



# झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 17 of 2016/653  
Date: 16<sup>th</sup> January 2017

To

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

Sub: 2<sup>nd</sup> 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. 16.01.2017 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)  
Tariff I/c

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**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
4.	16.01.2017	<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 2020-2121 and reply to discrepancies (1<sup>st</sup>) vide letter No. 343 dt. 27.12.2016 has been scrutinized with the assistance and advice of our consultant and several deficiencies (2<sup>nd</sup>) have been found in the petition as shown in the office report.</p> <p>The petitioner is allowed 2 weeks time to meet the deficiencies (2<sup>nd</sup>) and remove the defects.</p> <p style="text-align: center;"><b>Put up on 31.01.2017 at 2.30 P.M</b></p> <p style="text-align: center;">Sd/- Member (Engg.)</p> <p style="text-align: center;"></p> <p style="text-align: center;">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 and reply to discrepancies (1<sup>st</sup>) vide letter No. 343 dt. 27.12.2016 has been scrutinized with the assistance and advice of our consultant and several deficiencies (2<sup>nd</sup>) have been found in the petition as indicated below :-

1. JUSNL has not submitted scanned copies of the annual accounts for FY 2013-14 (Audited) and FY 2014-15 (provisional). However, the same are not clear and legible. JUSNL should submit clear copies of the same, preferably in the excel format.
2. JUSNL has not submitted audited annual accounts of FY 2014-15 and FY 2015-16.
3. The Petitioner has not submitted details of scheme-wise/ project-wise actual capital expenditure incurred and capitalization during the past five years (including those undertaken by the transmission function of the erstwhile JSEB) in respect of the ongoing schemes submitted as part of the capital investment plan. The Petitioner has stated that the same shall be submitted along with the True-up Petition for the 1<sup>st</sup> Control Period. However, the Petitioner should submit the same along with the instant Business Plan Petition.
4. The Petitioner did not submit the details of the actual expenditure incurred and capitalization for the FY 2016-17 (upto December, 2016) in respect of the ongoing capex/proposed capex/infrastructure augmentation/R&M schemes.
5. The Petitioner did not submit DPRs of all schemes planned to be undertaken by it. The Petitioner has only partially submitted the DPRs for projects worth Rs. 4000 Cr. The Petitioner should submit the DPRs for the remaining projects as well.
6. In respect of the projects worth Rs. 4000 Cr whose DPR has been submitted by the Petitioner, JUSNL has not submitted, in tabular format, scheme-wise name of the project along with the estimated cost as per DPR matching with submission made by it in the Business Plan petition.

7. The Petitioner has submitted that the capital investment plan for the 2<sup>nd</sup> Control Period is in conformity with the Power For All (PFA) notified by the State Government. However, the capital investment plan and the fund requirement submitted in the Business Plan Petition does not match with the details given in the Jharkhand PFA document. The Petitioner has failed to provide detailed justifications for the same.
8. The Petitioner has not submitted the cost benefit analysis of the schemes proposed in the capital investment plan. The DPRs indicate only the cost estimated for the project. However, detailed financial appraisal of the same indicating the cost-benefit analysis is missing.
9. 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.
10. The Petitioner has not submitted a detailed rationale for considering an escalation factor/cost over-run of 8% for the project costs for various schemes proposed for the Control period. The Petitioner may not that the JSERC Regulations, 2015 as referenced by the Petitioner, prescribe a composite index of WPI and CPI for computation of O&M expenses and do not refer to an escalation factor for project costs / cost over-run.
11. The Petitioner did not submit documentary evidences of the sources of debt raised/to be raised/grants etc. for funding of capital investment during the Control Period.
12. The Petitioner has not given 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.
13. 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. The Petitioner is required to submit the details with the instant Business Plan Petition in line with Regulation 6.6 of the JSERC Tariff Regulations, 2015.

  
LO.