
Submission on AVVNL Petition for True Up for FY 2023-24

TABLE OF CONTENTS

1.	INTRODUCTION	1
2.	GENERAL COMMENTS ON TRUE-UP PETITION FOR 2023-24	1
2.1.	DEVIATION OF SALE TO DOMESTIC AND LARGE INDUSTRIAL CATEGORIES	1
2.2.	INTER-STATE AND INTRA-STATE LOSSES.....	1
2.3.	POWER PURCHASE COST	2
2.4.	O&M EXPENSES.....	3
2.5.	SIGNIFICANT DEVIATIONS IN R&M EXPENSES	4
2.6.	AGRICULTURE DEFECTIVE METERS	4
2.7.	CONSUMER AWARENESS EXPENSES.....	5
2.8.	INTEREST ON SECURITY DEPOSIT.....	5
2.9.	DEPRECIATION	5
2.10.	COMPENSATION FOR INJURED/ DEATH OF EMPLOYEES AND OUTSIDERS	6
2.11.	COMPENSATION ON STANDARD OF PERFORMANCE VIOLATIONS	6
2.12.	CIRCLE-WISE DETAILS OF REBATE PROVIDED TO CONSUMERS	6
2.13.	BAD DEBT	6
2.14.	NON-TARIFF INCOME AND OTHER TARIFF INCOME	7
2.15.	RDSS SCHEME.....	7
2.16.	INCREASE IN SALES OF RAILWAY TRACTION.....	7
2.17.	NIGAM GROUP INSURANCE	7
3.	ISSUES RAISED BY INDEPENDENT AUDITOR	7
3.1.	ABSENCE OF RECORDS OF LEASE HOLD LANDS AND FREE HOLD LANDS:	8
3.2.	UNABLE TO VERIFY THE ASSETS AT VENDOR PREMISES:	8
3.3.	ACCUMULATED LOSSES:	8
3.4.	NON-COMPLIANCE WITH SECTION 203 OF THE COMPANIES ACT, 2013:	8
3.5.	NON - COMPLIANCE WITH SECTION 177 OF THE COMPANIES ACT, 2013:	8
3.6.	DEFICIENCIES IN INTERNAL CONTROLS IMPACTING FINANCIAL STABILITY:.....	8
4.	COMMENTS ON COMPLIANCE OF COMMISSION'S DIRECTIVES	9
4.1.	REPORTING OF SUBSIDY:	9
4.2.	SMART GRID AND DEMAND SIDE MANAGEMENT CELL:.....	9
4.3.	EV CHARGING INFRASTRUCTURE:	10
4.4.	FIXED ASSETS REGISTER (FAR):	10
4.5.	VOLTAGE WISE LOSSES:.....	11
4.6.	MEDIUM-TERM BUSINESS PLAN:	11
4.7.	AUDIT REPORT OF FRANCHISEES:.....	11
4.8.	SKILL AND DEVELOPMENT TRAINING:.....	12
4.9.	MONETISATION OF DISCOM'S ASSETS:	12

1. INTRODUCTION

Ajmer Vidyut Vitran Nigam Limited (AVVNL), hereinafter referred to as the *Petitioner*, has filed a Petition before the Rajasthan Electricity Regulatory Commission, hereinafter referred to as *RERC*, for approval of the 'True-up for FY24' in accordance with the provisions of the RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019.

RERC has made the Petition available on its website for public objections and suggestions. This submission is being made in response to the Petition filed by the Petitioner, as published on the Commission's website. We respectfully request the Commission to consider this submission for inclusion in the official record. The comments and suggestions are organised under the following sections:

- a) General Comments
- b) Key Observations by Independent Auditor
- c) Status of Compliance of Commission's Directives

2. GENERAL COMMENTS ON TRUE-UP PETITION FOR 2023-24

2.1. Deviation of Sale to Domestic and Large Industrial Categories

Table 2 of the Petition (*see pg. 10*) compares the actual and approved sales for FY24 across various consumer categories. Notably, while the approved sales were 5,931 MU for the Domestic category and 8,976 MU for the Large Industrial category, the actual sales were significantly lower at 4,836 MU and 7,762 MU, respectively. This deviation underscores critical shortcomings in the Petitioner's demand forecasting methodology, potentially leading to substantial costs due to underutilised contracted capacity. The Petitioner is requested to provide a detailed explanation for these discrepancies and outline the corrective measures taken to prevent recurrence. Additionally, the Petitioner is urged to disclose its demand forecasting methodology, ensuring alignment with the resource adequacy guidelines prescribed by the Central Electricity Authority.

2.2. Inter-State and Intra-State Losses

In Table 10 of the Petition (*see pg. 17*), the Petitioner has provided a cumulative figure for inter-state and intra-state transmission losses. However, it is important to note that the Commission, through its orders dated 24.11.2021, 01.09.2022, 31.03.2023, and 26.07.2024, has repeatedly directed the Discoms, including AVVNL, to maintain separate accounts for inter-state and intra-state transmission losses and to provide this bifurcation in future true-up petitions. The Commission has also warned that any further failure to comply with these directives would result in adverse action. Despite these clear directives, there has been persistent non-compliance with Commission's orders.

Therefore, we request the Commission to take serious note of this continued non-compliance and strictly direct the Petitioner to provide a clear breakdown of inter-state and intra-state transmission losses. We further urge the Commission to impose appropriate penalties for repeated violations.

Last year, the Petitioner informed the Commission about the formation of a committee comprising officials from AVVNL, RUVNL, and RVPNL to address this issue. In this context, we request the Petitioner to provide an update on the status of the committee and the recommendations it has made to comply with the Commission’s directive.

Furthermore, we would like to highlight that the transmission losses claimed by the Discom are exceptionally high when compared with losses from states with comparable geography and load profiles (*see Table 1*). We request the Commission to scrutinise this issue, seek clarification on the high transmission losses, and direct the Petitioner to provide details on the measures taken to mitigate them.

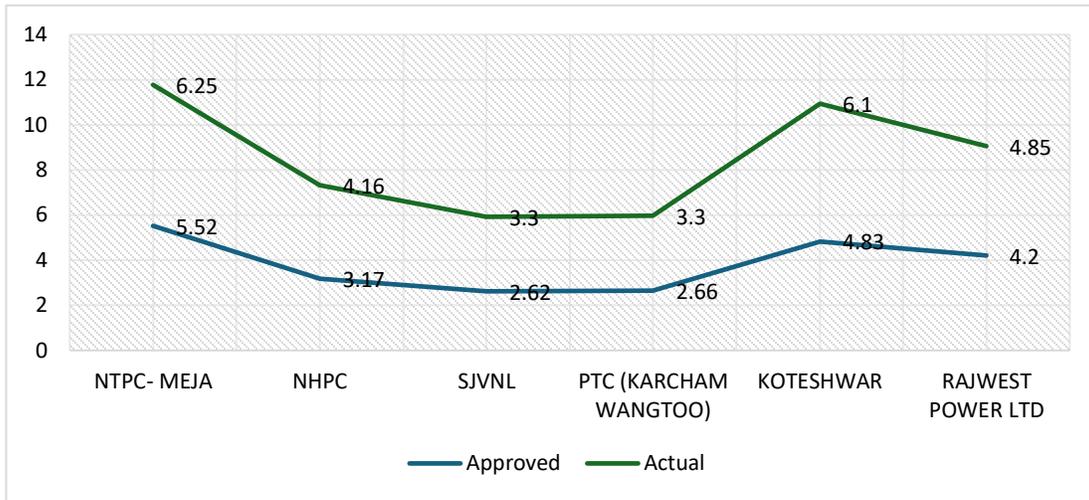
Table 1: Transmission Losses in states with comparable geography and load profiles

S. No.	State	Transmission Loss	FY	Source
1	Maharashtra	3.27%	2023-24	State Grid Loss Account (<i>see pg. 01</i>)
2	Gujarat	3.84%	2022-23	GETCO Final Tariff Order FY25 (<i>see pg. 56</i>)
3	Madhya Pradesh	2.61%	2023-24	ARR for FY2025-26 MPERC (<i>see pg. 23</i>)

2.3. Power Purchase Cost

In Table 11 of the Petition (*see pg. 17*), the Petitioner has provided details of the Power Purchase Cost for FY24. However, the Petitioner has not provided a breakdown of capacity charges and energy charges. A clear segregation of these components is essential for a transparent assessment of cost variations. Notably, certain plants (*see Figure 1*) exhibit significant deviations. Therefore, we request the Petitioner to provide a detailed, plant-wise explanation for these discrepancies.

Figure 1: Plant-wise deviation in average power purchase cost



We observe that the average procurement cost for short-term power is INR 7.25/kWh, which is substantially higher than the approved average cost of INR 4.22/kWh. We request the Petitioner to clarify the reasons for this increase in short-term power procurement costs.

The Petitioner has attributed the increase in power purchase expenses to the Ministry of Power's (MoP) directive requiring the use of 10% imported coal. However, this mandate was revised multiple times. In 2022, generating companies were initially required to blend 10% imported coal, which was later made voluntary for gencos facing a domestic coal shortfall. In January 2023, the mandate was further reduced to 6%, and on September 1st, 2023, it was lowered to 4%. In such a case where the share of blended coal was reduced regularly, we request the Petitioner to clarify whether it had enforced any contractual provisions to hold suppliers accountable for delivering power as per the agreed terms and conditions. Additionally, we request details of any penalties imposed during the year on state generation company (RVUN) and other generating stations due to shortfall in power supplied resulting from inadequate coal stocks.

2.4. O&M Expenses

The Petitioner, in Table 12 of the Petition (*see pg. 24*), outlines the O&M expenses for FY24, revealing that the actual expenditure on employee costs is significantly lower than the amount approved by the Commission. The Petitioner is requested to provide the reasons for this shortfall.

Additionally, in Table 14 of the Petition (*see pg. 26*), the Petitioner details Employee Expenses for FY24, reporting training expenses of INR 0.65 Cr, an increase from the previous year's INR 0.14 Cr. The Commission has repeatedly stated in previous orders that the Discoms can claim necessary training expenditures through the Investment Plan/ARR and has expressed its willingness to consider additional spending on employee training. Accordingly, we request the Petitioner to provide:

- a) A detailed breakdown of training activities undertaken during FY24.
- b) The total number of employees trained, categorised by employee type.
- c) Specifics of the training programs conducted.
- d) Clarification on whether expenses incurred on contractual employees under various contracts are included within the overall employee expenses.

Furthermore, under the RERC (Investment Approval) Regulations, 2006, Distribution Licensees are permitted to allocate up to 1% of their Investment Plan expenditure for institutional strengthening. We request the Petitioner to confirm whether any activities have been undertaken under this provision and provide details of the corresponding expenditure.

2.5. Significant Deviations in R&M Expenses

In Table 18 of the Petition (*see pg. 29*), the Petitioner has reported actual Repair & Maintenance (R&M) expenses of INR 454.04 Cr., which is significantly higher than the approved INR 174 Cr., exceeding it by INR 280.04 Cr. The Petitioner has stated that these additional expenses were incurred for the repair and maintenance of transformers and for deploying Fault Rectification Teams to urgently address consumer complaints during FY24.

This marks the second consecutive year in which actual expenses have significantly exceeded the approved amount. Therefore, we seek clarification from the Petitioner explaining reasons for their inability to plan R&M for the distribution network and forecast required expenses prudently. Additionally, we request a circle-wise breakdown of the expenses incurred for R&M, along with details on how these activities have improved reliability or other key performance metrics.

2.6. Agriculture Defective Meters

The Petitioner, in its data gap reply, has submitted details of defective meters for agricultural consumers, along with information on connected load and energy consumption for FY24 as per the following table.

Table 2: Status of meters in AVVNL

Particulars	Consumers	Connected Load (KW)	Energy Sold (MU)
AG OK meters	550,885	2,838,849	4,288.03
AG Defective meters	109,910	1,677,683	3606.03
Total	660,795	4,516,532	7894.06

Source: Data Gap Reply filed in True-Up Petition for FY 2023-24

The data reports that a total of 1,09,910 agricultural consumers have defective meters, effectively resulting in a de facto return to flat rates despite the expenses incurred for meter installation. The Commission, in orders dated 01.09.2022, 31.03.2023 and 26.07.2024, 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. This high number of defective meters

also results in an additional burden of 'rebate allowed by the grievance redressal cells/committees' and 'rebate on account of defective meters'. The Petitioner has also not provided the revenue realised from the defective meters as directed by the Commission.

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

- a) Circle-wise data on defective meters and the corresponding revenue realisation.
- b) 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.
- c) Circle-wise data on the number of meters defective for more than two months.
- d) Clarification on the persistently high rate of defective meters and measures being implemented to rectify this issue.

We recommend that the Commission appropriately penalises the Petitioner and holds it accountable for non-compliance in the matter in a time bound manner.

2.7. Consumer Awareness Expenses

In Table 16 of the Petition (*see pg. 28*), the Petitioner provides a breakdown of A&G expenses for FY23, showing zero expenditure (INR 0.0 Cr) on consumer awareness. This is a significant reduction from the INR 0.76 Cr. spent in the previous year. Consumers are critical stakeholders in the power sector, and their awareness plays a vital role in the efficient functioning of the Discoms. We request the Petitioner to provide an explanation for zero expenditure on consumer awareness.

Furthermore, the Commission, in its order dated 31.03.2023 and 26.07.2024, had directed the Petitioner to conduct a consumer awareness workshop at least once a year at each division. We request the Petitioner to provide the status and relevant details of such workshops.

2.8. Interest on Security Deposit

The Commission in its earlier order had directed the Petitioner that when the Discoms credits the security deposit interest in July, they should also issue a press release in major newspapers. Simultaneously, they were required to inform each consumer via email and SMS regarding the credit of interest on their security deposit to raise consumer awareness. We request the Petitioner to provide details on the dates and newspapers in which the information on deposit of interest on security was published.

2.9. Depreciation

In Table 22 of the Petition (*see pg. 31*), the Petitioner reports depreciation for FY24, with actual depreciation of INR 1,038.84 Cr. compared to the approved amount of INR 688 Cr. We request the Petitioner to provide the reasons for this significant deviation and a detailed breakdown of asset calculations and depreciation methodology.

2.10. Compensation for Injured/ Death of Employees and Outsiders

The Petitioner in Table 23 of the Petition (*see pg. 31*) has provided details of other debits and prior period expenses during FY24, wherein it specifies compensation for injured/death of employee and compensation for injured/death of outsiders as INR 1.15 Cr. and INR 10.95 Cr., respectively. We request the Petitioner to provide details of each accident resulting in injury or death of employees and outsiders, including the cause of the accident and the relevant circle. 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 FY24.

Additionally, the Petitioner has reported sundry debit balances written off amounting to INR 1.68 Cr. We request the Petitioner to provide detailed information on these written-off balances and the reasons for their write-off.

2.11. Compensation on Standard of Performance Violations

The Commission, in its orders dated 31.03.2023 and 26.07.2024, had directed the Petitioner to report all parameters based on smart meters wherever installed and to immediately pay direct compensation for any violations. Additionally, for other consumers, the Discoms have been mandated to develop a system for the automatic adjustment of compensation in electricity bills and to report this in the formats submitted to the Commission, as well as in 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 have received compensation, and the overall amount disbursed.

2.12. Circle-Wise Details of Rebate Provided to Consumers

In Table 23 of the Petition (*see pg. 31*), the Petitioner has reported other debits and prior period expenses for FY24, including a waiver of DPS/LPS amounting to approximately INR 19.29 Cr. We request the Petitioner to provide a circle-wise and category-wise breakdown of the beneficiaries and the corresponding waiver amounts. Also, Table 23 specifies that rebates totalling INR 262.61 Cr. were allowed to consumers during FY24. We request the Petitioner to furnish a detailed, circle-wise breakdown of the beneficiaries and the rebate amounts provided.

2.13. Bad Debt

The Petitioner has reported bad debts written-off (including provisions during the year) amounting to INR 38.26 Cr., despite no approved amount (*see Table 3*). We request the Petitioner to provide details on the nature of these bad debts and the reasons for their write-off. Additionally, the opening balance for the bad debts is significantly higher, yet no approval has been sought for it. We request the Petitioner to provide explanation for the same.

Table 3: Bad debts in FY 2023-24

S. No.	Particulars	Actuals (in Cr.)
1	Opening balance of Provision for Bad Debts	347.97
2	Provision of Bad debts in financial year	38.26
3	Less: Actual debts written off	11.46
4	Closing Balance of Provision for Bad Debts	298.25

2.14. Non-Tariff Income and Other Tariff Income

The Petitioner, in Table 25 of the Petition (*see pg. 33*), has provided details of non-tariff and other tariff income for FY24, specifying revenue from the use of poles as INR 5.69 Cr. In this regard, we request the Petitioner to furnish circle-wise data on both realised and unrealised non-tariff income from pole rents, along with details on the number of poles utilised.

2.15. RDSS Scheme

The Petitioner has submitted on various occasions that it aimed to achieve 100% feeder metering and DT metering by 2023. We request the Petitioner to provide a detailed explanation for the delay in achieving the said target. Additionally, the Discoms were also supposed to maintain database while implementing the prepaid smart metering projects. We request the petitioner to furnish details about status of the remotely readable metering at DT level, consumer indexing, integration of feeder level data, and the consumer billing database.

2.16. Increase in sales of Railway Traction

The Petitioner, in Table 2 of the Petition (*see pg. 10*), provides a comparison of actual and approved sales for FY24, reporting actual Railway Traction sales of 45 MU against the approved 25 MU. We seek clarification regarding the status of the Railway as an open access consumer. We request the Petitioner to provide details on the units purchased by the Railway through open access and those procured from the Petitioner. Additionally, we seek explanations for any deviations observed.

2.17. Nigam Group Insurance

In Table 14 of the Petition (*see pg. 16*), the Petitioner has provided the breakup of employee expenses for FY24, specifying the Nigam Group Insurance cost is zero. We request petitioner to provide details and explanation for this head.

3. ISSUES RAISED BY INDEPENDENT AUDITOR

In the Petitioner's 24th Annual Report for 2023-2024, the independent auditor has highlighted several critical issues concerning the company's financial statements and operations, along with instances of non-compliance. We wish to bring these concerns to the Commission's attention and request that the Commission direct the Petitioner to take appropriate corrective actions to

resolve these issues and ensure compliance with applicable regulatory frameworks and laws. The key issues are detailed below:

3.1. Absence of Records of Lease Hold Lands and Free Hold Lands:

The Petitioner lacks records for certain leasehold and freehold lands and has not updated the Property, Plant, and Equipment Register for the year. Due to missing details, the value and existence of these assets cannot be verified. Consequently, its impact on the Statement of Profit and Loss, including amortisation, lease rent, and taxes, remains unascertainable.

3.2. Unable to Verify the Assets at Vendor Premises:

The independent auditor observed that the Petitioner reported 11,784 transformers, 466 CT-PT sets, and 64,726 meters as remaining at the firm's works without being removed from the Property, Plant, and Equipment block. Additionally, no details were provided regarding items held by third-parties without a guarantee, and no third-party confirmations were obtained.

3.3. Accumulated Losses:

The accumulated losses of the Petitioner as of 31.03.2024 are INR 30,258 Cr., which exceed its net worth. Its current liabilities as of 31.03.2024 are in excess of its current assets.

3.4. Non-compliance with Section 203 of the Companies Act, 2013:

The Petitioner did not have Whole-Time Key Managerial Personnels (Managing Director, Chief Executive Officer, or Whole-Time Director) throughout the year. Consequently, this constitutes a violation of Section 203 of the Companies Act, 2013, regarding the appointment of Key Managerial Personnel.

3.5. Non - Compliance with Section 177 of the Companies Act, 2013:

The Petitioner has not appointed 'Independent Director' in the Audit Committee as required under Section 177 of the Companies Act, 2013, in respect of the Composition of Audit Committee as only one Director has been appointed as Independent Director in the Audit Committee. Thus, the Petitioner has violated the provisions of Section 177 of the Companies Act, 2013 regarding composition of Audit Committee.

3.6. Deficiencies in Internal Controls Impacting Financial Stability:

The auditor observed that the Petitioner's internal controls for reducing distribution losses are ineffective. A significant discrepancy between the units of energy purchased and sold highlights deficiencies in billing and theft prevention controls. This material weakness could negatively impact the Petitioner's revenue and overall financial position. Furthermore, the Petitioner's internal financial controls over cash and bank balances are also ineffective, with unresolved old outstanding entries in bank reconciliation statements. This weakness may result in incorrect revenue recognition and further affect the financial stability of the Petitioner.

4. COMMENTS ON COMPLIANCE OF COMMISSION'S DIRECTIVES

The Petitioner has submitted the status of compliance with the Commission's directives in its petition; however, multiple instances of non-compliance remain unaddressed. We submit the following comments on the Commission's directives and request the Petitioner to take necessary actions to ensure full compliance.

4.1. Reporting of Subsidy:

The Ministry of Power's (Second Amendment) Electricity Rules, 2023 require the Commission to take action against concerned officers of a licensee for non-compliance if '*subsidy accounting and raising bills for subsidy is not found in accordance with the Act or Rules or Regulations*'. The Commission therefore, vide its Tariff Order dated 26.07.2024, had directed the Discoms to furnish a quarterly report indicating demand for subsidy raised by them, energy consumed by the subsidised category, consumer category-wise per unit subsidy declared by the state government, actual subsidy received in accordance with Section 65 of the Electricity Act, gap in subsidy due and paid as well as other relevant details. The Commission had also directed the Discoms to appoint a nodal officer, who on their behalf are to send a quarterly report within 30 days from the end date of the quarter, detailing reasons for non-receipt of subsidy and action taken accordingly.

However, in the compliance status submitted by the Petitioner, it has not been clarified that the report for each quarter had been filed within 30 days from the end date of the quarter. Therefore, we request the Petitioner to provide details of the quarterly submission of these reports and any punitive action taken against Discom officials, if any, in cases of non-compliance.

4.2. Smart Grid and Demand Side Management Cell:

In their submissions in the Tariff Petition filed in the previous year, the Discoms submitted that they have participated in Smart Grid Projects under Integrated Power Development Scheme (IDPS) and National Smart Grid Mission (NSGM) schemes, and that they request the Commission to frame smart grid regulations with focus on smart metering works. Therefore, the Commission, vide its Order dated 26.07.2024, had directed the Discoms to constitute Smart Grid and Demand Side Management Cell(s) with well-defined roles and responsibilities. The Commission had also directed them to conduct baseline study and develop data to formulate Demand Side Management and Smart Grid Plan/Programme. With the approval of the Commission, the Discoms were to act upon said plans. The Commission had also directed them to develop cost recovery mechanism.

However, the Petitioner has failed to comply with the said directive. While it has created an RE-DSM Cell, the specific roles and responsibilities of the Cell have not been provided in the compliance report. It has also not reported undertaking any baseline study or developed data

which would help in formulating Demand Side Management Plan and Smart Grid Plan. Additionally, there is no disclosure of the development of a cost recovery mechanism. The Petitioner has also not provided any details regarding the implementation of energy efficiency programs or Demand Response programs as part of its DSM planning. If a baseline study has been conducted or a cost recovery mechanism been developed by the Petitioner, it is requested that the Petitioner may be directed to submit the same. The Petitioner should also be directed to provide details of the DSM Cell, if established, along with information on its activities.

4.3. EV Charging Infrastructure:

The Commission had directed, vide its order dated 21.12.2020, that the Discoms must create an EV Cell for monitoring EV charging stations and defined various crucial functions for the Cell. Subsequently, the Commission, in the Tariff Order passed on 26.07.2024, had directed the Discoms to expedite the setting up of EV charging stations and also propose necessary investment for upgrading their network for seamless integration of EV infrastructure.

The Petitioner has not provided any details regarding setting up of an EV Cell for overseeing the installation of charging infrastructure. It has submitted that only 69 charging stations have been installed in its jurisdiction, with 25 charging stations installed in 12 of its 17 circles as part of its loss reduction strategy under RDSS. However, the discom has not provided any explanation for excluding five circles from installation of charging stations under RDSS.

It is therefore submitted that the Petitioner may be directed to submit the status of constitution of EV Cell. If such a cell has been constituted, the Commission may direct AVVNL to disclose the roles and responsibilities of the Cell and the steps taken by it to expedite the process of installing EV charging stations. Additionally, the Petitioner should also be directed to update the status of EV charging stations installed in all of its circles.

4.4. Fixed Assets Register (FAR):

In the Tariff Order dated 26.07.2024, the Commission had directed the Discoms to go through the Report submitted by M/s. RFSDL and take necessary actions '*including those materials in the report to update their process and make asset register as per the requirement of the Regulations*'. The report recommends that the Discoms develop a comprehensive financial management and accounting manual. Additionally, the report recommends capacity building exercises for the staff of Discoms, gather their feedback and refine the manual. The report also recommends appointing a third-party for physical verification and also appoint a field-team for cross-verification.

The Petitioner has submitted in its Petition that it has only submitted FAR till FY23 and that it is yet to submit the FAR of FY24. It, however, does not clarify the status of compliance of report submitted by M/s. RFSDL. If the manual for management and accounting has been prepared by the Petitioner, it must be directed to submit the same before the Commission. Additionally, it should also clarify if it has undertaken any capacity building exercises for its staff towards the

same and if it has received any feedback from them. Furthermore, it should give the details of third-party appointed for the purpose of physical verification.

The Commission should also direct the discom to disclose steps it has taken towards implementing IT/ERP system for streamlining tasks, improving efficiency and enhancing data accuracy.

4.5. Voltage Wise Losses:

The Commission had directed vide its Orders dated 01.09.2022, 31.03.2023 and 26.07.2024 that the Discoms to undertake sample study of voltage-wise losses for at least two Nos. 33/11KV urban and two Nos. 33/11 KV rural substations by an independent third-party and associated lines representing proper sample for each circle. It had further directed that the losses of entire circle should be extrapolated based on the sample study and final report be submitted before the Commission within four months of the Order.

However, the Petitioner has submitted that it has not yet appointed the third-party for undertaking voltage-wise losses and hence it has not submitted the Report before the Commission. It is therefore requested that as envisaged in the direction passed in the Tariff Order dated 26.07.2024, the concerned officer may be held responsible and necessary action may be taken against the same for non-compliance of the Commission's directions.

4.6. Medium-Term Business Plan:

The Commission had directed the Discoms to prepare a 'Medium-Term Business Plan' covering likely impact of influx of renewable energy, distributed generation and prosumers, electric vehicles, smart metering and other related trends of power sector. It had also suggested incorporating optimisation of capacity charges where a resource adequacy study would capture all types of sources, including BESS and PSPs.

However, the Petitioner has not submitted any such plan. It has also not clarified the steps taken by it towards preparation of 'Medium-Term Business Plan' and a resource adequacy study. It is therefore submitted before this Commission that the Petitioner may be directed to submit the steps it has taken towards preparation of 'Medium-Term Business Plan' and a resource adequacy study. If the plan or the report has been prepared, the Petitioner may kindly be directed to submit the same.

4.7. Audit Report of Franchisees:

The Commission had directed the discoms to furnish independent audit report of the franchisees operating under the discoms upto last financial year and place a copy of the same on the websites as well. However, the Petitioner has not provided the audit report for FY24 and FY25. It is requested that the Commission may direct the Petitioner to comply with the previous direction and provide the audit reports in a time-bound fashion.

4.8. Skill and Development Training:

The Petitioner has submitted that it has incurred an expenditure of INR 65.16 lakhs for skill development and training of its employees. Along with other details, it has claimed that it has prepared a 'detailed training schedule' that is planned for FY25. It is therefore requested that the Commission direct the Petitioner to submit details of skill development and training programs conducted to date, including specific information on safety training. Additionally, we request the Commission to direct the Petitioner to provide a detailed training schedule.

4.9. Monetisation of Discom's Assets:

In its Order dated 24.11.2021, the Commission had directed the Discoms to explore and implement asset monetisation strategies. The Managing Directors of the discoms were personally directed to oversee the implementation of asset monetisation concepts, issue necessary guidelines, and submit quarterly compliance reports detailing actions taken and revenue realised on a circle-wise basis. The directive stressed optimising pole rents, monetising vacant lands, buildings, and other assets, including advertisement space on bills. Furthermore, in its order dated 01.09.2022, the Commission directed the Discoms to submit circle-wise number of poles and cables recorded along-with their income. Additionally, where the income from poles is shown as zero, the Commission directed the concerned Assistant Engineer to furnish an affidavit within three months of the Order before the concerned Superintending Engineer attesting that there is no pole or any other asset of discom being used for third-parties for commercial purposes. In the Tariff Order dated 26.07.2024, the Commission noted that the Discoms have not only continuously shown a casual attitude towards the orders but have also resorted to manipulation of data (such as reducing number of electric poles). Therefore, it issued fresh It also directed the CMD/MD of each Discom to report the Commission, within 30 days of the order stating that why the Discoms had not complied with the Commission's order and the details action taken against erring employee. Additionally, it issued fresh directions for complying with previous order of reporting the number of poles and cables along with their respective income.

However, the Petitioner has only provided the income from the pole rental of 10 of its 17 Circles without giving the number of poles. It has not provided any information on seven circles. Instead, it has simply reported that it has held meetings for deliberating on an issue which has already been deliberated on for a sufficiently long time. Therefore, we request the Petitioner to submit a detailed response on the compliance status of all directives issued by the Commission concerning this matter.