

# **Jharkhand State Electricity Regulatory Commission**

**Provisional Tariff Order  
on  
Review of ARR for  
FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014)  
&  
FY 2014-15  
and  
ARR and Transmission Tariff for FY 2015-16  
for  
Jharkhand Urja Sancharan Nigam Ltd (JUSNL)**

**Ranchi**

**December 2015**

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### List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
Cr.	Crores
CWIP	Capital Work in Progress
DVC	Damodar Valley Corporation
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government of India
HT	High Tension
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JBVNL	Jharkhand Bijli Vitaran Nigam Limited
JUSNL	Jharkhand Urja Sancharan Nigam Limited
JUVNL	Jharkhand Urja Vikas Nigam Limited
JUUNL	Jharkhand Urja Utpadan Nigam Limited
LT	Low Tension
MU	Million Units
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NTI	Non-Tariff Income
O&M	Operations and Maintenance
PLR	Prime Lending Rate
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SBI	State Bank of India
SLM	Straight Line Method

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## **BEFORE**

### **Jharkhand State Electricity Regulatory Commission, Ranchi**

**Case No.: 03 of 2015**

**In the matter of:**

**Petition for Review of Aggregate Revenue Requirement for  
FY 2013-14 (6<sup>th</sup> Jan 14- 31<sup>st</sup> Mar 14) and FY 2014-15;**

**And**

**Petition for Determination of ARR**

**And**

**Transmission Tariff for FY 2015-16;**

**And**

**In the matter:**

Jharkhand Urja Sancharan Nigam Limited (JUSNL),  
Dhurwa, HEC, Ranchi .....

Petitioner

### **PRESENT**

**Hon'ble Mr Justice Narendra Nath Tiwari - Chairperson**

**Hon'ble Mr Sunil Verma - Member (F)**

**Order dated 14<sup>th</sup> December 2015**

In this Petition, Jharkhand Urja Sancharan Nigam Limited (hereinafter referred to as JUSNL) has prayed for Review of ARR for FY 2013-14 (6 January 2014 to 31 March 2014) & FY 2014-15 and determination of Aggregate Revenue Requirement (ARR) and Transmission Tariff for FY 2015-16.

## **A1: INTRODUCTION**

### **Jharkhand State Electricity Regulatory Commission (JSERC)**

- 1.1 The Jharkhand State Electricity Regulatory Commission (herein after referred to as the “JSERC” or “the Commission”) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.
- 1.2 The Government of Jharkhand vide its notification dated August 22, 2002 defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:-
  - (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;
  - (b) to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;
  - (c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
  - (d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.
- 1.3 The Electricity Act, 2003 (hereinafter referred to as “the Act” or “EA, 2003”) came into force with effect from June 10, 2003; and the Commission is now deemed to have been constituted and functioning under the provisions of the Act as the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of SERCs are now defined under Section 86 of the Act.
- 1.4 The JSERC discharges the functions to be discharged by the State Commission as specified under Section 86 of the Act which are to :-
  - 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;

- 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;
- facilitate intra-state transmission and wheeling of electricity;
- issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- 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;
- adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- levy fee for the purposes of this Act;
- specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- 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 :-

- promotion of competition, efficiency and economy in activities of the electricity industry;
- promotion of investment in electricity industry;
- reorganisation and restructuring of electricity industry in the State;
- matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

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

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

- ensure availability of electricity to consumers at reasonable and competitive rates;
- ensure financial viability of the sector and attract investments;
- promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- promote competition, efficiency in operations and improvement in quality of supply.

### **The Petitioner - Jharkhand Urja Sancharan Nigam Ltd**

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 28<sup>th</sup> June 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 Vitaran 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 Jharkhand Urja Sancharan Nigam Ltd. (herein after to be referred to as “JUSNL” or the “Petitioner” or “erstwhile JSEB- Transmission function”) 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 6<sup>th</sup> January 2014, and is duly registered with the Registrar of Companies, Ranchi. Jharkhand Urja Sancharan Nigam Ltd was incorporated on 23<sup>rd</sup> October 2013 with the Registrar of Companies, Jharkhand, Ranchi and obtained Certificate of Commencement of Business on 28<sup>th</sup> November 2013.
- 1.12 The Petitioner is a Transmission Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to establish or operate transmission lines in the State of Jharkhand.
- 1.13 The Petitioner is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged in the business of Transmission of electricity to its consumers situated over the entire State of Jharkhand.

### **The Petitioner’s Prayers**

- 1.14 The Petitioner in the Petition for review of ARR for FY 2013-14 (6<sup>th</sup> Jan 14 to 31<sup>st</sup> Mar 14) & FY 2014-15, and determination of ARR and transmission tariff for FY 2015-16 has prayed before the Commission:
- To consider the performance submitted by JUSNL in the Petition for FY 2013-14 (from the period of its existence 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014), FY 2014-15 and FY 2015-16;
  - To approve ARR for FY 2013-14 (6<sup>th</sup> Jan 14 to 31<sup>st</sup> Mar 14), FY 2014-15 and FY 2015-16 along with relevant financial parameters proposed in the Petition;
  - To approve the proposed transmission tariff for FY 2015-16 for recovery from the beneficiaries in license area with effect from 1<sup>st</sup> April 2015;
  - To provide interim relief immediately considering severe cash shortfall situation faced by JUSNL due to non-revision of tariff since last 2 years;

### **Scope of the Order**

- 1.15 The Commission in this Order has reviewed the performance of the Petitioner for the FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 and provisionally approved the ARR for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014), FY 2014-15 and FY 2015-16 and determined transmission tariff for FY 2015-16.

- 1.16 While conducting the review of the performance/ARR of the Petitioner for FY 2013-14 for the period from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014, FY 2014-15 and approval of ARR for FY 2015-16 and transmission tariff determination for FY 2015-16, the Commission has taken into consideration:
- Material placed on record;
  - Provisions of the Electricity Act, 2003;
  - Provisions of the National Electricity Policy;
  - Provisions of the Tariff Policy;
  - Principles and provisions laid down in the JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2010 (hereinafter referred to as 'Transmission Tariff Regulations, 2010');
- 1.17 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Provisional Tariff Order on Review of ARR for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014), FY 2014-15 and ARR and transmission tariff for FY 2015-16.

## **A2: PROCEDURAL BACKGROUND**

- 2.1 The Commission had issued its last Tariff Order for the erstwhile JSEB in July 2012 for final True up for FY 2003-04 to FY 2010-11, revised estimates for FY 2011-12 and ARR & tariff determination for generation business for first MYT control period (FY 2012-13 to FY 2015-16), revised estimation of ARR for FY 2011-12 and determination of ARR & tariffs for the transmission and distribution business for FY 2012-13.
- 2.2 The ‘Transmission Tariff Regulations, 2010’ provides for filing of the Business Plan for the first MYT control period from FY 2013-14 to FY 2015-16 by the 1<sup>st</sup> of June 2012 by the licensee and the Petition for approval of ARR for the entire MYT control period from FY 2013-14 and FY 2015-16 and retail tariff for FY 2013-14 by the 1<sup>st</sup> of November, 2012.
- 2.3 However, the erstwhile JSEB failed to file the above petitions as per the timelines provided in the Transmission Tariff Regulations, 2010 and as specified above. Erstwhile JSEB filed the Petition for approval of Business Plan for MYT control period from FY 2013-14 to FY 2015-16 for its transmission business in October 2012 and the Petition for True-up for FY 2011-12, Revised Estimates for FY 2012-13 and Multi Year Tariff Petition for Control Period from FY 2013-14 to FY 2015-16 and Tariff Proposal for FY 2013-14 in January 2013.
- 2.4 The Petition could not be processed due to retirement of the Chairperson of the Commission on 15<sup>th</sup> December, 2012 and the Commission was functioning with only one Member i.e. Member (Technical) as the post of the Member (Finance) was also vacant.
- 2.5 JSERC (Conduct of Business) Regulations, 2011 provided for quorum of two members among the three members of the Commission for issuing any effective orders, such as issue of tariff orders, judgments of the cases filed in the Commission and for any important policy matters. The extract of the Regulation is as follows:
- “Quorum:**  
*For all initial procedural issues, the quorum may be one Member.  
Except for initial procedural issues like notices, filing of copies and documents, the quorum of the Commission shall be two among the three Members.”*
- 2.6 Since there was only one member in the Commission, the tariff orders could not be processed due to lack of quorum.
- 2.7 The Member (Finance) was appointed in January 2014. Also, as per the directions of the APTEL in this regard, the Commission amended the JSERC (Conduct of Business Regulations), 2011 and modified the quorum to one member in order to facilitate the working of the Commission in future even in the event of presence of a single member. Subsequently, the Chairperson took oath in August 2014.

- 2.8 Once the quorum of the Commission was complete, the Commission directed the Petitioner to revise and re-submit the Business Plan and the ARR and MYT Petition for the first MYT Control Period from FY 2013-14 to FY 2015-16 as the FY 2013-14 was almost complete by that time. However, the erstwhile JSEB only filed an addendum to the MYT Petition submitted in January 2013 and also failed to submit the revised Business Plan. During the course of scrutiny of the addendum to the MYT Petition submitted by the erstwhile JSEB, numerous deficiencies were observed which the Commission communicated to the erstwhile JSEB on several occasions. However, the Petitioner failed to submit its replies to the discrepancies/ additional information sought by the Commission despite repeated reminders. Meanwhile, during the public hearings conducted by the Commission on the Petition and the addendum filed by the erstwhile JSEB, various objections were raised by the stakeholders against the Petition wherein it was highlighted that in the absence of revised Business Plan and due to numerous discrepancies in the addendum to the MYT Petition for which the Petitioner had failed to provide any justification/ additional information as sought by the Commission, the Petition ought to be rejected. Thus, in light of the above, the Petition could not be considered on merit by the Commission.
- 2.9 Subsequently, JUSNL, the successor company responsible for undertaking the transmission business of erstwhile JSEB came into existence on 6<sup>th</sup> January 2014. The last quarter of FY 2013-14 comes under the purview of the transfer scheme while the first three quarters of the year come under the purview of the erstwhile JSEB. Accordingly, the Petitioner has now filed the Petition for Review of ARR for FY 2013-14 (for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014), Review for FY 2014-15 and determination of ARR and transmission tariff for FY 2015-16 on 26<sup>th</sup> February 2015. As the proceedings on the Petition filed by the successor company to erstwhile JSEB i.e. JUSNL was initiated, the MYT Petition and addendum filed by the erstwhile JSEB was ultimately withdrawn which was allowed by order dated 11<sup>th</sup> March 2015.

### **Information Gaps in the Petition**

- 2.10 In accordance with Section 64 (3) of the Act, the State Electricity Regulatory Commission, within one hundred and twenty days of the filing of application for determination of tariff, is required to either accept it and issue a tariff order or reject the application for reasons to be recorded in writing. The Commission after initial scrutiny of the Petition for Review of ARR for FY 2013-14 (for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014), Review of ARR for FY 2014-15 and determination of ARR and transmission tariff for FY 2015-16 by the JUSNL, accepted the application submitted by the Petitioner on 31<sup>st</sup> March 2015.
- 2.11 As part of tariff determination exercise for the Control Period, several deficiencies/ information gaps were observed in the tariff Petition submitted by the Petitioner. These deficiencies/information gaps were communicated to the Petitioner vide letter no. JSERC/Case (T) No. 3 of 2015/2 dated 1<sup>st</sup> April, 2015 and letter no. JSERC/Case (T) No.3 of 2015/665 dated 4<sup>th</sup> November, 2015.

- 2.12 The Petitioner submitted its response to the aforesaid letters and furnished additional data/information vide letter no. 332 dated 9<sup>th</sup> June, 2015 and letter no. 678 dated 6<sup>th</sup> November, 2015.
- 2.13 The Commission scrutinized the additional data/ information submitted and considered the same while passing this Order on the Petition filed by the Petitioner. The Commission has examined the replies and supporting documents as supplied by the Petitioner on the discrepancies pointed out to it only on material already on record in the Petition filed by the Petitioner.
- 2.14 In order to provide adequate opportunity to all stakeholders and general public as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to conduct public hearings at divisional headquarters.

### Inviting Public Comments/ Suggestions

- 2.15 The Commission directed the Petitioner to make available copies of the Petition to the members of general public on request, and also issue a public notice inviting comments/ suggestions on the Petition for Review for FY 2013-14 (6<sup>th</sup> Jan 14 to 31<sup>st</sup> Mar 14), review for FY 2014-15 and determination of ARR and Tariff for FY 2015-16.
- 2.16 The aforesaid public notice was issued by the Petitioner in various newspapers and a period of twenty one (21) days was given to the members of the general public for submitting their comments/suggestions.

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

Newspaper	Date
Hindustan Times (English)	2 <sup>nd</sup> and 3 <sup>rd</sup> August 2015
Times of India (English)	2 <sup>nd</sup> and 3 <sup>rd</sup> August 2015
Prabhat Khabar (Hindi)	2 <sup>nd</sup> and 3 <sup>rd</sup> August 2015
Dainik Bhaskar (Hindi)	2 <sup>nd</sup> and 3 <sup>rd</sup> August 2015

- 2.17 Subsequently, the Commission issued advertisement on its website [www.jserc.org](http://www.jserc.org) and in various newspapers for conducting the public hearing on the Petition filed by the Petitioner. The newspapers wherein the advertisement for public hearing was issued by the Commission are detailed hereunder:

**Table 2: List of newspapers and dates in which the public notice by JSERC was published**

Sl. No.	Newspaper (Jharkhand edition)	Date of Publication
For Public Hearing held at Chaibasa		
1.	Hindustan (Hindi)	12.09.2015
2.	Prabhat Khabar	12.09.2015

Sl. No.	Newspaper (Jharkhand edition)	Date of Publication
3.	Dainik Jagran	12.09.2015
4.	Times of India	12.09.2015
5.	Dainik Bhaskar	13.09.2015
6.	Uditvani	13.09.2015
7.	The Hindustan Times (English)	13.09.2015
8.	Sanmarg	13.09.2015
<b>For Public Hearing held at Dhanbad</b>		
1.	Hindustan (Hindi)	30.09.2015
2.	Prabhat Khabar	30.09.2015
3.	Dainik Jagran	30.09.2015
4.	Times of India	30.09.2015
5.	Dainik Bhaskar	01.10.2015
6.	Ranchi Express	01.10.2015
7.	The Hindustan Times (English)	01.10.2015
8.	Sanmarg	01.10.2015
<b>For Public Hearing held at Medininagar</b>		
1.	Dainik Bhaskar	02.10.2015
2.	Ranchi Express	02.10.2015
3.	The Hindustan Times (English)	02.10.2015
4.	Dainik Jagran	02.10.2015
5.	Hindustan (Hindi)	03.10.2015
6.	Prabhat Khabar	03.10.2015
7.	Times of India (English)	03.10.2015
8.	Sanmarg	03.10.2015
<b>For Public Hearing held at Deogarh</b>		
1.	Prabhat Khabar	24.10.2015
2.	The Hindustan Times (English)	24.10.2015
3.	AAJ	24.10.2015
4.	Hindustan	24.10.2015
5.	Ranchi Express	25.10.2015
6.	The Times of India (English)	25.10.2015
7.	Dainik Jagran	26.10.2015
8.	Sanmarg	26.10.2015
9.	Pioneer	26.10.2015
<b>For Public Hearing held at Ranchi</b>		
1.	Prabhat Khabar	24.10.2015
2.	The Hindustan Times (English)	24.10.2015
3.	AAJ	24.10.2015
4.	Hindustan	24.10.2015
5.	Ranchi Express	25.10.2015
6.	The Times of India (English)	25.10.2015

Sl. No.	Newspaper (Jharkhand edition)	Date of Publication
7.	Dainik Jagran	26.10.2015
8.	Sanmarg	26.10.2015
9.	Pioneer	26.10.2015

### Meeting of the State Advisory Committee

- 2.15 The Commission convened a meeting of the State Advisory Committee (SAC) on 19<sup>th</sup> August, 2015 and prominently kept an agenda for discussion on the Petition filed by the Petitioner. The agenda for the SAC meeting is attached as Annexure 2 to this Order.
- 2.16 In course of discussion, several points related to the alarmingly high levels of T&D loss in the State, discrepancies in the information submitted by the Petitioner in the Petition, failure of the Petitioner to consider the expenses of the holding company viz. Jharkhand Urja Vikas Nigam Limited (JUVNL) etc. were raised by the members and discussed in the meeting.
- 2.17 The points discussed during the meeting and the suggestions made by the members of the SAC have been duly considered by the Commission.

### Conduct of public hearings

- 2.18 The public hearings were held at revenue divisional headquarters across the State of Jharkhand during September to November 2015, on the dates as detailed under.

**Table 3: Location and date of Public Hearings**

Location	Date
Chaibasa	19.09.2015
Dhanbad	08.10.2015
Medininagar	11.10.2015
Deoghar	30.10.2015
Ranchi	01.11.2015

- 2.19 For wider coverage and maximum response from the public, the Commission also issued notice for public hearings in the local newspapers on the day prior to the day of public hearing and also on the date of the hearing.
- 2.20 Numerous 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 the Section A4 of this Order.

### **Meeting of the Expert Committee**

- 2.21 On conclusion of the public hearing, the Commission constituted a High level Committee of reputed experts from the field of law, revenue, engineering, commerce etc. of the State under the Chairmanship of Electricity Ombudsman, Jharkhand for deeper discussions on the material collected on record and also for their opinion on the issues involved in the Petition for review of ARR for FY 2013-14 (6<sup>th</sup> Jan 14 to 31<sup>st</sup> Mar 14) and FY 2014-15 and determination of ARR and tariff for FY 2015-16. Meeting of the Committee was held on 10<sup>th</sup> November, 2015. The list of members of the Expert Committee is attached as Annexure 3 to this Order.
- 2.22 Key issues discussed by members of the Committee and assessment of the facts churned out are summarized below:
- (a) The transmission charges proposed by the Petitioner are higher than those of the neighbouring States such as Orissa, West Bengal and Bihar.
  - (b) The inflation index for the determination of O&M expenses should be based on the actual Wholesale Price Index (WPI) during the period under review rather than that of FY 2012-13 and FY 2013-14 considered by the Petitioner.
  - (c) While determining return on equity and interest on loan, the Petitioner has not provided any rationale/source for addition in equity and loan.
  - (d) The Petitioner has overstated the Annual Fixed Charges (AFC) to be recovered in FY 16 by Rs 48.27 Cr which has resulted in overstatement of transmission tariff by 7 paise per unit.
  - (e) A nominal tariff hike may be considered by the Commission
- 2.23 The assessment of the Committee on various aspects and suggestions made by members of the Committee have been taken into consideration in arriving at conclusion by the Commission. The minutes of the meeting of the Expert Committee is attached as Annexure 4 to this Order.



### A3: BRIEF FACTS

- 3.1 JUSNL, which came into operation with effect from 6<sup>th</sup> January 2014, filed the Petition for review of ARR for FY 2013-14 for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014, review of ARR for FY 2014-15 and determination of ARR and tariff for FY 2015-16 on 26<sup>th</sup> February 2015.
- 3.2 The transfer scheme notified by the Government of Jharkhand vide its order dated 6<sup>th</sup> January 2014 is yet to be finalized and due to this there has been a delay in preparation and finalization of audited accounts of the Petitioner for FY 2013-14 from the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014..
- 3.3 In view thereof, the Petitioner has submitted unaudited data for FY 2013-14 for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March, 2014 and provisional data for first half of FY 2014-15 as part of its ARR and tariff Petition. The projections for remaining period for FY 2014-15 and FY 2015-16 have been based on unaudited/ provisional data for previous years.
- 3.4 The following sub-sections present a summary of ARR & tariff Petition filed by the Petitioner:

### CWIP, capital expenditure and capitalisation

- 3.5 The details of CWIP, capital expenditure and capitalization for FY 2013-14 to FY 2015-16 submitted by licensee in the Petition for Review for FY 2013-14 & FY 2014-15, and ARR and tariff determination for FY 2015-16 has been summarized in the following table:

**Table 4: CWIP, capital expenditure and capitalization (Rs Cr)**

Particulars	FY 2013-14*	FY 2014-15	FY 2015-16
Opening CWIP	1,689.64	1,952.78	2,010.10
Capital Expenditure during the year	263.14	346.74	616.28
Total CWIP	<b>1,952.78</b>	<b>2,299.52</b>	<b>2,626.37</b>
Transferred to GFA (Capitalisation)	-	289.42	726.20
Closing CWIP	<b>1,952.78</b>	<b>2,010.10</b>	<b>1,900.17</b>

\*From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### Summary of ARR for FY 2013-14 to FY 2015-16

- 3.6 The summary of ARR for FY 2013-14 to FY 2015-16 has been summarized in table below:

**Table 5: Proposed ARR for FY 2013-14 to FY 2015-16 (Rs Cr)**

Aggregate Revenue Requirement (Rs. Cr)	FY 2013-14* (Provisional)		FY 2014-15 (Provisional)		FY 2015-16 ( Projections)
	As per Original Petition	As per revised submission**	As per Original Petition	As per revised submission**	As per Original Petition
Employee Cost	11.59	11.59	44.47	44.47	48.04
R&M Expenses	4.50	4.50	19.34	19.34	30.62
A&G Expenses	0.87	0.87	3.50	3.50	3.79
Interest & Finance Charges	5.47	5.34	33.02	33.51	71.34
Interest on Working capital	0.58	0.58	6.59	6.41	10.03
Depreciation	6.10	6.10	41.49	33.85	79.84
<b>Total Costs</b>	<b>29.11</b>	<b>28.99</b>	<b>148.42</b>	<b>141.09</b>	<b>243.66</b>
Add: Reasonable Return	5.38	5.38	29.81	29.81	53.43
Less: Non-tariff Income	1.04	1.04	4.47	4.47	4.47
<b>Aggregate Revenue Requirement</b>	<b>33.45</b>	<b>33.32</b>	<b>173.66</b>	<b>166.43</b>	<b>292.61</b>
Revenue from sale of power at existing tariff	30.87	30.87	131.73	131.73	134.00
<b>Revenue Gap/ (Surplus)</b>	<b>2.58</b>	<b>2.45</b>	<b>42.03</b>	<b>34.70</b>	<b>158.60</b>

\*From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

\*\*The Petitioner has submitted revised information vide letter no. 332 dated 09.06.2015

**Proposed Transmission Tariff for FY 2015-16**

- 3.7 The proposed transmission tariff for FY 2015-16 based on the projected ARR and cumulative revenue gap is given in the following table:

**Table 6: Proposed transmission tariff for FY 2015-16**

Particulars	FY 2015-16 (Projections)	
	As per original Petition	Based on revised submission for FY 13 and FY 14*
Net Energy Transmitted from transmission system to distribution system (Excluding on account of DVC) (MUs)	<b>7,444.59</b>	<b>7,444.59</b>
Revenue Gap for FY 14 (including carrying cost)	3.15	2.99
Revenue Gap for FY 15 (including carrying cost)	45.13	37.26
AFC to be recovered for FY 16	292.61	292.61
AFC to be recovered including cumulative gap (Rs. Cr.)	<b>340.88</b>	<b>332.86</b>
<b>Proposed Transmission Tariff (Rs/kWh)</b>	<b>0.46</b>	<b>0.45</b>

\*\*The Petitioner has submitted revised information vide letter no. 332 dated 09.06.2015

#### **A4: PUBLIC CONSULTATION PROCESS**

- 4.1 The Petition evoked response from several consumers. Public hearings were held at various locations across the State of Jharkhand to ensure maximum public participation wherein stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. In all, 426 persons took part in the public hearing process. The list of the attendees is attached in **Annexure 1**. The Commission also received written suggestions/ comments from the public on the Petition filed by the Petitioner.
- 4.2 In course of public hearing, the Commission allowed persons/ representatives of entities who had not submitted prior written representations but attended the public hearing, to express their views regarding the Petition filed by the Petitioner.
- 4.3 The comments and suggestion of the members of the public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

#### **True up of FY 2011-12, FY 2012-13 & FY 2013-14 (from 1<sup>st</sup> Apr 13 to 5<sup>th</sup> Jan 2014)**

##### *Public Comments/Suggestions*

- 4.4 The stakeholders pointed out that the Petitioner has not submitted petition for Truing up of costs and revenues of the erstwhile JSEB for the period FY 2011-12 and FY 2012-13 on the basis of the audited accounts. Moreover, the details for undertaking review of performance for the FY 2013-14 for the period 1<sup>st</sup> April 2013 to 5<sup>th</sup> January 2014 i.e. before formation of JUSNL has also not been submitted. The stakeholders submitted that in absence of audited and reliable data for past years, the present petition should not be accepted.

##### *Petitioner's Response*

- 4.5 The Petitioner submitted that True up for FY 2011-12 and FY 2012-13 as well as performance review for the period 1<sup>st</sup> April 2013 to 5<sup>th</sup> January 2014 comes under the purview of erstwhile JSEB. The Petitioner submitted that there was no clarity about the procedure for filing the Petition i.e. which successor company was required to file the Petition and in what proportion should the revenue gap / surplus be distributed in the successor companies etc. In absence of which the Petitioner has not filed petition for true up for above period. Further, the Petitioner has prayed to the Commission to provide guidelines in the Tariff Order to file the True-up / APR Petition for the period 1<sup>st</sup> April 2013 to 5<sup>th</sup> January 2014.

##### *Views of the Commission*

- 4.6 The Commission clarifies that the true-up Petition for transmission function of the erstwhile JSEB for the period FY 2011-12, FY 2012-13 and FY 2013-14 (for period 1<sup>st</sup> April 2013 to 5<sup>th</sup> January 2014) needs to be filed by JUSNL.

- 4.7 However, it should be ensured that functionally segregated information of the individual companies for the FY 2011-12, FY 2012-13 and FY 2013-14 (up to 5<sup>th</sup> January 2014) should reconcile with the information of the erstwhile JSEB based on the audited accounts of FY 2011-12, FY 2012-13 and FY 2013-14.
- 4.8 Accordingly, the Commission directs the Petitioner to file the True-up Petition for FY 2011-12, FY 2012-13 and FY 2013-14 (upto 5<sup>th</sup> January 2015) for the transmission function of the erstwhile JSEB and for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 along with its next Petition for approval of ARR for second MYT control period for JUSNL.

### **Business Plan for FY 2013-14 to FY 2015-16**

#### *Public Comments/Suggestions*

- 4.9 The stakeholders pointed out that the Petitioner has failed to submit an application for approval of Business plan for the 1<sup>st</sup> MYT control period from FY 2013-14 to FY 2015-16 JSERC Transmission Tariff Regulations, 2010 and requested the Commission to reject the petition filed by the Petitioner.

#### *Petitioner's Response*

- 4.10 The Petitioner submitted that erstwhile JSEB had filed the Business Plan for entire MYT control period in October 2012. However, there was no Order issued by the Commission on the approval of the same. Subsequently, erstwhile JSEB filed MYT Petition for control period in January 2013 along with True up for FY 2011-12. But, the petitions could not be processed and scrutinized by the Commission as the quorum of the Commission was not completed for period of around one year. This resulted in delays in procedures to be followed for the Petition.
- 4.11 The proceedings were again initiated after the complete quorum was available in January 2014. During this process, FY 2013-14 had already passed and no tariff revision was allowed by the Commission. The erstwhile JSEB, therefore, filed an addendum to the MYT Petition in July 2014 in order to recover the revenue losses incurred during the one and half year since the filing of the original Petition and proposed to revise the tariff rates accordingly for FY 2014-15 along with True up Petition for FY 2012-13. The Commission scrutinized and accepted the Petition and directed the Petitioner to publish public notice inviting objections/ comments from various stakeholders on the Petition. The public notice was issued on 9<sup>th</sup> July 2014 and 10<sup>th</sup> July 2014. Objections were raised against the addendum Petition since first half of FY 2014-15 had already lapsed and the erstwhile JSEB was also unbundled into 4 successor companies at start of 2014. Thus seeking tariff revision for FY 2014-15 would not have been possible. In light of these objections, the Commission had issued an order to file fresh Tariff Proposal for FY 2015-16 for the unbundled utilities (JUUNL, JUSNL and JBVNL) separately.

- 4.12 Accordingly, JUSNL filed the present petition for approval of review of ARR for FY 2013-14 (from 6<sup>th</sup> Jan 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 and determination of ARR and tariff for FY 2015-16 on 26<sup>th</sup> February 2015. Further, as FY 2015-16 was the last year of the first MYT control period, JUSNL did not file a separate petition for Business plan for FY 2015-16. However, the details of scheme-wise capital expenditure, financing and operational costs and performance of the utility during FY 2013-14 (6<sup>th</sup> Jan 2014 to 31<sup>st</sup> Mar 14) based on provisional data and projections for FY 2014-15 (based on half yearly provisional data) and FY 2015-16 has been provided in the present petition.

*Views of the Commission*

- 4.13 Once the quorum of the Commission was complete in January 2014, the Commission initiated the proceedings for approval of Business plan and ARR for the MYT period from FY 2013-14 to FY 2015-16 and tariff for FY 2013-14 on the petition filed by the erstwhile JSEB in October 2012 and January 2013, respectively. During the course of scrutiny of above petition, the Commission directed the Petitioner to revise and re-submit the Business Plan and the MYT Petition as the FY 2013-14 was almost complete and also audited data for FY 2012-13 was available. Subsequently, the erstwhile JSEB filed an addendum to the MYT Petition in July 2014 but failed to submit the revised Business Plan for the period FY 2013-14 to FY 2015-16. During the course of scrutiny of the addendum to the MYT Petition submitted by the Petitioner, numerous deficiencies were observed which the Commission communicated to the Petitioner on several occasions but the Petitioner failed to submit its replies to the discrepancies/additional information sought by the Commission. According to Regulation 17(9) of JSERC Conduct of Business Regulations, 2011, if the defects are not rectified within 15 (fifteen) days of notification, the Petition stands dismissed.
- 4.14 During the public hearings conducted by the Commission on the MYT Petition and addendum filed by the Petitioner, various objections were raised by the stakeholders against the Petition wherein it was highlighted that in the absence of revised Business Plan and due to numerous discrepancies in the addendum to the MYT Petition for which the Petitioner had failed to provide any justification/additional information as sought by the Commission, the Petition ought to be rejected by the Commission. Thus, in light of the above, the Petition could not be considered on merit and the Petition was ultimately withdrawn by the Petitioner which was allowed by the Commission vide order dated 11<sup>th</sup> March 2015.
- 4.15 The Petitioner, thereafter filed fresh Petition for approval of review of ARR for FY 2013-14 (from 6<sup>th</sup> Jan 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 and determination of ARR and tariff for FY 2015-16 on 26<sup>th</sup> February 2015. The present petition pertains to determination of ARR and tariff for FY 2015-16 which is the last year of the MYT period; and also includes the information as required in the Business Plan for the past and ensuing years.

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**Audited Accounts for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15**

*Public Comments/Suggestions*

- 4.16 The stakeholders submitted that as per the JSERC Transmission Tariff Regulations, 2010, it is essential to submit audited accounts of the previous years for determining tariff for a particular year. The Petitioner has failed to provide even the provisional accounts for the previous year i.e. FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15. In the absence of such information, there is no basis for data submitted by the Petitioner and the Petition ought to be rejected.

*Petitioner's Response*

- 4.17 The Petitioner submitted that the latest available balance sheet for FY 2011-12 and FY 2012-13 have been submitted along with the Petition. The Petitioner further submitted that transfer scheme was notified by the Government of Jharkhand vide notification dated 6<sup>th</sup> January, 2014.
- 4.18 The Petitioner submitted that the transfer scheme is not finalised as yet and due to this there has been delay in preparing and finalisation of the audited accounts of the Petitioner for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014). The Petitioner submitted that the actual unaudited data for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and actual data for first half of FY 2014-15 has been considered for the purpose of the Petition.

*Views of the Commission*

- 4.19 In the absence of final transfer scheme and audited accounts of the successor companies, the Commission approves the estimates for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014), FY 2014-15 and FY 2015-16 on provisional basis which shall be subject to True-up based on audited accounts for respective years and the final transfer scheme indicating the opening balances of GFA, CWIP, equity, loan etc. for successor companies. In view of the above, the Commission directs the Petitioner to submit the final transfer scheme and audited accounts indicating the opening balances of GFA, CWIP, equity, normative loan etc. for the Petitioner along with the Petition for determination of ARR for next MYT control period.
- 4.20 The Commission clarifies that, for projection purposes the audited accounts for past years have been considered. Accordingly, the ARR for FY 2013-14 (6<sup>th</sup> Jan 14 to 31<sup>st</sup> Mar 14), FY 2014-15 and FY 2015-16 is approved on the basis of function-wise segregated audited data for previous years i.e. FY 2011-12 and FY 2012-13 and as per the provisions specified in the Transmission Tariff Regulations, 2010.

## **Components of ARR**

### *Public Comments/Suggestions*

- 4.21 The stakeholders submitted that the Petitioner has computed the inflation index for the years FY 2012-13 and FY 2013-14 for determining the normative O&M expenses. Since the period under review has lapsed, the actual inflation index for the years should be used.
- 4.22 The stakeholders also submitted that the Petitioner has not submitted any rationale for additions in equity and normative loan during FY 2013-14 and FY 2014-15.

### *Petitioner's Response*

- 4.23 The Petitioner submitted that it has determined the various components of the ARR as per the Transmission Tariff Regulations, 2010. The Petitioner further stated that it did not have the opening balance sheet for JUSNL i.e. opening balances as on 6<sup>th</sup> January, 2014, hence for computing the various ARR components of FY 2013-14, the Petitioner has considered the closing balance as on 31<sup>st</sup> March 2013 (from the audited accounts of FY 2012-13) as the opening balances for 1<sup>st</sup> April, 2013. The expenses have been computed for the entire year and then pro-rated to compute the expenses for 85 days, i.e. from 6<sup>th</sup> January, 2014 to 31<sup>st</sup> March 2014.

### *Views of the Commission*

- 4.24 The Commission has dealt with these issues in detail while determining the ARR for FY 2013-14 to FY 2015-16 in this Tariff Order.

## **A5: REVIEW OF AGGREGATE REVENUE REQUIREMENT FOR FY 2013-14 AND FY 2014-15**

- 5.1 As discussed in earlier sections, the Petitioner has filed the Petition for Review of ARR for FY 2013-14 (post unbundling period) and FY 2014-15.
- 5.2 The Petitioner has submitted that the transfer scheme was notified by the Govt. of Jharkhand vide notification dated 6<sup>th</sup> January, 2014 and the provisional Balance Sheet of the company has been drawn as on 1<sup>st</sup> April, 2012. The Petitioner also submitted that since the transfer scheme is yet to be finalized, there has been a delay in preparing and finalization of the audited accounts for FY 2013-14 and FY 2014-15.
- 5.3 In the absence of final Transfer Scheme, the Petitioner has considered the opening balances (for Gross Fixed Assets, Normative Loan, Normative Equity, Security Deposit, Accumulated Depreciation, etc.) for FY 2013-14 as per the closing balances of these parameters in the Audited Accounts of JSEB for FY 2012-13.
- 5.4 It is important to highlight that due to unavailability of the audited accounts for FY 2013-14 and FY 2014-15, the Commission has undertaken the provisional determination of ARR after scrutinizing the actual data submitted by the Petitioner for the period under consideration as well as the function wise actual data and audited accounts of the JSEB for the period FY 2011-12 and FY 2012-13.

### **Fixed Cost Determination**

#### **Operation and Maintenance (O&M) Expenses**

##### *Petitioner's Submission*

- 5.5 The Petitioner submitted that the employee expenses for the period from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014 were Rs. 11.59 Cr. The employee expenses for FY 2014-15 have been estimated at Rs. 44.47 Cr., which are based on 3 months data of FY 2013-14 and inflation factor of 8.03%.
- 5.6 The Petitioner submitted that the A&G expenses for the period from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014 were Rs. 0.87 Cr. The A&G expenses for FY 2014-15 have been estimated at Rs. 3.50 Cr. which are based on 3 months data of FY 2013-14 and inflation factor of 8.03%.
- 5.7 For R&M expenses, the Petitioner has determined the 'k' factor as per the Transmission Tariff Regulations, 2010 and based on the opening GFA for FY 2013-14 and FY 2014-15, R&M expenses have been computed as Rs 4.50 Cr and Rs 19.34 Cr respectively.



*Commission's analysis*

5.8 As per Transmission Tariff Regulations 2010, the O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below:

$$(a) O\&M_n = (R\&M_n + EMP_n + A\&G_n) * (1 - X_n) + \text{Terminal liabilities}$$

$$(i) \text{ Where, } R\&M_n = K * GFA;$$

$$(ii) EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}); \text{ and}$$

$$(iii) INDX = 0.55 * CPI + 0.45 * WPI$$

Where,

(b) R&M<sub>n</sub> – Repair and Maintenance Costs of the Licensee for the nth year;

(c) A&G<sub>n</sub> – Administrative and General Costs of the Licensee for the nth year;

(d) EMP<sub>n</sub> – Employee Costs of the Licensee excluding terminal liabilities for the n<sup>th</sup> year;

(e) X<sub>n</sub> is an efficiency factor for n<sup>th</sup> year.

(f) 'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;

(g) 'GFA' is the opening value of the gross fixed asset of the nth year;

(h) INDX<sub>n</sub> – 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;

5.9 The Commission has determined the inflation factor by taking weighted average of the WPI and CPI for FY 2011-12 in the ratio 45:55, in accordance with the Transmission Tariff Regulations, 2010. Thus, inflation factor for indexing the employee cost and A&G cost is determined to be 8.64%.

**Employee Cost**

- 5.10 In order to compute the employee cost for FY 2013-14, the Commission directed the Petitioner to submit function-wise breakup of actual employee cost for FY 2012-13 of the erstwhile JSEB. The Petitioner submitted that actual employee cost for the transmission function of the erstwhile JSEB for FY 2012-13 was Rs 29.33 Cr which included terminal benefits of Rs 3.85 Cr.
- 5.11 The Commission has determined the employee cost for FY 2013-14 by increasing the actual employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2012-13 by the inflation factor of 8.64%. The Commission has then added the actual cost incurred towards terminal benefits during FY 2012-13 to compute the employee cost for FY 2013-14. The employee cost for the entire FY 2013-14 is then apportioned for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014.
- 5.12 Similarly, the Commission has determined the employee cost for FY 2014-15 by increasing the employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2013-14 by the inflation factor of 8.64%. The Commission has provisionally considered the cost towards terminal benefits during FY 2014-15 to be same as that for FY 2013-14 which shall be trued-up on submission of audited accounts for FY 2014-15.
- 5.13 Thus, the employee cost determined by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

**Table 7: Employee cost as computed by the Commission (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
Employee cost for previous year	29.33	31.53
Less: Terminal Benefits	3.85	3.85
Gross employee cost for previous year	25.48	27.69
Escalation Factor	8.64%	8.64%
Gross employee cost for the current year	27.69	30.08
Add: Terminal Benefits	3.85	3.85
Total employee cost for the current year	<b>31.53</b>	<b>33.92</b>

- 5.14 Thus, the employee cost approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 8: Employee cost as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission

Employee cost	11.59	7.34	44.47	33.92
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\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### A&G cost

- 5.15 In order to compute the A&G cost for FY 2013-14, the Commission asked the Petitioner to submit function-wise breakup of actual A&G cost for FY 2012-13 of the erstwhile JSEB. The Petitioner submitted that actual A&G cost for the transmission function of the erstwhile JSEB for FY 2012-13 was Rs 6.39 Cr.
- 5.16 The Commission has determined the A&G cost for FY 2013-14 by increasing the actual A&G cost for FY 2012-13 by the inflation factor of 8.64%. The A&G cost for the entire FY 2013-14 is then apportioned for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014. Similarly, the Commission has determined the A&G cost for FY 2014-15 by increasing the A&G cost for FY 2013-14 by the inflation factor of 8.64%.
- 5.17 Thus, the A&G cost determined by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

**Table 9: A&G cost as computed by the Commission (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
A&G cost for previous year	6.39	6.94
Escalation Factor	8.64%	8.64%
A&G cost for the current year	<b>6.94</b>	<b>7.54</b>

- 5.18 Thus, the A&G cost approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 10: A&G cost as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
A&G cost	0.87	1.62	3.50	7.54

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### R&M cost

- 5.19 In order to calculate the R&M cost, the Commission benchmarked the actual R&M cost in FY 2011-12 as a proportion of the opening GFA for FY 2011-12 which is as per the procedure specified under the Transmission Tariff Regulations, 2010.

- 5.20 The actual R&M cost for the transmission function of the erstwhile JSEB for FY 2011-12 was Rs 10.11 Cr. The opening GFA for the transmission function of the erstwhile JSEB as per the audited accounts for FY 2011-12 was Rs 433.89 Cr. Accordingly, the 'k' factor computed by the Commission is summarised in the following table:

**Table 11: Computation of 'k' factor**

Particulars	
Opening GFA for FY 2011-12 (Rs Cr)	433.89
R&M expense for FY 2011-12 (Rs Cr)	10.11
k-factor (%)	2.33%

- 5.21 The R&M cost for FY 2013-14 and FY 2014-15 is computed by multiplying the 'k' factor with the provisionally approved opening GFA for FY 2013-14 and FY 2014-15 respectively as stated below:

**Table 12: R&M cost as computed by the Commission (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
Opening GFA	496.42	496.42
R&M as percentage (%) of GFA	2.33%	2.33%
R&M Cost	<b>11.57</b>	<b>11.57</b>

- 5.22 The R&M cost provisionally approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 13: R&M cost as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
A&G cost	4.50	2.69	19.34	11.57

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

- 5.23 Accordingly, the O&M cost approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 14: O&M cost as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Employee cost	11.59	7.34	44.47	33.92

A&G Cost	0.87	1.62	3.50	7.54
R&M Cost	4.50	2.69	19.34	11.57
O&M Cost	<b>16.96</b>	<b>11.65</b>	<b>67.32</b>	<b>53.03</b>

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### CWIP, capital expenditure and capitalisation

#### *Petitioner's Submission*

- 5.24 The Petitioner submitted that the opening balance of CWIP has been considered from the audited accounts of FY 2012-13. The Petitioner further submitted that it had incurred capital expenditure of Rs 263.14 Cr and Rs 346.74 Cr in FY 2013-14 and FY 2014-15 respectively.
- 5.25 The Petitioner submitted that there are certain schemes of the past which have already achieved COD, however, due to some unavoidable reasons like late payment, litigations, clearances etc, the same have not been accounted in the books of accounts and hence not been capitalized in the earlier years. The Petitioner submitted that considering the importance of the asset addition for the transmission system, the Petitioner decided to account for such identified schemes so as to recover the cost of service which it is providing to the distribution licensee. Accordingly all such schemes have also been proposed to be capitalised in FY 2014-15 and FY 2015-16.
- 5.26 The details of CWIP, capital expenditure and capitalization for FY 2013-14 and FY 2014-15 as submitted by the Petitioner have been summarized in the following table:

**Table 15: CWIP, capital expenditure and capitalization as submitted by the Petitioner (Rs Cr)**

Particulars	FY 2013-14*	FY 2014-15
Opening CWIP	1,689.64	1,952.78
Capital Expenditure during the year	263.14	346.74
Total CWIP	<b>1,952.78</b>	<b>2,299.52</b>
Transferred to GFA (Capitalisation)	-	289.42
Closing CWIP	<b>1,952.78</b>	<b>2,010.10</b>

\*From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

#### *Commission's Analysis*

- 5.27 The Commission had directed the Petitioner to submit details of the function-wise breakup of CWIP of the erstwhile JSEB for FY 2012-13. The Petitioner submitted that the opening and closing balances of the CWIP for FY 2012-13 for the transmission function of the erstwhile JSEB were Rs 187.58 Cr and Rs 209.14 Cr respectively. Accordingly, the Commission has provisionally approved the opening balance of CWIP for FY 2013-14 as Rs 209.14 Cr.

- 5.28 The Petitioner was also directed to submit scheme-wise details of actual capital expenditure and capitalisation for FY 2013-14 and FY 2014-15, the DPRs of the schemes to be undertaken and details of funding secured for the execution of the schemes. However, the Petitioner failed to submit the required information.
- 5.29 In the absence of audited accounts and the information sought from the Petitioner, the Commission provisionally approves the capital expenditure for FY 2013-14 and FY 2014-15 as submitted by the Petitioner. The same shall be trued-up on the submission of audited accounts for FY 2013-14 and FY 2014-15
- 5.30 The Commission has not approved any capitalisation for FY 2013-14 since the Petitioner has not capitalised any asset during FY 2013-14. Further, for FY 2014-15, the Commission observes that the capitalisation proposed by the Petitioner is approximately 35% of the CWIP and capital expenditure incurred during the year, which is in line with the actual past performance of the Petitioner. Accordingly, the Commission provisionally approves the capitalisation for FY 2014-15 as per the submission made by the Petitioner.
- 5.31 Thus, the CWIP, capital expenditure and capitalisation for FY 2013-14 and FY 2014-15 as approved by the Commission is summarised in the following table:

**Table 16: CWIP, capital expenditure and capitalization as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Opening CWIP	1,689.64	209.14	1,952.78	472.28
Capital Expenditure during the year	263.14	263.14	346.74	346.74
Less: Assets capitalised	-	-	289.42	289.42
Closing CWIP	<b>1,952.78</b>	<b>472.28</b>	<b>2,010.10</b>	<b>529.60</b>

## Gross Fixed Asset (GFA)

### *Petitioner's Submission*

- 5.32 The Petitioner has submitted closing GFA of Rs 496.42 Cr and Rs 785.84 Cr for FY 2013-14 and FY 2014-15 respectively.

### *Commission's Analysis*

- 5.33 The Commission has determined the opening balance of GFA for FY 2013-14 for the transmission function of erstwhile JSEB based on the closing GFA for FY 2012-13 as per the audited accounts of FY 2012-13.
- 5.34 Considering the capitalisation approved for FY 2013-14 in this Order, the Commission has determined the closing figures of GFA and NFA for FY 2013-14 and FY 2014-15 as summarised in the following table:

**Table 17: Approved GFA for FY 2013-14 and FY 2014-15 (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
Opening GFA	496.42	496.42
Additions in GFA (Capitalization)	-	289.42
Closing GFA	496.42	785.84
Less: Accumulated Depreciation	200.17	241.75
Net Fixed Assets (NFA)	<b>296.25</b>	<b>544.09</b>

- 5.35 For funding of above GFA, the Commission has considered normative debt-equity ratio of 70:30 as provided in Regulation 7.10 of the Transmission Tariff Regulation, 2010. As per the Transmission Tariff Regulations 2010, the 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. However, for the transmission function i.e. JUSNL, consumer contribution grants and subsidies as deployed in GFA has been considered as nil.
- 5.36 The normative net loans are estimated after deducting accumulated depreciation from the value of gross assets.
- 5.37 Thus the approved sources of funding for the approved GFA for FY 2013-14 and FY 2014-15 is tabulated hereunder:

**Table 18: Approved sources of funding for FY 2013-14 and FY 2014-15 (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
Equity	148.93	235.75
Loan	147.32	308.33
Total	<b>296.25</b>	<b>544.09</b>
Accumulated Depreciation	200.17	241.75
GFA	<b>496.42</b>	<b>785.84</b>

## Return on Equity

### *Petitioner's Submission*

- 5.38 The Petitioner submitted that it had computed the return on equity @ 15.5 % on the normative equity as per the Transmission Tariff Regulations, 2010. Accordingly, the return on equity for FY 2013-14 (for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 has been computed to be Rs 5.38 Cr and Rs 29.81 Cr respectively.

*Commission's Analysis*

- 5.39 In order to compute the opening balance of normative equity for FY 2013-14, the Commission considered the closing balance of normative equity for the transmission function of erstwhile JSEB for FY 2012-13 as per the audited accounts for FY 2012-13.
- 5.40 The closing balances of GFA and accumulated depreciation for the transmission function of the erstwhile JSEB for FY 2012-13 as per the audited accounts are Rs 496.42 Cr and Rs 167.97 Cr respectively. Thus, as per the methodology detailed in para 5.35 of this Order, the normative equity for FY 2012-13 is computed to be Rs 148.93 Cr which forms the opening balance of normative equity for FY 2013-14. The additions in equity and closing balance during FY 2013-14 and FY 2014-15 have been considered as per Table 18 of this Tariff Order.
- 5.41 The return on normative equity as computed by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

**Table 19: Return on normative equity as computed by the Commission (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
Opening Balance	148.93	148.93
Deemed Additions	0.00	86.83
Closing Balance	148.93	235.75
Average Normative Equity	<b>148.93</b>	<b>192.34</b>
Return on Equity (%)	15.50%	15.50%
Return on Equity	<b>23.08</b>	<b>29.81</b>

- 5.42 Thus, the return on equity approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 20: Return on Equity as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Return on Equity	5.38	5.38	29.81	29.81

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014



## **Interest & Finance charges (IFC)**

### *Petitioner's submission*

- 5.43 The Petitioner submitted that the interest on normative loan has been computed as per the provisions of Transmission Tariff Regulations, 2010. The normative loan balance has been computed after reducing normative equity @30% and accumulated depreciation from net fixed assets. The interest on loan has been computed on the normative average loan for the year by applying weighted average rate of interest. The actual weighted average interest rate is 13% p.a.
- 5.44 Accordingly, the Petitioner has submitted interest and finance charges for FY 2013-14 (for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 to be Rs 5.34 Cr and Rs 33.51 Cr respectively.

### *Commission's analysis*

- 5.45 The Commission had directed the Petitioner to submit actual loan schedule for long-term debt along with actual rate of interest for FY 2013-14 and FY 2014-15. However, the Petitioner failed to submit the same. In the absence of actual loan details, the Commission has computed the interest on normative loan as per the appropriate Regulations specified in Transmission Tariff Regulations, 2010.
- 5.46 In order to compute the opening balance of normative loan for FY 2013-14, the Commission has considered the closing balance of normative loan for the transmission function of erstwhile JSEB for FY 2012-13 as per the audited accounts for FY 2012-13.
- 5.47 The closing balance of GFA and accumulated depreciation for the transmission function of the erstwhile JSEB for FY 2012-13 as per the audited accounts are Rs 496.42 Cr and Rs 167.97 Cr respectively. Thus, as per the methodology detailed in para 5.35 of this Order, the normative loan for FY 2012-13 is computed to be Rs 179.52 Cr which forms the opening balance of normative loan for FY 2013-14. The additions in loan and closing balance during FY 2013-14 and FY 2014-15 have been considered as per Table 18 of this Order.
- 5.48 The repayment for the year has been deemed to be equal to the depreciation allowed for that year in accordance with the Transmission Tariff Regulations, 2010.
- 5.49 In the absence of actual loan details, the Commission provisionally approves weighted average rate of interest of 13% as submitted by the Petitioner which shall be True-up on submission of actual loan details and audited accounts for FY 2013-14 and FY 2014-15.
- 5.50 The interest on normative loan as computed by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

**Table 21: Interest on normative loan as computed by the Commission (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
Opening Balance	179.52	173.42
Deemed Additions	0.00	202.59
Deemed Repayments	32.20	33.85
Closing Balance	147.32	342.16
Average Normative Loan	163.42	257.79
Weighted average rate of interest (%)	13.00%	13.00%
Interest on normative loan	<b>21.24</b>	<b>29.62</b>

5.51 Thus, the interest on normative loan approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 22: Interest on loan as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Interest on Loan	5.34	4.95	33.51	29.62

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### **Interest on Working Capital**

#### *Petitioner's Submission*

5.52 The Petitioner submitted normative interest on working capital at Rs 0.58 Cr and Rs 6.59 Cr for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 respectively as per the provisions of Transmission Tariff Regulations, 2010 and considering an interest rate of 14.75%.

#### *Commission's Analysis*

5.53 The Commission has considered the interest on working capital as per the norms specified in the JSERC (Terms and Conditions for Transmission Tariff) Regulations, 2010.

5.54 As per 'Transmission Tariff Regulations, 2010, the working capital requirements shall be determined as per the following norms:-

- Operation & Maintenance expenses for one month.
- Maintenance spares @ 15% of operation and maintenance expenses
- Receivables equivalent to two months of fixed cost

- 5.55 Rate of interest on working capital shall be calculated on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on April 1, 2013 or April 1 of the year in which the Transmission System, is declared under commercial operation.
- 5.56 Accordingly, the interest on working capital computed by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

**Table 23: Interest on working capital as computed by the Commission (Rs Cr)**

Particulars	FY 2013-14	FY 2014-15
O&M expenses for 1 month	4.17	4.42
Maintenance spares @ 15% of O&M cost	7.51	7.95
Receivables ( 2 months)	21.14	25.81
<b>Total Working Capital</b>	<b>32.82</b>	<b>38.19</b>
Interest Rate (%)	14.45%	14.75%
<b>Interest on Working Capital</b>	<b>4.74</b>	<b>5.64</b>

- 5.57 Thus, the interest on working capital approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 24: Interest on working capital as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Interest on working capital	0.58	1.10	6.41	5.64

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

## Depreciation

### *Petitioner's Submission*

- 5.58 The Petitioner submitted that depreciation for FY 2013-14 and FY 2014-15 has been computed on average gross fixed assets and the depreciation rate has been assumed at 5.28% on average basis. Thus, the depreciation cost for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 has been computed to be Rs 6.10 Cr and Rs 33.85 Cr. respectively.

### *Commission's Analysis*

- 5.59 The Commission has determined asset-wise depreciation with additions in asset during the year considered as per the approved capitalisation for the year. The depreciation rates for the various asset classes have been considered as per the Transmission Tariff Regulations, 2010.

- 5.60 Accordingly, the depreciation cost approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 25: Depreciation as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Depreciation	6.10	7.50	33.85	41.58

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### Non-Tariff Income (NTI)

#### *Petitioner's Submission*

- 5.61 The non-tariff income for FY 2013-14 and FY 2014-15 has been estimated at Rs 1.04 Cr and Rs 4.47 Cr respectively.

#### *Commission's Analysis*

- 5.62 The Commission provisionally approves non-tariff income of Rs 1.04 Cr for FY 2013-14 (for the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) as submitted by the Petitioner subject to true-up on submission of audited accounts of FY 2013-14.
- 5.63 For FY 2014-15 the Commission has approved the non-tariff income after considering a 5% increase over the approved non-tariff income for FY 2013-14.
- 5.64 Accordingly, the non-tariff income approved by the Commission for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 is summarised in the following table:

**Table 26: Non-tariff income as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Non-tariff income	1.04	1.04	4.47	4.69

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

### Summary of ARR for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15

- 5.65 The following table contains a summary of ARR for FY 2013-14 and FY 2014-15 as submitted by the Petitioner and as provisionally approved by the Commission:

**Table 27: Aggregate revenue requirement as approved by the Commission (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
<i>Employee Cost</i>	11.59	7.34	44.47	33.92
<i>R&amp;M Cost</i>	4.50	2.69	19.34	11.57
<i>A&amp;G Cost</i>	0.87	1.62	3.50	7.54
<b>Total O&amp;M Cost</b>	<b>16.96</b>	<b>11.65</b>	<b>67.31</b>	<b>53.03</b>
<b>Interest and finance charges</b>	<b>5.34**</b>	<b>4.95</b>	<b>33.51**</b>	<b>29.62</b>
<b>Interest in working capital</b>	<b>0.58</b>	<b>1.10</b>	<b>6.41**</b>	<b>5.64</b>
<b>Depreciation</b>	<b>6.10</b>	<b>7.50</b>	<b>33.85**</b>	<b>41.58</b>
<b>Total Cost</b>	<b>28.99</b>	<b>25.20</b>	<b>141.09</b>	<b>129.87</b>
<b>Add: Return on Equity</b>	<b>5.38</b>	<b>5.38</b>	<b>29.81</b>	<b>29.81</b>
<b>Less: Non-Tariff Income</b>	<b>1.04</b>	<b>1.04</b>	<b>4.47</b>	<b>4.69</b>
<b>Aggregate Revenue Requirement</b>	<b>33.32</b>	<b>29.54</b>	<b>166.43</b>	<b>154.99</b>

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

\*\*Based on revised information submitted vide letter no. 332 dated 09.06.2015

## Revenue from Existing Tariff and Revenue Gap/ Surplus

### *Petitioner's submission*

- 5.66 The Petitioner submitted that actual revenue from existing tariff for 3 months period of FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) is Rs. 30.87 Cr. The revenue from existing tariff for FY 2014-15 is estimated at Rs. 131.73 Cr.
- 5.67 Thus, the revenue gap for FY 2013-14 (from 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) is Rs. 2.45 Cr and for FY 2014-15, the same has been estimated to be Rs. 34.70 Cr.

### *Commission's analysis*

- 5.68 Commission has provisionally computed the revenue at existing tariff for FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 as per the existing transmission charges i.e. Rs 0.18 per unit and approved quantum of energy wheeled at the transmission level during FY 2013-14 and FY 2014-15 as per the Tariff Order for JBVNL for FY 2015-16, as summarised in the following table:

**Table 28: Provisionally approved revenue gap/ surplus for FY 2013-14 & FY 2014-15 (Rs Cr)**

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
<b>Total ARR (A)</b>	<b>33.32</b>	<b>29.54</b>	<b>166.43</b>	<b>154.99</b>
Energy wheeled at transmission level (MU)	1715.03	1828.14	7318.24	7407.71
<b>Revenue from Sale of Power (B)</b>	<b>30.87</b>	<b>32.91</b>	<b>131.73</b>	<b>133.34</b>
<b>Revenue Gap/ (Surplus) (A-B)</b>	<b>2.45</b>	<b>(3.37)</b>	<b>34.70</b>	<b>21.65</b>

\* From 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014

## **A6: AGGREGATE REVENUE REQUIREMENT FOR FY 2015-16**

### **Fixed Cost Determination**

#### **Operation and Maintenance (O&M) Expenses**

##### *Petitioner's Submission*

- 6.1 The Petitioner has projected the employee expense and A&G expense for FY 2015-16 to be Rs 48.04 Cr and Rs 3.79 Cr respectively which are based on employee expense and A&G expense of FY 2014-15 and inflation factor of 8.03%.
- 6.2 For R&M expenses, the Petitioner has determined the 'k' factor as per the Transmission Tariff Regulations, 2010 and based on the opening GFA for FY 2015-16, R&M expenses have been computed as Rs 30.62 Cr.

##### *Commission's analysis*

- 6.3 As per Transmission Tariff Regulations 2010, the O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below:

$$(a) O\&M_n = (R\&M_n + EMP_n + A\&G_n) * (1 - X_n) + \text{Terminal liabilities}$$

$$(i) \text{ Where, } R\&M_n = K * GFA;$$

$$(ii) EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}); \text{ and}$$

$$(iii) INDX = 0.55 * CPI + 0.45 * WPI$$

Where,

(b)  $R\&M_n$  – Repair and Maintenance Costs of the Licensee for the  $n^{\text{th}}$  year;

(c)  $A\&G_n$  – Administrative and General Costs of the Licensee for the  $n^{\text{th}}$  year;

(d)  $EMP_n$  – Employee Costs of the Licensee excluding terminal liabilities for the  $n^{\text{th}}$  year;

(e)  $X_n$  is an efficiency factor for  $n^{\text{th}}$  year.

(f) 'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;

(g) 'GFA' is the opening value of the gross fixed asset of the nth year;

(h)  $INDX_n$  – 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;

- 6.4 In accordance with the aforesaid Regulations, the Commission determined the inflation factor by taking weighted average of the WPI and CPI for the FY 2011-12 in the ratio 45:55. Thus, inflation factor for indexing the employee cost and A&G cost is determined to be 8.64%.

### Employee Cost

- 6.5 The Commission projected the employee cost for FY 2015-16 by increasing the provisionally approved employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2014-15 as by the inflation factor of 8.64%. The Commission has provisionally considered the cost towards terminal benefits during FY 2015-16 to be same as that for FY 2013-14 which shall be trued-up on submission of audited accounts for FY 2015-16.
- 6.6 Thus, the employee cost determined by the Commission for FY 2015-16 is summarised in the following table:

**Table 29: Employee cost as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
Employee cost for FY 2014-15	44.47	33.92
Less: Terminal Benefits	-	3.85
Gross employee cost for FY 2014-15	-	30.07
Escalation Factor	8.03%	8.64%
Gross employee cost for FY 2015-16	-	32.67
Add: Terminal Benefits	-	3.85
Total employee cost for FY 2015-16	<b>48.04</b>	<b>36.52</b>

### A&G cost

- 6.7 The Commission has projected the A&G cost for FY 2015-16 by increasing the provisionally approved A&G cost for FY 2014-15 by the inflation factor of 8.64%.
- 6.8 The A&G cost submitted by the Petitioner and approved by the Commission is summarised in the following table:



**Table 30: A&G cost as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
A&G cost for FY 2014-15	3.50	7.54
Escalation Factor	8.03%	8.64%
A&G cost for FY 2015-16	<b>3.79</b>	<b>8.19</b>

## R&M cost

- 6.9 The Commission has benchmarked the R&M costs as a proportion of the opening GFA for FY 2011-12 in accordance with the Transmission Tariff Regulations 2010.

The R&M cost for FY 2015-16 is computed by multiplying the 'k' factor, as determined in

- 6.10 Table 11 of this Order, with the approved opening GFA for FY 2015-16 as stated below:

**Table 31: R&M cost as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
Opening GFA	785.84	785.84
R&M as percentage (%) of GFA	3.90%	2.33%
R&M Cost	<b>30.62</b>	<b>18.31</b>

- 6.11 Accordingly, the O&M cost submitted by the Petitioner and approved by the Commission is summarised in the following table:

**Table 32: O&M cost as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
Employee cost	48.04	36.52
A&G Cost	3.79	8.19
R&M Cost	30.62	18.31
O&M Cost	<b>82.45</b>	<b>63.02</b>

## CWIP, Capital Expenditure and Capitalisation

### *Petitioner's Submission*

- 6.12 The Petitioner submitted that the opening balance of CWIP has been considered from the closing balance of FY 2014-15.

- 6.13 The Petitioner submitted that it had incurred capital expenditure of Rs 616.28 Cr in FY 2015-16 and that there are major transmission schemes worth Rs. 1310.50 Crore which are being implemented by M/s Power Grid in the State of Jharkhand.
- 6.14 The Petitioner also submitted that there are certain schemes of the past which have already achieved COD, however, due to some unavoidable reasons like late payment, litigations, clearances etc, the same have not been accounted in the books of accounts and hence not been capitalized in the earlier years. The Petitioner submitted that considering the importance of the asset addition for the transmission system, the Petitioner has decided to account for such identified schemes so that the Petitioner is able to recover the cost of service which it is providing to the distribution licensee. Thus, all such schemes have also been proposed to be capitalised in FY 2014-15 and FY 2015-16.
- 6.15 The details of CWIP, capital expenditure and capitalization for FY 2015-16 as submitted by licensee have been summarized in the following table:

**Table 33: CWIP, Capital Expenditure and Capitalization as submitted by the Petitioner (Rs Cr)**

Particulars	FY 2015-16
Opening CWIP	2,010.10
Capital Expenditure during the year	616.28
<b>Total CWIP</b>	<b>2,626.37</b>
Transferred to GFA (Capitalisation)	726.20
<b>Closing CWIP</b>	<b>1,900.17</b>

#### *Commission's Analysis*

- 6.16 The Petitioner was directed to submit scheme-wise details of capital expenditure and capitalisation proposed for FY 2015-16, the DPRs of the schemes to be undertaken and details of funding secured for the execution of the schemes. However, the Petitioner failed to submit the required information.
- 6.17 In the absence of audited information, the Commission has provisionally approved the capital expenditure for FY 2015-16 as per the information submitted by the Petitioner. The same shall be trued up on the submission of audited accounts for FY 2015-16.
- 6.18 The Commission observes that historically, Petitioner has capitalised 35% of the CWIP and capital expenditure incurred during the year. Accordingly, the Commission finds it prudent to approve capitalisation at 35% of the CWIP and capital expenditure to be incurred during FY 2015-16.
- 6.19 Thus, the CWIP, capital expenditure and capitalisation for FY 2015-16 as submitted by the Petitioner and approved by the Commission is summarised in the following table:

**Table 34: CWIP, capital expenditure and capitalization as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
Opening CWIP	2,010.10	529.60
Capital Expenditure during the year	616.28	616.28
Less: Assets capitalised	726.20	404.92
Closing CWIP	<b>1,900.17</b>	<b>740.96</b>

**Gross Fixed Asset (GFA)***Petitioner's Submission*

6.20 The Petitioner has submitted closing GFA of Rs. 1,512.04 Cr for FY 2015-16.

*Commission's Analysis*

- 6.21 The Commission has determined the opening balance of GFA for FY 2015-16 based on the closing GFA for FY 2014-15 as determined in the previous section of this Order.
- 6.22 Considering the capitalisation approved for FY 2015-16 in this Order, the Commission has determined the closing GFA and NFA for FY 2015-16 as summarised in the following table:

**Table 35: Approved GFA for FY 2015-16 (Rs Cr)**

Particulars	FY 2013-14
Opening GFA	785.84
Additions in GFA (Capitalization)	404.92
Closing GFA	1,190.76
Less: Accumulated Depreciation	305.85
Net Fixed Assets	<b>884.91</b>

- 6.23 For funding of above GFA, the Commission has considered normative debt-equity ratio of 70:30 as provided in Regulation 7.10 of the Transmission Tariff Regulation, 2010. As per the aforesaid Regulations, the consumer contribution grants and subsidies for capital assets are to be first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only. However, for the transmission function i.e. JUSNL, consumer contribution grants and subsidies as deployed in GFA has been considered as nil.
- 6.24 The normative net loans are estimated after deducting accumulated depreciation from the value of gross assets.

- 6.25 Thus the approved sources of funding for the approved GFA for FY 2015-16 is tabulated hereunder:

**Table 36: Approved sources of funding for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16
Equity	357.23
Loan	527.68
<b>Total</b>	<b>884.91</b>
Accumulated Depreciation	<b>305.85</b>
<b>GFA</b>	<b>1,190.76</b>

## Return on Equity

### *Petitioner's Submission*

- 6.26 The Petitioner submitted that it had computed the return on equity @ 15.5 % on the normative equity as per the Transmission Tariff Regulations, 2010. Accordingly, the return on equity for FY 2015-16 has been computed to be Rs 53.43 Cr.

### *Commission's Analysis*

- 6.27 The closing balance of normative equity for FY 2014-15 has been considered as opening balance of normative equity for FY 2015-16. The addition in equity and closing balance for FY 2015-16 has been considered as per Table 36 of this Order.
- 6.28 The return on normative equity as approved by the Commission for FY 2015-16 is summarised in the following table:

**Table 37: Return on normative equity as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
Opening Balance	235.75	235.75
Deemed Additions	217.86	121.48
Closing Balance	453.61	357.23
Average Normative Equity	<b>344.68</b>	<b>296.49</b>
Return on Equity (%)	15.50%	15.50%
Return on Equity	<b>53.43</b>	<b>45.96</b>

**Interest & Finance charges (IFC)***Petitioner's submission*

- 6.29 The Petitioner submitted that the interest on normative loan has been projected as per the provisions of Transmission Tariff Regulations, 2010. The normative loan balance is computed after reducing normative equity @ 30% and accumulated depreciation from net fixed assets. The interest on loan has been computed on the normative average loan for the year by applying weighted average rate of interest. The actual weighted average interest rate is 13% p.a.
- 6.30 Accordingly, the Petitioner has projected interest and finance charges for FY 2015-16 to be Rs. 71.34 Cr respectively.

*Commission's analysis*

- 6.31 The closing balance of normative loan for FY 2014-15 has been considered as opening balance of normative loan for FY 2015-16. The addition in equity and closing balance for FY 2015-16 has been considered as per Table 36 of this Order.
- 6.32 The repayment for the year has been deemed to be equal to the depreciation allowed for that year in accordance with the Transmission Tariff Regulations, 2010.
- 6.33 In the absence of actual loan details, the Commission provisionally approves weighted average rate of interest of 13% as submitted by the Petitioner which shall be Trued-up on submission of actual loan details and audited accounts for FY 2015-16.
- 6.34 The interest on normative loan as computed by the Commission for FY 2015-16 is summarised in the following table:

**Table 38: Interest on normative loan as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
Opening Balance	334.52	308.33
Deemed Additions	508.34	283.45
Deemed Repayments	79.84	64.10
Closing Balance	763.02	527.68
Average Normative Loan	<b>548.77</b>	<b>418.01</b>
Weighted average rate of interest (%)	13.00%	13.00%
Interest on normative loan	<b>71.34</b>	<b>54.34</b>

## Interest on Working Capital

### *Petitioner's Submission*

- 6.35 The Petitioner has projected normative interest on working capital at Rs. 10.03 Cr for FY 2015-16 as per the provisions of Transmission Tariff Regulations, 2010 and considering an interest rate of 14.75%.

### *Commission's Analysis*

- 6.36 The Commission has considered the interest on working capital as per the norms specified in the JSERC (Terms and Conditions for Transmission Tariff) Regulations, 2010.
- 6.37 As per Transmission Tariff Regulations, 2010, the working capital requirements shall be determined as per the following norms:-
- Operation & Maintenance expenses for one month.
  - Maintenance spares @ 15% of operation and maintenance expenses
  - Receivables equivalent to two months of fixed cost
- 6.38 Rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on April 1, 2013 or April 1 of the year in which the Transmission System is declared under commercial operation.
- 6.39 The interest on working capital approved by the Commission for FY 2015-16 is summarised in the following table:

**Table 39: Interest on working capital as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
O&M expenses for 1 month	6.87	5.25
Maintenance spares @ 15% of O&M cost	12.37	9.45
Receivables ( 2 months)	48.77	38.39
<b>Total Working Capital</b>	<b>68.01</b>	<b>53.09</b>
Interest Rate (%)	14.75 %	14.75 %
<b>Interest on Working Capital</b>	<b>10.03</b>	<b>7.83</b>

## Depreciation

### *Petitioner's Submission*

- 6.40 The Petitioner submitted that depreciation for FY 2015-16 has been computed on average gross fixed assets and the depreciation rate is assumed at 5.28% on average basis. Thus, the depreciation cost for FY 2015-16 has been projected to be Rs 79.84 Cr.

### *Commission's Analysis*

- 6.41 The Commission determined asset-wise depreciation with additions in asset during the year considered as per the approved capitalisation for the year. The depreciation rates for the various asset classes have been considered as per the Transmission Tariff Regulations, 2010. Accordingly, the depreciation cost approved by the Commission for FY 2015-16 is summarised in the following table:

**Table 40: Depreciation cost as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Depreciation	79.84	64.10

## Non-Tariff Income (NTI)

### *Petitioner's Submission*

- 6.42 The non-tariff income for FY 2015-16 has been estimated at Rs 4.47 Cr.

### *Commission's Analysis*

- 6.43 For provisional approval of the non-tariff income for FY 2015-16, the Commission has considered a 5% increase over the approved non-tariff income for FY 2014-15 which shall be trued-up on submission of audited accounts of FY 2015-16.
- 6.44 Accordingly, the non-tariff income approved by the Commission for FY 2015-16 is summarised in the following table:

**Table 41: Non-tariff income as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Non-tariff income	4.47	4.93

### Summary of ARR for FY 2015-16

6.45 The following table contains a summary of ARR for FY 2015-16 submitted by the Petitioner and as approved by the Commission:

**Table 42: Aggregate Revenue Requirement as approved by the Commission for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16 (Projected)	
	Submitted by the Petitioner	Approved by the Commission
<i>Employee Cost</i>	48.04	36.52
<i>R&amp;M Cost</i>	30.62	18.31
<i>A&amp;G Cost</i>	3.79	8.19
<b>Total O&amp;M Cost</b>	82.45	63.02
<b>Interest on normative loan</b>	71.34	54.34
<b>Interest in working capital</b>	10.03	7.83
<b>Depreciation</b>	79.84	64.10
<b>Total Cost</b>	<b>243.66</b>	<b>189.30</b>
<b>Add: Return on Equity</b>	53.43	45.96
<b>Less: Non-Tariff Income</b>	4.47	4.93
<b>Aggregate Revenue Requirement</b>	<b>292.61</b>	<b>230.32</b>

### Revenue from Existing Tariff and Revenue Gap/ Surplus

#### *Petitioner's submission*

6.46 The Petitioner submitted that the revenue from existing tariff for FY 2015-16 is projected to be Rs 134.00 Cr and accordingly the revenue gap for the year is projected to be Rs 158.60 Cr.

#### *Commission's analysis*

6.47 Commission has provisionally computed the revenue at existing tariff for FY 2015-16 as per the existing transmission charges i.e. Rs 0.18 per unit and approved quantum of energy wheeled at the transmission level for FY 2015-16 as per the Tariff Order for JBVNL for FY 2015-16, as summarised in the following table:



**Table 43: Provisionally approved revenue gap/ surplus for FY 2015-16 (Rs Cr)**

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
<b>Total ARR (A)</b>	<b>292.61</b>	<b>230.32</b>
Energy wheeled at transmission level (MU)	7444.59	7200.22
<b>Revenue from Sale of Power (B)</b>	<b>134.00</b>	<b>129.60</b>
<b>Revenue Gap/ (Surplus) (A-B)</b>	<b>158.60</b>	<b>100.72</b>

**A7: TRANSMISSION TARIFF FOR FY 2015-16***Petitioner's Submission*

- 7.1 As per Transmission Tariff Regulations, 2010, the transmission charges are to be determined based on fixed charges and recovery from beneficiaries is linked to availability of transmission system. However, the Commission in the past has approved transmission tariff linked to per unit basis. Accordingly, the Petitioner in this Petition has proposed transmission charges on per unit basis.
- 7.2 Further, the Petitioner in the Petition has estimated cumulative revenue gap including carrying cost upto FY 2015-16 at Rs 340.88 Cr. The proposed transmission tariff for FY 2015-16 based on the projected ARR and considering cumulative revenue gap is given in the table below:

**Table 44: Transmission Tariff proposed by the Petitioner for FY 2015-16**

Particulars	FY 2015-16 (Projections)	
	As per original submission	Based on revised submission for FY 13 and FY 14*
Net Energy Transmitted from transmission system to distribution system (Excluding on account of DVC) (MUs)	<b>7,444.59</b>	<b>7,444.59</b>
Revenue Gap for FY 14 (including carrying cost)	3.15	2.99
Revenue Gap for FY 15 (including carrying cost)	45.13	37.26
AFC to be recovered for FY 16	292.61	292.61
AFC to be recovered including cumulative gap (Rs. Cr.)	<b>340.88</b>	<b>332.86</b>
Proposed Transmission Tariff (Rs/kWh)	<b>0.46</b>	<b>0.45</b>

\*The Petitioner has submitted revised information for FY 13 and FY 14 vide letter no. 332 dated 09.06.2015

- 7.3 The Petitioner has also submitted that it is facing severe cash crunch situation due to non-revision of tariff for the past three years.

*Commission's Analysis*

- 7.4 The Commission has estimated the cumulative revenue gap on provisional basis for FY 2015-16 along with carrying cost as Rs. 123.53 Crore.

**Table 45: Provisionally approved cumulative revenue gap and carrying cost for FY 2015-16**

Particular	FY 2013-14*	FY 2014-15	FY 2015-16
Opening Revenue Gap as on 1 <sup>st</sup> April	0	(3.37)	19.88
Revenue Gap / (Surplus) created during the year	(3.37)	21.65	100.72
Closing Gap at end of the Year	<b>(3.37)</b>	<b>18.28</b>	<b>120.59</b>

Rate of Interest (As per prevailing SBI PLR rate)	14.45%	14.75%	14.75%
Carrying Cost on Opening Balance	-	-	2.93
Carrying Cost on Additional Gap Created	-	1.60	-
Total Carrying Cost	-	<b>1.60</b>	<b>2.93</b>
Total Gap including carrying cost	<b>(3.37)</b>	<b>19.88</b>	<b>123.53</b>

*\*For the period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014*

- 7.5 The Commission is of the view that passing on the tariff hike to meet the cumulative provisional revenue gap up to FY 2015-16 i.e. Rs 123.53 Cr would lead to an increase in tariff by nearly 90%, which would amount to tariff shock. However, in the absence of final transfer scheme and audited accounts of the Petitioner for FY 2013-14 (for period 6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 and final true-up of erstwhile JSEB (transmission function) for FY 2011-12, FY 2012-13 and FY 2013-14 (1<sup>st</sup> April 2013 to 5<sup>th</sup> January 2014), the Commission does not find it prudent to pass on the entire hike to the beneficiaries.
- 7.6 However, considering that the Petitioner is facing severe cash shortfall situation due to non-revision in transmission tariffs in the State for past 3 years, the Commission constituted a High level Committee of reputed Experts from the field of law, revenue, engineering, commerce etc. of the State. Considering the material placed on record and present financial crunch faced by the Petitioner, the Committee suggested that a nominal tariff hike may be allowed for FY 2015-16.
- 7.7 On further analysis, the Commission noted that during last 3 years, the Petitioner has incurred capital expenditure towards various schemes which is essential for the augmentation and strengthening of the transmission network of the State. Further, there has been inflationary increase in costs such as O&M expenses over the past few years. With the advent of Electricity Act 2003 and the National Tariff Policy 2006, it is imperative to design cost reflective tariffs for long term viability of the sector.
- 7.8 The Commission also observes that the transmission tariff in the neighbouring states of Odisha and West Bengal are higher than that in Jharkhand. The transmission tariff of OPTCL (Odisha Power Transmission Company Limited) is Rs 0.25/unit for FY 2015-16 while that of WBSETCL (West Bengal State Electricity Transmission Company Limited) is Rs 0.23/unit for FY 2015-16.
- 7.9 Thus, in view of above, Commission provisionally approves a nominal tariff hike of 6% for the FY 2015-16.
- 7.10 Accordingly, the Commission approves transmission tariff of Rs 0.19 per kWh for FY 2015-16 which shall remain applicable till amended or modified or extended by an Order of this Commission.

## **A8: DIRECTIVES**

### **Final transfer scheme**

- 8.1 The Commission directs the Petitioner to submit the opening balance sheet of the successor companies along with the copy of final transfer scheme copy notified by Govt. of Jharkhand vide notification dated 6<sup>th</sup> January 2014 and any amendments thereon indicating the opening balances of GFA, CWIP, equity, loan etc. for each of the successor companies of the erstwhile JSEB.

### **True-up Petitions for FY 2011-12, FY 2012-13, FY 2013-14 (pre-unbundling) for the transmission function of erstwhile JSEB and FY 2013-14 (post-unbundling) & FY 2014-15 for JUSNL**

- 8.2 The Commission directs JUSNL to file the true-up Petition for transmission function of the erstwhile JSEB for the period FY 2011-12, FY 2012-13 and FY 2013-14 (for period 1<sup>st</sup> April 2013 to 5<sup>th</sup> January 2014) and also for the period post unbundling i.e. FY 2013-14 (6<sup>th</sup> January 2014 to 31<sup>st</sup> March 2014) and FY 2014-15 along with its next Petition for approval of ARR for second MYT control period.
- 8.3 It should be ensured that functionally segregated informations of the individual companies for the FY 2011-12, FY 2012-13 and FY 2013-14 (up to 5<sup>th</sup> January 2014) reconcile with the information of the erstwhile JSEB based on the audited accounts of FY 2011-12, FY 2012-13 and FY 2013-14.

### **Strengthening of transmission network**

- 8.4 The Commission directs the Petitioner to take appropriate steps to strengthen the Transmission network. The Petitioner is directed to submit a detailed plan with cost-benefit analysis along with the next tariff Petition.

**This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on this the 14<sup>th</sup> December , 2015.**

It is made clear that the order regarding revision of tariff shall come into effect from 1<sup>st</sup> January 2016 and shall remain in force till the next order of the Commission to that regard.

Let the order be placed on website of the Commission and a copy thereof be sent each to the JUSNL, Department of Energy, Government of Jharkhand, Central Electricity Regulatory Commission, Central Electricity Authority and Electricity Regulatory Commission of all States and Joint Electricity Regulatory Commission.

**Date: 14<sup>th</sup> December 2015**

**Place: Ranchi**

**Sd/-**  
**(Sunil Verma)**  
**MEMBER (F)**

**Sd/-**  
**(N.N Tiwari, J)**  
**CHAIRPERSON**

## ANNEXURES

### Annexure-I: List of participating members of public in the public hearing

Sl. No.	Name	Address / Organization if any
<b>Public Hearing at Chaibasa</b>		
1.	Ratna Chakraborty	Subhash Chowk, Chaibasa
2.	Parveen sulthana	Kumahar Toli, Chaibasa
3.	Dinesh Lal	Kumhar Toli, Chaibasa
4.	Rajesh Singh Deo	Ward No. -17
5.	Swarn Singh	Station Road
6.	Subhsish	Chaibasa
7.	Chandan Banerjee	R.M. Ltd., CSP, Chaibasa
8.	Badal Kumar	Rungta Minos Ltd.
9.	Sunil Dodrojva	C.C.C.I., Chaibasa
10.	Mukesh Kr. Modi	Jain Market, Chaibasa
11.	P. Singh	JUSCO, JSR
12.	P. Kumar	JUSCO, JSR
13.	Anand Vardhan Prasad	Advocate, Chaibasa
14.	Ashok Bihany	Jamshedpur
15.	Manoj Kumar Singh	AEE, Chaibasa
16.	Karan Swar	Consultant Feedback Infra
17.	P. Ranjan	Consultant Feedback Infra
18.	S.K. Singh	EEE/Samkala
19.	C. Bhasan	AEE/SKLA
20.	Ravi Prakash	EEE/Rev HQ
21.	S.V. Choudhary	EEE/Ckp
22.	S. Pathak	Chaibasa
23.	Gulam	B.BE
24.	S. K. Bas	Chaibasa
25.	Rajesh Kumar	JEE/Saraikela
26.	A.K. Modi	JEE/JSR
27.	Ravi Shankar Kumar	33/11 KVPISISSERAIKE
28.	Manoj Kr. Gupa	Noamundi
29.	Suman	Noamundi
30.	E. Ali	Chaibasa
31.	K. Rout	Hatgomaria
32.	L. Puri	Chaibasa
33.	M. Gograi	Chaibasa
34.	Piyush	Jamshedpur
35.	Sukhpati bisna	Chaibasa
36.	Ritesh Kumar	33/11 KVPSS Seraikela
37.	M. Minz	33/11 KV PISIS Seraikela
38.	Royal Chatuba	Noamundi
39.	Vijay Sharma	UKRI
40.	R.P. Sharma	AEE/CKP
41.	P. Kumar	AEE/CKP
42.	D. Podar	Chaibasa
43.	S.K. Singh	Chaibasa
44.	S.K. Sawariya	JEE/Rasw
45.	Shambhu Samat	Chhota Vimdih
46.	Sandeep Khatri	Golmuri

Sl. No.	Name	Address / Organization if any
47.	Dilip Kumar	Chaibasa
48.	Prakash	ASIA, JSR
49.	Subhash Kumar Singh	ASIA, JSR
50.	A. Kumar	ASIA,JSR
51.	Dilip Dutta	Madhu Bajar, Chaibasa
52.	Devdas	Chaibasa
53.	Anita	Chaibasa
54.	S.P. Singh	Chaibasa
55.	Ganga Karwa	W. Parssd 03
56.	Mahesh Kr. Agarbal	HSPL
57.	Jitendra Agarwal	Gananan Ferro
58.	S. Podar	Gajanan Ferro
59.	Doma Minz	Chaibasa
60.	P.N. Kiro	JBVNL/Chaibasa
61.	Tribeni Awashthi	Dainik Jagran
62.	S.K. Kashyap	ESE/Chaibasa/JBVNL
63.	Raushan Kumar	ESC/Chaibasa
64.	D. Kumar	Chaibasa
65.	Manish Kumar	Chaibasa
66.	Shankar Sarijan	JEE/MNP
67.	Bidesh	JEE/Chaibasa
68.	Basant Sharma	Chaibasa
69.	Sanwar Mal Sharma	SCCI, JSR
70.	Vinod Sharama	SCCI, Jamshedpur
71.	Gyan Jaishwal	Makers Castry
72.	Durga Pd	Balaji
73.	Zohaib Ahmad	Rani Colony
74.	Indranath Chakravarti	Chaibasa
75.	Arjun Deo Rana	Tungri, Chaibasa
76.	Rajeev Kumar	Tungri, Chaibasa
77.	Deepak	Missionhata
78.	BelaJirai	Hatadhan, Chaibasa
79.	Rohan	Chaibasa
80.	Chandan Kumar	A.O. T.C.CBSA
81.	Ramlal Munda	Zilaprisad CKP
82.	Kaushalya Devi	Europcan Quarley, WN-13
83.	Pawan Kumar	Chaibasa
84.	Baljit Singh Kaokhar	Tata Road, Chaibasa
85.	Bipul	Chaibasa
86.	S.K. Pirja	Chaibasa
87.	Laxmi Kachhap	B. Toli, Chiabasa
88.	Gaurishankar Gop	Sadar Bazar
89.	Deepak Kumar	Police Line
90.	Om Prakash Kedia	Amla Tola, Chaibasa
91.	Shambhu	Sadar Bazar
92.	Pawan Bansal	Gandhi Tola
93.	U. K. Gupta	Chaibasa
94.	Ram Narayan	New Colony Mimdih
95.	Jumbal Sundi	Chaibasa
96.	Chandmani	Pramukh Jhinkpari
97.	S. Gope	Zila Parisd Jhinkpari
98.	Govind Lal	Sadar Bazar, Chaibasa

Sl. No.	Name	Address / Organization if any
99.	S. Das Munda	Bank More, Chaibasa
100.	Kanhaiya Agarwal	Panne Enterprise CBSA
101.	Rajeev Singh	Sadar Bazar, Chaibasa
102.	M. Mishra	Hindustan
103.	B Minz	Chaibasa
104.	Ghansyam Singh	Chaibasa
105.	Rishi Pal Singh	Chaibasa
106.	Mumtaz Alam	Chaibasa
107.	Neela Nag	Chairman, Nagar Parisad
108.	Mukesh Kumar	Chaibasa
109.	S. Kharia	Chaibasa
110.	Bajrang Lal	Bajrang Automobile
111.	Kamal Biswas	Prabhat Khabar
112.	J.D. Upadhaya	Chaibasa
<b>Public Hearing at Dhanbad</b>		
1.	H. P. Barnwal	EEE/S/Nirsa
2.	Prabhakar Kumar	AEE/S/Hirapur
3.	Suresh Kumar Khetan	Ratanji Rd., Dhanbad
4.	C.L. Sharma	H. Colony, Dhanbad
5.	Sunaram Soren	ESD, Jharia
6.	Manoj Kumar Singh	J.Y.Nagar, Dhanbad
7.	C.Singh	Dhanbad
8.	Arjun Prasad	Housing Colony
9.	Ashok Kr. Bihany	SCCI
10.	Piyush	SCCI
11.	Sailendra Singh	Dhanbad
12.	Himanshu Kumar	AEE/S
13.	W. Hangda	Dhanbad
14.	Kirit Chandan	Dhanbad
15.	Navin Singh	Dhanbad
16.	Shivcharan Sharma	Jharia
17.	Vishal Prasad	Rajganj
18.	Sushil Singh	Kumardhubi
19.	Prof. Dinesh Prasad	Kumardhubi
20.	R.N. Raman	I/c GM-cum-CE, Dhanbad
21.	R. K. Singh	EEE/S/Dhanbad
22.	S.K. Rana	JEEE/S/Mayabazar
23.	Sunil Kumar	EEE
24.	Karan Swar	Feedback
25.	Sushil Singh	JIFA
26.	Madhu Singh	Kumardhubi Bazar
27.	Dr. Dinesh Pal	Dhanbad
28.	P.R. Ranjan	CE (C&R), JBVNL
29.	D. Manupatra	Sr. Manager (F&A) JBVNL
30.	R.K. Choudhary	EEE/RE/JBVNL, Ranchi
31.	K. C. Goyal	G.S, DZFMA
32.	Anand Mohan Mittal	Chhatatand Bazar, Dhanbad
33.	Pratik	Prabhat Khabar
34.	Rajesh Gupta	Zila Chamber
35.	Narendra Kumar	Dhanbad
36.	Hari Budhia	BFCL
37.	Supinder Singh	Hihar Ispat Udyog



Sl. No.	Name	Address / Organization if any
38.	Tageshwar Kumar Gupta	JSTSBEA, Bokaro
39.	Chandra Kant Gupta	JSTSBEA, Bokaro
40.	Er. Basant Kumar	EEE/Loyabad
41.	Mr. Sujit Singh	JEEE/Hirapur
42.	Ashok Verma	Prabhat Khabar
43.	M.D. Saw	Dhanbad
44.	Shiv Shankar Shastri	JIIA
45.	Birendra Roy	Chirkunda Dhanbad, RSIPL
46.	Suresh Kumar	Ridhi Sidhi Iron (P) Ltd.
<b>Public Hearing at Medininagar</b>		
1.	Promod Mochi	Panki Dhub
2.	Shital Mistri	Dhub
3.	Surendra Mistri	Panki Dhub
4.	Ayodhya Mahto	Panki Dhub
5.	Ram Laxhan Bhunya	Panki Dhub
6.	Jamuna Mistri	Panki Dhub
7.	Debraj Ravidas	Panki Dhub
8.	Surendra Kumar	Panki Dhub
9.	Mithilesh Rajak	Panki Dhub
10.	Rajendra Mistri	Panki Dhub
11.	Rubesh Kumar	Panki Dhub
12.	Satendra Kumar	Panki Dhub
13.	Rajeshwar Pandey	Advocate, Charch Rd.
14.	Binod Kumar Mistri	Chairman, Adhivakta Sangh, Palamu
15.	Barun Kumar	Sudna
16.	Shankar Singh	Panki, Palamu
17.	Sanjay Kumar Kushwaha	Dhub
18.	Jaswant Kumar	Bakhia Panki
19.	Nimit Mistri	Dhub
20.	Arun Kumar Varma	Maharia
21.	Manish Kr.	Daltonganj
22.	Anit Karan	Industrial Area, Sudna
23.	Upendra Drajapati	Patan
24.	Ajay Kumar	Redma
25.	Md.Sajeel	Daltonganj
26.	Krishna Mistri	Dhub
27.	Param Mochi	Dhub
28.	Karan Swar	Ranchi
29.	P. Ranjan	Ranchi
30.	Sita Ram	Garhwa
31.	Shailendra Kr. Ram	Garhwa
32.	Sheo Pujan Sharma	B. Daltonganj
33.	Kripa Shankar Dubey	Bariganwa
34.	Rishi Kesh Dubey	Bariganwa
35.	Dhananjay Tiwary	Samvu Get Greel Sudra
36.	Vicky Dubey	Daltonganj
37.	D. Mahapatra	Sr. Manager JBVNL
38.	P.R. Ranjan	CE (C&R) JBVNL
39.	R.K. Singh	Linenan Daltonganj
40.	Sahjanand Gahlat	ESE/Garhwa
41.	Sunil Kumar	Mineman
42.	Dhirendra Kumar	Daltonganj

Sl. No.	Name	Address / Organization if any
43.	Birendra Kumar Choudhary	EEE/Garhwa
44.	K.N. Aldar	Lineman
45.	Gibreshwar	EEE/APT, Medininagar
46.	H. Ram	Elec. Supply Circle Division
47.	Rajesh Kumar	Doltonganj
48.	Om Jaiswal	Hisra Barwadih
49.	Radheshyam Ram	Nawatoli, Daltonganj
50.	Om Prakash	Dhub
51.	Pralad Giri	JSEB, Daltonganj
52.	Krishna Mistri	Dhub
53.	Rajiv Prasad	Dhub
54.	Jawahar Mahto	Dhub
55.	Bhulu Mahto	Dhub
56.	Bhuweshwar Mochi	Dhub
57.	Mukesh Kumar Mahto	Dhub
58.	Santu Kumar	Dhub
59.	Harendra Mahto	Dhub
60.	Jagnaragan	Shahpur
61.	Kumal Kumar	Rajwadih
62.	Prabhat Kumar	Kundri
63.	B. Kumar	JSSIA
64.	Ajay Bhandari	Ranchi
65.	Vishal Tiwary	Daltonganj
66.	Gyan Prakash	Daltonganj
67.	Ajay Kumar Singh	Kusari
68.	Chitranjan Singh	Kusri
69.	Arvind Singh	Chainpur
70.	Pankaj Kumar Gupta	Sudna
71.	Dinesh Kumar Singh	Panki Rd. Erma
72.	Dipak Kumar	Byepass Rd.
73.	Gobind Kumar Mishra	PISIS
74.	Sita Ram Kumar	Division Daltonganj
75.	Pandey	Daltonganj
76.	Chhotu Kumar	Daltonganj
77.	Utsav Kumar	Lalgarh
78.	Rajnish Patel	Dehri-on-son
79.	Anjanikant Mehta	Lalgarh
80.	Pankaj Lakra	Daltonganj
81.	Avinash Raj	Daltonganj
82.	Nitish Soni	Daltonganj
83.	Ujjwal Oraon	Daltonganj
84.	Anad Shokor	Daltonganj
85.	President , Palamu	Chamber of Commerce
86.	Krishna Pd. Agarwal	Daltonganj Bazar
87.	Rajendra Pd. Agrawal	Bawadih
88.	Rajhans Kumar	Daltonganj
89.	Ranjit Kumar Mishra	Daltonganj
90.	S. Pandey	Daltonganj
91.	Auranjebkhan	Barwadih
92.	Saikat Chatterjee	Prabhat Khabar
93.	Yugal Kishor Ram	Panki
94.	Bachan Prajapati	Panki

Sl. No.	Name	Address / Organization if any
95.	Arun Kumar Chandrabanshi	Asehar Panki
96.	K.K. Paswan	EEE
97.	Ashok Ram	Asehar
98.	Umesh Prajapati	Asehar Panki
99.	Pramod Saw	Asehar Panki
100.	Faguni Bhunya	Asehar Panki
101.	Binod Prasad	Asehar Panki
102.	Amit Kumar Sharma	Asehar Panki
103.	Raj Kumar	Taarhasi
104.	Dharmendra Kumar	Tarhasi
105.	Praveen Kumar Saw	Jamune
106.	Mantu Prasad Gupta	Asehar
107.	Vikash Paswan	Daltonganj
108.	Lalle Raj	Daltonganj
109.	Vishnu Ram	Daltonganj
110.	Upendra	Baralota
111.	Praveen	Baralota
112.	Sameer Arya	Baralota
113.	Om Kumar	Baralota
114.	Md. Aslam	Sahpur
115.	D. Kumar	Asehar
116.	P. Ranjan Singh	Redma
117.	Santosh Kumar Singh	Judna
118.	KD Pandey	Lesliganj
119.	Abhinash Kumar Giri	Lesliganj
120.	A. Kumar	Daltonganj
121.	Md. Azaj	Panki
122.	Anuj Singh	Tarhasi
123.	Ramprabesh Bhunya	Delha
124.	Bajrangi Kumar Mahto	Delha
<b>Public Hearing at Deogarh</b>		
1.	Subhash Chandra Mishra	Electric Office, Deoghar
2.	Pradip Kumar Ram	Electric Supply Division
3.	Vinay Prakash Dubey	Electric Supply Sub-Division, Rajabag Section
4.	Om Prakash	SPSIA
5.	P.L. Gutgutia	Deoghar
6.	Pradeep Bajla	Deoghat
7.	Tarkeshwar Singh	Deoghar chamber
8.	Binay Maheshwari	Deoghar Chamber
9.	R.N. Sharma	President Deoghar Chamber
10.	L.B. Sinha	SPSIA
11.	Raj Kumar Singh	Hotel Lord Shiva
12.	Subodh Kumar Singh	Bompass Town Deoghar
13.	Krishna Kumar Jha	Deoghar
14.	Pankaj Singh Bhdoria	Shyamganj Road Deoghar
15.	Rita Chaurasia	Mahavir Colony Deoghar
16.	Om Prakash Yadav	Court Rd. B. Deoghar
17.	Namideshwar	Deoghar
18.	Pramod Thakur	Deoghar
19.	Suresh Sah	Deoghar
20.	Pro. Uday Prakash	Dr. JM Mahavidhalaya, Jasidih, Deoghar
21.	Binod Sultha	Goushala Road

Sl. No.	Name	Address / Organization if any
22.	Alok Malick	Deoghar
23.	Mahesh Sultha	Goushal Road
24.	Aman Sharma	Goushal Road
25.	Bajrang	Goushal Road
26.	B.K. Choubey	MRT, Deoghar
27.	Pramod Kumar	Deoghar
28.	Madan Singh	Deoghar
29.	G.P. Singh	Deoghar
30.	A.N. Sharma	Deoghar
31.	Binay Roy	Deoghar
32.	Devendra Kumar	Deoghar
33.	N. Kumar Bal	Deoghar
34.	Subhash Kumar	Deoghar
35.	Bhup Narayan Jha	Deoghar
36.	Nirmal Jhunjhunwala	Industries Association Jasidih, Deoghar
37.	Vinay Kumar	Secretary, GZC of Commerce
38.	Avinash Hansda	Deoghar Chamber of Commerce & Industries
39.	Manish Kumar	ESS Rajabagh, Deoghar
40.	Dileshwar Kumar	ESD, Deoghar
41.	Ashok Kumar Mishra	E.S.D. Deoghar
42.	A.K. Divala	Deoghar
43.	Surendra Pr. Yadav	Deoghar
44.	S.B. Sharma	Thadi Dulampur
45.	S.P. Dalmia	Deoghar
46.	B.P. Bhagat	Deoghar
47.	R.D. Modip	Deoghar
48.	Niranjan Upadhyay	Deoghar
49.	Krishna Singh Choudhary	Deoghar
50.	James Kumar Nakav	Indian Punch
51.	Vikas Kumar	Sadhna News
52.	Raj Kumar Sah	N 7 News
53.	Rajendra Pr. Dubey	Vinayak Palace
54.	Sunil Jha	Khabar Patra
55.	Pravin Kumar	Dainik Bhaskar
56.	Manish Kumar	Deoghar
57.	Vijay Kumar Deo	Deoghar
58.	Shakit Alam	EEE/C/S/Deoghar
59.	Banarsi Ram	JEE(S)
60.	Poonam Kumari	Deoghar
61.	Padam Chand Jain	Girdih Chamber of Commerce
62.	Sushil	Deoghar
63.	Jainarayan Dube	MRT, Deoghar
64.	Bhushan Mahto	Deoghar
65.	Jaikishor Prasad Sah	Deoghar
66.	Bhola Ram	Deoghar
67.	Majhar Mahto	Deoghar
68.	Mukul Pratap Singh	Jasidih
69.	Sunia Kumari	Jasidih
70.	Sanjay Kumar	William's Town
71.	Pramod Kumar	Deoghar
72.	Sandeep Kumar	Deoghar
73.	G. Kumar	Deoghar

Sl. No.	Name	Address / Organization if any
74.	Dineshwar Verma	Deoghar
75.	B Vinita	JEE/S/Jasidih
76.	Sanjeev Kumar	Computer centre
77.	Sunil	Deoghar
78.	Rajesh Mahto	Computer center
79.	Piyil Jaiswal	Deoghar
80.	J. Choudhary	Deoghar
81.	Birendra Kr. Jha	Jasidih
82.	Rahul Kumar	Deoghar
83.	Rajan Kr. Jha	Computer centre, Deoghar
84.	A.K. Singh	Deoghar
85.	Ajay Kr. Sinha	Pakur
86.	M.P. Singh	AEE/Deoghar
87.	Shambhu Nath Singh	Jasidih
88.	Prabhateshwar	Rajabagicha, Deoghar
89.	Binod Kumar	Jasidih
90.	C. Mahto	Deoghar
91.	Krishnadeo Choudhary	Deoghar
92.	B.Kumar	Deoghar
93.	Manish Kumar Jha	Deoghar
<b>Public Hearing at Ranchi</b>		
1.	Jitendra Nath	AEE/S/Ashoknagar
2.	Kedar Nath Lal Das	BIT Mesra, Ranchi
3.	Ajay Bhandari	JSIA
4.	Y.K. Ojha	JSIA
5.	Binod Tulsyan	Pupudana
6.	Anjay Pachariwala	Kokar
7.	Deepak Maroo	Upper Bazar, Ranchi
8.	Abhishek Nemani	Ramgarh
9.	Hari Budhia	Ranchi
10.	N.K. Patodia	Ranchi
11.	U.S. Keshri	AEE/Ratu Rd.
12.	A Kumar	Ranchi
13.	Krishna Kr. Singh	Badri Bhawan, Ratu
14.	A Kumar Singh	Raty Rd. Ranchi
15.	Anita Prasad	JBVNL
16.	K.K. Poddar	FJEEI
17.	J.K. Jalan	Laghu Udyog Bharti
18.	A.K. singh	JUSNL
19.	V.K. Singh	Ranchi
20.	Rajendra Kr. Pandey	JP. Nagar, Satimandir Rd., Ranchi
21.	Basudeo Pd.	AEE/Ratu
22.	P.R. Ranjan	C.E (C&R), JBVNL
23.	Anand Lal Singh	EEE/Doranda
24.	Harishchandra Choudhary	Harmu Housing
25.	Sheopal Kumar	Ranchi East
26.	Binod Kumar	AEE/Ormanjhi
27.	Sanjay Kumar Singh	DGM, Inland Power
28.	Dhananjay Kumar	Radha Casting & Metalik, Ramgarh
29.	Anun Kumar Jha	Gandhinagar, Kanke Rd.
30.	M.K. Nirala	AEE/Lalpur
31.	U.K. Dang	AEE/Torpa

Sl. No.	Name	Address / Organization if any
32.	Ashok Kumar Bihany	ASIA
33.	Piyush	ASIA
34.	Bhuneshwar Oraon	Adivasi PG Hostal
35.	Durga Oraon	Ranchi
36.	Ravi Shankar	Adivasi PG Hostal
37.	Abhishek Kumar	Ranchi
38.	S.S. Gupta	Ranchi
39.	O.P. Ambhastha	GM Ranchi
40.	Anandeshwar	Laghu Udyog Bharti
41.	Krishna Nand Singh	Harmu, Ranchi
42.	Nathhan Rajak	EEE/NE Division
43.	Mahesh	SCCI, JSR
44.	Vinod Sharma	SCCI, JSR
45.	Ashish Kumar	Sevasadan
46.	Vinod	Dainik Jagran, Kokar
47.	Bimal Deo	Prabhat Khabar
48.	Nitin Bhalotia	Jamshedpur
49.	S. Kumar	JSR
50.	Shajan	Khabar Mantra
51.	Gaurav Kumar	AEE/Kanke

## **Annexure 2: Agenda for Meeting of the State Advisory Committee**

The agenda for the State Advisory Committee Meeting held on 19th August, 2015 at 11.30 A.M in Hotel Ranchi Ashok, Doranda, Ranchi was:

1. Confirmation of the minutes of last meeting.
2. Discussion on Action taken Report on the compliance/status and recommendations on the issues discussed in the last meeting of SAC.
3. Discussion on AT & C Loss.
4. Discussion on Tariff Petition for FY 2015-16 of Jharkhand Bijli Vitran Nigam Limited (JBVNL)
5. Discussion on Tariff Petition for FY 2015-16 of Jharkhand Urja Sancharan Nigam Limited (JUSNL).
6. Any other matter(s) relating to electricity which the Members of the Committee may like to discuss with the permission of Chairperson.

### **Annexure 3: List of Members of the Expert Committee**

Sl. No.	Name	Address / Organization if any
1.	Shri R.C.Prasad	Electricity Ombudsman, Jharkhand
2.	Shri M.S.Mittal	Senior Advocate, High Court Jharkhand
3.	Dr. P.R.Thukra	BIT Mesra
4.	Shri Deepak Kumar	Senior General Manager, MECON, Ranchi
5.	Shri Sharad Kumar	Chief Power Management, Tata Steel Limited, Ranchi
6.	Shri G.B.Labh	General Manager (E&M), Central Coalfields Limited, Ranchi
7.	Shri Ajay Kumar	Dy. General Manager (Elec), SAIL, Bokaro Steel Plant
8.	CA Avinash Dewan	Chartered Accountant
9.	Shri Sunil Kumar,	Sr.Dy.General Manager (Elec.)
10.	Shri N.K.Patodia,	President, Energy Sub Committee, FJCCI, Ranchi
11.	Shri Anjay Pachariwala,	JSSIA



#### Annexure 4: Report of Expert Committee

**विद्युत लोकपाल, झारखण्ड**  
**ELECTRICITY OMBUDSMAN, JHARKHAND**

Ref. No. *EOJ/411/14* Date :- 10<sup>th</sup> Nov.2015

To,

The Secretary,  
JSERC, Ranchi.

Subject: Minutes of the meeting of Expert Committee.

Ref: Your letter No.JSERC/Case (T) No.3&4 of 2015/667, dated:4<sup>th</sup> Nov.15.

Sir,

Please find enclosed here with minutes of the meeting of Expert Committee held on 10/11/2015 at Ranchi for providing opinion on issues involved in tariff petitions of JBVNL and JUSNL for kind perusal of the Hon'ble Commission.

Encl. As above

Yours faithfully,  
*R.C. Prasad*  
(R.C. Prasad)  
Electricity Ombudsman

*Please Forwarded to Pw New Delhi.*  
*M. Kishor*  
*16/11/15*  
*L.O.*

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चतुर्थ तल्ला, भागीरथी कॉम्प्लेक्स, करम टोली रोड, राँची-834001 ( झारखण्ड )  
4<sup>th</sup> Floor, Bhagirathi Complex, Karamtoli Road, Ranchi-834001 (Jharkhand)  
Ph. : 0651-2360117 Fax : 0651-2360481, Website : jharkhandelectricityombudsman.org

Minutes of the meeting held on 10<sup>th</sup> of November, 2015 at Ranchi under the Chairmanship of Electricity Ombudsman, Jharkhand for providing opinion on the issues involved in the Tariff petitions of Jharkhand Bijli Vitran Nigam Limited and Jharkhand Urja Sancharan Nigam Limited.

Present---Attendance sheet attached.

The Jharkhand State Electricity Regulatory Commission constituted a Committee of experts in the relevant field consisting of eleven members including Electricity Ombudsman, Jharkhand as Chairperson with the mandate to examine all such issues involved in the Tariff petitions filed by Jharkhand Bijli Vitran Nigam Limited and Jharkhand Urja Sancharan Nigam Limited and submit opinion on item-wise claim made in the petition.

The Working Group discussed the issue at length and the following observations have been made:

1.The important ingredient in deciding Tariff is duly approved Business Plan by the Regulator as well as information regarding power procurement cost as stipulated by JSERC in (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010( Ref. Clause 5.6, 5.7, 5.8 ,6.36, 6.37 and 6.38) which has not been complied with by the Company JBVNL.

2. The review for the period from 6<sup>th</sup> Jan.2014 to 31<sup>st</sup> March 2014 can not be said to be Annual Performance Review because of not being actual data in absence of authentic opening balance sheet either audited or approved by the State Regulatory Commission or notified by the State Government whereas the Company has submitted the petition in absence of Final Transfer Scheme, the opening balance for gross Fixed Assets, Normative Loan, Normative Equity, Security Deposit, Accumulated Depreciation etc. have been considered as per Audited Accounts of erstwhile JSEB for FY 2012-13.This submission of the Petitioner for hike of tariff is not tenable in the light of provisions of Clause 10.2 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010.

The Committee discussed almost all the points of the Tariff Petition thread bare and is of the opinion that the changes proposed by JBVNL in various Paragraphs of their Tariff Petition including paragraphs 6.1.1,6.1.2,6.1.5.2, be not allowed and rejected.

The block contains several handwritten signatures in blue ink. There are approximately five distinct signatures, some of which are quite stylized. A small number '1' is written above one of the signatures.



The Committee is also of the view that penalty/rebate should be equal and there should not be any change as proposed in paragraph 6.1.7.,6.1.12 As regard proposal in para 6.1.10 the committee of the view that Energy Policy Notified by the State Government should be implemented.

As regard proposal in paragraph 6.1.14 the committee of the view that switching over mechanism to other licensees shall continue in accordance with orders of APTEL/JSERC. The Committee notes that the proposal in paragraph 6.1.15 is contradictory to para 6.1.11 and as such should not be allowed.

As regard proposal in paragraph 6.2 of the Tariff Petition, the Committee is of the view that the tariff of JBVNL should be compared with the Tariff with other licensees within the State. The Committee has noted that there is no increase in coal price after 2011.

The Committee is of the view that Fixed / Demand Charges are to cover the cost of initial formation of a Company. Therefore, the demand/fixed charges proposed for all category of consumers including Railway should not be allowed. As regard energy charges it may be allowed reasonably not as per the proposal of the JBVNL.

The Committee is also of the view that interest on the security deposit should be credited in the consumers accounts latest by the month of May of the following financial year. Therefore, the categorisation of the consumers as existed in the 2004 Tariff should be continued.

As regard the proposal in paragraph 6.14 the committee of the view that this should not be allowed in view of existing Regulation for Captive Power Plant. The Committee also suggest that any payment made to the licensees should be adjusted against the current bill including current taxes and duties and thereafter D.P.S.

**Through proposed tariff petition JBVNL has submitted that T&D losses have been brought down from 34.94% to 30%. Attempts have been made to improve revenue collection by introducing online billing facility, installation of more number of ATP machines. It has been submitted in the petition that its rates are lowest in the country and only hike in tariff rates could help it render utmost service to the State and its**



consumer. The crux of the petition is that the JBVNL has proposed for 40% hike in power tariff.

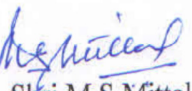
From the objections received from various stake holders it transpires that the losses on account of transmission and distribution, including theft of electricity in the State is high compared to other neighbouring States (about 35- 40%) .

It has been observed that <sup>power licensee</sup> JESCO has been able to improve performance over the years and supply power at a cost effective tariff. Therefore, tariff should be comparable to other efficient licensee in the State of Jharkhand and not impose any burden on the consumers towards the inefficiencies of the licensee/Company which will be contrary to the preamble of the Electricity Act, 2003 which mandates for un-interrupted quality power at affordable price to its consumer.

In view of decline in international crude oil price resulting into decrease in domestic oil price and keeping in view down wards swing in RBI lending rate proposed petition on tariff requires revisit.

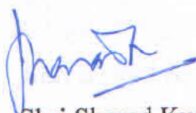
It appears that the Company is trying to make up for its losses and inefficiencies by demanding a hike in tariff. As such the proposal for hike in fixed charges and demand charges are totally rejected and shall be the same what is was in the 2012-13 Tariff. So far the increase in energy charges are concerned, the petitioner has not been able to show any thing which warrants an increase beyond five percent.

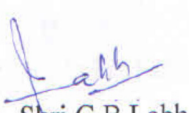
  
Shri R.C. Prasad

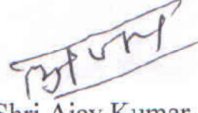
  
Shri M.S. Mittal

  
Dr. P.R. Thukra


  
Shri Deepak Kumar

  
Shri Sharad Kumar

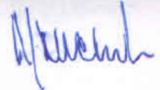
  
Shri G.B. Labh

  
Shri Ajay Kumar

  
CA. Avinash Dewan

  
Shri Sunil Kumar

  
Shri N.K. Patodia

  
Shri Anjay Pachariwala