Replies to Data Gaps on ARR and Tariff Petition for FY 2019-20

The replies to queries and data gaps provided by the Hon'ble Commission pertaining to ARR and Tariff Petition for FY 2019-20 is as under.

Q1. Please furnish the detailed information of loans/debts taken over under UDAY, effective rate of interest after takeover of loans/debts and also furnish the measures taken by the Discom for restructuring of remaining loans/debts after takeover to reduce the interest burden if any.

Discom's Response:

The information of loans/debts taken over under UDAY and the effective rate of interest after takeover of loans/debts is provided in **Annexure-A.** The petitioner has made several attempts to restructure the remaining loans after the debt taken over under UDAY.

- In the year 2017, Discoms could not issue bonds due to not receiving RBI back stop from GoR within the timeline given to the Arranger. Then, Discoms appointed arranger for mobilizing the funds by issue of bonds on private placement basis but the same could not materialize due to higher coupon rate as well as high commission of the arranger.
- Discoms have again initiated the process to receive bids for issue of bonds directly through NSE-EBP platform in 2019 but the same could not materialize due to inadequate quantum of bids.
- Having gone through the above process, BoDs directed to float the issue again after studying the market and getting feedback from prospective arrangers and investors. In compliance to the same, RFP has been floated to appoint arrangers on 31.05.19. Technical bid for selection of the arranger is to be opened on 21.08.19.
- The process for issuance of bonds will again be started once an arranger is selected.

Q2. Please furnish the rationale behind the Time of Day (TOD) tariff proposal along with the load curve and also indicate the readiness of Discom for implementation of the aforesaid proposal.

Discom's Response:

Time of Day tariff has been proposed for flattening of the load curve as well as to benefit the consumers who can support in the process by shifting their load during off-peak hours. If the load reduces in the peak hours, the Discom can avoid purchase of power from stations which have higher variable cost thereby resulting in a financial benefit. Similarly, during the off-peak hours, the Discom has to either surrender its power or sell the same on exchange. As the price on exchange is dynamic, there is no certainty of selling power there. Moreover, when the state experiences its off-peak period during the day, similar off peak is also experienced by other states thereby reducing the price on the exchange. As such, it is beneficial if the consumption within the state increases during such off-peak period.

The peak and off-peak periods have been proposed based on analysis of actual load curve of the Discom in FY 2018-19. It is evident from the load curve that the Discom witnesses the peak load during 0700 hours to 1100 hours and off-peak load during 0000 to 0600 hours round the year. While there are certain variations in different seasons but the trend is more or less consistent.

At present, ToD has been introduced only for the industrial consumers as this category of consumers can manage to shift their load by shifting the production hours. The Discom has attached the month wise details of hour wise load depicting the peak and off-peak hours for Commission's analysis as **Annexure-B.**

It is also pertinent to mention that if the load is not reduced during the peak hours, then the Discom will have to further tie up capacity to meet such increasing demand. This will increase the fixed cost burden of the Discom.

The ToD tariff has been introduced for the industries, which can shift their load from day to nighttime, which not only will help the Discoms to better manage the power purchase cost but will also enable the industries to be cost effective. For this reason, the industries on several occasions have sought for introduction of ToD tariff.

ToD tariff is a well accepted practice and has been introduced across most of the states in India. In terms of readiness, the Discom has done a thorough review and evaluated that the meters installed for the industrial consumers are all capable of recording time block wise consumption.

The Discom further submits that a detailed benefit analysis will be conducted based on the actual data of surcharge levied and rebate availed during the year to further refine the timings and the rebate/surcharge proposed.

The load curves of the petitioner are submitted as **Annexure-B**

Q3. Please furnish the detailed computation of sales of agriculture metered and flat rate category for FY 2019-20.

Discom's Response:

The petitioner submits the detailed computation of sales of the agriculture metered and flat category as **Annexure-C**.

Q4. Please furnish the details of category wise outstanding arrears upto 31/03/2019.

Discom's Response:

The petitioner submits the details of the category wise outstanding arrears upto 31/03/2019 as **Annexure-D**.

Q5. Please furnish the details of age wise and category wise no. of defective meters upto 31/03/2019.

Discom's Response:

The petitioner submits the details of age wise and category wise number of defective meters upto 31/03/2019 as **Annexure-E**. It is pertinent to mention that replacement of meters is one of the key priority areas for the Discom and it has made several efforts to improve the status. It is also worthwhile to mention that despite of the wide spread geographical area; the defective meter status is at par with other similar state utilities.

Q6. Please furnish detailed computation of weighted average rate of interest on term loan.

Discom's Response:

The petitioner submits the computation of weighted average rate of interest on term loan as attached in **Annexure-E1.** The weighted average rate of interest calculated as 10.52% is provisional for FY 2018-19 and subject to revision.

Q7. Discom has proposed various changes in the applicability of Tariff of different categories. Discom may please specify, the items included or excluded while proposing the changes in the applicability of Tariff in different categories. The Discom may also provide a comparative chart of old and new applicability of tariff duly highlighting the proposed changes.

Discom's Response:

The petitioner is submitting the list of changes as proposed in the applicability of tariff in the **Annexure-F** highlighting the changes and the comparative of existing and proposed applicability of tariff

Q8. Discom is required to furnish town wise AT&C losses before implementation and after implementation of the R-APDRP along with tariff petition as directed in Commission's order dated 28.05.2018 of Investment plan.

Discom's Response:

The petitioner submits the town wise AT&C losses before and after the implementation of R-APDRP as **Annexure-G**.

Q9. Discom has mentioned the distribution losses of 20.54% during FY 2018-19 against the targets of 15% for FY 2018-19. Whereas in the current petition Discom has proposed to achieve Distribution Loss of 16% during FY 2019-20. The Discom

need to elaborate in detail as to what steps/measures to be taken to achieve the target set for FY 2019-20.

Discom's Response:

The Petitioner recognises the importance of reducing the distribution losses in order to ensure that the state power sector remains viable. The Petitioner has already undertaken several steps and numerous measures are envisaged to be undertaken to bring down the existing loss levels. The decreased loss levels to 20.54% are an indication of the thought process and line of action taken by the Petitioner in this direction.

The Petitioner intends to pursue the loss reduction programs initiated in previous years with increased use of technology. Information Technology, being a tremendous enabler, is the backbone of any complex socio-technical system, allowing to sense, discover, regulate, enforce, control and optimize the system.

The petitioner further plans to implement smart metering which will assist the Discom in better managing the billing and collections. Use of smart meters will also improve the theft detection methods leading to improved vigilance and reduction in losses.

The Discom also plans to solarise grid connected Pumpsets thereby reducing the agriculture consumption and corresponding losses. Also, use of distributed generation, wherein the generating source is close to the load centre, reduces the line losses. Discom plans to install solar plants by utilising the land available in existing 33 kV substations. Further, physical segregation of agriculture feeders has also been planned. This will ensure that transformation capacity is adequately utilised thereby reducing the iron losses of the transformer.

The petitioner also submits that while most of the states like Rajasthan have made significant improvements, the targets envisaged under UDAY could not be achieved. This clearly highlights the difficulties in achieving the targets outlined and the same requires more time.

State	Base year losses(FY 2015-16)	Targeted Losses (%)	Achieved Losses (%)
Rajasthan	30.41	15	21.29
Madhya Pradesh	23.97	17	31.9
Maharashtra	19.07	14.98	17.34
Bihar	43.74	21	27.39
Uttar Pradesh	26.47	19.36	24.64
Haryana	29.83	15	17.45

As observed from the table above, the Rajasthan Discoms have made considerable reduction to reduce the AT&C losses from ~30% in FY 16 to ~21% in FY 19.

Q10. Discom may submit that how Discom is going to meet its RPO obligation for FY 2019-20.

Discom's Response:

The petitioner submits that it will meet its Renewable Power Obligation for FY 2019-20 by taking the following measures:

- Procuring power from non-conventional energy sources like wind, solar, hydro and biomass based plants, the details of which are provided in form 3.1
- The Rajasthan Discoms plan to install solar capacity of 2,600 MW at their own substations under Component A of KUSUM.
- Implementing KUSUM scheme wherein solarisation of 2 lacs existing agriculture pumps will be done and also 2 lacs new agricultural pumps will be set up and the power injected into the grid from such installations will contribute to the Discom's RPO. The solarisation of agricultural pumps will hence benefit the Discom in 2 ways:
  a) Solarisation of the pumps will reduce the procurement of power to meet the need of such consumers from conventional energy sources
  b) At the same time, the injection of excess energy generated from the solar installations will further reduce the dependence on conventional energy sources.
- Promoting and installing solar rooftops through Net metering arrangement.

Further, RUVN has set an action plan for Rajasthan Discoms to meet their RPO targets. The copy of the plan is attached as **Annexure-G1.**

Q11. Discom has proposed that "If any consumer under SIP category exceeds his load more than 25 HP in any month, it shall be billed under MIP category for that month". The Discom may explain in detail, as to how Discom would identify the excess load of aforesaid consumers billed on the basis of connected load.

Discom's Response:

The petitioner submits that the meters installed for the industrial category consumers do record the maximum load of a particular month and the reading is taken accordingly. If that meter reading recorded is more than 25 HP for that month, then the consumer shall be charged in the MIP category for that particular month.

Q12. While proposing the changeover from SIP to MIP category, from LT to HT category and from MIP (HT) to LIP category, Discom has proposed that "the consumer shall have to pay load/demand surcharge for the load/demand recorded above the sanction load/demand for that month". With regard to above, the Discom may clarify the quantum of load/demand surcharge.

Discom's Response:

The petitioner submits that the demand/load surcharge is applicable to the extent to which the load is exceed above 25 HP for the month. For example, if the recorded load for a month of a consumers is 30 HP then a surcharge of 20% ((30-25)/25*100) shall be applicable on both fixed and energy charges for that month.

Q13. Reason for not considering lower proposed tariff for power intensive industry for calculation of cross subsidy surcharge may be provided.

Discom's Response:

The petitioner submits that in order to promote industries for which energy is a major input cost, a specific category has been created. Lowering the tariff will lead to lower input cost of these industries and make them competitive with industries in other states. Further, the objective is also to increase consumption from Discoms. However, the cost to serve such industries is no different from other industries. Therefore, if the industry is not consuming energy through Discom but sourcing from outside through open access, it gives a double blow to the Discoms. The incentive provided to the industries cannot be at the cost of Discoms. As such, CSS proposed is same for both the categories.

Q14. The Discom in the instant petition has stated that "The petitioner in a separate petition has proposed a rebate of Rs. 0.55 per unit on energy charges for MIP (HT) category and Rs. 0.85 per unit on energy charges for large HT category and power intensive industry as a rebate on the yearly consumption in a financial year in excess of the consumption of the base year." In the aforesaid separate petition the Discom has also proposed a rebate of Rs 1.5 per unit for captive consumers, the Discoms need to clarify whether said rebate scheme for captive consumers has been proposed in the current petition or not. Please also provide the illustration for working out the rebate.

Discom's Response:

The petitioner submits that the rebate scheme for captive consumers will still be applicable on the incremental consumption as given in the original rebate petition. The petitioner has attached the petition of Rebate to Industrial Consumers filed by the Discom as **Annexure-H** for the reference and also attaches **Annexure-I** as an illustration of calculation of rebate on the incremental consumption.

Q15. The Discom has shown Revenue gap during FY 2019-20, the Discom may furnish the measures to be taken to meet out the Revenue gap.

Discom's Response:

The proposed revenue gap of Rs. 813 Cr. will be met through external funding. Also, the functionality of RUVNL optimizing the power purchase cost, load forecasting will be of significant help to reduce the cash deficit for the FY 2019-20. The Discom will try to further optimize its cost to not further burden the consumers of the increasing costs. It is pertinent to mention that proposing a tariff hike to meet the entire revenue gap would give tariff shock to consumers and hence, the petitioner requests the Hon'ble Commission to approve the proposed tariff hike or the petitioner would fall into a severe financial crunch.

Q16. Please furnish the category wise and sub categories wise information of sales by distribution franchisee for FY 2018-19 and FY 2019-20 in Format 2.1. The information of power supply to DF by Discom may also be furnished separately.

Discom's Response:

The petitioner submits the category wise information of sales by distribution franchisee for the FY 2018-19 as **Annexure-J.** The total sales, consumers, connected load and other particulars are being projected for the whole Discom and the proposed tariff will be applicable for all the consumers and hence, the Discom has already submitted the particulars for all the consumers in the Discom, including the ones in the DF.

Q17. In Format 2.1, Basis of calculation of fixed charges for all categories of consumers may be furnished for FY 2019-20.

Discom's Response:

The petitioner submits the basis of calculation of fixed charges of each category in the table provided below:

Category	Basis of Calculation
Domestic (LT)	Product of total average connected load in a financial year and fixed charges proposed.
Domestic (HT)	Product of total average connected load in a financial year and fixed charges proposed and power factor of 0.85.
Non-Domestic (LT)	Product of fixed charges and total number of consumers in the category
Non-Domestic (HT)	Product of connected load in a financial year and fixed charges proposed taking a power factor of 0.85 and billing demand of 75%.
Public Street Light	Product of connected load and the fixed charges proposed for the FY.
Agriculture (M)	Product of total connected load and fixed charges proposed converted to kW from HP.
Agriculture (F)	Product of total connected load and fixed charges proposed converted to kW from HP.
Small Industries	Product of total connected load and fixed charges proposed converted to kW from HP.
Medium Industries	Product of total connected load and fixed charges proposed converted to kW from HP. Also, accounted for the power factor for HT consumers.
Mixed Load	Product of total connected load and fixed charges proposed converted to kW from HP. Also, accounted for the power factor for HT consumers.
Large Industries	Product of total connected load and fixed charges proposed converted

Category	Basis of Calculation
	to kW from HP. Also, accounted for the power factor for HT consumers.
Public Water Works	Product of total connected load and fixed charges proposed converted to kW from HP. Also, accounted for the power factor for HT consumers.
Power Intensive Industries	Product of total connected load and fixed charges proposed converted to kW from HP. Also, accounted for the power factor.

Q18. Discom has stated that connected load per Consumer for FY 2019-20 is same as FY 2018-19, connected load per consumer for agriculture metered of FY 2019-20 in table 5 is 7.53 whereas in format 2.1 for FY 2018-19 it is 10.57. Please clarify the same.

Discom's Response:

The petitioner submits that the connected load for the Agriculture metered category has been a typographical error and the correct details are being resubmitted in the table provided below:

Particulars	Consumers	Connected Load	Connected Load/Consumer
Discom	500211	3768757	7.53
DF	928	5274	5.68
Total	**501139**	**3774031**	**7.53**

Q19. Please furnish the basis of considering the availability, energy charges and fixed charges shown in respect of RVUN, NTPC, NHPC, IPP/UMPP & other sources etc as mentioned in Format 3.1 for FY 2019-20.

Discom's Response:

The petitioner submits that the fixed charges and energy charges per unit have been taken the same as for the FY 2018-19. The energy charges of a particular station have been multiplied with the total energy sent out and similarly the fixed charges have been calculated. The availability has been calculated on the basis of Rajasthan's share, the PLF and deducting the auxiliary consumption of every plant. Further, the availability as well as the actual energy received during the FY 2018-19 has also been given due consideration.

Q20. In Format 3.1 for FY 2019-20, the average cost of energy received for Anta GTPS, Auriya GTPS, Singrauli Hydel and DCCPP is quite high, Please clarify the same.

Discom's Response:

The Discom submits that the cost of energy per unit received is on the actual basis according to the bills received in the FY 2018-19 and checked and vetted by the concerned department and needs no further changes. A brief description of increased rates is provided below:

The Gas power stations are based on three types of fuel i.e. APM Gas, LNG & Liquid (Naptha). Based on the availability of the fuel, NTPC declares availability of these stations based on respective fuel. Rajasthan Discoms usually schedules Gas power; however, power on LNG & Naptha is generally surrendered on account of high variable charges and hence the Discom has to pay the fixed charges as applicable on a very small quantum of energy received which leads to a high cost per unit.

The cost of per unit received is high for Singrauli Hydel due to RLDC charges in the FY 2018-19.

Q21. In format 3.1 for GPTPP and Tehri plant total cost of energy received is negative for FY 2018-19. Please clarify the same.

Discom's Response:

- GPTPP plant has been shut-down due to unavailability for gas fuel. The plant is procuring power from the Discoms due to which the cost of energy received from the plant for FY 2018-19 has been shown as negative.
- The prior period adjustment for Tehri plant for FY 2018-19 is Rs. -0.03 Cr. However, the total cost of energy received from the plant is Rs 47.37 Cr for FY 2018-19.

Q22. Please furnish detailed calculation of proposed DBST indicating total power purchase cost.

Discom's Response:

- The petitioner has already submitted the calculation of DBST for sources other than RVUNL and RVPN in table-30 of ARR and Tariff Petition for FY 2019-20.

- As DBST is calculated considering various cost components of all the Discoms, for sake of clarity, the detailed computation for all three Discoms and total power purchase cost for F Y2019-20 has been provided in **Annexure-K.**

Q23. Please furnish the basis of variable and fixed cost considered for the following new units and also indicate their expected date of commercial operation:

Sr. No.	**Particular**
1	**STPS Stage V (Unit 7 & 8)**
2	**Tnda STPP Stage II (2*660 MW)**
3	**Meja TPS (1320 MW)**

Discom's Response:

The fixed and variable cost of power purchase from new station within and outside the state has already been mentioned in Form 3.1 for FY 2019-20. The date of commercial operation of the said stations is as under.

Station Name	Date of Commercial Operation
STPS Stage V (Unit 7)	October 2019
STPS Stage V (Unit 8)	February 2020
Tnda STPP Stage II (2*660 MW)	NA*
Meja TPS (unit -1)	30.04.2019
Meja TPS (unit -2)	01.05.2019

*Date of Commercial Operation is not present with the petitioner

Q24. Please furnish the list of plants with their capacity which are expected to achieve COD during FY 2019-20.

Discom's Response:

The details of generating stations expected to achieve, or have achieved, COD in FY 2019-20 is as under.

Station Name	Date of Commercial Operation
STPS Stage V (Unit 7)	October 2019
STPS Stage V (Unit 8)	February 2020
Tnda STPP Stage II (2*660 MW)	NA*
Meja TPS (unit -1)	30.04.2019
Meja TPS (unit -2)	01.05.2019

*Date of Commercial Operation is not present with the petitioner

Q25. Under transfer scheme, the responsibility of power purchase from all sources lies with RUVNL, whereas in the instant petition, Discom has mentioned that power purchase from RVUN stations shall be made by Discom and other than RVUN station it shall be made by RUVNL. Discom may clarify the same.

Discom's Response:

- While the transfer scheme has vested all PPAs and TSAs with RUVNL, for the sake of ease of implementation, the coordination committee has decided t give effect to the transfer scheme in a phased manner. As such, in the first pahse, RUVNL will be responsible for managing procurement of power from all sources other than RVUN & RVPN.
- Similarly, in accordance with the decision of the coordination committee, RUVNL will implement DBST mechanism in a phased manner. For RVUNL and RVPN, the Discoms will continue to procure power as per the existing PPAs and TSAs.

- However, in subsequent years, RUVNL shall manage all sources of power including RVUNL and all sources of power will be considered for calculation of DBST.

Q26. Please clarify whether trading margin and revenue earned from surplus energy have been adjusted against power purchase cost claimed. Please furnish the detailed computation of the same.

Discom's Response:

- The trading margin charged by RUVNL is included in 'Cost of power purchase from other sources and other transmission cost', as mentioned in the note provided in Form 3.1 2019-20 (c). Further, the petitioner **re-submits Form 3.1(a) FY 2019-20**.
- The power purchase cost considered for FY 2019-30, as provided in Form 3.1, is the net power purchase cost after deduction of revenue from sale of surplus power.

Q27. Please furnish the ratio of power purchase amongst Discoms for FY 2019-20 along with supporting documents.

Discom's Response:

The ratio of power purchase of Discoms for FY 2019-20 is as under.

Discom	PP Ratio
JVVNL	40.27%
AVVNL	27.14%
JdVVNL	32.59%

The supporting document to the same has been attached as Annexure-K1.

Q28. Under transfer scheme power purchase responsibility has been transferred from Discoms to RUVNL, for Which RUVNL shall charge a trading Margin of Rs. 0.01 Per Unit from Discoms. In this regard, Discom may provide the details of savings on account of operational cost of Discom and provide supporting documents for recovery of trading margin.

Discom's Response:

RUVNL has been formed by GoR in December 2015 to carry out power trading business of state power sector utilities. Energy cost accounts for 80% of the total ARR of Discoms and efficiency improvement on this front has potential to significantly benefit the financial health of discoms leading to reduction in tariff of customers. RUVNL will be leveraging technology for Day ahead demand forecasting and day ahead scheduling, strengthening power purchase planning approaches and sales/purchase decision making, review of PPAs and TSAs with generators and

Transmission companies, Procure power from additional sources at least cost and identifying new avenues to power procurement matching with load pattern of Rajasthan consumers. To meet these objectives of power procurement optimization and financial management, RUVNL will have to invest in latest technology and tools of power procurement, employ additional resources and also incur cost of setting up and running new company. Thus the coordination committee of Rajasthan energy companies in its meeting dated 31.03.2019 decided that RUVNL will charge 1 paisa on the Energy purchased from "sources other than RVUNL" by it on the behalf of Discoms as trading margin. This will ensure sustainability and future readiness of RUVNL to manage huge cash flows pertaining to its operations. Further, any surplus income earned by RUVNL, after meeting its expenses, will be passed on to the Discoms at the end of the year. Thus, RUVNL will operate on No Profit-No Loss basis. The petitioner submits that the Commission may take a prudent view in this regard.

The supporting documents for charging of trading margin by RUVNL has been attached in **Annexure-L and Annexure-L1.**

Q29. Please furnish the detailed computation of Energy purchased from "Sources other than RVUNL" as indicated in Format 3.1 of the petition.

Discom's Response:

With the DBST mechanism in place, the energy purchase from 'sources other than RVUNL' shall be managed by RVUNL. Thus, the same has been projected at Rajasthan level rather than at Discom-level. The details of energy procured and costs associated with it for the said sources are provided by the petitioner in Form 3.1 2019-20 (a).

The amount of power purchase from 'sources other than RVUNL' for each Discoms has been apportioned on the basis of their net energy requirement and multiplied with the DBST in Rs./kWh to arrive at the total cost of power purchase from the said sources for each Discom.

Q30. In format 3.1(b) of power purchase from RVUN, Discom has indicated inter-state losses of 3.15% and accordingly computed the energy received. The Discom may clarify the same.

Discom's Response:

The petitioner has **re-submitted the Form 3.1(b)** for FY 2019-20**.** The intra-state transmission losses applicable for RVUN sources is taken as 3.85% for FY 2019-20

Q31. In Format 3.4 for FY 2019-20, PGCIL Charges are not given. Please clarify whether Power Purchase Cost as submitted in Format 1.1 is inclusive of PGCIL Charges, if yes please specify the amount and indicate the same in Format 3.4.

Discom's Response:

Due to implementation of DBST mechanism, power purchase (and transmission charges) of all sources other than RVUNL and RVPN will be managed by RUVNL. Thus, the PGCIL charges, which are a part of 'sources other than RVUNL and RVPN, is provided in Form 3.1 (a) for Rajasthan as a whole.

Q32. In Format 3.5 for FY 2019-20, NLDC, RLDC charges are not given. Only SLDC charges are given. Please furnish above charges separately in format 3.5.

Discom's Response:

- Form 3.5 mentions transmission charges pertaining to state sources, i.e. RVPN and SLDC only.
- Since DBST mechanism is considered for FY 2019-20, the RLDC and NLDC charges are not projected Discom-wise but at Rajasthan level. Details of the same has been provided by the petitioner in Form 3.1 2019-20.

Q33. In Format 3.6, rate of depreciation is not furnished, please furnish rate of depreciation.

Discom's Response:

The rate of depreciation as per provisional accounts of JVVNL for FY 2018-19 is as under.

S.No.	Particulars	Rate of Depreciation
1	Lease hold Land	3.34%
2	Building	3.34%
3	Other Civil Works	3.34%
4	Plant & Machinery	5.28%
5	Lines & Cable Networks	5.28%
6	Vehicles	9.50%
7	Furniture & Fixtures	6.33%
8	Office Equipment	6.33%
9	IT Equipment	15.00%

Q34. Please furnish detailed computation of interest along with basis of interest charged in format 3.7 for FY 2019-20.

Discom's Response:

The petitioner has taken the interest rate for FY 2019-20 as 11.01% on the basis of the audited accounts of FY 2017-18, since during the time when the petition was prepared only the provisional accounts of FY 2018-19 were available.

Q35. As per proviso to regulation 82(1) of "RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019" requires that Terminal Benefits should be based on Actuarial Valuation, please furnish the Actuarial Valuation Report to substantiate the claim of Terminal Benefit.

Discom's Response:

The actuarial valuation report for JVVNL is provided as **Annexure-M**.

Q36. In past years Discom has not claimed ROE. Please furnish the reasons for claiming ROE for the FY 2019-20. Discom is also requested to furnish the basis of Equity claimed at the beginning of the FY 2019-20.

Discom's Response:

While the petitioner has already specified the reason and background for claiming RoE for FY 2019-20, it is being further detailed below.

- Regulation 20 of Rajasthan Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2019, pertaining to RoE, states that-

  "(1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 19.
  (2) Return on equity shall be computed at the rate of 14% for Transmission Licensees and SLDC, 15% for Generating Companies and 16% for Distribution Licensees".

  As such, the claim of RoE is justified. However, to ensure that the consumers are not over burdened with this increased cost, only 5% RoE has been claimed as against the allowed 16%.

- Rajasthan Discoms till now had not claimed Return on Equity as part of its tariff. At present, the Discoms are generating revenue to meet the power purchase and O&M expenses and are still left with a substantial revenue gap. Due to this, there is less scope for further investments in terms of system augmentation, adoption of new technology, etc. Thus, in order to meet such expenses the Discoms need to look for additional sources of revenue apart from sale of power to consumers. RoE would help the Discoms in meeting such requirements.

- The RoE will also assist the Discom in ensuring fund availability for meeting the accumulated losses, clearing outstanding liabilities, to ensure future debt repayments and for funding of capital investments of Discoms.

- The State Generation and Transmission companies are already claiming RoE as the norms specified in RERC Tariff Regulations. The said regulations allow Discoms to claim RoE upto 16%. However, in the initial phase, the petitioner has proposed to claim RoE @ 5%, amounting to Rs 328 Cr for FY 2019-20 and plan to incrementally increase RoE over the years

The details of RoE and equity for FY 2019-20 is as under.

Particulars (Rs Cr.)	FY 2019-20
Gross GFA	21,838
30% of GFA	6,551
Normative Equity	6,551
Actual equity	10,195
Minimum of Normative or Actual equity	6,551
RoE % Considered	5%
RoE	**328**

Q37. Please furnish the basis for Rate of interest on working capital.

Discom's Response:

The rate of interest on working capital is as per the norms specified in RERC (Terms and Conditions for Determination of Tariff) Regulations 2019.

The relevant clause of the said regulations is as under.

"27 (2) be 300 basis points higher than the average Base Rate prevalent during first six months of the year previous to the relevant year. The working capital and interest thereon shall be computed on normative basis notwithstanding that the Generating Company or Licensee has not taken working capital loan from any outside agency"

Q38. Discom has not furnished Form 3.7(a). Please furnish the same.

Discom's Response:

The Discom has provided Form 3.7 wherein all details of loans, as present in Form 3.7(a), are provided.

Q39. In table 67 proposed tariff for large industries category has been mentioned as medium industrial service (LT-8 and HT-5). Please clarify the same.

Discom's Response:

The petitioner submits that it is an inadvertent error. Table-67 pertains to tariff for Large Industrial category for FY 2019-20.

Q40. Discom is required to furnish details of column/Row which are left blank or re-submit the following formats with complete information duly indicating NIL or Otherwise wherever required:

Form No.	Particulars	Details of column/row not provided in the forms	Petitioner's Response
2.2	Income from Wheeling Charges	Open access contracted capacity for FY 2018-19 & 2019-20.	The petitioner has submitted the details of Open Access consumers in **Annexure-N**
2.4	Non-tariff Income	Other Tariff Income	The petitioner submits that the other tariff income which includes the following have not been projected for FY 2019-20. • 50% of amount recovered against electricity theft • Meter Rent / Service line rental (CT / PT Rent) • Misc. Charges from Consumers The said charged will be considered on actual basis in the true-up petition for FY 2019-20
2.6	Revenue Subsidy and Grant	Grant actually received & State Govt. Grant against additional interest liability.	The petitioner has submitted the details of subsidy from GoR in **Annexure-O**
3.1	Power Purchase Expenses	Incentives and other charges & Utility share for 2019-20.	The petitioner submits that the columns named 'Incentives' and 'Any other charges' contain no value so they have been left empty. The Commission may consider them as zero. The utility share for FY 2019-20 has been provided in Form 3.1.
3.4	Transmission Charges	Contracted capacity and Transmission Tariff	The petitioner has re-submitted Form 3.4
6.1	Voltage wise Cost of Supply	Format to be re-submitted	The petitioner has submitted voltage wise cost of supply in the additional submissions along with ARR and tariff petition for FY 2019-20.
6.2	Improvement in performance	Format to be re-submitted (with Transformer Failure rate, Details of distribution loss and stopped meter, defective meters and replacement of defective meter etc for FY 2018-19 and 2019-20)	The petitioner has re-submitted the form 6.2
6.3	Appropriation of Distribution loss	Format to be re-submitted (With voltage wise distribution losses)	The voltage wise distribution losses have been submitted along with the voltage wise cost of supply in the additional submissions to ARR and Tariff petition for FY 2019-20.

Form No.	Particulars	Details of column/row not provided in the forms	Petitioner's Response
7.2	Distribution Losses	Indicate Technical & Commercial Losses	The petitioner has submitted the status of technical and commercial loss segregation as **Annexure-P.**
8	Insurance Expense	Actual insurance expense incurred	The petitioner submits that the actual insurance expense incurred for FY 2018-19 is **Rs. 1.71 Cr.**

Q41. Following discrepancy is observed in tables and format of petition. Please clarify the following mismatches:

Sl. No	Particulars	Table	Format	Petitioner's Response
1	Sales for Agriculture un- metered category for FY 2018-19	1,287 MU (Table 9)	329.64 MU (Format 2.1)	The sales for agriculture unmetered category for FY 2018-19 is 329.64 MU
2	Intra-state transmission loss in FY 2019-20	4.25% (Table 18)	3.85% (Format 3.1)	The intra-state transmission loss for FY 2019-20 is 3.85%
3	Net aggregate revenue requirement for FY 2018-19	19905 Cr. (Table 51)	20089.64 Cr. (Format 1.1)	The Net Aggregate Revenue Requirement for FY 2018-19 is Rs. 20089.64 Cr
4	Transmission charges	935.05 Cr (Table 28 & Format 3.1)	756.72 Cr (Format 3.4)	The Transmission charges for FY 2019-20 is **Rs 935.05 Cr**
5	Load Despatch charges	5.68 Cr. (Table 28 & Format 3.1)	4.60 Cr. (Format 3.5)	The SLDC charges for FY 2019-20 is **Rs 5.68 Cr**

Additional Submissions

The petitioner submits the following additional information, along with the replies to data gaps, pertaining to ARR and Tariff for FY 2019-20.

- Compliance to Directives of Hon’ble Commission as **Annexure-Q**
- Category-wise details of burnt DTRs as on 31^{st} March 2019 as **Annexure-R**
- Status of trippings on feeders as on 31^{st} March 2019 as **Annexure-S**
- Revised tariff schedule as **Annexure-M1**