

Jharkhand State Electricity Regulatory Commission



Order on
True-up for FY 2020-21,
Annual Performance Review for FY 2021-22, and
Aggregate Revenue Requirement & Tariff for FY
2022-23
for
Jharkhand Bijli Vitran Nigam Limited (JBVNL)

Ranchi,
February 28, 2024



Contents

Chapter 1: INTRODUCTION	8
Jharkhand State Electricity Regulatory Commission	8
The Petitioner-Jharkhand Bijli Vitran Nigam Limited	10
The Petitioner's Prayers.....	11
Chapter 2: PROCEDURAL HISTORY.....	13
Background	13
Information Gaps in the Petition	13
Inviting Public Comments/Suggestions	14
Meeting of the State Advisory Committee.....	15
Submission of Comments/Suggestions and Conduct of Public Hearing.....	16
Chapter 3: BRIEF FACTS OF THE PETITION.....	17
True-up for FY 2020-21:	17
Chapter 4: PUBLIC CONSULTATION PROCESS.....	19
Chapter 5: TRUE-UP FOR FY 2020-21	44
Energy Sales	44
Energy Balance	45
Power Purchase Cost	48
Transmission Charge	54
Capital Expenditure and Capitalization	56
Consumer Contribution, Grants and Subsidies	58
Calculation of normative GFA, Loan and Equity	61
Operation and Maintenance Expenses (O&M).....	63
Depreciation	66
Interest & Finance Charge	68
Interest on Consumer Security Deposits.....	71
Return on Equity	72
Interest on Working Capital	73
Non-Tariff Income (NTI)	75
Disallowances on account of Excessive AT&C Losses	77
Revenue.....	81
Resource Gap Funding (RGF)	82
Commission Analysis	82



Subsidy	83
Penalty Imposed by Commission	84
Summary of Annual Revenue Requirement and Gap/(Surplus)	85
Revenue Gap and its Treatment	86
Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2021-22.	89
Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARRIF FOR FY 2022-23	90
Chapter 8: STATUS OF EARLIER DIRECTIVES.....	91
Chapter 9: DIRECTIVES	96
Chapter 10: LIST OF PUBLIC WHO PARTICIPATED IN PUBLIC HEARING.....	103
ANNEXURE-1	109
.....	110
ANNEXURE-2	115



List of Abbreviations

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



List of Tables

Table 1: List of newspapers and dates of publication of public notice by JBVNL	15
Table 2: List of newspapers and dates of publication of Public Notice by the Commission.....	15
Table 3: Sales (in MUs) as submitted by the Petitioner for FY 2020-21	17
Table 4: ARR (Rs. Crore) as submitted by the Petitioner for FY 2020-21.....	17
Table 5: Energy Sales (MUs) as submitted by the Petitioner and as approved by the Commission.....	44
Table 6: Energy Balance (in MUs) as submitted by the Petitioner for FY 2020-21.	45
Table 7: Energy Balance (MUs) as approved by the Commission.	48
Table 8: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner	49
Table 9: Power Procurement Cost (Rs Crore) as approved by the Commission.....	53
Table 10: Transmission Charge submitted by Petitioner for FY 2020-21.	55
Table 11: Transmission Charge approved by Commission for FY 2020-21.	56
Table 12: Capital Expenditure (Rs. Crore) as submitted by petitioner for FY 2020-21.	56
Table 13: Actual capitalization submitted by the Petitioner for FY 2020-21.....	57
Table 14: Actual capitalization approved by the Commission for FY 2020-21.....	58
Table 15: Consumer contribution and grants as submitted by the Petitioner	59
Table 16: Consumer contribution and grants as approved by Commission.	60
Table 17: Source of funding of GFA as submitted by the Petitioner for FY 2020-21....	61
Table 18: Source of funding of GFA as approved by the Commission for FY 2020-21. 62	
Table 19: Employee cost (Rs Crore) as submitted by the Petitioner for FY 2020-21.	63
Table 20: A&G Expense (Rs Crore) as submitted by the Petitioner for FY 2020-21.	63
Table 21: R&M Expenses (Rs Crore) as submitted by the Petitioner for FY 2020-21...63	
Table 22: Actual Employee cost, A&G Expenses, & R&M Expenses (Rs Crore) as approved by the Commission for FY 2020-21.....	64
Table 23: Net Employee cost (Rs Crore) as approved by the Commission for FY 2020-21.....	65
Table 24: Net O&M Expenses (Rs Crore) as approved by the Commission for FY 2020-21.....	66
Table 25: Financing of Capital investments as submitted by the Petitioner for FY 2020-21.....	66
Table 26: Depreciation as approved by the Commission for FY 2020-21.	67
Table 27: Interest on Loan and Bank Charge as submitted by the Petitioner (Rs. Crore)	68
Table 28: Interest and Finance Charges (in Rs Crore) as approved by the Commission for FY 2020-21.....	71
Table 29: Interest on CSD (Rs Crore) as submitted by the Petitioner.	71
Table 30: Interest on CSD (Rs. Crore) as approved by the Commission	72
Table 31: Return on Equity (Rs Crore) as submitted by the Petitioner.....	73
Table 32: Return on Equity (Rs Crore) as approved by the Commission.	73
Table 33: Interest on Working Capital (Rs Crore) as submitted by the Petitioner	74
Table 34: Interest on Working Capital (in Rs. Crore) as approved by the Commission.	75
Table 35: Non-Tariff Income (Rs Crore) as submitted by the Petitioner for FY 2020-21	76
Table 36: Non-Tariff Income (Rs Crore) as approved by the Commission	77
Table 37: Disallowance on account of collection efficiency as submitted by the	



Petitioner	79
Table 38: Disallowance Distribution Loss as submitted by the Petitioner	80
Table 39: Disallowance Distribution Loss (Rs Crore) as approved by the Commission	81
Table 40: Revenue (Rs Crore) as approved by the Commission	82
Table 41: RGF (Rs. Crore) as submitted by the Petitioner	82
Table 42: Summary of ARR (Rs. Crore) as submitted by the Petitioner	85
Table 43: Summary of ARR (Rs Crore) as approved by the Commission for FY 2020-21	85



BEFORE

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

Case (Tariff) No.: 03 of 2022

In the matter of:

Petition for

**True-up for FY 2020-21,
Annual Performance Review for FY 2021-22, and Annual
Revenue Requirement & Tariff for FY 2022-23**

In the matter:

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

PRESENT

Hon'ble Justice Amitav Kumar Gupta
Hon'ble Mahendra Prasad
Hon'ble Atul Kumar

Chairperson
Member (Legal)
Member (Technical)

Order dated February 28, 2024

Jharkhand Bijli Vitran Nigam Limited (hereinafter referred to as 'JBVNL' or the 'Petitioner') has filed the Petition dated November 30, 2021 for approval of True up of FY 2020-21, Annual Performance Review for FY 2021-22, and Annual Revenue Requirement for FY 2022-23.



Chapter 1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the “JSERC” or “the Commission”) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commissions Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.
- 1.2 The Government of Jharkhand, vide its notification dated August 22, 2002, had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commissions Act, 1998 to be the following, namely:
 - (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;
 - (b) to determine the tariff payable for the use of 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 After the Electricity Act, 2003 (hereinafter referred to as the “Act”) came into force, the earlier Electricity Regulatory Commissions Act, 1998 got repealed and the functions of SERC’s are now defined under Section 86 of the Act.
- 1.4 In accordance with Section 86 (1) of the Act, the JSERC discharges the following functions:
 - (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;



Provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-State transmission and wheeling of electricity;
- (d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- (g) levy fee for the purposes of this Act;
- (h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- (k) discharge such other functions as may be assigned to it under this Act.

1.5 The Commission has to also advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:

- (a) promotion of competition, efficiency and economy in activities of the electricity industry;
- (b) promotion of investment in electricity industry;



- (c) reorganization and restructuring of electricity industry in the State;
 - (d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- 1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:
- (a) ensure availability of electricity to consumers at reasonable and competitive rates;
 - (b) ensure financial viability of the sector and attract investments;
 - (c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
 - (d) promote competition, efficiency in operations and improvement in quality of supply.

The Petitioner-Jharkhand Bijli Vitran Nigam Limited

- 1.8 The erstwhile Jharkhand State Electricity Board (JSEB) was constituted on March 10, 2001 under the Electricity (Supply) Act, 1948 as a result of the bifurcation of the erstwhile State of Bihar. Before that, the Bihar State Electricity Board (BSEB) was the predominant entity entrusted with the task of generating, transmitting and supplying power in the State.
- 1.9 The Energy Department, Government of Jharkhand, vide its Letter No. 1/Board-01-Urja-26/13-1745 dated June 28, 2013 unbundled the erstwhile JSEB into following companies:
- a) Jharkhand Urja Vikas Nigam Ltd. (JUVNL) being the holding company;
 - b) Jharkhand Urja Utpadan Nigam Ltd. (JUUNL) undertaking the generation function of the erstwhile JSEB;



- c) Jharkhand Bijli Vitran Nigam Ltd. (JBVNL) undertaking the distribution function of the erstwhile JSEB;
 - d) Jharkhand Urja Sancharan Nigam Ltd. (JUSNL) undertaking the transmission function of the erstwhile JSEB.
- 1.10 Jharkhand Bijli Vitran Nigam Ltd. (herein after to be referred to as “JBVNL” or “the Petitioner”) has been incorporated under Indian Companies Act, 1956 pursuant to decision of Government of Jharkhand to reorganize erstwhile JSEB.
- 1.11 Reorganization of the JSEB has been done by Government of Jharkhand pursuant to “Part XIII – Reorganization of Board” read with Section 131 of The Electricity Act 2003. The Petitioner is a Company constituted under the provisions of Government of Jharkhand, General Resolution as notified by transfer scheme vide notification no. 8, dated January 6, 2014, and is duly registered with the Registrar of Companies, Ranchi.
- 1.12 Jharkhand Bijli Vitran Nigam Ltd was incorporated on October 23, 2013 with the Registrar of Companies, Jharkhand, Ranchi and obtained Certificate of Commencement of Business on November 28, 2013
- 1.13 The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to supply electricity in the State of Jharkhand.
- 1.14 The Petitioner is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged in the business of Distribution of Electricity to its consumers situated over the entire State of Jharkhand.

The Petitioner’s Prayers

- 1.15 The Petitioner in this Petition has made the following prayers before the Commission:
- a) Admit the True-up Petition accompanying Provisional True-up for FY 2020-21 in accordance with Regulation 9.3 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015



and APR for FY 2021-22 & ARR for FY 2022-23 in accordance with Regulation 5.2 and 9.1 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

- b) To convert the accumulated revenue gap of JBVNL till FY 2020-21 after suitable revision in tariff, into regulatory asset and allow the realization of the same over the period of next 4 years starting from FY 2022-23.
- c) Allow the Petitioner to add/ change / alter / modify this application at a future date;
- d) To condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioners to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date;
- e) Allow the Petitioner to submit the revised True-up for FY 2020-21 based on Audited balance sheet.
- f) To pass such Orders as deemed fit and proper in the facts and circumstances of the case in the interest of justice.



Chapter 2: PROCEDURAL HISTORY

Background

- 2.1 The Commission has performed True-up of JBVNL till FY 2015-16 through various Orders.
- 2.2 The Commission had issued the MYT Order on June 21, 2017 for Approval of Business Plan and ARR for MYT Control Period FY 2016-17 to FY 2020-21 and Retail Supply Tariff for FY 2016-17 under the provisions of The 'Distribution Tariff Regulations, 2015.
- 2.3 The Commission has issued the Tariff Order for JBVNL on February 28, 2019 on True-up for FY 2016-17 & FY 2017-18, Annual Performance Review for FY 2018-19 and ARR & Tariff for FY 2019-20.
- 2.4 The Commission has carried out the True up for FY 2018-19, Annual Performance Review for FY 2019-20, Annual Revenue Requirement and Tariff Determination for FY 2020-21 vide its Order dated October 01, 2020.
- 2.5 The Commission had passed order on True-up for FY 2019-20, APR for FY 2020-21, Business Plan & MYT for Control Period from FY 2021-22 to FY 2025-26 and Tariff for FY 2021-22.
- 2.6 The Petitioner in the instant petition has sought for True-up for FY 2020-21.

Information Gaps in the Petition

- 2.7 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 03 of 2022/278 dated November 24, 2022. In response the Petitioner furnished additional data/ information to the Commission vide letter nos.: 55/CE (C&R), File No: GM (Comml)/2837/2022 dated January 17, 2023.



- 2.8 The Commission has conducted Technical Validation Session (TVS) on February 16, 2023 and communicated several additional deficiencies/information gaps observed in the Petition and the response submitted by the Petitioner. The petitioner has submitted its response to deficiencies/information gap raised during the TVS.
- 2.9 In addition to the above the Commission vide letter no. JSERC/Case (Tariff) no.: 03 & 15 of 2022/505 dated February 6, 2024, asked to submit the roadmap of liquidated gap submitted in the petition within a week. However, more than two weeks have passed since issue of this letter, and the pertinent response is yet to be submitted as per requirements highlighted in the letter.
- 2.10 Furthermore, the Commission vide letter no. JSERC/Case (Tariff) no.: 03 & 15 of 2022/506 dated February 6, 2024 asked the petitioner to submit reply of discrepancies observed in petition for True-up of FY 2020-21, FY 2021-22, APR for FY 2022-23, ARR & Tariff for FY 2023-24 within one week. However, more than two weeks have passed since issue of the letter, and the pertinent data is yet to be submitted as per requirements outlined in the discrepancies note.
- 2.11 The Commission has conducted Technical Validation Session (TVS) on February 12, 2024 and communicated several additional deficiencies/information gaps observed in the Petition. The petitioner is yet to submit its response to deficiencies/information gap raised during the TVS.
- 2.12 The Commission has scrutinized the Petition and the additional data/information furnished by the Petitioner with respect to the discrepancies identified and has considered the same while passing this Order.

Inviting Public Comments/Suggestions

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

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

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

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

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

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

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

Meeting of the State Advisory Committee

2.16 The Commission had convened a meeting of the State Advisory Committee (SAC) on February 19, 2024 and prominently kept an agenda for discussion on the Petitions filed by the Petitioner. The minutes of the SAC



meeting is attached as **Chapter 11** to this Order.

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.

Submission of Comments/Suggestions and Conduct of Public Hearing

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

Chapter 3: BRIEF FACTS OF THE PETITION

3.1 The following chapter summarizes the Petition of trueing-up for FY 2020-21, Annual Performance Review for FY 2021-22, and Aggregate Revenue Requirement for FY 2022-23 as filed by the Petitioner for the Commission's approval.

True-up for FY 2020-21:

Energy Sales

3.2 The table below summarizes the actual energy sales for FY 2020-21 as submitted by the Petitioner against the sales approved by Order dated September 29, 2020.

Table 3: Sales (in MUs) as submitted by the Petitioner for FY 2020-21

Consumer Category	ARR	Petition
Domestic	5,886.49	4,905.24
Commercial/Non Domestic	894.74	677.23
Public Lighting / SS	22.08	40.82
Irrigation / IAS	255.66	150.49
Industrial LT / LTIS	249.30	197.67
Industrial HT / HTS / S/ EHT	2,481.08	1,781.70
RTS/MES	104.44	160.25
Total	9,893.78	7,913.41

Annual Revenue Requirement

3.3 The ARR for FY 2020-21 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated September 29, 2020 is tabulated hereunder:

Table 4: ARR (Rs. Crore) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Net Power purchase cost (incl. Transmission charge, disallowance on account of distribution loss and collection efficiency)	4882.00	4814.52
O&M Expenses	556.95	504.37
Depreciation	411.03	577.95
Return on Equity	321.77	452.43
Interest on Long Term Loan	328.28	426.30
Interest on Consumer Security Deposit	55.96	53.44



True-up for FY 2020-21, APR for FY 2021-22, and ARR & Tariff for FY 2022-23

Particulars	ARR	Petition
Interest on Working Capital Loan	8.91	24.15
Bank & Finance Charge		0.05
Total Expenses	6564.90	6853.21
Less: Non-Tariff Income	238.90	271.02
ARR after NTI	6326.00	6582.19
ARR after Disallowance	6326.00	6582.19
ARR Recoverable	6326.00	6582.19
Revenue from Sales of power at existing tariff	6463.48	4624.58
Gap/(Surplus) at Existing Tariff	(137.48)	1957.61
RGF/ subsidy to be adjusted in Gap	0.00	1417.27
Gap/(Surplus) After Subsidy	(137.48)	3374.88



Chapter 4: PUBLIC CONSULTATION PROCESS

- 4.1 Several Stakeholders have responded on the petition. Public Hearing was held by the Commission on Dec 11, Dec 13, Dec 15, Dec 18, Dec 19, 2023 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition to ensure maximum public participation and transparency. Accordingly, stakeholders voiced their comments and suggestions. The list of the attendees is attached as **Chapter-10** of this Order.
- 4.2 The comments and suggestions of the public along with the response of the Petitioner and the views of the Commission are summarized in this Chapter. The issues raised by the stakeholders, which do not hold relevance to True-up, APR, and ARR & Tariff have not been discussed in this Chapter.

A. Objector-M/S Gajanan Ferro Pvt. Ltd.

a) **Audit Report**

- 4.3 Objector-M/s Gajanan Ferro Pvt. Ltd has submitted that the petitioner has not been managing the Book of Accounts in a manner as required under the provisions of the Companies Act 2013. The succeeding paras are extracts drawn from the Audited Accounts (Audit Report) that are reproduced which could have a potential bearing on the True up of FY 2020-21.

Auditor's observation

- **Maintenance of Proper Books of Accounts**

*In our opinion, the books of accounts maintained by Company **is not satisfactory** to give a true and fair view of the state of the affairs of the Company and such books so maintained is not fully on accrual basis as required under Section 128 of the Companies Act, 2013.*

- **Accounting policies inconsistent with Ind AS**

*In some cases, Accounting policies adopted by the Company are **inconsistent with Ind AS**. The cases have been properly dealt elsewhere at the appropriate place in the report.*



- **Property, Plant & Equipment (PPE) & Capital Work in Progress (Note - 3A, 3B & 3C)**

(i) PPE

Company does not maintain Fixed Assets Register, hence we are unable to comment upon the **exact condition and location of the fixed asset**. The total value of Fixed Asset as on 31.03.2021 stood at Rs 11906.32 Cr.

Land & Land Rights of Rs. 3.13 Cr. have been shown by the Company under PPE in Financial Statements. The same has not been segregated into Free and Leasehold Land which is violation of Ind AS-116. **Leasehold Land needs to be amortized as per Ind AS-16 which has not been done by the Company in the absence of segregation.**

We have not been provided the details of Assets taken over from pending final valuation amounting to Rs 2.08 Cr. **Further, the presentation of the same is not in line with the IND AS Schedule III. This asset has been recorded on the basis of transfer scheme and there has been no movement in this head.** The Fixed Assets held by the Company has not been impaired on the reporting date as required under Ind AS-36.

The disclosure regarding the carrying amount of temporarily idle property, plant and equipment were not made available as required under Ind AS - 16.

The company has a policy to capitalize the expenses incurred under Annual Development Program (ADP), Deposit Head and Saubhagya head as and when incurred. Such amount is routed through CWIP and capitalized on the same date. **No separate completion certificates are issued for the same. This is in contravention of requirements of Ind AS 16. The summary of such amount has been presented as follows:**

.....

The company has capitalized the borrowing cost on proportionate basis. Such action of the company is in contravention of Ind AS-23. **In the absence of Fixed Asset register, we are unable to ascertain the actual impact of the same.**

In case of ADP head, the company **does not derecognize old assets replaced with a new one from block of assets, due to this, value of assets under ADP head has been overstated by the book value of old asset which needs to be derecognized.** The details of the same was not readily available with the company therefore in the absence of proper details we are unable to ascertain the actual impact of the same on the financial statement.

.....

The company has capitalized assets under ADP head since the F.Y. 2014-15 till 2020-21.

However, **borrowing cost has been short capitalized by 25.19 Cr for**



assets capitalized till F.Y, 2017-18. The company capitalized Rs.35.86 Cr. in the F.Y.2020-21 which pertains to assets capitalized in the F.Y.2020-21. This has resulted in understatement of the value of Fixed Assets with respect to assets capitalized till the F.Y. 2017-18. Total balance of interest expense under ADP head was Rs. 625.73 cr. as on 31st March, 2021.

(ii) **CWIP**

Allocation of Employee Costs and other overheads towards the capital project work is not done in the absence of proper information.

• **Other Non-Current Assets (Note - 6)**

Capital Advances: During the audit we observed that the company maintains the register of capital advances made to turnkey contractors. **The closing balance was Rs.381.82 cr. (p.y. Rs. 464.59 cr.) 'Such advances are made to supplier for carrying out turnkey projects under various schemes' Confirmations of balances are not available.** The company has classified all advance amounts under non- current assets which is improper.

• **Consumer Security Deposit (Note - 16)**

We have not been provided the details of consumer wise security deposits and interest payable thereon. The year-end balance of the same is Rs. 1127.01 Cr. (P.Y' - Rs. 1062.60 Cr.). Further Interest on consumer security deposit of Rs.0.85 Cr. out of total interest of Rs 47.64 Cr. Has been recognized on average basis on the total amount received during the year instead of actual date of receipts. **During the year, the company has adjusted such interest in the bills of HT consumers only and no such adjustment has been made to the bills of LT consumers.**

• **Power Purchase& Transmission Charges (Note - 25)**

The company has recognized **the DPS against the delay payment of power purchase on cash basis which is in contravention of IND AS - I and accounting policy of the Company.**

• **Appointment of Internal Auditor not as per requirement of section 138 of the companies Act' 2013:**

On the basis of direction issued by board in F.Y. -2017-18 vide item no - 33-05 for appointment of internal auditors for the F.Y. 2018-19 to 2020-21, during the F.Y. 2020-21 the company has appointed the internal auditor and passed the necessary Board resolution for the appointment & fixing the remuneration of an internal auditor. **However necessary certified copy of board resolution approving the appointment of an internal auditor has not been filed with registrar in Form MGT 14 which leads to violation of section 138 of the Companies Act.**



- **Violation of section 180(1)(a) of the Companies Act, by borrowing more amount than approved by resolution at AGM:**

As per the minutes of the proceedings of the first AGM held on 22nd December, 2014, JBVNL had passed a resolution for borrowing up to Rs. 2500 Cr., **however, JBVNL has exceeded the approved amount which has resulted in violation of the said section.**

- VII. (a) According to the information and explanation given to us and based on the records of the Company examined by us, **the Company is not regular in depositing undisputed statutory dues, including Income Tax, Sales Tax, and other statutory dues as applicable with the appropriate authorities in India.** In certain cases, mentioned below, there has been delay in deposit of PF, ESI, and TDS. The **extent of outstanding of such statutory dues for a period of more than six months cannot be determined in the absence of proper record and information.**
- Based upon the audit procedures performed, we report that, no fraud on the Company by its officers/ employees has been noticed or reported during the course of audit for the year ended 31st March, 2021. **But as there is weakness in Internal Control, the Company is significantly susceptible to such fraud.**

Petitioner Submission.

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

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

4.5 The Substantial amount of assets has been added post formation of the company i.e. after 06.01.2014 and such additions have been duly audited



by the respective year auditors. The company has sufficient records in respect of the assets so added in respective years.

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

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

View of the Commission

- 4.7 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

b) Employee Expenses, Terminal Benefits

- 4.8 Objector M/s Gajanan Ferro Pvt. Ltd has pointed out para (ii) of the *Annexure A - Referred in Our Report under "Basis of Adverse Opinion Paragraph* appended to the Audited Accounts provides as under:

"Annexure A - Referred in Our Report under "Basis of Adverse Opinion Paragraph

(ii) CWIP

Allocation of Employee Costs and other overheads towards the capital project work is not done in the absence of proper information."

- 4.9 Based on the above, it is clear that the Employee expenses booked in the Expenses under the P&L also include Employee expenses pertaining to Capital works. Such an approach of the Petitioner is misleading to say the least. The Employee expenses towards Capital works need to form a part of Capital Cost so that the loading of the entire Employee expenses does not form the part of P&L statement.

4.10 In the absence of detailed information and in line with the above submissions, the Employee expenses recoverable through ARR under O&M head should be allowed based on the CWIP and GFA balances. The computation of allowable Employee expenses for the FY 2020-21 is as under:

SN.	Particulars	Claimed by JBVNL	As per Objector's assessment
A	Employee Expenses as per Audited Accounts	212.07	212.07
B	Closing CWIP	-	4,649.47
C	Closing GFA	-	16,876.11
D=B/C	Ratio	-	27.55%
E=Ax(1-D)	Employee Expenses	212.07	153.64

4.11 The petitioner has claimed expenses towards Terminal benefits in line with the Expenses booked in the Audited Accounts. The Tariff Regulations 2015 in respect of Terminal Benefits provides as under:

“Operation and Maintenance Expenses

*Note 3: Terminal Liabilities will be approved **as per actual** submitted by the Licensee or be established through **actuarial studies**.”*

4.12 In accordance with the above, the liability towards Terminal benefits is admissible based on either of:

- Actual amount paid/ deposited in the Trust fund
- Amount payable as per Actuarial studies

To assess the admissibility of Terminal benefits admissible under ARR for FY 2020-21, the perusal of Audited Accounts reveals a contrasting picture:

“13. Provision for Employee Benefits (Note -22)

(i) The Company has deducted but not deposited the statutory dues such as PF, ESIC, and PLI & LIP etc. on regular basis. In some of the circles & areas the opening liabilities have not been fully deposited in the current year. Further, there is failure on deduction part also in some cases. Hence, we are unable to quantify the amount of such default in the absence of information in the manner so required.

(ii) During the year company has made the provision of Leave Encashment, Gratuity & pension liability on the basis of actuarial valuation done up to March 2018.”



- 4.13 Based on the above excerpts, it could be observed that the Petitioner has not deposited any actual amount towards terminal benefits (albeit on a regular basis). The above means to say that although the expenses towards terminal fund contribution is shown as part of P&L, the same has not been deposited in Trust funds. Therefore, in the absence of any actual amount deposited towards Terminal benefits, the claim made by the petitioner is not admissible in line with the Audited Accounts.
- 4.14 Further, the Audited Accounts for the FY 2020-21 also indicate that the Actuarial valuation/studies has not been done beyond the FY 2018.
- 4.15 In view of the above arguments, the claim of Rs. 59.06 Crore towards Terminal Liabilities is not admissible as per the Tariff regulations 2015, however to safeguard the interests of the employees/ pensioners, the Objector submits that the Terminal benefits of Rs. 18.75 Crore as admitted by the Hon'ble Commission in3) the Tariff Order for FY 2020-21 (Order dated 01.10.2020) may be admitted.

Particulars	Claimed by JBVNL	As per Objector's assessment
Terminal Benefits	59.06	18.75

Petitioner Submission.

- 4.16 The Petitioner has claimed employee expense on actual basis as per audited annual account and in provisions to the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.
- 4.17 The JBVNL had been making provisions as per the rates prescribed in the Actuarial Valuation report of the F.Y. 2013-14 which is lower than the actual rates, thereby claiming lower admin expenses. The JBVNL had carried out the Actuarial Valuations for subsequent period up-to FY 2017-18, however, the report only contained the figures of obligations. Accordingly, the company only accounted for the liability in the F.Y. 2018-19, without accounting for corresponding amount of contribution as an expense.

During the F.Y. 2022-23, the JBVNL carried out the Actuarial Valuations through an Actuary for the F.Y. 2018-19 to 2022-23, which were pending



for long time and the impact of the same has been accounted for in the F.Y. 2022-23.

- 4.18 The JBVNL has been regular in depositing the contribution amount relating to GPF, GSS, Leave Encashment, Gratuity etc.

View of the Commission

- 4.19 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

c) Consumer Contribution and Grants

- 4.20 The **ADDITIONAL NOTES TO THE STANDALONE FINANCIAL STATEMENTS** of FY 2020-21 in respect of Grants/ Consumer Contribution is as under:

“30.2 Property Plant & Equipment (PPE), Depreciation

1. Addition: Out of total net addition to Gross Block of Rs 3,107.52 Cr. (P.Y: Rs 3,211.86 Cr.), Rs, 141.60 Cr. (P.Y: 261.77 Cr.) has been added under ADP and Deposit heads which are capitalized as and when expenditures are made considering their nature.

30.3 Grants and Subsidy

- i) **During the financial year 2020-21, JBVNL received a total of Rs 929.92 Cr. (P.Y: Rs. 7127.02 Cr.) as capital grant; Rs.429.92 Cr. (P.Y: Rs. 617.74 Cr.) from Central Government and 500.00 Cr. (P.Y: Rs. 515.28 Cr.) from State Government) for various projects under different schemes and amortized capital grant by 562.01 Cr. (P.Y: Rs 416.51 Cr.) during the said period resulting in net positive movement during the year of Rs. 367.97 Cr. (P.Y: Rs 710.57 Cr.) (Refer Note 17: Government Grant and Note 25: Other Income -Others)**
- ii) **During the financial year 2020-27, JBVNL received a total of Rs NIL (P.Y: Rs, 600 Cr,) as revenue grant. (Refer Note 25: Other Income -Others)”**

- 4.21 In line with the above extract from the Audited Accounts, the Hon'ble Commission is sincerely requested to consider Rs. 1,071.52 Crore (141.60+929.92) towards Contribution for Grants/ Consumer Contribution/ Deposit works. The table below summarizes the allowable Capitalization and Consumer Contribution/ Grants during the FY 2020-21:

Particulars	Claimed by JBVNL	As per Objector's assessment
Capitalization	3,107.52	3,107.52



Particulars	Claimed by JBVNL	As per Objector's assessment
Contribution Contribution/ Grants	396.24	1,071.52

Petitioner Submission

4.22 The objector, while making a co-relation between amount capitalized through Grants/ Consumer Contribution/ Deposit works and the figures quoted as per point No. 30.2 Property Plant & Equipment, Depreciation and 30.3 Grants and Subsidy, completely ignored the fact that: -

- a. In the F.Y 2020-21,
 - i. Rs 141.60 Cr. includes capitalization amount under ADP Head as well and is not reflect the full amount under Deposit head; and
 - ii. Rs 929.92 Cr. received as grant during the year 2020-21 cannot be fully utilized for creation of GFA in the same year.

View of the Commission

4.23 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

d) Interest on Loan

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

<p>VIII. The Company has defaulted in repayment of loan to State Government. It already had opening loan outstanding amounting to Rs. 9034.15 Cr. borrowed from State Government (which includes Rs.6136.37 Cr. received under UDAY Scheme). As explained to us this amount of Rs.6136.37 Cr is to be converted into grant and equity which is pending from the State Government side. During the Financial Year, the company has borrowed an added deemed loan from State Government amounting to Rs. 136.85 Cr. Out of total loan, Rs. 970.76 Cr. (P.Y. – Rs. 500.07 Cr.) and interest of Rs. 1555.65 Cr. (P.Y. – Rs. 945.64 Cr.) have become due for payment as on 31st March 2021.</p> <p>IX. Based upon the Audit Procedure performed, information and explanation given to us, the Company has not raised any money from initial public offer or further public offer and term loans, consequently paragraph (ix) of Order is not applicable.</p> <p>X. Based upon the audit procedures performed, we report that, no fraud on the Company by its officers/ employees has been noticed or reported during the course of audit for the year ended</p> <p>Jamtara New Delhi Sachin Mumbai Kolkata Jharkhand Punjab</p> <p>Page 24 of 33</p>
--

- 4.25 It is apparent that the Petitioner is enjoying a perpetual moratorium on the same as no interest or debt is being serviced. It thus, in effect is akin to Government Grant. Hence, we propose that the same may be treated as Government Grant and the Interest on Loan and Depreciation may not be charged on capitalization consequent to capex funded by State Govt. loans. It is requested to the Hon'ble Commission to kindly look into the details of the matter and take some stringent action in respect of the same. The Objector prays that the Hon'ble Commission may withhold 30% of the admissible cost.

Petitioner Submission

- 4.26 The Objector, while making a co-relation between the loan received under UDAY Scheme, the interest cost and depreciation, completely ignored the fact that the loan received under UDAY Scheme was not for creation of GFA but for the payment of Central Public Sector Undertakings liability towards power purchase. The same has also been clearly explained in the Notes which has been captured and referred to by the intervener. On account of the same, this loan has not been considered in GFA for the purpose of interest calculation and depreciation.

View of the Commission

- 4.27 The Commission has taken note of the submissions of the stakeholder



and the response of the Petitioner.

e) Distribution Loss

- 4.28 The Petitioner has claimed the Distribution losses at a level of 18.00% whereby the actual distribution losses for the FY 2020-21 is 34.97%. Subsequently, the Hon'ble Commission vide Order dated 21.06.2017 has approved the Distribution loss trajectory for each year of the Control period FY 2016-21. Distribution Loss approved by Commission for FY 2020-21 is 13%.
- 4.29 Furthermore, the Petitioner has depicted that the Intra state Transmission losses is 8.92%. It is respectfully submitted that the Transmission loss trajectory submitted by the DISCOMs is in significant variance to the Transmission loss trajectory approved by the Hon'ble Commission for JUSNL (State Transmission License) in the MYT Order of JUSNL.
- 4.30 In view of the above submissions, it would be imprudent if the cost of the Petitioner's inefficiency is passed onto the consumers. Therefore, the JBVNL submits that the Cost of the surplus power procured by the Petitioner on account of excess Transmission and Distribution Losses should be disallowed by the Hon'ble Commission as a pass through in the Tariff.

Petitioner Submission

- 4.31 JBVNL has submitted that it has continuously making efforts to reduce distribution loss in the system. Actual Distribution loss for FY 2020-21 is coming 34.97%. Despite best efforts, distribution loss is high due to addition of high number of rural domestic consumers. Also, as per loss reduction trajectory under RDSS scheme, target to reduce the loss in FY 2021-22 for Jharkhand is 36%. Although in FY 2020-21, JBVNL's distribution loss is still lesser than the approved loss target for FY 2021-22.
- 4.32 The energy available for onward transmission system is 9,129.55 MU and net energy sent to distribution system is 8315.55 MU. Considering the Loss



in Interstate Transmission System as 3%, the Intrastate Transmission system is coming around 8.92%. Due to the absence of proper metering infrastructure at JUSNL side, it was difficult to assess the actual power loss in the system.

4.33 JBVNL submits that distribution loss and transmission loss trajectory as approved by the Hon'ble Commission in its MYT Order is on projection basis and subject to be approved on actual basis with justified reasons.

4.34 Thus, JBVNL prayed to the Hon'ble Commission to consider the 34.97% as distribution loss and 8.92% losses in Intrastate Transmission System for FY 2020-21. Also, cost associated with power purchase is requested to be considered.

View of the Commission

4.35 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

f) Capitalization, CWIP

4.36 The approach of the Petitioner is incorrect as the admission of Interest expenses and Depreciation is based on the Capital Cost net grants and consumer contribution.

Petitioner Submission

4.37 JBVNL sets aside the false claim of Respondent-M/s Gajanan Ferro Pvt. Ltd. The approach of the JBVNL for Interest expenses and Depreciation is in accordance with the provisions to the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.

View of the Commission

4.38 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

g) Opening Balance of GFA and Consumer Contribution and Grants

4.39 The Opening balance of Consumer Contribution and Grants considered by the Petitioner for the FY 2020-21 is Rs. 7,614.15 and is inconsistent with the closing balance of Consumer Contribution and Grants approved by the

Hon'ble Commission for the FY 2019-20. The relevant extract from the JSERC Order dated 31.05.2023 depicting the closing balance is as under:

Table 21: Consumer Contribution and Grants (CCG) approved by the Commission (Rs. Crore)			
Particulars	FY 2019-20		
	APR Order	Petition	Approved
Opening Consumer Contribution and Grants	6,882.51	6,882.51	6,882.51
Addition in Grants	1,316.91	731.64	1,127.02
Addition in Consumer Contribution			46.23
Closing Consumer Contribution and Grants	8,199.42	7,614.15	8,055.76

Petitioner Submission

4.40 The Petitioner has not submitted any Comment on the aforesaid objection raise by the Objector-M/S Gajanan Ferro Pvt. Ltd.

View of the Commission

4.41 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

h) Capital Work in Progress (CWIP)

4.42 The Opening and Closing balances of CWIP claimed by the Petitioner is inconsistent with the CWIP balances as per the Audited Accounts. The Respondent submits that the balances of CWIP must be considered as per the Audited Accounts (ref Note 3B of the Audited Accounts).

4.43 Based on the above, the admissible CWIP balances are as under:

Particulars	Claimed by JBVNL	As per Objector's assessment
Opening CWIP	6,375.44	5,050.49
Closing CWIP	5,726.68	4,649.47

Petitioner Submission

4.44 The Petitioner has not submitted any Comment on the above said objection raise by the Objector-M/S Gajanan Ferro Pvt. Ltd.

View of the Commission

4.45 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

i) Interest on Consumer Security Deposit

4.46 The Petitioner in the instant petition has claimed Interest on Consumer Security Deposit to the tune of Rs. 53.44 Crores for FY 2020-21.

4.47 Regulation 6.49 of JSERC Distribution Tariff Regulations 2015 provides for the admission of Interest on Consumer Security Deposit as under:

“Interest on Consumer Security Deposits

6.49 Interest paid on consumer security deposits shall be as specified by the Commission in ‘Jharkhand (Electricity Supply Code) Regulations, 2015’ and as amended from time to time.”

In accordance with the above, the Interest on Consumer Security Deposit is to be allowed on actual paid basis.

4.48 From the Audited Accounts of FY 2020-21, it could be observed that JBVNL is not discharging Interest on Consumer Security Deposit to the prospective consumers. The consumer security deposit balance is provided at Note 16 of the Audited Financial Statements. The Consumer Security Deposit balance as on 31.03.2021 is Rs. 471.29 Crores and the outstanding interest payable as on 31.03.2020 Rs. 430.29 Crores. Further, the addition to the Interest accrued on Security Deposit during the FY 2020-21 is Rs. 49.13 Crores (ref Note 29 of the Audited Accounts). The table below summarizes the actual Interest on Security Deposit discharges during the year:

SN.	Particulars	Value	Remarks
A	Opening Balance of Interest on Security Deposit	430.21	Note 16
B	Additions during the year	49.13	Note 29
C=A+B-D	Actual paid during the year	8.05	
D	Closing Balance of Interest on Security Deposit	471.29	Note 16

Petitioner Submission

4.49 The Petitioner has not submitted any Comment on the above said objection raised by the Objector-M/S Gajanan Ferro Pvt. Ltd.

View of the Commission

4.50 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

j) Interest on Working Capital

4.51 The Petitioner in the instant petition has claimed Interest on Working Capital to the tune of Rs. 24.15 Crores for the FY 2020-21.

4.52 Regulation 6.30 of JSERC Distribution Tariff Regulations 2015 provides for the admission of Interest on Consumer Security Deposit as under:

“Interest on Working Capital

6.30 Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus

b) Maintenance spares at 1% of Opening GFA for retail supply business; plus

c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus

d) Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus

e) One-month equivalent of cost of power purchased, based on the annual power procurement plan.

6.31 Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year.”

4.53 In accordance with the submissions made by the Objector in the preceding sections, there would be consequential impact on the Interest on Working Capital allowable to the Licensee. The allowable Interest on Working Capital for the FY 2020-21 as per the Objector’s assessment is NIL against the Petitioner’s claim, the computation of which is depicted as under:

Interest on WC	2020-21		
	Approved in ARR Order dated 01-10-2020	Claimed by JBVNL	As per Objector's assessment
1 month O&M	46.41	42.03	33.80
Maintenance Spares	69.20	85.64	78.75
Receivables (2 Months)	1,054.33	1,097.03	843.49
Less: 1 month cost of power purchase	406.83	361.69	322.58
Less: Security Deposit from Customers	686.62	655.72	655.72



Interest on WC	2020-21		
	Approved in ARR Order dated 01-10-2020	Claimed by JBVNL	As per Objector's assessment
Total Working Capital requirement	76.49	207.29	(22.26)
Interest Rate on WC	11.65%	11.65%	11.65%
Interest on Working Capital	8.91	24.15	-

Petitioner Submission

4.54 The Petitioner has not submitted any Comment on the above said objection raise by the Objector-M/S Gajanan Ferro Pvt. Ltd.

View of the Commission

4.55 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

k) Revenue from sale of Power

4.56 The Petitioner has billed the retail consumers of JBVNL at a rate (ABR) of Rs. 5.84/ unit for the overall sales of 7,913.41 Mus. Therefore, the total amount billed by the Licensee for the FY 2020-21 is Rs. 4,624.58 Crore (as per Accounts).

4.57 It is humbly submitted that the Hon'ble Commission in the Tariff Order for FY 2020-21 has approved the Revenue of Rs. 6,463.84 Crore (ref Table 135 of the JSERC Order dated 01.10.2020) at an ABR of Rs. 6.53/ unit (for 9,893.78 Mus). Based on the ABR, as approved by the Hon'ble Commission, the actual ABR submitted by the Petitioner is significantly low (by ~11%) which implies that there had been an instance of under billing by the Petitioner's company.

4.58 In view of such underperformance of the Utility, it is respectfully submitted that the burden of such under billing must not be passed onto the timely billed and timely paying industrial consumers. It needs to be mentioned that the Regulation 5.30 of the Tariff Regulations 2015 provides that the Distribution Losses and Collection Efficiency are controllable parameters. Therefore, the burden of inefficiency cannot be passed onto the consumers of the state under the Regulatory provisions.

4.59 To bring the parity in terms of the Revenue considered, it is submitted before the Hon'ble Commission that the Revenue for the FY 2020-21 must be considered at an ABR of Rs. 6.53/ unit as approved by the Hon'ble Commission and the consumers of the state must be insulated from the burden of petitioner's inefficiency. Accordingly, the admissible Revenue for the True up of FY 2020-21 is as under:

Particulars	Claimed by JBVNL	As per Objector's assessment
ABR approved by JSERC		6.53
Sales		7,913.41
Revenue	4,624.48	5,170.01
Deemed Revenue admissible		545.44

Petitioner Submission

4.60 The Petitioner has not submitted any Comment on the above said objection raised by the Objector-M/S Gajanan Ferro Pvt. Ltd.

View of the Commission

4.61 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

l) Subsidy/Resource Gap funding

4.62 The Petitioner has passed an overall subsidy of Rs. 1,356.16 Crore during the FY 2020-21 against which it received Rs. 1,000 Crore as Revenue subsidy from Government of Jharkhand. The Note 30.3 of the **ADDITIONAL NOTES TO THE STANDALONE FINANCIAL STATEMENTS** in respect of Grants and Subsidy provides as under:

“iii) The Government of Jharkhand provides subsidy to certain specified categories of consumers. Such subsidy is passed on to such consumers as a deduction in the energy bills towards net payable amount. The company accounts for such subsidy amount as Subsidy Receivable from Government of Jharkhand and the amount received are adjusted against the same. During the financial year 2020-21, the total amount of subsidy passed on to consumers which were receivable from Government of Jharkhand was Rs. 1356.16 Cr. The total amount received towards such subsidy during the same period from Government of Jharkhand is Rs. 1000 Cr. The total amount receivable from Government of Jharkhand net of current year collections and previous year balance as at 31st March 2027 is Rs 314.45 Cr. (P.Y. -41.77 Cr.)”



4.63 In accordance with the above, it is humbly submitted that the Petitioner is yet to receive Rs. 314.45 Crore as dues from the State Government. Accordingly, the impact of such un received subsidy must be accounted in the retail ARR that would otherwise result into an inflated Gap. The Hon'ble Commission is therefore requested to kindly consider Rs. 314.45 Crore as deemed revenue which is not accounted for by the petitioner in the True up claim.

Petitioner Submission

4.64 The Petitioner has not submitted any Comment on the above said objection raise by the Objector-M/S Gajanan Ferro Pvt. Ltd.

View of the Commission

4.65 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

m) Non-Tariff Income

4.66 It has been observed that the Petitioner has not considered certain elements of Non-Tariff Income recorded in the Audited Accounts. The said items are Rebate on Power Purchase and Wheeling Charges / Fuel surcharge/Outside State as reflected in Note 25 and Note 23 of the Audited Accounts.

Petitioner Submission

4.67 JBVNL hereby submits that, wheeling charges had already been adjusted in the power purchase cost. Also, the rebate on power purchase is due to efficiency of JBVNL which should be benefited to utility and not to be shared with the consumers.

View of the Commission

4.68 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

n) Delayed Payment Surcharge

4.69 The Petitioner has also deducted the funding cost attributable to DPS from



the Non-Tariff Income. The Hon'ble Commission is requested to kindly approve the NTI in entirety based on the Audited Accounts considering entire Delayed Payment Surcharge towards NTI.

Petitioner Submission

4.70 JBVNL hereby submits that, due to non-payment from consumers on electricity consumed, JBVNL has to manage funds from outside sources which have their financing cost. JBVNL is entitled to recover those financing cost from consumers. Thus, the petitioner prays to the Hon'ble to consider the financing cost.

View of the Commission

4.71 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

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

a) Audited Account

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

Petitioner Submission

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

<https://www.jbvn.co.in/accounts.php>

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

View of the Commission

4.74 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.



C. Objector-Anjay Pacheriwala

a) T&D Loss

4.75 JBVNL has reported abnormally high T&D loss of 34.97%. This is intolerable and no valid reason has been provided in their petition. Merely citing high number of rural consumers as the reason of high T&D loss without any figures and supporting data shows their non-commitment to improve performance reliability of figures.

Petitioner Submission

4.76 JBVNL is continuously making efforts to reduce distribution loss in the system. Actual Distribution loss for FY 2020-21 is coming to be 34.97%. Despite best efforts by the Petitioner, distribution loss is high due to addition of high number of rural domestic consumers.

Also, as per loss reduction trajectory under RDSS scheme, target to reduce the loss in FY 2021-22 for Jharkhand is 36%. Although in FY 2020-21, JBVNL's distribution loss is still lesser than the approved loss target for FY 2021-22.

Thus, JBVNL prays to the Hon'ble Commission to approve the loss of 34.97% as submitted by the petitioner.

View of the Commission

4.77 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

b) Transmission Loss

4.78 Transmission Loss for the year has been claimed at 8.92%, in excess of approved loss which cannot be passed to the consumers.

Petitioner Submission

4.79 The energy available for onward transmission system is 9,129.55 MU and net energy sent to distribution system is 8315.55 MU. Considering the Loss in Interstate Transmission System as 3%, the Intrastate Transmission system is coming around 8.92%. Due to the absence of proper metering infrastructure at JUSNL side, it was difficult to assess the actual power loss in the system.



Thus, Hon'ble Commission is requested to consider the 8.92% losses in Intrastate Transmission System.

View of the Commission

4.80 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

c) Depreciation on Capital Asset

4.81 Depreciation on Capital Asset which has not been approved cannot be allowed.

Petitioner Submission

4.82 The Petitioner has first arrived at the opening and closing GFA of FY 2020-21, created out of debt and equity (D&E), by deducting CCG portion deployed towards opening and closing GFA. The Petitioner has applied the depreciation rate as approved by the Hon'ble Commission on the average GFA and accordingly calculations are made to arrive at the total depreciation being claimed as part of the true-up exercise.

4.83 The depreciation calculated is in accordance to the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015. Thus, Hon'ble Commission is requested to approve the depreciation as claimed by the Petitioner.

View of the Commission

4.84 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

d) Interest on Consumer Security Deposit

4.85 Interest on consumer security deposit for the year has been claimed as Rs. 53.44 Cr. but the figure of actual payment of Interest on Security deposit is not available in petition. The expense should be allowed to the extent of actual payment made only. Unpaid interest should not be allowed as expense.



Petitioner Submission

- 4.86 The interest on consumer security deposits has been calculated as per the approach adopted in the previous true-up order whereas closing of CSD as per audited
- 4.87 accounts in FY 2020-21 and applicable interest rate as per Tariff Regulations, 2015 has been applied to compute Interest on CSD during the year.
- 4.88 Hence, The Hon'ble Commission is requested to approve the claimed amount on the Interest on Consumer Security Deposit.

View of the Commission

- 4.89 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

e) Revenue from Sale of Power

- 4.90 Revenue from sale of power is claimed as Rs. 4624.58 Cr. Detailed category wise sale of power with bifurcation of domestic, urban and rural is needed for our proper scrutiny and comments.

Petitioner Submission

No Comments

View of the Commission

- 4.91 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

f) Audited Account

- 4.92 Audited accounts, auditors' comments on accounts etc has not been made available in spite of repeated reminders. In absence of the same, we are unable to comment on the same.

Petitioner Submission

- 4.93 Audited account with the auditor's report for FY 2020-21 of JBVNL is



already available on the JBVNL's website as –

<https://www.jbvn.co.in/accounts.php>

View of the Commission

4.94 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

g) Non-Collection of Bill

4.95 The submission of JBVNL that “Percent of receipt generated to such rural domestic consumers as number of bills issued is less than 10%. This is very alarming and bonafide revenue paying consumers are being burdened. Non collection of bills is responsibility of JBVNL and such practice should not be tolerated. JBVNL should too he asked to provide reports and its progress and frequently monitoring in collection efficiency be reviewed.

Petitioner Submission

4.96 JBVNL submits that, it is prone to difficulties of collection inefficiencies due to difficult terrains and large rural consumers with limited paying capacity, in overall consumer mix. Further, under Universal Supply Obligation (USO), the petitioner is obliged to provide quality power without any interruption or reduction in power supply in areas with poor collection efficiencies.

4.97 Inspite of all the difficulties, JBVNL is making several efforts to increase its billing and collection efficiency.

View of the Commission

4.98 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

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

a) Cheap Electricity



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

Petitioner Submission

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

View of the Commission

4.101 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

b) Petition not Maintainable

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

Petitioner Submission

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

c) Interest on Security Deposit

Petitioner Submission

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

View of the Commission



4.105 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

d) Non Compliance of directive on unmetered Consumers

Petitioner Submission

4.106 There are no unmetered consumers in JBVNL. The directive of the Commission was complied with by JBVNL.

View of the Commission

4.107 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.

e) Billing and Collection Efficiency

4.108 Billing and collection efficiency targets and achievement

Petitioner Submission

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

View of the Commission

4.110 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.



Chapter 5: TRUE-UP FOR FY 2020-21

- 5.1 In the instant petition the Petitioner has now sought approval of Truing up for FY 2020-21 based on the Audited Accounts, taking into consideration the provisions of the Tariff Regulations, 2015 and the methodology adopted by the Commission in the previous Orders.
- 5.2 The Commission on the basis of provisions of the Tariff Regulations, 2015 has determined the truing up for FY 2020-21 on consideration of:
- (a) Audited accounts for FY 2020-21;
 - (b) Tariff Regulations, 2015;
 - (c) Material & Information on record submitted by the Petitioner.
- 5.3 The component-wise details filled by the Petitioner's and the Commission's analysis and discussion is dealt with in the upcoming paragraph.

Energy Sales

Petitioner's Submission

- 5.4 The Petitioner has submitted that the intra-state energy sales for FY 2020-21 was decreased by 1,980.37 MU as compared to the energy sales approved in tariff order dated October 01, 2020 in ARR for FY 2020-21.

Commission's Analysis

- 5.5 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on a prudent Check, the Commission approves the sales for FY 2020-21 which has been summarized in the table below:

Table 5: Energy Sales (MUs) as submitted by the Petitioner and as approved by the Commission.

Consumer Category	ARR	Petition	Approved
Domestic	5,886.49	4,905.24	4,905.24
Commercial/Non Domestic	894.74	677.23	677.23
Public Lighting / SS	22.08	40.82	40.82



Consumer Category	ARR	Petition	Approved
Irrigation / IAS	255.66	150.49	150.49
Industrial LT / LTIS	249.30	197.67	197.67
Industrial HT / HTS / S/ EHT	2,481.08	1,781.70	1,781.70
RTS/MES	104.44	160.25	160.25
Total	9,893.78	7,913.41	7,913.41

Energy Balance

Petitioner's Submission

- 5.6 The Petitioner has submitted that energy availability for FY 2020-21 has been computed based on the actual Power Purchase and Sales as per the Audited Accounts for FY 2020-21.
- 5.7 The Petitioner has further submitted that the Power Purchase from various sources are segregated into different heads, while calculating the energy balance for FY 2020-21.
- Power Purchase from Outside JBVNL Boundary- i.e. Power NTPC, NHPC, PTC, APNRL, part of TVNL, NVVNL, SECI;
 - Energy Input Directly to State Transmission System- Input of power from TVNL-PTPS directly to State Transmission System;
 - State-owned Generation- SHPS, Rungta Mines, ABCIL, Inland Power;
 - Direct Input of Energy to Distribution System- DVC and Solar IPPs.
- 5.8 The Petitioner has computed the energy requirement based on the formula mentioned below:

$$\text{Energy requirement} = \text{sales} / (1 - \text{Distribution loss})$$

- 5.9 Based on the information provided above, Energy Balance of JBVNL for FY 2020-21 is summarized below:

Table 6: Energy Balance (in MUs) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Power Purchase from Outside JSEB Boundary (MU)	7,016.78	7,913.56
Loss in External System (%)	3.00%	3.00%
Loss in External System (MU)	210.50	237.41



Particulars	ARR	Petition
Net Outside Power Available (MU)	6,806.28	7,676.15
Energy Input Directly to State Transmission System (MU)	483.49	456.56
State-owned Generation (MU)	95.72	996.83
Energy Available for Onward Transmission (MU)	7,385.49	9,129.55
Transmission Loss (%)	2.23%	8.92%
Transmission Loss (MU)	164.70	813.99
Net Energy Sent to Distribution System (MU)	7,220.79	8,315.55
Direct Input of Energy to Distribution System (MU)	4,151.37	3,810.39
Total Energy Available for Sales (MU)	11,372.16	12,125.94
Total energy sold (MU)	9,893.78	7,913.41
Distribution loss%	13.00%	18.00%
Energy Required for distribution (MU)	11372.16	9650.50
Power disallowance at DISCOM Periphery (MU)	-	2,475.45
Total Power Purchase	11,747.36	13,177.34

Commission's Analysis

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

5.11 In reality, Distribution Losses and Collection Efficiency represent crucial operational metrics for DISCOMs (Distribution Companies). Therefore, various State Electricity Regulatory Commissions (SERCs) have designated them as controllable parameters for DISCOMs. Similarly, Clause 5.30 of the Distribution Tariff Regulations 2015, as established by the Commission, identifies Distribution Loss and Collection Efficiency as controllable parameters.

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

5.13 Subsequently, the Commission vide Order dated 21.06.2017 had



approved the Distribution loss trajectory for each year of the Control period FY 2016-17 to FY 2020-21. The relevant extracts of the Hon'ble Commission's MYT Order are shown below:

5.21 The Commission approves the distribution losses & Collection efficiency for the MYT Control period as per the table below:

Table 16: Targets for Distribution losses & Collection efficiency as approved by the Commission

Parameters	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Distribution Losses	24.20%	20.40%	15.00%	14.00%	13.00%
Collection Efficiency	100.00%	100.00%	100.00%	100.00%	100.00%
AT&C Losses	24.20%	20.40%	15.00%	14.00%	13.00%

- 5.14 Based on the aforementioned, it is contended that neglecting the trajectory outlined by the Commission and failing to address the deviation in the retail Annual Revenue Requirement (ARR) by the Licensee is unacceptable.
- 5.15 It is observed that the Intra-State Transmission Losses of 8.92% for FY 2020-21 has been claimed by the petitioner as against the approved Intra-State Transmission Loss of 2.23%. Further, the petitioner has clarified that the Intra-State Transmission Loss was calculated by subtracting the normative 3.00% Inter-State Transmission Loss from the Inter-State Power Purchased from the overall Transmission Loss as per the Audited Accounts for the respective years for arriving at the Intra-State Transmission Losses.
- 5.16 The Commission is of the opinion that it would be imprudent if the cost of the Petitioner's inefficiency is passed onto the consumers. Accordingly, the Commission has worked out energy availability for the FY 2020-21 on the basis of actual generation of power from Central, State-owned and other Generating Stations. Further, the loss in external system has been considered at the same level as approved by the Commission in its earlier Order, while the Intra-State Transmission Loss has been considered at



2.23% as per the Tariff Order for JUSNL dated February 24, 2018. The energy availability from various sources has been summarized below:

Table 7: Energy Balance (MUs) as approved by the Commission.

Particulars	ARR	Petition	Approved
Power Purchase from Outside JSEB Boundary (MU)	7,016.78	7,913.56	7,913.56
Loss in External System (%)	3.00%	3.00%	3.00%
Loss in External System (MU)	210.50	237.41	237.41
Net Outside Power Available (MU)	6,806.28	7,676.15	7,676.15
Energy Input Directly to State Transmission System (MU)	483.49	456.56	456.56
State-owned Generation (MU)	95.72	996.83	996.83
Energy Available for Onward Transmission (MU)	7,385.49	9,129.55	9,129.55
Transmission Loss (%)	2.23%	8.92%	2.23%
Transmission Loss (MU)	164.70	813.99	203.59
Net Energy Sent to Distribution System (MU)	7,220.79	8,315.55	8,925.96
Direct Input of Energy to Distribution System (MU)	4,151.37	3,810.39	3810.39
Total Energy Available for Sales (MU)	11,372.16	12,125.94	12,736.35
Total energy sold (MU)	9,893.78	7,913.41	7,913.41
Distribution loss%	13.00%	18.00%	13.00%
Energy Required for distribution (MU)	11372.16	9650.50	9095.87
Power disallowance at DISCOM Periphery (MU)	-	2,475.45	3,640.48
Total Power Purchase (MU)	11,747.36	13,177.34	13,177.34

Power Purchase Cost

Petitioner's Submission

5.17 The Petitioner has submitted that, it has firm allocations of power from central allocations like NTPC, NHPC, DVC and other sources such as PTC. In addition to these, purchased power from private stations like APNRL, Inland Power, ABCIL, Rungta Mines and some quantum from renewable sources during FY 2020-21.

5.18 The Petitioner has submitted that the Commission in its Order dated 01.10.2020 had approved power purchase including Interstate Transmission charges as Rs. 3.86/kWh in ARR for FY 2020-21. The lower power purchase was due to consideration of low tariff from DVC (Rs.



3.79/kWh) and also due to non-consideration of power purchase from costlier power sources like NTPC Farakka III, Nabi Nagar and TVNL. The Petitioner has further submitted that owing to variation in its demand pattern, the Petitioner was forced to offtake power from costlier sources like TVNL and Farakka III. However, at the time of off-peak load, it exercises Merit Order Despatch (MOD) and backs down costlier power plants.

- 5.19 The Petitioner has prayed to approve the power purchases cost as per the actual data of FY 2020-21 as summarized in the table below and approve the power purchase cost accordingly.

Table 8: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner

Particulars	ARR		Petition	
	Approved (MUs)	Claimed (MUs)	Approved (Rs Cr.)	Claimed (Rs Cr.)
NTPC				
FARRAKA I&II	399.62	814.45	177.19	301.29
FARRAKA III	0.00	593.83	89.05	245.94
Kahalgaoon I	465.74	162.56	153.77	54.93
Talcher	537.76	542.95	160.92	162.38
Kahalgaoon STPS II	131.44	109.81	42.28	37.15
Barh-II	656.03	596.43	229.93	276.76
Korba	350.89	396.36	102.92	109.18
Barh-I	352.65		115.42	
Daripalli STPS	767.58	411.75	251.21	136.49
Nabinagar	341.85	150.82	114.15	69.82
North Karanpura	585.99		191.80	
Total	4,589.56	3,778.96	1,628.64	1,393.93
NHPC				
Rangit	58.23	53.89	17.12	19.87
Teesta	326.54	321.95	65.16	76.42
Total	384.77	375.84	82.28	96.29
PTC				
Chukha	171.15	222.91	41.10	53.53
Tala	306.25	388.67	66.15	83.96
Total	477.40	611.58	107.25	137.49
Total Central Sector	5,451.73	4,877.65	1,818.18	1,684.92
DVC	4,133.45	3,792.85	1,568.44	1,840.97



Particulars	ARR		Petition	
	Approved (MUs)	Claimed (MUs)	Approved (Rs Cr.)	Claimed (Rs Cr.)
State Sector				
SHPS	48.16	49.98	18.03	10.63
TVNL	0.00	1,972.60	253.64	698.73
Total State Sector	48.16	2,022.58	271.67	709.26
Private				
Inland Power	409.77	364.48	166.28	177.45
APNRL-Unit I	0.00	452.74	50.92	164.35
APNRL-Unit II	0.00	452.74	51.65	163.66
APNRL Add 66 MW	0.00	486.46	50.15	187.55
Total Private Sector	409.77	1756.42	319.90	693.01
RE				
Solar IPPs	17.92	17.53	32.19	31.02
SECI Solar	505.10	15.09	136.73	9.31
SECI Wind	1,108.98	264.60	366.27	71.97
PTC Wind		487.33		172.03
Total RE	1,632.00	784.55	535.20	284.33
Rungta Mines	0.00	24.40	0.00	7.67
ABCIL	73.32	67.68	5.45	23.43
KANTI	0.00	111.26	24.69	57.20
PGCIL (Rs. Cr.)		0.00		254.46
Posoco (ERLDC)		0.00		0.95
Posoco (Railway)		0.00		0.00
ERLDC (APNRL)	-	0.00	-	30.48
UI Payable		82.39	-	39.94
UI Receivable		-112.81		-11.22
SER Deviation Receivable		0.00		-1.04
PTC (IEX) Purchase	-	283.83		105.21
PTC (IEX) Sale		-402.21		-97.90
Suppl. Bill/REA		-		27.58
Grand Total	11,748.83	13,177.34	4,542.63	5,592.13

Commission's Analysis

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



- 5.21 Regarding the sale of surplus power, the Commission approves such transactions. Consequently, the corresponding purchase cost has been deducted from the overall power purchase cost.
- 5.22 Furthermore, the Commission has noted that the Petitioners have included LPS (LPSC plus Surcharge) related to Generating station as components of their power purchase cost for FY 2020-21. However, the Commission is of opinion that the Petitioners have been adequately provided with working capital to cover expenses related to power purchase costs and other associated components, Accordingly, the Commission disallow the expense under the Late Payment Surcharge for Power purchase from various utilities.
- 5.23 Upon thorough scrutiny and analysis of the data, material, and information on record, the Commission has observed that the Petitioner has claimed a substantial cost under UI (Unscheduled Interchange). Consequently, the Petitioner is hereby directed to implement meticulous planning for electricity scheduling and procurement. Furthermore, the Commission emphasizes that henceforth, penal action will be taken if the UI charges exceed the scheduled energy range, in accordance with the provisions outlined in the Deviation Settlement Mechanism Regulation.
- 5.24 The Commission while scrutinizing the petition has observed that the Petitioner in its petition has not submitted the compliance towards Renewable Power Purchase Obligation (RPO). In this regard the Commission vide data gap asked to submit the compliance towards Renewable Purchase Obligation (RPO) target set by Commission for solar and non-solar separately as per clause 5.2 of JSERC (Renewable Energy Purchase Obligation and its Compliance) Regulation, 2016. In reply to the Commission query, the Petitioner has submitted the RPO Compliance for FY 2020-21 as shown below.

S.No.	Particulars	UOM	Value
1	Total Power Purchased	MU	13220
2	Hydro power purchased	MU	1033.3
3	Co-generation power purchased	MU	0
4	Solar RPO target	%	6.55



S.No.	Particulars	UOM	Value
5	Non solar RPO target	%	5
6	Solar RPO carried forward	MU	0
7	Non Solar RPO carried forward	MU	0
8	Solar RPO target	MU	798.2
9	Non solar RPO target	MU	609.32
10	Solar Purchase	MU	32.44
11	Non Solar Purchase	MU	751.93
12	Solar REC Purchase	Nos	0
13	Non Solar REC Purchase	Nos	0
14	Equivalent Solar RPO	MU	0
15	Equivalent Non Solar RPO	MU	0
16	Total Solar RPO compliance	MU	32.44
17	Total Non-Solar PRO compliance	MU	751.93
18	Non Compliance (Solar)	MU	-765.8
19	Non Compliance (Non-Solar)	MU	142.61

5.25 In addition to the aforementioned matters, the Petitioner has submitted that despite their best efforts, it was unable to meet the Renewable Purchase Obligation (RPO) target for Solar RPO compliance, falling short of the requirement. However, they were successful in fulfilling their non-solar RPO compliance for the year, exceeding the target by 142.61 MU (million units). To address this shortfall, it has taken proactive steps, including entering into a Power Purchase Agreement (PPA) with SECI (Solar Energy Corporation of India) for 100 MW of floating solar photovoltaic (PV) power from Getalsud Dam. Furthermore, it is in the process of implementing a solar rooftop scheme, through which it will procure power from prosumers within the state.

Moreover, it has also secured agreements with SECI for 700 MW of solar power, out of which 450 MW has already been commissioned as of January 2022, while the remaining 250 MW is currently under arbitration. Additionally, agreements have been made for wind power with INOX wind, although commissioning has been delayed and is anticipated to occur in the fiscal year 2024-25. Looking ahead, it is committed to meeting the RPO targets for the state in future endeavor.

5.26 Regarding the Renewable Power Purchase Obligation (RPO), the



Commission mandates the Petitioner to meet the RPO target established by the Commission in accordance with the provisions outlined in the JSERC (Jharkhand State Electricity Regulatory Commission) Renewable Energy Purchase Obligation and its Compliance Regulation, 2016. Failure to comply may result in the Commission taking necessary action.

5.27 In light of the aforementioned facts and circumstances, the Commission hereby grants approval for the power purchase cost amounting to Rs 5281.89 Cr, is delineated below.

Table 9: Power Procurement Cost (Rs Crore) as approved by the Commission.

S.No	Name of Generating Station	Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
1	NTPC	Farrakka I & II	814.45
		Farrakka III	593.83
		Khalagaon I	162.56
		Talcher	542.95
		Khalagaon II	109.81
		Barh	596.43
		Korba	396.36
		Darlipalli	411.75
		Total	3628.14
		Kanti Power	111.26
		Nabinagar	150.82
		Grand Total	3890.22
			1451.14
2	NHPC	Rangit	53.89
		Teesta	321.95
		TCS Charge	0.00
		Total	375.84
3	PTC	Chukha	222.91
		Tala	388.67
		Total	611.58
4	Total Central Sector		4877.65
5	DVC	KTPS (OA)	3701.35
		Stand by Power	99.46
		UI (Deviation)	-254.14
		Trans. Charge	75.56
		HT Points	246.19
		Total	3792.85
			1840.97



S.No	Name of Generating Station		Total units Purchased (MU)	Total cost of Purchase (in Rs. Crore)
6	TVNL		1972.60	698.73
7	UI Payable (Deviation)		82.39	39.94
8	APNRL	Unit I	452.74	164.35
		Unit II	452.74	163.66
		APNRL (Add.)	486.46	187.55
		ERLDC APNRL		30.48
		Total	1391.95	546.03
9	SOLAR	SECI	15.09	9.31
		State IPPs	17.53	31.02
		Total	32.62	40.33
10	Wind	PTC	487.33	172.03
		SECI	264.60	71.97
		Total	751.93	244.00
11	INLAND		364.48	177.45
12	ABCIL		67.68	23.43
13	Rungta Mines		24.40	7.67
14	PTC-IEX (Purchase)		283.83	105.21
15	PTC-IEX (Sale)		-402.21	-97.90
16	SRHPS (Generation)		49.98	10.63
17	UI Receivable		-112.81	-11.22
18	SER-DSM			-1.04
19	Supplementary Bills			27.58
20	Total Purchase		13177.34	5336.72
21.	Less: LPSC			54.83
22.	PPC excl. Transmission Charge			5281.89

Transmission Charge

Petitioner's Submission

5.28 The Petitioner has submitted that the Commission had approved Intra-state transmission charges payable to JUSNL based on Tariffs in Order dated October 1, 2020, and the units transmitted as per the approved energy balance.

5.29 The actual Inter/Intra-State transmission charges payable to JUSNL for FY 2020-21 as submitted by the petitioner is given below:

Table 10: Transmission Charge submitted by Petitioner for FY 2020-21.

Particulars	ARR	Petition
Inter-State Transmission Charge (incl. Posoco ERLDC)		255.41
Intra-State Transmission Charge	184.64	219.75

Commission Analysis

5.30 The Commission has outlined the clause 5.30 of JSERC (Distribution Tariff Regulation) 2016, for approval of Transmission & Load Dispatch charge as reproduced below:

5.30 The items in the ARR which shall be treated as "controllable" and "uncontrollable" are as follows:

ARR Element	"Controllable"/ "Uncontrollable"
Sales	Uncontrollable
Power Purchase Cost (excluding short-term power)	Uncontrollable
Transmission & Load Dispatch charges;	Uncontrollable
O&M Expenses (excluding terminal liabilities of employees)	Controllable
Terminal liabilities of employees	Uncontrollable
Return on Equity	Controllable
Depreciation	Controllable
Taxes on Income	Uncontrollable
Foreign Exchange Rate variation	Uncontrollable
Non-Tariff income	Uncontrollable
Income from Other Businesses	Uncontrollable
Distribution Loss and Collection Efficiency	Controllable
Quality of Supply	Controllable
Capital Expenditure	Controllable
Variation in Wires availability and Supply availability	Controllable

5.31 With regard to transmission and load dispatch charges, the Commission has noted that these charges are considered uncontrollable factors as per clause 5.30 of JSERC (Terms & Condition of Determination of Tariff) Regulation 2015. In light of this, the Commission in its data discrepancies has directed to provide bills for the FY 2020-21 towards inter/intra-state transmission charges.

5.32 In reply to Commissions query, the Petitioner had submitted the summary statement of Inter/Intra-state transmission charge along with the bill for FY 2020-21.



5.33 Consequently, after scrutinizing and analyzing the transmission and load dispatch charges on a monthly basis, and after conducting a thorough examination, the Commission approves the transmission and load dispatch charges as provided below:

Table 11: Transmission Charge approved by Commission for FY 2020-21.

Particulars	Petition	Approved
Inter-State Transmission Charge (incl. Posoco ERLDC)	255.41	255.41
Intra-State Transmission Charge	219.75	219.75

Capital Expenditure and Capitalization

Petitioner's Submission

5.34 The Petitioner has submitted the scheme-wise actual capital expenditure (capex) schedule for FY 2020-21 as per the Audited Accounts as below:

Table 12: Capital Expenditure (Rs. Crore) as submitted by petitioner for FY 2020-21.

Scheme wise	ARR	Petition
DDUGJY	-	471.99
IPDS	-	180.05
RAPDRP – A	57.00	2.60
RAPDRP – B	-	344.96
DDUGJY 12 th Plan	-	253.64
ADP + Misc.	-	102.87
Tilka Manjhi & AGJY	-	19.48
RE State Plan	-	61.43
JSBAY - RE	3,975.56	836.19
RGGVY (10 th & 11 th Plan)	-	16.46
Deposit & others	-	47.35
SAUBHAGYA	-	91.58
JSBAY – Urban Electrification	-	-
JSBAY – IT, SCADA & TRW	-	-
IT Schemes (WB supported)	-	30.16
Total	4,032.56	2,458.76

5.35 The Petitioner has submitted that capex of Rs. 2,458.76 Crore has been granted against the approved capex of Rs. 4,032.56 Crore in FY 2020-21.



5.36 The Petitioner has further submitted that it is a testimony towards its success in implementing Central and State Government's scheme on the ground and also substantiates its claim in previous year's petition that the revision in capital expenditure is majorly due to the timing of payments which are linked to the completion of work under various schemes. The Petitioner has further submitted that since implementation of large schemes such as Jharkhand Sampurna Bijli Achyadan Yojna (JSBAY) in 2018, a significant work was completed in FY 2020-21.

5.37 The Petitioner has further submitted the corresponding capitalization for FY 2020-21 as per audited account as shown below:

Table 13: Actual capitalization submitted by the Petitioner for FY 2020-21.

Scheme wise	ARR	Petition
Opening GFA	12678.19	13768.59
GFA Addition	2931.41	3107.52
Closing GFA	15609.60	16876.11

Commission Analysis

5.38 The Commission had asked the Petitioner to justify the Capital Expenditure incurred against the approved for FY 2020-21. In reply, the Petitioner has submitted that the amount of Rs 3975.56 Cr was approved by the Commission under JSBAY (RE) scheme, out of which Rs 836.19 Cr had been spent under the scheme. The revision in capital expenditure, was majorly due to timings of payments which are linked to completion of works under various schemes. Since implementation of large schemes such as Jharkhand Sampurna Bijli Achyadan Yojna (JSBAY) was started in 2018 itself, a significant work was completed in FY 2020-21. The Commission in its order had limited the expenditure under the schemes viz., DDUGJY, IPDS, RAPDRP, ADP + Misc., etc., stating that the capex proposed was much higher and was approved by the Commission in the Business Plan vide its MYT Order. However, there was capital expenditure incurred against several schemes as described in the petition.

5.39 Further, the Commission has observed that the Petitioner in reply to



discrepancies note has failed to reconcile the claimed capital expenditure with annual audited account. However, the claim made by the petitioner is lower compared to the figures in the annual audit account (**note 3A & 3C**). Hence, the Commission, in the instant true-up for FY 2020-21, approves the capital expenditure of Rs 2458.76 crore as claimed by the Petitioner.

- 5.40 With regard to capitalization the Commission in discrepancies note had asked the Petitioner to submit the detailed scheme-wise comparison of capitalization approved by the Commission vis-à-vis as claimed for FY 2020-21. In addition to the above the Commission had also asked to provide the project/scheme completion certificate. In reply to discrepancies note the Petitioner has submitted that most of the CWIP at beginning of FY 2020-21 **would be capitalized** in FY 2020-21 as scheme like DDUGY, R-APDRP and IPDS are coming to end in FY 2020-21. Further, the Petitioner had submitted that the Commission has not approved any scheme wise capitalization as such. Beside these, the Petitioner had submitted the project/scheme completion certificate as annexed in '**annexure 5**' of data gap reply.
- 5.41 Considering, the Petitioner's submission and after a due prudent check of the annual auditor account submitted to the petition, the Commission approves the capitalization as per the audited annual accounts (**note 3A**) for FY 2020-21 as given in the table below:

Table 14: Actual capitalization approved by the Commission for FY 2020-21.

Scheme wise	ARR	Petition	Approved
Opening GFA	12678.19	13768.59	13768.59
GFA Addition	2931.41	3107.52	3107.52
Closing GFA	15609.60	16876.11	16876.11

Consumer Contribution, Grants and Subsidies

Petitioner's Submission

- 5.42 The Petitioner has submitted that the Consumer Contribution and Grant (CCG), based on the audited accounts vis-à-vis as approved by the



Commission is given below:

Table 15: Consumer contribution and grants as submitted by the Petitioner

Particulars	ARR	Petition
Consumer Contribution Grants opening	8199.42	7614.15
Addition: Government Grants	4315.58	367.91
Addition: Consumer Contribution	-	28.33
Closing consumer contribution Grants	12515.00	8010.39

Commission Analysis

- 5.43 The Commission has observed that the Petitioner has claimed the Capitalization of Rs. 3,107.52 Crore for the FY 2020-21 in line with the audited accounts. Further, the Petitioner has considered additions of Grants (and Consumer Contribution) amounting to Rs. 396.24 Crore based on the actual Capital Grants received and adjusted for Amortization of the Grants.
- 5.44 At the outset, the approach of the Petitioner is incorrect as the admission of Interest expenses and Depreciation is based on the Capital Cost net off grants and consumer contribution. The provisions of the Tariff regulations 2015 also aligns with the above approach. The extracts of the Tariff Regulations 2015 are as follows:

“Capital Cost

6.10 The amount of any contribution made by consumers, distribution system users and government subsidy towards work for connection to the distribution system of the Licensee shall be deducted from the original cost of the project for the purpose of calculating the amount under debt and equity under these regulations.

.....

Interest on Loan Capital

.....

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

.....

Depreciation

6.32 Depreciation shall be calculated every year, on the amount of original cost of the fixed assets as admitted by the Commission;



*Provided that depreciation **shall not be allowed on assets funded by consumer contribution and capital subsidies/grants.** Provision for replacement of such assets shall be made in the capital investment plan;"*

5.45 Based on the aforesaid, it is clear that the Depreciation, Interest on Loan are to be admitted on the Capital Cost net off grants. However, the Petitioner has netted off the grant component by adjusting the amortization towards grants as well which is not in accordance with the Tariff Regulations 2015.

5.46 The **ADDITIONAL NOTES TO THE STANDALONE FINANCIAL STATEMENTS** of FY 2020-21 in respect of Grants/ Consumer Contribution is as under:

30.3 Grants and Subsidy

i) During the financial year 2020-21, JBVNL received a total of Rs 929.92 Cr. (P.Y: Rs. 7127.02 Cr.) as capital grant; Rs.429.92 Cr. (P.Y: Rs. 617.74 Cr.) from Central Government and 500.00 Cr. (P.Y: Rs. 515.28 Cr.) from State Government) for various projects under different schemes and amortized capital grant by 562.01 Cr. (P.Y: Rs 416.51 Cr.) during the said period resulting in net positive movement during the year of Rs. 367.97 Cr. (P.Y: Rs 710.57 Cr.) (Refer Note 17: Government Grant and Note 25: Other Income -Others)

5.47 In accordance with '**note 20**' of the annual audit account, the Commission approves the consumer contribution of Rs 28.33 Cr for FY 2020-21.

5.48 Considering, the Petitioner's submission and after a due prudent check of the annual auditor account submitted to the petition, the Commission approves the consumer contribution/ government grants/deposit works as Rs 958.25 crore for FY 2020-21 as given below:

Table 16: Consumer contribution and grants as approved by Commission.

Particulars	ARR	Petition	Approved
Consumer Contribution Grants opening	8199.42	7614.15	8055.76
Addition: Government Grants	4315.58	367.91	929.92
Addition: Consumer Contribution		28.33	28.33
Closing consumer contribution Grants	12515.00	8010.39	9014.01



Calculation of normative GFA, Loan and Equity

Petitioner's Submission

- 5.49 The Petitioner has calculated Normative GFA from Debt & Equity, Loan and Equity as per approach adopted by the Hon'ble Commission in its previous Tariff Orders.
- 5.50 The Petitioner has bifurcated GFA and accumulated depreciation into component from Debt & Equity (D&E) and from Consumer contribution grants (CCG) as per approach by the Hon'ble Commission followed in previous Tariff Orders. The Petitioner has thereafter applied the normative debt-equity ratio of 70:30 on GFA out of D&E to calculate Normative Equity as per Claus 6.16 of JSERC Distribution Tariff Regulation, 2015.
- 5.51 After netting Normative Equity from closing GFA (out of Debt & Equity), the Petitioner has deducted, accumulated depreciation pertaining to D&E component from the resultant to arrive at normative closing debt as computed hereunder:

Table 17: Source of funding of GFA as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Opening GFA (A)	12,678.19	13,768.59
CCG towards Opening CWIP (B)	2,440.92	2,409.82
CCG towards Opening GFA (C)	5,758.50	5,204.33
Opening GFA Less CCG (D = A- C)	6,919.69	8,564.26
Closing GFA (E)	15,609.60	16,876.11
CCG towards Closing GFA (F)	8,845.64	5,980.86
Closing GFA Out of D&E (G= E-F)	6,919.69	10,895.24
Accumulated Depreciation (H)	3,481.22	4,654.46
Accumulated Depreciation Out of D&E (I =H*G/E)	1,543.21	3,004.93
Closing Normative Equity (J = G* 30%)	2075.91	3268.57
Closing Normative Loan (K = G-J)	4,843.78	7,626.67

Commission Analysis

- 5.52 The Commission has observed that the opening balance of consumer



contribution and grants considered by the petitioner for FY 2020-21 is Rs 7,614.15 which is inconsistent with the closing balance of consumer contribution and grants approved by the Commission in its earlier order. Hence, the Commission has considered the closing balance of consumer contribution and grants of FY 2019-20 for opening consumer contribution and grants for FY 2020-21.

- 5.53 The Commission has considered consumer contribution and government grants as per **note (20)** and **para 30.3 (i)** of the audited accounts respectively. Further, the normative net loans are estimated after deducting the accumulated depreciation from the value of gross loans.
- 5.54 For funding normative debt-equity, the Commission has considered the normative debt-equity ratio of 70:30 as provided in the Tariff Regulations, 2015. Moreover, consumer contribution grants and subsidies for capital assets are first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.
- 5.55 Based on the aforesaid discussion, the Commission approves the admissible GFA, CCG, debt-equity as given below:

Table 18: Source of funding of GFA as approved by the Commission for FY 2020-21.

Particulars	Approved
Opening CCG	8055.76
Addition: Govt. Grant	929.92
Addition: Cons Contribution	28.33
Closing CCG	9014.01
CCG towards CWIP	2549.59
CCG towards GFA	5506.17
Opening GFA (less CCG)	8262.42
GFA Addition (less CCG)	1883.48
Closing GFA less CCG	10145.91
Accumulated Depreciation	4654.46
Acc. Dep. towards GFA	2798.26
Normative Loan (Closing)	4303.87
Normative Equity (Closing)	3043.77



Operation and Maintenance Expenses (O&M)

Petitioner's Submission

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

5.57 Further, the Petitioner has submitted that the employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses. Accordingly, the petitioner has submitted employee expenses for FY 2020-21 based on the Audited Accounts as given below.

Table 19: Employee cost (Rs Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Employee Expenses	303.01	212.07
Terminal Expenses	18.75	59.06
Total Employee Expenses	321.76	271.13

5.58 The Petitioner has submitted that the Administrative & General (A&G) expenses for FY 2020-21 is as per the Audited Account as provided in the table below.

Table 20: A&G Expense (Rs Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
A&G Expenses	110.83	95.99

5.59 The Petitioner has submitted that the Repair & Maintenance (R&M) expenses for FY 2020-21 is as per the Audited Accounts as provided in the table below.

Table 21: R&M Expenses (Rs Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
R&M Expenses	124.36	137.24

Commission Analysis



5.60 The Commission has observed discrepancies in the expenses for the FY 2020-21. Specifically, the actual Employee Expenses and A&G Expenses were lower than the approved amounts, while R&M Expenses exceeded the approved values. Despite these variations, the overall actual O&M expenses, excluding terminal expenses, for the FY 2020-21 were lower than those approved by the Commission in its Order dated October 01, 2020. Consequently, the Commission approves the employee expenses, A&G expenses, and R&M expenses in alignment with note 27 and note 29 of the annual Audited Account for the FY 2020-21, as summarized below

Table 22: Actual Employee cost, A&G Expenses, & R&M Expenses (Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Emp. Expenses	303.01	212.07	212.07
A&G Expenses	110.83	95.99	95.99
R&M Expenses	124.36	137.24	137.24

5.61 The Commission has outlined that clause 6.6 (note 3) of JSERC Distribution Tariff Regulation, 2015 for the approval of Terminal Benefit is reproduced below:

*Note 3: Terminal Liabilities will be approved **as per actual** submitted by the Licensee or be established through **actuarial studies**.*

5.62 Based on the above-mentioned regulation the Commission is of the view that the liability towards Terminal benefits is admissible based on either of:

- Actual amount paid/ deposited in the Trust fund
- Amount payable as per Actuarial studies

5.63 Hence, to assess the admissibility of Terminal benefits admissible under ARR for FY 2020-21, the perusal of Audited Accounts reveals a contrasting picture as reproduced below:

“13. Provision for Employee Benefits (Note -22)

*(i) **The Company has deducted but not deposited the statutory dues such as PF, ESIC, and PLI & LIP etc. on regular basis. In some of the circles & areas the opening liabilities have not been fully deposited in the***



current year. Further, there is failure on deduction part also in some cases.

Hence, we are unable to quantify the amount of such default in the absence of information in the manner so required.

(ii) During the year company has made the provision of Leave Encashment, Gratuity & pension liability on the basis of actuarial valuation done up to March 2018.”

- 5.64 Based on the above excerpts, the Commission is of the view that the Petitioner has not deposited in actual any amount towards terminal benefits (albeit on a regular basis). The above means that although the expenses towards terminal fund contribution is shown as part of Profit & Loss (P&L) statement, the same has not been deposited in Trust funds. Therefore, in the absence of any actual amount deposited towards Terminal benefits, the claim made by the petitioner is not admissible in line with the Audited Accounts.
- 5.65 Further, the Audited Accounts for the FY 2020-21 also indicate that the Actuarial valuation/studies has not been done beyond the FY 2018.
- 5.66 In view of the above observation, the claim of Rs. 59.06 Crore towards Terminal Liabilities is not admissible in accordance with clause 6.6 (**note 3**) of JSERC Distribution Tariff regulations 2015, however to safeguard the interests of the employees/ pensioners, the Commission approves the Terminal benefits of Rs. 18.75 Crore for FY 2020-21 similar to Tariff order dated 01.10.2020.

Table 23: Net Employee cost (Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Employee Expenses	303.01	212.07	212.07
Terminal Expenses	18.75	59.06	18.75
Total Employee Expenses	321.76	271.13	230.82

- 5.67 Following the preceding discussion, the Commission hereby approves the net Operation and Maintenance (O&M) expenses, inclusive of terminal liabilities, as computed below:

Table 24: Net O&M Expenses (Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Total Emp. Expenses	321.76	271.13	230.82
Emp. Expenses	303.01	212.07	212.07
Terminal benefits	18.75	59.06	18.75
A&G Expenses	110.83	95.99	95.99
R&M	124.36	137.24	137.24
Net O&M Expenses	556.95	504.37	464.06

Depreciation

Petitioner's Submission

5.68 The Petitioner has submitted that it has arrived the opening and closing GFA of FY 2020-21, created out of debt and equity (D&E), by deducting CCG portion deployed towards opening and closing GFA. The Petitioner has applied the depreciation rate as approved by the Commission on the average GFA and accordingly calculations are made to arrive at the total depreciation being claimed as part of the true-up exercise.

5.69 The depreciation calculated by the Petitioner based on the Commissions approach in Tariff Order for FY 2020-21 for JBVNL dated 01st October 2020 as shown in the table below:

Table 25: Financing of Capital investments as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Opening GFA (Less CCG) (Rs. Cr.)	6,919.69	8,564.26
Closing GFA (Less CCG) (Rs. Cr.)	6,919.69	10,895.24
Average GFA excluding Consumer Contributions and Grants (Rs. Cr.)	6,919.69	9,729.75
Depreciation Rate (%)	5.94%	5.94%
Depreciation Cost (Rs. Cr.)	411.03	577.95

Commission Analysis

5.70 The Commission has outlined clause 6.32 to clause 6.36 of JSERC Distribution Tariff Regulation 2015 for the approval of Depreciation as reproduce below:



“6.32 Depreciation shall be calculated every year, on the amount of original cost of the fixed assets as admitted by the Commission;

Provided that depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Provision for replacement of such assets shall be made in the capital investment plan;

6.33 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in Appendix 1 of these Regulations;

6.34 Depreciation shall be calculated annually, based on the straight line method, over the useful life of the asset. The base value for the purpose of depreciation shall be original cost of the asset;

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

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

6.36 The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset;”

5.71 Based on the above excerpts, the Commission is of the view that the depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Excluding the consumer contribution deployed towards GFA as approved in this Order, the Commission has determined the depreciation on the GFA created out of debt and equity for FY 2020-21. The rate of depreciation has been considered at 5.94%, as approved in the Tariff Order dated June 21, 2017. The Commission has calculated the Depreciation on Average GFA (net of Average CCG) as per the Distribution Tariff Regulations, 2015. Accordingly, the Commission approves the depreciation for FY 2020-21 as summarized below:

Table 26: Depreciation as approved by the Commission for FY 2020-21.



Particulars	Approved
Opening GFA (Less CCG) (Rs. Cr.)	8,262.42
Closing GFA (Less CCG) (Rs. Cr.)	10145.91
Average GFA excluding Consumer Contributions and Grants (Rs. Cr.)	9204.17
Depreciation Rate (%)	5.94%
Depreciation Cost (Rs. Cr.)	546.73

Interest & Finance Charge

Petitioner's Submission

5.72 The Petitioner has submitted that it has considered the opening debt for FY 2020-21 as equal to closing value of FY 2019-20 as approved by the Commission in True-up for FY 2019-20 in Order dated May 31, 2023. Further, Closing debt for FY 2020-21 has been calculated in line with Regulation 6.16 of the JSERC Tariff Regulations, 2015.

5.73 In accordance with clause 6.22 of the JSERC Tariff Regulations, 2015, the Petitioner has considered the repayment of loan for FY 2020-21 equal to Depreciation.

5.74 Further, in accordance with clause 6.24 of the JSERC Distribution Tariff Regulations, 2015, the Petitioner has considered the rate of interest on long-term loan at the Base rate of SBI as applicable on April 1st of FY 2020-21 plus 200 basis points.

5.75 The Petitioner has further submitted that it has incurred Bank and Finance charges to the tune of Rs. 0.05 Crore as per Annual Accounts for FY 2020-21 towards expenditures like Bank charges, finance charges, etc.

Table 27: Interest on Loan and Bank Charge as submitted by the Petitioner (Rs. Crore)

Particulars	ARR	Petition
Opening Balance	3,168.09	3,778.20
Deemed Addition during the year	543.51	1,421.50
Deemed Repayments during the year	411.03	577.95
Closing Balance	3,300.57	4,621.75
Average balance during the Year	3,234.33	4,199.97
Interest Rate	10.15%	10.15%
Interest Expense	328.28	426.30



Particulars	ARR	Petition
Bank & Finance Charge	-	0.05

Commission's Analysis

5.76 The Commission has outlined the clause 6.15, clause 6.16, clause 6.20 to clause 6.28 of JSERC Distribution Tariff Regulation 2015 for the approval of interest of loan and finance charge is reproduced below:

“6.15 Existing Projects - In case of capital expenditure projects having commercial operation date prior to 1st April 2016, the debt-equity ratio shall be as allowed by the Commission for determination of tariff for the period ending 31st March 2016;

6.16 New Projects – For capital expenditure projects declared under commercial operation on or after 1st April 2016:

- a) A normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;*
- b) In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;*
- c) In case the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;*
- d) The premium, if any raised by the Licensee while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure.*

6.20 The loans arrived at in the manner indicated in clause 6.15 and 6.16 shall be considered as gross normative loan for calculation of interest on loan.

6.21 The normative loan outstanding as on 1st April 2016 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to 31st March 2016 from the gross normative loan.

6.22 The repayment for the year of the tariff period shall be deemed to be equal to the depreciation allowed for that year.

6.23 Notwithstanding any moratorium period availed by the licensee, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.



6.24 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered: Provided further that if the licensee does not have actual loan, then the weighted average rate of interest of the licensee as a whole shall be considered:

Provided further, in case of new licensee commencing its operation after the date of effectiveness of these Regulations, and which doesn't has actual loan portfolio, the rate of interest shall be considered on normative basis and shall be equal to the Base rate of State Bank of India plus 200 basis points as on the date on which the distribution licensee is declared under commercial operation.

Provided that in case of normative debt, the rate of interest shall be equal to base rate of SBI plus 200 basis points as applicable on 1st April of the relevant financial year.

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

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

5.77 In accordance with **clause 6.15** and **clause 6.16**, as mentioned above, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived in this manner is considered as gross normative loan for calculation of interest on loan.

5.78 In accordance with **clause 6.22** as mentioned above, the Commission approves the debt repayment equal to depreciation for the same financial year.

5.79 In accordance with **clause 6.26 (proviso)** as mentioned above, the Commission approves the interest rate as 10.15% (Base rate of SBI as applicable on April 1st of FY 2019-20 plus 200 basis points).

5.80 On scrutinizing and analyzing the annual audit account and on prudent check, the Commission approves the bank/finance charge as Rs 0.05 Cr



as per methodology specified in previous Tariff Order.

- 5.81 In accordance with **clause 6.26** as mentioned above, the Commission has excluded interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee as given below:

Table 28: Interest and Finance Charges (in Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Opening Balance	3168.09	3778.20	3645.04
Deemed Addition during the year	543.51	1421.50	1205.57
Deemed Repayments during the year	411.03	577.95	546.73
Closing Balance	3300.57	4621.75	4303.87
Average balance during the Year	3234.33	4199.97	3974.46
Interest Rate	10.15%	10.15%	10.15%
Interest Expense	328.28	426.30	403.41
Bank & Finance Charge	-	0.05	0.05

Interest on Consumer Security Deposits

Petitioner's Submission

- 5.82 The Petitioner has submitted that the Interest on consumer security (IoCSD) deposit for FY 2020-21 has been computed on the basis of actual interest on consumer deposit as per Audited Accounts.

Table 29: Interest on CSD (Rs Crore) as submitted by the Petitioner.

Particulars	ARR	Petition
Opening IoCSD	686.62	655.72
Interest Rate	8.15%	8.15%
Int. on CSD	55.96	53.44

Commission's Analysis

- 5.83 The Commission has outlined **clause 6.49** of JSERC Distribution Tariff Regulation for approval of interest on consumer security deposit is reproduced below:

"Interest on Consumer Security Deposits

6.49 Interest paid on consumer security deposits shall be as specified by the Commission in 'Jharkhand (Electricity Supply Code) Regulations,

2015' and as amended from time to time.”

5.84 On scrutinizing and analyzing the annual audited accounts of FY 2020-21, the Commission has observed that JBVNL is not discharging Interest on Consumer Security Deposit to the prospective consumers. The consumer security deposit balance is provided at '**Note 16**' of the Audited Financial Statements. The Consumer Security Deposit balance as on 31.03.2021 is Rs. 471.29 Crores and the outstanding interest payable as on 31.03.2020 Rs. 430.29 Crores. Further, the addition to Interest accrued on Security Deposit during the FY 2020-21 is Rs. 49.13 Crores (ref '**Note 29**' of the Audited Accounts).

5.85 Accordingly, the Commission on prudent check approves the Interest on Consumer Security Deposit for FY 2020-21 as given below:

Table 30: Interest on CSD (Rs. Crore) as approved by the Commission

Particulars	Approved	Source
Opening Consumer Security Deposit	430.21	Note 16
Consumer Security Deposit Addition	49.13	Note 29
Closing Consumer Security Deposit	471.29	Note 16
Interest on Consumer Security Deposit	8.05	

Return on Equity

Petitioner's Submission

5.86 The Petitioner has considered the opening balance of normative equity for 2020-21 as per the closing balance for the FY 2019-20, as claimed in the revised True-up petition for FY 2019-20 dated 07th September 2021.

5.87 In accordance with provisions of Regulation 6.16 of JSERC Distribution Tariff Regulations, 2015 the petitioner has considered Closing equity for FY 2020-21 which has been calculated using normative debt equity ratio (70:30).

5.88 In accordance with the provisions of Regulation 6.17 of JSERC Distribution Tariff Regulations, 2015 the petitioner has considered the rate of Return on Equity (RoE) as 15.50%.

Table 31: Return on Equity (Rs Crore) as submitted by the Petitioner.

Particulars	ARR	Petition
Opening Balance of Normative Equity	2478.73	2569.28
Equity Addition	690.93	699.30
Closing Balance of Normative Equity	2075.91	3268.57
Average Equity	3169.66	2918.93
Rate of Return	15.50%	15.50%
Return on Equity	321.77	452.43

Commission's Analysis

5.89 On consideration of the Distribution Tariff Regulations, 2015, the Commission approves the Opening Equity base for FY 2020-21 as the Closing Equity base as approved for FY 2019-20. Further, the Commission approves the normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

5.90 In accordance with clause 6.17 of the Tariff Regulations, 2015, the Commission approves rate of return of 15.5% on equity. Accordingly, the Commission computed normative return on equity as follows

Table 32: Return on Equity (Rs Crore) as approved by the Commission.

Particulars	ARR	Petition	Approved
Opening Equity (Normative)	2478.73	2569.28	2478.73
Equity Addition	690.93	699.30	565.05
Closing Equity (Normative)	2075.91	3268.57	3043.77
Average Equity	3169.66	2918.93	2761.25
Rate of Return	15.50%	15.50%	15.50%
Return on Equity	321.77	452.43	427.99

Interest on Working Capital

Petitioner's Submission

5.91 The Petitioner has calculated normative working capital requirement for FY 2020-21 in accordance with the Regulation 6.29 and 6.30 of the JSERC Tariff Regulations, 2015.



5.92 Rate of Interest on Working Capital (IoWC) has been considered to be equal to the Base Rate of SBI as applicable on the 1st April of the respective year plus 350 Basis Points as per Regulation 6.31 of the JSERC Distribution Tariff Regulations, 2015.

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

Table 33: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	ARR	Petition
1 Month O&M Expenses	46.41	42.03
Maintenance Spares (@1% GFA)	69.20	85.64
2 months' Receivables	1054.33	1097.03
Less: 1 month Power Purchase Cost	406.83	361.69
Less: Consumer Security Deposit	686.62	655.72
Total Working Capital requirement	76.49	207.29
Interest rate on WC	11.65%	11.65%
Interest on Working Capital	8.911	24.15

Commission's Analysis

5.94 The Commission has outlined clause 6.30 & clause 6.31 of JSERC Distribution Tariff Regulation for the approval of Interest on Working Capital as reproduced below:

6.30 Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

- a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus*
- b) Maintenance spares at 1% of Opening GFA for retail supply business; plus*
- c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
- d) Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus*



e) One-month equivalent of cost of power purchased, based on the annual power procurement plan.

6.31 Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year.

5.95 Based on the above excerpt, the Commission approves the interest on working capital for FY 2020-21 as computed below:

Table 34: Interest on Working Capital (in Rs. Crore) as approved by the Commission.

Particulars	ARR	Petition	Approved
1 Month O&M Expenses	46.41	42.03	38.67
Maintenance Spares (@1% GFA)	69.20	85.64	82.62
2 months' Receivables	1054.33	1097.03	877.32
Less: 1 month Power Purchase Cost	406.83	361.69	337.06
Less: Consumer Security Deposit	686.62	655.72	655.72
Total Working Capital requirement	76.49	207.29	5.83
Interest rate on WC	11.65%	11.65%	11.65%
Interest on Working Capital	8.911	24.15	0.68

Non-Tariff Income (NTI)

Petitioner's Submission

5.96 The petitioner has submitted the Non-Tariff Income (Other Income) for FY 2020-21, based on the audited annual accounts.

5.97 The petitioner has further submitted that while computing the actual Non-Tariff income (Other Income) for FY 2020-21, the financing cost for corresponding receivables has to be reduced as accrued Delayed Payment Surcharge (DPS) is considered as NTI. The petitioner has already incurred power purchase costs on such outstanding receivables and DPS is levied as financing cost of such receivables, however, the petitioner is allowed only 2 months of receivables in allowance of working capital. For the receivables beyond the period, DPS is applicable and as DPS is considered to be additional income for the Petitioner, financing cost of such receivables are allowed in line with the judgement of Hon'ble APTEL dated 12.07.2011 in case No. 142 & 147 of 2009.



5.98 Accordingly, the Petitioner has submitted the Non-tariff income for FY 2020-21 as summarized below:

Table 35: Non-Tariff Income (Rs Crore) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Interest Income from Investment in Fixed Deposits	11.33	8.98
D.P.S from Consumer	442.80	506.95
Interest on advance to Supplier/Contractor	0.00	-
Interest from Bank (Other than FD)	13.20	6.92
Income from Staff Welfare activities		-
Supervision Charges	2.15	4.48
Miscellaneous Receipt	10.55	5.57
Rebate on power purchase	-	
Meter Rent	32.86	36.20
Wheeling Charges / Fuel surcharge/outside sale		
Receipt from Consumers for capital works	18.06	30.00
Miscellaneous Charges from Consumers	1.92	0.05
Total NTI	532.87	599.13
Interest rate for Receivables financing	11.95%	11.65%
Corresponding Receivables against DPS	2460.01	2816.37
Interest on Receivables against DPS	293.97	328.11
Net NTI to be considered	238.90	271.02

Commission's Analysis

5.99 The Commission has outlined the clause 6.50 & clause 6.51 of JSERC Distribution Tariff Regulation for the approval of Non-Tariff Income as reproduced below:

“Non-Tariff Income

6.50 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Licensee shall constitute non-tariff income of the Licensee;

6.51 The amount received by the Licensee on account of non-tariff income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee.”

5.100 Based on the above excerpt, the Commission has observed that the Petitioner has not considered certain element of non-tariff income



recorded in the audited account. The said item is Rebate on Power Purchase as reflected in '**note 25**' of the audited account.

5.101 The Commission is of the opinion that there is **no provision** in JSERC (Terms & Condition of Determination Distribution Tariff) Regulation 2015 with respect to financing cost for corresponding receivables.

5.102 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulation 2015 and amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities. Hence, the Commission does not find any merit to approve the financing cost for corresponding receivables.

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

Table 36: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	ARR	Petition	Approved
Interest Income from Investment in Fixed Deposits	11.33	8.98	8.98
D.P.S from Consumer	442.80	506.95	506.95
Interest on advance to Supplier/Contractor	0.00	-	
Interest from Bank (Other than FD)	13.20	6.92	6.92
Income from Staff Welfare activities		-	
Supervision Charges	2.15	4.48	4.48
Miscellaneous Receipt	10.55	5.57	5.57
Rebate on power purchase	-		32.62
Meter Rent	32.86	36.20	36.20
Wheeling Charges / Fuel surcharge/outside sale			0.00
Receipt from Consumers for capital works	18.06	30.00	30.00
Miscellaneous Charges from Consumers	1.92	0.05	0.05
Total NTI	532.87	599.13	631.75
Interest rate for Receivables financing	11.95%	11.65%	-
Corresponding Receivables against DPS	2460.01	2816.37	-
Interest on Receivables against DPS	293.97	328.11	-
Net NTI to be considered	238.90	271.02	631.75

Disallowances on account of Excessive AT&C Losses

Petitioner's Submission

5.104 The Petitioner has submitted that it has undertaken several



administrative measures to curb the AT&C losses along with the technical measures such as metering of un-metered consumers, focusing on billing efficiency and collection efficiency improvement through appointment of dedicated agencies. However, due to challenging circumstances in Jharkhand including, topographical issues, economic disparity, law & order aspects etc. it has not been able to achieve performance level as specified by the Hon'ble Commission.

5.105 The Petitioner has also submitted that the target of 100% of collection efficiency set by the Hon'ble Commission is highly impractical and even the most efficient utilities in the Country are not able to achieve 100% collection efficiency.

5.106 The Petitioner has further submitted that it has introduced several avenues for payment of bills by the consumers, to enhance the collections which includes:

- Payment by credit/ debit card through Mobile App (ezy-bzly),
- Online web-based payment facility on JBVNL's website
- Payment through Bharat Bill Payment System (BBPS)
- POS machine and E-wallet facility through Urja Mitras
- Collection through ~ 440 Post Offices
- Collection through ~ 190 Any Time Payment (ATP) machines

5.107 The Petitioner has further submitted that one of the key reasons behind the lower than targeted collection efficiency is the addition of large number of rural consumers during FY 2018-19 under SAUBHAGYA and DDUGJY 12th Plan Scheme. The newly added consumers are from remote parts of the state and have poor paying capacity due to limited income. In order to complete the mandate of universal electrification, the petitioner has also submitted that the percentage of receipt generated to such rural domestic consumers and number of bills issued is less than 10%. In addition, considering the impact due to the pandemic of COVID-19 and recent lockdowns, the demand scenario of not only the State, but the whole Country is uncertain and unstable. The commercial, institutional and industrial category demand has plummeted on account



of lockdown restrictions, while domestic demand has increased due to people staying back at home. This has resulted in major reduction in load and also in the consumption mix for the Discoms. Further, with large scale movement of the migrant labour back to their native villages and large-scale income/ job loss, the economy is expected to come back on track gradually. In view of these developments and uncertain situations, the Petitioner's billing and collection efficiency got affected for FY 2020-21. Accordingly, the Hon'ble Commission is requested to consider the impact of COVID-19 pandemic for FY 2020-21 while allowing and approving the billing and collection efficiency targets for the Petitioner.

- 5.108 The Petitioner has submitted that the impact on LT & HT consumer sales and revenue during Lockdown/ Partial Lockdown in the month of April 2020 to July 2020 was highest. Further the petitioner has submitted that in such a scenario it is impossible to achieve collection efficiency of 100% as mandated by the Hon'ble Commission.
- 5.109 The Petitioner has prayed to the Hon'ble Commission that the amount of revenue which JBVNL has not been able to collect, may be allowed to be considered against the RGF received during FY 2020-21. The petitioner has further submitted that the calculation for disallowance is done by considering the difference between the Commissions approved collection efficiency i.e. 100% and the actual collection efficiency of 90.92% in FY 2020-21. The details of the same has been provided in the Table below. The Petitioner has submitted that the disallowance on account of Lower Collection efficiency shall be considered while adjusting RGF from ARR.

Table 37: Disallowance on account of collection efficiency as submitted by the Petitioner

Particulars	ARR	Petition
Revenue from sale of power	6463.48	4624.58
Collection efficiency		90.92%
Uncollected revenue to be adjusted against RGF		419.91

- 5.110 Further, the petitioner has submitted that the Commission has approved Distribution loss target of 13% for FY 2020-21. However, actual Distribution loss for FY 2020-21 is coming to around 34.97%. Non-



achievement of the loss target despite best efforts by the Petitioner is again due to addition of high number of rural domestic consumers. The Petitioner therefore prays to the Hon'ble Commission to relax Distribution loss from 13% to 18% for FY 2020-21. The Petitioner has estimated the disincentive for non-achievement of loss targets and has subtracted the same from power purchase expenditure for FY 2020-21, considering the methodology adopted by the Hon'ble Commission previously. The excess cost to be disallowed is the 'Disincentive for non-achievement of Transmission & Distribution loss targets', which needs to be appropriately adjusted against the Resource Gap Funding (RGF) is provided in the table below:

Table 38: Disallowance Distribution Loss as submitted by the Petitioner

Particulars	Petition
Total Energy Sales to Intrastate consumers (MU)	7,913.41
Overall Distribution loss (%) for intra-state consumers	34.97%
Total Energy requirement for intra- state consumers (MU)	12,125.94
Energy Available for Distribution (@18% Dist. Loss) (MU)	9,650.49
Disallowed Units due to Excess Loss (MU)	2,475.45
Average Power Purchase Cost (Rs. / Unit)	4.03
Disallowed Cost due to Excess Loss (Rs. Crore)	997.36

Commission Analysis

- 5.111 The Commission is of the view that it had already set the targets for the Collection efficiency in Section **“Targets for Distribution Losses and Collection Efficiency”** of the Tariff Regulations, 2015 and as such the submission of the Petitioner regarding sudden change seems to be out of order. The Commission thus directs the Petitioner to abide by the targets set by the Commission and any provision for lower collection efficiency will not be allowed.
- 5.112 Accordingly, the additional power purchase cost incurred due to higher Distribution losses, beyond the targeted level, has been disallowed and is treated as **‘Disincentive for non-achievement of Distribution loss targets’** for FY 2020-21.
- 5.113 Based on the above excerpt, the Commission, recognizing its

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

Table 39: Disallowance Distribution Loss (Rs Crore) as approved by the Commission

Generating Station	Annotation	Total Unit disallow (MU)	Rate (in Rs)	Disallow Cost
Kanti Power	A	111.26	5.14	57.20
Barh	B	596.43	4.64	276.76
Nabinagar	C	150.82	4.63	69.82
Total	D=(A+B+C)	858.51		403.78
(Transmission Charge Corresponding to 858.51 MU @ Rs 0.32/unit on pro-rata basis)*	E			27.71
DVC (Stand by Power)	F	99.46	4.46	44.41
DVC (KTPS)	G	2682.50	4.40	1181.04
Total	H=F+G	2781.96		1225.44
(Transmission Charge Corresponding to 2779.84 MU @ Rs 0.20/unit on pro-rata basis)**	I			55.42
Net total Disallow	J=D+E+H+I	3,640.48		1712.36

*Interstate Transmission Charge = $\frac{\text{PGCIL cost including ERLDC Charge}}{\text{Power purchase from outside boundaries}} = \frac{\text{Rs 255.42 Crore}}{7913.56 \text{ MU}} * 10 = \text{Rs 0.32/unit}$

**Transmission Charge for DVC = $\frac{\text{DVC Transmission Charge}}{\text{Total Power purchase from DVC}} = \frac{\text{Rs 75.56 Crore}}{3792.85 \text{ MU}} * 10 = \text{Rs 0.19/unit}$

Revenue

Petitioner's Submission

5.114 The Petitioner has submitted that the revenue from sale of Power as per Audited Annual Accounts to be Rs. 4,624.58 Crore towards electricity sales of 7,913.41 MU. Accordingly, the Petitioner requests the Hon'ble Commission to approve the same.

Commission's Analysis

5.115 On Scrutiny and analysis of the Audited Accounts submitted by the Petitioner, and on prudent check the Commission approves the revenue



from sale of power after deducting the rebate as per ‘**note 23**’ allowed to consumer as summarized below:

Table 40: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Revenue	4624.58	4572.52

Resource Gap Funding (RGF)

Petitioner’s Submission

5.116 The Petitioner has submitted that resource gap funding is being provided by Government of Jharkhand to meet the disallowances and slashes made by the Hon’ble Commission during tariff determination process for various parameters such as higher T&D Loss, normative interest computation, normative generation cost etc.

5.117 A communication from the Energy department, Government of Jharkhand was also submitted vide letter dated 14th July 2014 stating that:

“Amount released towards resource gap may be utilized to meet the slashes/disallowances worked out by the Hon’ble commission while fixing the tariff”

5.118 In line with the above communication by the GOJ, the Petitioner prays the Hon’ble Commission to consider adjusting the complete RGF towards disallowance/ slashes while remaining amount of RGF may be considered to meet the revenue gap. The resource gap funding available to meet the revenue gap is provided below:

Table 41: RGF (Rs. Crore) as submitted by the Petitioner

Particulars	ARR	Petition
Resource Gap Funding Received	-	-
Disallowance on account of reduced collection efficiency	-	419.91
Disallowance on account of reduced Distribution Losses	-	997.36
Net Resources Gap Funding available to meet revenue gap	-	(1417.27)

Commission Analysis



5.119 The Commission is of the view that it had already set the targets for the Collection efficiency & Distribution loss in Section **“Targets for Distribution Losses and Collection Efficiency”** of the Tariff Regulations, 2015 and in MYT Order for 2nd Control period respectively and as such the submission of the Petitioner regarding sudden change seems to be out of order. The Commission thus directs the Petitioner to abide by the targets set by the Commission and any provision for lower collection efficiency and distribution loss will not be allowed.

Subsidy

5.120 The Commission has observed that the Petitioner has passed an overall subsidy of Rs. 1,356.16 Crore during the FY 2020-21 against which it received Rs. 1,000 Crore as Revenue subsidy from Government of Jharkhand. The Note 30.3 of the ADDITIONAL NOTES TO THE STANDALONE FINANCIAL STATEMENTS in respect of Grants and Subsidy provides as under:

“iii) The Government of Jharkhand provides subsidy to certain specified categories of consumers. Such subsidy is passed on to such consumers as a deduction in the energy bills towards net payable amount. The company accounts for such subsidy amount as Subsidy Receivable from Government of Jharkhand and the amount received are adjusted against the same. During the financial year 2020-21, the total amount of subsidy passed on to consumers which were receivable from Government of Jharkhand was Rs. 1356.16 Cr. The total amount received towards such subsidy during the same period from Government of Jharkhand is Rs. 1000 Cr. The total amount receivable from Government of Jharkhand net of current year collections and previous year balance as at 31st March 2027 is Rs 314.45 Cr. (P.Y. -41.77 Cr.)”

5.121 In accordance with the above, the Commission is of the view that the Petitioner is yet to receive Rs. 314.45 Crore as dues from the State Government. Accordingly, the impact of such un received subsidy must be accounted in the retail ARR that would otherwise result into an inflated Gap. Accordingly, the Commission considers Rs. 314.45 Crore as deemed revenue.

**Penalty Imposed by Commission**

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

5.123 Further, the Commission again impose the penalty of 2% due to various reasons as summarized below: -

- The Commission on several occasion i.e. nearly seven years has directed the Petitioner to submit the Fixed Asset Register. But, the Petitioner on one pretext or other has not submitted the Fixed Asset Register despite lapse of seven years.
- The Petitioner on several occasions had failed to comply with Renewable Power Purchase Obligation.
- The Commission has observed during hearing; the petitioner has not complied with standard of performance.
- The Commission on various occasions had directed the Petitioner to submit the discrepancies outlined in the petition. But, the Petitioner has not complied with the direction and not submitted the data vis-à-vis the discrepancies pointed out.

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

Particulars	FY 2020-21
Approved ARR	5263.90
Penalty Imposed	2%
Total Penalty	105.28



Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

5.125 Based on the components of the ARR discussed in the above Sections, the final ARR submitted by the Petitioner for FY 2020-21 is as below:

Table 42: Summary of ARR (Rs. Crore) as submitted by the Petitioner

Particulars	ARR	Petition
Power Purchase cost (including disallowance on account of distribution loss and collection efficiency)	4,542.63	5,757.58
Transmission charges (Inter and Intra State)	339.37	474.21
O&M expenses	556.96	504.37
Depreciation	411.03	577.95
Interest on Long Term Loan	328.28	426.30
Interest on Working Capital Loan	8.91	24.15
Interest on Consumer Security Deposit	55.96	53.44
Bank/ Finance Charges	-	0.05
Return on Equity Capital	321.77	452.43
Less: Non-Tariff Income	238.90	271.02
Annual Revenue Requirement	6,326.00	7,999.45
Revenue from Intrastate sales / Sale of Power	6,463.48	4,624.58
Net Gap/ (Surplus)	(137.48)	3,374.88

Commission's Analysis

5.126 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2020-21 which is summarized below.

Table 43: Summary of ARR (Rs Crore) as approved by the Commission for FY 2020-21

Particulars	Approved
Net Power purchase cost	4044.68
Power Purchase Cost	5281.89
Less: Disallowance due to excess Distribution Loss	1712.36
Inter-State Transmission Charges	255.41
Intra-State Transmission Charges	219.75
O&M Expenses	464.06
Employee Expenses	212.07
Terminal liabilities	18.75
A&G Expenses	95.99
R&M Expenses	137.24
Depreciation	546.73
Return on Equity	427.99



Particulars	Approved
Interest on Long Term Loan	403.41
Interest on Consumer Security Deposit	8.05
Interest on Working Capital Loan	0.68
Bank & Finance Charge	0.05
Total Expenses	5895.65
Less: Non-Tariff Income	631.75
ARR after NTI	5263.90
Less: Penalties @2%	105.28
ARR Recoverable	5158.62
Revenue from Sales of power at existing tariff	4572.52
Gap/(Surplus) at Existing Tariff	586.11
Less: Subsidy to be adjusted in Gap	314.45
Gap/(Surplus) After Subsidy	271.66

Revenue Gap and its Treatment

Commission's Analysis

- 5.127 The Commission, in its previous order dated 01st October, 2020 had considered the cumulative gap as the opening gap for FY 2018-19 and has considered 10% of the opening losses for FY 2018-19 to be taken over by the State Government as per Clause 1.2 (i) of the MoU signed under UDAY Scheme.
- 5.128 The Commission has further considered the cumulative gap till FY 2018-19 as the opening gap for FY 2019-20 and has considered 25% of the opening losses for FY 2019-20 to be taken over by the State Government as per Clause 1.2 (i) of the MoU signed under UDAY Scheme. The Commission has provided carrying cost on the Opening gap for the complete year and the resultant gap is approved for 6 months.
- 5.129 The Commission had computed total revenue gap till FY 2020-21 after factoring in the financial assistance under UDAY Scheme. The Commission has considered that 50% of the overall loss in FY 2020-21 shall be taken over by GoJ in FY 2020-21 as per the MoU signed under UDAY Scheme.
- 5.130 Based on the truing up of FY 2020-21 the cumulative Revenue Gap/(Surplus) approved by the Commission for FY 2020-21 at existing



tariff is shown below.

Particulars	Approved
Opening Revenue Gap	3065.035
Revenue Gap / (Surplus) created during the Year	271.66
UDAY Grants	1532.518
Resultant Gap/Surplus during the Year	-1260.86
Closing Gap at end of the Year	1804.18
Rate of Interest	11.65%
Carrying Cost on Opening Balance	357.0766
Carrying cost on Additional Gap Created during the Year	-73.4451
Total Gap including carrying cost	2087.81

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

<p>VIII. The Company has defaulted in repayment of loan to State Government. It already had opening loan outstanding amounting to Rs. 9034.15 Cr. borrowed from State Government (which includes Rs.6136.37 Cr. received under UDAY Scheme). As explained to us this amount of Rs.6136.37 Cr is to be converted into grant and equity which is pending from the State Government side. During the Financial Year, the company has borrowed an added deemed loan from State Government amounting to Rs. 136.85 Cr. Out of total loan, Rs. 970.76 Cr. (P.Y. – Rs. 500.07 Cr.) and interest of Rs. 1555.65 Cr. (P.Y. – Rs. 945.64 Cr.) have become due for payment as on 31st March 2021.</p> <p>IX. Based upon the Audit Procedure performed, information and explanation given to us, the Company has not raised any money from initial public offer or further public offer and term loans, consequently paragraph (ix) of Order is not applicable.</p> <p>X. Based upon the audit procedures performed, we report that, no fraud on the Company by its officers/ employees has been noticed or reported during the course of audit for the year ended</p> <p>Jamtara New Delhi Mumbai Kolkata Jharkhand Punjab</p> <p>Page 24 of 33</p>



- 5.132 It is apparent that the petitioner is enjoying a perpetual moratorium on the same as no interest or debt is being serviced. It thus, in effect is akin to Government Grant. Hence, the Commission is of the view that the Petitioner may approach the Government to convert the Government loan into Government Grant.
- 5.133 The Commission has observed that during the pendency of the Petition, the Petitioner has filed Petition for True-up of FY 2021-22, APR of FY 2022-23 and ARR for FY 2023-24. The Commission is therefore of the view that it is prudent to adjust the consolidated Gap/Surplus while disposing the True-up of FY 2021-22, APR of FY 2022-23 and ARR for FY 2023-24. The Commission therefore has not adjusted the gap for FY 2020-21 in this Order and shall be dealt with in the Petition filed by the Petitioner for True-up of FY 2021-22, APR of FY 2022-23 and ARR & Tariff for FY 2023-24.



Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2021-22

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

“13.2 The Licensee shall submit the Annual Performance Review report as part of annual review on actual performance as per the timelines specified in the Section A 24 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/authenticated accounts and the tariff worked out in accordance with these Regulations.”

6.2 The Petitioner has submitted the Annual Performance Review (APR) for FY 2021-22 based on the actual for first six months (H1) and estimated for the balance six months (H2).

Commission's view

6.3 The Commission has not carried out the APR for FY 2021-22 as considerable time has lapsed and the Petitioner has already filed a true-up petition for FY 2021-22 based on audited account. Since, the true-up petition is under active consideration, therefore, the Commission does not find any merit in carrying out APR for FY 2021-22.



Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2022-23

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

Commission's view

7.2 The Commission has not carried out the ARR for FY 2022-23 as considerable time has lapsed and the Petitioner has already filed Annual Performance Review Petition for FY 2022-23 based on six months actual and six-months projection. Since, the Annual Performance Review petition for FY 2022-23 is under active consideration, therefore, the Commission does not find any merit in carrying out ARR & Tariff for FY 2022-23.



Chapter 8: STATUS OF EARLIER DIRECTIVES

8.1 The directives issued by the Commission in its earlier Orders, its compliance by the Petitioner and further view of the Commission on compliance is tabulated below:

Directives	Status	Views of the Commission
1. Abolishment of Un-metered Category		
The Petitioner shall not be allowed to bill any unmetered consumers from January 01, 2021. The Commission, however, provides final opportunity to the Petitioner to complete the metering of by December 2020 and submit the completion report by December 31, 2020.	<p>The Petitioner would like to submit that several administrative measures has been undertaken to increasing the metering of unmetered consumers. JBVNL is in process of ensuring 100% metering of Consumers to enable energy auditing. Petitioner is like to mention that it has started the survey work by Billing agencies for the purpose to achieve the 100% metering but due to Covid-19 pandemic the survey work got hampered badly also licensee is also facing resistance from consumers against metering. Further, the purchase of 5.86 lakh single phase meters has been started for replacement of unmetered, defective and damaged meters tender has been opened and work orders has been issued to parties for installation of meters. The target is to complete the work by the month of March 2022. Additionally, JBVNL is in the process of procuring 6.5 lakh smart meters for the urban areas of Jamshedpur and Dhanbad. In these three urban areas, replaced single phase meters and newly purchased meters will be used for metering of about 10 lakh unmetered / defective meter consumers</p> <p>The JBVNL is requesting the Hon'ble Commission to allow for this extended</p>	The Commission has noted the submission of the Petitioner.



Directives	Status	Views of the Commission
	time line for the metering of unmetered consumers in light of issues mentioned in the above paragraph. Further, in its previous Tariff Order dated 01 st Oct. 2020 the Hon'ble Commission has abolished the sub-category of domestic unmetered consumers from the rate schedule of JBVNL, it is also requested to the Hon'ble Commission to allow the billing of unmetered domestic consumers with the Rate Rs. 250/ connection/ Month, till the licensee achieved the 100% metering of domestic consumers.	
2. RPO Obligation		
The Commission had directed the Petitioner to comply with the RPO Obligation by August 2020 for period till FY 2019-20 and submit the report by September 2020. The Petitioner is required to submit the quarterly report on RPO compliance for FY 2020-21. The Commission, in this Order has not imposed a penalty for non-fulfilment of RPO. The Commission may be constrained to levy penalty in future, if the Petitioner do not comply with the same. A monetary penalty may also be imposed on the Managing Director and/ or senior management of the Discoms, if the Commission deems so.	The Petitioner humbly submits that the RPO compliance for FY 2019-20, FY 2020-21 and Q1 for FY 2021-22 which is attached as Annexure-A . Further, the JBVNL submits that it was unable to achieve the RPO Targets in FY 2019-20, FY 2020-21 and Q1 for FY 2021-22 but to achieve the RPO targets in the future quarters, JBVNL is under process to procure the power from new renewable sources. Few plants are even ready to supply the power to JBVNL for which only the board approval is remaining. However, in the estimates for FY 2021-22 and projections for FY 2022-23 JBVNL has considered the Power Procurement from Renewable sources based on which JBVNL will be able to achieve the RPO targets in the upcoming quarters.	The Commission observes the response of the Petitioner and direct it to comply with the RPO Obligation.
3. Energy Audit & T&D Loss Reduction Plan		
The Commission observes that the Petitioner has been consistently sidestepping the directions of the Commission for compliance of the directives on Energy Audit and T&D Loss Reduction Plan. The Commission provides a final opportunity for the Petitioner to conduct division-wise Energy Audit & prepare circle-wise T&D Reduction Plan and submit the	The JBVNL has appointed the M/s Feedback Infra for the study of Circle Wise Loss Reduction Plan and the report was submitted by them and the same is attached for the reference of the Hon'ble Commission as Annexure-B . Further, for perfect energy audit the system metering is mandatory. To install the meters at all Feeders and Distribution Transformers, the JBVNL has prepared a plan of Rs. 358.67 Crore	The Commission has noted the submission of the Petitioner.



Directives	Status	Views of the Commission
same along with its progress to the Commission within six months of issue of this Tariff Order. The Commission has observed that a formal report has not been submitted by the Petitioner along with the efforts made to reduce such losses. The Commission directs to submit the verified audit report on sample basis within 3 months from the date of issuance of this Order without any fail. The Commission also directs the Petitioner to move towards prepaid meters to improve the collection efficiency.	and the same was approved by BoD dated 17-05-2021. Thereafter, it was under the approval from State Cabinet but after the introduction of Revamped Distribution Sector Scheme by MoP which aims to reduce the AT&C losses. The JBVNL has opted the Revamped scheme and the aforesaid works of the Discom will now come under this scheme and also the same has been approved by JBVNL BoD on 25 October 2021. Very soon the work will be started and completed within stipulated timeline. The above said works will help in reduction of T&D losses to a considerable level.	
4. Interest on Consumer Security Deposit		
The Commission has noted that the Petitioner has not made any official submissions on the issue to the Commission and directs the Petitioner to ensure that the interest is paid to all the consumers on the security deposits and submit the monthly compliance report to the Commission. The Petitioner is required to submit data related to total amount of consumer security received by the Petitioner, interest payable on consumer security deposit and actual amount paid till date on quarterly basis to Commission.	The Licensee submits that it has paid the dues pertaining to interest on consumer security deposit. In case, any consumer left, will be provided interest as and when any request regarding the same will be received by the Licensee. Further, JBVNL is in the transition phase of transferring the data from one Billing Software Agency to another and after that the licensee will be able to get the actual amount of interest on consumer security deposit paid to consumers.	The Commission has noted the submission of the Petitioner. And directs the petitioner to ensure that the interest is paid to all the consumers on the security deposits and submit the monthly compliance report to the Commission.
5. Segregation into Retail & wheeling supply of business		
According to the Regulation 5.4 of the Tariff Regulations 2015, separate accounting has to be done for Wheeling & Retail supply of Business which has not been the case till now. As per Regulation 5.5 of Tariff Regulations 2015, until the time accounts are not segregated an allocation Statement shall be prepared and submitted to apportion the costs and revenues	The licensee humbly submits that the process for selection of agency for preparation of Fixed Asset Register (FAR) is under approval from the competent authority and after that the work order will be issued to the selected agency to start the said work in scheduled time. Accordingly, after the completion of the said work JBVNL will submit the FAR to the Hon'ble Commission.	The Commission has noted the submission of the Petitioner. Further, the Commission redirect the petitioner to expedite the process.



Directives	Status	Views of the Commission
after the approval of the Board of Directors. The Commission strictly directs the Petitioner and directed to prepare the FAR and submit the same before Commission along with the MYT Petition.		
6. Actual Supply Hours in Rural Areas		
The Petitioner is directed to comply with the SOP and submit the monthly report in the prescribed formats.	The average supply hours for Urban & Rural area for the month of September, 2021 of JBVNL is attached in the Annexure-C.	The Commission has noted the submission of the Petitioner.
7. Voltage Wise-Cost of Supply		
The Commission has noted the submissions of the Petitioner. The Petitioner is directed to submit the complete study along with all its annexures and clear methodology used for calculation of VCoS within 1 month from the date of issue of this Order.	As per the direction of the Hon'ble Commission, JBVNL has already communicated to the M/s Feedback Infra for the resubmission of the Revised Voltage wise report with all requisites and also to present for the discussion on the methodology adopted in the report in the front of the Hon'ble Commission.	The Commission has noted the submission of the Petitioner.
8. Wheeling Charges		
The Commission had observed that the persistence delay in execution of the current directive and directs the Petitioner strictly to prepare the FAR and submit detailed calculation for voltage wise wheeling charge in the MYT Petition.	The licensee humbly submits that the process for selection of agency for preparation of Fixed Asset Register (FAR) is under approval from the competent authority and after that the work order will be issued to the selected agency to start the said work in scheduled time. Accordingly, after the completion of the said work JBVNL will submit the FAR to the Hon'ble Commission and start the calculation for voltage wise wheeling charges.	The Commission has noted the submission of the Petitioner.
9. Employee Performance Appraisal		
The Commission had observed that the Petitioner is yet to submit any report in this regard to the Commission. The Commission observes that the Petitioner has made some interim arrangement. The Commission directs the Petitioner to develop an arrangement whether the quality	The licensee humbly submits that it has implemented the Loss Reduction Incentive Scheme for its employees. The Copy of the same is attached here as Annexure-D.	The Commission has noted the submission of the Petitioner.



Directives	Status	Views of the Commission
of supply can be objectified into performance indicators and for an area is linked to respective Officers. The Petitioner to submit the compliance report in 3 months from the date of issue of this order.		
10. Capacity Building of Employees		
The Commission had directed the Petitioner to ensure such capacity building program should be conducted on regular basis and submit details of such workshops undertaken along with the next Tariff Petition.	The details of the capacity building programs conducted in the various areas/ circles are attached here as Annexure-E.	The Commission has noted the submission of the Petitioner.
11. Submission of impact analysis and requisite data along with proposal for introduction of ToD Tariff		
The Commission had directed the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.	The licensee humbly submits that the day wise Maximum and Minimum Peak demand with Load curve for the FY 2019-20 & FY 2020-21 are attached as Annexure-F. Further, the JBVNL is already in the process of implementation of Smart Meters which is having the functionality for ToD Tariff.	The Commission has noted the submission of the Petitioner.
12. Reduction in Fixed Charges		
The Commission had directed the Petitioner to submit a report on implementation of the reduction in Fixed Charges based on billing hours for all categories except LT - Domestic, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order. With regard to LT-Domestic category, the Commission directs the Petitioner to implement the same from January 01, 2021.	The licensee humbly submits that considering the current stressed financial condition of the Discom, the licensee is unable to propose any plan related to reduction in Fixed/ Energy charges in the existing rate schedule. Further, the licensee has already submitted the Tariff Proposal for the change in existing rate schedule in the last MYT Petition and it will be filing the new Tariff Proposal along with the Audited Tariff Petition requests to the Hon'ble Commission to consider the same.	<p>The Commission observes the petitioner has not implemented the directive.</p> <p>However, the licensee has submitted the Tariff proposal for change in existing rate schedule.</p>



Chapter 9: DIRECTIVES

- 9.1 The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations and submit the status report to the Commission along with FAR in next tariff filing. The Petitioner is directed to specifically comply with observations of statutory authorities/auditors on the matter of Verification & Monitoring of Fixed Assets/CAPEX/Inventory and Maintenance of proper records preferably in digital form for observance of statutory provisions. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts & filing of Petitions/Business Plans/APR in time.
- 9.2 It is apparent that the petitioner is enjoying a perpetual moratorium as no interest or debt is being serviced. It thus, in effect is akin to Government Grant. Hence, the Commission is of view that the Petitioner may approach the Government to convert the Government loan into Government Grant.
- 9.3 The Commission vide letter no JSERC/Case (Tariff) no.: 03 & 15 of 2022/505 dated February 6, 2024 has directed the petitioner to provide a comprehensive roadmap for liquidation of Cumulative Gap/(Surplus) up to FY 2023-24 within a week. But till date the petitioner had not submitted the same. In this regard, the Petitioner is redirected to submit the desired proposal within stipulated time frame.
- 9.4 The then Principal Secretary Energy -B.K. Tripathi of State Government of Jharkhand vide letter date 14.07.2014 as annexed in **Annexure-1** had intimated that released of Rs 1500 crores per annum towards resource gap to the JUVNL (erstwhile J.S.E.B) will be made to meet the slashes/disallowance worked out by the Hon'ble Commission while fixing the tariff. It has been found that this amount is not disbursed from FY 2019-20. Hence, JBVNL is directed to approach the Government of Jharkhand to release the said amount so that the gap may be liquidated.



- 9.5 The Petitioner is directed to submit the itemized details of scraps and store items along with the estimated values within 3 months from the issue of this Order.
- 9.6 The distribution system plays a crucial role in the power delivery chain, as it establishes the last mile connectivity with the ultimate consumers. Consumers are paramount in this process, serving as the revenue generators that sustain the entire power delivery chain, from generation to distribution. Distribution service providers have undertaken numerous commendable initiatives aimed at improving the system, reducing distribution losses, enhancing the safety of both personnel and equipment, and resolving issues related to meters and billing. However, there remains a need for further action by licensees to address existing challenges and ensure the continued reliability and efficiency of the distribution system
- 9.7 The JBVNL is directed that
- a) the norms for engaging outsourcing personnel through Business associates, along with details regarding the number of outsourcing personnel at each division & circle level and their assigned works/responsibilities, should be provided.
 - b) present status and future planning for the creation of dedicated industrial feeders with adequate protection systems to ensure reliable power supply need to be outlined
 - c) an energy audit should be conducted to assess LT & HT losses.
 - d) submission of the valuation of distribution assets under operation in their area of supply, categorized into three broad categories: existing assets before taking over, assets created after taking over by present DISCOMs, and assets created under Government funding before & after taking over of distribution business by the present DISCOMs, is required.
 - e) a robust consumer database should be created by introducing a Know Your Customer (KYC) mechanism and other methods to



identify genuine consumers and eliminate bogus consumers.

- f) consideration should be given to organizing consumer-licensee interaction meetings to address consumer grievances and foster a consumer-friendly environment

9.8 The Commission directs the Petitioner not to purchase power under High Price Day Ahead Market (HP- DAM) in the integrated Day Ahead Market (I-DAM) segment.

9.9 The Commission observed that the Petitioner has not provided the detailed slab wise billing determinant (number of consumers, connected load and energy sales) along with revenue for ARR period for FY 2023-24. The Commission, taking note of the non-compliance, directs the Petitioner to provide the detailed slab/sub-slab wise billing determinants along with revenue from the next Tariff filing failing which will lead to the proceedings of the non-compliance of directive as per Regulations/Act.

9.10 The Commission directs the Petitioners to provide voltage-wise energy sales and losses data, including information for 440V, 11kV, 33kV, 66kV, and 132 kV levels. Additionally, it is mandatory to submit both the energy audit report and the cost audit report, prepared in accordance with the Companies (Cost Records and Audit) Rules, along with the ARR/Tariff filing each year.

9.11 The Petitioners are directed to ensure 100% feeder metering and DT metering and separation of agriculture feeders.

9.12 There is lack of clarity on the interest of security deposited that has been given to the consumers. Petitioners, in their submission should clearly demonstrate how much interest on security deposit was required to be given and how much interest has been actually disbursed.

9.13 There are several upcoming opportunities for the Licensees to enhance their nontariff income particularly from the broadband and 5G telecom companies for installation of their equipment on the electric poles and



- infrastructure of the licensees. The licensees are directed to develop a business plan in accordance with JSERC (Facilitation of Telecommunication Network) Regulation 2023 in this regard and submit the same for the approval along with tariff of the Commission.
- 9.14 The Petitioner shall upload on its website the petition filed before the Commission along with all regulatory filings, information, particulars and related documents, which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Orders of the Commission. The Petitioner shall also ensure that these files are broken into such size which can be easily downloaded and will not keep them in compressed form as the stakeholders find it difficult to extract the files.
- 9.15 The details of all pending cases filed by Petitioners against the Commission in various forums, along with their status, should be provided alongside the ARR/Tariff filing each year.
- 9.16 The Petitioners are directed to submit DSM account details separately from the power purchase along with each ARR/ Tariff filings.
- 9.17 The list of Open Access consumers, categorized into Long Term, Short Term, and Medium Term, should be provided along with their consumption data and consumer category. This information should be included in the Petition submitted alongside the ARR/Tariff filing each year.
- 9.18 Wherever the opening values in the audited account doesn't match with the closing shown in the previous audited account, the reasons for the same are to be provided as part of audited accounts henceforth.
- 9.19 Provide the detailed breakup of CWIP claimed for the year along with the Petition and the ARR / Tariff filing each year.



- 9.20 The month-wise actual category/sub-category/slab-wise Billing Determinants, including the number of consumers, connected load, sales, and actual revenue for the year, should be submitted alongside the future filings.
- 9.21 The reconciliation of actual O&M expenses (including employee expenses, A&G expenses, R&M expenses) compared to the normative expenses for the year should be submitted in each future filing.
- 9.22 The Petitioners are directed to ensure that the actual Power Purchased Cost, including a detailed breakdown of each source, inter-state transmission charges, and intra-state transmission charges, are incorporated into the audited accounts.
- 9.23 Ensure that the actual category/sub-category-wise Billing Determinants (including the number of consumers, connected load, and sales) and category-wise actual revenue are included in the audited accounts henceforth.
- 9.24 The Petitioners are directed to ensure that actual power purchased (in million units) and ex-bus energy delivered at the Discom periphery (in million units), along with inter and intra-power purchase (in million units) and inter and intra-state losses, are included in the audited accounts henceforth.
- 9.25 The Commission has observed that in the few formats the data is incomplete. Also, it has been observed that the Excel files are not linked and formula driven which delays the proceedings. Therefore, the Petitioner is directed to ensure that all the Tariff and additional Formats are completely filled and are with formulas and links.
- 9.26 The Petitioners are directed to submit a proposal outlining the category/subcategory-wise roadmap for cross-subsidy reduction. They should take necessary steps to reduce such subsidy within +/- 20% of the



Average Cost of Supply (ACoS) in compliance with the provisions of the Tariff Policy, 2016.

- 9.27 The Petitioners are directed to enhance the quality of the distribution network by implementing state-of-the-art technology and contemporary technological solutions to address upcoming and new challenges in the sector. Additionally, the Licensees are directed to prioritize institutional capacity building, particularly focusing on operations related to smart metering, prepaid charging infrastructure, demand response, time of use (TOU), cyber security and privacy of data, and the utilization of AI tools. As part of this initiative, in-house Training Centers/Programs need to be established to expand the knowledge base and upgrade the competencies of their employees in line with technological trends in the sector. This will help bridge capacity gaps and reduce reliance on outsourcing essential and sensitive services. Furthermore, the Petitioners are required to conduct training sessions on Standard Operating Procedures (SOP) and Consumer Grievance Redressal Forum (CGRF) for the relevant personnel.
- 9.28 The Petitioners are required to file quarterly progress reports before the Commission on the implementation of Standard of Performance (SoP) as per JSERC Regulations.
- 9.29 The Commission directs the Petitioners to follow the RPO trajectory set by the Commission and submit RPO compliance along with Tariff filings and other orders of the Commission from time to time.
- 9.30 The Commission directs that pre-paid meter/ smart meter be installed for all new connections or replacement of faulty meters.
- 9.31 100% metering is a necessary condition for an efficient distribution network and financial viability of the distribution companies.
- 9.32 The Commission directs the Petitioner, that the Open Access shall be allowed to those who wish to avail Open Access as per the provisions outlined by the Commission in its Regulations, Orders and any amendments from time to time.



- 9.33 The Petitioner is directed to provide complete details of energy managed through net metering on monthly basis including energy banked / adjusted and the amount / energy settled at the end of financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with ARR/ Tariff filling.
- 9.34 The Petitioner is directed to do proper accounting with regard to MUs and rates of captive/ internal consumption of electricity and captured the same in the audited balance sheet under separate head. The Petitioner is also directed to submit the complete details viz MUs consumed, tariff and revenue booked along with every ARR / Tariff filling.
- 9.35 The Petitioner is instructed that the direction of earlier Tariff Orders which have not been complied with should be complied immediately.
- 9.36 Apart from the above directions the Petitioner is instructed to comply with the directions provided at various places in this Tariff Order
- 9.37 The Petitioner is directed to review the comments of the Commission and comply with the directives issued by the Commission with utmost sincerity failing which necessary action in accordance with law shall be initiated.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on February 28, 2024.

Date: 28.02.2024

Place: Ranchi

Sd/-
(Atul Kumar)
MEMBER (Technical)

Sd/-
(Mahendra Prasad)
MEMBER (Legal)

Sd/-
(Justice Amitav Kumar Gupta)
Chairperson



Chapter 10: LIST OF PUBLIC WHO PARTICIPATED IN PUBLIC HEARING

List of members of public who participated in the Public Hearing and submitted their Suggestions/Comments

Sr. No.	Name	Address/Organization
Daltonganj, 13/12/2023		
	Anil Kumar Singh	Urja Sathi
	Dharmesh Chauhan	Karar Khumal
	Vishehwar Kumar Sinha	JBVNL
	Monu Kumar	JBVNL
	Ranjit Singh	Daltonganj
	Ram Kumar	Daltonganj
	Saraswati Devi	Kund Mohalla
	Rakesh Kumar	Panjari kala
	Damodev Pandey	Daltonganj
	Mukesh Kumar	Redma
	Rakesh Maher	Beriya
	Kunal Kumar	Daltonganj
	Mahtab Ansari	Paneribandh
	Aakib Hawari	Paneribandh
	Sheo Puja Sharma	Daltonganj
	Deobam Thakur	Daltonganj
	Naresh Kumar	Daltonganj
	Shamsed Alam	Lalcha
	Anupam Kumar	Garda
	Deepak Kumar Thakur	Sua
	Kamal Kumar	Garhwa
	Abid Hussain	Garhwa
	Nathulesh Singh	Chukru
	Nitesh Singh	Chukru
	Au Kumar	Daltonganj
	Mahadev Mahato	JBVNL
	Uday Kr Sinha	Latehar
	Jitendra Sahu	Daltonganj
	Prakash Ram	Daltonganj
	Fuleshwar	Daltonganj
	Arun Kumar	Sudna
	Dhirendra Kumar	Redma
	Saryu Ram	Daltonganj



Sr. No.	Name	Address/Organization
	Satyendra kr Singh	Daltonganj
	Laldev Sinha	JBVNL
	Yamuna Viswakarma	Garhwa
	Suman Kumar Dubey	JBVNL
	Deepak Kumar	JBVNL
Chaibasa, 13/12/2023		
	Sudesh Gope	Jagannath Puri
	S.K.Shina	Chaibasa
	Md. Nasim	Chaibasa
	Rajeev Singh	Chaibasa
	Nitish Prakash	Chaibasa
	Punit Kaunatia	Singhbhum Chamber of Commerce, Chaibasa
	Abinash kr. Gupta	Chaibasa
	Kumari Pushpalata Singh	Chaibasa
	Harisgh Kailash	Chaibasa
	Alok	Tatanagar
	Avinash Anand	Chaibasa
	Kopirndra Kumar	Chaibasa
	Rajesh Raju	Chaibasa
	Jaya kr. Nishad	Chaibasa
	Rohit	Chaibasa
	Avinash Kumar	Chaibasa
	Shankar Kumar	Chaibasa
	Rahul Sharma	Chaibasa
	Bhaginath Mahto	Prabhat Khabhar
	Harishankar Gope	The Photon News
	Ram Parvesh Thakur	Chaibasa
	Ravi kumar	Chaibasa
	Mukesh Poddar	Chaibasa
	Satyanarayan Birurli	Chaibasa
	Manas Ghosh	Chaibasa
	Niranjana Prasad Gupta	Chaibasa
	Panna Lal Dhar	Chaibasa
	Sunita Kundu	Chaibasa
	Sharmila Devi	Chaibasa
	Damu Mailgandi	Ulluhatu
	Md. Taki	Chaibasa
	Vivek Kumar Shina	Chaibasa
	Nisha Kedia	Chaibasa
	Akarshan Agarwal	Chaibasa
	Ram Praves Thakur	Chaibasa
	Wakil Khan	Chaibasa
	Sanjay kr. Madhura	Chaibasa



Sr. No.	Name	Address/Organization
	Kapil Ranjan Tigga	Chaibasa
Dhanbad, 15/12/2023		
	Akansha Kumar	Kendua, Hanuman Gadhi
	Abdul Jabbar	Ansari Nagar, Pandar Pala
	Sunil Aggarwal	Dhanbad
	Reyasat Hussain	Pandar Pala
	Asif Iqbal	Kalali Bagh
	Vishwas Kr Singh	Jora Phatak
	Ajit Kumar Singh	Dhanbad
	Shiv Shambhu Paul	Jora Phatak
	Sailendra Singh	Dhanbad
	Pannalal Munda	Purana Bazaar
	VK Ojha	Purana Bazaar
	Dilip Rawat	Main Post
	Samant Mandal	Dhanbad
	Sandeep Kumar	JBVNL
	Swarup M Banerjee	JBVNL
	Vivek Lodha	Ispat
	Vinay Kumar Barman	Digwadih
	Shiv Choran Sharma	Jharia
	S Biswanathan	Dhanbad
	Geeta Devi	Jharia
	Suman Kumar	Dhanbad
	Manoj Kumar Sinha	Dhanbad
	Manish Kr Verma	Dhanbad
	Mukesh Kumar	Dhanbad
	Gyan Prakash	Dhaiya, Dhanbad
	Arvind Kumar	JBVNL
	Rishi Nandan	JBVNL
	Dinesh kr Singh	JBVNL
	Sourabh Jain	JBVNL HQ
	J.P Bhuvan	Kerkent
	Shiv Prasad	Jharia
	Kailash Goyal	Dhanbad
	Ram chandra Tiwari	Hirapur
	Bijay Kumar Sharma	Dhanbad
	N.K Pal	Dhanbad
	Santosh Kushwah	Dhanbad
	Ratilal Mahato	Dhanbad
Deoghar, 18/12/2023		
	Satya Narayan Bhogta	JBVNL
	Ranjan Kumar	Kaladhpure



True-up for FY 2020-21, APR for FY 2021-22, and ARR & Tariff for FY 2022-23

Sr. No.	Name	Address/Organization
	Ravi Kumar Kishor	President Deoghar Chamber of Commerce
	Ashok Shroff	Member Deoghar Chamber of Commerce
	Kumud Nath	Deoghar
	Hare Ramdev	Deoghar
	Anil Pandit	Deoghar
	Pawan Kumar	Deoghar
	Fuleswar Yadav	Deoghar
	Pramod Thakur	Jasidih
	David Kumar Hansda	Jasidih
	Nishant Kumar	Jasidih
	Sunil Singh	Jasidih
	Binay Kala	Giridih
	Tripuri Ramani	Deoghar
	Raman Kumar	Devpur Ghasko
	Vishnu Yadav	Vaidhnathpur
	Basant Guria	Rajabagicha
	Igualis Kerketta	Rajbagicha
	Arun Kumar Thakur	Chhotoamthupur
	Neeraj Anand	JBVNL
	Lav Kumar	JBVNL
	Manish Kumar Sultnana	Bhawani Ferrous P Ltd
	Nagendra Kumar Mehta	JBVNL
	Kailash Kumar	Deoghar
	Rishu Sharma	Deoghar
	Tohida	Mohanpur
	Munna Kumar Yadav	Jasidih
	Vikash Kumar Chouhan	Jasidih
	Ashok Sahu	Jasidih
	Ashok Sahu	Jasidih
	Ashok Kumar Singh	Deoghar
	Aadesh Mahto	Jasidih
	Rajesh Kumar	ESD Jamatara
	Nandlal Rana	ESS Deoghar
	Pradip Kumar Ram	ESD Deoghar
	Nilesh Anand Jha	Mohanpur
	Prabu Kumar Das	Mohanpur
	Ghanshyam Das	Deoghar
	Priya Ranjan Rakesh	Deoghar
	Dhermendra Kamti	Hathiyaru



Sr. No.	Name	Address/Organization
Ranchi, 19/12/2023		
	Sanjay Singh	GM (IT) JBVNL
	C. N. Prasad	Ranchi
	Mantosh Mani	GM (Revenue)
	Dineshwar Kumar Singh	ESE/Ranchi
	Rajesh Kumar Mandal	ESE/Ranchi
	Ajay Kumar	Ranchi
	Bijoy Kumar Ghosh	JBVNL
	Anita Prasad	JBVNL
	Prashant Kumar Srivastava	JBVNL
	Raj Kumar Agarwal	JBVNL
	Arvind Kumar	JBVNL
	Amit Das	Prabhat Khabhar
	Indra Datta	Namkum Industrial Area
	Gaurav Kr. Garodia	Shree Plastic Industries
	C.M. Sharma	Ranchi
	Anand Deswar	Ranchi
	Amit Karn	JBVNL
	Parvin Kumar	Lagatar In
	Arvind Kumar Mahli	JBVNL
	Binay Choudhary	JSIA
	Deb Kumar Mitra	JSIA
	Prabhat Tono	JBVNL
	Ms. Gargi Srivastava	Gajanan Ferro Pvt. Ltd
	Mr. Shivam Singh	Kokar, Ranchi
	Sourabh Jain	JBVNL
	Rajeev Kumar Shukla	JBVNL
	N. Dokania	Ranchi
	Sunil Kumar	JBVNL
	Eshan Singh	APNRL
	Prabhat kumar	Ranchi
	Subhash Chatterjee	Ranchi
	R. K. Tripathy	PWC
	Soumya Ranjaa	Singh More, Ranchi
	Binod Kumar Agarwal	Ranchi
	Arun	Tupudana Industries Association
	Sunil Kr. Jaiswal	Ranchi
	Om Prakash Agarwal	Ranchi
	N.K. Patodia	Usha Martin & Agarwal Sabha
	Kedar Nath Das	BIT, Mesra, Ranchi
	Anjay Pachariwala	JSIA
	Ajay Kr. Dadheech	JSIA



True-up for FY 2020-21, APR for FY 2021-22, and ARR & Tariff for FY 2022-23

Sr. No.	Name	Address/Organization
	Deepak Kr. Maroo	JSIA
	Ravi Tibrewal	JSIA

ANNEXURE-1

**दिनांक 19.02.2024 को संपन्न हुए राज्य सलाहकार समिति
की बैठक की कार्यवृत्ति**

राज्य सलाहकार समिति की बैठक माननीय न्यायाधीश श्री अमिताभ कुमार गुप्ता, अध्यक्ष, झारखण्ड राज्य विद्युत नियामक आयोग, राँची की अध्यक्षता में दिनांक 19.02.2024 को झारखण्ड राज्य विद्युत नियामक आयोग, राँची के सभागार में संपन्न हुई। इस बैठक में राज्य सलाहकार समिति के निम्नांकित सदस्य/ सदस्य के प्रतिनिधि उपस्थित हुए:-

क्र० सं०	सदस्यों के नाम	सदस्य/ प्रतिनिधि
1	श्री महेन्द्र प्रसाद, माननीय सदस्य (विधि), झारखण्ड राज्य विद्युत नियामक आयोग, राँची।	सदस्य
2	श्री अतुल कुमार, माननीय सदस्य (तकनीकी), झारखण्ड राज्य विद्युत नियामक आयोग, राँची।	सदस्य
3	श्री अगम प्रसाद, मुख्य अभियंता-सह-मुख्य विद्युत निरीक्षक, उर्जा विभाग, राँची।	प्रतिनिधि
4	श्री अरविंद कुमार, कार्यकारी निदेशक (वाणिज्य एवं राजस्व) झारखण्ड बिजली वितरण निगम लिमिटेड, अभियंत्रण भवन, एच0ई0सी0, धुर्वा,	प्रतिनिधि
5	श्री मंतोष मनी सिंह, महाप्रबंधक (वाणिज्य एवं राजस्व) झारखण्ड बिजली वितरण निगम लिमिटेड, अभियंत्रण भवन, एच0ई0सी0, धुर्वा, राँची।	प्रतिनिधि
6	श्री मनोज कुमार करमाली, नदेशक(परियोजना), झारखण्ड उर्जा संचरण निगम लिमिटेड, एस0एल0डी0सी0 भवन, कुसई कॉलोनी, डोरंडा, राँची।	प्रतिनिधि
7	श्री राकेश रौशन, कार्यकारी निदेशक, तकनीकी, झारखण्ड उर्जा उत्पादन निगम लिमिटेड, अभियंत्रण भवन, एच0ई0सी0, धुर्वा, राँची।	प्रतिनिधि
8	श्री अतिलेश गौतम, विद्युत कार्यपालक अभियंता, जेडा, राँची।	प्रतिनिधि
9	श्री राजीव प्रसाद, विद्युत कार्यपालक अभियंता, तेनुघाट विद्युत निगम लिमिटेड, हिनू	प्रतिनिधि
10	श्री मोहित कुमार गुप्ता, मुख्य प्रबंधक, टाटा पावर कंपनी लिमिटेड, जमशेदपुर।	प्रतिनिधि
11	श्री वरुण कुमार, प्रबंधक, टाटा स्टील लिमिटेड, जमशेदपुर	प्रतिनिधि
12	श्री वरुण कुमार, प्रबंधक, टाटा स्टील युटिलिटीज इन्फ्रास्ट्रक्चर सर्विसेज लिमिटेड, जमशेदपुर	प्रतिनिधि

13	श्री मनोज कुमार, वरिष्ठ प्रबंधक, बोकारी स्टील प्लांट, बोकारो, झारखण्ड।	प्रतिनिधि
14	श्री सुजीत कुमार, ADEE/TRD, दक्षिण पूर्व रेलवे, राँची ।	प्रतिनिधि
15	प्रोफेसर एस०के० समदर्शी, सेंट्रल युनिवर्सिटी झारखण्ड, राँची ।	सदस्य
16	श्री बी०के० तुलस्यान, फेडरेशन ऑफ झारखण्ड चैम्बर ऑफ कॉमर्स एण्ड इंडस्ट्रीज, राँची	सदस्य
17	श्री अंजय पचेरीवाला, अध्यक्ष, झारखण्ड स्मॉल इन्डस्ट्री एसोसिएशन, राँची।	सदस्य
18	श्री कैलाश चन्द्र गोयल, महासचिव, धनबाद फ्लावर मिल्स एसोसिएशन, धनबाद।	सदस्य
19	श्रीमति हेमलता उराँव, मुर्ते, सिलागाई, चान्हो, राँची ।	सदस्य

सर्वप्रथम आयोग के सचिव द्वारा राज्य सलाहकार समिति के सभी सदस्यों का स्वागत किया गया। तत्पश्चात् माननीय अध्यक्ष महोदय की अनुमति से बैठक की कार्यवाही प्रारंभ की गई।

तत्पश्चात् श्री मंतोष मनी सिंह, महाप्रबंधक (वाणिज्य एवं राजस्व), झारखण्ड बिजली वितरण निगम लिमिटेड (जे०बी०भी०एन०एल०) ने पी०पी०टी० के माध्यम से FY 2020-21, FY 2021-22 का True-up based on Audited Account, FY 2022-23 का Annual Performance Review (APR) तथा FY 2023-24 का ARR and Tariff का संक्षिप्त विवरणी पेश किया ।

श्री बी०के० तुलस्यान ने Security deposit पर Interest के संबंध में कहा कि वर्तमान में यह सिर्फ एच०टी० उपभोक्ताओं को ही दिया जा रहा है । Commercial consumer के संबंध में उन्होंने कहा कि इनको Demand based टैरिफ प्रस्तावित है लेकिन इस पर कोई Clarity नहीं दिया गया है । उन्होंने Domestic consumer के लिए Smart meter के रीडिंग और Sanction load में जो

अधिक होगा उस पर बिल करने के प्रस्ताव के स्थान पर मीटर के वीलिंग के आधार पर बिल करने की बात कही । उन्होंने यह भी कहा कि फिक्स चार्ज 'per connection' के स्थान पर 'per kilowatt' का प्रस्ताव भी उपभोक्ताओं के हित में नहीं है । इसलिए इस पर गंभीरता से विचार किया जाना चाहिए ।

श्री अंजय पचेरीवाला ने कहा की झारखण्ड बिजली वितरण निगम लिमिटेड द्वारा दिये गये PPT में किसी भी काम के लिए कोई भी समय सीमा निर्धारित नहीं किया है और न ही समय पर काम नहीं होने पर किसी की भी जवाबदेही का कोई जिक्र है, इस पर ध्यान देने की आवश्यकता है । उन्होंने मीटरिंग सिस्टम में सुधार किये जाने की भी बात कही । Separate transformer for industrial consumer के संबंध में कहा कि यह HT consumer तक ठीक है लेकिन LTIS consumer का प्रोजेक्ट खर्च के बराबर तो ट्रांसफॉर्मर का खर्च आ जाता है, इसलिए इस पर भी विचार किया जाना चाहिए । उन्होंने HT consumer से ट्रांसफॉर्मर loss के नाम पर 3 प्रतिशत अतिरिक्त वसूली पर विचार करने की भी बात कही । उन्होंने कहा कि सोलर के नेट मीटरिंग के संबंध में JBVNL पिछले 3 साल से Software बना रहा है, इससे भी इन्हीं का Revenue loss हो रहा है । इसलिए इसमें भी सुधार करने की आवश्यकता है । उन्होंने यह भी कहा कि विलींग की समस्या से निजात पाने के लिए एक Centralised portal बनाने की जरूरत है ।

श्री कैलाश चन्द्र गोयल ने IPDS एवं RDSS योजना पर सही तरीके से काम करने की बात कही जिससे Loss कम होगा । उन्होंने कहा कि JBVNL को अधिक Loss बिजली चोरी के मामले में होती है । इसलिए प्रत्येक ट्रांसफॉर्मर में मीटर लगाने से बिजली चोरी को कम किया जा सकता है । उन्होंने कहा कि बकाये बिल की वसूली में उदासीन रवैया होने के कारण इनके

घाटे का भार दूसरे उपभोक्ता पर आ जाता है । इसलिए इन सब बातों पर त्वरित गति से संज्ञान लेने की आवश्यकता है ।

श्रीमती हेमलता उरांव ने कहा कि प्रस्तावित टैरिफ में ग्रामीण घरेलु उपभोक्ताओं का टैरिफ 1.25 रु0 बढ़ाने और फिक्सचार्ज में 55 रु0 बढ़ाने के प्रस्ताव पर ध्यान देने की जरूरत है । उन्होंने Non domestic consumer के Energy Charge में 1.50 रु0 तथा Fixed Charge में 150 रु0 बढ़ोतरी पर भी ध्यान देने की जरूरत है। उन्होंने कहा कि Agriculture consumer का Energy Charge 3 रु0 और Fixed Charge को बढ़ाकर 50 रु0 करने का प्रस्ताव भी न्याय संगत नहीं प्रतीत होता है । उन्होंने कहा कि ग्रामीण उपभोक्ताओं को सही से बिजली भी मुहैया नहीं करायी जाती है, न ही उनकी शिकायतों का निपटारा सही समय से कराया जाता है । उन्होंने यह भी कहा कि अगर किसी क्षेत्र में ट्रांसफॉर्मर जल जाता है या कहीं तार टूट जाता है तो इसे ठीक कराने के लिए लंबे समय तक इंतजार करना होता है ।

समिति के सदस्यों द्वारा उठाये मुद्दे के जवाब में श्री ऋषि नंदन, जे0बी0भी0एन0एल ने कहा हम महुआटांड तथा अन्य जगहों पर नये ग्रीड का निर्माण कर रहे हैं जिससे आने वाले दिनों में विद्युत आपूर्ति में सहायता मिलेगी । उन्होंने बिलींग की समस्या के संबंध में बताया कि इसमें जल्द ही सुधार हो जायेगी क्योंकि हमने प्रीपेड मीटर लगाना शुरू कर दिया है ।

श्री अरविंद कुमार, जे0बी0भी0एन0एल ने कहा कि पिछले साल हमलोगों ने 6 लाख एल0टी0 उपभोक्ताओं को Security deposit पर Interest दिया था । इस साल हमलोगों ने जनवरी से Security deposit पर Interest देना शुरू कर दिया है और 10 लाख उपभोक्ताओं का डाटाबेस तैयार कर लिया है जिसमें लगभग 27 करोड़ Security deposit पर Interest दिया जायेगा । उन्होंने कहा कि हमलोग अभी सौभाग्य योजना में जो 17 लाख कनेक्शन दिया है

उसमें किसी से कोई Security deposit नहीं लिया गया है । उन्होंने कहा की नये उपभोक्ताओं को Security deposit पर Interest देने में कोई दिक्कत नहीं है और पुराने उपभोक्ताओं का भी डाटाबेस तैयार कर रहे हैं ।

माननीय अध्यक्ष महोदय ने Security deposit पर Interest के संबंध में कहा कि उपभोक्ताओं के लिए एक Consumer friendly पोर्टल बनाना चाहिए और पूरे डेटाबेस को उस पोर्टल पर डाल दिया जाना चाहिए ताकि उपभोक्ता अपने Account के अद्यतन स्थिति से वाकिफ हो सके ।

माननीय सदस्य तकनीकी महोदय ने Security deposit पर Interest के संबंध में वितरण कम्पनी से पूछा कि एक निश्चित समय सीमा के अंदर इसको कब तक पूरा कर लेंगे । इसके जवाब में श्री अरविंद कुमार ने कहा कि इस काम को करने में कम से कम एक साल लगेगा । इस पर माननीय सदस्य तकनीकी महोदय ने कहा कि इसे त्वरित गति से करने की आवश्यकता है ।

प्रोफेसर एस0के0 समदर्शी, सेंट्रल युनिवर्सिटी झारखण्ड ने कहा कि प्रीपेड मीटर के इंस्टॉलेशन से बहुत सारी समस्याओं से अपने आप निजात मिल जायेगा । उन्होंने बताया कि उनके घर में नेट मीटर लगा हुआ है लेकिन सोलर से जो भी बिजली जेनरेट होता है वह मीटर में रिफ्लेक्ट नहीं हो रहा है । इसको बिल में रिफ्लेक्ट कराने का आग्रह किया । उन्होंने कहा कि आने वाले समय में हमलोगों की निर्भरता Renewable एवं Solar पर बढ़ेगी इसकी तैयारी अभी से करने की आवश्यकता है ।

माननीय सदस्य तकनीकी महोदय ने कहा कि वर्तमान में Roof top पर फोकस किया जा रहा है, इसके लिए एक Tollfree नंबर जारी किया जाय ताकि एक फोन करने से यह पता चल सके कि इसके लिए कहां संपर्क करना है और उपभोक्ताओं को नाहक दौड़ना ना पड़े । इससे अधिक से अधिक Roof top का Installation होगा । माननीय सदस्य तकनीकी महोदय ने प्रोफेसर एस0के0



समदर्शी के समस्या के संबंध में वितरण कम्पनी के पदाधिकारियों से कहा
इनका मासिक बिलिंग का Export - Import का एक रजिस्टर बनाना चाहिए
ताकि वार्षिक स्तर पर वित्तीय वर्ष में उसका एडस्टमेंट किया जा सके ।

अंत में माननीय सदस्य विधि महोदय ने सभी सदस्यों का बैठक में
भाग लेने के लिए धन्यवाद ज्ञापन किया ।

(राजेन्द्र प्रसाद नायक)
सचिव

ज्ञाप सं०: ज्ञा०रा०वि०नि०आ०/२७ (Vol.-V)/

दिनांक:

प्रतिलिपि:-

राज्य सलाहकार समिति के सभी सदस्यों को सूचनार्थ एवं आवश्यक कार्य
हेतु प्रेषित ।



ANNEXURE-2

Letter No. 03/30602/07/14 — 1490 Dated 14.7.14

From, B.K. Tripathi
Principal Secretary

To, The Chairman-cum-Managing Director,
Jharkhand Urja Vikas Nigam Limited,
Corporate Office,
Engineering Building, HEC,
Dhurwa, Ranchi-834004.

Sub: Release of Rs. 1500 Crs. towards Resource Gap.

Sir,

The State Government provides Rs.1500 Cr. Per annum towards resource gap to the JUVNL (erstwhile J.S.E.B.). This amount may be utilized to meet the slashes/disallowances worked out by the Hon'ble Commission while fixing the tariff.

This is for information.

Yours faithfully,
B.K. Tripathi
(B.K. Tripathi)
Principal Secretary 14/7/14

CE (C&P)
14/7/14