To,
Shri Rajib Goswami
Chief Engineer Commercial,
Damodar Valley corporation,
Commercial Departments
DVC Towers, VIP Road, Kolkata – 700054

Reg. – Public hearing on DVC petition for True up FY 2018-19 APR FY 2019-20 ARR & proposal of Tariff for FY 2020-21

Queries on DVC Petition

1. The allocation of fixed cost of generating units should be done based on balance of allocation of generating plants after bilateral PPAs, but it has been done based on proportion of sales units. Total units (kwh) available for distribution from the generating plants have been calculated. Fixed cost of generating units have been allocated towards cost of distribution in same proportion as of units available for distribution out of total units generated from all generating plants during the year.

   The generating units fixed cost is also shared by customers with bilateral PPAs. Only that part's fixed cost of generating units can be included as part of distribution cost, for which no bilateral agreement (PPA) has been done/ unallocated capacity of generating plant.

   It is worthwhile to mention here that, the fixed cost of generating plants of DVC shall be allocated in the same manner as has been done by DVC for decommissioned plant. Like in Annexure 3 of APR FY 2019-20 Petition of DVC, the fixed cost of decommissioned part of installed capacity of plant is not considered, while allocating fixed cost for distribution system. Similarly fixed cost of allocated capacity (for which PPAs have been done) shall not be considered, while allocating fixed cost of distribution system.

2. The petition does not contain data of energy sold through exchange and the revenue realised from this trading activity.

3. In Annexure 21 of True up FY 2018-19 petition, table 4 has station wise total MU sold to licensee outside DVC command area, please provide table 4 with additional two column, one for showing capacity allocated for bilateral sales and other for location / point of meter whose meter reading is taken for calculation of MU sold. These two information is required station wise.

4. JSERC had directed the DVC to submit the retail tariff of LT supply of separate categories of consumers such as domestic, commercial, industrial, street lights, hospitals, water supply, etc. But DVC have not submitted the tariff for Utility, street lights, water supply, Hospitals etc. Please provide the LT supply tariff of different categories, other than domestic and commercial. Further details about metered vs. non metered consumers have also not being furnished, which is otherwise required according to JSERC regulation.

5. DVC has shown written off old dues / bad debt of Rs. 0.99 crores during FY 2018-19, to consider the same in ARR of FY 2018-19. This can not be done as per existing provisions of JSERC (Distribution) tariff regulations 2015. DVC has responsibility of collection efficiency of 100% for the year. No bad debt is allowed as per regulation.

6. DVC has not taken actions to reduce the T&D Loss. No initiatives to reduce loss are seen in the filed petition. If initiatives are taken, then please send the details of those initiatives to reduce T&D Loss.

7. The Format of the petition should be the standard format in which the data in tabular format is required as per JSERC Regulations for different sections of power cost, O&M cost, Depreciation, Interest on loan, Return on equity etc. Almost all data are given in different annexures, and thus the assumptions / considerations for projections of costs are not visible.

8. Table 28 and 29 of Annexure 8 does not contain the amount of Revenue billed / expected revenue during FY 2019-20 and FY 2020-21, as has been given in table 29 of Annexure 21 for FY 2018-19.

9. When average LPPF escalation factor comes out to be 1.94%, why there is 2% annual escalation on estimated energy charges rate for FY 2019-20.

10. As per Annexure 1 (Audited accounts of Fy2018-19) Total value of Tangible assets have reduced from Rs. 31319.00 crs (March 2018) to Rs. 29088.34 (March 2019), while the total value of depreciation has increased from Rs. 2854.72 crs to Rs. 2904.14 crs. Please explain the reasons for the same, as depreciations should also be reduced in case of reduction in assets.

11. In audited accounts note 10, it is mentioned that, Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses. Please provide details of grants received and such adjustments done matching with the figures of ARR considered.

12. In point 9 of True up petition, it is mentioned that O&M charges related to ULDC for period FY2014-15 to FY 2017-18 could not be claimed inadvertently. Now DVC is claiming the same in true up of FY 2018-19. JSERC is requested to check it thoroughly, as really it was not claimed in last 5 years.

13. Under point 20 of true up petition, clause 11 (B) says to consider the resulting differential amount except JBVNL……. Please provide the clause of regulation / act / law which permits such type of treatment of calculation of revised bill amount or payment realised amount except one consumer.

14. Under point no 21, it is again requested in section D that, adjustment of revenue gap or surplus on account of JBVNL to be done at the time of final settlement.
There should not be any separate treatment be allowed for one consumer. The yearly revenue gap / surplus shall only be calculated considering all consumers of the DVC.

Please explain why a separate treatment is required. As per which clause of regulation it can be done.

15. Entire amount of Contribution to pension fund and gratuity fund should not be allowed in the relevant year's ARR. The method of calculation of contribution of pension fund and gratuity fund must be checked, monitored, compared with other governments departments / private entity's such rules. Please provide a comparison as what % of basic salary are contributed by them, and in similar manner by other power distribution companies in India.

16. In point nos 30, 31, 32 and 33 references of other state's regulations are given to convince for allowance in totality of P & G fund. However, we request the JSERC to allow P&G fund only in view of the JSERC Regulations. The allowance of P&G fund based on performance parameters of PAF or TAF is correct, and should be followed. \

17. Similarly Interest on working capital shall also be allowed as per prevailing regulation of JSERC, as 1% of revenue. JSERC is requested to strictly follow their regulations, else at every places some deviations, which are in favour of licensee shall be made, and no deviations in favour of consumer shall be allowed.

18. Point 36 clause 13 (h) – a table contains the figures of billed amount to JBVNL as Rs. 1577.60 crs, and collection amount as Rs. 805.75 crs for FY2018-19. It is mentioned that collection amount does not contain payment realised against DPS and ED. Please provide data as whether the billed amount of Rs. 1577.60 crs also does not contain DPS & ED billed amount. Share the DPS & ED billed amount to JBVNL during FY 2018-19.

19. Please provide the clause of ensuing JSERC regulation under which actual cost of temporary financial accommodation (I think it is same as cost of borrowing) shall be allowed, as has been requested in last part of point 36.

20. In point 37, it is requested to not consider JBVNL's billed amount, for computation of revenue gap / surplus. Please provide that under which section / clause of existing applicable regulation, JSERC is allowed to do so. My humble request to the JSERC is please do not consider such abnormal requests, which are not available for all petitioners / licensee's. Special treatment by DVC to waive off the due amount from JBVNL can not be done as per JSERC regulations / any other law. Waiver or payments shall be done by Jharkhand government.
    Only billed amount should be considered (for all consumers) while calculating revenue gap / surplus, not the payment amount of any specific consumer of DVC.

Hope the reply shall be received in next 3-4 days.

Thanks
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