

A4: PUBLIC CONSULTATION PROCESS

Submission of comments/suggestions and conduct of public hearing

- 4.1 The tariff petition evoked response from several consumers. A public hearing was held on 8th November, 2009 in Adityapur in the district of Saraikela-Kharsawan to ensure the maximum public participation wherein respondents put forth their comments and suggestions before the Commission in the presence of the petitioner. There were 112 members of the public who took part in the public hearing process. The list of the attendees is attached in Annexure-I.
- 4.2 Further, there were 26 persons who filed written suggestions/comments on the Tariff petition filed by JUSCO, listed hereunder:

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

S. No.	Objector/Organization	Represented by
1	MP Tower Company	Sh. P.K. Bhattacharya
2	Small Industries Association	Sh. R.K. Sinha
3	Sh. R.K.Verma	Self
4	Smt. Reema	Self
5	Smt. Neha	Self
6	Sh. Lucky Ali Verma	Self
7	Sh. Pathak	Self
8	Sh. Sanjay Kumar Singh	Self
9	Sh. Rajeev Kumar Verma	Self
10	Sh. Gopal Hembram	Self
11	Sh. Santosh	Self
12	Sh. Brijesh Kumar Singh	Self
13	Sh. Rajesh Kumar	Self
14	Dr. M. Ram	Self
15	Sh. S. N. Thakur	Self
16	Sh. Lal Chand Agarwal	Self
17	Sh. Shroff	Self
18	Dr. S.K. Roy	Self
19	Sh. Khandelwal	Self
20	Sh. Singh	Self
21	Industrial Consumer of JUSCO	
22	Sh. P.C. Patra	Self
23	Sh. P.N.Singh	Self
24	Sh. Anup Roy	Self

25	Sh. Sunil Kumar	Self
26	Sh. Chandan Kumar Jha	Self

- 4.3 The Commission also allowed persons/ representatives of entities who had not submitted prior written representations but attended the public hearing to express their views, regarding the ARR and tariff petition, in person during the course of public hearing.
- 4.4 The comments and suggestions raised by the participants along with replies given to the suggestions/comments by JUSCO and views of the Commission thereon are discussed in the following sections.

Tariff revision/rationalization issues

Public Comments/Suggestions

- 4.5 The following are the relevant comments/suggestions of the public:
- (a) Most of the consumers requested the Commission to ensure that the impact of tariff hike should be minimized on domestic consumers and weaker sections of the society. It was also requested that fixed charges should not be increased.
 - (b) Implementation of TOD tariff as suggested by JUSCO in its tariff petition should be made optional for the consumers
 - (c) JUSCO's submission to the Commission to stagger the holidays for the industries can be considered by the Commission
 - (d) Tariffs should be less for supply to villages
 - (e) Tariff hike for the consumers should be allowed in a rationalized manner
 - (f) Whether JUSCO has factored the increase in tariff sought by Tata Power Company Ltd. in its petition
 - (g) Tariff applicable for LTIS category are too high and hence should be reduced
 - (h) JUSCO should be directed to supply electricity at JSEB tariff
 - (i) Small scale industries have been badly affected due to the recession, their tariff should not be hiked.
 - (j) Regarding optional TOD tariff, it was requested to reduce the difference between peak hour tariff and non-peak hour tariff.

- (k) Regarding the introduction of the “Non-Sunday Off Scheme”, it was requested that the percentage rate of penalty and rebate be kept the same.
- (l) It was pointed out that the petitioner did not ask for any increase in the HTS and HTSS supply charges, whereas energy charges for LTIS and Domestic categories have been proposed to be increased.
- (m) There is a revenue gap of Rs. 1724.1 lakhs (due to initial year of operations) which the petitioner proposes to defer for recovery in coming years. Adityapur Small Industries Association (ASIA) requested the Commission to accept the proposal of petitioner to partially defer the revenue gap.

JUSCO's response

4.6 The petitioner's response on the above comments/suggestions are as under:

- (a) As per the ARR and tariff petition for FY 2009-10, JUSCO has projected a cumulative gap of Rs. 1724 lakhs, a major portion of which has been requested to be deferred and be made Regulatory Asset so as to minimize the hike in tariff. However, in line with provisions of the NTP which guides towards a tariff regime within a range of $\pm 20\%$ of the Average Cost of Supply, rationalization of the tariff structure has become imperative since domestic consumers are currently being cross-subsidized by other consumer categories (mainly industrial). Hence an increase has been proposed in the energy charges.
- (b) With respect to optional TOD tariff and the proposed rebate for staggering holiday, the petitioner also requests the Commission to accept the same.
- (c) As stated in Pt. (b)
- (d) As stated in Pt. (a)
- (e) As stated in Pt. (a)
- (f) As stated in Pt. (a)
- (g) As stated in Pt. (a)
- (h) The tariff rates are as per JSEB tariff only
- (i) The petitioner states that it is aware of the fact that small scale industries have been hit hard by the recession and thus it has proposed only a symbolic increase of 10 paise per unit in the energy charges and has proposed to keep the fixed charges unchanged for these industries.

- (j) The petitioner proposes to continue the optional TOD tariff and the difference between peak tariff and off-peak tariff has been kept at Re. 1.00/unit (Rs. 4.60 – Rs. 3.60). The petitioner submitted that a difference of this level is required to motivate non-continuous consumers to shift their load curve to off-peak hours. Additionally, an industry with fixed running load (all 24 hours) should not get undue benefit by just opting for the TOD tariff. The petitioner believes that any less difference shall fail to achieve the above stated objectives.
- (k) The petitioner has not provided any comment on “Non-Sunday off Scheme”.
- (l) The proposed increase in the Domestic and LTIS category energy rates has been done in order to bridge the gap between cost of supply and average revenue billed in accordance with the guidelines of the NTP.
- (m) Regarding ASIA’s views on treatment of accumulated revenue gap, the petitioner also requests the Commission to approve the same.

Views of the Commission

4.7 The Commission has set forth its views on the issue of tariff revision/rationalization in Section 7 of this tariff order.

Miscellaneous Charges

Public Comments/Suggestions

4.8 The following are the relevant comments/suggestions of the public:

- (a) Penalty and rebate applicable to the consumers for shifting the load profile should be symmetric and not asymmetric
- (b) Meter charges should not be levied.
- (c) JUSCO is already levying installation charges for the meters and in the tariff petition JUSCO has asked for an increase in the meter charges which is not correct.
- (d) JUSCO has asked for revision in the MMC charges, this should not be allowed by the Commission.
- (e) Since a late payment surcharge is applicable on consumer, a rebate for timely payment of bills should also be extended to consumers.
- (f) The petitioner was requested to charge the total meter cost at the time of installation and abolish the system of charging meter rent on a monthly basis.

- (g) There was a request to do away with MMC.
- (h) JUSCO has proposed to increase the MMC from Rs. 250/kVA/month to Rs.500/kVA/month mainly on account of Load Factor and gap in revenue due to difference in cost of supply & projected revenue collection. The poor load factor has been attributable to recessionary economic conditions as well as the initial year of operation of JUSCO. Therefore, the sales forecast based on these factors may not reflect the true picture. With increase in sales the revenue gap is expected to come down. It is submitted that if a consumer having a contract demand of 100 kVA does not consume even a single unit then the fixed charges payable becomes Rs.25,000 p.m. instead of Rs. 14,000 p.m. and as per the proposed MMC it will become Rs. 50,000 p.m.. It is requested not to increase the MMC.
- (i) It is submitted that the petitioner is proposing to change the rate DPS from 0.50% per week to 2.00% per month, and it was requested to keep it at the previous level.
- (j) It is said that ASIA agrees to the proposed schedule of miscellaneous charges for various works referred.

JUSCO's response

4.9 JUSCO offered the following responses on the above comments/suggestions:

- (a) No specific comments have been provided by the petitioner regarding pt. (a).
- (b) On the issue of abolishing meter rent, the petitioner submitted that meter rent contributes towards the cost of recovery and maintenance of the meter and collecting meter rent is a practice which is prevalent across utilities in India. Hence the petitioner submits that it cannot be done away with.
- (c) No specific comments have been provided by the petitioner.
- (d) The petitioner submits that the hike in MMC has been proposed because the existing rates of MMC are too low as compared to the power availability given to consumers. The petitioner further states that this was evident in the last financial year, when even after recessionary conditions, which forced industries to run their plants on lesser capacities, there were only a few cases of consumers paying MMC. Also, MMC is required in order to incentivise consumers to optimise their power requirement/demand while applying for new power connections and it will also help in curbing the trend of getting higher load sanctioned and get the network assets blocked even if there is no actual requirement.

- (e) On the issue of rebate for timely payment, the petitioner submits that since it engages its resources to get the meter reading and bill delivery done on time, it expects consumers to pay the same on time. Thus it does not see the need to further incentivise timely payment through any rebate mechanism. Further, the petitioner remarks that such a rebate would only increase the cost of supply which would finally be get paid by consumers only.
- (f) The petitioner agrees that meter rent should be fixed based on the cost of the meter and its expected life. However, it submits that the present rates are based on the BSEB tariff of June 23, 1993, and therefore requests the Commission to take an appropriate decision based on the above facts.
- (g) No specific comments has been provided by the petitioner on pt.(g)
- (h) The present MMC are Rs. 250/ kVA/ month. This corresponds to energy usage at approx. 5% to 6 % of load factor. The petitioner submitted that a relatively lower MMC may lead to consumers blocking the limited power with the Licensee by contracting more than what is actually needed, as they will then lead to consume only 5% to 6% of the sanctioned load in order to achieve the consumption corresponding to MMC. This will result in sub-optimal usage of available power. The petitioner maintains that the proposed increase in MMC will bring the minimum energy charges corresponding to a load factor in the range of 10-12% only, which itself is quite low corresponding to availability of power being offered to the consumers in the area. The petitioner further submits that power availability in its network is in the range of 98%- 99% and therefore if the contract demand is fixed judiciously by consumers, it will not be difficult for any consumer to achieve a load factor above 12% corresponding to the proposed MMC. Moreover, the petitioner also intends to take power supply from DVC very shortly, where, as per the prevailing tariff the Monthly Minimum Guaranteed Energy Charges (MMGEC) are payable at 55% of load factor. In view of the above, the petitioner requests the Commission to accept the proposed increase in MMC.
- (i) The petitioner has proposed the following DPS:
 - (i) For industrial consumers – 0.50% per week
 - (ii) For other consumers – 2.00% per month

The petitioner submits that for a bill amount of Rs. 300-500, if a consumer doesn't pay the bill on time, the 2.00% DPS amount payable additionally would only be Rs.6-10. Such a low surcharge in absolute value does not push the consumer to pay the bill on time and hence the petitioner requests the Commission to fix Rs. 30 as the minimum DPS amount.

- (j) The petitioner also requests the Commission to approve the proposed schedule of miscellaneous charges.

Views of the Commission

- 4.10 The Commission has set forth its views on the issue of miscellaneous charges in the directive section of this tariff order.

NOC and refund of security by JSEB for shifting of connection

Public Comments/Suggestions

- 4.11 Difficulty in obtaining No Objection Certificate (NOC) and refund of security, clearance certificate for shifting the connection from JSEB to the parallel licensee JUSCO

JUSCO's response

- 4.12 The matter related to non-issue of NOC and non-refund of security deposit by the first licensee is not related to the petitioner

Views of the Commission

- 4.13 There is already a provision in para 7.5 of the JSERC (Electricity Supply Code) Regulations, 2005 regarding issue of NOC. The Appellate Tribunal vide its order dated January 16, 2008 passed in appeal no.122 of 2007 has also issued appropriate directions in this regard.

Other Issues

Public Comments/Suggestions

- 4.14 On other issues, the relevant comments/suggestions of the public are as under:
- (a) Replicate parallel licensee in other area of the State
 - (b) More bill collection facilities should be provided by JUSCO. The petitioner was also requested to open collection counters at Adityapur to facilitate consumers of that area.
 - (c) JUSCO should expand its system/ network to include other consumers in its jurisdiction, where there is no network of JUSCO and the criteria for expansion of network should not be solely based on the availability of a group of consumers.
 - (d) In case of load shedding, JUSCO should implement the provision of providing prior information through mobile SMS.

- (e) JUSCO should take up installation of street lights within its area of operation.
- (f) JUSCO should improve its phone enquiry system.
- (g) JUSCO should provide necessary information in Hindi language also.
- (h) The Commission has not conducted a hearing on the tariff petition filed by JUSCO (No.08/2007-08)
- (i) The Commission should bring out advertisements for seeking comments on petition.
- (j) A request was made that JUSCO should take over the maintenance activity of the 500 kVA distribution transformer owned by consumers on paid basis.
- (k) It was suggested that consumers should be given an option to purchase meters on their own in which case they would not have to pay meter charges.
- (l) Another suggestion was to install a separate transformer for a group of 8-10 consumers so as to minimize the burden of installation cost.
- (m) ASIA requested the Commission to:
 - (i) Fix up the price for sale of electricity of all the industries which are into electricity generation;
 - (ii) There is a provision to give a certain fix percentage of electricity to the power producing State by the power generating units. ASIA requested that if, for some reason, the generator is not giving the power to JSEB or JSEB is not able to take this percentage for its own reasons, the same should be given to JUSCO so that the State ultimately gets the power.
- (n) The Jharkhand Small Industries Association (JSIA) has requested the Commission to make amendments to the applicability of the LTIS category, in line with the Jharkhand Industrial Policy, 2001 and prevalent applicability for LTIS category in JSEB.

JUSCO's response

4.15 The following are the responses of JUSCO on the above comments/suggestions

- (a) No specific comments has been provided by the petitioner on pt.(a)
- (b) Regarding the demand for opening up a new collection centre at Adityapur, the petitioner has stated that it would take steps to initiate the opening of the same.

- (c) No specific comments has been provided by the petitioner on pt.(c)
- (d) Regarding informing customers in advance about scheduled power cuts, petitioner states that such information is always posted on the its website as and when there are scheduled power cuts. However, it would further attempt to share this information on phone and through SMS and would take up the matter with the mobile/telecom operator to device a cost effective method to do so. The petitioner also submitted that it has made sincere efforts to ensure continuous improvement in customer service and it is one of the few utilities in India to have a 24x7 consumer care centres named “JUSCO Sahyog” with service level guarantees for its services. The petitioner further submitted that compliance of complaints received against the service level guarantees has remained more than 90% in most cases.
- (e) As for the demand for installation of street lights on poles, the petitioner submits that installation of street lights is the function of the local municipal authority and therefore, it is not in a position to take up the same.
- (f) Same as pt. (d) above
- (g) No specific comments has been provided by the petitioner
- (h) No specific comments has been provided by the petitioner
- (i) No specific comments has been provided by the petitioner
- (j) In case of domestic HT category, ownership of the transformer lies with the consumer and hence the petitioner submitted that it will be difficult for it to takeover the maintenance of the same. Further, energy charges are also lower in case of the domestic HT category and as such the licensee does not need to maintain the same.
- (k) On the issue of permitting consumers to purchase meters on their own, the petitioner submits that as long as the meters purchased by consumers meet the prescribed specification, it will facilitate the same. However, such meters must be tested for accuracy by the petitioner in its own lab in case of LTIS connections below 10 kW and additionally, at an independent Government/NABL approved laboratory at the cost of the consumer.
- (l) The petitioner stated that it appreciates the idea of installing separate transformers for 8-10 consumers and will encourage such connections wherever feasible.
- (m) JUSCO submitted that these matters are not related to its ARR & Tariff petition, nor are they in the form of any query, and hence it has no comments to offer.
- (n) The petitioner has not given any comments on this issue.

Views of the Commission

- 4.16 The Commission feels that it is of utmost importance to have proper and well functioning CCC as these go a long way towards ensuring consumer satisfaction. The Commission also directs the petitioner to develop a plan for the implementation of the SMS facility for information sharing.
- 4.17 The Commission also directs the petitioner to develop a process and issue requisite circular for the LT consumers regarding the purchase and installation of their own meters and testing thereof.
- 4.18 The Commission has given relevant directions to the petitioner on the above, which are stated in the Section 8 of this order.
- 4.19 The Commission also directs the petitioner to make all efforts to expand the network and include more consumers in its network.
- 4.20 The Commission had issued the advertisement in leading newspapers for the conduct of the public hearing.
- 4.21 The Commission has accepted the request of the JSIA on revising the applicability of the LTIS category as per the Jharkhand Industrial policy, 2001 and prevalent applicability of LTIS category in JSEB. The Commission directs the petitioner to adhere to the revised LTIS applicability as mentioned above. The revised applicability of the LTIS category shall be as follows:
- “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).”***
- 4.22 The Commission further states that there are some other issues which are not in the purview of this tariff order and requests the consumers to make a separate submission to the petitioner or the Commission, as the case may be.