should not be passed on to the consumers.

5.29 Therefore, the Commission has approved distribution loss at 25%, 22% and 19% for FY 2008-09, FY 2009-10 and FY 2010-11 respectively. The Commission has set a time bound distribution loss reduction trajectory for Petitioner such that it achieves the benchmark distribution loss level of 10% by the end of FY 2015-16.

5.30 The Table 13 summarises the trajectory set by the Commission for reduction of distribution losses over a period of time such that the Petitioner is able to reach at least 10% loss level by FY 2015-16.

**Table 13: Approved Distribution Loss Trajectory**

Particulars	Distribution loss
FY 2008-09	25%
FY 2009-10	22%
FY 2010-11	19%
FY 2011-12	17%
FY 2012-13	15%

FY 2013-14	13%
FY 2014-15	11%
FY 2015-16	10%

## Energy Balance

### *Petitioner's submission*

- 5.31 To arrive at the quantum of power purchase required to meet the energy sales, the Petitioner has worked out the energy balance for FY 2008-09, FY 2009-10 based on the energy sales being grossed up by the distribution loss level.
- 5.32 The Table 14 details the energy balance submitted by the Petitioner for FY 2008-09, FY 2009-10 and FY 2010-11

**Table 14: Energy Balance submitted by the Petitioner**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Units sales (MUs)	178.64	178.73	190.32
<i>Distribution losses (%)</i>	33.23%	33.22%	30.96%
Distribution loss (in MUs)	88.89	88.91	85.35
Units purchase (MUs)	267.52	267.64	275.67
Plant Supply	720.22	733.11	745.33
<b>Grand total</b>	<b>987.74</b>	<b>1000.76</b>	<b>1021.00</b>

### *Commission's analysis*

- 5.33 The Commission's estimation of energy balance takes into consideration the approved energy sales level and approved distribution loss level for respective years. Table 15 summarises the approved energy balance:

**Table 15: Approved Energy Balance**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Units sales (MUs)	178.64	178.73	179.85
<i>Distribution losses (%)</i>	25%	22%	19%
Distribution loss (in MUs)	59.55	50.41	42.19
Units purchase (MUs)	238.19	229.14	222.04

## Power Purchase Cost

### *Petitioner's submission*

- 5.34 The Petitioner has submitted that there is primarily only one source of power purchase-Damodar Valley Corporation (DVC). The Power Purchase Agreement (PPA) has been entered into with DVC in April, 2001 with a contract demand of 200 MVA.
- 5.35 The Petitioner has submitted that DVC has been charging as per the tariff fixed by it in September 2000, according to which the demand charge has been Rs 365 per kVA per month and energy charge has been Rs 1.63/kWh plus a Fuel Cost Surcharge.
- 5.36 The Petitioner in its tariff petition has mentioned that since November'2009, the power purchased from DVC is under dispute and it has been paying to DVC as per its honest calculation at Rs 1.9099/kWh as energy charges and Rs 0.2557/kWh as fuel cost surcharge.
- 5.37 The details of energy procured from DVC and the corresponding costs are summarized in Table 16:

**Table 16: Power Purchase Cost**

Power Purchase Cost	FY 2008-09	FY 2009-10	FY 2010-11
<b>Power Purchase Units (in MUs)</b>			
Total Power Purchase	987.74	1000.76	1021.00
Transfer to Steel plant	720.22	733.11	745.33
Licensed area Supply	<b>267.52</b>	<b>267.64</b>	<b>275.67</b>
<b>Power Purchase Costs (Rs. Crs)</b>			
Total Power Purchase	308.46	280.21	285.88
Transfer to Steel plant	224.71	205.27	208.69
Licensed area Supply	<b>83.75</b>	<b>74.94</b>	<b>77.19</b>
<b>Total Average Power Purchase Cost (in Rs)</b>	3.12	2.80	2.80

### *Commission's analysis*

- 5.38 For FY 2008-09 and FY 2009-10, the Commission has approved the total quantum of power purchase as per the bills raised by DVC and power purchase cost as per the actual payments made by the Petitioner to DVC. Accordingly, the Commission has arrived at the total power purchase cost per unit and the same has been considered to arrive at the power purchase cost for the energy transferred for distribution in the township area.

- 5.39 The Petitioner in its tariff petition has mentioned that since November, 2009, the power purchased from DVC is under dispute and as per the Hon'ble Appellate Tribunal's order dated 8<sup>th</sup> October, 2009 passed in Appeal No. 146 of 2009, it has been paying to DVC as per its honest calculation at Rs 1.9099/kWh as energy charges and Rs 0.2557/kWh as fuel cost surcharge. Therefore, the Commission has considered the same rates for calculating the power purchase cost for FY 2010-11. The power purchase cost will be trued up in the next year's Tariff Order after the final judgement.
- 5.40 Based on the above, the approved average power purchase cost is summarized in the Table 17:

**Table 17: Approved Power Purchase Cost (Licensed area Supply)**

Power Purchase Cost	FY 2008-09	FY 2009-10	FY 2010-11
Power Purchase Units (MUs)	238.19	229.14	222.04
Total Average Power Purchase Cost (in Rs)	3.08	2.75	2.17
Power Purchase Costs (Rs. Cr)	73.40	62.98	48.09

## Employee Cost

### *Petitioner's submission*

- 5.41 The Petitioner has submitted that the employee cost for FY 2008-09 has been calculated considering the total expenses for TA-electrical and 12.8% of the total expenses for Distribution network (DNW) as well as for electro-technical laboratory (ETL) which is Rs 18.77 Cr. The 12.8% is the ratio of energy sold to distribution licensed area to the total energy handled by SAIL-Bokaro.
- 5.42 The Petitioner stated that the employee costs for FY 2009-10 has been estimated considering the total expenses for TA-electrical and 12.12% of total expenses for DNW as well as ETL which comes out to Rs 20.64 Cr.
- 5.43 The Petitioner has projected an employee cost of Rs 22.70 Cr for FY 2010-11.

### *Commission's view*

- 5.44 The Commission does not agree with the rational submitted by the Petitioner for the basis of apportionment of employees cost and views that any such cost should be based on the number of employees associated with the distribution business.
- 5.45 Accordingly, For FY 2008-09, the Commission for the purpose of calculating the employee cost asked the Petitioner to furnish the total number of employees and associated salaries working in TA-electrical and also for the employees who are a part of DNW and ETL but are partially or wholly involved with the distribution business. However, the Petitioner could only submit the no. of employees working directly for TA-electrical.

- 5.46 Therefore, for the time being, the Commission has allowed only the employee cost which is directly attributable to TA-electrical department. The employee cost shall be trued-up when the relevant information is made available by the Petitioner.
- 5.47 For FY 2009-10 and 2010-11, the Commission has approved the employee cost based on cost per employee for FY 2008-09, actual average number of employees for FY 2009-10 and projected number of employees for FY 2010-11. Since the Petitioner has also envisaged capital investment in FY 2010-11, the Commission has considered 5% towards capitalisation of employee cost. Table 18 summarises the employee cost approved by the Commission.

**Table 18: Approved Employee Cost (Rs Cr)**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Employee Cost	15.65	13.98	12.48
Less: capitalisation @5%	-	-	0.62
Net Employee cost	15.65	13.98	11.86
Average no. of employees	198	177	158

## **Repair & Maintenance Expenses**

### *Petitioner's submission*

- 5.48 The Petitioner has submitted repair & maintenance (R&M) expenses of Rs 4.31 Cr and Rs 4.74 Cr for FY 2008-09 and FY 2009-10 respectively.
- 5.49 The Petitioner has projected the R&M expenses of Rs 14.74 Cr for FY 2010-11 and stated that the reason for such increase is due to under-ground cabling and metering to be done during the year.

### *Commission's view*

- 5.50 As per 'JSERC Distribution Regulations 2004', the R&M expenses shall be based on certain percentage of opening balance of Gross Fixed Assets of distribution works.
- 5.51 The Commission has observed that the gross fixed assets submitted by the Petitioner is only Rs 7.90 Cr and is subject to change when an assessment of the fixed asset base of the distribution system will be carried out by the Petitioner. Meanwhile, the Commission has approved the R&M expenses of Rs 3.77 Cr for FY 2008-09 based on the details submitted by the Petitioner for TA-electrical in the additional information.
- 5.52 For FY 2009-10 and FY 2010-11, the Commission has approved R&M expenses @ 2.50 % of opening GFA keeping in mind the rate approved for other utilities in the state. The R&M expenses worked out by the Commission are Rs 0.20 Cr each for FY 2009-10 and FY 2010-11. However, the same would be trued-up when the actual expenses along with the audited accounts are submitted by the Petitioner.



5.53 The Commission has observed that the Petitioner in the present tariff petition has included Rs 10 Cr on account of capital expenditure to be incurred in the R&M expenses. It is pertinent to mention that the expenditure incurred on routine repairs and which do not extend the life of the asset are to be included in repair and maintenance expenses while the capital expenditure incurred during the year forms a part of the GFA. Therefore, the Commission has treated the approved capital expenditure separately under Gross Fixed Assets.

## **Administrative & General Expenses**

### *Petitioner's submission*

5.54 The Petitioner has submitted the A&G Expenses of Rs 1.22 Cr each for FY 2008-09, FY 2009-10 and FY 2010-11.

### *Commission's view*

5.55 The Commission has approved A&G expenses based on the additional information submitted by the Petitioner and has considered only those expenses which are directly attributable to TA-electrical department and the same will be trued-up when the audited accounts are made available to the Commission along with the next Tariff Petition.

5.56 The Commission has approved the A&G Expenses of Rs 1.12 Cr each for FY 2008-09 and FY 2009-10.

5.57 For FY 2010-11, the Commission has calculated the A&G expenses of Rs 1.12 Cr and has approved Rs 1.06 Cr which is net of capitalisation, considered at 5%.

5.58 The Commission also directs the Petitioner to submit the detailed break-up of A&G expenses in the next tariff petition as per the forms annexed in 'JSERC distribution Regulations, 2004' as amended from time to time. The Petitioner is also directed to give break-up of A&G expenses of DNW and ETL incurred for running of the power distribution business of township. Table 19 summarises the O&M expenses approved by the Commission for FY 2008-09, FY 2009-10 and FY 2010-11.

**Table 19: Approved O&M Expenses (Rs Cr)**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Employee Cost	15.65	13.98	11.86
A&G expenses	1.12	1.12	1.06
R&M expenses	3.77	0.20	0.20
<b>Total</b>	<b>20.54</b>	<b>15.30</b>	<b>13.12</b>

## Capital Investment Plan

### *Petitioner's submission*

- 5.59 The Petitioner has proposed a capital investment plan of Rs10 Cr for FY 2010-11 with the objective to replace all defective meters and strengthen the overall transmission and distribution system. There has not been any capital expenditure in FY 2008-09 and FY 2009-10.
- 5.60 The capital investment plan proposed by the Petitioner is detailed in Table 20 below:

**Table 20: Proposed Capital Investment plan for FY 2010-11**

S No.	Particulars	Unit	Qty	Rate	Amount (Rs Cr)
1.	Transformer 250 kVA	Nos	20	375000	0.75
2.	Transformer 500 kVA	Nos	30	420000	1.26
3.	Panel for 250 kVA	Nos	20	200000	0.40
4.	Panel for 500 kVA	Nos	30	250000	0.75
5.	Panel for 750 kVA	Nos	10	300000	0.30
6.	Pole fuse boxes	Nos	5000	1500	0.75
7.	Service Cable 2x25	M	60000	275	1.65
8.	Service Cable 4 x 16	M	50000	330	1.65
9.	Service Cable 4 x 25	M	24000	413	0.99
10.	Energy Meters	Nos	10000	1500	1.5
	<b>Total</b>				<b>10.00</b>

### *Commission's analysis*

- 5.61 The Commission has approved the capital investment plan for FY 2010-11 based on the expenditure of Rs 2 Cr incurred in the first five months of the said year, as submitted by the Petitioner in the additional information. The Commission has proportionately allowed the capital expenditure of Rs 4.80 Cr for the entire year. Although, the same would be adjusted based on the actual expenditure incurred by the Petitioner during FY 2010-11.

## CWIP & Gross Fixed Asset

### *Petitioner's submission*

- 5.62 The Petitioner submitted Gross Fixed Assets of Rs 7.90 Cr each for FY 2008-09 and FY 2009-10 and FY 2010-11

5.63 The Petitioner also stated there is no capital work in progress during FY 2008-09, FY 2009-10 and FY 2010-11.

*Commission's analysis*

5.64 As stated earlier, the annual accounts for FY 2008-09 submitted by the Petitioner are not in order. The Gross fixed asset mentioned in the accounts is Rs 7.90 Cr which is very less for a utility having such a vast distribution network.

5.65 The Commission representative's during the discussions with the officials of Petitioner pointed out this discrepancy and has also given directions in the directive section to identify the fixed assets dedicated to the licensed distribution business.

5.66 Meanwhile, the Commission has considered the Gross fixed assets of Rs 7.90 Cr each for FY 2008-09 and FY 2009-10 based on the extracted accounts submitted by the Petitioner subject to the condition that the same shall be trued-up when the actual figures along with the audited accounts are made available by the Petitioner.

5.67 As mentioned earlier, the Commission has approved capital expenditure of Rs 4.80 Cr for FY 2010-11 and considered that 50% of the capital expenditure incurred will be converted to fixed assets during the year. Table 21 details the GFA approved by the Commission:

**Table 21: Approved GFA & CWIP (Rs Cr)**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Opening CWIP	-	-	0
Capex during the year	-	-	4.80
Total CWIP	-	-	4.80
Less. Transferred to Fixed Assets (FA)	-	-	2.40
Closing CWIP	-	-	<b>2.40</b>
% of assets transferred to Fixed assets	-	-	50%
Opening GFA	7.90	7.90	7.90
Add: Assets transferred from CWIP	0	0	2.40
Closing GFA	7.90	7.90	10.30

## Depreciation

*Petitioner's submission*

5.68 The Petitioner has submitted the depreciation of Rs 0.26 Cr each for FY 2008-09, FY 2009-10 and FY 2010-11.

*Commission's analysis*

- 5.69 The 'Distribution Tariff Regulations, 2004' specify that depreciation shall be calculated annually as per SLM at the rates of depreciation prescribed in the schedule attached to the Regulations in Appendix-II. Further, it is provided that capital base for the purpose of depreciation shall be the historical cost of the asset and the residual life of the asset shall be 10% of approved historical cost.
- 5.70 However, in view of the Petitioner's inability to classify its distribution assets in accordance with Appendix II of the 'Distribution Tariff Regulations, 2004', the Commission asked the Petitioner to submit the details of the assets along with the date of acquisition and cost of acquisition.
- 5.71 Accordingly, the Commission has computed the depreciation based on the details submitted by the Petitioner on the rates specified in the said regulations. Table 22 details the depreciation approved by the Commission:

**Table 22: Approved Depreciation (Rs Cr)**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Depreciation	0.15	0.15	0.14
Depreciation on assets added during the year	-	-	0.02
Total depreciation	0.15	0.15	0.16

**Capital Structure and Interest on loan**

*Petitioner's submission*

- 5.72 The Petitioner submitted that the capital structure of the electricity business of the Petitioner consists of assets valued at Rs 7.90 Cr which has been put in place after SAIL-Bokaro provided Rs 28.86 Cr as loan.
- 5.73 The Petitioner further submitted that the entire capital expenditure incurred by SAIL-Bokaro has been funded through its own sources i.e. through equity infusion of Rs 28.86 Cr. Therefore, the normative loan has been considered as 70% of capital employed. Based on the normative debt, the interest on loan is calculated as Rs 2.58 Cr for FY 2008-09, FY 2009-10 and FY 2010-11. Further, there is a balancing figure of Rs 0.12 Cr in P&L accounts which is also considered as a part of interest and financing charges each for FY 2008-09, FY 2009-10 and FY 2010-11.

*Commission's analysis*

- 5.74 The 'Distribution Tariff Regulations, 2004 states that:

*“Debt Equity ratio for the purpose of determination of tariff shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30%. Where actual equity employed is less than 30%, the actual equity shall be considered.”*

- 5.75 Accordingly, the Commission has determined the normative debt and equity in the ratio of 70:30 of the value of GFA approved by the Commission.
- 5.76 In accordance with the generally accepted accounting principles and norms, interest on loan is computed on the average loan outstanding during the year. Accordingly, the interest on normative loan is computed on the average balance during FY 2008-09, FY 2009-10 and FY 2010-11 by applying an interest rate of 12.75%.
- 5.77 Table 23 summarises approved normative interest on loan for FY 2008-09, FY 2009-10 and FY 2010-11:

**Table 23: Approved Interest on Normative Loan (Rs Cr)**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
<b>Opening Balance</b>	<b>0.77</b>	<b>0.67</b>	<b>0.58</b>
Deemed Additions	0	0	2.40
<b>Deemed Repayment</b>	<b>0.10</b>	<b>0.10</b>	<b>0.28</b>
<i>Closing Balance</i>	0.67	0.57	2.70
Average balance during the year	0.72	0.62	1.64
Interest Rate	12.75%	12.75%	12.75%
<b>Interest on Loan</b>	<b>0.09</b>	<b>0.08</b>	<b>0.21</b>

### **Interest on Working Capital**

#### *Petitioner’s submission*

- 5.78 The Petitioner has calculated the interest on working capital based on 2 month receivables which amounts to Rs 5.38 Cr, Rs 4.98 Cr and Rs 5.37 Cr for FY 2008-09, FY 2009-10 and FY 2010-11 respectively

#### *Commission’s Analysis*

- 5.79 In accordance with Regulation 13 of ‘Distribution Tariff Regulations, 2004’ the interest on working capital shall be allowed to meet the shortfall in collection over and above the target approved by the Commission. The rate of interest on working capital shall be the short-term Prime Lending Rate of State Bank of India as on 1<sup>st</sup> April of that year for which the tariff is being determined.

5.80 For FY 2008-09 and FY 2009-10, the Commission has calculated interest on working capital based on the bad debts of Rs 2.47 Cr and Rs 2.05 Cr respectively submitted by the Petitioner. Accordingly, the approved interest on working capital is worked out at Rs 0.30 Cr for FY 2008-09 and Rs 0.25 Cr for FY 2009-10.

5.81 The Commission is of the view that the collection efficiency of the Petitioner is very low for the past years and directs the Petitioner to improve the same for the future. For FY 2010-11, based on the past trends and expected improvement, the Commission has approved shortfall of 3% of the average of existing and proposed revenue for FY 2010-11. Thus, allowing interest on working capital of Rs 0.17 Cr for the said year. Table 24 summarises the approved interest on working capital for FY 2008-09, FY 2009-10 and FY 2010-11:

**Table 24: Approved Interest on working capital (Rs Cr)**

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Bad debt as a % of revenue	5.45%	4.56%	3%
Revenue at existing tariff	45.22	44.97	45.74
Revenue at proposed tariff	-	-	52.35
Bad debt (in Rs Cr)	2.47	2.05	1.47
Rate of interest	12.25%	12.25%	11.75%
<b>Interest on Working Capital</b>	<b>0.30</b>	<b>0.25</b>	<b>0.17</b>

## Return on Equity (RoE)

### *Petitioner's submission*

5.82 The Petitioner has considered normative equity to be equal to 30% of capital employed and accordingly submitted return on equity of Rs 1.21 Cr each for FY 2008-09, FY 2009-10 and FY 2010-11.

### *Commission's analysis*

5.83 The Commission determined RoE on the approved average equity base at the rate of 14% as specified by Regulation 20.1 of the 'Distribution Tariff Regulations, 2004'. Table 25 summarises the approved return on equity:

**Table 25: Approved Return on Equity (Rs Cr)**

Description	FY 2008-09	FY 2009-10	FY 2010-11
Opening Equity	2.37	2.37	2.37
Deemed Additions	0	0	0.72
Closing Equity	2.37	2.37	3.09

ROE (%)	14%	14%	14%
ROE (Rs Cr)	0.33	0.33	0.38

## Revenue from Existing Tariff

### *Petitioner's submission*

5.84 The Petitioner has submitted the consumer category-wise revenue from existing tariffs for FY 2008-09, FY 2009-10 and FY 2010-11 on the basis of the number of consumers, connected load and sales for each category of consumer. The revenues from existing tariff for distribution business amounts to Rs40.06 Cr, Rs 39.93 Cr and Rs 42.98 Cr for the FY 2008-09, FY 2009-10 and FY 2010-11 respectively.

### *Commission's Analysis*

5.85 On the basis of approved sales estimation, no. of consumers and connected load for various categories of consumers, the Commission approves the revenue from sale of power at existing tariff amounting to Rs45.23 Cr, Rs44.98 Cr and Rs45.74 Cr for FY 2008-09, FY 2009-10 and FY 2010-11 respectively.

## Summary of ARR

5.86 The Table 26 details the summary of components of ARR

**Table 26: Summary of Annual Revenue Requirement for FY 2008-09, FY 2009-10 & FY 2010-11 (Rs Cr)**

Particulars	FY 2008-09		FY 2009-10		FY 2010-11	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Cost of power purchased for distribution business	83.75	73.40	74.94	62.98	77.19	48.09
Employee Cost	18.77	15.65	20.64	13.98	22.70	11.86
A&G Expenses	1.22	1.12	1.22	1.12	1.22	1.06
R&M Expenses	4.31	3.77	4.74	0.20	14.74	0.20
Interest and Financing charges	2.70	0.09	2.70	0.08	2.70	0.21
Interest on working capital	5.38	0.30	4.98	0.25	5.37	0.17
Depreciation	0.26	0.15	0.26	0.15	0.26	0.16
Return on Equity	1.21	0.33	1.21	0.33	1.21	0.38
<b>ARR</b>	<b>117.60</b>	<b>94.81</b>	<b>110.69</b>	<b>79.09</b>	<b>125.39</b>	<b>62.13</b>
Revenue at existing tariff from distribution business	40.06	45.23	39.93	44.98	42.98	45.74
Revenue (gap)/surplus	<b>(77.54)</b>	<b>(49.58)</b>	<b>(70.76)</b>	<b>(34.11)</b>	<b>(82.41)</b>	<b>(16.39)</b>

## A6: TREATMENT OF REVENUE GAP

- 6.1 The Commission has conducted a detailed analysis of the various components submitted by the Petitioner for FY 2008-09, FY 2009-10 and FY 2010-11.
- 6.2 The summary of revenue gap/surplus approved by the Commission for FY 2008-09, FY 2009-10 and FY 2010-11 is given in Table 27:

**Table 27: Approved revenue gap/surplus (in Rs Cr)**

Particulars	Approved by the Commission
Annual Revenue Requirement for FY 2010-11	62.13
Revenue Gap/ (Surplus)for FY 2009-10	34.11
Revenue Gap/(Surplus) for FY 2008-09	49.58
<b>Total Revenue Requirement up to FY 2010-11</b>	<b>145.82</b>
Revenue at existing tariff	45.74
<b>Cumulative Revenue Gap/(Surplus)</b>	<b>100.08</b>

- 6.3 The cumulative ARR for FY 2010-11 and revenue gap from FY 2008-09 to FY 2009-10 approved by the Commission amounts to Rs 145.82 Cr at the existing tariff.
- 6.4 The Petitioner will be able to generate revenue of Rs 45.74 Cr during FY 2010-11 at existing tariff leaving a resultant gap of Rs 100.08 Cr.
- 6.5 The Commission has decided to revise the tariff for various categories on the basis of the following:
- Revenue Gap of Rs 100.08 Cr envisaged by the Commission;
  - The tariff proposal of Petitioner for various categories;
  - Provisions of section 61(g) of the Electricity Act, 2003 for reducing the cross-subsidies;
  - National Tariff Policy;
  - National Electricity Policy;



- 6.6 In view of the uncertainty of the information provided by the Petitioner in the petition and the additional information, the Commission has decided to revise the tariff for various categories on the basis of the Tariff rates approved for JSEB and JUSCO in FY 2010-11. It is pertinent to mention that the tariff so approved for the Petitioner shall remain as provisional till the time accurate information is provided by the Petitioner along with proper segregation of accounts for electricity distribution business.
- 6.7 In view of the tariffs approved for FY 2010-11, the proposed tariff from various consumer categories is estimated to generate additional revenue of about Rs 6.62 Cr whereas for the balance revenue gap of Rs 93.46 Cr, the Commission shall take a view only after the accurate information and segregated audited accounts for electricity distribution business is provided by the Petitioner.

## A7: TARIFF APPROVED BY THE COMMISSION FOR FY 2010-11

7.1 The Commission has determined the category wise retail tariffs for FY 2010-11, as depicted in the Table 28.

**Table 28: Existing and Approved Tariff for FY 2010-11**

Consumer Category	Existing				Approved			
	Fixed Charge	Energy Charge		Minimum Monthly Charge	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate	Rate	Rate	Unit	Rate	Rate
DS-I (a)- Kutir Jyoti Connections (Metered)	0	Rs./ kWh	1.00	Nil	0	Rs./ kWh	1.10	Nil
DS-I (a)- Kutir Jyoti Connections (Unmetered)	Rs 30 per connection per month	Rs./ kWh	0.00	Nil	Rs 30 per connection per month	Rs./ kWh	0.00	Nil
DS-I (b)- Other rural domestic consumers (Metered)	0	Rs./ kWh	1.00	Nil	0	Rs./ kWh	1.10	Nil
DS - I (b) other rural domestic consumers (Unmetered)	Rs 70 per connection per month	Rs./ kWh	0.00	Nil	Rs 72 per connection per month	Rs./ kWh	0.00	Nil
DS – II	Rs. 20 per connection per month	Rs./kWh (0-200 Units per month)	1.35	Nil	Rs. 25 per connection per month (0-200 kWh)	Rs./kWh (0-200 kWh)	1.50	Nil
		Rs./kWh (200-400 Units per month)	1.75	Nil	Rs. 30 per connection per month (Above 200 kWh)	Rs./kWh (Above 200 kWh)	1.90	Nil
		Rs./kWh (Above 400 Units per month)	1.90	Nil	-	-	-	-
DS – III	Rs. 40 per connection per month	Rs./kWh	1.90	Nil	Rs. 50 per connection per month	Rs./kWh	1.90	Nil
DS HT	Rs. 40 per kVA per month	Rs./kWh	2.00	Nil	Rs. 40 per kVA per month	Rs./kWh	1.65	Nil
NDS – I <=2 kW (Metered)	0	Rs./kWh	1.25	Nil	0	Rs./kWh	1.35	Nil

<b>NDS – I (Unmetered)</b>	Rs. 125/kW/month or part thereof for connected load up to 1 KW. Rs.50/kW/month for each additional 1kW or part thereof	Rs./kWh	0	Nil	Rs. 120/kW/month or part thereof for connected load upto 1KW.  Rs.60/kW/month for each additional 1kW or part thereof.	Rs./kWh	0	Nil
<b>NDS – II</b>	Rs. 100 per connection per month	Rs./kWh	3.40	Nil	Rs. 110 per kW per month or part thereof	Rs./kWh	3.95	Nil
<b>LTIS</b>	Rs. 60 /HP/month or part thereof	Rs./ kWh	3.40	Nil	Rs. 75 /HP/month	Rs./ kWh	3.50	Nil
<b>IAS - I (Metered)</b>	0	Rs./ kWh	0.50	Nil	0	Rs./ kWh	0.50	Nil
<b>IAS-I (Unmetered)</b>	Rs. 65 /HP/month	Rs./ kWh	0	Nil	Rs. 50 /HP/month	Rs./ kWh	0.00	Nil
<b>IAS – II (Metered)</b>	0	Rs./ kWh	0.85	Nil	0	Rs./ kWh	0.75	Nil
<b>IAS-II (Unmetered)</b>	Rs. 250 /HP/month	Rs./ kWh	0	Nil	Rs. 200 /HP/month	Rs./ kWh	0.00	Nil
<b>HTS</b>	Rs. 140 per kVA per month (Demand charges)	Rs./ kWh	3.80	For supply at 11 & 33 kV: 250 per kVA  For supply at 132 kV: 400 per kVA	Rs. 165 per kVA per month (Demand charges) for all voltage levels	Rs./ kWh	4.35	Nil
<b>HTSS</b>	Rs. 275 per kVA per month (Demand charges)	Rs./kWh	2.60	Rs. 400 per kVA per month	Rs. 330 per kVA per month (Demand charges) for all voltage levels	Rs./kWh	2.50	Nil
<b>SS-I (Metered)</b>	Rs 20/ Connection/ Month	Rs./kWh	3.50	Nil	Rs 25/ Connection/ Month	Rs./kWh	3.50	Nil
<b>SS-II (Unmetered)</b>	Rs. 120 per 100 watt lamp per month. In addition, Rs 25 would be charged for each additional 50 Watt				Rs. 110 per 100 watt lamp per month. In addition, Rs 25 would be charged for each additional 50 Watt			

<b>REC/SHG Etc</b>	NIL	Rs./ kWh	0.70	NIL	NIL	Rs./ kWh	0.70	Nil
<b>MES</b>	Rs. 150/kVA/month	Rs./ kWh	2.70	NIL	Rs 160/kVA per month	Rs./ kWh	3.00	Nil

Note: Tariff for temporary supply shall remain the same as per the existing applicable tariff.

**The above tariffs will be applicable from 1<sup>st</sup> October 2010.**

## **A8: TARIFF RELATED OTHER ISSUES**

### **Tariff Rationalization and Load Management**

#### *Petitioner's submission*

- 8.1 The Petitioner has submitted that in order to encourage efficient use of electricity by consumers and reduce wastage, it has proposed different slabs of electricity charges for domestic consumers, with higher consumption being charged at higher rates.
- 8.2 The Petitioner has proposed the following method for classification of consumers:
- (a) Domestic Services, Slab I : Consumption between 0-200 units
  - (b) Domestic Services, Slab II : Consumption between 200-400 units
  - (c) Domestic Services, Slab III : Consumption more than 400 units
  - (d) Low Tension Industrial Supply
  - (e) HT-DS Composite
  - (f) Utilities
  - (g) High Tension Supply
  - (h) Temporary Supply

#### *View's of the Commission*

- 8.3 The Commission has decided to update the tariff for various categories on the basis of the following:
- (a) Revenue Gap envisaged by the Commission;
  - (b) The Tariff proposal of the Petitioner for various categories;
  - (c) Tariff approved for JSEB in its Tariff Order for FY 2010-11.
  - (d) Provisions of section 61(g) of the Act, for reducing the cross subsidies
  - (e) The National Tariff Policy; and
  - (f) National Electricity Policy.

- 8.4 The Petitioner has proposed two new categories – HT-DS Composite and HT/LT Utilities and Services to cater to its consumer base. The Commission, however, believes that there is no rational to create separate categories and has decided to approve the tariff structure that is in line with the tariff structure approved for other Jharkhand State Electricity Board (JSEB).
- 8.5 The Commission takes cognizance of provisions of Section 61 (g) of the Act and the National Tariff Policy for ensuring that the tariffs progressively reflect the cost of supply of electricity. In this regard, the Commission feels that it is important for the Petitioner to determine the cost of supply for each category and then compare the same with the revenue recovered from the respective categories.
- 8.6 The Commission has increased the tariff for domestic consumer category in this Tariff Order to help reduce under recoveries by the distribution company on account of these consumers and gradually move towards a cost of supply model of power supply.

## **A9: TARIFF SCHEDULE FY 2010-11**

**APPLICABLE FROM 1<sup>ST</sup> OCTOBER 2010**

### **Domestic Service (DS)**

#### **Applicability:**

Domestic Service–I, Domestic Service–II, Domestic Service–III and Domestic Service HT

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including Motors pumps for lifting water up to 1 BHP for domestic purposes and other household electrical appliances not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/Crematorium grounds and other recognised charitable institutions, where no rental or fees are charged whatsoever. If any fee or rentals are charged, such institution will be charged under Non domestic category.

#### **Category of Services:**

- (a) Domestic Service – DS-1(a): For Kutir Jyoti Connection only for connected load up to 100 Watt for Rural Areas.
- (b) Domestic Service – DS-I (b): - For rural areas not covered by area indicated under DS-II and for connected load not exceeding 2 KW.
- (c) Domestic Service – (DS-II): - For Urban areas covered by notified Area Committee / municipality / Municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters / Industrial Area / contiguous sub-urban area all market places urban or rural and for connected load not exceeding 4KW.
- (d) Domestic Service – (DS – III):-For Urban areas covered by notified Area Committee / municipality / municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters / Industrial Area / contiguous sub-urban area all market places urban or rural and for connected load exceeding 4KW.
- (e) Domestic service – HT (DS – HT) (Optional): - This Schedule shall apply for Domestic Connection in Housing Colonies / Housing Complex / Houses of multi storied buildings purely for residential use, with power supply at 11KV voltage level and load above 75 KW.

**Service Character:**

- (i) For DS-I (a): AC, 50 Cycles, Single phase at 230 volts for Kutir Jyoti connection for load below 0.03 KW
- (ii) For DS-I (b): AC, 50 Cycles, Single Phase at 230 Volts for load below 2 KW.
- (iii) For DS-II: AC, 50 Cycles, Single Phase at 230 Volts for installed load up to 4 KW.
- (iv) For DS-III: AC, 50 Cycles, three phase at 400 Volts for installed load exceeding 4 KW.

**Tariff:**

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate (Rs/KWh)	Rate (Rs/KWh)
DS-I (a), Kutir Jyoti Connections, metered	Nil	Rs./kWh	1.10 (optional metered tariff)	Nil
DS-I (a), Kutir Jyoti Connections, unmetered	Rs. 30 per connection per month	Rs./kWh	Nil	Nil
DS - I (b)- other rural domestic consumers, metered	Nil	Rs./kWh	1.10 (optional metered tariff)	Nil
DS - I (b)- other rural domestic consumers, unmetered	Rs. 72 per connection per month	Rs./kWh	Nil	Nil
DS – II	Rs 25 per connection per month (0-200 kWh per month)	Rs./kWh (0-200 kWh per month)	1.50	Nil
	Rs 30 per connection per month (Above 200 kWh per month)	Rs./kWh (Above 200 kWh per month)	1.90	Nil
DS – III	Rs. 50 per connection per month	Rs./kWh	1.90	Nil
DS HT	Rs. 40 per kVA per month	Rs./kWh	1.65	Nil

**Delayed Payment Surcharge:**

For Domestic Service category, the delayed payment surcharge will be at the rate of 1.5% per month and part thereof.



## Non-Domestic Service (NDS)

### Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding / lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel – oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshala, and such other installations not covered under any other tariff schedule.

### Service Category:

Non-Domestic Service (NDS)–I, Rural. For Rural Area not covered by area indicated for NDS–II and for connected load not exceeding 2 KW.

Non-Domestic Service (NDS) – II, Urban. For Urban Areas covered by Notified Areas Committee / municipality / Municipal Corporation / All District Town / All Sub-divisional Town / All Block Hqrs. / Industrial Area and Contiguous Sub-urban area, market place rural or urban and for connected load up to 75KW. This schedule shall also apply to commercial consumer of rural area having connected load above 2 KW.

### Service Character:

NDS – I: - AC 50 Cycles, Single phase at 230 Volts for loads up to 2 kW

NDS - II: - AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts for load exceeding 2 kW and up to 4 kW

### Tariff:

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate (Rs/KWh)	Rate (Rs/KWh)
NDS – I, <=2 kW metered	Nil	Rs./kWh	1.35	Nil
NDS-I, unmetered	Rs. 120 per kW per month or part thereof for connected load up to 1 kW Rs. 60 per kW per month for each additional 1 kW or part thereof	Rs./kWh	0	Nil
NDS – II	Rs. 110 per kW per month or part thereof.	Rs./kWh	3.95	Nil

### **Delayed Payment Surcharge:**

For Non Domestic Category, the Delayed Payment Surcharge will at the rate of 1.5% per month and part thereof.

### **Low Tension Industrial & Medium Power Service (LTIS)**

#### **Applicability:**

This schedule shall apply to all industrial units applying for a load of less than or equal to 100 KVA (or equivalent in terms of HP or KW).

The equivalent HP for 100 KVA shall be 114 HP and the equivalent KW for 100 KVA shall be 85.044 KW.

#### **Service Character:**

LTIS – AC, 50 Cycles, Single Phase supply at 230 Volts or 3 Phase Supply at 400 volts for use of electricity energy Demand Based tariff upto 100 KVA and under Installation based tariff for sanctioned load upto equivalent HP of 100 KVA.

#### **Tariff:**

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	<i>Rate</i>	<i>Unit</i>	<i>Rate (Rs/KWh)</i>	<i>Rate (Rs/KWh)</i>
LTIS	Rs. 75 /HP per month	Rs./KWh	3.50	Nil

All consumers under this category and opting for Demand Based tariff shall be required to pay Demand charges per KVA at the rate applicable to HT consumers drawing power at 11 KV.

All consumers under this category and opting for Installation based tariff shall be required to pay fixed charges per HP as per the applicable tariff rates for this category.

### **Delayed Payment Surcharge:**

For Low tension industrial and medium power category, the Delayed Payment Surcharge will at the rate of 1.5% per month and part thereof.

### **Power Factor Penalty:**

Power Factor Penalty will be applicable in case of maximum demand meters.

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.1 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges.

**Power Factor Rebate:**

Power Factor rebate will be applicable in case of maximum demand meters.

In case average power factor as maintained by the consumer is more than 85%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy charges shall be applicable.

**Irrigation & Agriculture Service (IAS)**

**Applicability:**

This schedule shall apply to all consumers for use of electrical energy for Agriculture purposes including tube wells and processing of the agricultural produce, confined to Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, when operated by the agriculturist in the field or farm and does not include Rice mills, Flour mills, Oil mills, Dal mills, Rice-Hauler or expellers.

**Service Category:**

IAS – I –For private tube wells and private lift irrigation schemes.

IAS – II – For State Tube-wells and State lift Irrigation schemes.

**Service Character:**

AC 50 Cycles, Single Phase at 230 volts / 3 Phase at 400 volts

**Tariff:**

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate (Rs/KWh)	Rate (Rs/KWh)
IAS - I (Metered)	Nil	Rs./kWh	0.50	Nil
IAS - I (Unmetered)	Rs 50/HP/month	Rs./kWh	Nil	Nil
IAS - II (Metered)	Nil	Rs./kWh	0.75	Nil
IAS – II (Unmetered)	Rs 200/HP/month	Rs./kWh	Nil	Nil

**Delayed Payment Surcharge:**

For Irrigation and agriculture service category, the Delayed Payment Surcharge will at the rate of 1.5% per month and part thereof.

**Power Factor Penalty:**

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.1 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges.

**Power Factor Rebate:**

In case average power factor as maintained by the consumer is more than 85%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy charges shall be applicable.

**High Tension Voltage Supply Service (HTS)****Applicability:**

The schedule shall apply for consumers having contract demand above 100 KVA.

**Service Character:**

50 Cycles, 3 Phase at 6.6 KV / 11 KV / 33 KV or 132 KV

**Tariff:**

Consumer category	Demand Charges	Energy Charge		Minimum Monthly Charge
	<i>Rate</i>	<i>Unit</i>	<i>Rate (Rs/KWh)</i>	<i>Rate (Rs/KWh)</i>
HTS - 11 kV	Rs. 165 per kVA per month	Rs./kWh	4.35	Nil
HTS - 33 kV	Rs. 165 per kVA per month	Rs./ kWh	4.35	Nil
HTS - 132 kV	Rs. 165 per kVA per month	Rs./ kWh	4.35	Nil

**Voltage Rebate:** Voltage rebate to the HTS consumers will be applicable as given below.

Consumer category	Voltage Rebate
HTS - 33 kV	3.00%
HTS - 132 kV	5.00%
HTS - 220 kV	5.50%
HTS - 440 kV	6.00%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate.

**Load Factor Rebate:** Load Factor rebate to the HT Consumers is proposed as given below.

Load Factor	Load Factor Rebate
40-60%	Nil
60-70%	7.5%
70-100%	10%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate.

### **Delayed Payment Surcharge:**

For High tension service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week.

### **Power Factor Penalty:**

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.1 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges.

### **Power Factor Rebate:**

In case average power factor as maintained by the consumer is more than 85%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy charges shall be applicable.

**TOD Tariff for HTS Consumers:** TOD tariff proposed for HTS Consumers is given below-

Off Peak Hours: 10:00 PM to 06:00 AM: 85% of normal rate of energy charge.

Peak Hours: 06:00 AM to 10:00 AM & 06:00 PM to 10:00 PM: 120% of normal rate of energy charge

## HT Special Service (HTSS)

### Applicability:

This tariff schedule shall apply to all consumers who have a contracted demand of 300 KVA and more for induction/arc Furnace. In case of induction/arc furnace consumers, the contract demand shall be based on the total capacity of the induction/arc furnace and the equipment as per manufacturer technical specification and not on the basis of measurement. This tariff schedule will not apply to casting units having induction furnace of melting capacity of 500 Kg or below.

For billing, the demand shall be the maximum demand recorded during the month or 75% of the contract demand, whichever is higher.

### Tariff:

Consumer category	Demand Charges	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate (Rs/KWh)	Rate (Rs/KWh)
HTSS - 11 kV	Rs. 330 per kVA per month	Rs./kWh	2.50	Nil
HTSS - 33 kV	Rs. 330 per kVA per month	Rs./kWh	2.50	Nil
HTSS - 132 kV	Rs. 330 per kVA per month	Rs./kWh	2.50	Nil

**Voltage Rebate:** Voltage rebate to the HTSS consumers will be applicable as given below.

Consumer category	Voltage Rebate
HTSS - 33 kV	3.00%
HTSS - 132 kV	5.00%
HTSS - 220 kV	5.50%
HTSS - 440 kV	6.00%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate.

**Load Factor Rebate:** Load Factor rebate to the HTSS Consumers is proposed as given below.

Load Factor	Load Factor Rebate
40-60%	Nil
60-70%	7.5%
70-100%	10%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate.

### **Delayed Payment Surcharge:**

For High tension special service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week.

### **Power Factor Penalty:**

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.1 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges.

### **Power Factor Rebate:**

In case average power factor as maintained by the consumer is more than 85%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy charges shall be applicable.

### **Street Light Service (SS) Applicability**

This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, notified area committee, panchayats etc. and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than 5.

**Service Character:** AC, 50 cycles, Single phase at 230 Volts or three phase at 400 Volts.

### **Category of Service:**

SS-I: Metered Street Light Service

SS-II: Unmetered Street Light Service

### **Tariff:**

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate	Rate
SS-I (Metered)	Rs. 25/ Connection/month	Rs./kWh	3.50	Nil
SS-II (Unmetered)	Rs. 110/ 100 watt lamp in addition Rs. 25 would be charged for each addition 50 Watt lamp.	Rs./kWh	Nil	Nil

### Delayed Payment Surcharge:

For Street Light service category, the Delayed Payment Surcharge will at the rate of 1.5% per month and part thereof.

### Rural Electric Co-operative (REC)/ Small Housing Group (SHG) Applicability

This tariff schedule shall apply for use in Electric Co-operatives (licensee) for supply at 33 kV or 11kV. It also includes village Panchayats where domestic and non-domestic rural tariff is not applicable.

**Service Character:** AC, 50 cycles, Three phase at 11 kV.

### Tariff:

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate	Rate
REC	Nil	Rs./kWh	0.70	Nil

### Delayed Payment Surcharge:

For Rural Electric Cooperative service category, the Delayed Payment Surcharge will at the rate of 1.5% per month and part thereof.

### Bulk Supply to Military Engineering Service (MES) Applicability

This tariff schedule shall apply to Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

### Tariff:

Consumer category	Fixed Charge	Energy Charge		Minimum Monthly Charge
	Rate	Unit	Rate	Rate
Bulk Supply to MES	Rs. 160 per kVA per month	Rs./kWh	3.00	Nil

### Delayed Payment Surcharge:

For Military Engineering service category, the Delayed Payment Surcharge will at the rate of 1.5% per month and part thereof.



## Schedule for Miscellaneous Charges

S No.	Purpose	Scale of Charges	Manner in which payment will be realized
<b>1</b>	<b>Application fee</b>		
	Agriculture	10	Application should be given in standard requisition form of the Board which will be provided free of cost. Payable in cash in advance along with the intimation
	Street light	20	
	Domestic	15 (Kutir Jyoti) 20 (Others)	
	Commercial	20	
	Other LT categories	50	
	HTS	100	
	HTSS, EHTS, RTS	100	
<b>2</b>	<b>Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application</b>		
	Agriculture	10	Payable in cash in advance along with the intimation for revision
	Domestic	30	
	Commercial	30	
	Other LT categories	50	
	HT Supply	150	
<b>3</b>	<b>Testing of consumers Installation</b>		
	First test and inspection free of charge but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection	100	(Payable in cash in advance along with the request for testing )
<b>4</b>	<b>Meter test when accuracy disputed by consumer</b>		
	Single phase	40	To be deposited in cash in advance. If the meter is found defective within the meaning of the Indian Electricity Rules 1956, the amount of advance will be refunded and if it is proved to be correct within the permissible limits laid down in the Rules, the amount will not be refunded.
	Three phase	100	
	Trivector of special type meter	650	
<b>5</b>	<b>Removing/ Refixing of meter</b>		
	Single phase	50	Payable in cash in advance along with the intimation for revision
	Three phase	100	
	Trivector of special type meter	300	
<b>6</b>	<b>Changing of meter /meter equipment/fixing of sub meter on the request of the consumer/fixing of sub meter</b>		
	Single phase	50	Payable in cash in advance along with the intimation for revision
	Three phase	100	
	Trivector of special type meter	300	
<b>7</b>	<b>Resealing of meter when seals are found broken</b>		

S No.	Purpose	Scale of Charges	Manner in which payment will be realized
	Single phase	25	Payable with energy bill
	Three phase	50	
	Trivector of special type meter	100	
<b>8</b>	<b>Replacement of meter card, if lost or damaged by consumer</b>	<b>10</b>	Payable with energy bill
<b>9</b>	<b>Fuse call – Replacement</b>		
	Board fuse due to fault of consumer	15	Payable with energy bill
	Consumer fuse	15	
<b>10</b>	<b>Disconnection/ Reconnection</b>		
	Single phase	30	Payable in cash in advance along with the request by the consumer. If the same consumer is reconnected/ disconnected within 12 months of the last disconnection/ reconnection, 50% will be added to the charges
	Three phase	75	
	LT Industrial Supply	300	
	HT Supply	500	
<b>11</b>	<b>Security Deposit</b>		As per clause 10.0 of the JSERC (Electricity Supply code) Regulations, 2005

## **A10: DIRECTIVES**

### **Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts**

- 10.1 As per the provisions under Section 51 of the Act, a distribution licensee has to maintain separate accounts for each business so as to ensure that the power supply business does not subsidize or burden its distribution assets to support other business activities of the licensee.
- 10.2 While the Commission recognizes the attempt made by the Petitioner in segregating information of its electricity business from the consolidated accounts of the steel plant for the purpose of this petition, the Petitioner must undertake an exercise for full and final segregation of accounts and get it certified.
- 10.3 The Petitioner must also maintain and submit to the Commission separate lists of all the employees that are engaged partially and wholly engaged in the electricity distribution business, along with their role and responsibility and salary drawn as on 1<sup>st</sup> April 2010 within two months of the issue of this Order.

### **Maintenance of Fixed Asset Register**

- 10.4 The Commission has noted that the Petitioner does not maintain a separate fixed asset register for its electricity distribution business and has only been able to identify fixed assets worth Rs. 7.90 Cr in use in its licensed area, in its books of accounts. An accurate assessment of GFA is essential for calculating the ARR. Therefore, the Commission directs the Petitioner to carry out, either on its own or via an expert agency, an assessment of the fixed asset base of the distribution system of its licensed area and submit the findings of the same to the Commission for approval within six months of the issue of this Order.
- 10.5 The Petitioner must maintain at least the following information in the Fixed asset register for the distribution assets
  - (a) Description of Item
  - (b) Quantity
  - (c) Acquisition date/Accounting year
  - (d) Bill date
  - (e) Voucher no/date
  - (f) Purchased/sold
  - (g) Date of sale and amount (for assets sold)

- (h) Location/identification
- (i) Depreciation rate
- (j) Depreciation amount
- (k) Salvage Value

10.6 The Commission also directs the Petitioner to maintain, and regularly update, the fixed assets register mentioned in 10.5 for its electricity distribution business.

#### **Timeliness and Data Adequacy in Next Tariff Petition**

10.7 The Commission directs the licensee to come up with the next tariff petition for FY 2011-12, after removing the various data deficiencies highlighted in this Tariff Order. The Commission also directs the licensee to ensure submission of subsequent ARR & Tariff filings for the ensuing years by 1<sup>st</sup> November of every year.

#### **Sales Estimates and Projections**

10.8 The Commission directs the Petitioner to undertake a detailed study for load research and demand forecast in order to correctly work out its short term and long term energy requirement. The Commission directs the Petitioner to submit a status report within six months of the issue of this order.

#### **Distribution Losses**

10.9 The Commission considers the high level of distribution loss reported by the Petitioner to be unacceptable and directs the Petitioner to formulate a task force for supervising distribution loss mitigation efforts in its licensed area.

10.10 The Petitioner must also prepare a detailed, five year plan for reduction of distribution losses which should include, among others, the following initiatives:

- (a) *Establishing Measurement and Control Mechanisms* like Feeder Metering, DT Metering, Feeder wise Energy Audit, DT wise Energy Audit and Consumer indexing.
- (b) *Metering and Associated Infrastructure Improvements* like Metering of un-metered consumers, LT CT Meter & Service line Replacement, LT Meter & Service line Replacement and AMI for LT Consumers.
- (c) *Network Infrastructure Improvements* like Re-enforcement of feeders, Feeder bifurcation/ Segregation, Transformer Augmentation, Load Balancing, Reduction of HT/LT Ratio – HVDS ( in High loss areas), LT ABC (in High loss DT's) and Capacitor installation.

- (d) *Commercial & Administrative Measures* like Disconnection of defaulters, Anti-theft enforcement drives and Consumer education drives.

The Petitioner must submit this plan to the Commission within six months of issue of this tariff order.

- 10.11 The Petitioner should also study the practices followed by other similarly placed utilities to control distribution losses and adopt the best practices available.

### **Complaint Redressal Mechanism**

- 10.12 The Commission observed during the public hearing that many respondents complained about the lack of promptness and accessibility for registering the complaints for speedy redressal of their complaints. The Commission also views that the licensee needs to have a robust complaint redressal mechanism so that the licensee is in a position to address the complaints of all consumers in a speedy manner. The Petitioner should study the complaint redressal mechanism put in place by other utilities in the state/country and must implement a complaint redressal mechanism within six months of the issue of this Order. The Petitioner must also submit a compliance report to the Commission within one month of implementing the mechanism.

### **Capital Investments**

- 10.13 The Petitioner is directed to prepare, and submit to the Commission, a comprehensive capital investment plan for any investment that it wishes to make in the distribution network.

### **Billing and Metering Related Issues**

- 10.14 The Commission has observed that one of the major reasons for higher distribution losses is the inability of the licensee to bill its consumers. Despite selling energy on regular basis there are cases where the Petitioner has failed to meter the consumption and bill the consumers. The Commission directs the Petitioner to develop a **comprehensive metering plan**. The Petitioner should also ensure that it strengthens its metering, billing and collection mechanism to ensure 100 per cent billing and collection.

- 10.15 On verification of the bills issued to the consumers, it was found that the Petitioner is raising combined bills for various utilities such as water supply, electricity etc. The Commission directs the Petitioner to either raise separate bills for electricity supply or ensure that the combined bill is sufficient in detail. The bill should clearly indicate:

- (a) Category of the Consumer
- (b) Meter Status
- (c) Current and Last Meter Reading, and Date on which the reading was taken

- (d) Units Consumed
- (e) Power Factor, Load Factor (if applicable)
- (f) Electricity Duty
- (g) Energy Charges
- (h) Fixed/Demand Charges
- (i) Rebates (if any)
- (j) Total Amount Due, Due Date and the applicable Delayed Payment Surcharge etc.

10.16 Billing should be carried out on a monthly basis and the Petitioner should avoid raising combined bills for several months.

**Cost of Supply Study (CoS)**

10.17 In view of the provisions of Section 61(g) and National Tariff Policy which state that the tariffs should reflect the CoS of electricity, the Commission directs the Petitioner to conduct the CoS study for each category of consumers within one year of the issue of this order and submit it to the Commission for review and finalization. The Petitioner should also submit the scope of work and the methodology to be followed for conducting the CoS Study.

**This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on this 09<sup>th</sup> day of October 2010.**

Date: 09<sup>th</sup> October, 2010

Place: Ranchi

**Sd/-**

(T.MUNIKRISHNAIAH)  
MEMBER (E)

**Sd/-**

(MUKHTIAR SINGH)  
CHAIRPERSON

## A11: ANNEXURES

### ANNEXURE-I

List of participating members of public in the public hearing

S No	Name	Address / Organization if any
1	L. Ojha	Coop. Colony, B. S. City, Bokaro
2	B. Ojha	Coop. Colony, B. S. City, Bokaro
3	R. D. Prasad	BELHWS St. Ii, Sec 4E
4	A. K. Singh	Qr. No. 7091/4F, BELHWS
5	A. P. Singh	Sec. 8, B.S. City
6	L. Panday	IIIA/739, B.S.City
7	H. Rai	IIIA/770, B.S.City
8	S. K. Singh	4A/2201
9	Anil Kumar Jha	B.S. City
10	B. N. Jha	Member (Member F.)
11	S. Sing	Member (Member Tech.)
12	K. Prasad	Home Leare Welfare society
13	R. B. Saram	III C Q-2-8
14	J. C. Sinha	Ex ED SAIL
15	Gayasik	iiia/688
16	Rajendra	4E 3178
17	V.K. Mishra	IIIA B. S. City
18	Suresh Rai	4D/2272 B. S. City
19	A. Raman	Sr. Citi. Welfare socity
20	B.N. Panday	Vice-president
21	Bal Krishana Mishra	Q. No.- 1046, St.- 4 Sec.- 9A
22	S. Kmar	BSL official
23	R. panday	BSL official
24	O.P. Choudhary	BSL official
25	B.N. sahay	360, Crof
26	B.K. Singh	IL – 308
27	Shankar Sharan	IC – 209
28	R. K. Prasad	II/C-2-355
29	S. Singh	IC/684
	A.K. Sharma	IIA/364

31	B.D. Singh	IIIF/1103
32	R.P. Gupta	4G/3139
33	A. Modi	4G/3110
34	Y. K. Verma	4G/2171
35	Kundan Kr. Upadhayay	State President, JSTSBEA, Kokaro
36	Awdhesh Kumar	State President, JSTSBEA, Kokaro
37	Gourav paitandy	3/A Qr. No. 1
38	Sudama Prasad Singh	393. O.P
39	R. Pandey	407, Co.Colony
40	Ashraf Ali	12F.
41	Janardan Lall	327, Co-op, Colony
42	S.N.P. Gupta	2151,6A/B. S. City
43	R. K. Vishwakarma, PHWA	JA-13, City Centre
44	G. Choudhary	8A 1377
45	Jagdish Choudhary	Chamber of Commerce
46	Ravindra Kumar	N-1, City
47	G. Pandey	HA-14
48	G. K. Upadhyay	4D/2146
49	B.K. Gupta	4D/2295 Ex AGM
50	L.N. Upadhayay	III A- 3486
51	K.N. Prasad	IiA 2-020
52	Pankaj Kumar	IV G 2031
53	Gyanendu Jaipuriar	ETV
54	P.K. Sahay	IV/D1091
55	Anjay Ashk	Sahara Samay TV
56	S.P. Singh	III A 106
57	Sanjay Sahay	7D Co-oprative Colony
58	A. K. Choudhary	4G 2104 B.S.City
59	Sunil Kumar Thakur	B.S. City
60	Himesh Kare	Prabhat Khabar
61	Diny Khare	The Times of India