**Note on Discrepancies/ Data gaps in respect of the Petition for Audited True-up of FY 2023-24, APR for FY 2024-25, and ARR & Tariff for FY 2025-26 filed by The Jharkhand Bijli Vitran Nigam Limited (JBVNL)**

1. **The petitioner is required to provide the Working Model (MS Excel) (i.e. including True-up for FY 2023-24, APR for FY 2024-25, ARR & Tariff for FY 2025-26, Sales & Revenue Model, Power purchase model reconciliation with Audited account).**

Reply – Working model for True-up for FY 2023-24, APR for FY 2024-25, ARR & Tariff for FY 2025-26, Sales & Revenue Model, Power purchase model reconciliation with Audited account has already been sent to Hon’ble Commission via email dated 13.01.2025.

1. **The Petitioner is directed to furnish the details of monthly injection and drawl of energy at inter/intra state Transmission level for FY 2023-24.**

Reply – Monthly drawl from intra state Transmission level for FY 2023-24 as taken from ABT meter is attached as **Annexure Sl no 01** of the document. It is to mention here that as per clause no 34.6 of (STATE GRID CODE) REGULATIONS 2008 of JSERC “The STU shall opt to install special energy meters on all inter connections between the State entities and other identified points for recording of actual net MWh interchanges and MVArh drawls. The SLDC shall be responsible for computation of actual net MWh injection of each generating stations and actual net drawl of each beneficiary, 15 minute wise, based on the above meter readings.” In this regard, official letter to GM(SLDC) was issued vide GM(commercial), JBVNL letter no 2596 dated 31.12.2024 requesting to provide the monthly injection report but report is still awaited.

1. **As per table 2-1 of the petition, the Petitioner has claimed the energy sale for Industrial LT/LTIS as 270.12 MU against 317.83 MU approved in APR FY2023-24, In this regard, the Petitioner is required to provide the proper justification for such a decrease in energy sales.**

Reply – While submitting APR for 2023-24 JBVNL submitted actual figure for first six months and projection for next 6 months, that’s why 317.83 MU was estimated and 270.12 MU is as per annual account which was finalised on dated 26.09.2024. Also, in Annual Performance Review for FY 2023-24 JBVNL has projected 317.83 MUs also approved by Hon’ble Commission in its tariff order dated 30.09.2024 is given as below:

**Table 62: Category-Wise Energy estimated energy Sales (MUs) as approved by the Commission.**

|  |  |  |  |
| --- | --- | --- | --- |
| Consumer Category | ARR | Petition | Approved |
| Domestic | 6,360.41 | 5,523.78 | 5,523.78 |
| Commercial/Non Domestic | 1,000.89 | 1,464.90 | 1,464.90 |
| Public Lighting / SS | 96.62 | 80.39 | 80.39 |
| Irrigation / IAS | 196.53 | 188.36 | 188.36 |
| Industrial LT / LTIS | 255.39 | 317.83 | 317.83 |
| Industrial HT / HTS / S/ EHT | 2,057.24 | 2,605.86 | 2,605.86 |
| RTS/MES | 77.55 | 90.91 | 90.91 |
| Total | 10,044.63 | 10,272.03 | 10,272.03 |

As, per clause 6.44 of JSERC Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, sales are an uncontrollable factor. Thus, considering the above-mentioned facts, petitioner requests the Hon’ble Commission to consider the actual sales unit of 270.12 MUs as claimed in the true up petition.

1. **As per table 2-2 of the Petition, the petitioner has submitted that it has procured short term power from IEX/ PXII. In this regard, the petitioner must submit whether it has taken prior approval of the Commission for procurement of power from IEX/PXIL on a short-term power requirement basis for FY 2023-24 as per Regulation 6.31-6.37 of the JSERC (Terms and Condition for Determination of the Distribution Tariff) Regulations, 2020.**

Reply - JBVNL has adequate capacity contracted from power plants **(Copy enclosed as Annexure Sl no 2)** and need not procure short-term power plant in natural course of business. However, often due to sudden tripping of generating units and revision of injection schedule of RE generators, JBVNL faces shortage of power, and it is forced to purchase power from power exchange. Similarly, if JBVNL envisages that it has optimum capacity available in any time block as compared to its demand and it can sell the power profitably after considering Energy Charge of the plant or to maintain DSM, it bids the power for sale in power exchange. Both the activities are randomized and it’s not possible to predict quantum of energy purchased/sold from Power Exchange in advance.

The petitioner humbly submits that it is not in favour of any short-term power procurement and thus, it does not have any rolling quarterly forecast of the quantum of short-term power to be purchased. The short-term power is purchased on day ahead basis when the need arises such as shutdown of any units from generating stations or in emergency situations when the demand is more than the scheduled supply. The JBVNL purchased power from IEX on day ahead basis and sometimes it procured power from the real time market (RTM) basis to avoid deviation of power from schedule.

JBVNL doesn’t deviate from its schedule deliberately. At all times it is endeavour of JBVNL that its schedule is same as its drawl and hence there should be no UI Purchase/UI sales ideally. Even if the deviation occurs there is equivalent probability of happening it on either side of scheduled quantity.

The soft copy of report on procurement of short-term power has been submitted in pen drive vide ED(C&R) letter 259 dated 29.11.2024 to Hon’ble Commission as Annexures Sl no -13 (invoices and PPAs) under folder PTC Exchange.

1. **Further, the Petitioner is directed to submit the time-block power purchase and sale rate on the IEX/ PXIL Also, the Petitioner is required to submit documentary evidence for such purchase and sale.**

Reply - JBVNL submits that, obligation report from IEX and PXIL is generated for each day. The soft copy of obligation report for each day’s purchase and sale has been submitted in pen drive vide ED(C&R) letter 259 dated 29.11.2024 to Hon’ble Commission as Annexures Sl no -13 (invoices and PPAs) under folder PTC Exchange.

**6. The Petitioner is required to provide the basis for scheduling of power from each source on daily basis. Further, the Petitioner is required to demonstrate along with documentary evidence whether Merit Order Dispatch is followed while scheduling the power.**

Reply - JBVNL would like to submit that currently it has more capacity allocation from various CGS, IPPs, Captive and JUSNL than the demand. In view of the same JBVNL schedules power from power plants which have been allocated to it under GNA regulation.

The first scheduling of power is done from renewable sources under must run condition, then power is being scheduled from hydle power plant and then from thermal power plant. However, during course of the day, due to various climatic or social factors there may be drop in power demand of the state. To handle such scenario, there is a mechanism of ‘Requisition’ provided by respective Regional Load Despatch Centre (RLDCs) where-in the participating utility may surrender power allotted to it at 7 blocks (consisting of 15 minutes) or more ahead of the real time. If, SLDC/JBVNL suffers a drop in demand leading to excess capacity with respect to allocated capacity, it surrenders power through Requisition mechanism. While surrendering power through this mechanism, JBVNL factors in Merit Order Despatch and surrenders power from plant starting from plant with highest variable cost and thereafter in descending order of Energy Charge till scheduled power reaches a value equal to its anticipated demand subject to compensation and technical minimum criteria.

Conversely, if in any time block, JBVNL has less allocation than its demand then also through requisition, it may avail or apply additional power from same power plants (with which it has PPA) which have spare capacity at seven or more time-block before real time through a mechanism known as ‘URS’. While going for such requisition also, JBVNL follows Merit Order Despatch Principle by opting for power plants having least variable cost out of all available option subject to compensation and technical minimum criteria.

The month wise URS Statement for FY 2023-24 is available at ERPC website. The link to download the URS Statement is available at - <https://erpc.gov.in/urs/> and one month URS Statement along with merit order as sample is attached as **Annexure Sl no 03** of the document.

1. **As per table 2-4 of the petition, the Petitioner has claimed the Transmission Loss as 6.41% against the 2.23% approved in the Business Plan for FY 2023-24. In this regard, the Petitioner should justify its claim with substantial evidence.**

Reply – It is evident from the power purchase for FY 2023-24 is that energy available for at JUSNL transmission system is 11540.70 MUs. The input energy from the JUSNL system to the distribution system at 33 kV feeder is 10800.39 MUs in FY 2023-24. The difference between these two is computed as 740.32 MUs which is losses in the JUSNL transmission system which is coming around 6.41%. JBVNL has claimed actual energy drawl from JUSNL system as per the readings of ABT meter installed at drawl point of JBVNL.

JBVNL procures power from DVC system as well. The scheduled drawl from DVC system is 3930.84 MUs and actual drawl from DVC system is 3721.41 MUs. The loss between scheduled drawl and actual drawl from DVC transmission system is being borne by JBVNL. The energy loss in the DVC transmission system is 209.43MUs which is coming around 5.33%. JBVNL is claiming actual energy drawl from DVC system is as per readings of ABT meter installed at drawl point of JBVNL.

Hence, JBVNL claims 3% CTU loss, 6.41% Losses at JUSNL transmission system and 5.33% losses at DVC transmission system.

Accordingly, the table 2-4 presented in the petition can be read as -

|  |  |
| --- | --- |
| Particular | FY 2023-24 |
|  | True-Up FY 2023-24 |
| Power Purchase from Outside JSEB Boundary (MU) | 9847.52 |
| Loss in External System (%) | 3.00% |
| Loss in External System (MU) | 295.43 |
| Net Outside Power Available (MU) | 9552.09 |
| Energy Input Directly to State Transmission System (MU) | 349.32 |
| State-owned Generation (MU) | 1639.28 |
| Energy Available for Onward Transmission (MU) | 11540.70 |
| Net Energy Sent to Distribution System (MU) | 10800.37 |
| Transmission Loss at JUSNL System (MU) | 740.32 |
| Transmission Loss at JUSNL System (%) | 6.41% |
| Energy scheduled from DVC to Distribution System (MU) | 3930.84 |
| Direct Input Energy from DVC to Distribution System (MU) | 3721.41 |
| Transmission Loss at DVC System | 209.43 |
| Transmission Loss at DVC System (%) | 5.33% |
| Direct Input Energy from State Solar System (MU) | 17.87 |
| Energy Available for Sale | 14539.65 |
| Energy Billed (MU) | 9994.70 |
| Distribution Loss | 31.26% |
| Energy Required at Discom's Periphery | 14539.65 |

Petitioner hereby submits that, the JBVNL is not accountable for the intrastate transmission loss in STU system and transmission losses at DVC system. Thus, petitioner requests the Hon’ble Commission to consider the actual energy available for sale as 14539.65MUs.

Complete ABT meter reading of power drawl from JUSNL and DVC is being submitted to the Hon’ble Commission as **Annexure Sl no 01** of the document.

1. **The Petitioner at para 2.5.8 has submitted that the actual distribution loss for FY 2023- 24 as 31.26% whereas it has submitted actual distribution loss for FY 2022-23 as 30.28% in its previous filing. In this regard, the Petitioner is directed to submit a detailed justification for a higher distribution loss for FY 2023-24 as the distribution loss is controllable parameter according to clause 6.44 of JSERC (Distribution Tariff Regulation) 2020. Further, the Petitioner is directed to submit the detailed reason for the increase in distribution loss to 31.26% for FY 2023-24 instead of decreasing.**

Reply – During FY 2023-24 Urja Mitra Agency deployed in billing for different area board of JBVNL were issued several show cause notices and also discontinued for poor performance. The relevant orders are being annexed herewith as **Annexure Sl No-4**.

**AT&C Loss Reduction Roadmap**

The Petitioner would like to further reiterate that several administrative measures has been undertaken to curb the AT&C losses along with the technical measures such as increasing the metering, focusing on billing efficiency and collection efficiency improvement. It is submitted that Hon'ble Commission has approved 99% collection efficiency for FY 2024-25, which is on extremely higher side and even the most efficient State utilities in the Country are not able to achieve it.

In order to reduce the losses JBVNL has implemented feeder Metering and is in the process of ensuring complete metering of DTs and convert -18.43 lacs smart meter prepaid Consumers to enable energy auditing through different central and state funded schemes. Further, Petitioner is also taking other measures like Name and Shame Campaign, preparation of MIS for performance monitoring and management, Feeder Improvement Program for network strengthening, Physical segregation of feeders, Installation of Smart meters, providing electricity access to unconnected households, Implementation of ERP systems, Installation of AB Cables, Feeder Segregation, Revenue Intelligence Cell Formation, etc. Moreover, to enhance the collection efficiency, consumers are facilitated with multiple collection avenues such as Mobile App (JBVNL Consumer self-care), online bill payment through JBVNL website, BBPS, E-wallet (through UM), ATP machines etc. The Petitioner humbly submits that despite creating several avenues for payment of bills by the consumers, the collections have remained lower than the targets.

Further, JBVNL has migrated to a centralized Android based mobile photo spot billing (with collection facility) platform, having complete control over consumer billing database. In order to ensure 100% billing coverage, certain number of consumers have been assigned to each Urja Mitra, that also acts as a JBVNL Touch-point for billing, collection and various other consumer services. In cases where the performance of billing agency is not up to the benchmark, JBVNL General Manager (Revenue) is empowered to depute new billing agencies and accordingly a tender has been floated for empanelment of billing vendor. The centralized billing database and software tool has dedicated dashboards for JBVNL, agencies and UMs, for real-time progress and performance monitoring and enhancing billing and collection.

The Petitioner is prone to difficulties of T&D losses and collection inefficiencies due to difficult terrains and large rural consumers with limited paying capacity, in overall consumer mix. Further, under Universal Supply Obligation (USO), the petitioner is obliged to provide quality power without any interruption or reduction in power supply in areas with poor collection efficiencies. Also, the line lengths of 11kV feeders are more as compared to 33kV lines resulting higher line loss in the system.

The Petitioner has aligned itself to the trajectory approved for Jharkhand under the RDSS scheme by Ministry of Power. Therefore, the petitioner prays to Hon'ble Commission to consider the target of AT&C loss as per the RDSS targets for the state of Jharkhand while approving the APR for FY 2024-25.

The following major Initiatives for reduction of AT&C Loss, Enhanced Collection Efficiency & to Secure 100% Coverage in Billing Process are being tabulated as below:

|  |  |  |
| --- | --- | --- |
| **For AT&C Loss Reduction** | **Enhanced Collection Efficiency** | **To Secure 100% Coverage In Billing Process** |
| * **Feeder Metering:** Implemented to monitor and control energy losses.
* **DT Metering:** Ensuring complete metering of Distribution Transformers (DTs).
* **Smart Meters:** Converting 18.43 lakh meters to smart prepaid meters.
* **Physical Segregation:** Segregation of feeders to enhance efficiency.
* **AMR Meters:** Installation of Automated Meter Reading (AMR) meters for accurate billing.
* **Electricity Access:** Providing connections to unconnected households.
* **ERP Systems:** Implementation of Enterprise Resource Planning (ERP) for operational streamlining.
* **AB Cables:** Installation of Arial Bundled (AB) cables to prevent power theft.
* **Feeder Segregation:** Separating agricultural and non-agricultural feeders for better energy management.
* **Revenue Intelligence Cell:** Formation of a specialized cell to enhance revenue collection and reduce losses.
 | * Multiple collection avenues provided for consumer convenience.
* **Mobile App:** JBVNL Consumer Self-Care.
* **Online Payment:** Through the JBVNL website.
* **BBPS (Bharat Bill Payment System):** Seamless bill payment platform.
* **E-Wallets:** Payments via Urja Mitra (UM).
* **ATP Machines:** Automated payment terminals for easy access.
 | * Android based mobile photo spot billing.
* Deputed new billing agencies from empaneled billing vendor.
* Centralized billing database and software tools and dashboard for UM.
* Real time progress and performance monitoring of UM.
* OCR based spot billing platform.
 |
|
|
|

1. **As per table 2-5 of the petition, the Petitioner has claimed Repair and Maintenance expenses as Rs 343.30 Cr against the Rs 294.93 Cr approved in APR for FY2023-24. In this regard, the Petitioner is required to submit proper justification for such an increase in R&M expenses.**

Reply – The company has made a total addition of Rs 16,848.56 Cr to its Fixed assets in the last five years (i.e. from F.Y. 2018-19 till 2022-23). With the passage of time, the wear and tear in the assets increases requiring repairs and maintenance to maintain the assets. The Company had added a total of Rs 7806.50 Cr of assets which have entered into the 6th year of its lifecycle. The additional expense of Rs Rs 48.37 Cr. on such addition comes to around to a meagre 0.62%.

So, the main reason attributable to the increase is the ageing of the assets created requiring more repairs & maintenance.

1. **As per table 2-6 of the petition, the Petitioner has claimed A&G expenses as Rs. 182.45 Cr against Rs.116.26 Cr approved for FY 2023-24 in APR for FY2023-24. In this regards the Petitioner is required to submit proper justification for such an increase in A&G expense.**

Reply – The A&G expenses mainly increased on account of increase in expenses related to consultancy expenses by Rs 37.36 Cr and expenses allocated to JBVNL from the holding company apportioned by Rs 26.21 Cr.

1. **As per table 2.7 it is observed that the addition to Capital Expenditure for FY 2023-24 is Rs.740.04 Cr. In this regard, the Petitioner is directed to submit the scheme-wise Capital Expenditure details, The Petitioner shall submit the detailed scheme-wise comparison of Capitalization approved by the Commission vis-a-vis claimed for FY 2023-24. Further, in addition to above, the Petitioner is required to provide project/ scheme completion certificate certifying that the project/ scheme is completed and in operation/put to use.**

Reply – Scheme wise break up of capex of Rs 740.04 Cr is provided in **Annexure Sl no 5**. Soft copies of Completion Certificates of various schemes basis which capitalization have been made, are provided in Google drive as **Annexure Sl No 6** as the volume is big.

1. **As per table 2-8 of the petition, the Petitioner has claimed under consumer contribution as Rs.38.31 Cr for FY 2023-24, In this regard, the Petitioner is required to provide the documentary evidence for Grants and Consumer Contribution. Also, the Petitioner is directed to submit the details of the actual amount received under Grants and Consumer Contribution.**

Reply – Details of consumer contribution of Rs 38.31 Cr is provided in **Annexure Sl no -7.** Copies of documents of grants received during the year are also enclosed.

1. **As per table 2-12 of the Petition, the Petitioner has claimed Interest on Consumer Security Deposit as Rs 108.08Cr. In this regard, the Petitioner is required to provide the details of the actual interest disbursed against the claimed amount.**

Reply – Rs 10807.85 Lakh (P.Y: 7810.47 Lakh) towards interest on consumer security deposits provided at SBI base rate of 10.10% as on 1 April, 2023. Average rate of interest has been used for the amount collected/ refunded during the year. Refer to Note 2.1. Other Key Disclosures for detailed explanations on the reason of increase in the interest on security deposit amount.

 The company is in the process of updating data base for consumers for adjustment of interest on consumer security deposits in their ledger. Considering the very large size of consumers, the process of data update is time consuming. The interest adjustment is being made to consumers ledgers in a gradual manners after updating the database. According to Standalone financial statement of JBVNL for FY 22-23, interest of 2578.23 lakh has been adjusted/credited to consumer ledgers. (Copy Enclosed as **Annexure Sl no 8**).However the details of actual interest disbursed for FY 22-23 will be furnished in due course of time.

1. **As per table 2-13 it is observed that, the Petitioner has claimed bank and finance charges as Rs 2.38 Cr for FY 2023-24. In this regard, the Petitioner is required to provide proper justification regarding the reason for which the charged are being levied by the bank. Also, the Petitioner is directed to submit the bills towards bank and finance charges.**

Reply – Details of Bank charges is provided in **Annexure Sl no 9**. Out of total bank charges of Rs 2.38 Cr, Rs 2.35 Cr is on account of the working capital limits from the banks availed for payment of power purchase dues. Copy of Bank statement containing bank charges for the working capital limit is enclosed As **Annexure Sl no – 10** which contains substantial amount (98%) of the total expenses.

1. **The petitioner gets government fund under various scheme in the form of loan and grant. In this regard, the petitioner is required to provide the balance confirmation certificate.**

Reply – The majority of the loan and grants received during the year are from State Government wherein the amounts are credited in the treasury accounts. There is no process of obtaining balance confirmation letters from the government against loans and grants.

**APR of FY 2024-25**

1. **As per para 3.3.2, the Petitioner has projected AT&C loss of 19% for FY 2024-25 respectively against the distribution loss of 13% as approved by the Commission for the control period. In this regard, the petitioner is directed to provide the proper justification.**

Reply – As per MOP letter Dated 21st March, 2023 Alignment of the distribution losses prescribed by the SERCs/JERCs in line with the AT&C Loss target approved under RDSS-reg **Annexure Sl No 11**

Ministry of power has launched the revamped distribution sector scheme (RDSS) to support DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to DISCOMs to strengthen their supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The key objectives to RDSS include- i) Reduction of AT&C losses to pan-India levels of 12-15% by FY 2024-25. ii) Reduction of ACS-ARR gap to zero by FY 2024-25 and iii) improvement in the quality, reliability, and affordability of the power supply to the consumers through a financially sustainable and operationally efficient distribution sector.

Under the scheme guidelines, AT&C loss is one of the key parameters for the purpose of evaluation and grants disbursal under the scheme. While approving the action plan and DPR of respective states, the inter-Ministerial Monitoring committee of RDSS, Chaired by Secretary (Power), has accord approval to the AT&C loss trajectory for JBVNL for the scheme period (i.e. FY2021-22 to FY 2025-26) to achieve the scheme’s objectives (Copy Enclosed)

|  |
| --- |
| **AT&C Loss Targets as per approved REF under RDSS** |
| **State/DISCOM** | **FY 2021-22** | **FY 2022-23** | **FY 2023-24** | **FY 2024-25** |
| Jharkhand | 36 | 30 | 24 | 19 |
| JBVNL |

Hence, the Petitioner has projected AT&C loss of 19% for FY 2024-25.

1. **As per para 3.4.4, the Petitioner has considered an escalation of 5% against transmission and scheduling charges. The Petitioner is directed to provide the justification for considering the same.**

Reply – JBVNL hereby submits that, year on year growth in transmission charges is as –

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FY | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Intra State Transmission Charges (Rs. Cr.) | 195.28 | 205.25 | 219.75 | 236.27 | 257.12 | 333.34 |
| Inter State Transmission Charge (Rs. Cr.) | 140.34 | 211.17 | 255.41 | 325.46 | 308.96 | 549.18 |
| Total Transmission and scheduling charges | 335.62 | 416.42 | 475.16 | 561.73 | 566.1 | 882.52 |
| Year On Year Growth Rate |  | 24.07% | 14.11% | 18.22% | 0.77% | 55.89% |

The year-on-year growth rate from FY 2018-19 to FY 2023-24 is between 24.07% to 55.89%. JBVNL has taken minimum escalation of 5% for projection for FY 2024-25.

JBVNL requests the Hon’ble Commission to approve the escalation as claimed in petition.

1. **As per para 3.8.2, 3.8.4 and 3.8.6 the Petitioner has considered an inflation factor of 2% for escalating employee, Repair and Maintenance (R&M) and A&G expense. The Petitioner is directed to provide justification for considering the same.**

Reply – Employee Expenses

The Petitioner has calculated the employee cost for FY 2024-25 by escalating the employee cost of FY 2023-24 as submitted above in Chapter for audited True-Up for FY 2023-24 by the inflation factor of 2.00 % and the methodology provided under Clause 10.6 (b) and (c) of JSERC MYT Regulations, 2020. For terminal benefits, Rs 83.94 Cr is provisioned for the FY24-25.The projected employee cost for FY 2024-25 is provided in the table below for kind consideration of Hon’ble Commission.

Table 3-6: Employee Expenses of JBVNL for FY 2024-25 (Rs. Crore)

|  |  |  |  |
| --- | --- | --- | --- |
| Sl No. | Particular | As per ARR approved forFY24-25 | Estimated |
| A | Total Employee Expense | 273.78 | 356.59 |
| B | Employee Expense | 273.78 | 272.65 |
| C | Terminal Benefits | 0 | 83.94 |

Repairs & Maintenance Expenses (R&M)

In line with the Regulation 10.6 (a) of JSERC MYT Regulations 2020, the R&M expenses for FY 2024-25 have been estimated by applying K-factor of 1.60% computed based on audited account data of FY 2023-24. Further the Petitioner has considered Indexation Factor of 2.00% as per Regulation 10.6 (a) of JSERC MYT Regulations 2020 for projecting Repair & Maintenance Expenditure in next Control Period.

The R&M expenses for FY 2024-25 is provided in the table below for kind consideration of Hon’ble Commission.

Table 3-7: R&M Expenses of JBVNL for FY 2024-25 (Rs. Crore)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No. | Particulars | As per ARR approved forFY24-25 | Estimated |
| 1 | R&M Expenses | 319.49 | 357.34 |

Administrative and General Expense (A&G)

In line with the Clause 10.6 (b) and (c) of JSERC MYT Regulations 2020, the A&G expenses for FY 2023-24 has been calculated by escalating A&G expense of FY 2021-22 by inflation factor of 2.00%.

The A&G expenses for FY 2024-25 is provided in the table below for kind consideration of Hon’ble Commission.

|  |  |  |  |
| --- | --- | --- | --- |
| Sr. No. | Particulars | As per ARR approvedfor FY24-25 | Estimated |
| 1 | A&G Expenses | 123.93 | 186.10 |

Table 3-8: A&G Expenses of JBVNL for FY 2024-25 (Rs. Crore)

The indexation factor for employee and A&G expenses as per the methodology provided under Clause 10.6 (b) and (c) of JSERC MYT Regulations, 2020 taking the average of six months WPI and CPI index. In line with the Regulation 10.6 (a) of JSERC MYT Regulations 2020, the R&M expenses for FY 2024-25 have been estimated by applying K-factor of 1.60% computed based on audited account data of FY 2023-24. Further the Petitioner has considered Indexation Factor of 2.00% as per Regulation 10.6 (a) of JSERC MYT Regulations 2020 for projecting Repair & Maintenance Expenditure in next Control Period.

1. **As per table 3-6 the Petitioner has projected terminal benefits of Rs 83.94 for FY 2025- 26. However, under clause 10.6 (Note-3) of JSERC (Terms and Conditions of Distribution Tariff) Regulation, 2020 states that terminal liabilities will be approved as per the actual submitted. In this regard, the Petitioner is directed to submit a detailed justification for such claim.**

Reply –JBVNL hereby submits that, terminal liability for FY 2025-26 has been projected as Rs. 83.95 Cr. considering the indexation factor as per Note -1 of Clause 10.6 of JSERC (Terms and Conditions of Distribution Tariff) Regulation, 2020.

JBVNL hereby submits that, to project the actual employee liability and operation and maintenance expenses, JBVNL has considered to compute the terminal benefits for FY 2024-25 and FY 2025-26.

1. **As per para 3.10.5 the Petitioner has projected addition to Capital Expenditure for FY 2024-25 of Rs. 2439.31 Cr as against 1366. 54 Cr in APR for FT 2024-25. In this regard, the Petitioner is directed to submit the scheme-wise Capital Expenditure details.**

Reply – JBVNL hereby submits that, the capital expenditure for FY 2024-25 has been projected as Rs. 2439.31 Cr. Also, the scheme wise capital expenditure detail for FY 2024-25 has also been submitted by the petitioner in Table 3.11 of the petition. The same is being refurnished for your reference –

|  |  |
| --- | --- |
| **Scheme** |  **FY 2024-25****Estimated (Rs Cr)**  |
| **Revamped Distribution Sector Scheme­ (RDSS)** |  **924.95**  |
| *Loss Reduction* |  *909.52*  |
| *PMA* |  *15.43*  |
| **Annual Development Plan (ADP)** | **650.00** |
| **Mukya Mantri Ujjwal Jharkhand Yojana** | **500.00** |
| **JSBAY -RE** | **100.00** |
| **RDSS Mordenisation** |  |
| **Jharkhand Power System Improvement Project (JPSIP)**  | **186.05** |
| *Smart Metering in Ranchi* | *42.00* |
| *IT Hardware and software Upgradation*  | *69.55* |
| *Software for Power Management* | *5.50* |
| *IT Project Management* | *1.00* |
| *Business Process Upgradation* | *4.00* |
| *Upgradation of Training Centre* | *1.00* |
| *Energy Accounting (Ranchi and Jamdeshpur)* | *63.00* |
| **Smart metering Dhanbad**  | **38.00** |
| **SMS And WhatsApp Services** | **2.00** |
| **Consumer Contribution** | **38.31** |
| **Total**  | **2439.31** |

1. **As per para 3.12.7, the Petitioner has considered an escalation rate of 5% over the accumulated consumer security of FY 2023-24 for FY 2024-25. In this regard, the Petitioner is directed to provide the justification for considering the same.**

Reply – JBVNL hereby submits that, the year-on-year growth rate from FY 2018-19 to FY 2023-24 has been in the range of 4% to 8%. JBVNL has taken nominal growth rate of 5% for the projection of consumer security deposit for FY 2024-25.

1. **It is observed that the Petitioner has estimated bank charge to the tune of Rs.2.38 Cr. The Petitioner is directed to provide details for such consideration.**

Reply - The Petitioner humbly submits that it has incurred Bank and Finance charges to the tune of Rs 2.38 Crores as per audited annual accounts for FY 2023-24 towards expenditures like Bank charges, finance charges, etc. Bank charges mainly include amount paid against bill discounting, LC charges, annual maintenance charges etc levied by banks on working capital limits.

Bank charges mainly include the amount of commission paid against LC which is 0.35%. if we calculate the average rate of bank charges to working capital limit, it comes to around 0.36%. LC commission is a mandatory charge payable on availing the benefit. LC is a non- fund-based limit which is a mechanism to pay power purchase vendors timely. It is similar to interest cost on fund based working capital loans. The Petitioner requests the Hon’ble commission to approve the same.

**ARR of FY 2025-26**

1. **As per Table 4.1, JBVNL has provided projections for consumption parameters (consumer numbers, connected load and sales) and has considered escalation as described in para 4.1. The Petitioner has directed to provide details for assumption based on which the projections are made and provide calculations sheets is any for the same.**

Reply – JBVNL hereby submits that, the category wise year on year annual growth rate of numbers of consumers from FY 2020-21 to FY 2023-24 is exponentially high (as shown in table below). Petitioner has taken nominal escalation in number of consumers for projection of FY 2024-25 and FY 2025-26. Thus, the petitioner requests that Hon’ble Commission to consider the escalation factor as claimed in the petition. The category wise year on year annual growth rate along with Considered growth rate for FY 2024-25 and FY 2025-26 in number of consumer is shown in the table below –

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Category** | **Sub-Category** | **Consumers (Nos.) FY 2020-21** | **Consumers (Nos.) FY 2021-22** | **Consumers (Nos.) FY 2022-23** | **Effective Consumer No. FY 2023-24** | **%age Growth (FY2021-22 - FY2020-21)** | **%age Growth (FY2022-23 - FY2021-22)** | **%age Growth (FY2023-24 - FY2022-23)** | **Considered growth for FY 2025-26** | **Considered growth for FY 2024-25** |
| **Domestic** | DS-R | 3229946 | 3565715 | 3402206 | 3330411 | 10.40% | -4.59% | -2.11% | 3% | 0.31% |
| DS-U | 1067051 | 1146792 | 1126999 | 1214737 | 7.47% | -1.73% | 7.79% | 12% | 13.11% |
| DS HT | 35 | 36 | 40 | 42 | 2.86% | 11.11% | 5.00% | 5% | 4.76% |
| Total | 4297032 | 4712543 | 4529245 | 4545190 | 9.67% | -3.89% | 0.35% |   |   |
| **Non-Domestic** | NDS-I | 43848 | 57539 | 60389 | 80231 | 31.22% | 4.95% | 32.86% | 10% | 9.83% |
| NDS-II | 206686 | 236751 | 235689 | 269199 | 14.55% | -0.45% | 14.22% | 15% | 19.55% |
| Total | 250534 | 294290 | 296078 | 349430 | 17.47% | 0.61% | 18.02% |   |   |
| **Street Light** | SS | 455 | 541 | 434 | 598 | 18.90% | -19.78% | 37.79% | 10% | 17.22% |
| Total | 455 | 541 | 434 | 598 | 18.90% | -19.78% | 37.79% |   |   |
| **LT Industry** | LTIS  | 16492 | 17855 | 18872 | 19311 | 8.26% | 5.70% | 2.33% | 2% | 3.30% |
| Total | 16492 | 17855 | 18872 | 19311 | 8.26% | 5.70% | 2.33% |   |   |
| **Agriculture** | IAS-I | 61544 | 73718 | 73442 | 99154 | 19.78% | -0.37% | 35.01% | 10% | 6.72% |
| IAS-II | 767 | 1460 | 1661 | 2214 | 90.35% | 13.77% | 33.29% | 10% | 17.30% |
|  Total  | 62311 | 75178 | 75103 | 101368 | 20.65% | -0.10% | 34.97% |   |   |
| **HT Supply** | HTS-I | 1764 | 1925 | 2055 | 2342 | 9.13% | 6.75% | 13.97% | 10% | 3.50% |
| HTSS | 23 | 8 | 15 | 17 | -65.22% | 87.50% | 11.82% | 3% | 7.32% |
|  Total  | 1787 | 1933 | 2070 | 2359 | 8.17% | 7.09% | 13.95% |   |   |
| **HT Institutions** | RTS | 6 | 5 | 1 | 1 | -16.67% | -80.00% | 0.00% | 0% | 0.00% |
|  Total  | 6 | 5 | 1 | 1 | -16.67% | -80.00% | 0.00% |   |   |
| MES | 9 | 8 | 7 | 7 | -11.11% | -12.50% | 0.00% | 5.00% | 0.00% |
|  Total  | 9 | 8 | 7 | 7 | -11.11% | -12.50% | 0.00% |   |   |

1. **As per para 4.2 the Petitioner has projected distribution loss of 19% against the approved value of 13% by the Commission. As such the Petitioner is directed to provide justification for the same and necessary actions for achieving the approved trajectory by the Commission.**

Reply – As per MOP letter Dated 21st March, 2023 Alignment of the distribution losses prescribed by the SERCs/JERCs in line with the AT&C Loss target approved under RDSS-reg **Annexure Sl No 11**

Ministry of power has launched the revamped distribution sector scheme (RDSS) to support DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to DISCOMs to strengthen their supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The key objectives to RDSS include- i) Reduction of AT&C losses to pan-India levels of 12-15% by FY 2024-25. ii) Reduction of ACS-ARR gap to zero by FY 2024-25 and iii) improvement in the quality, reliability, and affordability of the power supply to the consumers through a financially sustainable and operationally efficient distribution sector.

Under the scheme guidelines, AT&C loss is one of the key parameters for the purpose of evaluation and grants disbursal under the scheme. While approving the action plan and DPR of respective states, the inter-Ministerial Monitoring committee of RDSS, Chaired by Secretary (Power), has accord approval to the AT&C loss trajectory for JBVNL for the scheme period (i.e. FY2021-22 to FY 2025-26) to achieve the scheme’s objectives (Copy Enclosed)

|  |
| --- |
| **AT&C Loss Targets as per approved REF under RDSS** |
| **State/DISCOM** | **FY 2021-22** | **FY 2022-23** | **FY 2023-24** | **FY 2024-25** |
| Jharkhand | 36 | 30 | 24 | 19 |
| JBVNL |

Hence, the Petitioner has projected AT&C loss of 19% for FY 2024-25.

1. **As per para 4.3 the Petitioner has projections for its Power purchase by considering unit escalation of 5% on the generating units of FY 2024-25 for FY 2025-26 and has also confirmed for measures for reducing dependency on costlier plants. The Petitioner is directed to provide basis for such escalation.**

Reply – In view of the upcoming CERC orders for central generating stations, it is expected that the cost of power generation will be increased considering the increase in cost of coal and it will be passed through in tariffs by the CERC. Thus, per Unit Escalation of 5% have been considered to per unit charges of Generating Stations over FY 2024-25 to project the per unit charges for the FY 2025-26.

1. **As such considering the present scenario the Petitioner is directed to provide details of its power procurement as per Merit order Dispatch methodology if any.**

Reply – JBVNL would like to submit that currently it has more power demand than the total capacity allocated to it from various CGS, IPPs, Captive and JUSNL. In view of the same JBVNL schedules full power capacity from power plants which have been allocated to it.

However, during course of the day, due to various climatic or social factors there may be drop in power demand of the state. To handle such scenario, there is a mechanism of ‘Requisition’ provided by respective Regional Load Despatch Centre (RLDCs) where-in the participating utility may surrender power allotted to it at 7 blocks (consisting of 15 minutes) or more ahead of the real time. If, SLDC/JBVNL suffers a drop in demand leading to excess capacity with respect to allocated capacity, it surrenders power through Requisition mechanism. While surrendering power through this mechanism, JBVNL factors in Merit Order Despatch and surrenders power from plant starting from plant with highest variable cost and thereafter in descending order of Energy Charge till scheduled power reaches a value equal to its anticipated demand subject to compensation and technical minimum criteria.

Conversely, if in any time block, JBVNL has less allocation than its demand then also through requisition, it may avail or apply additional power from same power plants (with which it has PPA) which have spare capacity at seven or more time-block before real time through a mechanism known as ‘URS’. While going for such requisition also, JBVNL follows Merit Order Despatch Principle by opting for power plants having least variable cost out of all available option subject to compensation and technical minimum criteria.

The month wise URS Statement for FY 2023-24 is available at ERPC website. The link to download the URS Statement is available at - <https://erpc.gov.in/urs/> and one month URS Statement along with merit order as sample is attached as **Annexure Sl no 03** of the document.

1. **As per para 4.5.3 the Petitioner has considered intrastate transmission loss of 6.41% against the approved figure of 2.23%. The Petitioner is directed to provide basis for such consideration.**

Reply – JBVNL would like to submit that it has calculated interstate transmission loss by subtracting normative loss approved by the Hon’ble Commission for interstate transmission loss. JBVNL thereafter considers power available to JUSNL network from the PGCIL network. Intra state transmission loss is calculated based on energy received at the 33kV incoming transmission network in JBVNL and the input energy to JUSNL network from PGCIL. The Inter-State Transmission Losses at 3% of all power purchase from external sources considering Point of Connection (PoC) withdrawal losses for Jharkhand and PoC injection losses of various power plants with which it has PPA. The loss calculation of 3% is based on average interstate loss calculation as approved by the Hon’ble Commission.

Thereafter, JBVNL calculates net energy sent to distribution system through JUSNL network by reading through feeder meters. JBVNL has taken the JUSNL network loss at 6.41% as against approved figure of 2.23% by the Hon’ble Commission. Similarly, there is a significant deviation of energy received and energy scheduled from the DVC system. JBVNL has taken the same loss (as in FY23-24) in the DVC input energy to the JBVNL distribution network in FY25-26.

JBVNL has highlighted the higher loss in JUSNL network several times and appraised the Hon’ble Commission regarding this. For the internal loss in the system of JUSNL and the DVC network, the petitioner is not at all responsible. Hence, it is requested to the Hon’ble Commission to approve the actual intrastate loss (Loss in JUSNL and DVC network) while approving the ARR. JBVNL has projected a distribution loss target of 19% for the FY24-25. Based on the information provided above, Energy Balance of JBVNL for 2025-26 is provided in the Table below:

Table 4-3: Energy Balance for FY 2025-26

|  |  |
| --- | --- |
| Particular | 2025-26 |
|  | Estimates FY 25-26 |
| Power Purchase from Outside JSEB Boundary (MU) | 10506.73 |
| Loss in External System (%) | 3.00% |
| Loss in External System (MU) | 315.20 |
| Net Outside Power Available (MU) | 10191.53 |
| Energy Input Directly to State Transmission System (MU) | 390.87 |
| State-owned Generation (MU) | 2007.63 |
| Energy Available for Onward Transmission (MU) | 12590.02 |
| Net Energy Sent to Distribution System (MU) | 11782.39 |
| Transmission Loss at JUSNL System (MU) | 807.64 |
| Transmission Loss at JUSNL System (%) | 6.41% |
| Energy scheduled from DVC to Distribution System (MU) | 4552.26 |
| Direct Input Energy from DVC to Distribution System (MU) | 4309.72 |
| Transmission Loss at DVC System | 242.54 |
| Transmission Loss at DVC System (%) | 5.33% |
| Direct Input Energy from State Solar System (MU) | 21.85 |
| Energy Available for Sale | 16113.95 |
| Energy Billed (MU) | 13052 |
| Distribution Loss | 19% |
| Energy Required at Discom's Periphery | 16113.95 |

JBVNL hereby submits that, the actual intrastate transmission loss in JUSNL system has been seen in the range of 8% to 11 % from FY 2020-21 to FY 2023-24 as shown in the table below. Thus, for estimating the energy available for sale at distribution system for FY 2024-25 and FY 2025-26 JBVNL has considered the actual intrastate transmission loss occurred in FY 2023-24.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Actual Intrastate transmission loss | 8.92% | 10.46% | 8.46% | 6.41% |

Petitioner requests the Hon’ble Commission to consider the claim of the petitioner.

1. **As per para 4.6.2 the Petitioner has projected an escalation of 5% on intra state transmission charges upon FY 2024-25 to arrive at FY 2025-26. As such the Petitioner is directed to provide basis for such escalation.**

Reply – It is submitted that transmission charges payable to JUSNL have been computed based on the approved transmission tariff for JUSNL at Rs 0.37 per unit. The transmission charges is calculated based on the estimated quantum of power to be wheeled from JUSNL network (i.e) around 12905.23MU for FY25-26.

The interstate transmission charge for FY25-26 is escalated at 5% from the expected cost of FY24-25.

The estimated Intra-state and interstate transmission charges payable to transmission utilities for FY 2025-26 is provided in the Table below:

Table 4-4: Transmission charges of JBVNL for FY25-26 (Rs Cr)

|  |  |
| --- | --- |
| Particular | FY 2025-26 |
| Intrastate Transmission Charge (Rs. Crore) | 477.49 |
| Interstate transmission charge (Rs Cr) | 586.49 |

JBVNL hereby submits that, year on year growth in intra state transmission charges is as –

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FY | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Intra State Transmission Charges (Rs. Cr.) | 195.28 | 205.25 | 219.75 | 236.27 | 257.12 | 333.34 |
| YoY Growth Rate |  | 5.11% | 7.06% | 7.52% | 8.83% | 29.34% |

The year-on-year growth rate from FY 2018-19 to FY 2023-24 is between 5% to 30%. JBVNL has taken minimum escalation of 5% for projection for FY 2025-26.

JBVNL requests the Hon’ble Commission to approve the escalation as claimed in petition.

1. **As per para 4.7.3 the Petitioner has projected terminal benefits of Rs 85.62 Cr with an escalation factor of 2.00% for FY 2025-26. However, under clause 10.6 (Note-3) of JSERC (Terms and Conditions of Distribution Tariff) Regulation, 2020 states that terminal liabilities will be approved as per the actual submitted. In this regard, the Petitioner is directed to submit a detailed justification for such claim.**

Reply – The projected employee cost for FY 2025-26 is provided in the Table below for kind consideration of Hon’ble Commission.

Table 4-5: Employee Expenses of JBVNL for FY 2025-26 (Rs. Crore)

|  |  |  |
| --- | --- | --- |
| Sl No. | Particular | Projected |
| A | Employee Expenses after escalation | 278.11 |
| B | Terminal Benefits | 85.62 |
| C | Total Employee Expenses | 363.73 |

JBVNL hereby submits that, terminal liability for FY 2025-26 has been projected as Rs. 85.62 Cr. considering the escalation factor of 2.0 % for 2025-26. The escalation factor has been taken as per Note -1 of Clause 10.6 of JSERC (Terms and Conditions of Distribution Tariff) Regulation, 2020 is as below

“The above components shall be computed in the manner specified below: a) R&Mn = K\*GFA\* (INDXn / INDXn-1) Where, ‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of R&M to GFA of the preceding year of the Base Year in the MYT Order after normalising any abnormal expenses;

‘GFA’ is the opening value of the gross fixed asset of the nth year;

b) EMPn + A&Gn = [(EMPn-1)\*(1+Gn) + (A&Gn-1)]\*(INDXn/ INDXn-1)

Where,

EMPn-1 – Employee Costs of the Licensee for the (n-1)th year excluding

terminal liabilities;

A&Gn-1 – Administrative and General Costs of the Licensee for the (n-1)th

year excluding legal/litigation expenses;

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 – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the Distribution Licensee’s Filing, benchmarking and any other factor that the Commission feels appropriate;

c) INDXn = 0.55\*CPIn +0.45\*WPIn;

Note 1: For the purpose of estimation, the same INDXn/INDXn-1value shall be used for all years of the Control Period. However, the Commission will consider the actual values in the INDXn/INDXn-1at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period”

JBVNL hereby submits that, to project the actual employee liability and operation and maintenance expenses, JBVNL has considered to compute the terminal benefits for FY 2025-26.

|  |
| --- |
| **O&M Expense**  |
| **Sr.** | **Particulars** |  **True-Up FY 2023-24**  |  **APR for FY 2024-25**  |  **ARR for FY 2025-26**  |
| **1** | Employee Expense |  267.31  |  272.65  |  278.11  |
| **2** | Administration & General Expense |  182.45  |  186.10  |  189.82  |
| **3** | Repair & Maintenance Expense |  343.30  |  357.34  |  390.17  |
| **4** | Terminal Benefits |  82.30  |  83.94  |  85.62  |
|  | **Total** |  **875.35**  |  **900.03**  |  **943.71**  |
|   | **K factor** | **1.60%** | **1.60%** | **1.60%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Period** | **WPI** | **CPI** | **Total** |
| Weightage |  0.45  |  0.55  |  1.00  |
| Avg Indexation for FY 2024-25 |  154.15  |  407.66  |   |
| Avg Indexation n-1 (Index \* Wt.) |  69.37  |  224.22  |  293.58  |
| Avg Indexation for FY 23-24 |  151.61  |  397.20  |   |
| Avg Indexation n-1 (Index \* Wt.) |  69.37  |  218.46  |  287.83  |
| Avg Indexation for FY22-23 |  152.53  |  377.62  |   |
| Avg Indexation n-1 (Index \* Wt.) |  68.64  |  207.69  |  276.33  |
| **Combined Inflation for FY 2023-24 (Indxn/Indxn-1)** | **4.16%** |  |  |
| **Combined Inflation for FY 2024-25 (Indxn/Indxn-1)** | **2.00%** |   |   |

1. **As per para 4.9.8 the Petitioner has projected capital expenditure of Rs.2582.43 Cr and transfer to GFA as Rs.2454.04 Cr. In this regard the Petitioner is directed to provide details of the same.**

Reply – JBVNL has estimated capital expenditure for FY 2025-26 as Rs. 2544.12 Cr. (in table 4.9 of the petition) and consumer contribution as Rs. 38.31 Cr. (in table 4.11 of the petition).

Considering the above two, the total GFA for FY 2025-26 is Rs. 2582.43 Cr. Considering the opening CWIP for FY 2025-26 as the closing CWIP of FY 2024-25 as Rs. 1223.12 Cr. Thus, proportionate for total transfer of GFA has been taken as 76% of sum of opening CWIP and capex during the year. Thus, total transfer to GFA during the year arrives as Rs. 2454.04 Cr. The proportionate of 76% for FY 2025-26 has been considered as actual transfer to GFA in FY 2023-24. The detailed representation is shown in the table mentioned below -

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars  | FY 2023-24 | FY 2024-25 | FY 2025-26 |
|  CWIP  |  True-Up FY 2023-24 |  APR for FY 2024-25 | ARR for FY 2025-26 |
|  Opening CWIP (A) | 899.70 | 801.01 | 666.69 |
|  Capex during the year (B) | 1,332.63 | 2,607.73 | 2582.43 |
|  Transfer to GFA (C) = (A+B) \*E | 1,431.33 | 2,185.61 | 2454.04 |
|  Closing CWIP (D) = A+B-C | 801.01 | 1,223.12 | 795.09 |
|  Capitalization % (E)  | 64% | 64% | 76% |

Thus, petitioner requests the Hon’ble Commission to consider the claim of petitioner.

1. **As per table 4-11, the Petitioner has projected Govt grant of Rs.630.67 Cr and Consumer contribution of Rs 38.31 Cr. As such the Petitioner is directed to provide details for such consideration.**

Reply –JBVNL has considered the capital expenditure of Rs. 2544.12 Cr. in FY 2025-26. The scheme wise capital expenditure detail for FY 2025-26 is mentioned in the Table 4.9 of the petition. The scheme wise grant money considered for FY 2025-26 is as –

|  |  |  |
| --- | --- | --- |
| **Scheme** |  **ARR for FY 2025-26**  |  **ARR for FY 2025-26**  |
| **Revamped Distribution Sector Scheme­ (RDSS)** |  |   |
| *Loss Reduction* | *60%* |  621.41  |
| *PMA* | *60%* |  9.26  |
| **Annual Development Plan (ADP)** | **0%** |  -  |
| **Mukya Mantri Ujjwal Jharkhand Yojana** |  |   |
| **JSBAY -RE and Urban** | *0%* |  -  |
| **Jharkhand Power System Improvement Project (JPSIP)**  |  |  -  |
| *Smart Metering in Ranchi* | *0%* |  -  |
| *IT Hardware and software Upgradation*  | *0%* |  -  |
| *Software for Power Management* | *0%* |  -  |
| *IT Project Management* | *0%* |  -  |
| *Business Process Upgradation* | *0%* |  -  |
| *Upgradation of Training Centre* | *0%* |  -  |
| *Any other scheme ( Energy Accounting)* | *0%* |  -  |
| **Smart metering Dhanbad**  | **0%** |  -  |
| **Total**  |  |  **630.67**  |

Also, JBVNL has not considered any escalation in the consumer contribution for FY 2025-26. The consumer contribution for FY 2025-26 has been considered as actual consumer contribution for FY 2023-24 as Rs. 38.31 Cr.

Thus, the Hon’ble Commission is requested to consider the claim as submitted by the petitioner.

1. **As per para 4.12.1 the Petitioner has considered an escalation of 5% for FY 2025-26 over the accumulated consumer security deposit over the previous year. The Petitioner is directed to provide basis for such consideration.**

Reply – JBVNL hereby submits that, the year-on-year growth rate from FY 2019-20 to FY 2023-24 has been in the range of 4% to 8%. JBVNL has taken nominal growth rate of 5% for the projection of consumer security deposit for FY 2025-26.

1. **As per para 4.13.1 the Petitioner has projected bank and finance charges as 2.38 Cr. The Petitioner is directed to provide justification for such consideration.**

Reply –The Petitioner humbly submits that it has estimated the Bank and Finance charges for the FY 2025-26 to the tune of Rs 2.38 Cr which is same as that of audited annual accounts for FY 2023-24 towards expenditures like bank charges, finance charges, etc. The petitioner has not escalated this portion, and it is assumed that the petitioner will limit its bank and finance charges under Rs 2.38Cr.

 The commission to be paid for LC is a mandatory charge payable on availing the benefit. LC is a non-fund-based limit which is a mechanism to pay power purchase vendors timely. It is similar to interest cost on fund based working capital loans. The Petitioner requests the Hon’ble commission to approve the same.

|  |  |
| --- | --- |
| Particulars | FY 2025-26 |
| Bank/ Finance Charge | Estimatefor FY 2025-26 |
| Bank Charges | 2.38 |