Jharkhand State Electricity Regulatory Commission

Provisional Tariff Order on Review of ARR for FY 2013-14 (6th Jan 14 – 31st Mar 14) & FY 2014-15 and ARR and Distribution Tariff for FY 2015-16 for Jharkhand Bijli Vitran Nigam Limited (JBVNL)

Ranchi

December 2015

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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
COD	Date of Commercial Operation
DPS	Delayed Payment Surcharge
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoI	Government of India
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSERC	Jharkhand State Electricity Regulatory Commission
JUSCO	Jamshedpur Utilities & Services Company Limited
Kcal	Kilocalorie
Kg	Kilogram
kWh	Kilowatt-hour
kVA	Kilovolt-ampere
MAT	Minimum Alternative Tax
MCL	Mahanadi Coalfields Ltd. (IB Valley Coalfields)
Ml	Millilitre
MT	Million Tonnes
MU	Million Units
MW	Megawatt
NTI	Non-Tariff Income
O&M	Operations and Maintenance
PLF	Plant Load Factor
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SLM	Straight Line Method

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BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 04 of 2015

In the matter of:

Petition for Review of Aggregate Revenue Requirement for FY 2013-14 (6th Jan 14 – 31st Mar 14) & FY 2014-15;

And

Petition for Determination of ARR

And

Tariff for FY 2015-16;

And

In the matter:

Jharkhand Bijli Vitaran Nigam Limited (JBVNL),
Dhurva, HEC, Ranchi ……………….. ……………… Petitioner

PRESENT

Hon'ble Mr Justice Narendra Nath Tiwari - Chairperson

Hon'ble Mr Sunil Verma - Member (F)

Order dated 14th December 2015

In this Petition, Jharkhand Bijli Vitaran Nigam Limited (hereinafter referred to as JBVNL) has prayed for Review of ARR for FY 2013-14 (6th Jan 14 – 31st Mar 14) & FY 2014-15 and determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2015-16.

A1. 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 Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.

1.2 The Government of Jharkhand vide its notification dated August 22, 2002 had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:-

- to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;
- to determine the tariff payable for the use of the transmission facilities in the manner provided in section 29;
- 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;
- to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.3 The Electricity Act, 2003 (hereinafter referred to as "the Act" or "EA, 2003") came into force with effect from June 10, 2003; and the Commission is now deemed to have been constituted and functioning under the provisions of the Act as the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of SERCs are now defined under Section 86 of the Act.

1.4 The JSERC discharges the functions to be discharged by the State Commission as specified under Section 86 of the Act, which are to: -

- determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

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

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

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

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

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

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

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

The Petitioner – Jharkhand Bijli Vitaran 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 28th June 2013 unbundled the erstwhile JSEB into following companies:

a) Jharkhand Urja Vikas Nigam Ltd (JUVNL) being the holding company;
b) Jharkhand Urja Utpadan Nigam Ltd (JUUNL) undertaking the generation function of the erstwhile JSEB;
c) Jharkhand Bijli Vitaran Nigam Ltd (JBVNL) undertaking the distribution function of the erstwhile JSEB;
d) Jharkhand Urja Sancharan Nigam Ltd (JUSNL) undertaking the transmission function of the erstwhile JSEB.

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

1.11 Reorganization of the JSEB has been done by Government of Jharkhand pursuant to "Part XIII – Reorganization of Board" read with section 131 of The Electricity Act 2003. The Petitioner is a Company constituted under the provisions of Government of Jharkhand, General Resolution as notified by transfer scheme vide notification no. 8, dated 6th January 2014, and is duly registered with the Registrar of Companies, Ranchi. Jharkhand Bijli Vitran Nigam Ltd was incorporated on 23rd October 2013 with the Registrar of Companies, Jharkhand, Ranchi and obtained Certificate of Commencement of Business on 28th November 2013.

1.12 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.

1.13 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

1.14 The Petitioner in the Petition for Review of ARR for FY 2013-14 (6th Jan 14 to 31st Mar 14) & FY 2014-15 and determination of ARR and Tariff for FY 2015-16 has prayed before the Commission:

- To consider the performance submitted by JBVNL in the Petition for FY 2013-14 (from the period of its existence date 6th January 2014 to 31st March 2014), FY 2014-15 and FY 2015-16;
- To approve ARR for FY 2013-14 (6th Jan 14 to 31st Mar 14), FY 2014-15 and FY 2015-16 along with relevant financial parameters proposed in the Petition;
- To approve the Proposed Tariff for FY 2015-16 for recovery from the consumers in license area w.e.f. 1st April 2015;
- To provide interim relief immediately considering severe cash shortfall situation faced by JBVNL due to non-revision of tariff since last 2 years;
- To create regulatory assets for unrecovered gap as per guidelines of National Tariff Policy and APTEL Judgement in OP No.1 of 2011 dated 11.11.2011;

Scope of the Order

1.15 The Commission in this Order has reviewed the performance of the Petitioner for the FY 2013-14 (6th Jan 14 – 31st Mar 14) and FY 2014-15 and provisionally approved the ARR for FY 2013-14 (6th Jan 14 – 31st Mar 14), FY 2014-15 and FY 2015-16 and determined Tariff for FY 2015-16.

1.16 While conducting the review of the performance/ARR of the Petitioner for FY 2013-14 for the period from 6th Jan 14 to 31st Mar 14, FY 2014-15 and approval of ARR and tariff determination for FY 2015-16, the Commission has taken into consideration:

- Material placed on record
- Provisions of the Electricity Act, 2003;
- Provisions of the National Electricity Policy;
- Provisions of the Tariff Policy;
- Principles and provisions laid down in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010 (hereinafter referred to as 'Distribution Tariff Regulations, 2010');

1.17 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Provisional Tariff Order on Review of ARR for FY 2013-14 (from 6th January 2014 to 31st March 2014), FY 2014-15 and ARR and distribution & retail supply tariff for FY 2015-16.

A2. PROCEDURAL BACKGROUND

2.1 The Commission had issued its last Tariff Order for the erstwhile JSEB in July 2012 for final True up for FY 2003-04 to FY 2010-11, revised estimates for FY 2011-12 and ARR & tariff determination for generation business for first MYT control period (FY 2012-13 to FY 2015-16) and revised estimation of ARR for FY 2011-12 and determination of ARR & tariffs for the transmission and distribution business for FY 2012-13.

2.2 The 'Distribution Tariff Regulations, 2010', provided for filing of the Business Plan for the first MYT control period from FY 2013-14 to FY 2015-16 by the 1st of June 2012 by the Licensee and the Petition for approval of ARR for entire MYT control period from FY 2013-14 to FY 2015-16 and retail tariff for FY 2013-14 by the 1st of November 2012.

2.3 However, the erstwhile JSEB failed to file the above petitions as per the timelines provided in the Distribution Tariff Regulations 2010 and as specified above. Erstwhile JSEB filed the Petition for approval of Business Plan for MYT control period from FY 2013-14 to FY 2015-16 for its distribution business in October 2012 and the Petition for True-up for FY 2011-12, Revised Estimates for FY 2012-13 and Multi Year Tariff Petition for Control Period from FY 2013-14 to FY 2015-16 and Tariff Proposal for FY 2013-14 in January 2013.

2.4 The Petition could not be processed due to retirement of the Chairperson of the Commission on 15th December, 2012 and the Commission was functioning with only one Member i.e. Member (Technical) as the post of Member (Finance) was also vacant.

2.5 JSERC (Conduct of Business) Regulations, 2011 provided for the quorum of two members among the three members of the Commission for issuing any effective orders, such as issue of tariff orders, judgments of the cases filed in the Commission and for any important policy matters. The extract of the Regulation is as follows:

"Quorum:
For all initial procedural issues, the quorum may be one Member.
Except for initial procedural issues like notices, filing of copies and documents, the quorum of the Commission shall be two among the three Members."

2.6 Since there was only one member in the Commission, the tariff orders could not be processed due to lack of quorum.

2.7 The Member (Finance) was appointed in January 2014. Also, as per the directions of the APTEL in this regard, the Commission amended the JSERC (Conduct of Business Regulations), 2011 and modified the quorum to one member in order to facilitate the working of the Commission in future even in the event of presence of a single member. Subsequently, the Chairperson took oath in August 2014.

2.8 Once the quorum of the Commission was complete, the Commission directed the Petitioner to revise and re-submit the Business Plan and the ARR and MYT Petition for the first MYT control period from FY 2013-14 to FY 2015-16 as the FY 2013-14 was almost complete by that time. However, the erstwhile JSEB only filed an addendum to the MYT Petition submitted in January 2013 but failed to submit the revised Business Plan. During the course of scrutiny of the addendum to the MYT Petition submitted by the erstwhile JSEB, numerous deficiencies were observed which the Commission communicated to erstwhile JSEB on several occasions. However, the erstwhile JSEB failed to submit its replies to the discrepancies/additional information sought by the Commission despite repeated reminders. Meanwhile, during the public hearings conducted by the Commission on the MYT Petition and addendum filed by the erstwhile JSEB, various objections were raised by the stakeholders against the Petition wherein it was highlighted that in the absence of revised Business Plan and due to numerous discrepancies in the addendum to the MYT Petition, the Petition ought to be rejected by the Commission. Thus, in light of the above, the Petition could not be considered on merit by the Commission.

2.9 Subsequently, JBVNL, the successor company responsible for undertaking the distribution business of erstwhile JSEB, came into existence on 6th January 2014. The last quarter of FY 2013-14 comes under the purview of the transfer scheme while the first three quarters of the year came under the purview of the erstwhile JSEB. Accordingly, the Petitioner has now filed the Petition for Review of ARR for FY 2013-14 (for the period 6th January 2014 to 31st March 2014), Review of ARR for FY 2014-15 and determination of ARR and retail supply tariff for FY 2015-16 on 26th February 2015. As the proceedings on the petition filed by the successor company to erstwhile JSEB i.e. JBVNL was initiated, the MYT Petition and addendum filed by the erstwhile JSEB was ultimately withdrawn and which was allowed by order dated 11th March 2015.

Information Gaps in the Petition

2.10 In accordance with Section 64(3) of the Act, the State Electricity Regulatory Commission, within one hundred and twenty days of the filing of application for determination of tariff, is required to either accept it and issue a tariff order or reject the application for reasons to be recorded in writing. The Commission after initial scrutiny of the Petition for Review of ARR for FY 2013-14 (for the period 6th January 2014 to 31st March 2014), Review of ARR for FY 2014-15 and determination of ARR and retail supply tariff for FY 2015-16 by the JBVNL, accepted the application submitted by the Petitioner on 31st March 2015.

2.11 As part of tariff determination exercise for the Control Period, several deficiencies/information gaps were observed in the tariff Petition submitted by the Petitioner. The information gaps were pointed out and communicated vide letter no. JSERC/Case (Tariff) 04 of 2015/175 dated. 09.06.2015, letter No. JSERC/Case(T)No. 04 of 2015/666 dated. 04.11.2015 to the Petitioner.

2.12 The Petitioner submitted its response to the aforesaid letters and furnished additional data/information vide letter no. 950/Ranchi dated. 30.06.2015, letter no. 1802 dated. 10.11.2015 and letter no. 1828 dated. 19.11.2015 to the Commission.

2.13 The Commission scrutinized the additional data/information submitted and considered the same while passing this Order on the Petition filed by the Petitioner. The Commission has examined the replies and supporting documents as supplied by the Petitioner on the discrepancies pointed out to it only on material already on record in the Petition filed by the Petitioner.

2.14 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64(3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to hold public hearing at divisional headquarters.

Inviting Public Comments/Suggestions

2.15 The Commission directed the Petitioner to make available copies of the Petition to the members of general public on request, and also issue a public notice inviting comments/ suggestions on the Petition for Review for FY 2013-14 (6^{th} Jan 14 to 31^{st} Mar 14), Review for FY 2014-15 and determination of ARR and Tariff for FY 2015-16.

2.16 The aforesaid public notice was issued by the Petitioner in various newspapers and a period of twenty one (21) days was given to the members of the general public for submitting their comments/suggestions.

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

Sl. No.	Newspaper	Date of Publication
1.	Hindustan Times (English)	26.07.2015
2.	Times of India (English)	26.07.2015
3.	Prabhat Khaber (Hindi)	25.07.2015
4.	Dainik Bhaskar (Hindi)	25.07.2015
5.	Hindustan (Hindi)	25.07.2015
6.	Dainik Jagran	25.07.2015

2.17 Subsequently, the Commission also issued a notice on its website www.jserc.org and various newspapers for conducting the public hearing on the Petition. The details of the newspapers publishing the notice by the Commission are as under:

Table 2: List of newspapers and dates on which the public notice by JSERC appeared

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

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

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

Meeting of the State Advisory Committee

2.18 The Commission convened a meeting of the State Advisory Committee (SAC) on 19th August, 2015 and prominently kept an agenda for discussion on the Petition filed by the Petitioner. The agenda for the SAC meeting is attached as Annexure 2 to this Order.

2.19 In course of discussion, several points related to the alarmingly high levels of T&D losses in the State, discrepancies in the information submitted by the Petitioner in the Petition, failure of the Petitioner to consider the expenses of the holding company viz. Jharkhand Urja Vikas Nigam Limited (JUVNL) etc. were raised by the members and discussed in the meeting.

2.20 It was pointed out that claim for increase in existing tariff may not be considered as the existing tariffs are almost equivalent to the current year (i.e. FY 2015-16) tariff approved by the Commission for JUSCO.

2.21 It was also pointed out that huge amount of dues are pending from consumers and Petitioner is not taking adequate steps to recover that amount. Recovery of such arrears will result in substantial revenue for the Petitioner.

2.22 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

2.23 The public hearings were held at revenue divisional headquarters across the state of Jharkhand during September 2015 to November 2015 on the dates as detailed under:

Table 3: Locations and Dates of Public Hearing

Sl. No.	Location	Date
1.	Chaibasa	19.09.2015
2.	Dhanbad	08.10.2015
3.	Medininagar	11.10.2015
4.	Deogarh	30.10.2015
5.	Ranchi	01.11.2015

2.24 For wider coverage and maximum response from the public, the Commission also issued notice for public hearings in the local newspapers on the day prior to the day of public hearing and also on the date of the hearing.

2.25 Numerous objections/comments/suggestions on the ARR & Tariff Petition were received. The objections/comments/suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Section A4** of this Order.

Meeting of the Expert Committee

2.26 On conclusion of public hearing, the Commission constituted a High Level Committee of reputed experts from the field of law, revenue, engineering, commerce, etc. of the state under the Chairmanship of the Electricity Ombudsman, Jharkhand for deeper discussions on the material collected on record and also for their opinion on the issues involved in the Petition for review of ARR for FY 2013-14 (6^{th} Jan 14 to 31^{st} Mar 14) and FY 2014-15 and determination of ARR and tariff for FY 2015-16. Meeting of the Committee was held on 10^{th} November 2015. The list of members of the Expert Committee is attached as Annexure 3 to this Order.

2.27 Key issues discussed by members of the Committee and assessment of facts churned out are summarized below:

(a) One of the important basis in deciding tariff is duly approved business plan which has not been provided by the Petitioner;

(b) In absence of audited accounts, the review for the period 6^{th} Jan 2014 – 31^{st} Mar 2014 and FY 2014-15 cannot be finalised;

(c) Changes proposed in the Tariff Schedule cannot be accepted as they are unreasonable and not supported by the material placed on record;

(d) Due to inefficiencies of the licensee, T&D losses have been very high and that burden should not be imposed on consumers by increasing the tariff;

(e) In view of decline in international crude oil price and downward swing in RBI lending rate, the proposal for 40% hike in fixed charges and demand charges should not be accepted;

(f) The Committee was of the view that the Petitioner has been unable to showcase any reason to provide increase in energy charges beyond five percent (5%) and as may be considered by the Commission.

2.28 The assessment of the Committee on various aspects and suggestions made by the members of the Committee have been taken into consideration in arriving at conclusion by the Commission. The minutes of the meeting of the Expert Committee is attached as Annexure 4 to this Order.

A3. BRIEF FACTS OF THE PETITION

3.1 JBVNL, which came into operation with effect from 6th January 2014, filed the Petition for review of ARR for FY 2013-14 for the period 6th January 2014 to 31st March 2014, review of ARR for FY 2014-15 and ARR and Tariff determination for FY 2015-16 on 26th February 2015. The following sub-sections present a summary of ARR & Tariff Petition filed by the Petitioner:

Review of ARR for FY 2013-14 (6th Jan 14 to 31st Mar 14) and FY 2014-15

3.2 The transfer scheme notified by the Government of Jharkhand vide its order dated 6th January 2014 is yet to be finalized and due to this there has been a delay in preparation and finalization of audited accounts of the Petitioner for FY 2013-14 from the period 6th January 2014.

3.3 In view thereof, the Petitioner has submitted unaudited data for FY 2013-14 for the period 6th January 2014 to 31st March, 2014 and provisional data for first half of FY 2014-15 as part of its ARR and Tariff Petition. The projection for remaining period for FY 2014-15 and FY 2015-16 has been based on unaudited/ provisional data for previous years.

3.4 The summary of ARR for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is detailed hereunder:

Table 4: Summary of ARR submitted for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14* Provisional	FY 2014-15 Estimated
Power Purchase Cost	1061.28	4754.80
Transmission Charges- JUSNL	30.87	131.73
O&M Expenses	82.12	388.22
-Employee cost	64.39	278.25
-R&M expenses	10.34	50.75
-A&G expenses	7.39	59.22
Total Interest and Finance charges	21.27	142.09
-Interest on Loan and Finance Charges	14.84	77.34
-Interest on working capital	-	33.80
-Interest on Consumer Security Deposits	6.43	30.95
Depreciation	14.28	73.65
Gross Aggregate Revenue Requirement	**1,209.82**	**5,490.49**
Add: Return on Equity	11.70	59.43
Less: Non-tariff income	13.43	57.68
Net Aggregate Revenue Requirement	**1,208.09**	**5,492.24**

**6th January 2014 to 31st March 2014*

3.5 Considering the revenue from sale of power in FY 2013-14 (period from 6th Jan 14 to 31st Mar 14) based on provisional data and for FY 2014-15 based on half-yearly provisional data and projections for balance year, he Petitioner has proposed a cumulative revenue gap of Rs. 3394.61 Cr up to FY 2014-15 as detailed in table below:

Table 5: Revenue Gap submitted for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14* Provisional	FY 2014-15 Estimated
Total ARR	1208.09	5,492.24
Revenue from Sale of Power	696.48	2831.26
Revenue from Inter State Sales	6.20	74.36
Revenue Gap	**505.41**	**2586.62**
Carrying Cost	111.82	190.76
Total Revenue Gap incl. carrying cost	**617.23**	**2777.38**
Cumulative revenue gap up to FY 2014-15		**3394.61**

**6th January 2014 to 31st March 2014*

ARR and Tariff Petition for FY 2015-16

3.6 The following table summarizes the projected ARR for FY 2015-16 as submitted by the Petitioner.

Table 6: ARR submitted for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16 Projections
Power Purchase Cost	5886.88
Transmission Charges	338.86
O&M Expenses	424.48
-Employee cost	300.58
-R&M expenses	59.93
-A&G expenses	63.97
Total Interest and Finance charges	169.64
-Interest on Loan and Finance Charges	84.35
-Interest on working capital	51.02
-Interest on Consumer Security Deposits	34.28
Bad Debt Provision	
Depreciation	108.29
Prior Period Expenses	
Gross Aggregate Revenue Requirement	**6928.15**
Add: Return on Equity	68.63
Less: Non-tariff income	57.68
Net Aggregate Revenue Requirement	**6939.10**

3.7 Based on the projected ARR and the revenue from existing tariff based on projected energy sales and existing tariff, the Petitioner estimated the revenue gap at existing tariff for FY 2015-16 as Rs. 3959.23 Cr as summarised in the table below:

Table 7: Revenue Gap submitted for FY 2015-16 at Existing Tariff (Rs. Cr.)

Particulars	FY 2015-16 Projected
Total ARR	6939.10
Revenue from sale of Power	2979.87
Revenue Gap at existing tariff	**3959.23**

3.8 The Petitioner has computed the cumulative revenue gap/surplus up to FY 2015-16 as Rs. 7353.84 Cr as summarised below:

Table 8: Submitted cumulative revenue gap up to FY 2015-16 at existing tariff (Rs. Cr.)

Particulars	Amount
Revenue Gap/Surplus for FY 2013-14 (from 6th Jan 14 to 31st Mar 14)	617.23
Revenue Gap/Surplus for FY 2014-15	2777.38
Cumulative Revenue Gap/Surplus up to FY 2014-15	**3394.61**
Revenue Gap of FY 2015-16	3959.23
Total Gap at existing tariff	**7353.84**

3.9 To partially meet the cumulative revenue gap projected up to FY 2015-16, the Petitioner submitted a proposal for average tariff hike of 40% which would result in additional revenue of Rs. 1199.19 Cr. The tariff schedule proposed by the Petitioner is summarised below:

Table 9: Proposed Tariff Schedule for FY 2015-16

Category	Existing Fixed Charges	Proposed Fixed Charges	Existing Energy Charges (Rs/kWh)	Proposed Energy Charges (Rs/kWh)
DS-I (a), Kutir Jyoti (metered) (0-50)	Rs.15 per conn. per Month	Rs.25 per conn. per Month	1.20	1.50
DS-I (a), Kutir Jyoti (metered) (50-100)	Rs.15 per conn. per Month	Rs.25 per conn. per Month	1.20	1.50
DS-I (a), Kutir Jyoti (Unmetered)	Rs.40 per conn. per Month	Rs.125 per conn. per Month	-	-
DS-I (b), Metered (0-200)	Rs.25 per conn. per Month	Rs.35 per conn. per Month	1.40	1.95
DS-I (b), Metered (above 200)	Rs.25 per conn. per Month	Rs.40 per conn. per Month	1.50	2.05
DS-I (b), Other Rural Domestic	Rs.100 per conn. per Month	Rs.175 per conn. per Month	-	-

Category	Existing Fixed Charges	Proposed Fixed Charges	Existing Energy Charges (Rs/kWh)	Proposed Energy Charges (Rs/kWh)
Connections (Unmetered)				
DS-II 4 KW				
0-200	Rs.40 per conn. per Month	Rs.100 per conn. per Month	2.40	2.90
201-500	Rs.60 per conn. per Month	Rs.150 per conn. per Month	2.90	3.20
500 and above	-	Rs.200 per conn. per Month	-	3.90
DS-III, Above 4 kW	Rs.100 per conn. per Month	Rs.175 per conn. per Month	3.00	4.5
DS HT	Rs.75 per kVA per Month	Rs.125 per kVA per Month	2.60	3.40
NDS-I, Metered (<=2kW) (0-100)	Rs.30 per conn. per Month	Rs.75 per conn. per Month	1.75	3.25
NDS-I, Metered (<=2kW) (above 100)	Rs.30 per conn. per Month	Rs.75 per conn. per Month	1.75	3.25
NDS-I unmetered (<=2kW)	Rs.175 per conn. per Month upto 1 kW and Rs.60 per kW per month for each additional 1 kW or part thereof	Rs.300 per conn. per Month upto 1 kW and Rs.75 per kW per month for each additional 1 kW or part thereof	-	0.00
NDS-II	Rs.175 per kW per Month	Rs.300 per kW per Month	5.25	6.50
NDS-III (existing)	Rs.150 per conn. per Month	0.00	6.00	0.00
NDS-III (proposed)	-	Rs.250 per kW per Month	-	7.00
LTIS (Installation Based Tariff)	Rs.130 per HP per month	Rs.225 per HP per Month	4.90	5.90
LTIS (Demand Based Tariff)	Rs.235 per kVA per Month	Rs.375 per kVA per Month	4.90	5.90
IAS-I Metered	-	-	0.60	1.00
IAS-I Unmetered	Rs.70 per HP per month	Rs.125 per HP per month	0.00	0.00
IAS-II Metered	-	-	1.00	1.50
IAS-II Unmetered	Rs.280 per HP per month	Rs.500 per HP per month	0.00	0.00
HTS-11 KV	Rs.235 per kVA per month	Rs.375 per kVA per month	5.40	6.95
HTS-33 KV	Rs.235 per kVA	Rs.375 per kVA	5.40	6.95

Category	Existing Fixed Charges	Proposed Fixed Charges	Existing Energy Charges (Rs/kWh)	Proposed Energy Charges (Rs/kWh)
	per month	per month		
HTS-132 KV	Rs.235 per kVA per month	Rs.375 per kVA per month	5.40	6.95
HTSS-11 KV	Rs.410 per kVA per month	Rs.550 per kVA per month	3.25	5.00
HTSS-33 KV	Rs.410 per kVA per month	Rs.550 per kVA per month	3.25	5.00
HTSS-132 KV	Rs.410 per kVA per month	Rs.550 per kVA per month	3.25	5.00
RTS	Rs.220 per kVA per month	Rs.300 per kVA per month	5.40	6.50
SS-I (Metered)	Rs.35 per conn. per month	Rs.75 per conn. per month	4.45	5.50
SS-II (Unmetered)	Rs.140 per 100 watt lamp and Rs.50 for each additional 50 watts and part thereof	Rs.235 per 100 watt lamp and Rs.50 for each additional 50 watts and part thereof	0.00	0.00
REC	0.00	0.00	0.90	1.50
MES	Rs.205 per kVA per month	Rs.275 per kVA per month	4.05	5.00

3.10 The Petitioner requested the Commission to treat the balance cumulative revenue gap of Rs. 6154.65 Cr. as Regulatory assets.

3.11 The Petitioner has requested the Hon'ble Commission to allow recovery by way of interim relief w.e.f. 1st April 2015 in case of delay in tariff revision, so that it can perform its day to day operations in a stable manner.

A4. PUBLIC CONSULTATION PROCESS

4.1 The Tariff Petition evoked response from several stakeholders. The public hearings were held in various locations across the State of Jharkhand to ensure the maximum public participation wherein stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. In all 426 persons participated in the public hearing process. The list of the attendees is attached as **Annexure 1** to this Order.

4.2 In course of public hearings, the Commission also allowed persons/representatives of entities who had not submitted prior written representations but attended the public hearings to express their views, in person, regarding the Petition filed by the Petitioner and also about ways and means to improve the services rendered by the Petitioner.

4.3 The comments and suggestion of the members of the public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

True up for FY 2011-12, FY 2012-13 & FY 2013-14 (from 1st Apr 13 to 5th January 2014)

Public Comments/Suggestions

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

Petitioner's Response

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

Views of the Commission

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

4.7 However, it should be ensured that functionally segregated information of the individual companies for the FY 2011-12, FY 2012-13 and FY 2013-14 (up to 5th January 2014) should reconcile with the information of the erstwhile JSEB based on the audited accounts of FY 2011-12, FY 2012-13 and FY 2013-14.

4.8 Accordingly, the Commission directs the Petitioner to file the True-up Petition for FY 2011-12, FY 2012-13 and FY 2013-14 (upto 5th January 2015) for the distribution function of the erstwhile JSEB and for FY 2013-14 (from 6th January 2014 to 31st March 2014) and FY 2014-15 along with its next Petition for approval of ARR for second MYT control period for JBVNL.

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

Public Comments/Suggestions

4.9 The stakeholders pointed out that the Petitioner has failed to submit an application for approval of Business plan for the 1st MYT control period from FY 2013-14 to FY 2015-16 as per Regulations 8.1 and 8.5 of JSERC Distribution Tariff Regulations 2010 and requested the Commission to reject the petition filed by the Petitioner.

Petitioner's Response

4.10 The Petitioner submitted that erstwhile JSEB had filed the Business Plan for entire MYT control period in October 2012. However, there was no Order issued by the Commission on the approval of the same. Subsequently, erstwhile JSEB filed MYT Petition for control period in January 2013 along with True up for FY 2011-12 but the petitions could not be processed and scrutinized by the Commission as the quorum of the Commission was not complete for a period of around one year. This resulted in delays in procedures to be followed for the Petition.

4.11 The proceedings were again initiated after the complete quorum was available in January 2014. During this process, FY 2013-14 had already passed and no tariff revision was allowed by the Commission. The erstwhile JSEB, therefore, filed an addendum to the MYT Petition in July 2014 in order to recover the revenue losses incurred during the one and half year since the filing of the original Petition and proposed to revise the tariff rates accordingly for FY 2014-15 along with True up Petition for FY 2012-13. The Commission scrutinized and accepted the Petition and directed the Petitioner to publish public notice inviting objections/ comments from various stakeholders on the Petition. The public notice was issued on 9th July 2014 and 10th July 2014. Objections were raised against the addendum Petition since first half of FY 2014-15 had already lapsed and the erstwhile JSEB was also unbundled into 4 successor companies in the beginning of 2014. In light of these objections the Commission had issued an order to file fresh Tariff Proposal for FY 2015-16 for the unbundled utilities (JUUNL, JUSNL and JBVNL) separately.

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

Views of the Commission

Once the quorum of the Commission was complete in January 2014, the Commission initiated the proceedings for approval of Business plan and ARR for the MYT period from FY 2013-14 to FY 2015-16 and tariff for FY 2013-14 on the petition filed by the erstwhile JSEB in October 2012 and January 2013, respectively. During the course of scrutiny of above petition, the Commission directed the Petitioner to revise and re-submit the Business Plan and the MYT Petition as the FY 2013-14 was almost complete and also audited data for FY 2012-13 was available. Subsequently, the erstwhile JSEB filed an addendum to the MYT Petition in July 2014 but failed to submit the revised Business Plan for the period FY 2013-14 to FY 2015-16. During the course of scrutiny of the addendum to the MYT Petition submitted by the Petitioner, numerous deficiencies were observed which the Commission communicated to the Petitioner on several occasions as per the formats prescribed and in line with the Regulation 17(9) of the JSERC (Conduct of Business) Regulations, 2011. It is a known fact and in line with above-mentioned regulation, that in case the defects raised in the Petition are not rectified by the Petitioner within the allocated time, the Petition is deemed to be dismissed. But the erstwhile JSEB failed to submit its replies to the discrepancies/additional information sought by the Commission.

4.13 During the public hearings conducted by the Commission on the MYT Petition and addendum filed by the Petitioner, various objections were raised by the stakeholders against the Petition wherein it was highlighted that in the absence of revised Business Plan and due to numerous discrepancies in the addendum to the MYT Petition for which the Petitioner had failed to provide any justification/additional information as sought by the Commission, the Petition ought to be rejected by the Commission. Thus, in light of the above, the Petition could not be considered on merit and the Petition was ultimately withdrawn by the Petitioner which was allowed by the Commission vide order dated 11th March 2015.

4.14 The Petitioner thereafter filed fresh petition for approval of review of ARR for FY 2013-14 (from 6th Jan 2014 to 31st March 2014) and FY 2014-15 and determination of ARR and tariff for FY 2015-16 on 26th February 2015. The present petition pertains to determination of ARR and Tariff for FY 2015-16 which is the last year of the MYT period; and also includes the information as required in the Business Plan for the past and ensuing years.

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

Public Comments/Suggestions

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

Petitioner's Response

4.16 The Petitioner submitted that the latest available balance sheet for FY 2011-12 and FY 2012-13 have been submitted along with the Petition. The Petitioner further submitted that transfer scheme was notified by the Government of Jharkhand vide notification dated 6th January, 2014.

4.17 The Petitioner submitted that the transfer scheme is not finalised as yet and due to this there has been delay in preparing and finalisation of the audited accounts of the Petitioner for FY 2013-14 (from 6th January 2014 to 31st March 2014). The Petitioner submitted that the actual unaudited data for FY 2013-14 (from 6th January 2014 to 31st March 2014) and actual data for first half of FY 2014-15 has been considered for the purpose of the Petition.

Views of the Commission

4.18 In the absence of final transfer scheme and audited accounts of the successor companies, the Commission approves the estimates for FY 2013-14 (from 6th January 2014 to 31st March 2014), FY 2014-15 and FY 2015-16 on provisional basis which shall be subject to True-up based on audited accounts for respective years and the final transfer scheme indicating the opening balances of GFA, CWIP, equity, loan etc. for successor companies. In view of the above, the Commission directs the Petitioner to submit the final transfer scheme and audited accounts indicating the opening balances of GFA, CWIP, equity, normative loan etc. for the Petitioner along with the Petition for determination of ARR for next MYT control period.

4.19 The Commission clarifies that, for projection purposes, the audited accounts for past years have been considered. Accordingly, the ARR for FY 2013-14 (6th Jan 14 to 31st Mar 14), FY 2014-15 and FY 2015-16 is approved on the basis of function-wise segregated audited data for previous years i.e. FY 2011-12 and FY 2012-13 and as per the provisions specified in the Distribution Tariff Regulations 2010.

Revision of Tariff from retrospective date i.e. from 1st April 2015

Public Comments/Suggestions

4.20 The stakeholders submitted that revision of power tariff from retrospective date is against the provision of law/judgements which allows to impose any tariff hike rates from prospective date and not retrospective dates and as such request made by the Petitioner in this regard should not be entertained.

Petitioner's Response

4.21 With regards to query regarding tariff revision from retrospective date, the Petitioner submitted that by the time the Commission may issue the Tariff Order for FY 2015-16, the financial year will be nearing completion. Hence, the Petitioner has prayed for approval of tariff retrospectively from 1st April 2015.

Views of the Commission

4.22 The Commission has already elaborated the reasons for delay in processing of the Tariff Petition and passing this Tariff Order. It is of great concern that even though the Petitioner is anxious about the revision of tariff and effecting the same with retrospective effect, it has failed to provide complete and timely information as part of its ARR and Tariff Petition as well as in responses to information gaps pointed out by the Commission. The Petitioner should submit its ARR and Tariff Petitions within the timelines specified in the Distribution Tariff Regulations as amended from time to time and needs to ensure that the petition is complete in all respect for it to be considered by the Commission. Thus, the Commission does not find any merit in the proposal for allowing tariff revision with retrospective effect.

Energy Balance for FY 2013-14 and FY 2014-15

Public Comments/Suggestions

4.23 The stakeholders pointed out that the Petitioner has not provided details of energy balance for FY 2013-14. Further, the energy balance provided for FY 2014-15 is not reliable as the Petitioner has failed to submit any basis for projection of sales, load, energy availability, etc.

Petitioner's Response

4.24 The Petitioner submitted that due to non-availability of audited accounts for entire FY 2013-14, it is difficult to bifurcate the energy balance data for the period 6th January 2014 to 31st March 2014. Thus, the energy balance for the last three months of FY 2013-14 (6th January 2014 to March 2014) could not be given in the present Petition.

4.25 The Petitioner submitted that the energy balance shall be submitted in the subsequent Petition for true-up for period 1st April 2013 to 5th January 2014 pertaining to erstwhile JSEB and for the period 6th January 2014 to 31st March 2014 pertaining to JBVNL based on the audited accounts for the respective periods.

4.26 The Petitioner submitted that sales for FY 2013-14 (for period 6th January 2014 to 31st March 2014) and FY 2014-15 have been provided in Section 2.2 of the Tariff Petition and same has been considered while determining energy balance for FY 2014-15.

Views of the Commission

4.27 The Commission agrees with the Stakeholders that in absence of past data, the numbers given in energy balance cannot be relied upon. Accordingly, the Commission directed the Petitioner to submit the past data related to sales, consumers, connected load and energy balance in the discrepancy note sent to the Petitioner. The Petitioner provided the required details along with energy balance for the entire FY 2013-14.

4.28 Based on the sales and power purchase details provided by the Petitioner and the normative loss levels, the Commission approves the energy balance for FY 2013-14 (for the period 6th January 2014 to 31st March 2014), FY 2014-15 and FY 2015-16 on provisional basis, subject to true-up based on audited accounts of respective years.

Power Purchase Cost for FY 2013-14 and FY 2014-15

Public Comments/Suggestions

4.29 The stakeholders pointed out that the cost of power generation for PTPS and SHPS has been taken as Rs. 26.53 and Rs. 135.40 Cr. for FY 2013-14 and FY 2014-15 respectively. The stakeholders asked the Petitioner to provide further details for such huge variation in the cost.

Petitioner's Response

4.30 The Petitioner clarified that power purchase cost for FY 2013-14 is only for the period 6th January 2014 to 31st March 2014 which is based on the provisional cost of power purchase incurred during the mentioned period. The power purchase quantum and cost for FY 2014-15 is for the entire financial year and therefore there is huge deviation.

4.31 Moreover, the Petitioner submitted that the cost of power purchase from PTPS and SHPS is in line with the approved ARR for FY 2014-15 and FY 2015-16 in the MYT Order for Generation function of erstwhile JSEB dated 2nd August 2012.

Views of the Commission

4.32 The cost of power purchase for FY 2013-14 (6^{th} Jan 14 to 31^{st} Mar 14), FY 2014-15 and FY 2015-16 has been dealt with in detail in the relevant section of this order. Moreover, in absence of audited accounts, the Commission only accorded approval on provisional basis, subject to true up based on audited data for power purchase cost for respective years.

Capital Expenditure and Capitalization for FY 2013-14 and FY 2014-15

Public Comments/Suggestions

4.33 The stakeholders pointed out that the Petitioner has not provided details of scheme-wise capitalisation, financing plan, CWIP, etc. in case of Central Government schemes such as APDRP, R-APDRP, etc. and State Government schemes such as RE, Annual development plan, etc.

4.34 The stakeholders further asked the Petitioner to provide the quantum of grant or specific loan against each of the above category separately for FY 2013-14 from 6^{th} January 2014 to 31^{st} March 2014 and FY 2014-15.

Petitioner's Response

4.35 The Petitioner submitted that due to the absence of audited annual accounts for FY 2013-14 and FY 2014-15, CWIP and Capitalization for these financial years have been projected based on the previous year's actual data. Once the audited annual accounts for the given financial years are available, the above mentioned details shall be provided.

Views of the Commission

4.36 The Commission has dealt with the issue of Capital Expenditure and Capitalisation in detail in the relevant section of this Order. However, in absence of audited data, the Commission accorded provisional approval only subject to true up based on audited data.

Opening Gross Fixed Assets (GFA) for FY 2013-14

Public Comments/Suggestions

4.37 The stakeholders pointed out various discrepancies related to GFA in the Petition and asked the Petitioner to explain the variation in figures of opening GFA for FY 2013-14 which is shown as Rs. 1231.68 Cr. in Table No. 7 of the Petition but elsewhere in the Petition different figures have been shown i.e. Rs. 1886.01 Cr. in Table 10 of the Petition. Further, the opening GFA for FY 2013-14 as Transfer scheme is Rs. 1225.09 Cr.

Petitioner's Response

4.38 The Petitioner submitted that the opening GFA for FY 2013-14 is Rs. 1886.01 Cr as given in Table No. 10 of the Petition which is based on the closing balance of GFA as per the audited accounts for FY 2012-13. Moreover, the information given in Table No. 7 of the Petition refers to opening GFA for FY 2012-13 which is based on audited accounts for the year.

4.39 The Petitioner further clarified that the amount of GFA mentioned in transfer scheme refers to opening GFA for FY 2012-13 based on provisional accounts for FY 2011-12 as the audit was not complete at the time of preparation of transfer scheme.

Views of the Commission

4.40 The Commission is satisfied with the response of the Petitioner.

Depreciation

Public Comments/Suggestions

4.41 The stakeholders asked the Petitioner to clarify the method of arriving at the average depreciation rate of 5.28% as it seems to be in contradiction to the provisions of JSERC Distribution Tariff Regulations, 2010.

4.42 Further, the stakeholders also asked the Petitioner to give details/ basis for computation of accumulated depreciation as Rs 333.47 Cr (Refer Table 11 of the Tariff Petition).

Petitioner's Response

4.43 The Petitioner submitted that the computed depreciation is based on the methodology followed by it in previous Petitions. Further, it may be noted that as per Appendix 1 of the JSERC Distribution Tariff Regulations 2010, the depreciation rates as approved by the Commission is on a higher side compared to 5.28% rate as considered in the Petition, for most of the assets related to distribution business.

4.44 With respect to the accumulated depreciation, the Petitioner clarified that the figure of Rs. 333.47 Cr has been computed on pro-rata basis for each function considering the audited accumulated depreciation at end of FY 2012-13 for arriving at the opening accumulated depreciation for FY 2013-14 for the Distribution function. Further, the provisional depreciation computed for FY 2013-14 has been added to it to get the final accumulated depreciation at end of FY 2013-14.

Views of the Commission

4.45 The Commission has dealt with the issue of Depreciation in detail in the subsequent sections of this order.

Normative Loan and Equity

Public Comments/Suggestions

4.46 The stakeholders pointed out that the Petitioner has not provided details of arriving the opening balances of normative loan and opening equity and same should be submitted.

Petitioner's Response

4.47 The Petitioner submitted that for computation of normative loan and equity, it has considered the debt equity ratio of 70:30 as per the provisions of JSERC Distribution Tariff Regulations 2010. For FY 2013-14, the Petitioner has considered net closing fixed assets as Rs. 1161.07 Cr. and computed equity @ 30% which amounts to Rs. 348.32 Cr. The Petitioner has then deducted accumulated depreciation equivalent to Rs. 333.47 Cr. and the balance figure has been treated as closing normative loan balance for FY 2013-14 which is equivalent to Rs. 479.28 Cr. To compute opening balance of normative loan, the Petitioner has added deemed repayments equivalent to depreciation to the closing balance of normative loan and subtracted additions during the year to arrive at opening balance of normative loan. Similarly, the Petitioner has subtracted additions to equity during the year from closing equity to compute opening equity for FY 2013-14.

Views of the Commission

4.48 The Commission has dealt with the issue of computation of normative loan and equity for FY 2013-14 and FY 2014-15 in detail in the relevant sections of this Order.

Consumer Security Deposit

Public Comments/Suggestions

4.49 The stakeholders pointed out that in table 14 of the Petition, the Opening Balance for FY 2013-14 of security deposit from customers has been given as Rs 288.38 Cr whereas as per Schedule no 27 of the accounts the opening balance of such deposit is Rs 295.33 Cr. The stakeholders asked the Petitioner to clarify the discrepancy.

4.50 The stakeholders also asked the Petitioner to explain the assumptions for security deposits wherein amount of security deposit from customers for period of less than 3 months during FY 2013-14 is matching with that added during entire FY 2014-15 and FY 2015-16.

4.51 The stakeholders also submitted that the Petitioner has claimed interest on security deposit at an excessive rate than what is permissible in terms of the JSERC Distribution Tariff Regulations 2010. Further, the stakeholders pointed out that the Petitioner has been making provisions for interest on consumer security deposit, but the Petitioner has not paid the interest amount to the consumers for a very long period. The stakeholders submitted that the Petitioner should be penalised for non-compliance of the directions of the Commission.

Petitioner's Response

4.52 The Petitioner submitted that with respect to security deposit amount there is no discrepancy because the variation as observed is due to the reason that the security deposit from consumers as shown in Table no 14 (Rs. 288.38 Cr) is for distribution function of erstwhile JSEB, now taken over by JBVNL; while the security deposit amount of Rs. 295.33 Cr as mentioned in Schedule No. 27 of the accounts is for erstwhile JSEB as a whole.

4.53 The Petitioner further clarified that the additions in security deposit from consumers for FY 2013-14 submitted in the Petition is based on the actual number of consumers added during the year. The additions in security deposit for FY 2014-15 and FY 2015-16 are taken on similar lines with the actual of FY 2013-14. The Petitioner further stated that the actual security deposit will eventually get adjusted while truing up of FY 2014-15 and FY 2015-16.

4.54 The Petitioner submitted that it has been paying interest on amount held as security deposit to its consumer in accordance with Regulation10.6 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations 2005. However, due to unavoidable circumstances, some of the consumers are yet to receive the amount. The Petitioner stated that it is committed to make payments to all consumers and subsequently it will disburse the interest on security deposit to all consumers in due course of time.

Views of the Commission

4.55 The Commission has dealt with the issue of security deposit and interest thereof in detail in the relevant sections of this order.

4.56 The Commission notes with concern that the Petitioner is not making interest payment to consumers on amount of security deposit held. The Commission directs the Petitioner to ensure that all pending payments of interest on security deposit are completed by June 2016 in accordance with Regulation 8.2.16 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations 2015. The Petitioner is also directed to submit the status report of the same along with next Petition. The Petitioner shall see that in future payment of interest on security deposit is not delayed.

Carrying Cost

Public Comments/Suggestions

4.57 The stakeholders asked the Petitioner to explain the period and rate of carrying cost of Rs 111.82 Cr for FY 2013-14 and Rs. 190.76 Crores for FY 2014-15 as shown in the Petition.

Petitioner's Response

4.58 The Petitioner submitted that for computation of carrying cost on revenue gap for FY 2013-14, it has considered a total period of 18 months, while carrying cost on revenue gap for FY 2014-15 has been considered for 6 months. The rate of interest has been considered as 14.75%.

Views of the Commission

4.59 The Commission has dealt with the issue of carrying cost for FY 2013-14 and FY 2014-15 in detail in the relevant section of this order.

Expenditure based on Provisional Figures

Public Comments/Suggestions

4.60 The stakeholders submitted that the expenditure details provided in the Petition are based on provisional figures. The stakeholders also stated that the Petitioner has been found to be in practice of giving misleading information. It has been submitted that in the past also there was significant variation between provisional and audited balance sheet and accordingly the figures provided are misleading and unreliable.

Petitioner's Response

4.61 The Petitioner submitted that the ARR and revenues for FY 2013-14 produced in the Petition are based on the actual cost and actual earnings that has been incurred for the period of three months after restructuring of erstwhile JSEB and incorporation of JBVNL. The cost and revenues for FY 2014-15 are projected based on half yearly actual data available.

4.62 The Petitioner submitted that there will always be a difference in the actual numbers of the Licensee and that approved by the Commission, as the approved numbers are based on some projections and may not always be in sync with the actual numbers.

Views of the Commission

4.63 The Petitioner has misunderstood the query raised by the stakeholders and has not given a satisfactory reply. The stakeholders have raised concerns about significant variations in provisional and audited balance sheet and not between numbers approved by the Commission and in the balance sheet of the Petitioner. Though some amount of variation is expected and acceptable in the provisional and audited balance sheet, significant variation reflects that the information does not show the actual situation and is misleading. The Commission also directed the Petitioner to submit the audited accounts for FY 2013-14 (from 6th Jan 14 to 31st Mar 14) and provisional accounts for FY 2014-15 but, the Petitioner failed to comply with the same.

4.64 Thus, in absence of the audited accounts, the Commission has only approved the estimates for FY 2013-14 and FY 2014-15 provisionally and same is subject to true up on the basis of audited accounts for respective years to be submitted along with petition for approval of ARR and Tariff for next MYT control period.

Category-wise Consumers

Public Comments/Suggestions

4.65 The stakeholders submitted that as the Petitioner has not given details about category wise number of consumers, the details showing sales and revenue is incorrect.

Petitioner's Response

4.66 The Petitioner submitted that it has given details of actual category-wise consumers for FY 2013-14 and FY 2014-15 in form or replies to queries raised by the Commission. Further, the category wise consumers for FY 2015-16 have already been shown in the Tariff Petition.

Views of the Commission

4.67 The Petitioner has furnished the required details through reply to discrepancy notes and the same is satisfactory.

Sales

Public Comments/Suggestions

4.68 The stakeholders asked the Petitioner to provide detailed calculation of CAGR for sales projection as shown in the Petition.

Petitioner's Response

4.69 The Petitioner has given the category-wise details of past years sales and computation of CAGR as shown below:

Table 10: CAGR Computation as submitted by the Petitioner

Categories	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	5 year CAGR	3 year CAGR	Chosen Growth Rate
Domestic	1,105	1,370	1,615	2,256	2,500	2483.32	2888.55	3425.38	16%	11%	**9%**
Commercial	185	214	239	266	324	339.84	339.21	391.55	10%	7%	**8%**
Public Lighting	83	72	77	121	142	131.69	127.18	180.03	19%	8%	**8%**
Irrigation	72	72	69	66	68	64.78	67.71	77.94	3%	4%	**3%**
Public Water Works	65	70	64	72	76	70.79	70.63	65.43	1%	-5%	**-2%**
Industrial L.T.	118	124	138	146	150	143.81	136.09	150.75	2%	0%	**1%**
Industrial H.T.	1,643	1,791	1,852	1,963	2,150	2187.35	2498.25	2337.64	5%	3%	**4%**
Railway	471	531	617	603	613	641.2	658.73	652.31	1%	2%	**2%**
Total	**3,742**	**4,245**	**4,670**	**5,492**	**6,023**	**6,023**	**6,786**	**7,281**			

Views of the Commission

4.70 The Commission has considered the above details and the same is satisfactory.

Transmission Loss

Public Comments/Suggestions

4.71 The stakeholders submitted that the loss in external system and transmission loss are not related with the distribution operation and the same should not be allowed.

Petitioner's Response

4.72 The Petitioner clarified that the energy losses occur in the process of distribution of electricity to consumers due to technical and commercial losses. The technical losses are due to energy dissipated in the conductors and equipment used for transmission, transformation, sub- transmission and distribution of power. These technical losses are inevitable in a system.

4.73 The Petitioner further submitted that transmission is an integral part of the power distribution process. Generator normally generates at its ex-bus bar at 11 KV after which it is stepped up to higher voltage on PGCIL network in case of outside state generation or to JUSNL network for inside state generation. The same power is then stepped down in the distribution network. Therefore PGCIL losses which are the external losses and JUSNL losses which are the intra-state transmission losses also become attributable to the distribution consumers as the power procurement is done for the distribution consumers. Therefore external losses and intra state transmissions losses cannot be filtered out from the power procurement process and standalone distribution losses cannot be considered.

Views of the Commission

4.74 In order to estimate power procurement, transmission losses have to be accounted for and thus cannot be assumed to be unrelated to distribution. The Commission has taken a prudent view on the extent of transmission losses to be allowed and has dealt with the same in detail in the relevant section of this order.

Distribution Loss

Public Comments/Suggestions

4.75 The stakeholders stated that the consumers should not be burdened with higher tariff on account of inefficiency of the Petitioner. The distribution losses are so high that even the tariff hike proposed will leave the Petitioner with a revenue gap. Stakeholders pointed out that the Petitioner should make efforts to reduce the losses instead of seeking tariff hike to pass on its inefficiencies.

Petitioner's Response

4.76 The Petitioner submitted that it has projected the loss levels based on the actual losses incurred by them. Even though actual losses incurred are on a higher side, the Petitioner is trying its level best to reduce the loss levels and requested the Commission to allow the actual losses. Initiatives taken by the Petitioner to reduce losses have been summarised as follows:

- Billing improvement under R-APDRP PART –A PROJECT- online billing (Go Live) started in 9 towns out of 30 towns. Rest will be expected to be completed by September 2015.
- System improvement under R-APDRP project-line strengthening, installation of capacitor bank, HVDC system, Load balancing, Feeder separation etc.-Tender is under process. Work is likely to be completed by September 2016.
- Induction of spot billing at Ranchi and Jamshedpur area and under process for other areas.

- Rural Franchisee operational in 29 sub-division out of initially appointed Rural Franchisee in 38 sub-divisions and proposed to be appointed in 10 more rural sub-division, which will not only maintain the lines and equipments but also put a ban on pilferage of energy.
- Aerial Bunch Cable –Approximate 862 kms single phase and 1036kms three phase Aerial bunch cable has already been delivered at different places under RE head to control the theft of power (by hooking) by the unauthorized persons. Rest 353 kms single phase ABC and 626kms three phase will be installed in next two months.
- Remote Meter Reading Cell: Monitoring of all HT consumers through remote metering cell constituted at headquarters and Area Board for checking of consumption pattern and load profile of each HT consumer, thereby regular monitoring of HT consumer.
- SIM/ Modem installed at 1236 HT consumer's premises out of 1448 consumers rest will be installed in coming three months.
- Metering of all consumers to be completed in next 18 months.
- Regular replacement of defective / burnt / stopped meters.
- Digital meters are being inducted in domestic and commercial connection by replacing electromechanical meter.
- Outsourcing of all 33/11 kv PSS for maintenance is under process.
- Construction of new Grid sub-station / Power sub-station.
- Augmentation of P/S/S capacity and distribution transformer capcity to bring down the transformer burning rate to minimal.
- Strengthening of sub-transmission line to carry power at 80% and less capacity.
- Constitution of APT cell at Headquarter and field level- Regular raids/ one day surprise inspection being conducted every month

Views of the Commission

4.77 The current levels of distribution losses for the Petitioner are significantly high and are a matter of grave concern. Although the Petitioner has mentioned various initiatives undertaken for reduction of T&D losses but the results achieved till date are far from satisfactory. The Commission directs the Petitioner to provide a detailed action plan along with as-is status, responsible authority, progress, timelines of completion and quantification of T&D loss reduction anticipated from the initiatives mentioned along with its next Tariff Petition.

4.78 The Commission takes note of the concerns of the stakeholders and has taken a prudent view on the extent of T&D losses to be allowed. This matter has been dealt with in detail in the relevant sections of this Order.

Power Generation Capacity

Public Comments/Suggestions

4.79 The stakeholders submitted that the Petitioner has not kept in mind cost efficiency while finalising power purchase proposal for the financial year FY 2015-16. The stakeholders observed that cheaper power is available from the Petitioner's own generation plant which is running at 15 to 20% PLF, while they continue to purchase high cost power from outside stations. The stakeholders suggested that efforts should be made to bring back the units which are out of generation since last so many years in order to reduce purchase of costly power from outside.

Petitioner's Response

4.80 The Petitioner submitted that the above objection pertains to generation which is now undertaken by a separate company JUUNL, hence, the above objection is out of the purview of the current Petition which is for Review for FY 2013-14 & FY 2014-15, Annual Revenue Requirement and Tariff Proposal for FY 2015-16 of JBVNL.

Views of the Commission

4.81 Although, the issue pertaining to improvement of efficiency of JUUNL generating units is not under the purview of the current Petition, the Petitioner should undertake measures to ensure that merit order is followed for purchase of energy to ensure that cheapest power is being purchased. The Petitioner being the procurer of power should endeavour to procure power in the most economical and efficient way possible.

Power Purchase Cost

Public Comments/Suggestions

4.82 The stakeholders submitted that the power purchase details provided by the Petitioner are incorrect and unreliable. The cost of power purchase from DVC has been claimed at Rs. 5.70 per unit while the Commission has approved Rs. 4.23 per unit for purchase of power from DVC by JUSCO for FY 2015-16. Additionally, the Petitioner has not provided any details about purchase of power from state-owned stations i.e. PTPS and SHPS.

4.83 The stakeholders also pointed out that as per the information obtained through newspapers, PTPS has entered into an agreement with NTPC under which 26% of power produced will be provided for free to Jharkhand. The Petitioner has not shown any details reflecting reduction of costs on account of such agreement which is wrong and misleading.

4.84 The stakeholders also pointed out that the Petitioner has proposed to purchase additional power from Barh, NTPC at a very high rate of purchase i.e. Rs 7.05/kWh which seems to be uneconomical. Moreover the basis for projecting the above rate as the CERC has not passed any tariff order for Barh STPS-Stage II unit of NTPC.

4.85 Further the increase in power purchase rates projected is highly unrealistic and has been done in a completely random manner and should not be allowed.

Petitioner's Response

4.86 The Petitioner submitted that as regards the power purchase quantum and cost, it has firm allocations of power from thermal power plants of NTPC, TVNL, DVC, Hydel Power Plants of NHPC and through PTC. In addition to these sources, the Petitioner also has an interconnection point with the WBSEDCL from where it draws power and it also has a short-term allocation of 100 MW from DVC which is available on Round the Clock (RTC) basis.

4.87 The Petitioner submitted that the power purchase quantum from different sources has been computed based on these allocations from different sources and the growth trend of increase in the demand in the coming year.

4.88 The Petitioner further submitted that to compute power purchase expenses for FY 2015-16, the per unit rate power purchase rate for FY 2014-15 has been escalated by 5 year CAGR of historical data. It has been further submitted that the growth rate projections considered for computing power purchase quantum and cost from various sources has been considered as it signifies the best possible projections as per the experience of the Petitioner and latest per unit cost of various power purchase sources. Also, wherever the trend has seemed unreasonable or unsustainable, the growth factors have been appropriately modified by the Petitioner, to arrive at more realistic projections.

4.89 The Petitioner pointed that presently all the central sector generating stations are billing based on the Tariff approved in FY 2013-14 as the new tariff by CERC is yet to be finalised. Once the tariff under the aforesaid Regulations will get finalised the new higher tariff will be applicable from April, 2014 only and the Petitioner will be required to pay the arrears from April, 2014 onwards.

4.90 The Petitioner added that it has tried its best to project the best possible estimates for the power purchase quantum and rates for FY 2015-16. The Petitioner requested the Commission to take a prudent view on the same and allow the power purchase cost and quantum as it deems fit appropriate.

4.91 With regards to objection regarding PTPS, the Petitioner submitted that the MoA between NTPC & Govt. of Jharkhand for performance improvement and capacity expansion was signed only on 2nd May, 2015. Any benefit will be reflected in the audited accounts of the year when such benefits will be availed in actual by the Licensee and will be considered in the True up of that financial year.

4.92 With regards to the query regarding cost of DVC, the Petitioner clarified that the cost of DVC has been considered for FY 2015-16 based on the actual per unit cost for FY 2013-14 after considering a nominal escalation depending on variation in the price trend of the source. The Petitioner submitted that in case the Commission has already approved tariff for DVC and other sources, the same may be approved by the Commission for FY 2015-16 while issuing tariff order for the Petitioner.

Views of the Commission

4.93 The Commission has dealt with the issue of power purchase cost in detail in the relevant sections of this order.

O&M Expenses

Public Comments/Suggestions

4.94 The stakeholders stated that the Petitioner has erred in applying the inflation factor applicable for FY 2014-15 on the projected O&M expenses of FY 2015-16. As per the JSERC Distribution Tariff Regulations 2010, the Inflation Factor was to be determined for the Base Year (FY 2012-13) and the same was to be used over the MYT period.

4.95 The stakeholders also observed that the employee cost per unit sales is higher for the Petitioner as compared to other utilities like JUSCO which are also operating in the same region.

Petitioner's Response

4.96 The Petitioner submitted that it has considered the latest WPI and CPI data available for computation of inflation index at the time of filing the Petition. Further, the Petitioner requested the Commission to take a prudent view on the above matter and accordingly allow / disallow the O&M expenses while issuing the Tariff Order on the Petition. As regards the efficiency factor, the Petitioner has requested the Commission to approve the same after prudence check of the submissions made by the Licensee.

4.97 However, on comparison with JUSCO, the Petitioner submitted that the cost structure of each utility is different and JUSCO operates in small geographical area as compared to the Petitioner. The Petitioner also submitted that JUSCO also has a very advantageous consumer mix which is predominantly HT and thus, the Employee cost per unit sales ought to be higher.

Views of the Commission

4.98 The Commission has noted the concerns of the stakeholders and dealt with the issue of O&M expenses in detail in the relevant sections of this order.

Interest on Normative Loan

Public Comments/Suggestions

4.99 The stakeholders submitted that the Petitioner has wrongly considered the bank rate as 14.75% while the prevailing bank rate as on 01.04.2015 was 14.60%.

4.100 Further, the stakeholders pointed out that the closing balance of Normative Loan for FY 2014-15 in Table 12 of the Tariff Petition has been shown as Rs. 549.27 Crores whereas in Table 26 of the Tariff Petition, the opening balance of the Normative Loan for FY 2015-16 has been shown as Rs 569.34 Crore. The stakeholders asked the Petitioner to clarify the same.

Petitioner's Response

4.101 With regards to rate of interest considered by the Petitioner while computing the normative interest on long term loans, the Petitioner responded that it has considered in consonance of the JSERC Distribution Tariff Regulations 2010 which clearly state that rate of interest shall be equal to the prime lending rate of SBI as applicable on 1st April of relevant financial year. The Petitioner submitted that the rate of 14.75% can be verified from the website of SBI. The Petitioner further submitted that any changes or amendment with respect to the Regulations do not come under the purview of the Petitioner but under the direct purview of the Commission.

4.102 With regards to query regarding the opening balance of normative loans for FY 2015-16, the Petitioner submitted that the closing balance of normative loan of Rs. 559.27 Cr for FY 2014-15 as shown in Table 12 of the Tariff Petition is an inadvertent error. The Petitioner requested the Commission to consider the closing balance of Normative Loan for FY 2014-15 as Rs. 569.34 Crore as shown in Table 26 of the Tariff Petition instead of Rs. 549.27 Cr as shown in Table 12 of the Tariff Petition.

Views of the Commission

4.103 The Commission has considered the views of the stakeholders and the Petitioner on the applicable interest rate and has appropriately considered the applicable SBI Advance Rate in line with the JSERC Distribution Tariff Regulations 2010 while issuing this order.

4.104 However the Commission notes with concern the errors and discrepancies in the Tariff petition and direct the Petitioner to ensure that the Petitions are complete and free from any errors in future.

Interest on Working Capital

Public Comments/Suggestions

4.105 The stakeholders submitted that the interest on working capital should not be allowed to the Petitioner as there is adequate working capital with the Petitioner due to security deposit of consumers. Stakeholders submitted that the interest due but not paid on Security Deposit is also a part of Security Deposit from customers and should have been taken while calculating interest on Working Capital for FY 2014-15.

Petitioner's Response

4.106 The Petitioner submitted that the Interest on Working Capital is calculated as per Regulation 6.26 of the JSERC Distribution Tariff Regulations 2010

4.107 The Petitioner submitted that it has computed normative interest on working capital for FY 2013-14 (6th January 2014 to 31st March 2015), FY 2014-15 and FY 2015-16 based on the aforesaid regulations and has accordingly claimed the same in its Petition.

Views of the Commission

4.108 The Commission has directed the Petitioner to ensure that pending payment of interest on security deposit is completed by June 2016 in accordance with the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code Regulations) 2015 and no delays should be there in the future.

4.109 Further, the Commission has computed the Interest on Working Capital normatively in accordance with Regulation 6.26 of JSERC Distribution Tariff Regulations 2010 and has detailed the same in relevant sections of this order.

Intra-State Transmission Charges

Public Comments/Suggestions

4.110 The stakeholders submitted that the Petitioner has claimed unreasonably high intra state transmission charges which is around three times higher than such charges claimed for FY 2014-15. The stakeholders submitted that the transmission charge proposed at Rs. 0.46/kWh is extravagant and without any basis.

4.111 The stakeholders asked the Petitioner to provide details of transmission charges for FY 2015-16 amounting to Rs 338.86 Crores. The stakeholders further pointed out that in the Petition filed by JUSNL, the total ARR has been given as Rs 292.61 Crores. The stakeholders have asked the Petitioner to clarify the same.

Petitioner's Response

4.112 The Petitioner stated that transmission charges for FY 2015-16 amounting to Rs. 338.86 Cr have been considered based on the total projected AFC to be recovered in FY 2015-16 by JUSNL in its Petition for FY 2015-16 including the gap for FY 2013-14 and FY 2014-15. The Petitioner also submitted that the increase in Transmission tariff as sought by JUSNL in its tariff Petition does not come under the purview of the current Petition which is for determination of tariff for FY 2015-16 of JBVNL.

4.113 With regards to query about ARR of JSUNL, the Petitioner submitted that Rs. 292.61 Cr as submitted in the Petition for JUSNL Petition corresponds only to ARR for FY 2015-16 and does not include gap of FY 2013-14 and FY 2015-16.

Views of the Commission

4.114 The Commission has considered the transmission tariff approved for JUSNL for FY 2015-16 to compute the Intra State Transmission Charges and has appropriately dealt with this issue in the relevant sections of this order.

Cost of State-owned generating stations and holding company cost

Public Comments/Suggestions

4.115 The objectors pointed out that the present Tariff Petition does not have ARR for generation function which has a vital bearing on the tariff of distribution function and instead in the present ARR own generation has been shown indicating as if the power was purchased from a third party.

4.116 The objector pointed out that the expenses of the functioning of JUVNL have not been allocated to all the utility companies of erstwhile JSEB which should be the case since JUVNL was created as the holding company by the Jharkhand State Electricity Reforms Transfer Scheme, 2013.

Petitioner's Response

4.117 The Petitioner submitted that the Commission has already approved the ARR of Generation function of the erstwhile JSEB for the first Control Period from FY 2012-13 to FY 2015-16 wide MYT Tariff Order dated 2nd August 2012. It further submitted that post unbundling, Generation, Transmission and Distribution functions of the company have been allocated into three different companies. Hence, the Petitioner i.e. JBVNL is now engaged in the distribution of power in licensed area and is not involved in the generation of power which is now under the purview of JUUNL (Generating Company). Accordingly, the power generated by JUUNL is shown as the power purchased by JBVNL from JUUNL

4.118 With regards to the apportionment of expenses of the holding company i.e. JUVNL, the Petitioner requested the Commission to devise the basis / mechanism to apportion the expenses of JUVNL into Generation, Transmission and Distribution companies.

Views of the Commission

4.119 As JSEB has been unbundled into three different successor companies. Power purchased from JUUNL has to be shown as power purchased from a third party and the Petitioner has followed the right approach.

4.120 With regards to the apportionment of expenses of JUVNL, the successor companies have to allocate the expenses of the erstwhile JSEB as well as the holding company in accordance with the transfer scheme finalised by the Govt. of Jharkhand and same shall be submitted to the Commission along with true up for FY 2013-14 and FY 2014-15 in next tariff petition.

Tariff hike

Public Comments/Suggestions

4.121 The stakeholders submitted that the proposed tariff hike (34% in fixed charges and 54% in energy charges) is very steep and would burden the consumers. The stakeholders also stated that the present tariff of the Petitioner is already higher than JUSCO (17% in case of Fixed Charges & 8% in case of Energy Charges) and further increase would make it impossible for HTSS industries to compete with their counterparts running on JUSCO power. The stakeholders requested the Commission to not allow any tariff hike for HTSS category.

4.122 Further, the stakeholders submitted that the consumers are entitled for a refund/tariff reduction as the Petitioner should be penalised for not attaining the desired loss reduction. Also the Petitioner receives resource gap funding from the Govt. of Jharkhand and same should be utilized to meet the revenue gap instead of proposing a tariff hike.

Petitioner's Response

4.123 The Petitioner responded that the tariff proposed for the different categories is reasonable taking into account the cost of generation and power purchase which forms 70-80% of the costs for the Petitioner. Majority of the power purchased by the utility is from NTPC, NHPC and DVC, whose tariff is determined by CERC. Due to shortage of Indian coal and increase in price of imported coal, the cost of power purchase from central sector power plants has steadily risen over the years.

4.124 The Petitioner submitted that the last tariff revision was done in August 2012, i.e. approximately three years back. The fuel costs have increased substantially during the period while the O&M expenses and other related costs have also increased. The Petitioner submitted that these factors had contributed to the substantial increase in Revenue Gap. The Petitioner submitted that due to these reasons it is quite essential to increase the tariff of its license area so that it remains financially viable and that even after the proposed tariff hike there would still remain a substantial revenue gap which the Petitioner has requested the Commission to convert into regulatory asset.

4.125 The Petitioner also submitted that the cost structure of each utility is different and that JUSCO operates in small geographical area as compared to the Petitioner. JUSCO also has a very advantageous consumer mix which is predominantly HT and also operates in urban area whereas the Petitioner operates in vast geographical area with very high LT consumers. The Petitioner submitted that given the cross subsidizing nature of tariff the HT tariff of Petitioner is ought to be higher in order to cross-subsidize the subsidized category of consumers.

4.126 The Petitioner submitted that the hike proposed is based on cost incurred/expected to incur by the Petitioner in the past and future years as specified by the Commission in its JSERC Distribution Tariff Regulations 2010.

4.127 The Petitioner submitted that in order to provide better and reliable power, it needs to do technological up gradations to the distribution system which can only happen if sufficient funds are available for carrying out such capital investments. The Petitioner also stated that in order to do the required investments in infrastructure the Petitioner needs tariff revision every year.

4.128 With respect to tariff hike for industrial and commercial category of consumers, the Petitioner submitted that Industrial and Commercial category of consumers forms an important cross subsiding consumer for the Petitioner which helps to maintain a balance in the tariff of the many cross subsidized consumers. The Petitioner stated that currently the Energy charges (Rs/Kwh) are levied on the basis of the capacity-to-pay considerations. As such domestic consumers with low consumptions and agricultural consumers pay tariffs lower than the actual cost of supplying power to them, whereas industrial consumers, railways etc. typically pay tariffs higher than their cost of supply, thereby cross-subsidizing other categories. The Petitioner submitted that as a State distribution Licensee it cannot differentiate between its consumers and as per law of natural justice, certain categories of consumers have to pay higher tariffs as compared to low end consumers so that such low pay capacity consumers are not overburdened with huge tariff shocks.

4.129 Further, with regards to the resource gap funding, the Petitioner submitted that the resource gap funding being provided by Government of Jharkhand is towards disallowances by the Commission during tariff determination process for various parameters such as higher T&D Loss, normative interest computation, normative generation cost etc. Accordingly, the Petitioner has submitted that resource gap funding amount be not considered as measure to reduce revenue gap.

Views of the Commission

4.130 The Commission has taken a balanced approach while deciding the matter of tariff hike after considering in detail the objections raised by the stakeholders, concerns of the Petitioner and views of the SAC and Expert Committee.

4.131 Further, the Commission has dealt with the matter for approval of resource gap funding in relevant sections of this Order.

Regulatory Asset

Public Comments/Suggestions

4.132 The stakeholders stated that regulatory asset is to be created only in exceptional cases and in the present case; the gap has been created because of inefficient operation cost, inefficient collection and high T&D losses. Therefore there is no reason for creation of regulatory assets.

Petitioner's Response

4.133 The Petitioner submitted that the last tariff revision was done in August 2012, i.e. approximately 2.5 years back. The fuel costs have increased substantially during the period. Also, the O&M expenses and other related costs have also increased. Hence, the Revenue Gap has increased substantially. Thus it is essential to increase the tariff so that the utility remains financially viable. It was further submitted that, even after the proposed tariff hike, there still would remain the substantial revenue gap which the Petitioner has requested the Commission to convert into regulatory asset.

Views of the Commission

4.134 The Commission takes cognisance of the fact that the revenue gap has increased due to inefficiencies of the Petitioner in reducing losses and in other related areas. The Commission also agrees that timely tariff revision is an important step to ensure financial viability of the Petitioner but the responsibility to ensure that the Petition is filed on time and in an appropriate manner lies with the Petitioner itself.

4.135 Based on the Petition filed by the Petitioner, the Commission has computed provisional revenue gap for FY 2013-14, FY 2014-15 and FY 2015-16 subject to true-up. Once the transfer scheme is finalised and the Petition for true-up is filed by the Petitioner, the Commission will take an appropriate view on approval of regulatory assets.

Cross Subsidy

Public Comments/Suggestions

4.136 The stakeholders stated that as per Tariff regulations, Tariff Policy, National Electricity Policy and Electricity Act, the tariff should progressively reflect the cost of supply and the tariff for each category of consumers should be within ±20% of the overall average cost of supply. Accordingly the cross subsidy should also reduce progressively. The stakeholders submitted that the Petitioner has not been able to adhere even to the mandate of the Tariff Policy of designing tariff at ±20% of the average cost of supply.

Petitioner's Response

4.137 The Petitioner submitted that as a Distribution Licensee, it caters to the needs of a mix of consumers and it has to ensure that none of the consumer categories are affected adversely by tariff shock with the revised tariffs. The proposed tariff increase for the subsidized category is already on a higher side due to the various reasons as mentioned in the Petition. Any further increase in the tariffs for such consumer categories is not feasible as the subsidized category consumers may have to bear the brunt of high tariffs. Being a State Distribution Licensee, it is responsible for ensuring that even the smallest of the consumer is benefitted from the services provided by it. Also, the cross subsidy for the subsidising categories is not highly disproportionate as compared to the average cost of supply and so out of the band of +20% that the subsidising category might face tariff shock.

4.138 The Petitioner stated that it has tried to maintain the balance between the subsidized categories and subsidizing categories so as to prevent tariff shock to any category of consumers.

Views of the Commission

4.139 The Commission has taken note of the points raised by the stakeholders as well as that replies submitted by the Petitioner. However, keeping in view the unique demographics of the state and to avoid tariff shock to subsidised consumers, the Commission has made best efforts to ensure that tariffs are designed in line with provisions of NTP. Further, to reduce the cross subsidy of subsidising consumers and bring within the band of ±20% of the average cost of supply, the Commission directs the Petitioner to prepare a roadmap for reduction in cross subsidy and submit it along with the next Tariff Petition.

Load Factor Rebate/Penalty and Voltage rebate

Public Comments/Suggestions

4.140 The stakeholders submitted that the Petitioner in a major policy decision has proposed to change the method of calculation of penalty/rebate wherein, penalty and rebate will be calculated only on Energy charges and not on the demand charges. In the past in almost all Tariff Orders, the Commission has allowed the calculation of rebates and penalty on demand plus energy charges. The same has been allowed for JUSCO tariff of 2015.

4.141 The stakeholders submitted that other states also consider both energy and demand charges for calculation of rebate and penalty. The Petitioner has proposed a major change in policy which needs a thorough debate before implementation.

Petitioner's Response

4.142 The Petitioner stated that there is shortage of power not only in the state of Jharkhand but throughout the country during peak hours i.e. 0600-1000 & 1800-2000hrs every day. In this given situation it is desirable that all the consumers in general and HT consumers in particular should avail load up to their contract demand, so that the beneficiary may get the returns of the infrastructure developed for supply of power at the optimal value. Low load factor not only leaves the system underutilized but also puts the beneficiary in a huge loss in terms of revenue. As such the consumers with low load factor should either improve their consumption or take steps to reduce their contract demand.

4.143 The Petitioner submitted that the load factor of any consumer indicates its consumption pattern based on which the load curves are prepared and accordingly the load forecasting is done especially for the peak hours. Huge and random variations in consumption pattern disturbs the entire system along with increasing the power purchase cost of the Licensee which has to be met either through purchase of short term infirm power at higher rates during peak hours or has to pay penalty for UI variations. For system stability it is necessary that the load factor is maintained and the Utility is able to project and plan more accurate power requirement assessment.

4.144 The Petitioner also submitted that time period of three months as proposed in the Tariff Petition is sufficient to predict the load consumption pattern of any consumer and the consumer will be debarred from drawing peak powers only if load factor is less than 30% continuously for three months which is a justified.

Views of the Commission

4.145 The Commission has dealt with the issue of load factor penalty and load factor rebate in the relevant section of this order.

Railway tariff

Public Comments/Suggestions

4.146 The stakeholders submitted that Committee of Lok Sabha as well as Ministry of Power has suggested that tariff for railway traction should not be higher than the high tension Industrial tariff but in the existing as well as proposed tariff, there is discrepancy between Traction and Industrial Tariff. Also, no voltage rebate has been provided for 25 kV & 132 kV RTS, while voltage rebate for all other HTS & HTSS is applicable. This, according to the stakeholders, is discriminatory, unjustified and unreasonable which needs clarification and rectification.

Petitioner's Response

4.147 The Petitioner submitted that they have proposed voltage rebate to only those category of consumers to which the Commission had approved in last tariff order for FY 2012-13. The Petitioner further stated that since the tariff mechanism is based on cost plus methodology, rebate for any particular category of consumer will have to pass on to the other category of consumers. However, deciding on any rebate to any particular category of consumer comes under the purview of the Commission.

Views of the Commission

4.148 The Petitioner is required to justify its proposals for changes in structure of tariff with required data and analysis of the impact that the proposed change would have on the revenue recovery of the utility, tariff of the consumer category as well as the anticipated change in operating parameters if any. It would not be proper to submit a proposal without sufficient quantification and justification of the benefits to the utility as well as the consumer. Accordingly the Commission has decided to continue with the existing tariff schedule.

Power Factor Penalty and Rebate

Public Comments/Suggestions

4.149 The stakeholders submitted that the proposed tariff Petition not only introduces an extra slab of 85% to 90 % but also increases the penalty slab rate by 1% and proposes to disconnect the line in case the power factor drops below 30%. The stakeholders further stated that this change in policy needs a thorough study before implementation.

4.150 The stakeholders submitted that according to the proposed slab for power factor rebate, the consumer is not eligible for any power factor rebate if he achieves a power factor of 0.85%. The stakeholders stated the change to be highly unjustified and suggested that the original slab should not be disturbed.

4.151 The stakeholders submitted that the Petitioner in a major policy decision has proposed to change the method of calculation of Penalty/rebate wherein, Penalty and rebate will be calculated only on Energy charges and not on the demand charges. In the past in almost all Tariff Orders, the Commission has allowed the calculation of rebates and penalty on demand plus energy charges. The same has been allowed for JUSCO tariff of 2015.

4.152 The stakeholders submitted that other states also consider both energy and demand charges for calculation of rebate and penalty. The Petitioner has proposed a major change in policy which needs a thorough debate before implementation.

Petitioner's Response

4.153 The Petitioner submitted that the structure of power factor incentive and penalty has been changed to encourage better discipline in maintaining the power factor as the impact of low power factor is detrimental to the grid. The Petitioner also highlighted few ill effects of low power factor like increased reactive loads reduce output voltage and damage equipment sensitive to reduced voltage.

4.154 The Petitioner also submitted that although the utility company has to supply apparent power (kVA), their bill is based on energy consumption (kWh). Thus with lower power factor the utility company is not able to bill for the full amount of power supplied and it also has adverse impact on the quality of real power supplied.

Views of the Commission

4.155 The Commission agrees with the need for better discipline in maintaining the power factor and had asked the Petitioner to submit a detailed analysis of the impact of the proposed changes on the utility as well as the stakeholders. The Petitioner was unable to provide the required information. The Petitioner submitted that the impact cannot be assessed as it is variable in nature and difficult to project.

4.156 The Commission finds it worrisome that the Petitioner has proposed changes in the structure of tariff only on general principles and not undertaken a thorough analysis of the impact of changes proposed under different scenarios. In the absence of a detailed analysis, it would not be possible to evaluate the proposal on the proposed changes. The Commission directs the Petitioner to submit a proper evaluation of the impact of the proposed changes on all stakeholders under at least three scenarios of consumption behaviour with its proposal in the future.

Distinct categorization of Rolling Mills and other associated operations with Induction Furnace under HTS

Public Comments/Suggestions

4.157 The stakeholders submitted that it has been proposed that Rolling Mills and other associated operations should be brought exclusively under HTS category. It has also been proposed that where there are combined operations under the same premises, and then separate metering arrangements as well as boundary separation of the operations must be done to segregate the units. The stakeholders stated the proposal to be ill conceived and requested it to be scrapped. The stakeholders further pointed that wherever the operations of furnace and rolling mill are combined then the hot metals coming out of furnace are directly charged to stands of rolling mill to make bars and rods and hence segregation of units with a boundary wall is not possible.

4.158 The stakeholders gave an example of Bihar's SBPDCL Tariff Order for FY 2014-15 wherein while defining the HTSS, it has been provided that those consumers who are having rolling/re-rolling mill in the same premises will take additional contract demand for the rolling/re-rolling mill over and above the contract demand required for induction furnace. The consumer will have the option to segregate the rolling/re-rolling mill and take separate new connection following all prescribed formalities with a separate transformer. This new connection, if taken by the consumer will be allowed to be billed in appropriate tariff schedule. Such rolling/re-rolling mill will be allowed to avail power at 33 kV.

Petitioner's Response

4.159 The Petitioner submitted that the prevailing tariff order issued in August 2012 did not have a separate mention for tariff of Steel Rolling mills and therefore there was no clarity on the rates to be charged for such Industries.

4.160 In order to remove such difficulty, Petitioner in its recent Petition has proposed a separate category for Steel Rolling Mills. However the final decision on the tariff categorization rests with the Commission. The Petitioner will abide by the rule of the Commission.

Views of the Commission

4.161 The Commission finds that the Petitioner has not provided sufficient details of the problems (if any) faced because of the existing provisions. Also, the Petitioner has not submitted any impact analysis of proposed changes. The proposal for changes in tariff structure/schedule should be substantiated with appropriate details including historical data, impact analysis on sample consumer etc. and should include financial as well as practical implications of the proposed change. Moreover, the views of the various stakeholders also seem to be contradictory in nature. Therefore, in absence of clarity and required details, it will not be prudent to accept the proposed changes. The Commission directs the Petitioner to submit a detailed proposal with quantification and justification of impact of the changes proposed in future.

Penalty for exceeding normal/contract demand

Public Comments/Suggestions

4.162 The stakeholders pointed out that under the proposed Tariff, 1.5 times of existing charges will be charged for the demand over and above the contract demand (i.e. 100%). The change is highly unjustified and harsh and if the change is introduced then the grace range of 10% over and above contract demand under the present tariff will have no meaning. The Commission had introduced this methodology after a thorough discussion/ deliberation on this matter in the advisory council meetings.

4.163 The objectors further stated that the proposal seeking to change the default period from 3 continuous months to three different occasions in a calendar year is highly one sided and the impact of these changes have not been well conceived.

4.164 The objectors stated that JVBNL wants to change drastically the methodology of executing agreement when the actual demand exceeds 110% of contract demand by incorporating a very harsh provision and requested the commission not to permit the same. The relevant extract of the provision is as under:-

"*…the consumer will have to get into a new agreement for the revised contract demand with the Licensee within the period defined by the licensee and communicated to the consumer failing which the consumer will be charged @ 2 times for the demand charges.*"

4.165 The stakeholders submitted that penal provision in Railway traction tariff may be considered for withdrawal as it is discriminatory, unjustified and unreasonable. The stakeholders mentioned that Railway has no control on over load due to various reasons including agitations, accidents, scheduled maintenance, diversion of trains brought about by natural calamity, etc. Railway is bound to pay penalty on over drawl as railways cannot enhance its demand unilaterally to cope up the additional requirement of load and ultimately Railway has no choice but to seek relief from this.

Petitioner's Response

4.166 The Petitioner submitted that the penalty structure has been changed to encourage the consumers to operate within the approved contract demand. This will also help the Petitioner in maintaining the grid discipline and avoid costly UI charges for unscheduled interchange due to excess demand from consumers. The utility is fined heavily by the central government for a slight deviation in UI. The penalty will also encourage consumers to apply for revision of their contract demand.

4.167 The Petitioner further stated that this will not only help them to augment its distribution capacity but also help the distribution and transmission network to operate within the standard limits and also help maintain the reliability and quality of supply to the consumers. Consumers failing to communicate with the revised contract demand will be charged @2 times as some consumers never turn up.

4.168 JBVNL submitted that the proposed penalty in exceeding contract demand is mentioned in the terms and conditions of supply which is common to all the category of consumers and therefore is not discriminatory to Railway Traction Service Category. However, deciding on penalizing any category of consumer for exceeding their contract demand comes under the purview of the Hon'ble Commission.

Views of the Commission

4.169 The Commission has considered the comments of the stakeholders as well as the Petitioner. The Commission is of the view that the existing provisions with respect to Penalty for exceeding normal/contract demand are in line with the provisions for other Licensees as well as Licensees in other states. Also, the existing provisions were finalised after detailed discussions and debate and appropriately cater to the interests of both the consumers as well as the Petitioner. Thus, the Commission finds no reason to accept the proposed changes.

Reduction of Contract Demand

Public Comments/Suggestions

4.170 The stakeholders submitted that in case actual demand is higher than the contract demand for three continuous months, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumers will have to get into a new agreement for the revised contract demand with the License but for reduction in contract demand, railways has to wait for three years which is unreasonable. Also, there is provision as per which the minimum billing demand is 75% of the contract demand so when there is lesser load railway has to pay 75% of the contract demand which is like an indirect penalty. Therefore, the stakeholders have requested to consider new contract demand for billing purpose if the actual demand goes below the 75% of the contract demand for three continuous months.

Petitioner's Response

4.171 The Petitioner submitted that the HT Supply Agreement has been approved by the Commission after due consultation with all the related stakeholders and any changes in the same is outside the purview of the current Tariff Petition. The Petitioner requested the Commission to take a prudent view on the above matter.

Views of the Commission

4.172 The Commission agrees with the response of the Petitioner and advises the stakeholders to take up the matter with the Commission separately.

Metering Facility

Public Comments/Suggestions

4.173 The stakeholders submitted that it is proposed that all HTS and HTSS consumers should have demand recording facility @ 15 minutes time integration. In case, meters are changed for this then the cost of change to such new meters should not be passed on to the consumers.

4.174 Stakeholders also submitted that in case the demand of the Licensee is approved, then enough time should be provided to the stakeholders to change the metering facility.

Petitioner's Response

4.175 The Petitioner submitted that demand recording facility @ 15 minutes time integration will enable utility to manage its load profile during power restrictions. This will also enable it to match the profile/ scheduling with the SLDC/ ERLDC and assist in energy accounting. It may be noted that Regional Energy Accounting (REA) and other power drawal & scheduling are done on 15 minutes time block. The Petitioner requested the Commission to take a prudent view on the above matter.

Views of the Commission

4.176 The Commission had asked the Petitioner to submit additional details including the financial implication and cost of undertaking the activity of replacing metering equipment. The Petitioner has not provided the required details.

4.177 The Commission directs the Petitioner to submit the required information and undertake such activity only after approval has been granted by the Commission.

Conditions for Demand Based Tariff

Public Comments/Suggestions

4.178 The stakeholders submitted that the Petitioner has proposed many conditions thereby trying to defeat the purpose of demand based tariff and bring back Inspector Raj and red tapism. The stakeholders also objected on the restriction placed by the Petitioner to enter into a new agreement under HTS category in case actual demand recorded in any month is greater than 100 kVA within a time period of 30 days, failing which the consumer shall be charged at 2 times the normal tariff. The stakeholders stated that it is difficult to understand the objective of such a restriction as the consumers are already running behind the officials of the Petitioner for execution of such agreement but even the draft of the agreement is yet to be finalised. The stakeholders requested the Commission to not consider such type of conditions.

4.179 The stakeholders submitted that the billing demand should continue to be at 50% of sanctioned load and not allowed to be changed to 75% of connected load as proposed by the Petitioner till the time power quality and reliability is guaranteed. In absence of quality and reliable power supply, such proposal does not have any merit.

Petitioner's Response

4.180 The Petitioner submitted that the restrictions of connected load criteria for demand based tariff for HTS category has been removed because any such relaxation will prompt other consumers to opt for such mechanism. Further the benefit to one particular class of category should not be a burden to other class of consumer.

4.181 The Petitioner submitted that the restrictions of connected load criteria for demand based tariff for LTIS category is removed as any such relaxation will prompt other consumers to opt for such mechanism. The Petitioner suggested that connected load criteria as prevailing in tariff order/ supply code/ conditions of supply for release of load under LT or HT category should not be relaxed.

4.182 The Petitioner also stated that it had no comments to offer on the clause mentioned in objections pertaining to LTIS category and it is up to the Commission to clarify the same.

4.183 The Petitioner responded that it has proposed certain changes in terms and conditions for demand based tariff in LTIS category in the Tariff Proposal with justification. However it is under the purview of the Commission to finalize the proposed changes or to continue with the existing conditions.

Views of the Commission

4.184 The Commission has observed that the Petitioner has failed to provide appropriate justification for changing the billing demand from 50% of sanctioned load to 75% of connected load. The Petitioner is required to submit a detailed impact analysis as well as justification of proposed changes for the Commission to evaluate the merits of the proposed changes. Merely stating that the final decision rests with the Commission is not deemed to be an appropriate response to the information gap/ deficiency pointed out.

4.185 In the absence of the requisite details to take a view on this matter, the Commission finds it appropriate to continue with the existing provisions related to conditions for demand based tariff.

Installation of Shunt Capacitors

Public Comments/Suggestions

4.186 The stakeholders stated that the Petitioner's proposal to levy a surcharge of @ 5% on the total bill amount till they have installed the required capacitors is highly unjustified.

Petitioner's Response

4.187 The Petitioner submitted that installation of capacitors of suitable rating is a benefit to both consumers and the Licensee. If proper rating capacitors are not installed the inductive load will increase which will be harmful for the existing infrastructure resulting into lower power factors and will further deteriorate the quality of power. The Petitioner submitted that it is a vicious cycle where the ill effects of poor rating capacitors will eventually fall on the consumers in form of poor quality of supply and increased tariffs. The Petitioner requested the Commission to take a prudent view on the same and accordingly allow / disallow the tariff proposal made by the Petitioner.

Views of the Commission

4.188 The Commission is of the view that the current provisions with respect to Installation of Shunt Capacitors appropriately deals with the issues highlighted by the Petitioner and no change is required.

Conditions for Installation Based Tariff

Public Comments/Suggestions

4.189 The stakeholders stated that the new provision in installation based tariff adds a significant condition whereby it intends to provide that the total installed load shall not exceed the sanctioned load. It implies that verification of installed load will be carried out in each and every unit which would further increase corruption.

4.190 The stakeholders stated that the Petitioner, while regularizing excess load of any LTIS category to HTS category wants to levy fixed charge @ 100% of the sanctioned load whereas in demand based tariff, the maximum demand charges will be recorded demand or 50% of contract demand whichever is higher. Hence, taking fixed charges @ 100% of the sanctioned load is very harsh and unjustified.

4.191 For demand based tariff, the stakeholders also stated that enhancing the present limit of maximum demand charges from 50% to 75% will be very harmful for a LTIS unit and requested the Commission not to allow changes. Further, the stakeholders submitted that the new provision stating that in case of excess demand of more than 100 KVA in any month, if the consumer fails to execute new agreement under HTS category, he shall be charged at 2 times the normal tariff applicable to HTS category is very harsh and inconsistent with the provisions of HTS and HTSS categories of consumers.

4.192 The stakeholders submitted that the Petitioner in the last moment has struck down the provision of earlier Tariff Order which provided that "the restriction of connected load will not apply to consumers opting for demand based tariff". The stakeholders suggested that the matter should be implemented after a thorough debate through change in Electricity Supply Code and not through tariff Order.

Petitioner's Response

4.193 The Petitioner submitted that the terms and conditions for Low Tension Industrial & Medium Power Service (LTIS) are as specified in last tariff order without change in any conditions.

4.194 The Petitioner stated that it has proposed for billing demand to be maximum recorded demand or 75% of the contract demand whichever is higher. It is necessary for consumers to estimate the contract demand in appropriate way since contracted capacity for power purchase depends on it. All the conditions proposed are intended for the benefit of the consumers and safeguarding the interest of both the parties.

4.195 The Petitioner clarified that there is no such provision mentioned in Tariff order. The Commission has specified that consumers who have load up to 114 HP or 100kVA and opt for installation based tariff will have sanctioned load on whose basis they will be billed as specified by the commission. The terms and conditions as specified by the commission, has been proposed by the Petitioner.

4.196 The Petitioner stated that there is a thin line of difference between HT and LTIS consumers. Consumers with load up to 114 HP or 100 kVA are categorized as LTIS consumer and those with load above 114 HP or 100 kVA are HT consumers. The LTIS consumers are supplied with power using transformer's owned by the company (erstwhile JSEB). As such LTIS consumers should be guaranteed for 75% of contract demand or maximum demand recorded in the meter, whichever is higher. The penalty structure is being changed to encourage the consumers to operate within the approved contract demand.

4.197 The Petitioner submitted that this will also help the Petitioner in maintaining the grid discipline and avoid costly UI charges for unscheduled interchange due to excess demand from consumers. The Petitioner submitted that the utility is fined heavily by the Central government for a slight deviation in UI. The Petitioner suggested that the penalty will also encourage consumers to apply for revision of their contract demand; this will not only help the Petitioner to augment its distribution capacity but also help the distribution and transmission network to operate within the standard limits and also help maintain the reliability and quality of supply to the consumers. This would in turn help the Petitioner to serve its consumers better and in a reliable way.

Views of the Commission

4.198 The Commission agrees with the Petitioner that the consumers should declare the actual sanctioned load as the same is required for network planning as well as planning of power procurement etc. Moreover if the sanctioned load has been declared accurately, the consumer should not be worried about verification of the same. That said the Petitioner should make efforts to assuage the worries of the consumers.

4.199 The Commission finds it surprising that the Petitioner has denied proposing any change in provisions of installation based tariff while the provision has been changed in the Petition. It is important that installed load is verified else there would be scope of malpractice but the Commission finds the existing provision appropriate to deal with such situations.

4.200 In the present scenario of power deficit, enhancing the present limit of maximum demand charges from 50% to 75% seems inappropriate. In the current situation where the state has to resort to short term power procurement, the Petitioner can always supply the excess power (arising out of reduced demand of a consumer) to supply to other consumer and thus the limit of 50% is appropriate and requires no change.

Delayed Payment Surcharge

Public Comments/Suggestions

4.201 The stakeholders submitted that the Petitioner's submission for a 24% p.a surcharge is highly irrational as an interest rate of 24% is never heard of in the market. The stakeholders suggested that the overall rate of delayed payment should not exceed 15 % p.a.

Petitioner's Response

4.202 The Petitioner submitted that non-payment of current bill amount has been impacting the collection efficiency. Due to mounting arrears, the working capital requirement has also increased impacting the cash flows of the Petitioner. The Petitioner submitted that it has requested for increase in the Delayed Payment Surcharge to encourage consumers to pay on time,. This will help improve the cash flows thereby reducing the interest on working capital and also help in reducing the AT&C Losses. The Petitioner further submitted that the Commission in its Tariff Order 2003-04, effective from 1st June 04, had allowed the delayed payments at 2% per month and the same should be brought back again.

4.203 The Petitioner further stated that the Delayed Payment Surcharge as proposed in this Petition is exactly same as that approved by the Commission in the Tariff Order dated 2nd August 2012, for FY 2012-13 and no new changes have been proposed in this Petition related to delayed payment surcharge. The relevant extract is provided below:

"Delayed Payment Surcharge: For High tension special service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week. The due date for making payment of energy bills or other charges shall be fifteen days from date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee."

Views of the Commission

4.204 The Petitioner has proposed change in Delayed Payment Surcharge in Clause IV of Terms and Conditions of Supply in its Petition and has denied the change in response to the stakeholders. The Commission finds this inappropriate and directs the Petitioner to respond to stakeholders comments in an appropriate manner in future.

4.205 The Commission does not agree with the views of the Petitioner that increasing delayed payment surcharge will encourage consumers to pay on time or will help in improvement of cash flow. During the process of public hearings, it was also pointed out by the public that people are not repaying the amount due because of huge arrears on account of delayed payment surcharge. The Commission agrees that mounting arrears is a matter of concern and ways should be thought of for recovery of the pending amount. Recovery of such arrears will result in substantial revenue for the Petitioner. Thus, steps should be taken towards ensuring the arrears are recovered on time rather than focusing on increasing DPS or other surcharges. OERC in its latest Tariff Order has provided an innovative methodology for encouraging consumers with huge dues/ arrears by de-linking DPS from outstanding dues and considering it as fixed charge proportionate to amount of arrears. Such schemes shall ensure that long due revenue is collected and hence improve collection and revenue efficiency of the Petitioner. Other measures such as one-time settlement (OTS) of arrears amount shall also induce consumers to pay the past dues and improve collection. Thus, the Commission directs the Petitioner to prepare a plan for recovery of pending dues or suggest changes in the methodology used for application of delayed payment surcharge so as to induce consumers to pay past dues which would result in revenue enhancement of the Petitioner. The Petitioner should submit its proposal for change in methodology for computation of delayed payment surcharge supported with appropriate details along with next tariff petition.

4.206 Thus, in view of above, the Commission finds the present provision of Delayed Payment Surcharge appropriate and retains it at the existing levels of 1.5% per month or part thereof. Only in case of High Tension Service and High Tension Special Service, delayed payment surcharge will be applicable on weekly basis and at the rate specified in the tariff schedule of this order.

A5. REVIEW of AGGREGATE REVENUE REQUIREMENT FOR FY 2013-14 (6th Jan 14 to 31st Mar 14) & FY 2014-15

5.1 As discussed in earlier sections, the Petitioner has filed the Petition for Review of ARR for FY 2013-14 (post unbundling period) and FY 2014-15.

5.2 The Petitioner has submitted that the transfer scheme was notified by the Govt. of Jharkhand vide notification dated 6th January, 2014 and the provisional Balance Sheet of the company has been drawn as on 1st April, 2012. The Petitioner also submitted that since the transfer scheme is yet to be finalized, there has been a delay in preparing and finalization of the audited accounts for FY 2013-14 (from 6th Jan 14 to 31st Mar 14) and FY 2014-15.

5.3 in the absence of final transfer scheme, the petitioner has considered the opening balances (for gross fixed assets, normative loan, normative equity, security deposit, accumulated depreciation, etc.) for FY 2013-14 as per the closing balances in the audited accounts of erstwhile JSEB for FY 2012-13. The Petitioner has also considered the actual data for FY 2013-14 (6th January, 2014 to 31st March, 2014) and first half for FY 2014-15.

5.4 It is important to highlight that due to unavailability of the audited accounts for FY 2013-14 (6th January, 2014 to 31st March, 2014) and FY 2014-15 as well as non-finalisation of transfer scheme, the Commission is constrained in undertaking final review of afore-mentioned period. However, considering the material put on record, concerns raised by the public and practical issues faced by the Petitioner, the Commission has undertaken provisional determination of ARR for FY 2013-14 (6th January, 2014 to 31st March, 2014) and FY 2014-15 which is subject to true up on basis of audited accounts.

5.5 The detailed analysis of costs and revenue for approval of provisional ARR for FY 2013-14 (6th January, 2014 to 31st March, 2014) and FY 2014-15 as submitted by the Petitioner and approved by the Commission has been presented in following sub-sections.

Energy Sales

Petitioner's submission

5.6 The details of sales, number of consumers and connected load as provided by the Petitioner for FY 2013-14 (6th Jan – 31st Mar) and FY 2014-15 are reproduced hereunder:

Table 11: Category wise sales, connected load and consumers as submitted by Petitioner for FY 2013-14 (6th Jan – 31st Mar)

Sl. No.	Consumer Category	Sales (MU)	Connected Load (kW)	No. of Consumers (Nos.)
1	Domestic	856	2602724	2273726
2	Commercial/Non Domestic	98	370852	142452
3	Public Lighting / SS	45	15133	569

Sl. No.	Consumer Category	Sales (MU)	Connected Load (kW)	No. of Consumers (Nos.)
4	Irrigation / IAS	19	40624	30742
5	MES	4	4970	7
6	Industrial LT / LTIS	49	247441	13255
7	Industrial HT / HTS	391	605655	1379
8	HT Special S	194	142754	53
9	Railway / RTS	163	223125	13
10	Bulk Supply	-	-	-
11	Inter State Sales	72		
	Total	**1892**	**4253278**	**2462196**

Table 12: Category wise sales, connected load and consumers as submitted by Petitioner for FY 2014-15

Sl. No.	Consumer Category	Sales (MU)	Connected Load (kW)	No. of Consumers (Nos.)
1	Domestic	3724	2739851	2383568
2	Commercial/Non Domestic	423	388421	153659
3	Public Lighting / SS	195	15850	557
4	Irrigation / IAS	81	52627	33449
5	MES	15	4970	7
6	Industrial LT / LTIS	199	279546	13345
7	Industrial HT / HTS	1693	724690	1396
8	HT Special S	733	152736	52
9	Railway / RTS	663	223125	13
10	Bulk Supply	-	-	-
11	Inter State Sales	244		
	Total	**7970**	**4581817**	**2586046**

Commission's analysis

5.7 As the period of FY 2013-14 (6th Jan – 31st Mar) and FY 2014-15 is already over, the Commission after scrutinizing the details provisionally approves the category wise sales, connected load and number of consumers as submitted by the Petitioner. This is subject to true up on the basis of audited information for the aforesaid period.

Transmission & Distribution (T&D) Losses

Petitioner's submission

5.8 The Petitioner has not submitted details of actual loss incurred during the period from 6th January 2014 to 31st March 2014.

5.9 In case of FY 2014-15, the Petitioner has considered loss level in external system, transmission loss and distribution loss as 3.04%, 5% and 29.71%, respectively.

Commission's analysis

5.10 The Commission had set targets for distribution losses in JSERC Distribution Tariff Regulations, 2010 for the entire control period. The same have been reproduced hereunder

Table 13: Distribution Loss targets given under Distribution Tariff regulations 2010

Utility	2011-12	2012-13	2013-14	2014-15	2015-16
JSEB (now JBVNL)	19%	18%	17%	16%	15.5%

5.11 It should be noted that during FY 2014-15, the Petitioner has incurred distribution loss of 29.71% as against the targeted loss of 16%. It is a matter of great concern that the distribution losses of the Petitioner are almost twice of the target loss level set under the Distribution Tariff Regulations, 2010. This clearly suggests that the Petitioner has not made sincere efforts to reduce the losses over the past years. Moreover, the Petitioner has not provided any justifiable reasons for higher T&D losses. Thus, the Commission is of the view that it shall not be prudent to burden the consumers for the inefficiencies of the Petitioner. Accordingly, the Commission has considered normative distribution loss level of 17% and 16% for computation of energy requirement for FY 2013-14 and FY 2014-15, respectively.

5.12 Further, the Commission reiterates that the Petitioner needs to urgently undertake appropriate measures required to bring the distribution losses to the normative target level and directs the Petitioner to submit report on the measures undertaken and its impact on sales, revenue and overall losses along with the next Tariff Petition.

Energy Requirement

Petitioner's submission

5.13 The Petitoner submitted that the total energy required during FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 was 2980.76 MU and 11954.98 MU respectively on the basis of actual sales and loss levels during the period.

Commission's analysis

5.14 Based on the provisionally approved sales and normative distribution loss level, the Commission provisionally approves the total energy requirement for FY 2013-14 (6th January 2014 – 31st March 2014) and FY 2014-15 as 2264.79 MU and 9441.21 MU, respectively.

Table 14: Approved energy requirement (MU)

Particulars	FY 2013-14*	FY 2014-15
Intra State Energy Sales	1820.25	7725.46
Distribution Loss (%)	17.00%	16.00%

Particulars	FY 2013-14*	FY 2014-15
Distribution Loss	372.82	1471.52
Energy Required for Distribution	2193.08	9196.98
Inter State Energy Sales	71.71	244.23
Total Energy Requirement	**2264.79**	**9441.21**

** From 6th January 2014 to 31st March 2014*

Energy Availability

Petitioner's submission

5.15 To meet the energy requirement of the licensed area, the Petitioner has purchased power from several sources including state-owned stations, Central Generating Stations (CGSs), bilateral, short-term, etc. The energy availability for the period 6th January 2014 to 31st March 2014 has been estimated on basis of actual data for the period and considered at 2980.76 MU. The energy availability for FY 2014-15 has been estimated based on actual power purchase made during the period 1st April 2014 to 30th November 2014 and projections for remaining period which works out to 11954.98 MU.

Commission's analysis

5.16 Commission provisionally approves the energy availability from various sources as 2848.74 MU and 11423.45 MU for the period 6th Jan 14 to 31st Mar 14 and FY 2014-15, respectively. This is based on actual data submitted by the Petitioner for the above mentioned period. The Petitioner had made a clerical mistake while adding up the energy available from various sources which was corrected while arriving at the figures for energy availability at various levels. It should be noted that the energy availability approved by the Commission is subject to true up based on audited accounts. The provisionally approved energy availability for FY 2013-14 (6th January 2014 – 31st March 2015) and FY 2014-15 has been summarised below:

Table 15: Energy Availability (MU)

Particulars	FY 2013-14*	FY 2014-15
Power Purchase from Outside JSEB Boundary	1,336.70	5,301.06
Loss in External System (%)	3.04%	3.04%
Loss in External System (MU)	40.64	161.15
Net Outside Power Available	1,296.07	5,139.91
Energy Input Directly to State Transmission System	368.60	1,473.32
Power purchase from state-owned stations	150.73	666.91
UI Payable	12.75	127.57
UI Sale / Receivable	-	-
Energy Available for Onward Transmission	1,828.14	7,407.71
Transmission Loss (%)	5.00%	5.00%
Transmission Loss (MU)	91.41	370.39

Particulars	FY 2013-14*	FY 2014-15
Net Energy Sent to Distribution System	1,736.74	7,037.32
Direct Input of Energy to Distribution System	1,112.00	4,386.13
Total Energy Available for Distribution	**2,848.74**	**11,423.45**

** From 6th January 2014 to 31st March 2014*

Power Purchase Cost

Petitioner's submission

5.17 The Petitioner has firm allocations of power from thermal power plants of NTPC, hydel Power Plants of NHPC, other sources such as DVC, TVNL, WBSEB, PTC & NVVN. In addition to these the Petitioner also purchased power through short term sources and UI mechanism.

5.18 The Petitioner submitted the actual power purchase cost for FY 2013-14 (6th January 2014 to 31st March 2015) and actual power purchase cost from April 2014 to Nov 2015 along with estimates for the remaining months of FY 2014-15.

5.19 The following table summarises the actual station wise power purchase for the period of FY 2013-14(6th Jan – 31st Mar) and estimated power purchase for FY 2014-15 submitted by the Petitioner:

Table 16: Source wise Power Purchase Cost submitted by the Petitioner

	FY 2013-14 (6th Jan – 31st Mar)			FY 2014-15		
Particulars	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)
NTPC						
Farrakka	245.27	100.32	4.09	826.84	329.91	3.99
Khalagaon I	40.96	18.33	4.48	161.47	63.46	3.93
Khalagaon II	35.18	14.60	4.15	115.69	46.28	4.00
Talcher	125.57	34.74	2.77	471.04	118.70	2.52
Barh	-	-	-	10.55	6.76	6.41
Farrakka III	64.75	30.22	4.67	231.20	111.44	4.82
NTPC Total	**511.73**	**198.21**	**3.87**	**1,816.79**	**676.55**	**3.72**
NHPC						
Rangit	5.23	2.42	4.63	41.14	13.12	3.19
Teesta	11.62	8.13	7.00	284.37	76.21	2.68
Rangit – IV	-	-	-	-	-	-
Total NHPC	**16.85**	**10.55**	**6.26**	**325.51**	**89.33**	**2.74**
PTC						
Chukha	39.42	1.79	0.45	202.01	37.17	1.84
Tala	8.25	1.67	2.02	379.66	76.69	2.02
Total PTC	**47.67**	**3.46**	**0.73**	**581.67**	**113.86**	**1.96**

Particulars	FY 2013-14 (6th Jan – 31st Mar)			FY 2014-15		
	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)
Other Sources						
DVC	1,097.16	448.63	4.09	4,316.22	2,127.90	4.93
WBSEB	9.26	7.56	8.16	46.13	38.43	8.33
TVNL	670.18	188.56	2.81	2,486.05	795.54	3.20
DVC (ST)	181.09	55.41	3.06	564.91	186.42	3.30
Open Market / Traders	-	-	-	-	-	-
PTC (ST)	-	-	-			-
APNRL	256.71	75.19	2.93	859.79	335.32	3.90
APNRL STOA	-	-	-	-	-	-
APNRL (ERLDC)	-	6.27	-	-	-	-
PGCIL	-	28.72	-	-	125.26	-
Posoco (ERLDC)	-	0.42	-	-	1.60	-
UI Payable	12.75	1.97	1.55	127.57	35.07	2.75
TATA Power	-	-	-	-	-	-
Mittal Power	(2.27)	(0.91)	4.01	-	-	-
Solar	5.58	10.01	17.94	23.78	42.71	17.96
Others	-	-	-	-	-	-
Inland	-	-	-	111.27	48.51	4.36
Banking of Power (Unit Banked)	(11.08)	(0.15)	0.14	(55.78)	(1.19)	0.21
Banking of Power (Unit Received)	34.42	0.56	0.16	84.17	1.72	0.20
Renewable	-	-	-	-	-	-
Total Purchase	**2,830.05**	**1,034.46**	**3.66**	**11,288.08**	**4,617.03**	**4.09**
State-owned stations						
PTPS	149.10	26.40	1.77	659.50	134.68	2.04
SHPS	1.63	0.12	0.74	7.41	0.72	0.97
Sub-total	**150.73**	**26.52**	**1.76**	**666.91**	**135.40**	**2.03**
Net Power Purchase	**2,980.78**	**1061.28**	**3.56**	**11,954.99**	**4,754.81**	**3.98**

Commission's analysis

5.20 The Commission directed the Petitioner to submit month-wise actual data on power purchase quantum and cost for FY 2013-14 (post unbundling) and FY 2014-15.

5.21 The Petitioner submitted sample power purchase bills for FY 2013-14 and FY 2014-15 for verification. The Commission scrutinized the information and found the data submitted by the Petitioner to be in line with the power purchase bills submitted.

5.22 The Commission noted that the Petitioner had made a clerical mistake of treating cost of Banking of Power (Units Banked) as positive instead of negative for both FY 2013-14 and FY 2014-15, which was communicated to the Commission and same has been rectified by the Commission.

5.23 Accordingly, the Commission provisionally approves the quantum and cost for power purchase as submitted by the Petitioner after considering the above mentioned rectification. However the power purchase cost pertaining to FY 2013-14 (6th January 2014 – 31st March 2015) and FY 2014-15 is subject to true up once audited accounts are submitted by the Petitioner.

5.24 Further with respect to the purchase from renewable sources to meet the Renewable Purchase Obligation (RPO), the Petitioner has not made any purchase of power or Renewable Energy Certificates (RECs) to meet its target. The Commission notes with concern that the Petitioner could not purchase RECs to meet its RPO obligation for the year even though such RECs are readily available on power exchanges and have been used as a tool by other distribution licensees in the state to meet RPO target. Further the Commission observes that the other licensees in the State have made efforts to meet their RPO targets. In view of above and the national target for promoting RE power, it is essential that the Petitioner makes all efforts to meet its RPO obligation. Accordingly, the Commission directs that the Petitioner should take all necessary steps to ensure compliance to regulations and achieve its RPO targets failing which it may suffer appropriate penalty.

5.25 The following table summarises the approved power purchase for the period of FY 2013-14 (6th March – 31st March 2014) and FY 2014-15:

Table 17: Source wise Power Purchase Cost Approved by the Commission

	FY 2013-14 (6th Jan – 31st Mar)			FY 2014-15		
Particulars	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)
NTPC						
Farrakka	245.27	100.32	4.09	826.84	329.91	3.99
Khalagaon I	40.96	18.33	4.48	161.47	63.46	3.93
Khalagaon II	35.18	14.60	4.15	115.69	46.28	4.00
Talcher	125.57	34.74	2.77	471.04	118.70	2.52
Barh	-	-	-	10.55	6.76	6.41
Farrakka III	64.75	30.22	4.67	231.20	111.44	4.82
NTPC Total	**511.73**	**198.21**	**3.87**	**1,816.79**	**676.55**	**3.72**
NHPC						
Rangit	5.23	2.42	4.63	41.14	13.12	3.19
Teesta	11.62	8.13	7.00	284.37	76.21	2.68
Rangit – IV	-	-	-	-	-	-
Total NHPC	**16.85**	**10.55**	**6.26**	**325.51**	**89.33**	**2.74**
PTC						
Chukha	39.42	1.79	0.45	202.01	37.17	1.84

Particulars	FY 2013-14 (6th Jan – 31st Mar)			FY 2014-15		
	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)
Tala	8.25	1.67	2.02	379.66	76.69	2.02
Total PTC	**47.67**	**3.46**	**0.73**	**581.67**	**113.86**	**1.96**
Other Sources						
DVC	1,097.16	448.63	4.09	4,316.22	2,127.90	4.93
WBSEB	9.26	7.56	8.16	46.13	38.43	8.33
TVNL	670.18	188.56	2.81	2,486.05	795.54	3.20
DVC (ST)	181.09	55.41	3.06	564.91	186.42	3.30
Open Market / Traders	-	-	-	-	-	-
PTC (ST)	-	-	-			-
APNRL	256.71	75.19	2.93	859.79	335.32	3.90
APNRL STOA	-	-	-	-	-	-
APNRL (ERLDC)	-	6.27	-	-	-	-
PGCIL	-	28.72	-	-	125.26	-
Posoco (ERLDC)	-	0.42	-	-	1.60	-
UI Payable	12.75	1.97	1.55	127.57	35.07	2.75
TATA Power	-	-	-	-	-	-
Mittal Power	(2.27)	(0.91)	4.01	-	-	-
Solar	5.58	10.01	17.94	23.78	42.71	17.96
Others	-	-	-	-	-	-
Inland	-	-	-	111.27	48.51	4.36
Banking of Power (Unit Banked)	(11.08)	(0.15)	0.14	(55.78)	(1.19)	0.21
Banking of Power (Unit Received)	34.42	0.56	0.16	84.17	1.72	0.20
Renewable	-	-	-	-	-	-
Total Purchase	**2,830.05**	**1,034.46**	**3.66**	**11,288.08**	**4,617.03**	**4.09**
State-owned stations						
PTPS	149.10	26.40	1.77	659.50	134.68	2.04
SHPS	1.63	0.12	0.74	7.41	0.72	0.97
Sub-total	**150.73**	**26.52**	**1.76**	**666.91**	**135.40**	**2.03**
Net Power Purchase	**2,980.78**	**1,060.98**	**3.56**	**11,954.99**	**4,752.43**	**3.98**

Disincentive for Non-Achievement of T&D Loss Reduction Targets

Petitioner's submission

5.26 The Petitioner has submitted that all efforts are being made to reduce losses to normative levels. However, as historic losses are very high the present trend of normative loss levels is difficult to achieve. Accordingly, the Petitioner prayed that the Disincentive for non-achievement of T&D losses should not be considered. The Petitioner added that any disallowance on this account, not only has an adverse impact on its financial viability but also encourages inefficient usage/ wastage of power in the State.

Commission's analysis

5.27 As explained in paras 5.10 to 5.12 of this Tariff Order, the Commission finds no reason to change the T&D loss targets given to the Petitioner. Accordingly, the power purchase cost incurred due to higher T&D losses, beyond the targeted level, has been disallowed and is treated as 'Disincentive for non-achievement of T&D loss targets'.

5.28 To compute the quantum of disallowed power purchase, Commission has considered the difference between the energy required for distribution and energy available for distribution.

5.29 The provisionally approved average power purchase cost per unit has been used to compute the disincentive for non-achievement of T&D loss reduction targets as summarised in the table below:

Table 18: Disincentive for Non-Achievement of T&D Losses

Particulars	Units	FY 2013-14*	FY 2014-15
Intra State Sales	MU	1820.25	7725.46
Distribution Loss Target	%	17%	16%
Distribution Loss	MU	372.82	1471.52
Energy Required for Distribution	**MU**	**2193.08**	**9196.98**
Inter State Sales	MU	71.71	244.23
Total Energy Required	**MU**	**2264.79**	**9441.21**
Energy Available for Distribution	**MU**	**2848.74**	**11423.45**
Disallowed Units due to Excess Loss	MU	583.95	1982.25
Average Power Purchase Cost	Rs./kWh	3.67	4.09
Disallowed Cost due to Excess Loss	**Rs. Cr.**	**214.30**	**810.10**

** From 6th January 2014 to 31st March 2014*

Intra-State Transmission Charges

Petitioner's submission

5.30 The Petitioner has computed the transmission charges payable to Jharkhand Urja Sanchar Nigam Limited (erstwhile JSEB – Transmission function) based on the approved rate in Tariff Order for FY 2012-13 i.e. Rs. 0.18 per unit on energy wheeled through transmission network.

Commission's analysis

5.31 Commission finds the methodology adopted by the Petitioner appropriate and has taken the approved tariff of Rs. 0.18 per unit for computation of transmission charges on energy wheeled through transmission network for FY 2013-14 and FY 2014-15. The energy wheeled through transmission network has been considered as per approval as detailed in the previous section on Energy Requirement.

5.32 Transmission charges provisionally approved for FY 2013-14 (6^{th} Jan – 31^{st} Mar) and FY 2014-15 are shown in the following table

Table 19: Transmission Charges for FY 2013-14 and FY 2014-15

Particulars	FY 2013-14*		FY 2014-15	
	Petitioner's Submission	Approved	Petitioner's Submission	Approved
Energy Wheeled at Transmission Level (MU)	1715.03	1828.14	7318.24	7407.71
Transmission Charges (Rs./kWh)	0.18	0.18	0.18	0.18
Transmission Charges (Rs. Cr.)	30.87	32.91	131.73	133.34

** From 6^{th} January 2014 to 31^{st} March 2014*

Capital Expenditure and Capitalization

Petitioner's submission

5.33 The Petitioner has provided the details of capital expenditure and capitalization plans for major schemes such as R-APDRP, Rural Electrification Schemes, Annual Development Plan, etc. The opening balance of Capital Works in Progress (CWIP) has been taken from audited accounts of FY 2012-13. The CWIP and Capitalisation details as submitted by the Petitioner for FY 2013-14 and FY 2014-15 is given below:

Table 20: CWIP and Capitalisation for FY 2013-14 as submitted (Rs. Cr.)

Particulars	Opening CWIP	Expenses during the year	Total CWIP	Transferred to GFA	Closing CWIP
R-APDRP (PFC + GoI)	1689.64	26.55	1997.52	0	1728.19
APDRP (PFC Loan)		0		0	
Rural Electrification (RE) Schemes – State		49.63		49.63	
RGGVY Schemes		89.7		89.7	
Annual Development Plan – State		130		130	
Annual Development Plan - Kanke Hatia Line		12		0	
Total	**1689.64**	**307.88**	**1997.52**	**269.33**	**1728.19**

Table 21: CWIP and Capitalisation for FY 2014-15 as submitted (Rs. Cr.)

Particulars	Opening CWIP	Expenses during the year	Total CWIP	Transferred to GFA	Closing CWIP
R-APDRP (PFC + GoI)	1728.19	33.41	1965.47	57.59	1575.68
APDRP (PFC Loan)		-		-	
Rural Electrification (RE) Schemes – State		51.05		51.05	
RGGVY Schemes		40.22		40.22	
Annual Development Plan – State		106.6		106.6	
Annual Development Plan - Kanke Hatia Line		6		0	
Total	**1728.19**	**237.28**	**1965.47**	**389.79**	**1575.68**

Commission's analysis

5.34 As FY 2013-14 and FY 2014-15 are already over, capital expenditure submitted by the Petitioner has already been undertaken. In absence of final audited accounts for FY 2013-14 and FY 2014-15, Commission has considered actual data for prudence checks and verification of the details submitted by the Petitioner.

5.35 The Commission finds it appropriate to provisionally approve the CWIP and Capitalisation details submitted by the Petitioner for FY 2013-14 and FY 2014-15 provided that the detailed project reports of the capital expenditure undertaken are submitted along with next Tariff Petition

Gross Fixed Asset (GFA) and Net Fixed Assets (NFA)

Petitioner's submission

5.36 The Petitioner has submitted closing GFA as Rs 2155.34 Cr and Rs 2545.13 Cr for FY 2013-14 and FY 2014-15 respectively.

Commission's analysis

5.37 The Commission has determined the opening balance of GFA for FY 2013-14 as per the the closing GFA for FY 2012-13 for the distribution function of erstwhile JSEB based on the audited accounts of FY 2012-13.

5.38 Similarly for accumulated depreciation, Commission has considered the opening accumulated depreciation as per the closing accumulated depreciation of audited accounts of FY 2012-13. Commission has considered the depreciation rate at 5.94% on average GFA based on the depreciation rate of FY 2012-13 considered on average GFA of the corresponding year.

5.39 Considering the capitalisation approved for FY 2013-14 in this Order, the Commission has determined the closing figures of GFA and NFA for FY 2013-14 and FY 2014-15 as summarised in the following table:

Table 22: Approved GFA for FY 2013-14 & FY 2014-15

Particulars	FY 2013-14	FY 2014-15
Opening GFA	1886.01	2155.34
Additions in GFA (Capitalization)	269.33	389.79
Closing GFA	2155.34	2545.13
Less: Accumulated Depreciation	802.26	941.80
Net Fixed Assets	**1353.08**	**1603.32**

Operation & Maintenance Expenses

Petitioner's submission

5.40 JBVNL submitted that as per Tariff Regulations 2010, Operation and Maintenance (O&M) expenses include

(a) Salaries, wages, pension contribution and other employee costs;

(b) Administration and General expenses;

(c) Repairs and Maintenance;

5.41 For salaries, wages, pension contribution and other employee costs, the Petitioner submitted the actual expenses incurred during the period from 6th January 2014 to 31st March 2014 as Rs. 64.39 Cr. For FY 2014-15, the Petitioner has projected employee expense at Rs. 278.25 Cr. based on 3 months data of FY 2013-14 and inflation factor of 8.03%.

5.42 For administrative and general expenses, the Petitioner has submitted the actual expenses incurred during 6th January 2014 to 31st March 2014 as Rs. 7.39 Cr. The A&G expense for FY 2014-15 has been projected at Rs. 59.22 Cr. based on 3 months data of FY 2013-14 and inflation factor of 8.03%.

5.43 For repairs and maintenance expenses, the Petitioner has assumed the K factor as 2.35% for the MYT control period which was the ratio of R&M costs to opening GFA of the preceding year of the Base Year. Based on this assumption, the Petitioner has submitted R&M expenses as Rs. 10.34 Cr. and Rs. 50.75 Cr. for FY 2013-14(6th Jan – 31st Mar) and FY 2014-15 respectively.

5.44 The summary of O&M expenses for FY 2013-14 (6th Jan – 31st Mar) and FY 2014-15 submitted by the Petitioner is given in the table below:

Table 23: O&M expenses for FY 2013-14 and FY 2014-15 as submitted (Rs. Cr.)

Particulars	FY 2013-14*	FY 2014-15
Employee Expense	64.39	278.25
A&G Expenses	7.39	59.22
R&M Expenses	10.34	50.75
Total	**82.12**	**388.22**

** From 6th January 2014 to 31st March 2014*

Commission's analysis

5.45 As per Regulation 6.8 of Distribution Tariff Regulations, 2010, the O&M expenses permissible towards ARR of each year of the Control Period shall be approved based on the formula shown below:

O&Mn = (R&Mn + EMPn + A&Gn)*(1-Xn) + Terminal Liabilities

Where,
R&Mn – Repair and Maintenance Costs of the Licensee for the nth year;
EMPn – Employee Costs of the Licensee for the nth year excluding terminal liabilities;
A&Gn – Administrative and General Costs of the Licensee for the nth year;
Xn – is an efficiency factor for nth year. The value of Xn will be determined by the Commission in its first MYT order for the Control Period;

5.46 As per Regulation 6.9 of Distribution Tariff Regulations, 2010, the above components shall be computed in the manner specified below:

R&Mn = K*GFA
Where,
'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;
'GFA' is the opening value of the gross fixed asset of the nth year;

EMPn (excluding terminal liabilities) + A&Gn = (EMPn-1 + A&Gn-1)*(INDXn/ INDXn-1) + Gn
Where,
INDXn – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;
Gn – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking with the efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

INDXn = 0.55*CPIn +0.45*WPIn;

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

Employee Cost

5.48 In order to compute the employee cost for FY 2013-14, the Commission directed the Petitioner to submit function-wise breakup of actual employee cost for FY 2012-13 of the erstwhile JSEB. The Petitioner submitted that actual employee cost for the distribution function of the erstwhile JSEB for FY 2012-13 was Rs 171.12 Cr which includes terminal benefits of Rs 31.86 Cr.

5.49 The Commission has determined the employee cost for FY 2013-14 by increasing the actual employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2012-13 by the inflation factor of 8.64%. The Commission has then added the actual cost incurred towards terminal benefits during FY 2012-13 to compute the employee cost for FY 2013-14. The employee cost for the entire FY 2013-14 is then apportioned for the period 6th January 2014 to 31st March 2014.

5.50 Similarly, the Commission has determined the employee cost for FY 2014-15 by increasing the employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) for FY 2013-14 by the inflation factor of 8.64%. The Commission has provisionally considered the cost towards terminal benefits during FY 2014-15 to be same as that for FY 2013-14 subject to submission of audited accounts for FY 2014-15.

5.51 The employee cost provisionally approved by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

Table 24: Computation of Employee Expenses for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Employee cost for previous year	171.12	183.15
Less: Terminal Benefits	31.86	31.86
Gross employee cost for previous year	139.26	151.28
Escalation Factor	8.64%	8.64%
Gross employee cost for the current year	151.28	164.35
Add: Terminal Benefits	31.86	31.86
Total employee cost for the year	**183.15**	**196.21**

5.52 Thus, the employee cost approved by the Commission for FY 2013-14 (6^{th} January 2014 to 31^{st} March 2014) and FY 2014-15 is summarised in the following table:

Table 25: Approved Employee Cost for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Employee cost	64.39	42.65	278.25	196.21

** From 6^{th} January 2014 to 31^{st} March 2014*

A&G cost

5.53 In order to compute the A&G cost for FY 2013-14, the Commission directed the Petitioner to submit function-wise breakup of actual A&G cost for FY 2012-13 of the erstwhile JSEB. The Petitioner submitted that actual A&G cost for the distribution function of the erstwhile JSEB for FY 2012-13 was Rs 37.73 Cr.

5.54 The Commission determined the A&G cost for FY 2013-14 by increasing the actual A&G cost for FY 2012-13 by the inflation factor of 8.64%. The A&G cost for the entire FY 2013-14 has then been apportioned for the period 6^{th} January 2014 to 31^{st} March 2014. Similarly, the Commission has determined the A&G cost for FY 2014-15 by increasing the A&G cost for FY 2013-14 by the inflation factor of 8.64%.

5.55 The A&G cost determined by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

Table 26: Computation of A&G Expenses for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
A&G cost for previous year	37.73	40.99
Escalation Factor	8.64%	8.64%
A&G cost for the year	**40.99**	**44.53**

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

Table 27: Approved A&G Expenses for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
A&G cost	7.39	9.55	59.22	44.53

** From 6th January 2014 to 31st March 2014*

R&M Cost

5.57 The Commission has benchmarked the R&M costs as a proportion of the opening GFA for FY 2011-12 in accordance with the provisions specified under JSERC Distribution Tariff Regulations 2010.

5.58 The Commission directed the Petitioner to submit function-wise breakup of actual R&M cost for FY 2011-12 of the erstwhile JSEB. The Petitioner submitted that actual R&M cost for the distribution function of the erstwhile JSEB for FY 2011-12 was Rs. 27.05 Cr. The opening GFA for the distribution function of the erstwhile JSEB as per the audited accounts for FY 2011-12 was Rs 1155.73 Cr. Accordingly, the 'k' factor as computed by the Commission is summarised in the following table:

Table 28: Computation of k Factor for R&M Expenses (Rs. Cr.)

Particulars	FY 2011-12
Opening GFA for FY 2011-12	433.89
R&M expense for FY 2011-12	10.11
k-factor (%)	**2.34%**

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

Table 29: Computation of R&M Expenses for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Opening GFA	1886.01	2155.34
R&M as percentage (%) of GFA	2.34%	2.34%
R&M Cost for entire year	**44.14**	**50.45**

5.60 Thus, the R&M cost approved by the Commission for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is summarised in the following table:

Table 30: Approved R&M Expenses for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
R&M Cost	10.34	10.28	50.75	50.45

** From 6th January 2014 to 31st March 2014*

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

Table 31: Approved O&M Expenses for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Employee cost	64.39	42.65	278.25	33.92
A&G Cost	7.39	9.55	59.22	7.54
R&M Cost	10.34	10.28	50.75	11.57
O&M Cost	**82.12**	**62.48**	**388.22**	**291.19**

** From 6th January 2014 to 31st March 2014*

Consumer Contribution, Grants and Subsidies

Petitioner's submission

5.62 The Petitioner has considered the amount of consumer contribution as per true-up of FY 2010-11 approved by Commission in Tariff Order of August 2012.

Commission's analysis

5.63 The Commission has considered opening amount of consumer contributions for FY 2013-14 as per the closing amount of audited accounts for FY 2012-13. Additions in consumer contribution during the year FY 2013-14 have been projected on the basis of past trends.

5.64 Consumer contribution, grants and subsidies deployed towards GFA has been computed in the ratio of GFA to sum of closing balances of GFA and CWIP.

5.65 The Commission has provisionally approved the consumer contribution for FY 2013-14 and FY 2014-15 as summarised in the following table:

Table 32: Consumer Contribution, Grants and Subsidies for FY 2013-14 and FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Opening Consumer Contribution	2426.73	2572.33
Additions	145.60	154.34
Closing Consumer Contribution	**2572.33**	**2726.67**
Consumer Contribution deployed towards GFA	1427.63	1684.07

Depreciation

Petitioner's submission

5.66 The Petitioner submitted that Depreciation for FY 2013-14 has been computed on average fixed assets after reducing the assets created out of consumer contributions, grants, etc. from the gross fixed assets. The Petitioner has considered the opening GFA for FY 2013-14 as per the closing GFA in Audited accounts of FY 2012-13.

5.67 In absence of actual data for FY 2013-14, the Petitioner has assumed that 40% of additions to GFA is from consumer contributions, grants etc.

5.68 The Petitioner considered the depreciation rate at 5.28% on average basis. Accordingly the Petitioner has claimed the depreciation amount for FY 2013-14 (6^{th} January to 31^{st} March) and FY 2014-15 as Rs. 18.73 Cr. and Rs. 93.73 Cr. respectively

Commission's analysis

5.69 Commission has computed depreciation during the year by considering the depreciation rate of 5.94% on average GFA which is the depreciation rate as per audited accounts of FY 2012-13.

5.70 According to provision of Regulation 6.30 of Distribution Tariff Regulations, 2010, depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Considering the consumer contribution deployed towards GFA approved in this Order, the Commission has determined additions to depreciation on account of consumer contribution, grants and subsidies by apportioning the addition in depreciation in the ratio of consumer contribution, grants and subsidies deployed towards GFA and Closing GFA for the respective years.

5.71 The provisionally approved depreciation for FY 2013-14 and FY 2014-15 is summarised in the following table:

Table 33: Computation of Depreciation for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Opening GFA	1886.01	2155.34
Closing GFA	2155.34	2545.13
Average GFA	2020.67	2350.23
Depreciation during the year	119.98	139.55
Depreciation on account of Consumer Contribution	79.47	92.34
Net addition in Depreciation	**40.51**	**47.21**

5.72 Accordingly, the depreciation cost submitted by the Petitioner and approved by the Commission for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is summarized in the following table:

Table 34: Approved Depreciation for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Depreciation	18.73	9.43	93.73	47.21

** From 6th January 2014 to 31st March 2014*

Interest and finance charges

Petitioner's submission

5.73 The Petitioner submitted that interest on normative loan is computed as per provisions of JSERC Distribution Tariff Regulations 2010. The normative loan balance is computed after reducing normative equity @ 30% and accumulated depreciation from net fixed assets.

5.74 The Petitioner has considered the interest rate to be equal to the prime lending rate of SBI as applicable on 1st April of the relevant financial year and the prevailing bank advance rate of SBI as 14.75% p.a.

5.75 Accordingly, the Petitioner has submitted interest and finance charges for FY 2013-14 (for the period 6th January 2014 to 31st March 2014) and FY 2014-15 to be Rs 14.84 Cr and Rs 75.86 Cr respectively.

Commission's analysis

5.76 In the absence of actual loan details, the Commission has computed the interest on normative loan as per the JSERC Distribution Tariff Regulations, 2010.

5.77 For funding of above approved GFA, the Commission has considered normative debt-equity ratio of 70:30 as provided JSERC Distribution tariff regulation, 2010. Moreover, consumer contribution grants and subsidies for capital assets are to be first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.

5.78 The normative net loans are estimated after deducting accumulated depreciation from the value of gross assets.

5.79 The loan component has been worked out as summarized in the following table:

Table 35: Computation of Normative Loan for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Closing GFA	2155.34	2545.13
Consumer Contribution deployed towards GFA	1427.63	1684.07
Loan & Equity in GFA	727.70	861.05
Equity @ 30%	218.31	258.32
Accumulated Depreciation	802.26	941.80
Accumulated Depreciation on account of Consumer Contribution	531.39	623.18
Net Accumulated Depreciation	270.86	318.63
Normative Loan	**238.53**	**284.11**

5.80 Thus the approved sources of funding for the approved GFA for FY 2013-14 and FY 2014-15 is tabulated hereunder:

Table 36: Approved Sources of Funding for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Consumer Contribution deployed towards GFA	1427.63	1684.07
Equity	218.31	258.32
Loan	238.53	284.11
Net Accumulated Depreciation	270.86	318.63
GFA	**2155.34**	**2545.13**

5.81 The interest on normative loan as computed by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

Table 37: Computation of Interest on Normative Loan for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Opening Balance	204.98	238.53
Deemed Additions	74.06	92.79
Deemed Repayments	40.51	47.21
Closing Balance	238.53	284.11
Average Normative Loan	221.75	261.32
Rate of Interest (%)	14.45%	14.75%
Interest on Normative Loan	**32.04**	**38.54**

5.82 Thus, the interest on normative loan as submitted by the Petitioner and as provisionally approved by the Commission for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is as follows:

Table 38: Provisionally Approved Interest on Normative Loans for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Interest on Loan	14.84	7.46	75.86	38.54

** From 6th January 2014 to 31st March 2014*

Interest on Security Deposits

Petitioner's submission

5.83 The Petitioner submitted that Interest on consumer security deposit has been computed as per the relevant provisions of JSERC Distribution Tariff Regulations 2010 and JSERC Supply Code Regulations 2005. The interest rate considered by the Petitioner is as per prevailing RBI Bank rate which is 9.0% p.a. The Petitioner has considered opening balance of security deposit for FY 2013-14 as per audited accounts of FY 2012-13 and estimated additions during the year on the basis of additions in number of consumers.

Commission's analysis

5.84 The Commission has computed average security deposit per consumer for FY 2011-12 and FY 2012-13 on the basis of audited accounts for the respective years provided by the Petitioner.

Table 39: Average Security Deposit per Consumer

Particulars	FY 2011 – 12	FY 2012 -13
Consumer Security Deposit (Rs. Cr.)	371.80	429.00

Particulars	FY 2011 – 12	FY 2012 -13
Number of Consumers	19,77,237	22,70,732
Security Deposit per Consumer (Rs.)	1880.41	1889.27
Average Security Deposit per Consumer (Rs.)	1884.84	

5.85 The Commission has considered the number of consumers based on actual data submitted by the Petitioner.

5.86 The interest rate is to be considered as prescribed in JSERC Supply Code Regulations 2005 which provide for payment of interest to the consumer as per the prevalent bank rate of RBI. The Commission has considered bank rate of RBI as on 1st April of the relevant year.

5.87 The interest on security deposit provisionally approved by the Commission for FY 2013-14 and FY 2014-15 is summarized in the following table:

Table 40: Computation of Interest on Security Deposit for FY 2013-14 & FY 2014-15

Particulars	FY 2013 – 14	FY 2014-15
Number of Consumers	24,62,196	25,86,046
Security Deposit per Consumer (Rs.)	1884.84	1884.84
Security Deposit (Rs. Cr.)	464.08	487.43
Interest Rate	8.50%	9.00%
Interest on Consumer Security Deposit (Rs. Cr.)	**39.45**	**43.87**

5.88 Thus, the interest on consumer security deposit provisionally approved by the Commission for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is summarized in the following table:

Table 41: Provisionally Approved Interest on Security Deposit for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Interest on Consumer Security Deposit	6.43	9.19	30.95	43.87

** From 6th January 2014 to 31st March 2014*

Interest on Working Capital

Petitioner's submission

5.89 The Petitioner submitted normative interest on working capital as NIL for FY 2013-14 (6th January 2014 to 31st March 2014) and Rs 33.80 Cr for FY 2014-15 as per the provisions of JSERC Distribution Tariff Regulations, 2010 and considering an interest rate of 14.75%.

Commission's analysis

5.90 The Commission has considered the interest on working capital as per the norms specified in the JSERC Distribution Tariff Regulations, 2010.

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

a) Operation & Maintenance expenses for one month; plus

b) Maintenance spares @ 1% of opening GFA; plus

c) Receivables equivalent to expected revenue of two months; minus

d) Amount held as security deposit; minus

a) One month equivalent of cost of power purchased, based on the annual power procurement plan

5.92 Rate of interest on working capital shall be equal to the prime lending rate of SBI as applicable on the 1st April of the relevant financial year.

5.93 The interest on working capital provisionally approved by the Commission for FY 2013-14 and FY 2014-15 is summarised in the following table:

Table 42: Computation of Interest on Working Capital for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
O&M Expense for one month	22.36	24.27
Maintenance Spares @ 1% of GFA	18.86	21.55
Receivables (Two months)	649.51	704.60
Minus: Security Deposit	464.08	487.43
Minus: Power Purchase Cost (One month)	391.44	407.15
Total Working Capital Requirement	-164.79	-144.16
Rate of Interest (%)	14.45%	14.75%
Interest on Working Capital	-	-

5.94 The interest on working capital as submitted by the Petitioner and as approved by the Commission for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is summarised in the following table:

Table 43: Provisionally Approved Interest on Working Capital for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Interest on Working Capital	-	-	33.80	Nil

** From 6th January 2014 to 31st March 2014*

Return on Equity

Petitioner's submission

5.95 The Petitioner submitted that Return on normative equity is computed as per provisions of JSERC Distribution Tariff Regulations 2010. The normative equity balance is computed @ 30% of net fixed assets.

5.96 The Petitioner submitted normative return on equity as Rs. 11.70 Cr. for FY 2013-14 (6th January 2014 to 31st March 2014) and Rs 59.43 Cr for FY 2014-15.

Commission's analysis

5.97 Based on the equity approved for FY 2013-14 and FY 2014-15 in this order, Commission has computed normative return on equity:

Table 44: Computation of Return on Equity for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14	FY 2014-15
Opening Equity	181.80	218.31
Additions in Equity	36.51	40.01
Closing Equity	218.31	258.32
Average Equity	200.06	238.31
Return on Equity @ 15.50%	**31.01**	**36.94**

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

Table 45: Provisionallyapproved Return on Equity for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Return on Equity	11.70	7.22	59.43	36.94

** From 6th January 2014 to 31st March 2014*

Non-Tariff Income

Petitioner's submission

5.99 The Petitioner submitted that Non-Tariff Income is estimated as per audited accounts of FY 2012-13 and methodology being adopted previously i.e. net of funding cost for Delayed Payment charges. The non-tariff income for each year of the control period has been considered to be equal. Accordingly the non- tariff submitted by the Petitioner for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is submitted as Rs. 13.43 Crs and Rs. 57.68 Crs respectively.

Commission's analysis

5.100 The Commission views the delayed payment surcharge (DPS) should be considered as part of NTI as per the policy followed for DPS in accounts. In view of this, the Commission has considered NTI as per the audited accounts for FY 2012-13 and escalated the same by 5% to compute NTI for FY 2013-14. This has then been apportioned to the period under consideration i.e. 6th January 2014 to 31st March 2014.

Table 46: Computation of Non-Tariff Income for FY 2013-14 (Rs. Cr.)

Particulars	FY 2012-13	FY 2013-14	FY 2013-14 (post unbundling period)*
Non-Tariff Income	277.84	291.73	67.83

** From 6th January 2014 to 31st March 2014*

5.101 For FY 2014-15, Commission has considered an increase of 5% in non-tariff income over the previous year.

5.102 Thus, non-tariff income as submitted by the Petitioner and as provisionally approved by the Commission for FY 2013-14 (6th January 2014 to 31st March 2014) and FY 2014-15 is summarised in the following table:

Table 47: Provisionally approved Non-Tariff Income for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Non-Tariff Income	13.43	67.83	57.68	305.82

** From 6th January 2014 to 31st March 2014*

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

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

Table 48: Provisionally approved ARR for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Power Purchase Cost	1061.28	1060.98	4754.80	4752.43
Transmission Charges (JUSNL)	30.87	32.91	131.73	133.34
Less: Cost Disallowed for non-achievement of T&D Loss Levels	-	214.30	-	810.10
Employee Expense	*64.39*	*42.65*	*278.25*	*196.21*
A&G Expense	*7.39*	*9.55*	*59.22*	*44.53*
R&M Expense	*10.34*	*10.28*	*50.75*	*50.45*
Total O&M Expense	82.12	62.48	388.22	291.19
Depreciation	14.28	9.43	73.65	47.21
Interest and Finance Charges	14.84	7.46	77.34	38.54
Interest on Security Deposits	6.43	9.19	30.95	43.87
Interest on Working Capital	-	-	33.80	-
Return on Equity	11.70	7.22	59.43	36.94
Less: Non-Tariff Income	13.43	67.83	57.68	305.82
Aggregate Revenue Requirement	**1208.09**	**907.54**	**5492.24**	**4227.59**

** From 6th January 2014 to 31st March 2014*

Revenue from Existing Tariff and Revenue Deficit

Petitioner's submission

5.104 The Petitioner has submitted that actual revenue from existing tariff for 3 months period of FY 2013-14 (6th January 2014 – 31st March 2014) is Rs.702.68 Crs. The Petitioner further submitted that the revenue from existing tariff for FY 2014-15 has been estimated at Rs.2905.62 Cr including inter-state sales.

Commission's analysis

5.105 The Commission has computed the revenue at existing tariff for FY 2013-14 (6th January 2014 – 31st March 2014) and FY 2014-15 as per the energy sales, number of consumers and connected load provisionally approved in this Order and existing tariff as per Order dated 2nd August 2012. For computation of revenue from inter-state sale of power, the Commission has considered average market clearing price per unit for FY 2013-14 and FY 2014-15 in IEX subject to true up on basis of audited account.

5.106 Total revenue from sale of power at existing tariffs as submitted by the Petitioner and as approved by the Commission for FY 2013-14 (6th Jan 14 to 31st mar 14) and FY 2014-15 has been summarised in the following table.

Table 49: Revenue from Sale of Power for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
Revenue from Sale of Power	696.48	702.65	2831.26	3049.50
Revenue from Inter-State Sales	6.20	20.08	74.36	85.72
Total Revenue	**702.68**	**722.73**	**2905.62**	**3135.32**

** From 6th January 2014 to 31st March 2014*

Revenue Deficit for FY 2013-14 and FY 2014-15

Petitioner's submission

5.107 Considering the projected ARR and revenue from existing tariff, the Petitioner has computed the total revenue gap for FY 2013-14 (6th January 2014 – 31st March 2014) and FY 2014-15 as Rs. 617.23 Cr. and Rs. 2777.38 Cr, respectively.

Commission's analysis

5.108 The Commission has computed the revenue gap for the period 6th Jan 14 to 31st Mar 14 and FY 2014-15 based on the provisionally approved ARR and revenue from sale of power at existing tariff as Rs. 184.81 Cr and Rs. 1092.36 Cr, respectively.

Table 50: Provisionally approved Revenue Gap for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
ARR	1208.09	907.54	5492.24	4227.59
Revenue from Sale of Power	702.68	722.73	2905.62	3135.23
Gross revenue gap	**505.41**	**184.81**	**2586.62**	**1092.36**
Net Resource Gap Funding	-	135.01	-	1296.53
Revenue Gap / (Surplus)	**505.41**	**49.80**	**2586.62**	**(204.17)**

** From 6th January 2014 to 31st March 2014*

Resource Gap Funding

Petitioner's submission

5.109 The Petitioner submitted that the resource gap funding received from Govt. of Jharkhand was Rs. 1499.96 Cr. for FY2013-14 and Rs. 2106.63 Cr. for FY 2014-15. However, the resource gap funding being provided by Government of Jharkhand is towards disallowances by the Commission during tariff determination process for various parameters such as higher T&D Loss, normative interest computation, normative generation cost etc.

5.110 Accordingly, the Petitioner submitted that the resource gap funding amount should not be considered as measure to reduce revenue gap.

Commission's analysis

5.111 The Commission is of the view that the norms of operation are specified to improve the performance of the Petitioner. Further, the norms also provide that any gain due to improvement in efficiency shall be to the account of the Petitioner, thus passing on the inefficiencies to the consumers is not justified. Accordingly, the Commission approves the ARR on the basis of norms specified in the Distribution Tariff Regulations 2010.

5.112 However, the Commission disallows power purchase cost on account of high T&D losses. In order to provide support to the Petitioner and to meet the obligations arising from power generators, the resource gap funding provided by the State Government is allowed to be utilised for meeting such disallowance. On analysis of the submissions made by the Petitioner, the Commission observed that the quantum of resource gap provided to the Petitioner was higher than the amount disallowed against power purchase cost due to non-achievement of normative distribution loss trajectory in the approved ARR.

5.113 The Commission is of the opinion that the remaining resource gap funding available to the Petitioner after accounting for the aforesaid disallowance should be considered for meeting the approved revenue gap. Thus, the resource gap funding available to meet revenue gap has been summarised as follows:

Table 51: Resource Gap Funding available for meeting revenue gap for FY 2013-14 & FY 2014-15

Particulars	FY 2013-14*	FY 2014-15
Resource Gap Funding Received	349.31	2106.63
Disallowances on account of excessive T&D Losses	214.30	810.10
Net Resource Gap Funding available to meet revenue gap	**135.01**	**1296.53**

** From 6th January 2014 to 31st March 2014*

5.114 Accordingly, the revenue gap after resource gap funding as submitted by the Petitioner and as approved by the Commission for FY 2013-14 (6th Jan 14 to 31st Mar 14) and FY 2014-15 has been summarised below:

Table 52: Provisionally approved Revenue Gap after resource gap funding for FY 2013-14 & FY 2014-15 (Rs. Cr.)

Particulars	FY 2013-14*		FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission	Submitted by the Petitioner	Approved by the Commission
ARR	1208.09	907.54	5492.24	4227.59
Revenue from Sale of Power	702.68	722.73	2905.62	3135.23
Gross revenue gap	**505.41**	**184.81**	**2586.62**	**1092.36**
Net Resource Gap Funding	-	135.01	-	1296.53
Revenue Gap / (Surplus)	**505.41**	**49.80**	**2586.62**	**(204.17)**

** From 6th January 2014 to 31st March 2014*

A6. AGGREGATE REVENUE REQUIREMENT FOR FY 2015-16

Energy Sales

Petitioner's submission

6.1 For projecting the sales for FY 2015-16, the Petitioner has considered 3 to 5 year CAGR based on the historical data. This CAGR has been then applied on the actual sales for FY 2013-14 to project the sales for FY 2015-16. It may be noted that although the Petitioner has claimed ARR for only 85 days of FY 2013-14, i.e. from the date of the transfer of distribution function of erstwhile JSEB into JBVNL; for the purpose of projection of sales the historical sales data for erstwhile JSEB has also been considered.

6.2 The Petitioner submitted that this growth trend of increase in sales has been considered as it signifies the best possible projections as per the experience of the Petitioner and latest available data. The Petitioner further submitted that wherever the trend seemed unreasonable or unsustainable, the growth factors were appropriately modified to arrive at more realistic projections.

6.3 The energy sales, connected load and number of consumers projected by the Petitioner are summarized below:

Table 53: Sales, Connected Load and No. of Consumers as Projected by the Petitioner

Sl. No.	Consumer Category	Sales (MU)	Connected Load (kW)	No. of Consumers (Nos.)
1	Domestic	4048.13	2869503	2876808
2	Commercial/Non Domestic	457.22	408864	157053
3	Public Lighting / SS	211.27	16684	627
4	Irrigation / IAS	83.44	64630	36156
5	MES	30.09	19242	7
6	Industrial LT / LTIS	171.63	290734	12971
7	Industrial HT / HTS	1713.72	910181	1408
8	HT Special S	807.07	128493	61
9	Railway / RTS	673.05	223125	14
10	Bulk Supply	-	-	-
	Total	**8195.62**	**4931457**	**3085106**

Commission's analysis

6.4 While scrutinizing the sales estimates for FY 2015-16, the Commission sought the latest category-wise sales figures available with the Petitioner for FY 2014-15. In response, the Petitioner submitted the category-wise actual sales data FY 2014-15.

6.5 The Commission arrived at energy sales for FY 2015-16 based actual sales for FY 2014-15 and the 3 to 5 year CAGR based on the historical data of sales. Similar exercise was undertaken to project the number of consumers and connected load for FY 2015-16.

6.6 The approved energy sales, connected load and number of consumers for FY 2015-16 is tabulated hereunder:

Table 54: Approved Energy Sales, Connected Load and No. of Consumers for FY 2015-16

Sl. No.	Consumer Category	Sales (MU)	Connected Load (kW)	No. of Consumers (Nos.)
1	Domestic	4116.32	3043564	2610271
2	Commercial/Non Domestic	455.19	419495	166219
3	Public Lighting / SS	214.69	17118	585
4	Irrigation / IAS	86.76	57890	36406
5	MES	15.57	4970	7
6	Industrial LT / LTIS	172.31	285137	12971
7	Industrial HT / HTS	1735.68	770715	1429
8	HT Special S	774.01	160373	57
9	Railway / RTS	675.16	223125	13
10	Bulk Supply	-	-	-
	Total	**8245.68**	**4982386**	**2827957**

Transmission & Distribution (T&D) Losses

Petitioner's submission

6.7 The Petitioner has projected overall T&D losses for FY 2015-16 at 30.70%. The losses in external system have been considered as 3.04%, transmission losses at 5.00% and distribution losses as 28.00%.

6.8 Further, the Petitioner submitted that it is trying its level best to reduce the loss levels. However it will take some time to reach at normative levels and thus prayed to the Commission to allow the projected loss levels for FY 2015-16. The initiatives undertaken by the Petitioner to reduce losses have been summarised as follows:

- Billing improvement under R-APDRP PART –A PROJECT- online billing (Go Live) started in 9 towns out of 30 towns. Rest will be expected to be completed by September 2015.
- System improvement under R-APDRP project-line strengthening, installation of capacitor bank, HVDC system, Load balancing, Feeder separation etc.-Tender is under process. Work is likely to be completed by September 2016.
- Induction of spot billing at Ranchi and Jamshedpur area and under process for other areas.
- Rural Franchisee operational in 29 sub-division out of initially appointed Rural Franchisee in 38 sub-divisions and proposed to be appointed in 10 more rural sub-division, which will not only maintain the lines and equipments but also put a ban on pilferage of energy.
- Aerial Bunch Cable –Approximate 862 kms single phase and 1036kms three phase Aerial bunch cable has already been delivered at different places under RE head to control the theft of power (by hooking) by the unauthorized persons. Rest 353 kms single phase ABC and 626kms three phase will be installed in next two months.

- Remote Meter Reading Cell: Monitoring of all HT consumers through remote metering cell constituted at headquarters and Area Board for checking of consumption pattern and load profile of each HT consumer, thereby regular monitoring of HT consumer.
- SIM/ Modem installed at 1236 HT consumer's premises out of 1448 consumers rest will be installed in coming three months.
- Metering of all consumers to be completed in next 18 months.
- Regular replacement of defective / burnt / stopped meters.
- Digital meters are being inducted in domestic and commercial connection by replacing electromechanical meter.
- Outsourcing of all 33/11 kv PSS for maintenance is under process.
- Construction of new Grid sub-station / Power sub-station.
- Augmentation of P/S/S capacity and distribution transformer capcity to bring down the transformer burning rate to minimal.
- Strengthening of sub-transmission line to carry power at 80% and less capacity.
- Constitution of APT cell at Headquarter and field level- Regular raids/ one day surprise inspection being conducted every month

Commission's analysis

6.9 The Commission appreciates the steps taken by the Petitioner to reduce Distribution losses in its area of operation, but it is matter of grave concern that the actual level of Distribution losses submitted by the Petitioner are still far exceeding the norms set by the Commission. The Commission is of the view that such high loss levels due to Petitioner's inefficiency cannot be passed on to the consumers. Furthermore, revising the set trajectory for T&D loss reduction which was set after considering the loss levels for base year and in consultation with the representatives of erstwhile JSEB and the public at large, the Commission finds no merit in approving higher distribution losses in comparison to the norms provided in Distribution Tariff Regulations 2010.

6.10 In view of the above, the Commission approves the distribution losses for FY 2015-16 at 15.50% in line with the normative trajectory specified for erstwhile JSEB in the Distribution Tariff Regulations 2010. Further, the Commission provisionally approves the external loss and transmission loss for FY 2015-16 at 3.04% and 5.0%, respectively. This is subject to true up on the basis of audited energy balance.

Energy Requirement and Energy Availability

Petitioner's submission

6.11 Based on projected energy sales at 8195.62 MU and projected overall T&D losses of 30.70%, the Petitioner projected energy requirement for FY 2015-16 as 11830.73 MU.

6.12 Energy availability for FY 2015-16 has been considered on the basis of estimated generation from existing stations. No new additions in generation capacity have been proposed in FY 2015-16 by the Petitioner.

6.13 The energy availability from various sources as projected by the Petitioner has been summarized below:

Table 55: Energy Availability as Submitted by the Petitioner for FY 2015-16 (MU)

Particulars	FY 2015-16
Power Purchase from Outside JSEB Boundary	5525.74
Loss in External System (%)	3.04%
Loss in External System	167.98
Net Outside Power Available	5357.76
Energy Input Directly to State Transmission System	1419.93
State-owned Generation	666.90
UI Payable	-
UI Sale / Receivable	-
Energy Available for Onward Transmission	7444.59
Transmission Loss (%)	5.00%
Transmission Loss	372.23
Net Energy Sent to Distribution System	7072.36
Direct Input of Energy to Distribution System	4386.13
Total Energy Available for Distribution	**11458.50**

Commission's analysis

6.14 The Commission has computed energy requirement based on provisionally approved energy sales and normative distribution losses in this Order as summarized below:

Table 56: Approved Energy Requirement for FY 2015-16 (MU)

Particulars	FY 2015-16
Energy Sales	8245.68
Distribution Loss (%)	15.50%
Distribution Loss	1512.52
Energy Required for Distribution	9758.21
Inter-State Sales	0.00
Total Energy Required	**9758.21**

6.15 The Commission has worked out energy availability for FY 2015-16 on the basis of estimated generation from state-owned stations and tied up power from central and other stations. The energy availability from various sources has been summarized below:

Table 57: Approved Energy Availability for FY 2015-16 (MU)

Particulars	FY 2015-16
Power Purchase from Outside JSEB Boundary	4907.45
Loss in External System (%)	3.04%
Loss in External System	149.19
Net Outside Power Available	4758.26
Energy Input Directly to State Transmission System	1775.05

Particulars	FY 2015-16
State-owned generation	666.91
UI Payable	-
UI Sale / Receivable	-
Energy Available for Onward Transmission	7200.22
Transmission Loss (%)	5.00%
Transmission Loss	360.01
Net Energy Sent to Distribution System	**6840.21**
Direct Input of Energy to Distribution System	4386.13
Total Energy Available for Distribution	**11226.34**

Power Purchase Cost

Petitioner's submission

6.16 To compute power purchase expenses for FY 2015-16, the Petitioner has considered the source-wise per unit power purchase rate for FY 2014-15 and escalated by 5 year CAGR of historical data.

6.17 The Petitioner also submitted that this growth trend of increase in per unit cost from different power purchase sources has been considered as it signifies the best possible projections as per the experience of the Petitioner and latest per unit cost of various power purchase sources. The Petitioner also submitted that wherever the trend has seemed unreasonable or unsustainable, the growth factors have been appropriately modified to arrive at more realistic projections.

6.18 The Petitioner also proposed to purchase REC's to meet the shortfall in achieving the RPO targets for FY 2015-16.

6.19 In view of the above, the Petitioner has proposed the total power purchase cost from all sources as Rs. 5886.88 Cr at an average rate of Rs.4.91/kWh for FY 2015-16.

Commission's analysis

6.20 Commission scrutinized the available data as well as the latest trends in the industry and accordingly finds it appropriate in the current scenario to consider the source-wise average power purchase rate for FY 2014-15 to project source-wise power purchase cost for FY 2015-16. Any variation in power purchase cost from the approved cost may be claimed by the Petitioner through the FPPPA mechanism or during true up once the actual audited figures are available.

6.21 Further with respect to the purchase from renewable sources to meet the Renewable Purchase Obligation (RPO), the Commission notes with concern that the Petitioner has not taken any steps till date to meet its targets. In the past also, the Commission had directed the Petitioner to ensure RPO obligations are met. The Commission takes serious note of its non-compliance. Any non-compliance in future may attract penalty.

6.22 For projecting the power purchase from renewable energy sources to meet the RPO during FY 2015-16, the Commission has considered 4% of the total energy required approved for FY 2015-16.

6.23 Based on the total energy requirement for FY 2015-16 approved in the previous sections of this Order, the required renewable energy quantum to be purchased has been worked out as follows:

Table 58: Renewable Energy Required to Meet RPO for FY 2015-16

Particulars	%	MU
Total Energy Required (MU)	**9758.21**	
Solar RPO	1.00%	97.58
Non Solar RPO	3.00%	292.75
Total RPO	**4.00%**	**390.33**
Solar Power Purchased	0.24%	23.78
Additional Solar Power Required	0.76%	73.80

6.24 The Commission is of the view that the Petitioner can easily purchase RECs from the market to meet its RPO and therefore has allowed the cost for RECs based on the average market clearing price of RECs for April to November 2015 obtained from Indian energy exchange. The Petitioner has already projected purchase of certain amount of solar energy. The same quantum has been deducted while allowing for cost of RECs.

Table 59: Approved Cost for Purchase of REC

Particulars	Requirement (kWh)	Cost per Unit (Rs./kWh)	Cost (Rs. Cr.)
Solar REC	73.80	3.50	25.83
Non Solar REC	292.75	1.50	43.91
Total REC	**4.00%**		**69.74**

6.25 The power purchase quantum and cost for FY 2015-16 as submitted by the Petitioner as provisionally approved by the Commission is summarized in the table below:

Table 60: Provisionally approved Source-wise Power Purchase Quantum and Cost for FY 2015-16

	Submitted by Petitioner			Approved by Commission		
Particulars	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)
NTPC						
Farrakka	830.00	367.41	4.43	826.84	329.91	3.99
Khalagaon I	161.47	71.72	4.44	161.47	63.46	3.93
Khalagaon II	115.69	50.85	4.40	115.69	46.28	4.00
Talcher	471.04	133.61	2.84	471.04	118.70	2.52
Barh	210.24	148.28	7.05	210.24	134.71	6.41
Farrakka III	231.20	118.84	5.14	231.20	111.44	4.82
NTPC Total	**2019.63**	**890.71**	**4.41**	**2016.48**	**804.50**	**3.99**

Particulars	Submitted by Petitioner			Approved by Commission		
	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Rate (Rs./kWh)
NHPC						
Rangit	41.14	17.38	4.22	41.14	13.12	3.19
Teesta	284.37	132.01	4.64	284.37	76.21	2.68
Rangit – IV	-	-	-	-	-	-
Total NHPC	**325.51**	**149.38**	**4.59**	**325.51**	**89.33**	**2.74**
PTC						
Chukha	202.01	40.89	2.02	202.01	37.17	1.84
Tala	379.66	84.36	2.22	379.66	76.69	2.02
Total PTC	**581.67**	**125.25**	**2.15**	**581.67**	**113.86**	**1.96**
Other Sources						
DVC	4316.22	2459.38	5.70	4,316.22	2,127.90	4.93
WBSEB	46.13	43.72	9.48	46.13	38.43	8.33
TVNL	2131.16	843.94	3.96	2,486.05	795.54	3.20
DVC (ST)	564.91	190.15	3.37	-	-	-
Open Market / Traders	-	-	-	-	-	-
PTC (ST)	-	-	-	-	-	-
APNRL	909.79	541.42	5.95	859.79	335.32	3.90
APNRL STOA	-	-	-	-	-	-
APNRL (ERLDC)	-	-	-	-	-	-
PGCIL	-	137.79	-	-	125.26	-
Posoco (ERLDC)	-	1.76	-	-	1.60	-
UI Payable	-	-	-	-	-	-
TATA Power	-	-	-	-	-	-
Mittal Power	-	-	-	-	-	-
Solar	23.78	42.71	17.96	23.78	42.71	17.96
Others	-	-	-	-	-	-
Inland	413.00	210.20	5.09	413.00	180.05	4.36
Banking of Power (Unit Banked)	-	-	-	-	-	-
Banking of Power (Unit Received)	-	-	-	-	-	-
Renewable (REC)	-	-	-	-	69.74	-
Total Purchase	**11331.81**	**5741.39**	**5.07**	**11,068.63**	**4,527.65**	**4.09**
State-owned Generation						
PTPS				659.50	134.68	2.04
SHPS				7.41	0.72	0.97
Sub-total	**666.90**	**145.49**	**2.18**	**666.91**	**135.40**	**2.03**
Net Power Purchase	**11998.71**	**5886.88**	**4.91**	**11,735.54**	**4,859.65**	**4.14**

Intra-State Transmission Charges

Petitioner's submission

6.26 The Petitioner has computed the transmission charges payable to JUSCL based on the Transmission Tariff Proposed by JUSNL in its Tariff Petition for FY 2015-16 i.e. Rs. 0.46/kWh. Accordingly, the Intra-state transmission charges claimed by the Petitioner are Rs. 338.86 Cr.

Commission's analysis

6.27 Commission has considered the tariff approved for JUSNL for FY 2015-16 for computation of transmission charges on energy wheeled through transmission network. The energy wheeled through transmission network has been considered as per approval granted in the previous section on Energy Requirement.

6.28 Transmission charges provisionally approved for FY 2015-16 are shown in the following table

Table 61: Intra-state Transmission Charges for FY 2015-16

Particulars	Petitioner's Submission	Approved
Energy Wheeled at Transmission Level (MU)	7444.59	7200.22
Transmission Charges (Rs./kWh)	0.46	0.19
Transmission Charges (Rs. Cr.)	338.66	137.38

Disincentive for Non-Achievement of T&D Loss Reduction Targets

Petitioner's submission

6.29 The Petitioner has submitted that it is making all efforts to reduce the losses and has requested the Commission not to deduct any amount on account of disincentives for non-achievement of T&D loss reduction target.

Commission's analysis

6.30 As per the trajectory approved in the Distribution Tariff Regulations 2010, the distribution loss target for FY 2015-16 is set at 15.50% whereas the Petitioner has proposed loss at 28%.

6.31 As described in Paras 6.9 and 6.10, the Commission does not find any merit in approving higher loss levels than the targeted norms as that would result in passing on the inefficiencies of the Petitioner to the consumers. Accordingly, the Commission has considered the power purchase done to meet the energy required based on normative loss levels and disallowed power purchase on account of high loss levels.

6.32 To compute the quantum of disallowed power purchase, Commission has considered the difference between the energy required for distribution and energy available for distribution.

6.33 The provisionally approved average power purchase cost per unit has been used to compute the disincentive for non-achievement of distribution loss reduction targets as summarised in the table below:

Table 62: Disincentive for Non-Achievement of targets for Distribution Losses

Particulars	Units	FY 2015-16
Intra State Sales	MU	8245.68
Distribution Loss Target	%	15.50%
Distribution Loss	MU	1512.52
Energy Required for Distribution	MU	9758.21
Inter State Sales	MU	0.00
Total Energy Required	MU	9758.21
Energy Available for Distribution	MU	11226.34
Disallowed Units due to Excess Loss	MU	1468.14
Average Power Purchase Cost	Rs./kWh	4.26
Disallowed Cost due to Excess Loss	**Rs. Cr.**	**625.14**

** From 6th January 2014 to 31st March 2014*

Capital Expenditure and Capitalisation

Petitioner's submission

6.34 The Petitioner has provided the details of capital expenditure and capitalization plans for major schemes such as R-APDRP, Rural Electrification Schemes, Annual Development Plan, etc. The opening balance of Capital Works in Progress (CWIP) has been considered equivalent to the closing CWIP for FY 2014-15. The CWIP and Capitalisation details as submitted by the Petitioner for FY 2015-16 is given below

Table 63: CWIP and Capitalisation for FY 2015-16 as submitted (Rs. Cr.)

<table>
<tr><th>Particulars</th><th>Opening CWIP</th><th>Expenses during the year</th><th>Total CWIP</th><th>Transferred to GFA</th><th>Closing CWIP</th></tr>
<tr><td>R-APDRP (PFC + GoI)</td><td rowspan="6">1575.68</td><td>10.00</td><td rowspan="6">1826.43</td><td>10.97</td><td rowspan="6">1556.71</td></tr>
<tr><td>APDRP (PFC Loan)</td><td>-</td><td>-</td></tr>
<tr><td>Rural Electrification (RE) Schemes – State</td><td>50.00</td><td>50.00</td></tr>
<tr><td>RGGVY Schemes</td><td>50.00</td><td>50.00</td></tr>
<tr><td>Annual Development Plan – State</td><td>130.00</td><td>130.00</td></tr>
<tr><td>Annual Development Plan - Kanke Hatia Line</td><td>10.75</td><td>28.75</td></tr>
<tr><td>Total</td><td>1575.68</td><td>250.75</td><td>1826.43</td><td>269.72</td><td>1556.71</td></tr>
</table>

Commission's analysis

6.35 Commission has considered the opening CWIP equivalent to provisionally approved closing CWIP for FY 2014-15 in this order. The Commission after scrutinizing the available information has provisionally approved the capital expenditure and Capitalisation undertaken during FY 2015-16 as submitted by the Petitioner i.e. Rs. 250.75 Cr and Rs. 269.72 Cr, respectively subject to true up based on audited accounts. The Petitioner is directed to submit the relevant documents including Detailed Project Reports, status of works, financing details, etc. as well as audited statements along with the True up Petition.

Gross Fixed Asset (GFA)

Petitioner's submission

6.36 The Petitioner has submitted closing GFA at Rs 2814.85 Cr for FY 2015-16.

Commission's analysis

6.37 The Commission has determined the opening balance of GFA for FY 2015-16 based on the closing GFA for FY 2014-15 provisionally approved in this Order.

6.38 Considering the capitalisation approved for FY 2015-16 in this Order, the Commission has determined the closing figures of GFA for FY 2015-16 as summarised in the following table:

Table 64: Approved GFA for FY 2015-16 (Rs. Cr.)

Particulars	Submitted by Petitioner	Approved by Commission
Opening GFA	2545.13	2545.13
Additions in GFA (Capitalization)	269.72	269.72
Closing GFA	**2814.85**	**2814.85**

Operation & Maintenance Expenses

Petitioner's submission

6.39 The Petitioner submitted that as per JSERC Tariff Regulations 2010, Operation and Maintenance (O&M) expenses include

- Salaries, wages, pension contribution and other employee costs;
- Administration and General expenses;
- Repairs and Maintenance;

6.40 For FY 2015-16, the Petitioner has projected employee expense at Rs. 300.58 Cr. which is based on the estimated employee expense of FY 2014-15 and inflation factor of 8.03%.

6.41 The Petitioner has projected A&G expense for FY 2015-16 at Rs. 63.97 Cr. which is based on the estimated A&G expense of FY 2014-15 and inflation factor of 8.03%.

6.42 For repairs and maintenance expenses, the Petitioner submitted that it assumed the K factor as 2.35% for the control period which was the ratio of R&M costs to opening GFA of the preceding year of the Base Year. Based on this assumption, the Petitioner has submitted R&M expenses as Rs. 59.93 Cr. for FY 2015-16.

6.43 The summary of O&M expenses for FY 2015-16 submitted by the Petitioner is as follows:

Table 65: O&M expenses for FY 2013-14 and FY 2014-15 as submitted (Rs. Cr.)

Particulars	FY 2015-16
Employee Expense	300.58
A&G Expenses	63.97
R&M Expenses	59.93
Total	**424.48**

Commission's analysis

6.44 As per Regulation 6.8 of JSERC Distribution Tariff Regulations, 2010, the O&M expenses permissible towards ARR of each year of the Control Period shall be approved based on the formula shown below:

O&Mn = (R&Mn + EMPn + A&Gn)*(1-Xn) + Terminal Liabilities

Where,
R&Mn – Repair and Maintenance Costs of the Licensee for the nth year;
EMPn – Employee Costs of the Licensee for the nth year excluding terminal liabilities;
A&Gn – Administrative and General Costs of the Licensee for the nth year;
Xn – is an efficiency factor for nth year. The value of Xn will be determined by the Commission in its first MYT order for the Control Period;

6.45 As per Regulation 6.9 of JSERC Distribution Tariff Regulations, 2010, the above components shall be computed in the manner specified below:

R&Mn = K*GFA
Where,
'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;
'GFA' is the opening value of the gross fixed asset of the nth year;

EMPn (excluding terminal liabilities) + A&Gn = (EMPn-1 + A&Gn-1)*(INDXn/ INDXn-1) + Gn
Where,
INDXn – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;
Gn – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking with the efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

INDXn = 0.55*CPIn +0.45*WPIn;

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

Employee Cost

6.47 The Commission has determined the employee cost for FY 2015-16 by increasing the employee cost (excluding the amount of arrears paid out on account of wage arrears and terminal benefits) provisionally approved for FY 2014-15 by the inflation factor of 8.64%. The Commission has provisionally considered the cost towards terminal benefits during FY 2015-16 to be same as that for FY 2014-15 subject to true up.

6.48 The employee cost determined by the Commission for FY 2015-16 is summarised in the following table:

Table 66: Computation of Employee Cost for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Employee cost for previous year	196.21
Less: Terminal Benefits	31.86
Gross employee cost for previous year	164.35
Escalation Factor	8.64%
Gross employee cost for the current year	178.55
Add: Terminal Benefits	31.86
Total employee cost for the current year	**210.41**

6.49 Thus, the employee cost as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is summarised in the following table:

Table 67: Employee Cost for FY 2015-16 (Rs. Cr.)

Particulars	FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission
Employee cost	300.58	210.41

A&G cost

6.50 The Commission has determined the A&G cost for FY 2015-16 by increasing the A&G cost provisionally approved for FY 2014-15 by the inflation factor of 8.64%. The A&G cost determined by the Commission for FY 2015-16 is Rs. 48.37 Cr.

6.51 Thus, the A&G cost as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is summarised in the following table:

Table 68: Approved A&G Cost for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
A&G cost	63.97	48.37

R&M Cost

6.52 The Commission has benchmarked the R&M costs as a proportion of the opening GFA for FY 2011-12 in accordance with the Distribution Tariff Regulations 2010. Accordingly the K factor considered by the Commission for estimating R&M cost for FY 2015-16 is 2.34%.

6.53 The R&M cost for FY 2015-16 has been computed by multiplying the 'k' factor with the approved opening GFA for FY 2015-16 which works out to Rs. 59.57 Cr.

6.54 Thus, the R&M cost as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is summarised in the following table:

Table 69: Approved R&M Cost for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
R&M Cost	59.93	59.57

6.55 Accordingly, the O&M cost as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is summarised in the following table:

Table 70: Approved O&M Cost for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Employee cost	300.58	210.41
A&G Cost	63.97	48.37
R&M Cost	59.93	59.57
O&M Cost	**424.48**	**318.35**

Consumer Contribution, Grants and Subsidies

Petitioner's submission

6.56 The Petitioner submitted that it has considered the amount of consumer contribution as per true-up of FY 2010-11 approved by Commission in Tariff Order of August 2012.

Commission's analysis

6.57 Commission has considered opening amount of consumer contributions for FY 2015-16 as per the closing amount of consumer contribution for FY 2014-15 provisionally approved in this Order. Additions in consumer contribution during the year FY 2015-16 have been considered based on past trends.

6.58 Consumer contribution, grants and subsidies deployed towards GFA has been computed in the ratio of GFA to sum of closing balances of GFA and CWIP.

Table 71: Approved Consumer Contribution for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Opening Consumer Contribution	2726.67
Additions	163.60
Closing Consumer Contribution	**2890.27**
Consumer Contribution deployed towards GFA	1861.05

Depreciation

Petitioner's submission

6.59 The Petitioner submitted that Depreciation for FY 2015-16 has been computed on average fixed assets after reducing the assets created out of consumer contributions, grants, etc. from the gross fixed assets. The Petitioner has considered the opening GFA for FY 2015-16 as per the closing of FY 2014-15 estimated by the Petitioner.

6.60 The Petitioner submitted that it has assumed 40% additions to GFA from consumer contributions, grants etc. The Petitioner has considered the depreciation rate at 5.28% on average basis. Accordingly the Petitioner has claimed depreciation amount of Rs. 108.29 Cr.

Commission's analysis

6.61 Commission has computed depreciation during the year by considering the depreciation rate of 5.94% on average GFA.

6.62 According to provision of Regulation 6.30 of JSERC Distribution Tariff Regulations, 2010, depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Considering the consumer contribution deployed towards GFA approved in this Order, the Commission has determined additions to depreciation on account of consumer contribution, grants and subsidies by apportioning the addition in depreciation in the ratio of consumer contribution, grants and subsidies deployed towards GFA and Closing GFA for the respective years.

6.63 The computation of the depreciation for FY 2015-16 is summarised in the following table:

Table 72: Computation of Depreciation for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Opening GFA	2545.13
Closing GFA	2814.85
Average GFA	2679.99
Depreciation during the year	159.13
Depreciation on account of Consumer Contribution	105.21
Net addition in Depreciation	**53.92**

6.64 Accordingly, the depreciation cost as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is as follows:

Table 73: Approved Depreciation for for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Depreciation	108.29	53.92

Interest and finance charges

Petitioner's submission

6.65 The Petitioner submitted that interest on normative loan is computed as per provisions of JSERC Tariff Regulations 2010. The Petitioner has considered the normative opening loan balance as per closing of FY 2014-15.

6.66 The Petitioner submitted that interest rate has been considered to be equal to the prime lending rate of SBI as applicable on 1st April of the relevant financial year and that the prevailing bank advance rate of SBI is 14.75% p.a.

6.67 Accordingly, the Petitioner submitted interest and finance charges for FY 2014-15 to be Rs 84.35 Cr.

Commission's analysis

6.68 Commission has computed the interest on normative loan as per the JSERC Distribution Tariff Regulations, 2010.

6.69 For funding of approved GFA, the Commission has considered normative debt-equity ratio of 70:30 as provided JSERC Distribution Tariff Regulations, 2010. Moreover, consumer contribution grants and subsidies for capital assets are to be first netted off from gross fixed assets and the normative debt-equity ratio is applied on the remaining gross fixed assets only.

6.70 The normative net loans are estimated after deducting accumulated depreciation from the value of gross assets.

6.71 The loan component has been worked out as summarized in the following table:

Table 74: Computation of Normative Loan for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Closing GFA	2814.85
Consumer Contribution deployed towards GFA	1861.05
Loan & Equity in GFA	953.80
Equity @ 30%	286.14
Accumulated Depreciation	1100.93
Accumulated Depreciation on account of Consumer Contribution	727.89
Net Accumulated Depreciation	373.04
Normative Loan	294.61

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

Table 75: Approved Sources of Funding for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Consumer Contribution deployed towards GFA	1861.05
Equity	286.14
Normative Loan	294.61
Net Accumulated Depreciation	373.04
GFA	**2814.85**

6.73 The interest on normative loan as computed by the Commission for FY 2015-16 is summarized in the following table:

Table 76: Computation of Interest on Normative Loans for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Opening Balance	284.11
Deemed Additions	64.42
Deemed Repayments	53.92
Closing Balance	294.61
Average Normative Loan	289.36
Rate of Interest (%)	14.75%
Interest on Normative Loan	**42.68**

6.74 Thus, the interest on normative loan as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is as follows:

Table 77: Interest on Normative Loans for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Interest on Loan	84.35	42.68

Interest on Security Deposits

Petitioner's submission

6.75 The Petitioner submitted that Interest on consumer security deposit is computed as per provisions of JSERC Tariff Regulations 2010 and JSERC Supply Code Regulations 2005. The Petitioner submitted that interest rate is considered as per prevailing RBI Bank rate which is 9.0% p.a. The opening balance of security deposit for FY 2015-16 is considered as per closing of FY 2014-15 estimated by the Petitioner and additions during the year are estimated based on additions in number of consumers.

Commission's analysis

6.76 The Commission has computed average security deposit per consumer during FY 2011-12 and FY 2012-13 on the basis of audited accounts for the respective years.

Table 78: Average Security Deposit per Consumer based on latest available audited accounts

Particulars	FY 2011 – 12	FY 2012 -13
Consumer Security Deposit (Rs. Cr.)	371.80	429.00
Number of Consumers	19,77,237	22,70,732
Security Deposit per Consumer (Rs.)	1880.41	1889.27
Average Security Deposit per Consumer (Rs.)	1884.84	

6.77 The Commission has then multiplied the average security deposit per consumer arrived as per methodology above with the number of consumers approved for FY 2015-16 in this Order to estimate the amount of security deposit for FY 2015-16.

6.78 The interest rate is to be considered as prescribed in JSERC Supply Code Regulations 2015 which provide that the Petitioner is to pay interest to the consumer at the SBI Base rate prevailing on 1st April of the relevant financial year i.e. 10.00% p.a. as on 1st April 2015. The interest on security deposit computed by the Commission for FY 2015-16 is summarized in the following table:

Table 79: Computation of Interest on Consumer Security Deposits for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Number of Consumers	30,85,106
Consumer Security Deposit per consumer (Rs.)	1884.84
Security Deposit (Rs. Cr.)	581.49
Interest Rate	10.00%
Interest on Consumer Security Deposit (Rs. Cr.)	**58.15**

6.79 Thus, the interest on consumer security deposit as submitted by the Petitioner and approved by the Commission for FY 2015-16 is summarized in the following table:

Table 80: Interest on Consumer Security Deposits for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Interest on Consumer Security Deposit	34.28	58.15

Interest on Working Capital

Petitioner's submission

6.80 The Petitioner has claimed normative interest on working capital as Rs. 51.02 Cr. for FY 2015-16 based on the provisions of JSERC Distribution Tariff Regulations, 2010 and considering an interest rate of 14.75%.

Commission's analysis

6.81 The Commission has considered the interest on working capital as per the norms specified in the JSERC Distribution Tariff Regulations, 2010.

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

e) Operation & Maintenance expenses for one month; plus

f) Maintenance spares @ 1% of opening GFA; plus

g) Receivables equivalent to expected revenue of two months; minus

h) Amount held as security deposit; minus

b) One month equivalent of cost of power purchased, based on the annual power procurement plan

6.83 Rate of interest on working capital shall be equal to the prime lending rate of SBI as applicable on the 1st April of the relevant financial year.

6.84 The interest on working capital as computed by the Commission for FY 2015-16 is summarised in the following table:

Table 81: Computation of Interest on Working Capital for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
O&M Expense for one month	26.53
Maintenance Spares @ 1% of GFA	25.45
Receivables (Two months)	761.01
Minus: Security Deposit	581.49
Minus: Power Purchase Cost (One month)	416.42
Total Working Capital Requirement	-184.92
Rate of Interest (%)	14.75%
Interest on Working Capital	-

6.85 Thus, the interest on working capital as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is as follows:

Table 82: Interest on Working Capital for FY 2015-16 (Rs. Cr.)

Particulars	FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission
Interest on Working Capital	51.02	-

Return on Equity

Petitioner's submission

6.86 The Petitioner submitted that Return on normative equity is computed as per provisions of JSERC Distribution Tariff Regulations 2010. The normative equity balance is computed @ 30% of net fixed assets. The Petitioner claimed normative return on equity at Rs. 68.63 Cr. for FY 2015-16.

Commission's analysis

6.87 Based on the normative equity approved for FY 2015-16 in this order, the Commission computed normative return on equity as follows:.

Table 83: Computation of Return on Equity for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Opening Equity	258.32
Additions in Equity	27.82
Closing Equity	286.14
Average Equity	272.23
Return on Equity @ 15.50%	**42.20**

6.88 Thus, the return on equity as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is summarized in the following table:

Table 84: Return on Equity for FY 2015-16 (Rs. Cr.)

Particulars	FY 2014-15	
	Submitted by the Petitioner	Approved by the Commission
Return on Equity	68.63	42.20

Non-Tariff Income

Petitioner's submission

6.89 The Petitioner submitted that Non-Tariff Income has been estimated as per audited accounts of FY 2012-13 and methodology being adopted previously i.e. net of funding cost for Delayed Payment charges. The non-tariff income has been considered as equal in each of the years of the control period. Accordingly the Petitioner has claimed Rs. 57.68 Cr as Non-Tariff Income respectively.

Commission's analysis

6.90 For FY 2015-16, Commission has considered an increase of 5% over non-tariff income provisionally approved for FY 2014-15 in this Order.

6.91 Thus, non-tariff income as submitted by the Petitioner and as approved by the Commission for FY 2015-16 is summarized in the following table:

Table 85: Non-Tariff Income for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Non-Tariff Income for Previous Year	57.68	305.82
Non-Tariff Income	57.68	321.11

Summary of ARR for FY 2015-16

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

Table 86: Approved ARR for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Power Purchase Cost	5886.88	4859.65
Transmission Charges (JUSNL)	338.86	137.38
Less: Cost Disallowed on Account of Excessive T&D Losses	-	625.14
Employee Expense	*300.58*	*210.41*
A&G Expense	*63.97*	*48.37*
R&M Expense	*59.93*	*59.57*
Total O&M Expense	424.48	318.35
Depreciation	108.29	53.92
Interest and Finance Charges	84.35	42.68
Interest on Security Deposits	34.28	58.15
Interest on Working Capital	51.02	-

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Return on Equity	68.63	42.20
Less: Non-Tariff Income	57.68	321.11
Aggregate Revenue Requirement	**6939.10**	**4566.08**
Average cost of supply	**8.47**	**5.54**

Revenue from Existing Tariff

Petitioner's submission

6.93 The Petitioner submitted that revenue from existing tariff for FY 2015-16 has been estimated at Rs.2979.87 Cr based on projected energy sales for FY 2015-16 and existing tariffs.

Commission's analysis

6.94 The Commission has computed the category-wise revenue from sale of power for FY 2015-16 based on the provisionally approved sales, number of consumers and connected load for the year in this Order and the category-wise existing tariffs as per the Order dated 2nd August 2012.

6.95 Details of category wise revenue at existing tariff for FY 2015-16 as proposed by the Petitioner and as approved by the Commission is provided in the table below:

Table 87: Category wise Revenue at Existing Tariff for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Domestic	591.95	762.63
Non Domestic	322.37	272.34
Street Light Service	33.75	23.44
IAS	5.23	8.23
MES	16.45	7.75
LTIS	117.93	144.04
HTS	1156.56	1192.96
HTSS	319.17	344.38
RTS	416.46	433.89
Total	**2979.87**	**3189.65**

Revenue Deficit at existing tariffs for FY 2015-16

Petitioner's submission

6.96 Based on proposed ARR and revenue from sale of power at existing tariffs, the Petitioner has computed the revenue gap at existing tariffs for FY 2015-16 as Rs. 3959.23 Cr.

6.97 Further, the Petitioner has estimated the cumulative revenue gap for FY 2015-16 at Rs. 7353.84 Cr including carrying cost @ 14.75% p.a. on previous year's gaps, which has been summarised in table below.

Table 88: Cumulative Revenue Gap and Carrying Cost (Rs. Cr.) as submitted by the Petitioner

Particular	FY 2013-14*	FY 2014-15	FY 2015-16
Opening Revenue Gap	0	617.23	3394.61
Revenue Gap / (Surplus) during the Year	505.41	2586.62	3959.23
Closing Gap at end of the Year	**505.41**	**3203.85**	**7353.84**
Rate of Interest (As per prevailing SBI PLR rate)	14.75%	14.75%	14.75%
Carrying Cost	111.82	190.76	-
Total Gap including carrying cost	**617.23**	**3394.61**	**7353.84**

**6th January 2014 to 31st March 2014*

Commission's analysis

6.98 Based on the approved ARR and revenue at existing tariffs, the Commission has estimated the revenue gap for FY 2015-16 at Rs. 1376.43 Cr.

Resource Gap Funding

Petitioner's submission

6.99 During the FY 2015-16, the Petitioner is budgeted to receive Rs. 1000 Cr as resource gap funding from State Government. However, the Petitioner submitted that the resource gap funding amount should not be considered as a measure to reduce the revenue gap.

Commission's analysis

6.100 The Commission is of the view that the norms of operation are specified to improve the performance of the Petitioner. Further, the norms also provide that any gain due to improvement in efficiency shall be to the account of the Petitioner, thus passing on the inefficiencies to the consumers is unjustified. Accordingly, the Commission approves the ARR on the basis of norms specified in the Distribution Tariff Regulations 2010.

6.101 However, as the Commission disallows power purchase cost on account of high T&D losses, in order to provide support to the Petitioner and to meet the obligations arising from power generators, the resource gap funding provided by the State Government is allowed to be utilised for meeting such disallowance. On analysis of the submissions made by the Petitioner, the Commission observed that the quantum of resource gap budgeted for FY 2015-16 was higher than the amount disallowed against power purchase cost due to non-achievement of normative distribution loss trajectory in the approved ARR.

6.102 The Commission is of the opinion that the remaining resource gap funding available to the Petitioner after accounting for the aforesaid disallowance should be considered for meeting the approved revenue gap. Thus, the resource gap funding available to meet revenue gap has been summarised as follows:

Table 89: Resource Gap Funding budgeted to meet revenue gap for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16
Resource Gap Funding budgeted	1000.00
Disallowances on account of excessive T&D Losses	625.14
Net Resource Gap Funding	**374.86**

6.103 The revenue gap for FY 2015-16 after considering the resource gap funding as approved by the Commission is Rs. 1001.7 Cr, as summarised below.

Table 90: Approved Revenue Gap after resource gap funding for FY 2015-16 (Rs. Cr.)

Particulars	Approved by the Commission
ARR	4566.08
Revenue from Sale of Power	3189.65
Gross revenue gap	**1376.43**
Net Resource Gap Funding to meet revenue gap	374.86
Revenue Gap after resource gap funding for FY 2015-16	**1001.57**

6.104 Cumulative revenue gap upto FY 2015-16 after considering net resource gap funding approved by the Commission has been summarised below.

Table 91: Approved Cumulative Revenue Gap and Carrying Cost (Rs. Cr.)

Particular	FY 2013-14*	FY 2014-15	FY 2015-16
Opening Revenue Gap as on 1st April	0	50.64	(146.04)
Revenue Gap / (Surplus) created during the Year	49.80	(204.16)	1001.57
Closing Gap at end of the Year	**49.80**	**(153.51)**	**855.53**
Rate of Interest (As per prevailing SBI PLR rate)	14.45%	14.75%	14.75%
Carrying Cost on Opening Balance	-	7.47	-
Carrying Cost on Additional Gap Created	0.84	-	-
Total Carrying Cost	**0.84**	**7.47**	**-**
Total Gap including carrying cost	**50.64**	**(146.04)**	**855.53**

**6th January 2014 to 31st March 2014*

A7. TARIFF DETERMINATION FOR FY 2015-16

Treatment of Revenue gap and Tariff hike

Petitioner's Submission

7.1 The Petitioner submitted that the last tariff revision was done in August 2012, i.e. approximately two and a half years ago. During this period, the fuel costs have been the main reason for increase in the expenses. The Petitioner further submitted that the O&M expenses and other related costs have also increased and hence the Revenue Gap has increased substantially.

7.2 The Petitioner also submitted that increase in power procurement cost is mainly attributable to increasing coal prices due to which tariff are further expected to rise in near future.

7.3 The Petitioner submitted that given the significant amount of revenue gap, the whole impact may be not be able to be passed through a revision in retail tariffs, as it may lead to massive tariff shock. The Petitioner proposed to meet the partial revenue gap through tariff increase and balance through creation of Regulatory Asset.

7.4 Accordingly, the Petitioner submitted a proposal for average tariff hike of 40% which would lead to additional revenue of Rs. 1199.19 Cr. leaving a Cumulative Revenue gap of Rs. 6154.65 Cr. The tariff schedule proposed by the Petitioner is reproduced hereunder:

Table 92: Tariff Proposed by the Petitioner for FY 2015-16

Category	Existing Fixed Charges	Proposed Fixed Charges	Existing Energy Charge (Rs/kWh)	Proposed Energy Charges (Rs/kWh)
DS-I (a), Kutir Jyoti (metered) (0-50)	Rs.15 per conn. per Month	Rs.25 per conn. per Month	1.20	1.50
DS-I (a), Kutir Jyoti (metered) (50-100)	Rs.15 per conn. per Month	Rs.25 per conn. per Month	1.20	1.50
DS-I (a), Kutir Jyoti (Unmetered)	Rs.40 per conn. per Month	Rs.125 per conn. per Month	NIL	NIL
DS-I (b), Metered (0-200)	Rs.25 per conn. per Month	Rs.35 per conn. per Month	1.40	1.95
DS-I (b), Metered (above 200)	Rs.25 per conn. per Month	Rs.40 per conn. per Month	1.50	2.05
DS-I (b), Other	Rs.100 per	Rs.175 per	NIL	NIL

Category	Existing Fixed Charges	Proposed Fixed Charges	Existing Energy Charge (Rs/kWh)	Proposed Energy Charges (Rs/kWh)
Rural Domestic Connections (Unmetered)	conn. per Month	conn. per Month		
DS-II 4 KW				
0-200	Rs.40 per conn. per Month	Rs.100 per conn. per Month	2.40	2.90
201-500	Rs.60 per conn. per Month	Rs.150 per conn. per Month	2.90	3.20
500 and above	NIL	Rs.200 per conn. per Month	NIL	3.90
DS-III, Above 4 kW	Rs.100 per conn. per Month	Rs.175 per conn. per Month	3.00	4.5
DS HT	Rs.75 per kVA per Month	Rs.125 per kVA per Month	2.60	3.40
NDS-I, Metered (<=2kW) (0-100)	Rs.30 per conn. per Month	Rs.75 per conn. per Month	1.75	3.25
NDS-I, Metered (<=2kW) (above 100)	Rs.30 per conn. per Month	Rs.75 per conn. per Month	1.75	3.25
NDS-I unmetered (<=2kW)	Rs.175 per conn. per Month upto 1 kW and Rs.60 per kW per month for each additional 1 kW or part thereof	Rs.300 per conn. per Month upto 1 kW and Rs.75 per kW per month for each additional 1 kW or part thereof	NIL	NIL
NDS-II	Rs.175 per kW per Month	Rs.300 per kW per Month	5.25	6.50
NDS-III (existing)	Rs.150 per conn. per Month	NIL	6.00	NIL
NDS-III (proposed)	NIL	Rs.250 per kW per Month	NIL	7.00
LTIS (Installation Based Tariff)	Rs.130 per HP per month	Rs.225 per HP per Month	4.90	5.90
LTIS (Demand Based Tariff)	Rs.235 per kVA per Month	Rs.375 per kVA per Month	4.90	5.90
IAS-I Metered	NIL	NIL	0.60	1.00
IAS-I Unmetered	Rs.70 per HP per month	Rs.125 per HP per month	NIL	NIL
IAS-II Metered	NIL	NIL	1.00	1.50
IAS-II Unmetered	Rs.280 per HP per month	Rs.500 per HP per month	NIL	NIL
HTS-11 KV	Rs.235 per kVA per month	Rs.375 per kVA per month	5.40	6.95

Category	Existing Fixed Charges	Proposed Fixed Charges	Existing Energy Charge (Rs/kWh)	Proposed Energy Charges (Rs/kWh)
HTS-33 KV	Rs.235 per kVA per month	Rs.375 per kVA per month	5.40	6.95
HTS-132 KV	Rs.235 per kVA per month	Rs.375 per kVA per month	5.40	6.95
HTSS-11 KV	Rs.410 per kVA per month	Rs.550 per kVA per month	3.25	5.00
HTSS-33 KV	Rs.410 per kVA per month	Rs.550 per kVA per month	3.25	5.00
HTSS-132 KV	Rs.410 per kVA per month	Rs.550 per kVA per month	3.25	5.00
RTS	Rs.220 per kVA per month	Rs.300 per kVA per month	5.40	6.50
SS-I (Metered)	Rs.35 per conn. per month	Rs.75 per conn. per month	4.45	5.50
SS-II (Unmetered)	Rs.140 per 100 watt lamp and Rs.30 for each additional 50 watts and part thereof	Rs.235 per 100 watt lamp and Rs.50 for each additional 50 watts and part thereof	NIL	NIL
REC	NIL	NIL	0.90	1.50
MES	Rs.205 per kVA per month	Rs.275 per kVA per month	4.05	5.00

7.5 The Petitioner prayed to the Commission to approve the balance revenue gap as Regulatory assets worth Rs.**6154.65** Cr. and also provide an appropriate recovery mechanism to recover the Regulatory Assets as per the provisions of Tariff Regulations 2010 and guidelines of National Tariff Policy 2006. The Petitioner further prayed to the Commission to allow reasonable interest on the outstanding regulatory asset from the year of accrual till year of recovery.

7.6 The Petitioner brought to the notice of the Commission that due to non-revision in retail tariffs, the Petitioner is facing huge financial crunch due to which it is not able to pay back its suppliers/ contractors dues on time and even the day to day workings of the Petitioner has been impacted due to the deteriorated financial health of the Petitioner.

7.7 The Petitioner submitted that if the process of tariff revision would take more time, the Commission may allow recovery by way of Interim Relief w.e.f. 1st April 2015 so that Petitioner is able to function and operate in a stable manner.

Commission's Analysis

7.8 The Commission has estimated the cumulative revenue gap for FY 2015-16 along with carrying cost at Rs. 855.52 Cr. To meet the entire revenue gap, an approximate hike of 27% shall be required and it shall result in severe tariff shock to the consumers. That apart, the Commission is of the view that in absence of audited accounts for FY 2013-14 (post unbundling) and FY 2014-15, true up for distribution function of erstwhile JSEB for period FY 2011-12, FY 2012-13 and FY 2013-14 up to 5th January 2014, non-finalization of transfer scheme by the Govt. of Jharkhand, high operational inefficiencies due to high T&D losses etc, the quantum of hike proposed/assessed can not be simply passed on to the consumer.

7.9 In order to have a balanced view on the claim of the petitioner and the facts and circumstances appearing on record, the Commission constituted a Committee of Experts drawn from various fields within the State. Meeting of the Committee was held on 10th November 2015, wherein several issues pertaining to the Petition were discussed. The Committee after deliberation expressed its view that the Petitioner is trying to make up for its losses and inefficiencies by demanding an exorbitant hike in tariff, though the Petitioner has not made out any tenable grounds/justification for warranting an increase beyond five percent (5%) which may be allowed considering that there was no tariff revision for past 2-3 years.

7.10 The Commission vide letter no. JSERC/Case(T) No. 3 & 4 of 2015/668 dated 4th November 2015 had sought comments from the State Government on the Tariff Petition of JBVNL and JUSNL. The State Government submitted its views on the above mentioned Petitions vide letter no. 2897 dated 14th November 2015 attached as Annexure 5 to this Order. The State Government expressed views on several aspects including unbundling, finalization of transfer scheme, tariff hike, resource gap funding etc. and in substance supported the petitioners claim of hike.

7.11 The State Government particularly highlighted that the gap between ACS and ABR has increased significantly and the tariffs in the past were not reflective of the actual cost incurred by JBVNL. Further, that there have been significant disallowances in the past and the regulatory disallowances may be kept to minimum extent possible and the revision of tariff should be reflective of the actual ARR. However, the State Government totally lost sight of the inherent deficiencies and want of the material support to substantiate the extent of claim of the petitioner and has not made any comment to that regard.

7.12 The Commission takes notice with concern that there has been no tariff revision in the State for past three years, and that during this period, the Petitioner has incurred capital expenditure towards various schemes essential for the augmentation and strengthening of the distribution network of the State as well as reduction in losses. The Power Purchase cost which constitutes more than 80% of the total costs of the Petitioner has also seen an average increase of 8%-9% in last few years. In addition, other costs such as O&M expenses have also increased in a range of 7-8% in past few years. Further that in the scheme of the Electricity Act 2003 and National Tariff Policy 2006, it is imperative to design cost reflective Tariffs to ensure long term viability of the sector.

7.13 Whereas looking to the inherent deficiencies in the petition and want of supporting material on record, the Commission finds itself at the cross-road to strike balance. The one and the straight option is to throw away the petition on the ground of want of Business plan, audited accounts, authentic information on rebates and surcharges etc. But it may have a serious consequences of further worsening the already deteriorating financial health of the petitioner on the one hand and on the other the accumulated effect of financial burden, which may be assessed later on and shifted on to the consumers, may cause heavy tariff shock and severe consequences.

7.14 The Commission after detail discussion and deliberation has worked out a modality to arrive at a conclusion taking the help of the opinion of the expert committee and taking judicial notice of adverse financial effect on the licensee due to non-revision of the tariff for 2-3 years, the increasing costs in power purchase, O&M, interest, etc., and the Commission has arrived at a conclusion for an **average increase of 8% in tariffs** to ensure overall financial sustainability of the power sector and protect the Consumer from a sudden heavy tariff shock in future.

7.15 This increase in tariff will lead to additional revenue of **Rs. 249.66 Cr.** leaving a cumulative revenue gap of Rs. 605.87 Cr which shall be adjusted at the time of final true up for FY 2011-12 to FY 2013-14 (upto 5th Jan 14) pertaining to distribution function of erstwhile JSEB and for FY 2013-14 (6th Jan 14 to 31st Mar 14) and FY 2014-15 for the Petitioner based on audited accounts for respective years.

7.16 Details of category wise revenue for FY 2015-16 based on proposed tariffs as submitted by the Petitioner and approved tariffs by the Commission has been provided in the table below:

Table 93: Category wise Revenue at Revised Tariff for FY 2015-16 (Rs. Cr.)

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
Domestic	949.64	814.87
Non Domestic	439.87	294.03
Street Light Service	50.42	25.31
IAS	9.09	8.85
MES	20.76	8.39
LTIS	159.82	155.51
HTS	1559.85	1292.83

Particulars	FY 2015-16	
	Submitted by the Petitioner	Approved by the Commission
HTSS	479.82	370.52
RTS	509.77	468.99
Total	**4179.06**	**3439.31**

Reduction in cross subsidy

7.17 The Commission strongly believes that a cost based tariff structure promotes efficiency, economic investment and rational consumption. Section 61 (g) of the Electricity Act, 2003 also states that tariffs should progressively reflect the cost of supply of electricity and the Commission should reduce cross subsidies gradually within a specified period. Section 61 (d) of the Act provides for safeguarding of the consumers' interest and at the same time recovery of the cost of electricity in a reasonable manner.

7.18 The existing tariff structure in Jharkhand is not based on the consumer category-wise cost of supply and the commercial and industrial consumers have been cross subsidizing other consumers like domestic and agricultural to a great extent. The Commission intends to move in the direction of removing this distortion in a phased manner.

7.19 For this purpose, the Commission has used the average cost of supply due to lack of reliable data on the category-wise cost of supply. The average cost of supply as approved by the Commission for FY 2015-16 is Rs 5.54 per kWh.

Table 94: Reduction in Cross Subsidy

Category	Sales	Avg Existing Tariff	Avg CoS	Revenue at Existing Tariff	Revenue at Avg CoS	Cross Subsidy Generated / Utilised	Revenue at Approved Tariff	Avg Approved Tariff	Subsidy Generated/ Utilised at Approved Tariff
Domestic	4116.32	1.85	5.54	762.63	2279.43	-1516.80	814.87	1.98	-1464.56
Non Domestic	455.19	5.98	5.54	272.34	252.06	20.28	294.03	6.46	41.97
Public Lighting	214.69	1.09	5.54	23.44	118.88	-95.44	25.31	1.18	-93.57
IAS	86.76	0.95	5.54	8.23	48.04	-39.82	8.85	1.02	-39.19
MES	15.57	4.97	5.54	7.75	8.62	-0.88	8.39	5.39	-0.24
LTIS	172.31	8.36	5.54	144.04	95.42	48.62	155.51	9.03	60.10
HTS	1735.68	6.87	5.54	1192.96	961.14	231.82	1292.83	7.45	331.69
HTSS	774.01	4.45	5.54	344.38	428.61	-84.23	370.52	4.79	-58.09
RTS	675.16	6.43	5.54	433.89	373.87	60.01	468.99	6.95	95.12
Total	8245.68	3.87	5.54	3189.65	4566.08	-1376.43	3439.31	4.17	-1126.77
Cross Subsidy Generated						-1737.17			-1655.65
Cross						360.74			528.88

Category	Sales	Avg Existing Tariff	Avg CoS	Revenue at Existing Tariff	Revenue at Avg CoS	Cross Subsidy Generated / Utilised	Revenue at Approved Tariff	Avg Approved Tariff	Subsidy Generated/ Utilised at Approved Tariff
Subsidy Utilised									

Proposed Changes in Tariff Schedule

Petitioner's Submission

7.20 The Petitioner has proposed multiple changes in the Tariff Schedule apart from hike in fixed charges, demand charges and energy charges. These are summarized below:

a) Load Factor Penalty: The Petitioner has proposed that HT consumers having load factor less than 30% continuously for 3 months would not be allowed to draw power during peak hours. Based on the TOD metering data, such consumers continuously having load factor below 30% shall be charged @1.5 times of applicable tariff for the energy consumed during peak hours.

b) Load Factor Rebate: The Petitioner stated that as per the existing practice in other states, load factor rebate is offered only on energy charges for consumption recorded over and above the cut-off limits for load factor rebate. The Petitioner has prayed that the load factor rebate should be made applicable only on the energy charges alone and not on both energy and demand charges.

c) Voltage Rebate: The Petitioner stated that offering voltage rebate on demand as well as energy charges is not logical and has requested to redefine the applicability of the voltage rebate to be applicable only on the energy charges and not on both demand and energy charges.

d) Power Factor Penalty: The Petitioner has proposed that in case average power factor in a month for a consumer falls below 0.90, a penalty @ 1% for every 0.01 fall in power factor from 0.90 to 0.60; plus 3% for every 0.01 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied only on energy charges.

e) Power Factor Rebate: The Petitioner has proposed that rebate shall be offered to consumers maintaining power factor above 0.90. A rebate equivalent to 1% would be applicable for power factor above 90% and 2% (cumulative) for power factor above 95% on energy charges.

f) Distinct Categorization of Rolling Mills and other associated operation with Induction Furnace under HTS: The Petitioner has proposed that Rolling mills and other associated operations should be considered exclusively under HTS category. In case there are any combined operation where rolling mills/other associated operations occur with induction furnace under the same premise, then separate metering arrangements as well as boundary separation of the operations must be done to segregate the units consumed exclusively for induction furnace and rolling mills/other associated operations.

g) Tariff approval for temporary supply: The Petitioner stated that the Commission had earlier approved tariff for temporary supply in Tariff Order 2011-12. However, the same was missed in Tariff Order 2012-13. The Petitioner requested the Commission to approve tariff for temporary supply in the current order. The submissions of the Petitioner with respect to temporary supply are summarized below:

- Temporary tariff is proposed to be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.

- Temporary connections shall be made to pay consumption security deposit equivalent to 45 days of sale of power which shall be based on the assessment formula (LDHF) prescribed by the Commission.

- Temporary connections shall initially be provided for a period of up to 45 days which can be extended on month to month basis up to six months.

h) Separate category for Seasonal Supply: The Petitioner has proposed to introduce tariff for seasonal supply.

i) Penalty for exceeding Contract Demand: The Petitioner has stated that the present clause of penalty is applicable only when actual demand exceeds 110% of the contract demand and furthermore penalty is levied on the demand recorded over and above 110% of contract demand. The Petitioner has proposed to levy penalty on the entire additional demand and not over and above 110% of the contract demand.

j) Metering Facility: The Petitioner has proposed that all HTS & HTSS consumers should have demand recording facility @ 15 minutes time integration. This will enable utility to manage its load profile during power restrictions. This will also enable Petitioner to match the profile/ scheduling with the SLDC/ ERLDC and assist in energy accounting. It may be noted that Regional Energy Accounting (REA) and other power drawal & scheduling are done on 15 minutes time block.

k) Restriction of Connected Load for Demand Based Tariff: The Petitioner has proposed to remove restrictions of connected load criteria for demand based tariff for HTS category as any such relaxation will prompt other consumers to opt for such mechanism. Further the benefit to one particular class of category should not be burden to other class of consumer. The Petitioner has suggested that connected load criteria as prevailing in tariff order/ supply code/ conditions of supply for release of load under LT or HT category should not be relaxed.

l) NOC for switchover to other licensee: It is proposed by the Petitioner that any consumers switching over to the other licensee shall have to compulsorily clear off all the dues and obtain 'No Objection Certificate' (NOC) mandatorily, failing which energy bills shall be generated based on the contract demand or maximum demand during last six months, whichever is higher despite power supply being disrupted. Penalty for exceeding contract demand shall also be applicable.

m) Removal of Clause 13 from HT Agreement: The Petitioner had earlier submitted a review Petition to the Commission regarding removal of clause 13 from HT Agreement. However, no decision has been arrived at so far. Therefore, the Petitioner would like to resubmit its request for removal of Clause 13 from the HT agreement. The Petitioner requests the Commission to notice that the minimum guaranteed charges are presently not applicable to the consumers and as such the requirement to adjust or proportionately reduce such charges based on the ability of the consumer to take or the Board to supply energy doesn't reasonably fit into the agreement. The Petitioner has requested the Commission to remove the said Clause.

Commission's View

7.21 The Commission constituted a Committee of experts in the relevant field consisting of eleven members including Electricity Ombudsman, Jharkhand as Chairperson with the mandate to examine all such issues involved in the Tariff Petition filed by JBVNL and submit opinion on item-wise claim made in the Petition. A meeting was held on 10^{th} of November of 2015 where the Committee, in addition to discussion on tariff hike and defects in the petition, discussed in detail the changes proposed in the tariff schedule by the Petitioner.

7.22 The Petitioner has proposed multiple changes in the Tariff Schedule; however has failed to submit any detailed evaluation of financial impact of any of the proposals and any benefit accruing from such proposals has only been provided in a theoretical manner. Any proposal to be accepted has to be first evaluated on the basis of its implication to both the Petitioner as well as the stakeholders. In absence of details like financial impact, timelines, etc. it will not be appropriate to accept such changes. Although, in order to ensure that the Petitioner or the stakeholders are not penalized for it, the Commission has evaluated the merits of the proposed changes.

7.23 In case of proposal for change in **Load Factor Penalty, Voltage Rebate,** the Expert Committee proposed that changes should not be allowed as same are against principles of equity and would result in burdening consumers. The Commission agrees with the opinion of the Committee and therefore rejects the proposed changes.

7.24 In case of proposal for change in application of **Load Factor Rebate**, the Commission in its review order dated 6th May 2014 had considered the submission made by the Petitioner and allowed necessary changes to be made in subsequent tariff order. Accordingly, the Commission accepts the proposal of the Petitioner to provide Load Factor Rebate on energy charges only. This is also in line with provisions allowed JUSCO and TSL.

7.25 **In case of proposed changes in Power Factor Penalty** and **Power Factor Rebate,** the Commission is of the view that Penalty/Rebate should be equal. Moreover, the Petitioner has failed to provide any analysis in support of its claims. Thus, the Commission does not accept the proposal of the Petitioner.

7.26 With regards to **distinct categorisation of Rolling Mills and other associated operations with Induction Furnace under HTS**, the Petitioner has not been able to clearly state the current situation and the problem being faced. Moreover, the Commission is of the view that in absence of detailed evaluation of the proposed change which should include both financial and practical implications; it will not be proper to accept the change.

7.27 The Commission has approved the tariff for providing temporary supply. The Commission has not accepted the prayer of the Petitioner with respect to extension of the initial period of temporary supply as it may lead to undue burden on consumers requiring temporary supply for shorter period of time. For consumers requiring temporary supply for a longer period of time, the existing clauses are deemed appropriate.

7.28 The Commission has not approved the creation of a separate category of supply for consumers seeking **seasonal tariff.** The Petitioner is directed to submit a detailed proposal with information on anticipated number of consumers, connected load, sales and category of such consumers applying for such connections. The methodology used to propose the tariff for each sub category should also be justified by linking the same to the increase in costs to supply such consumers (if any). Accordingly this matter shall be taken up once the required proposal complete in all aspects is submitted by the Petitioner.

7.29 For the proposal of **penalty to be levied on the entire additional demand above the maximum contracted demand** instead of over and above 110% of maximum contracted demand, the Committee was of the view that Energy Policy notified by the State Government should be implemented. Also, the existing provision is in line with what is being followed by other Licensees as well as in other states and hence requires no change. The Commission agrees with the same and does not accept the proposal for levying penalty on entire additional demand beyond the contracted demand.

7.30 The Commission is of the view that the proposal for **all HTS & HTSS consumers to have demand recording facility @ 15 minutes time integration** for better management of load profile during power restriction needs to be elaborated in detail and an action plan for modification of the set facility should be submitted to the Commission along with the time required to carry out the replacement of meters and its financial implications so that the proposal may be evaluated on its merits.

7.31 The Committee of experts constituted by the Commission is of the view that no changes should be made with regards to **Restriction of Connected Load for Demand Based Tariff**. The Commission agrees with the same and does not accept the proposal of the Petitioner in this regards.

7.32 The proposal of the Petitioner to make it compulsory for consumers switching over to other licensees to obtain NOC and the related penalties has not been considered as part of this Tariff Order. The procedure with respect to termination of agreement forms part of JSERC Supply Code Regulations, 2015.

7.33 In case the Petitioner is facing difficulties in the procedure for termination of the agreement with consumer, the Petitioner may submit a proposal for suitable amendments in the JSERC Supply Code Regulations 2015 with detailed justification for the same.

7.34 The Commission has dealt with the proposal to remove clause 13 from HT agreement in detail in the Order dated August 2, 2012 and May 6, 2014. The relevant extract has been reproduced below:

"During the course of public hearings, the Petitioner made a presentation of their ARR & Tariff Petition including additional terms and conditions of supply. In their presentation, they requested that Clause 13 of the HT Agreement to which the consumers have referred to above, be deleted. The consumers vehemently objected to it and said that the HT agreement, after consultation with all stakeholders, have been approved by the Commission and there is no reason to delete the said clause now through this Tariff Order. The Commission agrees with the views of the consumers and do not see any reason to delete the said Clause 13 of HT agreement, which basically protects the interest of the consumers".

7.35 Thus, for the same reasons, already recorded, the Commission does not accept the said proposed of removing Clause 13 of the HT agreement.

Other Tariff Related Issues

Petitioner's Submission

7.36 The Petitioner submitted that the tariff of the Petitioner in the license area has been very low as compared to other licensees in the country with similar area, load profile and consumer mix.

7.37 The Petitioner stated that the distribution losses are also on higher side whereas the Commission has approved loss trajectory in JSERC Distribution Tariff Regulations 2010 on lower side without considering actual power sector scenario of the State utility. The losses have further been affected with issues related to collection efficiency. Also, the Commission has also not allowed provision/ write-off of actual bad-debts which is allowed by other State Commissions.

7.38 The Petitioner stated that the state has been suffering from lack of quality, reliable and continuous power generation from state power generating utilities resulting into higher purchases from other sources. Increasing costs and declining revenues have widened the revenue gap in past few years for distribution function. The present tariffs are insufficient to match these costs of services. The Petitioner highlighted the recent coal shortage and resultant price increases issues which has further aggravated the revenue gap issues.

7.39 The Petitioner requested the Commission to align the categorisation and terms and conditions of supply considering practical issues of the Petitioner.

7.40 The Petitioner submitted that it has been deprived of the revenue requirement / legitimate claims at proper time due to which the revenue gap has increased/ has been increasing and accumulated over the years. There have been certain claims of the Petitioner which are not approved in line with audited accounts while approving past true-ups

7.41 The Petitioner also submitted that the revenue gap has increased or revenue at revised tariff is approved at higher side as Rebates/ discounts/ load factor for HT Consumers have not been considered by the Commission while processing the Tariff Order. The Petitioner prayed to the Commission to consider the effect of rebates/ discounts / load factor in this tariff order while computing revenue from sale of power.

7.42 The Petitioner further submitted that the revenue from domestic category of consumers as worked out by the Commission always works out at a higher side compared to the actual trend. The Petitioner prayed to the Commission to provide the working of the revenue from domestic category along with the Tariff Order

Commission's Analysis

7.43 The tariff of Petitioner should commensurate with allowable costs incurred by the Licensee as per the relevant Tariff Regulations and as such cannot be compared with the Tariff of Licensees in other States. Moreover the other distribution Licensees in the state have been able to improve performance over the years and supply power at a cost effective tariff. The Petitioner has not been able to demonstrate any significant improvement in its performance and should not impose undue burden on the consumers towards inefficiencies of the Petitioner.

7.44 The claim of the Petitioner that the coal prices have increased is incorrect. Further, the international crude oil prices have decreased resulting in decrease in domestic oil price. The downwards swing in RBI lending rate shall also help in reducing the costs of the Petitioner.

7.45 The Commission directs the Petitioner that interest on security deposit should be credited in the consumers accounts latest by the month of June of the following financial year. Therefore the categorization of consumers as existing should be continued.

7.46 It has been a constant endeavor of the Commission to evaluate all proposals and Petitions filed by the Petitioner in detail and do not find that at any time legitimate claims have been denied. The Petitioner itself has erred on a number of occasions and has been unable to provide the required details for processing of the Petitions.

7.47 The Commission agrees with the Petitioner that all relevant factors like rebates/discounts/load factor should be taken into account for a more accurate forecast, however the Petitioner itself has not been able to submit any details on the rebate allowed during the year or any segregation in the revenue forecasts has been made. Further the Petitioner has continuously failed to provide complete information required as per the Tariff filing formats. In this scenario, it is quite unreasonable to expect from Commission to consider impact of certain rebates without providing any relevant data or analysis whatsoever.

7.48 The Commission works out the revenue from each category based on the approved tariff and slab wise estimates for sales, consumers and connected load. The slab wise forecast is based on the details submitted by the Petitioner. The forecast to be more accurate, it is essential that the Petitioner provides accurate and complete details and fills in all the requisite formats completely.

A8. APPROVED TARIFF FOR FY 2015-16

Wheeling Tariff for FY 2015-16

Petitioner's Submission

8.1 The Petitioner submitted that it has segregated employee costs and A&G costs equally among the wheeling business and supply business. The Petitioner also submitted that since most of the existing fixed assets as well as planned addition in the fixed assets during the control period belong to the wheeling business therefore the segregation of cost items dependent on the GFA should be done in a manner which allocates majority of those cost heads to the wheeling business. Accordingly, the Petitioner has allocated 90% of depreciation costs, interest and finance charges and return on equity to the wheeling business. The costs allocated to the wheeling business and supply business, as submitted by the Petitioner are as under:

Table 95: Cost Allocation to Wheeling and Supply Business (%) as submitted

Particulars	Total ARR	Allocation to wheeling	Allocation to Supply	Cost allocated to Wheeling	Cost allocated to Supply
-Employee cost	300.58	50%	50%	150.3	150.3
-R&M expenses	59.93	100%	0%	59.9	0.0
-A&G expenses	63.97	50%	50%	32.0	32.0
Total Interest and Finance charges	169.64	90%	10%	152.7	17.0
Depreciation	108.29	90%	10%	97.5	10.8
Add: Reasonable Return on Equity	68.63	90%	10%	61.8	6.9
Less: Non-Tariff income	57.68	0%	100%	0.00	57.7

Commission's Analysis

8.2 According to Regulation 5.4 and Regulation 5.5 of JSERC 'Distribution Tariff Regulations, 2010', the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. In absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation. The relevant extract of the Regulation has been reproduced hereunder:

"5.4 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business to determine Retail Supply Tariff;

5.5 For such period until accounts are segregated, the Licensees shall prepare an Allocation Statement to apportion costs and revenues to respective business. The Allocation Statement, approved by the Board of Directors of the Licensee, shall be accompanied with an explanation of the basis and methodology used for segregation which should be consistent over the Control Period."

8.3 The Petitioner has not submitted duly approved allocation statement. Moreover, the Petitioner has submitted a generic approach towards allocation of costs but has not provided appropriate basis and methodology used for segregation.

8.4 In absence of the above, the Commission finds no ground to revise the wheeling tariff. Moreover, the present tariff is in line with the applicable tariff in other States.

8.5 Therefore, the Commission finds it appropriate to maintain the wheeling tariff at its present level of **Rs. 0.12/kWh**.

Retail Supply Tariff for FY 2015-16

8.6 As mentioned above, the Commission has approved average 8% hike in energy charges, fixed charges and demand charges for all consumer categories except Kutir Jyoti. No tariff hike has been allowed for Kutir Jyoti consumers. The Commission has determined category wise retail tariff for FY 2015-16, as depicted in the following table:

Table 96: Approved Tariff for FY 2015-16

Category	Units for Fixed Charges	Existing Fixed Charges	Approved Fixed Charges	Existing Energy Charge (Rs/kWh)	Approved Energy Charges (Rs/kWh)
DOMESTIC					
DS-I (a), Kutir Jyoti (metered) (0-50)*	Rs/Conn/Month	15.00	15.00	1.20	1.20
DS-I (a), Kutir Jyoti (metered) (51-100)*	Rs/Conn/Month	15.00		1.20	
DS-I (a), Kutir Jyoti (Unmetered)	Rs/Conn/Month	40.00	40.00	NIL	NIL
DS-I (b), Metered (0-200)	Rs/Conn/Month	25.00	27.00	1.40	1.50
DS-I (b), Metered (above 201)	Rs/Conn/Month	25.00	27.00	1.50	1.60
DS-I (b), Other Rural Domestic Connections (Unmetered)	Rs/Conn/Month	100.00	110.00	NIL	NIL
DS-II, <= 4 KW					
0-200	Rs/Conn/Month	40.00	43.00	2.40	2.60
201 and above	Rs/Conn/Month	60.00	65.00	2.90	3.10
DS-III, Above 4 kW	Rs/Conn/Month	100.00	110.00	3.00	3.20
DS HT	Rs/kVA/Month	75.00	80.00	2.60	2.80
NON DOMESTIC					
NDS-I, Metered (<=2kW) (0-100)*	Rs/Conn/Month	30.00	32.00	1.75	1.90
NDS-I, Metered (<=2kW) (Above 100)*	Rs/Conn/Month	30.00		1.75	
NDS-I unmetered (<=2kW)	Rs/kW/Month	Rs 175 per kW per month or part thereof for connected load up to	Rs 190 per kW per month or part thereof for connected load up to	NIL	NIL

Category	Units for Fixed Charges	Existing Fixed Charges	Approved Fixed Charges	Existing Energy Charge (Rs/kWh)	Approved Energy Charges (Rs/kWh)
		1 kW and Rs 60 per kW per month for each additional 1kW or part thereof	1 kW and Rs 70 per kW per month for each additional 1kW or part thereof		
NDS-II	Rs/kW/Month	Rs 175 per kW per Month or part thereof	Rs 190 per kW per Month or part thereof	5.25	5.65
NDS-III (Advertising & Hoardings)	Rs/Conn/Month	150.00	165.00	6.00	6.50
LOW TENSION INDUSTRIAL & MEDIUM POWER SERVICE (LTIS)					
LTIS (Installation Based Tariff)	Rs/HP/Month	130.00	140.00	4.90	5.30
LTIS (Demand Based Tariff)	Rs/kVA/Month	235.00	255.00	4.90	5.30
IRRIGATION & AGRICULTURE					
IAS-I Metered	Rs/HP/Month	NIL	NIL	0.60	0.65
IAS-I Unmetered	Rs/HP/Month	70.00	75.00	NIL	NIL
IAS-II Metered	Rs/HP/Month	NIL	NIL	1.00	1.10
IAS-II Unmetered	Rs/HP/Month	280.00	300.00	NIL	NIL
HTS					
HTS-11 KV	Rs/kVA/Month	235.00	255.00	5.40	5.85
HTS-33 KV	Rs/kVA/Month	235.00	255.00	5.40	5.85
HTS-132 KV	Rs/kVA/Month	235.00	255.00	5.40	5.85
HT SPECIAL S					
HTSS-11 KV	Rs/kVA/Month	410.00	440.00	3.25	3.50
HTSS-33 KV	Rs/kVA/Month	410.00	440.00	3.25	3.50
HTSS-132 KV	Rs/kVA/Month	410.00	440.00	3.25	3.50
TRACTION					
RTS	Rs/kVA/Month	220.00	235.00	5.40	5.85
STREET LIGHT SERVICE					
SS-I (Metered)	Rs/Conn/Month	35.00	38.00	4.45	4.80
SS-II (Unmetered)	Rs/Conn/Month	Rs 140 per 100 watt lamp and Rs 30 for every additional 50 watt	Rs 150 per 100 watt lamp and Rs 32.5 for every additional 50 watt	NIL	NIL

Category	Units for Fixed Charges	Existing Fixed Charges	Approved Fixed Charges	Existing Energy Charge (Rs/kWh)	Approved Energy Charges (Rs/kWh)
REC		NIL	NIL	0.90	1.00
MES	Rs/kVA/Month	205.00	230.00	4.05	4.35
Temporary Supply			1.5 times applicable fixed charges		1.5 times applicable energy charges

** Slabs have been merged*

A9. TARIFF SCHEDULE FOR FY 2015-16

APPLICABLE FROM 1st January 2016[1]

Domestic Service

Applicability:

Domestic Service–I, Domestic Service–II, Domestic Service–III and Domestic Service HT

This schedule shall apply to all residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including Motors pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule. This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/Crematorium grounds and other recognised charitable institutions, where no rental or fees are charged whatsoever. If any fee or rentals are charged, such institution will be charged under Non domestic category.

Rural drinking water schemes which are managed by Panchayats and User's Co-operatives are also included under this Category and corresponding Tariff would be charged depending upon the load of Pumping motors as applicable to the DS category.

Category of Services:

Domestic Service – DS-1 (a): For Kutir Jyoti Connection only for connected load up to 100 Watt for Rural Areas.

Domestic Service – DS-I (b): For rural areas not covered by area indicated under DS-II for connected load up to 2 kW, including rural drinking water schemes having motor pumps with load up to 2 kW.

Domestic Service – DS-II: For Urban areas covered by notified Area Committee /municipality / Municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters / Industrial Area / contiguous sub-urban area all market places urban or rural and for connected load up to 4 kW, including rural drinking water schemes having motor pumps with load above 2 kW but not exceeding 4 kW.

Domestic Service – DS-III: For Urban areas covered by notified Area Committee/ municipality / Municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters / Industrial Area / contiguous sub-urban area all market places urban or rural and for connected load exceeding 4 kW and up to 85.044 KW, including rural drinking water schemes having motor pumps with load exceeding 4 kW.

[1] This schedule shall remain in force till the next tariff schedule is issued by the Commission.

Domestic service – HT (DS – HT): This Schedule shall apply for Domestic Connection in Housing Colonies / Housing Complex / Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 11 kV voltage level and load above 85.044 kW

Service Character:

(i) For DS-I (a): AC, 50 Cycles, Single phase at 230 volts for Kutir Jyoti connection for load up to 100 Watt

(ii) For DS-I (b): AC, 50 Cycles, Single Phase at 230 Volts for load upto 2 kW.

(iii) For DS-II: AC, 50 Cycles, Single Phase at 230 Volts for installed load up to 4 kW.

(iv) For DS-III: AC, 50 Cycles, three Phase at 400 Volts for installed load exceeding 4 kW and up to 85.044 KW.

(v) For DS-HT: AC, 50 Cycles, at 11 kV for installed load above 85.044 kW.

Tariff:

Table 97: Approved Tariff for Domestic Category for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
Domestic	Unit	Rate	Rate (Rs./kWh)
DS-I			
DS- I (a), Kutir Jyoti (metered) (0-100)	Rs./Conn/Month	15.00	1.20
DS- I (a), Kutir Jyoti (Unmetered)	Rs./Conn/Month	40.00	NIL
DS-I (b), metered (0-200)	Rs./Conn/Month	27.00	1.50
DS-I (b), metered (above 201)	Rs./Conn/Month	27.00	1.60
DS-I (b), unmetered	Rs./Conn/Month	110.00	NIL
DS-II, <=4 kW			
0-200	Rs./Conn/Month	43.00	2.60
201 & Above	Rs./Conn/Month	65.00	3.10
DS-III, Above 4 Kw			
All Units	Rs./Conn/Month	110.00	3.20
DS-HT			
All Units	Rs/kVA/Month	80.00	2.80

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Non-Domestic Service (NDS)

Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel – oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshalas, and such other installations not covered under any other tariff schedule.

Service Category:

Non-Domestic Service (NDS)–I, Rural: For Rural Areas not covered by area indicated for NDS-II and for connected load upto 2 kW.

Non-Domestic Service (NDS)–II, Urban: For Urban Areas covered by Notified Areas Committee /municipality / Municipal Corporation / All District Town / All Sub-divisional Town / All Block Hqrs. /Industrial Area & Contiguous Sub-urban area, market place rural or urban & connected load up to 85.044 KW (100 kVA), except for categories covered under NDS-III. This schedule shall also apply to commercial consumer of rural area having connected load above 2 kW.

Non-Domestic Service (NDS)-III: For electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments.

Provided that the electricity, that is used for the purpose of indicating/ displaying the name and other details of the shops or Commercial premises, for which electric supply is rendered, shall not be covered under NDS-III Consumer Category. Such usage of electricity shall be covered under the prevailing tariff of such shops or commercial premises.

Service Character:

NDS – I: AC 50 Cycles, Single phase at 230 Volts for load up to 2 kW

NDS - II: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts for load exceeding 2 kW and upto 85.044 kW

NDS- III: AC 50 Cycles, Single phase at 230 Volts for loads up to 2 kW & AC 50 Cycles, Three Phase at 400 Volts for load exceeding 2 kW

Tariff:

Table 98: Approved Tariff for Non-Domestic Category for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
Non-Domestic Service	Unit	Rate	Rate (Rs./kWh)
NDS-I (<=2kW)			
Metered	Rs./Conn/Month	32.00	1.90
Unmetered	Rs./kW/Month	190 for first kW and 70 for every subsequent kW or part thereof	NIL
NDS-II			
All Units	Rs./kW/Month	190.00	5.65
NDS-III, Advertising and Hoardings			
All Units	Rs./Conn/Month	165.00	6.50

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Installation of Shunt Capacitors: In accordance with Clause VII of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Low Tension Industrial & Medium Power Service (LTIS)

Applicability:

This schedule shall apply to all industrial units applying for a load of less than or equal to 100 kVA (or equivalent in terms of HP or kW).

The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85.044 kW.

Service Character:

AC, 50 Cycles, Single Phase supply at 230 Volts or 3 Phase Supply at 400 volts. Demand Based tariff/Installation based tariff for sanctioned load upto 85.044 kW.

Tariff:

Installation Based Tariff: All consumers under this category and opting for Installation based tariff shall be required to pay fixed charges per HP as per the applicable tariff rates for this category. If the inspecting officer during the inspection of a premises finds excess load (more than 114 HP) then the inspecting officer has to serve one month notice to the consumer for regularisation of excess load (above 114 HP). After the expiry of the said one month, the inspecting officer will inspect the premises again and if he still finds un-regularized load in the premises, action may be taken as per law.

Table 99: Approved Installation Based Tariff for LTIS for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
LTIS	Unit	Rate	Rate (Rs./kWh)
LTIS Installation Based Tariff			
All Units	Rs/HP/Month	140.00	5.30

Demand Based Tariff: All consumers under this category and opting for Demand Based tariff shall be required to pay Demand charges per kVA at the rate applicable to HT consumers drawing power at 11 kV. The restriction of connected load will not apply to consumers opting for Demand Based Tariff.

Table 100: Approved Demand Based Tariff for LTIS for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
LTIS	Unit	Rate	Rate (Rs./kWh)
LTIS Demand Based Tariff			
All Units	Rs/kVA/Month	255.00	5.30

Note: The billing demand shall be the maximum demand recorded during the month or 50% of contract demand whichever is higher. In case actual demand is recorded at more than 100 kVA in any month, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category for the revised contracted demand with the Petitioner as per the terms and conditions of HT supply.

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Power Factor Penalty/Rebate: In accordance with Clause II of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Installation of Shunt Capacitors: In accordance with Clause VII of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Irrigation & Agriculture Service (IAS)

Applicability:

This schedule shall apply to all consumers for use of electrical energy for Agriculture purposes including tube wells and processing of the agricultural produce, confined to Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, when operated by the agriculturist in the field or farm and does not include Rice mills, Flour mills, Oil mills, Dal mills, Rice-Hauler or expellers.

Service Category:

IAS – I: For private tube wells and private lift irrigation schemes.

IAS – II: For State Tube-wells and State lift Irrigation schemes.

Service Character:

AC 50 Cycles, Single Phase at 230 volts / 3 Phase at 400 volts

Tariff:

Table 101: Approved Tariff for IAS for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
IAS	Unit	Rate	Rate (Rs./kWh)
IAS – I			
Metered	Rs/HP/Month	NIL	0.65
Unmetered	Rs/HP/Month	75.00	NIL
IAS – II			
Metered	Rs/HP/Month	NIL	1.10
Unmetered	Rs/HP/Month	300.00	0.00

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in SectionA10 of this Tariff Order.

Power Factor Penalty/Rebate: In accordance with Clause II of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Installation of Shunt Capacitors: In accordance with Clause VII of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

High Tension Voltage Supply Service (HTS)

Applicability:

The schedule shall apply for consumers having contract demand above 100 kVA.

Service Category:

50 Cycles, 3 Phase at 6.6 kV / 11 kV / 33 kV / 132 kV / 220 kV / 400 kV

Tariff:

Table 102: Approved Tariff for HTS for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
HTS	Unit	Rate	Rate (Rs./kWh)
11 kV	Rs/kVA/Month	255.00	5.85
33 kV	Rs/kVA/Month	255.00	5.85
132 kV and Above	Rs/kVA/Month	255.00	5.85

Note: The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Section 14 of this Tariff Order.

Voltage Rebate: In accordance with Clause V of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Load Factor Rebate: In accordance with Clause VI of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Delayed Payment Surcharge: For High tension service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Power Factor Penalty/Rebate: In accordance with Clause II of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

TOD Tariff for HTS Consumers: In accordance with Clause VIII of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

HT Special Service (HTSS)

Applicability:

This tariff schedule shall apply to all consumers who have a contracted demand of 300 KVA and more for induction/arc Furnace. In case of induction/arc furnace consumers (applicable for existing and new consumers), the contract demand shall be based on the total capacity of the induction/arc furnace and the equipment as per manufacturer technical specification and not on the basis of measurement. This tariff schedule will not apply to casting units having induction furnace of melting capacity of 500 Kg or below.

Service Character:

50 Cycles, 3 Phase at 11 kV / 33 kV / 132 kV / 220 kV / 400 kV

Tariff:

Table 103: Approved Tariff for HTSS for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
HTSS	Unit	Rate	Rate (Rs./kWh)
11 kV	Rs/kVA/Month	440.00	3.50
33 kV	Rs/kVA/Month	440.00	3.50
132 kV and Above	Rs/kVA/Month	440.00	3.50

Note: The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Section 14 of this Tariff Order.

Voltage Rebate: In accordance with Clause V of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Load Factor Rebate: In accordance with Clause VI of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Delayed Payment Surcharge: For High tension special service category, the Delayed Payment Surcharge will be charged on a weekly basis at the rate of 0.4% per week. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Power Factor Penalty/Rebate: In accordance with Clause II of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Railway Traction Service (RTS)

Applicability:

This tariff schedule shall apply for use of railway traction only.

Service Character:

AC, 50 cycles, Single phase at 25 kV or 132 kV.

Tariff:

Table 104: Approved Tariff for RTS for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
Traction	Unit	Rate	Rate (Rs./kWh)
RTS	Rs/kVA/Month	235.00	5.85

Note: The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Section 14 of this Tariff Order.

Maximum Demand for RTS:

The demand charge shall be applied on maximum demand recorded or 75% of the contract-demand whichever is higher at any fifteen minutes time block for which the meter installed should have 15 minutes integration time.

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Power Factor Penalty/Rebate: In accordance with Clause II of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Street Light Service (SS)

Applicability:

This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, notified area committee, panchayats etc. and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than 5.

Service Character:

AC, 50 cycles, Single phase at 230 Volts or three phase at 400 Volts.

Category of Service:

S.S-I: Metered Street Light Service

S.S-II: Unmetered Street Light Service

Tariff:

Table 105: Approved Tariff for Street Light Service for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
Street Light Service	Unit	Rate	Rate (Rs./kWh)
SS-I (Metered)	Rs/Conn/Month	38.00	4.80
SS-II (Unmetered)	Rs/Conn/Month	150 for first 100 W and 32.5 for every subsequent 50 W	NIL

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Rural Electric Co-operative (REC)/ A Small Housing Group (SHG)

Applicability:

This tariff schedule shall apply for use in Electric Co-operatives (licensee) for supply at 33 kV or 11kV. It also includes village Panchayats where domestic and non-domestic rural tariff is not applicable.

Service Character:

AC, 50 cycles, Three phase at 11 kV.

Tariff:

Table 106: Approved Tariff for REC for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
REC	Unit	Rate	Rate (Rs./kWh)
All Units	Rs/Conn/Month	NIL	1.00

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in SectionA10 of this Tariff Order.

Bulk Supply to Military Engineering Service (MES)

Applicability:

This tariff schedule shall apply to Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

Tariff:

Table 107: Approved Tariff for MES for FY 2015-16

Consumer Category	Fixed Charges		Energy Charges
MES	Unit	Rate	Rate (Rs./kWh)
All Units	Rs/kVA/Month	230.00	4.35

Note: The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. The penalty on exceeding billing demand will be applicable in accordance with Clause I of Terms & Conditions of Supply as provided in Section 14 of this Tariff Order

Delayed Payment Surcharge: In accordance with Clause IV of Terms & Conditions of Supply as provided in Section A10 of this Tariff Order.

Temporary Connections

Applicability:

The Temporary tariff shall be applicable as per the following conditions:

(a) Temporary tariff is proposed to be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.
(b) Temporary connections shall be made to pay consumption security deposit equivalent to 30 days of sale of power which shall be based on the assessment formula (LDHF) prescribed by the Commission.
(c) Temporary connections shall initially be provided for a period of up to 30 days which can be extended on month to month basis upto six months.

Tariff:

Table 108: Approved Tariff for MES for FY 2015-16

Consumer Category	Fixed Charges	Energy Charges
Temporary	Rate	Rate (Rs./kWh)
All Units	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charges

Schedule for Miscellaneous Charges

Table 109: Schedule for Miscellaneous Charges

S.No.	Purpose	Scale of Charges	Manner in which Payment will be Realised
1	**Application fee**		
	Agriculture	10	Application should be given in standard requisition form of the Licensee which will be provided free of cost. Payable in cash in advance along with the intimation
	Street Light	20	
	Domestic	15 (Kutir Jyoti) 20 (Others)	
	Commercial	20	
	Other LT Categories	50	
	HTS	100	
	HTSS, EHTS, RTS	100	
2	**Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application**		
	Agriculture	10	Payable in cash in advance along with the request for testing
	Domestic	30	
	Commercial	30	
	Other LT Categories	50	
	HT Supply	150	
3	**Testing of consumers Installation**		
	First test and inspection free of charge but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection	100	Payable in cash in advance along with the request for testing
4	**Meter test when accuracy disputed by consumer**		
	Single Phase	40	To be deposited in cash in advance. If the meter is found defective within the meaning of the Indian Electricity Rules 1956, the amount of advance will be refunded and if it is proved to be correct within the permissible limits laid down in the Rules, the amount will not be refunded.
	Three Phase	100	
	Trivector/ special type meter	650	
5	**Removing/Refixing of meter**		
	Single Phase	50	Payable in cash in advance along with intimation for revision
	Three Phase	100	
	Trivector/special type meter	300	
6	**Changing of meter/meter equipment/fixing of sub meter on the request of the consumer/fixing of sub meter**		
	Single Phase	50	Payable in cash in advance along with intimation for revision
	Three Phase	100	
	Trivector/special type meter	300	
7	**Resealing of meter when seals are found broken**		
	Single Phase	25	Payable with energy bill
	Three Phase	50	
	Trivector/ special type meter	100	
8	**Fuse call – Replacement**		
	Board fuse due to fault of consumers	15	Payable with energy bill
	Consumer fuse	15	
9	**Disconnection/Reconnection**		

S.No.	Purpose	Scale of Charges	Manner in which Payment will be Realised
	Single Phase	30	Payable in cash in advance along with the request by the consumer. If the same consumer is reconnected / disconnected within 12 months of last disconnection/reconnection, 50% will be added to the charges
	Three Phase	75	
	LT Industrial Supply	300	
	HT Supply	500	
10	**Replacement of meter card, if lost or damaged by consumer**	10	Payable with energy bill
11	**Security Deposit**		As per JSERC (Electricity Supply Code) Regulations, 2015

A10. TERMS AND CONDITIONS OF SUPPLY

Besides the Terms and Conditions provided in the JSERC (Electricity Supply Code), Regulations, 2015, the Commission approves the following additional terms & conditions of supply.

Clause I: Penalty for exceeding Billing/ Contract Demand

In case of the actual demand exceeding 110% of the contract demand, the consumer shall pay penal charges for the exceeded demand. The penal charges would be charged as follows: If the recorded demand exceeds 110% of Contract Demand, then the demand charge upto 110% of contract demand will be charged as per the normal tariff rate. The remaining recorded demand over and above 110% will be charged @ 1.5 times the normal tariff rate.

In case actual demand is higher than the contract demand for three continuous months, the same shall be treated as the new contract demand for the purpose of billing of future months and the consumer will have to get into a new agreement for the revised contract demand with the licensee.

Once the actual demand is recorded to be higher than contract demand for two continuous months, the licensee would serve notice to the consumer after the end of the second month for enhancement of the contract demand. The consumer would be liable to respond within 15 days of receipt of such notice and submit application for enhancement of contract demand to the licensee. The licensee would, within 15 days of receipt of response from the consumer, finalise the new agreement after making necessary changes at consumer’s installations.

In case the consumer fails to respond within 15 days, the licensee would have the right to initiate enhancement of load as per the last recorded contract demand. While, in case the consumer provides an undertaking that the actual demand shall not exceed the contract demand again for a period of atleast six months from the last billing, the licensee shall continue to bill the consumer as per the existing contract demand and billing demand.

Provided that if the consumer fails to adhere to the undertaking and the actual demand exceeds the contract demand within the subsequent six months of the undertaking, the consumer shall have to pay a penal charge of 2 times the normal tariff for a period of three consecutive months and the licensee shall, after serving 7 days notice to the consumer, enhance the contract demand of the consumer as per the last recorded actual demand.

Clause II: Power factor Penalty/Rebate

Power Factor Penalty

Power Factor Penalty will be applicable in case of maximum demand meters.

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.01 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on both demand and energy charges; plus 3% for every 0.01 fall below 0.30.

Power Factor Rebate

Power Factor rebate will be applicable in case of maximum demand meters.

In case average power factor as maintained by the consumer is more than 85%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy charges shall be applicable.

Clause III: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of Electricity Duty/Surcharge to the consumers under the Jharkhand Electricity Duty Act, 1948 and the rules framed there under as amended from time to time and any other Statutory levy which may take effect from time to time after making corrections for the loss in the distribution system.

Clause IV: Delayed Payment Surcharge

The delayed payment surcharge will be at the rate of 1.5% per month and part thereof. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving of bill. The bill should be generated and delivered on monthly basis. In case, the licensee defaults in generating and delivering bills on monthly basis, DPS will not be charged for the period of default by licensee.

Clause V: Voltage Rebate

Voltage rebate will be applicable on both demand and energy charges as given below:

Table 110: Voltage Rebate for FY 2015-16

Consumer Category	Voltage Rebate
HTS – 33 kV	3.00%
HTS – 132 kV	5.00%
HTS – 220 kV	5.50%
HTS – 440 kV	6.00%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.

Clause VI: Load Factor Rebate

Load Factor rebate will be applicable on energy charges only as given below:

Table 111: Load Factor Rebate for FY 2015-16

Load Factor	Load Factor Rebate
40-60%	Nil
60-70%	7.50%
70-100%	10.00%

Note: The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.

Clause VII: Installation of Shunt Capacitors

All consumers having aggregate inductive load greater than 3 HP (2.2 kW) and above (except domestic and street lights), shall install capacitors of required KVAR rating provided in the following table:

Table 112: Required kVAR Rating of LT Capacitors

Rating of Individual Inductive Load in HP	kVAR rating of LT capacitors
3 to 5	1
5 to 7.5	2
7.5 to 10	3
10 to 15	4
15 to 20	6
20 to 30	7
30 to 40	10
40 to 50	10-15
50 to 100	20-30

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers does not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

No new connection shall be released for any consumer having aggregate inductive load greater than 3 HP (2.2 kW) unless the capacitors of suitable rating are installed.

Clause VIII: TOD Tariff

TOD tariff proposed shall be applicable as follows:

- Off Peak Hours: 10:00 PM to 06:00 AM: 85% of normal rate of energy charge.

- Peak Hours: 06:00 AM to 10:00 AM & 06:00 PM to 10:00 PM: 120% of normal rate of energy charge

Clause IX: Other Terms and Conditions

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs 300 or 0.5% of the billed amount, whichever is higher. The DPS shall be levied extra as per the applicable terms and conditions of DPS for the respective category.

Stopped/ defective meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued on the basis of average of previous twelve months consumption.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of sanctioned/ contract load on following load factor applicable to respective categories, as shown below:

Consumer Category	Load Factor
Domestic & Religious Institutions	0.10
Non Domestic	0.20
LTIS/PHED LT	0.15
DS-HT	0.15
HTS	
11 kV	0.25
33 kV	0.30
132/220/440 kV	0.50
HTSS	0.50
RTS	0.25

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/ entity.

Release of New Connections

No new connections shall be provided without appropriate meter. The tariff for un-metered connections shall be applicable only to the existing un-metered connections, until they are metered.

Conversion Factors

The following shall be the conversion factors, as and where applicable: (PF=0.85):

1 Kilowatt (KW) = 1.176 Kilovolt ampere (kVA)

1 Kilowatt (KW) = 1 / 0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 Kilovolt ampere (KVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

Applicable as per 'Distribution Tariff Regulations, 2010' and as amended by the Commission from time to time.

A11. STATUS OF EARLIER DIRECTIVES

Directives	Status	Views of the Commission
Strengthening of Transmission and Distribution Network		
The Commission directs the Petitioner to take appropriate steps in order to strengthen the Transmission & Distribution network. The Petitioner is directed to submit a detailed plan with expected benefits with the next tariff petition. In addition the Commission directs the Petitioner to implement safety measures in its network to avoid accidents which not only disrupt supply but also lead to loss of human life. The Commission also directs the Petitioner to update and implement its Safety Manual in line with the Provisions of Indian Electricity Rules to avoid such disruptions.	The Petitioner submitted that it has prepared the plan for T&D Network Strengthening, which shall be submitted subsequently as part of the MYT Business / Capital Investment Plan. The Petitioner submitted that it has taken several initiatives to avoid such accidents and the implementation of Safety Manual is presently underway.	The Commission notes with concern that even after passing of 3 years, the Petitioner has failed to submit any plan for T&D network strengthening or preparation of safety manual as directed in Order dated 2nd August 2012. This shows that the Petitioner has taken the directives casually. The Commission, however, affords one more opportunity to comply with the directive, failing which appropriate penal action shall be taken against the Petitioner.
Energy Audit and T&D Loss Reduction		
The Commission directs the Petitioner to conduct its division wise Energy Audit & prepare circle wise T&D loss reduction plan and submit the same to Commission within six months of issue of tariff order.	The Petitioner submitted that it is in the process of finalizing the tender documents for appointment of energy auditor and shall submit the energy audit details subsequently. The Petitioner also submitted that preparation of T&D loss reduction plan for various circles is under preparation and shall be submitted along with MYT Petition.	Level of T&D losses of the Petitioner is a matter of concern and the Petitioner should take immediate measures to curb the same. The first step in that direction is energy audit and preparing loss reduction plan. Almost 3 years have passed when the directive was issued and the Plan has not been prepared. This shows the attitude of the Petitioner towards loss reduction. The Commission re-directs the Petitioner to submit the report on energy audit along with MYT Petition and to ensure that compliance to directives and timelines is taken in serious manner. Failure to do so would invite penal consequences.

Directives	Status	Views of the Commission
SoP Implementation		
The Commission directs the Petitioner to submit progress reports on the implementation of Standards of Performance as per the JSERC (Standard of Performance) Regulations, 2009.	The Petitioner submitted that it understands its commitment towards SoP and several awareness campaigns on this issue have been undertaken in presence of the Commission. The Petitioner also submitted that it is committed towards its duty to maintain the SoP.	The Commission has noted the compliance. However, it is a continuous process and monitoring should be done regularly. The Commission directs that Petitioner submits report on compliance of SOP along with the MYT petition.
Power Procurement Plan		
The Commission views that the short-term and long-term Power Purchase planning needs to be ratified by the Commission before implementation by the Petitioner, hence it directs the Petitioner to submit to the Commission a detailed Power Procurement Plan before the start of every financial year so that the Commission can review the need for purchasing and selling power and approve accordingly.	The Petitioner submitted that it shall comply with the directive of the Commission and along with the MYT Petition, the power procurement plan for FY 2016-17 and subsequent years shall be submitted.	The Commission again notes with concern that even after lapse of 3 years, the Petitioner has failed to submit any Power procurement plan as directed in Order dated 2nd August 2012. This shows the casual approach of the Petitioner in complying with the directives of the Commission. In case such attitude continues, the Commission will not have any other option but to penalize and ensure that the Petitioner undertakes the required works. Thus, the Commission redirects that the detailed plan for power procurement be submitted along with MYT Petition. Failure to do so would attract penal consequences.
Revenue from Free Power to Employees		
The Commission directs the Petitioner to provide details of free power along with revenue not billed for such free power to employees in all subsequent audited accounts. Also, the Commission points out that no consideration in revenue will be allowed to the Petitioner on account of free power supplied by the Petitioner to its employees.	The Petitioner submitted that due care is being taken for identifying the free power given to its employees and it is being considered for preparation of annual accounts.	The Commission has noted the compliance and directs the Petitioner to continue segregation of free power provided to employees.
Interest on Consumer Security Deposit		
The Commission directs the	The Petitioner submitted that the	The Commission takes serious note

Directives	Status	Views of the Commission
Petitioner to submit the action taken along with report on actual interest paid to consumers on security deposits along with details of rate of interest considered to the Commission with the next tariff Petition, failure to do so will invite penal action. The Commission also directs the Petitioner to prepare a list of consumers who have not been paid at the prevailing bank rate and clear the dues pending on the Petitioner with immediate effect.	interest on consumer security deposit is being paid in line with the Hon'ble Commission's regulations. The details of reate considered shall be submitted subsequently with the MYT Petition. The Petitioner also submitted that it is preparing the list of consumers not paid and shall submit the details subsequently, after collecting details from the field offices.	of the casual attitude shown towards directive issued by the Commission. Even after specifically mentioning that penal action may be invoked for non-compliance, the Petitioner has still not submitted the required details. Moreover, it has also been pointed out in public hearings that the consumers are not being paid interest on security deposit. The Commission gives one more opportunity for submission of the action taken and report on actual interest paid to consumers on security deposits. The Petitioner shall also submit a list of consumers who have not been paid at prevailing bank rate and clear the dues pending of the Petitioner by June 2016. Failure this time would attract appropriate penal consequences.
Metering Plan		
The Commission directs the Petitioner to provide status update to the Commission regarding category-wise defective/ burnt/ non-performing meters and action plan on replacement of these with the next tariff petition. The Commission also directs to prepare a metering plan to provide meters to all the unmetered consumers and also ensure that no new connection is released without a meter.	The Petitioner submitted that it has recently provided nearly 50,000 single phase meters for replacement of defective/burnt/non-operational meters and metering the unmetered consumers. The detailed action plan and metering plan shall be submitted with the MYT Petition. Further, the Petitioner also submitted that no connections are being released without a meter and significant number of meters is in the process of being procured.	The Commission directs the Petitioner to provide exact information instead of generic comments. The Commission had directed the Petitioner to submit category wise details but the Petitioner has provided one ball park figure. The Commission directs the Petitioner to submit the required information on metering plan and category wise details on replacement of defective/burnt/non-operational meters along with the MYT Petition. Failure to do so would invite penal action by the Commission.
Bill Payment Mechanism		
The Commission directs the Petitioner to strengthen the bill payment mechanism within six months of this Order, the failure to	The Petitioner submitted that it has already undertaken several initiatives to ensure ease of bill payment by the consumer, such as	The Commission takes note of the measures undertaken.

Directives	Status	Views of the Commission
do so will invite penal action. The Petitioner should find ways and means to simplify the payment procedure and provide alternatives to the consumers such as online payment, payments through ATP machines, payment at multiple Banks, Kiosks etc	online bill payment, installation of kiosks for bill payment, payment at multiple banks, post office, Pragya Kendra, manual counters at each division, etc.	
Reduction in Overtime Expenses		
The Commission directs the Petitioner to take necessary steps to reduce the overtime expenses and submit action taken report with the next tariff petition, failing which the Commission will not allow any cost under overtime expenses.	The Petitioner submitted that the details and action plan shall be submitted subsequently along with the MYT Petition.	The Commission again notes with concern that even after passing of 3 years, the Petitioner still requires further time to comply with directive issued in Order dated 2nd August 2012. This shows the apathy. If the petitioner further fails in complying with the same, legal/ penal consequences shall follow.
Uploading of the Tariff Petition on Website		
The Commission has observed that many objectors have raised objections on the error in downloading of the tariff petition from the website. The Commission notes this with serious concern and directs the Petitioner to ensure such errors are not repeated again in future.	The Petitioner submitted that it condones the technical error, restricting the download of the Petition. It also submitted that going forward, the Petitioner shall ensure that such technical glitches are minimized and all downloads including tariff petitions etc function smoothly.	The Commission takes note of the compliance.

A12. DIRECTIVES

Final transfer scheme

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

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

12.2 The Commission clarifies that the true-up Petition for distribution function of the erstwhile JSEB for the period FY 2011-12, FY 2012-13 and FY 2013-14 (for period 1st April 2013 to 5th January 2014) needs to be filed by JBVNL.

12.3 It shall be ensured that functionally segregated information of the individual companies for the FY 2011-12, FY 2012-13 and FY 2013-14 (up to 5th January 2014) reconciles with the information of the erstwhile JSEB based on the audited accounts of FY 2011-12, FY 2012-13 and FY 2013-14 and final transfer scheme.

12.4 The Commission directs the Petitioner to file the True-up Petition for FY 2011-12, FY 2012-13 and FY 2013-14 (upto 5th January 2015) for the distribution function of the erstwhile JSEB and for FY 2013-14 (from 6th January 2014 to 31st March 2014) and FY 2014-15 along with its next Petition for approval of ARR for second MYT control period for JBVNL.

Strengthening of Distribution Network

12.5 The Commission directs the Petitioner to take appropriate steps to strengthen its distribution network. The Petitioner is directed to submit a detailed plan with expected benefits with the next tariff Petition.

12.6 In addition, the Commission directs the Petitioner to implement safety measures in its network to avoid accidents which not only disrupts supply but also leads to loss of human life. The Commission also directs the Petitioner to update and implement its Safety Manual in line with the Provisions of Indian Electricity Rules to avoid such disruptions.

Energy Audit & T&D Loss Reduction Plan

12.7 The Commission directs the Petitioner to conduct its division-wise Energy Audit & prepare circle-wise T&D Reduction Plan and submit the same along with its progress to the Commission within six months of issue of this Tariff Order.

Interest on Consumer Security Deposit

12.8 The Commission directs the Petitioner to prepare a list of consumers who have not been paid interest on consumer security deposit as per applicable Regulations and clear the dues pending on the Petitioner with immediate effect. All pending dues should be cleared by June 2016 and a status report shall be submitted along with next Petition.

Metering Plan

12.9 The Commission directs the Petitioner to provide status update to the Commission regarding category-wise defective/ burnt/ non-performing meters and action plan on replacement of these with the next tariff Petition.

12.10 The Commission directs the Petitioner to prepare a metering plan to provide meters to all the unmetered consumers and also ensure that no new connection is released without a meter.

Delayed Payment Surcharge

12.11 Mounting arrears is a matter of great concern. It requires apt attention and chalking out a suitable measure to enable the consumers having arrears to pay the pending amount by introducing certain flexibility in calculation of delayed payment surcharge. The Commission directs the Petitioner to prepare a plan for the purpose of payment of such dues with changes in the methodology used for calculation of delayed payment surcharge as one time measure or so. The Petitioner may consider the methodology adopted in other States like Odisha where delayed payment surcharge is applied as a fixed amount instead of on percentage basis. The Petitioner shall submit its proposal for change in methodology for computation of delayed payment surcharge is one time measure or as may be found suitable for enabling more and more persons with arrears to pay the electricity dues.

Timely Submission of Business Plan

12.12 The Commission directs the Petitioner to submit its Business Plan complete in all respect for the next control period within the timelines specified in the applicable Tariff Regulations.

Completeness and Appropriateness of Petition

12.13 The Commission observed serious discrepancies and variations in the instant Petition. The required regulatory forms were also not filled in completely. The Commission directs the Petitioner to ensure that the petition is in order and with the required details and documents.

12.14 The Commission also observed that while responding to the stakeholders, the Petitioner evaded effective replies to their queries. This is highly inappropriate. The Commission directs the Petitioner that every query raised by the stakeholders should be appropriately responded to in future.

12.15 It has come to the notice of the Commission that the Petitioner has changed certain clauses in tariff schedule but has not explicitly mentioned the same in the proposed changes. The Commission directs the Petitioner to explicitly mention each and every change and give detailed reasoning as to why the change is required.

Before we conclude, the Commission records its appreciation for the valuable opinion rendered by the expert committee in a very short time.

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

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

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

Date: 14th of December, 2015
Place: Ranchi

Sd/-	Sd/-
(Sunil Verma)	**(N.N Tiwari, J)**
MEMBER (F)	**CHAIRPERSON**

ANNEXURE-I

Annexure 1: List of participating members of public in the public hearing

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

Sl. No.	Name	Address / Organization if any
41.	P. Kumar	AEE/CKP
42.	D. Podar	Chaibasa
43.	S.K. Singh	Chaibasa
44.	S.K. Sawariya	JEE/Rasw
45.	Shambhu Samat	Chhota Vimdih
46.	Sandeep Khatri	Golmuri
47.	Dilip Kumar	Chaibasa
48.	Prakash	ASIA, JSR
49.	Subhash Kumar Singh	ASIA, JSR
50.	A. Kumar	ASIA,JSR
51.	Dilip Dutta	Madhu Bajar, Chaibasa
52.	Devdas	Chaibasa
53.	Anita	Chaibasa
54.	S.P. Singh	Chaibasa
55.	Ganga Karwa	W. Parssd 03
56.	Mahesh Kr. Agarbal	HSPL
57.	Jitendra Agarwal	Gananan Ferro
58.	S. Podar	Gajanan Ferro
59.	Doma Minz	Chaibasa
60.	P.N. Kiro	JBVNL/Chaibasa
61.	Tribeni Awashthi	Dainik Jagran
62.	S.K. Kashyap	ESE/Chaibasa/JBVNL
63.	Raushan Kumar	ESC/Chaibasa
64.	D. Kumar	Chaibasa
65.	Manish Kumar	Chaibasa
66.	Shankar Sarijan	JEE/MNP
67.	Bidesh	JEE/Chaibasa
68.	Basant Sharma	Chaibasa
69.	Sanwar Mal Sharma	SCCI, JSR
70.	Vinod Sharama	SCCI, Jamshedpur
71.	Gyan Jaishwal	Makers Castry
72.	Durga Pd	Balaji
73.	Zohaib Ahmad	Rani Colony
74.	Indranath Chakravarti	Chaibasa
75.	Arjun Deo Rana	Tungri, Chaibasa
76.	Rajeev Kumar	Tungri, Chaibasa
77.	Deepak	Missionhata
78.	BelaJirai	Hatadhan, Chaibasa
79.	Rohan	Chaibasa
80.	Chandan Kumar	A.O. T.C.CBSA
81.	Ramlal Munda	Zilaprisad CKP
82.	Kaushalya Devi	Europcan Quarley, WN-13
83.	Pawan Kumar	Chaibasa
84.	Baljit Singh Kaokhar	Tata Road, Chaibasa
85.	Bipul	Chaibasa
86.	S.K. Pirja	Chaibasa

Sl. No.	Name	Address / Organization if any
87.	Laxmi Kachhap	B. Toli, Chiabasa
88.	Gaurishankar Gop	Sadar Bazar
89.	Deepak Kumar	Police Line
90.	Om Prakash Kedia	Amla Tola, Chaibasa
91.	Shambhu	Sadar Bazar
92.	Pawan Bansal	Gandhi Tola
93.	U. K. Gupta	Chaibasa
94.	Ram Narayan	New Colony Mimdih
95.	Jumbal Sundi	Chaibasa
96.	Chandmani	Pramukh Jhinkpari
97.	S. Gope	Zila Parisd Jhinkpari
98.	Govind Lal	Sadar Bazar, Chaibasa
99.	S. Das Munda	Bank More, Chaibasa
100.	Kanhaiya Agarwal	Panne Enterprise CBSA
101.	Rajeev Singh	Sadar Bazar, Chaibasa
102.	M. Mishra	Hindustan
103.	B Minz	Chaibasa
104.	Ghansyam Singh	Chaibasa
105.	Rishi Pal Singh	Chaibasa
106.	Mumtaz Alam	Chaibasa
107.	Neela Nag	Chairman, Nagar Parisad
108.	Mukesh Kumar	Chaibasa
109.	S. Kharia	Chaibasa
110.	Bajrang Lal	Bajrang Automobile
111.	Kamal Biswas	Prabhat Khabar
112.	J.D. Upadhaya	Chaibasa
Public Hearing at Dhanbad		
1.	H. P. Barnwal	EEE/S/Nirsa
2.	Prabhakar Kumar	AEE/S/Hirapur
3.	Suresh Kumar Khetan	Ratanji Rd., Dhanbad
4.	C.L. Sharma	H. Colony, Dhanbad
5.	Sunaram Soren	ESD, Jharia
6.	Manoj Kumar Singh	J.Y.Nagar, Dhanbad
7.	C.Singh	Dhanbad
8.	Arjun Prasad	Housing Colony
9.	Ashok Kr. Bihany	SCCI
10.	Piyush	SCCI
11.	Sailendra Singh	Dhanbad
12.	Himanshu Kumar	AEE/S
13.	W. Hangda	Dhanbad
14.	Kirit Chandan	Dhanbad
15.	Navin Singh	Dhanbad
16.	Shivcharan Sharma	Jharia
17.	Vishal Prasad	Rajganj
18.	Sushil Singh	Kumardhubi
19.	Prof. Dinesh Prasad	Kumardhubi

Sl. No.	Name	Address / Organization if any
20.	R.N. Raman	I/c GM-cum-CE, Dhanbad
21.	R. K. Singh	EEE/S/Dhanbad
22.	S.K. Rana	JEEE/S/Mayabazar
23.	Sunil Kumar	EEE
24.	Karan Swar	Feedback
25.	Sushil Singh	JIFA
26.	Madhu Singh	Kumardhubi Bazar
27.	Dr. Dinesh Pal	Dhanbad
28.	P.R. Ranjan	CE (C&R), JBVNL
29.	D. Manupatra	Sr. Manager (F&A) JBVNL
30.	R.K. Choudhary	EEE/RE/JBVNL, Ranchi
31.	K. C. Goyal	G.S, DZFMA
32.	Anand Mohan Mittal	Chhatatand Bazar, Dhanbad
33.	Pratik	Prabhat Khabar
34.	Rajesh Gupta	Zila Chamber
35.	Narendra Kumar	Dhanbad
36.	Hari Budhia	BFCL
37.	Supinder Singh	Hihar Ispat Udyog
38.	Tageshwar Kumar Gupta	JSTSBEA, Bokaro
39.	Chandra Kant Gupta	JSTSBEA, Bokaro
40.	Er. Basant Kumar	EEE/Loyabad
41.	Mr. Sujit Singh	JEEE/Hirapur
42.	Ashok Verma	Prabhat Khabar
43.	M.D. Saw	Dhanbad
44.	Shiv Shankar Shastri	JIIA
45.	Birendra Roy	Chirkunda Dhanbad, RSIPL
46.	Suresh Kumar	Ridhi Sidhi Iron (P) Ltd.
Public Hearing at Medininagar		
1.	Promod Mochi	Panki Dhub
2.	Shital Mistri	Dhub
3.	Surendra Mistri	Panki Dhub
4.	Ayodhya Mahto	Panki Dhub
5.	Ram Lakhan Bhunya	Panki Dhub
6.	Jamuna Mistri	Panki Dhub
7.	Debraj Ravidas	Panki Dhub
8.	Surendra Kumar	Panki Dhub
9.	Mithilesh Rajak	Panki Dhub
10.	Rajendra Mistri	Panki Dhub
11.	Rubesh Kumar	Panki Dhub
12.	Satendra Kumar	Panki Dhub
13.	Rajeshwar Pandey	Advocate, Charch Rd.
14.	Binod Kumar Mistri	Chairman, Adhivakta Sangh, Palamu
15.	Barun Kumar	Sudna
16.	Shankar Singh	Panki, Palamu
17.	Sanjay Kumar Kushwaha	Dhub
18.	Jaswant Kumar	Bakhia Panki

Sl. No.	Name	Address / Organization if any
19.	Nimit Mistri	Dhub
20.	Arun Kumar Varma	Maharia
21.	Manish Kr.	Daltonganj
22.	Anit Karan	Industrial Area, Sudna
23.	Upendra Drajapati	Patan
24.	Ajay Kumar	Redma
25.	Md.Sajeel	Daltonganj
26.	Krishna Mistri	Dhub
27.	Param Mochi	Dhub
28.	Karan Swar	Ranchi
29.	P. Ranjan	Ranchi
30.	Sita Ram	Garhwa
31.	Shailendra Kr. Ram	Garhwa
32.	Sheo Pujan Sharma	B. Daltonganj
33.	Kripa Shankar Dubey	Bariganwa
34.	Rishi Kesh Dubey	Bariganwa
35.	Dhananjay Tiwary	Samvu Get Greel Sudra
36.	Vicky Dubey	Daltonganj
37.	D. Mahapatra	Sr. Manager JBVNL
38.	P.R. Ranjan	CE (C&R) JBVNL
39.	R.K. Singh	Linenan Daltonganj
40.	Sahjanand Gahlat	ESE/Garhwa
41.	Sunil Kumar	Mineman
42.	Dhirendra Kumar	Daltonganj
43.	Birendra Kumar Choudhary	EEE/Garhwa
44.	K.N. Aldar	Lineman
45.	Gibreshwar	EEE/APT, Medininagar
46.	H. Ram	Elec. Supply Circle Division
47.	Rajesh Kumar	Doltonganj
48.	Om Jaiswal	Hisra Barwadih
49.	Radheshyam Ram	Nawatoli, Daltonganj
50.	Om Prakash	Dhub
51.	Pralad Giri	JSEB, Daltonganj
52.	Krishna Mistri	Dhub
53.	Rajiv Prasad	Dhub
54.	Jawahar Mahto	Dhub
55.	Bhulu Mahto	Dhub
56.	Bhuweshwar Mochi	Dhub
57.	Mukesh Kumar Mahto	Dhub
58.	Santu Kumar	Dhub
59.	Harendra Mahto	Dhub
60.	Jagnaragan	Shahpur
61.	Kumal Kumar	Rajwadih
62.	Prabhat Kumar	Kundri
63.	B. Kumar	JSSIA
64.	Ajay Bhandari	Ranchi

Sl. No.	Name	Address / Organization if any
65.	Vishal Tiwary	Daltonganj
66.	Gyan Prakash	Daltonganj
67.	Ajay Kumar Singh	Kusari
68.	Chitranjan Singh	Kusri
69.	Arvind Singh	Chainpur
70.	Pankaj Kumar Gupta	Sudna
71.	Dinesh Kumar Singh	Panki Rd. Erma
72.	Dipak Kumar	Byepass Rd.
73.	Gobind Kumar Mishra	PISIS
74.	Sita Ram Kumar	Division Daltonganj
75.	A. Pandey	Daltonganj
76.	Chhotu Kumar	Daltonganj
77.	Utsav Kumar	Lalgarh
78.	Rajnish Patel	Dehri-on-son
79.	Anjanikant Mehta	Lalgarh
80.	Pankaj Lakra	Daltonganj
81.	Avinash Raj	Daltonganj
82.	Nitish Soni	Daltonganj
83.	Ujjwal Oraon	Daltonganj
84.	Anad Shokor	Daltonganj
85.	President , Palamu	Chamber of Commerce
86.	Krishna Pd. Agarwal	Daltonganj Bazar
87.	Rajendra Pd. Agrawal	Bawadih
88.	Rajhans Kumar	Daltonganj
89.	Ranjit Kumar Mishra	Daltonganj
90.	S. Pandey	Daltonganj
91.	Auranjebkhan	Barwadih
92.	Saikat Chatterjee	Prabhat Khabar
93.	Yugal Kishor Ram	Panki
94.	Bachan Prajapati	Panki
95.	Arun Kumar Chandrabanshi	Asehar Panki
96.	K.K. Paswan	EEE
97.	Ashok Ram	Asehar
98.	Umesh Prajapati	Asehar Panki
99.	Pramod Saw	Asehar Panki
100.	Faguni Bhunya	Asehar Panki
101.	Binod Prasad	Asehar Panki
102.	Amit Kumar Sharma	Asehar Panki
103.	Raj Kumar	Taarhasi
104.	Dharmendra Kumar	Tarhasi
105.	Praveen Kumar Saw	Jamune
106.	Mantu Prasad Gupta	Asehar
107.	Vikash Paswan	Daltonganj
108.	Lalle Raj	Daltonganj
109.	Vishnu Ram	Daltonganj
110.	Upendra	Baralota

Sl. No.	Name	Address / Organization if any
111.	Praveen	Baralota
112.	Sameer Arya	Baralota
113.	Om Kumar	Baralota
114.	Md. Aslam	Sahpur
115.	D. Kumar	Asehar
116.	P. Ranjan Singh	Redma
117.	Santosh Kumar Singh	Judna
118.	KD Pandey	Lesliganj
119.	Abhinash Kumar Giri	Lesliganj
120.	A. Kumar	Daltonganj
121.	Md. Azaj	Panki
122.	Anuj Singh	Tarhasi
123.	Ramprabesh Bhunya	Delha
124.	Bajrangi Kumar Mahto	Delha
Public Hearing at Deogarh		
1.	Subhash Chandra Mishra	Electric Office, Deoghar
2.	Pradip Kumar Ram	Electric Supply Division
3.	Vinay Prakash Dubey	Electric Supply Sub-Division, Rajabag Section
4.	Om Prakash	SPSIA
5.	P.L. Gutgutia	Deoghar
6.	Pradeep Bajla	Deoghat
7.	Tarkeshwar Singh	Deoghar chamber
8.	Binay Maheshwari	Deoghar Chamber
9.	R.N. Sharma	President Deoghar Chamber
10.	L.B. Sinha	SPSIA
11.	Raj Kumar Singh	Hotel Lord Shiva
12.	Subodh Kumar Singh	Bompass Town Deoghar
13.	Krishna Kumar Jha	Deoghar
14.	Pankaj Singh Bhdoria	Shyamganj Road Deoghar
15.	Rita Chaurasia	Mahavir Colony Deoghar
16.	Om Prakash Yadav	Court Rd. B. Deoghar
17.	Namideshwar	Deoghar
18.	Pramod Thakur	Deoghar
19.	Suresh Sah	Deoghar
20.	Pro. Uday Prakash	Dr. JM Mahavidhalaya, Jasidih, Deoghar
21.	Binod Sultha	Goushala Road
22.	Alok Malick	Deoghar
23.	Mahesh Sultha	Goushal Road
24.	Aman Sharma	Goushal Road
25.	Bajrang	Goushal Road
26.	B.K. Choubey	MRT, Deoghar
27.	Pramod Kumar	Deoghar
28.	Madan Singh	Deoghar
29.	G.P. Singh	Deoghar
30.	A.N. Sharma	Deoghar
31.	Binay Roy	Deoghar

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

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

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

Annexure - 2

Agenda for Meeting of the State Advisory Committee

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

1. Confirmation of the minutes of last meeting.

2. Discussion on Action taken Report on the compliance/status and recommendations on the issues discussed in the last meeting of SAC.

3. Discussion on AT & C Loss.

4. Discussion on Tariff Petition for FY 2015-16 of Jharkhand Bijli Vitran Nigam Limited (JBVNL)

5. Discussion on Tariff Petition for FY 2015-16 of Jharkhand Urja Sancharan Nigam Limited (JUSNL).

6. Any other matter(s) relating to electricity which the Members of the Committee may like to discuss with the permission of Chairperson.

Annexure -3

List of Members of the Expert Committee

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

Annexure-4

Report of Expert Committee

विद्युत लोकपाल, झारखण्ड

ELECTRICITY OMBUDSMAN, JHARKHAND

Ref. No. EOJ/411/94 Date :- 10th Nov.2015

To,

The Secretary,
JSERC, Ranchi.

Subject: Minutes of the meeting of Expert Committee.

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

Sir,

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

Encl. As above

Yours faithfully,

10.11.15
(R.C.Prasad)
Electricity Ombudsman

May be Forwarded to PwC New Delhi.

Mo. Kishoji

16/XI/15

L.O.

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

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

Present---Attendance sheet attached.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10.11.2015

Shri R.C.Prasad   Shri M.S.Mittal   Dr. P.R.Thukra   Shri Deepak Kumar

10/11/2015

Shri Sharad Kumar   Shri G.B.Labh   Shri Ajay Kumar   CA. Avinash Dewan

Shri Sunil Kumar   Shri N.K.Patodia   Shri Anjay Pacheriwala

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Annexure-5

Comments Received from Government of Jharkhand

NOV-16-2015 16:33 From:Pr.Sec.ENERGY 06512491002 To:2330924 Page:1

L.D
To place in the related file.
23.11.15

Letter no........2897........................

Govt. of Jharkhand,

Department of Energy

J.S.E.R.C. Ranchi
Dy. No. 567
Dated 23/11/15

From,

S.K.G. Rahate,
Principal Secretary,

To,

Secretary,
Jharkhand State Electricity Regulatory Commission,
2nd Floor, Sainik Market, Opp. GEL Church Complex,
Main Road, Ranchi.

Ranchi, Dated....14.11.2015.

Sub: **Comments on Tariff Petition of JBVNL and JUSNL.**

Ref: Your letter no. JSERC/Case(T) No.3 & 4 of 2015/668 dt 04/11/2015.

With reference to the above mentioned subject, the Government is of the view that since last few years there is an impending requirement of electricity tariff increase in the State and the following facts may be considered by JSERC while finalizing the long overdue revision of electricity tariff in Jharkhand:-

1. The unbundling of erstwhile JSEB was announced only on 6th January 2014 with a provisional transfer scheme. The revised transfer scheme has been finalized recently and under submission for the approval of State Cabinet. After the State Cabinet approval, notification of the said revised transfer scheme would be issued which is expected most likely by the end of this month.
2. It has been informed by the management of JBVNL/JUSNL that the segregated annual accounts for the individual unbundled entities from 6th January 2014 onwards are under preparation. However, the annual account of erstwhile JSEB up to 5th January 2014 has recently been finalized and also audited by C&AG. Accounts of individual entities from 6th January 2014 till 31st March 2014, and onwards are under advance stage of preparation. In the said circumstances, in the absence of upto date audited annual accounts, the Commission may consider providing ARR based on provisional figures, which may be subjected for true-up at a later stage.

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3. In the absence of tariff increase since last 3 years, the gap between Average Cost of Supply (ACS) and Average Billing Rate (ABR) has significantly increased. While the Average Cost of Supply (ACS) has increased from Rs. 4.99/KWh in FY11 to Rs. 6.42/KWh in FY 14, no change has taken place in Average Billing Rate (ABR) thereby widening the gap between ACS and ABR. It may therefore be taken into account that Average Cost of Supply (ACS) is much higher than the Average Billing Rate (ABR).
4. The tariffs in past weren't reflective of actual costs incurred by JBVNL/JUSNL and it would be no exaggeration that the present electricity tariff in Jharkhand is amongst the lowest in the country and have been consistently lower than the real average cost of supply. There have been significant disallowances in the ARR during the last revision, especially on account of power purchase cost and other elements of ARR which has very adversely impacted the financial performance of the power utilities of the State since last few years. Hence, it would be in the interest of the financial viability of the State power utilities that regulatory disallowances may be kept to minimum extent possible and the revision of tariff should be reflective of the actual ARR.
5. The State government has been providing Resource Gap Funding (RGF) to the utilities to run their operations and to ensure assured electricity supply to the consumers of State. However, considering the precarious financial position of the utilities, the government support has become inevitable. As such, it is of utmost necessity that the unbundled entities JBVNL and JUSNL develop into an independent, financially viable utilities which in turn would reduce the Government's financial burden in years to come.
6. Moreover, the utilities are also taking effective initiatives/measures towards Improvement in Power Supply, Reduction in AT&C Losses, Consumer Satisfaction etc. Some of the major steps taken by utilities are as follows:-
   - Implementation of "Ease of Doing Business" under Make In India Programme to facilitate the consumers for applying online Electric Service Connection, Online Payment of Energy Bill, Online Submission of Complaint etc.;

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- Introduction of DELP (Domestic Efficient Lighting Programme) for replacement of conventional bulb by LED bulb for demand side management;
- Introduction of Portfolio management for optimum utilization of power;
- Selection of Input Based Distribution Franchisee and Rural Franchisee;
- Extending the facility to the consumers for payment of energy bills through Post Office, Pragya Kendra, ATP Machine etc. in order to improve collection efficiency;
- Improvement in billing efficiency by way of introduction of Spot Billing for all consumers of JBVNL which will directly result into reduction in AT&C Losses.

In the light of above, it is requested that the Hon'ble Commission may take into consideration all the relevant facts as mentioned above before finalizing the long overdue revision of electricity tariff of JBVNL and JUSNL. In fact, we would be grateful if the Hon'ble Commission allows us an opportunity to present our detailed case before the Commission for which you may consider fixing a suitable date and time in the coming weeks.

14/11/15
(S.K.G. Rahate)
Principal Secretary