

No. PFI/Prog/JSERC /2025/503

Dated: 2/01/2026

To,

**The Secretary**

Jharkhand State Electricity Regulatory Commission,  
1st Floor, Jharkhand State Housing Board (Old Head Quarter),  
Harmu Housing Colony Ranchi-834002

**Subject: PFI Comments: Jharkhand Bijli Vitran Nigam Limited (JBVNL) True Up Petition for FY 2024-25 & ARR Petition for FY 2026-27**

**Reference:** JSERC inviting Comments on True Up of FY 2024-25 & ARR Petition for FY 2026-27

Dear Sir,

Power Foundation of India (PFI) is a Policy Research and Advocacy entity and a registered society under the aegis of Ministry of Power, Government of India. PFI is supported by leading Central Power Sector Organizations to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and other concerned stakeholders.

With reference to above, PFI has analyzed the True Up Petition for FY 2024-25 & ARR Petition for FY 2026-27 filed by JBVNL before JSERC. Our comments/ suggestions on the said Tariff Petition are enclosed herewith for your consideration as *Annexure- I*. We would also like to orally submit our comments/ suggestions on the day of Public Hearing through video conference.

The comments have also been emailed to [secretary@jserc.org](mailto:secretary@jserc.org) & [info@jserc.org](mailto:info@jserc.org) .

*Warm Regards,*

**Encl:** Annexure – I

**Copy to:**

**1. The Hon'ble Chairperson**

Jharkhand State Electricity Regulatory Commission

**2. The Hon'ble Member**

Jharkhand State Electricity Regulatory Commission

Yours Sincerely,



Anshuman Srivastava  
(Executive Director, PFI)

**POWER FOUNDATION OF INDIA**

B-28, Qutab Institutional Area, New Delhi-110 016  
+91 11 -69650000, E mail: [info@powerfoundation.org.in](mailto:info@powerfoundation.org.in)  
Website: [www.powerfoundation.org.in](http://www.powerfoundation.org.in)

## ANNEXURE-I

### **PFI Comments/Suggestions: JBVNL True Up Petition for FY 2024-25**

#### **A. Sales and Revenue**

##### **A-1. High Distribution Loss**

- 1) PFI has noted that JBVNL has claimed 28.19% of Distribution Losses (Table 2.5 of Petition). This is much higher than the Distribution Loss of 13% as approved by Hon'ble JSERC in MYT Order dated 31/05/2023 for FY 2024-25.
- 2) Moreover, the Commission has reduced excess power purchase due to higher distribution loss in True-Up of FY 2023-24 as well. The relevant extract from the True-Up Order FY 2023-24 is as follows:

*“5.16 In continuation with the Regulatory provisions and having recognized the issue pertaining to significant Distribution losses, the Commission has approved the Distribution loss trajectory keeping in mind the actual loss trajectory, capex infusion done by the State Utility over the years amongst the prominent items.*

*5.17 Subsequently, the Commission vide Order dated May 31, 2023 has approved the Distribution loss trajectory for each year of the Control period FY 2021-22 to FY 2025-26. The relevant extracts of the MYT Order are reproduced below:*

*“7.13 The Commission has observed that in 2nd MYT Control Period the distribution loss target for FY 2020-21 was 13%. Therefore, considering the prevailing scenario of the DISCOMs. The Commission has approved the distribution loss target of 13% on overall sales for each year of the Control Period. Further, the Petitioner shall be allowed to operate within distribution loss of 13% on overall sales for the Control Period without any incentive/penalty”.*

*5.18 In view of the aforesaid extract, it is observed that not abiding by the trajectory defined by the Commission and factoring into consideration the deviation in the retail ARR by the Licensee is disdainful. Further, the Commission on several occasion has directed the Petitioner to take appropriate action to decrease the distribution loss in line with the trajectory made by the commission. Till date, there is no responsive action taken by the Petitioner to curb the said issue.”*

3) Accordingly, PFI requests the Hon'ble Commission to consider the normative distribution loss of 13%.

#### A-2. Intra-state Transmission Losses

4) PFI has noted that JBVNL has claimed Intra-state transmission losses at STU Network & DVC network as 7.99% & 4.30% respectively. As per past practice, the Commission has restricted these losses to 2.23% & 2.96% respectively, as approved in past Tariff Orders. The relevant extract from the True-Up Order FY 2023-24 is as follows:

*“5.19 It has been observed that the Petitioner has claimed Intra-State Transmission Losses of 6.41% for FY 2023-24 in the JUSNL system, which is significantly higher than the approved transmission loss of 2.23% as per the Tariff Order dated September 30, 2024. In this regard, the Petitioner is directed to submit a joint reconciliation statement with JUSNL, duly certifying the Intra-State Transmission Loss at the time of the tariff filing. Furthermore, in response to the data gap, the Petitioner has clarified that the Intra-State Transmission Loss was calculated by subtracting the energy input from the JUSNL system to the distribution system at the 33 kV feeder level from the total energy available at the JUSNL transmission system.*

*5.20 The Commission observes that the Petitioner, for the first time in the present petition, has claimed a transmission loss of 5.33% for FY 2023-24 in the DVC system. In this context, the Commission had directed the Petitioner to submit a detailed and appropriate justification for the consideration of the same. However, the justification provided in response was found to be inadequate. Subsequently, through the second data gap communication, the Commission once again directed the Petitioner to furnish a proper and satisfactory justification. Despite this, the Petitioner failed to provide a convincing explanation to the satisfaction of the Commission. Nevertheless, the Commission is of the considered view that the transmission loss pertaining to the DVC system is a legitimate and recognized parameter, which was also taken into account by the Commission while determining the Annual Performance Review (APR) of DVC. Accordingly, the Commission, in the present Order, has considered the transmission loss at 2.96% for FY 2023-24, in line with the APR Order of DVC dated September 30, 2024.”*

5) Accordingly, PFI requests the Hon'ble Commission to consider the intra-state transmission loss of 2.23% for STU network and 2.96% for DVC network.

## B. Energy Balance

6) In view of higher distribution loss and intra-state transmission loss, PFI has recomputed the Energy Balance for JBVNL, as follows:

Particulars	UoM	Claimed by JBVNL	Proposed by PFI	Difference
Energy Sales	MU	11106	11106	0
Distribution Loss	%	28.19%	13.00%	(15.19%)
Requirement at DISCOM Periphery	MU	15,465	12,765	(2,700)
Direct Input Energy from State Solar (A)	MU	17	17	0
Direct Input Energy from DVC	MU	3,799	3,799	0
Intra-State Transmission Losses of DVC	%	4.30%	3.00%	(1.30%)
Energy Scheduled from DVC (B)	MU	3,970	3,917	(53)
Adjusted Requirement at DISCOM Periphery	MU	11,649	8,949	(2,700)
Intra-State Transmission Losses of STU	%	7.99%	2.23%	(5.76%)
Requirement at State Periphery	MU	12,660	9,153	(3,508)
Private Genco Input directly at STU (C)	MU	391	391	0
Adjusted Requirement at State Periphery	MU	12,269	8,762	(3,508)
Inter-State Transmission Losses	%	3%	3%	0
Energy Requirement at CTU (D)	MU	12,649	9,033	(3,616)
UI & Short-Term	MU	(37)	0	37
<b>Total Power Purchase (A+B+C+D)</b>	<b>MU</b>	<b>16,991</b>	<b>13,358</b>	<b>(3,633)</b>

## C. Power Purchase Cost

### C-1. Merit Order Despatch adherence

- 7) JBVNL has claimed that they have adhered Merit Order Despatch (MoD) while procuring power subject to must run profile, technical minimum and market availability to meet the increasing demand.
- 1) PFI observes that JBVNL has not submitted monthly reports certified by SLDC that Merit Order Despatch principle has been followed in true spirit while scheduling the Power from various Generating Stations. Therefore, it is requested to Hon'ble Commission to direct JBVNL to submit the details along with certification from Jharkhand SLDC that MoD has been followed in true letter and spirit.

### C-2. Power Purchase Cost over normative Distribution Loss & Transmission loss

- 8) As mentioned above, JBVNL has procured 3,633 MU excess power, which should not be passed on to the consumers of Jharkhand. Therefore, PFI has computed the excessive Power Purchase w.r.t. excess quatum by removing/reducing power procurement from costly power plants (based on Energy Charge Rate).

Particulars	Quantum (MU)	Cost (Rs. Cr.)	Avg. Rate (Rs./kWh)
Total Energy Purchased by DISCOM	16,991	8,407	4.95
<i>Less: Short-Term Purchase</i>	1,042	784	7.52
<i>Less: Kanti Power</i>	112	73	6.48
<i>Less: Barh-I</i>	500	278	5.56
<i>Less: Inland Power Ltd.</i>	391	211	5.41
<i>Less: Khalagaon II</i>	129	69	5.36
<i>Less: DVC</i>	1,459	721	4.94
<b><i>Total removed from claimed Power Purchase</i></b>	<b>3,633</b>	<b>2,135</b>	

- 9) **Accordingly**, PFI requests the Hon'ble Commission to reduce the Power Purchase Cost by Rs. 2,135 Cr. from the claimed Power Purchase Cost of Rs. 7,828 Cr. by JBVNL. **The inefficiency of JBVNL & STU should not be socialized to the**

**consumers of Jharkhand and the reduction in Power purchase Cost may be borne by the Government of Jharkhand in the form of Subsidy. The above working is as per methodology specified by Hon'ble JSERC in earlier True-Up Orders, latest being FY 2023-24.**

### C-3. Late Payment Surcharge (LPSC)

10) JBVNL has submitted a sum of Rs. 15.66 Cr. as part of the Late Payment Surcharge (LPSC) for FY 2024-25 (Table: 2.2 of the Petition).

Particulars	LPSC (Rs. Cr.)
NTPC	15.25
NHPC	0.41
<b>Total</b>	<b>15.66</b>

11) JBVNL is defaulting on payment timelines to the Generating Companies for which LPSC are levied. PFI submits that LPSC paid to the Generating Stations is not allowed by the Commission in the previous Tariff Orders. In this regard, relevant extract of the Tariff Order dtd. 30/04/2025 is as follows:

*“Furthermore, the Commission has noted that the Petitioners have included LPS (LPSC plus Surcharge) related to Generating station as components of their power purchase cost for FY 2023-24. However, the Commission is of the opinion that the Petitioners have been adequately provided with working capital to cover expenses related to power purchase costs and other associated components. Accordingly, the Commission disallow the expense under the Late Payment Surcharge for Power purchase from various utilities.”*

12) In this regard, PFI further submits that other State Electricity Regulatory Commissions like that of Maharashtra (MERC) and Bihar (BERC) have specified Regulatory provisions for not allowing LPSC as a part of Power Purchase Cost. Relevant extract of the Regulations is as follows:

**Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019**

37.4 Such Delayed Payment Charge paid or payable by the Distribution Licensee to the Generating Company or the Transmission Licensee shall not be allowed as an expense for such Distribution Licensee.

**Bihar Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2024:**

(12) "**Expenditure**" means reasonable and prudently required expenditure incurred on the following:

a) Purchase of energy less rebate availed/to be availed and excluding late payment surcharge;

13) **In view of above, PFI requests the Hon'ble Commission that LPSC of Rs. 15.66 Cr. in Power Purchase Cost of FY 2024-25 should not be passed on to the consumers and may be borne by Govt. of Jharkhand in the form of Subsidy.**

Particulars	Claimed by JBVNL	Proposed by PFI	Difference
Power Purchase Cost over normative Distribution Loss & InSTS Loss	7,828	5,677	(2,151)

14) **Accordingly, PFI requests the Hon'ble Commission to not pass Rs. 2,151 Cr. (Rs. 2,135 on account of higher DL & InSTS Losses + Rs. 16 Cr. LPSC) of power purchase cost to the consumers and the same may be borne by Govt. of Jharkhand in the form of Subsidy.**

**D. Interest on Consumer Security Deposit**

15) PFI notes that JBVNL has not been discharging Interest on Consumer Security Deposit to the consumers timely.

16) There is a huge gap between the Interest on Consumer Security Deposit payable and the amount that is actually discharged.

(Rs. Cr.)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Interest payable on CSD as per Audited Accounts	498	623	764
Actual CSD interest credited / adjusted during the year	50	26	43

17) Despite crediting only Rs. 42.55 Cr. to consumer ledgers in FY 2024-25 JBVNL is claiming Rs. 151 Cr. of Interest on Consumer Security Deposit.

18) In past True-Up Orders the Commission has restricted the Interest on CSD as per actual discharge. Relevant extract from True-Up Order FY 2023-24 is as follows.

*“5.99 On scrutinizing and analyzing the annual audited accounts of FY 2023-24, the Commission has observed that JBVNL is not discharging Interest on Consumer Security Deposit to the consumers. The consumer’s security deposit details are provided at ‘**Note 16**’ of the Audited Financial Statements. The interest payable on Consumer Security Deposit as on 31.03.2024 is Rs. 622.88 Crores and that as on 31.03.2023 is Rs. 540.58 Crores. Further, the addition to Interest accrued on Security Deposit during the FY 2023-24 is Rs. 108.08 Crores (ref ‘**Note 29**’ of the Audited Accounts).*

*5.100 However, this is observed that as per ‘**Note 16**’ (point ii) of the audited account the Petitioner has only adjusted/credited interest of 25.78 Cr. to the consumer ledgers during the year FY 2023-24. “*

19) **In view of above, PFI requests Hon’ble Commission to allow only Rs. 43 Cr of Interest on Consumer Security Deposit while Truing Up FY 2024-25. Remaining claim of Rs. 108 Cr. may be borne by the Government of Jharkhand in the form of Subsidy.**

Particulars	Claimed by JBVNL	Proposed by PFI	Difference
Interest on Consumer Security Deposit	151	43	(108)

## E. Depreciation

20) JBVNL in True Up Petition for FY 2024-25, submits that it has considered Rs. 450.33 Cr. as depreciation cost using Opening GFA as per audited accounts. PFI observes that JBVNL has erred in computing Depreciation. JBVNL has not considered the opening GFA for FY 2024-25 same as approved by Hon'ble Commission as closing for FY 2023-24 (in True-Up).

21) PFI has reworked the Depreciation as per the Regulatory principles considering opening GFA for FY 2024-25 same as approved by Hon'ble Commission in True-Up of FY 2023-24 as closing GFA for FY 2023-24, as tabulated below:

Particulars	FY 2024-25	
	Claimed by JBVNL	PFI Working
Opening GFA (Less CCG) (Rs. Cr.)	9946.14	9380.77
Closing GFA (Less CCG) (Rs. Cr.)	10578.40	10578.40
Average GFA excluding CCG (Rs. Cr.)	10262.27	9979.59
Depreciation Rate (%)	4.39%	4.39%
<b>Depreciation Expenses (Rs. Cr.)</b>	<b>450.33</b>	<b>438.10</b>
<b>Total removed from Depreciation (Rs. Cr.)</b>		<b>12.23</b>

22) **In view of above, PFI requests the Hon'ble Commission to allow Depreciation as per the Regulatory principles adopted by Hon'ble Commission. So, Rs. 438 Cr. may be allowed by the Hon'ble Commission as against Rs. 450 Cr. claimed by JBVNL, the gap of Rs. 12 Cr. may be borne by the Government of Jharkhand in the form of Subsidy.**

Particulars	Claimed by JBVNL	Proposed by PFI	Difference
Depreciation	450	438	(12)

## F. Non-Tariff Income

23) JBVNL has considered Rs. 412.68 Cr. as Non-Tariff income for True Up Petition for FY 2024-25, which includes Rs. 333.99 Cr. as Wheeling Charges / Fuel

surcharge/outside sale. Moreover, JBVNL has adjusted the Delayed Payment Surcharge received of Rs. 391.54 Cr. with Rs. 381.75 Cr of Interest on receivables against Delayed Payment Surcharge.

24) However as per regulatory provisions, Wheeling Charges / Fuel surcharge/ outside sale & Interest on Receivables against Delayed Payment Surcharge shall not be the part of NTI. Relevant section of the JSERC Distribution Tariff Regulations, 2020 are as follows.

**10.54 The Non-Tariff Income shall include:**

- a) *Income from rent of land or buildings;*
- b) *Income from sale of scrap;*
- c) *Income from investments;*
- d) *Interest accrued on advances to suppliers/contractors;*
- e) *Interest income on loans/advances to employees;*
- f) *Income from rental of staff quarters;*
- g) *Income by rental from contractors;*
- h) *Income by hire charges from contractors and others;*
- i) *Income from delayed payment surcharge, supervision charges, etc.;*
- j) *Supervision charges for capital works;*
- k) *Income from recovery against theft and/or pilferage of electricity;*
- l) *Income from advertisements;*
- m) *Income from sale of tender documents;*
- n) *Profit from sale of Assets (i.e. difference of Sale value and Book value of Asset);*
- o) *Any other Non-Tariff Income:*

*Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Licensee shall not be included in Non-Tariff Income.*

*Provided that the onus to substantiate, to the satisfaction of the Commission, that such investments have been out of Return on Equity shall be on the Licensee.*

25) In past True-Up Orders also the Commission has removed Wheeling Charges / Fuel surcharge/outside sale & Receivables against DPS from Non-Tariff Income. Relevant extract from the True-Up Order for FY 2023-24 is as follows.

“5.122 The Commission does not consider the revenue from sale of wheeling charge/ fuel surcharge/ outside sale under Non-Tariff Income as the same has already been considered in the power purchase part of this order.

5.123 The Commission is of the opinion that there is no provision in JSERC (Terms & Condition of Determination Distribution Tariff) Regulations 2020 with respect to approval of financing cost for corresponding receivables under clause 10.53 & clause 10.54.

5.124 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulations 2020 and amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities. Hence, the Commission does not approve the financing cost for corresponding receivables.”

26) Based on above, PFI has reworked the Non-Tariff Income as follows:

(Rs. Cr.)

Particulars	FY 2024-25	
	Claimed by JBVNL	Proposed by PFI
Interest Income from Investment in Fixed Deposits	17	17
D.P.S from Consumer	392	392
Interest from Bank (Other than FD)	12	12
Supervision Charges	11	11
Miscellaneous Receipt	22	22
Transformer Rent	7	7
Wheeling Charges / Fuel surcharge/outside sale	334	0
<b>Total NTI (A)</b>	<b>794</b>	<b>460</b>
Corresponding Receivables against DPS	3263	0
Interest rate for Receivable's financing	11.70%	-
<b>Interest on Receivables against DPS (B)</b>	<b>382</b>	<b>0</b>
<b>Net NTI to be considered (A-B)</b>	<b>413</b>	<b>460</b>

27) In view of above, PFI requests **the Hon'ble Commission to consider Rs. 460 Cr. as Non-Tariff income for FY 2024-25. The said claims of Rs. 47 Cr. may be borne by the Government of Jharkhand in the form of Subsidy.**

Particulars	Claimed by JBVNL	Proposed by PFI	Difference
Non-Tariff Income	413	460	48

## G. SUMMARY

28) As stipulated in above Sections, summary of PFI comments on True Up FY 2024-25 of JBVNL is as follows, Hon'ble Commission is requested to kindly consider the same.

*Summary of True Up for FY 2024-25 for JBVNL (Rs. Cr.)*

Sr. No.	Particulars	Claimed by JBVNL	Proposed by PFI	Difference
1	Sales	11,106	11,106	0
2	Distribution Loss			
2a	<b>Less:</b> Distribution Loss not in line with the Commission trajectory	28.19%	13.00%	(15.19%)
3	Transmission Loss			
3a	<b>Less:</b> Intra-state Transmission Loss for STU network	7.99%	2.23%	(5.76%)
3b	<b>Less:</b> Intra-state Transmission Loss for DVC network	4.30%	2.96%	(1.34%)
4	Power Purchase Cost	7,828	5,677	(2,151)
4a	<b>Less:</b> LPSC paid to GENCOs		16	
4b	<b>Less:</b> Power Purchase Cost over normative Distribution Loss		2,135	
5	Transmission Charges	898	898	0
6	Operation & Maintenance (O&M) Expenses (7a+7b+7c)	980	980	0
6a	<i>Employee Expenses</i>	407	407	0
6b	<i>Administrative &amp; General (A&amp;G) Expenses</i>	120	120	0
6c	<i>Repair &amp; Maintenance (R&amp;M) Expenses</i>	453	453	0
7	Return on Equity (RoE)	446	446	0
8	Interest on Loan	380	380	0
9	Interest on Consumer Security Deposit	151	43	(108)
10	Depreciation	450	438	(12)
11	Others	4	4	0
12	<b>Aggregate Revenue Requirement (ARR)</b>	<b>11,138</b>	<b>8,867</b>	<b>(2,271)</b>
13	<b>Less:</b> Non-Tariff Income	413	460	48
14	<b>Net ARR</b>	<b>10,725</b>	<b>8,407</b>	<b>(2,319)</b>
15	Revenue from Sale of Power	7,998	7,998	-
16	<b>Revenue (Gap)/Surplus</b>	<b>(2,727)</b>	<b>(408)</b>	<b>2,319</b>

29) In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers of Jharkhand and socialised, rather it should be borne by Govt. of Jharkhand in the form of subsidy. **Accordingly, the revised subsidy is of Rs. 5,691 Cr. (3372+2319) instead of booked subsidy of Rs. 3,372 Cr. for FY 2024-25 which should be paid by Govt. of Jharkhand to JBVNL.**

**PFI Comments/Suggestions: JBVNL ARR Petition FY 2026-27**

**H. Sales and Revenue Projection**

**H-1. Distribution Loss & Transmission Loss**

30) It is observed that JBVNL has proposed very high AT&C Losses 26.43% for FY 2026-27. Ministry of Power has launched the flagship Revamped Distribution Sector Scheme (RDSS) to support DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to DISCOMs to strengthen their supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks.

31) Under the scheme guidelines, AT&C loss is one of the key parameters for the purpose of evaluation and grants disbursal under the scheme. The Total sanctioned funds under RDSS for JBVNL is Rs. 4,200 Cr. out of which total Gross Budgetary Support sanctioned is Rs. 2,087 Cr. *(Source: RDSS portal)*.

AT&C Loss Targets approved under RDSS				
DISCOM	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
JBVNL	36%	30%	24%	19%

32) As per the Audited Accounts of JBVNL, AT&C Losses for FY 2024-25 are 14.20%. Relevant extract from the Audited Accounts of FY 2024-25 is as follows.

iv. AT&C Loss for F.Y 2024-25

Computation of AT&C Loss for the F.Y 2024-25 on the basis of the new guideline from CEA

Sl No.	Particulars	Formula	Figures in lakh (Annual)
A	Net Gross Energy Purchased (KWH)		1,69,990.33
B	Transmission Losses (KWH)		15,239.53
C	Transmission Losses %		8.97%
D	Net Input Energy (KWH)		1,54,663.73
E	Total Units Sold (KWH)		1,11,056.57
F	Total Revenue from Sale of Energy including subsidy booked- ₹337230.18 Lakh (INR)		7,99,829.27
G	Adjusted Revenue - (Adjustment of Revenue Grant-NIL, Subsidy booked for the year ₹337230.18 Lakh, Subsidy received during the year ₹337230.18 Lakh) (INR) (Refer Note 1 below)		7,99,829.27
H	Opening Debtor for Sale of Energy <sup>2</sup> - (INR)		6,60,294.96
i)	Closing Debtor for Sale of Energy <sup>3</sup> - (INR)		6,85,387.48
ii)	Any write off - (INR) <sup>3</sup>		(1,81,000.00)
I	Adjusted Closing Debtor - (INR)	(i + ii )	5,04,387.48
J	Collection Efficiency (%) <sup>1</sup>	(G+H-I)/F	119.49%
K	Units Realised (KWH)	(E-J)	1,32,704.38
L	Units Unrealised (KWH) <sup>3</sup>	D-K	21,959.35
M	AT & C Loss (%) <sup>3</sup>	L/D	14.20%

33) Despite FY 2024-25 AT&C Loss target of 19% under RDSS & actual achievement of 14.20% in FY 2024-25 as per Audited Accounts, JBVNL has proposed 26.34% of AT&C Losses for FY 2026-27. Proposed AT&C loss trajectory as per the Petition is as follows.

**Table 21: Targets AT&C Losses, Collection Efficiency and Billing Efficiency**

Parameters	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
<b>Distribution Losses</b>	25.60%	21.15%	19.34%	17.24%	14.97%
<b>Billing Efficiency</b>	74.40%	78.85%	80.66%	82.76%	85.03%
<b>Collection Efficiency</b>	99.00%	99.00%	99.00%	99.00%	99.00%
<b>AT&amp;C Losses</b>	26.34%	21.94%	20.15%	18.07%	15.82%

34) **PFI requests Hon'ble JSERC to approve AT&C Losses for FY 2026-27 less than or equal to 14.20% aligned with the past AT&C Losses achieved by DISCOM.**

35) Further, JBVNL has persistently not been able to meet the Distribution Loss target set by Hon'ble JSERC.

Distribution Loss	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>Claimed</b>	31.26%	28.19%	27.23%	25.60%
<b>Approved</b>	13.00%	13.00%	13.00%	-

36) Further, JBVNL has projected inter-state Transmission Loss as actuals of FY 2024-25 i.e., 7.99% at STU network and 4.30% at DVC network. As per past practice, the Commission has restricted these losses to 2.23% & 2.96% respectively, as approved in past Tariff Orders. Accordingly, PFI requests the Hon'ble Commission to consider the intra-state transmission loss of 2.23% for STU network and 2.96% for DVC network.

37) Power Purchase Quantum corresponding to higher Distribution Loss and Intra-state Transmission Loss than the target approved by the Commission should not be

allowed to pass on to the consumers. This inefficiency of the DISCOM cannot be socialized to the consumers of Jharkhand.

Particulars	Claimed by JBVNL	Proposed by PFI	Difference
Distribution Loss	25.60%	13.00%	(12.60%)
Intra-State Transmission Loss at STU Network	7.99%	2.23%	(5.76%)
Intra-State Transmission Loss at DVC Network	4.30%	3.00%	(1.30%)

## H-2. Energy Balance

38) In view of above, PFI has recomputed the Energy Balance keeping the Distribution loss and intra-state Transmission Loss as proposed in above paras for FY 2026-27. Thus, PFI requests the Hon'ble Commission to consider the same.

Particulars	UoM	FY 2026-27 ARR Petition	PFI Working
Energy Sales	MU	12453	12453
<b>Distribution Loss</b>	<b>%</b>	<b>25.60%</b>	<b>13.00%</b>
Requirement at DISCOM Periphery	MU	16738	14314
Direct Input Energy from State Solar (A)	MU	15	15
Direct Input Energy from DVC	MU	3634	3634
Intra-State Transmission Losses of DVC	%	4.30%	3.00%
Energy Scheduled from DVC (B)	MU	3798	3747
Adjusted Requirement at DISCOM Periphery	MU	13088	10664
Intra-State Transmission Losses of STU	%	7.99%	2.23%
Requirement at State Periphery	MU	14225	10907
Private Genco Input directly at STU (C)	MU	414	414
Adjusted Requirement at State Periphery	MU	13811	10493
Inter-State Transmission Losses	%	3.00%	3.00%
Energy Requirement at CTU (D)	MU	14238	10818
<b>Total Power Purchase (A+B+C+D)</b>	<b>MU</b>	<b>18465</b>	<b>14994</b>

## I. Power Purchase Cost

### I-1. Power Purchase Cost due to excess Losses

39) PFI has recomputed the energy balance for JBVNL as per Hon'ble Commission trajectory for Intra-state Transmission Loss and Distribution Loss, which resulted in excess Power Procurement of 3,471 MU. Accordingly, PFI has computed the corresponding Power Purchase cost for these 3,471 MU considering removal of the costliest plants in descending order.

Particulars	Quantum (MU)	Cost (Rs. Cr.)	Avg. Rate (Rs./kWh)
Total Energy Purchased by DISCOM	18,465	8,708	4.72
<i>Less: Patratu Unit I</i>	2,887	1,721	5.96
<i>Less: Patratu Unit II</i>	584	348	5.96
<b>Total removed from claimed Power Purchase</b>	<b>3,471</b>	<b>2,069</b>	

40) **PFI requests Hon'ble JSERC to reduce Power Purchase Cost by Rs. 2069 Cr. on account of Higher Distribution Losses & Intra-state Transmission Loss. The additional Power Purchase cost corresponding to higher distribution loss, as claimed by DISCOM, should be borne by Govt. of Jharkhand in the form of subsidy.**

### I-2. Power Purchase Cost without considering escalation

41) It is pertinent to note that JBVNL has not provided the break-up of Total Power Purchase Cost into Fixed Cost & Variable Cost while projecting the Power Purchase Cost for FY 2026-27. Thus, the **Petition is incomplete, and Hon'ble JSERC should direct JBVNL to provide this break-up during the Prudence check sessions.** Without the Variable Cost it is not possible to ascertain if the Merit Order Principle is being followed.

42) Further, JBVNL has considered an escalation of 5% on per unit charges of Generating Stations over FY 2025-26 to project the per unit charges for FY 2026-27.

43) It is submitted that the Central Government, vide MOF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025, has increased the GST rate on coal from 5%

to 18%; and vide Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025, has abolished the Compensation Cess of Rs. 400/MT, with effect from 22/09/2025. The abolition of the Compensation Cess and the increase in the GST rate on coal have impact on the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Act, except in case of the generating companies having captive coal mines.

- 44) It is expected that rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators. Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden, with coal grades G6 to G17 seeing decreases in the range of Rs. 13.40 per tonne to Rs. 329.61 per tonne. For the power sector, the average reduction is estimated to be around Rs. 260 per tonne, translating into a cut of 17–18 paise per kWh in the cost of generation.
- 45) Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading in Tariff, due to increased Power Purchase Cost, for the consumers of Jharkhand.
- 46) In view of above, PFI request to the Hon'ble Commission to consider ECR for FY 2026-27 as submitted by JBVNL for FY 2025-26 without any escalation. Further, with respect to increase in Fixed Charge, PFI request to the Hon'ble Commission to consider the actual Fixed Charge payment considered by JBVNL for FY 2025-26 based on the actual fixed charges payment to the plants in the first 6 months of FY 2025-26.
- 47) Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase & Transmission cost through automatic route.

48) In the absence of Fixed Cost & Energy Charge Rate for FY 2025-26, PFI has computed the Power Purchase Cost for FY 2026-27 considering the lower of per unit rate of FY 2024-25 actuals without any escalation & the per unit rate of FY 2026-27 as projected by JBVNL. Power Purchase Cost for the new plants – Patratu Unit I & II and Getalsud Floating Solar has been considered the same as claimed by JBVNL.

Sr. No.	Name of Generating Stations	Per Unit PPC as claimed for FY 2026-27 (Rs./kWh) [A]	Lower of Per Unit PPC between FY 2024-25 actuals & FY 2026-27 claimed (Rs./kWh) [B]	Power Purchase Quantum FY 2026-27 (MU) [C]	Power Purchase Cost to be reduced FY 2026-27 (Rs. Cr.) [D]=[B-A]*[C/10]
1	NTPC	Farrakka I &II	4.19	4.19	489
		Farrakka III	4.87	4.77	50
		Khalagaon I	3.99	3.99	75
		Talcher	2.70	1.91	447
		Khalagaon II	5.72	3.66	42
		Barh I	5.89	5.56	353
		Barh II	5.92	4.66	84
		Darlipalli I	3.25	2.96	1128
		N. Karnpura	4.10	3.76	1850
		Kanti Power	5.71	5.71	66
2	NHPC	Nabinagar	5.14	4.87	139
		Rangit	3.97	3.97	38
3	PTC	Teesta V	0.00	0.00	0
		Chukha	0.00	0.00	0
		Tala	2.38	2.27	315
		Kurichu	0.00	0.00	0
4	DVC	Mangdechhu	4.84	4.48	42
		KTPS	5.43	4.96	3797
5	TVNL	TTPS, Tenughat	5.07	3.84	1720
		Unit I	3.62	3.62	387
6	APNR	Unit II	3.64	3.64	387
					0

Sr. No.	Name of Generating Stations		Per Unit PPC as claimed for FY 2026-27 (Rs./kWh) [A]	Lower of Per Unit PPC between FY 2024-25 actuals & FY 2026-27 claimed (Rs./kWh) [B]	Power Purchase Quantum FY 2026-27 (MU) [C]	Power Purchase Cost to be reduced FY 2026-27 (Rs. Cr.) [D]=[B-A]*[C/10]
		66 MW	3.78	3.67	297	(3)
7	SOLAR	SECI (Tranche-I)	2.71	2.69	1039	(3)
		SECI (MNRE-II)	6.13	6.12	15	0
		State IPPs (MNRE-I)	17.97	17.95	15	0
		Floating Solar	3.52	3.52	166	0
	Wind	PTC	3.53	3.53	601	0
8		SECI	2.72	2.72	273	0
9	Inland Power Ltd. (IPL)		5.33	5.33	258	0
<b>Total</b>						<b>(568)</b>

49) **Therefore, PFI requests Hon'ble JSERC to reduce Rs. 568 Cr. from the Power Purchase Cost projected by JBVNL for FY 2026-27. Any change in the Power Purchase Cost will be automatically passed through the Fuel and Power Purchase Adjustment Surcharge (FPPAS). The additional Power Purchase cost, as claimed by DISCOM, should be borne by Govt. of Jharkhand in the form of subsidy.**

### I-3. Transmission Charges Projection

50) PFI notes that JBVNL has also considered escalation of 4% on the Transmission Charges (Inter- State and Intra-State) of FY 2025-26 for projecting the Transmission Charges for FY 2026-27. It is submitted that Transmission Charges are part of the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS) & any change will be adequately recovered through this mechanism. Therefore, upfront loading on to the consumers through the proposed escalation of Transmission Charges is not prudent.

51) Keeping with the principles stated above, PFI requests the Hon'ble Commission to consider the same Transmission for FY 2026-27 as considered for FY 2024-25, without any escalation. Thus, recomputed Transmission and SLDC Charges are as follows:

(Rs. Cr.)

Particulars	Projected by JBVNL	Proposed by PFI
Interstate Transmission Charges	565	523
Intra-State Transmission Charges	525	375
<b>Total</b>	<b>1,090</b>	<b>898</b>

52) **As above, the savings from considering same Transmission Charges for FY 2026-27 as considered for FY 2024-25 without any escalation over the same is Rs 192 Cr. The additional Transmission Charges, as claimed by DISCOM, should be borne by Govt. of Jharkhand in the form of subsidy.**

#### J. TERMINAL BENEFITS

53) JBVNL has claimed Rs. 140.97 Cr. of Terminal Liability in the ARR of FY 2026-27. According to the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 costs related to Terminal Liabilities can only be approved during the True-Up Exercise. Relevant extract from the said Regulations is provided below.

*“10.3 Operation and Maintenance (O&M) Expenses shall include:*

- a) Salaries, wages, pension contribution and other employee costs;*
- b) Administrative and General Expenses;*
- c) Repairs and Maintenance Expenses.*

.....

*Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies.”*

54) Further it is noted that while determining the ARR for FY 2025-26 Hon'ble JSERC had not allowed terminal Liability stating the same. **Therefore, PFI requests Hon'ble Commission not to approve any Terminal Liability Cost in the ARR of FY 2026-**

**27. The Terminal Benefits, as claimed by DISCOM, should be borne by Govt. of Jharkhand in the form of subsidy.**

**K. SUMMARY**

55) As stipulated in above Sections, summary of ARR for FY 2026-27 is as follows. Hon'ble JSERC is requested to kindly consider the same.

*Summary of ARR FY 2026-27 for JBVNL (Rs. Cr.)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>Claimed by DISCOM</b>	<b>Proposed by PFI</b>	<b>Difference</b>
1	Sales	12,453	12,453	0
2	Distribution Loss			
2a	<i><b>Less:</b> Distribution Loss not in line with the Commission trajectory</i>	25.60%	13.00%	(12.60%)
3	Transmission Loss			
3a	<i>Intra-state Transmission Loss at STU Network</i>	7.99%	2.23%	(5.76%)
3b	<i>Intra-state Transmission Loss at DVC Network</i>	4.30%	3%	(1.30%)
4	Power Purchase Cost	8,747	6,110	(2,637)
4a	<i><b>Less:</b> Power Purchase Cost against higher Distribution loss &amp; Intra-state Transmission Loss</i>		2,069	
4b	<i><b>Less:</b> Power Purchase cost considering escalation over FY 2025-26 (Impact of removal of Coal Cess)</i>		568	
5	Transmission Charges	1,090	898	(192)
5a	<i><b>Less:</b> Transmission charges considering escalation over FY 2025-26</i>		192	
6	Operation & Maintenance (O&M) Expenses (6a+6b+6c)	1,091	1,104	13
6a	<i>Employee Expenses</i>	438	297	(141)
6a-i	<i><b>Less:</b> Terminal Benefits</i>		141	
6b	<i>Administrative &amp; General (A&amp;G) Expenses</i>	129	129	0
6c	<i>Repair &amp; Maintenance (R&amp;M) Expenses</i>	524	524	0
7	Return on Equity (RoE)	603	603	0
8	Interest on Loan	471	471	0
9	Interest on Working Capital	11	11	
10	Interest on Consumer Security Deposit	166	166	
11	Depreciation	563	563	0
12	Others	4	4	

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
<b>13</b>	<b>Aggregate Revenue Requirement (ARR)</b>	<b>12,747</b>	<b>9,777</b>	<b>(2,970)</b>
14	<b>Less:</b> Non-tariff Income	69	69	0
<b>15</b>	<b>Net ARR</b>	<b>12,678</b>	<b>10,414</b>	<b>(2,970)</b>
16	Revenue from Sale of Power	9,795	9,795	0
<b>17</b>	<b>Revenue (Gap)/Surplus</b>	<b>(2,883)</b>	<b>87</b>	<b>2,970</b>

56) Thus, Hon'ble JSERC is requested to reduce the ARR claimed for FY 2026-27 by Rs. 2,970 Cr. The elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers of Jharkhand and socialised, rather it should be borne by Govt. of Jharkhand in the form of subsidy of Rs. 2,970 Cr., on account of higher claims of JBVNL as tabulated above, over and above the subsidy decided by Govt. of Jharkhand for FY 2026-27.

#### L. TREATMENT OF TRUE-UP FY 2024-25 REVENUE GAP

57) JBVNL has calculated accumulated Revenue Gap till FY 2026-27 as Rs. 16,544 Cr. Relevant table from the Petition is as follows.

*Table 5. 1: Accumulated Revenue Gap upto FY 2026-27 (Rs. Crore)*

Particulars	True-Up FY 2024-25	APR for FY 2025-26	ARR for FY 2026-27
Opening Revenue Gap till FY 2024-25 (Rs. Cr.)	4991.67	8,718.88	12,078.69
Revenue Gap / (Surplus)(Rs. Cr.)	2963.35	2210.39	2883.41
Closing Gap at end of the Year (Rs. Cr.)	7955.02	10929.27	14962.10
Rate of Interest (%)	11.80%	11.70%	11.70%
Carrying Cost on Opening Balance (Rs. Cr.)	589.02	1,020.11	1,413.21
Carrying cost on Additional Gap (Rs. Cr.)	174.84	129.31	168.68
Total Gap including carrying cost (Rs. Cr.)	8,718.88	12,078.69	16,543.99

58) PFI observes that the Revenue Gap for APR of FY 2025-26 has been added while calculating the accumulated Revenue Gap. However, the figures for APR of FY 2025-26 are only provisional and based on H1 data. Any Revenue Gap for FY 2025-26

should be treated during the True-Up exercise of FY 2025-26 and it should not be loaded on to FY 2026-27.

59) Based on above, PFI has reworked the Revenue Gap till FY 2026-27.

(Rs. Cr.)

Particulars	True-Up FY 2024-25	FY 2025-26	ARR FY 2026-27
Opening Revenue Gap (Rs. Cr.)	(4992)	(6263)	(6996)
Revenue (Gap) / Surplus as calculated by PFI (Rs. Cr.)	(644)	-	87
Closing Gap at end of the Year (Rs. Cr.)	(5636)	(6263)	(6909)
Rate of Interest (%)	11.80%	11.70%	11.70%
Carrying Cost on Opening Balance (Rs. Cr.)	(589)	(733)	(818)
Carrying cost on Additional Gap (Rs. Cr.)	(38)	0	5
Closing Gap with Carrying Cost	(6263)	(6996)	(7723)

60) Moreover, JBVNL has claimed exorbitantly high Tariff Hike of 59% to bridge the revenue gap arising in FY 2026-27. Such huge Tariff Hike will result in Tariff shock for consumers at large. In this regard it is important to note that, the Supreme Court judgement dated 28/10/2025 has directed liquidation of Regulatory Assets in seven years.

***“(v) The existing regulatory asset must be liquidated in a maximum of seven years as provided in Rule 23 of the Electricity (Amendment) Rules, 2024.”***

61) Thus, the Revenue Gap till FY 2026-27 should be spread out over a period of seven years to ensure that the consumers' interest remains protected. Therefore, out of Rs. 7,723 Cr. only Rs. 1,103 Cr. should be loaded on to FY 2026-27.

62) **PFI has recomputed the Tariff hike required in view of above shall be 11.36%.**

## M. ENERGY STORAGE

63) India's evolving energy storage policy framework underscores its commitment to enhancing grid flexibility and supporting renewable energy integration. Since 2019,

a robust regulatory ecosystem has been crafted to support energy storage deployment through national initiatives around technical standards, legal frameworks, transmission charges, Resource Adequacy (RA) planning, market mechanisms, and financial incentives, as well as state-level initiatives.

64) In a significant regulatory development, the MoP clarified Legal Status to ESS on January 29, 2022. The order identifies Energy Storage Systems (ESS) as an essential component of the power system under the Electricity Act of 2003, permitting ESS to function as a standalone or integrated element within generation, transmission, or distribution networks. The ESS can be operated by various entities, and standalone ESS projects can be licensed independently and granted connectivity under specific rules, encouraging broader ESS applications and ownership models.

65) The Waiver of Inter-State Transmission System (ISTS) Charges for solar, wind (onshore and offshore), and green hydrogen projects was mandated by the Ministry of Power (MoP) on November 23, 2021, with subsequent amendments in November 2021, December 2022, May 2023, June 2023 & June 2025. The relevant extract is as follows:

*“a) ISTS charges waiver for Hydro PSP Projects for which the construction work has been awarded on or before 30th June 2028 shall be 100%.*

*b) ISTS charges waiver for co-located Battery Energy Storage System (BESS) Projects commissioned on or before 30th June, 2028 shall be 100%, if the power from such BESS projects is consumed outside of the state, where such BESS project is commissioned.*

*Provided that a BESS project shall be considered as co-located, if the BESS and RE projects are connected at the same ISTS sub-station.*

*c) There will not be any ISTS charges waiver for Hydro PSP Projects, for which the construction work awarded after 30th June, 2028 and for co-located BESSs commissioned after 30th June, 2028.*

*d) For BESS projects which are not co-located, the ISTS charges waiver shall be as per the extant orders issued by the Ministry of Power and CERC Regulations.”*

66) The Central Electricity Authority (CEA) on 28/06/2023, has established RA planning guidelines at both national and state levels, an important step forward, and has recently come up with state-wise RA reports with up to 5-year or 10-year RA projections. The CEA Resource Adequacy guidelines also outline a framework for incorporating ESS in RA planning.

67) Recent national and state government policies have begun to lay a foundation that will support ESS deployment and its integration into RA planning and procurement, electricity markets, and system operations.

68) The CEA in its Report for Resource Adequacy Plan<sup>1</sup> for the State of Jharkhand for the period from FY 2024-25 to FY 2033-34 has identified that:

- As per the Resource Adequacy studies, the total projected contracted Capacity for the year 2033-34 is 13,366 MW which consists of 5798 MW from Coal, 372 MW from Hydro, 2819 MW from Solar, 2300 MW from Wind, **700 MW of Storage**, 1377 MW from DRE. The year-wise Storage capacity requirement is as follows:

Year	Storage (PSP/BESS) (MW)
	Additional Requirement
FY 2025-26	0
FY 2026-27	0
FY 2027-28	0
FY 2028-29	0
FY 2029-30	149
FY 2030-31	144
FY 2031-32	133
FY 2032-33	129
FY 2033-34	146
<b>Total</b>	<b>700</b>

69) Standalone and co-located ESS can play an important role in meeting RA requirements under India's emerging RA framework. Going forward, state-level RA frameworks need to be closely aligned with long-term planning and resource procurement processes to support cohesive implementation.

<sup>1</sup> [https://cea.nic.in/wp-content/uploads/resource\\_adequacy\\_st/2024/08/Report\\_on\\_Resource\\_Adequacy\\_Plan\\_for\\_Jharkhand\\_Upto\\_2033\\_34.pdf](https://cea.nic.in/wp-content/uploads/resource_adequacy_st/2024/08/Report_on_Resource_Adequacy_Plan_for_Jharkhand_Upto_2033_34.pdf)

70) In view of above, PFI submits that Energy Storage is an effective tool for Energy arbitrage for DISCOMs in optimization of their Power Purchase Cost. For instance, in BESS, Batteries can be charged in the off-peak hours and can be discharged in Peak hours, thus, avoiding reliance of DISCOMs on high-cost short term Power from markets or not scheduling the high-cost Power Plants. With steep reduction in Battery prices and active participation by various companies, JBVNL also needs to consider Energy Storage as part of their Power Procurement Planning in line with Resource Adequacy Planning formulated by CEA for Jharkhand.

**PRAYERS BEFORE HON'BLE JSERC FOR TRUE UP FY 2024-25 & ARR  
FY 2026-27 OF JBVNL:-**

- 1) To consider the comments / suggestions of Power Foundation of India (PFI) on True Up of FY 2024-25 & ARR Petition of FY 2026-27 for JBVNL.
- 2) To allow Distribution Losses, Intra-state Transmission Losses and DVC Network Losses for FY 2024-25 as per MYT Order.
- 3) To allow Interest on Consumer Security Deposit as per actual amount transferred to consumers.
- 4) To allow Depreciation & Non-Tariff Income calculated as per Regulatory Provisions.
- 5) The inefficiencies of JBVNL should not be allowed to be socialized to the consumers at large rather it should be borne by Government of Jharkhand by paying revised subsidy is of Rs. 5,691 Cr. instead of booked subsidy of Rs. 3,372 Cr. for FY 2024-25.
- 6) To allow Distribution Losses, Intra-state Transmission Losses and DVC Network Losses for FY 2026-27 as per normative losses for FY 2025-26.
- 7) To consider no escalation in the Energy Charge Rate & Fixed Cost of Generating Stations & Transmission Charges while determining the Power Purchase Cost for FY 2026-27.
- 8) To allow Terminal Liability cost only at the time of True-Up of FY 2026-27
- 9) To consider the additional submissions, if any, made by PFI for JBVNL ARR for FY 2026-27.

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