

(iv) Vigilance drives.

4. Discoms submitted that the issuance of Bonds, as suggested by the stakeholder, could be a possible source of raising funds from the market. However, the Discom, in the past has tried several times to issue Bonds. Discom made several efforts to issue bonds but could not achieve the same in the year 2017, due to not receiving RBI backstop from GoR within the timeline given to the Arranger, In FY 18, could not materialize due to higher coupon rate as well as high commission of the arranger, in April 2019, Discoms again initiated the process to receive bids for issue of bonds directly through NSE-EBP platform but the same could not materialize due to inadequate quantum of bids. In May 2019, RFP was again floated for appointment of arranger but due to unfavorable market conditions, no response was received up till the extended deadline of August 19. In spite of above, the Discom is continuously striving to issue Bonds. In January, 2021, the Discoms again began the process of getting their Bonds issuance programme underway and have initiated the credit rating process regarding the stakeholders' suggestion that GoR may provide a transitional finance support akin to the UDAY scheme, it is submitted that the Discoms have taken up this matter with the State Government requesting them to release the pending tariff subsidy as well as Government Department dues. Such release of funds shall enable the Discoms to clear off its outstanding dues and improve its financial position.

#### **2.19.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.20. Demand Based Billing:**

##### **2.20.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that Discoms have proposed that the revision of fixed charges is in such a manner that it does not add to the financial burden of the consumers". However, the tariff proposed for domestic consumers with sanctioned/connected load  $\geq 10$  kW or annual consumption exceeding 12000 units there is only upward revision in fixed charges rate with no reduction in energy charges rates. This is not as per the principle of no tariff increase.
2. It was submitted that Discoms should install Smart Meter having facility to record "Current month MD in kW with Legend". So that harassment to customers is to be avoided.

### **2.20.2. Petitioners' Response:**

1. Discoms submitted that they have proposed demand-based billing and have ensured revenue neutrality on an overall basis for Domestic category.
2. Discoms Submitted that suggestion of the stakeholder pertaining to metering infrastructure have been duly noted by the Discoms.

### **2.20.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.21. Wheeling Charges:-**

#### **2.21.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that the Commission in its order of 06.02.2020 has directed the Discoms to furnish fixed assets register along-with physical verification report, furnish detailed report on re-assessment of the wheeling losses and justify the methodology of 2006 order specially with regards to allocation made for 11 kV as over the years Discoms has moved towards LT less system and are creating HT infrastructure to cater to LT consumers. Discoms have not provided these as such Discoms may provide the same.
2. Discoms have worked out wheeling charges based on energy wheeled from 33 kV bus of RVPN's EHV substations considering 3.8% losses on 33 kV sales, 8.8% losses on 11 kV sales and 17.9%-24.00% losses to LT sales without giving its justification. Accordingly wheeling losses applicable for 11 kV will be 8.8% against 12.6% as at present. This may kindly be taken note by the Commission.
3. It was submitted that for the Contracted capacity we are paying fixed charges of HT supply tariff but utilizing it less during the part of the day when solar power is available. The Commission may adjust part of fixed charges on contracted capacity from the wheeling charges.
4. Further, it was submitted that petition does not indicate as to for which year voltage wise sales have been considered. If it is for FY 2020-21 It was submitted that FY 2020-21, was not the normal year due to COVID 19 pandemic and HT sales during the year has been declined. Average impact on sales of large industries is reduction by 25% and wheeling charges would enhance by 33%. The wheeling charges may therefore be calculated on energy sales corrected for abnormal reduction due to COVID-19.

5. Further, it was submitted that in current MYT petition Discoms have proposed to keep the same wheeling charges of Rs. 0.01/kWh at 132 kV voltage level (no increase). However, the Discoms have proposed very much increase in wheeling charges at 33 kV voltage level, from Rs. 0.11/kWh to Rs. 0.26/kWh and for 11 kV voltage level from Rs. 0.32/kWh to Rs. 0.70/kWh, which works out to be more than 100%. Such high increase in wheeling charges is not at all justified.
6. It was submitted that RERC can also fix the wheeling charges trajectory for 5-7 year period. A rebate to the extent of the wheeling charges should be provided to Discoms consumers in energy charges.

#### **2.21.2. Petitioners' Response:**

1. Discoms submitted regarding wheeling charges and losses that they have adopted similar methodology as approved by the Commission in order dated 19.09.2006 for apportionment of voltage wise network costs and voltage-wise losses for determination of wheeling charges.
2. Discoms Submitted that in most of the states across the nation, the wheeling charges are being determined on HT and LT voltage levels based on apportioned losses and costs. Determination of actual losses at each voltage level is a complex activity due to the complexity of the distribution network and limitations in terms of availability of data.
3. For 132 kV level, Discom has to levy a nominal wheeling charge of Rs. 0.01/unit in order to meet expenses pertaining to meter reading, billing and A&G. Discom further submitted that the wheeling charges of Discoms have not been revised since 19.09.2006. At the same time, the expenses pertaining to distribution network have increased by more than 4 times from FY 2006-07 to FY 2019-20. Thus, the wheeling charges levied towards open access consumers are not reflective of the actual costs incurred by Discoms.
4. Discoms also submitted that RERC has notified the MYT Tariff Regulations for the control period FY 2019-24 on dt. 10.05.2019. The wheeling charges are determined based on the said MYT Regulations.

#### **2.21.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

## **2.22. Parallel Operation Charges:**

### **2.22.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that JVVNL have proposed parallel operation charges (POC) of Rs. 20/kVA/month on captive power generation capacity based on that levied in other states and in support have mentioned decision of Supreme Court, APTEL and other state Regulatory Commission. Commission may kindly consider their relevance with respect to differences, if any, between RERC regulations and other state's regulations and introduction of new regulatory measures like deviation settlement mechanism, state grid code and open access regulations etc. subsequent to orders and provisions of standby contract or temporary supply contracts to take care of for startup power and further provision of open access regulations to consider open access demand considered within the regular contract demand. With limits of harmonic contents and protection requirement for negative sequence (or unbalanced) currents specified in REGC, levy of parallel operation charges only on CPP may be discrimination among consumers. It will be appropriate to define correctly applicability of Parallel operation charges including its non-applicability for RE projects.
2. It was submitted that Discom has proposed POC charges of Rs. 20/kVA/month on captive power generation capacity. Need clarification. Further It was submitted that even otherwise there is no justification of levy of parallel operation charges on solar PV CPP as it does not result in raising fault level and its auxiliary consumption is quite low.
3. It is submitted that Discom has proposed Parallel Operation Charges @ Rs.20/kVA/month, the Captive Power Plants were set up by the Industries at very heavy cost to ensure energy security and reliability of power, when there was shortage of power in Rajasthan and frequent load shedding. Further due to very high cost of coal (through E-Auction), the cost of power from CPP is already very high. Further imposing of Parallel Operation Charges will increase the burden on Industries and render CPP unviable. Therefore, Discom Proposal of POC may not be considered. Unless a scientific study is carried out in this regard. In case the POC is to be levied on CPP, it should not be levied on existing Captive Power Plants but on new Plants.

### **2.22.2. Petitioners' Response:**

1. Discoms submitted that the RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 have necessary provisions in place for levy of parallel operation charges. The need for levy of parallel operation charges is also recognized by Hon'ble APTEL vide judgment dated 12.09.2006 in appeal no. 99 of 2006 and judgment dated 18.02.2011 in Appeal No. 120 of 2009. The same has also been recognized by Hon'ble Supreme Court vide order dated 29.11.2019 on determination of Grid Support charges.
2. Discom submitted that it is pertinent to mention that captive consumers in Rajasthan have been availing grid support since several years till date. However, no additional charges were paid by them (in the form of parallel operation charges) for taking grid support.
3. Discoms also submitted that the rates of POC proposed by them is equal to or lower than the rate of POC levied in several other states.
4. Discom submitted that it is pertinent to mention that captive consumers in Rajasthan have been availing grid support since several years till date. However, no additional charges were paid by them (in the form of parallel operation charges) for taking grid support. The various advantages of parallel operation to CPPs, as explained in the petition, the Commission may stipulate from time to time the 'parallel operation charges' to be applicable for parallel operation of the CPP with the grid separately". The need for levy of parallel operation charges is also recognized by Hon'ble APTEL vide judgment dated 12.09.2006 in appeal no. 99 of 2006 and judgment dated 18.02.2011 in Appeal No. 120 of 2009. The same has also been recognized by Hon'ble Supreme Court vide order dated 29.11.2019 on determination of Grid Support charges. The rate of POC proposed by the Discom is equal to or lower than the rate of POC levied in several other states.

### **2.22.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.23. Cross Subsidy Surcharge:**

#### **2.23.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that Discoms have proposed cross subsidy surcharge as worked out by application of formula without considering ceiling limit as specified under Regulation 89(2) of RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019. However, the Commission in its order dated 06.02.2020 in respect of ARR and Tariff for FY 19-20 has considered CSS as 20% of tariff following the provision of tariff policy dated 28<sup>th</sup> January 2016. Thus ceiling of cross subsidy so specified is different. The Commission may consider and provide appropriate ceiling.
2. It was submitted that RERC can combine the surcharge for cross-subsidy surcharge and additional surcharge and fix it at Rs. 2.5 per unit for a period of 5 years.
3. It was submitted that the Cross subsidy surcharge should be kept at the level of not more than 20% of the cost of supply.

#### **2.23.2. Petitioners' Response:**

1. Discoms submitted that Cross-Subsidy Surcharge proposed in the petition has been calculated based on the methodology provided by the Commission in RERC (Terms and Conditions for Determination of Tariff) Regulations 2019. Any revision in the methodology of arriving at the rate of CSS may be duly prayed to the Commission.
2. Discom submitted that the proposal of the stakeholder to combine the surcharge for CSS and additional surcharge at Rs 2.5 for next 5 years may not be prudent as there is change in cost of supply of the Discoms every year due to uncontrollable parameters such as power generation cost of generators, transmission charges etc. Moreover, the Discom incurs capital expenditure every year for system strengthening to ensure reliable power supply. Therefore, the cross-subsidy surcharge, which should reflect the actual ground conditions year-on-year ought to be determined separately for each year. Similarly, additional surcharge which depends on the extent of open access sales and corresponding backing down of generating stations also varies year on year.
3. Discom submitted that the methodology being followed by the Commission has been adopted for the computation of cross subsidy surcharge and the Commission is requested to kindly take a prudent view while approving the same.

### **2.23.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.24. Additional Surcharge:**

#### **2.24.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that NCES generation has increased from FY 2016-17 to FY 2020-21 by 1899 MUs. and increase in back down energy of 1957 MUs is almost coinciding with it. This establishes that increase in back down has been not due to open access but due to increase in NCES generation. JVVNL has supplied time block wise back down data etc, data for 19-22 nos. of central sector thermal power stations, 16 nos. of state sector thermal power stations and box-up of 24 thermal generating units Accordingly block wise backdown, boxup, open access etc. is as per annexures 2 and 3. Thus backdown during night has increased from 10/19 and is clearly due to other than open access. Back down can be due to :-
  - (i) very low load or load crash (say by wide spread rains causing steep fall in agricultural load or drop in temperature reducing AC load etc)
  - (ii) Short term power purchases, contracted in anticipation to load demand but load not picking up to that extent.
  - (iii) Excess contract for long term thermal generation.
  - (iv) Not maintaining requisite spinning reserve, of 330 MW (50% of largest size unit of 660 MW).
2. The criterion of determining stranded capacity due to open access as lesser of (i) actual backing down or (ii) open access drawl, caters to two contingencies. One in which contracted generation capacity is not adequate to meet load plus open access demand in that case backdown will be less than open access drawl and will be due to open access.
3. Second in which generation capacity is in excess of load plus open access drawl, in which case backing down will be equal to (or more than) open access drawl and back down up to open access drawl will be due to open access. However, if excluding generation capacity as per sr. no. (ii), (iii) and (iv) of para 24, generation is less than load plus open access, then backdown of (ii), (iii)
4. and (iv) of para 24 during these instant, will get attributed to open access. However, spinning reserve is not meant for catering load as but for provide in

spinning reserve there would have been no backdown. Further as per APTEL's order dated 25/04/2016 on Appeal No.269 of 2014 only long term contracts are to be considered and as such short time/ RTC power purchase through competitive bidding or otherwise through power exchange and temporary allocations from central sector generation stations are to be excluded. Similarly backing down of generation due to (i) long term contracts (whether conventional as well as non conventional) contracted after open access by a consumer is not due to his open access and is to be excluded.

5. It was submitted that box up capacity shall not be used to compute the net stranded capacity for each time block of each day of the month for the additional Surcharge calculations.
6. It was submitted that Discoms have assumed that the Open Access Scenario will remain the same in FY 2020-21 as in FY 2019-20. This is not correct, as per the Commission's Order dt. 06.02.2020 for Large Industrial consumers with billing demand more than 1 MW, who were eligible to purchase power under Open Access (not from Discom), for such consumers the effective energy charges were considerably reduced (from Rs.7.30/unit to Rs.6.30/unit), while the fixed charges were increased from Rs.185/kVA/month to Rs.270/kVA/month. With such changes in Tariff, the Open Access Scenario in FY 2020-21 cannot remain the same as it was in FY 2019-20.

#### **2.24.2. Petitioners' Response:**

1. Discoms submitted that With respect to the methodology followed for computation of additional surcharge, it is pertinent to mention that the stranded capacity of Discoms due to open access consumers only has been taken into consideration. This is evident from the fact that for every time block, the minimum of (backdown+boxup & open access) has been taken for arriving at the total quantum of stranded capacity applicable towards levy of additional surcharge.
2. Discoms submitted that the minimum of stranded capacity and open access capacity in each block hour is considered for the computation of additional surcharge.

#### **2.24.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.



## **2.25. Domestic:**

### **2.25.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that Discoms proposed fixed charges as Rs.80/kW/month for consumers having consumption of more than 12000 kWh per year or sanctioned connected load equal to or <10 kW. Increase in fixed charges is more than 100%, which is not justified. whereas in other consumer categories, increase in fixed charges has been proposed as about 5% only and energy charges have been reduced. Discoms may clarify the same.
2. It was submitted that on one side the Discom has mentioned that to maintain revenue neutrality along with ensuring prudent cost recovery, Discoms have proposed increase in fixed charges without any financial burden on consumers. However, Discoms have not proposed any reduction in energy charges for Domestic consumers, while in all other categories, the energy charges have been decreased, so as to maintain revenue neutrality. In that case energy charges reduced for domestic category. Further, the fixed charges should be increased only by 10% for 10 kW domestic connection.

### **2.25.2. Petitioners' Response:**

Discoms submitted that Tariff Rationalization of domestic consumer have been proposed after the diligent review. It was proposed to ensure the optimum utilization of the distribution asset and efficient allocation of the associated cost of operating the retail supply business to the consumer based on the cost to service. On critical examination of these parameters, it has been observed that a specific set of the affluent consumers have been reaping the benefit from the current tariff regime to maximize their personal gains instead of aligning their demand along with the principle of the adequacy of the resources under the regulated business of retail supply business. Consumer having the connected load of more than 10 KW has intently kept their demand on the higher side to reap the maximum benefit under facility of net metering. Reservation of such an additional capacity of the distribution asset at marginal change in fixed charges will not only impose burden on Discoms in terms of operation and maintenance and network augmentation cost but also dented the interest of large set of consumers lying in the same category to be devoid of the timely access of the right of having universal supply power and the quality of supply of power. This would also restrict the Discoms to enhance the penetration of supply of power in the specific area in most efficient and economic manner as enshrined in Section 42 of The Electricity Act, 2003. Moreover, such a manner of energy drawl by the affluent consumers, not only limit the Discoms from getting appropriately

compensated for the cost of service given to the consumers but also impacts the interest of the larger set of consumers in perennial manner in form of increase in tariff.

#### **2.25.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.26. Non Domestic:**

##### **2.26.1. Stakeholders' Suggestions/Comments:**

It was submitted that for NDS, reduction in energy charge is not sufficient and as per format furnished the realization per unit from NDS above 5 kW is ranging from Rs. 10.03/kWh and above. In view of such high rate of energy, the reduction in energy charges is not sufficient, it should be reduced more.

##### **2.26.2. Petitioners' Response:**

Discoms submitted that largely the consumers lying into such category have their maximum energy consumptions during the peak hours when the cost of procurement of energy is costliest for the Discoms. Also, the load factor of such consumer is not so promising. The optimization of cost of procurement can be managed from the long term tied up sources. It was further submitted that the concern of the stakeholder has already been addressed as the provision of telescopic tariff has been retained in the proposal of tariff rationalization besides, the energy charges in each slab has correspondingly reduced to ensure the balance of tariff neutrality. Thus, it seems that the comment of the stakeholder is quite subjective and does not fit well in overall context of the tariff rationalization proposal submitted for the aforesaid category.

##### **2.26.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.27. Others:**

##### **2.27.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that in significant accounting policy of JVVNL and JdVVNL it has been mentioned that the amount deducted from the supplier/contractor bills on account of penalties is being treated as Misc. Revenue. In this regard, Stakeholder sought the information that how much amount has been deducted from the bills of the suppliers during 2018-19 and 2019-20 on account of penalties along with nature of supplies for which such amount has been deducted.

2. It was submitted that in the notes to Account of JVVNL and JdVVNL, "Plant & Machinery" shown in Property, Plant Equipment includes value of transformers given on rent the amount of rent recovered on this account during FY 2018-19 and FY 2019-20 be also provided by the Discoms.
3. It was submitted that JVVNL has not furnished the energy audit report for their period 2015-16 to 2018-19. Earlier it was stated that a draft report has been verified. Now the report, with results and actions taken in this regard be provided by the JVVNL. It was also pointed out that data available on Discoms website is not reliable.
4. It was submitted that Discoms should provide Audit related, Training related details as follows:-
  - i) Number of Cases pending in Anti Corruption Bureau (ACB) with status & details of each case in last three years.
  - ii) Number of vigilance/enquiries cases pending against employees of three Discoms with details in last three years.
  - iii) Compensation & Payment made against accident Cases with details of 3 Discoms in last 3 years & action taken/Responsibilities fixed on employees of lapses saving accidents.
  - iv) Employees pension fund deposited by Discoms in last three years against due to be deposited.
  - v) Details of AG Audit para's pending since last 3 years in Discoms.
5. It was submitted that the Discom failed to convert the loan into grant under UDAY R-APDRP –Part B. This inefficiency of the Discom should not result in the financial liability on the stakeholders. Discom should furnish the list of town and cities in which AT&C loss reduction target has been achieved by the target date decided by the Central Govt.

#### **2.27.2. Petitioners' Response:**

1. JVVNL submitted that the majority of the payments are made by the CPC and penalties of Rs. 16.32 Crore and Rs. 12.37 Crore for the FY 2019-20 and FY 2018-19 have been included in the miscellaneous receipts. JdVVNL submitted that amount deducted from contractors/supplier bills has been included in miscellaneous income in annual accounts.
2. JVVNL submitted that the amount recovered from rent has been included in miscellaneous income of the Discom. JdVVNL submitted that the amount

received from rent on the assets given on lease has been shown in non-tariff income of the Discom. JdVVNL also submitted that the amount of rent recovered from transformers is booked under note 21.1.

3. JVVNL submitted the energy audit reports for the FY2017-18 has been provided.
4. Discom submitted that the required details of anti corruption bureau, vigilance enquiries etc. do not pertain to the MYT petition and the stakeholder is requested to kindly raise such issues in appropriate forums.

#### **2.27.3. Commission's View:**

The Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.28. Non Tariff Income:**

##### **2.28.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that taking lower level of non tariff Income for MYT period is not justified. Therefore, Discom should consider non tariff income and other income at the same level as of audited account of FY 20.
2. It was submitted that for the MYT control period, the estimates for the wheeling charges, cross subsidy surcharge and additional surcharge is taken as constant. Discom fails to accommodate the increasing trends of migration to open access along with increase in captive solar for industries into estimates. Further it was submitted that Discom may revise the estimates for non-tariff income by including the aforementioned issues.

##### **2.28.2. Petitioners' Response:**

1. Discom submitted that the non-tariff income has been projected based on past trajectory and the actual figures shall be submitted in the True up petition for the FY 2020-21.
2. Discom submitted that the suggestion of the stakeholder shall be duly incorporated in the revised estimates to be submitted by the Discom.

##### **2.28.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.29. Fixed Charges:**

##### **2.29.1. Stakeholders' Suggestions/Comments:**

It was submitted that fixed charges were already increased vide Commission order dated 06.02.2020. As such fixed charges for FY2020-21 should not be

increased. Further increase in fixed charges will lead to cost increase on Industries (LIP) already suffering on account of COVID-19. If it is utmost necessary to increase such fixed charges from Rs. 270/kVA/month to Rs. 285/kVA/month, the energy charges be reduced from Rs. 7.30/unit to Rs. 7.00/unit. The same reduced charges should also be passed on to the 132 kV consumers & also the minimum tariff which at present is Rs 5.76 per units should be reduced to Rs 5.26 per unit.

#### **2.29.2. Petitioners' Response:**

Discom submitted that the tariff rationalization in their petition has been proposed after due deliberations and discussions keeping view the interests of the stakeholders.

- a) Most of the cost components of the Discom's ARR are fixed in nature e.g. O&M costs, interest costs, depreciation, fixed cost of PPAs, etc. It is only the energy charge of power procured which depends on the energy sold to consumers.
- b) In FY 2019-20, the revenue recovery through fixed charges from consumers as per approved tariffs is ~17% of the total revenue, whereas the fixed costs of Discoms is ~57% of the total ARR. Thus, there is a significant gap between the recovery of revenue from fixed charges and the fixed costs in the ARR of Discoms.

#### **2.29.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.30. MYT Petition:**

#### **2.30.1. Stakeholders' Suggestions/Comments:**

It was submitted that Commission should consider Petitions for tariff determination & Investment Plan only for year 2020-21 & 2021-22. It was submitted that Impact on finances/revenue billed, realized & incentives provided due to COVID 19 cannot be quantified, unless true picture is given by Discoms.

#### **2.30.2. Petitioners' Response:**

Discom submitted that the tariff schedule in the MYT petition FY 2020-21 to FY 2023-24 has been proposed after due deliberations and discussions keeping the interests of the stakeholders in view. Further Discom submitted that revised projections for the ensuing years shall be submitted by the Discom in due course

of time so as to negate the impact of deviation from projections in this petition.

### **2.30.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.31. Compliance of Directions of Commission:**

#### **2.31.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that direction by Commission on following issues remain Unattended & Discoms should give Progress on Compliance:-
  - i) It was submitted that adoption of 3 highest loss making sub division each by Chairman, MD, Director technical, no achievement reported regarding this.
  - ii) It was submitted that reply by Discoms is Cursory & general, no specific details as to which special steps taken to reduce losses & theft.
  - iii) It was submitted that most of the Consumer complaints regarding on Metering-Billing Collections issues & survey conducted by Bask Research Foundation states that more than 65% complaints are on the same issue. No specific details given by Discoms. Discoms may provide details of specific steps.
  - iv) It was submitted that no response given by Discoms to Commission regarding General & ARR related following issue-
    - a) Specific reply/pin pointed reply on comments of stake holders.
    - b) Details of Fixed Asset register, its present position.
    - c) Complete details of sales/Connected load revenue realization of Temporary connection & method of refund of extra amount then billed in case of Temporary Connections.
    - d) Revenue realized from defective meters & replacement guidelines.
  - v) It was submitted that Discoms should provide the detail of Impact of E.V., Distributed generation & influx of renewable energy ERP implementation (Time bound), Calculation of Voltage wise cost of supply & procedure to keep critical level of Inventory.
  - vi) It was submitted that Discoms should provide details regarding Consumer Service as under :-
    - a) Details of fault removal of survey team in Rural Areas.
    - b) Details on fuel Surcharge before billing to consumer on website.
    - c) Printing errors details of debits not shown separately with details etc.
  - vii) It was submitted that Discoms should provide following tariff related details :-

- a) Benefits to TOD tariffs must be given with Petition, exact impact loss/profit to Discoms be quantified with details.
  - b) Impact of merging small domestic with General domestic.
  - c) Review Position in terms of service of Tariff Subsidy & rebate by Discoms on various categories of Consumers.
  - d) Action proposed to limit cross subsidy within range of 20% as per guidelines.
2. The Discoms should make proper compliance of the directives given by the Commission.

#### **2.31.2. Petitioners' Response:**

Discom submitted that progress pertaining to the compliance to directives of the Commission in its ARR & Tariff order dated 06.02.2020 have been submitted as a part of this petition and the stakeholder is requested to kindly refer the same.

#### **2.31.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto. The Commission has reviewed the status of compliance of directives under order dated 26.03.2021. In this order also the Commission has considered the compliance submitted by Discoms.

### **2.32. Traction load and EV Charging stations :**

#### **2.32.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that Discoms in the petition mentioned that "till date there have been no consumers in the categories of traction load and EV charging station. Further, due to COVID no new connections in these categories are expected for FY 2020-21".
2. EV cell has already been established in JVVNL as per the mandate of the Commission. Further it was submitted that JVVNL may submit details of progress/status of the EV cell and the activities undertaken in the FY 2020-21 along with the detailed activities proposed for MYT period and to clarify why the supply to Jaipur Metro and Indian Railways is not categorized as the traction.

#### **2.32.2. Petitioners' Response:**

JVVNL submitted that Indian Railways is no longer a consumer of the Discoms, hence no sales projections have done for the same.

Regarding Metro load, Discom submitted that the Commission has categorized Metro in Large Industrial category. Accordingly, Discom has considered the sales of Metro in this category. As per the Commission, the Metro Traction Load shall be billed under Large Industrial Category till the traction and non-traction loads of the metro are identified and separated. In this regard, the Discom in its compliance to directives report has stated that a meeting was held with representatives of Jaipur Metro on 18.05.2020 regarding examination of issue of segregation of load, separate metering and billing of Traction /Non-Traction load of Jaipur Metro. After detailed discussions and deliberations, all members of the committee were of the opinion that segregation of traction /non traction load is not feasible, as such the Commission may take a view regarding applicability of tariff for JMRC.

**2.32.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

**2.33. Bad debts:**

**2.33.1. Stakeholders' Suggestions/Comments:**

It was submitted that Discoms have requested the Commission to exercise the Regulations 95 of RERC tariff Regulation to increase the allowable bad debts norms by 20 times from 0.20% to 5%. It was further submitted that current proposal by the Discom do not fall into those criteria.

**2.33.2. Petitioners' Response:**

Discoms requested the Commission to kindly take a prudent view on the bad debts.

**2.33.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

**2.34. Subsidy from State Govt.:**

**2.34.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that with regard to subsidy support from state Government for MYT period, Discoms may clarify what constitutes the "Subsidy against compounding charges".



2. It was submitted that the Commission should carry forward delay in subsidy payments along with carrying cost and accounts them in the subsidy commitment in the next year.
3. It was submitted that Discoms should clarify to RERC about changes in fixed charges for agriculture consumer based on relevant documentation.

#### **2.34.2. Petitioners' Response:**

1. Discom submitted that compounding charges have to be submitted to GoR whereas Rajasthan Discoms are retaining such amount.
2. Discoms submitted that Discoms have taken up this matter of pending subsidy with the State Government requesting them to release the pending tariff subsidy as well as Government Department dues. Further, the suggestion of the stakeholder regarding levy of carrying cost on pending subsidy is welcome.
3. Discoms submitted that there is no change in net subsidy from GoR as even though the fixed charges have been increased, there is a corresponding decrease in the energy charges so as the total tariff remains unchanged and there is no increased burden on the GoR.

#### **2.34.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.35. Tariff Rationalization:**

##### **2.35.1. Stakeholders' Suggestions/Comments:**

1. It was submitted regarding proposal of merging small domestic category consumer with general domestic that while households across higher income profiles pay higher unit cost during high demand months, low income household pay a significantly higher cost during low demand months. It was submitted that low income households actually do not receive any cross-subsidy benefits during low consumption months and they end up paying above average cost of supply.
2. It was submitted that domestic tariff slabs should be recalibrated. In addition, RERC should also direct Discoms to take adequate measures to reduce instances of meter tampering and meter splitting and should detail an action plan for the control period for the same to the Commission.

### **2.35.2. Petitioners' Response:**

1. Discoms submitted that as per the directive of the Commission to merge small domestic consumers and general domestic consumers, Discoms have proposed tariff schedule accordingly and the same shall be revised so as to reduce the number of small domestic consumers in the revised projections.
2. Discoms submitted that Discoms duly noted the suggestions of the stakeholder, Discoms have already proposed several measures as suggested by the stakeholder. For consumers consuming upto 50 units (Small Domestic category), the Discoms have proposed that such small domestic consumers which have consumed more than 900 units over a period of 12 months, the consumer will be charged as per the applicable tariffs of the respective slabs under the General Domestic Category from the next month onwards for all subsequent billing cycles. As per the directions of the Commission, the Discoms have proposed demand-based billing for consumers at highest end of consumption only.

### **2.35.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

## **2.36. Change in eligibility of Dharamshalas under domestic category :**

### **2.36.1. Stakeholders' Suggestions/Comments:**

It was submitted that Dharamshalas with connected load less than 5 kW shall only get the benefit of lower category of tariff.

### **2.36.2. Petitioners' Response:**

Discoms submitted that the Commission may take a prudent view while approving the tariff for Dharamshalas.

### **2.36.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

## **2.37. Capital Investment Plan Petition:**

### **2.37.1. Stakeholders' Suggestions/Comments:**

It was submitted that Discoms may revise the petition and submit in the format as per the RERC Regulations, 2006.

### **2.37.2. Petitioners' Response:**

1. Discoms submitted that capital investment plan is based on the detailed project report & cost benefit analysis for various works to be carried under a particular scheme illustrating reduction of AT&C losses. Further, Discoms submitted that the guidelines prescribed in RERC Regulations (Investment Approval Regulations), 2006 are being complied with and the Discoms are considering the cost benefit analysis only for the schemes pertaining to loss reduction in T&D losses and system improvement. Further, Discom submitted that Discom is considering the LCA after considering number of consumers and available finance for all other schemes.
2. Discoms submitted that scheme wise financial and physical targets have been submitted in the Reply to Data gaps by the Commission and for the reference of the stakeholder, Discom resubmitted the format.

### **2.37.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

## **2.38. Redesigning ToD Tariff:**

### **2.38.1. Stakeholders' Suggestions/Comments:**

1. It was submitted that neither an incentive nor penalty is levied for day-time consumption from 0900 hrs.-1700 Hrs. (solar hours), the Dis-incentive for consumption in the evening peak should be higher than the night time incentive and During stress months, the disincentive for the shoulder period should be increased and during high wind months, the incentive for off-peak and evening peak periods can be increased.
2. It was submitted that all consumers with a connected load greater than 10 KW should have ToD meters installed within five year time-frame and should be subjected to ToD tariffs.

### **2.38.2. Petitioners' Response:**

1. Discoms submitted that they have welcomed the suggestion of the stakeholder regarding levy of surcharge during peak hours so that the Discoms are not negatively impacted.

2. Discoms submitted that they have noted the suggestion of the stakeholder regarding introduction of ToD tariffs for more categories. The Discoms shall evaluate this proposal based on cost-benefit analysis, availability of infrastructure for the same and readiness of the Billing systems.

#### **2.38.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.39. Measures to ensure accountability for quality of supply and service**

#### **2.39.1. Stakeholders' Suggestions/Comments:**

It was submitted that based on the study and evaluation of Discoms data, the Commission should conduct a public review to hold the Discom accountable for supply and service quality.

#### **2.39.2. Petitioners' Response:**

Discoms submitted that they have been submitting the SOP parameters on quarterly basis to the Commission, in accordance with the directive of the Commission.

Moreover, the Discoms have also conducted a study on consumer satisfaction survey as per the directions of the Commission and the report on the same has been submitted as part of compliance to Directives.

#### **2.39.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

### **2.40. Feeder segregation:**

#### **2.40.1. Stakeholders' Suggestions/Comments:**

It was submitted that Jaipur Discom has proposed a programme of feeder segregation and two block supply to agriculture feeders and investment in smart metering. The Commission may kindly explore the possibility of two block supply to agriculture consumers and providing the advantage of feeder segregation through smart metering only. Hence, the capital expenditure on feeder segregation should not be allowed.

#### **2.40.2. Petitioners' Response:**

Jaipur Discom submitted that the feeder segregation scheme is essential for the implementation of Feeder solarization under KUSUM scheme in order to segregate the agriculture consumers, thus the submission of feeder segregation may kindly be included as a part of MYT.

#### **2.40.3. Commission's View:**

Commission has taken note of the comments of the Stakeholders and reply of Discoms thereto.

#### **2.41. MES- Military Engineering Services:**

##### **2.41.1. Stakeholders' Suggestions/Comments:**

MES has requested for special slab for them, as per the MoD's communication dated 09.08.2021, a special tariff slab at par or lower than that applicable to domestic consumers be created for the Armed Forces as conveyed earlier vide OM dated 15.02.2021. This will assist the Armed Forces to utilise the Defense revenue Budget in reinforcing the security related infrastructure of our country.

##### **2.41.2. Commission's View:**

Discoms may consider the submission of MES and file suitable proposal with the next tariff petition.

### **Section-3: Multi Year Annual Revenue Requirement and Investment Plan**

#### **3. Multi Year Annual Revenue Requirement for FY 2020-21 and FY 2021-22:**

- 3.1 As discussed in first chapter of this Order, many stakeholders have stated that the projection made by the Discoms are not accurate due to COVID-19 pandemic. Any inaccurate projection for remaining control period would hamper the financial health of Discom and the consumers in longer run, therefore the ARR and Tariff should be determined for FY 2020-21 and FY 2021-22 only. Accordingly, in this Order, Commission has considered ARR and Tariff for FY 2020-21 and FY 2021-22 of all the Discoms including the various proposals made keeping in view the RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 and norms prescribed therein. For remaining period, the Discoms shall have to file a fresh petition.
- 3.2 Determination of ARR requires assessment of energy sales as well as cost of various elements like power purchase cost, O&M expenses, interest cost and depreciation, etc. Projection of the Discoms with respect to various components of ARR, the Commission's analysis thereon after consideration of views expressed by the Stakeholders and decision with respect to items given below are discussed in the following paras:
- (1) Energy sales
  - (2) Losses, both transmission and distribution
  - (3) Power purchase cost, including transmission charges and SLDC charges
  - (4) Operation and maintenance expenses
  - (5) Interest and finance charges and interest on working capital
  - (6) Depreciation
  - (7) Revenue from existing tariff
  - (8) Non-tariff and other income
  - (9) Revenue deficit based on existing tariff

#### **Energy Sales**

- 3.3 Discoms in the petition have worked out the energy sales for FY 2020-21 and FY 2021-22 on the basis of past growth in consumers, connected load and energy sales to forecast the category-wise energy sales for the MYT period. Projections are based on the methodology approved by the Commission in the past tariff orders. Discoms have computed category wise sales' CAGR for 3 years, 5 years, 7

years and so on based on the historical data. The impact of COVID has been considered while projecting the sales for Domestic, Non-Domestic and Industrial categories, as these categories are expected to be impacted the most due to COVID. The consumer category wise sales projected by the three Discoms and the energy sales being approved now by the Commission have been discussed in the following sub-paras.

- 3.4 The Discoms have projected the energy sales for FY 2020-21 and FY 2021-22 for the following consumer categories:
- (1) All consumer categories, except agriculture
  - (2) Agriculture consumers (Metered)
  - (3) Agriculture consumers (Flat Rate)

**Petitioners' Submission**

**Energy Sales for Metered Categories (except Agriculture)**

- 3.5 The Discoms have submitted that energy sales for FY 2020-21 and FY 2021-22 are projected on the basis of historic sales data using the category wise CAGR as per the methodology approved by the Commission in the previous year tariff orders. For all consumer categories except the agriculture category, past trends have been used while estimating sales. Wherever the trend has seemed unreasonable, the forecast has been appropriately adjusted after taking into consideration the latest available data.
- 3.6 For Domestic category, the sales grew at CAGR of 7% from FY 2012-13 to FY 2019-20. However, in FY 2020-21, the growth is expected to increase further owing to people working from home due to COVID pandemic apart from the organic growth. Therefore, the rate of growth in FY 2020-21 is assumed to be higher by 5% than Business as Usual (BAU) scenario. Thus, the growth rate of sales is considered to be 12% i.e. 7%+5% for FY 2020-21. From FY 2021-22 onwards, the growth rate is expected to stabilize to (BAU) levels i.e. 7%.
- 3.7 For Non-Domestic and industrial consumer category, Discoms stated that due to disruption in industrial and commercial activity due to COVID, the sales for Industrial and Non-Domestic categories have been projected on the basis of actual trend observed in the lockdown period of the current financial year. Since most of the industries, commercial buildings/malls and shops were closed during the initial part of the lockdown period, a significant decrease in sales was observed. Economic activity has slowly started to gain momentum albeit the

ongoing situation of crisis exists. Because of the looming uncertainty that lies ahead, a V-shaped recovery is not expected as per the estimation of Discoms. Thus, for FY 2020-21, the sales for Industrial and Non-Domestic categories are expected to decrease as compared to FY 2019-20. Going forward from FY 2021-22 onwards, the sales are expected to recover with an adequate pace and reach BAU levels by the end of FY 2023-24.

- 3.8 For Public Street Lights, Public Water Works and Mixed Load categories, energy sales are projected on the basis of historical data, using category wise CAGR, as per the methodology approved by the Commission in the previous year tariff orders.
- 3.9 Discoms submitted that for two newly introduced categories Traction Load and EV charging stations, there have been no consumers in these categories till date. Further, due to disruption in economic activity due to COVID, no new connections in these categories are expected. In the next petition for ARR & Tariff, the petitioner shall project the sales for these categories for remaining years of the MYT period on the basis of actual data for FY 2020-21. Thus, the sales for these categories have not been projected in this MYT petition.

#### **Energy Sales to Agriculture Metered (M) Consumers**

- 3.10 For MYT period from FY 2020-21 and FY 2021-22, the energy sales for agriculture metered category has been estimated on the basis of the following factors:
- (a) Existing Consumers at the start of the Financial Year
  - (b) Proposed addition in the consumers during the Financial Year based
  - (c) Consumers converted from 'Agriculture Flat' to 'Agriculture Metered' category
  - (d) Connected load per consumer
  - (e) Estimated specific energy consumption

$$\text{Agriculture Consumption} = \text{No. of consumers} \times \text{Connected load per consumer} \times \text{Specific Consumption}$$

- 3.11 The Discoms submitted that, they have considered the following specific consumption for working out Agriculture(M) Consumption:



**Table 1: specific consumption FY2020-21 and 2021-22**

Year	Specific Consumption		
	JVVNL	AVVNL	JdVVNL
FY 2020-21	1390	1628	1698
FY 2021-22	1404	1644	1715

- 3.12 The Discoms have furnished the following information regarding number of metered consumers, connected load and specific consumption in their petition:

**Table 2: Agriculture (M) sales for FY 2020-21 and FY 2021-22 -JVVNL**

Particulars	YEAR 2020-21				
	Consumers (Nos.)	Connected Load per consumer (kW)	Total Connected Load (kW)	Specific consumption (kWh/kW/year)	Consumption (Sales) MU
Existing consumers	5,30,942	10.53	55,90,819	1,390	7,771
New Consumers	10,000	10.53	1,05,300	1,390	146
Add: converted from flat rate	2,000	10.53	21,060	1,390	29
<b>Total</b>	<b>5,42,942</b>				<b>7,949</b>
Particulars	YEAR 2021-22				
	Consumers (Nos.)	Connected Load per consumer (kW)	Total Connected Load (kW)	Specific consumption (kWh/kW/year)	Consumption (Sales) MU
Existing consumers	5,42,942	10.64	57,76,903	1,404	8,111
New Consumers	25,000	10.64	2,66,000	1,404	373
Add: converted from flat rate	4,000	10.64	42,560	1,404	60
<b>Total</b>	<b>5,71,942</b>				<b>8,541</b>

**Table 3: Agriculture (M) sales for FY 2020-21 and FY 2021-22- AVVNL**

Particulars	YEAR 2020-21				
	Consumers (Nos.)	Connected Load per consumer (kW)	Total Connected Load (kW)	Specific consumption (kWh/kW/year)	Consumption (Sales) MU
Existing consumers	4,95,687	6.75	33,45,887	1,628	5,446
New Consumers	11,903	6.75	80,345	1,628	131
Add: converted from flat rate	3,571	6.75	24,104	1,628	39
<b>Total</b>	<b>5,11,161</b>		<b>34,50,337</b>		<b>5,618</b>