



JHARKHAND URJA SANCHARAN NIGAM LTD.

(CIN No. - U40108JH2013SGC001704)

Regd. Office- JUSNL Building, Kusai Colony, Doranda, Ranchi -834002

Email id: cetrom.jseb@gmail.com website: jusnl.in

Letter No.....17..... /JUSNL
File No- GM/C&RA/354/2020-21(Part File)

Dated 31/01/2024

From,

Ashish Kumar
General Manager (C&RA)

To,

The Secretary,
Jharkhand State Electricity Regulatory Commission (JSERC),
Jharkhand State Housing Board HQ (Old Building), 1st Floor,
Harmu Housing Colony, Ranchi-834002

Sub: -

Regarding reply on additional data pertaining to deficiencies observed in True-up for FY 2020-21 & FY 2021-22, Annual Performance Review for FY 2022-23 and ARR & Tariff for FY 2023-24.

Ref: -

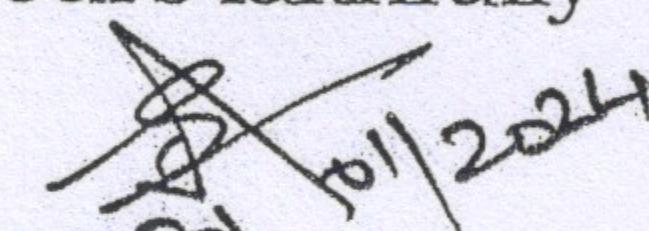
- 1) Letter no. JSERC/Case(T) No.14 of 2023/312 dated 17.01.2024
- 2) Letter no. JSERC/Case(T) No.14 of 2023/313 dated 17.01.2024

Sir,

With reference to the captioned subject and reference, please find enclosed herewith point wise reply on additional data pertaining to deficiencies observed in True-up petition for FY 2020-21 & FY 2021-22, Annual Performance Review for FY 2022-23 and ARR & Tariff for FY 2023-24 alongwith revised petitions (After segregation of SLDC Assets) and Business Plan for MYT Control Period FY 2021-22 to FY 2025-26 in hard as well as soft copy for kind needful.

Encl:-4 sets of hard copies.

Yours faithfully


(Ashish Kumar)
General Manager (C&RA)

Reply on Additional data requirement pertaining to deficiencies observed in the Petition-Truing up for FY 2020-21 and 2021-22, APR for FY 2022-23, ARR and Tariff Petition for FY 2023-24

1. The Petitioner was required to submit the Petition for True-Up for FY 2020-21 latest by November 30, 2021 and the Petitions for True-Up for FY 2021-22, APR for FY 2022-23 & ARR for FY 2023-24 latest by November 30 2022. The Petitioner is thus directed to justify the reasons for delay in submission.

Reply:JUSNL would like to submit that the CAG audit for the FY 2020-21 was completed in the month of May, 2023. True-up petition is filed once the CAG audit is over, hence the JUSNL was not able to file the true up petition for FY 2020-21 by November 30, 2021 due to the pending CAG audit for FY 2020-21. After the CAG audit was over, JUSNL finalized the true up petition for FY 2020-21, took all the necessary approvals and filed the petition in December, 2023.

It is also submitted that the CAG audit for the FY 2021-22 was completed in the month of December, 2023. Further, the Hon'ble JSERC has accorded approval of MYT Petition for the Control Period FY 2021-22 to FY 2025-26 on June 23, 2023. Hence, the True-up for FY 2021-22, APR for FY 2022-23 and ARR for FY 2023-24 were filed after the receipt of CAG report for the FY 2021-22 and issuance of the Order of MYT for the Control Period FY 2021-22 to FY 2025-26.

2. Further, the Petitioner was required to submit the Petitions for True-Up for FY 2022-23, APR for FY 2023-24 & ARR for FY 2024-25 latest by November 30. 2023. However, the Petitioner has not submitted the Petitions yet. The Petitioner is thus directed to justify the reasons for its inability in submission.

Reply:JUSNL would like to submit that the CAG audit for the FY 2022-23 is still under process. Once the CAG audit for the FY 2022-23 is over, the JUSNL shall file the petitions for True-up for FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25 at the earliest.

3. It has been observed that the aforementioned Petitions for True-up for FY 2020-21 & FY 2021-22, Annual Performance Review for FY 2022-23, and ARR & Tariff for FY 2023-24 have been submitted without segregation of Assets of JUSNL

(Transmission Licensee) and the SLDC. i.e. the Petitions have been filed for JUSNL as a whole.

Further, the Petitions for True-up for FY 2019-20, Annual Performance Review for FY 2020-21, and MYT & Businesses Plan for the Control Period FY 2021-22 to FY 2025-26 has been filed separately for the SLDC wherein, the Assets of the SLDC have been segregated and SLDC Charges has been prayed for approval. It is noted that filing the instant Petitions for JUSNL as a whole has doubly accounted the same assets of the SLDC, once as in a separate Petition, and another time as a whole, for which approval of Transmission Charges has been prayed.

Thus you are directed to file separate Petitions for the SLDC and the Transmission Licensee with segregation of accounts and assets, and submit the same along with Fixed Asset Register (FAR) with asset category-wise and location-wise summary in formula linked excel sheets. The same must also be accompanied with Auditor's Certificates and associated reconciliation statements certifying the authenticity of the data provided before the Commission.

You are directed to segregate the Assets and Accounts for the SLDC and the Transmission Licensee for all forthcoming Petitions, including the aforementioned.

Further along with the Petition for True-up for FY 2022-23, Annual Performance Review for FY 2023-24, and ARR & Tariff for FY 2024-25 you are directed to file the Petition for approval of the Business Plan, which had been rejected by the Commission vide Order dated 22.06.2023 along with the appropriate data and by eliminating the deficiencies as mentioned in the said Order. The tariff for the same shall be prayed along with the Tariff for FY 2024-25.

Reply: JUSNL would like to submit that the separate Petition for the Transmission Licensee with segregation of accounts and assets is being enclosed along with this reply as **Annexure A**. The Business Plan for the MYT Control period is enclosed along with this reply as **Annexure B**.

4. The Petitioner is directed to submit the following formula linked excel sheets for its claim made towards True-Up for FY 2020-21 & FY 2021-22, APR for FY 2022-23 & ARR for FY 2023-24:

- a. Financial Statement.xlsx
- b. Projects capitalization ARR 19-20.xlsx
- c. Tariff Model.xlsx
- d. Tariff Model V1.xlsx

Reply:JUSNL would like to submit that the Tariff model is being enclosed with this reply as **Annexure C(in soft copy).**

5. The Petitioner is directed to submit Auditor's Certificate along with documentary evidence and formula linked excel sheets for its claim made towards:

- a. Infrastructure Details of JUSNL along with Fixed Asset Register (FAR) along with asset category-wise and location-wise summary in excel.

Reply:JUSNL would like to submit that the finalization of agency for preparation of FAR is under process. JUSNL seeks eight monthstime for the preparation and submission of the FAR before the Hon'ble Commission.

- b. Capital Expenditure, Capital Works in Progress, Capitalization and Gross Fixed Assets for FY 2020-21 & FY 2021-22 in conciliation with the Fixed Asset Register (FAR).

Reply:JUSNL would like to submit that the finalization of agency for preparation of FAR is under process. JUSNL seeks eight monthstime for the preparation and submission of the FAR before the Hon'ble Commission.

- c. Detail Project Reports (DPRs) for all the projects capitalised in FY 2020-21 & FY 2021-22 along with detailed cost benefit analysis. The Petitioner is also directed to justify whether such Capitalization is in line with the Capex & Business Plan approved by the Commission.

Reply:JUSNL would like to submit that available documents of the projects capitalised in FY 2020-21 & FY 2021-22 is being enclosed along with this reply as **Annexure D (in soft copy).**

- d. The Petitioner is further directed to justify whether Capital Expenditure, Capital Works in Progress, Capitalization and Gross Fixed Assets for FY 2022-23 & FY 2023-24 is in line with the Capex & Business Plan approved by the Commission. The Petitioner is directed to present its data, duly reconciled with the same.

Reply:JUSNL would like to submit that the Capital Expenditure, Capital Works in Progress, Capitalization and Gross Fixed Assets for FY 2022-23 & FY 2023-24 pertaining to the ongoing schemes i.e. DVC Command Area, World Bank project, PGCIL schemes etc. were approved by the Hon'ble Commission in the Business Plan order for the 2nd Control Period. Further, JUSNL is filing the Business Plan Petition in compliance to the direction of Hon'ble JSERC vide. Letter No. JSERC/Case(T) No. 14 of 2023/312 dated 17.01.2024 for the approval of capital expenditure schemes 3rd MYT Control Period.

- e. The Petitioner is directed to submit the actual debt, equity, grant consumer contribution etc. from FY 2020-21 to FY 2023-24 as per the format below:

Reply:JUSNL would like to submit that the actual debt, equity, grant consumer contribution etc. from FY 2020-21 to FY 2023-24 is provided as below:

Source of Funding	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Rs. Crore
Debt	6566.17	7199.97	8082.14		
Equity	972.96	1598.96	1598.96		
Grant	159.26	171.24	166.09		
other (Consumer Contribution, deposit works etc.)	379.82	440.52	400.90		Financial year yet to be closed.

Deposit for Electrification, Service Connection*	40.91	40.91	40.91	
Total	8119.12	9451.60	10289.00	

6. The Petitioner has claimed Other Allowances & Relief as a part of Employee Expenses, equating to Rs. 5.61 Cr. in FY 22-23, and Rs. 5.95 Cr. in FY 23-24. In such regard, The Petitioner is directed to submit detailed justification for its claims, along with documentary evidence and Auditor's Certificate.

Reply:JUSNL would like to submit that the breakup of Other Allowances & Relief as a part of Employee Expenses, equating to Rs. 5.61 Cr. in FY 2022-23 is provided as below:

SI. No.	Name of Head	Rs. Crore
		FY 2022-23
1	NPS Employer Contribution	4.76
2	EPF and ESI	0.83
3	6 – 7 th PRC Arrear	0.02
	Total	5.61

Further, Other Allowances & Relief as a part of Employee Expenses, equating to Rs. 5.95 Cr. in FY 2023-24 has been estimated based on the actual amount for FY 2022-23 and escalating it as per the provisions of the JSERC MYT regulations, 2020.

7. The Petitioner has claimed 'Miscellaneous Expenses' as a part of Administration & General Expenses equating to Rs. 5.82 Cr. in FY 20-21, Rs. 6.69 Cr. in FY 21-22, Rs. 7.85 Cr. in FY 22-23, and Rs. 8.31 Cr. in FY 23-24. In such regard, The Petitioner is directed to submit detailed justification for its claims, along with documentary evidence and Auditor's Certificate.

Reply:JUSNL would like to submit that the 'Miscellaneous Expenses' as a part of Administration & General Expenses equating to Rs. 5.82 Cr. in FY 20-21, Rs. 6.69 Cr. in FY 21-22, Rs. 7.85 Cr. in FY 22-23 is provided as below:

SI. No.	Name of Head	Rs. Crore		
		FY 2020-21	FY 2021-22	FY 2022-23
1	Misc. Expenses	0.31	0.43	0.23

SI. No.	Name of Head	FY 2020-21	FY 2021-22	FY 2022-23
2	Bank Charges	0.0045	0.0032	0.0021
3	Training	0.0023	0.0003	0.0231
4	Home Guard	5.24	5.83	7.02
5	Computer Billing	0.26	0.20	0.57
6	PF Inspection & Audit Charges	0.00	0.02	0.00
7	Other Expenses	0.00	0.21	0.00
Total		5.8168	6.6935	7.8452

Further, 'Miscellaneous Expenses' as a part of Administration & General Expenses equating to Rs. 8.31 Cr. in FY 2023-24 has been estimated based on the actual amount for FY 2022-23 and escalating it as per the provisions of the JSERC MYT Regulations, 2020.

8. The Petitioner directed to submit the details of arrears paid in from FY 2020-21 to FY 2022-23 on account of Pay revision applicable from 01.01.2016.

Reply:JUSNL would like to submit that the details of arrears paid in from FY 2020-21 to FY 2022-23 on account of Pay revision applicable from 01.01.2016 is provided as below:

S. No.	Financial Year	Amount Paid (Rs.)
1	2020-21	-
2	2021-22	-
3	2022-23	1,58,290

9. The Petitioner is directed to submit the relevant documents for Loans Sanctioned along with the amount sanctioned and amount capitalised of the sanctioned loan for computation of interest on loan.

Reply:JUSNL would like to submit that the relevant documents for Loans Sanctioned along with the amount sanctioned and amount capitalised of the sanctioned loan for computation of interest on loan is being enclosed along with this reply as **Annexure E** (soft copy enclosed).

10. The Petitioner is directed to submit the detailed computation of the Interest on Loan. The Interest on Loans is claimed considering the loan amounts received from

the State Government, while the same should be calculated only based on the part of Capitalisation financed by Debt. Hence, the Petitioner is directed to submit the Interest Charges considering the actual capitalisation and repayment equal to depreciation. The Petitioner should also provide the computation of the weighted avg. interest rate applicable from FY 2020-21 to FY 2023-24 based on the actual long term loan portfolio of JUSNL.

Reply:JUSNL would like to submit that the interest on loan claimed for FY 2020-21 to FY 2022-23 is based on the Annual Audited Accounts of the said period. The detailed computation of interest on loan for the FY 2020-21 to FY 2022-23 is being enclosed along with this reply as **Annexure F**.

Further, the detailed computation of weighted rate of interest for the FY 2023-24 is provided as below:

Interest Expenses Projected for FY 2023-24

Rate of Interest	Rs. Crore FY 2022-23
Opening Loan	4603.96
Loan for additional Capex	668.45
Loan Surrendered	376.99
Closing Loan	4895.42
Average Loan	4749.69
Interest Paid during the Year	466.29
Interest Rate	9.82%

The computation of interest on loan for the FY 2023-24 is provided as below:

Interest Expenses Projected for FY 2023-24

Particulars	Rs. Crore FY 2023-24	Rs. Crore FY 2023-24
	Approved	Projected

Particulars	FY 2023-24	FY 2023-24
Opening Loan	1109.74	4895.42
Loan for additional Capex	28.97	215.07
Loan Repayment	127.69	167.44
Closing Loan	1011.02	4943.06
Interest Cost on Avg. Loans	95.43	482.94

11. The addition to equity considered by the Petitioner is not in line with the normative addition to equity being equal 30% of the GFA. The Petitioners directed to justify considering the total equity amount from FY 2020-21 to FY 2023-24. The Petitioner should submit the same as per the relevant Regulations.

Reply:JUSNL would like to submit that the Return on Equity has been claimed as per the equity amount reflected in the Audited Annual Accounts. The Hon'ble Commission is requested to approve the same.

12. The Petitioner is directed to submit Month-wise Transmission System Availability Factor (TAFM) from FY 2020-21 to FY 2023-24, in formula linked excel sheet, along with the detailed computation of the element-wise and over system availability. The same shall be certified by the SLDC.

Reply:JUSNL would like to submit that the Month-wise Transmission System Availability Factor (TAFM) from FY 2020-21 and FY 2021-22 is being enclosed as **Annexure G** (in soft copy). The preparation of TAFM for FY 2022-23 is under process. The same will be submitted after obtaining certification from SLDC.

13. The Petitioner is directed to submit the month-wise, and annual transmission losses for the system certified by the SLDC from FY 2020-21 to FY 2023-24.

Reply:JUSNL would like to submit that in order to compute the transmission losses, special energy meters at interface points and automated system of energy accounting at SLDC is required. It is to further intimate that after implementation of SMAST scheme, SLDC would be in a position to do proper energy accounting and submit the

transmission losses to Hon'ble Commission (enclosed the letter from SLDC received in this regards as **Annexure H**). JUSNL would like to submit that the provisional data for energy wheeled through its system from FY 2020-21 to FY 2022-23 is being enclosed along with this reply as **Annexure I**.

14. The Petitioner is directed to submit the data for actual energy wheeled through its system from FY 2020-21 to FY 2023-24 along with formula linked excel sheet and Auditor's Certificate.

Reply: JUSNL would like to submit that the provisional data for energy wheeled through its system from FY 2020-21 to FY 2022-23 is being enclosed along with this reply as **Annexure I**. Further, JUSNL is in the process of engaging Energy Auditing Agency to carry out the audit of its system for the said period.