



# झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 17 of 2016/586  
Date: 13<sup>th</sup> December 2016

To

Shri B. Narayan  
Chief Engineer TR. (O&M)  
Jharkhand Urja Sancharan Nigam Limited (JUSNL)  
Engineering Building, H.E.C.  
Dhurwa, Ranchi – 834004.

Sub: Discrepancies and Additional data requirement pertaining to the petition for approval of Business Plan for 2<sup>nd</sup> MYT Control Period FY 2016-17 to FY 2020-21 of JUSNL – Regarding thereof.

Ref: Your petition dated 16.11.2016.

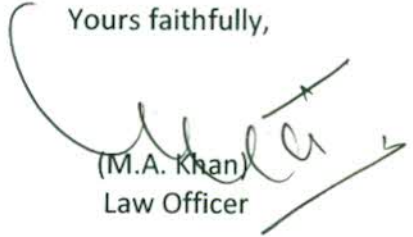
Sir,

Please find enclosed a copy of order dt. 13.12.2016 passed by the Commission in case (Tariff) No. 17 of 2016 on the subject cited.

A compliance report to this effect removing the discrepancies may please be sent within two weeks as stipulated in the order.

Thanking you.

Yours faithfully,

  
(M.A. Khan)  
Law Officer

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION  
RANCHI**

**FORM OF PROCEEDING**

Case (Tariff) No. 17 of **2016**

Jharkhand Urja Sancharan Nigam Limited (JUSNL) .....

Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	13.12.2016	<p>The petition dated 16.11.2016 of Jharkhand Urja Sancharan Nigam Limited (JUSNL) for Business Plan for 2<sup>nd</sup> Control Period FY 2016-17 to FY 2020-21 has been scrutinized with the assistance and advice of our consultant. Several deficiencies have been found in the petition as shown in the office report.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within 2 weeks.</p> <p>Put up on <b>27.12.2016 at 2.30 P.M.</b></p> <p style="text-align: right;">Sd/- Chairperson</p>	

**Office Report**

The petition dated 16.11.2016 of Jharkhand Urja Sancharan Nigam Limited (JUSNL) for Business Plan for 2<sup>nd</sup> Control Period FY 2016-17 to FY 2020-21 has been scrutinized with the assistance and advice of our consultant and several deficiencies have been found in the petition as indicated below :-

1. JUSNL has not submitted the requisite information in the prescribed Regulatory formats along with the Petition.
2. JUSNL has not submitted audited annual accounts for FY 2013-14, FY 2014-15 and FY 2015-16.
3. JUSNL has failed to submit provisional annual accounts for FY 2016-17 (upto November 2016).
4. The Petitioner has not submitted details of scheme-wise/ project-wise actual capital expenditure incurred and capitalization during the past five years in respect of the ongoing schemes submitted as part of the capital investment plan.
5. The Petitioner has not submitted the details of the actual expenditure incurred and capitalization for the FY 2016-17 (upto November, 2016) in respect of the ongoing capex/proposed capex/infrastructure augmentation/R&M schemes.
6. The Petitioner has failed to submit DPRs of all schemes planned to be undertaken by it.
7. The Petitioner has not submitted copies of contract documents such as scope of work, work orders etc. for the works being undertaken by PGCIL on behalf of the Petitioner as well as source of finance for the same. The Petitioner is also required to submit DPRs prepared for these schemes along with information as per Format F8B.
8. The Petitioner has also not submitted as to whether the capital investment plan is in conformity with the perspective plans made by the CEA /CTU and the capital investment plans of the Distribution Licensee and the Generating Company. The Petitioner is required to substantiate the same with requisite details.



9. The Petitioner has not submitted the cost benefit analysis of the schemes proposed in the capital investment plan.
10. The Petitioner has not given detail steps it has taken to improve the efficiency in implementation of projects so as to substantiate its capability to undertake higher capital expenditure than its actual achievements in previous years.
11. The Petitioner has not submitted the year wise and voltage wise details of transmission line length added, number of sub stations and transformation capacity for the past 5 years.
12. The Petitioner has submitted voltage wise plan of new transmission lines as well as GSS to be added in the Control Period in Table 7 and 8 of the Petition respectively. However, the same does not match with the details provided in the Annexure. For instance, as per Table 7 of the Petition, expected increase in 400 KV transmission lines is 2618 ckm. However, as per Annexure 1 (11.1), the expected increase in 400 KV transmission lines is 1298 ckm. The Petitioner has failed to submit justifications for the discrepancy observed.
13. The Petitioner has submitted that the project costs for various schemes proposed for the Control Period contain an escalation factor of 8%. The Petitioner has not given detailed rationale for the same.
14. The details of year-wise capital expenditure for the Control Period along with the capex phasing schedule (after considering escalation factor) submitted by the Petitioner do not match with the scheme-wise details submitted in the Annexure. The Petitioner has not given justifications for the discrepancy observed.
15. The Petitioner, in Chapter 5 of the Petition, has submitted the capitalization schedule for the Control Period. However, no rationale has been provided by the Petitioner for the same. The Petitioner has failed to submit detailed justification for the year-wise capitalization proposed. Also, the Petitioner should submit scheme-wise details of the proposed capitalization for the Control Period in line with the scheme-wise details of the capital expenditure submitted in the Annexure 11 of the Petition.
16. The Petitioner has not submitted the sources of debt raised/ to be raised/ grants etc. for funding of capital investment during the Control Period. The Petitioner is required to give the same along with documentary proof / loan documents of the debt availed for funding the ongoing schemes.

17. The Petitioner has not given detailed methodology/ computation for arriving at the depreciation expense in Table 42 of the Petition.
18. The Petitioner has not submitted detailed breakup of its assets clearly indicating the useful life, date of achieving COD, original value of the asset as on COD of each of its asset.
19. The Petitioner has not provided detailed explanations for the methodology used for computing the opening value of the Net Assets for FY 2016-17 (in Table 42 of the Petition) from the audited accounts of FY 2013-14.
20. The opening value of the Net Assets for a particular year do not match with closing balance of the previous year in Table 42 of the Petition. The Petitioner has not given justifications for the discrepancy observed.
21. The Petitioner has not submitted actual employee, A&G and R&M expense for the period FY 2013-14 till FY 2016-17 (upto November 2016). Actual cost incurred towards terminal benefits during the period FY 2013-14 till FY 2016-17 (upto November 2016) is also needed to be submitted.
22. The Petitioner has considered the 'k' factor for determination of R&M expenses to be 3.96% of the GFA. The Petitioner has not given detailed computation for arriving at this 'k' factor.
23. The Petitioner has not submitted actual transmission system availability certified by the SLDC during the past 5 years.
24. As per the tri-partite MoU signed under the UDAY scheme, the Petitioner is required to reduce the transmission losses to 4% by 2019. The Petitioner is required to its detailed action plan for the achieving the target envisaged in the UDAY scheme.
25. The Petitioner has not submitted the details of its allotted transmission capacity or contracted capacity.

Sd/-

L.O.