**JHARKHAND BIJLI VITARAN NIGAM LTD, RANCHI**

**PUBLIC NOTICE**

**Objections/ Comments invited from various stakeholders on Petition for True Up for FY 2011-12 and FY 2012-13, Business Plan and Petition for Aggregate Revenue Requirement for Control Period from FY 2013-14 till FY 2015-16 and determination of Tariff for FY 2014-15 for Jharkhand Bijli Vitaran Nigam Ltd (JBVNL)**

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

1. Jharkhand Urja Vikas Nigam Ltd (JUVNL) being the holding company;
2. Jharkhand Urja Utpadan Nigam Ltd (JUUNL) undertaking the generation function of the erstwhile JSEB;
3. Jharkhand Bijli Vitaran Nigam Ltd (JBVNL)undertaking the distribution function of the erstwhile JSEB; &
4. Jharkhand Urja Sancharan Nigam Ltd (JUSNL)undertaking the transmission function of the erstwhile JSEB.

The JBVNL has been transferred the ownership of distribution assets of the erstwhile JSEB and would undertake the business of distribution of electricity in the licensed area from its coming into existence i.e. 28th June 2013.

In accordance with the provisions of the JSERC (Terms and Conditions for Distribution Tariff) Regulation, 2010, the erstwhile JSEB filed the Business plan for MYT Control Period FY 2013-14 to FY 2015-16 for its distribution business on
10th October 2012. Subsequently, erstwhile JSEB filed the Multi-Year ARR for its Distribution Function for the Control Period from FY 2013-14 to FY 2015-16 and Tariff Revision Petition for FY 2013-14 for Distribution of Electricity for its licensed area vide Letter No. 138 dated 28th January 2013.The JUVNL, holding company for all three companies, filed addendum to the aforesaid petition for carrying out True-Up for FY 2012-13 based on annual accounts for FY 2012-13 approved by the Board of Directors vide Letter No. No738 dated 03rd July 2014. The Annual Accounts for FY 2012-13 have also been sent to CAG for final audit which shall be finalized soon. The JUVNL also filed an addendum Petition for revised estimate of ARR for FY 2013-14 and projection of ARR for FY 2014-15 and Retail Tariff proposal for FY 2014-15 vide Letter No. 753 dated 04th July 2014.

As after the unbundling, the distribution function of erstwhile JSEB is to be undertaken by JBVNL, the following petition(s)are being processed by the Commission for JBVNL.

The Commission has scrutinized and accepted the above petition(s) and has directed the licensee to publish a public notice for inviting objections/comments from various stakeholders.

**Brief overview of the Business plan and Multi-year ARR filed by the erstwhile JSEB for its Distribution function for the MYT period from
FY 2013-14 to FY 2015-16 (now undertaken by JBVNL)**

The salient features of the Business plan and Multi-Year aggregate revenue requirement for the Distribution Business for control period from FY 2013-14 to
FY 2015-16 has been summarized below.

1. **SUMMARY OF CAPITAL EXPENDITURE PLAN**

The details of scheme-wise project cost and capital expenditure proposed by licensee for Distribution business as submitted in the petition for approval of Business plan for MYT control period for FY 2013-14 to FY 2015-16 has been summarized in the tables below:

Table 1: Scheme-wise proposed capital expenditure plan (Rs. Cr) for
MYT Period FY 2013-14 to FY 2015-16

| Sl. No. | Particulars | Project Cost |
| --- | --- | --- |
|  |  | FY 2013-14 | FY 2014-15 | FY 2015-16 |
| 1 | Construction of New P/S/S | 36.5 | 32.95 | 26.5 |
| 2 | Stay Extension of 33 kV line | 13 | 19.5 | 13 |
| 3 | Rehabilitation of 33 KV line | 20 | 10 | 12.5 |
| 4 | Augmentation of 33/11 KV P/S/S | 15.3 | 20.65 | 14.15 |
| 5 | Construction of 11 kV new line | 8 | 8 | 8 |
| 6 | Stay Extension of 11 kV line | 8 | 12 | 11.2 |
| 7 | Construction of LT line & Stay Extension of LT line | 6 | 9 | 6 |
| 8 | Installation of D/S/S | 15.6 | 12 | 12 |
| 9 | Augmentation of D/S/S | 10.33 | 10.42 | 9.82 |
| 10 | Service Connection | 9.4 | 7.87 | 9.4 |
| 11 | MRT Establishment of improvement (Equipment with tools & plants) | 2.26 | 1.695 | 2.26 |
| 12 | Establishment/improvement of transformer repair workshop (TRW) | 2.71 | 1.36 | 1.36 |
| 13 | System improvement (Provision of VCB, AB Switch, transformer oil filter machine, vehicle with hydraulic ladder, XLPE Cable with joining kit, meter (LTCT, 3 - phase & single phase). AB Cable, replacement of conductor by higher sizes and provision of guarding lat,ing (in 33 KV, 11KV, and LT lines) conversion of , single phase line into 3 phase line under RGGVY | 13 | 12 | 15 |
| 14 | Capital Maintenance (Replacement of Burnt Transformer) | 22.08 | 15 | 18.93 |
| 15 | Civil works i.e. renovation & new construction in existing P/S/S | 7 | 7 | 8 |
|  | **Sub Total** | **189.18** | **179.45** | **168.12** |
| 16 | Expenses Planned under R-APDRP Part B | 500 | 600 | 600 |
|  | **Total Capital Expenditure** | **689.18** | **779.45** | **768.12** |

1. **ENERGY BALANCE FOR FY 2011-12, FY 2012-13 and MYT Period from FY 2013-14 to FY 2015-16**

The energy balance details as submitted by the licensee for FY 2011-12 and
FY 2012-13 & projections for MYT Period (FY 2013-14 to FY 2015-16) is as under:

**Table 2: Summary of Energy Balance as submitted by the Petitioner**

| **Particulars** | **FY 2011-12****(Actual)** | **FY 2012-13^****(Actual)** | **FY 2013-14\*****(Projected)** | **FY 2014-15\*****(Projected)** | **FY 2015-16#****(Projected)** |
| --- | --- | --- | --- | --- | --- |
| Power Purchase from Outside State Boundary | 4,653 | 2,671 | 4,852 | 5,578 | 6,397 |
| *Loss in external systems (%)* | *3.04%* | *3.04%* | *3.04%* | *3.04%* | *3.04%* |
| MU's lost in external system | 141 | 81 | 147 | 170 | 194 |
| **Net Outside State Power Purchase** | **4 512** | **2,590** | **4,704** | **5,408** | **6,203** |
| Energy Input Directly to State Transmission System | 1,048 | 7,390 | 1,233 | 1,289 | 1,349 |
| Own Generation | 635 | 765 | 1,270 | 1,270 | 1,270 |
| UI Payable | 228 | 86 | - | - | - |
| **Energy available for onward transmission** | **6,423** | **10,830** | **7,207** | **7,967** | **8,822** |
| *Transmission loss (%)* | *5.00%* | *5.00%* | *5.00%* | *5.00%* | *5.00%* |
| Transmission loss (MUs) | 321 | 542 | 360 | 398 | 441 |
| **Net Energy Sent to Distribution (MUs)** | **6 102** | **10,289** | **6,847** | **7,569** | **8,381** |
| Direct input at distribution voltage (33 kV+ 11 kV) | 3,424 | 3,503 | 4,080 | 4,371 | 4,705 |
| **Total Energy Available** | **9,526** | **10,289** | **10,927** | **11,940** | **13,086** |
| Inter-state sales (MUs), | 435 | 474 | - | - | - |
| Sales (MUs) | 6,498 | 6,786 | 8,095 | 8,995 | 10,531 |
| Distribution loss (MUs) | 3,027 | 3,029 | 2,832 | 2,945 | 2,555 |
| Distribution loss (%) | 31.78% | 29.44% | 25.92% | 24.66% | 19.53% |
| **Overall T&D Losses** | **34.94%** | **30.86%** | **29.21%** | **28.09%** | **23.25%** |

^ As per True Up Petition for FY 2012-13 submitted on 3rd July 2014; \*As per addendum petition for revised estimates of ARR for FY 2013-14 and FY 2014-15 and retail tariff proposal for FY 2014-15 dated4th July 2014; and #As per the Original MYT Petition for ARR for period FY 2013-14 to
FY 2015-16 dated 28th January 2013.

1. **SUMMARY OF ARR ELEMENTS FOR TRUE UP FOR FY 2011-12 AND FY 2012-13 AND PROJECTIONS FOR MYT PERIOD FROM FY 2013-14 TO FY 2015-16**

The projected ARR for true up of costs for FY 2011-12 based on audited accounts and FY 2012-13 based on annual accounts and projections for MYT period from
FY 2013-14 to FY 2015-16 for the distribution business as filed by licensee in the petition for determination of Multi Year ARR has been summarized in table below:

Table 3: Summary of True up for FY 2011-12 and FY 2012-13 and ARR for Control Period FY 2013-14 to FY 2015-16 (Rs. Cr)

| **Particulars** | **FY 2011-12** | **FY 2012-13^** | **FY 2013-14\*** | **FY 2014-15\*** | **FY 2015-16#** |
| --- | --- | --- | --- | --- | --- |
| **(Actual)** | **(Actual)** | **(Projected)** | **(Projected)** | **(Projected)** |
| Power Purchase Cost | 3051.77 | 3605.14 | 4,424.57 | 5,545.57 | 6,660.76 |
| Employee Cost | 178.71 | 171.12 | 206.06 | 223.86 | 243.20 |
| Repair & Maintenance Expenses | 27.05 | 29.00 | 62.02 | 105.88 | 162.91 |
| Administrative & General expenses | 34.87 | 37.73 | 42.91 | 46.62 | 50.65 |
| Net Interest & Finance Charges | 482.48 | 617.97 | 549.32 | 693.97 | 802.13 |
| Depreciation | 85.95 | 94.63 | 114.06 | 161.53 | 214.92 |
| Bad Debts Provision | - | 72.15 | - | - | - |
| Prior Period Expenses | - | 1520.03 | - | - | - |
| **Total Costs** | **3860.84** | **6147.77** | **5398.94** | **6777.44** | **8134.56** |
| Add: Reasonable Return | 16.70 | 23.68 | 104.66 | 171.88 | 248.10 |
| Less: Non-tariff Income  | 45.20 | 240.65 | 53.92 | 56.61 | 59.44 |
| **Annual Revenue Requirement** | **3832.34** | **5930.80** | **5449.69** | **6892.71** | **8323.22** |

^ As per True Up Petition for FY 2012-13 submitted on 3rd July 2014; \*As per addendum petition for revised estimates of ARR for FY 2013-14 and FY 2014-15 and retail tariff proposal for FY 2014-15dated4th July 2014; and #As per the Original MYT Petition for ARR for period FY 2013-14 to
FY 2015-16 dated 28th January 2013.

Based on the proposed ARR for FY 2013-14 and FY 2014-15 by licensee, the computation of cumulative revenue gap/ surplus for FY 2014-15as per the addendum petition dated 4th July 2014 is summarized in the table below:

**Table 4: Proposed Cumulative Revenue Gap/Surplus for FY 2014-15 (Rs. Cr)**

| Sl. No. | Particulars | Amount |
| --- | --- | --- |
| **1** | **Revenue Gap/Surplus for past years from FY 2003-04 to FY 2010-11** | **(448.37)** |
| **2** | **Revenue Gap/ Surplus for FY 2011-12** |  |
| a) | ARR for Generation function (PTPS & SHPS) | 260.92 |
| b) | ARR for Transmission function | 148.83 |
| c) | ARR for Distribution function | 3832.33 |
| d) | Less: Revenue from sale of power at existing tariffs within the State | 2122.64 |
| e) | Less: Revenue from inter-state sale | 106.08 |
| f) | Add: Carrying cost  | 296.97 |
|  | **Sub-Total (2)** | **2310.34** |
| **3** | **Revenue Gap/ Surplus for FY 2012-13** |  |
| a) | ARR for Generation function (PTPS & SHPS) | 350.17 |
| b) | ARR for Transmission function | 200.15 |
| c) | ARR for Distribution function | 5930.80 |
| d) | Less: Revenue from sale of power at existing tariffs within the State | 2632,61 |
| e) | Less: Resource gap funding from State Government | 1100.00 |
| f) | Less: Revenue from inter-state sale | - |
| g) | Add: Carrying cost  | 810.81 |
|  | **Sub-Total (3)** | **3559.32** |
| **4** | **Cumulative Revenue Gap upto FY 2012-13** | **5421.29** |
| **5** | **ARR for FY 2013-14** |  |
| a) | ARR for Generation function (PTPS & SHPS) | 505.42 |
| b) | ARR for Transmission function | 339.99 |
| c) | ARR for Distribution function | 5449.69 |
| d) | Less: Revenue from sale of power at existing tariffs within the State | 2822.09 |
| e) | Less: Resource gap funding from State Government | - |
| f) | Less: Revenue from inter-state sale | - |
|  | **Sub-Total (5)** | **3473.01** |
| **6** | **ARR for FY 2014-15** |  |
| a) | ARR for Generation function (PTPS & SHPS) | 589.34 |
| b) | ARR for Transmission function | 529.13 |
| c) | ARR for Distribution function | 6892.71 |
| d) | Less: Revenue from sale of power at existing tariffs within the State | 3074.71 |
| e) | Less: Resource gap funding from State Government | - |
| f) | Less: Revenue from inter-state sale | - |
|  | **Sub-Total (5)** | **4936.47** |
|  | **Cumulative Revenue Gap upto FY 2014-15** | **13830.76** |
| **7** | Less: Additional Revenue from Proposed Tariff | 943.95 |
| **8** | **Residual Revenue Gap proposed for Regulatory Asset** | **12886.82** |

1. **TARIFF PROPOSAL FOR FY 2014-15**

The detail of category wise tariff proposed by licensee for FY 2014-15 is here under:

**Table 5: Summary of Tariff proposed for FY 2014-15**

| **Consumer Category** | **Fixed Charges** | **Energy Charges** |
| --- | --- | --- |
| **Units** | **Existing** | **Proposed** | **Units** | **Existing** | **Proposed** |
| **Domestic Supply** |  |  |  |  |  |  |
| DS–I (a), Kutir Jyoti (metered) (0-50) | Rs./ Connection/ Month | 15 | 25 | Rs. / kWh | 1.20 | 1.50 |
| DS–I (a), Kutir Jyoti (metered) (50-100) | Rs./ Connection/ Month | 15 | 25 | Rs. / kWh | 1.20 | 1.50 |
| DS–I (a), Kutir Jyoti (un-metered) | Rs./ Connection/ Month | 40 | 125 | Rs. / kWh | - | - |
| DS-I (b), metered (0-200) | Rs./ Connection/ Month | 25 | 35 | Rs. / kWh | 1.40 | 1.95 |
| DS-I (b), metered (above 200) | Rs./ Connection/ Month | 25 | 40 | Rs. / kWh | 1.50 | 2.05 |
| DS-I (b), un-metered | Rs./ Connection/ Month | 100 | 175 | Rs. / kWh | - | - |
| DS – II <=4 kW, 0 – 200 Units | Rs./ Connection/ Month | 40 | 100 | Rs. / kWh | 2.40 | 2.90 |
| DS – II <=4 kW, 201-500units | Rs./ Connection/ Month | 60 | 150 | Rs. / kWh | 2.90 | 3.20 |
| DS – II <=4 kW, 500units and above | Rs./ Connection/ Month | - | 200 | Rs. / kWh | - | 3.90 |
| DS-III, Above 4 kW | Rs./ Connection/ Month | 100 | 175 | Rs. / kWh | 3.00 | 4.50 |
| DS HT | Rs./ kVA / Month | 75 | 125 | Rs. / kWh | 2.60 | 3.40 |
| **Non Domestic Supply** |  |  |  |  |  |  |
| NDS-I, metered (<= 2 kW) (0-100) | Rs./ Connection/ Month | 30 | 50 | Rs. / kWh | 1.75 | 2.50 |
| NDS-I, metered (<= 2 kW) (above 100) | Rs./ Connection/ Month | 30 | 50 | Rs. / kWh | 1.75 | 2.50 |
| NDS-I, un-metered (<= 2 kW) | Rs./ kW / Month | 175 upto 1 kW | 275 upto 1 kW | Rs. / kWh | - | - |
| Rs./ kW / Month | 60 per additional 1kW or part thereof | 75 per additional 1 kW or part thereof | Rs. / kWh | - | - |
| NDS-II | Rs./ kW/ Month | 175 | 275 | Rs. / kWh | 5.25 | 6.25 |
| NDS-III | Rs./Connection/ Month | 150 | - | Rs. / kWh | 6.00 | - |
| NDS-III (Proposed) | Rs./ kW/ Month | 150 | 225 | Rs. / kWh | 6.00 | 7.00 |
| **Low Tension Industrial Service** |  |  |  |  |  |  |
| LTIS (Installation based Tariff) | Rs./ HP/ Month | 130 | 200 | Rs. / kWh | 4.90 | 5.70 |
| LTIS (Demand based Tariff) | Rs./ kVA/ Month | 235 | 300 | Rs. / kWh | 4.90 | 5.70 |
| **Irrigation & Agriculture Service** |  |  |  |  |  |  |
| IAS-I (Metered) | Rs./ HP/ Month | - | - | Rs. / kWh | 0.60 | 1.00 |
| IAS-I (Un metered) | Rs./ HP/ Month | 70 | 125 | Rs. / kWh | - | - |
| IAS-II (Metered) | Rs./ HP/ Month | - | - | Rs. / kWh | 1.00 | 1.50 |
| IAS-II (Un metered) | Rs./ HP/ Month | 280 | 500 | Rs. / kWh | - | - |
| **High Tension Voltage Supply** |  |  |  |  |  |  |
| HTS – 11 kV | Rs./ kVA/ Month | 235 | 335 | Rs. / kWh | 5.40 | 6.25 |
| HTS – 33 kV | Rs./ kVA/ Month | 235 | 335 | Rs. / kWh | 5.40 | 6.25 |
| HTS – 132 kV | Rs./ kVA/ Month | 235 | 335 | Rs. / kWh | 5.40 | 6.25 |
| **HT Special Service** |  |  |  |  |  |  |
| HTSS – 11 kV | Rs./ kVA/ Month | 410 | 500 | Rs. / kWh | 3.25 | 4.25 |
| HTSS – 33 kV | Rs./ kVA/ Month | 410 | 500 | Rs. / kWh | 3.25 | 4.25 |
| HTSS – 132 kV | Rs./ kVA/ Month | 410 | 500 | Rs. / kWh | 3.25 | 4.25 |
| **Traction** |  |  |  |  |  |  |
| RTS | Rs./ kVA/ Month | 220 | 300 | Rs. / kWh | 5.40 | 6.50 |
| **Street Light Service** |  |  |  |  |  |  |
| SS – I (Metered) | Rs. / Connection / Month | 35 | 75 | Rs. / kWh | 4.45 | 5.25 |
| SS – II (Un-metered) | Rs. / Connection / Month | Rs. 140 per 100 watt lamp and Rs. 30 for every additional 50 watt and part thereof; | Rs. 235 per 100 watt lamp and Rs. 50 for every additional 50 watt and part thereof; | Rs. / kWh | - | - |
| **MES** | Rs./ kVA/ Month | 205 | 275 | Rs. / kWh | 4.05 | 5.00 |

1. **Creation of Regulatory Assets**

The Licensee has proposed for creation of regulatory asset for the cumulative gap of
Rs. 12,886.82 Crores stating that the same has not been covered for by the proposed tariff for FY 2014-15. It further proposed that the regulatory gap thus created may be gradually allowed in the retail tariffs for the licensee in subsequent years.

The proposed phasing for recovery of the regulatory asset from retail tariffs during the period FY 2015-16 to FY 2019-20 is provided in the following table:

**Table 6: Summary ofproposed phasing of Regulatory Asset (Rs Cr)**

| Financial Year | Percentage of Regulatory Assets Allowed | Amount proposed to be passed in ARR |
| --- | --- | --- |
| **FY 2015-16** | 20% | 2577 |
| **FY 2016-17** | 20% | 2577 |
| **FY 2017-18** | 20% | 2577 |
| **FY 2018-19** | 20% | 2577 |
| **FY 2019-20** | 20% | 2577 |
| **Total** | **100%** | **12887** |

**Comments/Suggestions from stakeholders**

1. The Commission has directed JBVNL to invite comments/suggestions from the public on the above Petition through this Notice. Suggestions/comments may be sent to the office of Chief Engineer (C&R) at Ranchi by 30th July 2014. A copy of the suggestions/comments should also be sent to the Secretary, Jharkhand State Electricity Regulatory Commission, 2nd floor, Rajendra Jawan Bhawan-cum-Sainik Bazar, Main Road, Ranchi – 834 001. FAX no. 0651 – 2330924. E-mail id – info@jserc.org.

Copies of the ARR petition can be obtained on written request from the offices of JUVNL as mentioned below:

**The Chief Engineer (C&R)**

Jharkhand Urja Vikas Nigam Limited (JUVNL)

Engineering Building, HEC,

Dhurwa, Ranchi-834004

Ph. No. 0651-2400826.

Email id – coml.rev@rediffmail.com / chiefengineercr@gmail.com

Every person who intends to file objections and comments/suggestions can submit the same in English or in Hindi, in four copies, and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the objection is being filed on behalf of any organization or on behalf of category of consumers. It is to be noted that if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing, for which date and place shall be announced by the Commission separately.

JUVNL on behalf of JBVNL shall reply to each of the objections and objections/comments/suggestions received within Seven days of the receipt of the same but not later than 30th July 2014- for all the objections and comments/suggestions received till 30th July 2014 reply of copy should also be given to the Secretary, Jharkhand State Electricity Regulatory Commission. Stakeholders can submit their rejoinders on replies provided by JUVNL either during the public hearing or latest by last day of hearing.

 **Name & Signature of the Authorized Representative**

**Chief Engineer (Coml. & Rev.)**

Corporate Office,

Engineering Building, HEC, Dhurwa,

Ranchi – 834004.