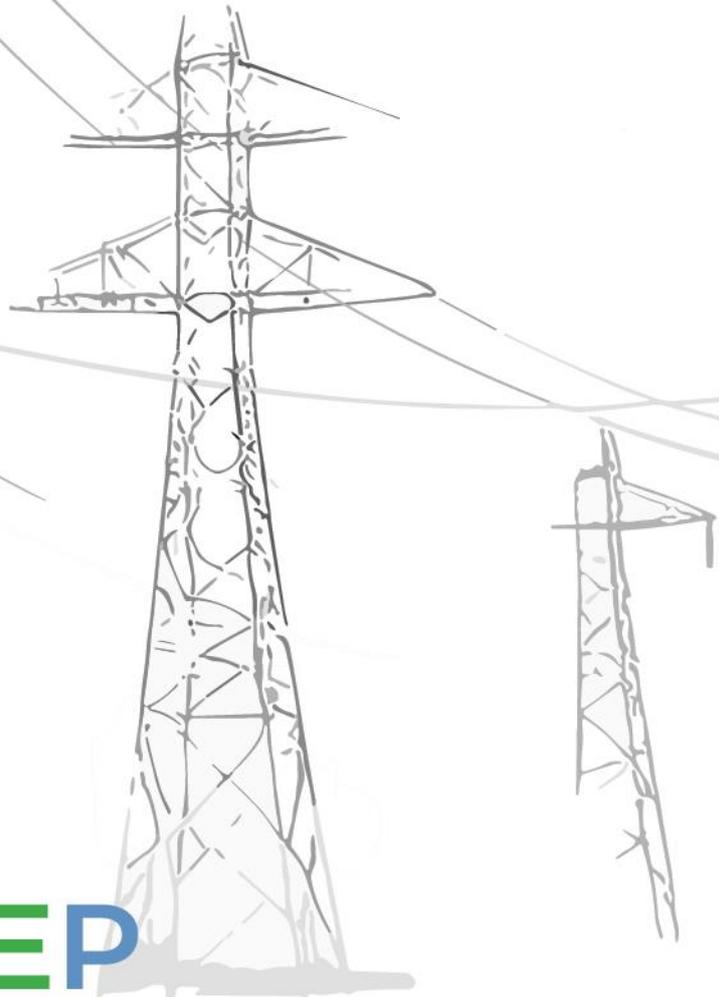
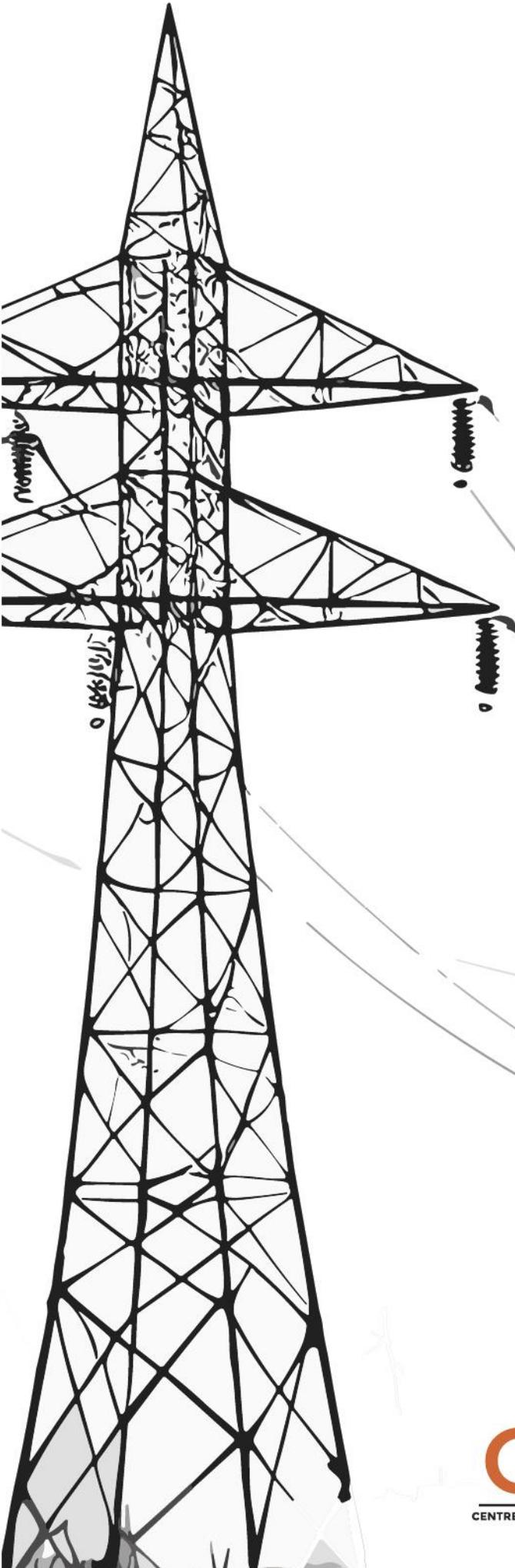


Oct 2019

Rajasthan Electricity Regulatory Commission

**Suggestions on
Petition filed by JVVNL
for Aggregate Revenue
Requirement and
Tariff Petition for FY
2019-20**



A. The RERC vide public notice uploaded on RREC's website has invited comments and suggestions from all stakeholders on the "Aggregate Revenue Requirement and Tariff Petition for FY 2019-20" filed by JVVNL.

B. The present submission is in response to the said notice and the petition filed by JVVNL thereunder. We request the Commission to accept this submission on record.

A2: Energy Sales and Requirement for FY 2019-20

2.17 A special category has been introduced, namely "Power Intensive Industries". The consumers are mainly industries with their primary input cost being the cost of electricity, like Textile mills, Induction Furnace using Mild steel scrap and Mild steel re-rolling mills, Chloro Alkaline units, Railway traction. These consumers were present in the Large Industries category but for projections FY 2019-20, the sales for this category have been projected separately. Thus, the sales of the Large Industries category for FY 2019-20 have been reduced accordingly.

Our Submission

The industry types mentioned in the applicability of "Power Intensive Industries" are also mentioned under LIP for textiles. Therefore, the petitioner should set a standard or specific applicability criterion for Power Intensive Industries to avoid ambiguity.

2.19 In case of Mixed Load/ Bulk Supply category a decreasing trend has been observed from the previous year which can be attributed to the shift in certain consumer groups, such as mobile tower consumers and private institutions, to the non-domestic consumer category and others. However, after migration of such consumers, the sales have witnessed marginally increasing trends. The Petitioner expects this trend to continue.

Our Submission

- In the first line, the petitioner mentioned a decreasing trend of sales in the Mixed Load/ Bulk Supply category. However, later it is said that sales have witnessed marginally increasing trends even after migration. The petitioner should clarify.
- The applicability criteria for the "Mixed Load/ Bulk Supply" doesn't include mobile tower consumers and private institutions. The petitioner should clarify that why were these consumers placed under the "Mixed Load/ Bulk Supply" category in previous years and what could be the reason behind the trend of migration?
- The petitioner has requested to put EV under "Mixed Load/ Bulk Supply" category. The petitioner should clarify if they have considered it for sales projection.
 - o If no, Why?
 - o If yes, how has the petitioner estimated the sales for EV?

2.24 For FY 2019-20, the energy sales for this category have been estimated on the basis of the following factors:

- (a) Existing Consumers at the start of the Financial Year
- (b) Addition in the consumers during the Financial Year based on budget announcement
- (c) Consumers converted from 'Agriculture Flat' to 'Agriculture Metered' category
- (d) Connected load per consumer
- (e) Estimated specific energy consumption

Agriculture Consumption = No. of consumers × Connected load per consumer × Specific Consumption

Our Submission

Since the consumption by Agricultural Consumers (metered) consumers are metered and recorded, the petitioner should consider the actual consumption as recorded in the meters installed at these consumers' premises for estimating the projected sales instead of using this formula, as it is done in case of other categories.

2.28 The following Table summarises the number of consumers considered for the projections of energy sales for agriculture metered category for FY 2019-20:

Year	Opening Consumers	Add	Flat to metered category conversion	Closing Consumers
FY 2019-20	501,139	20,000	4,000	525,139

Our Submission

- The petitioner mentioned about the addition of 20000 new connections for agricultural consumers in FY19-20. This target is less than half of the no. of agriculture connections released last year (44209). Lack of a proper agricultural connection leads to electricity theft and increase in losses. Considering this, the petitioner should increase the target instead of decreasing it.
- The petitioner should justify why the target for the conversion of consumers from flat to metered category is too low (4000). Considering the fact that this task requires equal effort as compared to giving a new connection, the Hon'ble Commission should increase the target.
- The petitioner also mentioned that agitation by people has been a challenge for them for converting the agricultural consumer from flat to metered category. Though it might be

challenging, the petitioner has enough support from legal framework and enforcement agencies to tackle these issues. Therefore, the petitioner should recourse to remedy prescribed by the law and take advantage of legal provisions. The Hon'ble Commission is requested to take necessary measures.

2.31 For FY 2019-20, the energy sales for agriculture flat rate category have been estimated on the basis of the following factors:

1. (a) Existing Consumers at the start of the Financial Year
2. (b) Consumers converted from 'Agriculture Flat' to 'Agriculture Metered' category
3. (c) Connected load per consumer
4. (d) Approved specific energy consumption

Our Submission

The number of defective meters for the agricultural category is always high every year. Given the fact that the consumers with defective meters are charged as per *agriculture* flat-rate tariff, therefore those consumers should be considered under agriculture flat rate while estimating energy sales.

There are several defective meters which have not been replaced from years and those agricultural consumers are being charged as per agricultural flat-rate tariff, this unmetered consumption gives rise to distribution losses. The Hon'ble Commission should mandate the petitioners to replace the defective meters at the earliest and set stringent time bound deadlines.

For agricultural connection, an integrated meter with built-in transformer is used. In case of defect in the meter, the whole transformer set is required to be replaced. This becomes an impediment to swift replacement of meter as the replacement of the transformer is a cost-effective process. Therefore, the Hon'ble Commission is requested to take necessary measures and actions to overcome this challenge.

2.49 The Distribution loss for FY 2018-19 is considered based on provisional Figures for FY 2018-

19. The loss level considered for FY 2018-19 and FY 2019-20 is as under:

Particular	FY 2018-19	FY 2019-20
Distribution Loss%	20.54%	16.00%

Our Submission

The Petitioner has mentioned 16% as the target Distribution losses for FY 19-20. However, under the UDAY scheme it had committed to achieve 15%. Therefore, no relaxation should be provided to the Petitioner as it has failed to achieve the target. The explanation given by the Petitioner by giving examples of other states is not acceptable as it only mentions the states which have performed poorly under this criterion. The Petitioner should also look at other states like Haryana, Gujarat and Bihar that have achieved or almost reached the target. The Hon'ble Commission should mandate Petitioner to strictly work on achieving the committed target by predominantly focusing on strengthening infrastructure and control theft.

A5: Aggregate Revenue Requirement for FY 2019-20

5.30 The rate of interest on working capital has been considered on the basis of the latest applicable base rate of State Bank of India for the first six months of FY 2017-18 plus 250 basis points which works out to 11.54% for FY 2018-19. For FY 2019-20 the rate of interest is considered as per the applicable SBI rate for first six months of FY 2018- 19 plus 300 basis points, which works out to be 11.33%.

Our Submission

The SBI base rates for the first and second quarters of FY 18-19 are 8.70% and 8.95% respectively, giving an average of 8.825%. As per RERC (Terms and Conditions for Determination of Tariff) Regulations 2019, after adding 300 base points, the interest on working capital becomes 11.825%, but the petitioner has mentioned 11.33%. However, the petitioner has taken the correct value for calculation of the interest. This typographical error should be corrected.

A7: Treatment of Revenue Gap

Electric Vehicle (EV) Charging Station

7.32 States like Punjab, Delhi, AP, HP Maharashtra are charging the same under Non-Domestic/Commercial category. As the charging stations would eventually be carrying out a commercial activity, the Petitioner should also categorise EV charging stations under non-domestic category similar to other states. But to provide incentive to EV charging stations the Discoms propose to consider the same under Mixed load category which has lower tariff than non-domestic category.

Our Submission

As per MoP's Guidelines and Standards for EV Charging Infrastructure dated December 14, 2018:

"7. Tariff for supply of electricity to EV Public Charging Stations:

7.2 The tariff applicable for domestic consumption shall be applicable for domestic charging.” The petitioner should abide by the guidelines provided by MoP and should consider domestic charging for domestic consumption.

The petitioner has failed to meet the RPO obligations, and it is clear from the ARR documents that the petitioner has been selling surplus power at Power exchange at a lower rate. Therefore, the petitioner should strive to capture the opportunity of Electric Vehicle Charging by considering a favourable tariff slab. The focus of central government and state government on Electric Vehicles makes it inevitable and a higher tariff slab creates an obstruction in implementation of Electric Vehicles. In the examples of other states given by the petitioner, it has just compared the tariff category to support its statement, but it didn’t compare the tariff slab given to EV Charging. Most of these states (Delhi, Gujarat, Maharashtra, Punjab) have created a separate category for EV charging stations. In many states (Delhi, AP (for HT), Chhattisgarh, UP, MP, Punjab) no fixed charges for EV tariff have been implemented. No distribution company in these states is charging more than 7Rs/unit, instead, the majority of them are charging as low as 4-5Rs/unit. A brief snapshot of EV tariffs in other states are provided below for reference.

SERC	Separate Category	Consumer Category	EV Tariff		
			Fixed/Demand Charge/Customer Charge (Rs./kVA/Month)	Energy Charge/Total Variable Charge (Rs./kWh)	time of Day (ToD)/Surcharge/Rebate
Andhra Pradesh Electricity Regulatory Commission (APERC)	No	LT: II (C) Non-domestic	Rs. 250 per Month	Rs. 6.95 per Unit	Additional charge of Rs. 1.00/kWh levied for usage from 06 AM to 10 AM and 06 PM to 10 PM. Rebate of Rs. 1.00/kWh offered for usage between 10 PM to 06 AM
		HT Category-II(E): Electric Vehicles (EVs)/ Charging Stations		Rs. 6.95 per Unit	
Delhi Electricity Regulatory Commission (DERC)	Yes	Supply at LT		Rs. 4.50. per Unit	May-September Peak Hours: 1400 Hrs -1700Hrs & 2200 Hrs -0100 Hrs Surcharge-20% Off Peak Hours:0400 Hrs-1000 Hrs Rebate-20%
		Supply at HT		Rs. 4 Per Unit	

Gujarat Electricity Regulatory Commission (GERC)	Yes	LT	Rs. 25 per installation	Rs. 4 per Unit	
		HT	For billing demand up to contract demand Rs. 25/- per kVA per Month	Rs. 4 per unit	
			For billing demand in excess of contract demand Rs. 150 per kVA per Month		
			Rs. 50 per kVA per MONTH		
Karnataka Electricity Regulatory Commission		LT	Rs. 50/KW/month	Rs. 4.85 per unit	
		HT	Rs. 180/KVA/Month	Rs. 4.85 per Unit	
Maharashtra Electricity Regulatory Commission (MERC)	Yes	LT	Rs. 70/kVA/Month	Rs. 6 per unit	
		HT		Rs. 6 per Unit	
JERC (Chandigarh)	Yes	-	100/KWH/month	Rs. 4 per Unit	
Punjab State Electricity Regulatory Commission (PSERC)	Yes			Rs.6.00/kVAh	

Telangana State Electricity Commission (TSERC)		LT		Rs. 6.00 per Unit	Additional charge of Rs. 1.00/kWh levied for usage from 06 AM to 10 AM and 06 PM to 10 PM. Rebate of Rs. 1.00 /kWh offered for usage between 10 PM to 06 AM
		HT		Rs. 6.00 per Unit	
Madhya Pradesh Electricity Regulatory Commission (MPERC)		LV		Rs. 4.08 per Unit	
		HV		Rs. 4.08 per unit	

The Petitioner should set lucrative tariff rates for people to adopt it. The given category is the *Mixed load category*. The consumption pattern of different consumers under the mixed load category is very different to EV charging stations. The Hon’ble Commission is requested to instruct the petitioner to specify a separate category to EV charging stations and mandate Petitioners to look into the avenues of real-time/dynamic tariff for this category. The Hon’ble Commission is also requested to keep tariffs for EV charging stations at par with other states to ease adoption of EV in Rajasthan.

7.35 The new provision for fixed charges applicable for under LT domestic and non-domestic category is as below: “Fixed charges shall be levied as per the consumption recorded in the respective billing month”

Our Submission

In some cases of rural areas, due to irregular and improper meter reading there is a sudden hike in the recorded meter reading and this aggregated bill amount becomes a burden on the consumer from lower economic backgrounds to pay in a single go. The new provision for fixed charges applicable for under LT domestic and non-domestic categories is as per the consumption recorded in the respective billing month. If due to irregular and improper billing, the consumer receives a hiked bill, the fixed price would be charged based on aggregated units. This will be too unfair to consumers. Therefore, the Hon’ble Commission should consider this before approving this new provision.

- Given the extent of defective meters, unmetered consumers and instances of average billing and delays in billing, the Commission should conduct an independent third-party audit of metering and billing systems and practices for all Discoms. Such a study should be commissioned in the coming year and would help assess the status of metering and billing and provide insights into implementation issues faced by Discoms, especially in rural areas. It would also help assess the efficacy of measures such as early billing discount and spot billing in the state.

- Since urban and rural consumers are liable to pay the same tariff, the Hon'ble Commission should ensure that rural consumers get the same quality of supply and service as urban consumers.

7.41 In order to cater to the interests of the general public, the Discoms will not increase tariff for BPL and Small Domestic categories which account for 57.85 lakh or 41% of the total consumers in Rajasthan State.

Our Submission

- For “BPL and Small Domestic categories”, the limit of 50 units can be crossed if the meters are being read improperly at irregular intervals, and the consumers are charged with a telescopic increase in tariffs after the first 50 units. Therefore, the Hon'ble commission and Petitioners are requested to take necessary measures and checks to avoid such unjust and irresponsible behaviour.
- A significant seasonal variation can be seen in the consumption pattern of consumers under “BPL and Small Domestic categories”. The consumption during the summer season is higher than consumption during the winter season. Therefore, keeping the same limit for both the seasons becomes unfair to such consumers. Maharashtra, Chhattisgarh, and Andhra Pradesh Commissions have kept an annual limit for such consumers, however, if the consumer crosses the limit at the end of the year, he/she will be charged as per General Domestic tariff for the whole year and the year-end bill may become unaffordable for such consumers. Therefore, it is proposed to keep a seasonal variation for consumption limit of “BPL and Small Domestic categories”. For example, the consumption limit between 30-40 units can be set for winters (Oct to March) and between 60-70 units for summers (April to September). The petitioner may review these limits accordingly.
- The petitioners should submit the number of “BPL and Small Domestic categories” consumers who crossed 50 units limit and were charged with a telescopic increase in tariffs after the first 50 units (General Domestic tariff). The data can be presented in the number of the consumers who crossed the limit 3 times, 6 times, 9 times, 12 times in the year. The Hon'ble Commission should look into the data and check the number of consumers crossing the limit and review the consumption limit.

A8: PROPOSED TARIFF RATE SCHEDULE

8.1 Applicability of Tariff

Our Submission

- The Petitioner has included Govt schools under Domestic Category. However, in two instances in the petition, it has mentioned it differently as “All Govt Schools” and “All primary govt schools”. The Petitioner should clarify for the same.
- Assuming that the Petitioners have shifted Government Schools under Domestic category on social grounds, the health sub centers should also be considered under Domestic Category.
- Due to categorisation based on type of use (e.g. - industrial, commercial) many enterprises which run out of homes become vulnerable to harassment and makes them liable for unauthorised use as defined in Section 126 (6) (b) (iv) of the Electricity Act. In order to ensure affordable power for small consumers while ensuring revenue neutrality for the Discoms, the Commission can set uniform tariffs for all LT Domestic, Commercial, and Industrial consumers consuming upto 200 units per month and with connected load of less than 10 kW. This would enable home-based enterprises to obtain separate connections based on type of use without facing any tariff shock.
- Tariff revision processes are kept very technical in nature and perspectives/suggestions of domestic and agriculture consumers are not given enough attention. There for a special hearing can be held exclusively for such consumers to discuss supply quality related issues
- The Hon’ble Commission should mandate the Petitioners to provide reliable and adequate power supply in all government schools and hospitals in the state.
- Format 6.2 should include the number of units sold and the number of units billed. The Petitioner should provide such relevant and important details.
- The Hon'ble commission should make efforts to publicise and provide the compensation to consumers on non-compliance of SOPs. This compensation should be transferred to the consumer or adjusted in their bill automatically through IT based platforms.