Jharkhand State Electricity Regulatory Commission

Order
on
True up for FY 2014-15
and
Annual Performance Review of FY 2015-16
and
Business Plan & ARR for Multi Year Tariff Period from FY 2016-17 to FY 2020-21
and
Tariff for FY 2016-17
for
Jamshedpur Utilities & Services Company Limited (JUSCO)

Ranchi

28th February, 2017

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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CWIP	Capital Work in Progress
DPS	Delayed Payment Surcharge
DS	Domestic Service
DS HT	Domestic Service High Tension
DSM	Demand Side Management
DVC	Damodar Valley Corporation
FAS	Financial Accounting System
FOR	Forum of Regulators
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government of India
HT	High Tension
IDC	Interest During Construction
JSERC	Jharkhand State Electricity Regulatory Commission
JUSCO	Jamshedpur Utilities and Services Company Limited
LT	Low Tension
kV	Kilovolt
kVA	Kilovolt-ampere
kW	Kilowatt
kWh	Kilowatt-hour
MMC	Monthly Minimum Charges
MU	Million Units
NTI	Non Tariff Income
O&M	Operations and Maintenance
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SAP	System, Application and Production
SBI	State Bank of India
SERC	State Electricity Regulatory Commission

Abbreviation	Description
SLM	Straight Line Method
TOD	Time of Day
TSL	Tata Steel Limited

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Before

Jharkhand State Electricity Regulatory Commission, Ranchi

Case No.: 08 of 2015, 04 of 2016, 14 of 2016

In the matter of:

Petition for Truing up for FY 2014-15;

And

Annual Performance Review for FY 2015-16;

And

Business Plan for MYT Control Period FY 2016-17 to FY 2020-21;

And

MYT for Control Period FY 2016-17 to FY 2020-21 And Tariff Determination for FY 2016-17

In the matter:

Jamshedpur Utilities & Services Company Limited, Sakchi Boulevard Road, Northern Town, Bistupur, Jamshedpur - 831 001 ……. ………Petitioner

PRESENT

Hon'ble Mr Justice Narendra Nath Tiwari - Chairperson

Hon'ble Mr R. N Singh - Member (T)

Order dated 28th February, 2017

In this Petition, Jamshedpur Utilities & Services Company Limited (hereinafter referred to as JUSCO) has prayed for Order of True up for FY 2014-15, Annual Performance Review of FY 2015-16, Business Plan for MYT Control Period FY 2016-17 to FY 2020-21, Multi Year Tariff for Control Period FY 2016-17 to FY 2020-21 and Tariff for FY 2016-17

A1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission (JSERC)

1.1 The Jharkhand State Electricity Regulatory Commission (herein after 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 w.e.f. April 24, 2003. The Electricity Act, 2003 (hereinafter referred to as "the Act" or "EA, 2003") came into force w.e.f. June 10, 2003; and the Commission is now deemed to have been constituted and functioning under the provisions of the Act.

1.2 The Government of Jharkhand vide its notification dated August 22, 2002 defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:-

(a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;

(b) to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;

(c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;

(d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.3 With the Electricity Act, 2003 being brought into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of JSERC are now defined as per Section 86 of the Act.

1.4 In accordance with the Act, the JSERC discharges the following functions: -

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;

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

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

(c) facilitate intra-state transmission and wheeling of electricity;

(d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;

(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

(f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;

(g) levy fee for the purposes of this Act;

(h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;

(i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

(j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;

(k) discharge such other functions as may be assigned to it under this Act.

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

(a) promotion of competition, efficiency and economy in activities of the electricity industry;

(b) promotion of investment in electricity industry;

(c) reorganisation and restructuring of electricity industry in the State;

(d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.

1.7 In discharge of its functions, the State Commission is guided by the National Tariff Policy as brought out by GoI in compliance to Section 3 of the Act. The objectives of the National Tariff Policy are to:

(a) ensure availability of electricity to consumers at reasonable and competitive rates;

(b) ensure financial viability of the sector and attract investments;

(c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;

(d) promote competition, efficiency in operations and improvement in quality of supply.

Jamshedpur Utilities and Services Company Limited (JUSCO)

1.8 Jamshedpur Utilities and Services Company Limited (hereinafter referred to as 'JUSCO' or the 'Petitioner') is a company incorporated, in August 2003, under the provisions of the Companies Act, 1956 and is a wholly owned subsidiary of Tata Steel Limited (TSL). JUSCO has been incorporated primarily to cater to the infrastructure and power distribution services in the city of Jamshedpur. In addition to Power services, the company's services encompasses of water and waste management; public health & horticulture services; and planning, engineering & construction.

1.9 The Petitioner is the second Distribution Licensee operating in the Saraikela- Kharsawan district, the first being the Jharkhand Bijli Vitaran Nigam Limited (JBVNL). This is the first district in India where two utilities have been allowed to build parallel networks for distribution of power. JUSCO has a separate Power Business Division (PBD) which is engaged in distribution of electricity in Jamshedpur town as a power distribution franchisee of Tata Steel Limited (Licensee of Jamshedpur).

1.10 The Electricity Act, 2003 opened up power distribution to the private sector and permitted more than one power distributor in a revenue region, vide proviso 6 of Section 14 of the said Act which states:

"Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements [relating to the capital adequacy, credit-worthiness, or code of conduct] as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose."

1.11 In line with the above provision and in reference to the Commission's communication to the Petitioner with regard to filing a Petition for distribution license for one or more revenue districts (letter no. JSERC/06/2004-05/64), the Petitioner applied for a Second Distribution License vide application no. PBD/176/69/06 dated May 5, 2006 for the revenue district of Saraikela-Kharsawan. The Saraikela-Kharsawan district is contiguous to the Petitioner's service area of Jamshedpur.

1.12 The Commission granted a Power Distribution License (No. 3 of 2006-07) to the Petitioner on December 1, 2006 for the aforementioned revenue district.

1.13 Consequently, the Petitioner began its power distribution services in revenue district of Saraikela –Kharsawan in September 2007 as a second distribution licensee.

Scope of the Present Order

1.14 In accordance with the provisions of the JSERC (Multi Year Distribution Tariff) Regulation, 2010, (hereinafter referred to as 'Distribution Tariff Regulations, 2010'), the Petitioner filed the Petition for approval of True-up of the ARR for FY 2014-15 and Annual Performance Review for FY 2015-16 on 30th November, 2015.

1.15 Subsequently, in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulation, 2015, (hereinafter referred to as 'Distribution Tariff Regulations, 2015'), JUSCO filed the Business Plan Petition for MYT Control Period FY 2016-17 to FY 2020-21 on 18th April, 2016, followed by Multi Year Tariff Petition for Control Period from FY 2016-17 till FY 2020-21 and Tariff determination for FY 2016-17 for its licensed area on 5th October, 2016.

1.16 The Petitioner in the above-mentioned Petitions filed before the Commission has prayed for:

(a) Approval of the True-up of ARR for FY 2014-15;
(b) Approval of the revised estimates of ARR for FY 2015-16;
(c) Approval of the Business Plan for the for MYT Control Period FY 2016-17 to FY 2020-21
(d) Approval of the ARR for each year of the MYT Control Period from FY 2016-17 to FY 2020-21; &
(e) Pass suitable orders to recover the cumulative revenue gap till FY 2016-17 along with carrying cost.
(f) Approval of the Tariff for FY 2016-17;

1.17 While processing the above petition, the Commission has taken into consideration the following:

(a) Provisions of the Electricity Act, 2003,
(b) Provisions of the National Electricity Policy,
(c) Provisions of the National Tariff Policy;
(d) Principles laid down in the JSERC (Multi Year Distribution Tariff) Regulation, 2010;
(e) Principles laid down in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.

1.18 Accordingly, the Commission has scrutinized the Petitions in detail and hereby issues the Tariff order for True Up for FY 2014-15, Annual Performance Review for FY 2015-16, Business Plan for MYT Control Period FY 2016-17 to FY 2020-21, ARR for the Multi Year Tariff period from FY 2016-17 to FY 2020-21 and Tariff for FY 2016-17 for the licensed business of JUSCO.

A2: PROCEDURAL HISTORY

Background

2.1 The Petitioner commenced its power distribution operations in the Saraikela-Kharsawan district - the licensed area of the Petitioner from September 2007 onwards and filed its first ARR & Tariff Petition with the Commission for FY 2007-08 in June 2007.

2.2 The Commission issued an order dated October 16, 2007 on the ARR & tariff petition of JUSCO, stating that:

"Since two distribution licensees JUSCO and JSEB are operating in the same area (i.e. Saraikela-Kharsawan), for immediate operation of the distribution licensee JUSCO, we approve the maximum ceiling of the retail tariff as approved for the JSEB in terms of the proviso of Section 62(1)(d) of the Electricity Act, 2003. Within the aforesaid maximum ceiling of tariff the licensee JUSCO shall propose its own tariff for approval of the Commission within 15 days from the receipt of the order. The tariff shall be reviewed after four months, on receipt of required relevant details/information with reference to our regulations and its profit/loss will be taken into count in the next tariff period."

2.3 Subsequently, as per the order issued by the Commission vide order no. JSERC/Legal/08/2007-08/469 dated November 1 2007, the Petitioner was directed to apply the erstwhile JSEB tariff in full as its provisional tariff, till further Orders. Accordingly, the Petitioner started charging the same tariff as that of erstwhile JSEB in its licensed area.

2.4 The Petitioner filed a tariff petition in April 2009 for approval of the Annual Revenue Requirement for FY 2007-08, FY 2008-09 and FY 2009-10 and determination of tariff for FY 2009-10. Subsequently, the Commission issued the Tariff Order on 20th January, 2010 but decided not to make any revision in the tariff schedule as the effective time period remaining for the tariff year was less and the implementation of revised tariff schedule would have resulted in a tariff shock to consumers.

2.5 The Petitioner filed next tariff petition in May, 2010 for approval of Annual Revenue Requirement for FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11 and determination of distribution tariff for FY 2010-11. The Commission issued the Tariff Order on August 24, 2010.

2.6 On 10 January, 2011, the Petitioner filed tariff petition for approval of Annual Revenue Requirement for FY 2009-10, FY 2010-11 and determination of distribution tariff for FY 2011-12. The Commission issued the Tariff Order on August 27, 2011.

2.7 On 10 November, 2011, the Petitioner filed tariff petition for approval of true-up for FY 2010-11, revised estimates for FY 2011-12 and determination of ARR and retail supply tariff for FY 2012-13. The Commission issued the Tariff Order on 15th June 2012.

2.8 Petitioner filed the petition for finalisation of Business Plan for the MYT Control Period FY 2013-14 to FY 2015-16 for the licensee area of Seraikela Kharsawan on 1st August 2012 and vide its Letter No. PBD/582/59/12 dated 31st October 2012, requested the Commission to grant time extension for filing of MYT Petition for the Control Period FY 2013-14 to FY 2015-16 till 10th November 2012. The Commission in its reply to the Petitioner vide letter no. JSERC/Legal/08 of 2012/679 dated 07th November 2012 granted the time extension for filing of the said petition till 10th November 2012.

2.9 Subsequently, the Petitioner filed the petition on 10 November, 2012 for approval of true-up of ARR for FY 2011-12, revised estimate of ARR for FY 2012-13, Multi Year ARR for the first Control Period from FY 2013-14 to FY 2015-16 and determination of retail supply tariff for FY 2013-14 for the Licensed area- district of Saraikela - Kharsawan. The Commission issued the Multi Year Tariff Order on 4th June, 2014.

2.10 The Petitioner filed review petition against the MYT Order dated 4th June, 2014 for relief under the provisions of Section 94 (1) (f) of the Electricity Act 2003 and Regulation 36 (1) of the Jharkhand State Electricity Regulatory Commission (Conduct of Business) Regulations, 2011 on 3 July 2014. The Commission decided the matter under the review Petition in its Order dated 26th September, 2014, which will now be considered as part of the MYT Order for JUSCO dated 4th June, 2014.

2.11 The Petitioner filed the petition for the approval of True-up of ARR for FY 2013-14, Annual Performance Review of FY 2014-15 and Revised Annual Revenue Requirement and Tariff Proposal for FY 2015-16 on 1st November 2014. The Commission issued the Tariff Order on 31st May, 2015.

2.12 Subsequently, the Petitioner filed the petition for approval of True up of ARR for FY 2014-15, Annual Performance Review of FY 2015-16 on 2nd December 2015.

2.13 Further, as per the provisions of the 'Distribution Tariff Regulations, 2015', the distribution licensees have to file the Business Plan for wheeling and retail supply business of the licensee for the entire control period by the 31st of October, 2015. In accordance with the Regulation 5.8 of the Distribution Tariff Regulations 2015, the Business Plan shall be for the entire Control Period and shall inter-alia contain;

a) Capital Investment Plan for the entire Control Period commensurate with load growth, distribution loss reduction trajectory and quality improvement measures proposed in the Business Plan;

b) Sales/Demand Forecast for each customer category and sub-categories for each year of the Control Period;

c) Power Procurement Plan based on the sales forecast and distribution loss trajectory for each year of the Control Period. The power procurement plan should also include energy efficiency and demand side management measures;

d) A set of targets proposed for other controllable items such as distribution losses, collection efficiency, working capital requirement, quality of supply targets, etc. The targets shall be consistent with the capital investment plan proposed by the Licensee;

e) Business Plan shall also contain the requisite information for the preceding five years.

2.14 Subsequently, the distribution licensee has to file the MYT Petition for the Control Period FY 2016-17 to FY 2020-21 by the 30th of November 2015.

2.15 The Petitioner filed the Business Plan Petition for MYT Control Period FY 2016-17 to FY 2020-21 on 3rd May, 2016, followed by Multi Year Tariff Petition for Control Period from FY 2016-17 till FY 2020-21 and Tariff determination for FY 2016-17 for its licensed area on 6th October, 2016.

Information Gaps in the Petition

2.16 During the course of scrutiny of the Petitions for True-up of ARR for FY 2014-15, Annual Performance Review of FY 2015-16, Business Plan for MYT Control Period FY 2016-17 to FY 2020-21 on 3rd May, 2016, Multi Year Tariff Petition for Control Period from FY 2016-17 till FY 2020-21 and Tariff determination for FY 2016-17, several deficiencies were observed in the Petitions submitted by the Petitioner. These deficiencies were communicated to the Petitioner vide letter no. JSERC/08 of 2015/788 dated 23.12.2015, JSERC/08 of 2015/74 dated 04.04.2016, JSERC/08 of 2015/28 dated 13.04.2016, Letter No. JSERC/Case (T) No. 04 of 2016/287 dated 04th August 2016, JSERC/14 of 2016/542 dated 22.11.2016 and JSERC/04 &14 of 2016/609 dated 27.12.2016.

2.17 The Petitioner submitted its response to the aforesaid letters vide letter no. PBD/063/59-J/2016 dated 27.01.2016, PBD/157/59-J/2016 dated 26.04.2016, PBD/595/59-J/2016 dated 11.08.2016, PBD/915/59-J/2016 dated 07.12.2016 and PBD/12/59-J/2017 dated 06.01.2017.

Inviting Public Response

2.18 After scrutinizing the Petitions and the additional information/ data furnished by the Petitioner, the Commission, in order to afford proper opportunity of hearing the representation of all stakeholders and general public, directed the Petitioner to issue public notice for inviting comments/suggestions from public and to make copies of the ARR and tariff Petitions available to the general public.

2.19 The public notice was subsequently issued by the Petitioner in various newspapers, as detailed hereunder:

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

Newspaper (Jamshedpur Edition)	Date
The Hindustan	26th & 27th November 2016
Dainik Jagran	26th & 27th November 2016
Khabar Mantra	26th & 27th November 2016
New Ispat Mail	26th & 27th November 2016
The Avenue Mail	26th & 27th November 2016
Hindustan Times	27th & 28th November 2016
Times of India	27th & 28th November 2016

2.20 A period of 21 (twenty one) days was provided for submitting the comments/suggestions. The Commission subsequently issued advertisement on its website www.jserc.org and in various newspapers for conducting the public hearing on Petitions filed by the Petitioner. The newspapers wherein the advertisement for public hearing was issued by the Commission are detailed in the following table.

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

Newspaper (Jamshedpur Edition)	Date
Hindustan	21.01.2017
Prabhat Khabar	21.01.2017
Naya India	21.01.2017
Dainik Bhaskar	22.01.2017
Uditvani	22.01.2017
The Hindustan Times	22.01.2017

2.15 The public hearing was held on 28th January, 2017 at Adityapur. Many persons drawn from different walks of life participated in hearing and gave their comments and suggestions on the Petition filed by the Petitioner. The comments/suggestions of the public as well as the Petitioner's response and comments thereto are detailed hereafter in the section on the public consultation process in this Order.

A3: SUMMARY OF ARR & TARIFF PETITIONS

Overview

3.1 Saraikela-Kharsawan - the licensed area of the Petitioner is the first district in the country where two distribution licensees have been allowed to build parallel networks for distribution of power. The Petitioner is the second distribution licensee in the area, JSEB being the first.

3.2 The Petitioner in the present petition has requested for:

(a) Truing up of costs and revenue for FY 2014-15 on basis of audited annual accounts for FY 2014-15;
(b) Annual Performance Review of ARR for FY 2015-16 based on revised estimates;
(c) Approval of Business Plan for the Control Period FY 2016-17 to FY 2020-21
(d) Approval of Aggregate Revenue Requirement (ARR) for the Multi Year Tariff for the Control Period FY 2016-17 to FY 2020-21 and Tariff for FY 2016-17.

True Up for FY 2014-15

3.3 The Petitioner has requested for True-Up for FY 2014-15 based on the actual performance on various operational and financial related parameters. The true-up of ARR, as proposed by the Petitioner for FY 2014-15, is summarised in the following table:

Table 3: True-up of ARR of FY 2014-15 as submitted by the Petitioner (Rs Cr)

Particulars	Approved in MYT Order	Approved in APR	Submission Now
Power Purchase Cost	131.77	161.74	169.21
O&M Expenses	10.89	10.76	11.23
Depreciation	5.09	4.90	4.78
Interest & Finance Charges	7.14	9.51	8.91
Return on Equity	3.85	4.00	4.83
Less: Non-Tariff Income	0.70	0.70	0.36
Net ARR for Control Period	**158.04**	**190.21**	**198.60**
Revenue from Sale of Power @ Existing Tariff		177.83	178.83
Add: sharing of Gains			2.14
Revenue Gap / (Surplus) for the year		12.38	21.91
Add: Past Gap / (Surplus)		**(3.77)**	**(3.77)**
Total Revenue Gap / (Surplus)		**8.61**	**18.14**
Average Cost of Supply	**4.92**	**5.10**	**5.23**

Annual Performance Review (APR) of FY 2015-16

3.4 The Petitioner, in the APR Petition, requested for the Review of FY 2015-16 based on the actual performance during first half (April 2015 to September 2015) of FY 2015-16 and projections for remaining period i.e. October 2015 to March 2016. Since, the financial year of FY 2015-16 was completed at the time of submission of the Business Plan Petition for the MYT Control Period FY 17 to FY 21, the Petitioner submitted revised estimates for FY 2015-16 in its Business Plan Petition. However, the Petitioner yet again revised its cost and revenue estimates of FY 2015-16 in its MYT Petition for Control Period FY 2016-17 to FY 2020-21.

3.5 The Commission has considered revised estimates for FY 2015-16 as proposed by the Petitioner in its MYT Petition for control period FY 2016-17 to FY 2020-21 which are summarised in the following table:

Table 4: Annual Performance Review of FY 2015-16 as submitted by the Petitioner (Rs Cr)

Particulars	Approved in May 2015 Tariff Order	Submission Now*
Power Purchase Cost	162.26	211.55
O&M Expenses	11.61	12.94
Depreciation	6.19	6.54
Interest & Finance Charges	10.70	9.16
Return on Equity	4.83	4.63
Less: Non-Tariff Income	1.30	0.57
Net ARR for Control Period	**194.89**	**244.25**
Revenue from Sale of Power @ Existing Tariff	180.01	244.10
Revenue Gap / (Surplus) for the year	**14.28**	**0.15**
Add: Past Gap / (Surplus)	8.61	18.15
Total Revenue Gap / (Surplus)	**22.89**	**18.30**

**As submitted in the MYT Petition for Control Period FY 17 to FY 21*

Business Plan & ARR for the Multi Year Tariff period FY 2016-17 to FY 2020-21

3.6 In the Business Plan Petition for the 2nd MYT Control Period FY 2016-17 to FY 2020-21, the Petitioner has submitted detailed projections for capital investment plan and capitalization schedule, as summarised in following tables:

Table 5: Scheme Wise Capex Plan for MYT Control Period FY 2016-17 to FY 2020-21 (Rs Lacs)

Particulars	Scope	FY17	FY18	FY19	FY20	FY21
Augmentation of Transformation capacity of Phase#1 substation at AIADA - 2*5MVa to 2*10 MVa, 33/11KV	205	100	105			
2*5MVa Transformer with 33KV outdoor bus system at AIADA phase# 4 substation.	427	50	180	197		
33kV Feeder from TGS 132/33KV substation to Phase#4 substation at AIADA through 132KV tower & 33KV underground cable.	383	100	180	103		
33/11KV, 2*5 Mva substation at Seraikela (Shifting two existing transformer from Phase#1 substation)	293	30	170	93		
Augmentation of Transformation capacity at 132/33KV main substation at TGS	780	0		400	380	
Fire Fighting system for 132/33KV Transformer at Grid substation - TGS	220	0	20	200		
Extension of 33KV bus at 132/33KV substation at TGS	29	5	24			
33KV Tie feeder between phase -5 substation, TGS & Tayo substation at Tata Growth shop	25		10	15		
Additional 11KV feeder for Large sector industrial area of AIADA.	*93*		40	53		
132KV line analyzer	24		24			
Cable fault locator	50		50			
Mobile Testing van with equipment	20		20			
Rural Distribution network for Gamharia, Seraikela & Chandil block	804	145	155	117	192	195
2nd 33KV feeder to Seraikela	331			241	90	
Additional 33KV feeder for Large sector industrial area of AIADA.	99		60	39		
33KV feeder from Sonari 132/33KV substation and 2*15 Mva, 33/11KV substation at Electronic manufacturing cluster at AIADA	968			100	350	518
33/11KV, 2*5 Mva substation at Kanderberiya at NH#33 and 33KV overhead line from Sonari- JSR	1151			100	450	601
Works for Power connection to individual consumers	2086	340	374	411	453	508
Other unforeseen capital works including small network strengthening to provide power supply to retail consumers	916	150	165	182	200	220
Carry over schemes from the previous control period						
Total (in Lacs)	8904	920	1577	2251	2114	2041
Total (in Crs)	**89.0**	**9.2**	**15.8**	**22.5**	**21.1**	**20.4**

Table 6: Scheme-Wise Capitalisation schedule submitted by the Petitioner (Rs Lacs)

Scheme Title	FY 17	FY 18	FY 19	FY 20	FY 21
Augmentation of Transformation capacity of Phase#1 substation at AIADA - 2*5MVa to 2*10 MVa, 33/11KV		205			
2*5MVa Transformer with 33KV outdoor bus system at AIADA phase# 4 substation.		150	277		
33kV Feeder from TGS 132/33KV substation to Phase#4 substation at AIADA through 132KV tower & 33KV underground cable.		150	233		
33/11KV, 2*5 Mva substation at Seraikela (Shifting two existing transformer from Phase#1 substation)			293		
Augmentation of Transformation capacity at 132/33KV main substation at TGS			400	380	
Fire Fighting system for 132/33KV Transformer at Grid substation - TGS				220	
Extension of 33KV bus at 132/33KV substation at TGS		29			
33KV Tie feeder between phase -5 substation, TGS & Tayo substation at Tata Growth shop			25		
Additional 11KV feeder for Large sector industrial area of AIADA.			93		
132KV line analyzer		24			
Cable fault locator		50			
Mobile Testing van with equipment		20			
Rural Distribution network for Gamharia, Seraikela & Chandil block	116	153	124.6	177	194.4
2nd 33KV feeder to Seraikela				241	90
Additional 33KV feeder for Large sector industrial area of AIADA.			99		
33KV feeder from Sonari 132/33KV substation and 2*15 Mva, 33/11KV substation at Electronic manufacturing cluster at AIADA				450	518
33/11KV, 2*5 Mva substation at Kanderberiya at NH#33 and 33KV overhead line from Sonari- JSR					1151
Works for Power connection to individual consumers	340	374	411	453	508
Other unforeseen capital works including small network strengthening to provide power supply to retail consumers	150	165	182	200	220
Carry over schemes from the previous control period	108				
Total (in Lacs)	714	1320	2138	2120	2681
Total (in Crs)	**7.1**	**13.2**	**21.4**	**21.2**	**26.8**

3.7 The estimates of the ARR proposed by the Petitioner for the MYT Control Period FY 17 to FY 21 are summarised in the following table:

Table: 7 ARR for the MYT period as submitted by the Petitioner (Rs Cr)

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Costs					
Power Purchase Cost	245.33	284	323.71	372.05	409.55
Operation & Maintenance Expenses	14.88	20.05	20.85	21.87	24.04
Depreciation	7.29	7.85	8.83	10.03	11.36
Net Interest & Finance Charges	9.87	9.59	9.76	10.07	10.42
DSM & CGRF Expenses	0.60	0.60	0.60	0.60	0.60
Total Costs	**277.97**	**322.09**	**363.75**	**414.62**	**455.97**
Add: Reasonable Return	6.67	7.06	7.83	10.23	11.52
Less: Non-tariff Income	0.24	0.24	0.24	0.24	0.24
Aggregate Revenue Requirement	**284.40**	**328.91**	**371.34**	**424.61**	**467.25**
Add: Sharing of Gains	**-**	**-**	**-**	**-**	**-**
Aggregate Revenue Requirement	**284.40**	**328.91**	**371.34**	**424.61**	**467.25**
Revenue @ Existing Tariff	256.75	267.74	284.51	304.60	313.14
Revenue claimed through FPPPA	6.75				
Revenue @ Existing Tariff including FPPPA	**263.50**	**267.74**	**284.51**	**304.60**	**313.14**
Revenue Gap/ (Surplus) for the year	**20.90**	**61.17**	**86.82**	**120.00**	**154.12**
Add: Past recoveries and Other Gaps	18.31	39.21	100.38	187.20	307.21
Total Revenue Gap / (Surplus) including past periods	**39.21**	**100.38**	**187.20**	**307.21**	**461.33**
Energy Sales	506.30	527.98	561.06	600.68	617.51
Average Cost of Supply	**5.62**	**6.23**	**6.62**	**7.07**	**7.57**

Tariff Proposal for FY 2016-17

3.8 JUSCO has proposed an average tariff hike of around 25% in order to liquidate the cumulative revenue gap till FY 2016-17. The consumer category-wise tariff proposal by JUSCO for FY 2016-17 has been summarized in following table.

Table 7: Summary of Proposed Tariff (Rs Cr)

Particulars	Fixed Charge		Energy Charge		
	Existing	Proposed	Unit	Existing	Proposed
DS – I (a), Kutir Jyoti Metered (0-50 units)	Nil	Rs. 15 per connection per month	Rs./kWh	1.10	1.20
DS – I (a), Kutir Jyoti Meterd (50-100 units)	Nil	Nil	Rs./kWh	1.10	1.20
DS – I (b), metered (0-200 units)	Nil	Rs.30 per connection per month	Rs./kWh	1.10	1.50
DS – I (b), metered (above 200 units)	Nil	Rs. 30 per connection per month	Rs./kWh	1.10	1.60
DS – II (<200 units)	Rs. 40 per connection per month	Rs. 50 per connection per month	Rs./kWh	1.60	2.60
DS – II (>200 units)	Rs. 50 per connection per month	Rs. 70 per connection per month	Rs./kWh	2.00	3.10
DS – III	Rs. 60 per connection per month	Rs. 110 per connection per month	Rs./kWh	2.00	3.20
DS HT	Rs. 50 per connection per month	Rs. 80 per connection per month	Rs./kWh	1.70	2.80
NDS – I, metered (<=2 kW) (0-100)	Nil	Rs. 30 per connection per month	Rs./kWh	1.40	1.90
NDS – I, metered (<=2 kW) (above 100)	Nil	Rs. 30 per connection per month	Rs./kWh	1.40	1.90
NDS – II	Rs. 120 per kW per month or part thereof	Rs. 160 per kW per month or part thereof	Rs./kWh	4.10	5.65
NDS- III	-	Rs.165 per kW per month or part thereof	Rs./kWh	-	6.50
LTIS (Installation)	Rs. 75 / HP / Month	Rs. 160 / HP / Month	Rs./kWh	3.90	5.30
LTIS (Demand)	Rs. 165 / KVA / Month	Rs. 255 / KVA / Month	Rs./kWh	3.90	5.30
IAS - I (Metered)	Nil	Nil	Rs./kWh	0.50	0.65
IAS - II (Metered)	Nil	Nil	Rs./kWh	0.75	1.10
HTS - 11 kV	Rs. 190 per kVA per month	Rs. 255 per kVA per month	Rs./kWh	4.90	6.00

Particulars	Fixed Charge		Energy Charge		
	Existing	Proposed	Unit	Existing	Proposed
HTS - 33 kV	Rs. 190 per kVA per month	Rs. 255 per kVA per month	Rs./kWh	4.90	6.00
HTSS – 11 kV	Rs. 350 per kVA per month	Rs. 440 per kVA per month	Rs./kW	3.00	3.65
HTSS – 33kV	Rs. 350 per kVA per month	Rs. 440 per kVA per month	Rs./kW	3.00	3.65
SS-I (Metered)	Rs. 25 / connection / month	Rs. 38 / connection / month	Rs./kWh	3.90	4.80
SS-II (Unmetered)	Rs. 110/100 watt lamp in addition Rs. 25 would be charged for each addition 50 watt lamp	Rs. 150/100 watt lamp in addition Rs. 95 would be charged for each addition 50 watt lamp	Rs./kWh	Nil	Nil
REC / SHG	Nil	Nil	Rs./kWh	0.70	2.00
Military Services	Rs. 160 per kVA per Month	Rs. 230 per kVA per Month	Rs./kWh	3.40	4.35

A4: PUBLIC CONSULTATION PROCESS

4.1 The tariff petition evoked response from several consumers. A public hearing was held on 28th January, 2017 at Adityapur to ensure maximum public participation wherein the Petitioner presented a summary of the Petition filed by it to the Commission as well as to the public.

4.2 The members of the public put forth their comments and suggestions before the Commission in the presence of the Petitioner. The list of the attendees is attached in **Annexure I**. The Commission also received written suggestions/ comments by the public on the tariff petition filed by the Petitioner.

4.3 During the course of public hearing, the Commission allowed persons/ representatives of entities, who had not submitted prior written representations but attended the public hearing, to express their views regarding the Petitions filed by the Petitioner for True-Up for FY 2014-15, Annual Performance Review of FY 2015-16, Business Plan and MYT Petition for Control Period FY 17 to FY 21 and Tariff proposal for FY 2016-17.

4.4 The issues raised in the written submissions, by the participants in the hearing and the reply of the Petitioner have been summarised herein below.

Power purchase cost

Public Comments/Suggestions

4.5 The Objectors expressed concern regarding the Petitioner claiming power purchase cost to the extent of Rs 22.51 Cr over and above the audited accounts figure for power purchase cost in FY 2014-15. They stated that Petitioner should not take up any expense related to purchase of power on mere assumption basis in ARR until and unless these are firmed up.

4.6 The Objectors also expressed that the Petitioner is claiming power purchase cost on "Expected per unit cost of TSL". These are not incurred but estimation from the Petitioner and such expenses shall be taken only at the time of true-up.

4.7 The Objectors further raised an issue regarding debit notes raised by Tata Steel Ltd. The Tariff Order dated 31.05.2015 was issued to Tata Steel for True up for FY 2013-14 and Annual Performance Review of FY 2014-15 and Revised ARR and Tariff for FY 2015-16. The Objectors inquired the rationale behind issuing a Debit note pertaining to FY 2012-13 of Rs. 10.07 Crores based on Tariff Order dated 31.05.2015 when matter relating to Tariff of Financial Year 2012-13 was not taken up for consideration in the said Tariff Order?

4.8 The Objectors also submitted that since the Tariff Order dated 31.05.2015 was applicable from 15 June 2015, Tata Steel ought not to have raised the Debit Notes for power supplies made prior to the date of applicability of the said Tariff Order.

4.9 The Objector further inquired about the methodology for arriving at the approved rates of Rs. 3.85/Kwh, Rs. 4.24/Kwh and Rs. 4.20/Kwh for FY 2012-13, FY 2013-14 & FY 2014-15 respectively in the said Debit Notes. The sources of such rates in the Tariff Order may be intimated to objector.

4.10 One of the objector submitted that the Petitioner should provide the detailed calculation (year-wise) of power purchase cost from DVC and Tata Steel.

4.11 Some of the Objectors also requested the Petitioner to provide a comparative study of international coal prices vis-à-vis national market to understand the mechanism of increase in cost of power purchase for the MYT control period.

Petitioner's Response

4.12 The Petitioner submitted that JUSCO purchases power from Tata Steel and DVC, the tariffs for which are determined by the Hon'ble Commission.

4.13 The Petitioner submitted that the expected increase of Rs.22.51 Cr has been reflected on account of adjustment of Debit Notes as per Tariff Orders. The claim is inclusive of Rs.19.66 Cr which has been allowed in tariff order dated 31.05.2015 and the same shall be reflected in the audited accounts of FY 2015-16.

4.14 The Petitioner further submitted that it has claimed expected power purchase cost from TSL for FY 2014-15 at Rs.4.30/ unit, as per information available from TSL at the time of preparation of the Petition.

4.15 The Petitioner also submitted that Rs.10.07 crores of FY 2012-13 is as per the Review Order of JUSCO dated 26.09.2014 read with Review Order of TSL dated 30.03.2015 under case no. 10 of 2014 / IA No. 02 of 2015.

4.16 The Petitioner also submitted that the debit notes are raised as per the Order of the Hon'ble Commission to pay for power purchase cost adjustments, based on Tariff orders of the suppliers, (here Tata Steel Limited).

4.17 The Petitioner further submitted the references for the sources requested above:

- Rs. 3.85/unit: Review Order of JUSCO, dated 29.09.2014.
- Rs. 4.24/unit: Clause 5.22 of JUSCO Tariff Order dated 31.05.2015.
- Rs. 4.20/unit: Clause 6.19 of JUSCO Tariff Order dated 31.05.2015.

4.18 The Petitioner submitted that the details of power purchase costs of last 5 years have been given in the Table 12 of section 3.4 of JUSCO Business plan. CAGR from FY 2011-12 to FY 2015-16 comes out to be 8.05%. However, for the purpose of forecast, Petitioner has considered average CAGR of 7%.

Views of the Commission

4.19 The Commission has dealt with these matters while approving the power purchase cost in the relevant sections of this Order.

Interest and Finance Charges and Return on Equity

Public Comments/Suggestions

4.20 The Objectors submitted that Hon'ble Commission must compare the Normative Equity Capital with the Actual Capital employed by the JUSCO to allow the actual Return on Equity.

Petitioner's Response

4.21 The Petitioner submitted that the equity is calculated as 30% of Gross Fixed Assets (GFA), net of Consumer contribution. Balance amount after taking out the equity portion from GFA is considered as debt and ARR is computed accordingly in the True Up petition for FY 2014-15.

4.22 The Petitioner further submitted that equity is taken as 30% of GFA net of Consumer Contribution. The treatment of equity and normative debt has been explained in detail sections 7.10 and 7.11 of JUSCO Business Plan Petition dated 18.04.2016.

Views of the Commission

4.23 The normative loan and equity amount and the subsequent interest and reasonable return on same have been approved strictly as per the Distribution Tariff Regulations, 2010 for the True up of FY 2014-15 and APR of FY 2015-16 and as per Distribution Tariff Regulations, 2015 for MYT control period FY 2016-17 to FY 2020-21.

Income Tax on ROE

Public Comments/Suggestions

4.24 The Objector submitted that the Petitioner has increased the approved ROE on ad-hoc basis which is not in line with the provisions of Section 115JB of the Income Tax Act, 1961. Petitioner should prepare separate accounts of PBD for income tax purpose and show that the approved ROE of Rs.3.87 Cr is the Book Profit within the meaning of Section 115JB of the Income Tax Act, 1961 before claiming income tax under MAT.

Petitioner's Response

4.25 The Petitioner submitted that for the FY 2014-15, it has paid Income Tax under MAT provision of the IT Act and for the FY 2015-16 also, it expects to pay taxes. As JUSCO pays tax for all its operations together, the income tax applicable to the power supply business of JUSCO needs to be arrived at on a normative basis. As there is a provision of allowing income tax limited to approve Return on Equity, the Petitioner has requested the Hon'ble Commission to allow normative income tax on allowed Return on Equity.

4.26 The Petitioner further submitted that the tax on Return on equity has already been revised in subsequent MYT filing, based on further available information. The same is given in Table 20 / section 1.15 of JUSCO MYT Petition dated 04.10.2016. In the revised submission, MAT rate for the period FY17 to FY19 has been considered, and thereafter, the normal corporate income tax rate has been considered.

Views of the Commission

4.27 The Commission has dealt with all these matters while approving the income tax on ROE in the relevant sections of this Order.

Consumer Contribution

Public Comments/Suggestions

4.28 The Objectors inquired about the rationale for projecting addition to Consumer Contribution in H2 of FY 2015-16 at Rs. 0.23 Crores.

4.29 The Objectors also submitted that the assumption of contribution to be received on account of capital assets from consumers in Business Plan petition has been purposefully kept low to take advantage of expenses such as Depreciation, Interest on Normative Loan, and Return on Equity etc.

4.30 The Objector further pointed out various errors in calculation of "Depreciation on account of consumer contribution".

Petitioner's Response

4.31 The Petitioner submitted that Rs.0.23 Crores of capital contribution was projected for H2 FY 2015-16, based on expected energization of consumer connections in H2 FY 2015-16.

4.32 The Petitioner further submitted that the capital contribution from consumers have been derived based on expected load growth and new consumer connections. Sanctioned Load is expected to increase from 174 MVA to 230 MVA by end of FY 21. Accordingly, capital contribution has been revised to Rs. 20.86 Cr from Rs.15 Cr in subsequent MYT filings.

4.33 The Petitioner also submitted that there is no error in the calculation of Depreciation on account of consumer contribution" and the same has been computed based on the relevant Regulations and prudent financial norms.

Views of the Commission

4.34 The Commission has scrutinised the submission of the Petitioner in detail and has approved the CWIP, GFA, consumer contribution and depreciation in the relevant sections of this Order as per relevant provisions of the Tariff Regulations and prudent financial norms.

Additional Expenses

Public Comments/Suggestions

4.35 One of the Objector requested that the Commission should not make provisions for the following additional expenses in the Business Plan. Instead they be should be considered at the time of True up exercise:

a) Additional R & M Expenses
b) Additional Manpower Expenses
c) CGRF Expenses
d) DSM Expenses

4.36 One of the Objector asked the Petitioner to provide the estimated details of CGRF expenses.

4.37 The Objectors further submitted that it was too early to calculate the impact of GST in determining the ARR.

Petitioner's Response

4.38 The Petitioner submitted the following response to the public comments:

a) Additional R & M Expenses have been primarily asked for non-routine civil health improvement of Substations. The Petitioner has requested the Hon'ble commission to kindly consider these expenses to ensure continued maintenance of civil part of substations.

b) Additional manpower expenses are required to meet the cost of additional manpower, needed to operate, inspect and maintain additional / growth of power distribution network in the area which is not included in indexation process of current employees.

c) CGRF Expenses are required to establish Consumer grievances redressal forum (CGRF), as per JSERC (Guidelines for establishment of Forum for Redressal of Grievances of the Consumers and Electricity Ombudsman) Regulations, 2011.

d) DSM Expenses are estimated on the basis of JSERC Guidelines on activities undertaken under (JSERC, Demand Side Management) Regulations, 2010. Petitioner is in the process of filing a separate petition for expenses related to DSM activities, as per DSM regulations 2010.

4.39 The Petitioner further highlighted that expenses which are known to incur in future need to be planned to run efficient and coordinated operations of the Licensee and therefore have been put up in the business plan.

Views of the Commission

4.40 The Commission has dealt with this issue in detail while approving the ARR in the relevant sections of this Order.

New consumer category

Public Comments/Suggestions

4.41 The Objectors submitted that 2 new tariff rates proposed in Business Plan have not been proposed in tariff proposal. The Objectors further suggested that the tariff for Big Apartments, Colony, societies etc. needs to be regulated where the Associations charge higher rate to individuals.

Petitioner's Response

4.42 The Petitioner submitted that in its MYT Tariff petition, only one new category has been proposed viz. NDS-III for Advertising and hoarding usage to align the tariff structure with that of the other licensees in the State.

4.43 The Petitioner further submitted that for big apartments, colony, society etc., a separate tariff DSHT already exists where its effective tariff remains comparable/ favourable to retail domestic tariff.

Views of the Commission

4.44 The Commission has dealt with this issue in section Tariff Related Other Issues of this Order.

Depreciation

Public Comments/Suggestions

4.45 The objector submitted that JUSCO has considered an average depreciation rate of 6% in Business plan petition for MYT control period FY 16-17 to FY 20-21, based on previous years which is contrary to the Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015. The basis of such assumption may be submitted. Calculation of depreciation on ad-hoc basis would also include depreciation on land which is against accounting principles. Therefore, Business Plan needs to be revised for calculating exact amount of depreciation.

Petitioner's Response

4.46 The Petitioner submitted that depreciation is calculated on basis of "Depreciation schedule" under Distribution Tariff Regulations, 2015 (Appendix-1). For future projections, as nature of expenditures / assets are same, average depreciation rate is considered. This average depreciation rate comes out as 6%, based on past period data, and therefore 6% average depreciation rate is considered for projection purpose. Also, no depreciation is considered on land in past.

Views of the Commission

4.47 In the absence of asset-wise details, the Commission is constrained to approve the depreciation rate as per the actual depreciation charge on the assets as stated in the audited annual accounts. The Commission has adopted similar methodology in the previous Tariff Orders as well.

4.48 The Commission directs the petitioner to submit asset class wise depreciation in accordance with the relevant provisions of the JSERC Distribution Tariff Regulations, 2015 in subsequent tariff petitions.

Timely Filling of Petitions

Public Comments/Suggestions

4.49 The Objector submitted that MYT Petition was filed on 5th October, 2016, after a delay of 9 months. The Hon'ble Commission may take note of the delay.

Petitioner's Response

4.50 The Petitioner submitted that the licensee had approached the Hon'ble Commission before filing the MYT petition.

Views of the Commission

4.51 The Commission observes that there has been inordinate delays in the filing of the tariff petitions by the Petitioner which delays the regulatory process for approval of tariff. The Commission directs the Petitioner to file the Petitions strictly as per the timelines stipulated in the Distribution Tariff Regulations.

Difference in Business Plan and MYT Petition

Public Comments/Suggestions

4.52 The Objector submitted that information submitted in MYT Petition is not consistent with the same given in the Business Plan Petition.

Petitioner's Response

4.53 The Petitioner submitted that consumer contribution was revised in the MYT petition, based on expected increase in sanctioned load, and other considerations. As consumer contribution was revised upward, all tables related to it like, depreciation for control period, interest on normative loan, return on equity and Annual Revenue Requirement were also revised. At the time of filing of MYT petition, two new elements of R&M, viz. IT System up gradation and impact of GST were known to the Petitioner which led to changes in R&M expenses. In MYT petition, the Security deposit amount was revised, as several new consumers have started providing Bank Guarantee in place of Cash security deposit. The new Electricity Supply Code 2015, became effective in this period, which had impact on security deposit.

Views of the Commission

4.54 The Commission directs the Petitioner to prepare petitions more carefully in future and ensure data consistency in its Petitions.

Tariff Hike proposed for FY 2016-17

Public Comments/Suggestions

4.55 The Objector submitted that in the tariff proposal of JUSCO for FY 2016-17, the thrust is to increase the Fixed Charges of all categories substantially. The Petitioner should explain the reason for proposing steep increase of fixed charges in almost all categories of consumers. The category of DSHT has been left out in Table No. 5.3.4 of Tariff Proposal whereas the same has been shown in Para 5.3.2 of Tariff Proposal.

4.56 The Objectors also submitted that JUSCO has proposed to levy a minimum 75% demand charge in place of 50%. The Petitioner also wants to levy steep penalty (2 times the normal tariff), if the agreement for revised load is not executed under the HTS category.

4.57 The Objectors also pointed out that the proposal of the Petitioner to computed contract demand based on the capacity of the furnace found after the measurement is a retrograde step and must be dispensed with.

Petitioner's Response

4.58 The Petitioner submitted that revenue from fixed charges should ideally be approximately 30%, based on the cost structure of the licensee. However, at current tariffs, revenue comes from fixed charges is low, which needs to be increased. In view of the same, Petitioner has proposed an optimal amount of increase in fixed charges. The proposed charges are also in line with the existing power tariff of other licensees in the state. In categories where fixed charges were not there or were very low, the same has been proposed to be increased to keep it in line with the tariff principles.

4.59 The Petitioner also submitted that levy of 100% fixed charge on a defaulting consumer is needed to ensure that cost, due to indiscipline behaviour of defaulting consumer, should not be passed on to a regularly paying consumer.

4.60 The Petitioner submitted that minimum 75% demand charges is required to ensure the efficient utilization of sanctioned load.

4.61 The Petitioner further submitted that it has not proposed to determine the contract demand based on the capacity of the furnace found after the measurement. However, as per the prevailing tariff, HTSS tariff is not applicable on consumers with contract demand below 300 kVA and induction furnace having melting capacity of 500 kVA or below.

Views of the Commission

4.62 The Commission has dealt with these issues in Tariff Schedule of this Order.

Tariff Structure related issues

Public Comments/ Suggestions

4.63 The Objectors submitted that the for penalty for exceeding Billing/ Contract Demand should not be changed without a detailed analysis of its impact because this matter was discussed elaborately in one of the Regional Advisory Council meeting of the Hon'ble Commission and it was allowed to continue in the manner as mentioned in the last Tariff Order.

4.64 One of the objector also submitted that incentive to achieve power factor at 85% should not be abolished as achievement of 85% power factor is a difficult task.

4.65 The objectors submitted that the Petitioner has proposed minimum charges ranging from Rs.50/- to Rs.500/- per consumers. The methodology of charging DPS should not be changed in the interest of consumers.

4.66 The Objector submitted that from the proposal it seems that the timings of peak hours from 6 am to 8 pm will attract 120% of normal rate of energy charges. The TOD tariff along with the steep hike in Fixed Charges and Energy Charges will affect micro and small units as they run their units only during the day time.

4.67 The Objectors also submitted that clause related to rebate on Sunday does not throw light on the categories of consumers on which the clause will be applicable. The objector also proposed that same rebate should be extended to workings on National Holidays.

Petitioner's Response

4.68 The Petitioner submitted that any power drawl beyond contract demand should not be promoted as it not only disturbs the stability of power supply system but also promotes in-discipline behaviour among the consumer. During the FY 2015-16, more than 300 cases of over drawl by consumers in various months were found, which needs to be checked by commercial mechanism like the proposal submitted.

4.69 The Petitioner also submitted that band for normal operation is kept with power factors 85% to 90%, and in case consumer maintains their PF above 90%, their efforts needs to be lauded through incentives.

4.70 The Petitioner further submitted that the purpose of DPS is to deter the consumers from defaulting towards payment of bills. For small consumer, a minimum amount of Rs.50/- is proposed to deter him from defaulting towards payment of bills. Default in payment increases costs at JUSCO end and therefore appropriate minimum level of DPS is required.

4.71 The Petitioner submitted that the purpose of TOD tariff is to level the overall demand curve of the Licensee. The changes have been proposed to match the demand curve of the system. The TOD tariff is optional tariff and therefore consumers, who can shift their demand to off peak hour, need to be incentivized

4.72 The Petitioner also submitted that clause related to rebate on Sunday is proposed to be applicable for industrial consumers, who opt for this scheme.

4.73 The Petitioner further requested the Hon'ble Commission to consider the changes proposed relating to installation of MCB and ELCB. Petitioner further proposed the following time line for its implementation:

LT Power supply — 60 days, and HT Power supply — 180 days.

Views of the Commission

4.74 The Commission has dealt with these issues in detail in the relevant section of tariff of this order.

A5: TRUE-UP FOR FY 2014-15

5.1 The Commission, in its MYT Order for FY 2013-14 to FY 2015-16, determined the ARR for each year of the 1st MYT Control period i.e. FY 2013-14 to FY 2015-16 based on the principles specified in the Distribution Tariff Regulations, 2010 and the information provided by the Petitioner.

5.2 The Commission, later, undertook the Annual Performance Review exercise for FY 2014-15 in its Tariff Order dated 31.05.2015 for True up of FY 2013-14, Annual Performance Review of FY 2014-15 and Revised ARR and Tariff for FY 2015-16.

5.3 The Petitioner has now sought approval from the Commission for True-Up of variations in the ARR for FY 2014-15 based on audited annual accounts.

5.4 The Commission has undertaken the exercise for truing up of controllable and uncontrollable components of ARR in line with Regulations 5.30 to 5.32 of the Distribution Tariff Regulations, 2010, as 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;

5.31 The Commission shall also permit pass-through of variations in controllable items on account of Force Majeure events such as acts of god, war, change in law etc, in the ARR for the ensuing year, based on the submission of actual values by the Licensee and subsequent validation and approval by the Commission;

5.32 The variation, from targets specified by the Commission, on account of controllable elements shall be subject to incentive-penalty framework, as detailed in the subsequent section".

5.5 For the purpose of clarity, the following table summarises the controllable and uncontrollable elements of the ARR, as defined in the Regulation 5.29 of the above mentioned regulation.

Table 8: Controllable & Uncontrollable ARR Elements

ARR Element	"Controllable"/"Uncontrollable"
Sales	Uncontrollable
Power Purchase Cost (excluding short term power)	Uncontrollable
Transmission & Load Dispatch charges;	Uncontrollable
O&M Expenses (excluding terminal liabilities of employees)	Controllable
Terminal liabilities of employees	Uncontrollable

ARR Element	"Controllable"/"Uncontrollable"
Interest and Financial Charges (including interest on loans, interest on working capital, interest on consumer security deposit, lease charges)	Controllable
Return on Equity	Controllable
Depreciation	Controllable
Taxes on Income	Uncontrollable
Foreign Exchange Rate variation	Uncontrollable
Non-Tariff income	Uncontrollable
Income from Other Businesses	Uncontrollable
Distribution Loss and Collection Efficiency	Controllable
Quality of Supply	Controllable
Capital Expenditure	Controllable

5.6 Accordingly, the Commission has passed through variation on account of uncontrollable parameters, after scrutiny with due diligence and verification and analysed the variation on account of controllable parameters which are subject to incentive/penalty framework subject to prudence check and verification.

5.7 In addition to above, while undertaking the truing up for FY 2014-15, the Commission is also guided by the Regulation 11.3, 11.4 and 11.5 of the Distribution Tariff Regulations, 2010, as reproduced below.

"11.3 These Regulations do not provide for any truing up for controllable items during the Control Period. Depreciation and return on capital shall be trued up only at the end of the Control Period. Truing up of other controllable items would be done only on account of Force Majeure events;

11.4 Variations on account of uncontrollable items like energy sales and power purchase cost shall be trued up with the Annual Performance Review. Truing-up shall be carried out for each year based on the actual/audited information and subject to the prudence check by the Commission;

11.5 Provided that if such variations are large, and it is not feasible to recover in one year alone, the Commission may take a view to create a regulatory asset, as per the guidelines provided in clause 8.2.2 of the National Tariff Policy;

Provided further that any adverse financial impact for variation in uncontrollable items due to lapse on part of the Licensee or its suppliers/contractors shall not be allowed in truing up;

The Commission, to ensure tariff stability, may include the trued-up costs in the subsequent Control Period's ARR instead of including in the year succeeding the relevant year of the Control Period"

5.8 Accordingly, the Commission has analysed the submission of the Petitioner with respect to the truing up of ARR for FY 2014-15, and has undertaken the true up exercise of various components based on the principles specified in the Distribution Tariff Regulations, 2010.

5.9 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Energy Balance

Petitioner's submission

5.10 The Petitioner has submitted energy sales for FY 2014-15 as 384.10 MUs against 372.86 MUs approved by the Commission in the last tariff order dated 31.05.2015.

5.11 The actual distribution losses achieved by Petitioner for FY 2014-15 were 0.86% against the approved level of 1.65% in Tariff Order dated 31.05.2015.

5.12 Based on above, the Petitioner submitted the actual energy available for FY 2014-15 as 387.42 MU.

Commission's analysis

5.13 The Commission scrutinised the figures submitted by the Petitioner and finds them to be in line with audited annual accounts for FY 2014-15. Accordingly, the Commission has approved the energy sales for FY 2014-15 as 384.10 MU based on audited accounts.

5.14 During FY 2014-15, the Petitioner has procured power from Damodar Valley Corporation (DVC) and Tata Steel Limited (TSL) for meeting energy requirements in its licensed area. The Commission has validated the data from actual power purchase bills for power procured from various sources. Accordingly, the Commission has approved 102.48 MU procured from DVC 33 KV, 283.85 MU from TSL 132 KV and 1.08 MU from TSL 6.6 KV for FY 2014-15.

5.15 Based on the approved energy sales and power purchase quantum, the Commission estimated the actual distribution loss achieved as 0.86% and same has been approved for FY 2014-15.

5.16 The following table details the energy sales, distribution losses and power purchase quantum as approved by Commission in the MYT Order dated June 2014, approved by the Commission in the previous Tariff Order dated 31st May 2015, actuals submitted by the Petitioner and approved now by the Commission for FY 2014-15:

Table 9: Energy Balance approved for FY 2014-15

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner	Approved Now
A. Energy Requirement				
Total Energy Sales	321.43	372.86	384.10	384.10
Overall distribution loss (%)	2.50%	1.65%	0.86%	0.86%
Overall distribution loss (MUs)	8.25	6.25	3.32	3.32
Total Energy Requirement	**329.68**	**379.11**	**387.42**	**387.42**
B. Energy Availability				
DVC	269.10	108.51	102.48	102.48
132 kV	*187.19*			
33kV	*81.91*			
From Tata Steel Ltd.	55.00	270.60	284.93	284.93
132 kV	*53.60*	*269.26*	*283.85*	*283.85*
6.6 kV	*1.40*	*1.34*	*1.08*	*1.08*
RPO Purchases	5.58	-		
Total Energy Availability	**329.68**	**379.11**	**387.42**	**387.42**

Power Purchase Cost

Petitioner's submission

5.17 As mentioned above, the Petitioner has sourced power from Tata Steel Limited (TSL) and Damodar Valley Corporation (DVC) during FY 2014-15.

5.18 The Petitioner purchased 284.93 MUs from TSL at cost of Rs. 122.52 Cr and 102.48 MU from DVC at cost of Rs. 46.69 Cr during FY 2014-15.

5.19 The Petitioner has further submitted that, in case of power procurement from TSL, the audited accounts indicate an expenditure of Rs. 100.01 Cr while it has claimed an additional Rs. 22.51 Cr. including cost on account of debit notes in accordance with the MYT Order dated 4th June 2014 for amount of Rs. 0.41 Cr for FY 2011-12, Rs. 1.56 Cr for FY 2012-13 and Rs 6.93 Cr for FY 2013-14.

5.20 Other than above, the Petitioner also submitted that it is not required to meet the RPO again on its subsequent purchase from DVC and TSL as both the licensees have already complied with the RPO on units sold by them to JUSCO.

5.21 Based on above, the Petitioner has claimed a total of Rs. 169.21 Cr towards the true-up of power purchase cost of FY 2014-15.

Commission's analysis

5.22 In case of power purchase from DVC, the Commission approves Rs. 46.69 Cr as power purchase cost based on audited accounts for FY 2014-15 and verification from month-wise power purchase bills from DVC.

5.23 In case of power purchase from TSL, the Commission has approved the power purchase rate at Rs. 4.30 per unit based on the average power purchase cost from all sources for TSL, for FY 2014-15, as approved by the Commission now in the Order on True up for FY 2014-15 and APR for FY 2015-16 dated 28th February, 2017. Accordingly, the Commission has approved the power purchase cost from TSL to be Rs. 122.53 for FY 2014-15.

5.24 The Petitioner submitted it has not considered any RPO as same has already been complied by DVC and TSL on units sold by them to JUSCO. The Commission has accepted the claim submitted by the Petitioner, which is also in line with the previous filing and subsequent Order of JUSCO dated May 31, 2015 issued by the Hon'ble Commission.

5.25 The following table summarises the power purchase cost as approved by the Commission in the MYT order dated June 4, 2014, APR order dated May 31, 2015 and the power purchase cost submitted by the Petitioner in the present petition and now approved by the Commission for FY 2014-15.

Table 10: Power Purchase Cost for FY 2014-15 approved by the Commission (Rs Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner	Approved Now
DVC	109.34	48.05	46.69	46.69
132 kV	*76.06*			
33 kV	*33.28*			
From Tata Steel Ltd.	19.28	113.69	122.52	122.53
132 kV	*18.79*			
6.6 kV	*0.49*			
RECs	*3.15*	-	-	-
Total power purchase cost	**131.77**	**161.74**	**169.21**	**169.22**
Power purchase quantum (MU)	329.68	379.11	387.42	387.42
Average power purchase rate (Rs/kWh)	**4.00**	**4.27**	**4.37**	**4.37**

Operation and Maintenance expenses

Petitioner's submission

5.26 For FY 2014-15, the Petitioner submitted the O&M expenses as per the audited accounts at Rs 11.23 Cr which includes Rs. 6.17 Cr. of employee cost, Rs. 3.07 Cr of R&M cost and Rs. 2.00 Cr. of A&G Cost.

5.27 The Petitioner has also stated that the minor difference between approved and incurred O&M expenses are because of increased level of activities for higher sales and also due to the impact of increase in contract cost due to increase in minimum wages as per minimum wage order issued by Jharkhand Government.

Commission's analysis

5.28 In line with the Regulations 5.29 to 5.32 of the Distribution Tariff Regulations, 2010, the O&M expense (excluding terminal liabilities of employees) is a controllable element of the ARR and any variation from targets on account of controllable elements is subject to incentive-penalty framework. Regulation 5.36 of the Distribution Tariff Regulations, 2010, further states that in case of aggregate loss, the licensee shall bear the entire loss.

5.29 The Commission had approved Rs. 10.76 Crore as O&M costs for FY 2014-15 in Tariff Order dated May 31, 2015. The actual O&M cost incurred by Petitioner during FY 2014-15 is Rs. 11.23 Crore as provided in the audited accounts for the year. As can be seen, the Petitioner has incurred higher costs than target. The entire aggregate loss on account of underperformance in case of controllable costs has to be borne by the licensee in line with the Distribution Tariff Regulations, 2010.

5.30 Accordingly, the Commission has approved the actual O&M costs incurred during FY 2014-15 at Rs. 11.23 Crore and also adjusted the share of licensee of the aggregate gain/loss on account of controllable parameters in the section on Sharing of aggregate gains/losses on account of controllable parameters in Para 5.74 of this Tariff Order.

5.31 The following table summarises the O&M expenses as approved by the Commission in the MYT order dated June 4, 2014, the O&M expenses approved by the Commission in Tariff Order dated May 31, 2015, the actual O&M expenses submitted by the Petitioner in the present petition and now approved by the Commission for FY 2014-15:

Table 11: O&M Costs for FY 2014-15 approved by the Commission (Rs Cr)

Particulars	Approved in MYT Tariff Order for FY 2014-15	Approved in APR	Submitted by the Petitioner for True-Up	Approved now by the Commission
Employee cost	6.27	6.24	6.17	6.17
A&G cost	3.26	3.25	2.00	2.00
R&M cost	1.36	1.27	3.07	3.07
Total O&M Cost	**10.89**	**10.76**	**11.23**	**11.23**

CWIP & Gross Fixed Asset

Petitioner's submission

5.32 The Petitioner submitted the Capital Work in Progress (CWIP) as Rs 10.52 Cr for FY 2014-15 against Rs 19.18 Cr approved by the Commission in the Tariff Order dated May 31, 2015 and Gross Fixed Assets (GFA) as Rs 131.35 Cr as derived from the audited annual accounts for FY 2014-15.

Commission's analysis

5.33 Regulation 5.28 read with Regulation 11.3 of the Distribution Tariff Regulations, 2010 specifies that capital expenditure is a controllable element of the ARR and any truing up under this head shall be carried out at end of the Control Period. However, Note 1 under Regulation 6.16 of the above-mentioned regulations provides for re-look at the capitalisation on account of deferment in actual capitalisation falling within the original scope of work and same can be serviced in the normative debt –equity ratio specified in the said Regulations.

5.34 On scrutiny of the information submitted by the Petitioner, the Commission observed that the difference between the actual expenditure and approved forecasts for FY 2014-15 were on account of non-initiation of 3 projects namely a) 33KV Power Line b) 132/33 KV substation at Chandil and 33/11 KV substation at Chandil sub-station and Chowka due to several issues like Land, Right of Way, and No/ Less Demand from that area.

5.35 In light of above, the Commission scrutinised the audited information provided by the Petitioner for actual additions to GFA, CWIP & capital expenditure during FY 2014-15.

5.36 The Commission has approved the GFA, CWIP and capital expenditure incurred during the year as per the audited accounts for FY 2014-15 based on the provisions specified in the above mentioned Regulations and the information submitted by the Petitioner.

5.37 The following table summarises the CWIP & GFA as approved by the Commission in the MYT order dated June 4, 2014, the CWIP & GFA submitted by the Petitioner in the present Petition and now approved by the Commission for FY 2014-15:

Table 12: CWIP and GFA approved for FY 2014-15 (Rs Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner	Approved Now
I. Capital works in progress (CWIP)				
Opening CWIP	17.69	30.13	30.13	30.13
Capex during the FY	19.18	19.18	10.52	10.52
Sub-total	**36.87**	**49.31**	**40.65**	**40.65**
Less: transferred to GFA	*16.37*	*16.37*	*10.73*	*10.73*
Closing CWIP	**20.50**	**32.94**	**29.92**	**29.92**
II. Gross fixed assets (GFA)				
Opening GFA	128.62	120.62	120.62	120.62
Transferred from CWIP	16.37	16.37	10.73	10.73
Closing GFA	**144.99**	**136.99**	**131.35**	**131.35**

Depreciation

Petitioner's submission

5.38 The Petitioner submitted that it has computed the depreciation costs based on Straight Line Method as prescribed in the Distribution Tariff Regulations, 2010 and as per the rates provided in Appendix-I to the above-mentioned regulations. Further, the depreciation cost proportionate to the extent of fixed assets funded through Consumer Contribution, has been deducted from the total depreciation in order to arrive at the net depreciation to be charged in the ARR.

5.39 Accordingly, the Petitioner has computed the gross depreciation for FY 2014-15 to be Rs. 7.32 Cr and after deducting the depreciation proportionate to the fixed assets funded through consumer contribution i.e. Rs.2.54 Cr, the net depreciation works out to Rs. 4.78 Cr.

Commission's analysis

5.40 As per the Regulation 11.3 of the Distribution Tariff Regulations, 2010, the depreciation and return on capital shall be Trued-Up only at the end of the Control Period. However, as summarised in Para 5.33 and 5.34 above, the Commission has considered the impact of phasing of capital expenditure and has revised the depreciation to that extent. This approach of the Commission is in line with the approach adopted by the Commission in the previous Tariff Order dated 31st May, 2015.

5.41 The following table summarises the depreciation as approved by the Commission in the MYT order dated June 4, 2014, depreciation as approved by the Commission in the Tariff Order dated May 31, 2015, the depreciation submitted by the Petitioner in the present petition and now approved by the Commission for FY 2014-15.

Table 13: Depreciation for FY 2014-15 approved by the Commission (Rs Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner	Approved Now
Gross Depreciation	8.01	7.54	7.32	7.32
Less: Depreciation on account of assets added through consumer contribution	*2.92*	*2.64*	*2.54*	*2.54*
Net Depreciation	**5.09**	**4.90**	**4.78**	**4.78**

Interest and Other Finance Charges

Interest on Loan

Petitioner's submission

5.42 The Petitioner submitted that in the absence of actual loan, the normative loan has been calculated considering capital investment norm in the regulatory regime in which debt equity-ratio has been kept at 70:30.

5.43 Therefore, deemed addition to the normative loan has been considered at 70% of the total CWIP capitalised during the financial year net of consumer contribution being transferred to capital reserve and reduced by the accumulated depreciation on own assets. The deemed repayment has been considered equivalent to the net depreciation cost for the said year.

5.44 The Petitioner states that normative interest rate has been taken at 14.75 % as per Distribution Regulations, 2010. The normative interest is calculated on the average balance of the loan during FY 2014-15 which amounts to Rs. 31.60 Cr. Accordingly, the interest on loan has been computed by the Petitioner as Rs 4.66 Cr for FY 2014-15.

Commission's analysis

5.45 In accordance with the Distribution Tariff Regulations, 2010, the Commission has computed the normative loan for the year equal to 70% of the closing GFA. The GFA has been considered net of consumer contribution on the basis of the audited accounts for the year.

5.46 Further, in accordance with the above-said Regulations, the interest on normative loan has been calculated on the average normative loan as outstanding during the year at the interest rate of 14.75%, which corresponds to SBI PLR as on 1st April, 2014.

5.47 The following table summarises the interest and other finance charges as approved by the Commission in the MYT order dated June 4, 2014, the interest and other finance charges as approved by the Commission in the tariff order dated May 31, 2015, the interest and other finance charges as submitted by the Petitioner in the present Petition and now approved by the Commission for FY 2014-15:

Table 14: Interest and Other Finance Charges for FY 2014-15 approved by the Commission (Rs. Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner	Approved Now
Opening Loan	31.99	31.70	31.70	31.70
Normative addition to the loan	3.24	8.61	4.58	4.58
Normative repayment	5.09	4.90	4.78	4.78
Closing loan	30.14	35.41	31.50	31.50
Average loan	**31.07**	**33.56**	**31.60**	**31.60**
Rate of Interest (%)	14.75%	14.75%	14.75%	14.75%
Interest on loans	**4.58**	**4.95**	**4.66**	**4.66**

Interest on Security Deposits

Petitioner's submission

5.48 The Petitioner has submitted the average security deposit amount as on year-end of FY 2014-15 as Rs. 48.50 Cr and the corresponding interest on security deposit claimed by the Petitioner is Rs. 4.25 Cr for FY 2014-15.

Commission's analysis

5.49 Regulation 5.28 read with Regulation 11.3 of the Distribution Tariff Regulations, 2010 specifies that interest on security deposits is controllable and adjustment shall be done only at end of Control Period.

5.50 However, the Commission in its Tariff Order dated May 31, 2015, had approved revised estimates for interest on security deposits for FY 2014-15 taking into account the impact of revised closing balance of security deposits for FY 2012-13 as per Commission's Order dated September 26, 2014.

5.51 Accordingly, the Commission has not undertaken True-Up of interest on security deposits as per above mentioned regulations and has approved the interest on security deposits as per the approved revised estimates for FY 2014-15 as per Commission's Order dated 31st May, 2015.

5.52 The following table summarizes the net interest and finance charges as approved by the Commission in the Tariff Order dated June 4, 2014, the interest and finance charges as approved by the Commission in the tariff order dated May 31, 2015, actual now submitted by the Petitioner and approved now by the Commission for FY 2014-15:

Table 15: Net interest and finance charges approved by the Commission for FY 2014-15 (Rs. Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner	Approved Now
Interest on Normative Loan	4.58	4.95	4.66	4.66
Interest on Security Deposit	2.56	4.56	4.25	4.56
Total Interest and Finance Charges	**7.14**	**9.51**	**8.91**	**9.22**

Return on Equity (RoE)

Petitioner's submission

5.53 The Petitioner submitted that the deemed addition to the normative equity has been taken at 30% of the total GFA during the financial year net of consumer. Accordingly, the RoE computed by the Petitioner for FY 2014-15 is Rs 3.87 Cr.

Commission's analysis

5.54 In accordance with the 'Distribution Tariff Regulations, 2010', the Commission has considered the equity base to be equal to 30% of gross fixed assets net of consumer contribution. The Commission has allowed a rate of return of 15.5% (post tax) on equity for FY 2014-15, which is as specified in the Clause 6.21 of the above mentioned regulations.

5.55 The following table summarises the return on equity as approved by the Commission in the MYT order dated June 4, 2014, the return on equity as approved by the Commission in the tariff order dated May 31, 2015 the return on equity submitted by the Petitioner in the present petition and now approved by the Commission for the truing up for FY 2014-15.

Table 16: Return on Equity for FY 2014-15 (Rs Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner for True-Up	Approved Now
Opening Normative Equity	24.12	23.96	23.96	23.96
Deemed Additions during the year	1.39	3.69	1.96	1.96
Closing Normative Equity	25.51	27.65	25.92	25.92
Normative Average Equity Base	**24.82**	**25.80**	**24.94**	**24.94**
Rate of ROE (%)	*15.50%*	*15.50%*	*15.50%*	*15.50%*
Return on Equity (Rs Cr)	**3.85**	**4.00**	**3.87**	**3.87**

Income Tax on Return on Equity

Petitioner's submission

5.56 The Petitioner submitted that it has paid income tax under MAT for FY 2014-15 and since JUSCO does not pay separate tax for its power supply business, the income tax applicable for power supply business of JUSCO needs to be arrived at the normative basis.

5.57 The Petitioner has computed ROE including tax by grossing up the ROE for FY 2014-15 by the income tax rate of 20.01%. Accordingly, the Return on equity as submitted by the Petitioner is Rs 4.83 Cr.

Commission's Analysis

5.58 According to Regulation 5.46 of Distribution Regulations, 2010, the Distribution licensee is allowed a tax on income, if any, on the allowed return of equity and the consumer's share in the incentive earned by licensee.

5.59 Accordingly, the Commission has allowed a tax on ROE at an income tax rate of 20.01%

Table 17: ROE including Income Tax for FY 2014-15 (Rs Cr.)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner for True-Up	Approved Now
Return on Equity	**3.85**	**4.00**	**3.87**	**3.87**
Tax Rate	-	-	20.01%	20.01%
Income Tax on ROE	-	-	0.97	0.97
ROE including Income Tax on ROE	-	-	**4.83**	**4.84**

Non-Tariff income

Petitioner's submission

5.60 The Petitioner submitted that Non-Tariff Income includes Meter Rent, Delayed Payment Surcharge and Supervision Charges among others. The amount of Non-Tariff Income as submitted by the Petitioner as per the audited annual accounts for FY 2014-15 is Rs. 0.36 Cr.

Commission's Analysis

5.61 The non-tariff income includes meter rent, equipment charges, hire charges from electrical installations and supervision charges.

5.62 As per Regulation 5.28 of the Distribution Tariff Regulations, 2010, non-tariff income is an uncontrollable element of the ARR. Regulation 5.30 of the said Regulations specifies that variation on account of uncontrollable items shall be treated as a pass through, to be ultimately charged to the consumers, subject to validation and approval of the Commission. Further Regulation 11.4 also provides for truing up for each year of variation on account of uncontrollable items based on actual/ audited information, subject to prudence check by the Commission.

5.63 In the audited accounts for FY 2014-15, the revenue from sale of power and other non-tariff income has been provided as Rs 179.19 Crore which includes revenue from sale of power of Rs. 179.07 Crore and other non-tariff income of Rs. 0.12 Crore.

5.64 However, the Petitioner in its Petition has again wrongly submitted the revenue from sale of power as Rs 178.83 Cr and non-tariff income as Rs. 0.36 Cr. The Petitioner, in its response to the Commission's deficiency note on the Petition, submitted that the difference is because of the formats used by the Petitioner to capture such income since the formats adopted in the Audited Accounts are different from the formats prescribed under Regulations. The revenue from operations are inclusive of income from meter rent and delayed payment surcharge. Further, the same does not impact the total revenue for FY 2014-15 i.e. Rs 179.19 Cr

5.65 Accordingly, the Commission has now approved the Non-Tariff Income at Rs 0.12 Cr for FY 2014-15, as per the annual audited accounts.

Revenue from sale of power

Petitioner's submission

5.66 The Petitioner has submitted revenue from sale of power for FY 2014-15 as Rs. 178.83 Cr as against Rs 177.83 Cr approved by the Commission in its Tariff Order dated May 31, 2015 which is not matching with the schedule and statements submitted as part of audited annual accounts for FY 2014-15.

Commission's Analysis

5.67 As stated above, the revenue from sale of power submitted by the Petitioner does not match the Revenue from operations from audited accounts of FY 2014-15 because of difference in formats. However, as True-Up is based on the audited data, the Commission approves the revenue from sale of power in line with the audited annual accounts for FY 2014-15 i.e. Rs. 179.07 Crore.

Sharing of aggregate gains/losses on account of controllable parameters

Petitioner's submission

5.68 The Petitioner submitted that its actual distribution loss of 0.86% is below the target of 2.50% set by the Hon'ble Commission. The Petitioner has further submitted that it is able to attain distribution losses at such a low level because of deployment of extra ordinary resources and efforts. To encourage such extra ordinary efforts, the Petitioner requested the Commission to allow sharing of gains for controlling losses as per the prevailing JSERC Tariff Regulations, 2010.

5.69 The Petitioner has considered a sharing of 40% of total savings with the consumers and 60% to be added in its revenue requirement. Accordingly, the Petitioner has claimed Rs. 1.71 Crore as its entitlement on account of savings in distribution loss for FY 2014-15.

5.70 The Petitioner has further claimed income tax on Licensee's share of gain as per Clause 6.46 of Distribution Regulations, 2010 and accordingly computed its share of gain including income tax as Rs 2.14 Cr.

Commission's Analysis

5.71 Appellate Tribunal of Electricity in its judgement dated February 19, 2016 in Appeal No 203 of 2014, in the matter of loss levels of the Tata Steel Limited, directed that the loss level considered by the Commission for determination of incentive/ penalty should be the normative one and not the actual one and should be strictly in accordance with the relevant provisions of Distribution Regulations, 2010. The relevant provisions of the judgement is reproduced below:

"18 The State Commission has fixed different percentage of loss level in their Regulations for different licensees considering their respective peculiarities. It is observed that the loss level of Jharkhand State Electricity Board has been fixed at a much higher level considering its specific position since it is catering to domestic & rural areas and the fact that the distribution licensees are not comparable. The loss level fixed in the above regulations is normative. There is no provision in the Regulations providing for adjustment of loss level from normative to the actual one. In the circumstances, the State Commission was required to follow its applicable Regulations and not to have adjusted the normative loss to actual loss. The concern expressed by the State Commission on the Appellant not extending the supply of electricity in various areas including domestic and rural for which the distribution license has been given and that the Appellant maintains the better consumer mix need to be addressed separately in an independent proceeding and the State Commission is at its liberty to act appropriately in accordance with the law. However, the same cannot be a ground for not allowing the benefit of incentive to the Appellant on achieving lower loss level as compared to that of normative as per the applicable Regulations."

"20 In view of the above, loss level to be considered should be the normative one and not actual and should be strictly in accordance with the relevant provisions contained in the Tariff Regulations, 2010 as notified by the State Commission"

5.72 Thus, in view of above and on similar principle, the Commission allows the sharing of gains on account of lower T&D loss of 0.86% achieved by JUSCO against the target of 2.5% for FY 2014-15. Regulation 5.34 of Distribution Tariff Regulations, 2010, specifies that the aggregate gain is to be shared in the ratio of 60:40 between the licensee and consumers; while the aggregate loss is to be borne by the Licensee.

5.73 The Commission has further computed income tax @ 20.01% on Licensee's share of gain as per Clause 6.46 of Distribution Regulations, 2010 and accordingly approved petitioner's share of gain including income tax as Rs.5.54 Cr.

5.74 Other than above, the Commission has determined the aggregate loss, on account of higher O&M cost incurred by the Petitioner vis-à-vis targets, which has to be borne by the Petitioner, in line with provisions of the Distribution Tariff Regulations, 2010. The Petitioner has incurred an actual O&M expense of Rs 11.23 Cr as against the revised O&M expenses of Rs 10.76 Cr approved in the Tariff Order dated May 31, 2015. Accordingly, the Commission has reduced the claim for ARR by Rs. 0.47 Cr (i.e. Rs. 11.23 Cr- Rs 10.76 Cr) on account of aggregate loss which is to be borne by the Petitioner.

Table 18: Gains/Losses of JUSCO for FY 2014-15

Particulars	Units	Submitted by the Petitioner	Approved Now
Energy Sales	MU	384.10	384.10
Loss Target Set by Commission	%	2.50%	2.50%
Energy Required at normative basis	MU	393.94	393.94
Actual achieved Distribution Loss	%	0.86%	0.86%
Actual energy purchased	MU	387.41	387.41
Power Purchase Cost Claimed	Rs Cr	169.21	169.22
Average Power Purchase Cost	Rs /Kwh	4.37	4.37
Energy Saved/ Reduction in Power Purchase	MU	6.53	6.53
Savings in Power Cost	Rs Cr	2.85	2.85
Shared with Consumers (40%)	Rs Cr	1.14	1.14
Entitlement of JUSCO	Rs Cr	1.71	1.71
Income Tax on JUSCO's share	Rs Cr	0.43	0.43
Entitlement of JUSCO including Income Tax on JUSCO's share of gain	**Rs Cr**	**2.14**	**2.14**
Penalty on O&M expenses	**Rs Cr**	**-**	**0.47**
Total Gains/Losses	**Rs Cr**	**2.14**	**1.67**

Summary of ARR for FY 2014-15

5.75 The following table contains the summary of the ARR as approved by the Commission in the MYT Order dated June 4, 2014, ARR as approved by the Commission in the Tariff Order dated May 31,2015, ARR submitted by the Petitioner in the present petition and now approved by the Commission for the truing up for FY 2014-15:

Table 19: Summary of Annual Revenue Requirement for FY 2014-15 (Rs Cr)

Particulars	Approved in MYT Tariff Order	Approved in APR	Submitted by the Petitioner for True-Up	Approved Now
Power Purchase Cost	131.77	161.74	169.21	169.22
O&M Expenses	10.89	10.76	11.23	11.23
Depreciation	5.09	4.90	4.78	4.78
Interest & Finance Charges	7.14	9.51	8.91	9.22
Return on Equity (including tax on ROE)	3.85	4.00	4.84	4.84
Less: Non-Tariff Income	0.70	0.70	0.36	0.12
Net ARR for Control Period	**158.04**	**190.21**	**198.60**	**199.16**
Revenue from Sale of Power @ Existing Tariff		**177.83**	**178.83**	**179.07**
Add: sharing of Gains/ Losses		-	2.14	1.67
Revenue Gap / (Surplus) for the year		**12.38**	**21.91**	**21.76**

A6: ANNUAL PERFORMANCE REVIEW FOR FY 2015-16

6.1 The Petitioner, in the APR Petition, requested for the Review of FY 2015-16 based on the actual performance during first half (April 2015 to September 2015) of FY 2015-16 and projections for remaining period i.e. October 2015 to March 2016. Since, the financial year of FY 2015-16 was completed at the time of submission of the Business Plan Petition for the MYT Control Period FY 17 to FY 21, the petitioner submitted revised estimates for FY 2015-16 in its Business Plan Petition. However, the Petitioner yet again revised its cost and revenue estimates of FY 2015-16 in its MYT Petition for control period FY 2016-17 to FY 2020-21.

6.2 The Commission has considered revised estimates for FY 2015-16 as proposed by the Petitioner in its MYT Petition for control period FY 2016-17 to FY 2020-21.

6.3 Regulation 10.1, 10.2 , 10.3 and 10.4 of the Distribution Tariff Regulations, 2010, specify the principles for review of performance if the licensee during the control period:

"10.1 To ensure smooth implementation of the Multi Year Tariff (MYT) Framework, the Commission may undertake periodic reviews of Licensees' performance during the Control Period, to address any practical issues, concerns or unexpected outcomes that may arise;

10.2 The Licensee shall submit the Annual Performance Review report as part of annual review on actual performance as per the timelines specified in the Section 12 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including latest available audited/actual accounts and the tariff worked out in accordance with these Regulations;

10.3 The Licensee shall also submit the revised Aggregate Revenue Requirement and corresponding tariff adjustments as per the timelines specified in the Section 12 of these Regulations. The revised estimates shall be required to true-up the costs on account of uncontrollable variations, profit sharing mechanism for exceeding the targets, and implementation of performance framework for quality of supply targets;

10.4 The Commission may also specify any modifications to the forecast of the Licensee for the remainder of the Control Period, with detailed reasons for the same"

6.4 Accordingly based on the principles specified in the aforesaid Regulations and the information made available by the Petitioner, the Commission has analysed all the components of revenue and expenditure for FY 2015-16 and has undertaken the annual performance review exercise of various components after a prudence check.

6.5 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Energy Balance

Petitioner's submission

6.6 The Petitioner has submitted revised estimates of energy sales for FY 2015-16 as 466 MUs against 378.78 MU's approved by the Commission in the last tariff order dated 31.05.2015.

6.7 Accordingly, the Petitioner has submitted energy available from all sources at 477.95 MU's. Accordingly, the distribution loss for FY 2015-16 has been submitted at 2.50%.

Commission's analysis

6.8 The Commission has approved the energy sales for FY 2015-16 based on the revised data submitted by the Petitioner for FY 2015-16. Accordingly, energy sales approved now by the Commission are 466 MUs for FY 2015-16, subject to True-up based in audited accounts.

6.9 During FY 2015-16, the Petitioner has procured power from TSL and DVC for meeting its energy requirement in its licensed area. Accordingly, the Commission has approved energy available from all sources during FY 2015-16 at 477.95 MU as submitted by the Petitioner, subject to True-up based on audited accounts.

6.10 Based on approved energy sales and energy availability, the distribution losses for FY 2015-16 are approved at 2.50%, subject to True-up based on audited accounts.

6.11 The following table details the energy sales, distribution losses and power purchase approved by Commission in the MYT Order dated June 4, 2014, approved by the Commission in Tariff Order dated May 31, 2015, submitted by the Petitioner and now approved by the Commission for FY 2015-16.

Table 20: Energy Balance (MUs) for FY 2015-16 approved by the Commission

Particulars	Approved in MYT Order	Revised ARR	Petitioner's Submission	Approved Now
A. Energy Requirement				
Total Energy Sales	342.29	378.78	466.00	466.00
Overall distribution loss (%)	2.50%	2.50%	2.50%	2.50%
Overall distribution loss (MUs)	8.78	9.71	11.95	11.95
Total Energy Requirement	**351.07**	**388.49**	**477.95**	**477.95**
B. Energy Availability				
DVC at 33 kV	81.91	108.50	100.00	100.00
DVC at 132 kV	221.52	106.89	40.00	40.00
From Tata Steel Ltd.	35.00	173.10	337.95	337.95
132 kV	33.70	171.76		
6.6 kV	1.30	1.34		
RPO *(target in MU)*	12.64	-		
Total Energy Availability	**351.07**	**388.49**	**477.95**	**477.95**

Power Purchase Cost

Petitioner's submission

6.12 As stated above, the Petitioner is procuring power from TSL and DVC (33 KV and 132 KV) for meeting consumption in its licensed area for FY 2015-16.

6.13 The Petitioner has considered power procurement from TSL at Rs 4.25 per unit and submitted the cost of power purchase at Rs 143.63 Cr. This includes an expected increase in power purchase cost of first half of FY 2015-16 to the extent of Rs 63.59 Cr.

6.14 In case of power purchase from DVC 33 KV, the Petitioner has submitted the cost of power purchase for FY 2015-16 as Rs. 49.00 Cr at an average rate of Rs. 4.90 per unit. Further, for DVC 132 KV, the Petitioner has projected the cost of power purchase for FY 2015-16 as Rs. 18.92 Cr at an average rate of Rs 4.73 per unit.

6.15 Other than above, the Petitioner submitted that since it is purchasing power from DVC and TSL, who are already complying with renewable power obligations, it is neither contemplating to procure power from renewable sources nor procuring any renewable energy certificates in FY 2015-16.

6.16 Based on above, the petitioner has submitted the total power purchase cost for FY 2015-16 is Rs. 211.55 Cr in comparison to Rs. 162.26 Cr earlier approved by the Commission in the Tariff Order dated May 31, 2015.

Commission's analysis

6.17 The Petitioner has submitted the copies of the power purchase bills of FY 2015-16. This included the power purchase from TSL and DVC (33 KV and 132 KV). Accordingly, the Commission has estimated the cost of power purchase based on actual power purchase bills for FY 2015-16.

6.18 In case of power purchase from DVC 33KV and 132 KV, the Commission approves power purchase cost after scrutinising the actual power purchase bills of FY 2015-16.

6.19 In case of power purchase from TSL, the Commission has considered the average rate of power purchase from all sources for FY 2015-16 for TSL as approved by the Commission in Tariff Order for TSL dated 28th February, 2017. Accordingly, the cost of power purchase from TSL for FY 2015-16 has been approved, as shown in the table below, considering an average rate of power purchase of Rs. 4.19 per unit.

6.20 Accordingly, the following table details the power purchase cost for FY 2015-16 as approved by the Commission in the MYT Order dated June 4, 2014, approved by the Commission in the Tariff Order dated May 31, 2015, submitted by the Petitioner in the present Petition and approved by the Commission now.

Table 21: Power purchase cost approved for FY 2015-16 (Rs Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner's Submission	Approved now
DVC at 33 KV	33.28	91.13	49.00	49.12
DVC at 132 KV	90.01		18.92	18.97
From Tata Steel Ltd.	12.65	71.13	143.63	141.71
132 kV	12.18	70.58		
6.6 kV	0.47	0.55		
RECs	5.68	-		
Total power purchase cost	**141.62**	**162.26**	**211.55**	**209.80**
Power purchase quantum (MU)	351.07	388.49	477.95	477.95
Average power purchase rate (Rs/kWh)	**4.03**	**4.18**	**4.43**	**4.39**

Operation and Maintenance expenses

Petitioner's submission

6.21 The Petitioner submitted that the employee and A&G expenses for FY 2015-16 have been estimated based on inflationary increase of 8.02% p.a. over actuals of previous year. The Petitioner has computed the inflation factor by taking an average of WPI and CPI inflation over the last 5 years since the inflation figures of FY 2014-15 were very depressed. Accordingly, the Petitioner submitted Rs 2.70 Cr and Rs 7.17 Cr as A&G costs and employee costs for FY 2015-16 respectively. The Petitioner submitted the R&M expense as Rs. 3.07 Cr for FY 2015-16.

Commission's analysis

6.22 Note 1 under Regulation 6.8 of the Distribution Tariff Regulations, 2010 specifies that the Commission will consider the actual values in the Inflation factor at the end of each year during the Annual Performance Review exercise and True-Up the employee cost and A&G expenses on account of this variation for the Control Period. Accordingly, the Commission has revised the employee expenses and A&G expenses for FY 2015-16 on the basis of actual value of inflation factor for FY 2015-16 viz. 4.36%.

6.23 For purpose of projecting R&M expenses, the Commission has considered the actual opening value of Gross Fixed Assets for FY 2015-16 and the 'K' factor as per the MYT Order dated 4th June, 2014 i.e. 1.05%.

6.24 The following table summarises the O&M expenses as approved by the Commission in the MYT Order dated June 4, 2014, approved by the Commission in the Tariff Order dated May 31, 2015, the projections submitted by the Petitioner in present petition and now approved by the Commission for FY 2015-16.

Table 22: O&M Costs for FY 2015-16 approved by the Commission (Rs Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner's Submission	Approved Now
Employee cost	6.75	6.69	7.17	6.29
R&M cost	1.53	1.44	3.07	1.39
A&G cost	3.51	3.48	2.70	2.04
Total O&M Cost	**11.80**	**11.61**	**12.94**	**9.71**

CWIP & Gross Fixed Asset

Petitioner's submission

6.25 The Petitioner submitted that Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA) have been derived based on closing amounts of FY 2014-15, data available for FY 2015-16 and capital expenditure and capitalisation during the year. The Petitioner has submitted that total additions in CWIP during FY 2015-16 are estimated at Rs. 8.44 Cr and the additions to GFA at Rs. 33.76 Cr.

6.26 The Petitioner has further stated that the major portion of capitalization in first half of the year i.e. Rs 27.15 Cr has been towards commissioning of the third power source of JUSCO which involves laying down of 14 km of 132 KV line from DVC.

Commission's analysis

6.27 As per regulation 5.13 of the Distribution Tariff Regulations, 2010, during Annual Performance Review, if the cumulative actual capital expenditure incurred is less than 10% of the cumulative approved capital expenditure, the Commission shall true-up the costs incidental to the actual capital expenditure in the current year and remaining years of the control period.

6.28 The Commission in the Tariff Order dated May 31, 2015 had approved a capital expenditure of Rs 14.00 Cr for FY 2015-16 against which the Petitioner has proposed actual expenditure of Rs 8.44 Cr only. The Petitioner has submitted that the difference between the estimated expenditure and approved forecasts for FY 2015-16 were on account of non-initiation of 3 projects namely a) 33KV Power Line b) 132/33 KV substation at Chandil and 33/11 KV substation at Chandil sub-station and Chowka due to several issues like Land, Right of Way, and No/Less Demand from that area.

6.29 However, the Commission observes that the variation between the approved capital expenditure and estimated expenditure for FY 2015-16 is more than 10%. Therefore, in accordance with the Regulation 5.13 of the Distribution Tariff Regulations, 2010, the Commission, at present, is retaining the capital expenditure for FY 2015-16 as approved in the Tariff Order dated 31st May, 2015 and shall undertake True-Up on the basis of actual capital expenditure incurred in the next tariff Petition.

6.30 The following table summarises the GFA & CWIP as approved by the Commission in the MYT Order dated June 4, 2014, approved by the Commission in the Tariff Order dated May 31, 2015, the projections submitted by the Petitioner in present petition and now approved by the Commission for FY 2015-16.

Table 23: CWIP and GFA for FY 2015-16 (Rs Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner's Submission	Approved Now
Capital Work in Progress (CWIP)				
Opening CWIP	20.50	32.94	29.92	29.92
Capex during the FY	24.03	14.00	8.44	14.00
Sub-total	44.54	46.94	38.36	43.92
Less: transferred to GFA	*19.77*	*27.77*	*33.76*	*27.77*
Closing CWIP	**24.76**	**19.17**	**4.60**	**16.15**
Gross Fixed Assets (GFA)				
Opening GFA	144.99	136.99	131.35	131.35
Transferred from CWIP	19.77	27.77	33.76	27.77
Closing GFA	**164.77**	**164.76**	**165.11**	**159.12**

Depreciation

Petitioner's submission

6.31 The Petitioner submitted that it has computed the depreciation costs based on Straight Line Method as prescribed in the Distribution Tariff Regulations, 2010, and as per the rates provided in Appendix-I to the above-mentioned regulations.

6.32 Further, the depreciation cost proportionate to the extent of fixed assets being funded through Consumer Contribution, has been deducted from the total depreciation in order to arrive at the net depreciation to be charged in the ARR. Accordingly, the Petitioner has computed the net depreciation for FY 2015-16 to be Rs. 6.54 Cr.

Commission's analysis

6.33 The Commission has determined the gross depreciation amount as per the opening and closing values of Gross Fixed Assets and the depreciation rates as per the JSERC MYT Distribution Tariff Regulations, 2010. Further, the depreciation has been considered as net of depreciation on account of consumer contribution.

6.34 The depreciation on account of consumer contribution has been calculated as per the methodology adopted in the MYT Order dated June 4, 2014.

6.35 Accordingly, the Commission has approved net depreciation at Rs. 5.86 Cr for FY 2015-16. The following table details the depreciation cost as submitted by the Petitioner and approved by the Commission for FY 2015-16.

Table 24: Depreciation for FY 2015-16 approved by the Commission (Rs Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner Submission	Approved Now
Gross Depreciation	9.07	8.83	9.22	8.50
Less: Depreciation on a/c of assets added through CC	3.52	2.64	2.68	2.64
Net Depreciation	**5.55**	**6.19**	**6.54**	**5.86**

Interest and Other Finance Charges

Interest on Loan

Petitioner's submission

6.36 The Petitioner submitted that in the absence of actual loan, the normative loan has been calculated considering capital investment norm in the regulatory regime in which debt equity ratio has been kept at 70:30.

6.37 Therefore, deemed addition to the normative loan has been considered at 70% of the total closing GFA net of consumer contribution being transferred to capital reserve and reduced by the accumulated depreciation on own assets. The deemed repayment has been considered equivalent to the net depreciation cost for the said year.

6.38 The Petitioner states that normative interest rate has been calculated at 11.30% as per the rates prevalent during the period. The normative interest is calculated on the average balance of the loan during FY 2015-16. Accordingly, the Petitioner has claimed interest on normative loan for FY 2015-16.

Commission's analysis

6.39 In accordance with the Distribution Tariff Regulations, 2010 and the principles adopted in the previous tariff order, the Commission has computed the normative loan for the year equal to 70% of the closing value of GFA. The GFA has been considered net of consumer contribution while the normative repayment is deemed to be equal to the depreciation charge during the year.

6.40 Further, in accordance with the above mentioned regulations, interest on normative loan has been calculated on the average normative loan outstanding during the year at the interest rate of 14.75% p.a. for FY 2015-16.

6.41 The following table details the interest on loan as submitted by the Petitioner and approved by the Commission for FY 2015-16.

Table 25: Interest and Other Finance Charges for FY 2015-16 (Rs. Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner Submission	Approved Now
Opening Balance of Normative Loan	30.14	35.40	31.50	31.50
Add: Deemed additions during the year	5.21	16.30	18.57	16.29
Less: Deemed Repayments	5.55	6.19	6.54	5.86
Closing Balance of Normative Loan	29.81	45.51	43.54	41.93
Average Balance of Normative Loan	**29.98**	**40.46**	**37.52**	**36.72**
Rate of Interest (%)	*14.75%*	*14.75%*	*11.30%*	*14.75%*
Normative Interest Amount	**4.42**	**5.97**	**4.24**	**5.42**

Interest on Security Deposits

Petitioner's submission

6.42 The Petitioner has created provisions for interest on security deposits of consumers at the rate of 9.30% p.a. during FY 2015-16. Accordingly, the proposed interest on Security Deposit for FY 2015-16 is Rs. 4.92 Cr based on projections for the year.

Commission's analysis

6.43 Regulation 5.28 read with Regulation 11.3 of the Distribution Tariff Regulations, 2010 specifies that interest on security deposit is a controllable element of the ARR and any truing up under this head shall be carried out at end of control period.

6.44 However, the Commission had revised interest on security deposits in Tariff Order dated May 31, 2015 on account of change in closing balance of security deposits for FY 2012-13 in the review Order dated September 24, 2014.

6.45 Accordingly in view of above, the Commission has approved interest on security deposit as per Tariff Order dated May 31, 2015 for FY 2015-16.

6.46 As per the analysis of the Commission detailed above, the net interest and finance charges for the FY 2015-16 is approved as follows:

Table 26: Interest and Other Finance Charges for FY 2015-16 (Rs. Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner Submission	Approved Now
Interest on Normative Loan	4.42	5.97	4.24	5.42
Interest on Security Deposits	4.66	4.74	4.92	4.74
Total Interest & Finance Charges	**9.08**	**10.70**	**9.16**	**10.15**

Return on Equity (RoE)

Petitioner's submission

6.47 The Petitioner submitted that the deemed addition to the normative equity has been taken at 30% of the total GFA during the financial year net of consumer contribution. The Petitioner has computed the normative return on equity which has been taken as 15.50%. Accordingly, the RoE computed by the Petitioner for FY 2015-16 is Rs 4.63 Cr.

Commission's analysis

6.48 In accordance with the Distribution Tariff Regulations, 2010, the Commission has considered the equity base to be equal to 30% of GFA. The GFA has been considered net of consumer contribution.

6.49 The Commission has allowed a rate of return of 15.5% (post tax) on equity for FY 2015-16, which is as per Regulation 6.20 of the above mentioned regulations and methodology adopted in MYT Order.

6.50 The table below details the Return on Equity submitted by the Petitioner and approved by the Commission for FY 2015-16 in MYT Order dated June 4, 2014, Tariff order dated May 31, 2015, RoE submitted by the Petitioner and approved by Commission now.

Table 27: Return on Equity for FY 2015-16 (Rs Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner Submission	Approved Now
Opening Normative Equity	25.51	27.65	25.92	25.92
Deemed Additions during the year	2.23	6.99	7.96	6.98
Closing Normative Equity	27.75	34.63	33.88	32.90
Normative Average Equity Base Rs. Cr.)	26.63	31.14	29.90	29.41
Rate of ROE (%)	15.50%	15.50%	15.50%	15.50%
Return on Equity (Rs Cr)	**4.13**	**4.83**	**4.63**	**4.56**

Income Tax on ROE

Petitioner's submission

6.51 The Petitioner submitted income tax on ROE at a rate of 32.45% for FY 2015-16. Accordingly, the Petitioner has requested the Commission to allow normative income tax of Rs 2.23 Cr for Power Business of JUSCO.

Commission's Analysis

6.52 The Commission is not allowing the income tax on ROE during the Annual Performance Review exercise for FY 2015-16. The Commission shall allow the income tax during the True-Up for FY 2015-16 based on audited accounts of the Petitioner and actual income tax paid by the Petitioner for FY 2015-16.

Non-Tariff income

Petitioner's submission

6.53 The Petitioner submitted that Non-Tariff Income includes Meter Rent, Delayed Payment Surcharge and Supervision Charges among others. The amount of Non-Tariff Income as projected by the Petitioner for FY 2015-16 is Rs. 0.57 Cr.

Commission's Analysis

6.54 The Commission has approved NTI as per the approval granted in its previous Tariff Order Order dated May 31, 2015 as Rs 1.30 Cr subject to True-Up based on audited annual accounts for FY 2015-16 and provisions of Distribution Tariff Regulations, 2010.

Revenue from sale of power

Petitioner's submission

6.55 The Petitioner proposed the revenue from sale of power for FY 2015-16 based on the revenue at existing tariff. Accordingly, the revenue from sale of power for FY 2014-15 as proposed by the petitioner is Rs. 244.10 Cr including Rs. 5.84 Cr on account of revenue claimed through FPPPA charges.

Commission's Analysis

6.56 The Commission has estimated the revenue from sale of power considering the approved sales for FY 2015-16 and tariff as per its Order dated 4th June 2014 for the first two months of FY 2015-16 and existing tariff as per its Order dated 31st May 2015 for the remaining months. Accordingly, the Commission approves the revenue from sale of power at Rs. 245.72 Cr for FY 2015-16 including revenue claimed on account of FPPPA charges i.e. Rs. 5.84 Cr subject to finalization during the true-up.

Summary of ARR for FY 2015-16

6.57 The following table contains the summary of ARR and revenue gap as submitted by the Petitioner and approved by the Commission for FY 2015-16.

Table 28: Summary of ARR for FY 2015-16 approved by the Commission (Rs Cr)

Particulars	Approved in MYT Order	Revised ARR	Petitioner Submission	Approved Now
Power Purchase Cost	141.62	162.26	211.55	209.80
O&M Expenses	11.8	11.61	12.94	9.71
Depreciation	5.55	6.19	6.54	5.86
Interest & Finance Charges	9.08	10.7	9.16	10.15
Return on Equity (including tax on ROE)	4.13	4.83	6.86	4.56
Less: Non-Tariff Income	1.3	1.3	0.57	1.30
Net ARR for Control Period	**170.88**	**194.29**	**246.48**	**238.78**
Revenue from Sale of Power @ Existing Tariff including FPPPA Charges		180.01	244.10	245.72
Revenue Gap / (Surplus) for the year		**14.28**	**2.38**	**(6.94)**

A7: BUSINESS PLAN FOR MYT PERIOD FROM FY 2016-17 TO FY 2020-21

7.1 The Petitioner filed its Business Plan for the 2nd MYT Control Period FY 2016-17 to FY 2020-21 in line with the Distribution Regulations, 2015. The relevant extract of the Regulations is as under:

"5.8 The business plan shall be for the entire Control Period and shall inter-alia contain;

a) Capital Investment Plan for the entire Control Period commensurate with load growth, *distribution loss reduction trajectory and quality improvement measures proposed in the Business Plan;*

b) Sales/Demand Forecast for each customer category and sub-categories for each year of the Control Period;

c) Power Procurement Plan based on the sales forecast and distribution loss trajectory for each year of the Control Period. The power procurement plan should also include energy efficiency and demand side management measures;

d) A set of targets proposed for other controllable items such as distribution losses, collection efficiency, working capital requirement, quality of supply targets, etc. The targets shall be consistent with the capital investment plan proposed by the Licensee;

e) Business Plan shall also contain the requisite information for the preceding five years. Provided that requisite information shall include year wise audited data on Scheme wise capital investment, distribution loss trajectory, quality improvement measures undertaken, category wise number of consumers, connected load and sales, source wise power procurement quantum and cost and any other information used for preparing projections of various components during the control period. In case of a new licensee such information is required to be submitted for the period of operations up to the start of the control period."

7.2 Accordingly, the Commission has approved the Business plan for the 2nd MYT Control Period from FY 2016-17 to FY 2020-21, in line with the relevant Regulations mentioned above containing approval for the load/ sales growth, loss trajectory, power procurement plan, distribution system strengthening and expected capital investment.

7.3 However, the Commission has not set any target for working capital requirement in the Business Plan as per Regulation 5.1 (d) of above-mentioned regulations. This is because the methodology for computing the working capital requirements would include determination of ARR for the entire MYT control period from FY 2016-17 to FY 2020-21 in this Order. The relevant provision of the Distribution Tariff Regulations, 2015 which provide for computing working capital has been reproduced below:

"6.29 Working Capital for the wheeling business of electricity for the Control Period shall consist of

(a) *One-twelfth of the amount of Operation and Maintenance expenses for wheeling business for such financial year; plus*

(b) *Maintenance spares at 1% of Opening GFA of wheeling business; plus*

(c) *Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*

(d) *Amount, if any, held as security deposits.*

6.30 Working Capital for the retail supply of electricity for the Control Period shall consist of:

(a) *One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus*

(e) *Maintenance spares at 1% of Opening GFA for retail supply business; plus*

(f) *Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*

(g) *Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus*

(h) *One month equivalent of cost of power purchased, based on the annual power procurement plan."*

7.4 As the above components would be determined as part of the ARR and Tariff for the entire control period, the targets for working capital for the MYT period from FY 2016-17 to FY 2020-21 would be approved by the Commission in its section for approval of ARR for the 2nd MYT period from FY 2016-17 to FY 2020-21 and Tariff for FY 2016-17.

7.5 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Capital Investment Plan

Petitioner's Submission

7.6 The Petitioner for the MYT Period FY 2016-17 to FY 2020-21 has proposed to undertake the following broadly classified capital expenditure schemes:

a) Augmentation of Power Supply
b) Installation and Upgradation of Power Transformers
c) New Subs –stations
d) Installation of Additional 33kv feeder

Table 29 Scheme Wise Capital Expenditure Plan for MYT Control Period submitted by the Petitioner (Rs Lacs)

Particulars	Scope	FY17	FY18	FY19	FY20	FY21
Augmentation of Transformation capacity of Phase#1 substation at AIADA - 2*5MVa to 2*10 MVa, 33/11KV	205	100	105			
2*5MVa Transformer with 33KV outdoor bus system at AIADA phase# 4 substation.	427	50	180	197		
33kV Feeder from TGS 132/33KV substation to Phase#4 substation at AIADA through 132KV tower & 33KV underground cable.	383	100	180	103		
33/11KV, 2*5 Mva substation at Seraikela (Shifting two existing transformer from Phase#1 substation)	293	30	170	93		
Augmentation of Transformation capacity at 132/33KV main substation at TGS	780	0		400	380	
Fire Fighting system for 132/33KV Transformer at Grid substation - TGS	220	0	20	200		
Extension of 33KV bus at 132/33KV substation at TGS	29	5	24			
33KV Tie feeder between phase -5 substation, TGS & Tayo substation at Tata Growth shop	25		10	15		
Additional 11KV feeder for Large sector industrial area of AIADA.	*93*		40	53		
132KV line analyzer	24		24			
Cable fault locator	50		50			
Mobile Testing van with equipment	20		20			
Rural Distribution network for Gamharia, Seraikela & Chandil block	804	145	155	117	192	195
2nd 33KV feeder to Seraikela	331			241	90	
Additional 33KV feeder for Large sector industrial area of AIADA.	99		60	39		
33KV feeder from Sonari 132/33KV substation and 2*15 Mva, 33/11KV substation at Electronic manufacturing cluster at AIADA	968			100	350	518
33/11KV, 2*5 Mva substation at Kanderberiya at NH#33 and 33KV overhead line from Sonari- JSR	1151			100	450	601
Works for Power connection to individual consumers	2086	340	374	411	453	508
Other unforeseen capital works including small network strengthening to provide power supply to retail consumers	916	150	165	182	200	220
Carry over schemes from the previous control period						
Total (in Lacs)	8904	920	1577	2251	2114	2041
Total (in Crs)	**89.0**	**9.2**	**15.8**	**22.5**	**21.1**	**20.4**

Table 30 Scheme Wise Capitalization for MYT Control Period submitted by the Petitioner (Rs Lacs)

Scheme Title	FY 17	FY 18	FY 19	FY 20	FY 21
Augmentation of Transformation capacity of Phase#1 substation at AIADA - 2*5MVa to 2*10 MVa, 33/11KV		205			
2*5MVa Transformer with 33KV outdoor bus system at AIADA phase# 4 substation.		150	277		
33kV Feeder from TGS 132/33KV substation to Phase#4 substation at AIADA through 132KV tower & 33KV underground cable.		150	233		
33/11KV, 2*5 Mva substation at Seraikela (Shifting two existing transformer from Phase#1 substation)			293		
Augmentation of Transformation capacity at 132/33KV main substation at TGS			400	380	
Fire Fighting system for 132/33KV Transformer at Grid substation - TGS				220	
Extension of 33KV bus at 132/33KV substation at TGS		29			
33KV Tie feeder between phase -5 substation, TGS & Tayo substation at Tata Growth shop			25		
Additional 11KV feeder for Large sector industrial area of AIADA.			93		
132KV line analyzer		24			
Cable fault locator		50			
Mobile Testing van with equipment		20			
Rural Distribution network for Gamharia, Seraikela & Chandil block	116	153	124.6	177	194.4
2nd 33KV feeder to Seraikela				241	90
Additional 33KV feeder for Large sector industrial area of AIADA.			99		
33KV feeder from Sonari 132/33KV substation and 2*15 Mva, 33/11KV substation at Electronic manufacturing cluster at AIADA				450	518
33/11KV, 2*5 Mva substation at Kanderberiya at NH#33 and 33KV overhead line from Sonari- JSR					1151
Works for Power connection to individual consumers	340	374	411	453	508
Other unforeseen capital works including small network strengthening to provide power supply to retail consumers	150	165	182	200	220
Carry over schemes from the previous control period	108				
Total (in Lacs)	714	1320	2138	2120	2681
Total (in Crs)	**7.1**	**13.2**	**21.4**	**21.2**	**26.8**

Commission's Analysis

7.7 The Commission, in the past, has time and again directed the Petitioner to expand its network and service area. The Commission observes that the Petitioner has proposed to incur expenditure on rural distribution schemes. The Commission, while appreciating the initiative of the Petitioner to expand its network, is also of the view that the funds allocated to the schemes are inadequate. The Commission directs the Petitioner to make all out efforts to expand its network and service area and ensure that the schemes proposed by the Petitioner for the same in its Business Plan Petition for the 2nd MYT Control Period are implemented expeditiously and efficiently.

7.8 Further, the Commission had also asked the Petitioner to submit the board approvals for all the proposed schemes for the MYT Period. However, even after repeated reminders, the Petitioner failed to provide the same. **In absence of the board approvals, the Commission only provisionally approves the capital expenditure scheme proposed by the Petitioner.** Further, the Petitioner is directed to submit the board approvals for the proposed schemes within 3 months of issuance of this Tariff Order.

7.9 The Commission also observes that, historically, the Petitioner has been unable to capitalize its capital expenditure as per projections in the schedule submitted along with the Petitioner's ARR & Tariff Petitions. Hence, the Commission has considered any new capital expenditure to be capitalized in the ratio of 50:20:20:10 in the first, second, third and fourth year, on the basis of historical trends. However, owing to the importance of the schemes proposed for expansion of network and service area such as the scheme corresponding to the *"Rural Distribution network for Gamharia, Seraikela & Chandil block"*, the Commission has approved the capitalisation scheme as proposed by the Petitioner. This is subject to True-Uup on the basis of audited accounts for relevant years.

7.10 The scheme wise capital expenditure and capitalization as approved by the Commission is tabulated below:

Table 31 Scheme Wise Capital Expenditure Plan for MYT Control Period approved by the Commission (Cr)

Particulars	Scope	FY17	FY18	FY19	FY20	FY21
Augmentation of Transformation capacity of Phase#1 substation at AIADA - 2*5MVa to 2*10 MVa, 33/11KV	205	100	105			
2*5MVa Transformer with 33KV outdoor bus system at AIADA phase# 4 substation.	427	50	180	197		
33kV Feeder from TGS 132/33KV substation to Phase#4 substation at AIADA through 132KV tower & 33KV underground cable.	383	100	180	103		
33/11KV, 2*5 Mva substation at Seraikela (Shifting two existing transformer from Phase#1 substation)	293	30	170	93		
Augmentation of Transformation capacity at 132/33KV main substation at TGS	780	0		400	380	

Particulars	Scope	FY17	FY18	FY19	FY20	FY21
Fire Fighting system for 132/33KV Transformer at Grid substation - TGS	220	0	20	200		
Extension of 33KV bus at 132/33KV substation at TGS	29	5	24			
33KV Tie feeder between phase -5 substation, TGS & Tayo substation at Tata Growth shop	25		10	15		
Additional 11KV feeder for Large sector industrial area of AIADA.	*93*		40	53		
132KV line analyzer	24		24			
Cable fault locator	50		50			
Mobile Testing van with equipment	20		20			
Rural Distribution network for Gamharia, Seraikela & Chandil block	804	145	155	117	192	195
2nd 33KV feeder to Seraikela	331			241	90	
Additional 33KV feeder for Large sector industrial area of AIADA.	99		60	39		
33KV feeder from Sonari 132/33KV substation and 2*15 Mva, 33/11KV substation at Electronic manufacturing cluster at AIADA	968			100	350	518
33/11KV, 2*5 Mva substation at Kanderberiya at NH#33 and 33KV overhead line from Sonari- JSR	1151			100	450	601
Works for Power connection to individual consumers	2086	340	374	411	453	508
Other unforeseen capital works including small network strengthening to provide power supply to retail consumers	916	150	165	182	200	220
Carry over schemes from the previous control period						
Total (in Lacs)	8904	920	1577	2251	2114	2041
Total (in Crs)	**89.0**	**9.2**	**15.8**	**22.5**	**21.1**	**20.4**

Table 32 Scheme Wise Capitalization for MYT Control Period approved by the Commission (Cr)

Scheme Title	FY 17	FY 18	FY 19	FY 20	FY 21
Augmentation of Transformation capacity of Phase#1 substation at AIADA - 2*5MVa to 2*10 MVa, 33/11KV	50	73	41	31	11
2*5 MVA Transformer with 33KV outdoor bus system at AIADA phase# 4 substation.	25	100	145	80	57
33kV Feeder from TGS 132/33KV substation to Phase#4 substation at AIADA through 132KV tower & 33KV underground cable.	50	110	108	67	39
33/11KV, 2*5 Mva substation at Seraikela (Shifting two existing transformer from Phase#1 substation)	15	91	87	56	36

Scheme Title	FY 17	FY 18	FY 19	FY 20	FY 21
Augmentation of Transformation capacity at 132/33KV main substation at TGS	0	0	200	270	156
Fire Fighting system for 132/33KV Transformer at Grid substation - TGS	0	10	104	44	42
Extension of 33KV bus at 132/33KV substation at TGS	3	13	6	5	2
33KV Tie feeder between phase -5 substation, TGS & Tayo substation at Tata Growth shop	0	5	10	5	4
Additional 11KV feeder for Large sector industrial area of AIADA.	0	20	35	19	15
132KV line analyzer	0	12	5	5	2
Cable fault locator	0	25	10	10	5
Mobile Testing van with equipment	0	10	4	4	2
Rural Distribution network for Gamharia, Seraikela & Chandil block	116	153	125	177	194
2nd 33KV feeder to Seraikela	0	0	121	93	66
Additional 33KV feeder for Large sector industrial area of AIADA.	0	30	32	20	14
33KV feeder from Sonari 132/33KV substation and 2*15 MVA, 33/11KV substation at Electronic manufacturing cluster at AIADA	0	0	50	195	349
33/11KV, 2*5 MVA substation at Kanderberiya at NH#33 and 33KV overhead line from Sonari- JSR	0	0	50	245	411
Works for Power connection to individual consumers	170	255	349	417	464
Other unforeseen capital works including small network strengthening to provide power supply to retail consumers	75	113	154	184	203
Carry over schemes from the previous control period	108				
Total (in Lacs)	612	1019	1631	1927	2071
Total (in Crs)	**6.12**	**10.19**	**16.31**	**19.27**	**20.71**

Distribution Loss Trajectory

Petitioner's Submission

7.11 The Petitioner has submitted a uniform loss trajectory of 2.50% during the Control Period FY 2016-17 to FY 2020-21 on the basis of current loss position of the licensee.

Commission's Analysis

7.12 The Petitioner had submitted that its actual losses during FY 2014-15 were 0.86%. However, the Commission is also aware of the fact that the Petitioner shall expand its network and service areas. Hence, the Commission for the purpose of projections for the MYT Period FY 2016-17 to FY 2020-21 approves the distribution loss trajectory of 2.00%.

Demand and Sales Forecast

Petitioner's Submission

7.13 For the MYT Control Period FY 2016-17 to FY 2020-21, the Petitioner has projected the number of consumers, connected load and sales on the basis of historical trends and information available to the Petitioner.

7.14 The Petitioner has projected the sales for retail consumers based on the average trend of increase in sales over the past years adjusted with specific information available to JUSCO and for HT consumers, sales and demand assessment has been done mostly on specific information available to JUSCO.

Commission's Analysis

7.15 In order to project the overall energy sales, connected load and no of consumers for the MYT Control Period FY 2016-17 to FY 2020-21, the Commission has considered the actual trend of yearly sales during the past years and other category specific information submitted by the Petitioner.

7.16 The following table summarizes the energy sales , connected load and no of consumers as submitted by the Petitioner and approved by Commission for MYT period FY 2016-17 to FY 2020-21

Table 33: Energy Sales for MYT Period submitted by the Petitioner (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS - I	0.16	0.19	0.22	0.25	0.28
DS - II	1.47	2.30	3.13	3.96	4.78
DS - III	6.17	7.33	8.50	9.66	10.83
DS HT	10.11	10.46	10.81	11.16	11.51
Non - Domestic					
NDS - I	0.00	0.00	0.00	0.00	0.00
NDS - II	4.57	5.15	5.72	6.29	6.87
Low Tension					

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
LTIS - I	10.41	11.53	12.64	13.76	14.87
High Tension Service					
HTS 11 kV	154.79	163.64	172.48	181.33	190.17
HTS 33 kV	277.56	277.56	288.95	311.74	311.74
HT Special Service					
HTSS 11 kV	21.05	24.97	28.89	32.82	36.74
HTSS 33 kV	20.01	24.86	29.71	29.71	29.71
Total	**506.30**	**527.98**	**561.06**	**600.68**	**617.51**

Table 34: Connected Load for MYT Period submitted by the Petitioner (KW)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS - I	221.58	266.43	311.27	356.12	400.97
DS - II	1916.01	2997.48	4078.96	5160.44	6241.91
DS - III	7446.28	8850.18	10254.07	11657.97	13061.86
DS HT	7479.33	7737.24	7995.15	8253.06	8510.96
Non - Domestic					
NDS - I	3.59	4.24	4.89	5.55	6.20
NDS - II	4377.30	4926.42	5475.53	6024.64	6573.75
Low Tension	0.00	0.00	0.00	0.00	0.00
LTIS - I	8545.81	9462.10	10378.39	11294.68	12210.97
High Tension Service					
HTS 11 kV	53532.46	56591.46	59650.46	62709.46	65768.45
HTS 33 kV	85266.00	85266.00	88766.00	95766.00	95766.00
HT Special Service					
HTSS 11 kV	5365.00	6365.00	7365.00	8365.00	9365.00
HTSS 33 kV	8250.00	10250.00	12250.00	12250.00	12250.00
Total	**182403.36**	**192716.54**	**206529.72**	**221842.90**	**230156.08**

Table 35: No of Consumers for MYT Period submitted by the Petitioner (Nos)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS – I	194	234	273	312	352
DS – II	879	1376	1872	2368	2865

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
DS - III	704	836	969	1102	1234
DS HT	29	30	31	32	33
Non - Domestic					
NDS - I	4	4	5	6	6
NDS - II	468	526	585	644	702
Low Tension					
LTIS - I	152	169	185	201	218
High Tension Service					
HTS 11 kV	175	185	195	205	215
HTS 33 kV	20	20	21	22	22
HT Special S					
HTSS 11 kV	5	6	7	8	9
HTSS 33 kV	6	6	7	8	8
Total	**2636**	**3392**	**4150**	**4908**	**5664**

Table 36: Energy Sales for MYT Period approved by the Commission (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS – I	0.15	0.18	0.21	0.24	0.27
DS – II	1.39	1.54	1.70	1.85	2.00
DS - III	5.79	6.88	7.98	9.07	10.16
DS HT	9.61	9.94	10.27	10.60	10.93
Non - Domestic					
NDS - I	0.00	0.00	0.00	0.00	0.00
NDS - II	4.29	4.83	5.37	5.91	6.45
Low Tension					
LTIS - I	10.78	11.94	13.09	14.25	15.41
High Tension Service					
HTS 11 kV	153.20	161.96	170.71	179.47	188.22
HTS 33 kV	274.71	274.71	285.99	308.54	308.54
HT Special Service					
HTSS 11 kV	16.95	16.95	20.83	24.71	28.60
HTSS 33 kV	19.80	19.80	24.60	29.40	29.40
Total	**496.67**	**508.73**	**540.74**	**584.03**	**599.97**

Table 37: Connected Load for MYT Period approved by the Commission (kW)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS - I	213.20	256.35	299.50	342.65	385.81
DS - II	1835.16	2036.21	2237.25	2438.30	2639.35
DS - III	7060.20	8391.30	9722.40	11053.50	12384.61
DS HT	7176.63	7424.10	7671.57	7919.04	8166.51
Non - Domestic					
NDS - I	3.38	3.99	4.60	5.22	5.83
NDS - II	4152.73	4673.67	5194.61	5715.55	6236.49
Low Tension	0.00	0.00	0.00	0.00	0.00
LTIS - I	8942.49	9901.31	10860.13	11818.95	12777.77
High Tension Service					
HTS 11 kV	53532.46	56591.46	59650.46	62709.46	65768.45
HTS 33 kV	85266.00	85266.00	88766.00	95766.00	95766.00
HT Special Service					
HTSS 11 kV	4365.00	4365.00	5365.00	6365.00	7365.00
HTSS 33 kV	8250.00	8250.00	10250.00	12250.00	12250.00
Total	**180797.23**	**187159.38**	**200021.53**	**216383.67**	**223745.82**

Table 38: Number of consumers for MYT Period approved by the Commission

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS - I	194	234	273	312	352
DS - II	879	976	1072	1168	1265
DS - III	704	836	969	1102	1234
DS HT	29	30	31	32	33
Non - Domestic					
NDS - I	4	4	5	6	6
NDS - II	468	526	585	644	702
Low Tension					
LTIS - I	152	169	185	201	218
High Tension Service					
HTS 11 kV	175	185	195	205	215
HTS 33 kV	20	20	21	22	22

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
HT Special Service					
HTSS 11 kV	5	5	6	7	8
HTSS 33 kV	6	6	7	8	8
Total	**2636**	**2991**	**3349**	**3707**	**4063**

Power Procurement Plan

Petitioner's Submission

7.17 The Petitioner projected the net energy requirement for MYT Period by grossing up the energy sales projections with distribution loss of 2.50% for each year of the control period.

7.18 To meet the projected energy requirement for the MYT period, the Petitioner has projected to source power from various sources which include TSL (6.6 KV, 132 KV), DVC at 132 KV and DVC at 33 KV.

Commission's Analysis

7.19 The Commission has projected the energy requirement for MYT period after grossing up the approved energy sales by the normative distribution loss target of 2.00% for each year of the Control Period.

7.20 The Commission has adopted the merit order principle in approving the power purchase quantum and consequently the power purchase cost. Based on the total energy requirement and quantum of energy to be purchased from various sources, the Commission has disallowed the purchase of energy from generating stations having the highest variable cost per unit among all the sources from where JUSCO procures power.

7.21 The Commission observes that the Petitioner has reduced its power procurement from TSL during the MYT period. The Petitioner has projected to procure 337.95 MUs in FY 2015-16 while the same has gradually reduced to 284.47 MUs by the end of the Control Period i.e. FY 2020-21. Moreover, no rationale has been provided by the Petitioner for the same. It is pertinent to note that TSL is the cheapest source of power amongst all the sources from where the Petitioner procures power. Hence, the Commission has approved the power purchase from TSL as per the approved quantum for FY 2015-16 i.e. 337.95 MUs and the same quantum has been approved for the entire MYT Control Period.

7.22 Further, the Petitioner is mandated to purchase power from renewable energy (RE) sources to meet its RPO. The Petitioner has submitted that both DVC and TSL are distribution licensees and show energy sale to petitioner as a part of its Energy Requirement and both the licensees fulfil RPO as a percentage of this energy requirement which includes petitioner's requirement. Hence, the Commission has not considered any Renewable Power Purchase for meeting the RPO and the commission approves the same.

7.23 Based on the above, the energy availability for the MYT period as submitted by the Petitioner and approved by the Commission has been summarised in following table.

Table 39: Energy availability for MYT Period submitted by the Petitioner (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
DVC at 33 KV	105.00	105.00	105.00	105.00	105.00
DVC at 132 KV	90.00	130.00	170.00	226.61	243.87
TSL (132 kV)	324.28	306.52	300.44	284.47	284.47
Power purchase quantum (MU)	**519.28**	**541.52**	**575.44**	**616.08**	**633.34**

Table 40: Energy availability for MYT Period approved by the Commission (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
DVC at 33 KV	78.86	51.16	43.83	31.40	30.40
DVC at 132 KV	90.00	130.00	170.00	226.61	243.87
TSL (132 kV)	337.95	337.95	337.95	337.95	337.95
Power purchase quantum (MU)	**506.81**	**519.11**	**551.78**	**595.95**	**612.22**

Collection Efficiency

Petitioner's Submission

7.24 The Petitioner has not submitted any targets for collection efficiency for the MYT Control Period.

Commission's Analysis

7.25 The Commission approved the collection efficiency targets for the MYT Control Period as per the provisions of the Distribution Tariff Regulations, 2015 which is 100% for each year of the Control Period.

A8: ARR FOR MYT PERIOD FROM FY 2016-17 TO FY 2020-21

8.1 This section contains a summary of the projections for various cost components of the ARR for the MYT period from FY 2016-17 to FY 2020-21 as submitted by the Petitioner and approved by the Commission.

Energy Sales

Petitioner's Submission

8.2 The Petitioner has projected the sales for retail consumers based on the average trend of increase in sales over the past years adjusted with specific information available to JUSCO and for HT consumers, sales and demand assessment has been done mostly on specific information available to JUSCO.

Commission's Analysis

8.3 As discussed in the previous chapter, in order to project the overall energy sales, connected load and no of consumers for the MYT Control Period FY 2016-17 to FY 2020-21, the Commission has considered the actual trend of yearly sales during the past years and other category specific information submitted by the Petitioner.

8.4 The following table summarizes the energy sales as submitted by the Petitioner and approved by Commission for MYT period FY 2016-17 to FY 2020-21

Table 41: Energy Sales for MYT Period submitted by the Petitioner (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS – I	0.16	0.19	0.22	0.25	0.28
DS – II	1.47	2.30	3.13	3.96	4.78
DS - III	6.17	7.33	8.50	9.66	10.83
DS HT	10.11	10.46	10.81	11.16	11.51
Non - Domestic					
NDS – I	0.00	0.00	0.00	0.00	0.00
NDS - II	4.57	5.15	5.72	6.29	6.87
Low Tension					
LTIS - I	10.41	11.53	12.64	13.76	14.87
High Tension Service					
HTS 11 kV	154.79	163.64	172.48	181.33	190.17
HTS 33 kV	277.56	277.56	288.95	311.74	311.74
HT Special Service					

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
HTSS 11 kV	21.05	24.97	28.89	32.82	36.74
HTSS 33 kV	20.01	24.86	29.71	29.71	29.71
Total	**506.30**	**527.98**	**561.06**	**600.68**	**617.51**

Table 42: Energy Sales for MYT Period approved by the Commission (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Domestic					
DS – I	0.15	0.18	0.21	0.24	0.27
DS – II	1.39	1.54	1.70	1.85	2.00
DS – III	5.79	6.88	7.98	9.07	10.16
DS HT	9.61	9.94	10.27	10.60	10.93
Non – Domestic					
NDS – I	0.00	0.00	0.00	0.00	0.00
NDS – II	4.29	4.83	5.37	5.91	6.45
Low Tension					
LTIS – I	10.78	11.94	13.09	14.25	15.41
High Tension Service					
HTS 11 kV	153.20	161.96	170.71	179.47	188.22
HTS 33 kV	274.71	274.71	285.99	308.54	308.54
HT Special Service					
HTSS 11 kV	16.95	16.95	20.83	24.71	28.60
HTSS 33 kV	19.80	19.80	24.60	29.40	29.40
Total	**496.67**	**508.73**	**540.74**	**584.03**	**599.97**

Energy Balance and Distribution Losses

Petitioner's Submission

8.5 The Petitioner projected the net energy requirement for MYT Period by grossing up the energy sales projections with distribution loss of 2.50% for each year of the control period.

8.6 To meet the projected energy requirement for the MYT period, The Petitioner has projected to source power from various sources which include TSL (6.6kV, 132kV), DVC at 132 kV and DVC at 33 kV.

Commission's Analysis

8.7 As discussed in Para 7.19, the Commission has projected the energy requirement for MYT period after grossing up the approved energy sales by the normative distribution loss target of 2.00% for each year of the Control Period.

8.8 Based on the above, the energy balance for the MYT period as submitted by the Petitioner and approved by the Commission has been summarised in following table.

Table 43: Energy Balance for MYT Period submitted by the Petitioner (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
ENERGY REQUIREMENT					
Sales to LT Consumers	22.78	26.49	30.21	33.92	37.64
Sales to HT Consumers	483.52	501.49	530.85	566.75	579.87
Total Energy Sales	506.30	527.98	561.06	600.68	617.51
Overall Distribution Losses %	2.50%	2.50%	2.50%	2.50%	2.50%
Overall Distribution Losses (MU)	12.98	13.54	14.39	15.40	15.83
Total Energy Requirement	**519.28**	**541.52**	**575.44**	**616.08**	**633.34**
ENERGY AVAILABILITY	-	-	-	-	-
- From Tata Steel Ltd (A)	-	-	-	-	-
132 kV,66 kV, 6.6 kV	324.28	306.52	300.44	284.47	284.47
- RPO Purchases (B)	-	-	-	-	-
Solar	-	-	-	-	-
Non-Solar	-	-	-	-	-
- From DVC at 33 kV (C)	105.00	105.00	105.00	105.00	105.00
From DVC at 132 kV (D)	90.00	130.00	170.00	226.61	243.87
- From Others/Traders (E)	-	-	-	-	-
Total Pooled Energy Availability (A+B+C+D+E)	**519.28**	**541.52**	**575.44**	**616.08**	**633.34**

Table 44: Energy Balance for MYT Period approved by the Commission (MUs)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
ENERGY REQUIREMENT					
Sales to LT Consumers	22.41	25.38	28.35	31.32	34.29
Sales to HT Consumers	474.27	483.35	512.40	552.72	565.69
Total Energy Sales	**496.67**	**508.73**	**540.74**	**584.03**	**599.97**
Overall Distribution Losses %	2.00%	2.00%	2.00%	2.00%	2.00%
Overall Distribution Losses (MU)	10.14	10.38	11.04	11.92	12.24

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Energy Requirement	**506.81**	**519.11**	**551.78**	**595.95**	**612.22**
ENERGY AVAILABILITY					
- From Tata Steel Ltd (A)					
132 kV,66 kV, 6.6 kV	337.95	337.95	337.95	337.95	337.95
- RPO Purchases (B)	-	-	-	-	-
Solar	-	-	-	-	-
Non-Solar	-	-	-	-	-
- From DVC at 33 kV (C)	78.86	51.16	43.83	31.40	30.40
From DVC at 132 kV (D)	90.00	130.00	170.00	226.61	243.87
- From Others/Traders (E)	-	-	-	-	-
Total Pooled Energy Availability (A+B+C+D+E)	**506.81**	**519.11**	**551.78**	**595.95**	**612.22**

Power Purchase Cost

Petitioner's Submission

8.9 The Petitioner had projected the cost of power purchase from TSL (132 kV) at Rs. 4.25 per unit during FY 2015-16 and thereafter considered a CAGR of 7% over the past six years for projections of power purchase rate for the Control Period FY 2016-17 to FY 2020-21

8.10 The Petitioner had projected the cost of power purchase from DVC at 33kV and 132 kV at the rate of Rs.4.90 and Rs.5.06 per unit during FY 2015-16 respectively and thereafter considered a CAGR increase of 7% for projections of power purchase rate for the Control Period FY 2016-17 to FY 2020-21.

Commission's Analysis

8.11 The Commission has projected that the approved energy requirement shall be met through power available from TSL (6.6kV, 132kV), DVC at 132 kV and DVC at 33 kV.

8.12 The Commission has adopted the merit order principle in approving the power purchase quantum and consequently the power purchase cost. Based on the total energy requirement and quantum of energy to be purchased from various sources, the Commission has disallowed the purchase of energy from generating stations having the highest variable cost per unit among all the sources from where JUSCO procures power. However, the fixed cost for the disallowed quantum of energy has been allowed by the Commission.

8.13 The power purchase cost from TSL has been projected as per the average power purchase cost of TSL for the MYT period approved in the MYT Order for TSL dated 28th February, 2017.

8.14 The power purchase cost from DVC at 33KV and 132 kV for the MYT period has been approved as per merit order principle, as discussed above. The fixed charges for each year of the Control Period have been approved considering the total fixed charges for FY 2015-16, verified from the power purchase bills of FY 2015-16 submitted by the Petitioner, and escalating the same at the rate of 2.5% p.a. subject to true up on the basis of actual data. The energy charges have been approved equal to the actual energy charges for FY 2015-16. Any increase in cost due to variation in fuel price will be allowed to be pass through on the basis of actual power purchase costs in accordance with the FPPPA claim to be submitted by the Petitioner.

8.15 Further, the Petitioner is mandated to purchase power from renewable energy (RE) sources to meet its RPO. The Petitioner has submitted that both DVC and TSL are distribution licensees and show energy sale to petitioner as a part of its Energy Requirement and both the licensees fulfil RPO as a percentage of this energy requirement which includes petitioner's requirement. Hence, the Petitioner has not considered any Renewable Power Purchase for meeting the RPO and the Commission approves the same.

8.16 The following table summarises the power purchase cost as submitted by the Petitioner and approved by the Commission for MYT period.

Table 45: Power Purchase Cost for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
DVC at 33 KV	52.24	55.89	59.81	63.99	68.47
DVC at 132 KV	45.55	70.39	98.50	140.49	161.77
TSL (132 kV)	147.55	157.71	165.41	167.57	179.30
Total power purchase cost (Cr)	**245.33**	**284.00**	**323.71**	**372.05**	**409.55**
Power purchase quantum (MU)	519.28	541.52	575.44	616.08	633.34
Average power purchase rate (Rs/kWh)	**4.72**	**5.24**	**5.63**	**6.04**	**6.47**

Table 46: Power Purchase Cost for MYT Period approved by the Commission (Rs Cr)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
DVC at 33 KV	38.92	25.37	21.84	15.73	15.30
DVC at 132 KV	42.92	62.34	81.99	109.93	119.01
TSL (132 kV)	143.37	140.93	143.63	145.32	145.99
Total power purchase cost (Cr)	**225.21**	**228.64**	**247.46**	**270.97**	**280.31**
Power purchase quantum (MU)	506.81	519.11	551.78	595.95	612.22
Average power purchase rate (Rs/kWh)	**4.44**	**4.40**	**4.48**	**4.55**	**4.58**

Operation and Maintenance Expenses

Petitioner's Submission

8.17 The Petitioner has segregated the O&M into R&M Expenses, A&G Expenses and Employee expenses. In case of employee costs and A&G costs, the Petitioner has increased the base costs on the basis of inflation factor per annum and considered impact of GST to project costs for MYT period. While in case of R&M costs, the ratio of actual R&M costs to opening GFA based on audited accounts along with additional costs for civil works and upgradation of IT systems has been considered for projecting R&M costs for MYT period.

8.18 In addition to above, the Petitioner has also projected expenditure to be incurred during MYT period on CGRF/ DSM. The total expenditure proposed to be incurred under these heads are approx. Rs.10 lacs and Rs.50 lacs per year during the MYT control period.

Commission's Analysis

8.19 For the MYT period, the Commission has projected the O&M expenses separately for each component of O&M expenses as per the Distribution Tariff Regulations, 2015. The Commission is approving the component-wise O&M costs only provisionally and these estimates will be subject to true up during the Annual Performance Review/ True up during next year based on the actual break-up of O&M cost provided by the Petitioner in its audited accounts.

8.20 The Commission has approved the R&M costs for MYT Period as a ratio of the opening GFA for the year. The ratio has been estimated on the basis of ratio of approved R&M cost and opening GFA for FY 2014-15 and works out to 2.54%.

8.21 The Commission has provisionally approved the A&G cost and employee cost for the MYT period by escalating the actual A&G cost by the weighted average inflation factor i.e. 4.36% p.a. calculated as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.

8.22 Further, 6.6 (b) of Distribution Tariff Regulations, 2015 provides for determination of G(n) factor to compute the increase in employee expenses due to increase in consumer base/load growth. Accordingly, the Commission has computed the total employee cost per connected load for FY 2011-12 based on audited data and inflated it by weighted average inflation factor of each year to arrive total employee cost per connected load for FY 2015-16. Thereon, the weighted average inflation factor for FY 2015-16 has been used to determine the total Employee Cost per connected load for each year of the Control Period. The total Employee Cost for each year of the Control Period has then been multiplied by the increase in connected load of each year to determine the increase in employee cost because of increase in load growth/ network base.

8.23 However, the incremental employee cost approved is only provisional and shall be re-determined on the basis of actual addition in connected load during the year during Annual Performance Review/ True up of the respective years. Moreover, the Commission has not considered any impact of GST and the same shall be considered at the time of True-up of the relevant years based on audited information.

8.24 The following table summarises the O&M expenses as submitted by the Petitioner and approved by the Commission for MYT Period.

Table 47: O&M Expenses for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
A. A&G Costs	2.92	3.27	3.53	3.81	4.12
B. R&M Costs	3.95	7.75	7.00	6.25	6.78
C. Employee costs	8.01	9.03	10.31	11.80	13.14
Total O&M Expenses (A + B + C)	**14.88**	**20.05**	**20.84**	**21.86**	**24.04**
CGRF Expenses	0.10	0.10	0.10	0.10	0.10
DSM Expenses	0.50	0.50	0.50	0.50	0.50

Table 48: O&M Expenses for MYT Period approved by the Commission Rs Cr)

Particulars	Approved by the Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
A. A&G Costs *	2.13	2.22	2.32	2.42	2.52
B. R&M Costs	4.04	4.20	4.46	4.87	5.36
C. Employee costs					
Employee Expenses-Base year	6.29	6.59	6.90	7.25	7.63
Inflation Factor	4.36%	4.36%	4.36%	4.36%	4.36%
Employee Expenses	6.56	6.87	7.20	7.57	7.96
Additional Manpower Cost on account of increase in Connected Load/Consumer Base	*0.02*	*0.02*	*0.05*	*0.07*	*0.03*
Total Employee Expenses	6.59	6.90	7.25	7.63	8.00
Total O&M Expenses (A + B + C)	**12.76**	**13.32**	**14.02**	**14.92**	**15.88**

**Includes CGRF/ DSM Expenditure proposed to be incurred during MYT Period*

Capital Expenditure plan, CWIP and GFA

Petitioner's Submission

8.25 The Petitioner for the MYT Period FY 2016-17 to FY 2020-21 has proposed to undertake capital expenditure schemes which are broadly classified into the following categories:

a) Augmentation of Power Supply
b) Installation and Upgradation of Power Transformers
c) New Subs –stations
d) Installation of Additional 33 KV feeder

8.26 The scheme-wise details of the capital expenditure and capitalisation proposed for the MYT Control Period have been detailed in the previous chapter on the Business Plan for the MYT Control Period.

Commission's Analysis

8.27 As discussed in the previous chapter of this Order, the Commission provisionally approves the capital expenditure schemes proposed by the Petitioner and directs the Petitioner to submit the board approvals for the proposed schemes within 3 months of issuance of this Tariff Order.

8.28 Based on the approved capital investment and the capitalisation plan, the following table summarises the GFA and CWIP as submitted by the Petitioner and approved by the Commission for MYT period.

Table 49: GFA and CWIP for MYT period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
A. Capital Works in Progress (CWIP)					
Opening CWIP	2.36	4.42	6.99	8.13	8.07
Add: Additions (Capex during FY)	9.20	15.28	21.48	19.52	18.14
Sub-total	11.56	19.70	28.47	27.65	26.21
Less: T/fed to GFA during FY	7.14	12.71	20.35	19.58	24.53
Closing CWIP	**4.42**	**6.99**	**8.13**	**8.07**	**1.67**
B. Gross Fixed Assets (GFA)					
Opening GFA	165.11	172.25	184.96	205.31	224.89
Add: T/fed from CWIP	7.14	12.71	20.35	19.58	24.53
Closing GFA	**172.25**	**184.96**	**205.31**	**224.89**	**249.42**

Table 50: GFA and CWIP for MYT period approved by the Commission (Rs Cr)

Particulars	Approved by the Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
A. Capital Works in Progress (CWIP)					
Opening CWIP	16.15	19.23	24.32	29.49	29.74
Add: Additions (Capex during FY)	9.20	15.28	21.48	19.52	18.14
Sub-total	25.35	34.51	45.80	49.01	47.88
Less: T/fed to GFA during FY	6.12	10.19	16.31	19.27	20.71
Closing CWIP	**19.23**	**24.32**	**29.49**	**29.74**	**27.17**
B. Gross Fixed Assets (GFA)					
Opening GFA	159.12	165.24	175.43	191.74	211.01
Add: T/fed from CWIP	6.12	10.19	16.31	19.27	20.71
Closing GFA	**165.24**	**175.43**	**191.74**	**211.01**	**231.72**

Depreciation

Petitioner's Submission

8.29 The Petitioner submitted that it has computed depreciation by using an average depreciation rate of 6%. The Petitioner has then used this depreciation rate to compute gross depreciation of each year by multiplying the same with the average GFA of the year. Further, the depreciation on assets created of consumer contribution has been deducted while considering net depreciation charged to ARR.

Commission's Analysis

8.30 The Commission estimated the gross depreciation as per the depreciation rates in the Appendix-I of the Distribution Tariff Regulations, 2015, and the average GFA for the year. Further, depreciation is reduced to the extent of depreciation on account of consumer contribution.

8.31 Following table summarizes the gross and net depreciation as submitted by the Petitioner and approved by the Commission for MYT period.

Table 51: Depreciation for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Gross Depreciation	10.12	10.73	11.77	13.05	14.49
Depreciation on Account of Consumer Contribution	2.83	2.88	2.94	3.02	3.12
Net Depreciation	**7.29**	**7.85**	**8.83**	**10.03**	**11.37**

Table 52: Depreciation for MYT Period approved by the Commission (Rs Cr)

Particulars	Approved by the Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Gross Depreciation	9.42	9.89	10.66	11.70	12.86
Depreciation on Account of Consumer Contribution	3.10	3.37	3.66	4.01	4.42
Net Depreciation	**6.32**	**6.52**	**7.00**	**7.68**	**8.44**

Interest and Other Finance Charges

Interest on Loan

Petitioner's Submission

8.32 The Petitioner has projected normative loan as per the methodology prescribed by the Commission. The deemed repayments for normative loans has been considered equivalent to the net depreciation cost of the financial year and the 70% of deemed additions to the loans, net of Consumer Contributions, are considered as additions to load during the year. The interest rate for licensed operations of JUSCO has been taken at 11.30% and the normative interest is being computed on the average balance of deemed loans for each year of the MYT period.

Commission's Analysis

8.33 In accordance with the Distribution Tariff Regulations, 2015, the Commission has computed the normative loan for each year of the MYT period equal to 70% of the closing GFA. The GFA has been considered at net of consumer contribution. Normative repayment is deemed to be equal to the depreciation charge during the year. Further, in accordance with the Distribution Tariff Regulations, 2015, the interest on normative loan has been calculated on the average normative loan as outstanding during the year. The rate of interest for the Control Period is considered as applicable SBI Base rate plus 200 basis points as on April 1st, 2016 i.e. 11.30%.

8.34 The following table summarises the interest on loan as submitted by the Petitioner and approved by the Commission for MYT period.

Table 53: Interest on Loan for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Balance of Normative Loan	43.54	38.87	37.64	40.89	42.53
Deemed Addition during the year	2.62	6.62	12.08	11.67	15.21

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Deemed Repayments	7.29	7.85	8.83	10.03	11.37
Closing Balance of Deemed Loan	38.87	37.64	40.89	42.53	46.37
Average balance during the Year	**41.21**	**38.26**	**39.27**	**41.71**	**44.45**
Interest Rate (%)	*11.30%*	*11.30%*	*11.30%*	*11.30%*	*11.30%*
Interest Payment	**4.66**	**4.32**	**4.44**	**4.71**	**5.02**

Table 54: Interest on Loan for MYT Period approved by the Commission (Rs Cr)

Particulars	Approved by the Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Balance of Normative Loan	41.93	36.43	33.24	33.47	34.67
Deemed Addition during the year	0.82	3.33	7.23	8.88	9.43
Deemed Repayments	6.32	6.52	7.00	7.68	8.44
Closing Balance of Deemed Loan	36.43	33.24	33.47	34.67	35.66
Average balance during the Year	39.18	34.84	33.35	34.07	35.16
Interest Rate (%)	*11.30%*	*11.30%*	*11.30%*	*11.30%*	*11.30%*
Interest Payment	**4.43**	**3.94**	**3.77**	**3.85**	**3.97**

Interest on Security Deposits

Petitioner's Submission

8.35 The Petitioner has provided for interest on projected security deposits for the MYT period at an interest rate of 9.30% p.a.

Commission's Analysis

8.36 The Petitioner is mandated to pay interest on consumer security deposit as per SBI Base Rate prevailing on the 1st of April for the year. Thus, the Commission has approved the interest on security deposit at 9.30% p.a. for the MYT period as submitted by the Petitioner; however the same is subject to True-up based on the prevailing SBI Base Rate and the actual audited accounts.

8.37 The following table summarises the interest on security deposits as submitted by the Petitioner and approved by the Commission for MYT period.

Table 55: Interest on Security Deposits for MYT period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening security deposit	55.56	56.47	56.93	57.39	57.85
Security deposit received during FY	0.91	0.46	0.46	0.46	0.46
Closing security deposit	56.47	56.93	57.39	57.85	58.31
Average security deposit	**56.01**	**56.70**	**57.16**	**57.62**	**58.08**
Interest Rate (%)	*9.30%*	*9.30%*	*9.30%*	*9.30%*	*9.30%*
Interest on security deposit	**5.21**	**5.27**	**5.32**	**5.36**	**5.40**

Table 56: Interest on Security Deposits for MYT period approved by the Commission (Rs Cr)

Particulars	Approved by the commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening security deposit	55.55	56.46	56.92	57.38	57.84
Security deposit received during FY	0.91	0.46	0.46	0.46	0.46
Closing security deposit	56.46	56.92	57.38	57.84	58.30
Average security deposit	**56.00**	**56.69**	**57.15**	**57.61**	**58.07**
Interest Rate (%)	*9.30%*	*9.30%*	*9.30%*	*9.30%*	*9.30%*
Interest on security deposit	**5.21**	**5.27**	**5.31**	**5.36**	**5.40**

Interest on Working Capital

Petitioner's Submission

8.38 The Petitioner submitted normative interest on working capital for the MYT period separately for wheeling and retail supply business considering an interest rate of 12.80%.

8.39 The Petitioner submitted that the security deposit collected from the consumers is enough to meet the working capital requirement (both wheeling & retail) of JUSCO's Licensee. Therefore, the petitioner has projected the interest on working capital for both wheeling and retail as per the regulations, but it has not claimed the same as a part of the Annual Revenue Requirement for each year of the control period.

Commission's Analysis

8.40 The Commision has also not considered the interest on working capital as a part of the Annual Revenue Requirement for each year of the control period.

8.41 The following table summarises the total interest and other finance charges as submitted by the Petitioner and approved by the Commission for MYT Period.

Table 57: Interest and Other Finance Charges for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Interest on normative debt	4.66	4.32	4.44	4.71	5.02
Interest on security deposit	5.21	5.27	5.32	5.36	5.40
Total Interest & Finance charges	**9.87**	**9.60**	**9.75**	**10.07**	**10.42**

Table 58: Interest and Other Finance Charges for MYT Period approved by the Commission (Rs Cr)

Particulars	Approved by the Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Interest on normative debt	4.43	3.94	3.77	3.85	3.97
Interest on security deposit	5.21	5.27	5.31	5.36	5.40
Total Interest & Finance charges	**9.64**	**9.21**	**9.08**	**9.21**	**9.37**

Return on Equity (RoE)

Petitioner's Submission

8.42 The Petitioner has projected RoE for MYT period based on normative equity of 30% of GFA net of consumer contribution and considering a post tax of return at 15.50% as per the 'Distribution Tariff Regulations, 2015'.

Commission's Analysis

8.43 As per the Distribution Tariff Regulations, 2015, the equity base has been considered equal to 30% of GFA. The GFA has been considered net of consumer contribution.

8.44 The Commission has allowed a rate of return of 15.50% (post tax) on equity for each year of the Control Period as specified in Distribution Tariff Regulations, 2015.

8.45 The detailed calculation of RoE projected by the Petitioner and as approved by the Commission for MYT period has been summarised in following table.

Table 59: Return on Equity for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening normative equity	33.88	35.00	37.84	43.02	48.02
Deemed additions during FY	1.12	2.84	5.18	5.00	6.52
Closing normative equity	35.00	37.84	43.02	48.02	54.54
Average normative equity	**34.44**	**36.42**	**40.43**	**45.52**	**51.28**
Rate of ROE (%)	*15.50%*	*15.50%*	*15.50%*	*15.50%*	*15.50%*
Return on equity	**5.34**	**5.65**	**6.27**	**7.06**	**7.95**

Table 60: Return on Equity for MYT Period approved by the Commission (Rs Cr)

Particulars	Approved by the Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening normative equity	32.90	33.25	34.68	37.78	41.59
Deemed additions during FY	0.35	1.43	3.10	3.81	4.04
Closing normative equity	33.25	34.68	37.78	41.59	45.63
Average normative equity	**33.08**	**33.97**	**36.23**	**39.68**	**43.61**
Rate of ROE (%)	15.50%	15.50%	15.50%	15.50%	15.50%
Return on equity	**5.13**	**5.26**	**5.62**	**6.15**	**6.76**

Income Tax on ROE

Petitioner's Submission

8.46 The Petitioner has requested the Commission to allow Income Tax on ROE.

Commission's Analysis

8.47 The Commission has not grossed up the ROE by the income tax rate. The Commission shall allow the income tax during the truing-up of each year of the Control Period based on audited accounts of the Petitioner and actual income tax paid by the Petitioner during that year.

Non-Tariff Income (NTI)

Petitioner's Submission

8.48 The Non-Tariff Income includes Meter Rent, Delayed Payment Surcharge and Supervision Charges etc. The Petitioner has projected Non-Tariff Income for the MYT Control Period at Rs. 0.24 Cr per annum.

Commission's Analysis

8.49 The Commission has approved NTI based on the actual NTI for FY 2014-15 as per audited annual accounts i.e. Rs 0.12 Cr. The same shall be subject to true up based on actual/ audited information of each year of the 2nd MYT Control Period. Accordingly, the Commission has approved the Non-Tariff Income of Rs 0.12 Cr for each year of the Control Period.

Summary of ARR for MYT Period

8.50 The following table summarises the ARR for MYT period as submitted by the Petitioner and approved by the Commission.

Table 61: Summary of ARR for MYT Period submitted by the Petitioner (Rs Cr)

Particulars	Submitted by the Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Power Purchase Cost	245.33	284.00	323.71	372.05	409.55
O&M Expenses	14.88	20.05	20.84	21.86	24.04
Interest & Other Finance Charges					
Interest on Loan	4.66	4.32	4.44	4.71	5.02
Interest on consumer security deposit	5.21	5.27	5.32	5.36	5.40
Interest on Working Capital	-				
Depreciation	7.29	7.85	8.83	10.03	11.37
CGRF Expenses	0.10	0.10	0.10	0.10	0.10

Particulars	**Submitted by the Petitioner**				
	FY 2016-17	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**	**FY 2020-21**
DSM Expenses	0.50	0.50	0.50	0.50	0.50
Total Costs	**277.97**	**322.10**	**363.73**	**414.62**	**455.98**
Add: Return on Equity	6.67	7.06	7.83	10.22	11.52
Less: Non-tariff income	0.24	0.24	0.24	0.24	0.24
Net ARR	**284.40**	**328.91**	**371.33**	**424.60**	**467.26**

Table 62: Summary of ARR for MYT Period approved by the Commission (Rs Cr)

Particulars	**Approved by the Commission**				
	FY 2016-17	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**	**FY 2020-21**
Power Purchase Cost	225.21	228.64	247.46	270.97	280.31
O&M Expenses	12.76	13.32	14.02	14.92	15.88
Interest & Other Finance Charges					
Interest on Loan	*4.43*	*3.94*	*3.77*	*3.85*	*3.97*
Interest on consumer security deposit	*5.21*	*5.27*	*5.31*	*5.36*	*5.40*
Interest on Working Capital					
Depreciation	6.32	6.52	7.00	7.68	8.44
Total Costs	**253.92**	**257.68**	**277.57**	**302.79**	**314.00**
Add: Return on Equity	5.13	5.26	5.62	6.15	6.76
Less: Non-tariff income	0.12	0.12	0.12	0.12	0.12
Net ARR	**258.93**	**262.83**	**283.07**	**308.82**	**320.64**

A9: TREATMENT OF REVENUE GAP/ (SURPLUS)

Petitioner's submission

9.1 Based on the projected ARR for FY 2016-17 of Rs. 284.40 Cr and the estimated revenue from existing tariffs at Rs. 263.5 Cr (including FPPA charges of Rs 6.75 Cr), the Petitioner has submitted that the revenue gap at existing tariffs for FY 2016-17 works out to Rs 20.90 Cr.

9.2 Moreover, the Petitioner has also submitted detailed computation on sharing of gains on account of lower distribution losses achieved during FY 2011-12 to FY 2013-14. The cumulative revenue gap at existing tariffs upto FY 2016-17, as submitted by the Petitioner, amounts to Rs. 41.93 Cr.

9.3 Accordingly, the Petitioner has proposed an average tariff hike of 25% which is expected to generate an additional revenue of Rs. 28.38 Cr during FY 2016-17.

Commission's Analysis

9.4 Based on the approved ARR for FY 2016-17 of Rs. 258.93 Cr and estimated revenue from existing tariffs during FY 2016-17 of Rs. 264.75 Cr (including revenue from FPPA of Rs. 6.75 Cr), the Commission approves a revenue surplus of Rs. 5.82 Cr for the year FY 2016-17.

9.5 Further, the Commission has disallowed the sharing of gains on account of lower distribution losses achieved during FY 2011-12 to FY 2013-14 since the Petitioner had submitted its proposal for the same after the public hearings had been conducted for the Petition for True-up of FY 2014-15, APR of FY 2015-16, Business Plan and MYT Petition for the MYT Control Period FY 2016-17 to FY 2020-21. It is pertinent to note that any material change in the Petition and any new proposal of the Petitioner, not mentioned in the original Petition, ought to be brought to the notice of the stakeholders prior to the public hearings, in order to maintain transparency in the entire Regulatory process for tariff determination. Hence, the Commission rejects the proposal of the Petitioner to allow sharing of gains on account of lower distribution loss during FY 2011-12 to FY 2013-14 and directs the Petitioner to submit, in future, all its proposals prior to the stakeholder consultation process.

9.6 Based on the True up of FY 2014-15, the gap for the year (FY 2014-15) has been revised to Rs 21.76 Cr instead of Rs. 12.38 Cr approved provisionally in the Tariff Order 31st May, 2015. Further, the provisional surplus for the year FY 2015-16 has been approved as Rs 6.94 Cr while provisional surplus for the year FY 2016-17 at the existing tariff is Rs 5.82 Cr.

9.7 Further, in accordance with the Distribution Tariff Regulations, 2010, Distribution Tariff Regulations, 2015, provisions of the National Tariff Policy, 2016 and as per methodology approved by the Commission in the previous Orders, the Commission has allowed carrying cost on the gaps approved, as per the prevailing SBI PLR rates.

9.8 Accordingly, the Commission has estimated the cumulative revenue gap upto FY 2016-17 along with carrying cost as Rs. 13.05 Cr which has been summarised below.

Table 63: Cumulative Revenue gap and carrying cost upto FY 2016-17 (in Rs Cr)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Opening Revenue Gap/ (Surplus) as on 1st April of the FY	(4.6)	(17.85)	(11.44)	(2.73)	20.63	16.74
Revenue Gap/ (Surplus) created during the year	(13.25)	5.97	8.12	20.09	(6.94)	(5.82)
Add/ Less: Incentives on T&D Losses/ Penalty on O&M expenses	-	-	-	1.67	-	-
Total additions during the year	(13.25)	5.97	8.12	21.76	(6.94)	(5.82)
Rate of Interest (as per prevailing SBI PLR)	13.00%	14.75%	14.45%	14.75%	14.75%	12.80%
Carrying Cost on Opening Balance	-	-	-	-	3.04	2.14
Carrying Cost on Additional Gap	-	0.44	0.59	1.60	-	-
Total Carrying Cost	-	0.44	0.59	1.60	3.04	2.14
Total Gap incl. Carrying Cost	**(17.85)**	**(11.44)**	**(2.73)**	**20.63**	**16.74**	**13.05**

9.9 In view of above, the Commission has approved an overall tariff hike of 5.07% to meet the entire revenue gap upto FY 2016-17.

9.10 The consumer category-wise comparison of average cost of supply and average revenue at existing and proposed tariff as submitted by the Petitioner and approved by the Commission is summarized in following table:

Table 64: ACS-ARR gap for FY 2016-17

Particulars	Submitted by Petitioner				Approved by the Commission			
	Average Cost of Supply for FY 16-17 (Rs./kwh)	Average Revenue at Existing Tariff (Rs./kwh)*	Average Revenue at Proposed Tariff (Rs./kwh)*	Proposed Tariff Hike (%)	Average Cost of Supply for FY 16-17 (Rs./kwh)	Average Revenue at Existing Tariff (Rs./kwh)	Average Revenue at Proposed Tariff (Rs./kwh)	Approved Tariff Hike |(%)
Domestic								
DS – I (b)	5.62	1.10	1.95	77%	5.21	1.10	1.10	0.00%
DS - II (0 - 200)	5.62	1.89	2.96	57%	5.21	1.90	1.95	2.63%
DS - II (Above 200)	5.62	2.36	3.60	53%	5.21			
DS - III	5.62	2.08	3.35	61%	5.21	2.09	2.19	5.00%
DS HT	5.62	*2.14*	*3.51*	64%	5.21	2.15	2.15	0.00%
Non - Domestic								
NDS - I	5.62	1.40	4.96	254%	5.21	1.40	1.40	0.00%

Particulars	Submitted by Petitioner				Approved by the Commission			
	Average Cost of Supply for FY 16-17 (Rs./kwh)	Average Revenue at Existing Tariff (Rs./kwh)*	Average Revenue at Proposed Tariff (Rs./kwh)*	Proposed Tariff Hike (%)	Average Cost of Supply for FY 16-17 (Rs./kwh)	Average Revenue at Existing Tariff (Rs./kwh)	Average Revenue at Pro-posed Tariff (Rs./kwh)	Approved Tariff Hike |(%)
NDS - II	5.62	5.48	7.49	37%	5.21	5.49	5.70	3.79%
Low Tension								
LTIS - I	5.62	4.64	6.88	48%	5.21	4.81	5.01	4.15%
High Tension Service								
HTS 11 kV	5.62	5.49	6.79	24%	5.21	5.56	5.83	4.81%
HTS 33 kV	5.62	5.43	6.71	24%	5.21	5.33	5.60	4.99%
HT Special S								
HTSS 11 kV	5.62	3.80	4.66	23%	5.21	3.86	4.20	8.88%
HTSS 33 kV	5.62	4.30	5.28	23%	5.21	4.40	4.76	8.27%
Total	5.62	5.21	6.49	25%	5.21	5.19	5.46	5.07%

* *Note: The ABR at existing tariff and proposed tariff as submitted by the petitioner is excluding rebate which amounts to Rs. 0.14/unit on an average. However, the ABR at existing and approved tariff computed by the Commission is inclusive of rebate.*

9.11 The applicable tariff schedule for the Petitioner for FY 2016-17 has been given in Section A12 of this Tariff Order.

9.12 Although, the additional revenue on account of tariff revision works out to Rs 13.07 Cr for the Petitioner on yearly basis (i.e. twelve months), since the tariff revision approved by the Commission would be effective for a lesser period (i.e. one month) , the additional revenue on account of tariff revision would not be available for the full year. The following table summarises the unmet revenue gap at the end of FY 2016-17 post tariff revision:

Table 65: Unmet revenue gap after tariff revision (in Rs Cr)

Particulars	Tariff Revision applicable for full year	Tariff revision applicable for remaining part of the year
Cumulative revenue gap (at existing tariffs)*	13.05	13.05
Additional revenue generated due to tariff revision	13.07	1.09
Net revenue gap/ (surplus)	**(0.02)**	**11.96**

**As per Table 63 of this Order*

A10: WHEELING TARIFF FOR FY 2016-17

Petitioner's Submission

10.1 The allocation statement submitted by the Petitioner for apportionment of costs and revenues between the respective business is as under:

Table 66: Cost Allocation to Wheeling and Supply as submitted (%)

Sno	Cost Elements	Wheeling %	Retail Supply
1	Power Purchase Cost and Transmission Charges	0%	100%
2	Employee Expenses	65%	35%
3	A&G Expenses	65%	35%
4	R&M Expenses	65%	35%
5	Depreciation	90%	10%
6	Interest on Loan	90%	10%
7	Return on Equity	90%	10%
8	CGRF and DSM Expenses	0%	100%
9	Interest on Security Deposit	10%	90%
10	Non Tariff Income	10%	90%

Commission's Analysis

10.2 According to Regulation 5.4 and Regulation 5.5 of JSERC 'Distribution Tariff Regulations, 2015', the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. In absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation.

10.3 The relevant extract of the Regulations has been reproduced hereunder:

"5.4 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business to determine Retail Supply Tariff;

5.5 For such period until accounts are segregated, the Licensees shall prepare an Allocation Statement to apportion costs and revenues to respective business. The Allocation Statement, approved by the Board of Directors of the Licensee, shall be accompanied with an explanation of the basis and methodology used for segregation which should be consistent over the Control Period."

10.4 The Petitioner has not submitted duly approved allocation statement. Moreover, the Petitioner has submitted a generic approach towards allocation of costs but has not provided appropriate basis and methodology used for segregation.

10.5 In absence of the above, the Commission has approved the allocation ratios in accordance with JSERC (Power Regulatory Accounting) Regulations, 2015. The allocation statement approved by the Commission is as under:

Table 67: Cost Allocation to Wheeling and Supply approved by the Commission (%)

Sno	Cost Elements	Wheeling %	Retail Supply
1	Power Purchase Cost and Transmission Charges	0%	100%
2	Employee Expenses	60%	40%
3	A&G Expenses	50%	50%
4	R&M Expenses	90%	10%
5	Depreciation	90%	10%
6	Interest on Loan	90%	10%
7	Interest on Working Capital	10%	90%
9	Return on Equity	90%	10%
10	Interest on Security Deposit	0%	100%
11	Non Tariff Income	10%	90%
12	Income Tax	90%	10%

10.6 Therefore, the ARR for wheeling and supply business submitted by the Petitioner and approved by the Commission for the Control Period FY 2016-17 to FY 2020-21 is as under:

Table 68: Wheeling Business ARR as submitted by Petitioner (Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Power Purchase Cost	-	-	-	-	-
O&M Expenses	9.67	13.03	13.55	14.21	15.63
Interest & Other Finance Charges					
Interest on Loan	4.19	3.89	3.99	4.24	4.52
Interest on consumer security deposit	0.52	0.53	0.53	0.54	0.54
Depreciation	6.56	7.07	7.95	9.03	10.23
CGRF Expenses	-	-	-	-	-
DSM Expenses	-	-	-	-	-

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Costs	**20.94**	**24.52**	**26.02**	**28.01**	**30.92**
Add: Return on Equity (including Income tax)	6.01	6.35	7.05	9.20	10.37
Less: Non-tariff income	0.02	0.02	0.02	0.02	0.02
Add: Income Tax on Sharing of Gains	0	0	0	0	0
Net ARR	**26.93**	**30.84**	**33.04**	**37.19**	**41.26**

Table 69: Retail Business ARR as submitted by Petitioner (Cr)

Particulars	Submitted by Petitioner				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Power Purchase Cost	245.33	284.00	323.71	372.05	409.55
O&M Expenses	5.21	7.02	7.29	7.65	8.41
Interest & Other Finance Charges					
Interest on Loan	0.47	0.43	0.44	0.47	0.50
Interest on consumer security deposit	4.69	4.75	4.78	4.82	4.86
Depreciation	0.73	0.79	0.88	1.00	1.14
CGRF Expenses	0.10	0.10	0.10	0.10	0.10
DSM Expenses	0.50	0.50	0.50	0.50	0.50
Total Costs	**257.02**	**297.58**	**337.71**	**386.60**	**425.06**
Add: Return on Equity (including Income tax)	0.67	0.71	0.78	1.02	1.15
Less: Non-tariff income	0.22	0.22	0.22	0.22	0.22
Add: Income Tax on Sharing of Gains					
Net ARR	**257.48**	**298.07**	**338.28**	**387.41**	**426.00**

Table 70: Wheeling Business ARR as approved by Commission (Cr.)

Particulars	Approved by Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Power Purchase Cost	-	-	-	-	-
O&M Expenses	8.65	9.03	9.52	10.17	10.88
Interest & Other Finance Charges					
Interest on Loan	3.98	3.54	3.39	3.46	3.58
Interest on consumer security deposit	-	-	-	-	-
Depreciation	5.69	5.87	6.30	6.91	7.59
CGRF Expenses	-	-	-	-	-
DSM Expenses	-	-	-	-	-
Total Costs	**18.33**	**18.44**	**19.21**	**20.55**	**22.06**
Add: Return on Equity (including Income tax)	4.61	4.74	5.05	5.54	6.08
Less: Non-tariff income	0.01	0.01	0.01	0.01	0.01
Add: Income Tax on Sharing of Gains					
Net ARR	**22.93**	**23.16**	**24.26**	**26.08**	**28.13**

Table 71: Retail Business ARR as approved by Commission (Cr.)

Particulars	Approved by Commission				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Power Purchase Cost	225.21	228.64	247.46	270.97	280.31
O&M Expenses	4.10	4.29	4.50	4.75	5.00
Interest & Other Finance Charges					
Interest on Loan	0.44	0.39	0.38	0.38	0.40
Interest on consumer security deposit	5.21	5.27	5.31	5.36	5.40
Depreciation	0.63	0.65	0.70	0.77	0.84
CGRF Expenses	-	-	-	-	-
DSM Expenses	-	-	-	-	-
Total Costs	**235.59**	**239.25**	**258.36**	**282.23**	**291.94**
Add: Return on Equity (including Income tax)	0.51	0.53	0.56	0.62	0.68
Less: Non-tariff income	0.11	0.11	0.11	0.11	0.11
Add: Income Tax on Sharing of Gains					
Net ARR	**236.00**	**239.66**	**258.81**	**282.74**	**292.51**

10.7 Therefore the wheeling Tariff for FY 2016-17 for the Petitioner is Rs 0.46 per kWh.

A11: TARIFF RELATED OTHER ISSUES

Petitioner's submission

11.1 The Petitioner has proposed following changes in the tariff structure and terms and conditions of supply:

a) Introduction of a new category:

Non-Domestic Service (NDS)-III: *For electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments.*

The Petitioner has proposed a higher tariff for this category in comparison to NDS-II.

b) New clause in the NDS category:

"All consumers with inductive loads greater than 5 HP will be required to install capacitors of suitable rating. As for new consumer, the consumer shall declare the details of the reactive energy capacitor to be used as per Clause VII of Terms & Conditions of Supply and reasonable capacitor should be installed, at the time of release of connection failing which connection may not be released."

c) Installation Based Tariff in LTIS category:

Existing Clause:

"All consumers under this category and opting for Installation based tariff shall be required to pay fixed charges per HP as per the applicable tariff rates for this category. If the inspecting officer during the inspection of a premises finds excess load (more than 114 HP) then the inspecting officer has to serve one month notice to the consumer for regularisation of excess load (above 114 HP).After the expiry of the said one month, the inspecting officer will inspect the premises again and if he still finds un-regularized load in the premises, action may be taken as per law."

Revised Clause:

"All consumers under this category and opting for Installation based tariff shall be required to pay fixed charges per HP as per the applicable tariff rates for this category. If the inspecting officer during the inspection of a premises finds excess load (more than 114 HP) then the inspecting officer has to serve one month notice to the consumer for regularisation of excess load (above 114 HP). After the expiry

of the said one month, the inspecting officer will inspect the premises again and if he still finds un-regularized load in the premises, ***the consumer shall be shifted to HT category. The new agreement has to be entered into immediately and until such time of execution of revised agreement, JUSCO shall charge tariff as per HTS category. The fixed charge shall be levied on 100% of the sanctioned load."***

d) **New clause in Demand Based Tariff in the LTIS category**:

"In case the consumer fails to execute new agreement under HTS category, he shall be charged at 2 times the normal tariff applicable to HTS consumers.

The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Section on Terms and conditions of supply of the present Order."

e) **Delayed Payment Surcharge in the High Tension Voltage Supply Service category:** *(rejected)*

Existing clause:

"For High tension service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee."

Revised Clause:

"For High tension service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week, ***subject to minimum of Rs. 500/-.*** *The due date for making payment of energy bills or other charges shall be* ***21 days from the date of issuance of bill****. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by Licensee."*

f) **New clause in the Bulk Supply to Military Engineering Services (MES) category:**

"The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Section of the present order."

g) Penalty for exceeding Billing/ Contract Demand:

Existing Clause:

"If the recorded demand exceeds 110% of Contract Demand, then the demand charge up to 110% of contract demand will be charged as per the normal tariff rate. The remaining recorded demand over and above 110% will be charged @ 1.5 times the normal tariff rate.

In case actual demand is higher than the contract demand for three continuous months, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumer will have to get into a new agreement for the revised contract demand with the licensee.

Once the actual demand is recorded to be higher than contract demand for two continuous months, the licensee would serve notice to the consumer after the end of the second month for enhancement of the contract demand. The consumer would be liable to respond within 15 days of receipt of such notice and submit application for enhancement of contract demand to the licensee. The licensee would, within 15 days of receipt of response from the consumer, finalise the new agreement after making necessary changes at consumer's installations.

In case the consumer fails to respond within 15 days, the licensee would have the right to initiate enhancement of load as per the last recorded contract demand. While, in case the consumer provides an undertaking that the actual demand shall not exceed the contract demand again for a period of atleast six months from the last billing, the licensee shall continue to bill the consumer as per the existing contract demand and billing demand.

Provided that if the consumer fails to adhere to the undertaking and the actual demand exceeds the contract demand within the subsequent six months of the undertaking, the consumer shall have to pay a penal charge of 2 times the normal tariff for a period of three consecutive months and the licensee shall, after serving 7 days notice to the consumer, enhance the contract demand of the consumer as per the last recorded actual demand."

Revised Clause:

*"In case the consumer's actual recorded demand exceeds 110% of the contract demand, **then demand charges shall be levied at penal rate, which will be 150% of applicable Demand charges on full exceeded demand**."*

h) Addition of New Clause under Power Factor Penalty:

"Consumer with power factor of less than 0.80 must install shunt capacitors immediately, failing which their line will be disconnected with 15 days clear notice."

i) Power Factor Rebate:

Existing Clause:

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

Revised Clause:

*"In case average power factor as maintained by the consumer (**up to 33 KV consumers) is more than 90%, a rebate of 1%** and if power factor is more than 95%, a rebate of 2% on energy charges shall be applicable."*

j) Delayed Payment Surcharge:

Existing Clause:

"For Domestic Service category, the delayed payment surcharge will be at the rate of 1.5% per month and part thereof. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee."

New Clause:

*"For Domestic Service category, the delayed payment surcharge will be at the rate of 1.5% per month and part thereof, **on the total electricity bill (including Taxes and Duties), subject to minimum Rs. 50/- Per bill for Domestic consumers, Non-Domestic & DSHT consumers, Rs. 300/- per bill for LT Industrial consumers, and Rs. 500/- per bill for HT Industrial shall be levied.***

*The due date for making payment of energy bills or other charges shall be fifteen days from the **date of issuance of bill for non-industrial consumers and 21 days for industrial consumers."***

k) Voltage Rebate:

Existing Clause:

Voltage rebate will be applicable as given below:

Consumer Category	Voltage Rebate
HTS - 33 kV	3.00%
HTS - 132 kV	5.00%
HTS - 220 kV	5.50%
HTS - 400 kV	6.00%

Revised Clause:

Voltage rebate will be applicable on energy charges as given below:

Consumer Category	Voltage Rebate
HTS - 33 kV or HTSS – 33 kV	3.00%

l) Installation of Shunt Capacitors:

Existing Clause:

All consumers having aggregate inductive load greater than 3 HP (2.2 kW) and above (except domestic and street lights), shall install capacitors of required KVAR rating provided in the following table:

Rating of individual Inductive Load in HP	*kVAR rating of LT capacitors*
3 to 5	*1*
5 to7.5	*2*
7.5 to10	*3*
10 to 15	*4*
15 to 20	*6*
20 to 30	*7*
30 to 40	*10*
40 to 50	*10 – 15*
50 to 100	*20 – 30*

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers does not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

No connection shall be released for any consumer having aggregate inductive load greater than 3 HP (2.2 KW) unless the capacitors of suitable rating are installed.

Revised Clause:

*All consumers having aggregate inductive load **greater than 5 HP** and above (except domestic and street lights), shall install capacitors of required KVAR rating provided in the following table:*

Rating of individual Inductive Load in HP	*kVAR rating of LT capacitors*
5 to 7.5	*2*
5.6 to 10	*3*
10 to 15	*4*
15 to 20	*6*
20 to 30	*7*
30 to 40	*10*
40 to 50	*10 – 15*
50 to 100	*20 - 30*

*No connection shall be released for any consumer having aggregate inductive load **greater than 5 HP** unless the capacitors of suitable rating are installed.*

m) TOD Tariff:

Existing Clause:

TOD tariff proposed shall be applicable as follows-

- Off Peak Hours: 10:00 PM to 06:00 AM: 85% of normal rate of energy charge.
- Peak Hours: 06:00 AM to 10:00 AM & 06:00 PM to 10:00 PM: 120% of normal rate of energy charge

Revised Clause:

TOD tariff proposed shall be applicable as follows-

- Off Peak Hours: **08:00 PM** to 06:00 AM: 85% of normal rate of energy charge.
- Peak Hours: **06:00 AM to 08:00 PM**: 120% of normal rate of energy charge

n) New clause on Rebate on Non-Sunday Holiday for Industrial Consumers:

"In order to flatten the load curve round the week, a new rebate is introduced to encourage industries to run their units on Sundays by providing 1.5 % rebate on energy charges on electricity units consumed on Sundays."

o) New clause under Point of Supply:

"The applicability of installation of MCB and ELCB shall be:

(a) Consumers with a load of above 5 kW connected at 250/ 230 volts LT supply;

(b) Consumers connected at 400/ 440 volts; and

(c) On all installation of 3.3 KV/6.6 KV or exceeding 6.6 KV voltage, VCB with over current and earth fault relays of appropriate rating shall be provided.

For existing consumers, where such devices as mentioned above have not been installed a surcharge at the rate of 5 percent of the billed amount shall be charged and shall continue to be charged till such time the consumer installs the device."

p) Stopped/ Defective Meters:

Existing Clause:

"In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of sanctioned/ contract load on following load factor applicable to respective categories, as shown below:

Category	Load Factor
Domestic & Religious Institution	0.10
Non-Domestic	0.20
LTIS/ PHED LT	0.15
DS-HT	0.15
HTS	
11 KV/ PHED	0.25
33 KV/ PHED	0.30
132/220/400 KV	0.50
HTSS	0.50
RTS	0.25

Revised Clause:

"In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of sanctioned/ contract load on following load factor applicable to respective categories, as shown below:

Consumer Category	Load Factor
Domestic & Religious Institution	0.30
Non-Domestic	0.50
LTIS/ PHED LT	0.50

Consumer Category	Load Factor
DS-HT	0.30
HTS	
11 KV	0.50
33 KV	0.75
HTSS	0.75
RTS	0.50

The Consumer should furnish usage details of their continuous load /shift wise load/otherwise."

q) Release of New Connection:

Existing Clause:

"No new connections shall be provided without appropriate meter. The tariff for un-metered connections shall be applicable only to the existing un-metered connections, until they are metered."

Revised Clause:

The Petitioner has removed this clause.

r) Revision in Miscellaneous Charges:

The petitioner has also proposed the following revisions in the schedule of miscellaneous charges:

Particular	Existing Charges/ Clause	Proposed Charges/ Clause
(A) Fuse- Call replacement		
Board fuse due to fault of consumer	15	30
Consumer fuse	15	30
(B) Disconnection/ Reconnection		
Single Phase	30	500
Three Phase	75	700
LT Industrial supply	300	1000
HT supply	500	1500
(C) Electricity Duty	No Clause	As per provisions laid down by the State Govt and subject to adjustment as per final assessment made by Commercial Taxes Department of the State Govt.

View of the Commission

11.2 The Commission has scrutinized the various proposals for changes in the categorization, tariff structure as well as the terms and conditions of supply proposed by the Petitioner.

11.3 The Commission has accepted the proposal for introducing a new category NDS-III. Similar category also exists in other Utilities such as JBVNL etc. However, the Commission has rejected the proposal of the Petitioner to keep a higher tariff for the new category in comparison to NDS-II as the Petitioner has not submitted any details in support of the same such as the number of consumers which shall fall in this category, estimated load and consumption. In the absence of the same, the Commission does not find any rationale for fixing a higher tariff for this category in comparison to the NDS-II category.

11.4 The Commission further observes that the proposals of the Petitioner with respect to change in terms and conditions are not supported by suitable justification. In order to justify proposed changes in the terms and conditions, the Petitioner has to submit reasons supported by the intelligible facts and figures, anticipated change in consumption pattern / load profile, financial impact analysis of change in such terms and conditions on the consumer, revenue forecast in existing and proposed scenario, overall impact on the Utility, etc. which are lacking in the Petition. Inspite of the directions of the Commission to submit suitable justifications for the various proposals submitted in the Petition, the Petitioner provided vague and contradictory replies.

11.5 In view of the above, the Commission does not find it appropriate to accept the proposal of changes in the terms and conditions of supply at this stage.

A12: TARIFF SCHEDULE

APPLICABLE FROM 1ST MARCH, 2017[1]

This tariff will come into effect from March 1, 2017 and shall apply to all consumers availing power supply from JUSCO within its licensed area.

The consumers classified under different categories will be charged different tariff for energy supplied to them as given below, based on the nature of use of energy, supply voltage and demand of power.

A. Domestic Service (DS)

Applicability:

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

This schedule shall apply to all residential premises for domestic use for household electric appliances such as such as lights, fans, radios, televisions, heaters, air-conditioners, washing machines, air-coolers, geysers, refrigerators, ovens, mixers and other domestic appliances including motor pumps for lifting water for domestic purposes.

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

Category of Services:

(a) Domestic Service – DS-1(a): For Kutir Jyoti Connection only for connected load up to 100 Watt for Rural Areas.

(b) Domestic Service – DS-I (b): - For rural areas not covered by area indicated under DS-II and for connected load not exceeding 2 KW.

(c) Domestic Service – (DS-II): - For Urban areas covered by notified Area Committee / municipality / Municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters / Industrial Area / contiguous sub-urban area all market places urban or rural and for connected load not exceeding 4KW, including rural drinking water schemes having motor pumps with load above 2KW but not exceeding 4KW.

(d) Domestic Service – (DS – III):-For Urban areas covered by notified Area Committee / municipality / municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters / Industrial Area / contiguous sub-urban area all market places urban

[1] **This schedule shall remain in force till the next tariff schedule is issued by the Commission.**

or rural and for connected load exceeding 4 KW and up to 85.044 KW, including rural drinking water schemes having motor pumps with load above exceeding 4 KW.

(e) Domestic service – HT (DS – HT): - This Schedule shall apply for Domestic Connection in Housing Colonies / Housing Complex / Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 11KV voltage level and load above 85.044 KW (100 kVA).

Service Character:

(i) For DS-I (a): AC, 50 Cycles, Single phase at 230 volts for Kutir Jyoti connection for load upto 100 W

(ii) For DS-I (b): AC, 50 Cycles, Single Phase at 230 Volts for load below 2 KW.

(iii) For DS-II: AC, 50 Cycles, Single Phase at 230 Volts for installed load up to 4 KW.

(iv) For DS-III: AC, 50 Cycles, three phase at 400 Volts for installed load exceeding 4 KW and up to 85.044 KW.

(v) For DS-HT: AC, 50 Cycles, at 11 KV for installed load above 85.044 KW (100 kVA).

Tariff:

Consumer Category	Fixed Charges		Energy Charges
Domestic	Unit	Rate	Rate (Rs/kWh)
DS-I (a), Kutir Jyoti (metered) (0-50 units)	Rs/ Conn/Month	Nil	1.10
DS-I (a), Kutir Jyoti (metered) (50-100 unit)	Rs/ Conn/Month	Nil	1.10
DS-I (a), Kutir Jyoti (Unmetered)	Rs/ Conn/Month	30	Nil
DS-I (b), metered (0-200 units)	Rs/ Conn/Month	Nil	1.10
DS-I (b), metered (above 200 units)	Rs/ Conn/Month	Nil	1.10
DS-I (b), unmetered	Rs/ Conn/Month	72	Nil
DS-II, <= 4KW			
0-200 units	Rs/ Conn/Month	40	1.65
201units & above	Rs/ Conn/Month	55	2.05
DS-III, Above 4 KW	Rs/ Conn/Month	65	2.10
DS HT	Rs/KVA/Month	50	1.70

Delayed Payment Surcharge: In accordance with Clause IV as provided in section on Terms and conditions of supply of the present Order.

B. Non–Domestic Service (NDS)

Applicability:

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

Service Category:

Non-Domestic Service (NDS)–I, Rural. For Rural Areas not covered under NDS–II and for connected load not exceeding 2 KW.

Non-Domestic Service (NDS) – II, Urban. For Urban Areas covered by Notified Areas Committee / municipality / Municipal Corporation / All District Town / All Sub-divisional Town / All Block Hqrs. / Industrial Area and Contiguous Sub-urban area, market place rural or urban and for connected load up to 85.044 KW (100 kVA), except for categories covered under NDS III. This schedule shall also apply to commercial consumer of rural area having connected load above 2 KW.

Non-Domestic Service (NDS)-III: For electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments.

Provided that the electricity, that is used for the purpose of indicating/ displaying the name and other details of the shops or Commercial premises, for which electric supply is rendered, shall not be covered under NDS-III Consumer Category. Such usage of electricity shall be covered under the prevailing tariff of such shops or commercial premises.

Service Character:

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

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

NDS-III:- AC 50 Cycles, Single phase at 230 Volts for loads upto 2 kW and AC 50 cycles Three Phase at 400 Volts for load exceeding 2 kW and upto 4 kW

Tariff:

Consumer Category	Fixed Charges		Energy Charges
Non-Domestic	**Unit**	**Rate**	**Rate (Rs/kWh)**
NDS-I, metered (<= 2 kW) (0-100 units)	Rs/ Conn/Month	Nil	1.40
NDS-I, metered (<= 2 kW) (above 100 units)	Rs/ Conn/Month	Nil	1.40
NDS-I, unmetered (<= 2 KW)	Rs/kW/Month	Rs 120 per kW per month or part thereof for connected load up to 1kW Rs 60 per kW per month for each additional 1kW or part thereof	Nil
NDS-II	Rs/kW/Month	Rs 125 per kW per month or part thereof	4.25
NDS III	Rs/kW/Month	Rs 125 per kW per month or part thereof	4.25

Delayed Payment Surcharge: In accordance with Clause IV as provided in section on Terms and conditions of supply of the present Order.

Installation of Shunt capacitors: In accordance with Clause VII as provided in section on Terms and conditions of supply of the present Order.

C. Low Tension Industrial & Medium Power Service (LTIS)

Applicability:

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

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

Service Character:

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

Tariff:

Installation Based Tariff: All consumers under this category and opting for Installation based tariff shall be required to pay fixed charges per HP as per the applicable tariff rates for this category. If the inspecting officer during the inspection of a premises finds excess load (more than 114 HP) then the inspecting officer has to serve one month notice to the consumer for regularisation of excess load (above 114 HP). After the expiry of the said one month, the inspecting officer will inspect the premises again and if he still finds un-regularized load in the premises, action may be taken as per law.

Consumer Category	Fixed Charges		Energy Charges
LTIS	Unit	Rate	Rate (Rs/kWh)
LTIS (Installation based Tariff)	Rs/HP/Month	80	4.05

Demand Based Tariff: All consumers under this category and opting for Demand Based tariff shall be required to pay Demand charges per KVA at the rate applicable to HT consumers drawing power at 11 KV. The restriction of connected load will not apply to consumers opting for Demand Based Tariff.

Consumer Category	Demand Charges		Energy Charges
LTIS	Unit	Rate	Rate (Rs/kWh)
LTIS (Demand based Tariff)	Rs/KVA/Month	170	4.05

The billing demand shall be the maximum demand recorded during the month or 50% of contract demand whichever is higher. In case actual demand is recorded at more than 100 KVA in any month, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category for the revised contracted demand with the Licensee as per the terms and conditions of HT supply

Delayed Payment Surcharge: In accordance with Clause IV as provided in section on Terms and conditions of supply of the present Order.

Power Factor Penalty/ Rebate: In accordance with Clause II a as provided in section on Terms and conditions of supply of the present Order.

Installation of Shunt capacitors: In accordance with Clause VII as provided in section on Terms and conditions of supply of the present Order.

D. Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Category:

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

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

Service Character:

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

Tariff:

Consumer Category	Fixed Charges		Energy Charges
Irrigation & Agricultural (IAS)	Unit	Rate	Rate(Rs/kWh)
IAS-I (metered)	Rs/HP/Month	Nil	0.50
IAS-I (unmetered)	Rs/HP/Month	50	Nil
IAS-II (metered)	Rs/HP/Month	Nil	0.75
Agriculture-IAS-II (unmetered)	Rs/HP/Month	200	Nil

Delayed Payment Surcharge: In accordance with Clause IV as provided in section on Terms and conditions of supply of the present Order.

Power factor Penalty/Rebate: In accordance with Clause II as provided in section on Terms and conditions of supply of the present Order.

E. High Tension Voltage Supply Service (HTS)

Applicability:

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

Service Character:

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

Tariff:

Consumer Category	Demand Charges		Energy Charges
HTS	Unit	Rate	Rate (Rs/kWh)
11 KV & 33 KV	Rs/kVA/Month	195	5.15
132 KV	Rs/kVA/Month	195	5.15

The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I as provided in section on Terms and conditions of supply of the present Order.

Voltage Rebate: In accordance with Clause V as provided in section on Terms and conditions of supply of the present Order.

Load Factor Rebate: In accordance with Clause VI as provided in section on Terms and conditions of supply of the present Order.

Delayed Payment Surcharge: For High tension special service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Power Factor Penalty/Rebate: In accordance with Clause II as provided in section on Terms and conditions of supply of the present Order.

TOD Tariff: In accordance with Clause VIII as provided in section on Terms and conditions of supply of the present Order.

F. HT Special Service (HTSS)

Applicability:

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

Tariff:

Consumer Category	Demand Charges		Energy Charges
HT Special Service	Unit	Rate	Rate (Rs/kWh)
11 KV	Rs/kVA/Month	365	3.30
33 KV	Rs/kVA/Month	365	3.30
132 KV	Rs/kVA/Month	365	3.30

The billing demand shall be the maximum demand recorded during the month or 75% of the contract demand, whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I as provided in section on Terms and conditions of supply of the present Order.

Voltage Rebate: In accordance with Clause V as provided in section on Terms and conditions of supply of the present Order.

Load Factor Rebate: In accordance with Clause VI as provided in section on Terms and conditions of supply of the present Order.

Delayed Payment Surcharge: For High tension special service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Power Factor Penalty/ Rebate: In accordance with Clause II as provided in section on Terms and conditions of supply of the present Order.

G. Street Light Service (SS)

Applicability

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

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

Category of Service:

S.S-I: Metered Street Light Service

S.S-II: Unmetered Street Light Service

Tariff:

Consumer Category	Demand Charges		Energy Charges
Street Light Service	Unit	Rate	Rate (Rs/kWh)
SS-I (metered)	Rs/ Conn/Month	25	3.90
SS-II (unmetered)	Rs/ Conn/Month	Rs. 110 per 100 watt lamp and Rs. 25 for every additional 50 watt	Nil

Delayed Payment Surcharge: In accordance with Clause IV as provided in section on Terms and conditions of supply of the present Order.

H. Rural Electric Co-operative (REC)/ A Small Housing Group (SHG)

Applicability

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

Service Character: AC, 50 cycles, Three phase at 11KV

Tariff:

Consumer Category	Energy Charges
REC	Rate (Rs/kWh)
REC	0.70

Delayed Payment Surcharge: In accordance with Clause IV as provided in section on Terms and Conditions of supply of the present Order.

I. Bulk Supply to Military Engineering Service (MES)

Applicability

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

Service Character

AC, 50 cycles, three phase at 11 kV.

Tariff:

Consumer Category	Fixed Charges		Energy Charges
MES	Unit	Rate	Rate(Rs/kWh)
MES	Rs/kVA/Month	160	3.40

Delayed Payment Surcharge:

In accordance with Clause IV as provided in section on Terms and conditions of supply of the present Order.

Schedule for Miscellaneous Charges

S.No.	Purpose	Charges (in Rs)	Manner in which payment will be realized
1	**Application fee**		
	Agriculture	10	Application should be given in standard requisition form of the Board which will be provided free of cost. Payable in cash in advance along with the intimation
	Street light	20	
	Domestic	15 (Kutir Jyoti) 20 (Others)	
	Commercial	20	
	Other LT categories	50	
	HTS	100	
	HTSS, EHTS, RTS	100	
2	**Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application**		
	Agriculture	10	Payable in cash in advance along with the intimation for revision
	Domestic	30	
	Commercial	30	
	Other LT categories	50	
	HT Supply	150	
3	**Testing of consumers Installation**		
	First test and inspection free of charge but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection	100	(Payable in cash in advance along with the request for testing)
4	**Meter test when accuracy disputed by consumer**		
	Single phase	40	To be deposited in cash in advance. If the meter is found defective within the meaning of the Indian Electricity Rules 1956, the amount of advance will be refunded and if it is proved to be correct within the permissible limits laid down in the Rules, the amount will not be refunded.
	Three phase	100	
	Tri-vector of special type meter	650	
5	**Removing/ Re-fixing of meter**		
	Single phase	50	Payable in cash in advance along with the intimation for revision
	Three phase	100	
	Trivector of special type meter	300	
6	**Changing of meter /meter equipment/fixing of sub meter on the request of the consumer/fixing of sub meter**		
	Single phase	50	Payable in cash in advance along with the intimation for revision
	Three phase	100	
	Trivector of special type meter	300	
7	**Resealing of meter when seals are found broken**		
	Single phase	25	Payable with energy bill
	Three phase	50	
	Trivector of special type meter	100	

S.No.	Purpose	Charges (in Rs)	Manner in which payment will be realized
8	**Replacement of meter card, if lost or damaged by consumer**	**10**	Payable with energy bill
9	**Fuse call - Replacement**		
	Board fuse due to fault of consumer	20	Payable with energy bill
	Consumer fuse	20	
10	**Disconnection/ Reconnection**		
	Single phase	40	Payable in cash in advance along with the request by the consumer. If the same consumer is reconnected/ disconnected within 12 months of the last disconnection/ reconnection, 50% will be added to the charges
	Three phase	100	
	LT Industrial Supply	400	
	HT Supply	700	
11	**Security Deposit**		As per clause 8.2.8 – 8.2.20 of the JSERC (Electricity Supply code) Regulations, 2015

TERMS AND CONDITIONS OF SUPPLY

Besides the Terms and Conditions provided in the JSERC (Electricity Supply Code), Regulations, 2015, the Commission approves the following additional terms & conditions of supply.

Clause I: Penalty for exceeding Billing/ Contract Demand

In case of the actual demand exceeding 110% of the contract demand, the consumer shall pay penal charges for the exceeded demand. The penal charges would be charged as follows:

If the recorded demand exceeds 110% of Contract Demand, then the demand charge upto 110% of contract demand will be charged as per the normal tariff rate. The remaining recorded demand over and above 110% will be charged @ 1.5 times the normal tariff rate.

In case actual demand is higher than the contract demand for three continuous months, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumer will have to get into a new agreement for the revised contract demand with the licensee.

Once the actual demand is recorded to be higher than contract demand for two continuous months, the licensee would serve notice to the consumer after the end of the second month for enhancement of the contract demand. The consumer would be liable to respond within 15 days of receipt of such notice and submit application for enhancement of contract demand to the licensee. The licensee would, within 15 days of receipt of response from the consumer, finalise the new agreement after making necessary changes at consumer’s installations.

In case the consumer fails to respond within 15 days, the licensee would have the right to initiate enhancement of load as per the last recorded contract demand. While, in case the consumer provides an undertaking that the actual demand shall not exceed the contract demand again for a period of atleast six months from the last billing, the licensee shall continue to bill the consumer as per the existing contract demand and billing demand.

Provided that if the consumer fails to adhere to the undertaking and the actual demand exceeds the contract demand within the subsequent six months of the undertaking, the consumer shall have to pay a penal charge of 2 times the normal tariff for a period of three consecutive months and the licensee shall, after serving 7 days notice to the consumer, enhance the contract demand of the consumer as per the last recorded actual demand.

Clause II: Power factor Penalty/Rebate

Power Factor Penalty:

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

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.01 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges; plus 3% for every 0.01 fall below 0.30.

Power Factor Rebate:

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

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

Clause III: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of Electricity Duty/ Surcharge to the consumers under the Bihar Electricity Duty Act, 1948 as adopted by Jharkhand vide S.O. No. 117 dated 15.12.2000 and the rules framed there under as amended from time to time and any other Statutory levy which may take effect from time to time after making corrections for the loss in the distribution system.

Clause IV: Interest on Delayed payment

For Domestic Service category, the delayed payment surcharge will be at the rate of 1.5% per month and part thereof. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Clause V: Voltage Rebate

Voltage rebate will be applicable as given below:

Consumer Category	Voltage Rebate
HTS - 33 kV	3.00%
HTS - 132 kV	5.00%
HTS - 220 kV	5.50%
HTS - 400 kV	6.00%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebates. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.

Clause VI: Load Factor Rebate

Load Factor rebate applicable will be as given below:

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

Note: The above rebate will be applicable only on energy charges only on monthly basis and consumer with arrears shall not be eligible for the above rebates. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.

Clause VII: Installation of Shunt capacitors

All consumers having aggregate inductive load greater than 3 HP (2.2 kW) and above (except domestic and street lights), shall install capacitors of required KVAR rating provided in the following table:

Rating of individual Inductive Load in HP	kVAR rating of LT capacitors
3 to 5	1
5 to7.5	2
7.5 to10	3
10 to 15	4
15 to 20	6
20 to 30	7
30 to 40	10
40 to 50	10 – 15
50 to 100	20 – 30

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers does not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

No connection shall be released for any consumer having aggregate inductive load greater than 3 HP (2.2 kW) unless the capacitors of suitable rating are installed.

Clause VIII: TOD Tariff

TOD tariff proposed shall be applicable as follows-

- Off Peak Hours: 10:00 PM to 06:00 AM: 85% of normal rate of energy charge.
- Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM: 120% of normal rate of energy charge

Clause IX: Other Terms & Conditions

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonored Cheques

In the event of dishonored cheque for payment against a particular bill, the Licensee shall charge a minimum of 300 Rs or 0.5% of the billed amount, whichever is higher. The DPS shall be levied extra as per the applicable terms and conditions of DPS for the respective category.

Stopped/ defective meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued on the basis of average of previous twelve months consumption.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of sanctioned/ contract load on following load factor applicable to respective categories, as shown below:

Category	Load Factor
Domestic & Religious Institution	0.10
Non-Domestic	0.20
LTIS/ PHED LT	0.15
DS-HT	0.15
HTS	
11 KV/ PHED	0.25
33 KV/ PHED	0.30
132/220/400 KV	0.50
HTSS	0.50
RTS	0.25

Sale of energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/ entity.

Release of new connections

No new connections shall be provided without appropriate meter. The tariff for un-metered connections shall be applicable only to the existing un-metered connections, until they are metered.

Conversion factors

The following shall be the conversion factors, as and where applicable**:** (PF=0.85):

1 Kilowatt (KW) = 1.176 Kilovolt ampere (kVA)

1 Kilowatt (KW) = 1 / 0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 Kilovolt ampere (KVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

Applicable as per the Clause 6.60 to 6.68 of the Distribution Tariff Regulations, 2015 and as amended by the Commission from time to time.

A13: STATUS OF EARLIER DIRECTIVES

Directives as per Tariff Order	Status submitted by the Petitioner	Views of the Commission
Directives as per TO 2011-12		
Separate Accounts The Commission directs the Petitioner to book the revenue and expenses of power business division including common costs in separate heads and provide details of cost along with next tariff petition.	The Petitioner has complied with the directive of the Hon'ble Commission in its True up and APR Filing for FY 2014-15/ FY 2015-16.	The Commission notes that the Petitioner has complied with this directive. The Petitioner is now directed to comply with the applicable provisions of JSERC (Power Regulatory Accounting) Regulations, 2015.
Correct Loss Estimation The Commission directs the Petitioner to conduct a detailed study for estimation of actual losses in its system and submit the report within one month from the date of issue of order.	The Petitioner has stated that it regularly estimates the losses and submitted the quarterly estimated loss reports to the Commission.	The Commission notes that the Petitioner has complied with this directive.
Expansion of Network and Service Area The Commission directs the Petitioner to submit a alternative proposal for reaching rural consumers through existing network of other licensees, along with requisite cost benefit analysis clearly showing the impact on consumer along with the next tariff petition or earlier. The Commission also re-iterated that the Petitioner must work out an expansion plan for its licensed area along with the time schedules and submit the same within three months of the issue of Order. The Commission has also directed the Petitioner to submit quarterly report to the Commission the status of consumer applications pending and the reasons thereof.	The Petitioner has stated that it had earlier submitted a detailed report to the Hon'ble Commission vide letter No PBD/248/59-J/2014 dated 15.09.2014 on this subject and the Petitioner is currently working as per plan submitted under the above mentioned letter.	The Commission, in the past, has time and again directed the Petitioner to expand its net-work and service area. The Commission observes that the Petitioner has proposed to incur expenditure on rural distribution schemes. The Commission, while appreciating the initiative of the Petitioner to expand its network, is also of the view that the funds allocated to the schemes are inadequate. **The Commission directs the Petitioner to make all out efforts to expand its network and service area and ensure that the schemes proposed by the Petitioner for the same in its Business Plan Petition for the 2nd MYT Control Period are implemented expeditiously and efficiently.** **The Petitioner is directed to submit quarterly reports to the Commission regarding the progress in this front.**

Directives as per Tariff Order	Status submitted by the Petitioner	Views of the Commission
Status of CGRF & DSM Initiatives The Commission has directed the Petitioner to continue submitting quarterly reports on the status of implementation of CGRF and DSM initiatives giving details of initiatives undertaken and costs incurred.	The Petitioner submitted that it has planned a detailed CGRF and DSM initiative to be undertaken in next financial year for the whole licensed area. Also, the Petitioner has issued work order to the Energy and Research Institute for this work.	The Commission notes compliance of the directive by the Petitioner.
Adjustment of Bills and Payments The Commission directs the Petitioner to submit reconciliation statement for adjustment of bills made in FY 2013-14 and FY 2014-15 along with next tariff petition.	The Petitioner has stated that it has provided power purchase bills for power purchase from different sources as a part of true up /APR petition of FY 2014-15 and FY 2015-16.	The Commission notes the compliance of directive by the Petitioner. **However, as the reconciliation is made each year, the Commission directs the Petitioner to submit the reconciliation statement for adjustment of bills made in FY 2014-15 and FY 2015-16 along with the next tariff petition.**
Directives as per TO 2012-13		
Data adequacy in Next Tariff Petition and audit of accounts The Commission directed the Petitioner to submit all the required information as per regulatory formats along with its nect tariff petition failing which its petition may not be accepted by the Commission. The Petitioner was also directed to submit the progress report of major capex schemes with documents such as BOD approvals progress reports etc.	The Petitioner submitted to the Hon'ble Commission that Regulatory formats have been submitted with this letter.	The Commission notes compliance to the directive and **again directs the Petitioner to submit the progress report of major capex schemes along with documentation such as BOD approvals etc.**
Cost reduction measures The Commission directed the Petitioner to submit the quarterly report to the Commission explaining the tangible benefits / results achieved by the Petitioner from the various schemes mentioned by it.	The Petitioner submitted that it will give details of quarterly capex reports to the Hon'ble Commission.	The Commission has failed to comply with this directive and is **directed to submit the quarterly report to the Commission explaining tangible benefits /results from the capex scheme mentioned by it within 3 months from the date of issue of this order.**
Employee Strength of the Petitioner The Commission directs the Petitioner to justify the requirement and job profile of existing employees as well as the need to recruit more employees for the licensed	The Petitioner submitted that it has provided comparison of Distribution loss as well as sales with other similarly placed utilities in Table 20 of its true up/APR	The Petitioner is directed to submit details of productivity/ consumer per employee for Distribution business of other similarly placed utilities within

Directives as per Tariff Order	Status submitted by the Petitioner	Views of the Commission
area and submit the report of the past years and quarterly reports for the ensuing year with the next Tariff Petition. The Commission also directed the Petitioner to conduct a study on number of consumers per employee and other employee productivity parameters in the similarly placed utilities and submit a report on the same within three months of issue of this order.	petition of FY 2014-15 and FY 2015-16. It further stated that the details of utilization and manpower had been provided in MYT petition dated November 10, 2012 and the same has been submitted again. The Petitioner also submitted that it shall provide details of productivity/ consumer per employee for Distribution business of other similarly placed utilities shortly.	three months of the issuance of this Tariff Order.
Power procurement from different sources Commission directs the petitioner to continue exploring more cheaper power options and submit report on same to the Commission along with next tariff petition.	Petitioner submitted that it had already tied up power sources for its operations from DVC and TSL for FY 2014-15 and FY 2015-16. However, if some cheaper option is available and feasible, JUSCO will submit the same to the Commission	The Petitioner has failed to submit a report on the same to the Commission and **is directed to continue exploring cheaper power options and submit report on same to the Commission along with next tariff petition.**
Directives in MYT order dated June 2014		
Filing of business plan The Commission directs the Petitioner to submit its ARR and tariff petition along with complete regulatory format and additional information such as power purchase bills as per timelines specified in Distribution Regulations,2010.	The Petitioner stated that it has submitted its True up/APR petition for FY 2014-15/FY 2015-16 in compliance of the directive.	The Commission notes the compliance of this directive by the Petitioner.
Timely Submission of the reply to the data gaps/ discrepancy notes Commission observes with concern that petitioner has repeatedly failed to comply with this directive within expected timelines and further directs the petitioner to facilitate suitable measures to ensure compliance in this regard	Petitioner submitted that all data gaps queries raised as a part of True up/APR petition for FY 2014-15/FY 2015-16 will be replied within the timelines specified by the Commission.	The Commission notes the compliance of this directive by the Petitioner.
Directives in TO 2013-14		
Security Deposits Commission directs the Petitioner to submit a detailed report on security deposit on its books of accounts along with details of year wise additions in the last five years.	The Petitioner submitted that amount of security deposits as on last day of financial year and year wise net additions in security deposits have been provided.	The Commission notes compliance of the Petitioner.

A14: NEW DIRECTIVES

14.1 In addition to the compliance of existing directives as mentioned in the status of earlier directives, the Commission directs the Petitioner to comply with following new directives.

Board Approved Allocation Statement

14.2 The Commission directs the Petitioner to submit a **board approved allocation statement to apportion costs and revenue between wheeling and retail supply business clearly describing the basis and methodology used for segregation within 3 months of issue of this Tariff Order.**

Board Approval for Capital Expenditure Schemes

14.3 The Commission directs the Petitioner to submit board approvals of its capital expenditure schemes proposed for the Control Period FY 2016-17 to FY 2020-21 within 3 months of the issue of this Tariff Order. **The Commission shall not allow any capital expenditure on schemes without prior submission of board approvals to the Commission.**

Quality of Supply and Services

14.4 The Commission directs the Petitioner to propose the baseline and performance trajectory for all the quality parameters specified in the JSERC (Distribution Licensee's Standard of Performance) Regulations, 2015 and submit to the Hon'ble Commission within 3 months of issue of this Tariff Order.

Change in Slabs/ Omission of Slabs/ Proper Analysis for Structural Changes

14.5 The Commission observed that the proposals of the Petitioner with respect to change in the terms and conditions are not supported by suitable justification. In order to justify proposed changes in the terms and conditions, the Petitioner has to submit reasons supported by the intelligible facts and figures, anticipated change in consumption pattern / load profile, financial impact analysis of change in such terms and conditions on the consumer, revenue forecast in existing and proposed scenario, overall impact on the Utility, etc. which are lacking in the Petition. Inspite of the directions of the Commission to submit suitable justifications for the various proposals submitted in the Petition, the Petitioner provided vague and contradictory replies.

14.6 The Commission further observed that the Petitioner has omitted various slabs/ sub-categories in its tariff proposal for FY 2016-17. The Commission directs the Petitioner to submit, in writing, the reasons for omission of slabs/ sub-categories in the future petitions. Any change in the tariffs/consumer category/ slab structure ought to be supported by detailed justifications.

Quality of Petition

14.7 **The Commission, takes strong objection to the fact that the quality of the Petition submitted by the Petitioner, does not meet the required standards**. Besides numerous discrepancies and missing information, the Petitions lack consistency and authenticity. Thus, the Commission directs the Petitioner to improve the quality of its Petitions from the next tariff filing.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on this 28th Day of February, 2017.

Date: 28.02.2017
Place: Ranchi

Sd/-	**Sd/-**
(Mr. R.N. Singh)	**(N.N. TIWARI, J)**
MEMBER (T)	**CHAIRPERSON**

A15: ANNEXURE - I

List of participating members of public in the public hearing

Sl. No.	Name	Address / Organization if any
1	Shatrughan Sardar	Ledmadih
2	Ashok Bihany	ASIA
3	Sudhir Kumar Singh	Secretary, ASIA
4	Inder Kumar Agarwal	President, ASIA
5	Dashrath Upadhyay	ASIA
6	Kartik Niayak	Rapcha
7	Madhuri Tuk	Rapcha
8	Dev Mari	Harisundarpur
9	Atul Dua	Multi Tech Auto, Adityapur
10	S. K. Singh	ASIA
11	A. K. Pandey	Lafarge
12	Mani Pandey	JUSCO
13	C. B. Sinha	Shiv Shakti Enl
14	Niranjan buma	ASL Industries Ltd.
15	Lalit	ASL Industries Ltd.
16	Dr. M. P. Dubey	Adityapur
17	Punit	SCCI
18	Piyush	ASIA
19	Suman Mandul	JUSCO
20	M. K. Panda	JUSCO
21	Rajeev Ranjan	ASIA
22	Ratan Agarwal	ASIA
23	R. P. Das	Adityapur
24	Nirmal Karmakar	JUSCO
25	Sanjay Gautam	JUSCO
26	K. C. Jha	JUSCO
27	S. C. Jha	ECGRF (TSL)
28	R. K. Gupta	ASIA
29	Santosh Khetan	ASIA
30	S. N. Thakur	ASIA
31	A.K. Tripathi	Adityapur
32	S. R. Chakarborty	Adityapur
33	Kaushal Singh	Steel City Metal
34	Amit Parikh	ASIA
35	Ramesh Khandwa	Adityapur
36	Rajesh Kumar	Adityapur
37	Brijesh Singh	Phabhat Khabar
38	Prabhat Kumar	JUSCO
39	Akhilesh Jha	JUSCO
40	Vikash Singh	JUSCO, SRT
41	Uday Kumar	Salapanar

Sl. No.	Name	Address / Organization if any
42	Jharilal	Adityapur
43	Gouri Shankar Hembron	Hirgi
44	Santosh Kumar	AFSI
45	Ajit Kumar Mahto	Bhati Basti
46	Lalit Pd. Mahto	Bhetia Basat
47	Birendra Kumar	Adityapur
48	Arun Prasad	JUSCO
49	Dhiraj	JUSCO
50	Subhash Pramanik	JUSCO
51	Santosh Kumar	JUSCO
52	Gauri Shankar Dev	JUSCO
53	Subrat Ray	Adityapur
54	Prabhat Kumar	Adityapur
55	P. Kumar	Gamharia
56	Rohit Kumar	Gamharia
57	S. K. Singh	JUSCO
58	S. K. Mohanta	Adityapur
59	Sanjay Kumar Sharma	JUSCO
60	Krishna Mohan Pandey	JUSCO
61	Durgesh	JUSCO
62	Manish	Adityapur
63	Subhshis Ghose	Adityapur
64	Y. Prasad	JUSCO
65	Prem	Adityapur
66	Ritesh Gupta	JUSCO
67	U. K. Sinha	JUSCO
68	S. N. Banerji	JUSCO
69	M.P. Verma	Adityapur - 2
70	S.S. Dubey	JUSCO
71	S.C. Jha	ECGRF (TSL)
72	Jagat Narayan	JUSCO
73	Dilip Mahto	JUSCO
74	Santosh Kumar	Sridaga
75	Ashok Kumar	Bistupur
76	Santosh Singh	Sondha Tubes
77	S. Dharmarajan	Ramit Novdcast Pvt. Ltd.
78	Rohit Kumar Jha	AAC Adityapur
79	A. P. Singh	JUSCO
80	Usojle	JUSCO
81	Pranay Singh	JUSCO
82	Arbind Kumar Sinha	JUSCO
83	Atul Dua	MAL
84	Md. Kasim	Chairman, CGRF, JUSCO
85	N. K. Srivasta	Chairman, CGRF, TSL
86	G. Sinha	JUSCO

Sl. No.	Name	Address / Organization if any
87	Manmohan Singh	JUSCO
88	Tarkeshwar	JUSCO
89	Suresh Kumar	JUSCO
90	N. Leena	JUSCO
91	Ashwin B	Feedback Infra
92	A. Agarwal	JUSCO
93	A. N. Choudhary	JUSCO - Member CGRF
94	Sharad Kumar	TSL
95	Deepak P. Kumar	JUSCO - Member, CGRF, Tata Steel
96	Capt. Dhanjay	JUSCO
97	Ashish Mathur	JUSCO
98	Pintu Mukhi	CGRF, TATA STEEL
99	Mani pandey	JUSCO
100	Manish Sinha	JUSCO
101	S. P. Sinha	JUSCO
102	Bipin Mishra	Press Sahar TV
103	Dipak Kumar	Eazy Furniture Adityapur
104	B. Sharma	Dainik Jagran
105	Jetendra Kumar	New Ispat Mail