

Jharkhand State Electricity Regulatory Commission



**Order on
True-up of
erstwhile JSEB for FY 2011-12 to FY 2013-14 (up to
5th Jan'14)
and
JBVNL for FY 2013-14(6th Jan'14 to 31st Mar'14) to
FY 2015-16**

Ranchi

27 April 2018

TABLE OF CONTENTS

A1. INTRODUCTION	9
JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION.....	9
THE PETITIONER – JHARKHAND BIJLI VITARAN NIGAM LIMITED	10
THE PETITIONER’S PRAYERS.....	11
SCOPE OF THE PRESENT ORDER	12
A2. PROCEDURAL BACKGROUND.....	13
INFORMATION GAPS IN THE PETITIONS	13
INVITING PUBLIC COMMENTS/ SUGGESTIONS	14
MEETING OF THE STATE ADVISORY COMMITTEE.....	14
SUBMISSION OF COMMENTS/ SUGGESTIONS AND CONDUCT OF PUBLIC HEARING	14
A3. BRIEF FACTS OF THE PETITION	16
TRUE-UP OF ERSTWHILE JSEB PERIOD (FY 2011-12 TO FY 2013-14 (UNTIL 5 TH JAN, 2014)	16
TRUE-UP FOR THE COMPANY PERIOD (FY 2013-14 TO FY 2015-16)	19
A4. PUBLIC CONSULTATION PROCESS	21
TRUE-UP OF ARR OF THE JSEB PERIOD	21
TRUE-UP OF ARR OF JBVNL PERIOD	22
AUDITED ACCOUNTS AND RELIABLE DATA	23
BENCHMARKS AND TARGETS FOR THE LICENSEE.....	23
PERFORMANCE OF PTPS	24
APPROVAL OF BUSINESS PLAN	25
INTEREST ON SECURITY DEPOSIT	25
INTEREST AND FINANCE CHARGES.....	26
PROVISIONS FOR DOUBTFUL DEBTS	27
RESOURCE GAP FUNDING	27
GROSS FIXED ASSETS	28
DEPRECIATION	28
REVENUE FROM THE SALE OF POWER	28
CAPITAL GRANTS/SUBSIDY/CONSUMER CONTRIBUTION	29
DISINCENTIVE DUE TO EXCESS T&D LOSS.....	29
CARRYFORWARD OF REVENUE GAP/ (SURPLUS) OF THE JSEB PERIOD.	30
VIOLATION OF ACCOUNTING STANDARDS	30
A5. TRUE-UP OF ERSTWHILE JSEB PERIOD (FY 2011-12 TO FY 2013-14 (UPTO 5TH JAN’ 2014)).33	
ENERGY SALES	33
POWER PURCHASE QUANTUM & COST	34
OWN GENERATION AND FUEL COST - PTPS	37
OWN GENERATION - SHPS	40
ENERGY REQUIREMENT AND ENERGY AVAILABILITY	41
DISINCENTIVE FOR THE NON-ACHIEVEMENT OF T&D LOSSES	43
TRANSMISSION COST	45
EMPLOYEE COST.....	46
A&G COST	47
R&M COST	49
GROSS FIXED ASSET (GFA) & CWIP	50
DEPRECIATION	51
INTEREST AND FINANCE CHARGES	53
INTEREST ON CONSUMER SECURITY DEPOSITS	54
INTEREST ON WORKING CAPITAL	55
RETURN ON EQUITY	56

NON-TARIFF INCOME (NTI).....	58
PROVISION FOR BAD DEBTS.....	59
RESOURCE GAP FUNDING	60
FUNCTIONALLY DISAGGREGATED ARR	62
SUMMARY OF ARR FOR DISTRIBUTION BUSINESS FOR THE BOARD PERIOD	64
REVENUE GAP & ITS TREATMENT FOR THE ERSTWHILE JSEB	66
A6. TRUE-UP OF JBVNL FOR THE COMPANY PERIOD (FY 2013-14 (FROM 6TH JAN' 2014 TO 31ST MAR' 2014) TO FY 2015-16)	68
ENERGY SALES	68
POWER PURCHASE QUANTUM & COST	70
ENERGY REQUIREMENT AND ENERGY AVAILABILITY	78
DISINCENTIVE FOR THE NON-ACHIEVEMENT OF T&D LOSSES	80
INTRA-STATE TRANSMISSION CHARGES	82
GROSS FIXED ASSET (GFA) & CWIP	83
EMPLOYEE COST.....	86
A&G COST	87
R&M COST	88
DEPRECIATION	88
INTEREST AND FINANCE CHARGES	89
INTEREST ON CONSUMER SECURITY DEPOSITS	91
INTEREST ON WORKING CAPITAL	91
RETURN ON EQUITY	93
NON-TARIFF INCOME.....	94
PROVISION FOR BAD DEBTS.....	95
RESOURCE GAP FUNDING (RGF)	96
SUMMARY OF ARR OF JBVNL FOR THE COMPANY PERIOD.....	97
PENALTY FOR NON-COMPLIANCE OF DIRECTIVES	98
REVENUE GAP & ITS TREATMENT FOR JBVNL.....	99
A7. ANNEXURES	103
ANNEXURE 1: LIST OF PARTICIPATING MEMBERS OF PUBLIC IN THE PUBLIC HEARING	103
ANNEXURE 2: MINUTES OF THE SAC MEETING HELD ON 21.03.18	114

List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
CWIP	Capital Works in Progress
DPS	Delayed Payment Surcharge
DSM	Demand Side Management
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoI	Government of India
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory
JUSCO	Jamshedpur Utilities & Services Company Limited
Kcal	Kilocalorie
Kg	Kilogram
kVA	Kilovolt-ampere
kWh	Kilowatt-hour
MAT	Minimum Alternative Tax
ml	Millilitre
MT	Million Tonnes
MU	Million Units
MW	Megawatt
NTI	Non-Tariff Income
O&M	Operations and Maintenance
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PTPS	Patratu Thermal Power Station
R&M	Repair and Maintenance
REC	Renewable Energy Certificates
RGF	Resource Gap Funding
RoE	Return on Equity
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SFOC	Specific Oil Consumption
SHPS	Sikidri Hydel Power Station
SHR	Station Heat Rate
SLM	Straight Line Method
UoM	Units of Measurement

List of Tables

Table 1: List of newspapers and dates on which the public notice by JBVNL appeared	14
Table 2: List of newspapers and dates on which the public notice by JSERC appeared	14
Table 3: Locations and Dates of Public Hearing	15
Table 4: Category-wise sales (in MU) for the Board period as submitted by the Petitioner	16
Table 5: Own generation and fuel cost (in Rs Cr) for PTPS as submitted by the Petitioner	16
Table 6: Plant performance parameters for SHPS for the Board period as submitted by the Petitioner	17
Table 7: Functionally disaggregated ARR for PTPS as submitted by the Petitioner	17
Table 8: Functionally disaggregated ARR for SHPS as submitted by the Petitioner	17
Table 9: Functionally disaggregated ARR for Transmission Business as submitted by the Petitioner	18
Table 10: Summary of ARR for distribution business for the Board period as submitted by the Petitioner	18
Table 11: Cumulative Revenue gap of erstwhile JSEB for the Board Period.....	19
Table 12: Actual sales (in MUs) for the Company Period as submitted by the Petitioner.....	19
Table 13: Cumulative gap/(Surplus) in Rs Cr for the company period as submitted by the Petitioner	20
Table 14: Category-wise sales (in MU) for the Board period as submitted by the Petitioner	33
Table 15: Category-wise sales (in MU) for the Board period as approved by the Commission.....	34
Table 16: Power Purchase Quantum and Cost for FY 2011-12 as submitted by the Petitioner.....	35
Table 17: Power Purchase Quantum and Cost for FY 2012-13 as submitted by the Petitioner.....	35
Table 18: Power Purchase Quantum and Cost for FY 2013-14 (up to 5 Jan' 14) as submitted by the Petitioner	36
Table 19: Power Purchase Quantum and Cost for the Board period as approved by the Commission	37
Table 20: Plant performance parameters and fuel cost for PTPS as submitted by the Petitioner	37
Table 21: Computation of Cost of coal (Rs/Tonne) as approved by the Commission.....	39
Table 22: Plant performance parameters and fuel cost for PTPS as approved by the Commission	39
Table 23: Energy availability from SHPS for the Board period as submitted by the Petitioner	40
Table 24: Plant performance parameters for SHPS as approved by the Commission	41
Table 25: Energy Balance (in MU) as Submitted by the Petitioner for the Board period	41
Table 26: Energy Balance as approved by the Commission for the Board Period (in MU)	42
Table 27: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as submitted by the Petitioner	43
Table 28: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as approved by the Commission.....	45
Table 29: Details of the Employee cost for the JSEB period as submitted by the Petitioner	46
Table 30: Details of the employee cost for the JSEB period as approved by the Commission	47
Table 31: Details of the A&G cost for the JSEB period as submitted by the Petitioner.....	47
Table 32: Details of the A&G cost for the JSEB period as approved by the Commission	48
Table 33: Details of the R&M cost for the JSEB period as submitted by the Petitioner	49
Table 34: Details of the R&M cost for the JSEB period as approved by the Commission	50
Table 35: GFA (in Rs Cr) as approved by the Commission for the Board period	50
Table 36: Sources of funding of GFA (in Rs Cr) for the Board Period	51
Table 37: Computation of depreciation as per Petitioner's submission (Rs Cr.).....	51
Table 38: Depreciation (in Rs Cr) as approved by the Commission for the Board period	52
Table 39: Interest on Loan for Distribution business as submitted by the Petitioner for the JSEB period.....	53
Table 40: Interest on Loan (in Rs Cr) as approved by the Commission for the JSEB period.....	54
Table 41: Interest on Consumer security deposit as submitted by the Petitioner for the Board period	54
Table 42: Interest on Consumer Security Deposits (in Rs Cr) as approved by the Commission	55
Table 43: Interest on working capital (in Rs Cr) as submitted by the Petitioner	55
Table 44: Interest on Working Capital (in Rs Cr) as approved by the Commission.....	56
Table 45: Return on Equity (in Rs Cr) as submitted by the Petitioner for the Board Period	57

Table 46: Return on Equity (in Rs Cr) as approved by the Commission for the JSEB period	57
Table 47: Non-Tariff income (in Rs Cr) as submitted by the Petitioner for the Board period	58
Table 48: Non-Tariff Income (in Rs Cr) as approved by the Commission for the Board period.....	59
Table 49: Provision for Bad and Doubtful Debts (in Rs Cr) as Submitted by the Petitioner.....	60
Table 50: Details of RGF (in Rs Cr) as Submitted by the Petitioner for the Board period.....	61
Table 51: Resource gap Funding as approved by the Commission for the JSEB Period.....	62
Table 52: Disaggregated ARR for PTPS as submitted by the Petitioner	63
Table 53: Disaggregated ARR for SHPS as submitted by the Petitioner.....	63
Table 54: Disaggregated ARR for Transmission business for the Board period	63
Table 55: Disaggregated ARR for PTPS as approved by the Commission	64
Table 56: Disaggregated ARR for SHPS as approved by the Commission	64
Table 57: Disaggregated ARR for Transmission business as approved by the Commission	64
Table 58: ARR for the Distribution business of the erstwhile JSEB as submitted by the Petitioner (Rs Cr)	64
Table 59: ARR for the Distribution business of the erstwhile JSEB as approved by the Commission	65
Table 60: Cumulative Revenue Gap (in Rs Cr) for the erstwhile JSEB as submitted by the Petitioner	66
Table 61: Cumulative Revenue Gap/ (Surplus) (in Rs Cr) as approved by the Commission	67
Table 62: Category-wise sales (in MU) for the Company period as submitted by the Petitioner.....	68
Table 63: Category-wise sales (in MU) for the Company period as approved by the Commission	69
Table 64: Power Purchase Quantum (MU), rate (Rs/kWh) and Cost (Rs Cr) for FY 2013-14 as submitted by the Petitioner.....	70
Table 65: Power Purchase Quantum (MU), rate (Rs/kWh) and Cost (Rs Cr) for FY 2014-15 as submitted by the Petitioner.....	71
Table 66 : Power Purchase Quantum (MU), rate (Rs/kWh) and Cost (Rs Cr) for FY 2015-16 as submitted by the Petitioner.....	73
Table 67: Power Purchase Quantum and Cost for FY 2013-14 (Company period) as approved by the Commission.....	75
Table 68: Power Purchase Quantum and Cost for FY 2014-15 as approved by the Commission	76
Table 69: Power Purchase Quantum and Cost for FY 2015-16 as approved by the Commission	77
Table 70: Energy Balance (in MU) as Submitted by the Petitioner for the Board period	79
Table 71: Energy Balance as approved by the Commission for the Board Period (in MU)	80
Table 72: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as submitted by the Petitioner	80
Table 73: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as approved by the Commission.....	82
Table 74: Intra-State Transmission charges (in Rs Cr) for the Company period as submitted by the Petitioner.....	82
Table 75: Intra-State Transmission charges (in Rs Cr) for the Company period as approved by the Commission	83
Table 76: Comparison between transfer scheme and annual accounts of JBVNL for the FY 2013-14.....	84
Table 77: GFA (in Rs Cr) as approved by the Commission for the Company period	86
Table 78: CWIP (in Rs Cr) as approved by the Commission for the Company period	86
Table 79: Approved Sources of funding of GFA (in Rs Cr) for the Company Period.....	86
Table 80: Details of the Employee cost for JBVNL (Company period) as submitted by the Petitioner	87
Table 81: Details of the Employee cost (in Rs Cr) as approved by the Commission	87
Table 82: Details of the A&G cost for the JSEB period as submitted by the Petitioner.....	87
Table 83: Details of the A&G cost for the Company period as approved by the Commission	88
Table 84: Details of the R&M cost for the JSEB period as submitted by the Petitioner	88
Table 85: Details of the R&M cost for the JSEB period as approved by the Commission	88
Table 86: Computation of Depreciation as per Petitioner's submission (Rs Cr.).....	89
Table 87: Depreciation (in Rs Cr) as approved by the Commission for the Company period.....	89
Table 88: Interest on Loan as submitted by the Petitioner for the Company period.....	90
Table 89: Interest on Loan (in Rs Cr) as approved by the Commission for the Company period	91
Table 90: Interest on Consumer security deposit as submitted by the Petitioner for the Company period	91
Table 91: Interest on Consumer Security Deposits (in Rs Cr) as approved by the Commission.....	91

Table 92: Interest on working capital (in Rs Cr) as submitted by the Petitioner	92
Table 93: Interest on Working Capital (in Rs Cr) as approved by the Commission	92
Table 94: Return on Equity (in Rs Cr) as submitted by the Petitioner for the Company Period	93
Table 95: Return on Equity (in Rs Cr) as approved by the Commission for the Company period	93
Table 96: Non-Tariff income (in Rs Cr) as submitted by the Petitioner for the Company period	94
Table 97: Non-Tariff Income (in Rs Cr) as approved by the Commission for the Company period	95
Table 98: Provision for Bad and Doubtful Debts (in Rs Cr) as Submitted by the Petitioner	96
Table 99: Resource gap Funding as approved by the Commission for the Company Period	97
Table 100: Summary of ARR (in Rs Cr) for JBVNL as submitted by the Petitioner	97
Table 101: Summary of ARR (in Rs Cr) for JBVNL as approved by the Commission	98
Table 102: ARR for the FY 2015-16 (in Rs Cr) after imposing penalty as approved by the Commission	99
Table 103: Cumulative Revenue Gap* (in Rs Cr) for the JBVNL period as submitted by the Petitioner	99
Table 104: Net Gap (in Rs Cr) for each year the Company period	99
Table 105: Cumulative revenue gap (in Rs Cr) as approved by the Commission	100

BEFORE

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

Case (T) No: 09 of 2017

In the matter of:

**Petition for
True-up of erstwhile JSEB for FY 2011-12 to
FY 2013-14 (up to 5th Jan'14)
and
JBVNL for FY 2013-14 to FY 2015-16;**

In the matter:

Jharkhand Bijli Vitran Nigam Limited (JBVNL),
Dhurva, HEC, Ranchi Petitioner

PRESENT

Hon'ble Mr. Arbind Prasad	- Chairman.
Hon'ble Mr. R N Singh	- Member (Engg.)

Order dated 27.04.2018

In these Petition, Jharkhand Bijli Vitran Nigam Limited (hereinafter referred to as JBVNL) has prayed for the approval of True-up of Erstwhile JSEB distribution business for FY 2011-12 to FY 2013-14 (up to 5th Jan'14) and JBVNL for FY 2013-14 to FY 2015-16

A1. INTRODUCTION

Jharkhand State Electricity Regulatory Commission

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as “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 with effect from April 24, 2003.
- 1.2 The Government of Jharkhand vide its notification dated August 22, 2002 had 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 After the Electricity Act, 2003 came into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the JSERC is discharging its functions as prescribed in Section 86 of the Act.
- 1.4 In accordance with provisions of the said 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 framed and published by Government of India under the provisions of Section 3 of the Act. The objectives of the present 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.

The Petitioner – Jharkhand Bijli Vitaran Nigam Limited

1.8 The erstwhile Jharkhand State Electricity Board (JSEB) was constituted on March 10, 2001 under the Electricity (Supply) Act, 1948 as a result of the bifurcation of the erstwhile State of Bihar. Before that, the Bihar State Electricity Board (BSEB) was the predominant entity entrusted with the task of generating, transmitting and supplying power in the State.

1.9 The Energy Department, Government of Jharkhand, vide its Letter No. 1/Board-01-Urja-26/13 -1745 dated 28th June 2013 unbundled the erstwhile JSEB into following companies:

- a) Jharkhand Urja Vikas Nigam Ltd (JUVNL) being the holding company;
- b) Jharkhand Urja Utpadan Nigam Ltd (JUUNL) undertaking the generation function of the erstwhile JSEB;

- c) Jharkhand Bijli Vitaran Nigam Ltd (JBVNL) undertaking the distribution function of the erstwhile JSEB;
 - d) Jharkhand Urja Sancharan Nigam Ltd (JUSNL) undertaking the transmission function of the erstwhile JSEB.
- 1.10 Jharkhand Bijli Vitran Vikas Nigam Ltd. (herein after to be referred to as “JBVNL” or “the Petitioner” or “erstwhile JSEB-Distribution function”) has been incorporated under Indian Companies Act, 1956 pursuant to decision of Government of Jharkhand to reorganize erstwhile JSEB.
- 1.11 Reorganization of the JSEB has been done by Government of Jharkhand pursuant to “Part XIII – Reorganization of Board” read with section 131 of The Electricity Act 2003. The Petitioner is a Company constituted under the provisions of Government of Jharkhand, General Resolution as notified by transfer scheme vide notification no. 8, dated 6th January 2014, and is duly registered with the Registrar of Companies, Ranchi.
- 1.12 Jharkhand Bijli Vitran Nigam Ltd was incorporated on 23rd October 2013 with the Registrar of Companies, Jharkhand, Ranchi and obtained Certificate of Commencement of Business on 28th November 2013.
- 1.13 The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to supply electricity in the State of Jharkhand.
- 1.14 The Petitioner is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged in the business of Distribution of Electricity to its consumers situated over the entire State of Jharkhand.

The Petitioner’s Prayers

- 1.15 The Petitioner in its Petition has prayed before the Commission:
- To admit the True Up Petition filed by JBVNL, for the Control Period (FY 11-12 to FY 15-16) in accordance with Regulation 5 of the Jharkhand State Electricity Regulatory Commission JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010,
 - To approve the True Up of components of ARR and proposed revenue gap along with the carrying cost.
 - To allow the actual collection efficiency trajectory and its impact on the True Up.
 - To approve the proposed True Up to meet the revenue gap in future years for minimising the gap between ARR and ACS
 - To approve the deviation from the norms for certain parameters prescribed in Tariff Regulations 2010, provisions thereof.
 - To allow adjustment of RGF against the disallowances first and remaining RGF to be utilized to reduce the tariff for particular consumer categories.
 - To pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
 - To condone any error/omission and to give opportunity to rectify the same.
 - To permit JBVNL to make further submissions, addition and alteration to this Business Plan as may be necessary from time to time.

Scope of the Present Order

- 1.16 The Commission in this Order has approved the True-up of erstwhile JSEB Distribution Business for FY 2011-12 to FY 2013-14 (up to 5th Jan'14) and JBVNL for FY 2013-14 to FY 2015-16.
- 1.17 While conducting the review and the True-up, the Commission has taken into consideration:
- a) Material placed on record
 - b) Provisions of the Electricity Act, 2003;
 - c) Principles laid down in the National Electricity Policy;
 - d) Principles laid down in the National Tariff Policy;
 - e) Provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, (hereinafter referred to as 'Generation Tariff Regulations, 2010');
 - f) Principles laid down in the JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, (hereinafter referred to as 'Transmission Tariff Regulations, 2010'); and
 - g) Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010 (hereinafter referred to as 'Distribution Tariff Regulations, 2010');
- 1.18 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on the approval of True-up of Erstwhile JSEB Distribution Business for FY 2011-12 to FY 2013-14 (up to 5th Jan'14) and JBVNL for FY 2013-14 to FY 2015-16

A2. PROCEDURAL BACKGROUND

- 2.1 The Commission in its Order dated August 2012 had approved the final True up of JSEB for the period FY 2003-04 to FY 2010-11, ARR for the FY 2011-12 & FY 2012-13 for Transmission & Distribution Business and Tariff for FY 2012-13 for JSEB.
- 2.2 Subsequently, the Commission had issued its Tariff Order (Provisional) for JBVNL in December 2015 for Review of ARR for FY 2013-14 (6th Jan 2014 – 31st Mar 2014) & FY 2014-15 and ARR and Distribution Tariff for FY 2015-16.
- 2.3 The Commission in its last Tariff Order for the approval of Business plan and MYT for the second control period FY 2016-17 to FY 2020-21 dated 21 June 2017 had directed the Petitioner to submit the True-up Petitions for FY 2011-12, FY 2012-13, FY 2013-14 (pre-unbundling) for the distribution function of erstwhile JSEB and True-up Petitions for JBVNL for the period FY 2013-14 (post unbundling) to FY 2015-16.
- 2.4 The Commission had also directed the Petitioner to ensure that functionally segregated information of the individual companies for the FY 2011-12, FY 2012-13 and FY 2013-14 (up to 5th January 2014) reconciles with the information of the erstwhile JSEB based on the audited accounts of FY 11-12, FY 12-13 and FY 13-14 and final transfer scheme.
- 2.5 The ‘Distribution Tariff Regulations, 2010’, provide for filing of the True-up of every year by 1st November of each year of the control period.
- 2.6 However, the Licensee failed to file the above petitions as per the timelines provided in the Distribution Tariff Regulations 2010. The Petitioner filed the petition for the approval of True-up of erstwhile JSEB for FY 2011-12 to FY 2013-14 (up to 5th Jan’14) and JBVNL for FY 2013-14 to FY 2015-16 on 03.10.2017.

Information Gaps in the Petitions

- 2.7 As part of tariff determination exercise for the Control Period, several deficiencies/ information gaps were observed in the Petitions submitted by the Petitioner. The information gaps were pointed out and communicated vide letter no. JSERC/Case (T) No 09 of 2017/520 dated. 09.11.2017 to JBVNL.
- 2.8 The Petitioner submitted its response to the aforesaid letters and furnished additional data/ information to the Commission vide letter no. 1521 dated 23.11.2017.
- 2.9 The Commission has scrutinized the additional data/ information and has considered the same while passing this Order. The Commission has examined the replies and supporting documents as supplied by the Petitioner on the discrepancies pointed out to it only on material already on record in the Petitions filed by the Petitioner.

- 2.10 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to hold public hearing at multiple locations across the State.

Inviting Public Comments/ Suggestions

- 2.11 The Commission directed the Petitioner to make available copies of the Petitions to the members of general public on request, and also issue a public notice inviting comments/ suggestions on the approval of True-up of Erstwhile JSEB for FY 2011-12 to FY 2013-14 (up to 5th Jan'14) and JBVNL for FY 2013-14 to FY 2015-16.
- 2.12 The aforesaid public notice was issued by the Petitioner in various newspapers and a period of twenty one (21) days was given to the members of the general public for submitting their comments/suggestions.

Table 1: List of newspapers and dates on which the public notice by JBVNL appeared

Sl. No.	Newspaper	Date of Publication
1.	Dainik Jagran	03.01.2018
2.	Hindustan Times	03.01.2018
3.	Prabhat Khabar	03.01.2018
4.	Times of India	03.01.2018

- 2.13 Subsequently, the Commission also issued a notice on its website www.jserc.org and various newspapers for conducting the public hearing on the Petition. The details of the newspapers publishing the notice by the Commission are as under:

Table 2: List of newspapers and dates on which the public notice by JSERC appeared

Sl. No.	Newspaper (Jharkhand edition)	Date of Publication
1.	Hindustan	14, 15 & 22 February 2018
2.	Dainik Jagran	14, 15 & 22 February 2018
3.	Pioneer	14, 15 & 22 February 2018
4.	Prabhat Khabar	14, 15 & 22 February 2018
5.	Dainik Bhaskar	14, 15 & 22 February 2018
6.	The Times of India	14, 15 & 22 February 2018

Meeting of the State Advisory Committee

- 2.14 The Commission convened a meeting of the State Advisory Committee (SAC) on 21.03.2018 and prominently kept an agenda for discussion on the Petitions filed by the Petitioner. The minutes of the SAC meeting is attached as **Annexure 2** to this Order.
- 2.15 The points discussed during the meeting and the suggestions made by the members of the SAC have been duly considered by the Commission.

Submission of Comments/ Suggestions and conduct of Public Hearing

- 2.16 The public hearings were held at revenue divisional headquarters across the state of Jharkhand during 24 February to 07 March, 2018 on the dates as detailed under:

Table 3: Locations and Dates of Public Hearing

Sl. No.	Location	Date
1.	Chaibasa	24.02.2018
2.	Dhanbad	26.02.2018
3.	Dumka	27.02.2018
4.	Medinagar	06.03.2018
5.	Ranchi	07.03.2018

- 2.17 For wider coverage and maximum response from the public, the Commission also issued notice for public hearings in the local newspapers on the day prior to the day of public hearing and also on the date of the hearing.
- 2.18 Numerous objections/ comments/ suggestions on the Petitions were received. The objections/ comments/ suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Section A4** of this Order.

A3. BRIEF FACTS OF THE PETITION

- 3.1 The following sub-sections present a summary of True-up Petition filed by the Petitioner.

True-up of erstwhile JSEB Period (FY 2011-12 to FY 2013-14 (until 5th Jan, 2014))

- 3.2 The following table summarizes the actual sales for the erstwhile JSEB Period (FY 2011-12 to FY 2013-14 (until 5th Jan, 2014) (hereinafter referred to as ‘Board Period’) as submitted by the Petitioner.

Table 4: Category-wise sales (in MU) for the Board period as submitted by the Petitioner

Category	FY 2011- 12		FY 2012-13		FY 13-14 (up to 5 th Jan 2014)	
	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)
Domestic	3,063.4	2,483.3	3,756.6	2,888.5		2,541.3
Non domestic	372.0	339.8	428.0	339.2		300.4
Low Tension	163.8	165.0	173.5	157.3		132.1
Irrigation & Agricultural	70.4	64.8	71.0	67.7		60.1
HT Service	2,292.1	2,222.3	2,461.0	2,532.7		1,803.9
Railway Traction	653.5	641.2	697.6	658.7		493.5
Street Lgt. Service	158.7	131.7	202.1	127.2		143.2
MES	16.6	14.6	10.6	15.0		11.0
Bulk Supply	-	-	-	-		-
Total Intra-state Sales	6,790.5	6,062.8	7,800.6	6,786.3		5,485.4
Inter-state sales	405.5	435.4	600.0	473.8		447.1
Total Energy Sales	7,196.0	6,498.2	8,400.6	7,260.1		5,932.5

- 3.3 The own generation and fuel cost for the Patratu Thermal Power Station (hereinafter referred to as ‘PTPS’) and the actual plant performance parameters for the Sikidri Hydel Power Station (hereinafter referred to as ‘SHPS’) for the Board Period as submitted by the Petitioner has been tabulated below

Table 5: Own generation and fuel cost (in Rs Cr) for PTPS as submitted by the Petitioner

Particulars	UoM	FY 2011- 12		FY 2012-13		FY 13-14 (up to 5 th Jan 2014)	
		Approved	Actuals	Approved	Actuals	Approved	Actuals
Installed Capacity	MW	840	840	840	840	840	840
De-rated capacity	MW	640	770	640	770	720	770
PLF	%	37.4%	6.4%	76%	10.91%	67%	8.5%
Auxiliary Consumption	%	12.0	15.8	12.0	15.0	12.0	17.8
SHR	kCal/ kWh	3,150.0	4,142.5	3,125.0	4,003.1	3,100.0	3,926.5
CV of Coal	kCal /kg	4,230.0	4,299.3	4,690.0	4,309.5	4,690.0	4,300.0
CV of Oil (FO/LDO)	kCal/ltr	10,500	10,500	10,500	10,500	10,500	10,500
Price of Coal	Rs/tonne	1,154.4	1,141.4	1,372.0	1,243.7	1,372.0	1,493.7
SFOC (FO)	ml/	3.50	4.05	3.50	3.91	3.50	3.11

Particulars	UoM	FY 2011- 12		FY 2012-13		FY 13-14 (up to 5 th Jan 2014)	
		Approved	Actuals	Approved	Actuals	Approved	Actuals
SFOC (LDO)	kWh						
Workings:							
Gross Generation	MU	2,095.0	433.6	4,238.1	735.7	4,238.1	573.3
Net Generation	MU	1,843.6	365.1	3,729.5	625.6	3,729.5	471.2
Energy Charge Rate	Rs/kWh	0.97	1.29	1.03	1.34	1.02	1.65
Fuel cost	Rs Cr	30.28	47.22	63.56	84.12	176.75	77.55

Table 6: Plant performance parameters for SHPS for the Board period as submitted by the Petitioner

Particulars	UoM	FY 2011- 12		FY 2012-13		FY 13-14 (up to 5 th Jan 2014)	
		Approved	Actuals	Approved	Actuals	Approved	Actuals
Capacity	MW	130	130	130	130	130	130
Gross generation	MUs	287.55	270.07	287.55	141.97	220.40	108.35
Aux consumption	MUs	2.01	0.24	2.01	2.88	1.54	0.18
Aux consumption	%	0.70%	0.09%	0.70%	2.03%	0.70%	0.17%
Net Generation	MUs	285.54	269.83	285.54	139.09	218.86	108.17

3.4 The functionally disaggregated ARR for generation business (PTPS,SHPS), transmission business and the summary of final true up of ARR for the distribution business for the board period as submitted by the Petitioner are tabulated below

Table 7: Functionally disaggregated ARR for PTPS as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Fuel Cost	30.3	47.2	63.6	84.1	176.8	77.6
O&M expenses	135.0	101.6	105.4	110.2	116.7	96.1
Depreciation	9.9	31.5	12.8	26.5	15.5	28.2
Interest on Loan	15.9	163.3	41.3	163.3	63.1	129.4
Return on Equity	39.4	10.3	50.6	21.2	61.4	22.7
Interest on Working Capital	10.9	13.1	13.1	17.9	20.6	15.1
Secondary fuel cost	5.5	13.9	10.9	27.5	30.7	19.2
Non-Tariff Income	-1.1		-1.1		-1.0	
Gross ARR	245.9	380.9	296.6	450.8	483.7	388.2

Table 8: Functionally disaggregated ARR for SHPS as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
O&M expenses	15.5	11.4	11.4	12.0	12.5	9.7
Depreciation	0.8	1.8	1.0	1.2	1.4	1.3

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Interest on Loan	1.0	9.6	2.1	7.6	4.2	6.0
Return on Equity	2.2	0.6	2.7	1.0	3.7	1.0
Non-Tariff Income	-1.1		-1.1		-1.0	
Interest on Working Capital	0.9	0.9	0.8	1.0	1.0	0.8
Gross ARR	19.4	24.3	16.9	22.9	21.8	18.8

Table 9: Functionally disaggregated ARR for Transmission Business as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
O&M expenses	58.38	44.69	47.89	49.73	-	44.81
Depreciation	16.10	21.16	26.30	14.30	-	15.38
Interest on Loan	30.73	109.67	65.95	88.07	-	70.70
Return on Equity	24.31	6.94	39.71	11.45	-	12.39
Interest on Working Capital	4.66	5.43	6.19	5.88	-	5.08
Non-Tariff Income	-1.05	-	-1.14	-	-	-
Gross ARR	133.13	187.89	184.90	169.43	-	148.37

Table 10: Summary of ARR for distribution business for the Board period as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Power Purchase cost	2,824.9	2,534.4	3,732.0	3,009.5		2,498.0
Generation Cost	265.4	405.3	313.5	473.7		407.0
Transmission Cost	133.1	187.9	184.9	169.4	-	148.4
O&M expenses	324.3	289.5	246.1	430.7	-	364.1
Depreciation	48.5	52.9	67.7	54.3	-	68.5
Interest on Loan	13.9	274.2	58.7	334.6	-	314.7
Return on Equity	22.2	17.4	45.4	43.5	-	55.1
Interest on Working Capital	-	22.4	-	36.4	-	20.2
Interest on security deposit	14.5	22.7	16.3	24.1	-	21.3
Provision for doubtful debts	-	-	-	72.2	-	-
Less: Non-Tariff Income	-239.7	-85.7	-223.1	-110.7	-	-67.3
Gross ARR	3,407.1	3,721.0	4,441.4	4,537.7	-	3,830.0
Revenue Realized from sale and Inter-state Sales	2,551.8	2,229.0	2,950.0	2,616.0		2,128.7
Revenue Gap	855.3	1,492.0	1,491.4	1,921.8		1,701.3

Less: RGF Considered	450.0	213.6	1,000.0	504.4	-	450.6
Net Gap	405.3	1,278.4	491.4	1,417.3	-	1,250.7

3.5 The cumulative revenue gap (in Rs Cr) for the Board period as submitted by the Petitioner is provided in the table below

Table 11: Cumulative Revenue gap of erstwhile JSEB for the Board Period

Particulars	FY 11-12 (Rs Cr.)	FY 12-13 (Rs Cr.)	FY 13-14 (up to 5th Jan 2014) (Rs Cr.)
Opening Revenue Gap as on 1st April	-448.4	854.8	2,502.7
Revenue Gap / (Surplus) created during the Year	1,278.4	1,417.3	1,250.7
Closing Gap at end of the Year	830.0	2,272.1	3,753.4
Rate of Interest (As per prevailing SBI PLR rate)	13.00%	14.75%	14.45%
Carrying Cost on Additional Gap Created	24.8	230.6	452.0
Total Gap including carrying cost	854.8	2,502.7	4,205.4

3.6 The Petitioner further submitted that the revenue gap estimated up to FY 13-14 (up to 5th Jan 2014) pertains to distribution function of erstwhile JSEB. As JBVNL is a separate entity formed by transfer of assets by the Govt. of Jharkhand, any revenue gap or surplus pertaining to the board period can only be attributable to the Government of Jharkhand.

True-up for the Company Period (FY 2013-14 to FY 2015-16)

3.7 The following table summarizes the actual sales of JBVNL for the FY 2013-14 (from 6th Jan' 2014) to FY 2015-16 (hereinafter referred to as 'Company Period') as submitted by the Petitioner.

Table 12: Actual sales (in MUs) for the Company Period as submitted by the Petitioner

Particulars	FY 2013-14 (company period)		FY 2014-15		FY 2015-16	
	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)
Domestic	856.0	777.6	3,724.0	3,735.4	4,116.3	4,226.9
Non domestic	98.0	92.0	423.0	426.7	455.2	505.2
Low Tension	49.0	49.7	199.0	175.0	172.3	188.4
Irrig. & Agricultural	19.0	19.8	81.0	87.0	86.8	112.4
HT Service	585.0	564.0	2,426.0	2,308.4	2,509.7	3,484.0
Railway Traction	163.0	155.9	663.0	656.5	675.2	378.4
Street Lgt. Service	45.0	33.3	195.0	140.5	214.7	148.2
MES	4.0	4.1	15.0	15.3	15.6	15.3
Bulk Supply	-	-	-	-	-	-
Total Intra-state Sales	1,819.0	1,696.8	7,726.0	7,544.8	8,245.7	9,058.9
Inter-state sales	72.0	-	244.0	-	-	-
Total Energy Sales	1,891.0	1,696.80	7,970.0	7,544.8	8,245.7	9,058.9

3.8 The Aggregate Revenue Requirement (ARR) in Rs Cr for the Company period as submitted by the Petitioner has been tabulated below:

Particulars	FY 2013-14 (company period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Power Purchase cost	1,061.0	1,110.0	4,752.4	4,648.7	4,859.6	5,197.5
Transmission charges	32.9	30.1	133.3	126.9	137.4	139.3
Cost disallowed	(215.9)	(207.3)	(810.6)	(752.7)	(625.4)	(447.6)
O&M expenses	62.5	71.5	291.2	251.0	318.8	288.1
Depreciation	9.4	122.2	47.2	164.1	53.9	148.0
Interest on Loan	7.5	57.5	38.5	162.8	42.7	198.0
Return on Equity	7.2	53.2	36.9	124.6	42.2	135.8
Interest on Working Capital	-	-	-	6.8	-	19.0
Interest on security deposit	9.2	5.5	43.9	42.2	58.1	44.7
Provision for doubtful debts		41.5		11.5		42.2
Less: Non-Tariff Income	(67.8)	(19.2)	(305.9)	(70.7)	(321.1)	(74.3)
Gross ARR	905.9	1,265.0	4,227.1	4,715.2	4,566.2	5,690.5
Less: RGF Considered*	135.0	-	1,296.1	847.3	374.6	752.4
Revenue Realized from sale *	722.7	652.2	3,135.2	2786.6	3,189.7	2866.6
Gap for the Year *	48.2	612.8	(204.2)	1081.3	1,002.0	2071.5

* Revised in the reply to discrepancy note

3.9 The Cumulative Gap/ (Surplus) (in Rs Cr) for the Company period as submitted by the Petitioner has been tabulated below

Table 13: Cumulative gap/(Surplus) in Rs Cr for the company period as submitted by the Petitioner

Particulars	FY 2013-14 (company period)	FY 2014-15	FY 2015-16
Opening Revenue Gap as on 1st April	-	657.12	1,468.39
Revenue Gap / (Surplus) created during the Year	612.84	665.28	1,671.53
Closing Gap at end of the Year	612.84	1,322.40	3,139.92
Rate of Interest (As per prevailing SBI PLR rate)	14.45%	14.75%	14.8%
Carrying Cost on Additional Gap Created	44.28	145.99	339.86
Total Gap including carrying cost	657.12	1,468.39	3,479.79

3.10 The Petitioner requested the Commission to allow the recovery of the revenue gap by adjustment in future tariff revisions.

A4. PUBLIC CONSULTATION PROCESS

- 4.1 The Petition filed by the Petitioner evoked response from several stakeholders. The public hearings were held in various locations across the State of Jharkhand to ensure the maximum public participation wherein stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. In all, 491 persons participated in the public hearing process. The list of the attendees is attached as **Annexure- 1** to this Order.
- 4.2 In course of public hearings, the Commission also allowed persons/ representatives of entities who had not submitted prior written representations but attended the public hearings to express their views, in person, regarding the Petition filed by the Petitioner and also about ways and means to improve the services rendered by the Petitioner.
- 4.3 The comments and suggestion of the members of the public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

True-up of ARR of the JSEB period

Public Comments/ Suggestions

- 4.4 The Objector submitted that as per provision 11.2 of the JSERC (Terms and conditions of Tariff Determination, Multi Year Tariff Framework) Regulations, 2007, the approved aggregate loss to the Generating Company or Licensee shall be absorbed by the Generating Company or the Licensee and the petition to pass on this loss is thus ultra vires ab initio.
- 4.5 The Objector submitted that the Licensee was earlier directed to file a separate True-up Petition for its distribution business for the JSEB period. However, the Petitioner has claimed true-up for the entire JSEB in contravention to the Commission's directions.

Petitioner's Response

- 4.6 The Petitioner submitted that it has filed the True-up of erstwhile JSEB for FY 11-12 to FY 13-14 (up to 5th Jan'14) only for its Distribution business which includes the generation and transmission cost along with other components like power purchase cost, interest cost, depreciation, O&M, etc. The Generation and Transmission cost is on account of power purchased from JSEB generating plants and units wheeled through state transmission utility respectively.
- 4.7 The Petitioner further submitted that during the aforementioned period, JSEB used to operate as an integrated unit with the distribution function being the ultimate beneficiary. Therefore, all the cost pertaining to Generation and Transmission business can only be recovered from distribution ARR. Accordingly, the Petitioner has estimated the ARR of Generation and Transmission business based on the audited Annual Account of Erstwhile JSEB for FY 11-12 to FY 13-14 (up to 5th January 2014) and actual expenses incurred thereof.

Views of the Commission

- 4.8 The Commission has carried out the True-up of the distribution business of the erstwhile JSEB business strictly based on provisions of the Generation Tariff Regulations, 2010, Transmission Tariff Regulations, 2010, Distribution Tariff Regulations, 2010 and the principles adopted by it in its earlier tariff Order for the final true-up of erstwhile JSEB from FY 2003-04 to FY 2010-11 dated 02.08.2012. The clause 11.2 of the JSERC Regulations, 2007, as stated by the Objector is not relevant for the instant petition as this Order is not based on provisions of the JSERC Regulations, 2007.
- 4.9 The Commission agrees with the submission of the Petitioner that since during FY 2011-12 to FY 2013-14, JSEB was operating as an integrated board, thus, the cost of generation (of JSEB's generating station) as well as cost of transmission (of JSEB's transmission system) forms the input cost for distribution (JSEB's distribution business).

True-up of ARR of JBVNL period

Public Comments/ Suggestions

- 4.10 One of the Objector submitted that the provision A-10.1 of the JSERC Determination of Tariff Regulation, 2015 does not provide for true up of controllable items.
- 4.11 The Objector further submitted that the Petitioner itself has submitted in the Petition that the impact of unbundling has already been considered under the Transfer Scheme and the current Petition is being filed only to comply with the directions of the Commission. The submissions made by the Petitioner negates the relief sought.
- 4.12 The Objector further submitted that while the Petitioner has received a sum of approx. Rs.3600/- Crore under the UDAY scheme from Central Government, no reference of the same is found in the accounts.

Petitioner's Response

- 4.13 The Petitioner submitted that the True-up of JBVNL period has been made considering the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010 as provided in clause 4.1 of True-up Petition. The Petitioner further submitted that it has filed the True-up of various items only at the end of Control Period i.e. FY 2015-16.
- 4.14 The Petitioner submitted that it agrees with the submission made in clause 1.7 of True-up Petition that the impact of unbundling of JSEB has already been considered under Transfer scheme.

- 4.15 With respect to funds under UDAY scheme, the Petitioner submitted that it has not received any funds from Central Government under UDAY scheme. The Petitioner submitted that the contention of Objector that no cognizance was taken on adjustment of RGF is misconceived as the Commission had itself considered the impact of disallowance adjustment while computing the revenue gap in Tariff Order dated 14th December 2015.

Views of the Commission

- 4.16 The Commission has carried out the True-up of the JBVNL for the company period based on the JSERC Regulations, 2010 and the principles adopted by it in its earlier tariff Orders.

Audited accounts and Reliable data

Public Comments/ Suggestions

- 4.17 The Objector submitted that the licensee had failed to provide authentic and reliable figures and accounts to the satisfaction of the JSERC, despite repeated directives. The licensee continued to disregard the statutes and Regulations of Commission in this regard.

Petitioner's Response

- 4.18 The Petitioner submitted that it has filed the True-up Petition based on the authentic and reliable figures as per the Audited Annual accounts for the respective true-up year. The Petitioner further submitted that it is committed to comply with the directives given by the Commission.

Views of the Commission

- 4.19 The Commission has carried out the True-up for the erstwhile JSEB (FY 2011-12 to FY 2013-14 (up to 5th Jan'14) and JBVNL (6th Jan'14 to FY 2015-16) based on the CAG audited accounts which have been made available on the website of the Petitioner and the Commission.
- 4.20 Further, the Commission has approved the ARR only after carrying out detailed analysis on the CAG audited accounts and the data made available which has been discussed in detail in paragraph 6.44 of this Order.

Benchmarks and Targets for the Licensee

Public Comments/ Suggestions

- 4.21 The Objector submitted that the licensee continued to operate beyond the bench marks and targets approved by the Commission in different tariff orders and allowing the disallowances at this belated period beyond the approved bench marks and targets would bring in further inefficiency and disregard to the statutes and regulations. Further it would set a wrong precedence for other licensees.

Petitioner's Response

- 4.22 The Petitioner submitted that it is committed to reduce T&D losses and all efforts are being made to reduce losses to normative levels. However, due to high T&D losses in the past, to the tune of 33% in FY 2010-11, the Petitioner was not able to achieve the stringent targets set by the Hon'ble Commission.
- 4.23 The Petitioner further submitted that the target T&D loss stipulated by the Commission in Tariff Regulations 2010 has been completely non reflective of the actual T&D loss position of erstwhile JSEB and JBVNL. The target of 15.5% T&D losses by FY 2015-16 has been extremely stem, which most of the utilities in India have not been able to achieve.

Views of the Commission

- 4.24 The Commission agrees with the Objectors comments that the Petitioner is not able to operate within the benchmarks set by the Commission in its earlier Order. It is a matter of grave concern that even after repeated directives by the Commission, the Petitioner is not able to contain its loss levels within the targets set by the Commission.
- 4.25 The Commission has appropriately dealt with the issue with regards to non-achievement of T&D loss as discussed in relevant sections of this Order. The Commission has ensured that any inefficiency on account of the Petitioner is not passed on to the consumers.

Performance of PTPS*Public Comments/ Suggestions*

- 4.26 The Objector submitted that the performance of the generation unit PTPS had been poor and comments of the Commission in various Tariff orders and parameters and targets had been grossly violated. Any deviation beyond the targets should not be allowed as it will bring further disregard to the direction of Commission.

Petitioner's Response

- 4.27 The Petitioner submitted that the true-up Petition is only for the distribution business of erstwhile JSEB and JBVNL. Since PTPS is a thermal generating station, the performance of the same is not monitored by JBVNL. The Petitioner has accepted the details regarding performance parameters of PTPS as it is from generation function of erstwhile JSEB and has calculated its ARR based upon these parameters only

Views of the Commission

- 4.28 The Commission has approved the norms for PTPS as per Generation Tariff Regulations, 2010 and as per the principles set by it in its earlier Orders which has been discussed in detail in relevant sections of this Order.

Approval of Business plan

Public Comments/ Suggestions

- 4.29 The Objector submitted that the licensee has failed to submit the Business plan and get its approval. All power purchase is required to be approved by the Commission, after following merit order principle. However, the Licensee did not submit any business plan and continued to source power at its convenience even if it were not economical for the Licensee when cheaper power source were available.

Petitioner's Response

- 4.30 The Petitioner submitted that it has submitted the Business Plan for MYT control period of FY 2016-17 to FY 2020-21 which has been approved by the Hon'ble Commission in its Order dated 21' Jun'17.
- 4.31 However, during the True-up period of FY 2011-12 to FY 2015-16, erstwhile JSEB had filed the Business Plan for entire MYT Control Period in October 2012 against which no Tariff Order was issued by the Commission. Subsequently, the tariff setting process was elongated as the quorum of the Commission was not complete for a period of around one year.
- 4.32 The Petitioner further submitted that it had submitted the revised business plan in November 2015 as per the requirement of Commission and in view of the same the Commission had also pronounced the Tariff order dated 14th Dec'2015 where the Power Purchase cost and quantum has also been approved.

Views of the Commission

- 4.33 The Commission has approved the Tariff Order for JBVNL for the MYT period FY 2013-14 (6th Jan'14 to 31st Mar'14) to FY 2015-16 on 14th December, 2015 wherein the Commission had approved the power purchase quantum and rates, after thorough prudence check. The business plan for the 2nd Control Period was also approved by the Commission vide its Order dated 21 June 2017.
- 4.34 The Commission in this Order has approved the True-up for the first control period (FY 2013-14 (6th Jan'14 to 31st Mar'14) to FY 2015-16) based on the audited information as submitted by the Petitioner and after applying a thorough prudence check.

Interest on security deposit

Public Comments/ Suggestions

- 4.35 The Objector submitted that the interest on consumer deposit has not been paid to consumers for years and decades, despite the directions of the Commission and the licensee should be penalized for non-compliance of the direction of the Commission.

Petitioner's Response

- 4.36 The Petitioner submitted that it has already developed an online portal for claiming interest on security deposit and it is already being paid to the HT consumers. In case of remaining consumers, where security deposit details are available in JBVNL's database, the interest shall be paid from April 2018.
- 4.37 For consumers whose security deposit details are not available, a web-portal has been created, where consumer can submit such details and claim the interest thereof post verification of documents and records.

Views of the Commission

- 4.38 The Commission in its earlier Order had repeatedly directed the Petitioner to prepare a list of consumers who have not been paid interest on consumer security deposit as per applicable Regulations and clear the dues pending on the Petitioner with immediate effect. However, the Petitioner has not submitted any compliance report to the Commission in this regard.
- 4.39 The Commission observes that the Petitioner has repeatedly failed to comply with the directives of the Commission. The Commission has time and again afforded opportunities to the Petitioner to comply with the directives, but to no avail. The Petitioner was even warned about penal action in case of non-compliance. Yet, the Petitioner did not comply. This shows the lackadaisical attitude of the Petitioner.

Interest and Finance Charges

Public Comments/ Suggestions

- 4.40 The Objector submitted that the Interest and finance charges, can be allowed only to the extent of the approved expenditures and investments. The capital expenditure plan needs to be approved by the Commission prior to expenditure but the Licensee failed to file the plan and obtain its approval.
- 4.41 The Objector submitted that the Interest claim for the distribution function alone for the FY 2011-12 is Rs 454 Cr while the additional equity claimed in the Petition is Rs 454 Cr. The above submissions made by the Petitioner belies any rationale.

Petitioner's Response

- 4.42 The Petitioner submitted that it has submitted the figures for interest and financing charges based on the audited annual accounts of the true-up period. Also the Petitioner has submitted the details regarding the capital expenditure to the Commission based upon which the Commission has already issued its tariff order including the capital expenditure.

Views of the Commission

- 4.43 The Commission has dealt with this issue in detail in paragraph 5.84 of this Order.

Provisions for doubtful debts

Public Comments/ Suggestions

- 4.44 The Objector submitted that provision for bad and doubtful debt has been disallowed in the previous tariff Orders as it will lead to inefficiency in collection. Considering same now will be unjustified for reasons already mentioned in the earlier tariff orders.

Petitioner's Response

- 4.45 The Petitioner submitted that it has considered doubtful debt as per the annual accounts of respective years which is less than 2% of the receivables. The Petitioner further submitted that utility like JSEB is prone to difficulties of T&D loss and collection efficiencies due to difficult terrains and large rural consumers in overall consumer mix.

Views of the Commission

- 4.46 The Commission has dealt with this issue in detail in paragraph 5.115 of this Order.

Resource Gap Funding

Public Comments/ Suggestions

- 4.47 The Objector submitted that the licensee has misleadingly alleged that the Commission has been penalizing the Petitioner by way of significant disallowances while the fact is that the Licensee did not adhere to the directions and targets set by the Commission. The Objector further submitted that the funding received are part of the ARR and the disallowances should not be adjusted. Else the Licensee will prefer not to improve its operation and efficiency.

Petitioner's Response

- 4.48 The Petitioner submitted that in order to meet the operational funding requirement arising out of legacy of disallowances and present tariffs being non-reflective of the actual cost of supply, the State Government provides support in form of Revenue Gap Funding. The Petitioner further submitted that the resource gap funding being provided by Government of Jharkhand is towards disallowances and slashes made by the Commission during tariff determination process for various parameters such as higher T&D Loss, normative interest computation, normative generation cost etc.

Views of the Commission

- 4.49 The Commission has appropriately dealt the issue in paragraph 5.126 of this Order.

Gross Fixed Assets

Public Comments/ Suggestions

- 4.50 The Objector submitted that the functional break-up of Gross Fixed Assets (GFA) for generation, transmission and distribution has not been mentioned anywhere in the Petition

Petitioner's Response

- 4.51 The Petitioner submitted that the Objector's contention that the basis/assumption of allocation of cost has not been furnished lacks merit as the Petitioner has itself mentioned in the petition that the RoE, Interest on loan and depreciation are allocated to the generation, transmission and distribution business in proportion to their respective GFA.

Views of the Commission

- 4.52 The Commission in line with the methodology adopted in the earlier Orders has approved the GFA for the erstwhile JSEB.

Depreciation

Public Comments/ Suggestions

- 4.53 The Objector submitted that the figures of depreciation as claimed in the True-up Petition do not match with the audited accounts of the Petitioner.

Petitioner's Response

- 4.54 The Petitioner submitted that it has estimated the Depreciation based on the approach adopted by the Commission while issuing earlier Tariff orders of JBVNL.

Views of the Commission

- 4.55 The Commission has appropriately dealt the issue in paragraph 5.775.126 of this Order.

Revenue from the sale of power

Public Comments/ Suggestions

- 4.56 The Objector submitted that the disclosures of the audited accounts for the FY 2011-12 clearly states that the revenue from the sale of power is not being recorded on accrual basis in the accounts, which leads to much lower consideration of revenue from the sale of power in the past years.

Petitioner's Response

- 4.57 The Petitioner submitted that the objector has misinterpreted the disclosure mentioned under annual account for FY 2011-12 and have mistakenly understood that revenue from sale of power is not being recorded on accrual basis. It is submitted that the revenue from sale of power has been booked on accrual basis only. However, revenue against the power sale in the month of March is only billed and collected in the April. Therefore, to ensure the accrual accounting, provision for unbilled revenue has been added in Schedule-26 (B) - receivable against supply of power of annual account, which provides for the revenue against power sale in the month of March.

Views of the Commission

- 4.58 The Commission has considered the revenue from the sale of power as per the audited accounts submitted by the Petitioner.

Capital grants/subsidy/consumer contribution

Public Comments/ Suggestions

- 4.59 The Objector submitted that the audited accounts of the Petitioner depicts that the capital grants/subsidy/consumer contribution at around 67% of the GFA and the tariffs for JBVNL shall be adjusted accordingly.

Petitioner's Response

- 4.60 The Petitioner submitted that it has first arrived at the GFA created out of debt and equity by deducting the capital grants/subsidy/consumer contribution portion deployed towards GFA. Further, the GFA created out of debt and equity has only been considered for arriving at the cost components.

Views of the Commission

- 4.61 The Commission in line with the JSERC Distribution Tariff Regulations, 2010 has approved the GFA for the entire True-up period. The financing of GFA has been explained in details in paragraph 5.70 of this Order.

Disincentive due to excess T&D Loss

Public Comments/ Suggestions

- 4.62 The Objector submitted that the Petitioner has made submissions of 'Energy available' in the petition which does not correspond with the values appearing in the audited accounts which has led to much lower consideration of disincentive due to excess T&D Loss.

Petitioner's Response

- 4.63 The Petitioner submitted that the objector's claim that submission of energy available does not correspond with the values appearing in the audited accounts lacks merit as the Petitioner has considered the energy available at distribution system instead of total power purchase units for the purpose of calculating the total energy loss in the system.

Views of the Commission

- 4.64 The Commission in line with the methodology adopted by it in its earlier Order dated December 14, 2015 has approved the 'Disincentive due to excess T&D loss' as explained in relevant sections of this Order.

Carryforward of Revenue Gap/ (Surplus) of the JSEB Period.

Public Comments/ Suggestions

- 4.65 The Objector submitted that as per its analysis, there is a revenue surplus at the end of board period which should be passed on to JBVNL as has been done by many state Commissions in the country.

Petitioner's Response

- 4.66 The Petitioner submitted that it has prepared the true up Petition based on the audited accounts for erstwhile JSEB period as the base, following the principles adopted by the Commission in its earlier true up order issued in August 2012 and considering the JSERC Distribution Tariff Regulations, 2010 which has resulted in a cumulative deficit of Rs 4205.40 Cr. However, considering the consumer's interest, the Petitioner has not considered the revenue gap/ surplus claimed up to JSEB period in the opening of JBVNL period.

Views of the Commission

- 4.67 The Commission is of the view that JBVNL, is a separate entity formed by transfer of assets by the Govt. of Jharkhand and any revenue gap or surplus pertaining to the board period can only be attributable to the Govt. of Jharkhand. Accordingly, the Petitioner may take up this matter with the State Government for suitable course of action.

Violation of accounting standards

Public Comments/ Suggestions

- 4.68 The Objector pointed out that Statutory Auditors were never shown the rates of power purchase as such the amount of power purchase as shown in the audited accounts cannot be relied upon.

- 4.69 The Objector submitted that both the statutory auditor & CAG have reported adversely regarding the Capital Works in Process (CWIP) as the stock of materials at construction site is very high.
- 4.70 The Objector pointed out that the auditor had raised objections on the inventories of the company which have not been verified physically by the company and a policy should be framed for physical verification at regular intervals.
- 4.71 The Objector also mentioned various other violations of the Accounting Standards.

Petitioner's Response

- 4.72 The Petitioner submitted that some of the observations pointed out by auditor in its report have no financial implications in the books of accounts but have been provided simply as an information.
- 4.73 The Petitioner submitted that the amount is towards the deposit made for electrification of Government Schools. As per IND AS 18, such deposits can be recognized as revenue in the books only after the completion of work and not otherwise.
- 4.74 The Petitioner submitted that the statutory auditors have audited the accounts for the fourth consecutive year and all the necessary documents were duly provided for the verification of power purchase expenses. The Petitioner further submitted that as per the supplementary audit by CAG, power purchase is an item which has been checked thoroughly as well. Thus, the figures related to the same are quite reliable.
- 4.75 The Petitioner submitted that it is in the process of preparing Fixed Asset Register has been started which also takes care of CWIP. As far as high balance of Stock is concerned, the Petitioner submitted that it is undergoing large number of Turnkey projects for which it needs several materials of high value in stock to execute the projects in timely manner.
- 4.76 The Petitioner submitted that the process of preparation of fixed asset register has been started already, the issues pertaining to physical verification of inventories will be also be taken care of. At present, there is a stores register which is maintained manually and the auditors have advised to maintain the same through online system/ERP.

Views of the Commission

- 4.77 The Commission agrees with the views of the Objector that the audited accounts of the Petitioner are in non-compliance to the accounting standards. Further, the Commission, in its earlier Order dated June 21, 2017 had expressed serious concerns over the objections raised by the auditor on the issues pertaining to Depreciation, Accounting for fixed assets, revenue recognition, accounting of Government grants etc.

- 4.78 The Commission observes that even though the Petitioner has made efforts towards resolving some of the issues but not all exceptions raised by the Auditor have been addressed in an appropriate manner. The Auditor has repeatedly expressed concerns on various issues in the past accounts. Even though the Petitioner has claimed that such observations are taken care of in the subsequent accounts, however, exceptions of the Auditor still persist.
- 4.79 Accordingly, the Commission once again directs the Petitioner to address the exceptions raised by the Auditor in an appropriate manner so that reliable data is available.

A5. TRUE-UP OF ERSTWHILE JSEB PERIOD (FY 2011-12 TO FY 2013-14 (UPTO 5TH JAN' 2014))

- 5.1 The True-up of the ARR has been carried out on the basis of audited annual accounts for the respective years and also taking into consideration:
- (a) Generation Tariff Regulations, 2010;
 - (b) Distribution Tariff Regulations, 2010;
 - (c) Methodology adopted by the Commission in its earlier Tariff Orders
- 5.2 The component-wise description of Petitioner's submission and Commission's analysis is given hereunder.

Energy Sales

Petitioner's submission

- 5.3 The Petitioner submitted that the difference between the approved and actual energy sales is majorly under the domestic category, while the energy sales for the rest of consumer categories are mostly in line with the approved sales.
- 5.4 The details of energy sales approved by the Commission in its earlier Order vis-à-vis actual energy sales for the Board Period as submitted by the Petitioner now has been tabulated below:

Table 14: Category-wise sales (in MU) for the Board period as submitted by the Petitioner

Category	FY 2011- 12		FY 2012-13		FY 13-14 (up to 5 th Jan 2014)	
	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)
Domestic	3,063.4	2,483.3	3,756.6	2,888.5	NA	2,541.3
Non domestic	372.0	339.8	428.0	339.2		300.4
Low Tension	163.8	165.0	173.5	157.3		132.1
Irrigation & Agricultural	70.4	64.8	71.0	67.7		60.1
HT Service	2,292.1	2,222.3	2,461.0	2,532.7		1,803.9
Railway Traction	653.5	641.2	697.6	658.7		493.5
Street Light Service	158.7	131.7	202.1	127.2		143.2
MES	16.6	14.6	10.6	15.0		11.0
Bulk Supply	-	-	-	-		-
Total Intra-state Sales	6,790.5	6,062.8	7,800.6	6,786.3		5,485.4
Inter-state sales	405.5	435.4	600.0	473.8		447.1
Total Energy Sales	7,196.0	6,498.2	8,400.6	7,260.1		5,932.5

Commission's analysis

- 5.5 The Commission, while processing the petition found that the Petitioner has apportioned the sales pertaining to PWW category (as reflected in the audited accounts) into LT, HT and MES categories. The Commission vide its discrepancy note directed the Petitioner to provide proper justification for the same.

- 5.6 The Petitioner replied that the PWW category includes both HTS and LTIS consumers. Hence, the sales for PWW category has been apportioned into HTS and LTIS category. The Petitioner further submitted that the sales for MES consumers was also separated from HT consumers based on actuals.
- 5.7 As per clause 5.29 of the JSERC Distribution Tariff Regulations, 2010, energy sales is considered to be an uncontrollable parameter and shall be treated as a pass through to consumers. The relevant extracts of the regulations has been reproduced below:
- “5.30 The variation on account of uncontrollable elements shall be treated as a pass through to be ultimately charged to the consumers, subject to validation and approval by the Commission;”*
- 5.8 In line with the above regulations, the Commission now approves the actual sales for the Board period as per audited annual accounts for the respective years. The following table summarises the consumer category-wise sales for FY 2011-12 to FY 2013-14 (up to 5th Jan 2014), as approved now by the Commission .

Table 15: Category-wise sales (in MU) for the Board period as approved by the Commission

Category	FY 2011- 12 Actual	FY 2012-13 Actual	FY 2013-14 (up to 5 th Jan 2014) Actual
Domestic	2,483.32	2,888.50	2,541.34
Non domestic	339.84	339.21	300.35
Low Tension	165.05	157.28	132.05
Irrigation & Agricultural	64.78	67.71	60.08
HT Service	2,222.30	2,532.69	1,803.91
Railway Traction	641.20	658.73	493.49
Street Light. Service	131.69	127.18	143.20
MES	14.60	15.00	11.00
Bulk Supply	0.00	0.00	0.00
Total Intra-state Sales	6,062.78	6,786.30	5,485.42
Inter-state sales	435.41	473.79	447.05
Total Energy Sales	6,498.19	7,260.09	5,932.47

Power Purchase Quantum & Cost

Petitioner's submission

- 5.9 The Petitioner submitted that JSEB had procured power from central allocations like NTPC, NHPC and other sources such as DVC, TVNL, WBSEB, etc. In addition to these, power was also procured from private stations like APNRL and some from renewable sources during the period under review.
- 5.10 The following tables provide for the source wise power purchase quantum, source wise power purchase cost and Total power purchase cost based on the audited annual accounts as submitted by the Petitioner for the Board period.

Table 16: Power Purchase Quantum and Cost for FY 2011-12 as submitted by the Petitioner

Particulars	Approved for FY 2011-12		Actual for FY 2011-12	
	Quantum (MUs)	Cost (in Rs Cr)	Quantum (MUs)	Cost (in Rs Cr)
Farakka	901.77	447.83	1,770.34	377.74
Kahalgaon	204.48	93.56		126.37
Kahalgaon II	125.01	54.28		
Talcher	539.09	156.13		156.01
WBSEB	51.92	37.14	11.17	8.53
DVC	3,300.12	1,451.55	4,291.57	1,554.47
Rangit(NHPC)	45.48	6.92	357.27	79.29
Teesta(NHPC)	310.59	41.63		
Chukha	184.11	33.95		
TVNL	2,164.66	517.35	2,043.60	488.42
UI Payable	207.35	-31.03	228.06	76.41
PTC (Tala HEP)	390.41	71.84	647.60	118.15
PTC ST	28.00	10.00		
DVC (ST)	877.68	243.12		
Others (Tata power etc)	3.28	1.28		
Solar	-	-	0.36	0.65
NVVNL			3.28	1.30
PGCIL	-	74.90		63.72
ERLDC	-	17.26		19.75
Net Purchase/ Cost from other Source	9,333.94	3,227.70	9,353.25	3,070.79
Own Generation	600.95	_*	634.95	_*
Net Power Purchase (including own generation)	9,934.90	-	9,988.20	

*The own generation cost has been separately determined in the ARR for Generation Business

Table 17: Power Purchase Quantum and Cost for FY 2012-13 as submitted by the Petitioner

Particulars	Approved for FY 2012-13		Actuals for FY 2012-13	
	Quantum (MUs)	Cost (in Rs Cr)	Quantum (MUs)	Cost (in Rs Cr)
Farakka	2,587.82	665.77	1,814.93	344.02
Kahalgaon		236.64		106.18
Kahalgaon II		100.36		
Talcher		242.88		123.75
WBSEB			38.66	29.43
DVC	3,378.67	1,575.27	4,576.11	1,747.89
Rangit(NHPC)	40.44	5.56	318.41	78.78
Teesta(NHPC)	293.21	34.81		
Chukha	257.89	50.41		
TVNL	2,344.76	594.02	2,606.95	809.56
UI Payable		-	85.66	11.86
PTC (Tala HEP)	408.68	79.71	498.74	143.60
PTC ST	61.00	23.09		
DVC (ST)	877.68	243.12		
Others (Tata power etc)	3.28	1.35	189.58	64.91
Solar	143.85	79.12	17.67	20.49
Other Renewables	529.00	264.50		
PGCIL		98.95		97.17
ERLDC		26.28		27.44

Particulars	Approved for FY 2012-13		Actuals for FY 2012-13	
	Quantum (MUs)	Cost (in Rs Cr)	Quantum (MUs)	Cost (in Rs Cr)
Net Purchase/ Cost from other Source	10,974.59	4,336.42	10,146.71	3,605.08
	Own Generation	906.45	764.70	_*
Net Power Purchase (including own generation)	11,881.04		10,911.61	

*The own generation cost has been separately determined in the ARR for Generation Business

Table 18: Power Purchase Quantum and Cost for FY 2013-14 (up to 5 Jan' 14) as submitted by the Petitioner

Particulars	Actuals for FY 2013-14 (up to 5 Jan' 14)	
	Quantum (MUs)	Cost (in Rs Cr)
Farakka	1,425.12	374.20
Kahalgaon		86.99
Kahalgaon II		
Talcher		82.63
WBSEB	27.13	21.48
DVC	3,819.10	1,476.99
Rangit(NHPC)	310.19	76.34
Teesta(NHPC)		
TVNL	1,357.34	434.05
UI Payable	37.06	5.27
PTC (Tala HEP)	604.99	117.40
Solar	15.44	17.01
Other Renewables		
PGCIL		77.30
ERLDC		35.82
Net Purchase/ Cost from other Source	8,249.53	3,014.08
Own Generation	8,880.81	_*
Net Banking	51.88	
Net Power Purchase (including own generation)	8,880.81	

*The own generation cost has been separately determined in the ARR for Generation Business

Commission's analysis

- 5.11 The Commission has scrutinized the audited annual accounts for FY 2011-12 to FY 2013-14 (up to 5 Jan'2014) for verifying the claims made by the Petitioner with respect to power purchase cost and quantum and accordingly approved the source wise power purchase cost and quantum.
- 5.12 The following table summarizes the source-wise power purchase cost and quantum as approved now by the Commission for the period FY 2011-12 to FY 2013-14 (up to 5 Jan' 2014).

Table 19: Power Purchase Quantum and Cost for the Board period as approved by the Commission

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 Jan'14)	
	Quantum (MUs)	Cost (in Rs Cr)	Quantum (MUs)	Cost (in Rs Cr)	Quantum (MUs)	Cost (in Rs Cr)
Farakka	1,770.34	377.74	1,814.93	344.02	1,425.12	374.20
Kahalgaoon		126.37		106.18		86.99
Kahalgaoon II						
Talcher		156.01		123.75		82.63
WBSEB	11.17	8.53	38.86	29.43	27.13	21.48
DVC	4,291.57	1,554.47	4,576.11	1,747.89	3,819.10	1,476.99
Rangit(NHPC)	357.27	79.29	318.41	78.78	310.19	76.34
Teesta(NHPC)						
TVNL	2,043.60	488.42	2,606.95	809.56	1,357.34	434.05
UI Payable	228.06	76.41	85.66	11.86	37.06	5.27
PTC (Tala HEP)	647.60	118.15	498.74	143.60	604.99	117.40
Others (Tata power etc)			189.58	64.91	653.16	208.60
Solar	0.36	0.65	17.67	20.49	15.44	17.01
NVVNL	3.28	1.30				
PGCIL		63.72		97.17		77.30
ERLDC		19.75		27.44		35.82
Net Purchase/ Cost from other Source	9,353.25	3,070.81	10,146.90	3,605.08	8,249.53	3,014.08

*The Generation cost has been separately determined in the ARR for Generation Business

Own Generation and Fuel Cost - PTPS

Petitioner's submission

- 5.13 The Petitioner submitted that during the Board period, erstwhile JSEB owned and operated one thermal generating plant i.e. Patratu Thermal Power Station (PTPS-840 MW) located in Patratu. PTPS had total of 10 ten units out of which only 4,6 and 10 units were operational during the period FY 2011-12 to FY 2013-14 (up to 5th Jan 2014) majorly due to ageing of the other units.
- 5.14 The Petitioner further submitted that the erstwhile JSEB inherited these ageing station from erstwhile BSEB with poor performance on key performance parameters like availability factor, PLF, Station heat rate and specific oil consumption etc.
- 5.15 It is pertinent to mention that due to non-operation of 1, 2, 3, 5, 7, 8 and 9 units the overall generation and PLF was low. The table below provides the summary of the energy generated (in MU) and plant performance parameters of PTPS during FY 2011-12 to FY 2013-14 (up to 5th Jan 2014) as submitted by the Petitioner.

Table 20: Plant performance parameters and fuel cost for PTPS as submitted by the Petitioner

Particulars	UoM	FY 2011- 12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
		Approved	Actuals	Approved	Actuals	Approved	Actuals
Installed Capacity	MW	840	840	840	840	840	840
De-rated capacity	MW	640	770	640	770	720	770

Particulars	UoM	FY 2011- 12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
		Approved	Actuals	Approved	Actuals	Approved	Actuals
PLF	%	37.4%	6.4%	76%	10.91%	67%	8.5%
Auxiliary Consumption	%	12.0%	15.8%	12.0%	15.0%	12.0%	17.8%
SHR	kCal/ kWh	3,150.0	4,142.5	3,125.0	4,003.1	3,100.0	3,926.5
CV of Coal	kCal /kg	4,230.0	4,299.3	4,690.0	4,309.5	4,690.0	4,300.0
CV of Oil (FO/LDO)	kCal/ltr	10,500	10,500	10,500	10,500	10,500	10,500
Price of Coal	Rs/tonne	1,154.4	1,141.4	1,372.0	1,243.7	1,372.0	1,493.7
SFOC (FO)	ml/ kWh	3.50	4.05	3.50	3.91	3.50	3.11
SFOC (LDO)							
Workings:							
Gross Generation	MU	2,095.0	433.6	4,238.1	735.7	4,238.1	573.3
Net Generation	MU	1,843.6	365.1	3,729.5	625.6	3,729.5	471.2
Energy Charge Rate	Rs/kWh	0.97	1.29	1.03	1.34	1.02	1.65
Fuel cost	Rs Cr	30.28	47.22	63.56	84.12	176.75	77.55

Commission's analysis

5.16 As per clause 6.12 of the Generation tariff Regulations, 2010

“Performance Targets

6.12 The Commission shall set targets for each year of the Control Period for the items or parameters that are deemed to be “controllable” and which includes:

- (a) Gross Station Heat Rate;*
- (b) Normative Annual Plant Availability Factor;*
- (c) Auxiliary Energy Consumption;*
- (d) Secondary Fuel Oil Consumption;*
- (e) Operation and Maintenance Expenses;*
- (f) Financing Cost which includes cost of debt (interest), cost of equity (return);*
- and*
- (g) Depreciation.”*

5.17 The Commission in its earlier MYT Order on Generation business for the first control period FY 2012-13 to FY 2015-16 dated July, 2012 had already set targets for the controllable parameters viz. Gross station heat rate, NAPAF, Auxiliary consumption etc.

5.18 Also, Clause 6.13 of the Generation Tariff Regulations, 2010 states that:

“6.13 Any financial loss on account of underperformance on targets for parameters specified in clause 6.12 (a) to (e) of these Regulations is not recoverable through tariffs. Similarly, any financial gain on account of over-performance with respect to these parameters is to the Generating Company’s benefit and shall not be adjusted in tariffs.”

In view of the above regulations, the Commission finds no merit in relaxing the parameters for Gross Station Heat Rate, Normative Annual Plant Availability Factor, Auxiliary Energy Consumption, Secondary Fuel Oil Consumption; as already set by the Commission in its earlier Tariff Order dated July, 2012.

- 5.19 Further, the Commission vide its discrepancy note had directed the Petitioner to submit detailed computation of calculation of cost of coal (Rs/MT) including the details of the transit loss considered.
- 5.20 The Petitioner vide its reply submitted that the price of coal has been arrived by considering the overall cost (in Rs.) incurred for the total coal consumption (in tonnes) throughout the year. The Petitioner further submitted that the price is inclusive of the normative transit loss of 0.2%. The detailed calculation as submitted by the Petitioner has been provided in the table below:

Table 21: Computation of Cost of coal (Rs/Tonne) as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14
Coal Consumption (in Tonne) -A	413719	676389	519172
Coal Cost (in Rs Crore) - B	47.22	84.12	77.55
Price of Coal (Rs/Tonne) – (B/A)*10 ⁷	1141.35	1243.66	1493.72

- 5.21 The Commission has scrutinized the audited annual accounts for FY 2011-12 to FY 2013-14 (up to 5 Jan’2014) for verifying the claims for the Technical Parameters viz. Calorific value of Coal & Oil, SFOC for F.O, LDO made by the Petitioner and accordingly approved the technical parameters and fuel cost as tabulated below

Table 22: Plant performance parameters and fuel cost for PTPS as approved by the Commission

Particulars	UoM	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Installed Capacity	MW	840	840	840
De-rated capacity	MW	770	770	770
PLF	%	6.40%	10.91%	8.50%
Auxiliary Consumption	%	12.0%	12.0%	12.0%
SHR	kCal/ kWh	3,150.00	3,125.00	3,100.00
CV of Coal	kCal /kg	4,299.30	4,309.50	4,300.00
CV of Oil (FO/LDO)	kCal/ltr	10,500	10,500	10,500
Price of Coal	Rs/tonne	1,141.35	1,243.66	1,493.72
SFOC (FO)	ml/ kWh	3.50	3.50	3.50
SFOC (LDO)				
Workings:				
Gross Generation	MU	432.88	735.90	573.34

Particulars	UoM	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Net Generation	MU	380.93	647.59	504.54
Energy Charge Rate	Rs/kWh	0.94	1.01	1.21
Fuel cost	Rs Cr	35.78	65.59	61.01

Own Generation - SHPS

Petitioner's submission

- 5.22 The Petitioner submitted that the SHPS (Sikidri Hydel Power Station) was designed for operation at the reservoir level of 1925 ft and the plant's design working condition is for peak load i.e. it generates power for 3-4 hours in a day and to have 14% of the total plant load factor. However, it has been observed that the reservoir water is above the level of 1925 ft for only 3-4 months in a year as there are restrictions such as the same reservoir is being used as the source of supply of water to Ranchi town for drinking and irrigation purposes.
- 5.23 The petitioner further submitted that the quantity of water in the reservoir is lower than the reported level due to heavy silting as well as poor rainfall in FY 12-13 and FY 13-14 and requested the Commission to consider the reasons that lead to shortfall in generation.
- 5.24 The Petitioner prayed the Commission to relax the normative plant availability factor to the tune of 14% instead of 75% presently. The energy availability from the Sikidri Hydel Power station (SHPS) for the period FY 2011-12 to FY 2013-14 (up to 5th Jan 2014) is summarized in the table below:

Table 23: Energy availability from SHPS for the Board period as submitted by the Petitioner

Particulars	UoM	FY 2011- 12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
		Approved	Actuals	Approved	Actuals	Approved	Actuals
Capacity	MW	130	130	130	130	130	130
Gross generation	MUs	287.55	270.07	287.55	141.97	220.40	108.35
Aux consumption	MUs	2.01	0.24	2.01	2.88	1.54	0.18
Aux consumption	%	0.70%	0.09%	0.70%	2.03%	0.70%	0.17%
Net Generation	MUs	285.54	269.83	285.54	139.09	218.86	108.17

Commission's analysis

- 5.25 The Commission has followed a similar methodology as adopted in the approval of Plant performance parameters for PTPS for the approval of plant performance parameters for SHPS. The energy availability for Sikidri Hydro power station as approved by the Commission for the board period has been tabulated below:

Table 24: Plant performance parameters for SHPS as approved by the Commission

Particulars	UoM	FY 2011- 12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Capacity	MW	130	130	130
Gross generation	MUs	270.07	141.97	108.35
Aux consumption	MUs	1.89	0.99	0.76
Aux consumption	%	0.70%	0.70%	0.70%
Net Generation	MUs	268.18	140.98	107.59

Energy Requirement and Energy Availability

Petitioner's submission

5.26 The Petitioner submitted that energy availability for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) has been computed based on the actual power purchases and sales of respective years. The Petitioner further submitted that the power purchase from various sources are segregated into different heads, while calculating the energy balance as mentioned below:

- Power Purchase from Outside JSEB Boundary- NTPC, NHPC, PTC, STOA, APNRL, part of TVNL, Mittal Power and Banking
- Energy Input Directly to State Transmission System- Input of power from TVNL directly to State Transmission System.
- State-owned Generation- PTPS and SHPS.
- Direct Input of Energy to Distribution System- DVC, WBSEB and Solar Power.

5.27 Accordingly, the Energy Balance of JSEB for the period FY 2011-12 to FY 2013-14 (up to 5th Jan'2014) as submitted by the Petitioner has been tabulated below

Table 25: Energy Balance (in MU) as Submitted by the Petitioner for the Board period

Particulars	FY 2011- 12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved	Actual	Approved	Actual	Approved	Actual
Power Purchase from Outside JSEB Boundary	3,598.1	3,595.9	5,996.9	3,864.4	NA	3,588.3
Loss in External System (%)	3.0%	3.0%	3.0%	3.0%		3.0%
Loss in External System	109.4	109.3	182.3	117.5		109.1
Net Outside Power Available	3,488.7	3,486.6	5,814.6	3,747.0		3,479.2
Energy Input Directly to State Transmission System	1,298.8	1,226.2	1,406.9	1,564.2		814.4
State-owned Generation	601.0	635.0	906.5	764.7		579.4
Payable	207.4	228.1	-	85.7		37.1
UI Sale / Receivable					NA	
Energy Available for Onward Transmission	5,595.8	5,575.8	8,127.9	6,161.5		4,910.0
Transmission Loss (%)	5%	5%	5%	5%		5%

Particulars	FY 2011- 12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved	Actual	Approved	Actual	Approved	Actual
Transmission Loss	279.8	278.8	406.4	308.1		245.5
Net Energy Sent to Distribution System	5,316.0	5,297.0	7,721.5	5,853.4		4,664.5
Direct Input of Energy to Distribution System	4,229.7	4,303.1	3,522.5	4,632.6		3,861.7
Total Energy Available for Sales	9,545.7	9,600.1	11,244.0	10,486.1		8,526.2
Sales (MUs)	7,196.0	6,498.2	8,400.6	7,260.1		5,932.5
Distribution losses	24.6%	32.31%	25.3%	30.76%		30.42%

Commission's analysis

- 5.28 The Commission has worked out energy availability for Board period on the basis of actual generation from tied up power from central and other stations, state-owned stations etc.
- 5.29 The Commission noticed that while segregating power purchase under different heads for the computation of energy balance, the Petitioner considered a part of power from TVNL to be from outside JSEB boundary and the rest to be the input directly to transmission system. The Commission vide its discrepancy note had directed the Petitioner to submit more details regarding the portion of the total power of TVNL to be considered under each head.
- 5.30 The Petitioner vide its reply submitted that there are two transmission lines from TVNL for area for power evacuation. A portion of such evacuation is done through PTPS line which falls into the energy input directly to state transmission system category and the remaining evacuation is done through line which goes to Bihar Sharif line which falls into the category of power purchase from outside JBVNL boundary.
- 5.31 The Petitioner further submitted that the same proportion as approved by the Commission to segregate the quantum into energy input directly to state transmission system category and rest under power purchase from JBVNL boundary (input through Bihar shariff line)
- 5.32 The Commission after scrutinizing the Petitioner's submissions approved the energy availability for the Board period as summarized below:

Table 26: Energy Balance as approved by the Commission for the Board Period (in MU)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (upto 5th Jan 2014)
Power Purchase from outside JSEB boundary	3,595.9	3,864.4	3,536.4
Loss in External System (%)	3.04%	3.04%	3.04%
Loss in External System	109.3	117.5	107.5
Net Outside Power Available	3,486.6	3,747.0	3,428.9
Energy Input Directly to State Transmission System	1,226.2	1,564.2	814.4

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (upto 5th Jan 2014)
State-owned Generation	649.1	788.6	612.1
Payable	228.1	85.7	37.1
UI Sale / Receivable			
Energy Available for Onward Transmission	5,589.9	6,185.4	4,892.5
Transmission Loss (%)	5%	5%	5%
Transmission Loss	279.5	309.3	244.6
Net Energy Sent to Distribution System	5,310.4	5,876.1	4,647.9
Direct Input of Energy to Distribution System	4,303.1	4,632.6	3,861.7
Total Energy Available for Sales	9,613.5	10,508.7	8,509.5
Sales (MUs)	6,498.2	7,260.1	5,932.5
Distribution losses	32.41%	30.91%	30.28%

Disincentive for the Non-Achievement of T&D Losses

Petitioner's submission

- 5.33 The Petitioner submitted that high T&D losses were a major concern for the erstwhile JSEB and it has not been able to achieve the stringent targets set by the Commission to the tune of 17% for FY 2013-14 despite taking innumerable efforts.
- 5.34 The Petitioner further submitted that the Commission in its Tariff Order dated 21st June 2017, itself had approved the distribution losses of 24% for FY 2016-17 and a redefined distribution losses trajectory. Thus, the distribution loss trajectory approved in the previous Tariff Order and as provided in the Tariff Regulations 2010, is not only unachievable but also unrealistic.
- 5.35 The Petitioner submitted that the excess cost to be disallowed under 'Disincentive for non-achievement of T&D loss targets', needs to be appropriately adjusted against the Resource Gap Funding (RGF) as per the communication from the Energy Department, Govt. of Jharkhand.
- 5.36 The Petitioner submitted that it has considered the distribution losses as stipulated in the Tariff Order dated August 2nd, 2012 for estimation of disincentive for non-achievement of loss targets. Further, the actual average power purchase cost per unit has been used to compute the disincentive for non-achievement of T&D loss reduction targets as summarized in the table below:

Table 27: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as submitted by the Petitioner

Particulars	FY 2011- 12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved	Actual	Approved	Actual	Approved	Actual
Total Energy Sales to Intrastate consumers	6,790.5	6,062.8	7,800.6	6,786.3	NA	5,485.4
Overall T&D loss (%) for intra-state consumers	19%	19%	18%	18%		17%
Overall T&D loss for intrastate consumers	1,592.8	1,422.1	1,712.3	1,489.7		1,123.5

Total Energy requirement for intra-state consumers	8,383.3	7,484.9	9,512.9	8,276.0		6,608.9
Energy requirement for inter-state sale	405.5	435.4	600.0	473.8		447.1
Total Energy requirement	8,788.8	7,920.3	10,112.9	8,749.8		7,056.0
Energy Available for Distribution	9,934.9	9,600.1	11,881.0	10,486.1		8,526.2
Disallowed Units due to Excess Loss	1,146.1	1,679.8	1,719.0	1,736.3		1,470.2
Average Power Purchase Cost	3.51	3.19	3.51	3.43		3.51
Disallowed Cost due to Excess Loss	402.3	536.4	603.4	595.6		516.0

Commission's analysis

- 5.37 The Commission in its Order dated August 2nd, 2012 had expressed concern as the actual T&D losses were significantly higher than the allowed targets as per the norms set by the Commission in its previous Tariff Orders.
- 5.38 The Hon'ble APTEL in its Direction no.10 of Appeal no.129/2007 had expressed concern on the excessive T&D losses of the licensee and had directed the Commission to lay down time bound targets for reduction of T&D losses and norms for improvement of the power stations and increasing the overall efficiency of the Board. The relevant extract of the aforesaid order is reproduced below.

“(10). Excessive T&D Losses and inefficiencies of JSEB

Analysis and decision:

50. Prevalent inefficiencies in the Board, excessive Transmission and Distribution losses are a matter of grave concern and are extremely detrimental to the interest of the consumers. We deprecate the current affairs of the Board and direct that immediate steps will be taken to improve the working of the Board. We direct that the Commission lays down time bound targets for reduction of T&D losses and norms for improvement of the Power Stations and increasing the overall efficiency of the Board.”

- 5.39 In compliance with the direction given by the Hon'ble APTEL, the Commission, in its Tariff Order for FY 2010-11, provided the Petitioner the opportunity to work out a logical trajectory to reduce its T&D losses on the basis of its actual loss levels and submit the same to the Commission for consideration. However, the Petitioner failed to file the T&D loss trajectory.
- 5.40 The Commission in line with the Hon'ble APTEL's Direction no.10 and after exercising due diligence on its part, had set a time bound T&D loss reduction trajectory for the Petitioner so that the Petitioner is able to achieve the benchmark T&D loss level of 15% by the end of FY 2016-17.

- 5.41 In view of the above, the Commission finds no reason to change the targets given to the Petitioner and therefore approves the T&D losses as per the trajectory set by the Commission in its previous Tariff Orders and Distribution Tariff Regulations, 2010.
- 5.42 Accordingly, the power purchase cost incurred due to higher T&D losses, beyond the targeted level, has been disallowed and is treated as 'Disincentive for non-achievement of T&D loss targets' for the period FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014).
- 5.43 The table below summarises the computation of non-achievement of T&D loss reduction targets by the Commission for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014).

Table 28: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as approved by the Commission

Particulars	FY 2011- 12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Total Energy Sales to Intrastate consumers	6,062.78	6,786.30	5,485.42
Overall T&D loss (%) for intra-state consumers	19.00%	18.00%	17.00%
Overall T&D loss for intrastate consumers	1,422.13	1,489.68	1,123.52
Total Energy requirement for intra- state consumers	7,484.91	8,275.98	6,608.94
Energy requirement for inter-state sale	435.41	473.79	447.05
Total Energy requirement	7,920.32	8,749.77	7,055.99
Energy Available for Distribution	9,613.55	10,508.73	8,509.53
Disallowed Units due to Excess Loss	1,693.22	1,758.97	1,453.54
Average Power Purchase Cost	3.19	3.43	3.52
Disallowed Cost due to Excess Loss	540.80	603.34	511.14

Transmission Cost

Petitioner's submission

- 5.44 The Petitioner submitted that during the erstwhile JSEB period, all the expenses related to transmission function were being incurred by the Board and therefore, as part of the ARR for distribution function, the transmission ARR should also be considered for approval.

Commission's analysis

- 5.45 The Commission has apportioned the cost pertaining to Transmission function of the erstwhile JSEB in relevant sections of this Order.

Employee Cost

Petitioner's submission

- 5.46 The Petitioner submitted that the Commission in its tariff Order dated August 2012, has approved the employee cost for erstwhile JSEB as a whole, which is disaggregated amongst all functions in the ratio of number of employees as proposed by Petitioner.
- 5.47 In line with the above approach, the Petitioner has now submitted the total employee cost of erstwhile JSEB, which is disaggregated amongst generation (thermal and hydel), transmission and distribution functions and requested the Commission to allow the employee cost of the Board as per the audited annual account figures for the period from FY 11-12 to FY 13-14 (up to 5th January 2014).
- 5.48 The details of the Employee Cost for the JSEB period as submitted by the Petitioner has been tabulated below:

Table 29: Details of the Employee cost for the JSEB period as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Employee Cost- Gen-Thermal	105.81	70.79	69.39	71.93	74.47	54.81
Employee Cost- Gen-Hydel	12.96	8.67	8.50	8.81	9.12	6.71
Employee Cost- Distribution	265.44	177.59	174.07	180.44	-	137.51
Employee Cost- Transmission	43.33	28.99	28.42	29.46	-	22.45
Employee Cost- total	427.54	286.04	280.38	290.65	83.59	221.49

Commission's analysis

- 5.49 The Commission in its earlier Order had approved the employee cost for the FY 2011-12 and FY 2012-13 by increasing the actual employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2010-11 by weighted average inflation rate of 8.40%. Further, the Commission had added the projected payment to be made on account of VI Pay Commission arrears and the actual cost incurred towards terminal benefits during FY 2010-11 to arrive at gross employee cost for FY 2011-12 for JSEB as whole subject to final true up on the basis of audited annual accounts. The employee cost was then disaggregated between Generation (thermal & hydel), Transmission and Distribution functions of JSEB in the ratio of actual number of employees during FY 2010-11.
- 5.50 The Petitioner has now made available the audited annual accounts for the Board Period. Accordingly, the Commission has now approved the actual employee cost for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) as per the audited annual accounts for respective years.

- 5.51 For further disaggregation of the employee cost into various functions, Commission vide its discrepancy note had directed the Petitioner to submit the details of actual no. of employees in each function during the Board Period.
- 5.52 The Petitioner vide its reply submitted that it has segregated the employee cost based on the proportion as considered by the Commission. The Petitioner further submitted the estimated no. of employees during FY 2011-12 to FY 2013-14 and submitted that business wise distribution of employees shall be submitted subsequently. However, the Petitioner failed to do so.
- 5.53 Since, the Petitioner has failed to submit the details of business wise distribution of actual number of employees during the FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014), the Commission is constrained to use the same proportion as approved in its earlier Order dated August, 2012 to disaggregate the total employee cost into various functions.
- 5.54 The details of the employee cost as approved by the Commission for the Board period has been tabulated below:

Table 30: Details of the employee cost for the JSEB period as approved by the Commission

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	%	Amount (Rs Cr.)	%	Amount (Rs Cr.)	%	Amount (Rs Cr.)
Employee Cost- Gen-Thermal	24.75%	70.79	24.75%	71.93	24.75%	54.81
Employee Cost- Gen-Hydel	3.03%	8.67	3.03%	8.81	3.03%	6.71
Employee Cost- Transmission	10.13%	28.99	10.13%	29.46	10.13%	22.45
Employee Cost- Distribution	62.09%	177.59	62.09%	180.44	62.09%	137.51
Employee Cost- total		286.05		290.65		221.49

A&G Cost

Petitioner's submission

- 5.55 The Petitioner submitted that it has disaggregated the actual A&G expenses amongst various functions of erstwhile JSEB, in the proportion as approved by the Commission in its earlier Order dated August, 2012. The details of the A&G Cost for the JSEB period as submitted by the Petitioner has been tabulated below:

Table 31: Details of the A&G cost for the JSEB period as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
A&G Cost- Gen-Thermal	13.25	14.74	14.36	17.25	15.57	12.63
A&G Cost- Gen-Hydro	1.62	1.80	1.76	2.11	1.91	1.55

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
A&G Cost- Distribution	33.24	36.98	36.04	43.30	NA	31.71
A&G Cost- Transmission	5.43	6.04	5.91	7.10	NA	5.20
A&G Cost- total	53.54	59.57	58.07	69.78	17.48	51.09

Commission's analysis

- 5.56 The Commission in its earlier Order had approved the A&G cost, in line with the methodology adopted for the approval of employee expenses for the FY 2011-12 & FY 2012-13.
- 5.57 The Commission has now approved the actual A&G cost for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) as per the audited annual accounts for respective years.
- 5.58 Since, the Petitioner has failed to submit the details of business wise distribution of actual no. of employees during the FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014), as discussed in para 5.52, the Commission has considered the same proportion as approved in its earlier Order dated August, 2012 to disaggregate the total A&G cost into various functions.
- 5.59 The details of the A&G cost as approved by the Commission for the Board period has been tabulated below:

Table 32: Details of the A&G cost for the JSEB period as approved by the Commission

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	%	Amount (Rs Cr.)	%	Amount (Rs Cr.)	%	Amount (Rs Cr.)
A&G Cost- Gen- Thermal	24.75%	14.74	24.75%	17.25	24.75%	12.63
A&G Cost- Gen-Hydel	3.03%	1.80	3.03%	2.11	3.03%	1.55
A&G Cost- Transmission	10.13%	6.04	10.13%	7.10	10.13%	5.20
A&G Cost- Distribution	62.09%	36.98	62.09%	43.30	62.09%	31.71
A&G Cost- total		59.57		69.78		51.09

R&M Cost

Petitioner's submission

- 5.60 The Petitioner submitted that the actual R&M Cost of erstwhile JSEB has been almost equal or lower than that of approved by the Commission in its earlier Order as the Commission had approved the R&M cost as 2.22% of the GFA for distribution function of erstwhile JSEB, while the actual proportion has been in the range of 2.1% only.
- 5.61 The R&M cost for the Board period as approved by the Commission vis-à-vis the actual, based on the audited accounts as submitted by the Petitioner has been tabulated below:

Table 33: Details of the R&M cost for the JSEB period as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
R&M Cost- Gen-Thermal	15.94	16.01	21.63	21.01	26.66	27.38
R&M Cost- Gen-Hydro	0.96	0.96	1.14	1.11	1.44	1.44
R&M Cost- Distribution	25.63	25.74	35.99	34.96	NA	45.55
R&M Cost- Transmission	9.62	9.66	13.56	13.17	NA	17.16
R&M Cost- total	52.15	52.38	72.32	70.24	28.10	91.54

Commission's analysis

- 5.62 The Commission in its earlier Order had approved the R&M expenses for the FY 2011-12 & FY 2012-13 at 2.22% of the opening GFA for the distribution function of the erstwhile JSEB business.
- 5.63 The Commission has now approved the actual R&M expenses of the erstwhile JSEB for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) as per the audited annual accounts for respective years.
- 5.64 For further disaggregation of the R&M cost into various functions, Commission vide its discrepancy note had directed the Petitioner to submit a methodology on how such expenses have been disaggregated among various functions during the Board Period.
- 5.65 The Petitioner vide its reply submitted that it has segregated the R&M cost based on the proportion as considered by the Commission in its earlier Order.
- 5.66 The Commission in its earlier Order for the true up of the erstwhile JSEB had disaggregated the R&M expenses into various functions based on the opening GFA for the respective years. The relevant excerpts of the Order has been reproduced below:

“5.63 In view of above, the Commission, while undertaking final true up for FY 2007-08 to FY 2010-11, has approved the overall R&M cost on the basis of audited annual accounts for FY 2007-08, FY 2008-09, FY 2009-10 and FY 2010-11. The approved overall R&M cost is then functionally disaggregated on the basis of opening GFA for each function to arrive at functionally disaggregated R&M cost for aforesaid years.”

- 5.67 Accordingly, the Commission disaggregated the overall R&M expenses into various functions of the erstwhile JSEB as tabulated below:

Table 34: Details of the R&M cost for the JSEB period as approved by the Commission

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Opening GFA (in Rs Cr)	Amount (Rs Cr.)	Opening GFA (in Rs Cr)	Amount (Rs Cr.)	Opening GFA (in Rs Cr)	Amount (Rs Cr.)
R&M Cost- Gen- Thermal	718.85	16.01	733.52	20.60	920.50	25.18
R&M Cost- Gen-Hydel	43.13	0.96	43.02	1.21	43.02	1.18
R&M Cost- Transmission	433.89	9.66	492.56	13.84	496.42	13.58
R&M Cost- Distribution	1,155.73	25.74	1,231.68	34.60	1,886.01	51.60
R&M Cost- total	2,351.60	52.38	2,500.79	70.24	3,345.95	91.54

Gross Fixed Asset (GFA) & CWIP

- 5.68 The Commission has approved the GFA for the FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) based on the schedule-20 of the audited accounts as submitted by the Petitioner. Further, the capital works in progress for the Board period has been approved as per Schedule-21 of the audited accounts.
- 5.69 The GFA as approved by the Commission for the Board period has been tabulated below:

Table 35: GFA (in Rs Cr) as approved by the Commission for the Board period

Particulars GFA	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Opening GFA	2,351.6	2,500.8	3,345.9
Additions to GFA during the Year	150.8	845.2	823.6
Deletions (if any)	1.6	-	427.7
Closing GFA	2,500.8	3,345.9	3,741.8

- 5.70 Further, for estimating the sources of finance required to fund the closing GFA, the Commission had reduced the GFA by the consumer contribution, grants & subsidies available with the Petitioner.
- 5.71 For funding of above mentioned GFA, the Commission has considered the normative debt-equity ratio of 70:30 as provided in Regulation 6.18 & 6.19 of the Distribution Tariff Regulation, 2010. Moreover, consumer contribution grants and subsidies for capital assets are first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.

- 5.72 The Commission has considered the consumer contribution, grants and capital subsidy (if any) on the basis of the audited annual accounts as submitted by the Petitioner. The normative net loans are estimated after deducting accumulated depreciation from the value of gross loans.
- 5.73 The approved sources of funding for the GFA for the Board period has been tabulated below:

Table 36: Sources of funding of GFA (in Rs Cr) for the Board Period

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
GFA	2500.79	3345.95	3741.83
Consumer contribution and Grants	1676.22	2426.73	2504.26
Consumer Contribution, Grants towards GFA	985.62	1541.81	1621.76
Debt & Equity towards GFA	1515.17	1804.14	2120.06
Equity @ 30%	454.55	541.24	636.02
Accumulated Depreciation	1232.97	1369.80	1541.33
Acc. Dep as net of CC & grants	485.94	631.20	668.04
Net Accumulated Depreciation	747.03	738.60	873.30
Normative Loan	313.59	524.30	610.75

Depreciation

Petitioner's submission

- 5.74 The Petitioner submitted that since the depreciation books of erstwhile JSEB do not segregate the depreciation pertaining to GFA created out of grant and consumer contribution, it has followed the approach adopted by the Commission in its previous true-up order.
- 5.75 The Petitioner has first arrived at the GFA created out of debt and equity by deducting the consumer contribution and grants portion deployed towards GFA. Based on this GFA created out of debt and equity for JSEB as a whole, the Petitioner has applied the depreciation rate as approved by the Commission to arrive at the total depreciation. The total depreciation is then segregated amongst the generation, transmission and distribution in the proportion of GFA to arrive at the depreciation for distribution function.
- 5.76 The details of depreciation as submitted by the Petitioner is provided in the table below:

Table 37: Computation of depreciation as per Petitioner's submission (Rs Cr.)

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Rate of depreciation	7.09%	7.09%	5.34%	5.34%	5.34%	5.34%
Total depreciation (erstwhile JSEB)	75.39	107.46	107.82	96.41	16.89*	113.29

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Depreciation – Distribution function	48.52	52.92	67.72	54.34	-	68.45

* only generation function

Commission's analysis

- 5.77 Regulation 6.30 of JSERC Distribution Tariff Regulations, 2010, states that depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. The relevant extracts of the regulation has been reproduced below

“6.30

.....

Provided that depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Provision for replacement of such assets shall be made in the capital investment plan;”

- 5.78 Considering the Consumer contribution and Grants deployed towards GFA as approved in Table 36 of this Order, the Commission has determined the depreciation for the Board period in accordance with the above regulations. The rate of depreciation has been considered as per the rates approved in the earlier Order for the respective years.
- 5.79 Further, the Commission disaggregated the depreciation into various functions based on the closing GFA as per schedule 20 of the audited accounts.
- 5.80 The depreciation for the board period as approved by the Commission is summarised in the following table:

Table 38: Depreciation (in Rs Cr) as approved by the Commission for the Board period

Particulars (Depreciation in Rs Cr)	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
GFA Considered for Depreciation (Net of cons cont and Grants)	1,490.12	1,659.65	1,962.10
Rate of depreciation	7.09%	5.34%	5.34%
Total depreciation (erstwhile JSEB)	105.65	88.63	80.38*
Depreciation- Gen-Thermal	30.99	24.38	19.98
Depreciation-Gen-Hydel	1.82	1.14	0.92
Depreciation-Transmission	20.81	13.15	10.91
Depreciation – Distribution	52.03	49.96	48.56

*considered for the Board period (1st Apr '13 to 5th Jan '14)

Interest and finance charges

Petitioner's submission

5.81 The Petitioner submitted that the audited annual accounts of erstwhile JSEB do not provide segregation of interest and finance charges amongst the generation, transmission and distribution business and the same has been segregated amongst the generation, transmission and distribution functions in the proportion of respective GFA, to arrive at the interest expense attributable to distribution business.

5.82 The interest and finance charges as approved by the Commission in its earlier Order pertaining to distribution function and as estimated by the Petitioner for true-up, based on the Annual Accounts for respective years is provided in the table below

Table 39: Interest on Loan for Distribution business as submitted by the Petitioner for the JSEB period

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Interest Expenses – Distribution business	13.90	274.23	58.72	334.60	-	314.67

Commission's analysis

5.83 As per clause 6.24 of the JSERC Distribution Tariff Regulations, 2010

“6.24 Existing Loans:

a) Interest on loan capital shall be computed loan-wise for existing loans arrived in a manner indicated in clause 6.18-6.19 of these Regulations and shall be as per the rates approved by the Commission;

b) The loan outstanding as on 1st April 2013 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to 31st March 2013 from the gross normative loan;

c) In case of normative debt, the rate of interest shall be equal to the prime lending rate of SBI as applicable on 1st April of the relevant financial year;

d) The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the consumers;

e) In case of any moratorium period on repayment of loan is availed of by the Licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.”

5.84 To approve the interest & finance charges for the Board period, the Commission has followed the approach adopted by the Commission in its earlier Tariff Orders.

- 5.85 The opening normative loan for the FY 2011-12 shall be the closing normative loan for the FY 2010-11 after taking into account repayments worked out on normative basis.
- 5.86 The deemed repayment is considered to be equal to the depreciation allowed in that year. The rate of interest has been considered equal to the prime lending rate of SBI as applicable on 1st April of each year as per the regulations stated above. Further, the Commission disaggregated the interest on loan into various functions based on the closing GFA as per schedule 20 of the audited accounts.
- 5.87 Based on the above, the Interest & finance charges approved by the Commission is tabulated hereunder:

Table 40: Interest on Loan (in Rs Cr) as approved by the Commission for the JSEB period

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Opening Balance	330.52	313.59	524.30
Deemed Addition during the year	35.11	260.67	149.75
Deemed Repayments during the year	52.03	49.96	63.31
Closing Balance	313.59	524.30	610.75
Average balance during the Year	322.05	418.94	567.52
Interest Rate	13.00%	14.75%	14.45%
Interest Expenses Total (in Rs Cr)	41.87	61.79	62.91*
Interest Expenses-Gen-Thermal	12.28	17.00	15.64
Interest Expenses-Gen-Hydel	0.72	0.79	0.72
Interest Expenses-Transmission	8.25	9.17	8.54
Interest Expenses-Distribution	20.62	34.83	38.01

*considered for the Board period (1st Apr '13 to 5th Jan '14)

Interest on Consumer Security Deposits

Petitioner's submission

- 5.88 The Petitioner has submitted that it has considered the actual consumer security deposit as per the audited annual accounts to arrive at the interest thereof for true-up in line with the approach adopted by the Hon'ble Commission in its earlier tariff order dated August, 2012. The Interest on consumer security deposits as submitted by the Petitioner for the Board period has been tabulated below:

Table 41: Interest on Consumer security deposit as submitted by the Petitioner for the Board period

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Consumer security Deposit	241.67	261.64	271.00	295.33		321.56
Interest on Consumer Security Deposit	14.50	22.67	16.26	24.10	-	21.29

Commission's analysis

- 5.89 The Commission approves the interest on consumer security deposits on the basis of the audited annual accounts for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014)
- 5.90 The interest on consumer security deposits as approved by the Commission for the Board period has been tabulated below:

Table 42: Interest on Consumer Security Deposits (in Rs Cr) as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Consumer Deposit	261.65	295.33	321.56
Interest on Consumer Security Deposit	22.68	24.10	21.30

Interest on Working Capital*Petitioner's submission*

- 5.91 The Petitioner submitted that it has estimated the working capital requirement in line with the Regulation 6.26 of the Tariff Regulations 2010.
- 5.92 The Petitioner further submitted that in the Tariff Order issued in August 2012, the Commission has not allowed any working capital requirement, however, based on the submissions for true up the Petitioner has estimated the working capital requirement and interest thereof, as provided in the table below.

Table 43: Interest on working capital (in Rs Cr) as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
1 month O&M		24.13		35.89		30.34
Maintenance Spares		0.52		0.70		0.92
Receivables		620.17		756.29		638.33
Less: 1 month cost of power purchase		-211.20		-250.79		-208.17
Less: Security Deposit from Customers		-261.64		-295.33		-321.56
Total Working Capital requirement		171.97		246.75		139.85
Interest rate on WC		13%		14.75%		14.45%
Interest on Working Capital	-	22.36		36.40		20.21

Commission's analysis

- 5.93 As per JSERC Distribution Tariff Regulations 2010, the working capital requirements are to be determined as per the following norms:-
- Operation & Maintenance expenses for one month; plus
 - Maintenance spares @ 1% of opening GFA; plus

- c) Receivables equivalent to expected revenue of two months; minus
 - d) Amount held as security deposit; minus
 - a) One month equivalent of cost of power purchased, based on the annual power procurement plan
- 5.94 Rate of interest on working capital has been considered to be equal to the Prime lending rate of SBI as applicable on the 1st April of the relevant financial year as per Regulation 6.29 of the JSERC Distribution Tariff Regulations 2010.
- 5.95 The interest on working capital as computed by the Commission for the Board period is summarized in the following table:

Table 44: Interest on Working Capital (in Rs Cr) as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
O&M Expense for one month	20.03	21.53	18.40
Maintenance Spares @ 1% of GFA	11.56	12.32	18.86
Receivables (Two months)	524.61	614.88	520.69
Minus: Power Purchase Cost (One month)	255.90	300.42	251.17
Minus: Security Deposit	261.65	295.33	321.56
Total Working Capital Requirement	38.64	52.97	(14.78)
Rate of Interest (%)	13.00%	14.75%	14.45%
Interest on Working Capital	5.02	7.81	-

Return on Equity

Petitioner's submission

- 5.96 The Petitioner submitted that it has considered the approach adopted by the Commission, whereby normative equity is arrived at by assuming the normative equity to be 30% of the GFA created out of debt and equity.
- 5.97 The Petitioner has estimated GFA for estimating the equity base by deducting the consumer contribution and grant portion attributable to GFA from the total GFA for erstwhile JSEB.
- 5.98 The return on equity is then allocated to the generation, transmission and distribution business in proportion to their respective GFA
- 5.99 The return on equity as approved by the Commission pertaining to distribution function and as estimated by the Petitioner for true-up is provided in the table below.

Table 45: Return on Equity (in Rs Cr) as submitted by the Petitioner for the Board Period

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Opening Balance of Normative Equity	80.76	-	204.00	454.55	-	541.24
Deemed Additions	124.49	454.55	174.92	86.69	-	94.78
Closing Balance of Normative Equity	204.00	454.55	-	541.24	-	636.02
Average Equity	142.38	227.28	102.00	497.90	-	588.63
Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity – Allocated to Distribution business	22.17	17.35	45.37	43.50	-	55.13

Commission's analysis

- 5.100 The Commission has approved the return on equity for FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) based on the approved equity as provided in Table 36 of this Tariff Order.
- 5.101 The rate of return on equity has been considered at 15.50% as per clause 6.20 & 6.21 of the Distribution Tariff Regulations, 2010. Further, for approving the disaggregated return on equity for generation (thermal & hydel), transmission and distribution function of the Board, the Commission has allocated the overall approved RoE on the basis of closing GFA for each as provided in Schedule 20 of the audited annual accounts for aforesaid years.
- 5.102 The return on equity as approved by the Commission for the Board period is detailed in the table below:

Table 46: Return on Equity (in Rs Cr) as approved by the Commission for the JSEB period

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Opening Balance of Normative Equity	439.5	454.6	541.2
Deemed Additions	15.0	86.7	94.8
Closing Balance of Normative Equity	454.6	541.2	636.0
Average Equity	447.0	497.9	588.6
Return on Equity (%)	15.50%	15.50%	15.50%
Return on Equity -Total	69.29	77.17	69.99*
Return on Equity -Gen- Thermal	20.32	21.23	17.40
Return on Equity -Gen-Hydel	1.19	0.99	0.80
Return on Equity -Transmission	13.65	11.45	9.50
Return on Equity -Distribution	34.13	43.50	42.29

*considered for the Board period (1st Apr'13 to 5th Jan'14)

Non-Tariff Income (NTI)*Petitioner's submission*

- 5.103 The Petitioner submitted that if the Delayed Payment Surcharge (DPS) is considered for computation of NTI, then financing cost of the receivables against such DPS should be considered.
- 5.104 The Petitioner further submitted that the Commission in its Tariff order for Aggregate Revenue Requirement for MYT Period FY 2016-17 to FY 2020-21 for JBVNL has also considered the above approach in line with the judgement of Hon'ble APTEL in Appeal no.48 of 2016 and Appeal no.316 of 2016 & IA no.656 of 2016 dated 31st May, 2017, while approving the Non-Tariff income.
- 5.105 The NTI as approved by the Commission in its earlier Order vis-à-vis as submitted by the Petitioner for the Board period has been depicted in the table below

Table 47: Non-Tariff income (in Rs Cr) as submitted by the Petitioner for the Board period

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Interest on Staff Loan & Advance	-	0.0	-	-		-
Income from Investment (F.D)	5.8	17.8	4.5	6.7		1.9
Interest on loans and advances to licensee	0.1	-	0.0	-		-
D.P.S from Consumer	185.5	173.8	185.5	204.0		164.2
Interest on advance to Supplier/Contractor	0.2	1.6	0.3	1.7		0.9
Interest from Bank (Other than F.D)	0.4	3.9	0.5	24.1		7.6
Income from trading	0.4	2.4	0.4	10.5		10.2
Income from staff Welfare Activities	0.0	0.0	0.0	0.2		0.0
Miscellaneous Receipt.	44.8	11.7	25.9	30.7		17.2
Meter Rent	5.5	-	6.1	-		-
Miscellaneous Charges from Consumers	-3.0	-	-	-		-
Total	239.7	211.2	223.1	277.8	-	201.9
Interest rate for Receivables financing		13.00%		14.75%		14.75%
Corresponding Receivables against DPS		965.6		1,133.3		912.5
Interest on Receivables against DPS		125.5		167.2		134.6
Net NTI to be considered		85.7		110.7	-	67.3

Commission's analysis

- 5.106 The Commission has considered the similar approach as adopted in its earlier Tariff Order dated 21st June, 2017 for the approval of Non-Tariff income. The Non-Tariff income has been calculated after considering financing cost for corresponding receivables, as accrued DPS is considered to be form of NTI.
- 5.107 It is pertinent to mention that the Petitioner has already incurred power purchase costs on such outstanding receivables and DPS is levied as financing cost of such receivables. The Petitioner is allowed only 2 months of receivables in allowance of working capital. For the receivables beyond the period, DPS is applicable and as DPS is considered to be additional income for the Petitioner, financing cost of such receivables ought to be allowed in line with the judgement of Hon'ble APTEL dated 12.07.2011 in case No. 142 & 147 of 2009.
- 5.108 Thus, Non-Tariff income as approved by the Commission for the Board period is summarized in the following table:

Table 48: Non-Tariff Income (in Rs Cr) as approved by the Commission for the Board period

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Income from Investment (F.D)	17.81	6.69	1.90
D.P.S from Consumer	173.81	204.00	164.25
Interest on advance to Supplier/Contractor	1.60	1.74	0.85
Interest from Bank (Other than F.D)	3.89	24.09	7.58
Income from trading	2.41	10.45	10.17
Income from staff Welfare Activities	0.01	0.18	0.01
Miscellaneous Receipt.	11.71	30.69	17.15
Total	211.23	277.84	201.91
Interest rate for Receivables financing	13.00%	14.75%	14.45%
Corresponding Receivables against DPS	965.59	1,133.35	1,216.63*
Interest on Receivables against DPS	125.53	167.17	134.86*
Net NTI to be considered	85.70	110.67	67.04

*considered for the Board period (1st Apr '13 to 5th Jan '14)

Provision for Bad Debts*Petitioner's submission*

- 5.109 The Petitioner submitted that the Commission has been approving 100% collection efficiency for JSEB, which is completely impracticable and even the most efficient utilities in the Country are not able to achieve the 100% collection efficiency.
- 5.110 The Petitioner submitted that although the method for calculating doubtful debt is by considering the difference between the Commissions approved collection efficiency i.e. 100% and the actual collection efficiency, the Petitioner has only considered doubtful debt as per the annual accounts of respective years which is less than 2% of the receivables only.

- 5.111 The Petitioner submitted that despite creating several avenues for payment of bills by the consumers, the collections remained lower than the targets. The doubtful debt proposed is on account of collection amount which utility has ascertained for not receiving it, and which is beyond the efficiency of utility.
- 5.112 The Petitioner further submitted that the utility like JSEB is prone to difficulties of T&D losses and collection inefficiencies due to difficult terrains and large rural consumers in overall consumer mix. Withal, JSEB also has Universal Supply Obligation (USO) so it cannot stop/reduce the power supply in areas with poor collection efficiencies.
- 5.113 The Petitioner further submitted that several State Electricity Regulatory Commissions have taken cognizance of the ground realities and allowed a provision for bad and doubtful debt in the regulations enforced such as Uttar Pradesh, Uttarakhand and Chhattisgarh.
- 5.114 The provisions for bad and doubtful debts as submitted by the Petitioner for the Board period has been tabulated below

Table 49: Provision for Bad and Doubtful Debts (in Rs Cr) as Submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Receivables	3,407.1	3,721.0	4,441.4	4,537.7	-	3,830.0
Collection efficiency	100%	87%	100%	81%	100%	88%
Bad debts provision	-			72.15		-
Bad debt (%)				1.83%		

Commission's analysis

- 5.115 As per Regulation 5.23 of the Distribution Tariff Regulations, 2010, the collection efficiency target of the JSEB for the period under review was 100%.
- 5.116 The Commission is of the view that the targets for inability of the consumer to collect 100% of the amount billed reflects inefficiency on the part of the Petitioner and any such inefficiency should not be passed on to the consumers.
- 5.117 Hence, the Commission has not approved any amount towards bad and doubtful debts for the FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014).

Resource Gap Funding*Petitioner's submission*

- 5.118 The Petitioner submitted that the State Govt. has been providing the resource gap funding to erstwhile JSEB to meet its financial requirements.

- 5.119 The Petitioner further submitted that the RGF is not in form of any revenue subsidy or it's not aimed at keeping the tariffs unrealistically low in the State and is rather towards the slashes/ disallowances made by the Commission while approving the ARR as per the communication received from received from Principal Secretary, Energy Department, Govt. of Jharkhand vide its letter dated 14.07.2014.
- 5.120 The Petitioner submitted that the T&D loss trajectory considered by the Commission for disallowance is far from the ground reality. Above it, the Commission further reduces the ARR of the Petitioner by deducting the RGF from the approved ARR, which has been the reason for unrealistically low and completely non-cost reflective tariffs in the State. This has resulted in significant increase in the financial burden on the State Govt. finances and lead to inability of the utility to become a self-sustained entity.
- 5.121 The details of RGF as considered by Hon'ble Commission vis-à-vis actual RGF received as submitted by the Petitioner is detailed in the table below

Table 50: Details of RGF (in Rs Cr) as Submitted by the Petitioner for the Board period.

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
RGF Received	450.0	750.0	1,000.0	1,100.0	-	966.6
Disallowances on account of excessive T&D Losses	402.3	536.4	603.4	595.6		516.0
Net RGF to be considered towards ARR	450.0	213.6	1,000.0	504.4	-	450.6

Commission's analysis

- 5.122 The Commission in its Order dated August, 2012 had considered the entire resource gap funding provided by the GoJ as the revenue of the Petitioner. The relevant excerpts of the Order has been reproduced below:

“9.181 The Commission has also considered a resource gap funding from the State Government of Rs. 1000 Cr for FY 2012-13, in line with the submission of the Petitioner.”

- 5.123 Aggrieved by the said Order, the Petitioner filed a review Petition before the Commission to not to consider resource gap funding as a part of revenues of the Board.
- 5.124 The Commission vide its Order dated May 6th 2014 in Case no 21 of 2012 felt that that there is no merit in the claims of the Petitioner to not to consider such funds as a part of revenue of JSEB. The relevant excerpts of the Order has been reproduced below:

“Treatment of Rs. 1000 Crores resource gap funding from GoJ

JSEB's Submission

JSEB has prayed to the Commission for not considering the resource gap funding of Rs. 1000 Crores received from GoJ as part of revenues of the Board.

Views of the Commission

Funds received by JSEB for meeting its revenue requirement have to be treated as revenue as has been considered by the Commission in its Order dated August 2, 2012. Thus there is no merit in the prayer of JSEB for not considering such funds as revenue and should be dismissed “

- 5.125 Further, the Petitioner submitted a letter dated 14 July, 2014 from the Energy department, Government of Jharkhand which states that:

"Amount released towards resource gap may be utilized to meet the slashes/disallowances worked out by the Hon'ble commission while fixing the tariff".

- 5.126 In view of the above, the commission has considered the entire RGF for the FY 2011-12 & FY 2012-13 as a part of revenue. For the FY 2013-14 (Board period), the Commission has partially adjusted towards the disallowance of the Power purchase cost as discussed in para 5.39 of this Tariff Order and remaining resource gap funding available to the Petitioner after accounting for the aforesaid disallowance has been considered for meeting the approved revenue gap.

- 5.127 The Resource Gap Funding as approved by the Commission for the Board period is summarized below.

Table 51: Resource gap Funding as approved by the Commission for the JSEB Period

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
RGF Received	750.00	1,100.00	966.64
Adjustment of RGF towards Disallowances on account of excessive T&D Losses	-	-	511.14
Net RGF to be considered towards ARR	750.00	1,100.00	455.50

Functionally Disaggregated ARR

Petitioner's submission

- 5.128 The Petitioner submitted that it has adopted the Commission's approach in segregating the ARR for generation, transmission and distribution function of erstwhile JSEB. The Petitioner further submitted that the ARR for generation (thermal and hydro) shall form part of the generation cost, while the transmission ARR shall form part of the transmission cost, to be recovered by the distribution business of erstwhile JSEB. The Disaggregated ARR as submitted by the Petitioner has been tabulated below

Table 52: Disaggregated ARR for PTPS as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Fuel Cost	30.3	47.2	63.6	84.1	176.8	77.6
O&M expenses	135.0	101.6	105.4	110.2	116.7	96.1
Depreciation	9.9	31.5	12.8	26.5	15.5	28.2
Interest on Loan	15.9	163.3	41.3	163.3	63.1	129.4
Return on Equity	39.4	10.3	50.6	21.2	61.4	22.7
Interest on Working Capital	10.9	13.1	13.1	17.9	20.6	15.1
Secondary fuel cost	5.5	13.9	10.9	27.5	30.7	19.2
Non-Tariff Income	-1.1		-1.1		-1.0	
Gross ARR	245.9	380.9	296.6	450.8	483.7	388.2

Table 53: Disaggregated ARR for SHPS as submitted by the Petitioner

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
O&M expenses	15.5	11.4	11.4	12.0	12.5	9.7
Depreciation	0.8	1.8	1.0	1.2	1.4	1.3
Interest on Loan	1.0	9.6	2.1	7.6	4.2	6.0
Return on Equity	2.2	0.6	2.7	1.0	3.7	1.0
Non-Tariff Income	-1.1		-1.1		-1.0	
Interest on Working Capital	0.9	0.9	0.8	1.0	1.0	0.8
Gross ARR	19.4	24.3	16.9	22.9	21.8	18.8

Table 54: Disaggregated ARR for Transmission business for the Board period

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
O&M expenses	58.38	44.69	47.89	49.73	-	44.81
Depreciation	16.10	21.16	26.30	14.30	-	15.38
Interest on Loan	30.73	109.67	65.95	88.07	-	70.70
Return on Equity	24.31	6.94	39.71	11.45	-	12.39
Interest on Working Capital	4.66	5.43	6.19	5.88	-	5.08
Non-Tariff Income	-1.05	-	-1.14	-	-	-
Gross ARR	133.13	187.89	184.90	169.43	-	148.37

Commission's analysis

- 5.129 As discussed above in the relevant sections, the Commission has approved the disaggregated ARR for each year of the Board period for Generation (both Thermal & Hydel) and Transmission business as tabulated below:

Table 55: Disaggregated ARR for PTPS as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Fuel Cost	35.78	65.59	61.01
O&M expenses	101.54	109.79	92.63
Depreciation	30.99	24.38	19.98
Interest on Loan	12.28	17.00	15.64
Return on Equity	20.32	21.23	17.40
Interest on Working Capital	7.22	10.27	6.54
Secondary fuel cost	13.85	27.49	19.15
Gross ARR	221.99	275.74	232.33

Table 56: Disaggregated ARR for SHPS as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
O&M expenses	11.43	12.13	9.44
Depreciation	1.82	1.14	0.92
Interest on Loan	0.72	0.79	0.72
Return on Equity	1.19	0.99	0.80
Interest on Working Capital	0.69	0.81	0.47
Gross ARR	15.85	15.87	12.36

Table 57: Disaggregated ARR for Transmission business as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
O&M expenses	44.70	50.40	41.23
Depreciation	20.81	13.15	10.91
Interest on Loan	8.25	9.17	8.54
Return on Equity	13.65	11.45	9.50
Interest on Working Capital	3.32	3.90	2.41
Gross ARR	90.72	88.06	72.59

Summary of ARR for Distribution business for the Board period*Petitioner's submission*

- 5.130 The summary of the approved ARR and the final true-up as submitted by the Petitioner has been tabulated below

Table 58: ARR for the Distribution business of the erstwhile JSEB as submitted by the Petitioner (Rs Cr)

Particulars	FY 2011-12		FY 2012-13		FY 2013-14 (up to 5 th Jan 2014)	
	Approved	Actuals	Approved	Actuals	Approved	Actuals
Power Purchase cost	2,824.9	2,534.4	3,732.0	3,009.5	NA	2,498.0
Generation Cost	265.4	405.3	313.5	473.7		407.0

Transmission Cost	133.1	187.9	184.9	169.4		148.4
O&M expenses	324.3	289.5	246.1	430.7		364.1
Depreciation	48.5	52.9	67.7	54.3		68.5
Interest on Loan	13.9	274.2	58.7	334.6		314.7
Return on Equity	22.2	17.4	45.4	43.5		55.1
Interest on Working Capital	-	22.4	-	36.4		20.2
Interest on security deposit	14.5	22.7	16.3	24.1		21.3
Provision for doubtful debts	-	-	-	72.2		-
Less: Non-Tariff Income	-239.7	-85.7	-223.1	-110.7		-67.3
Gross ARR	3,407.1	3,721.0	4,441.4	4,537.7		3,830.0
Revenue Realized from sale and Inter-state Sales	2,551.8	2,229.0	2,950.0	2,616.0		2,128.7
Revenue Gap	855.3	1,492.0	1,491.4	1,921.8		1,701.3
Less: RGF Considered	450.0	213.6	1,000.0	504.4		450.6
Net Gap	405.3	1,278.4	491.4	1,417.3		1,250.7

Commission's analysis

5.131 The Commission approved the revenue realized from sales as per the audited accounts for the respective years. Accordingly, the summary of ARR for the FY 2011-12 to FY 2013-14 (up to 5th Jan' 2014) as approved by the Commission has been summarized below

Table 59: ARR for the Distribution business of the erstwhile JSEB as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Power Purchase cost	2,530.01	3,001.74	2,502.94
Generation Cost - PTPS and SHPS	237.84	291.61	244.70
Transmission Cost	90.72	88.06	72.59
O&M expenses	240.32	258.34	220.81
Depreciation	52.03	49.96	48.56
Interest on Loan	20.62	34.83	38.01
Return on Equity	34.13	43.50	42.29
Interest on Working Capital	5.02	7.81	-
Interest on security deposit	22.68	24.10	21.30
Provision for doubtful debts	-	-	-
Less: Non-Tariff Income	85.70	110.67	67.04
Gross ARR	3,147.67	3,689.29	3,124.16
Revenue realized from sale and Inter- state Sales	2,229.05	2,615.96	2,128.70
Revenue Gap	918.62	1,073.34	995.46
Less: RGF Considered	750.00	1,100.00	455.50
Net Gap	168.62	(26.66)	539.96

Revenue gap & its treatment for the erstwhile JSEB

Petitioner's submission

- 5.132 The Petitioner submitted that while calculating cumulative revenue gap/ surplus up to FY 2015-16, it has considered opening balance for FY 2011-12 as the cumulative revenue surplus of Rs.448.37 Cr approved by the Commission for period up to FY 2010-11.
- 5.133 The Petitioner further submitted that the revenue gap estimated up to FY 2013-14 (up to 5th Jan' 2014) pertains to the distribution function of erstwhile JSEB. JBVNL, is a separate entity formed by transfer of assets by the Govt. of Jharkhand and any revenue gap or surplus pertaining to the board period can only be attributable to the Govt. of Jharkhand.
- 5.134 The Petitioner prayed the Commission to devise an appropriate mechanism for recovering the revenue gap of erstwhile JSEB from consumers, which may be in form of regulatory surcharge or a cess, which may be passed to State Government. The cumulative revenue gap estimated for the period of erstwhile JSEB for FY 2011-12 to 2013-14 (up to 5th Jan 2014) is provided in the table below:

Table 60: Cumulative Revenue Gap (in Rs Cr) for the erstwhile JSEB as submitted by the Petitioner

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Opening Revenue Gap/ (Surplus) as on 1st April	(448.4)	854.8	2,502.7
Revenue Gap / (Surplus) created during the Year	1,278.4	1,417.3	1,250.7
Closing Gap at end of the Year	830.0	2,272.1	3,753.4
Rate of Interest (As per prevailing SBI PLR rate)	13.00%	14.75%	14.45%
Carrying Cost on Additional Gap Created	24.8	230.6	452.0
Total Gap including carrying cost	854.8	2,502.7	4,205.4

Commission's analysis

- 5.135 Based on the approved ARR and revenue realized from sales and the adjustment of RGF towards ARR, the Commission has computed the cumulative revenue gap for the erstwhile JSEB.
- 5.136 Further, the Commission in its earlier Tariff Order on final True up for FY 2003-04 to FY 2010-11, MYT Order for Generation Business for FY 2012-13 to FY 2015-16, ARR & Tariff Order for Transmission & Distribution Business for FY 2012-13 had recognized a cumulative revenue surplus of Rs. 448.37 Cr. from final True up of ARR for FY 2003-04 to FY 2010-11.
- 5.137 The Commission while computing the cumulative revenue gap/ (surplus) of the erstwhile JSEB has considered the opening surplus of Rs. 448.37 Crores as approved in the earlier Order. Accordingly, the Cumulative Gap/(Surplus) as approved by the Commission for the Board period has been summarized below:

Table 61: Cumulative Revenue Gap/ (Surplus) (in Rs Cr) as approved by the Commission

Particulars	FY 2011-12	FY 2012-13	FY 2013-14 (up to 5 th Jan 2014)
Opening Revenue Gap as on 1st April	(448.37)	(316.12)	(393.34)
Revenue Gap / (Surplus) created during the Year	168.62	(26.66)	539.96
Closing gap at end of the year	(279.75)	(342.78)	146.62
Rate of Interest (As per prevailing SBI PLR rate)	13.00%	14.75%	14.45%
Carrying Cost on Opening Balance	(58.29)	(46.63)	(43.60)
Carrying Cost on Gap created during the year	21.92	(3.93)	59.85
Total Gap including carrying cost	(316.12)	(393.34)	162.87

**considered for the Board period (1st Apr'13 to 5th Jan'14)*

- 5.138 The Commission agrees with the view of the Petitioner that the revenue gap up to FY 2013-14 (up to 5th Jan' 2014) pertains to the distribution function of erstwhile JSEB. JBVNL, is a separate entity formed by transfer of assets by the Govt. of Jharkhand and any revenue gap or surplus pertaining to the board period can only be attributable to the Govt. of Jharkhand. Accordingly, the Petitioner may take up this matter with the State Government for suitable course of action.

A6. TRUE-UP OF JBVNL FOR THE COMPANY PERIOD (FY 2013-14 (FROM 6TH JAN' 2014 TO 31ST MAR' 2014) TO FY 2015-16)

- 6.1 The Petitioner submitted that during the unbundling of JSEB, only a provisional transfer Scheme was notified and the final transfer scheme was notified on 20th Nov' 2015. Also sudden unbundling has led to several difficulties in operations and has also impacted delay in preparation of annual accounts.
- 6.2 The Commission in its earlier Order dated 21st June, 2017 on the approval of Business plan and MYT for the second control period FY 2016-17 to FY 2020-21 had directed the Petitioner to file true-up for the Company period (i.e FY 2013-14 (6th Jan' 14 to 31st Mar' 14) to FY 2015-16) of JBVNL.
- 6.3 The Petitioner in line with the directions given by the Commission, has now filed a petition for the approval of True-up of JBVNL for the Company period.
- 6.4 The current true-up has been carried out on the basis of Audited annual accounts for the respective years and also taking into consideration:
- (a) Distribution Tariff Regulations, 2010;
 - (b) Methodology adopted by the Commission in its earlier Tariff Orders
- 6.5 The component-wise description of Petitioner's submission and Commission's analysis is given hereunder.

Energy Sales

Petitioner's submission

- 6.6 The Petitioner submitted that the actual energy sales of JBVNL for the company period have been compiled based on the audited accounts of respective years.
- 6.7 The Petitioner further submitted that that there has been significant increase in sales in FY 2015-16 due to intensive electrification of rural households, increase in hours of supply and rise in per capita consumption of electricity.
- 6.8 The details of energy sales approved by the Commission in its earlier Order vis-à-vis actual energy sales for the Company Period as submitted by the Petitioner now has been tabulated below:

Table 62: Category-wise sales (in MU) for the Company period as submitted by the Petitioner

Category	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)
Domestic	856.0	777.6	3,724.0	3,735.4	4,116.3	4,226.9
Non domestic	98.0	92.0	423.0	426.7	455.2	505.2
Low Tension	49.0	49.7	199.0	175.0	172.3	188.4
Irrigation & Agricultural	19.0	19.8	81.0	87.0	86.8	112.4

Category	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)	Approved (MUs)	Actual (MUs)
HT Service	585.0	564.0	2,426.0	2,308.4	2,509.7	3,484.0
Railway Traction	163.0	155.9	663.0	656.5	675.2	378.4
Street Light. Service	45.0	33.3	195.0	140.5	214.7	148.2
MES	4.0	4.1	15.0	15.3	15.6	15.3
Bulk Supply	-	-	-	-	-	-
Total Intra-state Sales	1,819.0	1,696.8	7,726.0	7,544.8	8,245.7	9,058.9
Inter-state sales	72.0	-	244.0	-	-	-
Total Energy Sales	1,891.0	1,696.80	7,970.0	7,544.8	8,245.7	9,058.9

Commission's analysis

- 6.9 The Commission in its Tariff Order dated 14th Dec' 2015 had provisionally approved sales for the FY 2013-14 (Company period) and FY 2014-15. The Commission had projected the sales for the FY 2015-16 based on the 3 year and 5 Year CAGR trend of the FY 2014-15. The Commission further noted that the sales figures as approved by the Commission shall be subject to true-up, as and when the actual sales data as per the audited accounts are submitted by the Petitioner.
- 6.10 The Commission vide its discrepancy note had directed the Petitioner to submit relevant documents justifying the category wise sales as the annual accounts of JBVNL does not provide information on category wise sales for the respective years.
- 6.11 The Petitioner vide its reply submitted that the category wise sales for each year have been taken from Revenue account of the respective year and the same are being prepared after collating data from all the electricity supply circles which are used as base document for the preparation of annual accounts.
- 6.12 As per clause 5.29 of the JSERC Distribution Tariff Regulations, 2010, energy sales is considered to be an uncontrollable parameter and shall be treated as a pass through to consumers.
- 6.13 In line with the above regulations, the Commission now approves the actual sales for the Company period as submitted by the Petitioner for the respective years. The following table summarises the consumer category-wise sales for FY 2013-14 (Company period to FY 2015-16 as approved now by the Commission.

Table 63: Category-wise sales (in MU) for the Company period as approved by the Commission

Category	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
	Actual (MUs)	Actual (MUs)	Actual (MUs)
Domestic	777.60	3,735.40	4,226.91
Non domestic	92.06	426.65	505.24
Low Tension	49.75	174.98	188.45
Irrigation & Agricultural	19.87	87.00	112.43
HT Service	564.00	2,308.44	3,483.98
Railway Traction	155.98	656.50	378.36
Street Lgt. Service	33.39	140.50	148.24

Category	FY 2013- 14 (Company Period) Actual (MUs)	FY 2014-15 Actual (MUs)	FY 2015-16 Actual (MUs)
MES	4.15	15.31	15.31
Bulk Supply	0.00	0.00	0.00
Total Intra-state Sales	1,696.80	7,544.78	9,058.92
Inter-state sales	0.00	0.00	0.00
Total Energy Sales	1,696.80	7,544.78	9,058.92

Power Purchase Quantum & Cost

Petitioner's submission

6.14 The Petitioner submitted that JBVNL has firm allocations of power from central allocations like NTPC, NHPC and other sources such as DVC, TVNL, WBSEB, etc. In addition to these, JBVNL has also purchased power from private stations like APNRL, Inland power with certain purchase from renewable sources.

6.15 The following tables provides for the source wise power purchase quantum, source wise power purchase cost and total power purchase cost based on the audited annual accounts as submitted by the Petitioner for the Company period.

Table 64: Power Purchase Quantum (MU), rate (Rs/kWh) and Cost (Rs Cr) for FY 2013-14 as submitted by the Petitioner

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
NTPC						
Farrakka	245.3	231.0	4.1	4.1	100.3	94.6
Khalagaon I	41.0	38.5	4.5	4.5	18.3	17.3
Khalagaon II	35.2	33.1	4.2	4.2	14.6	13.8
Talcher	125.6	118.2	2.8	2.8	34.7	32.8
Barh				-		
Farrakka III	64.8	61.1	4.7	4.7	30.2	28.5
Total	511.7	481.9		3.9	198.2	186.9
NHPC				-		
Rangit	5.2	4.9	4.6	4.69	2.4	2.3
Teesta	11.6	11.5	7.0	6.96	8.1	8.0
Total	16.9	16.5		6.28	10.6	10.3
PTC						
Chukha	39.4	38.7	0.5	0.4	1.8	1.7
Tala	8.3	7.5	2.0	2.0	1.7	1.5
Total	47.7	46.2	0.7	0.69	3.5	3.2
Total Central Sector	576.3	544.6			212.2	200.5
Others (outside Boundaries)				3.68		

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
DVC	1,097.2	1,035.6	4.1	4.1	448.6	423.5
WBSEB	9.3	8.8	8.2	8.2	7.6	7.2
DVC STOA	181.1	169.1	3.1	2.8	55.4	46.8
PTC STOA				-		
Total Others	1,287.5	1,213.5		3.9	511.6	477.5
State Sector				-		
PTPS	149.1	139.1	1.8	2.3	26.4	31.9
SHPS	1.6	1.5	0.7	0.7	0.1	0.1
TVNL	670.2	633.9	2.8	2.8	188.6	178.6
Total State Sector	820.9	774.5		2.7	215.1	210.4
Private						
Inland Power		-				
APNRL	256.7	242.1	2.9	3.2	75.2	76.9
APNRL STOA						
Total Private Sector	256.7	242.1		3.2	75.2	76.9
Other RE						
Solar	5.6	5.3	17.9	17.9	10.0	9.5
REC		-		-		-
Total Other RE	5.6	5.3		17.9	10.0	9.5
PGCIL				-	28.7	27.1
Posoco (ERLDC)				-	0.4	0.4
UI Payable	12.8	12.1	1.6		2.0	2.0
UI Receivable		69.2				5.7
Mittal Power	-2.3	-2.1	4.0		-0.9	-0.8
DVC ERLDC						4.9
ERLDC(APNRL)					6.3	
Banking of Power (Unit Banked)	-11.1	-11.1	0.1		-0.2	-0.1
Banking of Power (Unit Received)	34.4	49.3	0.2		0.6	0.8
Supplementary bills						106.8
Grand Total	2,980.8	2,758.9	3.6		1,061.0	1,110.0

Table 65: Power Purchase Quantum (MU), rate (Rs/kWh) and Cost (Rs Cr) for FY 2014-15 as submitted by the Petitioner

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
NTPC						
Farrakka	826.8	864.5	4.0	3.7	329.9	319.9
Khalagaon I	161.5	172.0	3.9	3.6	63.5	62.4

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Khalagaon II	115.7	128.6	4.0	3.7	46.3	48.1
Talcher	471.0	475.3	2.5	2.4	118.7	115.5
Barh	10.6	89.4	6.4	6.3	6.8	56.0
Farrakka III	231.2	233.0	4.8	4.6	111.4	107.9
Total	1,816.8	1,962.8	3.7		676.6	709.8
NHPC						
Rangit	41.1	40.8	3.2	3.1	13.1	12.8
Teesta	284.4	306.1	2.7	2.6	76.2	80.0
Total	325.5	346.9	2.7		89.3	92.8
PTC						
Chukha	202.0	174.9	1.8	1.8	37.2	32.2
Tala	379.7	375.7	2.0	2.0	76.7	75.9
Total	581.7	550.6	2.0		113.9	108.1
Total Central Sector	2,724.0	2,860.3			879.7	910.7
Others (outside Boundaries)						
DVC	4,316.2	4,216.5	4.9	4.7	2,127.9	1,974.2
WBSEB	46.1	47.0	8.3	8.5	38.4	39.8
DVC STOA	564.9	528.4	3.3	3.0	186.4	160.6
PTC STOA						
Total Others	4,927.3	4,791.9			2,352.8	2,174.7
State Sector						
PTPS	659.5	635.7	2.0	2.0	134.7	129.7
SHPS	7.4	33.5	1.0	1.0	0.7	3.2
TVNL	2,486.1	2,100.3	3.2		795.5	692.2
Total State Sector	3,153.0	2,769.5			930.9	825.2
Private						
Inland Power	111.3	274.0	4.4	3.4	48.5	94.5
APNRL	859.8	835.4	3.9	3.6	335.3	300.3
APNRL STOA						
Total Private Sector	971.1	1,109.4			383.8	394.8
Other RE						
Solar	23.8	20.7	18.0	18.0	42.7	37.3
REC						
Total Other RE	23.8	20.7			42.7	37.3
PGCIL					125.3	124.2
Posoco (ERLDC)					1.6	1.6
UI Payable	127.6	109.1	2.8	3.1	35.1	34.2
UI Receivable		162.6		0.1		1.5
Mittal Power		-10.8		4.3		-4.6
ABCIL						

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Banking of Power (Unit Banked)	-55.8	-70.2	0.2	-0.1	-1.2	0.9
Banking of Power (Unit Received)	84.2	81.8	0.2	0.2	1.7	1.5
Supplementary bills						149.8
Grand Total	11,955.0	11,499.1	4.0		4,752.4	4,648.7

Table 66 : Power Purchase Quantum (MU), rate (Rs/kWh) and Cost (Rs Cr) for FY 2015-16 as submitted by the Petitioner

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
NTPC						
Farrakka	826.8	809.5	4.0	3.8	329.9	303.6
Khalagaon I	161.5	184.0	3.9	3.5	63.5	64.4
Khalagaon II	115.7	193.8	4.0	3.5	46.3	67.8
Talcher	471.0	510.4	2.5	2.2	118.7	111.1
Barh	210.2	272.5	6.4	5.7	134.7	154.9
Farrakka III	231.2	191.0	4.8	4.5	111.4	85.9
Total	2,016.5	2,161.3			804.5	787.8
NHPC						
Rangit	41.1	44.1	3.2	3.1	13.1	13.8
Teesta	284.4	319.9	2.7	2.4	76.2	77.1
Total	325.5	364.0			89.3	90.9
PTC						
Chukha	202.0	192.6	1.8	1.8	37.2	35.4
Tala	379.7	375.3	2.0	2.0	76.7	75.8
Total	581.7	567.9			113.9	111.2
Total Central Sector	2,923.7	3,093.1			1,007.7	989.9
Others (outside Boundaries)						
DVC	4,316.2	4,805.4	4.9	4.9	2,127.9	2,353.7
WBSEB	46.1	25.5	8.3	8.0	38.4	20.4
DVC STOA		109.8		2.8		30.4
PTC STOA		82.2		3.2		26.5
Total Others	4,362.4	5,022.9			2,166.3	2,431.0
State Sector						
PTPS	659.5	391.9	2.0	2.7	134.7	104.4
SHPS	7.4	51.1	1.0	1.1	0.7	5.7
TVNL	2,486.1	2,318.0	3.2	3.5	795.5	813.4
Total State Sector	3,153.0	2,761.0			930.9	923.5
Private						

Particulars	Power Purchase Quantum		Power Purchase Rate		Power Purchase Cost	
	Approved (MUs)	Actuals (MUs)	Approved (Rs/kWh)	Actuals (Rs/kWh)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Inland Power	413.0	427.6	4.4	3.5	180.1	150.2
APNRL 12%	859.8	1,057.7	3.9	3.7	335.3	392.4
APNRL STOA						
Total Private Sector	1,272.8	1,485.3			515.4	542.5
Other RE						
Solar	23.8	28.0	18.0	14.0	42.7	39.1
REC				5.5	69.7	
Total Other RE	23.8	28.0			112.5	39.1
PGCIL					125.3	116.0
Posoco (ERLDC)					1.6	1.5
UI Payable		128.2		3.2		40.6
UI Receivable		195.9		0.4		8.3
Mittal Power						
Rungta Mines		16.5		3.3		5.4
ABCIL		39.2		3.8		14.9
DVC ERLDC						3.1
ERLDC(APNRL)						24.4
Supplementary bills		1.4				73.9
Grand Total	11,735.5	12,379.7	4.1	4.2	4,859.6	5,197.5

Commission's analysis

- 6.16 The Commission has scrutinized the audited annual accounts for FY 2013-14 (Company period) to FY 2015-16 for verifying the claims made by the Petitioner with respect to total power purchase cost.
- 6.17 The Commission vide its discrepancy note had directed the Petitioner to submit relevant documents for verifying the power purchase quantum (in MU) and power purchase rate (Rs/kWh).
- 6.18 The Petitioner vide its reply submitted segregated the power purchase cost (in Rs Cr) into fixed and energy charges for NTPC, NHPC, Adhunik Power, WBSEB, DVC and TVNL. The Petitioner further submitted that power from plants/sources like PTC, Solar, Rungta, ABCIL have been billed on single part tariff basis.
- 6.19 The Petitioner further submitted that JBVNL is paying Inland Power at the rate of Rs. 3.71 per unit although the per unit rate of Inland power as per provisional tariff Order was Rs. 4.36 per unit and Rs. 4.34 per unit for FY 2014-15 and FY 2015-16 due to some ongoing issues/ litigations. Also, ERLDC charges of APNRL amounting to Rs 25.06 Cr for FY 2014-15 have been added to supplementary bills.

- 6.20 The Commission after verifying the submissions made by the Petitioner and the audited accounts for the respective years approves the Power purchase Quantum (in MU), and Cost (in Rs Cr) as summarized below

Table 67: Power Purchase Quantum and Cost for FY 2013-14 (Company period) as approved by the Commission

Particulars	FY 2013-14 (6th Jan to 31st Mar)		
	Quantum (in MUs)	Per unit Rate (Rs/kWh)	Power Purchase Cost (in Rs Cr)
NTPC			
Farrakka	231.0	4.1	94.6
Khalagaon I	38.5	4.5	17.3
Khalagaon II	33.1	4.2	13.8
Talcher	118.2	2.8	32.8
Barh	-	-	
Farrakka III	61.1	4.7	28.5
Total	481.9	3.9	187.0
		-	
NHPC			
Rangit	4.90	4.69	2.3
Teesta	11.50	6.96	8.0
Total	16.40	6.28	10.3
		-	
PTC			
Chukha	38.7	0.4	1.7
Tala	7.5	2.0	1.5
Total	46.20	0.69	3.2
		-	
Total Central Sector	544.5	3.7	200.5
		-	
Others (outside Boundaries)			
DVC	1,035.6	4.1	423.5
WBSEB	8.8	8.2	7.2
DVC STOA	169.1	2.8	46.8
PTC STOA	-	-	
Total Others	1,213.5	3.9	477.5
		-	
State Sector			
PTPS	139.1	2.3	31.9
SHPS	1.5	0.7	0.1
TVNL	633.9	2.8	178.6
Total State Sector	774.5	2.7	210.6
		-	
Private			
APNRL	242.1	3.2	76.9
Total Private Sector	242.1	3.2	76.9
		-	
Solar			
REC	-	-	
Total Other RE	5.3	17.9	9.5
PGCIL	-	-	27.1
Posoco (ERLDC)	-	-	0.4
UI Payable	12.1	1.7	2.0
UI Receivable	69.2	0.8	5.7

Particulars	FY 2013-14 (6th Jan to 31st Mar)		
	Quantum (in MUs)	Per unit Rate (Rs/kWh)	Power Purchase Cost (in Rs Cr)
Mittal Power	(2.1)	3.8	(0.8)
DVC ERLDC			4.9
Banking of Power (Unit Banked)	(11.1)	0.1	(0.1)
Banking of Power (Unit Received)	49.3	0.2	0.8
Supplementary bills		-	106.8
Grand Total	2,758.9		1,110.0

Table 68: Power Purchase Quantum and Cost for FY 2014-15 as approved by the Commission

Particulars	FY 2014-15		
	Quantum (in MUs)	Per unit Rate (Rs/kWh)	Power Purchase Cost (in Rs Cr)
NTPC			
Farrakka	864.5	3.7	319.9
Khalagaon I	172.0	3.6	62.4
Khalagaon II	128.6	3.7	48.1
Talcher	475.3	2.4	115.5
Barh	89.4	6.3	56.0
Farrakka III	233.0	4.6	107.9
Total	1,962.8	3.6	709.8
		-	
NHPC			
Rangit	40.80	3.14	12.8
Teesta	306.10	2.61	80.0
Total	346.90	2.68	92.8
		-	
PTC			
Chukha	174.9	1.8	32.2
Tala	375.7	2.0	75.9
Total	550.60	1.96	108.1
		-	
Total Central Sector	2,860.3	3.2	910.7
		-	
Others (outside Boundaries)			
DVC	4,216.5	4.7	1,974.2
WBSEB	47.0	8.5	39.8
DVC STOA	528.4	3.0	160.6
PTC STOA	-	-	-
Total Others	4,791.9	4.5	2,174.6
		-	
State Sector			
PTPS	635.7	2.0	129.7
SHPS	33.5	1.0	3.2
TVNL	2,100.3	3.3	692.2
Total State Sector	2,769.5	3.0	825.1
		-	
Private			
Inland Power	274.0	3.4	94.5
APNRL	835.4	3.6	300.3
APNRL STOA	-	-	-
Total Private Sector	1,109.4	3.6	394.8
-		-	

Particulars	FY 2014-15		
	Quantum (in MUs)	Per unit Rate (Rs/kWh)	Power Purchase Cost (in Rs Cr)
Other RE		-	
Solar	20.7	18.0	37.3
REC	-	-	
Total Other RE	20.7	18.0	37.3
PGCIL	-	-	124.2
Posoco (ERLDC)		-	1.6
UI Payable	109.1	3.1	34.2
UI Receivable	162.6	0.1	1.5
Mittal Power	(10.8)	4.3	(4.6)
DVC ERLDC		-	-
ERLDC(APNRL)		-	
ERLDC(APNRL STOA)		-	
Rungta Mines		-	
ABCIL		-	
Banking of Power (Unit Banked)	(70.2)	(0.1)	0.9
Banking of Power (Unit Received)	81.8	0.2	1.5
Supplementary bills		-	149.8
Grand Total	11,499.1		4,648.6

Table 69: Power Purchase Quantum and Cost for FY 2015-16 as approved by the Commission

Particulars	FY 2015-16		
	Quantum (in MUs)	Per unit Rate (Rs/kWh)	Power Purchase Cost (in Rs Cr)
NTPC			
Farrakka	809.5	3.8	303.6
Khalagaon I	184.0	3.5	64.4
Khalagaon II	193.8	3.5	67.8
Talcher	510.4	2.2	111.1
Barh	272.5	5.7	154.9
Farrakka III	191.0	4.5	85.9
Total	2,161.2	3.6	787.7
		-	
NHPC		-	
Rangit	44.10	3.13	13.8
Teesta	319.90	2.41	77.1
Total	364.00	2.50	90.9
		-	
PTC		-	
Chukha	192.6	1.8	35.4
Tala	375.3	2.0	75.8
Total	567.90	1.96	111.2
		-	
Total Central Sector	3,093.1	3.2	989.8
		-	
Others (outside Boundaries)		-	
DVC	4,805.4	4.9	2,353.7
WBSEB	25.5	8.0	20.4
DVC STOA	109.8	2.8	30.4
PTC STOA	82.2	3.2	26.5
Total Others	5,022.9	4.8	2,431.0
		-	

Particulars	Quantum (in MUs)	FY 2015-16 Per unit Rate (Rs/kWh)	Power Purchase Cost (in Rs Cr)
State Sector		-	
PTPS	391.9	2.7	104.4
SHPS	51.1	1.1	5.7
TVNL	2,318.0	3.5	813.4
Total State Sector	2,761.0	3.3	923.5
		-	
Private		-	
Inland Power	427.6	3.5	150.2
APNRL	1,057.7	3.7	392.4
APNRL STOA	-	-	-
Total Private Sector	1,485.3	3.7	542.6
-		-	
Other RE		-	
Solar	28.0	14.0	39.1
REC	-	-	-
Total Other RE	28.0	14.0	39.1
PGCIL	-	-	116.0
Posoco (ERLDC)		-	1.5
UI Payable	128.2	3.2	40.6
UI Receivable	195.9	0.4	8.3
Mittal Power	-	-	-
DVC ERLDC		-	3.1
ERLDC(APNRL)		-	24.4
ERLDC(APNRL STOA)		-	
Rungta Mines	16.5	3.3	5.4
ABCIL	39.2	3.8	14.9
Banking of Power (Unit Banked)	-	-	-
Banking of Power (Unit Received)	-	-	-
Supplementary bills	1.4	527.9	73.9
Grand Total	12,379.7	4.20	5,197.5

Energy Requirement and Energy Availability

Petitioner's submission

6.21 The Petitioner submitted that energy availability for FY 2013-14 (Company period) to FY 2015-16 has been computed based on the actual Power purchase and sales of respective years. The Petitioner further submitted that the power purchase from various sources are segregated into different heads, while calculating the energy balance as mentioned below

- Power Purchase from Outside JSEB Boundary- NTPC, NHPC, PTC, STOA, APNRL, IPL, part of TVNL, Mittal Power and Banking
- Energy Input Directly to State Transmission System- Input of power from TVNL directly to State Transmission System.
- State-owned Generation- PTPS and SHPS.
- Direct Input of Energy to Distribution System- DVC, WBSEB and Solar Power.

6.22 Accordingly, the Energy Balance of JSEB for the period FY 2013-14 (Company period) to FY 2015-16 as submitted by the Petitioner has been tabulated below

Table 70: Energy Balance (in MU) as Submitted by the Petitioner for the Board period

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved	Actual	Approved	Actual	Approved	Actual
Power Purchase from Outside JSEB Boundary	1,336.7	1,277.1	5,301.1	5,354.5	4,907.5	5,433.4
Loss in External System (%)	3%	3%	3%	3%	3.04%	3%
Loss in External System	40.6	38.8	161.2	162.8	149.2	165.2
Net Outside Power Available	1,296.1	1,238.3	5,139.9	5,191.7	4,758.3	5,268.2
Energy Input Directly to State Transmission System	368.6	348.6	1,473.3	1,244.7	1,775.1	1,655.1
State-owned Generation	150.7	140.6	666.9	669.2	666.9	442.9
Payable	12.8	12.1	127.6	109.1	-	128.2
UI Sale / Receivable	-	69.2	-	162.6	-	195.9
Energy Available for Onward Transmission	1,828.1	1,670.4	7,407.7	7,052.1	7,200.2	7,298.5
Transmission Loss (%)	5%	5%	5%	5%	5%	5%
Transmission Loss	91.4	83.5	370.4	352.6	360.0	364.9
Net Energy Sent to Distribution System	1,736.7	1,586.9	7,037.3	6,699.5	6,840.2	6,933.6
Direct Input of Energy to Distribution System	1,112.0	1,049.7	4,386.1	4,284.2	4,386.1	4,914.6
Total Energy Available for Sales	2,848.7	2,636.6	11,423.5	10,983.7	11,226.3	11,848.2
Sales (MUs)	1,892.0	1,892.0	7,970.0	7,544.8	8,245.7	9,058.9
Distribution losses	34%	28%	30.2%	31.3%	26.6%	23.5%

Commission's analysis

6.23 The Commission has worked out energy availability for Board period FY 2013-14 (Company period) to FY 2015-16 on the basis of power purchase quantum as approved from central and other stations, state-owned stations etc.

6.24 The Commission vide its discrepancy note had directed the Petitioner to submit details regarding the portion of the total power of TVNL to be considered under each head as discussed in para 5.29 of this Tariff Order.

6.25 The Petitioner vide its reply submitted that there are two transmission lines from TVNL for area for power evacuation. A portion of such evacuation is done through PTPS line which falls into the energy input directly to state transmission system category and the remaining evacuation is done through line which goes to Bihar Sharif line which falls into the category of power purchase from outside JBVNL boundary.

6.26 The Commission after scrutinizing the Petitioner's submissions approved the energy availability for the Company period as summarized below:

Table 71: Energy Balance as approved by the Commission for the Board Period (in MU)

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Power Purchase from outside JSEB boundary	1,277.1	5,354.5	5,433.3
Loss in External System (%)	3.04%	3.04%	3.04%
Loss in External System	38.8	162.8	165.2
Net Outside Power Available	1,238.2	5191.7	5268.1
Energy Input Directly to State Transmission System	348.6	1244.7	1,655.1
State-owned Generation	140.6	669.2	443.0
Payable	12.1	109.1	128.2
UI Sale / Receivable	69.2	162.6	195.9
Energy Available for Onward Transmission	1,670.38	7,052.12	7,298.53
Transmission Loss (%)	5.0%	5.0%	5.0%
Transmission Loss	83.52	352.6	364.9
Net Energy Sent to Distribution System	1,586.86	6699.5	6933.6
Direct Input of Energy to Distribution System	1049.7	4284.2	4,916.00
Total Energy Available for Sales	2,636.56	10983.7	11,849.6
Sales (MUs)	1,696.80	7544.8	9,058.9
Distribution losses	35.64%	31.31%	23.55%

Disincentive for the Non-Achievement of T&D Losses

Petitioner's submission

- 6.27 The Petitioner submitted that JBVNL is committed to reduce T&D losses and all efforts are being made to reduce losses to normative levels. However, due to high losses in the past, to the tune of 33% in FY 2010-11, despite the sincere efforts made, the Petitioner admits that it has not been able to achieve the targets set by the Commission.
- 6.28 The Petitioner further submitted that the target T&D loss stipulated by the Commission in Distribution Tariff Regulations 2010 has been completely non reflective of the actual T&D loss position of erstwhile JSEB and JBVNL. The Petitioner submitted that the target of 15.5% T&D losses by FY 2015-16 has been extremely stern, which most of the utilities in India have not been able to achieve.
- 6.29 The Petitioner has used actual average power purchase cost per unit to compute the disincentive for non-achievement of T&D loss reduction targets as summarized in the table below.

Table 72: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved	Actual	Approved	Actual	Approved	Actual
Total Energy Sales to Intrastate consumers	1,819.0	1,696.8	7,726.0	7,544.8	8,245.7	9,058.9
Overall T&D loss (%) for intra-state consumers	17%	17%	16.0%	16.0%	15.5%	15.5%

Overall T&D loss for intrastate consumers	372.6	347.5	1,471.6	1,437.1	1,512.5	1,661.7
Total Energy requirement for intra-state consumers	2,191.6	2,044.3	9,197.6	8,981.9	9,758.2	10,720.6
Energy requirement for inter-state sale	72.0	-	244.0	-	-	-
Total Energy requirement	2,263.6	2,044.3	9,441.6	8,981.9	9,758.2	10,720.6
Energy Available for Distribution	2,848.7	2,636.6	11,423.5	10,983.7	11,226.3	11,848.2
Disallowed Units due to Excess Loss	585.2	592.2	1,981.8	2,001.8	1,468.1	1,127.6
Average Power Purchase Cost	3.7	3.5	4.1	3.8	4.26	3.97
Disallowed Cost due to Excess Loss	215.9	207.3	810.6	752.7	625.4	447.6

Commission's analysis

- 6.30 The Commission in its earlier Order dated 14 December, 2015 had expressed concern as the actual T&D losses are much more than the allowed targets as per the norms set by the Commission in JSERC Distribution tariff Regulations, 2010. The relevant excerpts of the Order has been reproduced below:

“5.11 It should be noted that during FY 2014-15, the Petitioner has incurred distribution loss of 29.71% as against the targeted loss of 16%. It is a matter of great concern that the distribution losses of the Petitioner are almost twice of the target loss level set under the Distribution Tariff Regulations, 2010. This clearly suggests that the Petitioner has not made sincere efforts to reduce the losses over the past years. Moreover, the Petitioner has not provided any justifiable reasons for higher T&D losses. Thus, the Commission is of the view that it shall not be prudent to burden the consumers for the inefficiencies of the Petitioner. Accordingly, the Commission has considered normative distribution loss level of 17% and 16% for computation of energy requirement for FY 2013-14 and FY 2014- 15, respectively.”

- 6.31 In view of the above, the Commission finds no reason to change the targets prescribed for the Petitioner and therefore approves the T&D losses as per the trajectory set by the Commission in its previous Tariff Order and Distribution Tariff Regulations, 2010.
- 6.32 Accordingly, the power purchase cost incurred due to higher T&D losses, beyond the targeted level, has been disallowed and is treated as ‘Disincentive for non-achievement of T&D loss targets’ for the period FY 2013-14 (Company period) to FY 2015-16.
- 6.33 The table below summarises the computation of non-achievement of T&D loss reduction targets by the Commission for FY 2013-14 (Company period) to FY 2015-16.

Table 73: Disincentive for non-achievement of T&D loss targets (in Rs Cr) as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Total Energy Sales to Intrastate consumers	1,696.80	7,544.78	9,058.92
Overall T&D loss (%) for intra-state consumers	17.00%	16.00%	15.50%
Overall T&D loss for intrastate consumers	347.54	1,437.10	1,661.70
Total Energy requirement for intra- state consumers	2,044.34	8,981.88	10,720.62
Energy requirement for inter-state sale	-	-	-
Total Energy requirement	2,044.34	8,981.88	10,720.62
Energy Available for Distribution	2,636.56	10,983.72	11,849.60
Disallowed Units due to Excess Loss	592.22	2,001.84	1,128.98
Average Power Purchase Cost	3.51	3.76	3.97
Disallowed Cost due to Excess Loss	207.70	752.43	448.68

Intra-State Transmission Charges

Petitioner's submission

- 6.34 The Petitioner submitted that transmission charges paid to Jharkhand Urja Sanchar Nigam Limited (JUSNL) have been computed based on the provisionally approved rate in the earlier Tariff Order for FY 2013-14 (Company period) to FY 2015-16.
- 6.35 The Petitioner submitted that the energy wheeled through transmission network as computed from the Energy Balance has been considered for calculating the Intra-State transmission charges payable to JUSNL. The Petitioner further submitted that no transmission charges are applied on direct input of energy to distribution system.
- 6.36 The actual the Intra-state transmission charges payable to JUSNL for FY 2013-14 (Company period) to FY 2015-16 as submitted by the Petitioner is provided in the table below.

Table 74: Intra-State Transmission charges (in Rs Cr) for the Company period as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved	Actuals	Approved	Actuals	Approved	Actuals
Energy Wheeled at Transmission Level (MU)	1,828.1	1,670.4	7,407.7	7,052.1	7,200.2	7,298.5
Transmission Rate (Rs /kWh)	0.18	0.18	0.18	0.18	0.19	0.19
Transmission Charges (Cr.)	32.9	30.1	133.3	126.9	137.4	139.3

Commission's analysis

- 6.37 The Commission has considered a similar methodology as adopted in its earlier Tariff Orders for the computation of Intra-State Transmission charges.

- 6.38 The per unit rate of transmission charges have been considered in accordance with the Tariff Order for JUSNL dated 14th December, 2015. Further, no transmission charges have been applied on direct input of energy to distribution system.
- 6.39 The intra-state transmission charges as approved by the Commission for the FY 2013-14 (Company period) to FY 2015-16 have been tabulated below:

Table 75: Intra-State Transmission charges (in Rs Cr) for the Company period as approved by the Commission

Particulars	FY 2013-14 (Company period)	FY 2014-15	FY 2015-16
Energy Wheeled at Transmission Level (MU)	1,670.38	7,052.12	7,298.53
Transmission Rate (Rs/kWh)	0.18	0.18	0.19
Transmission Charges(Cr.)	30.07	126.94	138.67

Gross Fixed Asset (GFA) & CWIP

Petitioner's submission

- 6.40 The Petitioner submitted that the capex schedule for FY 2013-14 (Company period) to FY 2015-16 has been prepared as per audited annual accounts.
- 6.41 The Petitioner further submitted that the closing balance of CWIP for FY 2014-15 is Rs. 647.82 Cr. as per audited accounts for the FY 2014-15, however, the opening CWIP for FY 2015-16 is 1,185.74 Cr. The Petitioner submitted that difference in opening and closing balance of CWIP is due to addition of cost of stocks of materials at construction sites in FY 2015-16 in opening CWIP. The Petitioner had adopted a similar approach for FY 2013-14 and FY 2014-15, where cost pertaining to stocks of materials at construction sites has been added to CWIP of respective years.
- 6.42 The capital expenditure schedule as submitted by the Petitioner for the company period has been summarized below

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening CWIP	1,178.9	1,216.6	1,185.7
Capex during the year	79.1	1,910.6	2,035.4
Transfer to GFA	41.5	1,941.4	1,141.8
Closing CWIP	1,216.6	1,185.7	2,079.4

Commission's analysis

- 6.43 The Commission has approved the GFA and CWIP for the respective years based on the audited accounts submitted by the Petitioner.
- 6.44 The Commission while scrutinizing the audited accounts found that assets transferred to JBVNL as per Revised Transfer scheme dated 20.11.2015, notified by the Government of Jharkhand (GoJ) do not reconcile with the Annual accounts of the

JBVNL for the FY 2013-14 (6th Jan 2014 - 31st Mar 2014). The mismatches as identified by the Commission have been tabulated below.

Table 76: Comparison between transfer scheme and annual accounts of JBVNL for the FY 2013-14

Particulars	Balance sheet as per Transfer Scheme (as on 06.01.2014) (in Rs Cr)	Opening balance as per Annual Accounts of JBVNL for the FY 2013-14 (in Rs Cr)
Gross Block	2253.64	2252.47
Accumulated depreciation	785.87	785.70
Net Fixed assets	1467.77	1466.77
Capital Expenditure in Progress	1208.04	996.86

- 6.45 The Commission further pointed out that there was a difference of assets which have not been transferred to any of the Successor Companies as per the Transfer scheme. Also, the Commission found a mismatch in the figures of CWIP as per the methodology adopted by the Petitioner (adding cost pertaining to stock of materials at construction site).
- 6.46 In view of the above, the Commission directed the Petitioner to submit a detailed comparison between the transfer of assets notified as per the Transfer Scheme and the actual opening balances as per the Audited accounts of the successor companies for the FY 2013-14 (Vikash Holding, Utpadan, Vitran, Sancharan, PTPS) as on 6th January, 2014.
- 6.47 The Petitioner replied that the difference in figures pertaining to Gross Block, Depreciation and Net fixed assets is on account of not considering the opening of technical services into accounts for the FY 2013-14. The Petitioner submitted that the same has been considered in annual accounts for FY 2014-15.
- 6.48 The Petitioner further submitted that the difference in CWIP is because of the fact that the loans and advances have been considered as a part of CWIP in the transfer scheme and the same has been rectified and considered under Loans and advances head in the annual accounts for the FY 2013-14.
- 6.49 With respect to difference in opening assets of successor companies, the Petitioner submitted that on comparison of transfer scheme and annual accounts, a difference of Rs. -26.29 Cr. has been found due to non-inclusion of Technical services in annual accounts for FY 2013-14 (Company period). The Petitioner further submitted that the impact of the same has been taken in annual accounts for FY 2014-15.
- 6.50 Further, the Petitioner submitted that there is no discrepancy in the opening accounts of successor companies of JSEB as confirmed by the concerned officers of JUUNL, JUSNL, and JUVNL.

- 6.51 With regards to mismatches in CWIP, the Petitioner submitted that during the FY 2015-16, the statutory auditors have pointed out that capital portion of the stock of materials at site should be considered as a part of CWIP and the Petitioner had followed the same approach in preparing the annual accounts for the FY 2015-16 which is in line with the Indian Accounting Standard AS-2. The details as submitted by the Petitioner are summarized below
- (a) The opening balance of CWIP as provided in the Transfer Scheme is Rs.1208 Cr., while in annual accounts the figure appears as Rs. 996.86 Cr. The difference of Rs.211 Cr. is mainly on account of inclusion of loans and advances in the CWIP part of the transfer scheme, which has been rectified in the Annual Accounts for FY 2013-14.
 - (b) The opening balance of CWIP considered by the Petitioner also includes Rs.182.1 Cr., which represents the capital portion of stock of material at site.
 - (c) The closing balance of CWIP considered by the Petitioner is Rs 1216 Cr. as against the figure of Rs. 1012.32 Cr. as per annual accounts. The difference of Rs.204 cr. is the capital portion of stock of material at site, which a rectified figure is appearing in the annual accounts of FY 2014-15.
 - (d) The capital expenditure during the year, is an estimated figure, based on the opening CWIP, closing CWIP and transfer to GFA, thus being different from the estimate based on annual accounts and transfer scheme.
 - (e) The difference in CWIP account for FY 2014-15 and FY 2015-16 is mainly on account of figures being different in FY 2013-14 and the consideration of capital portion of stock of material at site as a part of CWIP.
- 6.52 The Commission has approved the GFA based on the audited accounts for the respective years as submitted by the Petitioner. The Commission while approving the CWIP for the respective years has adopted the following methodology:
- (a) The opening balance of CWIP for the FY 2013-14 as per the audited accounts for the FY 2013-14 (Company period). Further, as per revised transfer scheme, the stock of materials at site is 193.80 Cr out of which the stock of materials at construction site is Rs. 182.10 Cr. The same has been added to the opening balance of CWIP for the FY 2013-14.
 - (b) The closing balance for the FY 2013-14 has been arrived at after considering the stock of materials at construction site for the FY 2013-14 which amounts to Rs. 204.26 Cr (as rectified in the audited accounts for the FY 2014-15).
 - (c) Further, the closing balance for the FY 2014-15 has been arrived as per audited accounts after considering the stock of materials at construction site for the FY 2014-15 which amounts to Rs. 537.92 Cr.
- 6.53 The GFA and CWIP as approved by the Commission for the Company period has been summarized below:

Table 77: GFA (in Rs Cr) as approved by the Commission for the Company period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening GFA	2,252.47	2,293.97	4,235.37
Additions to GFA during the Year	41.50	1,941.40	1,141.84
Deletions (if any)	-	-	-
Closing GFA	2,293.97	4,235.37	5,377.21

Table 78: CWIP (in Rs Cr) as approved by the Commission for the Company period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening CWIP	1,178.96	1,216.58	1,185.75
Capex during the Year	79.12	1,910.56	2,035.45
Transfer to GFA	41.50	1,941.40	1,141.84
Closing CWIP	1,216.58	1,185.75	2,079.36

- 6.54 Further, for estimating the sources of finance required to fund the closing GFA, the Commission has considered the similar methodology as discussed in para 5.70 of this Order.
- 6.55 Accordingly, the approved sources of funding for the GFA for the Company period has been tabulated below:

Table 79: Approved Sources of funding of GFA (in Rs Cr) for the Company Period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
GFA	2293.97	4235.37	5377.21
Cons Contribution and Grants	7.73	1491.29	3616.38
Consumer Contribution, Grants towards GFA	5.05	1165.11	2607.91
Debt & Equity towards GFA	2288.92	3070.26	2769.30
Equity @ 30%	686.68	921.08	830.79
Accumulated Depreciation	824.69	995.35	1324.06
Acc Dep as net of CC & grants	1.82	273.81	642.16
Net accumulated depreciation	822.88	721.54	681.90
Normative Loan	779.37	1427.64	1256.61

Employee Cost

Petitioner's submission

- 6.56 The Petitioner submitted that employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.
- 6.57 The actual employee cost for FY 2013-14 (Company period) to FY 2015-16 as submitted by the Petitioner is provided in the table below:

Table 80: Details of the Employee cost for JBVNL (Company period) as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Employee Expenses	42.7	45.4	196.2	159.8	210.4	182.6

Commission's analysis

- 6.58 The Commission in its earlier Order had approved the employee cost provisionally subject to true-up by increasing the actual employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2012-13 by weighted average inflation rate of 8.64%.
- 6.59 The Petitioner has now made available the audited annual accounts for the Company Period. Accordingly, the Commission has now approved the actual employee cost for the period FY 2013-14 (Company period) to FY 2015-16 as per the audited annual accounts for respective years.
- 6.60 The details of the employee cost as approved by the Commission for the Company period has been tabulated below:

Table 81: Details of the Employee cost (in Rs Cr) as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Employee Expenses	45.42	159.83	182.63

A&G Cost*Petitioner's submission*

- 6.61 The details of the A&G Cost for the Company period as submitted by the Petitioner has been tabulated below:

Table 82: Details of the A&G cost for the JSEB period as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
A&G Cost- total	9.6	9.1	44.5	37.5	48.4	48.6

Commission's analysis

- 6.62 The Commission in its earlier Order had provisionally approved the A&G cost, in line with the methodology adopted for the approval of employee expenses
- 6.63 The Commission has now approved the actual A&G cost for FY 2013-14 (Company period) to FY 2015-16 as per the audited annual accounts for respective years.

- 6.64 The details of the A&G cost as approved by the Commission for the Company period has been tabulated below:

Table 83: Details of the A&G cost for the Company period as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
A & G Expenses	9.10	37.52	48.64

R&M Cost

Petitioner's submission

- 6.65 The Petitioner submitted that the Commission had approved the R&M cost as 2.34% of the GFA for JBVNL while the actual proportion has been in the range of 2.34% for FY 2013-14 and FY 2014-15 and 1.34% for FY 2015-16 only
- 6.66 The R&M cost for the company period as approved by the Hon'ble Commission vis-à-vis the actual, based on the audited accounts as submitted by the Petitioner has been tabulated below:

Table 84: Details of the R&M cost for the JSEB period as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)
R&M Cost- total	10.3	17.0	50.5	53.7	60.0	56.8

Commission's analysis

- 6.67 The Commission has now approved the actual R&M expenses of the JBVNL for FY 2013-14 (Company period) as per the audited annual accounts for respective years.

Table 85: Details of the R&M cost for the JSEB period as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
R&M Expenses	16.97	53.68	56.83

Depreciation

Petitioner's submission

- 6.68 The Petitioner submitted that since the segregation of the depreciation pertaining to GFA created out of grant and consumer contribution is not provided in the accounts of JBVNL, it has followed the approach adopted by the Commission in its previous True-Up Order.

- 6.69 The Petitioner has arrived at the GFA created out of debt and equity by deducting the consumer contribution and grants portion deployed towards GFA. Based on this GFA created out of debt and equity, the Petitioner has applied the depreciation rate as approved by the Commission to arrive at the total depreciation.
- 6.70 The details of depreciation as submitted by the Petitioner is provided in the table below:

Table 86: Computation of Depreciation as per Petitioner's submission (Rs Cr.)

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
GFA Considered for Dep - Excl. GFA out of CC and Grants	727.7	2,288.9	861.1	3,070.0	953.8	2,769.3
Depreciation Rate	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%
Depreciation Cost	48.5	122.2	67.7	164.1	51.0	148.0

Commission's analysis

- 6.71 The Commission has adopted a similar methodology as discussed in para 5.77 in computing the depreciation for the Company period.
- 6.72 The depreciation for the Company period as approved by the Commission is summarised in the following table:

Table 87: Depreciation (in Rs Cr) as approved by the Commission for the Company period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
GFA considered for Dep - Excl. GFA out of CC and Grants	2,288.92	3,070.26	2,769.30
Depreciation Rate	5.34%	5.34%	5.34%
Depreciation Cost	28.46*	163.95	147.88

*computed for the Company period (6th Jan'14 to 31st Mar'14)

Interest and finance charges*Petitioner's submission*

- 6.73 The Petitioner submitted it has adopted an approach similar to that of the Commission in estimating the normative closing loan by deducting the normative equity, consumer contribution and grants pertaining to GFA from the Net Fixed Assets (NFA).
- 6.74 The Petitioner further submitted that the repayment of debt has been considered to be equal to the depreciation applicable to GFA created out of debt and equity in line with the JSERC Distribution Tariff Regulations, 2010 and Commission's approach in the previous True up order.

- 6.75 The interest and finance charges as approved by the Commission in its earlier Order and as estimated by the Petitioner for true-up is provided in the table below

Table 88: Interest on Loan as submitted by the Petitioner for the Company period

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)
Opening Balance	205.0	-	238.5	779.4	284.1	1,427.5
Deemed Addition during the year	74.1		92.8	812.2	64.4	-22.9
Deemed Repayments during the year	40.5	-122.2	47.2	164.1	53.9	148.0
Closing Balance	238.5	779.4	284.1	1,427.5	294.6	1,256.6
Average balance during the Year	221.8	389.7	261.3	1,103.4	289.4	1,342.1
Interest Rate	14.45%	14.75%	14.75%	14.75%	14.75%	14.75%
Interest Expense	32.0	57.5	38.5	162.8	42.7	198.0

Commission's analysis

- 6.76 As per clause 6.24 of the JSERC Distribution Tariff Regulations, 2010

“6.24 Existing Loans:

a) Interest on loan capital shall be computed loan-wise for existing loans arrived in a manner indicated in clause 6.18-6.19 of these Regulations and shall be as per the rates approved by the Commission;

b) The loan outstanding as on 1st April 2013 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to 31st March 2013 from the gross normative loan;

c) In case of normative debt, the rate of interest shall be equal to the prime lending rate of SBI as applicable on 1st April of the relevant financial year;

d) The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the consumers;

e) In case of any moratorium period on repayment of loan is availed of by the Licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.”

- 6.77 To approve the interest & finance charges for the Company period, the Commission has followed the approach adopted in para 5.84 of this Tariff Order.

- 6.78 The Interest & finance charges approved by the Commission for the company period is tabulated hereunder:

Table 89: Interest on Loan (in Rs Cr) as approved by the Commission for the Company period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening Balance	-	779.37	1,428
Deemed Addition during the year	807.83	812.2	(23.2)
Deemed Repayments during the year	28.46	164.0	147.9
Closing Balance	779.37	1,427.6	1,257
Average balance during the Year	389.68	1,103.5	1,342.1
Interest Rate	14.45%	14.75%	14.75%
Interest Expense	13.11	162.77	197.96

**computed for the Company period (6th Jan '14 to 31st Mar '14)*

Interest on Consumer Security Deposits

Petitioner's submission

- 6.79 The Petitioner has submitted that it has considered the actual consumer security deposit as per the audited annual accounts. The Interest on consumer security deposits as submitted by the Petitioner for the Company period has been tabulated below:

Table 90: Interest on Consumer security deposit as submitted by the Petitioner for the Company period

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)
Consumer security Deposit		336.1	487.4	373.8	581.5	411.3
Interest on Consumer Security Deposit	9.2	5.5	43.9	42.2	58.1	44.7

Commission's analysis

- 6.80 The Commission approves the interest on consumer security deposits on the basis of the audited annual accounts for FY 2013-14 (Company period) to FY 2015-16.
- 6.81 The Interest on Consumer security deposits as approved by the Commission for the Company period has been tabulated below

Table 91: Interest on Consumer Security Deposits (in Rs Cr) as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Consumer Deposit	336.06	373.82	411.3
Interest on Consumer Security Deposit	5.53	42.19	44.66

Interest on Working Capital

Petitioner's submission

- 6.82 The Petitioner submitted that it has estimated the working capital requirement in line with the Regulation 6.26 of the Tariff Regulations 2010.

- 6.83 The Petitioner further submitted that in the Tariff Order issued in December, 2015, the Commission has not allowed any working capital requirement, however, based on the submissions for true up, the Petitioner has estimated the working capital requirement and interest thereof, as provided in the table below.

Table 92: Interest on working capital (in Rs Cr) as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)
1 month O&M		6.0	24.3	20.9	26.6	24.0
Maintenance Spares		0.2	21.6	0.5	25.5	0.6
Receivables		217.2	704.6	785.9	761.0	948.4
Less: 1 month cost of power purchase		(92.5)	(407.2)	(387.4)	(416.4)	(433.1)
Less: Security Deposit from Customers		(336.1)	(487.4)	(373.8)	(581.5)	(411.3)
Total Working Capital requirement		(205.2)	(144.2)	46.1	(184.9)	128.6
Interest rate on WC		14.45%	14.75%	14.75%	14.75%	14.75%
Interest on Working Capital		-	-	6.80	-	18.96

Commission's analysis

- 6.84 The Commission has considered the interest on working capital as per the norms specified in the JSERC Distribution Tariff Regulations 2010.
- 6.85 As per JSERC Distribution Tariff Regulations 2010, the working capital requirements are to be determined as per the following norms:-
- Operation & Maintenance expenses for one month; plus
 - Maintenance spares @ 1% of opening GFA; plus
 - Receivables equivalent to expected revenue of two months; minus
 - Amount held as security deposit; minus
 - One month equivalent of cost of power purchased, based on the annual power procurement plan
- 6.86 Rate of interest on working capital has been considered to be equal to the Prime lending rate of SBI as applicable on the 1st April of the relevant financial year as per Regulation 6.29 of the JSERC Distribution Tariff Regulations 2010.
- 6.87 The interest on working capital as computed by the Commission for the Company period is summarized in the following table:

Table 93: Interest on Working Capital (in Rs Cr) as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
O&M Expense for one month	5.96	20.92	24.01
Maintenance Spares @ 1% of GFA	22.52	22.94	42.35

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Receivables (Two months)	173.50	784.47	922.65
Minus: Power Purchase Cost (One month)	92.50	387.38	433.13
Minus: Security Deposit	336.06	373.82	411.32
Total Working Capital Requirement	(226.58)	67.12	144.57
Rate of Interest (%)	14.45%	14.75%	14.75%
Interest on Working Capital	-	9.90	21.32

Return on Equity

Petitioner's submission

6.88 The Petitioner submitted that it has considered the approach adopted by the Commission, whereby normative equity is arrived at by assuming the normative equity to be 30% of the GFA created out of debt and equity.

6.89 The return on equity as approved by the Commission and as submitted by the Petitioner for true-up is provided in the table below.

Table 94: Return on Equity (in Rs Cr) as submitted by the Petitioner for the Company Period

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)
Opening Balance of Normative Equity	181.8		218.3	686.7	258.3	921.0
Deemed Additions	36.5	686.7	40.0	234.3	27.8	-90.2
Closing Balance of Normative Equity	218.3	686.7	258.3	921.0	286.1	830.8
Average Equity	200.1	343.3	238.3	803.8	272.2	875.9
Return on Equity (%)	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
Return on Equity	31.0	53.2	36.9	124.6	42.2	135.8

Commission's analysis

6.90 The Commission has approved the return on equity based on the approved equity as provided in Table 79 of this Tariff Order.

6.91 The rate of return on equity has been considered at 15.50% as per clause 6.20 & 6.21 of the Distribution Tariff Regulations, 2010. The return on equity as approved by the Commission for the Board period is detailed in the table below:

Table 95: Return on Equity (in Rs Cr) as approved by the Commission for the Company period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening Balance of Normative Equity	-	686.68	921.08
Deemed Additions	686.68	234.40	(90.29)
Closing Balance of Normative Equity	686.68	921.08	830.79
Average Equity	343.34	803.88	875.93

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Return on Equity (%)	15.50%	15.50%	15.50%
Return on Equity -Total	12.39	124.60	135.77

**computed for the Company period (6th Jan '14 to 31st Mar '14)*

Non-Tariff Income

Petitioner's submission

- 6.92 The Petitioner submitted that the actual Non-Tariff Income (Other Income) of JBVNL for FY 2013-14 (Company period) to FY 2015-16 has been considered based on the audited accounts of respective years.
- 6.93 The Petitioner further submitted that financing cost for corresponding receivables has been considered while computing the actual the Non-Tariff Income (Other Income) of JBVNL for FY 2013-14 (Company period) to FY 2015-16 ,as accrued DPS is considered to be form of NTI
- 6.94 The Petitioner further submitted that the Commission in its Tariff order for Aggregate Revenue Requirement for MYT Period FY 2016-17 to FY 2020-21 for JBVNL has also considered the above approach in line with the judgement of Hon'ble APTEL in Appeal no.48 of 2016 and Appeal no.316 of 2016 & IA no.656 of 2016 dated 31st May, 2017, while approving the Non-Tariff income.
- 6.95 The Non-Tariff income (NTI) as approved by the Commission in its earlier Order vis-à-vis as submitted by the Petitioner for the company period has been depicted in the table below

Table 96: Non-Tariff income (in Rs Cr) as submitted by the Petitioner for the Company period

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Income from Investment (F.D)		2.7		2.3		13.3
D.P.S from Consumer		57.2		249.1		276.6
Interest on advance to Supplier/Contractor		0.0		0.2		0.1
Interest from Bank (Other then F.D)		1.1		3.4		8.3
Income from trading		0.0		-		
Miscellaneous Receipt.		4.1		7.3		2.7
Meter Rent		-		12.5		-
Total	67.8	65.1	305.9	274.9	321.1	301.0
Interest rate for Receivables financing	0.0%	14.5%	0.0%	14.8%	14.8%	14.8%
Corresponding Receivables against DPS	-	317.7	-	1,384.1		1,536.8
Interest on Receivables against DPS	-	45.9	-	204.1		226.7
Net NTI to be considered	67.8	19.2	305.9	70.7	321.1	74.3

Commission's analysis

- 6.96 The Commission has approved the Non-Tariff income as per audited accounts for the respective years. The Commission has adopted the same methodology as discussed in para 5.106 of this Tariff Order in approving the Non-Tariff income.
- 6.97 The Non-Tariff income as approved by the Commission for the Company period is summarized in the following table:

Table 97: Non-Tariff Income (in Rs Cr) as approved by the Commission for the Company period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Income from Investment (F.D)	2.71	2.34	13.27
D.P.S from Consumer	57.19	249.13	276.62
Interest on advance to Supplier/Contractor	0.01	0.24	0.10
Interest from Bank (Other than F.D)	1.15	3.43	8.34
Income from trading	0.0002	-	
Income from staff Welfare Activities		0.005	
Miscellaneous Receipt.	4.03	7.26	2.66
Meter Rent		12.49	
Total	65.09	274.90	300.98
Interest rate for Receivables financing	14.45%	14.75%	14.75%
Corresponding Receivables against DPS	1270.95	1,384.07	1,536.80
Interest on Receivables against DPS	42.77	204.15	226.68
Net NTI to be considered	22.32	70.74	74.31

Provision for Bad Debts*Petitioner's submission*

- 6.98 The Petitioner submitted that the Commission has been approving 100% collection efficiency for JBVNL, which is impracticable and even the most efficient utilities in the Country are not able to achieve the 100% collection efficiency.
- 6.99 The Petitioner submitted that although the method for calculating doubtful debt is by considering the difference between the Commissions approved collection efficiency i.e. 100% and the actual collection efficiency, the Petitioner has only considered doubtful debt as per the annual accounts of respective years which is less than 4% of the receivables only.
- 6.100 The Petitioner submitted that despite creating several avenues for payment of bills by the consumers, the collections remained lower than the targets. The doubtful debt proposed is on account of collection amount which utility has ascertained for not receiving it, and which is beyond the efficiency of utility.

- 6.101 The Petitioner further submitted that the utility like JBVNL is prone to difficulties of T&D losses and collection inefficiencies due to difficult terrains and large rural consumers in overall consumer mix. Withal, JBVNL also has Universal Supply Obligation (USO) so it cannot stop/ reduce the power supply in areas with poor collection efficiencies.
- 6.102 The provisions for bad and doubtful debts as submitted by the Petitioner for the Board period have been tabulated below:

Table 98: Provision for Bad and Doubtful Debts (in Rs Cr) as Submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)
Receivables	905.9	1,265.0	4,227.1	4,715.2	4,566.2	5,690.5
Collection efficiency	100%	87%	100%	87%	100%	88%
Bad debts provision		41.5		11.5		42.2
Bad debt (%)		3.19%		0.24%		0.74%

Commission's analysis

- 6.103 As per Regulation 5.23 of the Distribution Tariff Regulations, 2010, the collection efficiency target of the JBVNL for the period under review is 100%.
- 6.104 The Commission is of the view that the targets for inability of the consumer to collect 100% of the amount billed reflects inefficiency on the part of the Petitioner and any such inefficiency should not be passed on to the consumers.
- 6.105 Hence, the Commission has not approved any amount towards bad and doubtful debts for the FY 2013-14 (company period) to FY 2015-16.

Resource Gap Funding (RGF)*Petitioner's submission*

- 6.106 The Petitioner submitted that in order to meet the operational funding requirement of JBVNL arising out of legacy of disallowances and present tariffs being non-reflective of the actual cost of supply, the State Government provides support in form of Revenue Gap Funding.
- 6.107 The Petitioner further submitted that the RGF being provided by Government of Jharkhand, is towards disallowances and slashes made by the Commission during tariff determination process for various parameters such as higher T&D Loss, normative interest computation, normative generation cost etc. as per the communication received from received from Principal Secretary, Energy Department, Govt. of Jharkhand vide its letter dated 14.07.2014.

Commission's analysis

- 6.108 The Petitioner submitted a letter dated 14 July, 2014 from the Energy department, Government of Jharkhand which states that:

"Amount released towards resource gap may be utilized to meet the slashes/disallowances worked out by the Hon'ble Commission while fixing the tariff".

- 6.109 In view of the above, the Commission has partially adjusted the RGF towards the disallowance of the power purchase cost and remaining RGF available to the Petitioner after accounting for the aforesaid disallowance has considered for meeting the approved revenue gap.
- 6.110 The RGF received by the Petitioner has been considered as per the audited accounts for the respective years which has been adjusted against the disallowances made by the Commission in lieu of excess T&D losses. The RGF as approved by the Commission for the Board period is summarized below.

Table 99: Resource gap Funding as approved by the Commission for the Company Period

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
RGF Received	533.32	2,106.63	1,599.99
Disallowances on account of excessive T&D Losses	207.70	752.43	448.68
Net RGF to be considered towards ARR	325.62	1,354.20	1,151.31

Summary of ARR of JBVNL for the Company period

Petitioner's submission

- 6.111 The summary of the approved ARR and the final true-up as submitted by the Petitioner has been tabulated below

Table 100: Summary of ARR (in Rs Cr) for JBVNL as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)		FY 2014-15		FY 2015-16	
	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)	Approved (Rs Cr.)	Actuals (Rs Cr.)
Power Purchase cost	1,061.0	1,110.0	4,752.4	4,648.7	4,859.6	5,197.5
Transmission charges	32.9	30.1	133.3	126.9	137.4	139.3
Cost disallowed due to excess T&D losses	(215.9)	(207.3)	(810.6)	(752.7)	(625.4)	(447.6)
O&M expenses	62.5	71.5	291.2	251.0	318.8	288.1
Depreciation	9.4	122.2	47.2	164.1	53.9	148.0
Interest on Loan	7.5	57.5	38.5	162.8	42.7	198.0
Return on Equity	7.2	53.2	36.9	124.6	42.2	135.8
Interest on Working Capital	-	-	-	6.8	-	19.0

Interest on security deposit	9.2	5.5	43.9	42.2	58.1	44.7
Provision for doubtful debts		41.5		11.5		42.2
Less: Non-Tariff Income	(67.8)	(19.2)	(305.9)	(70.7)	(321.1)	(74.3)
Gross ARR	905.9	1,265.0	4,227.1	4,715.2	4,566.2	5,690.5
Less: RGF Considered*	135.0	-	1,296.1	1,263.3^	374.6	1,152.3^
Revenue Realized from sale *	722.7	652.2	3,135.2	2,786.6	3,189.7	2,866.6
Gap *	48.2	612.8	(204.2)	665.3	1,002.0	1,671.5

*Revised in the reply to 1st discrepancy note; ^ computational error by the Petitioner

Commission's analysis

- 6.112 The Commission approved the revenue realized from sales as per the audited accounts for the respective years. Accordingly, the summary of ARR approved for the FY 2013-14 (Company period) to FY 2015-16 as approved by the Commission has been summarized below

Table 101: Summary of ARR (in Rs Cr) for JBVNL as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Power Purchase cost	1,110.0	4,648.60	5,197.50
Transmission charges	30.07	126.94	138.67
Less: Cost disallowed	207.70	752.43	448.68
O&M expenses	71.48	251.03	288.10
Depreciation	28.46	163.95	147.88
Interest on Loan	13.11	162.77	197.96
Return on Equity	12.39	124.60	135.77
Interest on Working Capital	-	9.90	24.17
Interest on security deposit	5.53	42.19	44.66
Provision for doubtful debts	-	-	-
Less: Non-Tariff Income	22.32	70.74	74.31
Gross ARR	1,041.02	4,706.81	5,651.74

Penalty for Non-Compliance of Directives

- 6.113 The Commission in its earlier Order dated August, 2012 had directed the Petitioner to comply with the Standard of performance regulations as notified by the Commission and submit a progress report on the implementation of the same which the Petitioner has failed to.
- 6.114 Further, the Commission in its earlier Orders dated July 22, 2011, August 2, 2012 & December 14, 2015 had repeatedly directed the Petitioner to prepare a list of consumers who have not been paid "Interest on consumer security deposit" as per applicable Regulations and clear the dues pending on the Petitioner with immediate effect and submit a report to the Commission.

- 6.115 However, the Commission is of the view that the Petitioner has not taken any initiative to comply with the directives of the Commission. The Commission takes serious note of the non-compliance of the Petitioner in this regard. This shows that the Petitioner has taken the directives casually. In view of the same, the Commission has now decided to impose a penalty of 2% of the Aggregate Revenue Requirement (ARR) of the Petitioner for the FY 2015-16.

Table 102: ARR for the FY 2015-16 (in Rs Cr) after imposing penalty as approved by the Commission

Particulars	Approved in True up
ARR for the FY 2015-16 - (1)	5,651.74
Penalty imposed (2% of the ARR for the FY 2015-16) - (2)	115.83
Net ARR for the FY 2015-16 (1-2)	5,535.91

Revenue gap & its treatment for JBVNL

Petitioner's submission

- 6.116 The Petitioner submitted that the cumulative revenue gap is computed after accounting for revenue from the sale of power and resource gap funding adjusted against the power purchase cost disallowances due to non-achievement of T&D loss target.
- 6.117 The cumulative revenue gap as submitted by the Petitioner for the Company period has been tabulated below:

Table 103: Cumulative Revenue Gap* (in Rs Cr) for the JBVNL period as submitted by the Petitioner

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening Revenue Gap/ (Surplus) as on 1st April	-	657.12	1,468.39
Revenue Gap / (Surplus) created during the Year	612.84	665.28	1,671.53
Closing Gap at end of the Year	612.84	1,322.40	3,139.92
Rate of Interest (As per prevailing SBI PLR rate)	14.45%	14.75%	14.8%
Carrying Cost on Additional Gap Created	44.28	145.99	339.86
Total Gap including carrying cost	657.12	1,468.39	3,479.79

* Revised submission by the Petitioner

Commission's analysis

- 6.118 Based on the approved ARR and revenue realized from sales and the adjustment of RGF towards ARR, the Commission has determined the revenue gap for each year of the Company period as tabulated below:

Table 104: Net Gap (in Rs Cr) for each year the Company period

Particulars	FY 2013-14 (Company period)	FY 2014-15	FY 2015-16
Net ARR	1,041.02	4,706.81	5,535.91
Less: RGF Considered	325.62	1,354.20	1,151.31
Less: Revenue realized from sale	652.21	2,786.64	2,866.65

Particulars	FY 2013-14 (Company period)	FY 2014-15	FY 2015-16
Net Gap for the Year	63.19	565.97	1,517.95

- 6.119 The Commission while computing the cumulative revenue gap/ (surplus) of the company period has considered the opening gap/(surplus) to be Nil as the Petitioner shall take up the matter of the revenue gap for the Board period (till 5th January, 2014) with the State Government as discussed in para 0 of this Order.
- 6.120 It is pertinent to mention that the Commission had approved ARR for FY 2015-16 vide its Order dated 14th December, 2015. The Commission in the same Order had clarified that the true-up petition for distribution function of the erstwhile JSEB for the period FY 2011-12, FY 2012-13 and FY 2013-14 (for period 1st April 2013 to 5th January 2014) needs to be filed by JBVNL. The Commission, in the same Tariff Order, further directed the Petitioner to file the true-up Petition for FY 2011-12 to FY 2013-14 (upto 5th Jan'14) of the erstwhile JSEB and true-up Petition of JBVNL for the FY 2013-14 (from 6th January 2014 to 31st March 2014) and FY 2014-15 along with its next Petition for approval of ARR for second MYT control period for JBVNL.
- 6.121 The Petitioner had filed the Petition for the approval of Business plan and ARR for the second MYT control period FY 2016-17 to FY 2020-21 in July, 2016. However, it failed to file the requisite Petition for the approval of true-up of the erstwhile JSEB and JBVNL, as directed by the Commission in its Order dated 14th December, 2015.
- 6.122 The Commission in its Order dated 21st June, 2017 on the approval of Business plan and MYT for the second control period again directed the Petitioner to submit true-up Petition for the erstwhile JSEB (FY 2011-12 to FY 2013-14 (till 5th Jan'14)) and JBVNL (FY 2013-14 (6th Jan'14 to 31st Mar'14) to FY 2015-16).
- 6.123 The Petitioner has now filed the Petition in October, 2017 after repeated directives of the Commission. The Commission is of the view that the ARR for the FY 2015-16 had been approved vide Order dated 14th December, 2015 and the Petitioner was expected to file the true-up of JSEB and JBVNL (till FY 2015-16) before November, 2016. However, the Petitioner filed its Petition in October, 2017, which clearly indicates that the Petitioner has not complied with the timelines specified by the Commission. Accordingly, the Commission finds it prudent not to allow any carrying cost for the FY 2015-16.
- 6.124 The cumulative gap as approved by the Commission for the Company period has been summarized below

Table 105: Cumulative revenue gap (in Rs Cr) as approved by the Commission

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Opening Revenue Gap as on 1st April	-	65.32	724.4
Revenue Gap / (Surplus) created during the Year	63.19	565.97	1,517.9
Closing Gap at end of the Year	63.19	631.29	2,242.35
Rate of Interest	14.45%	14.75%	14.75%

Particulars	FY 2013- 14 (Company Period)	FY 2014-15	FY 2015-16
Carrying cost on opening balance	0.00	9.63	106.85
Carrying cost on gap during the year	2.13*	83.48	-
Total gap including carrying cost	65.32	724.41	2,349.20

*considered for the company period (6th Jan '14 to 31st Mar '14)

- 6.125 The Commission, in its earlier Tariff Order dated 21st June, 2017, had observed that the independent auditor had raised several objections on the quality of the Petitioner's annual accounts. The Commission accordingly found it prudent not to consider the opening balances for the FY 2016-17 as per the audited accounts for the FY 2015-16. The relevant excerpts of the Order dated 21st June, 2017 has been reproduced below:

“4.140 The Commission has scrutinized in detail the Audited financial accounts and the comments of the auditor on the same for the FY 2015-16. The accounts were also uploaded on the website of the Petitioner.

4.141 As per Para 2 of the Basis for the disclaimer of opinion, the Commission finds that the compliance of the independent auditor's report for the year ended 31st March 2015 & 31st March 2014 were not received.

4.142 The Commission also observes that the Auditors have pointed out that AS6 “Depreciation Accounting” & AS 10 “Accounting for Fixed Assets” have not been complied with.

4.143 The Auditors have also noted that the guidelines of Revenue recognition as per Accounting Principle no '12' and AS9 “Revenue Recognition” differ in respect of revenue revised on assumption basis where certainty of collection is not established and also Assets acquired out of consumer contribution are not identified and amortization as per AS'12' “Accounting for Government grants” is not done as per company's significant accounting policy No. 2.3.

4.144 In view of the above, the Commission finds sufficient reason not to consider the opening balances for the FY 2016-17 (closing balances of the FY 2015-16) as per the Audited accounts submitted by the Petitioner.

4.145 Accordingly, the Commission directs the Petitioner to address the exceptions raised by the Auditor in an appropriate manner so that reliable data is available.”

- 6.126 The Commission is of the view that the Petitioner has not made adequate efforts towards addressing the auditor's comments as the auditor has raised similar Objections in the statutory audit report for FY 2016-17 too.
- 6.127 Therefore, the Commission finds it prudent not to carryforward the cumulative gap pertaining to true-up of JBVNL for the company period (FY 2013-14 to FY 2015-16) amounting to Rs.2,349.20 Cr at present and directs JBVNL to send compliance report with the approval of its Board of Directors to the observations of auditors, as mentioned in para 6.125 within three months to the Commission for the further adjustment/action.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on this the 27.04.2018.

Let the order be placed on website of the Commission and a copy thereof be sent each to the JBVNL, Department of Energy, Government of Jharkhand, Central Electricity Regulatory Commission, Central Electricity Authority and Electricity Regulatory Commission of all States and Joint Electricity Regulatory Commission.

Date: 27.04.2018

Place: Ranchi

(sd/-)
(R.N Singh)
MEMBER (Engg.)

(sd/-)
(Dr. Arbind Prasad)
CHAIRMAN

A7. ANNEXURES**Annexure 1: List of participating members of public in the public hearing**

Sl. No.	Name	Address / Organization if any
Chaibasa		
1.	Gautam Rana	AEE/S/Chaibasa
2.	Indrajeet Singh	Geetraj Engg. Pvt. Ltd.
3.	Ganendra Toppo	JEE/CBSA (U)
4.	Nepal Mahto	Contactor (JVVNL)
5.	Sudhansu Kumar	Chaibasa
6.	Subhas Kondu (Bapi)	Geetraj Engg. Pvt. Ltd.
7.	Sunil Kumar Thakur	CE (C&R) JBVNL
8.	Rishi Singh	Deloitte
9.	Ishan Srivastava	Deloitte
10.	A. K. Prasad	GM (T) JSR
11.	Ajay Kumar	B.S. City
12.	Manmohan Kumar	ESE, JSR, JBVNL
13.	Saleem Khan	EEE/Tech/Chaibasa
14.	Lakshman Choudhary	EEE/C&R/Chaibasa
15.	Ravi Shankar	EEE/Ckp
16.	D. Mahapatra	Sr. Mgr. (F&A) JBVNL
17.	Sanjay Narayan Prasad	C.A. (RVBSE Co.)
18.	Anoop Kumar Gupta	Madhu Bazar, Chaibasa
19.	Santosh Kinnsoo	JLMCapsul
20.	Manish Kumar	LMN
21.	Madhu Mishra	Secretary CCCLI
22.	Nitin Prakash	President CCCI
23.	Babu Lal Vijaywargia	CCCI
24.	Pintu Agarwal	CCCI
25.	Lakshbir Singh	Nimdih Chaibasa
26.	Santosh Kumar Khetan	Chaibasa
27.	S.P. Singh	Sentolla Chaibasa
28.	LN Mundhre	Europeon Quasori
29.	Ampos	CCCI
30.	Sanjay Kumar Mundhra	Individual
31.	MM Daripa	President Bar Association Chaibasa
32.	A.K. Bihany	ASIA, SCCI
33.	U.N. Mishra	GMCumCE JBVNL, JSR
34.	Rahul Purwar	MD JBVNL
35.	Ratan Kumar Dey	Chaibasa
36.	Dashrath Gagrai	MLA, Kharswan
37.	M. Singh	Chaibasa
38.	A. K. Sulte	Foundr. CCCI
39.	Pawan Agarwal	PSCCI
40.	Prabhat Upadhayay	PSCCI
41.	Rahul Tiwari	Town President , JMM

Sl. No.	Name	Address / Organization if any
42.	Kamal Lath	PSCCI
43.	Y Prasad	JUSCO
44.	A.N. Choudhary	JUSCO
45.	S.S. Kujur	Chaibasa
46.	A. K.Sinha	Shyamlal Iron & Steel Co.
47.	Piyush Goyel	CP & CO.
48.	Niraj Sawa	CP & CO.
49.	Anil	CCCI
50.	Umesh Kumar Singh	Chaibasa
51.	Deepak Biruwa	MLA, Chaibasa
52.	Devendra Singh	Dainik Bhaskar
53.	Upendra Prasad	JRPSS
54.	S.K. Sullani	Uditvain
55.	Anand V. Prasad	Advocate
56.	S.M. Sharnia	Maa Bhawani Metal
57.	Sashi Poddar	Gajanan Ferro
58.	Goutam Kumar Dutta	Jagdamb E tech Steel
59.	Subodh	Srishakti Alum. (P) Co.
60.	S. C Sharma	Chaibasa
61.	Sanjay Sharma	amba Tata Siva
62.	Ajay Kumar Shaw	Chaibasa
63.	Vinod Kumar	Hemadri Steel P Ltd.
64.	Shyamal Sinha	Gandhi Tola, CBSA
65.	Ajay Vishvakarma	Tungri Chaibasa
66.	M. Lakra	S.P.G. Mission Com.
67.	Anup Kumar Thakur	Gharikhana, Chaibasa
68.	Pankaj Kumar	Chaibasa
Dhanbad		
1.	Harsha Singh	Jai Prabhu Ji Iron & Steels, Dhanbad
2.	Rishav Manasawi	Renuka Steel, Dhanbad
3.	Raju Shurma	Hirapur Hatia Dhanbad
4.	Kailash Chandra Goyal	Chattatand Bazar, Dhanbad
5.	Sushil Singh	Kumardhubi Steels (P) Ltd., Kumardhubi
6.	Sunil Agarwal	DZFM As Karkend Dhanbad
7.	Tapeshwar Kumar Gupta	Jharkhand Small Tiny Service Bussiness Enterprises Association
8.	Ram Sewak Singh	JSEB (Reted.)
9.	Saurabh Kumar	Ridhi Sidhi Iron (P) Ltd.
10.	Nabdip Khetan	Renuka Ispat (P) Ltd.
11.	Shivashish Panday	Dhanbad
12.	Kirit Chauhan	Bekan Bandh, Dhanbad
13.	Ramesh Raj	Govindpur, Dhanbad
14.	Dipu Gorai	Dhanbad
15.	Mohan Pradas Saw	Sri Langta Baba Steel
16.	Madhu Singh	Dhanbad
17.	A. K. Lal	AEE/S/Nayasazan
18.	Ratnesh Kumar	Steno, JBVNL, Dhanbad

Sl. No.	Name	Address / Organization if any
19.	Abhijit Mukharji	Dumania Tand, Dhanbad
20.	Shiva Shish Panday	Saraidhela, Dhanbad
21.	Prabhat Sunolia	Bank More, Dhanbad.
22.	Sushil Singh	Vice President, BMCC, Dhanbad
23.	Rishi Singh	Deloitte
24.	Ishan Srivastava	Deloitte
25.	Surya Narayan Prasad	RUBS & Co.
26.	D. Mahapatra	JBVNL HQ
27.	T. K. Das Gupta	Housing Colony, Mahendra Nagar, 226
28.	S. P. Chakarborty	Housing Colony, Mahendra Nagar, 226
29.	Amitabh B. Soren	AEE/S/Kirkend
30.	Vicky	Dainik Bhaskar
31.	Girjesh	Prabhat Khabar
32.	Manoj Kumar	Awaz News Paper
33.	Shailendra	Dhanbad
34.	Podo Marandi	Ohatna Mahavidyalaya
35.	Sunil Kumar Thakur	CE (C&R) JBVNL
36.	Subhash Kumar Singh	CE/Dhanbad
37.	Ajay Narayan Lal	Purana Bazar Chamber
38.	Sahrab Khan	Purana Bazar
39.	Aangsh Kumar	EEE (C&R)
40.	B. Labh	Staff (C&R)
41.	K.C. Marandi	JME D. KI&s, Mech. Div., Dhanbad
42.	Md. Rizwan	JME, Maithon, Dhanbad
43.	Madan Mohan Prasad	EEE/JBVNL/Dhanbad
44.	Sunil Kumar	EEE/JBVNL/Dhanbad
45.	Shiv Charan Sharma	Dhanbad zila Laghu Udyog Association
46.	Ashok Kumar Keshri	Dhanbad zila Laghu Udyog Association
47.	Pappu Singh	Dhanbad
48.	Pramod	Dhanbad
49.	Jitu Paswan	AJSU
50.	Sadanan Mahto	AJSU, Baliapur
51.	Prameshwar Mahto	AJSU, Barmasia
52.	Banti Paswan	AJSU, Dhanbad
53.	Jalal Uddin Ansari	Loyabad
54.	Punit Singh	Bansjora Basti
55.	Rameshwar Mahto	Layabad
56.	Binod Paswan	Baslor
57.	Subhash Kumar Mahto	Loyabad
58.	Dilip Kumar	Dhanbad
59.	Dilip Kumar Manjhi	Suvyavihar Colony
60.	Rajesh Gupta	Zila Chansu
61.	Birendra Kumar Nishad	Jharia AJSU Party
62.	Raj Kumar	AJSU
63.	Guddu Ansari	AJSU Party
64.	Rajiv Sharma	Secretary, Gu. J.I & Trade Association, Dhanbad
65.	Mozahik	Dhanbad

Sl. No.	Name	Address / Organization if any
66.	Vinay Kumar Burman	Digmadih No. 12
67.	Rajesh Gupta	RG
68.	Suresh Kumar Singh	Dhanbad
69.	Vinod Kumar Gupta	B. Chamber
70.	Manth Mahat	AJSU
71.	H. Pandey	AJSU
72.	Kullu Choudhary	AJSU
73.	S.K. Das	AJSU
74.	Bijay	AJSU
75.	Rupes Gupta	Gomo Chamber
76.	Md. Juned Alam	Gomoh
77.	A.Anwar Khan	Dhanbad
78.	Er. A. K. Singh	Dhanbad
Dhumka		
1.	S. S. Kumar	NCC Ltd. Dumka
2.	Samleet Kumar	NCC Ltd. Dumka
3.	A. Y. Reddy	NCC Ltd. Dumka
4.	V. M. Reddy	NCC Ltd. Dumka
5.	Dileep Singh	NCC Ltd. Dumka
6.	Sunil Kumar Thakur	CE (C&R) JBVNL
7.	Rishi Singh	Deloitte
8.	Satya N. Prasad	RUBS & Co.
9.	Ishan Srivastava	Deloitte
10.	D. Mahapatra	Sr. Mgr. (F&) HQ JBVNL
11.	Binay Kumar Sinku	Director MFB Dumka
12.	Sunilleshwar Prasad	Dumka
13.	G.C. Shir	JBVNL
14.	Subodh Kumar	Dumka
15.	Nipes	JBVNL
16.	Mukddar Ansari	Dumka
17.	J. Mahto	JBVNL
18.	Ravi Pal	Computer operator, Circle office Dumka
19.	Md. Islam	Consumer
20.	Manoj Singh	Consumer
21.	Bijay Sah	Consumer
22.	Suman Kumar Dubey	AEE/S/DMK(U)
23.	Kamla Soren	Dumka
24.	Subhankar J S	ESE/B/Deoghar
25.	A. Kachhap	AEE/M&T/Deoghar
26.	Aanand Jaiswal	Prabhat Khabar
27.	Manoj	ETV Bharat
28.	Jaikan	CCC
29.	Hemant Kumar Mahto	MDL
30.	Ravi Ram	MDL
31.	Budhdev Gorai	MDL
32.	Rubidhan Hembram	MDL
33.	Sunil Kumar	JBVNL, Dumka

Sl. No.	Name	Address / Organization if any
34.	Md. Shan	President Chamber of Commerce, Dumka
35.	Rajhav Kumar	Consumer
36.	Vikash Kumar	Consumer
37.	R. N. Sharma	Deoghar, SPSIA
38.	Pankaj Choudhary	B. Deoghar Cold Storage Deoghar
39.	A. K. Sinha	Deoghar, SPSIA
40.	Mukesh Kumar	Dumka
41.	Bhawesh Ray	Dumka
42.	Mantu Prasad Bhagat	Aharichma
43.	R. V. Mishra	GM cum (E) Dumka
44.	Indrajeet Hembram	EEE/S/Dumka
45.	Deepak Kumar Singh	JEE/S/DMK (E)
46.	Manoj Kumar Ghosh	Sec. Chamber of Commerce
47.	Sumit Kumar	Supervisor, Dumka
48.	Rakesh Roshan	Consumer
49.	Dashrath Prasad Saw	Bijli Mistri JBVNL
50.	pawan Kumar Mahto	Mandage Staff
51.	Aanad Kumar	Dumka
52.	Adhunik Akshat Udyog P. Ltd.	Dumka
53.	Dhiraj Kumar	Dumka
54.	Bhup Narayan Jha	Industries Association
55.	Manoj	Jharia
56.	Basant Kumar	Circle office
57.	Suresh Murmu	Amatpur
58.	Timothi Hansdak	Amarpur
59.	Prem Indu	Amarpur
60.	Vishal Chandra Toppo	EEE/Ranchi, HQ
61.	Saurabh Raj	ESA, Dumka
62.	Santosh Kumar	ESA Dumka
63.	Prem Singh	Mahica Dangal
64.	Md. Anwar	Dumka
65.	Siya Ram Gheria	Exe- President Dumka Chamber
66.	Ram S. Paswan	Dumka
Medininagar		
1.	Diwakar Prasad Singh C.C.	ESC, Daltonganj
2.	Nagina Prasad Singh H.C	ESC, Daltonganj
3.	Sukhlal Paswan JLM	Daltonganj
4.	Raj Kumar JLM	Daltonganj Sh -I
5.	Prashant Prateek (AEE)	Daltonganj
6.	Himanshu Verma (AEE)	Japla
7.	Srishi Singh	Deloitte
8.	Santosh Kumar Mandal (JEE)	Daltonganj Rural
9.	S.C. Mishra	EEE, DLT
10.	Umashankar Kumar Prakash	H.C. ESA
11.	Bipin Kumar Sinha	Circle, Daltonganj
12.	Rajesh Kumar	Daltonganj
13.	Omprakash	Area Board Daltonganj

Sl. No.	Name	Address / Organization if any
14.	Manoj Kumar Mandal	Area Board Daltonganj
15.	Ranjveer Kumar Singh	Patan
16.	Navneet	Daltonganj
17.	R. K. Sharma	Daltonganj
18.	Sunil Kumar Thakur	CE (C&R) JBVNL
19.	Rajeev Nandan	Electrician, Daltonganj
20.	Raj Kishor	AEE/S/Chh
21.	U.S. Kerari	AEE/Daltonganj (U)
22.	Bablu Ojha	Daltonganj
23.	Krishna Nandan Sah	Daltonganj
24.	Govind Kumar Singh	Sudna Daltonganj
25.	Gopal Chandra Bhagat	ESD, Daltonganj
26.	Suresh Lohara	ESA, Daltonganj
27.	Krishna Kumar	ESSD
28.	Dipal Gupta	JEE (U)
29.	Anil Kumar Verma	SGV Samiti Garhwa
30.	Sanjay Kumar Ray	Garhwa
31.	Vinod Soni	SGVS, Garhwa
32.	Vilash Kumar	Garhwa
33.	Dharmendra Prasad	Garhwa
34.	Umesh Kumar	Garhwa
35.	Rekha Gupta	Daltonganj
36.	Meena	ESE/D. Ganj
37.	Rinki Devi	ESE/D. Ganj
38.	S.N. Jha	SE
39.	Gupteshwar Verma	Daltonganj
40.	Prem Kumar Singh	Area Board Daltonganj
41.	Gupteshwar	Garhwa
42.	Santosh Choudhary	Garhwa
43.	C. Minz	ESA, Medininagar
44.	Hemant Kumar	ESA, Medininagar
45.	M.P. Singh	Accountant, ESA, Medininagar
46.	Vchit Ram	PSS Redha
47.	Damodar Pandey	Electric Colony Redma
48.	D. Mahapatra	Sr. Mgr. (F&A) HQ
49.	Deepak Kumar Das, AE Civil	ESA Medininagar
50.	CA Satya Prasad	RUBS & Co.
51.	M. Singh	AO ESA Medininagar
52.	Manoj Kumar Mahto	OS ESA Medininagar
53.	Sajid Mia	HO ESC Daltonganj
54.	Satish Mahi	JE (C) ESC Daltonganj
55.	Ajay Kumar	AEE JBVNL
56.	Sarswati Devi	ESA D. Ganj
57.	Aasha Kumari	ESC/D. Ganj
58.	Rita Devi	ESC/D. Ganj
59.	Uttam Prakash	Garhwa
60.	Rajesh Kumar	Garhwa

Sl. No.	Name	Address / Organization if any
61.	Jitendra Kumar	Garhwa
62.	Raju Ram	Garhwa
63.	Om Prakash Lal	Baralota
64.	Rajiv Prasad	JLM
65.	Satish Kumar	Daltonganj
66.	Ram Suresh Singh	Daltonganj
67.	Bablu Singh	Medininagar
68.	Karmdev Yadav	Medininagar
69.	Ram Niwas Singh	Sudna Daltonganj
70.	Sunil Hansda	Sudna Daltonganj
71.	Vijaymal Sahu	Meral Garhwa
72.	Devendra Goswami	Meral Garhwa
73.	Radheshyam Prasad	Daltonganj
74.	Sudha Devi	Daltonganj
75.	Birendra Prasad Singh	Daltonganj
76.	Pinki Kumari	Meral Garhwa
77.	Binod Ram	Meral Garhwa
78.	Rakesh Kumar	Meral Garhwa
79.	Pappu Kumar Chandravanshi	Meral Garhwa
80.	Goutam Sahay JAC	ESD, Daltonganj
81.	Chitranjan	ESD, Daltonganj
82.	A. Haque	Daltonganj
83.	Shyam Narayan Mishra	Sudna Daltonganj
84.	Rahul Mishra	Nawalok Daltonganj
85.	D. K. Mishra	Nawalok Daltonganj
86.	Chhotelal Rajak	Meral Garhwa
87.	Ashok Paswan	Patan
88.	Bijay Bahadur	Daltonganj
89.	Sanjay Kumar Ravi	ESA, Medininagar
90.	Sanjay Kumar	Bharalota
91.	Ravi Kumar	Himidganj
92.	Gunwant Kumar	Daltonganj
93.	Niranjan Kumar	Daltonganj
94.	Md. Aslam	Daltonganj
95.	Rahul Kumar Singh	Patan
96.	A. K. Thakur	Garhwa
97.	Naresh Kumar Agrawal	Jr. Lineman
98.	B. K. Choudhary	Electric Office Patan
99.	Ravishankar Prasad	Barwadih
100.	Kiran Devi	Daltonganj
101.	Satyendra Kumar Tiwary	Garhwa
102.	Krishna Kumar Arya	Redma
103.	Suresh Mahto	Redma
104.	Kamlesh Singh	Chainpur
105.	Nikhi Electrical	Chainpur
106.	Sujit Kumar	Redma
107.	Baijnath Pandey	Janakpuri Redma

Sl. No.	Name	Address / Organization if any
108.	D. P. Singh	Chainpur
109.	Pankaj Kumar	P.A to Chairman, VUSNF
110.	Sanjay Kumar	Baralota
111.	Shiv Kumar Singh (JLM)	Daltonganj
112.	Kushal Kindo (JLM)	Daltonganj
113.	Aashish Kumar (Mandays)	Daltonganj
114.	Naveen Kumar Singh	Daltonganj
115.	Bablu Ram	Daltonganj
116.	Santosh Lohri	Daltonganj
117.	Pankaj Kumar Gupta	Daltonganj
118.	Sudhir Ram	Daltonganj
119.	Ashok Prajapati	Chainpur
120.	Ashok Kumar	Chainpur
121.	Kapil Dev Pandey	Lesliganj
122.	Sujit Kumar	Lesliganj
123.	S.D. Bhave	Lesliganj (Tata Phojed)
124.	S. Das	Lesliganj (Tata Phojed)
125.	Gaurav Kumar	Lesliganj (Tata Phojed)
126.	Anil Singh	Lesliganj (Tata Phojed)
127.	S. Raa	Lesliganj (Tata Phojed)
128.	Pankaj Kumar Sharma	Daltonganj
129.	Ravindra Singh	Daltonganj
130.	Randhir Raj Chouhan	Daltonganj
131.	Jay Prakash Singh	Daltonganj
132.	Ranjeet Kumar Singh	Daltonganj
133.	Satyendra	Daltonganj
134.	Om Prakash Tiwari	Daltonganj
135.	Saryu Ram	Daltonganj
136.	Kundan Sinha	Rastriya Navin Mail
137.	Santosh Tiwari	Chiyanki
138.	Mukesh Kumar Tiwari	Jor
139.	Dhirendra Kumar	Bairiya, Daltonganj
140.	Suryanarayan Uraon	Daltonganj
141.	Punam Devi	ESD, Daltonganj
142.	Bechni Devi	ESD, Daltonganj
143.	Subhan Shahjada	Chainpur
144.	Kailash Bihari Singh	Chainpur
145.	Gulam Sarwar	Daltonganj
146.	Ram Prakash Ram	Daltonganj
147.	Md. Sharphurin Ansari	Daltonganj
148.	Rajeshwar Sharma	Daltonganj
149.	Sanjay Kumar	Daltonganj
150.	Sanjay Kumar	Daltonganj
151.	Chhattu Mahto	Redma
152.	Dinesh Kumar Verma	Daltonganj
153.	Bhai Govind Singh	Pandui
154.	Ramchandra Singh	Chainpur

Sl. No.	Name	Address / Organization if any
155.	M. Kumar	Chainpur
156.	Anil Vishwakarma	Chainpur
157.	Vikash Kumar Paswan	Daltonganj
158.	Santosh Kumar	Daltonganj
159.	Dipak Kumar	Latehar
160.	Vikash Chandra	Latehar
161.	Niraj Kumar	Latehar
162.	Pankaj Kumar	Medininagar
163.	Santosh Kumar Tiwari	Medininagar
164.	Amlesh Chandra Dubey	Chainpur
165.	Virendra Kumar Singh	Chainpur
166.	A. N. Soi	Dainik Bhaskar
167.	N. Shankar	New Area, Hamidganj
168.	Upendra Kumar	Daltonganj
169.	Rajesh Linde	Garhwa (EEE/S/Garhwa)
170.	Ashok Kumar	Nagaruntari
171.	Praveen Kumar Agrawal	Daltonganj
Ranchi		
1.	Rishav Manaswi	Kumardubhi, Dhanbad
2.	Harsha Singh	Kumardubhi, Dhanbad
3.	Navdeep Gupta	Smart Power India
4.	Disha Banerjee	Smart Power India
5.	Rishi Singh	Deloitte
6.	Ishan Srivastava	Delitte
7.	K.N.L. Das	Sirdo, Mesra
8.	Satya Prasad	RUBS & Co.
9.	Sunil Kumar Thakur	CE (C&R), JBVNL
10.	D. Mahapatra	Sr. Mgr. (F&A) HQ
11.	Ashok Mahto	JIFA
12.	H.K. Budhia	JIFA
13.	Saurabh Srivastava	JIFA
14.	Subhash Prasad Singh	Kantatoli, Ranchi
15.	Subasis Chatterjee	Kantatoli, Ranchi
16.	Dhanesh Jha	GM cum CE/Ranchi
17.	Ajay Bhandhari	FJCCI
18.	Saket Upadhayay	Advocate, Jharkhand High Court
19.	Sweta Rani	Advocate JHC
20.	Praveen Lohia	Social activities
21.	B.K. Tulsyan	Tupudana Industries Association
22.	Rajesh Prasad	Congress Party
23.	S.P. Singh	President, Tupudana Industries Association
24.	H. K. Jain	General Secretary, Laghu Udyog Bharti, Jharkhand State
25.	S.Ghosh	State Vice President, Laghu Udyog Bharti
26.	Vijay Chhaparia	Laghu Udyog Bharti
27.	Anjay Pacheriwala	JSIA, Ranchi
28.	Philip Mathau	JSIA, Ranchi
29.	A.K. Singh	ESE (S&D) JBVNL
30.	Yogendra Kumar Ojha	JSIA, Ranchi
31.	H.K.Jha	JBVNL, CE/SPD
32.	Thoumas Mathau	Manglam Imtitih
33.	Deepak Kumar Maroo	Personal

Sl. No.	Name	Address / Organization if any
34.	Vimal Kumar Fogla	Cirwlar RD, RNC
35.	Harendra Singh	Jaganathpur
36.	Manoj Kumar	Paharitolla
37.	Ranjit Choudhary	Ranchi
38.	Sidheswar Singh	B-III, 580, Dhurwa
39.	S. K. Bose	H.No. 816, Rivevview Colony Hatia, Ranchi - 3
40.	Mintu Paswan	Shiv Mandir, Jaganathpur
41.	Praveen Mahato	Chutia
42.	K. K. Poddar	Bariatu Road, Ranchi
43.	Sanjay Kumar	EEE/RESA
44.	Ranjeet Garodia	UpperBazar, Ranchi
45.	Gopal Prajapati	Lichi Bagan Se II HEC
46.	Sanjay Kumar Gerari	Hatia, Ranchi
47.	Soni Devi	Lichi Bagan Se II HEC
48.	Ganga	Jaganathpur
49.	Pawanjay Kumar	Radhe Casting & Metalic Pvt. Ltd., Ramgarh
50.	B. K. Shrivastava	Radhe Casting & Metalic Pvt. Ltd., Ramgarh
51.	Vimal Pandey	Dhurwa
52.	Suresh Prasad	Ranchi
53.	Sulekha Kumari	Jaganathpur
54.	Rupan Devi	Jaganathpur
55.	Somasi Devi	Jaganathpur
56.	Munni Devi	Jaganathpur
57.	Etwari Devi	Jaganathpur
58.	Guria Devi	Jaganathpur
59.	Lal Munda	Jaganathpur
60.	Umesh Baraik	Jaganathpur
61.	Nitin	Karamtoli
62.	Arun Kumar	Morabadi
63.	Subhash Prasad Singh	News wig.com
64.	G. Minz	EEE/Doranda
65.	Sanjay Johar	NOP, Doranda
66.	Anupam Aujahi	JBVNL
67.	Ujjwala Kumar Gunia	JBVNL
68.	A.K. Bihany	ASIA, Adityapur
69.	Piyush Goyal	CP&Co., Jamshedpur
70.	Sushil Kumar Choudhary	RMDA, Ramgarh
71.	Soni Mehta	Vice President , FJCCI
72.	Bipin Singh	Khabar Mantra
73.	Tarun Mumar	Doranda
74.	Sushil Sing	Ranchi
75.	Madhu Singh	Ranchi
76.	R. K. Prasad	Bank Colony, Booty More, Ranchi
77.	B. Yadav	Bank Colony, Booty More, Ranchi
78.	B. Sharma	Bank Colony, Booty More, Ranchi
79.	Dr. A. K. Varma	Bank Colony, Booty More, Ranchi
80.	P. K. Mukherjee	Bank Colony, Booty More, Ranchi
81.	Agan	Bank Colony, Booty More, Ranchi
82.	Arun Kumar Khemka	JSIA
83.	Kunal Ajmani	FJCCI
84.	Manish Ramsisara	JSIA
85.	Rajendra Kant Mahto	HEC Colony Dhurwa, Ranchi
86.	Sunil Prasad	Harmu Ranchi

Sl. No.	Name	Address / Organization if any
87.	Alka Raj	JEE (Elec), Electric Office
88.	S.S. Kujur	Electric Office
89.	Bhageerath Mhato	Bokaro
90.	P. Kumar	Ranchi
91.	Raj Kumar Gupta	Ranchi
92.	Mehul Sarant	Ranchi
93.	Deepak Raj	Globe Steel (P) Ltd.
94.	Nadeem Khan	Karbala Xhowk, Lower Bazar, Ranchi
95.	Jamil Akhtar	Hind Piri, Ranchi
96.	A.S. Das	JBVNL
97.	Anita Prasad	JBVNL
98.	C. Bhushan	JBVNL
99.	A. K. Rungta	Main Road, Ranchi
100.	Ajay	UpperBazar, Ranchi
101.	Mahesh Sonthahy	Jamshedpur
102.	J. K. Agarwal	GFPL
103.	Manoj Sharma	Kamsa Steel (P) Ltd.
104.	Rahul Purwar	Managing Director, JBVNL, Ranchi
105.	J.M.K. Singh	AEE/R.Rd
106.	Chitranshen Gupta	Focus
107.	Manoj Singh	Morabadi
108.	Sunil	

Annexure 2: Minutes of the SAC meeting held on 21.03.18**दिनांक 21.03.2018 को संपन्न हुए राज्य सलाहकार समिति की बैठक की कार्यवृत्ति**

राज्य सलाहकार समिति की बैठक माननीय डॉ० अरविंद प्रसाद, अध्यक्ष, झारखण्ड राज्य विद्युत नियामक आयोग, राँची की अध्यक्षता में दिनांक 21 मार्च को “होटल कैपिटल हिल” में संपन्न हुई। इस बैठक में राज्य सलाहकार समिति के निम्नांकित सदस्यों/सदस्यों के प्रतिनिधि उपस्थित हुए :-

क्र० सं०	सदस्यों का नाम	सदस्य/ प्रतिनिधि
1	श्री रबीन्द्र नारायण सिंह, सदस्य (अभियंत्रिकी), झारखण्ड राज्य विद्युत नियामक आयोग, राँची।	सदस्य
2	श्री संजय कुमार सिंह, अवर सचिव, परिवहन विभाग, झारखण्ड सरकार, राँची।	प्रतिनिधि
3	श्री राहुल कुमार पूरवार, प्रबंध निदेशक, झारखण्ड बिजली वितरण निगम लिमिटेड, राँची	सदस्य
4	श्री राजीव गोस्वामी, मुख्य अभियंता (वाणिज्य), डी०भी०सी०, कोलकाता	प्रतिनिधि
5	श्री वी०पी०सिंह, महाप्रबंधक (पी०एस०डी०), जूस्को, जमशेदपुर।	प्रतिनिधि
6	श्री विश्वजीत कुमार, हेड पावर मैनेजमेंट, टाटा पावर, जमशेदपुर।	प्रतिनिधि
7	श्री संजय कुमार, डी०जी०एम०, टी०ई०-ई०, बी०एस०एल०, बोकारो।	प्रतिनिधि
8	श्री एस०के० चौधरी, विद्युत अधीक्षण अभियंता, टी०वी०एन०एल०, राँची।	प्रतिनिधि
9	श्री आर०पी० सिंह, मुख्य प्रबंधक, सी०सी०एल०, राँची।	प्रतिनिधि
10	श्री दीपक कुमार, ए०जी०एम०, मेकन लिमिटेड, राँची।	प्रतिनिधि
11	श्री सुनील कुमार, सीनीयर डी०जी०एम०, एच०ई०सी०, राँची।	प्रतिनिधि

12	डॉ० परसुराम ठाकुर, प्रोफेसर, बी०आई०टी०, मेसरा, राँची ।	प्रतिनिधि
13	श्री अजय भंडारी, अध्यक्ष, इनर्जी सब कमिटी, एफ०जे०सी०सी०आई०, राँची । श्री एन०के० पटोदिया, एफ०जे०सी०सी०आई०, राँची	सदस्य
14	श्री बी०के० तुलस्यान, अध्यक्ष, लघु उद्योग भारती, राँची	सदस्य
15	श्री अशोक कुमार बिहानी, अध्यक्ष, आदित्यपुर स्मॉल इंडस्ट्रीज एसोसिएशन, सरायकेला-खरसावाँ	सदस्य
16	श्री कुन्दन कुमार उपाध्याय, झारखण्ड स्मॉल टिनी सर्विसेज एण्ड बिजनेस इन्टरप्राइज एसोसिएशन, चास, बोकारो ।	सदस्य
17	श्री अंजय पचेरीवाला, अध्यक्ष, झारखण्ड स्मॉल इंडस्ट्रीज एसोसिएशन, कोकर, राँची ।	सदस्य
18	श्री के० सी० गोयल, महासचिव, धनबाद प्लावर मिल्स एसोसिएशन, धनबाद ।	सदस्य
19	श्री आर०एन० शर्मा, महासचिव, संथाल परगना स्मॉल इंडस्ट्रीज एसोसिएशन, देवघर ।	सदस्य
20	डॉ० एस०के० समदर्शी, प्रोफेसर, केन्द्रीय विश्वविद्यालय झारखण्ड, ब्राम्हे, राँची	सदस्य

सर्वप्रथम आयोग के सचिव द्वारा राज्य सलाहकार समिति के सभी सदस्यों का स्वागत किया गया।

तत्पश्चात सचिव महोदय ने माननीय अध्यक्ष महोदय की अनुमति से बैठक की कार्यवाही प्रारंभ करते हुए बताया गया कि आज की विशेष बैठक में झारखण्ड बिजली वितरण निगम लिमिटेड के द्वारा आयोग के समक्ष जो Tariff revision का प्रस्ताव आया है उसके संबंध में चर्चा की जायगी ।

माननीय अध्यक्ष महोदय ने सदस्यों को संबोधित करते हुए कहा कि JBVNL ने Resource gap को पाटने के लिए जो टैरिफ का प्रस्ताव दिया है

उसमें आपसबों की सलाह उपयोगी होगी । टैरिफ निर्धारण पर सुझाव देते समय यह भी ध्यान रखना है कि JBVNL के लिए Resource का जो Requirement है उसकी कैसे भरपाई होगी ।

तत्पश्चात JBVNL के पदाधिकारी द्वारा टैरिफ निर्धारण पर संक्षिप्त विवरणी PPT के माध्यम से दिया गया ।

श्री अजय भंडारी, अध्यक्ष, FJCCI, Energy Sub Committee, ने अपनी प्रतिक्रिया व्यक्त करते हुए कहा कि हमलोग भी इस बात से सहमत हैं कि Tariff revision होते रहना चाहिए, लेकिन इसके लिए यह आवश्यक है कि टैरिफ प्रस्ताव विधि सम्मत हो ; Audited Accounts, CAG Reports आदि आवश्यक कागजात उपलब्ध हो । आयोग द्वारा बनाये गये नियमों के तहत Licensee को अपना Business plan वर्ष के शुरुआत में ही दायर करना होता है, जिसका अनुमोदन आयोग को करना होता है । जिस अवधि का True up का अनुमोदन इनके द्वारा मांगा जा रहा है उसका सारा Power purchase बिना आयोग की अनुमति के ही हुआ है । आज अगर उसका True up किया जाता है तो यह Post facto approval माना जायगा जो कि विधि सम्मत नहीं है ।

श्री ए०के० बिहानी, अध्यक्ष, आदित्यपुर स्मॉल इंडस्ट्रीज एसोसिएशन, ने कहा कि JBVNL ने आयोग के निर्देश पर जो Audited Account और CAG report upload किया है, उस True up petition में इन्होंने पूरे JSEB का Account upload किया है । जबकि उस समय जब JSEB के Account का True up होता था तो उस समय चार सेगमेंट एक साथ होते थे ।

having Contract Demand of 50 KVA may have actual installation of more than 100 HP” उन्होंने कहा कि मेरा सुझाव है कि LTIS का Tariff Schedule जैसा पहले था वैसा ही दिया जाय ।

श्री अंजय पचेरीवाला, अध्यक्ष, झारखण्ड स्मॉल इंडस्ट्रीज एसोसिएशन, ने कहा कि वर्तमान टैरिफ प्रस्ताव विनियमों पर आधारित नहीं है और Audited account भी पूर्ण नहीं है ऐसी स्थिति में आयोग इन्हें तत्काल एक Suo-motu टैरिफ देने पर विचार कर सकता है और बाद में जब इनका Record सही हो जायगा तब इनको Final tariff दे सकता है।

श्री एन०के० पटौदिया, अध्यक्ष, एफ०जे०सी०सी०आई०, कॉर्पोरेट अफेयर्स, ने कहा कि KWH के स्थान पर KVAH के बिलिंग सिस्टम में Migrate करना उचित नहीं है । इस बिलिंग सिस्टम से उपभोक्ताओं पर अतिरिक्त भाड़ पड़ेगा । उन्होंने कहा कि प्रस्तावित टैरिफ में Domestic consumer के लिए जो Fixed charge है वह प्रति किलोवाट के हिसाब से दिया गया है जो नहीं होना चाहिए । उन्होंने कहा कि Cross subsidy अगर खत्म होगा तो उस स्थिति में Industrial tariff कम होना चाहिए, क्योंकि पहले Domestic और Agriculture का खर्च का भरपाई उद्योग वर्ग करता था । इन सब बातों को ध्यान में रखकर ही टैरिफ का निर्धारण होना चाहिए ।

श्री आर०एन० शर्मा, महासचिव, संथाल परगना स्मॉल इंडस्ट्रीज एसोसिएशन, ने कहा कि 2001 से आज तक के T&D loss में कोई परिवर्तन नहीं दिख रहा है और जो इनके Bonafide उपभोक्ता हैं उनपर

दिनों दिन बोझ बढ़ते जा रहे हैं । श्री शर्मा ने यह भी कहा कि ग्रामीण इलाके में जो पावर सप्लाई दिया जा रहा है इसको Measure करने का कोई Mechanism नहीं है कि इन्होंने कितना पावर दिया है और उससे कितना राजस्व आया है । उन्होंने सुझाव दिया कि ग्रामीण क्षेत्र के पावर सप्लाई के Mechanism को सुधारें और उसको अद्यतन करें । इससे AT & C loss को कम करने में सहायता मिलेगी ।

श्री के०सी० गोयल, महासचिव, धनबाद फ्लावर मिल्स एसोसिएशन, ने कहा कि इससे पूर्व भी टैरिफ बढ़ने से पहले यह आश्वासन दिया गया था कि दर बढ़ने के बाद हम विकास करेंगे । लेकिन अभी तक कोई विकास नहीं हो सका । इस बात की क्या गारंटी है कि वर्तमान में घाटे में चल रही JBVNL इस बार दर बढ़ने के बाद मुनाफे में आ जायगी । JBVNL टैरिफ बढ़ाने के अलावे अपने संशोधनों के खर्च को कम करे ताकि यह सारा बोझ उपभोक्ता पर नहीं आये ।

इन सबके जवाब में **श्री राहुल कुमार पूरवार**, प्रबंध निदेशक, झारखण्ड बिजली वितरण निगम लिमिटेड ने कहा कि आयोग ने जो भी दिशा निर्देश दिया था उसका अनुशरण किया गया है । उन्होंने JSIA के प्रतिनिधि द्वारा उठाये गये सवाल के जवाब में कहा कि True up के लिए जो कहना है कि वर्ष 11-12, 12-13 और 13-14 में जो JSEB के पूरे Expenditure को शामिल कर लिया गया है । उसमें Function wise Distribution, Transmission, Generation इत्यादि का अलग-अलग Expenditure आदि से संबंधित कागजात टैरिफ प्रस्ताव में भी है और True up में भी File किया गया है । उन्होंने कहा कि 2010 में आयोग ने

जो ARR अनुमोदित किया था और उसमें आयोग द्वारा जो मानदण्ड निर्धारित किया गया था उसी को आधार बनाकर वर्ष 11-12, 12-13 का प्रस्ताव दिया गया है। उन्होंने Account के आंकड़े में बदलाव के संबंध में कहा कि Account के आंकड़े में जो चेंज किया है उसमें APTEL का ऑर्डर है उसको दर्शाते हुए आंकड़े को बदला गया है। उन्होंने यह भी कहा कि आयोग के निर्देश के अनुरूप Power Purchase Agreements आयोग के समक्ष अनुमोदन के लिए कुछ भेजे गए हैं और शेष भी शीघ्र भेजे जाएंगे। टैरिफ प्रस्ताव में Power Purchase पर हुए व्यय का प्रस्ताव है। इससे किसी Purchase विशेष का अनुमोदन नहीं है। नियमानुसूल जो भी अनुमोदन आयोग से अपेक्षित है, उसे JBVNL आयोग से लेगा। KWH से KVAH तथा टैरिफ प्रस्ताव के संबंध में अन्य बिंदु जो सदस्यों द्वारा उठाए गए हैं, वह टैरिफ को rationalize करने तथा JBVNL के लिए संसाधनों की आवश्यकता के अनुरूप किया गया है। इन सभी पर आयोग को अंतिम निर्णय लेना है।

MD, JBVNL, ने यह भी कहा कि JBVNL में भी उन्होंने सलाहकार समिति का गठन किया है, जिसकी बैठक भी शुरू कर दी है। बिजली आपूर्ति में सुधार के संबंध में जो भी सुझाव मिलते हैं, उसे वे गंभीरता से लागू करने का प्रयास करते हैं।

श्री राजीव गोस्वामी, मुख्य अभियंता (वाणिज्य), डी०भी०सी०, ने कहा कि JBVNL द्वारा डी०भी०सी० के बिजली खरीद के दर को मंजूर किया जाय।

इस पर माननीय सदस्य (तकनीकी), श्री आर०एन० सिंह, महोदय ने कहा कि डी०भी०सी० से महंगी बिजली खरीदने के बजाय Open bidding के माध्यम से JBVNL को उचित दर पर बिजली खरीदने का प्रयास करना चाहिए ।

श्री एन०के० पटोदिया, अध्यक्ष, एफ०जे०सी०सी०आई०, कॉर्पोरेट अफेयर्स, ने बताया कि डी०भी०सी० अभी तक JBVNL को आम उपभोक्ता के दर पर बिजली उपलब्ध कराता था । अभी इनका अनुबंध हुआ है कि अब डी०भी०सी० JBVNL को एक Generator के दर पर बिजली उपलब्ध कराएगा । Power Generator और Power consumer के दर में जमीन-आसमान का फर्क है । इससे JBVNL को साल में करीब-करीब रु० 600/- करोड़ का अतिरिक्त लाभ होने जा रहा है । उस लाभ को Purchase cost में शामिल नहीं किया गया है । 600 करोड़ Purchase cost कम होगा तो हमारा टैरिफ अपने-आप कम हो जायेगा ।

समिति के कुछ सदस्यों ने इस बात पर आपत्ति जताई कि जब JBVNL का 2018-19 का MYT business plan मंजूर है तो उसमें Revision की कोई आवश्यकता नहीं है ।

श्री वी०पी० सिंह, महाप्रबंधक, जुस्को, ने सुझाव दिया कि टैरिफ प्रस्ताव में जो दर Railway and MES जैसे Licensee के लिए किया गया है, उसे उन्हीं दोनों तक सीमित नहीं कर अन्य Licensee के लिए भी होना चाहिए ।


प्रो० परसुराम ठाकुर, प्रोफेसर, BIT, Mesra ने कहा कि Transmission line के जर्जर तारों को बदलने से बिजली की आपूर्ति सुचारु रूप से होगी जिससे T&D loss को कम किया जा सकता है । उन्होंने कहा कि झारखण्ड प्रचूर संसाधनों से भरा राज्य होने के बावजूद इस राज्य में बिजली दर अधिक है ।

माननीय अध्यक्ष महोदय ने प्रो० ठाकुर से अनुरोध किया कि वे अपने यहाँ एक कोषांग बनाकर Power purchase cost का विभिन्न राज्यों से तुलनात्मक अध्ययन करके सुझाव देते हैं तो वह आयोग के लिए बहुत उपयोगी होगा ।

प्रो० ठाकुर ने कहा कि इस प्रोजेक्ट पर कार्य करने के लिए वे गंभीरता से विचार करेंगे ।

अंत में अध्यक्ष महोदय ने सभी सदस्यों को बैठक में भाग लेने के लिए धन्यवाद दिया और कहा कि आयोग को JBVNL के प्रस्ताव पर निर्णय लेने में सदस्यों से प्राप्त सुझाव सहायक होंगे । उन्होंने यह भी कहा कि चूँकि बिजली खरीदने में किया गया व्यय JBVNL के लिए आवश्यक Resource का सबसे बड़ा हिस्सा है, इसलिए JBVNL विद्युत कय दर की लगातार समीक्षा के लिए एक सेल का गठन करे । JBVNL को राष्ट्रीय स्तर पर उपलब्ध बिजली के दर की लगातार समीक्षा करनी चाहिए तथा प्रयास करना चाहिए कि उचित दर पर बिजली का कय हो । उन्होंने यह स्पष्ट किया कि Annual Resource Requirement में दिए गए प्रस्ताव के आंकड़े के आधार पर आयोग के द्वारा टैरिफ निर्धारण करने से आयोग से अपेक्षित अन्य अनुमोदन स्वतः नहीं हो जाता है । JBVNL को जहाँ भी

ऐसे अनुमोदन की आवश्यकता है, उसे अलग से आयोग के पास
नियमावलीनुसार भेजना चाहिए ।


(अरविंद कुमार मोहंता)
सचिव

हाप सं०:झा०रा०वि०नि०आ०/२७(Vol.-VI)/52 दिनांक: 26.04.2018

प्रतिलिपि-

राज्य सलाहकार समिति के सभी सदस्यों को सूचनाई एवं आवश्यक कार्य हेतु प्रेषित।