

Submission on **JVVNL** Petition for ARR and Tariff for FY 2024-25 and for FY 2022-23

JUNE 2024



Introduction

Jaipur Vidyut Vitran Nigam Limited (JVNL) hereafter referred as “petitioner” filed a petition for approval of ‘True-up for FY 2022-23’ and ‘Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25’ in accordance with the provision of RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019.

The present submission is in response to the petition filed by JVNL as published on the commission’s website. We request the Commission to accept this submission on record.

This submission is structured in four sections as given under:

- A. Comments on the Petition for True-up of 2022-23
- B. Comments on the Petition for ARR for 2024-25
- C. Submission on the Tariff Rationalization and Green Tariff
- D. Submission on the non-compliance of the Commission’s directives

A. Comments on True-up Petition for 2022-23

1. Discrepancy in Energy Sales Data

The Table 2 of the petition document - ‘Comparison of Actual and Approved Sales for FY 2022-23’ in the petition, mentions “Sale to DF (at Input level)” as 1714 MU at actuals. However, the actual sales by the Petitioner, as provided in Form D 2.1 of the excel formats, is 2,003 MU.

The petitioner incorrectly mentions the end consumer sale by the DF as their sale to the DF. Accordingly, the total sales by the Petitioner should be 30,016 MU (as provided in Annual Report and Excel format data) instead of 29,727 MU (provided in the petition). We submit that the Petitioner shall revise the sales figures for JVNL accordingly.

The same issue has been highlighted repeatedly by CEEP over the past few years, but the failure to correct the same unfortunately reflects badly on the petitioner and the consultant hired by the petitioner in accurately reporting data. Such practice leads to discrepancies that could affect the overall burden on the consumers. Such inaccuracies in the basic data entry, indicate a need for the petitioner to exercise greater diligence and ensure that all reported data is verified and correctly presented to maintain transparency and reliability in the regulatory process.

Furthermore, we would like to bring to the commission’s notice that the report on the performance of the DF, submitted by an independent auditor, is not made available for review by all stakeholders. The inaccessibility of this report, limits the ability of stakeholders to conduct a thorough review and analysis. Ensuring the availability of such reports are crucial for maintaining transparency and fostering informed stakeholder engagement.

2. Discrepancies in data reported in Form 2.1 for FY 23

We would like to highlight that the discrepancy in sanctioned connected load and the capacity utilization of the load of different consumers categories from the petition documents. We estimated average load factor of consumers for respective categories and sub-categories based on revenue data provided by JVVNL in Form 2.1 for FY23. The formula used for estimation of load factor is,

$$L_F = \frac{E_s}{L_C \times 24 \times 365}$$

where,

L_F is load factor for a consumer category

E_s is total energy sold to the consumer category

L_C is the Connected Load for the consumer category

In Annexure - I we provide data for selected categories where we observed discrepancies. The observations are highlighted here.

- Relatively higher capacity utilization is observed for BPL consumers. This may be explained by¹
 - a) The sanctioned load on record has for BPL consumers is not updated for past years, and hence the connected load on record may be lower than actual, leading to higher load factor.
 - b) Other billing and metering issues leading to increase in energy sold on record in comparison to actual.
- Very high load factors are observed for domestic sub- categories GD 3 and GD4. We are unable to deduce any rationale for the same, and it may be attributed to energy accounting issues. The petitioner is requested to explain the same.
- Similar, higher load factors are observed for NDS type 3 and type 4. The petitioner is requested to explain the same.
- Load factor of 143% is observed for Agriculture fixed supply and 1780% for PSL supply (Panchayat and Municipal areas having population 1 lac and above). This not possible, and they are likely because of energy accounting issues. The petitioner is requested to explain the same.

The petitioner is requested to provide clarifications and correct data for the discrepancies highlighted above.

¹ It may be noted that both issues won't impose any financial burden on the consumers because of the existing subsidy regime and hence they are unlikely to be highlighted by the consumers. However, this may lead to appropriate of losses by discom and over-spending by public exchequer against accrued subsidies.

3. Temporary Connections

The petitioner, in the paragraph 3.7 provided the details regarding the temporary connections, specifying temporary connection only in two categories i.e., domestic and non-domestic. We request the Petitioner to clarify whether there are no temporary connections in any other consumer categories.

4. Agriculture Defective Metres

In paragraph 3.8 of the petition, the petitioner provided data on the metered agriculture consumers - connected load (HP), and energy sold (MU) with a bifurcation of operational and defective meters for FY 2022-23.

The petitioner submitted that 1,04,654 consumers out of the total 5,94,306 agricultural consumers have defective meters. The conversion from the flat rate to the metered category for agricultural consumers is long overdue and still pending. Even after metering, having defective meters amounts to de facto return to flat rates despite incurring expenses to install meters.

The Commission, in orders dated 01.09.2022 and 31.03.2023, directed the petitioner to ensure all meters remain operational, limit defective agriculture meters to a maximum of 10% of total meters within one year, submit compliance status in the next ARR/Tariff Petition, and replace defective meters within two months of detecting a defect. Despite the Commission's multiple directives, there is evident non-compliance, as the defective meter rate exceeds this limit, currently at 18%.

Due to this laxity of the petitioner, there is an additional burden of 'rebate allowed by the settlement committees' and 'rebate on account of defective meters.'

We would also like to highlight that petitioner did not provide the revenue realized from the defective meters as directed by the Commission.

We, therefore, request the petitioner to provide the following:

- i. Circle-wise data on defective meters and the corresponding revenue realization.
- ii. Monthly status reports detailing the total number of meters, the number of defective meters at the end of each month, and the number of meters repaired during the month.
- iii. Circle-wise data on the number of meters defective for more than two months.
- iv. Clarification on the persistently high rate of defective meters and measures being implemented to rectify this issue.

We recommend that the Commission to appropriately penalise the petitioner and hold the management of JVVN accountable for compliance in the matter in a time bound manner.

5. RDSS Scheme

The petition mentions the target for feeder segregation under RDSS scheme is of 10,463 Circuit kilometres (Ckm) by end of FY 2025. This includes target for bifurcation of 33kV feeders under RDSS scheme is 1,342 Ckm and 11 kV feeders is 9,192 Ckm. The associated works are under progress.

Additionally, under the RDSS scheme, there is a mandate to install Smart Meters on 100% of Feeders, totalling 5,799, and Distribution Transformers (DT), totalling 1,11,346 DT meters, by December 2023.

We request the Petitioner to kindly specify for the following:

- i. Total infrastructure network in Ckm under the Petitioner and among the total network how much is considered as target under the RDSS scheme. Analysis of actual network infrastructure improvements under the RDSS scheme.
- ii. Year-wise targets of each circles and its current progress in achieving the installation targets for Smart Meters on Feeders and DTs.

6. Creation of Separate IT Company

The petition mentions the establishment of an IT company for the power sector in Rajasthan, as announced in the Government of Rajasthan's Budget Speech for FY 2023-24. This initiative led to the renaming of Rajasthan Urja Vikas Nigam Limited to Rajasthan Urja Vikas and IT Services Limited (RUVITL) effective from October 9, 2023.

We kindly request the Petitioner to provide clarification on the financial implications for the Discoms resulting from creation of separate IT company and outsourcing the data analysis to a separate entity. Additionally, the petitioner is requested to supply details regarding any Memorandum of Understanding (MoU) established with RUVITL, brief description of role of separate IT company, and mechanism for its governance and accountability.

7. Circle-wise and Category-wise Data on Vigilance Activities

The petitioner submitted a summary of the vigilance activities carried out in FY 2022-23. We acknowledge this submission but we would like to highlight that JVVNL's data lacks the depth and transparency seen in the submission by AVVNL, which includes comprehensive details such as the total number of checks conducted (attached below):

Table 9: Special Vigilance Drives during FY 2022-23

Total No. of Checking	Theft		Malpractice/Misuse/Others		Total Assessment (Rs. Cr)
	No. of Instances	Assessment (Rs. Cr.)	No. of Instances	Assessment (Rs. Cr.)	
137,640	19,791	38.19	8,102	11.72	49.92

To enhance transparency and accountability, we request the petitioner to provide circle-wise quarterly data on vigilance activities, including targets for the number of checks and the actual number of checks conducted. Additionally, we request the petitioner to provide category-wise data on vigilance activities, detailing the number of visits conducted per category.

8. Inter-State and Intra-State Transmission Losses

The Petitioner in Table 3 of the petition has provided a combined figure for inter-state and intra-state transmission losses. It is pertinent to note that the Commission in orders dated 24.11.2021, 01.09.2022, and 31.03.2023, have repeatedly directed the Discoms, including JVVNL, to maintain separate accounts for inter-state and intra-state transmission losses and to present this bifurcation in forthcoming true-up petitions. Despite previous directions and warnings, there is a serious and continuous non-compliance of multiple order issued by the Commission in this regard.

JVVNL in its reply to the Commission has communicated the established of a committee comprising officials from JVVNL, RUVNL, and RVPNL to fulfil the Commission's directive on segregating inter and intra state transmission losses. However, the same committee has resulted in no substantial action till date. Moreover, this seriously hinders the ability of stakeholders to analyse the performance of the intra and inter-state transmission system. Therefore, we request the Commission to take a serious note of this and strictly direct the Petitioner to provide a breakdown of inter-state and intra-state transmission losses. We further request the Commission to impose penalties for such non-compliance directives, despite being given more than 4 years ago, as it may deem fit.

In this context, we would like to highlight that the Transmission Losses claimed by the Discom is record is extremely high (8.03%). We submit from the below data, even in the state comparable with the Rajasthan's geography and load profile, the transmission losses are sub 4%

SNo	State	Transmission Loss	FY	Source
1	Maharashtra	3.27%	23-24	State Grid Loss Account Page -01
2	Andhra Pradesh	3.55%	23-24	RTS Order for FY2023-24 Page 24
3	Gujarat	3.60%	23-24	GETCO Final Tariff Order FY24-25 Page 39
4	Madhya Pradesh	2.63%	24-25	ARR for FY24-25 MPERC Page 26
5	Delhi	3.20%(Inter) 0.88%(Intra)	20-21	True-up petition for FY21-22 NDMC page 54

We submit the commission takes serious note of this and issue directives to constitute a committee with independent representation, to assess the reasons for the high transmission losses.

We further submit, commission reject the high losses claimed by the petitioner and recompute the overall energy balance computations, to reflect the normative losses.

9. Power Purchase Cost

The petitioner, in the deviation analysis, computed the deviation based on the average total costs. This methodology is deeply flawed and does not provide clarity on whether the deviation in costs is due to capacity charges or energy charges. This leads to incorrect inferences, such as the claim that power purchase costs from Coastal Gujarat Power Plant increased by 2.5 times, which is incorrect. As per the format sheets of both the ARR petition and the true-up petition for FY 2022-23, the data for coastal Gujarat is as follows, indicating the deviation in fixed charges along with variable charges with no detailed explanation for the such deviation.

	As per Tariff Order	As per True up petition	Deviation
Net generation (MU)	160	132	
Total Annual Fixed charges (Rs.Cr.)	19	50.85	167%
Variable Cost (Rs.Cr)	24	74	
Variable Cost per unit (Rs./unit)	1.5	5.6	273%
Total Costs for JVVNL	44	124	

We request the petitioner to provide a separate analysis of power purchase costs into fixed and variable components to present a clearer understanding of deviations.

Furthermore, the petitioner submitted that the increase in power purchase expenses is due to the Ministry of Power's (MOP) order of using 10% imported coal. However, this mandate was revised multiple times: In 2022, the gencos were mandated to blend 10% of their coal requirement; it was later made voluntary for any genco facing a domestic coal shortfall. In January 2023, the mandate was reduced to 6% blending and on September 1, it was further reduced to 4%.²

Thus, the imported coal alone cannot be the reason for such a high escalation in power purchase costs. We request the petitioner to provide details of the coal imported by the

² https://www.business-standard.com/industry/news/centre-extends-mandate-on-coal-import-blending-to-continue-till-march-2024-123102501107_1.html

respective gencos, including plant-wise monthly coal imports, costs of the coal, third-party audit reports on the quality of the imported coal, and the amount of imported coal used.

We would also like to highlight repeated instances of fraud, as unearthed by law enforcement, where inferior quality coal was brought to India via sea routes through different bills of entry, having a gross calorific value far below the technical specifications of the agreement³. In light of this, we recommend that the Commission constitute an independent committee to examine all details related to the imported coal used by the power plants supplying power to JVVNL.

Additionally, we request the petitioner to provide details of the penalties imposed during the year on RVUNL and other relevant entities due to low plant availability.

We further submit that the Commission disallow the additional/avoidable purchase expenses during the truing of the petitioner's account based on the revised calculations at the rate of average variable costs incurred during the year.

10. Significant Increase in Deviation of Transmission Costs

The petition in Table 4 provides for the details of Power Purchase Cost for FY 2022-23, wherein the deviation in transmission cost is indicated at 17%. In this regard, we request the Petitioner to provide a detailed explanation for such high deviations.

11. O&M Expenses

In the Table 7 of the petition, the petitioner outlines the Employee Expenses for FY 2022-23, specifying training expenses as Rs. 3 Lakhs. This amount is insufficient to address the critical need for capacity building. The Commission has repeatedly stated in previous orders that Discoms can claim necessary training expenditures through the Investment Plan/ARR, and has reiterated its willingness to consider any additional amounts spent on employee training. Despite this, the petitioner has allocated a minimal amount for training.

We request the petitioner to provide a detailed breakdown of the training activities undertaken during FY 2022-23.

Furthermore, according to the RERC (Investment Approval) Regulation, 2006, Distribution Licensees are permitted to allocate up to 1% of their Investment Plan towards institutional strengthening. We urge the petitioner to clarify the reasons behind the underutilization of funds designated for employee safety and skill training. Additionally, we request detailed

³ <https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/inferior-coal-import-scam-cbi-registers-two-cases/articleshow/28400870.cms?from=mdr>

information on the total number of employees trained, the categories of employees trained, and the specifics of the training provided during FY 2022-23.

We also seek clarification on whether contractual employee expenses are included within the overall employee expenses. In a previous directive, the Commission instructed the petitioner to evaluate the operations of contractors responsible for managing certain substations. We request the Commission to direct the petitioner to furnish a comprehensive report detailing the outcomes of this review and to ensure its publication.

Moreover, we seek clarification on whether expenses incurred on the contractual employees on various contracts are included within the overall employee expenses.

Additionally, the commission in multiple previous tariff order, issued directives to the Petitioner to evaluate the operations of contractors responsible for managing certain substations. We request the Commission to direct the Petitioner to furnish a comprehensive report detailing the outcomes of this review and to ensure its publication.

12. Significant Deviations in R&M Expenses

In Table 10, the petitioner submitted the actual R&M expenses at Rs. 387 Cr. that is significantly higher than the approved expenses of Rs. 208 Cr by Rs. 179 Cr. The petitioner provided no reasons for the deviation and merely petitioned the Commission to approve the R&M expenses as per actuals.

This demonstrates a lack of seriousness on the part of the petitioner in justifying the significant increase in R&M expenses. It raises concerns about the petitioner's financial planning, transparency, and accountability in managing and reporting their expenditures. Without a clear and detailed explanation for such a large discrepancy, it is difficult for stakeholders to assess the necessity and effectiveness of the incurred expenses.

We request the petitioner to explain the reasons for such a significant increase from the approved amount. Additionally, we request the petitioner to provide a detailed list of the R&M activities undertaken during the control period and the outcomes of these activities in terms of improvements in reliability or other similar metrics. We further submit commission to disallow the R&M expenses beyond the allowed normative values.

13. Consumer Awareness Expenses

The petition in Table 9 provides a breakdown of A&G expenses for FY 2022-23, specifying consumer awareness expenses as Rs. 21.10 Cr. We appreciate the petitioner for providing the circle-wise expenses incurred. At the same time, the petitioner failed to provide any details how these funds were spent. A comprehensive breakdown and impact analysis will help in understanding how effectively the allocated funds have been utilized in enhancing consumer

awareness. This includes specifying the type of activities, such as workshops, campaigns, advertisements, and community outreach programs, along with the cost incurred for each.

Consumers are one of the most important stakeholders of the power sector and their awareness is an important for healthy functioning of the Discoms. We submit, the petitioner take this issue seriously and provide a detailed month-wise and circle-wise list of activities undertaken for consumer awareness along with associated costs. It will also provide insights into the effectiveness of different awareness initiatives, enabling better planning and resource allocation for future consumer awareness programs. Additionally, we request details of any impact analysis conducted to assess the improvement in consumer awareness.

Disclosure of Information on Bills

Section 10.2 of the RERC Electricity Supply Code specifies the necessary information to be included on electricity bills. Clause (r) of the said section indicates that the name, address, mobile/phone number, fax number, and email address of the consumer should be included. We submit that to protect consumer privacy, personal information such as mobile/phone numbers, fax numbers, and email addresses should be partially masked, ensuring the fundamental right to privacy.

Mode of Delivery of Bills

We propose that consumers be given both online and option platform to opt to select their preferred method of bill delivery from a range of available options. This approach will accommodate the diverse needs and preferences of consumers, ensuring greater convenience and timely receipt of bills.

Presentation on Tariff Petition

We would like to bring to the Commission's attention that the presentation on the Tariff Petition for FY 2024-25 was conducted at the Petitioner's office without any public notification on the website. This lack of transparency significantly limits the participation of stakeholders, hindering their ability to engage in and contribute to the tariff determination process.

14. Insurance Expenses

The petitioner in Table 12 shared Insurance Expenses FY 2022-23, specifying actual insurance expenses as Rs. Cr. 1.59 against the approved insurance expenses of Rs. Cr. 34. We request the petition to provide detailed explanation for significant reduction in insurance expenses despite the fixed assets and net worth remaining the same.

15. Interest and Financial Charges

Increase in Interest on Short term Borrowings / Interest on Working Capital (including LPS)

As per the data submitted by the petitioner, Interest on Short-term Borrowings/Interest on Working Capital increased significantly from the approved Rs. 149 Cr to Rs. 1,653 Cr. The petitioner is requested to provide the reason for such a steep increase in the interest costs of short-term borrowings.

In this context, we would like to highlight that the Commission, in its orders dated 24.11.2021 and 01.09.2022, observed that Discoms would require additional working capital to implement bi-monthly billing for BPL, domestic consumers with consumption up to 150 units, and agriculture consumers as per GoR orders. To meet this crunch in working capital, Discoms were directed to claim the interest on such additional working capital requirements from the GoR.

The petitioner, in its reply to the Commission dated 31.03.2023, communicated that there is no requirement to claim a subsidy from GoR for loss of interest due to bi-monthly billing, as the same is recovered from the Loss Reduction subsidy and that the Discom has no loss on account of interest on working capital. This response by the petitioner, however, does not sufficiently justify the massive increase in interest costs.

In this regard, we request the petitioner to provide a detailed explanation as to why, despite the sharp rise in working capital requirements, they are refusing to demand funds from the government. We would also like to highlight that other Discoms in Rajasthan, such as JdVVNL, have complied with the Commission's directive, computed the impact, and petitioned the government for compensation.

In this regard, we request the Petitioner to provide detailed explanation for significant increase in interest on short term borrowings / interest on working capital.

Unclaimed Interest on Unfunded Gaps

The commission in the ARR approved Rs. 1816 Cr. as Interest on unfunded gaps. But the petitioner claimed no actual interest. We request the petitioner to explain why the approved interest on unfunded gaps (regulatory assets) was not claimed.

Increase in Interest on security deposits, suppliers deposit, meter security

We submit, the petitioner provide detailed reasons how the actual interest expenses claimed on security deposits, suppliers deposit, meter security as Rs. 201 Cr. is higher than the approved interest of Rs. 67 Cr.

16. Compensation for Injured/ Death of Employees and Outsiders

In Table 15 of the petition, the petitioner submitted details of other debits and prior period expenses for FY 2022-23, including compensation for injured/death of employees amounting to Rs. 0.38 Cr. and for injured/death of outsiders amounting to Rs. 4.68 Cr. We request the petitioner to furnish details of each of these accidents resulting in injury or death of

employees and outsiders. This should include detailed accident reports, electrical inspector reports, and action taken reports.

Furthermore, we request the petitioner to provide data on the compensation paid for loss/damage of property during FY 2022-23.

17. Compensation on Standard of Performance Violations

The Commission, in its order dated 31.03.2023, directed the petitioner to report all parameters based on smart meters wherever installed and to pay direct compensation immediately for any violations. For other consumers, the Discom is to institute a system for direct compensation and report the same in the formats submitted to the Commission as well as along with the next ARR.

In this regard, we request the petitioner to provide detailed circle-wise information on direct compensation disbursed for violations of the standard of performance. This should include the total number of consumers who received such compensation and the overall amount disbursed.

18. Circle-Wise Details of Rebate Provided to Consumers

Rebate for Star Rated Pumps

The petitioner submitted in Paragraph 6.37 a bifurcation of the rebates provided to consumers in FY 2022-23, specifying the rebate for star-rated pumps as around Rs. 65 lakhs. We request the petitioner to furnish circle-wise details of farmers and the amounts provided as rebates.

Prompt Payment Incentive

The petitioner submitted in Paragraph 6.37 a bifurcation of the rebates provided to consumers in FY 2022-23, specifying the prompt payment incentive as around Rs. 2.4 Cr. We request the petitioner to furnish circle-wise and category-wise details of the amount provided as this incentive.

We would like to highlight Section 10.6, clause (g) of the RERC Electricity Supply Code mandates that the licensee must deliver electricity bills within 3 days of the issue date. The 10-day payment window is calculated from the date of issuance of bills. However, in our experience, most of the rural cases, the bill reaches the consumer later than issuance date. This effectively reduces the 10-day payment window stipulated in Section 10.7, as consumers only have 7 days from the date of receipt to make the payment. Based on our experience, it has been observed that consumers, particularly small consumers and those residing in rural areas, often cannot pay their bills on time due to this inadequate payment window, resulting in the burden of late payment surcharges.

In regard to this issue, we request the Commission to give specific direction to Discoms to provide adequate and equitable payment window to all consumers including those residing in rural areas for payment of bills.

DPS/LPS Waived Off Other Amnesty

The petitioner submitted in Paragraph 6.37 a bifurcation of the rebates provided to consumers in FY 2022-23, specifying the DPS/LPS waived off as around Rs. 1.8 Cr. We request the petitioner to furnish circle-wise and category-wise details of the amount provided as this waiver.

19. Bad Debts

The petition in Table 16 provides for bad debts for FY 2022-23, specifying Rs. Cr. 365 as bad debts. We request the Petitioner to furnish the detailed list pertaining to bad debts.

20. Non-Tariff Income and Other Tariff Income

The petitioner submitted in Table 17 details of non-tariff income and other tariff income for FY 2022-23, and Paragraph 6.43 provides details of other miscellaneous receipts. In this regard, we request the petitioner to furnish circle-wise data on realized and unrealized non-tariff income arising from pole rents.

21. Write Off Tariff Subsidy Receivables from GoR

The petitioner submitted in Paragraph 8.3 that they have written off tariff subsidy receivables from the Government of Rajasthan (GoR) due to stopped and defective meters, which were calculated based on flat rate billing instead of metered rate billing. Accordingly, the Discom has written off a differential tariff subsidy receivable amounting to ₹ 882.25 Cr till 31.03.2022 in the current financial year, and the same is disclosed as “Exceptional Expenses” in the Statement of Profit & Loss.

It is pertinent to emphasize that writing off tariff subsidy receivables from the GoR affects the overall health of Discoms. This impacts service quality and the ability of Discoms to deliver services. We recommend the petitioner, submit to the GoR for the part payment of the due instead of the complete waive off. Further, we recommend constituting a committee to avoid such circumstances and request appropriate directions from RERC for future instances.

22. Revenue Deficit

The petitioner submitted in Paragraph 10.1 and Table 23 details of Revenue Surplus/Deficit for FY 2022-23, where the revenue gap stands at Rs. 3,591 Cr. as against the revenue surplus of Rs. 631 Cr. approved by the Commission. This has been a pattern for the last decade, that the petitioner projects a revenue surplus during the ARR and ends up in deficit during the true up. We submit the commission takes serious note of this glaring issue, and recommend appropriate action, including constituting a committee to examine the root-cause of the issue.

We further submit that the petitioner state how it intends to address the deficit for FY 2022-23 as filed in the current true-up petition.

Additionally, we highlight, as per Ministry of Power's Standard Operating Procedures⁴ in respect to important conditionalities under RDSS, LIS, Additional borrowings etc to be followed during implementation and evaluation Paragraph 3.4(ii) the States/DISCOMs are to ensure that no new Regulatory Assets/uncovered revenue gaps are created in future. Therefore, we seek clarity on the action plan to address this revenue deficit and request the Commission to refrain from creating additional regulatory assets.

B. Comments on ARR, Tariff, and Investment Plan for 2024-25

1. Separate Sales Projections for Distribution Franchise (DF) Area

The petitioner submitted combined sales projections for the areas served by JVVNL and its distribution franchises. However, in paragraph 11.51, the petitioner merges the sales to consumers in JVVNL's area with those of the DF areas. Consequently, the sales projections do not account for the distribution losses incurred by the DF and instead focus only on sales to various categories of consumers in the DF area, thus under-projecting the sales to be incurred by the Discoms.

We request the petitioner to project sales for JVVNL's area separately from that of the DF, by considering the power sold to DF as a single sale. The same shall also be used to project the revenue realised as the revenue from the consumers in the DF area shall not be recovered by the Discom and petitioner only realised the revenue from the input sale to DF at the bulk rate. Escalations in the sales to DF can be computed based on trends from previous years.

We further request the Commission to order a detailed performance review of distribution franchises. The sales data (exclusive of DF sales) is also essential to compute the normative O&M expenses (employee expenses, A&G expenses, and R&M expenses) of the Discom, as the Commission has been approving the O&M expenses in the true-up based on sales made to consumers exclusive of the DF area. We also request the petitioner to clearly state the methodology and assumptions considered for the modification of the sales projections.

2. Defective Metres

As highlighted in the previous true up section, Despite the conversion of agricultural flat-rate to metered connections, it has been observed by the Commission that numerous meters remain faulty, resulting in continued flat-rate billing. We request the petitioner to provide a detailed action plan for rectifying defective electricity meters, along with a timeline and

⁴ https://powermin.gov.in/sites/default/files/uploads/Standard_Operating_Procedures_01_07_2022.pdf

measures they plan to undertake to ensure a prompt resolution and effective implementation of metered billing.

3. Pending Agriculture Connections

We request the petitioner to provide detailed information regarding circle-wise pending agricultural connections, disclosing the number of pending connections per circle, and the projected timeline for addressing and closing the remaining applications.

4. Distribution and AT&C Losses Reduction

It is commendable that the petitioner managed to reduce the losses to below 15% and projecting both the Distribution and AT&C Losses at 14.59%. However, we submit that the Commission should approve a more ambitious figure for loss reduction, given the better performance of other discoms such as AVVNL, where losses stand at 10%.

Furthermore, we would like to highlight that in some circles like Karauli, JPDC, and Tonk, the losses have increased in FY23 compared to FY22. Additionally, in circles like Bharatpur and Dholpur, the losses are above 30%. Considering this, we request the petitioner to submit circle-wise details of loss reduction initiatives undertaken, with a detailed progress report of the initiatives linked to objective outcomes and their implementation timeline. We also request the petitioner to highlight efforts to target high-loss circles. We submit that the Petitioner should strive for further improvement and not be content with merely surpassing the RDSS target. Other Discoms have achieved significantly lower loss rates, demonstrating that further improvements are feasible.

5. RDSS Scheme

We request the petitioner to provide a circle-wise audit report on the total number of meters at feeder segregation and DT, along with details of operational and faulty meters. As per the JVVNL Compliance Submission against the Commission's Directive in the order dated 24.11.2021, the Discom communicated that it aims to achieve 100% feeder metering by December 2022 and 100% DT metering by December 2023. We request the petitioner to provide a detailed explanation for the delay in achieving the said target.

6. BEE Reporting

The petitioner in the said petition has declared that 100% feeder metering and consumer indexing are completed. However, it has been observed that the data submitted to the Bureau of Energy Efficiency (BEE) is incomplete. The Input Energy and Infrastructure details on the Energy Audit Report for FY 22-23 are missing crucial data on EHT Sale, the number of LT feeders, line length (ckt. km) at the 66kV voltage level, and the number of feeders at the 66kV voltage level. Similarly, for feeders >66kV and LT, the data on the number of metered feeders, feeders with communicable meters, and unmetered feeders are also missing.

We submit that the Commission takes cognizance of this issue and directs an independent audit to verify the claim of the feeder and DT metering.

7. Vigilance Targets

We request the Petitioner to provide list detailing specific targets for vigilance, circle-wise and category-wise data on vigilance activities planned, including the number of visits planned to be undertaken, especially in high loss areas.

8. Circle-wise details of smart metres

We request the Petitioner to provide detailed information on the total numbers of smart metres installed along with the circle-wise list, with a further breakdown by category. Additionally, to specify the details on the number of smart meters installed in urban and rural areas for each category.

9. RPO

The petitioner in paragraph 12.21 outlines the existing Renewable Purchase Obligation (RPO) achieved against the target for FY 2022-23. However, the RPO for previous years has not been fully met. The year-wise remaining RPO is provided in the table below. We request the petitioner to provide detailed action plans to address the legacy (outstanding) RPO from previous years along with the associated costs for fulfilling these obligations.

We advise the petitioner to take note of the prevailing low market prices of REC and leverage them to clear the legacy RPOs.

Data of RPO compliance of JVVNL from FY11 to FY23 as per RTI petition filed by CEEP

Year	Target (%)	Achieved (%)	Shortfall (MU)
2010-11	8.50	3.06	1,028.91
2011-12	6.00	4.89	220.05
2012-13	7.10	5.70	306.01
2013-14	8.20	6.92	293.32
2014-15	9.00	6.55	654.05
2015-16	10.20	7.69	694.00
2016-17	11.40	9.42	534.86
2017-18	14.25	11.00	873.69
2018-19	13.35	12.81	158.55
2019-20	15.00	14.91	26.43
2020-21	16.65	14.12	797.57
2021-22	18.48	16.02	834.44
2022-23	19.95	15.46	1,642.24
			8,064.13

At the current cost of the REC at Rs. 150 per certificate⁵, the petitioner can liquidate the entire legacy RPO at the cost of Rs. 120.96 Cr. We submit the petitioner to take proactive measures to consider that.

10. Energy Balance

The petitioner in Table 40 provides the Energy Balance for FY 24 and FY 25. We request that the energy balance be revised according to the updated sales projections, considering sales to DF at the input level and revised distribution loss targets. This will ensure more accurate and realistic projections in line with actual conditions and performance targets.

11. Disallow O&M expenses for Distribution Franchises

The petitioner requests approval for O&M expenses, including sales to the distribution franchises. However, since JVVNL does not undertake O&M in the distribution franchise area, we request the Commission to deny this request and not allow O&M expenses for overall sales that include sales to the distribution franchise area.

Furthermore, we request the petitioner to provide detailed planned activities and outlay for expenses related to safety and training for the financial year. These should be included in the annual action plan to ensure transparency and accountability in the utilization of funds allocated for these purposes

12. Capital Investment Plan

As per the RERC (Investment Approval) Regulation, 2006, Distribution Licensees are permitted to allocate up to 1% of their Investment Plan towards institutional strengthening. Accordingly, the Petitioner should plan and implement training programs and other related initiatives. We request the Petitioner to provide details on action plan for the training and safety of employees along with the amount it is planning to incur for such activities. Furthermore, as per the Commission's directive, a cost-benefit analysis of the investments made should be conducted and be filed with the said petition.

13. O&M Expenses for Smart Metres

As the smart meter installation has already progressed to a considerable level, the petitioner is requested to provide the provisional figures on the monthly O&M expenses being incurred per meter along with the benefits observed in the areas where the smart meters are installed.

We further request the petitioner to provide estimates of O&M expenses for smart meters for FY 2025. Additionally, we request the petitioner to assess and provide details of the cost reductions due to billing (spot billing charges and the bill collection charges) and collection

⁵ Cost of the REC as on 12th June 2024 as per PXIL. <https://powerexindia.in/Pages/Market.html#REC/>

efficiency gains resulting from the implementation of smart metering. This will help in understanding the financial impact and benefits of the smart meter deployment.

We further submit, the petitioner provide the details of how it intends to recover the capital costs incurred for the installation of the smart meters.

14. Refinancing of Loans

We request the Petitioner to provide detailed plans for refinancing high-interest rate loans with lower interest rates aimed at reducing existing debts.

15. Unfunded Gaps

We request the petitioner to provide a comprehensive action plan to liquidate these regulatory assets, including proposals for regulatory surcharges. We believe that regulatory assets are meant to be an instrument to normalise fluctuations in national and global fuel markets, but it has been consistently used as a political instrument, masking inefficiencies in planning and operations of the power sector. We sincerely request the Commission to move away from the practice of creating regulatory assets as this will allow for improved cash flows, improved efficiencies, improvement in credit rating, reduction in cost of finance, and better accountability of respective power sector institutions.

16. Non-Tariff and Other Tariff Income

The Commission, through its directive dated 24.11.2021, has instructed Discoms to explore and implement asset monetization strategies, including setting up EV charging stations, utilizing buildings for advertising hoardings and ATMs, leveraging advertisements on portals/apps, and considering sale of unused lands at commercial locations to local bodies.

The Managing Directors of Discoms were personally directed to oversee the implementation of asset monetization concepts, issue necessary guidelines, and submit quarterly compliance reports detailing actions taken and revenue realized on a circle-wise basis. The directive stresses optimizing pole rents, monetizing vacant lands, buildings, and other assets, including advertisement space on bills. The Petitioner were requested to provide projections for each of these monetization avenues.

Furthermore, as per the Commission's directive dated 01.09.2022, Discoms are mandated to report circle-wise details of poles and cables along with their respective incomes. If income is reported as zero, the Assistant Engineer concerned must submit an affidavit within three months to the Senior Engineer, affirming thorough checks across their area confirming no misuse by telecom operators, cable operators, or other entities. The Senior Engineer were required to then deploy an internal audit team to verify claims and take appropriate action if misreporting is identified. The Senior Engineer was assumed personal responsibility for

monitoring income from asset monetization within their circle, with verification by an independent agency or consultant mandated by the Commission.

In this regard, we request the Petitioner to provide the detailed information and plan to realise the other tariff income.

17. Voltage-Wise Loss of Supply

The Commission's order dated 31.03.2023 directed the Petitioner to conduct an independent study to calculate voltage-wise losses and voltage-wise cost of supply. Despite the Commission's directive in its order dated 01.09.2022, which required Discoms to submit voltage-wise cost of supply based on actual losses and sales rather than the dispensation allowed by APTEL's judgment, the petitioner failed to comply.

Despite repeated reminders and opportunities provided by the Commission, the Petitioner submitted data using the APTEL methodology, which was subsequently rejected by the Commission. We urge the Commission to take strict note of the petitioner's laxity in fulfilling these obligations and request imposition of penalties, including a reduction in the Annual Revenue Requirement (ARR).

C. Submission on the Tariff Rationalization

1. Need for Tariff Rationalization

Electricity access and affordability amongst the poor, which results in better livelihoods, reduced health risks, and improved access to education. Despite this, the recent **Household Consumption Expenditure Survey (HCES 2022)** reveals that in Rajasthan, households belonging to the lowest-income decile have spent 3.84% in urban areas and 2.82% in rural areas of their monthly budget on electricity, corresponding to 2.43% for urban and 1.95% for rural households belonging to the top decile. It clearly shows that even a bare minimum of electricity usage by poor households results in a significant burden on their monthly budget compared to the richer households. Therefore, electricity tariffs for domestic consumers demand further attention ensure equity, increase energy efficiency, and financial and environmental sustainability.

As per our calculations from HCES 2022, the top decile accounts for 15% of the consumer base. The median consumption for the decile is 25 units and 50 units approx. per capita per month for rural and urban, respectively. The increase in prices for the topmost consumers should result in a significant increase in revenue, as price elasticity of electricity is less than 1 for the domestic consumers.^{6,7} While we argue for increasing prices for the topmost category,

⁶ <https://www.sciencedirect.com/science/article/abs/pii/S0301421502003142?via%3Dihub>

⁷ <https://www.sciencedirect.com/science/article/abs/pii/S0301421599000117?via%3Dihub>

this will also incentivise middle consumers to increase energy efficiency by shifting to energy-efficient equipment. Such improvements in the tariff structure should result in better energy efficiency, equitable access to energy, and improved financial and environmental sustainability.

Table 1: Energy Consumption and Income for Urban Households in Rajasthan

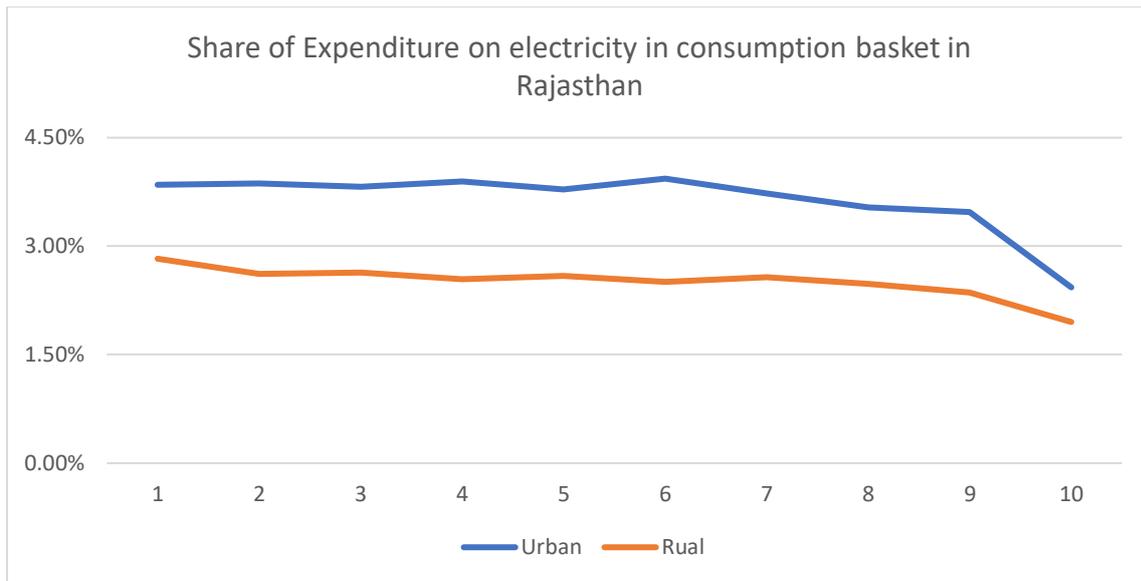
Income Decile	Mean Income of Decile (In Rs)	Share of Income Spent on Electricity	Median Consumption Monthly Per Capita
1	2836	3.85%	15.0
2	3648	3.87%	20.0
3	4245	3.82%	23.0
4	4826	3.90%	26.7
5	5436	3.79%	28.2
6	6127	3.93%	30.3
7	7025	3.73%	35.2
8	8309	3.53%	38.3
9	10145	3.47%	49.4
10	14888	2.43%	54.0

Source: Author's calculations from HCES 2022

Table 2: Electricity Consumption and Income of Households in Rural Rajasthan

Income Decile	Mean Income of Decile	Share of Income Spent on Electricity	Median Consumption Monthly Per Capita
1	2071	2.83%	9.0
2	2724	2.61%	13.2
3	3192	2.64%	15.2
4	3612	2.55%	17.4
5	4048	2.59%	19.2
6	4495	2.51%	20.2
7	5012	2.57%	21.8
8	5692	2.48%	25.8
9	6772	2.36%	28.5
10	9449	1.95%	37.3

Source: Author's calculations from HCES 2022



Further, we note multiple inefficiencies and unnecessary complexities in the design of tariff schedule of Rajasthan. In this section, we discuss the same, comparing the treatment of tariff design to the tariff schedules notified by the SERCs in the states of Delhi, Gujarat and Maharashtra. Detailed calculations of the state level analysis is in added to the Annexure II and Annexure III. We especially discuss the aspects of transparency, simplicity, cost-reflectiveness, and affordability.

1.1. Domestic

Socialization of fixed costs is a major issue in the existing tariff regime. Consumers up to 50 kVA are charged a maximum fixed cost of INR 400 per connection per month. In case the premises are not occupied, this shall fall to INR 230 per month. A consumer with 20 kVA connected load in such an instance shall be paying a maximum fixed charge of INR 20 /kVA and minimum of INR 11.5 /kVA per month. This is against system fixed cost of INR 481.56 /kVA (equated over 12 months).

We observe that General Domestic consumers who are consuming less than 50 units (as per data provided in tariff petition formats) account for 30% of the connected load amongst the domestic category, but on 3% of the consumption. This may be explained by financially affluent consumers having multiple assets, some of which may not be occupied, leading to low utilization. Hence, the existing tariff regime directs subsidies to financially affluent consumers, violating the principle of equity.

In comparison, a consumer with 1 kVA connected load ends up paying a fixed cost of INR 230 /kVA when they lie in the lowest consumption slab. This is a gross violation of principles of equity and cost reflectiveness. In comparison, Gujarat levies escalating fixed charge on per kVA of connected load.

Suggestion:

- Make the fixed charges reflective of sanctioned load across categories, including BPL. Escalating fixed charges may be levied, with lower fixed charges for loads less 5kVA. At least 50% of the fixed costs should be recovered from fixed charges for consumer with connected load over 10 kVA Following schedule may be adopted for domestic category.⁸

Connected Load	Suggested Rate
0 – 1 kVA	INR 20 /kVA
1 – 3 kVA	INR 50 /kVA
3 – 5 kVA	INR 90 /kVA
5 – 10 kVA	INR 150 /kVA
> 10kVA	INR 240 /kVA

- 50 kVA and above category may be removed, and a discount on variable charges may be provided to the consumers based on connection voltage.
- Post adoption of the proposed tariff regime, the small domestic and GD1 consumer category may be merged as the new tariff regime shall significantly reduce their financial burden.
- Given the paying capacity of affluent consumers and increasing economic disparity, we propose that electricity consumption above 500 units is charged at the rate of INR 8.95 per unit. This shall also encourage adoption of solar and energy efficiency amongst the affluent domestic consumers.⁹
- Since electricity consumption in NDS category is for productive use, these adjustments may be used to lower the tariff rates for NDS consumers.
- Given the urban – rural economic disparity and different in electricity supply quality and services, it is suggested that a small discount on variable energy charges is offered to rural consumers across consumptions slabs. Such incentives are likely to have positive externalities for rural energy consumption and economic growth.

1.2. Non-Domestic

The tariff regime for NDS category follows a similar structure to domestic category, resulting in similar issues, i.e. the tariff design not being cost reflective, equitable or efficient.

Suggestions:

- We propose the following schedule for fixed charges for the NDS consumers to address the same.

⁸ More detailed analysis (including revenue impact) was not feasible because of dearth of time, but CEEP offers to undertake the same on direction of the honorable Commission and JVVNL.

⁹ Maharashtra discoms levy a high escalation on energy charges for higher consumption slabs.

Connected Load	Suggest Rate
0 – 1 kVA	INR 60 /kVA
1 – 3 kVA	INR 120 /kVA
3 – 5 kVA	INR 180 /kVA
5 – 10 kVA	INR 240 /kVA
> 10kVA	INR 300 /kVA

- It is suggested that variable charges of NDS category are appropriately lowered while accounting for principles of efficiency and affordability, especially for small consumers.
- Given the urban – rural economic disparity and different in electricity supply quality and services, it is suggested that a small discount on variable energy charges is offered to rural consumers across consumptions slabs. Such incentives are likely to have positive externalities for rural energy consumption and economic growth.

1.3. Public Street Lighting

Both fixed and variable charges for Public Street Lighting in Rajasthan are unusually high. Maharashtra discoms levy a fixed charge of INR 142 per kW and variable energy charge slightly lower than Rajasthan. In contrast, Gujarat levies a charge of INR 70 per installation and much lower variable energy charge.

It may be noted that streetlights are a night load with high-capacity utilization in the range of 21 – 24% based on data provided by JVVNL. Following the principle of cost reflectiveness and allocative efficiency, it's fixed charges and variable charges should be lower. Such charges shall account for any additional costs and responsibilities born by discoms for maintenance of streetlights. A detailed breakdown of such costs should be provided by discoms for them to be included in the tariff rates.

Suggestions:

- Fixed charges should be made reflective of load for every point. Discoms may propose suitable load slabs for defining tariff.
- We suggest that fixed charges shall be levied at the rate of 250 per kW, with actual charges reflective of actual load. For instance, for a 100 Watt street light, fixed charge should be INR 25 per month (INR 250 /kW x 0.1 kW).
- Energy charges shall be reflective of average power procurement price at night.
- Cross subsidy surcharge should not be added to the variable energy charge because its costs are socialized amongst all consumers – the rich and the poor.

1.4. Agriculture

Agriculture demand is seasonal with farmers cultivating 1-3 crops in a year. A farmer's ability to pay has a direct correlation with number of crops and actual utilization of the agriculture connection. Their cash flows are also strongly dependent on the harvest cycles.

Hence, it is suggested that fixed costs levied for agriculture connection is levied based on Maximum Demand in a month instead of Sanctioned Connected Load. However, we suggest that fixed charges for agriculture connections are made reflective of the fixed costs. This shall also reduce the unnecessary subsidies being indirectly allocated to large farmers.

Further, agriculture supply suffers critical issues because of infrastructure constraint. The discoms must advocate and re-implement agriculture block supply over 24-hour duration instead of a 12-hour duration. The 24-hours block supply shall significantly reduce technical losses and peak load.

Suggestions:

- We suggest the following schedule for fixed charges, levied based on Maximum Demand for each month.

Maximum Demand	Suggest Rate
0 – 5 kVA	INR 60 /kVA
5 – 10 kVA	INR 120 /kVA
> 10kVA	INR 240 /kVA

- While agriculture supply shall continue to be on block basis, it is suggested that the blocks are distributed across 24 hours. This shall reduce peak load, reduce over-loading on infrastructure, defer infrastructure investments in transmission and distribution network, reduce transmission losses, and improve quality of supply.
- **Notify day-time and night-time energy charges, with respective charges being reflective of average power procurement price for the duration.**

1.5. Industries

Section 62 (3) of the Electricity Act states that, “The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.” However, the categorization into small, medium and large industries seems unnecessary benefits based on connection voltage and rebates for night use are already available. Any variation based on volume of consumption shall be strictly reflective of marginal cost of supply energy.

The practice of defining charges per HP is also redundant, and all charges may be defined on kVA may be defined for ease of understanding and administrative consistency. Further, there is a need to formally acknowledge the seasonal industries in the tariff schedule.

The fixed charges for industries in Maharashtra are at the rate of 549 /kVA whereas in Gujarat it ranges from 150 to 475 /kVA, with fixed charges being highest for industries with connected load over 2500 kVA. However, fixed charges are much lower in Rajasthan, and they are not reflective of the fixed costs borne by the discoms. This also leads to under recovery of fixed costs when industrial consumers move to solar rooftop or open access.

Suggestions:

- Merge categories of small, medium and large industries into a single category.
- Increase fixed charges to at least 75% of fixed costs, that is INR 360 /kVA per month. Small industries may be levied a concessional fixed charge of INR 240 /kVA per month for load up to 20 kVA.
- Introduce a sub-category of seasonal industry with fixed charges of INR 480 /kVA and appropriate energy charges.
- Other rebates and concessions shall continue as in practice.

1.6. Bulk supply for Mixed load

This category is completely redundant. As per data provided by JVVNL their load factor (19%) is similar to large industries (22%). Hence, it is recommended that this category is eliminated from the tariff schedule, and the consumers are subsumed within the industrial category.

2. Proposal for Green Tariff

In principle, we concur with the need to implement Green Tariff to enable consumers to meet their ESG and Net Zero goals. However, we do not fully agree with the structure proposed by the discom. The objective of Green Tariff is to increase renewable energy adoption, and it is not an instrument meant to simply increase the revenue of the discom. The implementation of green tariff shall pave way for additional renewable energy to be added to the green, beyond the Renewable Purchase Obligation (RPO), which is a statutory requirement for the discom.

The proposed mechanism by discom shall just lead to increase in their revenue, and not necessarily lead to increased adoption of renewable energy. Hence, we recommend that commission may adopt either of the following suggested mechanisms for implementation of green tariff.

- a) The consumers are allocated the RPO/REC generated against the green procurement, which they may trade in the market as an incentive along with meeting their net-zero commitments. In this case discom will not be able to account for RPO against supply of green power to meet its RPO obligations.
- b) The consumers may be given an appropriate discount to the proposed tariff in a manner that accounts for the market value of the RPO.

In adoption of the proposed mechanisms, the honourable commission (and the petitioner) shall also account for prevalent market clearance price of Renewable Energy Certificates (REC) over the period of June 2023 to February 2024 as provided in the table below.

Table: PXIL REC MVP Report

Auction Date	Cleared Price (INR/Certificate)	Cleared Volume
28-Jun-2023	745	122038
26-Jul-2023	590	100630
30-Aug-2023	545	80779
27-Sep-2023	500	557000
11-Oct-2023	380	4996
25-Oct-2023	450	91800
08-Nov-2023	375	266138
29-Nov-2023	375	328288
13-Dec-2023	370	179950
27-Dec-2023	375	36961
10-Jan-2024	360	916223
31-Jan-2024	360	198263
14-Feb-2024	360	130000
28-Feb-2024	360	131208
13-Mar-2024	300	274012
27-Mar-2024	270	325045
10-Apr-2024	240	155049
24-Apr-2024	204	271644
08-May-2024	189	209933
29-May-2024	165	110299
12-Jun-2024	150	82417

D. Submission on the non-compliance of the Commission's directives

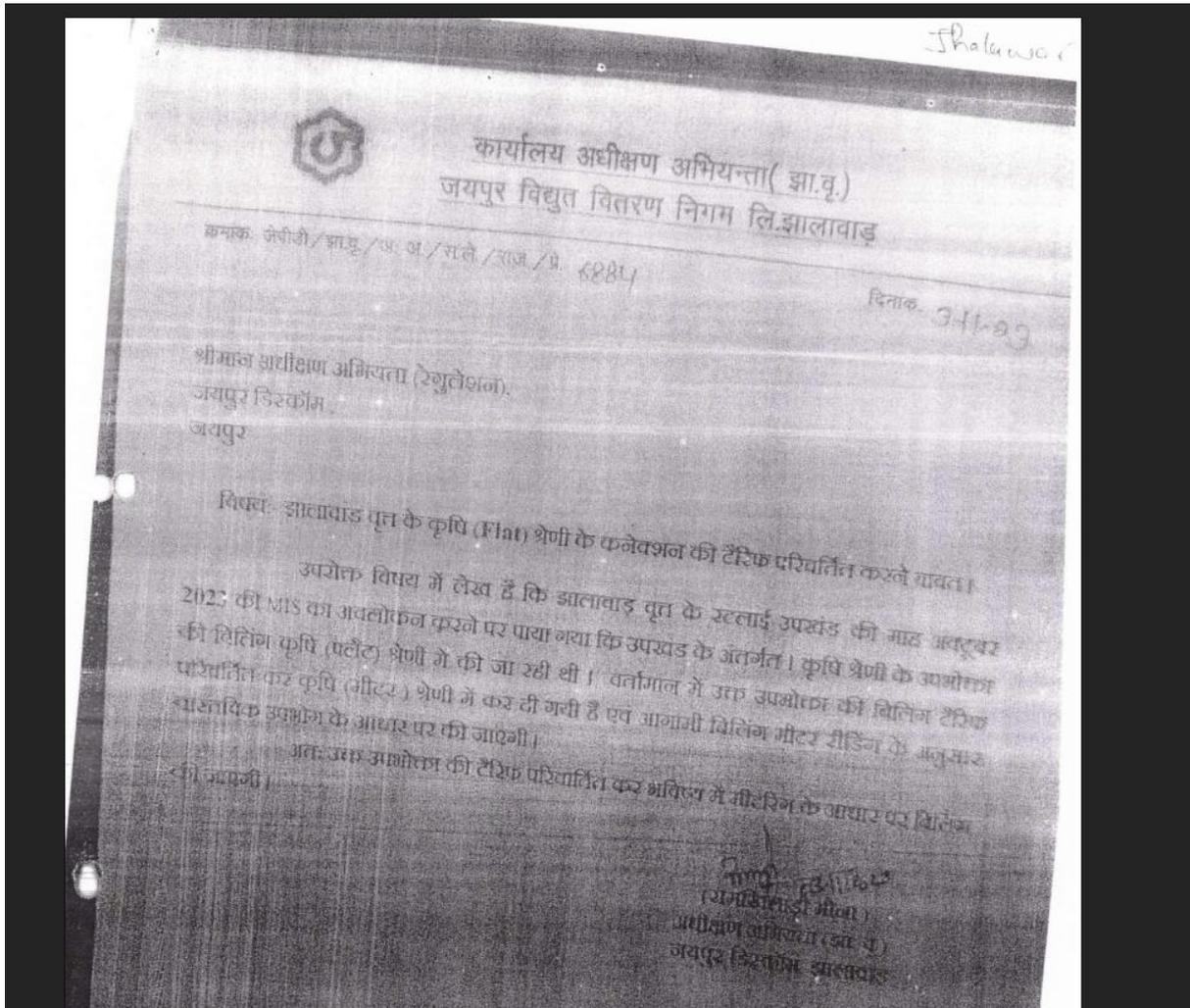
We submit that the following directives issued by the honorable Commission in the last four tariff orders have either not been complied with or have only been partially complied with. We would like to bring this non-compliance to the Commission's notice and request strict action be taken against the petitioner:

1. Format of documents for placing on website

The Commission directed Discoms in its orders dated 14.07.2022 and 01.09.2022 to improve the accessibility and format of petition documents on their websites. Specifically, Discoms were instructed to upload readable PDF and Excel formats along with signed copies of

petitions and ensure that files are in searchable formats such as Word, Excel, or PDF. In compliance, JVVNL acknowledged the directives and confirmed adherence to these requirements as noted in the Commission's order dated 31.03.2023.

Despite this, it has been observed that documents in the current petition are of poor quality scans, which are not machine readable. This is in violation of the Commission's directives, as observed below. We submit that the Commission takes serious cognizance of this issue, as it limits meaningful stakeholder engagement in the due process.



Name of State : Rajasthan
Year : 2023-24-upto Sep. (Prov.)

Month	Total Energy Consumption (MU)	Hydro Energy Consumption (MU)	Total Energy Consumption minus Hydro Energy Consumption (MU)	RPO prescribed as per RERC (%)					Actual RE consumption (MU)-Excluding REC					Actual RE consumption				
				Non-Solar					Non-Solar					Non-Solar				
				Solar	Wind	Biomass	HPO	Total	Solar	Wind	Biomass	HPO	Total	Solar	Wind	Biomass	HPO	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Apr-23	7530.07	344.51	7185.56	10.50	9.40	1.10	0.66	21.66	636.68	402.00	31.31	0.00	1069.99	8.86	5.56	6.44	0.00	14.86
May-23	8361.61	504.29	7857.31	10.50	9.40	1.10	0.66	21.66	674.31	645.18	30.84	0.00	1350.33	8.58	8.21	0.39	0.00	17.19
Jun-23	8282.50	732.32	7550.18	10.50	9.40	1.10	0.66	21.66	634.39	763.70	27.44	0.00	1425.54	8.40	10.12	0.36	0.00	18.88
Jul-23	8542.03	1003.24	7538.79	10.50	9.40	1.10	0.66	21.66	625.44	538.93	24.30	0.00	1188.67	8.30	7.15	0.32	0.00	15.77
Aug-23	10251.77	1161.60	9090.17	10.50	9.40	1.10	0.66	21.66	640.28	985.16	27.69	0.00	1661.13	7.13	10.24	0.30	0.00	18.27
Sep-23	9542.58	856.29	8686.29	10.50	9.40	1.10	0.66	21.66	668.11	376.98	32.01	0.00	1077.10	7.69	4.34	0.37	0.00	12.40
Total	52510.56	4602.26	47908.30	10.50	9.40	1.10	0.66	21.66	3887.22	3711.95	173.60	0.00	7772.77	8.11	7.75	0.36	0.00	16.22

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D. K. S. S. S. S.
Sr. Accounts Officer
RUVVIL, Jaipur

2. Voltage wise Losses & Sales

RERC directed JVVNL on 24.11.2021, to furnish voltage-wise sales and losses data in their next petition. However, JVVNL repeatedly delayed compliance, requesting extensions and citing the need for enhanced metering infrastructure. In their submission on 01.09.2022, JVVNL acknowledged the necessity of 100% feeder metering by December 2022 under the RDSS scheme but again asked for more time, demonstrating a lack of timely progress.

Subsequently, the Commission directed JVVNL on 01.09.2022 to conduct a sample study of voltage-wise losses through an independent third party. Despite this, JVVNL continued to delay, stating they were in the process of finalizing sample sub-stations and appointing an independent third party, as per their submission on 31.03.2023. Even with repeated directives, including one on 31.03.2023, JVVNL has not completed the required studies.

In this current petition, it submitted that it is still preparing an RFP for the appointment of an independent agency.

JVVNL's persistent non-compliance and delays in addressing the Commission's directives on voltage-wise losses are unacceptable, shows its lack of urgency in addressing critical regulatory mandates. JVVNL has repeatedly failed to provide the required data, instead seeking extensions and citing inadequate infrastructure. JVVNL has continued to delay, offering vague assurances of progress. These delays hinder efforts to reduce losses, improve efficiency, and maintain consumer trust.

The Commission should impose a substantial financial penalty on JVVNL for continued non-compliance and set a strict deadline for the completion of the voltage-wise losses study. Failure to meet this deadline should result in further penalties and possible regulatory actions, including a mandated review and oversight by an independent body to ensure timely compliance.

We further recommend the Commission should also consider appointing an independent agency to oversee and expedite the completion of this study to ensure timely and accurate compliance with its directives.

3. Inter-state and Intra-state Transmission losses

The 24.11.2021 order directed Discoms to keep separate accounts for interstate and intrastate losses. JVVNL formed a committee to address this. The 01.09.2022 order reiterated the need for detailed reports on these losses. The 31.03.2023 order noted the lack of compliance and emphasized the seriousness of the directive, instructing the committee to finalize and submit their findings.

Despite the initial directive being issued in 2021, and subsequent reminders in 2022 and 2023, JVVNL has yet to comply fully with the Commission's requirements. This nearly three-year delay in addressing a critical regulatory mandate is unacceptable and undermines efforts to improve operational transparency and efficiency. We urge the Commission to take stringent measures to expedite the completion of this directive and consider imposing penalties for the prolonged non-compliance.

4. Defective meters

In the order dated 01.09.2022, the Commission directed Discoms to ensure all meters are in working condition and to reduce defective agricultural meters to below 10% within one year. JVVNL reported ongoing efforts to comply with this directive. The 31.03.2023 order reiterated the directive for timely meter replacement, emphasizing that no leeway would be granted for non-compliance.

Despite this, the petitioner continues to have a substantial number of defective meters and was disallowed payments by the GoR. The Commission should take a strict view of this issue and order the petitioner to take disciplinary actions against the respective officers.

5. Study on Parallel Operation Charges

The order dated 24.11.2021 directed Discoms to conduct a scientific study on parallel operation charges. JVVNL stated they are in the process of appointing a third-party agency. The 01.09.2022 order highlighted revenue losses from parallel operation charges and directed

immediate study and proposal submission. By 31.03.2023, JVVNL had floated a tender for the third-party study, expected to produce a draft report within six months.

This indicates a significant delay of nearly three years in addressing a critical directive. Such prolonged inaction not only reflects a lack of urgency but also results in continued revenue losses. We urge the Commission to take stringent action to expedite this study and ensure timely compliance. Additionally, we recommend imposing penalties for the undue delay and mandating regular progress updates to prevent further delays.

6. Asset Monetization

The 24.11.2021 order instructed Discoms to identify assets for monetization and submit quarterly compliance reports. JVVNL issued orders for recovery of pole rental charges and verifying pole usage. The order dated 01.09.2022 reiterated that mere orders are insufficient and emphasized the need for thorough monitoring and reporting of asset usage and income. The 31.03.2023 order reinforced the directive for detailed verification and monetization of assets, with continuous monitoring by senior engineers and field officers.

We highlight that the petitioner submitted copies of the orders issued to the circle offices, but no replies were received from the respective offices. We submit that the Commission take an adverse view of JVVNL's lack of seriousness and initiate disciplinary actions, including imposing penalties on the respective officers.

7. Training for employees

In the order dated 24.11.2021, the Commission directed Discoms to run programs for skill development and training for employees within three months. JVVNL indicated that safety-related training is conducted at circle headquarters, and a draft training policy is under consideration. By the order dated 01.09.2022, the Commission noted the lack of expenditure on training and directed Discoms to spend at least 1% of total capex on skill development, with updates to be provided in the True Up for FY 2022-23. The 31.03.2023 order reiterated this directive, noting that Discoms should spend 1% of capex on training and provide updates with the True Up of ARR.

8. Report on the performance of the franchisees by independent auditor

In the order dated 24.11.2021, the Commission directed Discoms to furnish a performance report of franchisees by an independent auditor for FY 2019-20 and FY 2020-21. JVVNL responded that the reports were provisional as the auditor had not finalized the ABR figures.

The order dated 01.09.2022 further directed Discoms to finalize and submit the performance report within three months. JVVNL indicated that the ABR figures were finalized and the report for FY 2019-20 and FY 2020-21 was submitted. The draft report for April 2021 onwards

was in preparation. The 31.03.2023 order noted incomplete compliance and reiterated the need for the finalized report within three months, which JVVNL submitted in CD format.

We bring to the Commission's notice that the petitioner did not upload the report on its website. We request the Commission to direct the petitioner to immediately upload the report. Additionally, we recommend that a yearly audit be mandated to review the performance of the Distribution Franchisees, with the audit report submitted during the truing up of the accounts.

9. Adoption of two circles where losses are highest

The Commission's order dated 06.02.2020 directed JVVNL to adopt circles with the highest distribution losses for special interventions. The 24.11.2021 order reiterated the need for detailed reports on actions taken and achievements in loss reduction. JVVNL adopted Bharatpur and Dholpur circles for this purpose. In the order dated 01.09.2022, the Commission noted the need for quarterly reports on losses and revenue from these circles, and JVVNL indicated ongoing efforts to motivate field engineers and staff, with plans to replicate successful models in other areas, as outlined in the order dated 31.03.2023.

As highlighted by the Commission in previous orders, there is a lack of seriousness by the petitioner on this issue, and no quantified improvements are visible. We submit that the petitioner provide actual details of the reduction in losses in the circles adopted by the MD.

10. Scheme of appreciation and reward

In the order dated 24.11.2021, the Commission directed Discoms to initiate a reward scheme for individuals reporting theft cases. In the subsequent petition, the JVVNL reported that this scheme is under consideration by the senior management of the Jaipur Discom.

We submit the petitioner provide the current status of implementation

11. Re-assess wheeling losses

The commission in the order dated 24.11.2021, directed Discoms to re-assess wheeling losses and furnish a detailed report. JVVNL responded by stating that achieving accurate voltage-wise losses requires complete metering infrastructure, aiming for 100% feeder metering by December 2022 and 100% DT metering by December 2023 under the RDSS scheme, as noted in the order dated 01.09.2022.

12. Tariff Design to incentivize the consumer to keep the meter in healthy condition

In the order dated 24.11.2021, the Commission directed Discoms to design a tariff that incentivizes consumers to maintain healthy meters and to submit a suitable proposal along with the next tariff petition. JVVNL responded that officials have been engaging with various

stakeholders, including individual farmers and influential village members, to persuade them to convert to the metered category, as noted in the order dated 01.09.2022.

The faulty meters issue is a serious concern plaguing the discom. We submit the petitioner to provide what actions have been taken to specifically ensure the consumer to keep the meter in healthy condition.

13. Impact of bi-monthly reading

The order dated 24.11.2021 directed Discoms to claim interest on additional working capital from the Government of Rajasthan due to bi-monthly billing for certain consumers. JVVNL noted the directive and pursued it accordingly. The 01.09.2022 order reiterated the need to compute the impact of additional working capital and claim interest. By 31.03.2023, JVVNL reported that bi-monthly billing interest is covered by subsidies, indicating no loss on working capital interest.

We submit the commission to take view of inaction by the petitioner, impacting the financial health of the discoms. Accordingly the commission should take strict action against the petitioner

14. Audit of Investment made by Discoms in all circles

The Commission directed Discoms on 24.11.2021 to conduct a special audit of investments in Jaipur, Ajmer, and Jodhpur circles, submitting a cost-benefit analysis within three months. JVVNL stated the directive is under consideration and a letter was issued for Jaipur's investments. By 01.09.2022, JVVNL had not made significant progress, leading to a reiterated directive. A committee was formed, and the audit began. On 31.03.2023, the Commission noted the lack of concrete action and again directed Discoms to complete the audit and submit a detailed report with the next ARR and Tariff petition.

15. Energy Audit

The order dated 01.09.2022 directed Discoms to maintain feeder meters properly and take action if meters remain defective for more than one billing cycle. JVVNL reported ongoing efforts to replace defective meters and submitted an energy audit report to the Bureau of Energy Efficiency (BEE). The 31.03.2023 order reiterated the need for accountability and analysis of circle-wise energy audit data, with JVVNL noting the status of feeder meter replacements and energy audit report finalization.

Despite multiple directives by the commission, the petitioner failed to provide the complete data on the energy audit. As highlighted in the previous sections, the BEE data format, submitted by the petitioner are also incomplete. We submit the petitioner provide explanation for the same.

16. Agriculture connections in urban area

In the order dated 01.09.2022, the Commission directed Discoms to initiate a drive to check the usage of agricultural connections in urban areas and ensure they are not used for non-domestic or commercial purposes. If misuse is found, the connections should be reclassified, and necessary action taken for malpractice. The drive was to be completed by 30th November 2022, with compliance reported in the next ARR/Tariff petition. JVVNL reported that officials from the O&M and vigilance wing conduct such drives periodically to curb misuse of agricultural connections in urban areas, as noted in the order dated 31.03.2023.

We submit the petitioner to provide the current status on number of the agriculture connections in the urban area and number of vigilance drives undertaken to curtail the same.

17. 2 Block Supply

In the order dated 01.09.2022, the Commission directed Discoms to approach the Government of Rajasthan for a grant to fund works related to the two block supply scheme. JVVNL reported that they approached the government for this grant. By 31.03.2023, they had approached the Principal Secretary (Energy) and were informed that providing the desired 100% equity/grant would be inconvenient.

We submit, the petitioner to provide the current status of the implementation of the directive.

18. Medium-term business plan

The order dated 24.11.2021 directed Discoms to prepare a medium-term business plan to address trends like electric vehicles and renewable energy. JVVNL began preparing the plan and requested more time. The 01.09.2022 order reiterated the directive for submission along with the next tariff petition. By 31.03.2023, the Commission directed a comprehensive plan covering loss reduction and efficiency improvements, with JVVNL continuing detailed analysis and requesting additional time.

These ongoing delays are unacceptable and hinder progress in addressing critical industry trends. We urge the Commission to enforce strict deadlines and impose penalties for non-compliance to ensure timely submission of the comprehensive business plan.

19. Review the working of contractors to whom certain substations have been outsourced

The order dated 24.11.2021 directed a review of the working of contractors to whom substations have been outsourced, with a focus on skilled manpower and safety. JVVNL formed a committee to address this, and the performance of contractors is being regularly monitored by field officers, with any deficiencies being reported to the contractor, as detailed in the order dated 01.09.2022.

We submit the Commission to mandate that JVVNL publish a detailed report on the corrective actions taken and the performance review of these contractors on their website to ensure transparency and public scrutiny. Furthermore, we request that the Commission require JVVNL to conduct and publish a comprehensive review annually. This will provide regular updates on the performance and safety standards of outsourced contractors and ensure continuous improvement and accountability.

20. Technical & financial internal audit for each subdivision

The order dated 24.11.2021 instructed Discoms to conduct technical and financial internal audits for each subdivision. JVVNL reported ongoing revenue audits for various subdivisions. The 01.09.2022 order reiterated this directive and asked for a manual of observed errors and procedures to avoid them. By 31.03.2023, JVVNL confirmed regular audits and issued directions to avoid errors, with an audit manual in place.

21. Bifurcation of Cross Subsidy Surcharge and Additional Surcharge

The Commission directed the Discoms to file the voltage-wise and category-wise breakup of the number of units billed under open access and the corresponding revenue collected under each head (i.e., wheeling, CSS, and additional surcharge) with the next true-up petition for FY 2022-23, including reasons for any deviations, if any.

We submit that the petitioner has not complied with the directive of the commission. Accordingly we submit, the commission impose appropriate penalty on petitioner.

22. Consumer Awareness

In the order dated 31.03.2023, the Commission directed Discoms to conduct workshops regularly, with at least one workshop per year at each Division level, and update the 'consumer corner' information regularly. JVVNL reported that smart meters are being installed according to the targets set in the RDSS scheme. Smart meters have also been installed under IDS and NSGM Smart Metering schemes, with efforts ongoing to adhere to the specified timelines for smart meter installation.

We submit the petitioner to provide the circle detailed list of the activities undertake under the consumer awareness.

23. Automatic compensation

The commission's 31.03.2023 order included directives for handling consumer complaints, automatic compensation for specific issues, and publishing a manual of practices for complaint handling. The Discoms were instructed to report on these measures in their compliance reports.

We bring to the commission's notice that the compliance filed by the petitioner is vague and doesn't address the issue. We submit the commission to take adverse view of this issue and order a strict action against the petitioner.

24. Detailed break up in consumer bills

In the order dated 24.11.2021, the Commission directed Discoms to clearly indicate the detailed breakup of other debits, fuel surcharge, and other miscellaneous charges in consumer electricity bills. JVVNL responded that due to space constraints in the spot billing practice, these details are not currently indicated. However, they are exploring the option of including this breakup in the hard copy of the bill generated under spot billing, as noted in the order dated 01.09.2022.

We submit, the petitioner to provide the current status of implementation of the directive.

Annexure - I

Electricity Consumer Category	Connected Load (L _C)	Energy Sold (E _S)	Load Factor (L _F)
Domestic	60,45,748	6,021.46	11%
1.DOMESTIC - JT	59,07,544	5,909.57	11%
(I.) BPL	1,07,307	256	27%
(II.) Small Domestic	14,79,048	724	6%
(III.) General Domestic	43,21,189	4,929.85	13%
1. Consumption up to 50 unit per month	18,34,740	173	1%
2. Consumption above 50 but up to 150 unit per month	11,47,277	1,176	12%
3. Consumption above 150 but up to 300 unit per month	7,95,014	1,236	18%
4. Consumption above 300 but up to 500 unit per month	3,27,319	905	32%
5. Consumption above 500 unit per month	2,16,839	1,440	76%
DOMESTIC - HT	1,38,204	112	9%
Non-Domestic	23,49,896	2,471.95	12%
NON-DOMESTIC - LT	15,28,421	1,599.03	12%
(I.) Sanctioned connected load up to 5 K.W.	5,87,810	601.18	12%
1. Consumption up to 100 unit per month	3,95,432	106	3%
2. Consumption above 100 but up to 200 unit per month	93,097	104	13%
3. Consumption above 200 but up to 500 unit per month	69,502	176	29%
4. Consumption above 500 unit per month	29,780	215	83%
(II.) Sanctioned connected load above 5 K.W.	9,40,611	997.86	12%

1. Consumption up to 100 unit per month	1,70,228	7	0%
2. Consumption above 100 but up to 200 unit per month	87,634	15	2%
3. Consumption above 200 but up to 500 unit per month	1,73,537	60	4%
4. Consumption above 500 unit per month	5,09,212	916	21%
NON-DOM - HT	8,21,475	873	12%
3.P.S.L.	76,998	159.81	24%
(I)Panchayat & Municipal areas having population less than 1 lac.	76,870	140	21%
(II)Panchayat & Municipal areas having population 1 lac. and above	128	20	1780%
4.AGR(M)	63,43,687	9,656.31	17%
(I) Total General (Block Supply)	60,46,140	9,238	17%
(II) Total Others & More than block supply	2,97,547	418	16%
AGR(F)	34,678	85.78	28%
(I) General (Block Supply)	34,588	85	28%
(II) Others & More than block supply	89	1	143%

Annexure II: Comparison of fixed charges

S.No.	Category	Sub- Category	Load Slabs	Consumption Slabs (units/month)	Rajasthan (Rs/kW/month)	Gujarat (Rs/kW/month)	Maharashtra (Rs/kW/month)
1	Domestic	BPL & Astha Card			288	5	34
		General Domestic	0 - 50	151	15	Single phase- Rs. 128 Three phase- Rs. 424	
			50 - 150	142	25		
			150 - 300	142	45		
				98	45		
				98	70		
			300 - 500	80	70		
> 50kW	>500	270	70				
2	Non- Domestic		0- 5 kW		60-460	50	517
			5 - 10 kW		135-150	50	517
			10 -20 kW		135-150	85	517
			20 - 40 kW		135-150	85	465
			40 -50 kW		243	85	465
			>50 kW		243	85	465
3	Street Lights				291.1	70/ installation	142
4	Industries	Small scaled		upto 500	59.696	135	583
				over 500	82	234	
		Medium scaled			86	427.5	349.2
		Large scaled			243	427.5	494

Note:

- Fixed charges on connection basis for various categories and sub-categories are converted into Fixed charges per kW of connected load, and the same is computed based on total connected load and fixed charges recovered for respective categories.

Annexure III: Comparison of variable charges

S.No.	Category	Sub- Category	Load Slabs	Consumption Slabs (units/month)	Rajasthan (Rs/unit)	Gujarat (Rs/unit)	Maharashtra (Rs/unit)
1	Domestic	BPL & Astha Card			3.5	1.5	1.56
		General Domestic		0-50	4.75	3.05	4.71
				50-100	6.5	3.50	4.71
				100-150	6.5	4.15	10.29
				150-250	7.35	4.15	10.29
				250-300	7.35	5.2	10.29
				300-500	7.65	5.2	14.55
				500 and above	7.95	5.2	16.64
2	Non- Domestic		0- 5 KW		7.55-8.95	4.35	8.52
			5 - 10 KW		7.55-8.95	4.35	8.52
			10 -20 KW		7.55-8.95	4.65	8.52
			20 - 40 KW		7.55-8.95	4.65	13.01
			40 -50 KW		8.85	4.65	13.01
			>50 KW		8.85	4.65	15.38
		3	Street Lights	Population < 1 lakh			7.55
Population => 1 lakh					8.1	8.31	3.9
4	Industries	Small scaled		upto 500	6	4.00	6.16
				over 500	6.45	4.20	
		Medium scaled			7	4.20	7.3
			Large scaled			5.985-7.3	4.30