Jharkhand State Electricity Regulatory Commission

Order on
True-up for FY 2021-22,
Annual Performance Review for FY 2022-23, and
Aggregate Revenue Requirement & Tariff for FY 2023-24
for
Jharkhand Bijli Vitran Nigam Limited (JBVNL)

Ranchi,
February 28, 2024

Contents

List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ACS/ACoS	Average Cost of Supply
APR	Annual Performance Review
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BG	Bank Guarantee
CC	Consumer Contribution
CGRF	Consumer Grievance Redressal Forum
CSD	Consumer Security Deposit
CWIP	Capital Works in Progress
DVC	Damodar Valley Corporation
FPA	Fuel Purchase Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
GoJ	Government of Jharkhand
HP	Horse Power
HT	High Tension
IAS	Irrigation and Agriculture Services
IEX	Indian Energy Exchange
IFC	Interest & Finance Charge
IoWC	Interest on Working Capital
kW	kilo Watt
kWh	kilo Watt hour
kVA	kilo Volt Ampere
kVAh	kilo Volt-Ampere hour
MD	Maximum Demand
MES	Military and Engineering Services
MOD	Merit Order Despatch
MU	Million Units
NTI	Non-Tariff Income
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
REC	Renewable Energy Certificates
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RTS	Railway Traction Services
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SOP	Standard of Performance
SS	Street Light

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BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 15 of 2022

In the matter of:

Petition for

True-up for FY 2021-22,

Annual Performance Review for FY 2022-23, and Annual Revenue Requirement & Tariff for FY 2023-24

In the matter:

Jharkhand Bijli Vitran Nigam Limited (JBVNL),
Ranchi………………………………………………………… **Petitioner**

PRESENT

Hon'ble Justice Amitav Kumar Gupta	Chairperson
Hon'ble Mahendra Prasad	Member (Legal)
Hon'ble Atul Kumar	Member (Technical)

Order dated February 28, 2024

Jharkhand Bijli Vitran Nigam Limited (hereinafter referred to as 'JBVNL' or the 'Petitioner') has filed Petition dated January 19, 2023 for approval of True up of FY 2021-22, Annual Performance Review for FY 2022-23, and Annual Revenue Requirement for FY 2023-24.

Chapter 1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission

1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the "JSERC" or "the Commission") was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commissions Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.

1.2 The Government of Jharkhand, vide its notification dated August 22, 2002, had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commissions 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 transmission facilities in the manner provided in Section 29;
(c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
(d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.3 After the Electricity Act, 2003 (hereinafter referred to as the "Act") came into force, the earlier Electricity Regulatory Commissions Act, 1998 got repealed and the functions of SERC's are now defined under Section 86 of the Act.

1.4 In accordance with Section 86 (1) of the Act, the JSERC discharges the followingfunctions:

(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 licensees 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 purpose 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 has to also advise the State Government as per sub section 2 of Section 86 of the Act, 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) reorganization 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 also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the TariffPolicy are to:

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

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

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

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

The Petitioner-Jharkhand Bijli Vitran Nigam Limited

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

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

a) Jharkhand Urja Vikas Nigam Ltd. (JUVNL) being the holding company;

b) Jharkhand Urja Utpadan Nigam Ltd. (JUUNL) undertaking the generation function of the erstwhile JSEB;

c) Jharkhand Bijli Vitran Nigam Ltd. (JBVNL) undertaking the distribution function of the erstwhile JSEB;
d) Jharkhand Urja Sancharan Nigam Ltd. (JUSNL) undertaking the transmission function of the erstwhile JSEB.

1.10 1.10 Jharkhand Bijli Vitran Nigam Ltd. (herein after to be referred to as "JBVNL" or "the Petitioner") has been incorporated under Indian Companies Act, 1956 pursuant to decision of Government of Jharkhand to reorganize erstwhile JSEB.

1.11 Reorganization of the JSEB has been done by Government of Jharkhand pursuant to "Part XIII – Reorganization of Board" read with Section 131 of The Electricity Act 2003. The Petitioner is a Company constituted under the provisions of Government of Jharkhand, General Resolution as notified by transfer scheme vide notification no. 8, dated January 6, 2014, and is duly registered with the Registrar of Companies, Ranchi.

1.12 Jharkhand Bijli Vitran Nigam Ltd was incorporated on October 23, 2013 with the Registrar of Companies, Jharkhand, Ranchi and obtained Certificate of Commencement of Business on November 28, 2013

1.13 The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to supply electricity in the State of Jharkhand.

1.14 The Petitioner is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged in the business of Distribution of Electricity to its consumers situated over the entire State of Jharkhand.

The Petitioner's Prayers

1.15 The Petitioner in this Petition has made the following prayers before the Commission:

a) Admit the tariff and ARR Petition for FY 2023-24 accompanying audited True-up for FY 2021-22 and APR for FY 2022-23 in accordance with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

b) Allow the Petitioner to add/ change / alter / modify this application at a future date.

c) To condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioners to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date.

d) To allow petitioner to carryout adjustment of change in fuel price from FY 2023-24 and onwards in accordance with JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

e) To pass such Orders as deemed fit and proper in the facts and circumstances of the case in the interest of justice

Chapter 2: PROCEDURAL HISTORY

Background

2.1 The Commission has performed True-up of JBVNL till FY 2015-16 through various Orders.

2.2 The Commission had issued the MYT Order on June 21, 2017 for Approval of Business Plan and ARR for MYT Control Period FY 2016-17 to FY 2020-21 and Retail Supply Tariff for FY 2016-17 under the provisions of The 'Distribution Tariff Regulations, 2015.

2.3 The Commission has issued the Tariff Order for JBVNL on February 28, 2019 on True-up for FY 2016-17 & FY 2017-18, Annual Performance Review for FY 2018-19 and ARR & Tariff for FY 2019-20.

2.4 The Commission has carried out the True up for FY 2018-19, Annual Performance Review for FY 2019-20, Annual Revenue Requirement and Tariff Determination for FY 2020-21 vide its Order dated October 01, 2020.

2.5 The Commission had passed Order on True-up for FY 2019-20, APR for FY 2020-21, Business Plan & MYT for Control Period from FY 2021-22 to FY 2025-26 and Tariff for FY 2021-22.

2.6 The Commission had passed Order on True-up for FY 2020-21, APR for FY 2021-22, and ARR for FY 2022-23.

2.7 The Petitioner in the current Petition has sought for True-up for FY 2021-22, APR for FY 2022-23, ARR for FY 2023-24.

Information Gaps in the Petition

2.8 In exercise of Tariff determination process, the Commission had found that the Petitioner had filled petition based on provisional. In this regard, the Commission vide letter no JSERC/Case (T) No. 15 of 2022/333 dated December 22, 2023 had directed to submit Tariff petition based on audited account as per provision of JSERC (Terms & Condition for Determination of Distribution Tariff) Regulation, 2020.

2.9 In response to Commission query the Petitioner had filed revised petition vide letter no. 74/CE (C&R), File No. CE/C&R/Rev/2485/20 P-I dated January 19, 2023.

2.10 Accordingly, the Commission in exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 15 of 2022/310 dated September 06, 2023.

2.11 In response the Petitioner has asked to give time extension of 10 days (i.e till 30th September 2023).

2.12 Furthermore, in response the Petitioner furnished additional data/ information to the Commission vide letter nos.: 1414, File No. CE (C&R)/Rev./2358/2019/P-II dated October 26, 2023.

2.13 In addition to above the Commission vide letter no. JSERC/Case (Tariff) no.: 03 & 15 of 2022/505 dated February 6, 2024 asked to submit the roadmap of liquidate of gap submitted in the petition within a week. However, more than two weeks have passed since issue of letter, and the pertinent response is yet to be submitted as per requirements highlighted in the letter.

2.14 Furthermore, the Commission vide letter no. JSERC/Case (Tariff) no.: 03 & 15 of 2022/506 dated February 6, 2024 asked to submit reply of discrepancies observed in petition for True-up of FY 2020-21, FY 2021-22, APR for FY 2022-23, ARR & Tariff for FY 2023-24 within one week. However, more than two weeks have passed since issue of letter, and the pertinent data is yet to be submitted as per requirements outlined in the discrepancies note.

2.15 The Commission has conducted Technical Validation Session (TVS) on February 12, 2024 and communicated several additional deficiencies/information gaps observed in the Petition. The petitioner yet to submits its response to deficiencies/information gap raised during the

TVS.

2.16 The Commission has scrutinized the Petition and the additional data/information furnished by the Petitioner with respect to the discrepancies identified and has considered the same while passing this Order.

Inviting Public Comments/Suggestions

2.17 On scrutiny of the petition, the Commission directed the Petitioner to publish a Public Notice inviting comments/suggestions from public and to make available the copies of the Petition to the members of general public on request.

2.18 Accordingly, Public Notice was published by the Petitioner in the newspapers and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

Table 1: List of newspapers and dates of publication of public notice by JBVNL

Newspaper	Language	Date of Publication
Prabhat Khabar	Hindi	19.09.2023
Hindustan	Hindi	19.09.2023
Times of India	English	19.09.2023
Times of India	English	21.09.2023
Hindustan Times	English	21.09.2023
Danik Bhaskar	Hindi	21.09.2023
Prabhat Khabhar	Hindi	21.09.2023

2.19 In order to provide adequate opportunities to all stakeholder and general public, as mandated under 64(3) of the Electricity Act, 2003 and relevant provision of Regulation framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission has directed to publish a Public Notice in various newspapers allowing time till October 03, 2023 to submit their comments/suggestions and also organize a Public Hearing on Dec 11, Dec 13, Dec 15, Dec 18, Dec 19, 2023, at Daltonganj, Chaibasa, Dhanbad, Deoghar, and Ranchi respectively. The newspapers wherein the Notice was published by the Commission are mentioned below:

Table 2: List of newspapers and dates of publication of Public Notice by the Commission

Newspaper	Language	Date of Publication
Prabhat Khabhar	Hindi	10.12.2023, & 17.12.2023
Dainik Bhaskar	Hindi	10.12.2023, & 17.12.2023
Hindustan Dainik	Hindi	10.12.2023, & 17.12.2023
Dainik Jagaran	Hindi	10.12.2023, & 17.12.2023
The Times of India	English	10.12.2023, & 17.12.2023
The Hindustan Times	English	10.12.2023, & 17.12.2023

Meeting of the State Advisory Committee

2.20 The Commission has convened a meeting of the State Advisory Committee (SAC) on February 19, 2024 and prominently kept an agenda for discussion on the Petitions filed by the Petitioner. The minutes of the SAC meeting is attached as **Annexure-1** to this Order.

2.21 The points discussed during the meeting and the suggestions made by the members of the SAC have been duly considered by the Commission.

Submission of Comments/Suggestions and Conduct of Public Hearing

2.22 Objections/Comments/Suggestions on the Petition were received. The Objections/ Comments/Suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Chapter 4** of this Order.

Chapter 3: BRIEF FACTS OF THE PETITION

3.1 The following chapter summarizes the Petition of truing-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement for FY 2023-24 as filed by the Petitioner for the Commission's approval.

True-up for FY 2021-22:

Energy Sales

3.2 The table below summarizes the actual energy sales for FY 2021-22 as submitted by the Petitioner against the sales approved by Order dated May 31, 2023.

Table 3: Sales (in MUs) as submitted by the Petitioner.

Consumer Category	MYT	Petition
Domestic	5,661.71	5,686.37
Commercial/Non Domestic	1,018.58	869.95
Public Lighting / SS	55.61	86.88
Irrigation / IAS	231.89	179.23
Industrial LT / LTIS	237.72	230.54
Industrial HT / HTS / S/ EHT	2,039.05	1,883.70
RTS/MES		81.53
Total	**9,244.56**	**9,018.19**

Annual Revenue Requirement

3.3 The ARR for FY 2021-22 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated May 31, 2023 is tabulated hereunder:

Table 4: ARR (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Total Power Purchase Expense	**5,018.81**	**6,430.83**
Power Purchase Expense	4,493.82	5,869.10
Intrastate transmission charges	325.46	236.27
Interstate transmission Charge	199.53	325.46
Operations and Maintenance Expenses	**574.52**	**585.77**
Employee Expense	253.67	238.74
Administration & General Expense	96.72	84.79
Repair & Maintenance Expense	224.13	231.05

Particulars	MYT	Petition
Terminal Liability		31.19
Depreciation	460.25	783.93
Interest on Long Term Loan	454.27	408.30
Interest on Working Capital Loan	12.98	34.08
Interest on Consumer Security Deposit	50.31	41.46
Bank/ Finance Charges		0.49
Return on Equity Capital	476.29	476.15
Gross: Aggregate Revenue Requirement	**7,047.44**	**8,761.02**
Less: Non-Tariff Income	350.58	350.58
Net: Aggregate Revenue Requirement	**6,696.86**	**8,410.44**
Revenue from Intrastate sales / Sale of Power at Existing Tariff		4,624.58
Net Gap/ (Surplus) at Existing Tariff		**5,718.96**
Less: Adjusted RGF/Subsidy		-
Gap/ (Surplus) After Subsidy at Existing Tariff	-	**2,691.48**

Annual Performance Review 2022-23:

Energy Sales

3.4 The table below summarizes the actual energy sales for FY 2022-23 as submitted by the Petitioner against the sales approved by Order dated May 31, 2023.

Table 5: Sales (in MUs) as submitted by the Petitioner.

Consumer Category	MYT	Petition
Domestic	6,242.03	5,944.54
Commercial/Non Domestic	1,097.34	918.25
Public Lighting / SS	61.17	92.02
Irrigation / IAS	253.59	187.17
Industrial LT / LTIS	247.63	236.47
Industrial HT / HTS / S/ EHT	2,141.00	1,959.28
RTS/MES		77.55
Total	**10,042.77**	**9,415.28**

Annual Revenue Requirement

3.5 The ARR for FY 2022-23 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated May 31, 2023 is tabulated hereunder:

Table 6: ARR (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Total Power Purchase Expense	5641.12	6927.25
Power Purchase Expense	*5095.94*	*6337.43*
Intrastate transmission charges	341.73	341.73
Interstate transmission Charge	203.45	248.09
O&M Expenses	610.16	671.83
Employee Expenses	*262.47*	*253.25*
Terminal liabilities		*33.09*
A&G Expenses	*100.07*	*89.95*
A&G Expenses	*100.07*	*89.95*
Depreciation	492.62	877.82
Return on Equity	509.77	496.44
Interest on Long Term Loan	493.30	413.84
Interest on Consumer Security Deposit	53.23	54.06
Interest on Working Capital Loan	21.02	48.97
Bank & Finance Charge		0.49
Total Expenses	**7821.22**	**9490.71**
Less: Non-Tariff Income	249.22	62.35
ARR after NTI	**7572.00**	**9428.35**
Revenue from Intrastate sales / Sale of Power at Existing Tariff		6305.99
Net Gap/ (Surplus) at Existing Tariff		**3122.36**

Aggregate Revenue Requirement for FY 2023-24

Energy Sales

3.6 The table below summarizes the actual energy sales for FY 2023-24 as submitted by the Petitioner against the sales approved by Order dated May 31, 2023.

Table 7: Sales (in MUs) as submitted by the Petitioner.

Consumer Category	MYT	Petition
Domestic	6,881.84	6,360.41
Commercial/Non Domestic	1,182.20	1,000.89
Public Lighting / SS	67.29	96.62
Irrigation / IAS	277.32	196.53
Industrial LT / LTIS	257.95	255.39
Industrial HT / HTS / S/ EHT	2,248.05	2,057.24
RTS/MES		77.55
Total	**10,914.64**	**10,044.63**

Annual Revenue Requirement

3.7 The ARR for FY 2023-24 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated May 31, 2023 is tabulated hereunder:

Table 8: ARR (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Total Power Purchase Expense	6330.32	6611.19
Power Purchase Expense	*5753.08*	*5991.88*
Intrastate transmission charges	358.82	358.82
Interstate transmission Charge	218.41	260.49
O&M Expenses	653.40	734.87
Employee Expenses	*271.57*	*268.64*
Terminal liabilities		*35.10*
A&G Expenses	*103.54*	*95.41*
A&G Expenses	*278.29*	*335.72*
Depreciation	523.89	938.20
Return on Equity	542.14	530.59
Interest on Long Term Loan	528.02	437.79
Interest on Consumer Security Deposit	55.19	65.41
Interest on Working Capital Loan	27.76	46.77
Bank & Finance Charge		0.49
Total Expenses	**8660.72**	**9365.30**
Less: Non-Tariff Income	249.22	62.35
ARR after NTI	**8411.50**	**9302.95**
Revenue from Intrastate sales / Sale of Power at Existing Tariff		6769.35
Net Gap/ (Surplus) at Existing Tariff		2533.60

Chapter 4: PUBLIC CONSULTATION PROCESS

4.1 Several Stakeholders have responded to the petition. A Public Hearing was held by the Commission in Dec 11, Dec 13, Dec 15, Dec 18, Dec 19, 2023 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition to ensure maximum public participation and transparency. Accordingly, stakeholders voiced their comments and suggestions. The list of the attendees is attached as **Chapter-15** of this Order.

4.2 The comments and suggestions of the public along with the response of the Petitioner and the views of the Commission are summarized in this Chapter. The issues raised by the stakeholders, which do not hold relevance to True-up, APR, and ARR & Tariff have not been discussed in this Chapter.

A. *Objector- Punit Kauntia (Singhbhum Chamber of Commerce & Industry)*

a) *Audited Account*

4.3 Audited accounts provided by JBVNL to the Commission for FY 2020-21 & FY 2021-22 for True UP, APR and ARR is incomplete as CAG audit report is not provided along with audit report.

4.4 Revised consolidated audit report on the basis of CAG audit report for FY 2021-22 is not provided by the JBVNL to the Commission and also not available for the public on JSERC site.

Petitioner Submission

4.5 CAG audited report of JBVNL for FY 2020-21 and FY 2021-22 is uploaded on the JBVNL's website mentioned as –

https://www.jbvnl.co.in/accounts.php

Also, Audited account has been provided to individuals whoever has sought from JBVNL.

4.6 CAG audited report of JBVNL for FY 2021-22 is already uploaded on the JBVNL's website. Also, CAG audited report is submitted to Hon'ble JSERC along with the revised true up submitted for FY 2021-22.

b) Tariff Hike

4.7 Proposed tariff hike by the JBVNL in different categories of the consumers are very high as compared to the other licensees in the state of Jharkhand.

4.8 As we know there are lot of industry present in the state of Jharkhand has its major raw material as electricity and with such hike's in the tariff create chaos in the industry and lead to the closure of the industries in the Jharkhand. The rates of the industrial category of JBVNL is already on the higher side as compared to other licensees in the state and after this hike it will be highest in the country which will discourage industrial growth in the state. Thus, Hon'ble Commission is prayed to disallow this rate revision in the interest of the industry and public at large.

Petitioner Submission

4.9 Tariff hike was not given to JBVNL since past three years. Latest tariff hike given by Hon'ble JSERC to JBVNL was very minimal. Also, as per the latest Tariff Order of JBVNL given by Hon'ble JSERC on 31st May 2023, the cumulative revenue gap of JBVNL from FY 2018-19 till FY 2021-22 stands at Rs. 6,335.68 Cr.

4.10 JBVNL has proposed tariff hike as per the Annual Revenue Requirement of JBVNL and to zero down the gap of average cost of supply and average billing rate. Thus, tariff hike proposed by JBVNL is justified.

B. Objector- Shri Kishore Mantri (Federation of Jharkhand Chamber of Coomerce & Industries)

a) Cheap Electricity

4.11 Jharkhand consumers deserve cheap electricity due to abundance of natural resource, economic development initiative, social welfare and inclusive policies, agricultural importance, social and political factors, rural electrification program.

Petitioner Submission

4.12 JBVNL acknowledges the reasons highlighted by the federation. However, the organization is not run on charity but on commercial principles. The power purchase cost has been increasing annually and several infrastructures have been upgraded to provide the consumers better service. The investment needs to be recouped from the consumer only by power tariff, there is no other avenue for revenue generation for the organization.

b) Petition not Maintainable

4.13 The petition is not maintainable due to following reasons: adverse remark of auditors, non-compliance of directive, high T&D loss, poor billing and collection efficiency, poor accounting standards.

Petitioner Submission

4.14 The petition is based on the audited account and complied with all rules and regulations as set by the Hon'ble regulator. There is no question on its maintainability as such.

c) Interest on Security Deposit

Petitioner Submission

4.15 Interest on security deposit has been adjusted in their bills for HT consumers and for LT consumers, it is being adjusted phase wise. As and when the data is migrated to new billing agency with proper verification, the interest on security deposit will either be adjusted or refunded.

d) Non Compliance of directive on unmetered Consumers

Petitioner Submission

4.16 There are no unmetered consumers in JBVNL. The directive of the

Commission was complied with by JBVNL.

e) Billing and Collection Efficiency

4.17 Billing and collection efficiency targets and achievement

Petitioner Submission

4.18 The Collection efficiency of 99% as set by the Hon'ble Commission is very stringent. Even best of the utilities in India do not have such a collection efficiency. JBVNL is having huge LT network and consumer and most of the LT consumers are from tribal areas. Taking these challenges into account, Ministry of Power has been considerate enough to set a target of AT&C loss that is feasible and JBVNL is continuously striving to achieve that target level.

f) Fixed Charge

4.19 On what basis fixed charge is being calculated? Consumers are using electricity in judicious manner. Imposition of fixed charge on the basis of connected load is irrational.

Petitioner Submission

4.20 As per the data received from the smart meter implementation in Ranchi, It was found that consumers are having higher demand than that of contracted load. In absence of fixed cost based on connected load, people misuse the system. It was found that people having contract demand of 2kW are using more than 5kW and so. The fixed charge based on per connection is being misuse by many consumers and is deterrent for the utility for proper planning of the system. As such the fixed charge is a part of the two-part tariff and determined by the commission by taking a balanced view between the two charges.

g) Hefty increase in energy charges by JBVNL

Petitioner Submission

4.21 The increase in energy charges are proposed due to accumulative revenue gap over the years that results in significant difference of Average cost of Supply and Average billing rate. Also the matter of the fact is that the tariff rate has not been increased in tandem with the power procurement cost of JBVNL.

View of the Commission

4.22 The Commission has considered the submission of the stakeholder and replies by the Petitioner, and deliberated and discussed it in the chapter in the Order.

C. *Objector- Anjay Pacheriwala (JSIA)*

a) *Audited Account*

4.23 The True up petition for FY 2021-22 has been made based on unaudited figures which cannot be accepted for True up. Repeated reminders to JBVNL for provided audited accounts and auditors comments for True up. Repeated reminders to JBVNL for providing audited accounts and auditors comments on account remained un responded.

Petitioner Submission

4.24 The revised True Up Petition based on the Audited Account has been submitted to Hon'ble Commission on 21.04.23. Also, the audited account of JBVNL for FY 2021-22 along with the auditor's report is already available on the JBVNL's website as –

https://www.jbvnl.co.in/accounts.php

b) *Distribution Loss*

4.25 T&D loss has been projected at 27.45% for the year 2021-22 against audited figure of 34.97% for the year 2020-21. Proposed reduction of 7.52% over previous year cannot be relied on without any supporting justification.

Petitioner Submission

4.26 Claimed distribution loss of 27.45% for FY 2021-22 is based on the actual energy billed as per the audited account for FY 2021-22. Hence, Hon'ble Commission is requested to consider the claimed distribution loss of JBVNL for FY 2021-22.

c) Transmission Loss

4.27 Transmission loss claimed 10.46% which is in excess of the approved loss of 2.23% which cannot be accepted.

Petitioner Submission

4.28 The energy available for onward transmission system is 9923.43 MU and net energy sent to distribution system is 8885.09 MU. Considering the Loss in Interstate Transmission System as 3%, the Intrastate Transmission system is coming around 10.46%. Due to sub-optimal upkeep of transmission system by JUSNL, the Intra State Transmission losses are high. Thus, the Hon'ble Commission is requested to consider the actual 10.46% losses in Intrastate Transmission System.

d) Depreciation

4.29 Depreciation on Capital Assets which has not been approved, cannot be allowed.

Petitioner Submission

4.30 The Petitioner has first arrived at the opening and closing GFA of FY 2021-22, created out of debt and equity (D&E), by deducting CCG portion deployed towards opening and closing GFA. The Petitioner has applied the depreciation rate as approved by the Hon'ble Commission on the average GFA and accordingly calculations are made to arrive at the total depreciation being claimed as part of the true-up exercise. The depreciation calculated is in accordance to the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. Thus, Hon'ble Commission is requested to approve the depreciation as claimed by the Petitioner.

a) Interest On Consumer Security Deposit

4.31 Interest on Consumer Security Deposit for the year has been claimed as Rs. 41.46 Cr. against Rs. 53.44 Cr. during 2020-21. There cannot be reduction in the same. The figure needs to be verified. Also expenses in the interest on consumer security deposit can be allowed to the extent of actual payment only. Unpaid interest cannot be allowed as expenses.

Petitioner Submission

4.32 The Interest on Consumer Security Deposit for FY 2021-22 has been claimed as per the actual audited account for FY 2021-22. Thus, the Hon'ble Commission is requested to consider the claimed interest on security deposit in the petition.

b) Revenue from Sale of Power

4.33 Revenue for sale of power is claimed as Rs. 5718.96 Cr. Detailed category wise revenue from sale of power with bifurcation of domestic urban and rural is needed for scrutiny and comments.

Petitioner Submission

4.34 No Comments

c) Growth of Consumer Base

4.35 The proposed projection about growth in consumer base/consumption does not seems feasible looking at the past trend of last 3-4 years.

Petitioner Submission

4.36 JBVNL has considered compounded annual growth rate for projection in number of consumers from FY 2017-18 to FY 2019-20. Considering the impact of COVID -19 in FY 2020-21 and FY 2021-22, JBVNL has considered compounded annual growth rate from FY 2017-18 to FY 2019-

20 for projection in number of consumers in FY 2023-24. Thus, JBVNL hereby requests the Hon'ble Commission to consider the submission of the petitioner.

d) Distribution Loss

4.37 The distribution loss projected at 19% for the year. Previous year projection is 26.34%. A reduction of 7.34% in one year does not seems practical and achievable. Also no clear action plan for reduction in T&D loss to support their projection is available in the petition. This figure cannot be relied upon. No relaxation can be permitted beyond the approved T&D loss.

Petitioner Submission

4.38 The projected distribution loss of 19% for FY 2023-24 is in accordance with the loss trajectory approved under the RDSS scheme. Thus, Hon'ble Commission is requested to consider the 19% projected loss for FY 2023-24.

e) Adjustment in fuel price without any prior approval

4.39 Submission 4.3.4 – "Adjustment of change in fuel price without any prior approval of the Commission". This is wrongly quoted. There is no such provision.

Petitioner Submission

4.40 JBVNL denies the false claim raised by respondent. As per Clause 10.65 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, "In case of change in cost of power procured due to changes in fuel price, the Licensee may carry out adjustment, without any prior approval of the Commission, through the Fuel Price and Power Purchase Adjustment (FPPPA) formula, as specified below."

f) Transmission Loss

4.41 Submission 4.5.3 – Transmission loss claimed at 10.46 % is much above the approved loss of 2.23 % and cannot be relaxed. Any loss beyond approved cannot be burdened on consumers.

Petitioner Submission

4.42 The energy available for onward transmission system is 10885.04 MU and net energy sent to distribution system is 9746.08 MU. Considering the Loss in Interstate Transmission System as 3%, the Intrastate Transmission system is coming around 10.46%. Due to sub-optimal upkeep of transmission system by JUSNL, the Intra State Transmission losses are high. Thus, Hon'ble Commission is requested to consider the actual 10.46% losses in Intrastate Transmission System.

g) Growth of Consumer Base

4.43 Submission 4.12.2 – Interest on consumer security deposit has been provisioned on entire security deposit amount. JBVNL has not been paying interest to consumers for decades and various directives of Hon'ble JSERC has been paying repeatedly ignored disobeying and side stepping. Actual interest paid during the year should only be allowed as expenses.

Petitioner Submission

4.44 Thee interest on consumer security deposits has been calculated as per the approach adopted in the previous true-up order whereas closing of CSD of FY 2022-23 and applicable interest rate as per Tariff Regulations, 2020 has been applied to compute Interest on CSD during the year. Hence, the Hon'ble Commission is requested to approve the claimed amount on the Interest on Consumer Security Deposit.

h) Directive

4.45 Energy Audit - Energy Audit will bring transparency, accountability and help in identifying the cause of high T & D loss. It seems JBVNL is hiding its misdeeds intentionally. JBVNL has been ignoring the directives of Hon'ble JSERC and consistently side stepping the direction in this matter.

4.46 Interest on Consumer Security Deposit – This matter has been repeatedly side stepped by the JBVNL. Repeated directions of the Commission is being ignored, incomplete submission is being made showing disrespect towards the Commission.

The direction to submit data on quarterly basis has been side stepped by making evasive submission that it paid the dues pertaining to interest on consumer security deposit to those consumers whose date has been undated in the internal database of JBVNL. The responsibility to update data base is of JBVNL for which consumers' money is being withheld.

Such submission should be penalized by fixing personal responsibility of the official making evasiving statement and side stepping the directives.

4.47 Reduction in Fixed Charges – JBVNL has again ignored, and side stepped the directive of the Commission. No valid and concrete reason from non-compliance has been given. Such activity should be suitably penalized.

Petitioner Submission

4.48 In compliance to the directives of Hon'ble Commission, JBVNL has already appointed M/s Active Energy OPC Pvt Ltd as Energy Auditor. Also, Energy Audit report for FY 2020-21 has already been done and energy audit for FY 2021-22 and FY 2022-23 is under progress. JBVNL will be submitting energy audit report form FY 2020-21 to FY 2022-23 to Hon'ble Commission altogether in coming months.

4.49 JBVNL is paying Interest on Consumer Security Deposit on annual basis and details of Interest on Consumer Security Deposit for FY 2021-22 has already been submit to The Hon'ble Commission. In FY 2021-22 Rs. 19.15 Cr. has been as Interest on Consumer Security Deposit to 657169 nos. of consumers.

4.50 Reduction of fixed charges has been provided to HT consumers. However, the same has not been extended to the LT consumers due to some operational issues with the billing software. The petitioner has been working on the Billing software to include the supply hours so that fixed charge can be calculated automatically and passed on to the LT consumers. Once the system is in place, the petitioner will inform the Hon'ble commission. For smart meters that is being implemented, the fixed charge reduction will be automatically calculated and passed on to the consumers after reconciliation at the end of the month.

Tariff Proposal

i) Abolishment unmetered category

Petitioner Submission

4.51 JBVNL hereby submits that, there is some unmetered connections in agriculture and streetlight. For agricultural consumers that are unmetered due to operational constraints, the petitioner prays the Hon'ble Commission to approve the charges based on rating of the pump (i.e) Rs 600 per HP per month.

j) Increase Tariff

4.52 The abnormal increase in proposed tariff is impractical, and illogical. The abnormal T&D losses and inefficiencies are being burdened on the consumers. Such increase has no merit to be considered.

Petitioner Submission

4.53 Tariff hike was not given to JBVNL since past three years. Latest tariff hike given by Hon'ble JSERC to JBVNL was very minimal. Also, as per the latest Tariff Order of JBVNL given by Hon'ble JSERC on 31st May 2023, the cumulative revenue gap of JBVNL from FY 2018-19 till FY 2021-22 stands at Rs. 6,335.68 Cr. JBVNL has proposed tariff hike as per the Annual Revenue Requirement of JBVNL and to zero down the gap of average cost of supply and average billing rate. Thus, tariff hike proposed by JBVNL is justified.

k) Domestic Category

Petitioner Submission

4.54 With smart meter implementation in Ranchi, it was found that the maximum demand recorded in the meter is way above the contracted demand of many consumers. Thus, fixed charge based on the contracted load would help the utility for better power procurement strategy and overall, would lead to energy conservation. In the existing tariff, the commission has fixed commercial category for consumers having load more than 5 kW. Taking advantage of such distinction, it was observed that in many urban or rural areas, commercial consumers have declared their connected load at or below 5 kW to avail tariff under domestic category. Also, in some cases, the subsidy was abused that was meant for domestic consumers. In this tariff petition, the petitioner has proposed to do away with such distinction for commercial consumers (i.e) if the consumer is categorized as commercial consumers, they would be billed under commercial category tariff and not under domestic category irrespective of their connected load.

l) Commercial Category

Petitioner Submission

4.55 JBVNL has proposed to retain the fixed charges based on the Contracted Load/Demand for the commercial consumers. The petitioner has proposed a separate category of consumers under commercial segment having load above 100kVA. For such consumers, JBVNL would like to propose that the Billing Demand shall be the Maximum Demand recorded during the month or 85% of the Contract Demand whichever is higher. This proposal is in sync with the trend of energy consumption in these establishments where the demand of electricity is increasing day by day.

m) LTIS Categories and HTS Categories

Petitioner Submission

4.56 JBVNL hereby submits that, seeing the consumption pattern of past trends of LTIS and HTS category consumers, petitioner has proposed to hike the billing demand. Hon'ble Commission is requested to consider the proposal of petitioner.

n) Low Voltage Metering Surcharge

4.57 It is the responsibility of JBVNL to provide meters to consumers. Where JBVNL installs meter at lower voltage metering, low voltage metering surcharge should not be applicable

Petitioner Submission

4.58 JBVNL has proposed low voltage metering surcharge to mitigate the transformer losses at lower voltage side. Thus, JBVNL's claim to Low Voltage Metering Surcharge is justified and Hon'ble Commission is requested to consider the claim of petitioner.

o) Separate category for EV charging station

Petitioner Submission

4.59 There is no reason to have a separate tariff for EV charging station.

4.60 As per MoP Guideline the tariff can be determined as follows:

1. The tariff for supply of electricity to EV Public Charging Station shall be determined by the appropriate Commission, provided however that the tariff shall not be more than the average cost of supply plus 15 (fifteen) percent.
2. The tariff applicable for domestic consumption shall be applicable for domestic charging.

Thus, it is proposed for a new category by the name 'EV Charging' may be created in the Rate Schedule keeping in view the guidelines of Ministry of Power of restricting the EV charging tariff under (ACoS +15%).

p) Rooftop Solar

4.61 The proposed tariff change in tariff in the solar net metering installation is not justified and would discourage solar projects in Jharkhand.

Petitioner Submission

4.62 If the surplus power generated by government buildings where 100% subsidy is available for installation of solar rooftop, there should be minimal charges for net metering rates. However, if the installation is for private prosumers, the net metering tariff should be proportionately higher.

Thus, JBVNL's claim to hike the rates for both net metering and gross metering is justified, and Hon'ble Commission is requested to consider the same.

q) Schedule of Charge

4.63 Abnormal increase in schedule of charge is being proposed. It should be uniform for all DISCOM in the State. The proposed hike is not logical and unjustified.

Petitioner Submission

4.64 JBVNL has proposed revision in miscellaneous charges. The hike has been proposed in line with the change in inflation rate and labour rates in few years.

Thus, proposed hike in schedule of charges is justified and JBVNL requests the Hon'ble Commission to consider the same. The details of the justification have been provided in the Para 3.2 and 3.3 of the Tariff Proposal for FY 2023-24.

r) Separate Transformer for Industrial Consumers

4.65 All industrial consumers have to make a separate arrangement of required capacity transformer for awaiting electricity. This proposal is impractical for small LTIS consumers. It should be restricted to HT consumers only.

Petitioner Submission

4.66 Separate transformer for industrial consumers is in accordance to the provisions of Electricity Supply Code 2015.

As per Clause 6.19

"……….

Provided further that if the applicant chooses to get the extension work (extension of
distributing mains which may include the extension of HT and/or LT

lines and/or new
distribution transformer) done on his/her own, he shall bear only supervision charges as
per the schedule of charges approved by the Commission from time to time:
..........”

s) Penalty for exceeding Billing/Contract demand

Petitioner Submission

4.67 Seeing the past trend, it has been absorbed that, consumer’s actual load is more that, 110% of the contract demand.

To prevent the excess load on the system, the penalty system has been proposed with a buffer of additional 10% on the contracted demand.

JBVNL requests the Hon’ble Commission to consider the submission of petitioner.

t) Load Factor rebate

Petitioner Submission

4.68 Seeing the past trend, it has been absorbed that, the load factor is going beyond 65% of existing consumers.
Thus, considering the above fact rebate on load factor has been proposed to 65%.

u) Prompt Payment Rebate

Petitioner Submission

4.69 Existing provisions should continue without any changes as proposed by JBVNL. JBVNL has proposed prompt payment rebate as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.
Thus, Hon’ble Commission is requested to consider the request of petitioner.

v) Additional Levy of 3% from small HT Consumer

4.70 There is no such provision in the tariff Order to levy additional 3 % charges.

Petitioner Submission

4.71 JBVNL hereby submits that, levy of additional 3% charges is for mitigating Transformer loss at 11 kV and LT side metering.

View of the Commission

4.72 The Commission has considered the submission of the stakeholder and replies by the Petitioner, and deliberated and discussed it in the chapter in the Order.

D. Objector- Alok Kumar Mallik

4.73 JBVNL is proposing to electricity tariff increase every year which is not reasonable.

4.74 JSERC should not entertain JBVNL's petition until the directives of JSERC are followed and report not submitted by JBVNL.

4.75 Jharkhand is not self-sufficient in power generation despite one of the major coal producing state. JSERC should instruct the JBVNL or Jharkhand Government to produce more power internally and start the units if any.

4.76 JBVNL has a monopoly in power distribution in Jharkhand. It should allow private players to distribute electricity and instruct DVC to supply power in Deoghar.

4.77 JSERC should reject any increase in fixed charge and electricity duty without any quality distribution from JBVNL

4.78 JBVNL is loading its transmission loss and revenue loss to its consumers. The Hon'ble Commission should not transfer these losses to the consumers of Jharkhand

4.79 JBVNL should not increase tariff due to abundance of natural resources, economic development initiative, social welfare and inclusive policies, agricultural importance, social and political factors, rural electrification program etc.

4.80 Proper book of accounts as required by law have not been kept by the company so far. The book of accounts has not been fully maintained under the accrual basis as required under section 128 of the act.

4.81 As the company does not maintain asset register, unable to match grants against the depreciation of assets.

4.82 Imposition of fixed charge based on connected load is fully irrational. In case of smart meter load shown in the meter or sanctioned load whichever is higher shall e-billed which is incorrect

4.83 Commercial consumer urban is covered under demand based tariff for contract demand up to 100kVA or 85kW. The term HP should be removed as is irrelevant. Fixed charge should be replaced by demand charge for consumer.

4.84 Billing demand for LTIS consumers from 50% to 75% is quite harsh due to reasons including technical reason, erratic supply positions compare to HT consumers.

4.85 Awareness program for introduction of fixed charge on connected basis regularly through Urja melas and other initiatives.

4.86 Fixed charge is being levied to recover the cost of infrastructure, its maintenance upgradation and extension of network, how long the consumer shall be subjected to levy of above charge.

Petitioner Submission

4.87 Every utility has to file its tariff petition along with true up for previous year, APR for ongoing year and ARR for upcoming year as per mandatory provisions of Hon'ble Commission. Tariff filing is a must because of new investments, increase in power procurement costs, legacy dues, and revenue gap etc.

4.88 All directives of JSERC have been complied with by JBVNL and regular reports are being submitted to Hon'ble Commission as compliance

4.89 True. However, the coal from the state has been utilized by several power generating stations (central as well as state gencos). Jharkhand has its share in the power generation. It is expected that after PTPS (Patratu Thermal Power Station) comes online, Jharkhand would be self-sufficient in power generation.

4.90 It's not true as there are other distribution utilities like DVC, TSUISL, TSL operating in Jharkhand. In fact, DVC is operating in JBVNL areas too. However, a comparison between JBVNL with other players should not have been done because of consumers profiling, area covered, investments and operational issues being faced.

4.91 Fixed charge is a part of tariff proposal, and it caters to the overall revenue gap being balanced by the Hon'ble Commission. Electricity duty is a part of the Jharkhand government and JBVNL is nothing to do with this.

4.92 JBVNL has presented the facts to the Hon'ble Commission regarding the losses. It is the prerogative of the Hon'ble Commission to do the prudence check and allow the utility to recover the genuine losses through the tariff. Any increase in tariff will be decided by the Hon'ble Commission.

4.93 Book of accounts are being maintained by JBVNL through proper process and auditing has been done as per mandated provisions.

4.94 The FAR (Fixed Asset Register) is being prepared by the JBVNL now with the support of prominent consulting agency and is expected to be finished by April 2024.

4.95 It has been found through the smart meter installation that several consumers misuse the connection basis criteria through using a higher load than the sanctioned load. It creates difficulty for proper planning of infrastructure for the JBVNL and as a result general consumers suffer. Fixed charge based on connected load would prompt the consumer to judiciously use the power and prevented any misuse of the system.

4.96 As the unit "HP" is not used for any commercial consumers. as far as fixed charge being replaced with demand charge, the point I well taken. This is only being used for convenience purpose.

4.97 The billing demand on 75% on the connected load is proposed after due consideration of the demand from LTIS consumer and observing the trend of consumption and the necessary infrastructure being built by the utility to cater to their demand.

4.98 Point well taken. The utility will raise the awareness through several advertisements, Urja Melas and leaflets and other IT initiatives after the proposal is given a green signal by the Hon'ble Commission.

4.99 True, However, in case of distribution utility, it is a balancing act from the Hon'ble Commission to divide the increase in tariff between two components fixed charge and variable charge. So, all costs incurred along with any revenue gap is being divided into two components taking into consideration of the consumer base, its paying capacity and ability to absorb the tariff shock etc. It is the prerogative of the Hon'ble Commission.

View of the Commission

4.100 The Commission has considered the submission of the stakeholder and replies by the Petitioner, and deliberated and discussed it in the chapter in the Order.

E. Objector- Kailash Chandra Goyel

a) Billing Software

4.101 Billing software is not unified as there are various billing agencies. That results in migration work that is happening every year. Billing is hampered every year.

Petitioner Submission

4.102 The billing software is now in the process of unified billing as a single billing agency is in the process of take over for the billing works in JBVNL.

b) Fixed charge based on contract demand is not good for consumers.

Petitioner Submission

4.103 As per the data received from the smart meter implementation in Ranchi, It was found that consumers are having higher demand than that of contracted load. In absence of fixed cost based on connected load, people misuse the system. It was found that people having contract demand of 2kW are using more than 5kW and so. The fixed charge based on per connection is being misuse by many consumers and is deterrent for the utility for proper planning of the system. As such the fixed charge is a part of the two-part tariff and determined by the commission by taking a balanced view between the two charges.

F. Objector-Sachin poddar (M/S Gajanan Ferro Pvt Limited

a) Critical Observation from Audit account.

4.104 It is submitted that the Petitioner has not been managing the Books of Accounts in a manner as required under the provisions of the Companies Act 2013. This has been prevalent since earlier years also. The Statutory Auditors of the company have in the FY 2020-21 also recorded weaknesses in respect of the company's financial reporting.

4.105 The comments from the Statutory Auditor in the Auditor's report paints a sorry picture on the state of affairs in the JBVNL. Such lacklustre performance wrt maintenance of company's financials could have a significant bearing on the ARR claimed by the discoms year on year basis. The Hon'ble Commission is sincerely requested to direct the Petitioner to submit the point wise reply to the points highlighted by the Statutory Auditor.

4.106 In the wake of repeated observations from the Statutory Auditor, the preparation of Fixed Asset register is necessity of the time. Although, the Hon'ble Commission has time and again directed the Licensee to maintain Fixed Asset Register, the Licensee has not been complied to the same. The Licensee must be penalized in lieu of such non-compliance.

4.107 The Hon'ble Commission should also direct the Petitioner to prepare Regulatory Accounts in consonance with the Standardisation of Regulatory Accounts Final Report dated July 2012 issued by the Forum of Regulators so as to harmonize the Accounts that shall enable the Hon'ble Commission to conduct the True-up with standardized approach.

Petitioner Submission

4.108 Historically, JBVNL has been preparing accounts in the manual environment. On account of the same maintenance of certain records like Fixed Asset Register etc. were difficult. However, in last few years the company has put immense efforts to maintain the records and to ensure the availability of data/ records, this can also be evident from the Qualified opinion/comments of the statutory auditors in their latest Statutory Audit report in FY. 2022-2023. The Management of the company trying hard to put all effort to bring further improvement and positive changes in the preparation of quality of accounts.

4.109 In order to ensure that we comply with the requirements of proper maintenance of books and records the company has already worked towards implementation of SAP-ERP. This will fill the remaining gaps and allow us to maintain records electronically and also ensure compliances. We are now at the transition phase of implementation of the ERP.

4.110 The substantial amount of assets has been added post formation of the company i.e. after 06.01.2014 and such additions have been duly audited by the respective year auditors. The company has sufficient records in respect of the assets so added in respective years.

4.111 In order to further improve, the company has appointed M/s Deloitte for physical verification and preparation of Fixed Asset Register and the work has already started in the year 2023 and there is significant progress in this area.

4.112 The company is registered under the Companies Act, 1956 (now Companies Act, 2013) and prepares books as per the relevant provisions of the Act. Further, as per the relevant provisions of the Act, the books so prepared will be given to the independent Auditor appointed by C& AG. If directed, the company will put an effort to prepare Regulatory Accounts as well.

b) Operation and Maintenance Expenses.

4.113 It objector has submitted that the Petitioner's claim of O&M Expenses as per the Audited Accounts is inappropriate.

4.114 In the absence of detailed information and in line with the adverse opinion of auditor, the Employee expenses recoverable through ARR under O&M head should be allocated based on the CWIP and GFA balances. The computation of allowable Employee expenses for the FY 2021-22, FY 2022-23 and FY 2023-24 is as under:

SN.	Particulars	As per Objector's assessment		
		FY 2021-22	FY 2022-23	FY 2023-24
A	Employee Expenses as per norm	**223.01**	**238.33**	**254.69**
B	Closing CWIP	1,942.50	2,296.03	2,517.63
C	Closing GFA	19,824.22	21,431.91	25,077.68
D=B/C	Ratio	9.80%	10.71%	10.04%
E=Ax(1-D)	**Employee Expenses**	**201.16**	**212.80**	**229.12**

4.115 The Petitioner has claimed expenses towards Terminal benefits in line with the Expenses booked in the Audited Accounts. The Tariff Regulations 2020 in respect of Terminal Benefits provides as under:

> ***"Operation and Maintenance Expenses***
>
> *Note 3: Terminal Liabilities will be approved* ***as per actual*** *submitted by the Licensee or be established through* ***actualrial studies****."*

Petitioner Submission

4.116 The company had been making provisions as per the rates prescribed in the Actuarial Valuation report of the F.Y. 2013-14 which is lower than the actual rates, thereby claiming lower admin expenses. The company had carried out the Actuarial Valuations for subsequent period up-to FY 2017-18, however, the report only contained the figures of obligations. Accordingly, the company only accounted for the liability in the F.Y. 2018-19, without accounting for corresponding amount of contribution as an expense.

4.117 During the F.Y. 2022-23, the company carried out the Actuarial Valuations through an Actuary for the F.Y. 2018-19 to 2022-23, which were pending for long time and the impact of the same has been accounted for in the F.Y. 2022-23.

4.118 The company has been regular in depositing the contribution amount relating GPF, GSS, Leave Encashment, Gratuity etc.

c) Transmission & Distribution Losses

4.119 The Petitioner has claimed the Distribution losses based on actuals at a level of 27.45% for the FY 2021-22 is 27.45%. Hon'ble Commission vide MYT Order dated 31.05.2023 has approved the Distribution loss trajectory for each year of the Control period FY 2021-26. In view of the aforesaid, it is submitted that not abiding by the trajectory defined by the Hon'ble Commission and factoring into consideration the deviation in the retail ARR is disdainful.

Petitioner Submission

4.120 Claimed distribution loss of 27.45% for FY 2021-22 is based on the actual energy billed as per the audited account for FY 2021-22 also, within the approved loss trajectory under RDSS scheme. Hence, Hon'ble Commission is requested consider the claimed distribution loss of JBVNL for FY 2021-22.

d) Employee Expenses

4.121 Employee Expenses - It is humbly submitted that the Petitioner's claim of O&M Expenses as per the Audited Accounts is inappropriate.

4.122 In accordance with the Regulatory provisions, the Hon'ble Commission while approving the MYT for the period FY 2021-22 to FY2025-26 (ref Order dated 31.05.2023) has allowed the O&M Expenses based on the norms prescribed in the Tariff Regulations 2020.

4.123 The Respondent in line with the approach adopted by the Hon'ble Commission submits that the O&M Expenses should be allowed as per the norms and not actuals.

Petitioner Submission

4.124 The employee expenses submitted is in accordance to the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and on actual basis as per the audited annual accounts.

4.125 Thus, Hon'ble Commission is requested to consider the claimed employee expenses for FY 2021-22.

e) Terminal Benefit

4.126 Terminal Benefits - The Petitioner has claimed expenses towards Terminal benefits in line with the Expenses booked in the Audited Accounts. Petitioner has not been depositing in actual, any amount towards terminal benefits. Therefore, in the absence of any actual amount deposited towards Terminal benefits, the claim made by the Petitioner is not admissible in line with the Auditor's observation.

Petitioner Submission

4.127 The terminal liabilities claimed for FY 2021-22 is on actual basis as per audited annual account and in provisions to the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

f) Capitalization, CWIP, and Grants

4.128 Capitalization, CWIP and Grants - The Petitioner has claimed Capitalization of Rs. 4,326.85 Crore for the FY 2021-22 in line

4.129 with the Audited Accounts. Further, the Petitioner has considered additions of Grants (and Consumer Contribution) amounting to Rs. 1,681.90 Crore based on the actual Capital Grants received and adjusting for Amortization of the Grants. At the outset, the approach of the Petitioner is incorrect as the admission of Interest expenses and Depreciation is based on the Capital Cost net off grants and consumer contribution.

Petitioner Submission

4.130 JBVNL sets aside the false claim of respondent. The approach of the petitioner for Interest expenses and Depreciation is in accordance to the provisions to the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

g) Interest on Loan

4.131 Interest on Loan - Interest on Loan and Depreciation may not be charged on capitalization consequent to capex funded by State Govt. loans. The Objector prays that the Hon'ble Commission may withhold 30% of the admissible cost.

Petitioner Submission

4.132 Interest on Loan has been claimed on the normative basis in accordance to the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. Thus, Hon'ble Commission is requested to consider the Interest on Loan as claimed by petitioner.

h) Interest on Consumer Security Deposit

4.133 Interest on Consumer Security Deposit - From the Audited Accounts of FY 2021-22, it could be observed that JBVNL is not discharging Interest on Consumer Security Deposit to the prospective consumers. The Interest on Consumer Security Deposit is to be allowed on actual paid basis.

Petitioner Submission

4.134 JBVNL sets aside the false claim of the respondent. JBVNL is paying Interest on Consumer Security Deposit on annual basis and details of Interest on Consumer Security Deposit for FY 2021-22 has already been submit to The Hon'ble Commission.

4.135 The Interest on Consumer Security Deposit for FY 2021-22 has been claimed as per the actual audited account for FY 2021-22. Thus, the Hon'ble Commission is requested to consider the claimed interest on security deposit in the petition.

i) Non-Tariff Income

4.136 Non-Tariff Income (NTI) - The Petitioner has claimed NTI to the tune of Rs. 350.58 Crores for FY 2021-22. In view of the above Regulations, it has been observed that the Petitioner has not considered certain elements of Non-Tariff Income recorded in the Audited Accounts. The said items are Rebate on Power Purchase and Receipt from Consumers for capital works as reflected in the Note 25 and Note 23 of the Audited Accounts which is in contravention to the Tariff Regulations 2020.

Petitioner Submission

4.137 JBVNL hereby submits that, the rebate on power purchase is due to efficiency of JBVNL which should be benefited to utility and not to be shared with the consumers.

4.138 Also, receipt from consumers for capital works is not part of non-tariff income as per the provisions of m JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

j) Revenue Gap/Surplus

4.139 Revenue Surplus/ Gap - Total Gap/(Surplus) to be recovered in FY 2023-24 is Rs. (364.62) Cr. Owing to the Consolidated Revenue SURPLUS of Rs. 364.62 Crore for JBVNL at the end of FY 2023-24 against the incorrect revenue GAP claimed by the Petitioner amounting to Rs. 11,722.31 Crore, the existing tariff of JBVNL should be reduced and there is NO requirement of any Tariff Hike for the FY 2023-24 in the supply area of JBVNL.

4.140 Tariff Hike - It would be critical to state that in the past, the unviable Tariffs has resulted into the industries going out of business. It is respectfully submitted before the Hon'ble Commission that the existing JBVNL Tariff is already significantly higher as compared to DVC (Jharkhand) Tariff, where the Ferro Alloy units exist. Hence, any increase in tariff would only lead to disruption in the economic situation of Ferro Alloy consumers in the State.

Petitioner Submission

4.141 Tariff hike was not given to JBVNL since past three years. Latest tariff hike given by Hon'ble JSERC to JBVNL was very minimal. Also, as per the latest Tariff Order of JBVNL given by Hon'ble JSERC on 31st May 2023, the cumulative revenue gap of JBVNL from FY 2018-19 till FY 2021-22 stands at Rs. 6,335.68 Cr. JBVNL has proposed tariff hike as per the Annual Revenue Requirement of JBVNL and to zero down the gap of average cost of supply and average billing rate. Thus, tariff hike proposed by JBVNL is justified.

View of the Commission

4.142 The Commission has considered the submission of the stakeholder and replies by the Petitioner, and deliberated and discussed it in the chapter in the Order.

Chapter 5: TRUE-UP FOR FY 2021-22

5.1 In the instant petition the Petitioner has now sought approval of Truing up for FY 2021-22 based on the Audited Accounts, taking into consideration the provisions of the Distribution Tariff Regulations, 2020 & Distribution Tariff Regulation (1st Amendment) 2023 and the methodology adopted by the Commission in the previous Orders.

5.2 The Commission on the basis of provisions of the Distribution Tariff Regulations, 2020 & Distribution Tariff Regulation (1st Amendment) 2023 has determined the truing up for FY 2021-22 on consideration of:

(a) Audited accounts for FY 2021-22;
(b) Methodology adopted by the Commission in previous Order.
(c) Material on record submitted by the Petitioner.

5.3 The component-wise details filled by the Petitioner's and the Commission's analysis and discussion is made in the upcoming paragraph.

Energy Sales

Petitioner's Submission

5.4 The Petitioner has submitted the energy sales based on the annual audited account for FY 2021-22.

Commission's Analysis

5.5 The Commission has reviewed the submission made by the Petitioner and noted a significant decrease in actual sales compared to the sales approved in the MYT Order. Consequently, the Commission asked the Petitioner to provide proper justification for this decrease in energy sales. In response to the discrepancies noted, the Petitioner explained that there was a decrease in energy sales claimed in FY 2021-22 for non-domestic and HT (High Tension) categories. Additionally, the Petitioner attributed the substantial decrease in sales to the impact of COVID-19, specifically the lockdown imposed on commercial and industrial establishments, resulting in reduced billing for each consumer category.

5.6 Accordingly, the Commission on scrutinizing the material, information, actual figure and details submitted by the Petitioner and on a prudent Check, approves the sales for FY 2021-22 which has been summarized in the table below:

Table 9: Energy Sales as submitted by the Petitioner and approved by the Commission.

Consumer Category	MYT	Petition	Approved
Domestic	5,661.71	5,686.37	5,686.37
Commercial/Non Domestic	1,018.58	869.95	869.95
Public Lighting / SS	55.61	86.88	86.88
Irrigation / IAS	231.89	179.23	179.23
Industrial LT / LTIS	237.72	230.54	230.54
Industrial HT / HTS / S/ EHT	2,039.05	1,883.70	1,883.70
RTS/MES		81.53	81.53
Total	**9,244.56**	**9,018.19**	**9,018.19**

Energy Balance

Petitioner's Submission

5.7 The Petitioner has submitted that energy availability for FY 2021-22 has been computed based on the actual Power Purchase and Sales as per the Audited Accounts for FY 2021-22.

5.8 The Petitioner has further submitted that the Power Purchase from various sources are segregated into different heads, while calculating the energy balance for FY 2021-22.

- Power Purchase from Outside JBVNL Boundary- i.e. Power NTPC, NHPC, PTC, APNRL, part of TVNL, NVVNL, SECI;
- Energy Input Directly to State Transmission System- Input of power from TVNL-PTPS directly to State Transmission System;
- State-owned Generation- SHPS, Rungta Mines, ABCIL, Inland Power;
- Direct Input of Energy to Distribution System- DVC and Solar IPPs.

5.9 The Petitioner has computed the energy requirement based on the formula mentioned below:

Energy requirement = sales/ (1-Distribution loss)

5.10 Based on the information provided above, Energy Balance of JBVNL for FY 2021-22 is summarized below:

Table 10: Energy Balance (in MUs) as submitted by the Petitioner.

Particulars	MYT	Petition
Power Purchase from Outside JSEB Boundary (MU)	6,794.99	8,459.23
Loss in External System (%)	3.00%	3.00%
Loss in External System (MU)	203.85	253.78
Net Outside Power Available (MU)	6,591.14	8,205.45
Energy Input Directly to State Transmission System (MU)	422.19	424.14
State-owned Generation (MU)	967.98	1,293.84
Energy Available for Onward Transmission (MU)	7,981.31	9,923.43
Transmission Loss (%)	2.23%	10.46%
Transmission Loss (MU)	177.98	1,038.34
Net Energy Sent to Distribution System (MU)	7,803.33	8,885.09
Direct Input of Energy to Distribution System (MU)	2,822.60	3,552.25
Total Energy Available for Sales (MU)	**10,625.93**	**12,437.34**
Total energy sold (MU)	**9,244.56**	**9,018.19**
Distribution loss%	**13.00%**	**27.45%**
Energy Required for distribution (MU)	**10625.93**	**12430.30**
Power disallowance at DISCOM Periphery (MU)	**0.00**	**7.03**
Total Power Purchase	**11,007.76**	**13,729.45**

Commission's Analysis

5.11 The Commission has noted that the level of losses recorded by the DISCOM are exceedingly high and require substantial overhauling. The deteriorated state of the network has resulted in a significant drain on both material and economic resources of the nation, which is a cause of concern.

5.12 In fact, Distribution Losses and Collection Efficiency are crucial operational parameters for DISCOMs. State Electricity Regulatory Commissions (SERCs) across states have recognized them as controllable parameters for DISCOMs. Similarly, under clause 6.44 of the Distribution Tariff Regulations 2020, the Commission acknowledges Distribution Loss and Collection Efficiency as controllable parameters.

5.13 In continuation with the Regulatory provisions and having recognized the issue pertaining to significant Distribution losses, the Commission has approved the Distribution loss trajectory keeping in mind the actual loss trajectory, capex infusion done by the State Utility over the years amongst the prominent items.

5.14 Subsequently, the Commission vide Order dated May 31, 2023 has approved the Distribution loss trajectory for each year of the Control period FY 2021-22 to FY 2025-26. The relevant extracts of the MYT Order are reproduced below:

> *"7.13 The Commission has observed that in 2nd MYT Control Period the distribution loss target for FY 2020-21 was 13%. Therefore, considering the prevailing scenario of the DISCOMs. The Commission has approved the distribution loss target of 13% on overall sales for each year of the Control Period. Further, the Petitioner shall be allowed to operate within distribution loss of 13% on overall sales for the Control Period without any incentive/penalty".*

5.15 In view of the aforesaid, it is submitted that not abiding by the trajectory defined by the Commission and factoring into consideration the deviation in the retail ARR by the Licensee is disdainful.

5.16 It is observed that the Intra-State Transmission Losses of 10.46% for FY 2021-22 has been claimed by the petitioner as against the approved Intra-State Transmission Loss of 2.23%. Further, the petitioner has clarified that the Intra-State Transmission Loss was calculated by subtracting the normative 3.00% Inter-State Transmission Loss from the Inter-State Power Purchased from the overall Transmission Loss as per the Audited Accounts for the respective years for arriving at the Intra-State Transmission Losses.

5.17 The Commission is of the opinion that it would be imprudent if the cost of the Petitioner's inefficiency is passed onto the consumers. Accordingly, the Commission has worked out energy availability for the FY 2021-22 on the basis of actual generation of power from Central, State-owned and other Generating Stations. Further, the loss in external system has been considered at the same level as approved by the Commission in its earlier Order, while the Intra-State Transmission Loss has been considered at 2.23% as per the Tariff Order for JUSNL dated June 23, 2023. The energy availability from various sources has been summarized below:

Table 11: Energy Balance (MUs) as approved by the Commission.

Particulars	MYT	Petition	Approved
Power Purchase from Outside JSEB Boundary (MU)	6,794.99	8,459.23	8,459.23
Loss in External System (%)	3.00%	3.00%	3.00%
Loss in External System (MU)	203.85	253.78	253.78
Net Outside Power Available (MU)	6,591.14	8,205.45	8,205.45
Energy Input Directly to State Transmission System (MU)	422.19	424.14	424.14
State-owned Generation (MU)	967.98	1,293.84	1,293.84
Energy Available for Onward Transmission (MU)	7,981.31	9,923.43	9,923.43
Transmission Loss (%)	2.23%	10.46%	2.23%
Transmission Loss (MU)	177.98	1,038.34	221.29
Net Energy Sent to Distribution System (MU)	7,803.33	8,885.09	9,702.13
Direct Input of Energy to Distribution System (MU)	2,822.60	3,552.25	3552.25
Total Energy Available for Sales (MU)	**10,625.93**	**12,437.34**	**13,254.38**
Total energy sold (MU)	**9,244.56**	**9,018.19**	**9,018.19**
Distribution loss%	**13.00%**	**27.45%**	**13.00%**
Energy Required for distribution (MU)	**10625.93**	**12430.30**	**10365.73**
Power disallowance at DISCOM Periphery (MU)	**0.00**	**7.03**	**2,888.65**
Total Power Purchase (MU)	**11,007.76**	**13,729.45**	**13,729.45**

Power Purchase Cost

Petitioner's Submission

5.18 The Petitioner has submitted that, it has firm allocations of power from central allocations like NTPC, NHPC, DVC and other sources such as DVC, PTC. In addition to these, power was also purchased from private stations like APNRL, Inland Power, ABCIL, Rungta Mines and some quantum from renewable sources during FY 2021-22.

5.19 The Petitioner has prayed to approves the power purchase cost as per the actual data of FY 2021-22 as summarized in the table below and approve the power purchase cost accordingly.

Table 12: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
1	NTPC	Farrakka I & II	870.35	325.56
		Farrakka III	562.72	244.46
		Khalagaon I	205.93	72.54
		Talcher	532.10	148.49
		Khalagaon II	174.12	57.07
		Barh I	172.95	90.47
		Barh II	570.87	286.50
		Korba	395.49	108.15
		Darlipalli	766.04	224.78
		Total	**4250.57**	**1558.02**
		Kanti Power	110.67	54.49
		Nabinagar	248.64	111.35
		Grand Total	**4609.89**	**1723.87**
2	NHPC	Rangit	43.76	17.39
		Teesta	321.01	78.44
		Total	**364.77**	**95.83**
3	PTC	Chukha	195.36	46.92
		Tala	317.27	68.55
		Total	**512.63**	**115.46**
4	**Total Central Sector**		**5487.28**	**1935.16**
5	DVC	KTPS (OA)	3151.81	1459.21
		Stand by Power	354.49	251.04
		UI (Deviation)	-175.28	24.65
		Trans. Charge	0.00	75.56
		HT Points	203.00	92.0776
		Total	**3534.01**	**1902.54**
6	TVNL		1581.29	599.58
7	UI Payable (Deviation)		144.48	109.48
8	APNRL	Unit I	481.39	174.84
		Unit II	481.39	175.72
		APNRL (Add.)	517.24	188.30
		ERLDC APNRL	0.00	0.04
		Total	**1480.02**	**538.91**
9	SOLA	SECI (Tranche-I)	96.04	24.33

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
		SECI (MNRE-II)	14.72	9.09
		State IPPs	18.24	32.74
		Total	**129.00**	**66.16**
10	**Wind**	PTC	520.30	183.66
		SECI	296.62	80.69
		Total	**816.92**	**264.36**
11	INLAND		384.67	182.71
12	ABCIL		23.69	5.85
13	Rungta Mines		15.78	4.94
14	PTC-IEX (Purchase)		313.79	150.01
15	PTC-IEX (Sale)		-394.46	-134.07
16	SRHPS (Generation)		300.34	0.00
17	UI Receivable		-78.65	-4.75
18	SER-DSM		-8.71	1.47
19	Supplementary Bills			109.99
20	**Total Power Purchase**		**13729.45**	**5732.34**
21	**SER-DSM**			**-136.76**
22	**Total Power Purchase excluding Transmission Charge**		**13729.45**	**5869.10**

Commission's Analysis

5.20 It is observed by the Commission that the Petitioner has procured power from various sources like Central allocation (i.e. NTPC, NHPC, DVC), private sector (i.e. APNRL, Inland Power, ABCIL, Rungta Mines, etc.), solar source (i.e. SECI, state IPPs), Wind source (i.e. PTC, SECI) taking into account the interconnection constraints to optimize its power purchase expenses.

5.21 With regard to the sale of surplus power, the Commission approves such transactions. Consequently, the corresponding purchase cost has been deducted from the overall power purchase cost.

5.22 With regard to the Fuel and Power Purchase Price Adjustment (FPPPA), the Commission has asked the Petitioner to submit details on bill computation for the FY 2021-22 period. In response to the inquiry, the Petitioner stated that the FPPPA is not currently being implemented by

JBVNL. Furthermore, they mentioned that any excess charges imposed by the Thermal Power Plant are being passed on in the True-up Petition.

5.23 Furthermore, the Commission has noted that the Petitioners have included LPS (LPSC plus Surcharge) related to Generating station as components of their power purchase cost for FY 2021-22. However, the Commission is of the opinion that the Petitioners have been adequately provided with working capital to cover expenses related to power purchase costs and other associated components, Accordingly, the Commission disallow the expense under the Late Payment Surcharge for Power purchase from various utilities.

5.24 With regard to scheduling of power, the Commission has asked the Petitioner to provide the basis of considering the same. In this regard the Petitioner has submitted that it has more power demand than the total capacity allocated to it from various CGS, IPPs, Captive and JUSNL. In view of the same, JBVNL schedules full power capacity from power plants which have been allocated to it.

However, during the course of the day, due to various climatic or social factors, there may be a drop in power demand of the state. To handle such a scenario, there is a mechanism of 'Requisition' provided by respective Regional Load Dispatch Centre (RLDCs) where-in the participating utility may surrender power allotted to it at 7 blocks (consisting of 15 minutes) or more ahead of the real time. If, SLDC/JBVNL suffers a drop in demand leading to excess capacity with respect to allocated capacity, it surrenders power through Requisition mechanism. While surrendering power through this mechanism, JBVNL factors in Merit Order Dispatch and surrenders power from plant starting from plant with highest variable cost and thereafter in descending order of Energy Charge till scheduled power reaches a value equal to its anticipated demand subject to compensation and technical minimum criteria.

Conversely, if in any time block, the Petitioner has less allocation than its demand then also through requisition, it may avail or apply additional power from same power plants (with which it has PPA) which have spare capacity at seven or more time-block before real time through a mechanism known as Un Requisitioned Surplus 'URS'. While going for such requisition also, the Petitioner follows Merit Order Dispatch Principle by opting for power plants having least variable cost out of all available option subject to compensation and technical minimum criteria.

5.25 Upon thorough scrutiny and analysis of the data, material, and information on record, the Commission has observed that the Petitioner has claimed a substantial cost under UI (Unscheduled Interchange). Consequently, the Petitioner is hereby directed to implement meticulous planning for electricity scheduling and procurement. Furthermore, the Commission emphasizes that henceforth, penal action will be taken if the UI charges exceed the scheduled energy range, in accordance with the provisions outlined in the Deviation Settlement Mechanism Regulation.

5.26 The Commission has observed that the Petitioner has failed to fulfill RPO compliance. In this regard, the Commission has directed the Petitioner to submit the compliance towards RPO obligation target set by the Commission for FY 2021-22 for solar and non-solar separately as per clause 5.2 of JSERC (Renewable Energy Purchase Obligation and its compliance) Regulation, 2016 and 1st amendment, 2021.

5.27 In reply to the above query the Petitioner has submitted that it has signed PPA with SECI for 100 MW floating solar PV from Getalsud Dam. Further, it has submitted that it is in the process of adopting solar rooftop program from which it will get power from the prosumers in the state. In addition to this it has tied up with SECI for 700 MW of solar power out of which it is receiving 450 MW solar power and 250 MW is under pipeline.

5.28 Similarly, cumulative 500 MW of wind power has been tied up with SECI and PTC out of which it is receiving 200 MW of wind power and 100 MW of wind power is under pipeline. Further, based on above submission the petitioner has submitted the RPO Compliance for FY 2021-22 as shown below:

S.No.	Particulars	UOM	Value
1	Total Power Purchased	MU	13730.59
2	Hydro power purchased	MU	1179.87
3	Co-generation power purchased	MU	0
4	Solar RPO target	%	10.5
5	Non solar RPO target	%	10.5
8	Solar RPO target	MU	1317.83
9	Non solar RPO target	MU	1317.83
10	Solar Purchase	MU	128.9
11	Non-Solar Purchase	MU	816.89
12	Solar REC Purchase	Nos	0
13	Non-Solar REC Purchase	Nos	0
14	Equivalent Solar RPO	MU	0
15	Equivalent Non-Solar RPO	MU	0
16	Total Solar PRO compliance	MU	128.9
17	Total Non-Solar PRO compliance	MU	816.89
18	Non-Compliance (Solar)	MU	-1188.93
19	Non-Compliance Non (Solar)	MU	-500.94

5.29 Regarding the Renewable Power Purchase Obligation (RPO), the Commission mandates the Petitioner to meet the RPO target established by the Commission in accordance with the provisions outlined in the JSERC (Jharkhand State Electricity Regulatory Commission) Renewable Energy Purchase Obligation and its Compliance Regulation, 2016.

5.30 Based on the facts and circumstance mentioned above, the Commission approves the power purchase cost after deduction of sale of surplus power as given below.

Table 13: Power Procurement Cost (Rs Crore) as approved by the Commission.

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (Rs. Cr.)
1	NTPC	Farrakka I & II	870.35	325.56
		Farrakka III	562.72	244.46
		Khalagaon I	205.93	72.54
		Talcher	532.10	148.49
		Khalagaon II	174.12	57.07
		Barh I	172.95	90.47
		Barh II	570.87	286.50
		Korba	395.49	108.15

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (Rs. Cr.)
		Darlipalli	766.04	224.78
		Total	**4250.57**	**1558.02**
		Kanti Power	110.67	54.49
		Nabinagar	248.64	111.35
		Grand Total	**4609.89**	**1723.87**
2	**NHPC**	Rangit	43.76	17.39
		Teesta	321.01	78.44
		Total	**364.77**	**95.83**
3	**PTC**	Chukha	195.36	46.92
		Tala	317.27	68.55
		Total	**512.63**	**115.46**
4	**Total Central Sector**		**5487.28**	**1935.16**
5	**DVC**	KTPS (OA)	3151.81	1459.21
		Stand by Power	354.49	251.04
		UI (Deviation)	-175.28	24.65
		Trans. Charge	0.00	75.56
		HT Points	203.00	92.0776
		Total	**3534.01**	**1902.54**
6	TVNL		1581.29	599.58
7	UI Payable (Deviation)		144.48	109.48
8	**APNRL**	Unit I	481.39	174.84
		Unit II	481.39	175.72
		APNRL (Add.)	517.24	188.30
		ERLDC APNRL	0.00	0.04
		Total	**1480.02**	**538.91**
9	**SOLAR**	SECI (Tranche-I)	96.04	24.33
		SECI (MNRE-II)	14.72	9.09
		State IPPs	18.24	32.74
		Total	**129.00**	**66.16**
10	**Wind**	PTC	520.30	183.66
		SECI	296.62	80.69
		Total	**816.92**	**264.36**
11	INLAND		384.67	182.71
12	ABCIL		23.69	5.85
13	Rungta Mines		15.78	4.94
14	PTC-IEX (Purchase)		313.79	150.01
15	PTC-IEX (Sale)		-394.46	-134.07
16	SRHPS (Generation)		300.34	0.00
17	UI Receivable		-78.65	-4.75

S.No	Name of Generating Station	Total units Purchased (MU)	Total cost of Purchase (Rs. Cr.)
18	SER-DSM	-8.71	1.47
19	Supplementary Bills		109.99
20	**Total Power Purchase**	**13729.45**	**5732.34**
21	Less: LPSC		180.64
22	**Power purchase cost excl. Transmission Charges**	**13729.45**	**5551.70**

Transmission Charge

Petitioner's Submission

5.31 The Petitioner has submitted that actual Inter/Intra-State transmission charges payable to JUSNL for FY 2021-22 as submitted by the petitioner is given below:

Table 14: Transmission Charge as submitted by Petitioner.

Particulars	MYT	Petition
Inter-State Transmission Charge (incl. Posoco ERLDC)	-	325.46
Intra-State Transmission Charge	-	236.77

Commission Analysis

5.32 With regard to transmission and load dispatch charges, the Commission has observed that the transmission and load dispatch charges are uncontrollable factors as per clause 6.44 of JSERC Distribution Tariff Regulation 2020. In this regard, the petitioner had directed to provide the bill for FY 2021-22 towards inter/intra-state transmission charge.

5.33 In reply to the Commissions query, the petitioner had submitted the summary statement of Inter/Intra-state transmission charge along with the bill for FY 2021-22.

5.34 Accordingly, the Commission after scrutinizing and analyzing the month wise transmission charge and load dispatch charge and on prudent check, approves the transmission and load dispatch charges as given below:

Table 15: Inter/Intra Transmission Charge as approved by Commission.

Particulars	Petition	Approved
Inter-State Transmission Charge (incl. Posoco ERLDC)	325.46	325.46
Intra-State Transmission Charge	236.27	236.27

Capital Expenditure and Capitalization

Petitioner's Submission

5.35 The Petitioner has submitted the capital expenditure (capex) as per the Audited Accounts for FY 2021-22 as below:

Table 16: Actual Capital Expenditure (Rs. Crore) as submitted by petitioner.

Particulars	MYT	Petition
Opening CWIP (A)	5726.68	4,817.75
Capex during the year (B)=(D)-(A)+(C)	1451.59	1,451.59
Transfer to GFA (C)	2706.53	4,326.85
Closing CWIP (D)	**4471.74**	**1,942.50**

5.36 The Petitioner has further submitted that the capitalization for FY 2021-22 as per audited account is provided in the table below:

Table 17: Actual capitalization as submitted by the Petitioner.

Scheme wise	MYT	Petition
Opening GFA	16876.11	15497.37
GFA Addition	2706.53	4326.85
Closing GFA	**19582.64**	**19824.22**

Commission Analysis

5.37 The Commission in its discrepancies note, had directed the Petitioner to submit the scheme-wise Capital Expenditure tuned to Rs 1451.59 Cr for FY 2021-22. In reply to the discrepancy note the Petitioner has submitted the scheme-wise capital expenditure details. Accordingly, the Commission, on scrutinizing and analyzing the submission in discrepancy note and the materials on record, approve the Capital expenditure of Rs 1451.59 crore as per '***note 3A***' of Annual Audited Account as shown below:

Table 18: Capital Expenditure as approved by the Commission.

Scheme	Capex (Rs. Cr.)
DDUGJY	(234.38)
IPDS	(63.06)
RAPDRP - A	15.62
RAPDRP - B	(50.10)
DDUGJY 12th Plan	(53.63)
ADP + Misc.	(0.00)
Tilka Manjhi & AGJY	109.19
RE State Plan	352.62
JSBAY	428.24
RGGVY (10th & 11th Plan)	200.75
SAUBHAGYA	275.98
DEPOSIT	34.76
JPSIP	(0.31)
Capital Work-in-progress Interest & Finance Charges	435.90
Total	**1,451.59**

5.38 Further, the Commission in its discrepancy note had asked the Petitioner to submit the detailed scheme-wise comparison of capitalization approved by the Commission vis-à-vis claimed for FY 2021-22. In reply to the discrepancy note, the Petitioner has submitted the scheme wise capitalization.

Scheme	Capitalization (Rs. Cr.)
10th Plan	581.52
11th Plan	907.13
12th Plan	93.84
ADP	181.67
AGJY	10.24
DDUGJY-New	876.01
Deposit	14.45
General	1.85
IPDS	254.71
JSBAY	928.44
RAPDRP-A	0.15
RAPDRP-B	23.32
RE Head	4.18
Saubhagya	311.26
SCADA	32.67
TMKPY	106.50
Grand Total	**4,327.94**

5.39 The Commission has noted discrepancies between the total capitalization provided in the data gap reply and the figures presented in '***Note 3A'*** of the Annual Audited Account. Consequently, the Commission approves the capitalization as per the audited accounts, as detailed below:

Table 19: Actual capitalization as approved by the Commission.

Scheme wise	MYT	Petition	Approved
Opening GFA	16876.11	15497.37	16876.11
GFA Addition	2706.53	4326.85	4326.85
Closing GFA	**19582.64**	**19824.22**	**21202.96**

Consumer Contribution, Grants and Subsidies

Petitioner's Submission

5.40 The Petitioner has submitted that the additions in GFA are created from various source of financing including Debt, Equity (D&E), Consumer Contribution and Grants (CCG) etc. The CCG has been considered based on the actual, however the Debt and Equity are estimated based on norms and principles adopted by the Hon'ble Commission in its earlier orders.

Table 20: Consumer contribution and grants as submitted by the Petitioner.

Particulars	MYT	Petition
Consumer Contribution Grants opening	8452.00	8010.39
Addition: Government Grants	1681.90	1603.05
Addition: Consumer Contribution		78.85
Closing consumer contribution Grants	**10133.90**	**9692.29**

Commission Analysis

5.41 The Commission has observed that the Petitioner has claimed the Capitalization of Rs. 4,326.85 Crore for the FY 2021-22 in accordance with the audited accounts. Further, the Petitioner has considered addition of Grants (and Consumer Contribution) amounting to Rs. 1681.90 Crore based on the actual Capital Grants received and adjusted for Amortization of the Grants.

5.42 At the very outset, the approach of the Petitioner is incorrect as the admission of Interest expenses and Depreciation is based on the Capital Cost net off grants and consumer contribution. The provisions of the Distribution Tariff regulations 2020 also aligns with the above approach. The extracts of the Distribution Tariff Regulations 2020 are as follows:

> ***"Capital Cost***
> *10.11 The **amount funded through Consumer Contribution, Grants or Deposit Works for connection to the distribution system of the Licensee shall be deducted from the original cost** of the scheme for the purpose of calculating the amount under debt and equity under these Regulations.*
> *……………………………*
> ***Interest on Loan Capital***
> *……………………………*
> *10.28 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the ex**tent of capital cost funded by Consumer Contribution, Grants or Deposit Works** carried out by Distribution Licensee.*
> *……………………………*
> ***Depreciation***
> *10.34 Depreciation shall be calculated every year, on the amount of original cost of the fixed assets as admitted by the Commission;*
> *Provided that depreciation **shall not be allowed on assets funded by consumer contribution and capital subsidies/grants**. Provision for replacement of such assets shall be made in the capital investment plan;"*

5.43 Based on the aforesaid, it is clear that the Depreciation, Interest on Loan are to be admitted on the Capital Cost net off grants. However, the Petitioner has netted off the grant component by adjusting the amortization towards grants as well which is not in accordance with the Distribution Tariff Regulations 2020.

5.44 The ***ADDITIONAL NOTES TO THE STANDALONE FINANCIAL STATEMENTS*** of FY 2021-22 in respect of Grants/ Consumer Contribution is as under:

> ***30.3 Grants and Subsidy***
>
> *i) During the financial year 2021-22, **JBVNL received a total of Rs. 2206.47 Cr. (P.Y: Rs. 1168.87 Cr.) as capital grant;** Rs. 527.41 Cr. (P.Y: Rs. 429.92 Cr.) from Central Government and Rs. 1679.06 Cr. (P.Y: Rs. 1125.87.00 Cr.) from State Government) for various projects under different schemes and amortized capital grant by Rs. 603.42 Cr. (P.Y: Rs. 562.01 Cr.) during the said period resulting in net*

positive movement during the year of Rs. 1603.05 Cr. (P.Y: Rs. 111.27 Cr.) (Refer Note 17: Government Grant and Note 25: Other Income -Others)

ii) During the financial year 2021-22, JBVNL received a total of Rs. NIL {P.Y: Rs. NIL) as revenue grant. (Refer Note 25: Other Income -Others)"

5.45 On analyzing the extract from the audited account, the Commission approves the consumer contribution/ government grants/deposit works as Rs 2,877.1 crore (2,206.47+14.45) for FY 2021-22 as given below:

Table 21: Consumer contribution and grants as approved by Commission..

Particulars	MYT	Petition	Approved
Consumer Contribution Grants opening	8452.00	8010.39	9014.01
Addition: Government Grants	1681.90	1603.05	2206.47
Addition: Consumer Contribution		78.85	14.45
Closing consumer contribution Grants	10133.90	9692.29	11234.92

Calculation of normative GFA, Loan and Equity

Petitioner's Submission

5.46 The Petitioner has calculated Normative GFA from Debt & Equity, Loan and Equity as per approach adopted by the Hon'ble Commission in its previous Tariff Orders.

5.47 The Petitioner has bifurcated GFA and accumulated depreciation into component from Debt & Equity (D&E) and from Consumer contribution grants (CCG) as per approach by the Hon'ble Commission followed in previous Tariff Orders. The Petitioner has thereafter applied the normative debt-equity ratio of 70:30 on GFA out of D&E to calculate Normative Equity as per JSERC Distribution Tariff Regulation, 2020.

5.48 After netting Normative Equity from closing GFA (out of Debt & Equity), the Petitioner has deducted, accumulated depreciation pertaining to D&E component from the resultant to arrive at normative closing debt as computed hereunder:

Table 22: Source of funding of GFA as submitted by the Petitioner.

Particulars	Petition
Opening GFA (A)	15497.37
CCG towards Opening CWIP (B)	1899.67
CCG towards Opening GFA (C)	6110.72
Opening GFA Less CCG (D = A- C)	9386.66
Closing GFA (E)	19824.22
CCG towards Closing GFA (F)	8827.33
Closing GFA Out of D&E (G= E-F)	10996.88
Accumulated Depreciation (H)	5851.86
Accumulated Depreciation Out of D&E (I =H*G/E)	3246.14
Closing Normative Equity (J = G* 30%)	3299.07
Closing Normative Loan (K = G-J)	4451.68

Commission Analysis

5.49 The Commission has observed that the opening balance of consumer contribution and grants considered by the petitioner for FY 2021-22 is Rs 8,055.76 which is inconsistent with the closing balance of consumer contribution and grants approved by the Commission in its earlier order. Hence, the Commission has considered the closing balance of consumer contribution and grants of FY 2020-21 for opening consumer contribution and grants for FY 2021-22.

5.50 The Commission has considered consumer contribution and grants as per ***para 30.2(1)*** and ***note 20*** of the audited accounts respectively. The normative net loans are estimated after deducting the accumulated depreciation from the value of gross loans.

5.51 For funding normative debt-equity, the Commission has considered the normative debt-equity ratio of 70:30 as provided in the Distribution Tariff Regulations, 2020. Moreover, consumer contribution grants and subsidies for capital assets are first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.

5.52 In line with the aforesaid discussion, the Commission approves the admissible GFA, CCG, debt-equity as given below:

Table 23: Source of funding of GFA as approved by the Commission.

Particulars	Approved
CCG towards CWIP	2283.80
CCG towards GFA	6730.20
Opening GFA (less CCG)	10145.91
GFA Addition (less CCG)	1153.92
Closing GFA less CCG	11299.83
Accumulated Depreciation	5851.86
Acc. Dep. towards GFA	3118.67
Normative Loan (Closing)	**4791.21**
Normative Equity (Closing)	**3389.95**

Operation and Maintenance Expenses (O&M)

Petitioner's Submission

5.53 The Petitioner has submitted that operational and maintenance expenses comprise of Employee expenses, Repair & Maintenance expenses and Administrative & General expenses.

5.54 Further, the Petitioner has submitted that the employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses. Accordingly, the Petitioner has submitted employee expenses for FY 2021-22 based on the Audited Accounts as given below.

Table 24: Employee cost (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Employee Expenses		238.74
Terminal Expenses		31.19
Total Employee Expenses	253.67	269.93

5.55 The Petitioner has submitted that the Administrative & General (A&G) expenses for FY 2021-22 is as per the Audited Account as provided in the table below.

Table 25: A&G Expense (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
A&G Expenses	96.72	84.79

5.56 The Petitioner has submitted that the Repair & Maintenance (R&M) expenses for FY 2021-22 is as per the Audited Accounts as provided in the table below.

Table 26: R&M Expenses (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
R&M Expenses	224.13	231.05

Commission Analysis

5.57 The Commission has outlined clause 10.3 to clause 10.7 of JSERC Distribution Tariff Regulation 2020 for the approval of operation and maintenance expense as reproduced below:

*"**Operation and Maintenance Expenses***

10.3 Operation and Maintenance (O&M) Expenses shall include:

a) Salaries, wages, pension contribution and other employee costs;
b) Administrative and General Expenses;
c) Repairs and Maintenance Expenses.

10.4 The O&M Expenses for the Base Year of the Control Period shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, Business Plan filed by the Licensee, estimates of the actual for the Base Year, prudence Check and any other factor considered appropriate by the Commission.

10.5 The O&M expenses permissible towards ARR of each year of the Control Period shall be approved based on the formula shown below:
O&Mn = (R&Mn + EMPn + A&Gn) + Terminal Liabilities

Where,
R&Mn – Repair and Maintenance Costs of the Licensee for the nth year;
EMPn – Employee Costs of the Licensee for the nth year excluding terminal liabilities;
A&Gn – Administrative and General Costs of the Licensee for the nth year.

10.6 The above components shall be computed in the manner specified below:

***a)** R&Mn = K*GFA* (INDXn / INDXn-1)*
Where,
'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of R&M to GFA of the preceding year of the Base Year in the MYT Order after normalising

any abnormal expenses;
'GFA' is the opening value of the gross fixed asset of the nth year;

b) EMPn + A&Gn = [(EMPn-1)(1+Gn) + (A&Gn-1)]*(INDXn/ INDXn-1)*

Where,
EMPn-1 – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities;
A&Gn-1 – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;
INDXn – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

Gn – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the Distribution Licensee's Filing, benchmarking and any other factor that the Commission feels appropriate;

***c**) INDXn = 0.55*CPIn +0.45*WPIn;*

Note 1: For the purpose of estimation, the same INDXn/INDXn-1value shall be used for all years of the Control Period. However, the Commission will consider the actual values in the INDXn/INDXn-1at 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;

Note 2: Any variation due to changes recommended by the Pay Commission, wage revision agreement, etc., will be considered separately by the Commission;

Note3: Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies.

10.7 The Distribution Licensee, in addition to the above details shall also submit the detailed break-up of the Legal/Litigation Expenses for the previous Years (FY 2015- 16 to FY 2019-20) along with the details and documentary evidence of incurring such expenses. The Commission shall approve the legal expenses as per the relevant provisions of the Jharkhand State Litigation Policy based on the necessary documentary evidence submitted for the Control Period and shall carry out due prudence check of legal expenses at the time of truing up."

5.58 Base on the above excerpt, the Commission had calculated the inflation factor as 6.93% for FY 2021-22.

5.59 Further, the Commission has observed that the Petitioner has submitted the Growth factor as (-1.66%). Hence, based on the above mentioned regulation the Commission has considered the growth factor as nil for Computation of employee expenses.

5.60 Based on the facts & circumstances observes in the petition, the Commission approves the normative employee expenses for FY 2021-22 by taking the actual value of inflation factor (6.93%) and growth factor (0%).

Table 27: Normative Employee Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	212.07
Inflation Factor	%	6.93%
Growth Factor	%	0.00%
Normative Employee Expenses	**Rs. Cr.**	**226.78**

5.61 The Commission approves the normative A&G Expenses for FY 2021-22, based on the approved normative A&G Expenses for FY 2020-21 and actual inflation factor as 6.93% for FY 2021-22.

Table 28: Normative A&G Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
A&G previous year	Rs. Cr.	95.99
Inflation Factor	%	6.93%
Normative A&G Expenses	**Rs. Cr.**	**102.65**

5.62 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of Gross Fixed Assets for FY 2021-22 and by multiplying the 'k' factor of 1.22% as approved in the MYT Order dated May 31, 2023 and inflation factor of 6.93%.

Table 29: Normative R&M Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
GFA	Rs. Cr.	16876.11
K-Factor	%	1.22%
Inflation Factor	%	6.93%
Normative R&M Expense	**Rs. Cr.**	**220.17**

5.63 Based on the above discussion, the Commission approves the normative operational and maintenance expense as given below.

Table 30: Normative O&M Expenses (Rs Crore) as approved by the Commission.

Particulars	Approved
Normative Employee Expense	226.78
Normative A&G Expenses	102.65
Normative R&M Expenses	220.17
Net Normative Operation & Maintenance Expenses	**549.59**

5.64 In accordance with ***clause 10.6 (note 3)*** the Commission approves the terminal liabilities of Rs 31.19 crore for FY 2021-22.

5.65 Further, the Commission on scrutinizing the material on record, approves the actual O&M expenses for FY 2021-22 as per annual audited account as given below:

Table 31: Total actual O&M Expenses (Rs Crore) as approved by the Commission.

Particulars	Approved
Employee Expenses	238.74
A&G Expenses	84.79
R&M	231.05
Actual Operational Expenses	**554.58**
Terminal benefits	**31.19**

5.66 Further, the Commission has outlined clause 6.48 to clause 6.53 of JSERC Distribution Tariff Regulation 2020 for the approval of incentive and penalty as reproduced below:

"6.48 Various elements of the ARR of the Licensee will be subject to incentive and penalty framework as per the terms specified in this section. The overall aim shall be to incentivise better performance and penalise poor performance, compared to the performance norms/benchmarks specified by the Commission.

6.49 The gains/losses shall be computed on aggregate basis for controllable items such as Operation & Maintenance Expenses (excluding Terminal Liabilities), Distribution Losses and Collection Efficiency considered collectively on annual basis. The computations shall be based on the data submitted by the Licensee in the Annual Performance Review and audited annual accounts and shall be subject to prudence check by the Commission.

*6.50 In case of aggregate gains, the **aggregate gain** shall be shared between the Licensee and the consumers in the ratio of **50:50** respectively.*

6.51 The gains to be shared shall be passed on to the consumers through Tariff during the Annual Performance Review for each year of the Control Period.

*6.52 In case of **any loss on account of underperformance** with respect to the controllable parameters, the Licensee shall bear the entire losses and **no proportion of losses shall be passed on** to the consumers.*

*6.53 In addition, the net savings due to refinancing of Loans by the Distribution Licensee shall be shared between the **Users and the Licensee**, as the case may be, in the ratio of **50:50.***

5.67 Based on the above excerpt, the Commission approves the sharing of gain/(loss) on controllable parameter i.e. Operational & Maintenance expense for FY 2021-22 as shown below.

Table 32: O&M Expenses (Rs Crore) after sharing of gain/(loss) as approved by the Commission.

Particulars	Approved
Normative O&M Expenses	549.59
Actual O&M Expenses	554.58
Sharing of Gain/(Loss)	**(4.98)**
Terminal benefits	31.19
O&M Expenses after sharing of Gain/(Loss)	**580.79**

Depreciation

Petitioner's Submission

5.68 The Petitioner has submitted that it has arrived at the opening and closing GFA of FY 2021-22, created out of debt and equity (D&E), by deducting CCG portion deployed towards opening and closing GFA. The Petitioner has applied the depreciation rate as per audited account in line with clause 10.42 of JSERC Distribution Tariff Regulation 2020 on the average GFA and accordingly calculations are made to arrive at the total depreciation being claimed as part of the true-up exercise.

5.69 The Petitioner has claimed Rs 783.93 Crore towards Depreciation for the

FY 2021-22 considering the rate of depreciation of 7.69% as given below:

Table 33: Financing of Capital investments as submitted by the Petitioner.

Particulars	MYT	Petition
Opening GFA (Less CCG) (Rs. Cr.)	10565.53	9386.66
Closing GFA (Less CCG) (Rs. Cr.)	11332.65	10996.88
Average GFA excluding Consumer Contributions and Grants (Rs. Cr.)	10,949.08	10191.77
Depreciation Rate (%)	4.20%	7.69%
Depreciation Cost (Rs. Cr.)	**460.25**	**783.93**

Commission Analysis

5.70 The Commission has outlined clause 10.34 to clause 10.40 of JSERC Distribution Tariff Regulation 2020 for the approval of Depreciation as reproduce below:

"Depreciation

10.34 Depreciation shall be calculated every year on the amount of original cost of the fixed assets as admitted by the Commission: Provided that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. Provision for replacement of such assets shall be made in the Capital Investment Plan.

10.35 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.36 Depreciation shall be calculated annually, based on the straight-line method at the rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset:

Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.37 Depreciation shall be charged from the first year of commercial operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.

10.38 The residual value of assets shall be considered as 10% and depreciation shall *be allowed to a maximum of 90% of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset. Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;*

10.39 The Commission may, in the absence of the Fixed Assets Register, calculate Depreciation (%) arrived by dividing the Depreciation and the Average Gross Fixed Assets as per the latest available Audited Accounts of the Distribution Licensee. The Depreciation (%) so arrived shall be multiplied by the Average GFA approved by the Commission for the relevant Financial Year to arrive at the Depreciation for that Financial Year.

10.40 In case of de-capitalization of assets, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered through tariff corresponding to the decapitalized asset during its useful services.

5.71 It is notable that the Petitioner has considered the Rate of depreciation based on the Weighted Average Rate of depreciation as per the Accounts. However, it is notable to point out that the Asset-wise Rate of depreciation as per the Audited Accounts is inconsistent with the Asset-wise Rate of depreciation provided in the '***Annexure-A***' of the JSERC Distribution Tariff Regulations 2020. The Commission apprehends that the Petitioner has erroneously relied on the Tariff regulations 2015 for computation of Depreciation in the Audited Accounts. The relevant extracts from the Audited Accounts of FY 2021-22 is as follows:

1.2 Depreciation

- Depreciation on property, plant and equipment has been calculated at rate prescribed in JSERC MYT Regulations, 2015, vide notification no. 33 &34, dated 27th October 2010, notification no.35 dated 1st November 2010 and notification no. 46 dated 10th November, 2015.
- Depreciation rate for different class of assets are provided in below-mentioned table:

S No.	Assets Class	Depreciation Rates
1.	Land & Land Rights	0%
2.	Buildings	3.02%
3.	Civil Works	3.02%
4.	Plant and Machinery	7.84%
5.	Lines & Cable Network	7.84%
6.	Vehicles	33.40%
7.	Furniture and Fixtures	12.77%
8.	Office equipment	12.77%

- Depreciation commences when the assets are ready for their intended use.

5.72 In accordance with ***Appendix I***: Depreciation Schedule of JSERC Distribution Tariff Regulation 2020 the Commission approves the depreciation rate as shown below:

Table 34: Depreciation rate as approved by the Commission for FY 2021-22.

Particulars	Opening	Closing	Average	Dep Rate	Gross Depreciation
Land and Land Rights	2.91	3.01	2.96	2.67%	0.08
Buildings	83.80	111.46	97.63	2.67%	2.61
Plant & Machinery	3974.64	5492.59	4733.61	4.22%	199.76
Lines and Cable Network	11209.97	13938.30	12574.13	4.22%	530.63
Vehicles	3.20	3.20	3.20	12.77%	0.41
Furniture & Fixture	2.43	3.37	2.90	6.33%	0.18
Office Equipment	7.67	7.77	7.72	6.33%	0.49
Spare Units/Service Units	26.03	26.03	26.03	4.22%	1.10
Assets taken over from pending final valuation	2.08	2.08	2.08	4.22%	0.09
other civil works (Roads, Boundary walls etc.)	184.65	236.42	210.54	2.67%	5.62
Total	**15497.37**	**19824.22**	**17660.80**		**740.96**
Depreciation Rate (%)					**4.20%**

5.73 Based on the above excerpts, the Commission is of the view that the depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Excluding the consumer contribution deployed towards GFA as approved in this Order, the

Commission has determined the depreciation on the GFA created out of debt and equity for FY 2021-22. The rate of depreciation has been considered at 4.20% as commutated above. The Commission has calculated the Depreciation on Average GFA (net of Average CCG) as per the JSERC Distribution Tariff Regulations, 2020. Accordingly, the Commission approves the depreciation for FY 2021-22 as summarized below:

Table 35: Depreciation as approved by the Commission.

Particulars	Approved
Opening GFA (Less CCG) (Rs. Cr.)	10145.91
Closing GFA (Less CCG) (Rs. Cr.)	11299.83
Average GFA excluding CCG (Rs. Cr.)	10722.87
Depreciation Rate (%)	4.20%
Depreciation Cost (Rs. Cr.)	**449.88**

Interest & Finance Charge

Petitioner's Submission

5.74 The Petitioner has submitted that it has considered the opening debt for FY 2021-22 equal to closing value of FY 2020-21 (as filled in True-up for FY 2020-21). Further, Closing debt for FY 2020-21 has been calculated in line with the JSERC Tariff Regulations, 2020.

5.75 In accordance with JSERC Tariff Regulations, 2020, the petitioner has considered the repayment of loan for FY 2021-22 equal to Depreciation as calculated above.

5.76 Further, in accordance with the JSERC Distribution Tariff Regulations, 2020, the petitioner has considered the rate of interest on long-term loan at the Base rate of SBI as applicable on April 1st of FY 2021-22 plus 200 basis points.

5.77 The Petitioner has further submitted that it has incurred Bank and Finance charges to the tune of Rs. 0.49 Crore as per Annual Accounts for FY 2021-22 towards expenditures like Bank charges, finance charges, etc.

Table 36: Interest on Loan and Bank Charge (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Opening Balance	4814.56	4621.75
Deemed Addition during the year	926.13	613.86
Deemed Repayments during the year	460.25	783.93
Closing Balance	5280.44	4451.68
Average balance during the Year	5047.50	4536.71
Interest Rate	9.00%	9.00%
Interest Expense	**454.27**	**408.30**
Bank & Finance Charge	**-**	**0.49**

Commission's Analysis

5.78 The Commission has outlined the clause 10.16, clause 10.17, clause 10.21 to clause 10.29 of JSERC Distribution Tariff Regulation 2020 for the approval of interest of loan and finance charge as reproduced below:

10.16 Existing Schemes - In case of capital expenditure schemes capitalised prior to April 01, 2021, the debt-equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2021 shall be considered.

10.17 New Schemes – For capital expenditure schemes capitalised after April 01, 2021:

a) A normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;

b) In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;

c) In case the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;

d) The premium, if any raised by the Licensee while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure.

Note 1: Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative *debt-equity ratio specified in these Regulations;*

Note 2: Any expenditure on replacement of old assets or on renovation and modernization or life extension shall be considered on normative debt-equity ratio specified in these Regulations after writing off the entire book value of the original assets from the capital cost of the new asset;

Note 3: Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations.

10.21 The loans arrived at in the manner indicated in Clauses10.16 and 10.17 shall be considered as gross normative loan for calculation of interest on loan.

10.22 The normative loan outstanding as on April 01, 2021 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021 from the gross normative loan.

10.23 The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year.

10.24 In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on pro-rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such assets.

10.25 Notwithstanding any moratorium period availed by the Licensee, the repayment of loan shall be considered from the first year of operation of the scheme/ asset.

10.26 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Licensee: Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall be equal to the Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points.

10.27 The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

10.28 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee.

10.29 The Licensee shall make every effort to re-finance the loan as long as it results *in net savings on interest and in that event the costs associated with such re-financing shall be borne by the users and the net savings shall be shared between the users and the Licensee, as the case may be, in the ratio of 50:50*

5.79 In accordance with ***clause 10.16*** and ***clause 10.17***, as mentioned above, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.

5.80 In accordance with ***clause 10.23*** as mentioned above, the Commission approves the debt repayment equal to depreciation for the same financial year.

5.81 In accordance with ***clause 10.26 (proviso)*** as mention above, the Commission approves the interest rate as 9.00% (Base rate of SBI as applicable on April 1st of FY 2021-22 plus 200 basis points).

5.82 On scrutinizing and analyzing the annual audit account and on prudent check the Commission approves the bank/finance charge as Rs 0.49 Cr.

5.83 In accordance with ***clause 10.28*** as mentioned above, the Commission has excluded interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee as given below:

Table 37: Interest and Finance Charges (in Rs Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Balance	4814.56	4621.75	4303.87
Deemed Addition during the year	926.13	613.86	937.22
Deemed Repayments during the year	460.25	783.93	449.88
Closing Balance	5280.44	4451.68	4791.21
Average balance during the Year	5047.50	4536.71	4547.54
Interest Rate	9.00%	9.00%	9.00%
Interest Expense	**454.27**	**408.30**	**409.28**
Bank & Finance Charge		0.49	0.49

Interest on Consumer Security Deposits

Petitioner's Submission

5.84 The Petitioner has submitted that the Interest on consumer security (IoCSD) deposit for FY 2021-22 has been computed on the basis of actual interest on consumer deposit as per Audited Accounts.

Table 38: Interest on CSD (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening IoCSD	679.92	681.95
Interest Rate	7.40%	6.08%
Int. on CSD	**50.31**	**41.46**

Commission's Analysis

5.85 The Commission has outlined clause 10.33 of JSERC Distribution Tariff Regulation 2020 for approval of interest on consumer security deposit as reproduced below:

*"**Interest on Consumer Security Deposits***

> *6.49 **Interest paid** on consumer security deposits shall be as specified by the Commission in 'Jharkhand (Electricity Supply Code) Regulations, 2015' and as amended or replaced from time to time."*

5.86 On scrutinizing and analyzing the annual audited accounts of FY 2021-22, the Commission has observed that JBVNL is not discharging Interest on Consumer Security Deposit to the prospective consumers. The consumer security deposit balance is provided at '***Note 16'*** of the Audited Financial Statements. The Consumer Security Deposit balance as on 31.03.2022 is Rs. 484.02 Crores and the outstanding interest payable as on 31.03.2021 Rs. 471.29 Crores. Further, the addition to Interest accrued on Security Deposit during the FY 2021-22 is Rs. 41.46 Crores (ref '***Note 29'*** of the Audited Accounts).

5.87 Accordingly, the Commission, on prudent check approves the Interest on Consumer Security Deposit for FY 2021-22 as given below:

Table 39: Interest on CSD (Rs. Crore) as approved by the Commission

Particulars	Approved	Source
Opening Consumer Security Deposit	471.31	Note 16

Particulars	Approved	Source
Consumer Security Deposit Addition	41.46	Note 29
Closing Consumer Security Deposit	484.01	Note 16
Interest on Consumer Security Deposit	**28.77**	

Return on Equity

Petitioner's Submission

5.88 The Petitioner has considered the opening balance of normative equity for 2021-22 as per the closing balance for the FY 2020-21, as claimed in the filed True-up petition for FY 2020-21.

5.89 In accordance with provisions of JSERC Distribution Tariff Regulations, 2020 the petitioner has considered Closing equity for FY 2021-22 has been calculated using normative debt equity ratio (70:30).

5.90 In accordance with provisions of JSERC Distribution Tariff Regulations, 2020 the petitioner has considered that the rate of Return on Equity (RoE) as 14.50%.

Table 40: Return on Equity (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening Equity (Normative)	3169.66	3268.57
Equity Addition (Normative)	230.14	30.49
Closing Equity (Normative)	3399.79	3299.07
Average Equity	3284.73	3283.82
Rate of Return	14.50%	14.50%
Return on Equity	**476.29**	**476.15**

Commission's Analysis

5.91 On consideration of the Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2021-22 as the Closing Equity base for FY 2020-21. Further the Commission has considered the normative equity addition during the financial years as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

5.92 In accordance with clause 10.19 of the Distribution Tariff Regulations, 2020, the Commission has allowed a rate of return of 14.5% on average equity.

Table 41: Return on Equity (Rs Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Equity (Normative)	3169.66	3268.57	3043.77
Equity Addition	230.14	30.49	346.18
Closing Equity (Normative)	3399.79	3299.07	3389.95
Average Equity	3284.73	3283.82	3216.86
Rate of Return	14.50%	14.50%	14.50%
Return on Equity	**476.29**	**476.15**	**466.44**

Interest on Working Capital

Petitioner's Submission

5.93 The Petitioner has calculated normative working capital requirement for FY 2021-22 in accordance with JSERC Tariff Regulations, 2020.

5.94 Rate of Interest on Working Capital (IoWC) has been considered to be equal to the Base Rate of SBI as applicable on the 1st April of the respective year plus 350 Basis Points as per Regulation JSERC Distribution Tariff Regulations, 2020.

5.95 Accordingly, the petitioner has computed the working capital requirement and interest thereof as given below:

Table 42: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Maintenance Spares (@1% GFA)	105.66	93.87
2 months' Receivables	1116.14	1401.74
Less: 1 month Power Purchase Cost	418.23	489.09
Less: Consumer Security Deposit	679.92	681.95
Total Working Capital requirement	123.65	324.57
Interest rate on WC	10.65%	10.50%
Interest on Working Capital	**12.980**	**34.08**

Commission's Analysis

5.96 The Commission has outlined the clause 10.31 & clause 10.32 of JSERC Distribution Tariff Regulation 2020 for the approval of Interest on Working Capital is reproduced below:

10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:

a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus

b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus
c) Amount held as security deposits under Clause (a) and Clause (b) of sub-section (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus

d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan.

10.32 Rate of interest on working capital shall be equal to the Bank Rateas on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken.

5.97 Based on the above excerpt, the Commission approves the interest on working capital for FY 2021-22 is summarized below:

Table 43: Interest on Working Capital (in Rs. Crore) as approved by the Commission

Particulars	Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	101.46
Revenue from Wheeling and Retail Supply Charges-2 month	998.77
Less: Power Purchase Cost for One Month Retail Business	381.41
Less: Average Security Deposit	681.95
Total Working Capital Requirement	36.87
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	10.50%
Total Interest on Working capital	**3.87**

Non-Tariff Income (NTI)

Petitioner's Submission

5.98 The Petitioner has submitted the Non-Tariff Income (Other Income) of for FY 2021-22, based on the audited annual accounts.

5.99 The Petitioner has further submitted that while computing the actual Non-Tariff income (Other Income) for FY 2021-22, the financing cost for corresponding receivables has to be reduced as accrued Delayed Payment Surcharge (DPS) is considered as NTI. The petitioner has already incurred power purchase costs on such outstanding receivables and DPS is levied as financing cost of such receivables, however, the Petitioner is allowed only 2 months of receivables on allowance of working capital. For the receivables beyond the period, DPS is applicable and as DPS is considered to be additional income for the Petitioner financing cost of such receivables are allowed in line with the judgement of Hon'ble APTEL dated 12.07.2011 in case No. 142 & 147 of 2009.

5.100 Accordingly, the Petitioner has submitted the Non-tariff income for FY 2021-22 as summarized below:

Table 44: Non-Tariff Income (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Interest Income from Investment in Fixed Deposits	29.80	29.80
D.P.S from Consumer	448.48	448.48
Interest on advance to Supplier/Contractor	-	-
Interest from Bank (Other than FD)	5.09	5.09
Income from Staff Welfare activities	-	-
Supervision Charges	3.28	3.28
Miscellaneous Receipt	3.60	3.60
Rebate on power purchase		
Meter Rent	20.34	20.34
Wheeling Charges / Fuel surcharge/outside sale	101.36	101.36
Receipt from Consumers for capital works		0.00
Miscellaneous Charges from Consumers	0.25	0.25
Total NTI	**612.20**	**612.20**
Interest rate for Receivables financing	10.50%	10.50%
Corresponding Receivables against DPS	2491.57	2491.57
Interest on Receivables against DPS	261.62	261.62
Net NTI to be considered	**350.58**	**350.58**

Commission's Analysis

5.101 The Commission has outlined the clause 10.53 & clause 10.54 of JSERC Distribution Tariff Regulation 2020, for the approval of Non-Tariff Income is reproduced below:

*"**Non-Tariff Income***
10.53 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Retail Supply Tariff and Wheeling Charges of the Distribution Business:
Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.
10.54 The Non-Tariff Income shall include:

a) Income from rent of land or buildings;
b) Income from sale of scrap;
c) Income from investments;
d) Interest accrued on advances to suppliers/contractors;
e) Interest income on loans/advances to employees;
f) Income from rental of staff quarters;
g) Income by rental from contractors;
h) Income by hire charges from contactors and others;
i) Income from delayed payment surcharge, supervision charges, etc.;
j) Supervision charges for capital works;
k) Income from recovery against theft and/or pilferage of electricity;
l) Income from advertisements;
m) Income from sale of tender documents;
n) Profit from sale of Assets (i.e. difference of Sale value and Book value of Asset);

o) Any other Non-Tariff Income:
Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Licensee shall not be included in Non-Tariff Income.
Provided that the onus to substantiate, to the satisfaction of the Commission, that such investments have been out of Return on Equity shall be on the Licensee."

5.102 Based on the above excerpt, the Commission has observed that the Petitioner has not considered certain element of non-tariff income recorded in the audited account. The said item is Rebate on Power Purchase as reflected in '***note 25'*** of the audited account.

5.103 The Commission does not consider the revenue from sale of wheeling charge/ fuel surcharge/ outside sale under Non-Tariff Income as the same has already been considered in the power purchase part of this order.

5.104 The Commission is of the opinion that there is no provision in JSERC (Terms & Condition of Determination Distribution Tariff) Regulation 2020 with respect to approval of financing cost for corresponding receivables under ***clause 10.53 & clause 10.54***.

5.105 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulation 2020 and amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities. Hence, the Commission does not approve the financing cost for corresponding receivables.

5.106 Accordingly, on prudent check the Commission approves the NTI as per above outlined regulation as shown below.

Table 45: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	MYT	Petition	Approved
Interest Income from Investment in Fixed Deposits	29.80	29.80	9.46
D.P.S from Consumer	448.48	448.48	448.48
Interest on advance to Supplier/Contractor	-	-	
Interest from Bank (Other than FD)	5.09	5.09	5.09
Income from Staff Welfare activities	-	-	
Supervision Charges	3.28	3.28	3.28
Miscellaneous Receipt	3.60	3.60	3.60
Rebate on power purchase			4.33
Transformer Rent	20.34	20.34	20.34
Wheeling Charges / Fuel surcharge/outside sale	101.36	101.36	
Receipt from Consumers for capital works		0.00	28.99
Miscellaneous Charges from Consumers	0.25	0.25	0.25
Total NTI	**612.20**	**612.20**	**523.82**
Interest rate for Receivables financing	10.50%	10.50%	-
Corresponding Receivables against DPS	2491.57	2491.57	-
Interest on Receivables against DPS	261.62	261.62	-
Net NTI to be considered	**350.58**	**350.58**	**523.82**

Disallowances on account of Excessive AT&C Losses

Commission Analysis

5.107 The Commission is of the view that it had already set the targets for the Collection efficiency in Section ***"Targets for Distribution Losses and Collection Efficiency"*** of the Distribution Tariff Regulations, 2020 and as such the submission of the Petitioner regarding sudden change seems to be out of order. The Commission thus directs the Petitioner to abide by the targets set by the Commission and any provision for lower collection efficiency will not be allowed.

5.108 Accordingly, the additional power purchase cost incurred due to higher Distribution losses, beyond the targeted level, has been disallowed and is treated as '***Disincentive for non-achievement of Distribution loss targets'*** for FY 2021-22. The Commission has adopted similar approach as adopted by it in the previous Order dated May 31, 2023 in the computation of non-achievement of T&D loss reduction targets. The non-achievement of Distribution loss reduction targets for the FY 2021-22 as approved by the Commission is summarized below:

5.109 Based on the above excerpt, the Commission, recognizing its responsibility to ensure fair and efficient energy pricing, has incorporated the power purchase costs for must-run power plants into tariffs. Nonetheless, in exercising thorough scrutiny, the Commission has prudently intervened to disallow excessive energy sale, corresponding power purchase costs associated specifically with thermal power plants exhibiting high ECR (Energy Charge Rate) and respective transmission charge on pro-rata basis. Additionally, the Commission also disallows the corresponding transmission charge on pro-rata basis as tabulated below.

Table 46: Disallowance Distribution Loss (Rs Crore) as approved by the Commission.

Generating Station	Annotation	Total Unit disallow (MU)	Rate (in Rs)	Disallow Cost
Barh I	A	172.95	5.23	90.471
Barh II	B	570.87	5.02	286.5
Kanti Power	C	110.67	4.92	54.493
Total	**D=(A+B+C)**	**854.49**		**431.46**
(Transmission Charge Corresponding to 854.49 MU @ Rs 0.384/unit on pro-rata basis)*	E			32.88
DVC (Stand by Power)	F	354.49	7.08	44.41
DVC (KTPS)	G	1679.67	4.63	1181.04
Total	**H=F+G**	**2034.16**		**1028.699**
(Transmission Charge Corresponding to 2034.16 MU @ Rs 0.213/unit on pro-rata basis)**	I			43.495
Net total Disallow	**J=D+E+H+I**	**2888.65**		**1536.53**

*Interstate Transmission Charge = $\frac{PGCIL\ cost\ including\ ERLDC\ Charge}{Power\ purchase\ from\ ouside\ boundaries} = \frac{Rs\ 325.46\ Crore}{8459.23\ MU} * 10$ =Rs 0.384/unit

**Transmission Charge for DVC = $\frac{DVC\ Transmission\ Charge}{Total\ Power\ purchase\ from\ DVC} = \frac{Rs\ 75.56\ Crore}{3534.01 MU} * 10$ =Rs 0.213/unit

Revenue

Petitioner's Submission

5.110 The Petitioner has submitted the revenue from sale of Power as per Annual Audited Accounts to be Rs. 5,718.96 Crore towards electricity sales. Accordingly, the Petitioner requests the Hon'ble Commission to approve the same.

Commission's Analysis

5.111 On Scrutiny and analysis of the Audited Accounts submitted by the Petitioner, and on prudent check the Commission approves the revenue from sale of power after deducting the ***rebate allowed*** to consumer of Rs 87.62 Crore as summarized below:

Table 47: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Revenue	5718.96	5718.96

Penalty Imposed by Commission

5.112 The Commission has observed that the Petitioner in FY 2019-20 has not complied with the directions of the Commission. Further, the Petitioner has filed an appeal before the Hon'ble APTEL on the same matter in previous Order dated April 27, 2018. The Appeal in this case no 228 of 2018 and 223 of 2018 is pending before Hon'ble APTEL and the case is sub-judice.

5.113 Further, the Commission again imposes penalty of 2% due to the reasons stated below: -

- The Commission on several occasions i.e. nearly seven years has directed the Petitioner to submit the Fixed Asset Register. But, the Petitioner on one pretext or the other has not submitted the Fixed Asset Register despite lapse of seven years.

- The Petitioner on several occasions had failed to comply with Renewable Power Purchase Obligation.

- The Commission has observed during hearing; the petitioner has not complied with standard of performance.

- The Commission on various occasions had directed the Petitioner to submit the discrepancies outlined in the petition. But, the Petitioner has not complied with the direction and not submitted the data vis-à-vis the discrepancies pointed out.

5.114 For the aforesaid reason the Commission is levying penalty at 2% of Annual Revenue Requirement. The levied penalty is summarized below.

Particulars	FY 2021-22
Approved ARR	**5992.61**
Penalty Imposed	2%
Total Penalty	119.85

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

5.115 Based on the components of the ARR discussed in the above part of this Order, the final ARR submitted by the Petitioner for FY 2021-22 is tabulated hereunder:

Table 48: Summary of ARR (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Power Purchase cost	4493.82	5869.10
Transmission charges (Inter and Intra State)	524.99	561.73
O&M Expenses	574.52	585.77
Depreciation	460.25	783.93
Return on Equity	476.29	476.15
Interest on Long Term Loan	454.27	408.30
Interest on Consumer Security Deposit	50.31	41.46
Interest on Working Capital Loan	12.98	34.08
Bank & Finance Charge		0.49
Total Expenditure	**7047.43**	**8761.02**
Less: Non-Tariff Income	350.58	350.58
ARR after NTI	**6696.85**	**8410.44**
Revenue from Sales of power at existing tariff	**6727.79**	**5718.96**
Gap/(Surplus) at Existing Tariff	**(30.94)**	**2691.48**

Commission's Analysis

5.116 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2021-22 which is summarized hereunder.

Table 49: Summary of ARR (Rs Crore) as approved by the Commission.

Particulars	Approved
Net Power purchase cost	4576.91
Power Purchase Cost	*5551.70*
Less: Disallowance due to excess Distribution Loss	*1536.53*
Inter-State Transmission Charges	325.46
Intra-State Transmission Charges	236.27
O&M Expenses	580.79
Depreciation	449.88
Return on Equity	466.44
Interest on Long Term Loan	409.28
Interest on Consumer Security Deposit	28.77
Interest on Working Capital Loan	3.87
Bank & Finance Charge	0.49
Total Expenditure	**6516.43**
Less: Non-Tariff Income	523.82
ARR after NTI	**5992.61**
Less: Penalties	**119.85**
Net ARR	**5872.75**
Revenue from Sales of power at existing tariff	**5718.96**
Gap/(Surplus) at Existing Tariff	**153.80**

5.117 The Commission will approve the treatment of the Gap/(Surplus) at existing tariff in **Chapter 8** of this Order.

5.118 From the audited accounts of FY 2020-21, it is observed that the Petitioner already has an outstanding loan amounting to Rs. 9,034.15 Crores borrowed from the State Government. In the present financial year, the Petitioner has borrowed an added deemed loan from the State Government amounting to Rs. 136.85 Crores. In the present financial year, out of the total loan amounting to Rs. 970.76 Crores and interest of Rs. 1555.65 is currently due for payment. The excerpts from the Audited accounts for the FY 2020-21 is provided below for reference.

VIII. The Company has defaulted in repayment of loan to State Government. It already had opening loan outstanding amounting to Rs. 9034.15 Cr. borrowed from State Government (which includes Rs.6136.37 Cr. received under UDAY Scheme). As explained to us this amount of Rs.6136.37 Cr is to be converted into grant and equity which is pending from the State Government side. During the Financial Year, the company has borrowed an added deemed loan from State Government amounting to Rs. 136.85 Cr. Out of total loan, Rs. 970.76 Cr. (P.Y. – Rs. 500.07 Cr.) and interest of Rs. 1555.65 Cr. (P.Y. – Rs. 945.64 Cr.) have become due for payment as on 31st March 2021.

IX. Based upon the Audit Procedure performed, information and explanation given to us, the Company has not raised any money from initial public offer or further public offer and term loans, consequently paragraph (ix) of Order is not applicable.

X. Based upon the audit procedures performed, we report that, no fraud on the Company by its officers/ employees has been noticed or reported during the course of audit for the year ended

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5.119 It is apparent that the petitioner is enjoying a perpetual moratorium on the same as no interest or debt is being serviced. It thus, in effect, is akin to Government Grant. Hence, the Commission is of the view that the petitioner should approach the Government to convert the Government loan into Government Grant.

Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2022-23

6.1 As per Clause 13.2 of the Tariff Regulations, 2020:

> *"13.2 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 A 24 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 audited/authenticated accounts and the tariff worked out in accordance with these Regulations."*

6.2 The Commission, on the basis of the provisions of the Distribution Tariff Regulations, 2020 has determined the Annual Performance Review (APR) for FY 2022-23 on consideration of:

- Distribution Tariff Regulations, 2020;
- Material on record submitted by the Petitioner.

6.3 The component-wise details filled by the Petitioner's and the Commission's analysis and discussion is made in the upcoming paragraph.

Consumer Number, Connected Load, Energy Sales

Petitioner Submission

6.4 The Petitioner has considered effective consumers of FY 2021-22 and escalated the same to arrive at the Effective Consumers at the end of FY 2022-23.

6.5 The Petitioner has submitted that the Domestic category includes all residential premises for domestic use of household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. including Motors pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/Crematorium grounds and other recognized charitable institutions, where no rental or fees are charged whatsoever. In the recent years, the Number of domestic category consumers have significantly increased, primarily due to release of connections under the Saubhagya Scheme. As there has been a drastic growth towards the last years of previous MYT control period, it won't be prudent to consider past years CAGR for the propose of projecting the number of consumers for FY 2022-23. In light of the above, JBVNL has considered the nominal growth rate of 7% for metered domestic consumers and 6% growth rate for domestic HT consumers.

6.6 The Petitioner has further submitted that the Public Lighting includes 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 5. In order to arrive at the number of Street Light Consumers, the Petitioner has escalated the Consumers base of FY 2021-22 by 5%.

6.7 The Petitioner while projecting the billing determinants (number of consumers, load and energy sales) for FY 2022-23, in its Business Plan Petition for the Control Period from FY 2021-22 to FY 2025-26 had considered appropriate growth rate for different categories considering the impact of restrictions during the first half of the FY 2021-22 & April to June of FY 2021-22 due to Covid-19 pandemic. Therefore, the Petitioner is considering the same category-wise growth rates as projected in its Business Plan Petition for FY 2022-23 except for Domestic and Public Lighting consumers.

6.8 The Petitioner has further submitted that based on the actual figures available for FY 2021-22, the Petitioner has revised the estimates for FY 2022-23 which are even lower than the sales projections submitted to the Hon'ble Commission in the Business Plan Petition for FY 2022-23. The Petitioner, prayed to consider the billing determinants for FY 2022-23 as per revised estimates submitted in this Petition, which is more realistic and based on actual figures of 2021-22. Accordingly, the Petitioner has estimated the billing determinants for FY 2022-23 is shown in the Table below:

Table 50: Consumer Number, Connected Load, Energy Sales as submitted by the Petitioner.

Consumer Category	Consumer (No.)	Connected Load (kW)	Sales (MUs)
Domestic	50,33,231	56,64,410	5,944.54
Commercial/Non Domestic	3,20,776	6,52,803	918.25
Public Lighting / SS	568	18,783	92.02
Irrigation / IAS	78,937	69,309	187.17
Industrial LT / LTIS	19,283	3,58,744	236.47
Industrial HT / HTS / S/ EHT	2,021	9,81,482	1,959.28
RTS/MES	13	38,938	77.55
Total	**54,54,830**	**77,84,469**	**9,415.28**

Commission Analysis

6.9 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on a prudent Check, the Commission approves the sales for FY 2022-23 which has been summarized in the table below:

Table 51: Category-Wise Energy Sales as approved by the Commission (MUs).

Consumer Category	Sales (MUs)
Domestic	5,944.54
Commercial/Non Domestic	918.25
Public Lighting / SS	92.02
Irrigation / IAS	187.17
Industrial LT / LTIS	236.47
Industrial HT / HTS / S/ EHT	1,959.28
RTS/MES	77.55
Total	**9,415.28**

Energy Balance

Petitioner's Submission

6.10 The Petitioner has submitted it has procured power from various sources for FY 2022-23 which has been segregated into different heads, while calculating the energy balance for the control period as given below:

Power Purchase from Outside JSEB Boundary- Power sourced from NTPC, NHPC, PTC, APNRL, part of TVNL, NVVNL, SECI and RE (Wind);

- Energy Input Directly to State Transmission System- Input of power from TVNL directly to State Transmission System;
- Energy Input through Renewables sources- Input from Solar IPPs selected through JREDA;
- State-owned Generation-PTPS, SHPS, Rungta Mines, ABCIL and Inland Power;
- Direct Input of Energy to Distribution System-DVC and Solar IPPs.

6.11 The Petitioner has further considered the Inter-State Transmission Losses at 3% of all power purchase from external sources considering Point of Connection (PoC) withdrawal losses for Jharkhand and PoC injection losses of various power plants with which it has PPA. Thereafter, the Petitioner has considered the Intra-State Transmission Loss @10.46% based on actual intra state transmission loses for FY 2021-22. It may be seen that Intra-State Transmission Losses of JUSNL is at a very high level. This may be due to sub-optimal upkeep of transmission system by JUSNL. The Petitioner has prayed to the Hon'ble Commission to direct the JUSNL to improve its system including increase in voltage level to reduce losses and has requested to allow the intra-state losses on actual basis.

6.12 Based on the information submitted above, the Petitioner has considered the Energy Balance for 2022-23 as provided in the Table below:

Table 52: Energy Balance (in MUs) as submitted by the Petitioner.

Particulars	MYT	Petition
Power Purchase from Outside JSEB Boundary (MU)	7,939.86	9,317.52
Loss in External System (%)	3.00%	3.00%
Loss in External System (MU)	238.20	279.53
Net Outside Power Available (MU)	7,701.67	9,038.00
Energy Input Directly to State Transmission System (MU)	422.19	355.36
State-owned Generation (MU)	14.05	999.18
Energy Available for Onward Transmission (MU)	8,137.90	10,392.54
Transmission Loss (%)	2.23%	10.46%

Particulars	MYT	Petition
Transmission Loss (MU)	181.48	1,087.43
Net Energy Sent to Distribution System (MU)	7,956.43	9,305.11
Direct Input of Energy to Distribution System (MU)	3,586.98	3,472.52
Total Energy Available for Sales (MU)	**11,543.41**	**12,777.64**
Total energy sold (MU)	**10,042.77**	**9,415.28**
Distribution loss%	**13.00%**	**26.34%**
Energy Required for distribution (MU)	**11543.41**	**12782.08**
Power disallowance at DISCOM Periphery (MU)	**-**	**-4.44**
Total Power Purchase	**11,963.08**	**14,144.59**

Commission's Analysis

6.13 It is observed that the loss levels recorded by DISCOM are extremely poor and needs severe overhauling. Such dilapidated network is leading to the drain of the material and economic resources of the nation which is worrying.

6.14 Factually, since the Distribution Losses and Collection efficiency are a critical operational parameter of the DISCOM, SERCs across the states have provided for the same as a controllable parameter for the DISCOMs. Likewise, the Commission under clause 6.44 of the Distribution Tariff Regulations 2020 provides the Distribution Loss and Collection Efficiency being a Controllable parameter.

6.15 In continuation with the Regulatory provisions and having recognized the issue pertaining to significant Distribution losses, the Commission has approved the Distribution loss trajectory keeping in mind the actual loss trajectory, capex infusion done by the State Utility over the years amongst the prominent items.

6.16 Subsequently, the Commission vide Order dated May 31, 2023 had approved the Distribution loss trajectory for each year of the Control period FY 2021-22 to FY 2025-26. The relevant extracts of the MYT Order are reproduced below:

> *"7.13 The Commission has observed that in 2nd MYT Control Period the distribution loss target for FY 2020-21 was 13%. Therefore, considering*

the prevailing scenario of the DISCOMs. The Commission has approved the distribution loss target of 13% on overall sales for each year of the Control Period. Further, the Petitioner shall be allowed to operate within distribution loss of 13% on overall sales for the Control Period without any incentive/penalty".

6.17 In view of the aforesaid, it is submitted that not abiding by the trajectory defined by the Commission and factoring into consideration the deviation in the retail ARR by the Licensee is disdainful.

6.18 It is observed that the Intra-State Transmission Losses of 10.46% for FY 2021-22 has been claimed by the petitioner as against the approved Intra-State Transmission Loss of 2.23%. Further, the petitioner has clarified that the Intra-State Transmission Loss was calculated by subtracting the normative 3.00% Inter-State Transmission Loss from the Inter-State Power Purchased from the overall Transmission.

6.19 The Commission is of the opinion that it would be imprudent if the cost of the Petitioner's inefficiency is passed onto the consumers. Accordingly, the Commission has worked out energy availability for the FY 2022-23 on the basis of estimated generation of power from Central, State-owned and other Generating Stations. Further, the loss in external system has been considered at the same level as approved by the Commission in its earlier Order, while the Intra-State Transmission Loss has been considered at 2.23% as per the Tariff Order for JUSNL dated June 23, 2023. The energy availability from various sources has been summarized below:

Table 53: Energy Requirement (MUs) as approved by the Commission.

Particulars	MYT	Petition	Approved
Power Purchase from Outside JSEB Boundary (MU)	7,939.86	9,317.52	9,317.52
Loss in External System (%)	3.00%	3.00%	3.00%
Loss in External System (MU)	238.20	279.53	279.53
Net Outside Power Available (MU)	7,701.67	9,038.00	9,038.00
Energy Input Directly to State Transmission System (MU)	422.19	355.36	355.36

Particulars	MYT	Petition	Approved
State-owned Generation (MU)	14.05	999.18	999.18
Energy Available for Onward Transmission (MU)	8,137.90	10,392.54	10,392.54
Transmission Loss (%)	2.23%	10.46%	2.23%
Transmission Loss (MU)	181.48	1,087.43	231.75
Net Energy Sent to Distribution System (MU)	7,956.43	9,305.11	10,160.79
Direct Input of Energy to Distribution System (MU)	3,586.98	3,472.52	3472.52
Total Energy Available for Sales (MU)	**11,543.41**	**12,777.64**	**13,633.31**
Total energy sold (MU)	**10,042.77**	**9,415.28**	**9,415.28**
Distribution loss%	**13.00%**	**26.34%**	**13.00%**
Energy Required for distribution (MU)	**11543.41**	**12782.08**	**10822.16**
Power disallowance at DISCOM Periphery (MU)	**0.00**	**-**	**2,811.15**
Total Power Purchase (MU)	**11,963.08**	**14,144.59**	**14,144.59**

Power Purchase Cost

Petitioner's Submission

6.20 The Petitioner has estimated the power purchase quantum for FY 2022-23 based on the following facts and assumptions:

- Purchase of Units during first six months of current financial year: Power Purchase quantum has been considered as per bills raised by respective generating companies.
- Trend for Purchase of Units in Previous Financial Year: Purchased units during remaining six months in current Financial Year have been estimated as per generation ratio of the six months of previous Financial Year FY 2021-22.
- Power Requirement in FY 2022-23: Based on estimated Sales and Energy balance for FY 2022-23 (as detailed in below section), excess power available for sale in open market has been calculated.
- Purchase through short-term sources: No new power purchase from IEX (PTC) or UI mechanism has been estimated in remaining six months due to excess supply. However, the same may be

purchased in case of emergency and shall be subject to subsequent true-up.

- Unit Consideration for TVNL Power Plant: TVNL generating station 61% Units has been considered under Outside JSEB Boundary and remaining 39% has been taken under State Owned Generation as per the actual ratio of TVNL bills for FY 2022-23.

- Current status of upcoming Thermal Power Stations: As per updates from respective stakeholders, the Petitioner has considered North Karnpura Unit-1 as upcoming plants in FY 2022-23.

6.21 The Petitioner has estimated the power purchase Cost for FY 2022-23 based on following facts and assumptions:

- Power Purchase Cost during first six months of current financial year: Average Power Purchase cost for first six months as per bills raised by respective generating companies, have been considered for full year estimation. No Escalation has been provided to Generating Stations over six months actual per unit charges to estimate the per unit charges for the complete year.

- Transmission and Scheduling Charges: Actual Transmission and scheduling Charges for FY 2021-22 has been escalated by 5% to arrive at corresponding figure for FY 2022-23.

- Power Purchase Cost for new Plants: Power Purchase cost of new plants (North Karnpura) have been considered at Rs 4.00 kWh (Energy Charge- Rs 1.75/kWh and Capacity Charge-Rs 2.25/kWh).

- Supplementary Bills: Supplementary bills based on actuals of FY 2021-22 has been considered.

6.22 Based on the above facts and assumptions, source-wise estimated Power

Purchase quantum and cost for FY 2022-23 as shown hereunder:

Table 54: Power Purchase quantum and cost as submitted by the Petitioner.

Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
NTPC	Farrakka I & II	1092.33	530.58
	Farrakka III	212.68	114.59
	Khalagaon I	235.10	115.00
	Talcher	472.48	143.49
	Khalagaon II	235.17	106.02
	Barh I	1.73	0.98
	Barh II	2.58	1.19
	Korba	302.20	88.21
	Darlipalli	1086.47	316.54
	Total	**3640.75**	**1416.59**
	Kanti Power	0.36	0.17
	Nabinagar	149.67	79.40
	North Karnpura Unit-I & II	201.96	80.78
	Grand Total	**3992.73**	**1576.94**
NHPC	Rangit	45.57	17.03
	Teesta	351.98	72.39
	Total	**397.55**	**89.42**
PTC	Chukha	193.10	46.37
	Tala	295.21	67.01
	Total	**488.31**	**113.39**
Total Central Sector		**4878.59**	**1779.75**
DVC	KTPS (OA)	3428.84	1839.31
	Stand by Power	45.88	25.64
	UI (Deviation)	-113.00	10.72
	Trans. Charge		79.34
	HT Points	77.31	35.07
	Total	**3439.04**	**1990.08**
TVNL		2328.17	990.65
UI Payable (Deviation)		84.72	84.90
APNRL	Unit I	402.17	154.87
	Unit II	402.17	154.03
	APNRL (Add.)	432.13	166.83
	ERLDC APNRL	0.00	6.56
	Total	**1236.47**	**482.29**
SOLAR	SECI (Tranche-I)	977.32	249.36
	SECI (MNRE-II)	15.03	3.92

Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
	State IPPs	18.46	33.15
	Total	**1010.81**	**286.43**
Wind	PTC	467.53	165.04
	SECI	291.67	79.33
	Total	**759.20**	**244.37**
INLAND		355.36	205.30
ABCIL		0.00	
Rungta Mines		0.00	
PTC-IEX (Purchase)		267.52	261.57
PTC-IEX (Sale)		-267.81	-100.68
SRHPS (Generation)		91.20	9.09
UI Receivable		-38.68	-6.31
SER-DSM			0.00
Supplementary Bills			109.99
Total Purchase		**14144.59**	**6227.43**
Trans. Charge	PGCIL	0.00	340.45
	Posoco (ERLDC)	0.00	1.29
	JUSNL	0.00	248.09
Total Power Purchase cost incl. Transmission Charge		**14144.59**	**6972.25**

Commission Analysis

6.23 The Commission has observed that the Petitioner had failed to fulfill the RPO target as set by the Commission. In this regard the Commission vide discrepancies note has directed to provide how they can fulfill the RPO obligation.

6.24 In reply to above query, the Petitioner has submitted that it has tied up with SECI for 700 MW of Solar power out of which it is receiving 450 MW of solar power and 250 MW is under pipeline. Similarly, Cumulative 500 MW of wind power has been tied up with SECI and PTC out of which it is receiving 200 MW of wind power and 100 MW of wind power is under pipeline. In addition to the above, the JREDA is installing rooftop solar in the state in following manner as-

- Rooftop installation work with JREDA is under progress in MNRE subsidy scheme for domestic consumers. The installation work has started from year 2019 and targeted for 1 MW rooftop installation every year. Till date 0.5 MW rooftop has been installed.

- For consumers other than domestic consumers, installation of rooftop solar work is under progress under JSERC "Rooftop Solar PV Grid Interactive Systems and Net /Gross Metering Regulations", 2015. The installation is targeted to cover 2 to 3 MW every year.

- Other than above, JREDA is installing cumulative 3 MW of rooftop solar in 4 airports in Jharkhand.

- Rooftop solar system of cumulative capacity of 40182 kW in government building has been installed till date and 9680 kW rooftop solar installation on Govt. Building is under progress and expected in to be completed till 2024.

- 2 MW of rooftop solar has been installed new building of High Court, 400 kW rooftop has been installed on new building of Vidhan Sabha and 400 kW rooftop has been installed in sadar hospital by JREDA in year 2023.

In addition to above, 1.6 MW Solar Park is under installation in Giridih town city and expected to be commissioned in year 2024.

Also, in Jharkhand Solar Policy 2022, Government of Jharkhand has set target of 4000 MW till FY 2026-27 of solar power in State and JREDA has been made as nodal agency to run various programs like, Implementation of Solar Park, Canal Top Solar, Floating Solar, etc from 2022-23 to 2026-27. From above mentioned programs JBVNL will procure power from Solar Power Plant without competitive bidding upto 5 MW.

Under the said program, floating solar plant of 100 MW on Getalsud Dam has been planned with SECI. The PPA with SECI has been approved by the Commission.

Under PM Kusum Yojana 30 MW of solar installation has been targeted till 2025-26.

Also, JBVNL implemented Mini grid in villages. Under DDUGJY scheme 216 villages, and 37 villages (16+21) has been tendered in State Funded Scheme for implementation of mini grid system in the State.

6.25 On scrutinizing the material, information, and details submitted by the Petitioner and on a prudent Check, the Commission approves the Power Purchase Cost for FY 2022-23 which has been summarized in the table below:

Table 55: Power Purchase quantum and cost as approved by the Commission.

Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
NTPC	Farrakka I & II	1092.33	530.58
	Farrakka III	212.68	114.59
	Khalagaon I	235.10	115.00
	Talcher	472.48	143.49
	Khalagaon II	235.17	106.02
	Barh I	1.73	0.98
	Barh II	2.58	1.19
	Korba	302.20	88.21
	Darlipalli	1086.47	316.54
	Total	**3640.75**	**1416.59**
	Kanti Power	0.36	0.17
	Nabinagar	149.67	79.40
	North Karnpura Unit-I & II	201.96	80.78
	Grand Total	**3992.73**	**1576.94**
NHPC	Rangit	45.57	17.03
	Teesta	351.98	72.39
	Total	**397.55**	**89.42**
PTC	Chukha	193.10	46.37
	Tala	295.21	67.01
	Total	**488.31**	**113.39**
Total Central Sector		**4878.59**	**1779.75**
DVC	KTPS (OA)	3428.84	1839.31
	Stand by Power	45.88	25.64

Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
	UI (Deviation)	-113.00	10.72
	Trans. Charge		79.34
	HT Points	77.31	35.07
	Total	**3439.04**	**1990.08**
TVNL		2328.17	990.65
UI Payable (Deviation)		84.72	84.90
APNRL	Unit I	402.17	154.87
	Unit II	402.17	154.03
	APNRL (Add.)	432.13	166.83
	ERLDC APNRL	0.00	6.56
	Total	**1236.47**	**482.29**
SOLAR	SECI (Tranche-I)	977.32	249.36
	SECI (MNRE-II)	15.03	3.92
	State IPPs	18.46	33.15
	Total	**1010.81**	**286.43**
Wind	PTC	467.53	165.04
	SECI	291.67	79.33
	Total	**759.20**	**244.37**
INLAND		355.36	205.30
ABCIL		0.00	
Rungta Mines		0.00	
PTC-IEX (Purchase)		267.52	261.57
PTC-IEX (Sale)		-267.81	-100.68
SRHPS (Generation)		91.20	9.09
UI Receivable		-38.68	-6.31
SER-DSM			0.00
Supplementary Bills			-
Power purchase cost excluding Transmission Charges		**14144.59**	**6227.43**

Transmission Charge

Petitioner's Submission

6.26 The Petitioner has submitted that transmission charges payable to JUSNL have been computed based on the Actual Transmission Charges for FY 2021-22, which has been escalated by 5% to arrive at the corresponding figure for FY 2022-23.

Table 56: Transmission Charge as submitted by Petitioner.

Particulars	MYT	Petition
Inter-State Transmission Charge (incl. Posoco ERLDC)	341.73	341.45
Intra-State Transmission Charge	203.45	248.09

Commission Analysis

6.27 For approval of intrastate Transmission charge, the Commission has considered the Intrastate Transmission Charges as projected by the Petitioners submission for FY 2022-23.

6.28 Further, the Commission has calculated the Inter-State Transmission Charges for FY 2022-23 by escalating the Interstate transmission charge for FY 2021-22 by 5.00%, as projected by the Petitioners. The below table summarized the Inter/Intra-state Transmission Charge:

Table 57: Transmission Charge as approved by the Commission.

Particulars	Approved
Inter-State Transmission Charge (incl. Posoco ERLDC)	341.73
Intra-State Transmission Charge	248.09

Capital Expenditure and Capitalization

Petitioner's Submission

6.29 **Revamped Distribution Sector Scheme:** The introduction of Revamped Distribution Sector Scheme by MoP which aims to curb down the AT&C losses. The Petitioner has opted the Revamped scheme and all the aforesaid works under RDSS of the DISCOMs will now come under this scheme. The transition from existing schemes to the revamped scheme may create some unpredictable situation for the petitioner. The Revamped scheme is under process. Thus, in view of the above, the licensee is estimating the limited capital expenditure details which have clarity till date.

6.30 **Annual Development Plan (ADP):** The budget for Annual Development plan is prepared every year by the Sub-Transmission and Distribution Network (erstwhile S&D) wing of JBVNL, based on the requirements raised by the field offices. The budget generally covers the equipment or works not covered under any other State, Central or Multi-lateral scheme and mostly focused towards miscellaneous infrastructure replacement and small works. In order to cater to the load growth and the addition of new consumers in the system, the state has kept aside budget apart from centrally sponsored scheme in the form of ADP budget. The funding of Annual Development Plan is provided by State Government in the form of loan.

6.31 **Jharkhand Sampurna Bijli Achchadan Yojna (JSBAY):** It is a new State Govt. sponsored scheme which aims to cover the several left over work required to ensure 24x7 power supply to all villages/Habitations and achievement of objectives of UDAY Yojana for reduction of AT&C losses. Detailed Project Reports (DPRs) under the JSBAY Scheme has already been prepared and some part of Rural Electrification work has already been awarded and is currently under progress.

6.32 **Jharkhand Power System Improvement Project (JPSIP):** Government of India (GoI) and Government of Jharkhand (GoJ) had posted the Jharkhand power system improvement project (JPSIP) to the World Bank for financing vide DEA Letter No. 6/02/2016 F-VIII, and Govt. of Jharkhand Letter No. 268 dated 08.02.2016. The World Bank accepted the request to finance the Power Project vide letter dated 03.10.2016.

6.33 The JPSIP Project include components on providing financing for strengthening of Power Transmission Network in the state of Jharkhand and Capacity Building and Institutional Development of the unbundled Power Utilities (JUSNL and JBVNL). Key objective of JPSIP project are defined below: -

a) Component A- Power Transmission System Strengthening
b) Component B-Technical Assistance for Institutional Development and Capacity Building at JUSNL
c) Component C-Institutional Development and Capacity Building of JBVNL

6.34 **Smart metering at Dhanbad**: The Petitioner has submitted that the

State Government has allocated Rs. 40 Crore for smart metering at Dhanbad.

6.35 Accordingly, the Petitioner had submitted the capital expenditure schedule for FY 2022-23 as detailed below:

Table 58: Estimated Scheme wise capital investment as submitted by the Petitioner.

Particulars	Petition
Revamped Distribution Sector Scheme (RDSS)	**710.37**
Consumer Metering	*40.78*
Energy Accounting (DT Metering)	*4.27*
Energy Accounting (Feeder Metering)	*0.97*
Loss Reduction	*659.21*
PMA	*5.14*
Annual Development Plan (ADP)	**231.00**
JSBAY -RE and Urban	**695.00**
Jharkhand Power System Improvement Project (JPSIP)	**206.00**
Smart Metering in Ranchi	*75.00*
IT Hardware and software Upgradation	*60.00*
Software for Power Management	*3.00*
IT Project Management	*2.00*
Business Process Upgradation	*4.00*
Upgradation of Training Centre	*2.00*
Energy Accounting (Ranchi and Jamshedpur)	*60.00*
Smart metering Dhanbad	**40.00**
Consumer Contribution	**78.85**
Total	**1,961.22**

6.36 On Considering the above Capital Expenditure for FY 2022-23, the Petitioner has projected the Revised CWIP and creation of GFA as submitted below:

Table 59: Actual Capital work in progress (Rs. Crore) as submitted by petitioner.

Particulars	MYT	Petition
Opening CWIP (A)	4471.74	1942.50
Capex during the year (B)=(D)-(A)+(C)	1961.22	1961.22
Transfer to GFA (C)	2425.51	2694.19
Closing CWIP (D)	**4007.45**	**1209.53**

Commission Analysis

6.37 The Commission, in data discrepancies had directed to submit the scheme-wise capital expenditure details. In reply to discrepancy note the Petitioner had failed to submit related data/documents.

6.38 Accordingly, on scrutinizing and analyzing the material on record and on prudent check, the Commission approves the capital expenditure equal to approved value of FY 2021-22.

6.39 The Commission approves the capitalization for FY 2022-23 based on the actual capitalization during FY 2019-20, FY 2020-21 and FY 2021-22 as a percentage of the Opening CWIP and Capital Expenses incurred during the respective years and multiplying the same by the sum of Opening CWIP and Capex approved.

Table 60: Capital work in progress (Rs. Crore) as approved by the Commission.

Particulars	Petition	Approved
Opening CWIP (A)	1942.50	2851.43
Capex during the year (B)=(D)-(A)+(C)	1961.22	1451.59
Transfer to GFA (C)	2694.19	1856.80
Closing CWIP (D)	1209.53	2446.22

Table 61: Actual capitalization as approved by the Commission.

Scheme wise	MYT	Petition	Approved
Opening GFA	19582.64	19824.22	21202.96
GFA Addition	2425.51	2694.19	1856.80
Closing GFA	22008.15	22518.41	23059.75

Consumer Contribution, Grants and Subsidies

Petitioner's Submission

6.40 The Petitioner has submitted the Consumer Contribution Grant funding for FY 2022-23, based on the closing CCG funding of FY 2022-23 as provided in the Table below:

Table 62: Consumer contribution and grants (Rs. Crore) as submitted by petitioner.

Particulars	MYT	Petition
Consumer Contribution Grants opening	10133.90	9692.29
Addition: Government Grants	1572.21	1493.36
Addition: Consumer Contribution		78.85
Closing consumer contribution Grants	11706.10	11264.50

Commission Analysis

6.41 The Commission has considered additions of Grants (and Consumer Contribution) amounting to Rs. 1,572.21 Crore based on Consumer Contribution and Grants Additions as per the MYT Order dated May 31, 2023 as shown below.

Table 63: CCG (Rs. Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Consumer Contribution Grants opening	10133.90	9692.29	11234.92
Addition: Government Grants	1572.21	1493.36	1493.36
Addition: Consumer Contribution		78.85	78.85
Closing consumer contribution Grants	**11706.10**	**11264.50**	**12807.14**

6.42 The Commission has considered the closing balance of consumer contribution and grants of FY 2021-22 as opening consumer contribution and grants for FY 2022-23.

6.43 Further, the Commission has adopted the approach for calculation of Normative Loan and Equity as done earlier in this order. For estimating the sources of finance required to fund the closing GFA, the Commission has reduced the GFA by the CCG available with the Petitioner.

6.44 For funding of the above mentioned GFA, the Commission has considered the normative debt-equity ratio of 70:30 as provided in Distribution Tariff Regulations, 2020. Moreover, consumer contribution grants and subsidies for capital assets are first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.

6.45 In line with the aforesaid discussion, the Commission approves the admissible GFA, CCG, debt-equity as given below:

Table 64: Source of funding of GFA as approved by the Commission.

Particulars	Approved
CCG towards CWIP	1331.80
CCG towards GFA	9903.13
Opening GFA (less CCG)	11299.83
GFA Addition (less CCG)	181.09
Closing GFA less CCG	11480.92
Accumulated Depreciation	6329.74
Acc. Dep. towards GFA	3151.43
Normative Loan (Closing)	**4885.21**
Normative Equity (Closing)	**3444.28**

Operation and Maintenance Expenses

Petitioner's Submission

6.46 The Petitioner has submitted that the Operation and Maintenance Expenses (O&M expenses) comprises of Employee Expenses, Repair & Maintenance Expenses and Administrative & General Expenses.

6.47 The Petitioner has calculated the employee cost for FY 2022-23 by escalating the employee cost of FY 2021-22 as submitted above in the chapter for audited True-Up for FY 2021-22 by the inflation factor of 6.08 % and the methodology provided under clause 10.6 (b) and (c) of JSERC MYT Regulations, 2020. Accordingly, the Petitioner has projected employee cost of FY 2022-23 is provided in the table below.

Table 65: Employee cost (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Employee Expenses		253.25
Terminal Expenses		33.09
Total Employee Expenses	262.47	286.33

6.48 In line with Clause 10.6 (b) and (c) of JSERC MYT Regulations 2020, the A&G expenses for FY 2022-23 has been calculated by escalating A&G expense of FY 2021-22 by inflation factor of 6.08%. Accordingly, the

Petitioner has estimated the A&G expenses for FY 2022-23 as provided in the table below.

Table 66: A&G Expense (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
A&G Expenses	100.07	89.95

6.49 In line with the clause 10.6 (a) of JSERC MYT Regulations 2020, the R&M expenses for FY 2022-23 have been estimated by applying K-factor of 1.49% computed based on audited data of FY 2021-22. Further the Petitioner has considered Indexation Factor of 6.08% as per clause 10.6(a) of JSERC MYT Regulations 2020 for projecting Repair & Maintenance Expenditure in next Control Period. Accordingly, the Petitioner has estimated the R&M expenses for FY 2022-23 is provided in the table below.

Table 67: R&M Expenses (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
R&M Expenses	247.62	295.55

Commission Analysis

6.50 The Commission has outlined clause 10.3 to clause 10.7 of JSERC Distribution Tariff Regulation 2020 in earlier chapter for the approval of operation and maintenance expense.

6.51 Based on the above excerpt, the Commission had calculated the inflation factor as 6.81% for FY 2022-23.

6.52 Further, the Commission observed that the Petitioner has submitted the Growth factor as (0%). Hence, based on the regulation as mentioned in the earlier chapter of this order the Commission has considered the growth factor as nil for Computation of employee expenses.

6.53 Based on the facts & circumstances of the petition, the Commission approves the normative employee expenses for FY 2022-23 by taking the actual value of inflation factor (6.81%) and growth factor (0%).

Table 68: Normative Employee Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	226.78
Inflation Factor	%	6.81%
Growth Factor	%	-
Normative Employee Expenses	**Rs. Cr.**	**242.22**

6.54 The Commission approves the normative A&G Expenses for FY 2022-23, based on the approved normative A&G Expenses for FY 2021-22 and actual inflation factor as 6.81% for FY 2022-23.

Table 69: Normative A&G Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
A&G previous year	Rs. Cr.	102.65
Inflation Factor	%	6.81%
Normative A&G Expenses	**Rs. Cr.**	**109.64**

6.55 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of Gross Fixed Assets for FY 2022-23 and by multiplying the 'k' factor of 1.22% as approved in the MYT Order dated May 31, 2023 and inflation factor of 6.81%.

Table 70: Normative R&M Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
GFA	Rs. Cr.	21202.96
K-Factor	%	1.22%
Inflation Factor	%	6.81%
Normative R&M Expense	**Rs. Cr.**	**276.29**

6.56 In accordance with ***clause 10.6 (note 3)*** the Commission disapproves the terminal liabilities for FY 2022-23 subject to prudent check at the time of True-up.

6.57 Based on the above discussion, the Commission approves the normative operational and maintenance expense as given below.

Table 71: Normative O&M Expenses (Rs Crore) as approved by the Commission.

Particulars	Approved
Normative Employee Expense	242.22

Particulars	Approved
Terminal Liabilities	-
Normative A&G Expenses	109.64
Normative R&M Expenses	276.29
Net Normative Operation & Maintenance Expenses	**628.16**

Depreciation

Petitioner's Submission

6.58 The Petitioner has estimated the Depreciation for FY 2022-23 in line with the approach adopted in the audited truing-up for FY 2021-22.

6.59 The Petitioner has first arrived at the opening and closing GFA, created out of D&E, by deducting the CC&G portion deployed towards opening and closing GFA. The Petitioner has applied the depreciation rate as approved by the Commission on the average GFA calculated as per Regulation 10.39 of JSERC Distribution Tariff Regulations, 2020 to arrive at the total depreciation. Accordingly, the Petitioner has estimated the depreciation expense for FY 2022-23 as shown below.

Table 72: Financing of Capital investments as submitted by the Petitioner.

Particulars	MYT	Petition
Opening GFA (Less CCG) (Rs. Cr.)	11332.65	10996.88
Closing GFA (Less CCG) (Rs. Cr.)	12105.26	11828.11
Average GFA excluding Consumer Contributions and Grants (Rs. Cr.)	11718.95	11412.50
Depreciation Rate (%)	4.20%	7.69%
Depreciation Cost (Rs. Cr.)	**492.62**	**877.82**

Commission Analysis

6.60 In accordance with clause 10.34 to clause 10.40 of Distribution Tariff Regulations, 2020, depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Excluding the consumer contribution deployed towards GFA as approved in this Order, the Commission has determined the depreciation on the GFA created out of debt and equity for FY 2022-23. The rate of depreciation has been considered at 4.20% as approved in the earlier order. The Commission has calculated the Depreciation on average GFA (net of Average CCG) as per the Distribution Tariff Regulations, 2020. Accordingly, the Commission approves the depreciation for FY 2022-23 as summarized below.

Table 73: Depreciation as approved by the Commission.

Particulars	Approved
Opening GFA (Less CCG) (Rs. Cr.)	11299.83
Closing GFA (Less CCG) (Rs. Cr.)	11480.92
Average GFA excluding CCG (Rs. Cr.)	11390.37
Depreciation Rate (%)	4.20%
Depreciation Cost (Rs. Cr.)	**477.88**

Interest & Finance Charge

Petitioner's Submission

6.61 The Petitioner has considered the opening debt for FY 2022-23 equal to closing value of FY 2021-22 as submitted above in the chapter regarding audited True-up for FY 2021-22.

6.62 In line with clause 10.22 of the JSERC Distribution Tariff Regulations, 2020, the Petitioner has calculated the Closing debt for FY 2022-23.

6.63 In line with clause 10.23 of the JSERC Distribution Tariff Regulations, 2020 the Petitioner has considered the repayment of loan for FY 2022-23 equal to Depreciation.

6.64 Further, in accordance with JSERC Distribution Tariff Regulation 2020 the Petitioner has considered the rate of interest on long-term loan, as Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points. Accordingly, the Petitioner has calculated the Interest on loan as shown below.

Table 74: Interest on Loan and Bank Charge (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Opening Balance	5280.44	4451.68
Deemed Addition during the year	893.91	1170.96

Particulars	MYT	Petition
Deemed Repayments during the year	492.62	877.82
Closing Balance	5681.73	4744.82
Average balance during the Year	5481.09	4598.25
Interest Rate	9.00%	9.00%
Interest Expense	**493.30**	**413.84**
Bank & Finance Charge	**-**	**0.49**

Commission's Analysis

6.65 The Commission has outlined clause 10.16, clause 10.17, clause 10.21 to clause 10.29 of JSERC Distribution Tariff Regulation 2020 earlier in this order for the approval of interest on loan and finance charge.

6.66 In accordance with clause 10.16 and clause 10.17 as mentioned above, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.

6.67 In accordance with clause 10.23 as mentioned above, the Commission approves the debt repayment equal to depreciation for the same financial year.

6.68 In accordance with clause 10.26 (proviso) as mentioned above, the Commission approves the interest rate as 9.00% (Base rate of SBI as applicable on April 1st of FY 2022-23 plus 200 basis points).

6.69 The Commission disallow the bank/fiancé charge as Rs 0.49 cr subject to prudent check at the time of true-up on the basis of annual audit account.

6.70 In accordance with clause 10.28 as mentioned above, the Commission has excluded interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee as given below:

Table 75: Interest and Finance Charges (in Rs Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Balance	5280.44	4451.68	4791.21
Deemed Addition during the year	893.91	1170.96	571.88
Deemed Repayments during the year	492.62	877.82	477.88
Closing Balance	5681.73	4744.82	4885.21
Average balance during the Year	5481.09	4598.25	4838.21
Interest Rate	9.00%	9.00%	9.00%
Interest Expense	**493.30**	**413.84**	**435.44**
Bank & Finance Charge	-	-	-

Interest on Consumer Security Deposits

Petitioner's Submission

6.71 In order to estimate the interest on consumer security deposit for FY 2022-23, the Petitioner has assumed an escalation of 5.00% over the accumulated consumer security of FY 2021-22 as per audited accounts.

6.72 Further, in accordance with JSERC Supply Code Regulations, 2015 the Petitioner has considered the interest rate as 7.55% (i.e. SBI Base Rate prevailing on 1st April 2022) as shown below.

Table 76: Interest on CSD (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening IoCSD	705.01	716.05
Interest Rate	7.55%	7.55%
Int. on CSD	**53.23**	**54.06**

Commission's Analysis

6.73 The Commission has outlined the clause 10.33 of JSERC Distribution Tariff Regulation 2020 earlier in this order for approval of interest on consumer security deposit.

6.74 The Commission has observed that the Petitioner in the instant petition has claimed interest on Consumer Security Deposit to the tune of Rs 54.06 crore. Further, the Petitioner has escalated the Consumer Security Deposit by an arbitrary 5.00% over the actual of FY 2021-22 and has applied an interest rate equivalent to SBI Bank Rate.

6.75 In view of the aforesaid, reliance is placed on the actual security deposit paid by the Petitioner during the FY 2021-22. From the Audited Accounts of FY 2021-22, it could be observed that Petitioner is not discharging Interest on Consumer Security Deposit to the prospective consumers. The Interest on Consumer Security Deposit balance is provided at '***Note 16'*** of the Audited Financial Statements. The Interest on Consumer Security Deposit balance as on 31.03.2022 is Rs. 484.01 Crores and the outstanding interest payable as on 31.03.2021 is Rs. 471.29 Crores. Further, the addition to Interest accrued on Security Deposit during the FY 2021-22 is Rs. 41.46 Crores (ref '***Note 29'*** of the Audited Accounts). The table below summarized the actual Interest on Security Deposit discharges during the FY 2021-22:

Table 77: Interest on CSD (Rs. Crore) as approved by the Commission

Particulars	Approved	Source
Opening Consumer Security Deposit	471.31	Note 16
Consumer Security Deposit Addition	41.46	Note 29
Closing Consumer Security Deposit	484.01	Note 16
Interest on Consumer Security Deposit	**28.77**	

Return on Equity

Petitioner's Submission

6.76 The Petitioner has considered the opening balance of normative equity for FY 2022-23 as per the closing balance for the FY 2021-22 as submitted in the above chapter regarding True-up for FY 2021-22.

6.77 In accordance with provisions of JSERC Distribution Tariff Regulations, 2020 the petitioner has considered Closing equity for FY 2022-23 has been calculated using normative debt equity ratio (70:30).

6.78 In accordance with provisions of JSERC Distribution Tariff Regulations, 2020 the Petitioner has considered the rate of Return on Equity (RoE) as 14.50%.

Table 78: Return on Equity (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening Equity (Normative)	3399.79	3299.07

Particulars	MYT	Petition
Equity Addition (Normative)	231.78	249.37
Closing Equity (Normative)	3631.58	3548.43
Average Equity	3515.69	3423.75
Rate of Return	14.50%	14.50%
Return on Equity	**509.77**	**496.44**

Commission's Analysis

6.79 On consideration of the Distribution Tariff Regulations, 2020, the Commission approves Opening Equity base for FY 2022-23 as the Closing Equity base of FY 2021-22. Further, the Commission approves normative Equity addition during the financial years as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

6.80 In accordance with clause 10.19 of the Distribution Tariff Regulations, 2020, the Commission approves the rate of return of 14.50% on equity.

Table 79: Return on Equity (Rs Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Equity (Normative)	3169.66	3268.57	3389.95
Equity Addition	230.14	30.49	54.33
Closing Equity (Normative)	3399.79	3299.07	3444.28
Average Equity	3284.73	3283.82	3417.11
Rate of Return	14.50%	14.50%	14.50%
Return on Equity	**476.29**	**476.15**	**495.48**

Interest on Working Capital

Petitioner's Submission

6.81 In line with the clause 10.29 and clause 10.30 of the JSERC Tariff Regulations, 2020, the Petitioner has estimated the working capital requirement for FY 2022-23.

6.82 Rate of IoWC has been considered to be equal to the SBI MCLR (for 1-year period) prevailing as on 1 April, 2022 plus 350 basis points as per clause 10.31 of the JSERC Distribution Tariff Regulations, 2020.

6.83 It is submitted that based on the expenditure for FY 2022-23, the

Petitioner has estimated the working capital requirement and interest thereof, as provided in the table below.

Table 80: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Maintenance Spares (@1% GFA)	113.33	109.97
2 months' Receivables	1262.00	1571.39
Less: 1 month Power Purchase Cost	470.09	528.12
Less: Consumer Security Deposit	705.01	716.05
Total Working Capital requirement	200.23	437.20
Interest rate on WC	10.50%	11.20%
Interest on Working Capital	**21.02**	**48.97**

Commission's Analysis

6.84 The Commission has outlined the clause 10.31 & clause 10.32 of JSERC Distribution Tariff Regulation 2020 for the approval of Interest on Working Capital as reproduced below.

10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:

a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus

b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus
c) Amount held as security deposits under Clause (a) and Clause (b) of sub-section (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus

d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan.

10.32 Rate of interest on working capital shall be equal to the Bank Rateas on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken.

6.85 Based on the above excerpt, the Commission approves the interest on working capital for FY 2022-23 as summarized below:

Table 81: Interest on Working Capital (in Rs. Crore) as approved by the Commission

Particulars	Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	113.00
Revenue from Wheeling and Retail Supply Charges-2 month	1132.03
Less: Power Purchase Cost for One Month Retail Business	436.66
Less: Average Security Deposit	716.05
Total Working Capital Requirement	92.32
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	11.20%
Total Interest on Working capital	**10.34**

Non-Tariff Income (NTI)

Petitioner's Submission

6.86 The Petitioner has submitted the Non-Tariff Income (Other Income) for FY 2022-23 at the level of FY 2021-22.

6.87 The Petitioner has already submitted the rationale behind the computation of NTI in True-up Chapter, which is in line with the judgement of Hon'ble APTEL dated 12.07.2011 in case No. 142 & 147 of 2009. The Petitioner has not estimated any delayed payment surcharge for FY 2022-23 and will consider the same on actual basis. Accordingly, the Petitioner prayed to approve the Non-tariff income as summarized below:

Table 82: Non-Tariff Income (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Interest Income from Investment in Fixed Deposits	29.80	29.80
D.P.S from Consumer	448.48	-
Interest on advance to Supplier/Contractor	-	-
Interest from Bank (Other than FD)	5.09	5.09
Income from Staff Welfare activities	-	-
Supervision Charges	3.28	3.28
Miscellaneous Receipt	3.60	3.60
Rebate on power purchase		
Transformer Rent	20.34	20.34
Wheeling Charges / Fuel surcharge/outside sale		0.00
Receipt from Consumers for capital works	0.00	0.00
Miscellaneous Charges from Consumers	0.25	0.25

Particulars	MYT	Petition
Total NTI	**510.84**	**62.35**
Interest rate for Receivables financing	10.50%	11.20%
Corresponding Receivables against DPS	2491.57	0.00
Interest on Receivables against DPS	261.62	0.00
Net NTI to be considered	**249.22**	**62.35**

Commission's Analysis

6.88 The Commission has outlined the clause 10.53 & clause 10.54 of JSERC Distribution Tariff Regulation 2020 earlier in true-up chapter for the approval of Non-Tariff Income.

6.89 Based on the above excerpt, the Commission has observed that the Petitioners approach for excluding Delayed payment surcharge and rebate on power purchase is inappropriate and non-maintainable.

6.90 The Commission does not consider the revenue from sale of wheeling charge/ fuel surcharge/ outside sale under Non-Tariff Income as the same has already been considered in the power purchase section of this order.

6.91 The Commission is of opinion that the there is no provision in JSERC (Terms & Condition of Determination Distribution Tariff) Regulation 2020 with respect to approval of financing cost for corresponding receivables under clause 10.53 & clause 10.54.

6.92 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulation 2020 and amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities. Hence, the Commission does not approve the financing cost for corresponding receivables.

6.93 Accordingly, on prudent check the Commission approves the NTI as per above outlined regulation as shown below.

Table 83: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	MYT	Petition	Approved
Interest Income from Investment in Fixed Deposits	29.80	29.80	9.46
D.P.S from Consumer	448.48	0.00	448.48
Interest on advance to Supplier/Contractor	-	-	
Interest from Bank (Other than FD)	5.09	5.09	5.09
Income from Staff Welfare activities	-	-	
Supervision Charges	3.28	3.28	3.28
Miscellaneous Receipt	3.60	3.60	3.60
Rebate on power purchase			4.33
Transformer Rent	20.34	20.34	20.34
Wheeling Charges / Fuel surcharge/outside sale		0.00	
Receipt from Consumers for capital works	0.00	0.00	28.99
Miscellaneous Charges from Consumers	0.25	0.25	0.25
Total NTI	**510.84**	**62.35**	**523.82**
Interest rate for Receivables financing	10.50%	11.20%	-
Corresponding Receivables against DPS	2491.57	0.00	-
Interest on Receivables against DPS	261.62	0.00	-
Net NTI to be considered	**249.22**	**62.35**	**523.82**

Disallowances on account of Excessive AT&C Losses

Petitioner Submission

6.94 The Petitioner would like to further reiterate that several administrative measures have been undertaken to curb the AT&C losses along with the technical measures such as increasing the metering, focusing on billing efficiency and collection efficiency improvement. It is submitted that Hon'ble Commission has approved 99% collection efficiency for FY 2022-23, which is on extremely higher side and even the most efficient State utilities in the Country are not able to achieve it.

6.95 A Reforms-Based and Results-Linked Scheme' (RDSS) has been launched by Ministry of Power, Government of India with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector. The Scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and ACS-ARR gap to zero by 2024-25. The Petitioner has envisaged to implement the scheme in 24 districts under its electrical supply area. Under this scheme, prepaid Smart metering for consumers and System metering at Feeder and Distribution Transformer Level with communicating feature along with associated Advance Metering

Infrastructure (AMI) will be done in TOTEX mode through PPP. For prepaid metering, an estimated budget outlay of INR 1475.11 crores has been provisioned under the RDSS scheme. The Petitioner has set a target to complete 100% DT metering in Phase-I areas by March 2023 and in remaining area by December 2023, to facilitate energy accounting and it is expected to bring down the AT&C losses to the desired level.

6.96 In order to reduce the loss, the petitioner has already completed 100% Feeder Metering and is in the process of ensuring 100% metering of DTs and Consumers to enable energy auditing. Further, Petitioner is also taking other measures like Name and Shame Campaign, preparation of MIS for performance monitoring and management, Feeder Improvement Program for network strengthening, Physical segregation of feeders, Installation of AMR meters, providing electricity access to unconnected households, Implementation of ERP systems, Installation of AB Cables, Tying up with Bank and Post Offices, Feeder Segregation, Revenue Intelligence Cell Formation, etc. Moreover, to enhance the collection efficiency, consumers are facilitated with multiple collection avenues such as Mobile App (ezy-bzly), online payment, E-wallet (through UM), ~440 post offices, ~194 ATP machines etc. The Petitioner humbly submits that despite creating several avenues for payment of bills by the consumers, the collections have still remained lower than the targets.

6.97 Further, the Petitioner has migrated to a centralized Android based mobile photo spot billing (with collection facility) platform, having complete control over consumer billing database. In order to ensure 100% billing coverage, a maximum of 1200 designated consumers have been assigned to each Urja Mitra, that also acts as a petitioner Touch-point for billing, collection and various other consumer services. The centralized billing database and software tool has dedicated dashboards for petitioner, agencies and UMs, for real-time progress and performance monitoring and enhancing billing and collection. Apart from Urja Mitras, JBVNL has implemented a scheme Gramin "Urja Sathi" Yojona where in it is appointing Urja Sathis, engaging local people to bill the rural consumers and thus, increasing the billing coverage in rural areas.

6.98 The Petitioner is prone to difficulties of T&D losses and collection inefficiencies due to difficult terrains and large rural consumers with limited paying capacity, in overall consumer mix. Further, under Universal Supply Obligation (USO), the petitioner is obliged to provide quality power without any interruption or reduction in power supply in areas with poor collection efficiencies.

6.99 The Petitioner has therefore prayed to the Hon'ble Commission to consider the estimated target of Distribution loss of 26.35% while approving the APR for FY 2022-23.

Commission Analysis

6.100 The Commission is of the view that it had already set targets for the Collection efficiency in Section "***Targets for Distribution Losses and Collection Efficiency***" of the Distribution Tariff Regulations, 2020 and as such the submission of the Petitioner regarding sudden change seems to be out of order. The Commission thus directs the Petitioner to abide by the targets set by the Commission and any provision for lower collection efficiency will not be allowed.

6.101 Accordingly, the additional power purchase cost incurred due to higher Distribution losses, beyond the targeted level, has been disallowed and is treated as '***Disincentive for non-achievement of Distribution loss targets***' for FY 2022-23.

6.102 Based on above excerpt, the Commission, recognizing its responsibility to ensure fair and efficient energy pricing, has incorporated the power purchase costs for must-run power plants into tariffs. Nonetheless, in exercising judicious scrutiny, the Commission has prudently intervened to disallow excessive energy sale, corresponding power purchase costs associated specifically with thermal power plants exhibiting high ECR (Energy Charge Rate) and respective transmission charge on pro-rated basis. Additionally, the Commission also disallows the corresponding transmission charge on pro-rata basis as tabulated below:

Table 84: Disallowance Distribution Loss (Rs Crore) as approved by the Commission.

Generating Station	Annotation	Total Unit disallow (MU)	Rate (in Rs)	Disallow Cost
Barh I	A	1.73	5.65	0.976
Farrakka III	B	212.68	5.39	114.586
-	C	-	-	-
Total	**D=(A+B+C)**	**214.41**		**115.56**
(Transmission Charge Corresponding to 214.41 MU @ Rs 0.37/unit on pro-rata basis)	E			7.86
DVC (Stand by Power)	F	45.88	5.59	25.639
DVC (KTPS)	G	2550.86	5.36	1368.34
Total	**H=F+G**	**2596.74**		**1393.98**
(Transmission Charge Corresponding to 2596.74 MU @ Rs 0.23/unit on pro-rata basis)	I			59.91
Net total Disallow	**J=D+E+H+I**	**2811.15**		**1577.32**

Revenue

Petitioner's Submission

6.103 The Petitioner has estimated the revenue from sale of Power to be Rs. 5,718.96 Crore for FY 2022-223 towards electricity sales.

Commission's Analysis

6.104 The Commission has considered the revenue as estimated by the Petitioners for FY 2022-23 as shown below.

Table 85: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Revenue	6305.99	6305.99

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

6.105 Based on the components of the ARR discussed in the above Sections, the final ARR submitted by the Petitioner for FY 2022-23 is as below:

Table 86: Summary of ARR (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Power Purchase cost	5095.94	6337.43
Transmission charges (Inter and Intra State)	545.18	589.82

Particulars	MYT	Petition
O&M Expenses	610.16	671.83
Depreciation	492.62	877.82
Return on Equity	509.77	496.44
Interest on Long Term Loan	493.30	413.84
Interest on Consumer Security Deposit	53.23	54.06
Interest on Working Capital Loan	21.02	48.97
Bank & Finance Charge		0.49
Total Expenditure	**7821.22**	**9490.71**
Less: Non-Tariff Income	249.22	62.35
ARR after NTI	**7572.00**	**9428.35**
Revenue from Sales of power at existing tariff		**6305.99**
Gap/(Surplus) at Existing Tariff		**3122.36**

Commission's Analysis

6.106 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2022-23 which is summarized below.

Table 87: Summary of ARR (Rs Crore) as approved by the Commission.

Particulars	Approved
Net Power purchase cost	5239.94
Power Purchase Cost	*6227.43*
Less: Disallowance due to excess Distribution Loss	*1577.32*
Inter-State Transmission Charges	341.73
Intra-State Transmission Charges	248.09
O&M Expenses	628.16
Depreciation	477.88
Return on Equity	495.48
Interest on Long Term Loan	435.44
Interest on Consumer Security Deposit	28.77
Interest on Working Capital Loan	10.34
Bank & Finance Charge	-
Total Expenditure	**7316.01**
Less: Non-Tariff Income	523.82
ARR after NTI	**6792.19**
Revenue from Sales of power at existing tariff	**6305.99**
Gap/(Surplus) at Existing Tariff	**486.20**

6.107 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in **Chapter 8** of this Order.

Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARRIF FOR FY 2023-24

7.1 The Petitioner has submitted the Aggregate Revenue Requirement and Tariff for FY 2022-23 as per clause A24 of JSERC (Term and Condition for Determination of Distribution Tariff) Regulation, 2020.

Consumer Number, Connected Load, Energy Sales

Petitioner Submission

7.2 The Petitioner while projecting the billing determinants (number of consumers, load and energy sales) for FY 2023-24, in its Business Plan Petition had considered appropriate growth rates for different categories and sub-categories, considering FY 2023-24 to be a normal 'business as usual' year.

7.3 The Petitioner has considered a growth rate of 7% for LT Domestic Consumers for the FY 2023-24. Further, the projection for the DS-HT is considered with a growth rate of 6% as submitted in the MYT petition.

7.4 Further, the Petitioner has submitted that the Commercial Consumers are all those 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, etc. Accordingly, the Petitioner has projected the Commercial consumers for the FY 2023-24, a growth rate of 9.00%, which has been applied on the number of consumers during FY 2022-23.

7.5 Industrial Consumers are comprised of mainly two following sub-categories (i) LT consumers- This category applied on all industrial units applying for a load of less than or equal to 100 kVA (or equivalent in terms of HP or kW). (ii) HT Consumers- The category applied on all consumers having contract demand above 100 kVA.

7.6 Accordingly, while projecting the industrial consumers for the FY 2023-24, the petitioner has considered a growth rate of 8% which has been computed for LT consumers whereas, for HT consumers a growth rate of 5% has been applied on the number of consumers during FY 2022-23.

7.7 Agriculture category includes tube wells and processing of the agricultural produce, confined to Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, organic farming 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. In order to arrive at the number of Consumers at the end of FY 2023-24, the Petitioner has escalated the number of Consumers in FY 2022-23 by 5%.

7.8 Public Lighting- This category shall be applied 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 5. In order to arrive at the number of Street Light Consumers, the Petitioner has escalated the Consumers base of FY 2022-23 by 5%.

7.9 MES- This includes Military Engineering Services (MES) for a mixed load in defence cantonment and related area. The Petitioner has assumed the same number of Consumers.

7.10 Railways - It is pertinent to mention that railway traction consumers have been considered to be the same for the control period as the railway traction has been shifted from JBVNL’s network and opted for purchase of power through open access only. No increase in number of railway consumers has been considered for the control period.

7.11 On the basis of the above excerpt, the Petitioner has submitted the Category-wise billing determinants for FY 2023-24 as shown in the Table below:

Table 88: Consumer Number, Connected Load, Energy Sales as submitted by the Petitioner.

Consumer Category	Consumer (No.)	Connected Load (kW)	Sales (MUs)
Domestic	53,85,557	59,20,034	6,360.41
Commercial/Non Domestic	3,49,646	7,11,556	1,000.89
Public Lighting / SS	596	19,723	96.62
Irrigation / IAS	82,884	72,774	196.53
Industrial LT / LTIS	20,826	3,87,444	255.39
Industrial HT / HTS / S/ EHT	2,122	10,30,556	2,057.24
RTS/MES	13	38,938	77.55
Total	**58,41,646**	**81,81,024**	**10,044.63**

Commission Analysis

7.12 The Commission in data discrepancies had directed the Petitioner to provide the consumption parameter (consumer numbers, connected load and sales). In reply to the data discrepancies vide date October 30, 2023, the Petitioner has submitted the following:

- The Petitioner has considered compounded annual growth rate for projection in number of consumers from FY 2017-18 to FY 2019-20. Considering the impact of COVID -19 in FY 2020-21 and FY 2021-22, the petitioner has considered compounded annual growth rate from FY 2017-18 to FY 2019-20 for projection in the number of consumers in FY 2023-24.

- Calculating the growth rate in domestic consumers the CAGR for domestic consumers is coming out to be 16.82%. It won't be prudent to consider 16.82% of escalation in domestic consumers in FY 2023-24. Thus, the Petitioner has considered the nominal growth rate of 7% for metered domestic consumers and 6% growth rate for HT domestic consumers.

- Similar to domestic consumers, the Petitioner has considered CAGR from FY 2017-18 to FY 2019-20 for projecting the other consumer categories also.

- For NDS category CAGR is coming out to be 9.86%, LTIS is coming out to be 7.27%, IAS is coming out to be 4.30% and for HT category it is 3.06%.

- For NDS, escalation rate is considered as 9%, for LTIS, escalation rate is taken as 8%, for IAS escalation rate is taken as 5%, for HT escalation rate is taken as 5% and for SS also escalation rate is taken as 5%.

7.13 Based on above excerpt, the Commission approves energy sales for FY 2023-24 as shown below.

Table 89: Energy Sales as submitted by the Petitioner and approved by the Commission.

Consumer Category	MYT	Petition	Approved
Domestic	6,881.84	6,360.41	6,360.41
Commercial/Non Domestic	1,182.20	1,000.89	1,000.89
Public Lighting / SS	67.29	96.62	96.62
Irrigation / IAS	277.32	196.53	196.53
Industrial LT / LTIS	257.95	255.39	255.39
Industrial HT / HTS / S/ EHT	2,248.05	2,057.24	2,057.24
RTS/MES		77.55	77.55
Total	**10,914.64**	**10,044.63**	**10,044.63**

Energy Balance

Petitioner's Submission

7.14 The Petitioner has submitted that the Power Purchase from various sources are segregated into different heads, while calculating the energy balance for FY 2023-24.

- Power Purchase from Outside JBVNL Boundary- i.e. Power NTPC, NHPC, PTC, APNRL, part of TVNL, NVVNL, SECI;
- Energy Input Directly to State Transmission System- Input of power from TVNL-PTPS directly to State Transmission System;
- State-owned Generation- SHPS, Rungta Mines, ABCIL, Inland Power;
- Direct Input of Energy to Distribution System- DVC and Solar IPPs.

7.15 The Petitioner has considered the Inter-State Transmission Losses at 3% of all power purchase from external sources considering Point of Connection (PoC) withdrawal losses for Jharkhand and PoC injection losses of various power plants with which it has PPA. Thereafter, the Petitioner has considered the Intra-State Transmission Loss @10.46% based on actual intra state transmission loses for FY 2021-22. It may be seen that Intra-State Transmission Losses of JUSNL is at a very high level. This may be due to sub-optimal upkeep of transmission system by JUSNL.

7.16 Based on the information provided above, Energy Balance of JBVNL for FY 2023-24 as summarized below:

Table 90: Energy Balance (in MUs) as submitted by the Petitioner.

Particulars	MYT	Petition
Power Purchase from Outside JSEB Boundary (MU)	8,555.76	10,028.99
Loss in External System (%)	3.00%	3.00%
Loss in External System (MU)	256.67	300.87
Net Outside Power Available (MU)	8,299.08	9,728.12
Energy Input Directly to State Transmission System (MU)	423.34	299.77
State-owned Generation (MU)	14.05	857.15
Energy Available for Onward Transmission (MU)	8,736.48	10,885.04
Transmission Loss (%)	2.23%	10.46%
Transmission Loss (MU)	194.82	1,138.96
Net Energy Sent to Distribution System (MU)	8,541.66	9,746.08
Direct Input of Energy to Distribution System (MU)	4,003.91	2,648.66
Total Energy Available for Sales (MU)	**12,545.56**	**12,394.74**
Total energy sold (MU)	**10,914.64**	**10,044.63**
Distribution loss%	**13.00%**	**19.00%**
Energy Required for distribution (MU)	**12545.57**	**12400.78**
Power disallowance at DISCOM Periphery (MU)	8,555.76	10,028.99
Total Power Purchase	**12,997.06**	**13,834.56**

Commission's Analysis

7.17 It is observed that the loss levels recorded by DISCOM are extremely poor and needs severe overhauling. Such dilapidated network is leading to the drain of the material and economic resources of the nation, which is a cause of worry.

7.18 Factually, since the Distribution Losses and Collection efficiency are a critical operational parameter of the DISCOM, SERCs across the states have provided for the same as a controllable parameter for the DISCOMs. Likewise, the Commission under clause 6.44 of the Distribution Tariff Regulations 2020 provides the Distribution Loss and Collection Efficiency being a Controllable parameter.

7.19 In continuation with the Regulatory provisions and having recognized the issue pertaining to significant Distribution losses, the Commission has approved the Distribution loss trajectory keeping in mind the actual loss trajectory, capex infusion done by the State Utility over the years amongst the prominent items.

7.20 Subsequently, the Commission vide Order dated May 31, 2023 has approved the Distribution loss trajectory for each year of the Control period FY 2021-22 to FY 2025-26. The relevant extracts of the MYT Order are reproduced below:

> *"7.13 The Commission has observed that in 2nd MYT Control Period the distribution loss target for FY 2020-21 was 13%. Therefore, considering the prevailing scenario of the DISCOMs. The Commission has approved the distribution loss target of 13% on overall sales for each year of the Control Period. Further, the Petitioner shall be allowed to operate within distribution loss of 13% on overall sales for the Control Period without any incentive/penalty".*

7.21 In view of the aforesaid, it is submitted that not abiding by the trajectory defined by the Commission and factoring into consideration the deviation in the retail ARR by the Licensee is disdainful.

7.22 It is observed that the Intra-State Transmission Losses of 10.46% for FY 2023-24 has been claimed by the petitioner as against the approved Intra-State Transmission Loss of 2.23%. Further, the Petitioner has clarified that the Intra-State Transmission Loss was calculated by subtracting the normative 3.00% Inter-State Transmission Loss from the Inter-State Power Purchased from the overall Transmission.

7.23 The Commission is of the opinion that it would be imprudent if the cost of the Petitioner's inefficiency is passed onto the consumers. Accordingly, the Commission has worked out energy availability for the FY 2023-24 on the basis of estimated generation of power from Central, State-owned and other Generating Stations. Further, the loss in external system has been considered at the same level as approved by the Commission in its earlier Order, while the Intra-State Transmission Loss has been considered at 2.23% as per the Tariff Order for JUSNL dated June 23, 2023. The energy availability from various sources has been summarized below:

Table 91: Energy Requirement (MUs) as approved by the Commission.

Particulars	MYT	Petition	Approved
Power Purchase from Outside JSEB Boundary (MU)	8,555.76	10,028.99	10,028.99
Loss in External System (%)	3.00%	3.00%	3.00%
Loss in External System (MU)	256.67	300.87	300.87
Net Outside Power Available (MU)	8,299.08	9,728.12	9,728.12
Energy Input Directly to State Transmission System (MU)	423.34	299.77	299.77
State-owned Generation (MU)	14.05	857.15	857.15
Energy Available for Onward Transmission (MU)	8,736.48	10,885.04	10,885.04
Transmission Loss (%)	2.23%	10.46%	2.23%
Transmission Loss (MU)	194.82	1,138.96	242.74
Net Energy Sent to Distribution System (MU)	8,541.66	9,746.08	10,642.30
Direct Input of Energy to Distribution System (MU)	4,003.91	2,648.66	2648.66
Total Energy Available for Sales (MU)	**12,545.56**	**12,394.74**	**13,290.96**
Total energy sold (MU)	**10,914.64**	**10,044.63**	**10,044.63**
Distribution loss%	**13.00%**	**19.00%**	**13.00%**
Energy Required for distribution (MU)	**12545.57**	**12400.78**	**11545.55**
Power disallowance at DISCOM Periphery (MU)			**1,745.40**
Total Power Purchase (MU)	**12,997.06**	**13,834.56**	**13,834.56**

Power Purchase Cost

Petitioner's Submission

7.24 The Petitioner has projected the power purchase quantum for FY 2023-

24 based on following facts and assumptions:

- **Power Purchase Cost projection for the financial year:** Per Unit Escalation of 5% have been provided as per unit charges of Generating Stations over FY 2022-23 to project the per unit charges for the FY 2023-24. In view of the upcoming CERC orders for central generating stations, it is expected that the cost of power generation will be increased considering the increase in cost of coal and it will be passed through in tariffs by the CERC.

- **Transmission and Scheduling Charges:** Transmission and scheduling Charges for FY 2022-23 has been escalated by 5% to arrive at corresponding figure for FY 2023-24.

- **Reduction in Units for Costlier Power Plants:** To reduce dependency in costlier power plants, the Petitioner has reduced power purchase from the costlier plants, the purchase units have been reduced by approx. 16% having per unit charges equal or more than Rs. 4.00.

- **Supplementary Bills:** Supplementary bills based on actuals of FY 2021-22 has been considered.

- **Unit Consideration for TVNL Power Plant:** For TVNL generating station, 61% of power purchase Units has been considered under Outside JSEB Boundary and remaining 39% has been taken under State Owned Generation as per the actual ratio of TVNL bills for FY 2022-23.

- **Current status of upcoming Thermal Power Stations:** As per updates from respective stakeholders, the Petitioner has considered North Karnpura Unit-1 as upcoming plants in FY 2023-24.

- Furthermore, PLF of new plants have been considered in range of 60%, as they would be under stabilization mode, just after commissioning and auxiliary consumption has been considered at

6.5%. 4.3.2. The source-wise estimated Power Purchase quantum and cost for FY 2023-24 is tabulated below:

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
1	NTPC	Farrakka I & II	921.46	469.96
		Farrakka III	179.41	101.49
		Khalagaon I	198.32	101.86
		Talcher	472.48	150.66
		Khalagaon II	198.39	93.91
		Barh I		
		Barh II		
		Korba	302.20	92.62
		Darlipalli	1086.47	332.36
		Total	**3358.72**	**1342.87**
		Kanti Power	0.36	0.18
		Nabinagar	168.34	93.77
		North Karnpura Unit-I & II	1638.12	655.25
		Grand Total	**5165.54**	**2092.06**
2	NHPC	Rangit	45.57	17.88
		Teesta	351.98	76.01
		Total	**397.55**	**93.89**
3	PTC	Chukha	193.10	48.69
		Tala	295.21	70.36
		Total	**488.31**	**119.06**
4	**Total Central Sector**		**6051.40**	**2305.01**
5	DVC	KTPS (OA)	2571.63	1448.46
		Stand by Power	34.41	20.19
		UI (Deviation)		
		Trans. Charge		83.31
		HT Points	9.13	4.35
		Total	**2615.17**	**1556.30**
6	TVNL		1963.97	877.46
7	UI Payable (Deviation)			0.00
8	APNRL	Unit I	339.26	137.17
		Unit II	339.26	136.43
		APNRL (Add.)	364.53	147.77
		ERLDC APNRL	0.00	
		Total	**1043.05**	**421.37**
9	SOLAR	SECI (Tranche-I)	977.32	249.36
		SECI (MNRE-II)	15.03	3.92

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
		State IPPs	18.46	33.15
		Total	**1010.81**	**286.43**
10	**Wind**	PTC	467.53	165.04
		SECI	291.67	79.33
		Total	**759.20**	**244.37**
11	INLAND		299.77	181.84
12	ABCIL		0.00	
13	Rungta Mines		0.00	
14	PTC-IEX (Purchase)			
15	PTC-IEX (Sale)			
16	SRHPS (Generation)		91.20	9.09
17	UI Receivable			
18	SER-DSM			0.00
19	Supplementary Bills			109.99
20	**Total Purchase**		**13834.57**	**5881.88**
21	**Trans. Charge**	PGCIL	0.00	357.47
		Posoco (ERLDC)	0.00	1.35
		JUSNL	0.00	260.49
23	**Total Power Purchase Cost Incl. Transmission Charge**		**13834.57**	**6611.19**

Commission Analysis

7.25 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on a prudent Check, the Commission approves the Power Purchase Cost for FY 2022-23 which has been summarized in the table below:

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (Rs. Cr.)
1	**NTPC**	Farrakka I & II	921.46	469.96
		Farrakka III	179.41	101.49
		Khalagaon I	198.32	101.86
		Talcher	472.48	150.66
		Khalagaon II	198.39	93.91
		Barh I		
		Barh II		
		Korba	302.20	92.62

S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (Rs. Cr.)
		Darlipalli	1086.47	332.36
		Total	**3358.72**	**1342.87**
		Kanti Power	0.36	0.18
		Nabinagar	168.34	93.77
		North Karnpura Unit-I & II	1638.12	655.25
		Grand Total	**5165.54**	**2092.06**
2	**NHPC**	Rangit	45.57	17.88
		Teesta	351.98	76.01
		Total	**397.55**	**93.89**
3	**PTC**	Chukha	193.10	48.69
		Tala	295.21	70.36
		Total	**488.31**	**119.06**
4	**Total Central Sector**		**6051.40**	**2305.01**
5	**DVC**	KTPS (OA)	2571.63	1448.46
		Stand by Power	34.41	20.19
		UI (Deviation)		
		Trans. Charge		83.31
		HT Points	9.13	4.35
		Total	**2615.17**	**1556.30**
6	TVNL		1963.97	877.46
7	UI Payable (Deviation)			0.00
8	**APNRL**	Unit I	339.26	137.17
		Unit II	339.26	136.43
		APNRL (Add.)	364.53	147.77
		ERLDC APNRL	0.00	
		Total	**1043.05**	**421.37**
9	**SOLAR**	SECI (Tranche-I)	977.32	249.36
		SECI (MNRE-II)	15.03	3.92
		State IPPs	18.46	33.15
		Total	**1010.81**	**286.43**
10	**Wind**	PTC	467.53	165.04
		SECI	291.67	79.33
		Total	**759.20**	**244.37**
11	INLAND		299.77	181.84
12	ABCIL		0.00	
13	Rungta Mines		0.00	
14	PTC-IEX (Purchase)			
15	PTC-IEX (Sale)			
16	SRHPS (Generation)		91.20	9.09

S.No	Name of Generating Station	Total units Purchased (MU)	Total cost of Purchase (Rs. Cr.)
17	UI Receivable		
18	SER-DSM		0.00
19	Supplementary Bills		-
20	**Total Power Purchase**	**13834.57**	**5881.88**

Transmission Charge

Petitioner's Submission

7.26 The Petitioner has submitted that transmission charges payable to JUSNL have been computed based on the Actual Transmission Charges for FY 2022-23, which has been escalated by 5.00% to arrive at the corresponding figure for FY 2023-24.

Table 92: Transmission Charge as submitted by Petitioner.

Particulars	MYT	Petition
Inter-State Transmission Charge (incl. Posoco ERLDC)	358.82	358.82
Intra-State Transmission Charge	218.41	260.49

Commission Analysis

7.27 Based on the above submission, the Commission has calculated the total Intra state Transmission charge as Rs 360.49 Cr considering escalation of 5.00% as projected by the Petitioner for FY 2023-24.

7.28 Further, the Commission has calculated the Inter-State Transmission Charges for FY 2023-24 by escalating the Interstate transmission charge for FY 2022-23 by 5.00%, as projected by the Petitioner. The below table summarizes the Inter/Intra-state Transmission Charge:

Table 93: Transmission Charge as approved by the Commission.

Particulars	Approved
Inter-State Transmission Charge (incl. Posoco ERLDC)	358.82
Intra-State Transmission Charge	260.49

Capital Expenditure and Capitalization

Petitioner's Submission

7.29 The Petitioner has submitted the capital expenditure of Rs 2780.87 Crore including consumer contribution of Rs 78.85 crore for FY 2023-24.

Table 94: Estimated Scheme wise capital investment as submitted by the Petitioner.

Particulars	Petition
Revamped Distribution Sector Scheme (RDSS)	**1,322.52**
Consumer Metering	*153.73*
Energy Accounting (DT Metering)	*7.37*
Energy Accounting (Feeder Metering)	*0.58*
Loss Reduction	*1,145.42*
PMA	*15.42*
Annual Development Plan (ADP)	**550.00**
JSBAY -RE and Urban	**577.00**
Jharkhand Power System Improvement Project (JPSIP)	**212.50**
Smart Metering in Ranchi	90.00
IT Hardware and software Upgradation	40.00
Software for Power Management	3.00
IT Project Management	2.50
Business Process Upgradation	4.00
Upgradation of Training Centre	3.00
Energy Accounting (Ranchi and Jamshedpur)	70.00
Smart metering Dhanbad	**40.00**
Consumer Contribution	**78.85**
Total	**2780.87**

Commission Analysis

7.30 The Commission in data discrepancies had directed to submit the scheme-wise capital expenditure details. In reply to discrepancies note the Petitioner had failed to submit related data/documents. Accordingly, on scrutinizing and analyzing the material on record and on prudent check, the Commission approves the capital expenditure equal to approved value of FY 2021-22.

7.31 The Commission has approved the capitalization for FY 2023-24 based on the actual capitalization during FY 2019-20, FY 2020-21 and FY 2021-22 as a percentage the Opening CWIP and Capital Expenses incurred during the respective years and multiplying the same by the sum of Opening CWIP and Capex approved.

Table 95: Capital work in progress (Rs. Crore) as approved by the Commission.

Particulars	Petition	Approved
Opening CWIP (A)	1209.53	2446.22
Capex during the year (B)=(D)-(A)+(C)	2780.87	1451.59
Transfer to GFA (C)	2754.01	1681.95
Closing CWIP (D)	**1236.39**	2215.87

Table 96: Actual capitalization as approved by the Commission.

Scheme wise	MYT	Petition	Approved
Opening GFA	22008.15	22518.41	23059.75
GFA Addition	2559.27	2754.01	1681.95
Closing GFA	**24567.43**	**25272.42**	24741.70

Consumer Contribution, Grants and Subsidies

Petitioner's Submission

7.32 The Petitioner has submitted the Consumer Contribution Grant funding for FY 2023-24, based on the closing CCG funding of FY 2023-24 as provided in the table below:

Table 97: Consumer contribution and grants (Rs. Crore) as submitted by petitioner.

Particulars	MYT	Petition
Consumer Contribution Grants opening	11706.10	11264.50
Addition: Government Grants	2062.87	1984.02
Addition: Consumer Contribution		78.85
Closing consumer contribution Grants	**13768.97**	**13327.37**

Commission Analysis

7.33 The Commission has considered additions of Grants (and Consumer Contribution) amounting to Rs. 1,572.21 Crore based on Consumer Contribution and Grants Additions as per the MYT Order dated May 31, 2023 as shown below.

Table 98: CCG (Rs. Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Consumer Contribution Grants opening	11706.10	11264.50	12807.14
Addition: Government Grants	2062.87	1984.02	1493.36
Addition: Consumer Contribution		78.85	78.85
Closing consumer contribution Grants	**13768.97**	**13327.37**	14379.35

7.34 The Commission has considered the closing balance of consumer contribution and grants of FY 2022-23 as opening consumer contribution and grants for FY 2023-24.

7.35 Further, the Commission has adopted the approach for calculation of Normative Loan and Equity as done earlier in this order. For estimating the sources of finance required to fund the closing GFA, the Commission has reduced the GFA by the CCG available with the Petitioner.

7.36 For funding of the above mentioned GFA, the Commission has considered the normative debt-equity ratio of 70:30 as provided in Distribution Tariff Regulations, 2020. Moreover, consumer contribution grants and subsidies for capital assets are first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.

7.37 In line with the aforesaid discussion, the Commission approves the admissible GFA, CCG, debt-equity as given below:

Table 99: Source of funding of GFA as approved by the Commission.

Particulars	Approved
CCG towards CWIP	1228.30
CCG towards GFA	11578.83
Opening GFA (less CCG)	11480.92
GFA Addition (less CCG)	63.39
Closing GFA less CCG	11544.31
Accumulated Depreciation	6812.75
Acc. Dep. towards GFA	3178.78
Normative Loan (Closing)	**4902.23**
Normative Equity (Closing)	**3463.29**

Operation and Maintenance Expenses

Petitioner's Submission

7.38 The Petitioner has submitted that the Operation and Maintenance Expenses (O&M expenses) comprises of Employee Expenses, Repair & Maintenance Expenses and Administrative & General Expenses.

7.39 The Petitioner has calculated the employee cost for FY 2023-24 by escalating the employee cost of FY 2022-23 as submitted above in Chapter of APR for FY 2022-23 by the inflation factor of 6.08 % and the methodology provided under clause 10.6 (b) and (c) of JSERC MYT Regulations, 2020. Accordingly, the Petitioner has projected employee cost for FY 2023-24 as provided in the table below.

Table 100: Employee cost (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Employee Expenses		268.64
Terminal Expenses		35.10
Total Employee Expenses	**271.57**	**303.74**

7.40 In line with clause 10.6 (b) and (c) of JSERC MYT Regulations 2020, the A&G expenses for FY 2023-24 has been calculated by escalating A&G expense of FY 2022-23 by inflation factor 6.08%. Accordingly, the petitioner has estimated the A&G expenses for FY 2023-24 is provided in the table below.

Table 101: A&G Expense (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
A&G Expenses	103.54	95.41

7.41 In line with the Regulation 10.6 (a) of JSERC MYT Regulations 2020, the R&M expenses for FY 2023-24 have been estimated by applying K-factor of 1.49% as computed and based on estimated data of FY 2022-23. Further the Petitioner has considered Indexation Factor of 6.08% as per Regulation 10.6 (a) of JSERC MYT Regulations 2020 for projecting Repair & Maintenance Expenditure in next Control Period. Accordingly, the

Petitioner has estimated the R&M expenses for FY 2023-24 as provided in the table below.

Table 102: R&M Expenses (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
R&M Expenses	278.29	335.72

Commission Analysis

7.42 The Commission has outlined clause 10.3 to clause 10.7 of JSERC Distribution Tariff Regulation 2020 in True-up chapter for the approval of operation and maintenance expense.

7.43 Based on the above excerpt, the Commission had calculated the inflation factor as 6.81% for FY 2023-24.

7.44 Further, the Commission has observed that the Petitioner has submitted the Growth factor as (0%). Hence, based on the regulation as mentioned in the earlier chapter of this order,the Commission has considered the growth factor as nil for Computation of employee expenses.

7.45 Based on the facts & circumstances of the petition, the Commission approves the normative employee expenses for FY 2023-24, by taking the actual value of inflation factor (6.81%) and growth factor (0%).

Table 103: Normative Employee Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	242.22
Inflation Factor	%	6.81%
Growth Factor	%	-
Normative Employee Expenses	**Rs. Cr.**	**258.72**

7.46 The Commission approves the normative A&G Expenses for FY 2023-24, based on the approved normative A&G Expenses for FY 2022-23 and estimated inflation factor as 6.81% for FY 2023-34.

Table 104: Normative A&G Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
A&G previous year	Rs. Cr.	109.64
Inflation Factor	%	6.81%
Normative A&G Expenses	**Rs. Cr.**	**117.11**

7.47 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of Gross Fixed Assets for FY 2023-24 and by multiplying the 'k' factor of 1.22% as approved in the MYT Order dated May 31, 2023 and inflation factor of 6.81%.

Table 105: Normative R&M Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
GFA	Rs. Cr.	23059.75
K-Factor	%	1.22%
Inflation Factor	%	6.81%
Normative R&M Expense	**Rs. Cr.**	**300.49**

7.48 In accordance with ***clause 10.6 (note 3)*** of JSERC Distribution Tariff Regulation 2020 the Commission disapproves the terminal liabilities for FY 2022-23 subject to prudent check at the time of True-up.

7.49 Based on the above discussion the Commission approves the normative operational and maintenance expense as given below.

Table 106: Normative O&M Expenses (Rs Crore) as approved by the Commission.

Particulars	Approved
Normative Employee Expense	258.72
Terminal Liabilities	-
Normative A&G Expenses	117.11
Normative R&M Expenses	300.49
Net Normative Operation & Maintenance Expenses	**676.32**

Depreciation

Petitioner's Submission

7.50 The Petitioner has estimated the Depreciation for FY 2023-24 in line with the approach adopted by the Hon'ble Commission in Tariff Order dated October 01, 2020.

7.51 The Petitioner has first arrived at the opening and closing GFA, created out of D&E, by deducting the CC&G portion deployed towards opening and closing GFA. The Petitioner has applied the depreciation rate as approved by the Commission on the average GFA calculated as per Regulation 10.39 of JSERC Distribution Tariff Regulations, 2020 to arrive at the total depreciation. Accordingly, the Petitioner has estimated the depreciation expense for FY 2023-24 as shown below.

Table 107: Financing of Capital investments as submitted by the Petitioner.

Particulars	MYT	Petition
Opening GFA (Less CCG) (Rs. Cr.)	12105.26	11828.11
Closing GFA (Less CCG) (Rs. Cr.)	12820.56	12566.65
Average GFA excluding Consumer Contributions and Grants (Rs. Cr.)	12462.91	12197.38
Depreciation Rate (%)	4.20%	7.69%
Depreciation Cost (Rs. Cr.)	**523.89**	**938.20**

Commission Analysis

7.52 In accordance with clause 10.34 to clause 10.40 of Distribution Tariff Regulations, 2020, depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Excluding the consumer contribution deployed towards GFA as approved in this Order, the Commission has determined the depreciation on the GFA created out of debt and equity for FY 2023-24. The rate of depreciation has been considered at 4.20% as approved in the earlier order. The Commission has calculated the Depreciation on Average GFA (net of Average CCG) as per the Distribution Tariff Regulations, 2020. Accordingly, the Commission approves the depreciation for FY 2023-24 as summarized below.

Table 108: Depreciation as approved by the Commission.

Particulars	Approved
Opening GFA (Less CCG) (Rs. Cr.)	11480.92
Closing GFA (Less CCG) (Rs. Cr.)	11544.31
Average GFA excluding CCG (Rs. Cr.)	11512.61
Depreciation Rate (%)	4.20%
Depreciation Cost (Rs. Cr.)	**483.01**

Interest & Finance Charge

Petitioner's Submission

7.53 The Petitioner has considered opening debt for FY 2023-24 as equal to closing value of FY 2022-23, as submitted in the above chapter regarding audited APR for FY 2022-23.

7.54 In line with Regulation 10.22 of the JSERC Distribution Tariff Regulations, 2020, the Petitioner has calculated the Closing debt for FY 2022-23.

7.55 In line with Regulation 10.23 of the JSERC Distribution Tariff Regulations, 2020 the Petitioner has considered the repayment of loan for FY 2023-24 as equal to Depreciation.

7.56 Further, in accordance with JSERC Distribution Tariff Regulation 2020 the Petitioner has considered the rate of interest on long-term loan, as Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points. Accordingly, the Petitioner has calculated the Interest on loan as shown below.

Table 109: Interest on Loan and Bank Charge (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Opening Balance	5681.73	4744.82
Deemed Addition during the year	894.26	1177.20
Deemed Repayments during the year	523.89	938.20
Closing Balance	6052.11	4983.82
Average balance during the Year	5866.92	4864.32
Interest Rate	9.00%	9.00%
Interest Expense	**528.02**	**437.79**
Bank & Finance Charge	**-**	**0.49**

Commission's Analysis

7.57 The Commission has outlined clause 10.16, clause 10.17, clause 10.21 to clause 10.29 of JSERC Distribution Tariff Regulation 2020 earlier in this order for the approval of interest of loan and finance charge.

7.58 In accordance with clause 10.16 and clause 10.17 as mentioned above, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner, is considered as gross normative loan for calculation of interest on loan.

7.59 In accordance with clause 10.23 as mentioned above, the Commission approves the debt repayment as equal to depreciation for the same financial year.

7.60 In accordance with clause 10.26 (proviso) as mentioned above, the Commission approves the interest rate as 9.00% (Base rate of SBI as applicable on April 1st of FY 2022-23 plus 200 basis points).

7.61 The Commission disallows the bank/finance charge as Rs 0.49 cr subject to prudent check at the time of true-up on the basis of annual audit account.

7.62 In accordance with clause 10.28 as mentioned above, the Commission has excluded interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee as given below:

Table 110: Interest and Finance Charges (in Rs Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Balance	5681.73	4744.82	4885.21
Deemed Addition during the year	894.26	1177.20	500.03
Deemed Repayments during the year	523.89	938.20	483.01
Closing Balance	6052.11	4983.82	4902.23
Average balance during the Year	5866.92	4864.32	4893.72
Interest Rate	9.00%	9.00%	9.00%
Interest Expense	**528.02**	**437.79**	**440.43**
Bank & Finance Charge	**-**	**-**	**-**

Interest on Consumer Security Deposits

Petitioner's Submission

7.63 In order to estimate the interest on consumer security deposit for FY 2023-24, the petitioner has assumed an escalation of 5% over the accumulated consumer security of FY 2022-23 as per audited accounts.

7.64 Further, in accordance with JSERC Supply Code Regulations, 2015 the Petitioner has considered the interest rate as 8.70% (i.e. SBI Base Rate prevailing on Nov 2022) as shown below.

Table 111: Interest on CSD (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening IoCSD	731.02	751.85
Interest Rate	7.55%	8.70%
Int. on CSD	**55.19**	**65.41**

Commission's Analysis

7.65 The Commission has outlined clause 10.33 of JSERC Distribution Tariff Regulation 2020 earlier in this order for approval of interest on consumer security deposit.

7.66 The Commission has observed that the Petitioner in the instant petition has claimed interest on Consumer Security Deposit to the tune of Rs 54.06 crore. Further, the Petitioner has escalated the Consumer Security Deposit by an arbitrary 5.00% over APR of FY 2022-23 and has applied an interest rate equivalent to SBI Bank Rate.

7.67 In view of the aforesaid, reliance is placed on the actual security deposit paid by the Licensee during the FY 2021-22. From the Audited Accounts of FY 2021-22, it could be observed that the Petitioner is not discharging Interest on Consumer Security Deposit to the prospective consumers. The Interest on Consumer Security Deposit balance is provided at Note 16 of the Audited Financial Statements. The Interest on Consumer Security Deposit balance as on 31.03.2022 is Rs. 484.01 Crores and the outstanding interest payable as on 31.03.2021 Rs. 471.29 Crores.

Further, the addition to Interest accrued on Security Deposit during the FY 2021-22 is Rs. 41.46 Crores (ref Note 29 of the Audited Accounts). The table below summarizes the actual Interest on Security Deposit discharges during the FY 2021-22:

Table 112: Interest on CSD (Rs. Crore) as approved by the Commission

Particulars	Approved	Source
Opening Consumer Security Deposit	471.31	Note 16
Consumer Security Deposit Addition	41.46	Note 29
Closing Consumer Security Deposit	484.01	Note 16
Interest on Consumer Security Deposit	**28.77**	

Return on Equity

Petitioner's Submission

7.68 The Petitioner has considered the opening balance of normative equity for FY 2023-24 as per the closing balance for the FY 2022-23, as submitted above in the chapter regarding APR for FY 2022-23.

7.69 In accordance with the provisions of JSERC Distribution Tariff Regulations, 2020 the petitioner has considered that the Closing equity for FY 2023-24 has been calculated using normative debt equity ratio (70:30).

7.70 In accordance with provisions of JSERC Distribution Tariff Regulations, 2020 the Petitioner has considered the rate of Return on Equity (RoE) as 14.50%.

Table 113: Return on Equity (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening Equity (Normative)	3631.58	3548.43
Equity Addition (Normative)	214.59	221.56
Closing Equity (Normative)	3846.17	3769.99
Average Equity	3738.87	3659.21
Rate of Return	14.50%	14.50%
Return on Equity	**542.14**	**530.59**

Commission's Analysis

7.71 On consideration of the Distribution Tariff Regulations, 2020, the Opening approves Opening Equity base for FY 2023-24 as the Closing Equity base of FY 2022-23. Further, the Commission approves normative Equity addition during the financial years as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

7.72 In accordance with clause 10.19 of the Distribution Tariff Regulations, 2020, the Commission approves a rate of return of 14.50% on equity.

Table 114: Return on Equity (Rs Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Equity (Normative)	3631.58	3548.43	3444.28
Equity Addition	214.59	221.56	19.02
Closing Equity (Normative)	3846.17	3769.99	3463.29
Average Equity	3738.87	3659.21	3453.78
Rate of Return	14.50%	14.50%	14.50%
Return on Equity	**542.14**	**530.59**	**500.80**

Interest on Working Capital (IoWC)

Petitioner's Submission

7.73 In line with the Regulation 10.29 and 10.30 of the JSERC Distribution Tariff Regulations, 2020, the Petitioner has estimated the working capital requirement for FY 2023-24.

7.74 Rate of IoWC has been considered to be equal to the SBI MCLR (for 1-year period) prevailing as on September 30, 2022 plus 350 Basis Points as per Regulation 10.31 of the JSERC Distribution Tariff Regulations, 2020.

7.75 It has been submitted that based on the expenditure for FY 2023-24, the Petitioner has estimated the working capital requirement and interest thereof, as provided in the Table below

Table 115: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Maintenance Spares (@1% GFA)	121.05	118.28
2 months' Receivables	1401.92	1550.49
Less: 1 month Power Purchase Cost	527.53	499.32
Less: Consumer Security Deposit	731.02	751.85
Total Working Capital requirement	264.42	417.60
Interest rate on WC	10.50%	11.20%
Interest on Working Capital	**27.764**	**46.77**

Commission's Analysis

7.76 The Commission has outlined the clause 10.31 & clause 10.32 of JSERC Distribution Tariff Regulation 2020 earlier in True-up Chapter for the approval of Interest on Working Capital.

7.77 Based on above the excerpt, the Commission approves the interest on working capital for FY 2023-24 as summarized below:

Table 116: Interest on Working Capital (in Rs. Crore) as approved by the Commission

Particulars	Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	114.81
Revenue from Wheeling and Retail Supply Charges-2 month	1179.31
Less: Power Purchase Cost for One Month Retail Business	455.05
Less: Average Security Deposit	751.85
Total Working Capital Requirement	87.22
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	11.20%
Total Interest on Working capital	**9.77**

Non-Tariff Income (NTI)

Petitioner's Submission

7.78 The Petitioner has submitted the Non-Tariff Income (Other Income) for FY 2022-23 at the level of FY 2021-22.

7.79 The Petitioner has already submitted the rationale behind the computation of NTI in True-up Chapter, which is in line with the judgement of Hon'ble APTEL dated 12.07.2011 in case No. 142 & 147 of

2009. The Petitioner has not estimated any delayed payment surcharge for FY 2022-23 and will consider the same on actual basis. Accordingly, the Petitioner prayed to the Commission to approves the Non-tariff income as summarized below:

Table 117: Non-Tariff Income (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Interest Income from Investment in Fixed Deposits	29.80	29.80
D.P.S from Consumer	448.48	0.00
Interest on advance to Supplier/Contractor	-	-
Interest from Bank (Other than FD)	5.09	5.09
Income from Staff Welfare activities	-	-
Supervision Charges	3.28	3.28
Miscellaneous Receipt	3.60	3.60
Rebate on power purchase	0.00	
Transformer Rent	20.34	20.34
Wheeling Charges / Fuel surcharge/outside sale	0.00	0.00
Receipt from Consumers for capital works	0.00	0.00
Miscellaneous Charges from Consumers	0.25	0.25
Total NTI	**510.84**	**62.35**
Interest rate for Receivables financing	10.50%	11.20%
Corresponding Receivables against DPS	2491.57	0.00
Interest on Receivables against DPS	261.62	0.00
Net NTI to be considered	**249.22**	**62.35**

Commission's Analysis

7.80 The Commission has outlined clause 10.53 & clause 10.54 of JSERC Distribution Tariff Regulation 2020 earlier in true-up chapter for the approval of Non-Tariff Income.

7.81 Based on the above excerpt, the Commission has observed that the Petitioners approach of excluding Delayed payment surcharge and rebate on power purchase is inappropriate and non-maintainable.

7.82 The Commission does not consider the revenue from sale of wheeling charge/ fuel surcharge/ outside sale under Non-Tariff Income as the same has already been considered in the power purchase section of this order.

7.83 The Commission is of opinion that the there is no provision in JSERC (Terms & Condition of Determination Distribution Tariff) Regulation 2020 with respect to approval of financing cost for corresponding receivables under clause 10.53 & clause 10.54.

7.84 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulation 2020 and amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities. Hence, the Commission does not approve the financing cost for corresponding receivables.

7.85 Accordingly, on prudent check the Commission approves the NTI as per above outlined regulation as shown below.

Table 118: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	MYT	Petition	Approved
Interest Income from Investment in Fixed Deposits	29.80	29.80	9.46
D.P.S from Consumer	448.48	0.00	448.48
Interest on advance to Supplier/Contractor	-	-	
Interest from Bank (Other than FD)	5.09	5.09	5.09
Income from Staff Welfare activities	-	-	
Supervision Charges	3.28	3.28	3.28
Miscellaneous Receipt	3.60	3.60	3.60
Rebate on power purchase			4.33
Transformer Rent	20.34	20.34	20.34
Wheeling Charges / Fuel surcharge/outside sale			
Receipt from Consumers for capital works			28.99
Miscellaneous Charges from Consumers	0.25	0.25	0.25
Total NTI	**510.84**	**62.35**	**523.82**
Interest rate for Receivables financing	10.50%	-	-
Corresponding Receivables against DPS	2491.57	-	-
Interest on Receivables against DPS	261.62	-	-
Net NTI to be considered	**249.22**	**62.35**	**523.82**

Disallowances on account of Excessive AT&C Losses

Commission Analysis

7.86 The Commission is of the view that it had already set the targets for the Collection efficiency in Section "Targets for Distribution Losses and

Collection Efficiency" of the Distribution Tariff Regulations, 2020 and as such the submission of the Petitioner regarding sudden change seems to be out of order. The Commission thus directs the Petitioner to abide by the targets set by the Commission and any provision for lower collection efficiency will not be allowed.

7.87 Accordingly, the additional power purchase cost incurred due to higher Distribution losses, beyond the targeted level, has been disallowed and is treated as 'Disincentive for non-achievement of Distribution loss targets' for FY 2023-24. The Commission has adopted similar approach as adopted by it in the previous Order dated May 31, 2023 in the computation of non-achievement of T&D loss reduction targets. The non-achievement of Distribution loss reduction targets for the FY 2023-24 as approved by the Commission is summarized below:

Table 119: Disallowance Distribution Loss (Rs Crore) as approved by the Commission.

Generating Station	Annotation	Total Unit disallow (MU)	Rate (in Rs)	Disallow Cost
-	A	-	-	-
Farrakka III	B	179.41	5.66	101.49
-	C	-	-	-
Total	**D=(A+B+C)**	179.41		101.49
(Transmission Charge Corresponding to 179.41 MU @ Rs 0.36/unit on pro-rata basis)	E			5.66
DVC (Stand by Power)	F	34.41	5.87	20.91
DVC (KTPS)	G	1531.59	5.63	862.66
Total	**H=F+G**	**1566.00**		
(Transmission Charge Corresponding to 1566.00 MU @ Rs 0.32/unit on pro-rata basis)	I			49.88
Net total Disallow	**J=D+E+H+I**	**1745.40**		**1040.65**

Revenue

Petitioner's Submission

7.88 The Petitioner has estimated the revenue from sale of Power to be Rs. 6769.35 Crore for FY 2023-24 towards electricity sales.

Commission's Analysis

7.89 The Commission has calculated revenue based on Tariff Order date 01.10.2020, and 31.05.2023 for FY 2023-24 as shown below.

Table 120: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Revenue	6769.35	6946.95

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

7.90 Based on the components of the ARR discussed in the above para, the final ARR submitted by the Petitioner for FY 2023-24 is as below:

Table 121: Summary of ARR (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Power Purchase cost	5753.08	5991.88
Transmission charges (Inter and Intra State)	577.23	619.31
O&M Expenses	653.40	734.87
Depreciation	523.89	938.20
Return on Equity	542.14	530.59
Interest on Long Term Loan	528.02	437.79
Interest on Consumer Security Deposit	55.19	65.41
Interest on Working Capital Loan	27.76	46.77
Bank & Finance Charge		0.49
Total Expenditure	**8660.72**	**9365.30**
Less: Non-Tariff Income	249.22	62.35
ARR after NTI	**8411.50**	**9302.95**
Revenue from Sales of power at existing tariff		6769.35
Gap/(Surplus) at Existing Tariff	**-**	**2533.60**

Commission's Analysis

7.91 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2023-24 which is summarized below.

Table 122: Summary of ARR (Rs Crore) as approved by the Commission.

Particulars	Approved
Net Power purchase cost	5460.55
Power Purchase Cost	*5881.88*

Particulars	Approved
Less: Disallowance due to excess Distribution Loss	*1040.65*
Inter-State Transmission Charges	358.82
Intra-State Transmission Charges	260.49
O&M Expenses	676.32
Depreciation	483.01
Return on Equity	500.80
Interest on Long Term Loan	440.43
Interest on Consumer Security Deposit	28.77
Interest on Working Capital Loan	9.77
Bank & Finance Charge	-
Total ARR	**7599.65**
Less: Non-Tariff Income	523.82
ARR after NTI	**7075.83**
Revenue from Sales of power at existing tariff	**6946.95**
Gap/(Surplus) at Existing Tariff	**128.88**

7.92 The Commission has approved the treatment of the Gap/(Surplus) at Approved tariff in **Chapter 8** of this Order.

Chapter 8: REVENUE GAP AND ITS TREATMENT

Treatment of Revenue Gap/(Surplus)

Commission Analysis

8.1 Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2023-24 as shown below:

Table 123: Revenue Gap/(Surplus) (in Rs Crore) as approved by the Commission for FY 2023-24 at existing Tariff.

Particulars	FY 23-24
	Approved
Annual Revenue Requirement	**7075.83**
Revenue Gap / (Surplus) created during the Year	6946.95
Total Revenue Gap	**128.88**

8.2 The Commission observes that in FY 2023-24 revenue gap stands at Rs. 128.88 crores at existing tariff Order dated 01.10.2020, and 31.05.2023. Further, in view of ARR for FY 2023-24, the Commission has decided to increase the tariff by 7.66% on an overall basis.

8.3 Based on the approved ARR and revenue from approved tariff, the Commission approves the Revenue Gap/(Surplus) for FY 2023-24 as shown below:

Table 124: Revenue Gap/(Surplus) (in Rs Crore) as approved by the Commission for FY 2023-24 at approved Tariff.

Particulars	FY 23-24
	Approved
Annual Revenue Requirement	**7075.83**
Revenue Gap / (Surplus) created during the Year	6991.69
Total Revenue Gap	**84.14**

Revenue Gap/(Surplus)

Petitioner Submission

8.4 The Petitioner has submitted that accumulated Revenue Gap from True-up, APR and ARR for FY 21-22 to FY 23-24 at tariff Order 01.10.2020 without considering carrying cost is as under:

Table 125: Accumulated Revenue Gap without carrying cost at existing Tariff for FY 2023-24.

Particulars	FY 23-24
	Petition
Revenue Gap for FY 2021-22 Gap/(Surplus)	2691.48
Revenue Gap for FY 2022-23 Gap/(Surplus)	3122.36
Revenue Gap for FY 2023-24 Gap/(Surplus) at existing Tariff	2533.59
Revenue Gap/(Surplus) to be recovered in FY 2023-24	**8347.43**

Table 126: Accumulated Revenue Gap without carrying cost at proposed Tariff for FY 2023-24.

Particulars	FY 23-24
	Petition
Revenue Gap for FY 2021-22 Gap/(Surplus)	2691.48
Revenue Gap for FY 2022-23 Gap/(Surplus)	3122.36
Revenue Gap for FY 2023-24 Gap/(Surplus) at existing Tariff	(490.92)
Revenue Gap/(Surplus) to be recovered in FY 2023-24	**5322.92**

8.5 The Petitioner has submitted it aim to recover an additional amount of Rs 3024.51 crores through the hike in the tariff and the resulting surplus for FY 2023-24 comes out to be Rs 490.92 crores. The revenue surplus that would be accrued in FY 2023-24 would partially compensate the revenue gap accrued for FY 2021-22 and FY 2022-23 due to no increment of tariff in previous years. Accordingly, the petitioner prays to the Hon'ble Commission to approve the proposed tariff so that revenue gap till FY 2023 reduces to Rs 5322.92 crores. Further, the petitioner prays to the allow carrying cost on the revenue gap created and allow it to either recover of the same through tariff in the ensuring year or allow financing cost of the gap with recovery of the gap in the future years.

Commission Analysis

8.6 In exercise of Tariff determination process, the Commission had found that the Petitioner had filled petition based on provisional on dated November 2023. In this regard, the Commission vide letter no JSERC/Case (T) No. 15 of 2022/333 dated December 22, 2023 had directed to submit Tariff petition based on audited account as per provision of JSERC (Terms & Condition for Determination of Distribution Tariff) Regulation, 2020.

8.7 In response to Commission query the Petitioner had filed revised petition vide letter no. 74/CE (C&R), File No. CE/C&R/Rev/2485/20 P-I dated January 19, 2023.

8.8 Since the Petitioner has not adhered to the timeline specified in the provision of JSERC (Terms & Condition for Determination of Distribution Tariff) Regulation, 2020. Hence the Commission disallow carrying cost in the instant petition.

8.9 On scrutinizing, analyzing, material, data, information available on record and on prudent check the Commission has considered the total closing revenue Gap of FY 2020-21 as the opening revenue Gap for FY 2021-22.

8.10 Based on the approved value of Truing up for FY 2021-22 and APR for FY 2022-23 the cumulative Revenue Gap/(Surplus) approves by the Commission till FY 2022-23 is given below:

Table 127: Cumulative Gap/(Surplus) (in Rs Crore) as approved by the Commission.

Particulars	FY 2021-22	FY 2022-23
Opening Gap/(Surplus)	2087.81	2241.60
Revenue Gap/(Surplus) created during the Year	153.80	486.20
Total Revenue Gap/(Surplus	**2241.60**	**2727.80**

8.11 Based on the approved ARR and revenue from approved tariff, the Commission approves the Revenue Gap/(Surplus) for FY 2023-24 as shown below:

Table 128: Cumulative Gap/(Surplus) (in Rs Crore) as approved by the Commission.

Particulars	FY 2023-24
Opening Gap/(Surplus)	**2727.80**
Revenue Gap/(Surplus) created during the Year	84.14
Total Revenue Gap/(Surplus	**2811.94**

8.12 The Tariff Schedule approved by the Commission for FY 2023-24 is detailed in **Chapter 11** of this Order.

Chapter 9: DETERMINATION OF WHEELING CHARGE, WHEELING LOSSES AND CROSS SUBSIDY SURCHARGE FOR FY 2021-22.

9.1 As per Clause 2.2 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other Open Access (OA) related charges. The relevant extract of the Regulations has been reproduced below:

> *"2.2*
>
> *…*
>
> *Provided further that where any category of consumer has been permitted open access under Section 42 of the Act, the Commission shall determine the wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges in accordance with these Regulations and JSERC (Intra State Open Access) Regulations, 2016, as amended from time to time".*

9.2 As per the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, the Open Access (OA) charge includes Wheeling Charges, Wheeling Losses, Cross Subsidy Surcharge, and Additional Surcharge. The subsequent para summarizes the Commission's analysis thereof:

Wheeling Charges

9.3 According to Regulations 6.5 to 6.8 of the Distribution Tariff Regulations, 2020, the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. In the absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors, accompanied by an explanation of the basis and methodology used for segregation. The relevant extract of the Regulations has been reproduced hereunder:

"Segregation of Retail Supply and Wheeling Business

6.5 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business.

6.6 The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business shall be used to determine Retail Supply Tariff.

6.7 For such period until accounts are segregated, the Licensee 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.

6.8 In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control Period as specified below or may decide on the manner in which such allocation can be done:

Particulars	**Share of Retail Supply**	**Share of Wheeling Business**
O&M Cost		
Employee cost	40%	60%
A&G Expense	50%	50%
R&M Cost	10%	90%
Power purchase (Inc. Trans. Charges and RPO)	100%	0%
Interest on security deposit	100%	0%
Interest Cost	10%	90%
Interest on working capital	90%	10%
Depreciation	10%	90%
Return on Equity	10%	90%
Less: NTI	90%	10%

9.4 The segregation of ARR into Wires and Supply Business as approved by the Commission for FY 2023-24 is shown below:

Table 129: Segregation of ARR (Rs. Crore) as approved by the Commission.

Particulars	Share of Retail Supply	Share of Wheeling Business	ARR for FY 23-24	Share of Retail Supply (Rs Cr)	Share of Wheeling Business (Rs Cr)
O&M Cost					
Employee cost	40%	60%	258.72	103.49	155.23
A&G Expense	50%	50%	117.11	58.55	58.55
R&M Cost	10%	90%	300.49	30.05	270.44
Power purchase (Inc. Trans. Charges and RPO)	100%	0%	5,460.55	5,460.55	0.00
Interest on security deposit	100%	0%	28.77	28.77	0.00
Interest Cost	10%	90%	440.43	44.04	396.39
Interest on working capital	90%	10%	9.77	8.79	0.98
Depreciation	10%	90%	483.01	48.30	434.71
Return on Equity	10%	90%	500.80	50.08	450.72
Less: NTI	90%	10%	523.82	471.44	52.38
Total ARR			**7,075.83**	**5,361.18**	**1,714.65**

9.5 In the absence of an asset register, and in order to estimate the ratio of fixed assets at various voltage levels, the Commission has considered the network details of Petitioner as on record with the Commission on the premise that the high voltage and low voltage assets have been created simultaneously. Thus, the depreciation of all HT and LT assets is assumed to be at the similar level.

9.6 In the absence of the submission of Power Sub-station (PSS) capacity/quantity and estimated costs by the Petitioner, the Commission has resolved to consider the approved data of FY 2020-21 for FY 2023-24.

Table 130: Estimated Cost of PSS (Rs Lakh) as approved by the Commission

PSS (capacity)	Quantity	Cost/ PSS	Total cost
10 MVA	216	249.11	53,807.78
7.5 MVA	2	141.47	282.95

PSS (capacity)	Quantity	Cost/ PSS	Total cost
7.15 MVA	-	-	-
5 MVA	996	137.54	1,36,990.56
3.15 MVA	104	115.41	12,002.92
3 MVA	6	115.41	692.48
1.6 MVA	5	104.72	523.61

Table 131: Estimated Cost of 33kV, 11 kV and LT lines (in Rs Lakh) as approved by the Commission

Line Length	Quantity	Cost/ Km	Total cost
33 kV Incoming (in km.)	8,823	16.19	1,42,858.78
33 kV Outgoing (in km.)	3,205	16.19	51,894.18
11 kV Length (in km.)	75,182	7.63	5,73,591.52
LT Length (in km.)	1,57,130	8.06	12,66,656.51

Table 132: Estimated Cost of DTRs (Rs. Lakh) as approved by the Commission

DTR (capacity)	Quantity	cost/ DTR	Total cost
750 KVA	44	9.75	428.85
400 KVA	12	7.64	91.72
500 KVA	622	8.47	5,271.24
315 KVA	61	6.39	389.98
250 KVA	128	4.53	579.56
200 KVA	11,245	4.53	50,915.26
150 KVA	21	3.39	71.09
100 KVA	27,883	3.39	94,393.02
63 KVA	15,716	3.03	47,642.79
25 KVA	67,450	2.24	1,50,889.21
16 KVA	5,074	1.06	5,361.85
10 KVA	6,128	0.77	4,708.98

9.7 Based on the above data, the estimated present cost of assets, apportioned into different voltage levels is depicted in the table below:

Table 133: Voltage-wise Asset Ratio as approved by the Commission for FY 2023-24

Voltage levels	Total cost	Ratio
33 kV	3,99,053.25	15%
11 kV	5,73,591.52	22%
LT	16,26,879.49	63%

9.8 Based on the voltage wise asset bifurcation, the Wires Business ARR at respective voltage levels, is depicted in the table below:

Table 134: Voltage-wise ARR (Rs. Crore) of wire business as approved by the Commission

Voltage levels	Asset Segregation	Asset Segregation	Segregation of ARR
LT	16,268.79	63%	1,073.09
11 kV	5,735.92	22%	378.34
33 kV and above	3,990.53	15%	263.22
Total	25,995.24		1,714.65

9.9 The Wires Business ARR for different voltage levels as approved by the Commission has been apportioned between lower voltage levels in the ratio of voltage-wise energy sales and stacked accordingly in line with the methodology adopted by the Petitioner earlier in the Order. The consumer voltage and category wise energy sales as approved by the Commission has been allocated to different voltage levels as depicted in the table below:

Table 135: Voltage-wise Energy sale (MU) as approved by the Commission.

Category	Voltage level	Voltage-wise Sales	Aggregated sales
Domestic	LT	6,337	**6,360**
	11 kV	23	
	33 kV and Above	-	
Commercial/Non Domestic	LT	1,001	**1,001**
	11 kV	-	
	33 kV and Above	-	
Irrigation / IAS	LT	197	**197**
	11 kV	-	
	33 kV and Above	-	
Industrial	LT	209	**2,313**
	11 kV	900	
	33 kV and Above	1,204	
Institution	LT	31	**174**
	11 kV	23	
	33 kV and Above	120	
Total sales	**All voltage level**	**10,044.63**	**10,044.63**

9.10 Accordingly, the voltage wise energy sales ratio, as approved by the

Commission is provided in the table below:

Table 136: Sale Ratio as approved by the Commission.

Voltage Level	Sales	Sales Ratio
LT	7,774.48	77%
11 kV	945.43	9%
33 kV and Above	1,324.72	13%
Total	**10,044.63**	

9.11 The voltage wise Wires Business ARR (allocated earlier in the ratio of fixed assets), is now stacked from higher to lower voltage levels, based on energy sales ratio, as tabulated below:

Table 137: Cost Stacking (Rs. Crore) as approved by the Commission.

Voltage level	Voltage-wise ARR Allocation	Cost Staking on the basis of energy sales		
		LT	11 kV	33 kV
LT	1,073.09	1,073.09		
11 kV	378.34	337.32	41.02	
33 kV and Above	263.22	203.73	24.77	34.71
Total	1,714.65	1,614.14	65.80	34.71

9.12 Based on the above, the voltage-wise Wheeling Charges for FY 2021-22 as approved by the Commission has been tabulated below:

Table 138: Wheeling Tariff as approved by the Commission.

Voltage Categories	ARR (Rs. Crore)	Sales (MU)	Wheeling Tariff (Rs./kWh)
LT	1,614	7,774	**2.08**
11 kV	66	945	**0.70**
33 kV and above	35	1,325	**0.26**

Voltage-wise Cost of Supply

9.13 The cost of supply is defined as the sum of all costs including the cost of power incurred by a distribution utility to supply electricity to a group of consumers.

9.14 The cost of supply is an essential parameter to arrive at the cross-subsidy levels. Further, Section 61(g) of the Electricity Act, 2003, as amended on June 15, 2007, states that.

> *"Section 61. (Tariff regulations)*
>
> *The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely: -*
> *……*
> *(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies in the manner specified by the Appropriate Commission;*
> *…."*

9.15 Also, clause 8.3 of the Tariff Policy, 2016 states that the Commission should determine a roadmap so that tariffs are brought within ± 20% of the average cost of supply. The relevant excerpts of the Policy have been reproduced below:

> *"8.3 Tariff design: Linkage of tariffs to cost of service*
> *…..*
> *(2) For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply.*
> *….."*

9.16 Further, if strict commercial principles are to be followed, then the tariffs for each category of consumers is to be set based on the cost of supply for each category. However, it is difficult to determine the same pertaining to the issues of data adequacy.

9.17 The Commission is of the view that waiting indefinitely for the required data is not prudent and therefore has decided to initiate the computation of voltage wise cost of supply based on the data made available by the Petitioner as of now, which, to a great extent would reflect the actual voltage wise cost of supply.

9.18 In view of the same, the Commission has decided to follow the methodology proposed by the Hon'ble APTEL for the computation of voltage wise cost of supply in its Order dated May 10, 2012. The key interpretations made by the Hon'ble APTEL has been summarized below:

a) Identical consumers connected at different nodes in the distribution network need not be differentiated.

b) In the absence of segregated network costs, it would be prudent to work out the voltage-wise cost of supply taking into account the distribution losses at different voltage levels.

c) The Power Purchase cost, which is the major component of tariff can be segregated for different voltage levels taking into account the transmission and distribution losses, both commercial and technical, for the relevant voltage level and upstream system.

d) All consumer categories connected to the same voltage will have the same cost of supply.

9.19 The Commission, based on the methodology proposed by the Hon'ble APTEL has computed the voltage wise cost of supply as detailed below.

9.20 Apportionment of Sales: The approved sales for the FY 2023-24 have been apportioned to different voltage levels, as tabulated below:

Table 139: Voltage-wise Energy sale (MU) as approved by the Commission.

Category	Voltage level	Voltage-wise Sales	Aggregated sales
Domestic	LT	6,337	**6,360**
	11 kV	23	
	33 kV and Above	-	
Commercial/Non Domestic	LT	1,001	**1,001**
	11 kV	-	
	33 kV and Above	-	

Category	Voltage level	Voltage-wise Sales	Aggregated sales
Irrigation / IAS	LT	197	**197**
	11 kV	-	
	33 kV and Above	-	
Industrial	LT	209	**2,313**
	11 kV	900	
	33 kV and Above	1,204	
Institution	LT	31	**174**
	11 kV	23	
	33 kV and Above	120	
Total sales	**All voltage level**	**10,044.63**	**10,044.63**

9.21 **Voltage wise Technical losses:** As per para 33 of the APTEL Order dated May 10, 2012

> *"33. The technical distribution system losses in the distribution network can be assessed by carrying out system studies based on the available load data. Some difficulty might be faced in reflecting the entire distribution system at 11 KV and 0.4 KV due to vastness of data. This could be simplified by carrying out field studies with representative feeders of the various consumer mix prevailing in the distribution system. ...."*

9.22 The Commission has considered the technical loss levels at 13% for FY 2023-24 as approved in the relevant chapter of this Order and accordingly computed the voltage wise losses at different levels as tabulated below:

Table 140: Voltage-wise loss as approved by the Commission.

Voltage Level	Dist. loss level	Sales (MU)	Input (MU)	Tech Loss (MU)
33 kV	3.00%	1,324.72	1,365.69	40.97
11kV	8.00%	945.43	1,027.64	82.21
LT	15.05%	7,774.48	9,152.22	1,377.74
		10,044.63	11,545.55	1,500.92

9.23 As per para 34 of APTEL order dated May 10, 2012

"34. Thus Power Purchase Cost which is the major component of tariff can be segregated for different voltage levels taking into account the transmission and distribution losses, both commercial and technical, for the relevant voltage level and upstream system.

9.24 Accordingly, the Commission has computed the power purchase quantum at different voltage levels, as tabulated below:

Table 141: Voltage-wise Power as approved by the Commission for FY 2023-24

Voltage Level	Dist. loss level	Sales	Input	Tech Loss	Commercial Loss	Total Power Purchase
33 kV	3.00%	1,324.72	1,365.69	40.97	-	1,365.69
11kV	8.00%	945.43	1,027.64	82.21	-	1,027.64
LT	15.05%	7,774.48	9,152.22	1,377.74	-	9,152.22
		10,044.63	11,545.55	1,500.92	-	11,545.55

*Note: Commercial Loss considered as 0% as per the AT&C Loss Trajectory approved by the Commission

9.25 Allocation of power purchase cost for different voltage levels: The Net power purchase cost approved by the Commission has been allotted to different voltage levels as tabulated below:

Table 142: Voltage-wise Power purchase cost as approved by the Commission for FY 2023-24

Volt Level	Dist. loss level	Sales (MU)	Input (MU)	Net APPC (Rs./kWh)	Voltage-wise PP Cost (Rs./kWh)
33 kV	3.00%	1,324.72	1,365.69	4.70	4.84
11kV	8.00%	945.43	1,027.64	4.70	5.11
LT	15.05%	7,774.48	9,152.22	4.70	5.53
Total		10,044.63	11,545.55	4.70	5.40

9.26 Network Cost: As per para 34 of the APTEL Order dated May 10, 2012

"34……
As segregated network costs are not available, all the other costs such as Return on Equity, Interest on Loan, depreciation, interest on working capital and O&M costs can be pooled and apportioned

equitably, on pro-rata basis, to all the voltage levels including the appellant's category to determine the cost of supply.
....”

9.27 As per the above methodology, the Commission has calculated a uniform network cost for all the categories as tabulated below:

Table 143: Network Cost as approved by the Commission for FY 2023-24

Particulars	Share of Wheeling Business
Share of Wheeling Business of ARR (Rs. Cr.)	1,714.65
Total Sales (MU)	10045
Network Cost (Rs/kWh)	1.71

9.28 The voltage wise cost of supply for FY 2023-24 as approved by the Commission has been tabulated below:

Table 144: VCoS approved by the Commission for FY 2023-24

Volt Level	Voltage-wise PP Cost (Rs./kWh)	Network Cost (Rs./kWh)	VCoS (Rs./kWh)
33 kV	4.84	1.71	6.55
11kV	5.11	1.71	6.81
LT	5.53	1.71	7.24
Total	5.40	1.71	7.11

Cross Subsidy Surcharge

9.29 The Commission has determined the Cross-Subsidy Surcharge as per the methodology outlined in the National Tariff Policy 2016. The methodology keeps the interest of distribution companies as well as consumers in mind while determining a mathematical formula, thus ensuring that the competition in electricity through open access is not constrained.

“10.62 The surcharge payable by consumers opting for open access on the network of the Licensee will be determined by the Commission as per the following formula:

$$S = T - [C/(1 - (L/100)) + D + R]$$

Where,

S is the surcharge;

T is the Tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

R is the per unit cost of carrying regulatory assets:

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access."

9.30 The Commission has considered the Voltage-wise losses as approved in the previous chapter and grossed it up with approved Transmission losses of 2.23% for calculation of "L".

9.31 Weighted average purchase cost at the DISCOMs for CSS computation works out to be Rs 4.70 per unit by considering the Power Purchase Cost of Rs. 6,501.19 Crore (considering transmission charges) and Power Purchase Quantum of 13,834 MU as approved by the Commission at the Distribution Periphery.

9.32 The Tariff Policy stipulates that the CSS shall not exceed 20% of the tariff applicable to the category of the consumers seeking Open Access. Accordingly, the CSS approved by the Commission for FY 2023-24 is summarized below:

Table 145: Cross Subsidy Surcharge approved by the Commission (Rs/kWh)

Category	ABR (T)	APPC (C)	Losses (L)	Charges (D)	Reg. Assets (R)	CSS
HT Services (11 kV)	8.44	4.70	10.05%	0.70	0.00	1.69
HT Services (33 kV and Above)	8.44	4.70	5.16%	0.26	0.00	1.69

9.33 All consumers who wish to avail Open Access will be levied no charge for the use of distribution network other than wheeling charge and CSS.

Chapter 10: RETAIL TARIFF FOR FY 2023-24

Petitioner's Submission

10.1 The Summary of Tariff proposed by the Petitioner is provided below:

Category/ Sub-Category	Slabs	EC	FC
DS-R	Metered (0-400)	7.00 / kWh	75.00 / kW / Month
	Metered (>400)	8.00 / kWh	75.00 / kW / Month
	Unmetered		
DS-U	Metered (0-400)	7.60 / kWh	100.00 / kW / Month
	Metered (>400)	8.60 / kWh	100.00 / kW / Month
DS HT	DS HT	8.60 / kVAh	100.00 / kVA / Month
NDS - I	Metered (0-400)	7.25 / kWh	200.00 / kW / Month
	Metered (>400)	8.25 / kWh	200.00 / kW / Month
NDS - II	Metered (0-400)	8.00 / kWh	250.00 / kW / Month
	Metered (>400)	9.00 / kWh	250.00 / kW / Month
LTIS	Demand based Tariff	9.00 / kVAh	300 / kVA / Month
IAS-I	Metered	8.00 / kWh	50.00 / HP / Month
IAS-II	Metered	8.00 / kWh	50.00 / HP / Month
HTS-I	HTS - 11KV	9.50 / kVAh	550 / kVA / Month
	HTS - 33KV	9.50 / kVAh	550 / kVA / Month
	HTS - 132KV	9.50 / kVAh	550 / kVA / Month
HTSS	HTSS - 11KV		
	HTSS - 33KV		
RTS	RTS	8.00 / kVAh	450 / kVA / Month
SS	Metered	8.00 / kWh	200.00 / kW / Month
MES	MES	8.00 / kVAh	450 / kVA / Month

Commission Analysis

10.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2023-24 as computed hereunder:

Consumer Category	Consumer/ Sub Category	Existing Tariff				Approved Tariff			
		Energy Charge		Fixed Charge		Energy Charge		Fixed Charge	
		Unit	Rate	Unit	Rate	Unit	Rate	Unit	Rate
Domestic	Rural	Rs/kWh	5.80	Rs/Conn./Mon	50.00	Rs/kWh	6.30	Rs/Conn./Mon	75.00
	Urban	Rs/kWh	6.30	Rs/Conn./Mon	100.00	Rs/kWh	6.65	Rs/Conn./Mon	100.00
	HT	Rs/kVAh	6.15	Rs/kVA/Mon.	150.00	Rs/kVAh	6.25	Rs/kVA/Mon.	150.00
Commercial	Rural (More than 5 kW)	Rs/kWh	5.80	Rs/kW/Mon	100.00	Rs/kWh	6.10	Rs/kW/Mon	120.00
	Urban (More than 5 kW)	Rs/kWh	6.15	Rs/kW/Mon	150.00	Rs/kWh	6.65	Rs/kW/Mon	200.00
IAS		Rs/kWh	5.00	Rs/hp/Mon	40.00	Rs/kWh	5.30	Rs/hp/Mon	50.00
Industrial	Low Tension Industrial Supply	Rs/kVAh	5.90	Rs/kVA/Mon.	150.00	Rs/kVAh	6.05	Rs/kVA/Mon.	150.00
	High Tension Industrial Supply	Rs/kVAh	5.65	Rs/kVA/Mon.	400.00	Rs/kVAh	5.85	Rs/kVA/Mon.	400.00
	High Tension Special Service	Rs/kVAh	5.15	Rs/kVA/Mon.	400.00	Rs/kVAh	5.20	Rs/kVA/Mon.	400.00
Institutional	Streetlight	Rs/kWh	6.30	Rs/kW/Mon	150.00	Rs/kWh	7.00	Rs/kW/Mon	250.00
	RTS	Rs/kVAh	5.40	Rs/kVA/Mon.	400.00	Rs/kVAh	5.60	Rs/kVA/Mon.	400.00
	MES	Rs/kVAh	5.40	Rs/kVA/Mon.	400.00	Rs/kVAh	5.60	Rs/kVA/Mon.	400.00
	Other Distribution Licensee	Rs/kVAh	5.40	Rs/kVA/Mon.	400.00	Rs/kVAh	5.60	Rs/kVA/Mon.	400.00

Chapter 11: TARIFF SCHEDULE FOR FY 2023-24

APPLICABLE FROM 01.03.2024

Consumer Tariff

Ceiling Tariff

The Tariffs approved below are Ceiling Tariffs and the Licensee is at liberty to Supply at lower and more competitive rates based on the requirement of the Consumers. However, this reduced recovery shall be attributable to the Licensee and shall not be recoverable in the ARR.

Domestic Service- Rural and Urban

Applicability:

This schedule shall apply to private residential premises for domestic use of household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/ Crematorium grounds, Rural Drinking Water Schemes and other recognised charitable institutions, where no rental/fees are charged for the energy needs and for its products and services.

This rate is also applicable for all consumers with contracted demand of upto 5 kW mixed, commercial, industrial, educational institutions, drinking water schemes or for any other purpose, except streetlight connections and agriculture/allied connections.

Category of Services:

Domestic Service-Rural: areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Domestic Service -Urban: areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Service Character:

a) For Rural: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.
b) For Urban: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
Rural	Rs/Conn./Month	75	Rs/kWh	6.30
Urban	Rs/Conn./Month	100	Rs/kWh	6.65

As the Fixed Charges are applicable per connection basis, there is little relevance of load for Tariff purpose, the Petitioner should not normally inspect consumer premises on the pretext of load verification.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment : In accordance with **Clause VIII:** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Domestic Service - HT

Applicability:

This schedule shall apply to private residential premises for domestic use of household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

Category of Services:

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 33kV or 11kV voltage level. DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Service Character:

(i) For HT: AC, 50 Cycles, at 11kV or 33kV

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
DS-HT	Rs/kVA/Month	150	Rs/kVAh	6.25

Billing Demand: 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: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of

Supply as provided in **Chapter 12** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III:** Delayed Payment Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII:** Prompt Payment Rebate and Rebate for Online Payment of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

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.

Service Character:

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

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
IAS	Rs/hp/Month	50	Rs/kWh	5.30

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII:** Prompt Payment Rebate and Rebate for Online Payment of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Commercial Services

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, Dharmshalas, public Electric Vehicles Charging stations and such other installations not covered under any other tariff schedule whose Contracted Demand is greater than 5 kW and 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 kW.

This schedule shall also be applicable to 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 whose Connected Load/Contracted Demand is greater than 5kW and 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 kW.

Service Category:

Commercial Service-Rural: Areas not covered by area indicated for Commercial Service Urban. Commercial Service-Urban: Areas covered by Nagar Nigam, Nagar Parishad, Nagar Panchayat.

Service Character:

Rural: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.
Urban: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
Rural	Rs/kW/Month	120	Rs/kWh	6.10
Urban	Rs/kW/Month	200	Rs/kWh	6.65

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with C**lause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Low Tension Industrial Services

Applicability:

This schedule shall apply to all industrial units having a Contracted Load more than 5 kW and 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 kW.

Service Character:

Low Tension Industrial Service (LTIS): AC, 50 Cycles, Single Phase supply at 230 Volts or Three Phase Supply at 400 Volts.

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
LTIS	Rs/kVA/Month	150	Rs/kVAh	6.05

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances 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.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate** for Online Payment of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

HT Services

Applicability:

All the consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT- Institutional Consumers. High Tension Special Service (HTSS): 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.

Service Character:

High Tension Service (HTS): 50 Cycles, Three Phase at 6.6 kV/11 kV/33 kV/132 kV/220 kV/400 kV.

High Tension Special Service (HTSS): 50 Cycles, Three Phase at 11 kV/33 kV/132 kV/220 kV/400 kV

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
HTS	Rs/kVA/Month	400	Rs/kVAh	5.85
HTSS	Rs/kVA/Month	400	Rs/kVAh	5.20

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate** for Online Payment of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Street Light

This tariff schedule shall apply for use of Street Lighting system.

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 5.

Service Character:

Street Light Service (SS): AC, 50 cycles, Single phase at 230 Volts or Three phase at 400 Volts

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
Streetlight	Rs/kW/Month	250	Rs/kWh	7.00

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate** for Online Payment of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

HT Institutional Services

This tariff schedule shall apply for use of Railway Traction, Military Engineering Services and Other Distribution Licensees.

Applicability:

Railway Traction (RTS) and Military Engineering Services (MES): This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

Other Distribution Licensees: This tariff schedule shall apply to other distribution licensees procuring power from the Licensee for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilized in industrial units owned by it or its parent or affiliate company.

Service Character:

Railway Traction Service (RTS): AC, 50 cycles, Single, two or three phase at 25 kV/ 132 kV.

Military Engineering Services (MES): AC, 50 cycles, three phase at 6.6 kV and above.

Other Distribution Licensees: AC, 50 cycles, three phase at 6.6 kV and above

Tariff:

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
HTIS	Rs/kVA/Month	400	Rs/kVAh	5.60

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

TOD Tariff: In accordance with Clause **VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSL has procured such quantum of power from JBVNL then the onus to comply with RPO will be with JBVNL only.

Temporary Connections

Applicability:

The Temporary tariff shall be applicable as per the following conditions:

a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.

b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015 and amendments thereof.

c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

Tariff:

Category	Fixed Charge	Energy Charge
	Rate	Rate
HTIS	1.5 times of the applicable Fixed Charge	1.5 times of applicable Energy Charge

Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV projects

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2023-24 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh
Net Metering: Rs. 3.80/kWh

The tariff approved as above for FY 2023-24 shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.

Schedule of Miscellaneous Charge

The Miscellaneous Charge will applicable as per the Tariff Order dated May 31, 2023 till further Order.

Chapter 12: TERMS AND CONDITITON OF SUPPLY

Clause I: Penalty for exceeding Billing/ Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows: If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate. In case Recorded Demand is higher than the Contract Demand by the quantum and for the duration as specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amendment from time to time, the Contract Demand shall be revised as per the procedure specified therein.

Clause II: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of State Electricity Duty/Surcharge to the consumers under the State Electricity Duty Act 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.

Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge shall be applicable as specified in Clauses 10.75 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time. In case, the Licensee defaults in generating and delivering bills on monthly basis, Delayed Payment Surcharge will not be charged for the period of default by Licensee. The consumer should not be deprived of any subsidy/benefit, which could have been otherwise accrued to the consumers, i.e., energy units/amount (in case of unmetered) billed has to be apportioned on average monthly basis for the whole billing duration.

Clause IV: Voltage Rebate

Voltage rebate* will be applicable on Energy Charges as per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time at the rate given below:

Consumer Category	Voltage Rebate*
HTS/HT Institutional- 33 kV	3.00 %
HTS/HT Institutional- 132 kV	5.00%

* Note:

1) It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.

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

Clause V: Load Factor Rebate

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any 'X' % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%. The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

Clause VI: Installation of Shunt Capacitors

Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements. 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 do 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.

Clause VII: ToD Tariff

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows: -

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% 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

VIII: Prompt Payment Rebate and Rebate for Online Payment

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time. Further, a rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode subject to a maximum ceiling rebate of Rs. 250 against the billed amount. Further no rebate shall be allowed after due date irrespective of the mode of payment.

Clause IX: Rebate for Prepaid Metering

The Commission has introduced rebate to prepaid meters at 3% of the Energy

Charges for the respective Consumer Category. For such consumers, the Petitioner shall refund the entire Security Deposit within one month from the date of installation of such prepaid meters.

Clause X: Rebate for Delayed Billing

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable to all consumers.

Clause XI: Other Terms and Conditions

Reduction in Fixed Charges Recovery of Complete Fixed/Demand Charges from consumers shall be based on the availability of hours of supply recorded by meters installed in the consumer's premises. JBVNL would include the same in the consumer’s bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that interruption due to grid failure in Inter-State and Intra-State Transmission System, interruption due to prevention of accidents due sudden changes in weather conditions such as hail storm or intensive rainfall as declared by India Meteorological Department (IMD) or by State Government and planned outages/Rostering in the network to be uploaded on its website seven days in advance with a copy to the Commission and an intimation to the respective consumers shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than stipulated hours of supply shall not be claimed as a part of the

ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Commission in its earlier Order dated October 01, 2020 issued following directives: -

> *"The Commission directs the Petitioner to submit a report on implementation of the above for all categories except for LT- Domestic, within 30 days of issue of this Order and implement the same from the billing cycle following the issuance of this Order. For LT-Domestic the Petitioner shall implement the same with effect from January 01, 2021.*
>
> *However, till the time the above mechanism is implemented (i.e., December 31, 2020) for LT-Domestic, earlier mechanism for recovering fixed charge on the basis of the below mechanism specified in its earlier Order dated February 28, 2019 shall be applicable.*
>
> *FCr = FC x (20-Y)/20*
>
> *FC = Total Fixed Charges for the consumer for the Billing Period.*
>
> *FCr = Fixed Charges recoverable by the Petitioner for the Billing Period.*
>
> *Y = Average duration of no supply of power beyond 4 hours per day as recorded for the previous quarter.*
>
> *The Petitioner is directed to adjust from the monthly fixed charges as per the above specified mechanism based on the SAIDI recorded in the previous quarter."*

In view of the above, the Commission reiterate its direction that the Petitioner shall submit a report on implementation of the above, within 30 days of issuance of this Order and implement the same from the subsequent billing cycle.

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 the request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In terms of Regulation 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time, in the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delay Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delay Payment Surcharge.

Stopped/Defective Meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time.

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:

Consumer Category	Load Factor
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15
HT Consumer <132 kV	0.30
HT Consumer >132 kV	0.20

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charge billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

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 JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and as amended by the Commission from time to time.

Chapter 13: STATUS OF EARLIER DIRECTIVES

8.1 The directives issued by the Commission in its earlier Orders, its compliance by the Petitioner and further view of the Commission on compliance is tabulated below:

Directives	Status	Views of the Commission
1. Abolishment of Un-metered Category		
The Petitioner shall not be allowed to bill any unmetered consumers from January 01, 2021. The Commission, however, provides final opportunity to the Petitioner to complete the metering of by December 2020 and submit the completion report by December 31, 2020.	The Petitioner would like to submit that several administrative measures has been undertaken to increasing the metering of unmetered consumers. JBVNL is in process of ensuring 100% metering of Consumers to enable energy auditing. Petitioner is like to mention that it has started the survey work by Billing agencies for the purpose to achieve the 100% metering but due to Covid-19 pandemic the survey work got hampered badly also licensee is also facing resistance from consumers against metering. Further, the purchase of 5.86 lakh single phase meters has been started for replacement of unmetered, defective and damaged meters tender has been opened and work orders has been issued to parties for installation of meters. The target is to complete the work by the month of March 2022. Additionally, JBVNL is in the process of procuring 6.5 lakh smart meters for the urban areas of Jamshedpur and Dhanbad. In these three urban areas, replaced single phase meters and newly purchased meters will be used for metering of about 10 lakh unmetered / defective meter consumers The JBVNL is requesting the Hon'ble Commission to allow for this extended	The Commission observes that the petitioner has not been able to comply with its self-declared target. The Commission take serious note of the same. The Commission has therefore not approved billing to unmetered category.

Directives	Status	Views of the Commission
	time line for the metering of unmetered consumers in light of issues mentioned in the above paragraph. Further, in its previous Tariff Order dated 01st Oct. 2020 the Hon'ble Commission has abolished the sub-category of domestic unmetered consumers from the rate schedule of JBVNL, it is also requested to the Hon'ble Commission to allow the billing of unmetered domestic consumers with the Rate Rs. 250/ connection/ Month, till the licensee achieved the 100% metering of domestic consumers.	
2. RPO Obligation		
The Commission had directed the Petitioner to comply with the RPO Obligation by August 2020 for period till FY 2019-20 and submit the report by September 2020. The Petitioner is required to submit the quarterly report on RPO compliance for FY 2020-21. The Commission, in this Order has not imposed a penalty for non-fulfilment of RPO. The Commission may be constrained to levy penalty in future, if the Petitioner do not comply with the same. A monetary penalty may also be imposed on the Managing Director and/ or senior management of the Discoms, if the Commission deems so.	The Petitioner humbly submits that the RPO compliance for FY 2019-20, FY 2020-21 and Q1 for FY 2021-22 which is attached as **Annexure-A.** Further, the JBVNL submits that it was unable to achieve the RPO Targets in FY 2019-20, FY 2020-21 and Q1 for FY 2021-22 but to achieve the RPO targets in the future quarters, JBVNL is under process to procure the power from new renewable sources. Few plants are even ready to supply the power to JBVNL for which only the board approval is remaining. However, in the estimates for FY 2021-22 and projections for FY 2022-23 JBVNL has considered the Power Procurement from Renewable sources based on which JBVNL will be able to achieve the RPO targets in the upcoming quarters.	The Commission observes the response of the Petitioner and direct it to comply with the RPO Obligation.
3. Energy Audit & T&D Loss Reduction Plan		
The Commission observes that the Petitioner has been consistently sidestepping the directions of the Commission for compliance of the directives on Energy Audit and T&D Loss Reduction Plan. The Commission provides a final opportunity for the Petitioner to conduct division-wise Energy Audit & prepare circle-wise T&D Reduction Plan and submit the	The JBVNL has appointed the M/s Feedback Infra for the study of Circle Wise Loss Reduction Plan and the report was submitted by them and the same is attached for the reference of the Hon'ble Commission as **Annexure-B.** Further, for perfect energy audit the system metering is mandatory. To install the meters at all Feeders and Distribution Transformers, the JBVNL has prepared a plan of Rs. 358.67 Crore	The Commission has noted the submission of the Petitioner.

Directives	Status	Views of the Commission
same along with its progress to the Commission within six months of issue of this Tariff Order. The Commission has observed that a formal report has not been submitted by the Petitioner along with the efforts made to reduce such losses. The Commission directs to submit the verified audit report on sample basis within 3 months from the date of issuance of this Order without any fail. The Commission also directs the Petitioner to move towards prepaid meters to improve the collection efficiency.	and the same was approved by BoD dated 17-05-2021. Thereafter, it was under the approval from State Cabinet but after the introduction of Revamped Distribution Sector Scheme by MoP which aims to reduce the AT&C losses. The JBVNL has opted the Revamped scheme and the aforesaid works of the Discom will now come under this scheme and also the same has been approved by JBVNL BoD on 25 October 2021. Very soon the work will be started and completed within stipulated timeline. The above said works will help in reduction of T&D losses to a considerable level.	
4. Interest on Consumer Security Deposit		
The Commission has noted that the Petitioner has not made any official submissions on the issue to the Commission and directs the Petitioner to ensure that the interest is paid to all the consumers on the security deposits and submit the monthly compliance report to the Commission. The Petitioner is required to submit data related to total amount of consumer security received by the Petitioner, interest payable on consumer security deposit and actual amount paid till date on quarterly basis to Commission.	The Licensee submits that it has paid the dues pertaining to interest on consumer security deposit. In case, any consumer left, will be provided interest as and when any request regarding the same will be received by the Licensee. Further, JBVNL is in the transition phase of transferring the data from one Billing Software Agency to another and after that the licensee will be able to get the actual amount of interest on consumer security deposit paid to consumers.	The Commission has noted the submission of the Petitioner. And directs the petitioner to ensure that the interest is paid to all the consumers on the security deposits and submit the monthly compliance report to the Commission.
5. Segregation into Retail & wheeling supply of business		
According to the Regulation 5.4 of the Tariff Regulations 2015, separate accounting has to be done for Wheeling & Retail supply of Business which has not been the case till now. As per Regulation 5.5 of Tariff Regulations 2015, until the time accounts are not segregated an allocation Statement shall be prepared and submitted to apportion the costs and revenues	The licensee humbly submits that the process for selection of agency for preparation of Fixed Asset Register (FAR) is under approval from the competent authority and after that the work order will be issued to the selected agency to start the said work in scheduled time. Accordingly, after the completion of the said work JBVNL will submit the FAR to the Hon'ble Commission.	The Commission has noted the submission of the Petitioner. Further, the Commission redirect the petitioner to expedite the process.

Directives	Status	Views of the Commission
after the approval of the Board of Directors. The Commission strictly directs the Petitioner and directed to prepare the FAR and submit the same before Commission along with the MYT Petition.		
6. **Actual Supply Hours in Rural Areas**		
The Petitioner is directed to comply with the SOP and submit the monthly report in the prescribed formats.	The average supply hours for Urban & Rural area for the month of September, 2021 of JBVNL is attached in the Annexure-C.	The Commission has noted the submission of the Petitioner.
7. **Voltage Wise-Cost of Supply**		
The Commission has noted the submissions of the Petitioner. The Petitioner is directed to submit the complete study along with all its annexures and clear methodology used for calculation of VCoS within 1 month from the date of issue of this Order.	As per the direction of the Hon'ble Commission, JBVNL has already communicated to the M/s Feedback Infra for the resubmission of the Revised Voltage wise report with all requisites and also to present for the discussion on the methodology adopted in the report in the front of the Hon'ble Commission.	The Commission has noted the submission of the Petitioner.
8. Wheeling Charges		
The Commission had observed that the persistence delay in execution of the current directive and directs the Petitioner strictly to prepare the FAR and submit detailed calculation for voltage wise wheeling charge in the MYT Petition.	The licensee humbly submits that the process for selection of agency for preparation of Fixed Asset Register (FAR) is under approval from the competent authority and after that the work order will be issued to the selected agency to start the said work in scheduled time. Accordingly, after the completion of the said work JBVNL will submit the FAR to the Hon'ble Commission and start the calculation for voltage wise wheeling charges.	The Commission has noted the submission of the Petitioner.
9. Employee Performance Appraisal		
The Commission had observed that the Petitioner is yet to submit any report in this regard to the Commission. The Commission observes that the Petitioner has made some interim arrangement. The Commission directs the Petitioner to develop an arrangement whether the quality	The licensee humbly submits that it has implemented the Loss Reduction Incentive Scheme for its employees. The Copy of the same is attached here as Annexure-D.	The Commission has noted the submission of the Petitioner.

Directives	Status	Views of the Commission
of supply can be objectified into performance indicators and for an area is linked to respective Officers. The Petitioner to submit the compliance report in 3 months from the date of issue of this order.		
10. Capacity Building of Employees		
The Commission had directed the Petitioner to ensure such capacity building program should be conducted on regular basis and submit details of such workshops undertaken along with the next Tariff Petition.	The details of the capacity building programs conducted in the various areas/ circles are attached here as Annexure-E.	The Commission has noted the submission of the Petitioner.
11. Submission of impact analysis and requisite data along with proposal for introduction of ToD Tariff		
The Commission had directed the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.	The licensee humbly submits that the day wise Maximum and Minimum Peak demand with Load curve for the FY 2019-20 & FY 2020-21 are attached as Annexure-F. Further, the JBVNL is already in the process of implementation of Smart Meters which is having the functionality for ToD Tariff.	The Commission has noted the submission of the Petitioner.
12. Reduction in Fixed Charges		
The Commission had directed the Petitioner to submit a report on implementation of the reduction in Fixed Charges based on billing hours for all categories except LT - Domestic, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order. With regard to LT-Domestic category, the Commission directs the Petitioner to implement the same from January 01, 2021.	The licensee humbly submits that considering the current stressed financial condition of the Discom, the licensee is unable to propose any plan related to reduction in Fixed/ Energy charges in the existing rate schedule. Further, the licensee has already submitted the Tariff Proposal for the change in existing rate schedule in the last MYT Petition and it will be filing the new Tariff Proposal along with the Audited Tariff Petition requests to the Hon'ble Commission to consider the same.	The Commission observes the petitioner has not implemented the directive. However, the licensee has submitted the Tariff proposal for change in existing rate schedule.

Chapter 14: DIRECTIVES

Submission of Fixed Asset Register

14.1 The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations and submit the status report to the Commission along with FAR in the next tariff filing. The Petitioner is directed to specifically comply with the observations of the statutory authorities/auditors on the matter of Verification & Monitoring of Fixed Assets/CAPEX/Inventory and Maintenance of proper records preferably in digital form for observance of statutory provisions. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts & filing of Petitions/Business Plans/APR in time.

14.2 The Petitioner is directed to submit the itemized details of scraps and store items along with the estimated values within 3 months from the issue of this Order.

14.3 It is apparent that the petitioner is enjoying a perpetual moratorium as no interest or debt is being serviced. It thus, in effect is akin to Government Grant. Hence, the Commission is of view that the Petitioner may approach the Government to convert the Government loan into Government Grant.

14.4 The Commission vide letter no JSERC/Case (Tariff) no.: 03 & 15 of 2022/505 dated February 6, 2024 has directed the petitioner to provide a comprehensive roadmap for liquidation of Cumulative Gap/(Surplus) up to FY 2023-24 within a week. But till date the petitioner had not submitted the same. In this regard, the Petitioner is redirected to submit the desired proposal within stipulated time frame.

14.5 The then Principal Secretary Energy -B.K. Tripathi of State Government of Jharkhand vide letter date 14.07.2014 as annexed in ***Annexure-2*** had intimated that released of Rs 1500 crores per annum towards resource gap to the JUVNL (erstwhile J.S.E.B) will be to meet the slashes/disallowance worked out by the Hon'ble Commission while fixing the tariff. It has been found that this amount is not disbursed from FY 2019-20. Hence, JBVNL is directed to approach the Government of Jharkhand to release the said amount so that the gap may be liquidated.

14.6 The distribution system plays a crucial role in the power delivery chain, as it establishes the last mile connectivity with the ultimate consumers. Consumers are paramount in this process, serving as the revenue generators that sustain the entire power delivery chain, from generation to distribution. Distribution service providers have undertaken numerous commendable initiatives aimed at improving the system, reducing distribution losses, enhancing the safety of both personnel and equipment, and resolving issues related to meters and billing. However, there remains a need for further action by licensees to address existing challenges and ensure the continued reliability and efficiency of the distribution system

14.7 The JBVNL is directed that:

a) the norms for engaging outsourcing personnel through Business associates, along with details regarding the number of outsourcing personnel at each division & circle level and their assigned works/responsibilities, should be provide.

b) present status and future planning for the creation of dedicated industrial feeders with adequate protection systems to ensure reliable power supply.

c) an energy audit should be conducted to assess LT & HT losses.

d) submission of the valuation of distribution assets under operation in their area of supply, categorized into three broad categories: existing assets before taking over, assets created after taking over by present DISCOMs, and assets created under Government funding before & after taking over of distribution business by the present DISCOMs, is required.

e) a robust consumer database should be created by introducing a Know Your Customer (KYC) mechanism and other methods to identify genuine consumers and eliminate bogus consumers.

f) consideration should be given to organizing consumer-licensee interaction meetings to address consumer grievances and foster a consumer-friendly environment

14.8 The Commission directs the Petitioner not to purchase power under High Price Day Ahead Market (HP- DAM) in the integrated Day Ahead Market (I-DAM) segment.

14.9 The Commission has observed that the Petitioner has not provided the detailed slab wise billing determinant (number of consumers, connected load and energy sales) along with revenue for ARR period for FY 2023-24. The Commission taking note of the non-compliance, directs the Petitioner to provide the detailed slab/sub-slab wise billing determinants along with revenue from the next Tariff filling failing which will lead to the proceedings of the non-compliance of directive as per Regulations/Act.

14.10 The Commission directs the Petitioners to provide voltage-wise energy sales and losses data, including information for 440V, 11kV, 33kV, 66kV, and 132 kV levels. Additionally, it is mandatory to submit both the energy audit report and the cost audit report, prepared in accordance with the Companies (Cost Records and Audit) Rules, along with the ARR/Tariff filing each year.

14.11 The Petitioners are directed to ensure 100% feeder metering and DT metering and separation of agriculture feeders.

14.12 There is lack of clarity on the interest of security deposited that has been given to the consumers. Petitioners in its submission should clearly demonstrate how much interest on security deposit was required to be given and how much interest has been actually disbursed.

14.13 There are several upcoming opportunities for the Licensees to enhance their nontariff income particularly from the broadband and 5G telecom companies for installation of their equipment on the electric poles and infrastructure of the licensees. The licensees are directed to develop a business plan in accordance with JSERC (Facilitation of Telecommunication Network) Regulation 2023 in this regard and submit the same for the approval along with tariff of the Commission.

14.14 The Petitioners shall upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and related documents, which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Orders of the Commission. The Petitioner shall also ensure that these files are broken into such size which can be easily downloaded and will not keep them in compressed form as the stakeholders find it difficult to extract the files.

14.15 The details of all pending cases filed by Petitioners against the Commission in various forums, along with their status, should be provided alongside the ARR/Tariff filing each year.

14.16 The Petitioners are directed to submit DSM account details separately from the power purchase along with each ARR/ Tariff fillings.

14.17 The list of Open Access consumers, categorized into Long Term, Short Term, and Medium Term, should be provided along with their consumption data and consumer category. This information should be included in the Petition submitted alongside the ARR/Tariff filing each year.

14.18 Wherever the opening values in the audited account doesn't match with the closing shown in the previous audited account, the reasons for the same to be provided as part of audited accounts henceforth.

14.19 Provide the detailed breakup of CWIP claimed for the year along with the Petition along with the ARR / Tariff filing each year.

14.20 The month-wise actual category/sub-category/slab-wise Billing Determinants, including the number of consumers, connected load, sales, and actual revenue for the year, should be submitted alongside the future filings.

14.21 The reconciliation of actual O&M expenses (including employee expenses, A&G expenses, R&M expenses) compared to the normative expenses for the year should be submitted in each future filing.

14.22 The Petitioners are directed to ensure that the actual Power Purchased Cost, including a detailed breakdown of each source, inter-state transmission charges, and intra-state transmission charges, are incorporated into the audited accounts.

14.23 Ensure that the actual category/sub-category-wise Billing Determinants (including the number of consumers, connected load, and sales) and category-wise actual revenue are included in the audited accounts henceforth.

14.24 The Petitioners are directed to ensure that actual power purchased (in million units) and ex-bus energy delivered at the Discom periphery (in million units), along with inter and intra-power purchase (in million units) and inter and intra-state losses, are included in the audited accounts henceforth.

14.25 The Commission has observed that the few formats the data is incomplete. It has also been observed that the Excel files are not linked and formula driven which delays the proceedings. Therefore, the Petitioner is directed to ensure that all the Tariff and additional Formats are completely filled and are with formulas and links.

14.26 The Petitioners are directed to submit a proposal outlining the category/subcategory-wise roadmap for cross-subsidy reduction. They should take necessary steps to reduce such subsidy to within +/- 20% of the Average Cost of Supply (ACoS) in compliance with the provisions of the Tariff Policy, 2016.

14.27 The Petitioners are directed to enhance the quality of the distribution network by implementing state-of-the-art technology and contemporary technological solutions to address upcoming and new challenges in the sector. Additionally, the Licensees are directed to prioritize institutional capacity building, particularly focusing on operations related to smart metering, prepaid charging infrastructure, demand response, time of use (TOU), cyber security and privacy of data, and the utilization of AI tools. As part of this initiative, in-house Training Centers/Programs need to be established to expand the knowledge base and upgrade the competencies of their employees in line with technological trends in the sector. This will help bridge capacity gaps and reduce reliance on outsourcing essential and sensitive services. Furthermore, the Petitioners are required to conduct training sessions on Standard Operating Procedures (SOP) and Consumer Grievance Redressal Forum (CGRF) for the relevant personnel.

14.28 The Petitioners are required to file quarterly progress reports before the Commission on the implementation of Standard of Performance (SoP) as per JSERC Regulations.

14.29 The Commission directs the Petitioners to follow the RPO trajectory set by the Commission and submit RPO compliance along with Tariff Fillings and other orders of the Commission from time to time.

14.30 The Commission directs that pre-paid meter/ smart meter be installed for all new connections or replacement of faulty meters.

14.31 100% metering is a necessary condition for an efficient distribution network and financial viability of the distribution companies.

14.32 The Commission directs the Petitioner, that the Open Access shall be allowed to those who wish to avail Open Access as per the provisions outlined by the Commission in its Regulations, Orders and any amendments from time to time.

14.33 The Petitioner is directed to provide complete details of energy managed through net metering on monthly basis including energy banked / adjusted and the amount / energy settled at the end of financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with ARR/ Tariff filling.

14.34 The Petitioner is directed to do proper accounting with regard to MUs and rates of captive/ internal consumption of electricity and captured the same in the audited balance sheet under separate head. The Petitioner is also directed to submit the complete details viz MUs consumed, tariff and revenue booked along with every ARR / Tariff filling.

14.35 The Petitioner has directed that the direction of the earlier Tariff Orders which have not been complied should be complied immediately.

14.36 Apart from the above directions the Petitioner should comply with the directions provided at various places in this Tariff Order

14.37 The Petitioner is directed to review the comments of the Commission and comply with the directives issued by the Commission with utmost sincerity failing which necessary action in accordance to law shall be initiated.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on February 28, 2024.

Date: 28.02.2024
Place: Ranchi

Sd/-	**Sd/-**	**Sd/-**
(Atul Kumar)	**(Mahendra Prasad)**	**(Justice Amitav Kumar Gupta)**
MEMBER (Technical)	**MEMBER (Legal)**	**Chairperson**

Chapter 15: List of Public Who Participated in public hearing

List of public who participated in the Public Hearing and submitted their Suggestions/Comments

Sr. No.	Name	Address/Organization
Daltonganj, 13/12/2023		
1.	Anil Kumar Singh	Urja Sathi
2.	Dharmesh Chauhan	Karar Khumal
3.	Vishehwar Kumar Sinha	JBVNL
4.	Monu Kumar	JBVNL
5.	Ranjit Singh	Daltonganj
6.	Ram Kumar	Daltonganj
7.	Saraswati Devi	Kund Mohalla
8.	Rakesh Kumar	Panjari kala
9.	Damodev Pandey	Daltonganj
10.	Mukesh Kumar	Redma
11.	Rakesh Maher	Beriya
12.	Kunal Kumar	Daltonganj
13.	Mahtab Ansari	Paneribandh
14.	Aakib Hawari	Paneribandh
15.	Sheo Puja Sharma	Daltonganj
16.	Deobam Thakur	Daltonganj
17.	Naresh Kumar	Daltonganj
18.	Shamsed Alam	Lalcha
19.	Anupam Kumar	Garda
20.	Deepak Kumar Thakur	Sua
21.	Kamal Kumar	Garhwa
22.	Abid Hussain	Garhwa
23.	Nathulesh Singh	Chukru
24.	Nitesh Singh	Chukru
25.	Au Kumar	Daltonganj
26.	Mahadev Mahato	JBVNL
27.	Uday Kr Sinha	Latehar
28.	Jitendra Sahu	Daltonganj
29.	Prakash Ram	Daltonganj
30.	Fuleshwar	Daltonganj
31.	Arun Kumar	Sudna
32.	Dhirendra Kumar	Redma
33.	Saryu Ram	Daltonganj
34.	Satyendra kr Singh	Daltonganj
35.	Laldev Sinha	JBVNL

Sr. No.	Name	Address/Organization
36.	Yamuna Viswakarma	Garhwa
37.	Suman Kumar Dubey	JBVNL
38.	Deepak Kumar	JBVNL
39.	Deepak Kumar	Jr.Manager Garhwa
40.	Pappu	Garhwa
41.	Mithilesh Dubey	Sudna
42.	Ramjaneu Kumar	Daltonganj
43.	Prince Tiwari	Jorh Sadar
44.	Vitesh Kumar Singh	Sudama
45.	Devendra Singh	Sudna
46.	Ghulam Gore	Khatbara Parthi
47.	Basudev Pandey	Shahpur
48.	Aasha Kumari	JBVNL
49.	Sunil Kumar Sharma	Garhwa
50.	Pankaj Kumar Ram	Lesliganj Darudih
51.	Neejandev Kumar	Lesliganj palamu
52.	Subhash Kumar	Sathbarwa
53.	Bablu Ram	Daltonganj
54.	Amarjeet Kumar Singh	Parsai Tarhasi
55.	Sanjay Kumar	Daltonganj
56.	Rinku Kumar Shuba	Bariyatu
57.	Navneet Termi	Panew Road
58.	Shakib Alam	JBVNL
59.	Manish Ojha	Abadganj
60.	Shamsher Kumar Medhwa	Bairyau
61.	Manoj Kumar	Daltonganj
62.	Vikas Kumar	Daltonganj
63.	Harembu Kumar	Pokhri Khurd
64.	Samir Toppo	Remkardiu
65.	Rajeev Kumar	Palan
66.	Ashish Kumar	Daltonganj
67.	Ram Niwash Singh	JBVNL
68.	Paras Nath Tiwari	JBVNL
69.	Vijay Anand Purti	Daltonganj
70.	Sanjay Kumar	Daltonganj
71.	Rajesh Kumar	Daltonganj
72.	Prem Kumar Singh	Daltonganj
73.	Naseem Shukla	Daltonganj
74.	Amit Kumar Singh	Garhwa
75.	Satyendra Ram	Daltonganj
76.	Rajnarayan Shukla	Nagar Untari
77.	Satyendra Kumar	Pandwa
78.	Sushil Kumar Singh	Pal

Sr. No.	Name	Address/Organization
79.	Santosh Singh	Pokhara kala
80.	Durga Shankar Singh	JBVNL
81.	Radhe Shyam Tiwari	JBVNL
82.	Satyendra Kumar	JBVNL
83.	Fasi Ahmed	Mukthapur
84.	Chandan Kumar	Pokhari Khud
85.	Pranav Kumar	Jamuna
86.	Shiv Kumar Singh	Sudma
87.	Suryapal	JBVNL
88.	Deepak Kumar	Daltonganj
89.	BK Chaudhary	Daltonganj
90.	Angad Kumar Prajapati	JBVNL
91.	Radha Krishna Tripathy	PWC,JBVNL Consultant
92.	M.A.A.L	JBVNL
93.	Kunj Bisji	JBVNL
94.	Manoj Kumar	Garhwa
95.	Ranjan Kumar	ESA M Nagar
96.	Satish Mahu	ESA Medhinagar
97.	Ranbir Raj Chouhan	Patan palamu
98.	Pushpa	Shahpur
99.	Manoj Kumar Singh	Garhwa
100	Sunil Singh	Pawar Kunshmanda
101	Nagendra Kumar Mehta	Sudna
102	Arun Seth	Parsdi Tarhasi
103	Meena	Shahpur
104	Anand Kumar	Garhwa
105	Rini	JBVNL
106	Rinki Kumari	JBVNL
107	Vinay Kumar	Daltonganj
108	Janish Kumar	Daltonganj
109	Satya Narayan Prasad	Chainpur JBVNL
110	Manjur Khan	Chainpur JBVNL
111	Deepak Kumar	Satbarhwa
112	Manoj Kumar	Satbarhwa
113	Manimohan Kumar	JBVNL
114	Arun Kumar	Daltonganj
115	Nusham Bariya	Kechki
116	Shailesh Kumar Peswan	Palatan
117	Summet Kumar Singh	Dulhi Pandwa
118	Sunny Gupta	Daltonganj
119	Dhananjay Prasad	JBVNL

Sr. No.	Name	Address/Organization
120	Mantu Kumar	Daltonganj
121	Malay Kumar Das	Daltonganj
122	Sanniya Kumar Yadav	Bariya
123	Balwant Kumar	Pasayi
124	Govind Kumar Mishra	Amawa
125	Vivek Kumar	Meral
126	Kumari Anwadna	Jail hata
127	Surendra Ram	Bansdih
128	Kundan Kumar Paswan	Lesliganj
129	Rahul Kumar Mishra	Daltonganj
130	Kunal Bhushan Sinha	Lesliganj
131	Ravi Kumar	Nava bazar
132	Satish Kumar	Nava bazar
133	Anar Pathan	Delhi
134	Sabir Hussain	Neura
135	Budhu Mahato	Redma
136	Md Shahid Anwar	Sudna
137	Navin Kumar	Garhwa
138	Rajendra Rani	Garhwa
139	Santram	Sudna
140	Surendra Kumar Paswan	Sudna
141	Dharmendra Yadav	Patan palamu
142	Virendra Kumar	Redma
143	Nare Alam	Daltonganj
144	Shabbir Ansari	Daltonganj
145	Siroj Ansari	Kudaga Kala
		Chaibasa, 13/12/2023
146	Sudesh Gope	Jagannath Puri
147	S.K.Shina	Chaibasa
148	Md. Nasim	Chaibasa
149	Rajeev Singh	Chaibasa
150	Nitish Prakash	Chaibasa
151	Punit Kaunatia	Singhbhum Chamber of Commerce, Chaibasa
152	Abinash kr. Gupta	Chaibasa
153	Kumari Pushpalata Singh	Chaibasa
154	Harisgh Kailash	Chaibasa
155	Alok	Tatanagar
156	Avinash Anand	Chaibasa
157	Kopirndra Kumar	Chaibasa
158	Rajesh Raju	Chaibasa
159	Jaya kr. Nishad	Chaibasa
160	Rohit	Chaibasa

Sr. No.	Name	Address/Organization
161	Avinash Kumar	Chaibasa
162	Shankar Kumar	Chaibasa
163	Rahul Sharma	Chaibasa
164	Bhaginath Mahto	Prabhat Khabhar
165	Harishankar Gope	The Photon News
166	Ram Parvesh Thakur	Chaibasa
167	Ravi kumar	Chaibasa
168	Mukesh Poddar	Chaibasa
169	Satyanarayan Birurli	Chaibasa
170	Manas Ghosh	Chaibasa
171	Niranjan Prasad Gupta	Chaibasa
172	Panna Lal Dhar	Chaibasa
173	Sunita Kundu	Chaibasa
174	Sharmila Devi	Chaibasa
175	Damu Mailgandi	Ulluhatu
176	Md. Taki	Chaibasa
177	Vivek Kumar Shina	Chaibasa
178	Nisha Kedia	Chaibasa
179	Akarshan Agarwal	Chaibasa
180	Ram Pravesh Thakur	Chaibasa
181	Wakil Khan	Chaibasa
182	Sanjay kr. Madhura	Chaibasa
183	Kapil Ranjan Tigga	Chaibasa
Dhanbad, 15/12/2023		
1.	Akansha Kumar	Kendua, Hanuman Gadhi
2.	Abdul Jabbar	Ansari Nagar,Pandar Pala
3.	Sunil Aggarwal	Dhanbad
4.	Reyasat Hussain	Pandar Pala
5.	Asif Iqbal	Kalali Bagh
6.	Vishwas Kr Singh	Jora Phatak
7.	Ajit Kumar Singh	Dhanbad
8.	Shiv Shambhu Paul	Jora Phatak
9.	Sailendra Singh	Dhanbad
10.	Pannalal Munda	Purana Bazaar
11.	VK Ojha	Purana Bazaar
12.	Dilip Rawat	Main Post
13.	Samant Mandal	Dhanbad
14.	Sandeep Kumar	JBVNL
15.	Swarup M Banerjee	JBVNL
16.	Vivek Lodha	Ispat
17.	Vinay Kumar Barman	Digwadih
18.	Shiv Choran Sharma	Jharia
19.	S Biswanathan	Dhanbad
20.	Geeta Devi	Jharia

Sr. No.	Name	Address/Organization
21.	Suman Kumar	Dhanbad
22.	Manoj Kumar Sinha	Dhanbad
23.	Manish Kr Verma	Dhanbad
24.	Mukesh Kumar	Dhanbad
25.	Gyan Prakash	Dhaiya,Dhanbad
26.	Arvind Kumar	JBVNL
27.	Rishi Nandan	JBVNL
28.	Dinesh kr Singh	JBVNL
29.	Sourabh Jain	JBVNL HQ
30.	J.P Bhuvan	Kerkent
31.	Shiv Prasad	Jharia
32.	Kailash Goyal	Dhanbad
33.	Ram chandra Tiwari	Hirapur
34.	Bijay Kumar Sharma	Dhanbad
35.	N.K Pal	Dhanbad
36.	Santosh Kushwah	Dhanbad
37.	Ratilal Mahato	Dhanbad
Deoghar, 18/12/2023		
1.	Satya Narayan Bhogta	JBVNL
2.	Ranjan Kumar	Kaladhpure
3.	Ravi Kumar Kishor	President Deoghar Chamber of Commerce
4.	Ashok Shroff	Member Deoghar Chamber of Commerce
5.	Kumud Nath	Deoghar
6.	Hare Ramdev	Deoghar
7.	Anil Pandit	Deoghar
8.	Pawan Kumar	Deoghar
9.	Fuleswar Yadav	Deoghar
10.	Pramod Thakur	Jasidih
11.	David Kumar Hansda	Jasidih
12.	Nishant Kumar	Jasidih
13.	Sunil Singh	Jasidih
14.	Binay Kala	Giridih
15.	Tripuri Ramani	Deoghar
16.	Raman Kumar	Devpur Ghasko
17.	Vishnu Yadav	Vaidhnathpur
18.	Basant Guria	Rajabagicha
19.	Igualis Kerketta	Rajbagicha
20.	Arun Kumar Thakur	Chhotoamthupur
21.	Neeraj Anand	JBVNL
22.	Lav Kumar	JBVNL
23.	Manish Kumar Sultnana	Bhawani Ferrous P Ltd
24.	Nagendra Kumar Mehta	JBVNL

Sr. No.	Name	Address/Organization
25.	Kailash Kumar	Deoghar
26.	Rishu Sharma	Deoghar
27.	Tohida	Mohanpur
28.	Munna Kumar Yadav	Jasidih
29.	Vikash Kumar Chouhan	Jasidih
30.	Ashok Sahu	Jasidih
31.	Ashok Sahu	Jasidih
32.	Ashok Kumar Singh	Deoghar
33.	Aadesh Mahto	Jasidih
34.	Rajesh Kumar	ESD Jamatara
35.	Nandlal Rana	ESS Deoghar
36.	Pradip Kumar Ram	ESD Deoghar
37.	Nilesh Anand Jha	Mohanpur
38.	Prabu Kumar Das	Mohanpur
39.	Ghanshyam Das	Deoghar
40.	Priya Ranjan Rakesh	Deoghar
41.	Dhermendra Kamti	Hathiyaru
Ranchi, 19/12/2023		
42.	Sanjay Singh	GM (IT) JBVNL
43.	C. N. Prasad	Ranchi
44.	Mantosh Mani	GM (Revenue)
45.	Dineshwar Kumar Singh	ESE/Ranchi
46.	Rajesh Kumar Mandal	ESE/Ranchi
47.	Ajay Kumar	Ranchi
48.	Bijoy Kumar Ghosh	JBVNL
49.	Anita Prasad	JBVNL
50.	Prashant Kumar Srivastava	JBVNL
51.	Raj Kumar Agarwal	JBVNL
52.	Arvind Kumar	JBVNL
53.	Amit Das	Prabhat Khabhar
54.	Indra Datta	Namkum Industrial Area
55.	Gaurav Kr. Garodia	Shree Plastic Industries
56.	C.M. Sharma	Ranchi
57.	Anand Deswar	Ranchi
58.	Amit Karn	JBVNL
59.	Parvin Kumar	Lagatar In
60.	Arvind Kumar Mahli	JBVNL
61.	Binay Choudhary	JSIA
62.	Deb Kumar Mitra	JSIA
63.	Prabhat Tono	JBVNL
64.	Ms. Gargi Srivastava	Gajanan Ferro Pvt. Ltd

Sr. No.	Name	Address/Organization
65.	Mr. Shivam Singh	Kokar, Ranchi
66.	Sourabh Jain	JBVNL
67.	Rajeev Kumar Shukla	JBVNL
68.	N. Dokania	Ranchi
69.	Sunil Kumar	JBVNL
70.	Eshan Singh	APNRL
71.	Prabhat kumar	Ranchi
72.	Subhash Chatterjee	Ranchi
73.	R. K. Tripathy	PWC
74.	Soumya Ranjaa	Singh More, Ranchi
75.	Binod Kumar Agarwal	Ranchi
76.	Arun	Tupudana Industries Association
77.	Sunil Kr. Jaiswal	Ranchi
78.	Om Prakash Agarwal	Ranchi
79.	N.K. Patodia	Usha Martin & Agarwal Sabha
80.	Kedar Nath Das	BIT, Mesra, Ranchi
81.	Anjay Pacheriwala	JSIA
82.	Ajay Kr. Dadheech	JSIA
83.	Deepak Kr. Maroo	JSIA
84.	Ravi Tibrewal	JSIA

Annexure-1

Minutes of Meeting

दिनांक 19.02.2024 को संपन्न हुए राज्य सलाहकार समिति की बैठक की कार्यवृत्ति

राज्य सलाहकार समिति की बैठक माननीय न्यायाधीश श्री अमिताभ कुमार गुप्ता, अध्यक्ष, झारखण्ड राज्य विद्युत नियामक आयोग, राँची की अध्यक्षता में दिनांक 19.02.2024 को झारखण्ड राज्य विद्युत नियामक आयोग, राँची के सभागार में संपन्न हुई । इस बैठक में राज्य सलाहकार समिति के निम्नांकित सदस्य/ सदस्य के प्रतिनिधि उपस्थित हुएः-

क्र० सं०	सदस्यों के नाम	सदस्य/ प्रतिनिधि
1	श्री महेन्द्र प्रसाद, माननीय सदस्य (विधि), झारखण्ड राज्य विद्युत नियामक आयोग, राँची।	सदस्य
2	श्री अतुल कुमार, माननीय सदस्य (तकनीकि), झारखण्ड राज्य विद्युत नियामक आयोग, राँची।	सदस्य
3	श्री अगम प्रसाद, मुख्य अभियंता-सह-मुख्य विद्युत निरीक्षक, उर्जा विभाग, राँची ।	प्रतिनिधि
4	श्री अरविंद कुमार, कार्यकारी निदेशक (वाणिज्य एवं राजस्व) झारखण्ड बिजली वितरण निगम लिमिटेड, अभियंत्रण भवन, एच०ई०सी०, धुर्वा,	प्रतिनिधि
5	श्री मंतोष मनी सिंह, महाप्रबंधक (वाणिज्य एवं राजस्व) झारखण्ड बिजली वितरण निगम लिमिटेड, अभियंत्रण भवन, एच०ई०सी०, धुर्वा, राँची।	प्रतिनिधि
6	श्री मनोज कुमार करमाली, नदेशक(परियोजना), झारखण्ड उर्जा संचरण निगम लिमिटेड, एस०एल०डी०सी० भवन, कुसई कॉलोनी, डोरंडा, राँची।	प्रतिनिधि
7	श्री राकेश रौशन, कार्यकारी निदेशक, तकनीकि, झारखण्ड उर्जा उत्पादन निगम लिमिटेड, अभियंत्रण भवन, एच०ई०सी०, धुर्वा, राँची।	प्रतिनिधि
8	श्री अतिलेश गौतम, विद्युत कार्यपालक अभियंता, ज्रेडा, राँची ।	प्रतिनिधि
9	श्री राजीव प्रसाद, विद्युत कार्यपालक अभियंता, तेनुघाट विद्युत निगम लिमिटेड, हिनू	प्रतिनिधि
10	श्री मोहित कुमार गुप्ता, मुख्य प्रबंधक, टाटा पावर कंपनी लिमिटेड, जमशेदपुर ।	प्रतिनिधि
11	श्री वरुण कुमार, प्रबंधक, टाटा स्टील लिमिटेड, जमशेदपुर	प्रतिनिधि
12	श्री वरुण कुमार, प्रबंधक, टाटा स्टील युटिलिटीज इन्फास्ट्रक्चर सर्विसेज लिमिटेड, जमशेदपुर	प्रतिनिधि

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13	श्री मनोज कुमार, वरिष्ठ प्रबंधक, बोकारी स्टील प्लान्ट, बोकारो, झारखण्ड।	प्रतिनिधि
14	श्री सुजीत कुमार, ADEE/TRD, दक्षिण पूर्व रेलवे, राँची ।	प्रतिनिधि
15	प्रोफेसर एस०के० समदर्शी, सेंट्रल युनिवर्सिटी झारखण्ड, राँची ।	सदस्य
16	श्री बी०के० तुलस्यान, फेडरेसन ऑफ झारखण्ड चैम्बर ऑफ कॉमर्स एण्ड इंडस्ट्रीज, राँची	सदस्य
17	श्री अंजय पचेरीवाला, अध्यक्ष, झारखण्ड स्मॉल इन्डस्ट्री एशोसिएशन, राँची।	सदस्य
18	श्री कैलाश चन्द्र गोयल, महासचिव, धनबाद फ्लावर मिल्स एसोसिएशन, धनबाद।	सदस्य
19	श्रीमति हेमलता उराँव, मुर्टो, सिलागाई, चान्हो, राँची ।	सदस्य

सर्वप्रथम आयोग के सचिव द्वारा राज्य सलाहकार समिति के सभी सदस्यों का स्वागत किया गया। तत्पश्चात् माननीय अध्यक्ष महोदय की अनुमति से बैठक की कार्यवाही प्रारंभ की गई।

तत्पश्चात् श्री मंतोष मनी सिंह, महाप्रबंधक (वाणिज्य एवं राजस्व), झारखण्ड बिजली वितरण निगम लिमिटेड (जे०बी०भी०एन०एल०) ने पी०पी०टी० के माध्यम से FY 2020-21, FY 2021-22 का True-up based on Audited Account, FY 2022-23 का Annual Performance Review (APR) तथा FY 2023-24 का ARR and Tariff का संक्षिप्त विवरणी पेश किया ।

श्री बी०के० तुलस्यान ने Security deposit पर Interest के संबंध में कहा कि वर्तमान में यह सिर्फ एच०टी० उपभोक्ताओं को ही दिया जा रहा है । Commercial consumer के संबंध में उन्होंने कहा कि इनको Demand based टैरिफ प्रस्तावित है लेकिन इस पर कोई Clarity नहीं दिया गया है । उन्होंने Domestic consumer के लिए Smart meter के रीडिंग और Sanction load में जो

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अधिक होगा उस पर बिल करने के प्रस्ताव के स्थान पर मीटर के बीलिंग के आधार पर बिल करने की बात कही । उन्होंने यह भी कहा कि फिक्स चार्ज 'per connection' के स्थान पर 'per kilowatt' का प्रस्ताव भी उपभोक्ताओं के हित में नहीं है । इसलिए इस पर गंभीरता से विचार किया जाना चाहिए ।

श्री अंजय पचेरीवाला ने कहा की झारखण्ड बिजली वितरण निगम लिमिटेड द्वारा दिये गये PPT में किसी भी काम के लिए कोई भी समय सीमा निर्धारित नहीं किया है और न ही समय पर काम नहीं होने पर किसी की भी जवाबदेही का कोई जिक्र है, इस पर ध्यान देने की आवश्यकता है । उन्होंने मीटरिंग सिस्टम में सुधार किये जाने की भी बात कही । Separate transformer for industrial consumer के संबंध में कहा कि यह HT consumer तक ठीक है लेकिन LTIS consumer का प्रोजेक्ट खर्च के बराबर तो ट्रांसफॉमर का खर्च आ जाता है, इसलिए इस पर भी विचार किया जाना चाहिए । उन्होंने HT consumer से ट्रांसफॉर्मर loss के नाम पर 3 प्रतिशत अतिरिक्त वसूली पर विचार करने की भी बात कही । उन्होंने कहा कि सोलर के नेट मीटरिंग के संबंध में JBVNL पिछले 3 साल से Software बना रहा है, इससे भी इन्हीं का Revenue loss हो रहा है । इसलिए इसमें भी सुधार करने की आवश्यकता है । उन्होंने यह भी कहा कि बिलींग की समस्या से निजात पाने के लिए एक Centralised portal बनाने की जरूरत है ।

श्री कैलाश चन्द्र गोयल ने IPDS एवं RDSS योजना पर सही तरीके से काम करने की बात कही जिससे Loss कम होगा । उन्होंने कहा कि JBVNL को अधिक Loss बिजली चोरी के मामले में होती है । इसलिए प्रत्येक ट्रांसफॉर्मर में मीटर लगाने से बिजली चोरी को कम किया जा सकता है । उन्होंने कहा कि बकाये बिल की वसूली में उदासीन रवैया होने के कारण इनके

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घाटे का भार दूसरे उपभोक्ता पर आ जाता है । इसलिए इन सब बातों पर त्वरित गति से संज्ञान लेने की आवश्यकता है ।

श्रीमती हेमलता उरांव ने कहा कि प्रस्तावित टैरिफ में ग्रामीण घरेलु उपभोक्ताओं का टैरिफ 1.25 रू0 बढाने और फिक्सचार्ज में 55 रू0 बढ़ाने के प्रस्ताव पर ध्यान देने की जरूरत है । उन्होंने Non domestic consumer के Energy Charge में 1.50 रू0 तथा Fixed Charge में 150 रू0 बढ़ोतरी पर भी ध्यान देने की जरूरत है। उन्होंने कहा कि Agriculture consumer का Energy Charge 3 रू0 और Fixed Charge को बढ़ाकर 50 रू0 करने का प्रस्ताव भी न्याय संगत नहीं प्रतीत होता है । उन्होंने कहा कि ग्रामीण उपभोक्ताओं को सही से बिजली भी मुहैया नहीं करायी जाती है, न ही उनकी शिकायतों का निपटारा सही समय से कराया जाता है । उन्होंने यह भी कहा कि अगर किसी क्षेत्र में ट्रांसफॉर्मर जल जाता है या कहीं तार टूट जाता है तो इसे ठीक कराने के लिए लंबे समय तक इंतजार करना होता है ।

समिति के सदस्यों द्वारा उठाये मुद्दे के जवाब में श्री ऋषि नंदन, जे0बी0भी0एन0एल ने कहा हम महुआटांड़ तथा अन्य जगहों पर नये ग्रीड का निर्माण कर रहे हैं जिससे आने वाले दिनों में विद्युत आपूर्ति में सहायता मिलेगी । उन्होंने बिलींग की समस्या के संबंध में बताया कि इसमें जल्द ही सुधार हो जायेगी क्योंकि हमने प्रीपेड मीटर लगाना शुरू कर दिया है ।

श्री अरविंद कुमार, जे0बी0भी0एन0एल0 ने कहा कि पिछले साल हमलोगों ने 6 लाख एल0टी0 उपभोक्ताओं को Security deposit पर Interest दिया था । इस साल हमलोगों ने जनवरी से Security deposit पर Interest देना शुरू कर दिया है और 10 लाख उपभोक्ताओं का डाटाबेस तैयार कर लिया है जिसमें लगभग 27 करोड़ Security deposit पर Interest दिया जायेगा । उन्होंने कहा कि हमलोग अभी सौभाग्य योजना में जो 17 लाख कनेक्शन दिया है

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उसमें किसी से कोई Security deposit नहीं लिया गया है । उन्होंने कहा की नये उपभोक्ताओं को Security deposit पर Interest देने में कोई दिक्कत नहीं है और पुराने उपभोक्ताओं का भी डाटाबेस तैयार कर रहे हैं ।

माननीय अध्यक्ष महोदय ने Security deposit पर Interest के संबंध में कहा कि उपभोक्ताओं के लिए एक Consumer friendly पोर्टल बनाना चाहिए और पूरे डेटाबेस को उस पोर्टल पर डाल दिया जाना चाहिए ताकि उपभोक्ता अपने Account के अद्यतन स्थिति से वाकिफ हो सके ।

माननीय सदस्य तकनीकि महोदय ने Security deposit पर Interest के संबंध में वितरण कम्पनी से पूछा कि एक निश्चित समय सीमा के अंदर इसको कब तक पूरा कर लेंगे । इसके जवाब में श्री अरविंद कुमार ने कहा कि इस काम को करने में कम से कम एक साल लगेगा । इस पर माननीय सदस्य तकनीकि महोदय ने कहा कि इसे त्वरित गति से करने की आवश्यकता है ।

प्रोफेसर एस०के० समदर्शी, सेंट्रल युनिवर्सिटी झारखण्ड ने कहा कि प्रीपेड मीटर के इंस्टॉलेशन से बहुत सारी समस्याओं से अपने आप निजात मिल जायेगा । उन्होंने बताया कि उनके घर में नेट मीटर लगा हुआ है लेकिन सोलर से जो भी बिजली जेनरेट होता है वह मीटर में रिफ्लेक्ट नहीं हो रहा है। इसको बिल में रिफ्लेक्ट कराने का आग्रह किया । उन्होंने कहा कि आने वाले समय में हमलोगों की निर्भरता Renewable एवं Solar पर बढ़ेगी इसकी तैयारी अभी से करने की आवश्यकता है ।

माननीय सदस्य तकनीकि महोदय ने कहा कि वर्तमान में Roof top पर फोकस किया जा रहा है, इसके लिए एक Tollfree नंबर जारी किया जाय ताकि एक फोन करने से यह पता चल सके कि इसके लिए कहाँ संपर्क करना है और उपभोक्ताओं को नाहक दौड़ना ना पड़े । इससे अधिक से अधिक Roof top का Installation होगा । माननीय सदस्य तकनीकि महोदय ने प्रोफेसर एस०के०

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समदर्शी के समस्या के संबंध में वितरण कम्पनी के पदाधिकारियों से कहा इनका मासिक बिलींग का Export - Import का एक रजिस्टर बनाना चाहिए ताकि वार्षिक स्तर पर वित्तीय वर्ष में उसका एडस्टमेंट किया जा सके ।

अंत में माननीय सदस्य विधि महोदय ने सभी सदस्यों का बैठक में भाग लेने के लिए धन्यवाद ज्ञापन किया ।

(राजेन्द्र प्रसाद नायक)
सचिव

ज्ञाप सं०: झा०रा०वि०नि०आ०/27(Vol.-V)/ दिनांकः ....

प्रतिलिपिः–

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

Annexure-2

Letter No. 03/[illegible].07/14 — 1490 Dated 14.7.14

From,

~~**B.K. Tripathi**~~
Principal Secretary

To,

The Chairman-cum-Managing Director,
Jharkhand Urja Vikas Nigam Limited,
Corporate Office,
Engineering Building, HEC,
Dhurwa, Ranchi-834004.

Sub: **Release of Rs. 1500 Crs. towards Resource Gap.**

Sir,

The State Government provides Rs.1500 Cr. Per annum towards resource gap to the JUVNL (erstwhile J.S.E.B.). This amount may be utilized to meet the slashes/disallowances worked out by the Hon'ble Commission while fixing the tariff.

This is for information.

Yours faithfully,

14/7/10

(B.K. Tripathi)
Principal Secretary

CE(C&F)
1673