

**BEFORE THE HONOURABLE JHARKHAND STATE ELECTRICITY REGULATORY
COMMISSION**

File No. :
Case No.:

IN THE MATTER OF: PETITION FOR DETERMINATION OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2021-22 TO 2025-26 AND DETERMINATION OF TARIFF FOR FY 2021-22 FOR DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY FOR THE PART OF THE DAMODAR VALLEY AREA FALLING WITHIN THE TERRITORY OF THE STATE OF JHARKHAND.

AND

IN THE MATTER OF:

Damodar Valley Corporation
DVC Tower, VIP Road,
Kolkata-

- Petitioner

PETITION UNDER SECTIONS 62, 64 AND 86 OF THE ELECTRICITY ACT, 2003 READ WITH THE APPLICABLE PROVISIONS OF THE DAMODAR VALLEY CORPORATION ACT, 1948 AND RELEVANT REGULATIONS OF THIS HON'BLE COMMISSION AND THE CENTRAL ELECTRICITY REGULATORY COMMISSION.

MOST RESPECTFULLY SHOWETH:

1. Damodar Valley Corporation (hereinafter referred to as the 'DVC') is filing this petition for finalization of the revenue requirements and tariff admissible to DVC for the distribution and retail supply of electricity to the consumers and licensees serviced by DVC in the part of the Damodar Valley Area falling within the territory of the State of Jharkhand. The present Petition is filed for determination of Aggregate Revenue Requirement (hereinafter referred to as the 'ARR') of DVC for the period FYs 2021-22 to 2025-26 and Distribution Tariff of DVC for the period FY 2021-22 applicable in its Jharkhand command area in terms of 'Terms and Conditions for Determination of Distribution Tariff' Regulations, 2020 as notified by this Hon'ble Commission and the Electricity Act.

2. At the outset DVC wishes to place on record the special features and salient facts pertaining to Damodar Valley Corporation (DVC) in comparison to other licensees by reason of which the Tariff Regulations as generally proposed for other utilities cannot be applied as such to DVC and there are inherent requirements to adopt appropriate deviations for DVC. In the case of DVC, Damodar Valley Corporation Act, 1948 continues to apply and accordingly the special provisions of the said Act which are not inconsistent with the Electricity Act 2003 need to be given effect to. The tariff regulations notified under the Electricity Act, 2003 cannot override the special provisions of the DVC Act so far it is not inconsistent with the Electricity Act 2003. In the Order dated 23.11.2007 the Hon'ble Appellate Tribunal in Appeal No.271, 272, 273 etc. of 2006 has specifically decided the above aspect. Hon'ble Supreme Court in the judgment dtd. 23.07.2018 in Civil Appeal Nos. 971-973 of 2008, 4504-4508 of 2008, 4289 of 2008 etc. has also upheld the said judgment of Hon'ble Tribunal. Relevant portion of the orders dtd. 23.11.2007 and 23.07.2018 are attached herewith as **Annexure-1(colly.)**.
3. DVC submits that there are special facts and aspects concerning DVC and, therefore, DVC cannot be subjected to the same requirements in regard to the filing of revenue requirements and tariff proposals as in the case of other distribution licensees or deemed distribution licensees in the State of Jharkhand. While in the case of others, the distribution license is confined wholly within one state, in the case of DVC, the deemed distribution license covers the entire Damodar Valley area which falls in two contiguous States, namely, the State of West Bengal and the State of Jharkhand.
4. DVC is a statutory body with multifarious functions. In regard to the electricity, DVC undertakes generation of electricity and is therefore a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003. DVC undertakes transmission of electricity in the Damodar Valley which falls within the territorial limits of the two States, namely, West Bengal and Jharkhand. It, therefore, undertakes inter-state transmission of electricity and operates inter-

state transmission system within the meaning of Section 2 (36) of the Electricity Act, 2003.

5. DVC undertakes the retail sale and supply of electricity to the consumers and licensees located within its operational area and the same is covered by Section 62 (1)(d) of the Electricity Act, 2003. DVC supplies power to licensees viz. JBVNL, JUSCO, TATA Steel, Indian Railways etc. at some distinct points in consumer mode through its own T & D network. JBVNL has entered into an agreement with DVC for generator specific power supply under schedule mode. Such schedule mode of power supply has commenced from January 2019. However, at some points JBVNL has still been receiving power supply from DVC in the existing consumer mode. Licensees other than JBVNL in the state of Jharkhand have been continuing purchase of electricity from DVC in the existing consumer mode. This Hon'ble Commission determined tariff applicable for supply of electricity by DVC for Institutional Services in the last tariff order dtd. 30.09.2020. DVC has implemented the order in terms of the directions therein.
6. In addition to above DVC also undertakes sale of electricity to the licensees situated outside its operational area in its capacity generally as a generating company. This is bulk sale of electricity by a generating company to a distribution licensee within the meaning of Section 62 (1) (a) of the Electricity Act, 2003.
7. DVC, therefore, submits respectfully before this Hon'ble Commission for direction in the tariff order that the distribution tariff to be determined based on the present submission can be made applicable to the licensees also who receive electricity supply from DVC in consumer / radial mode through point-to-point wire connection in addition to the consumers.
8. DVC submits that DVC being a statutory body controlled by the Central Government as envisaged under Section 79 (1) (a) of the Electricity Act, 2003, the tariff for generation of electricity is to be decided by the Hon'ble Central Electricity Regulatory Commission (hereinafter referred to as CERC). Similarly, in regard to the inter-State transmission & distribution being an integrated

activity, DVC will again be regulated by CERC and tariff for composite and unified T & D system is to be determined by CERC in terms of Section 79 (1) (c) and (d) of the Electricity Act, 2003. In regard to retail sale and supply of electricity, DVC will be governed by the provisions of Section 62 read with Section 86 (1) of the Electricity Act, 2003 by the respective State Commissions, namely, the Hon'ble State Commissions in the State of Jharkhand and West Bengal. This Hon'ble Commission has already clarified the above position while passing tariff orders for DVC dated 22.11.2012 and 04.09.2014. Relevant portion of tariff orders passed by this Hon'ble Commission on 22.11.2012 and 04.09.2014 is attached herewith as **Annexure-2**.

9. Accordingly, the generation and transmission tariff of DVC as may be determined by CERC will be an input cost based on which the retail supply tariff is prepared.
10. DVC purchases electricity from the Central Sector Generating Units such as NTPC, NHPC etc. DVC also purchases electricity from other sources viz. Bhutan Hydro Power through PTC, MPL and Power Exchange to bridge the gap between demand and supply. Similarly, DVC avails the services of the Power Grid Corporation of India Limited for conveyance of electricity from the place of generation of NTPC, NHPC etc. through interstate transmission for delivery in the DVC Area. The tariff payable by DVC to Power Grid Corporation is also an input cost in addition to the cost of purchase of power in the determination of the distribution and retail supply of electricity in the Damodar Valley Area. The purchase cost and transmission cost so projected to be incurred by DVC will also become an input cost for the purpose of deciding on the retail supply tariff for sale and supply of electricity by DVC to consumers in the Damodar Valley area.
11. DVC has already submitted the petitions before the Hon'ble Central Electricity Regulatory Commission (CERC) for determination of the generation and transmission tariff for the tariff period 2019-24 in respect of all its power stations as well as composite T & D network. Hon'ble CERC is yet to issue regular tariff for the period 2019-24. The hearing of the said petitions are yet

to conclude. Copy of the relevant portion of the tariff petitions are attached herewith as **Annexure-3**.

10. DVC further submits that the present petition is being filed before this Hon'ble Commission based on the input cost as considered in the aforesaid tariff petitions submitted before CERC for the period FY 2021-22 to 2023-24. Input cost for FY 2024-25 & 2025-26, thereafter, have been considered on projection basis as per trend analysis in a justified manner. Tariff orders in respect of the said petitions for FY 2019-24 are yet to be issued by CERC. DVC craves leave to revise the ARR and applicable tariff for the consumers on receipt of the aforesaid tariff orders from CERC. Adjustment of ARR as per final determination of tariff by CERC for the tariff period 2019-24 will be done by DVC accordingly.
11. DVC is also filing the retail tariff petition in the same manner as explained above in order to maintain the identical tariff structure to the extent tariff regulations and tariff orders of the respective State Regulatory Commissions permit on projection basis which are subject to revision as per subsequent order(s) by the court of law.

Salient feature proposed:-

12. The present tariff petition for the years 2021-22 to 2025-26 has been prepared considering the above position of DVC and also in compliance with the relevant provision of applicable Regulations and their amendments as notified by this Hon'ble Commission from time to time.

Tariff philosophy, considered for the purpose of formulation and designing the tariff, is placed hereunder:

- (a) As mentioned above, DVC has been supplying pooled power to its consumers and licensees (receive power in radial/consumer mode) located within its operational area in both Jharkhand & West Bengal mostly from its own generating units. Balance demand is met by power purchased from Central

Sector Generating Stations (CSGS), MPL, PTC. In case of a contingency situation i.e. shortage of own generation or CSGS/MPL etc., DVC meets the real time demand by purchasing power from power exchanges. Projected firm sale to the consumers and licensees during the period of FYs 2021-22 to 2025-26 is commensurate with their respective existing contract demand and consumption profile at actuals and projected increase in demand with a CAGR of around 5% in the state of Jharkhand.

- (b) Hon'ble Commission has introduced the Time of Day (TOD) tariff of DVC for the first time vide order dtd 30.09.2020. As directed DVC has implemented the Tariff Order from the consumption month of Oct'2020. As on date the response of consumers for TOD tariff is bleak. Therefore DVC has proposed in the present petition two Tariff Rate based on two separate design model (1) Considering the entire projected sale under TOD structure and (2) Considering the entire proposed energy sale under Non-TOD structure. It is submitted that periods in respect of time of the day (TOD) is proposed to be same as that decided by this Hon'ble Commission in the DVC's tariff order dated 30.09.2020 i.e. Peak period from 06:00 hrs. to 10:00 hrs. & 18:00 hrs. to 22:00 hrs., Normal Period, from 10:00 hrs. to 18:00 hrs. and Off-Peak period from 22:00 hrs. to 06:00 hrs. of a day. Rate of Energy Charges in different TOD time zones have been proposed in line with that considered in the order dated 30.09.2020 i.e. rate during Peak Period is 120% and rate during Off-Peak period is 85% of that during Normal Period. In absence of adequate energy sale data in Jharkhand under the TOD-regime, energy sales for the Normal, Peak and Off-Peak periods for any particular consumer category have been projected in this MYT petition by bifurcating the total projected energy sales for the consumer category based on the number of hours of the Normal, Peak and Off-Peak periods. The actual energy sale break-up for Normal, Peak and Off-Peak periods will be duly submitted before this Hon'ble Commission at the time of truing-up. For Non - TOD Tariff Model single energy charge rate has been proposed on round the clock basis.

- (c) DVC's own Generation Cost has been considered based on the input cost as per the tariff petitions submitted before CERC for the period FY 2019-24. For the period FY 2024-25 & 2025-26 input costs have been projected based on trend analysis of the tariff as submitted before CERC for the period 2019-24 pending any notified tariff regulations of CERC for the said period. DVC therefore craves leave to revise the input cost of ARR related to own generation and T&D System on issuance of tariff order by the Central Commission for relevant periods.
- (d) The power purchase cost from different Central Sector Generating Station, MPL etc. have been considered on projection basis for the years 2021-24 period based on the tariff petitions submitted by them before CERC. For the period 2024-25 and 2025-26 the cost has been projected based on trend analysis. It is pertinent to submit here that DVC as of now has decided to surrender of the contracted capacity of 150 MW with effect from September 2021. Hence no power purchase has been proposed from MPL from FY 2022-23 onwards.
- (e) Renewable Purchase Obligations (RPO) of DVC for the entire MYT period in the State of Jharkhand has been considered in line with the presently applicable Regulations as notified by this Hon'ble Commission. It is also pertinent to mention here that, while issuing Tariff Order dtd 30.09.2020, Hon'ble JSERC has directed DVC to comply with all pending RPO compliance including RPO corresponding to Sales to other Licensees from FY 2016-17 onwards. Relevant portion of such directive is reproduced below,

“The Commission, observes that there should be no differentiation among consumers when it comes to RPO Compliance as the Licensee that purchases power from DVC partially pays for the RPO Compliance of the other Consumers of DVC as the same is in built in the Tariff. The Commission, therefore is of the view that in order to rectify this anomaly and in order to maintain consistency across all Discoms within the State of Jharkhand, the Commission directs the Petitioner to comply with all pending RPO compliance including RPO corresponding to Sales to other Licensees from FY 2016-17 onwards.”

Any REC Purchase on this regard shall be approved by the Commission on actuals in the upcoming years.”

In view of the above directive Solar and Non-solar RPO shortfall for FY 2016-17 to FY 2019-20 has been worked out and 5% of the same has been proposed to be fulfilled in FY 2020-21 as submitted by DVC before this Hon'ble Commission in the APR Petition for FY 2020-21. The balance 95% of the RPO shortfall for FY 2016-17 to FY 2019-20 is proposed to be fulfilled in the MYT period and is spread over the five years i.e. FY 2021-22 to FY 2025-26 in order to avoid tariff shock to the consumers and licensees. Because of its large quantum it is also very difficult for DVC to meet this shortfall in one year because of non-availability of REC at present and shortage of fund. DVC therefore humbly submits before this Hon'ble Commission to allow compliance towards RPO shortfall of past period as submitted herewith in the ARR for FY 2021-22 to 2025-26 so that additional fund can be generated through commensurate hike in tariff. Detail calculation of Renewable Purchase Obligation (RPO) for FY 2021-22 to 2025-26 including the fulfilment of shortfall of FY 2016-17 to 2019-20 is attached herewith as **Annexure-4**.

- (f) The projected firm sale of DVC for the entire command area has been apportioned to Jharkhand part and West Bengal part of the DVC based on the past trend and expected load growth in future. The consumption pattern in MU under different category and sub-category have been projected based on the actual load pattern for FY 2019-20.
- (g) Elements of generation tariff & charges towards T & D activities along with other elements of fixed charges and energy charge portion of ARR have been apportioned between the two states according to their respective energy consumption in MU during each year. This is as per the prevailing practice of apportionment of input cost adopted by both the state Commissions.

- (h) As adopted by this Hon'ble Commission DVC has proposed two part tariff with Demand Charge Rate in Rupees/KVA/Month and Energy Charge Rates in Rupees/KVAH.
- (i) The Load Factor (LF) rebate is proposed to be applicable above the LF of 65%. For increase in LF above 65% by an amount X% the LF rebate is proposed to be increased by the same X% on the total energy charges corresponding to energy consumption of the consumer subject to a maximum ceiling rebate of 15%. The above rebate is proposed to be available only on monthly basis and consumers / licensees with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts. This proposal is in line with that adopted by this Hon'ble Commission for FY 2020-21 in the tariff order dated 30.09.2020.
- (j) Rebate for consumption of electricity at higher voltage levels has been proposed in the tariff design in terms of the JSERC 'Electricity Supply Code' Regulations, 2015. Voltage Rebate is proposed to be applicable on both demand charge and energy charge. Rate of voltage rebate are proposed as under;

Consumer Category	Rate
HTS / HT Institutional Service - 33 kV	3.0%
HTS/ HT Institutional Service -132 kV	5.0%
HTS/ HT Institutional Service - 220 kV	5.5%
HTS/ HT Institutional Service - 400 kV	6.0%

The above rebate is proposed to be available only on monthly basis and consumer/licensee with arrears shall not be eligible for the above rebate. However, the applicable rebate is proposed to be allowed to consumers / licensees with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

- (k) Penal Demand Charge is proposed to be applicable in case the Recorded/Actual Demand exceeds 110% of the Contract Demand. In case the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand is proposed to be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand is proposed to be charged at 1.5 times the normal Tariff rate.
- In case Recorded Demand is higher than the Contract Demand by the quantum and for the duration as specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amendment from time to time, the Contract Demand shall be revised as per the procedure specified therein.
- (l) Due date for making payment of energy bills or other charges is proposed to be 21 days after issue date of the bill. A rebate of 1.00% is proposed on the billed amount excluding meter rent, taxes, duties, levies and arrears (not being the arrears due to revision of tariff) if the payment of the entire billed amount is made within the due date for payment either through online or any digital mode or through cash. Further, additional 1.00% rebate is proposed to be allowed if the bills are paid in full within the due date through online web portal or any digital methods. As such, if the entire billed amount is paid within the due date through online web portal or any digital mode, the consumer shall be entitled to 2.00% rebate on the total billed amount excluding meter rent, taxes, duties, levies and arrears (not being the arrears due to revision of tariff). No rebate is proposed to be allowed for payment after due date irrespective of the mode of payment.
- (m) Schedule of Miscellaneous Charges have been proposed in line with that approved by this Hon'ble Commission in the Tariff Order of DVC dated 30.09.2020 and attached herewith as **Annexure - 5** for kind approval.
- (n) The composite T&D loss level is proposed to be adjusted in the Damodar Valley command area forming part of the state of Jharkhand and West Bengal by this Hon'ble Commission. DVC submits that this Hon'ble Commission may kindly consider the losses proposed to be incurred by DVC at the transmission and

distribution level in the retail supply of electricity and account for the same in a unified and equitable manner applicable both in the states of Jharkhand and West Bengal. DVC humbly submits that the projected T&D loss has increased compared to that estimated for FY 2020-21, and there is an increasing trend of T&D loss from FY 2021-22 to FY 2025-26. Such increase is attributable to a projected increase in the share of lower voltage sales (LT, 11 KV and 33 KV) during the control period compared to sale at 132 KV and 220 KV. The same is represented in the following table.

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Sales % of LT, 11 KV and 33 KV in overall sales	63.3%	65.2%	66.7%	68.3%	70.1%	72.1%
Sales % of 132 KV and 220 KV in overall sales	36.7%	34.8%	33.3%	31.7%	29.9%	27.9%
Projected T&D loss (%)	3.3%	3.5%	3.57%	3.64%	3.72%	3.8%

In consideration of the above, this Hon'ble Commission is humbly requested to approve the T&D loss trajectory as proposed by DVC for the MYT Control Period.

- (o) Proposed Delayed Payment Surcharge is in terms of Regulation 10.75 of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The due date for making payment of energy bills or other charges shall be 21 days after issue date of bill. Current electricity bills to be generated on monthly basis. In case the payment of any bill for charges payable as per the applicable Regulations is delayed beyond a period of 21 days from the date of billing, a late payment surcharge shall be levied at the Bank Rate as on April 01 of the respective year plus 500 basis points shall be applicable for the first month, and for every month or part thereof delay, the rate of late payment surcharge shall increase by 50 basis points, subject to a maximum of Bank Rate as on April 01 of the respective year plus 700 basis points.
13. It is humbly submitted that levies, taxes, duties, service tax etc. that may be charged or levied by various authorities on DVC have not been included in the proposed retail tariff. Such statutory fees or charges will be billed extra as per rules over and above the proposed tariff.

14. DVC humbly submits that several grievances have been received in the recent past especially in considering the Maximum Demand during corresponding months /billing cycle of previous year in case of defective / stopped meter. While issuing the tariff order of DVC dated 18.05.2018 this Hon'ble Commission stipulated the procedure to be adopted for provisional average metering in case of defective/stopped meter as under;

“11.22 In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued on the basis of average of previous twelve months consumption.

11.23 In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of sanctioned/ contract load on following load factor applicable to respective categories, as shown below: -----“

From past records it appears that the aforesaid procedure was more acceptable to the consumers than that stipulated in the subsequent orders i.e. the issue of provisional average billing to be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time. Relevant portion of the Clause 10.3.1 of the supply code is reproduced below;

“

Provided further that in case the meter is defective or burnt or stuck and has stopped recording, the consumer shall be billed on the basis of the average consumption of the last three months immediately preceding the month in which meter was last read (including that month) for the period for which meter was stopped recording subject to maximum period of 3 months.

.....”

Aforesaid methodology of settlement and more particularly averaging of last three months immediately preceding the month in which meter was last read is causing grievances amongst the consumers. DVC therefore respectfully submits that this Hon'ble Commission may be pleased to review the issue based on the stipulations in the Supply Code Regulations, 2015 and that considered in the tariff order of DVC dated 18.05.2018.

15. DVC humbly submits that while issuing the tariff for FY 2020-21 vide order dtd. 30.09.2020 Hon'ble Commission decided as under on the issue of reduction of Fixed Charges (ref. page no. 132 of the said order);

“Reduction in Fixed Charges

Recovery of Complete Fixed/Demand Charges from consumers shall be based on the availability of hours of supply recorded by meters installed in the consumer's premises. DVC to include the same in the consumer's bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network that are uploaded on its website seven days in advance with a copy to the Commission and intimation to the respective consumers shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order. In terms of the aforesaid directive DVC has been adjusting the Fixed / Demand charges for power outages beyond the scheduled load shedding hours.”

DVC submits that the aforesaid directive of this Hon'ble Commission has already been implemented with effect from October 2020 for billing of fixed / demand charge of the consumers and licensees receiving pooled power from DVC in consumer mode. Copy of the advance notice served to the consumers are also forwarded to this Hon'ble Commission through e-mails on case to case basis.

DVC humbly submits that under some compelling situations it has to impose restriction on real time drawal of the consumers, instead of total load shedding, in order to maintain balance between demand and supply. Such compelling situations may arise due to system constraints, shortage of primary fuel supply, sudden outage of generators, etc. During such period of restrictions the consumers are requested to maintain their respective demand within the restrictions imposed. Any violation by consumers lead to unscheduled interchanges or contingent purchase of power from exchange.

Provision of such load restriction is also envisaged by this Hon'ble Commission in the JSERC 'Electricity Supply Code' Regulations 2015. Relevant Regulation of the JSERC Supply Code is reproduced below;

“Provision for load shedding

13.3 Notwithstanding anything contained in any agreement or undertaking executed by a consumer with licensee or in the tariff applicable to him, the consumer shall restrict the use of electricity in terms of his maximum demand and/or stagger energy consumption in the manner and for the period as maybe specified in any order that may be made by the State Load Dispatch Centre or the State Government or the Distribution Licensee to maintain orderly grid operation. The Distribution Licensee shall inform bulk/ HT consumers about such restrictions as early as possible by any convenient communication mode for minimizing inconvenience.”

In case of such a constrained situation if drawal is not restricted by the end users the utilities will be unable to maintain supply-demand balance within the stringent norm as stipulated in applicable DSM Regulations and this may lead to payment of hefty penalties by DVC or any utility concerned.

DVC accordingly submits before this Hon'ble Commission to provide for penal charges payable by the consumers or licensees in case of over-drawal during the period under load restriction. Hon'ble Commission may be pleased to consider the penalty as stated below;

“If in a 15 minutes time block a consumer/licensee draws power more than the restricted drawal, if any, imposed by the utility then the consumer/licensee will pay additional energy charge at a rate twice the applicable rate for that consumer/licensee at that time block. Such additional energy charge shall be payable in addition to the amount that is payable as energy charge for consumption of energy in that particular time block.”

Moreover DVC proposes before this Hon'ble Commission for considering the restricted supply hours as normal supply hours while computing the average daily supply hours in a month to assess whether it qualifies for recovery of 23 hours a day or not and computation of Load Factor.

16. It is submitted that the network system of DVC includes both the Transmission and Distribution infrastructure in the Damodar Valley Area which is spread over parts of the States of Jharkhand and West Bengal and are composite and unified in nature. Hon'ble Appellate Tribunal in the judgment dated 23.11.2007 in Appeal Nos. 271, 272, 273 etc. of 2006. Relevant portion of the said order dated 23.11.2007 is reproduced below;

“111. DVC has been supplying power from its generating stations to West Bengal Electricity Board and Jharkhand Electricity Board along with nearly 120 HT-Consumers either through inter-state transmission lines or through the point-to-point

‘dedicated transmission lines’. We, therefore, conclude that all transmission systems of DVC be considered as unified deemed inter-state transmission system, insofar as the determination of tariff is concerned and as such regulatory power for the same be exercised by the Central Commission.”

Regulation 6.38 of the JSERC ‘Terms and Conditions for Determination of Distribution Tariff’ Regulations, 2020 is reproduced below;

“6.38 The Licensee shall file the distribution loss trajectory for the entire Control Period in the Business Plan commensurate with the Capital Investment Plan for each year of the Control Period for approval of the Commission.”

In view of the composite and unified nature of DVC’s network system the loss level as submitted by DVC includes both Transmission and Distribution loss instead of only the Distribution loss.

17. It is respectfully submitted that jurisdiction of determination of Generation Tariff and Transmission Tariff of DVC lies with the Hon’ble Central Commission (CERC). This Hon’ble Commission adopts the tariff as approved by CERC while deciding the ARR for distribution activity of DVC. As such entire capital investment of DVC in electricity business is related to its Generation Tariff and Transmission Tariff. No separate investment is directly linked to Distribution tariff. Hence the business plan that has been attached herein as **Annexure-6** includes capital investment plans for its Generating Stations and Composite T&D System for the period FYs 2021-22 to 2023-24 based on the tariff petitions already submitted before CERC. Investment plan for the period 2024-25 and 2025-26 which pertains to next tariff control period of CERC in the i.e. FY 2024-25 to 2028-29 have not yet been planned and submitted before CERC. DVC therefore prays before this Hon’ble Commission to allow to submit the investment details for the years 2024-25 and 2025-26 after submission of the same before CERC.

18. In the circumstances mentioned above DVC respectfully submits that the following has been taken as input cost of DVC while deciding on the revenue requirements to be recovered from Distribution and retail supply tariff for the period, 1.4.2021 to 31.3.2026.
- a. The generation and transmission tariffs for FY 2021-22 to 2023-24 based on the input cost as considered in the tariff petitions submitted before CERC for FY 2019-24 tariff period. However, input cost for FY 2024-25 & 2025-26 have been projected based on the trend analysis of the AFCs of individual generating stations and T&D system in absence of any tariff order of CERC for FY 2019-24 period and tariff regulations of CERC for the next tariff period i.e. 2024-29. However, the Fixed Charges of different generating stations and T&D system as submitted herein for the relevant period are subject to adjustment with the regular tariff orders to be issued by CERC shortly.
 - b. The generation tariff for Central Sector Generation Stations such as NTPC, NHPC, KBUNL etc. based on the petitions submitted by them before the Central Commission up to 2023-24. However, tariff for 2024-25 and 2025-26 have been projected using trend analysis function in absence of any Regulations of CERC for those years.
 - c. Power Purchase Cost expected to be incurred to procure Bhutan Hydro Power through PTC has been projected with the prevailing purchase rate. However, on revision of the rate of power as per the protocol existing between the Government of India and Royal Bhutan Government DVC will revise the rate for relevant periods.
 - d. Power Purchase Cost expected to incur to procure electricity from MPL has been projected based on the tariff petition submitted by MPL before CERC for the relevant period.
 - e. So far as purchase of solar power is concerned DVC has started to procure solar and non-solar power from energy exchange in Green Term Ahead Market (GTAM). However, quantum of power depends on quantum available for sale. This purchase of renewable power is in addition to the existing long term contract of 20 MW of solar power from NVVNL and 20

MW from NTPC. Purchase of green power through GTAM has commenced only from August 2020 and DVC has started procurement from September 2020. DVC also humbly submits that presently transaction of REC at energy exchanges are on hold at present due to some legal issues. While computing DVC's obligation to fulfil renewable purchase for the control period in terms of the applicable Regulations of this Hon'ble Commission DVC has also considered fulfilment of RPO carried forward from previous years as already elaborated in the current petition.

- f. The transmission charges of Power Grid Corporation (i.e. the POC charges and other incidental charges) from whom DVC avails transmission services for receiving the purchased power at DVC bus based on the tariff determined by CERC. Transmission charge paid to PTC for dedicated transmission line used for conveying the power from Kurichu Hydro Station at Bhutan. POSOCO charges and other charges incidental to purchase of power.
 - g. Interest on working capital and interest on security deposit;
 - h. Regulatory fees paid / payable to Commission(s), Publication expenses and other charges;
 - i. Environment and Other Cess;
 - j. Cost of temporary financial accommodation;
 - k. Prompt payment rebate on sale of power;
 - l. Legal Expenses;
 - m. Any other expenditure related to the distribution and retail supply of electricity not included in any of the above;
19. While computing the energy charge rate of different thermal generating stations of DVC, based on the stipulated formula of CERC, yearly escalation factor of 3.91% has been considered. The yearly escalation factor for cost of coal during the period from FY 2021-22 to 2025-26 has been arrived at taking into consideration the average escalation in coal cost for competitive bidding during 2016-17 to 2020-21 in line with the methodology adopted by this

Hon'ble Commission in its order dtd. 04.09.2014 at para 6.49, page no. 60. Relevant documents in this respect is attached herewith as **Annexure-7**.

20. Detailed computation sheets related to the computation of yearly Aggregate Revenue Requirement of DVC for its distribution activity in the state of Jharkhand is attached herewith as **Annexure-8**.
21. Schedule of rebates and surcharges for different category of consumers is attached herewith as **Annexure-9**.
22. Relevant formats related to the distribution and retail supply tariff as per the tariff regulations of this Hon'ble Commission are attached herewith as **Annexure-10**.
23. It is humbly submitted that there has been accrual of a substantial revenue gap during the period 2016-17 to 2021-22. The revenue gap has been computed with trued-up ARR as approved by this Hon'ble Commission for the period FY 2016-17 to 2018-19 and true-up petition for 2019-20 & APR petition for FY 2020-21 submitted by DVC before this Hon'ble Commission in respect of retail sale of electricity by DVC in the state of Jharkhand.
24. It is also pertinent to mention here that in compliance to the directive of this Hon'ble Commission in the tariff order dated 30.09.2020 DVC has submitted petition for determination of category wise tariff for the period 2006-07 to 2011-12 so that DVC can settle the dues of individual consumers during this period. In the same petition DVC has also prayed before the Commission to adjust the revenue gap / surplus approved so far for the period 2012-13 to 2014-15 in a prospective manner. DVC has also prayed that all such adjustment related to the past period i.e. from FY 2006-07 to 2011-12 and from FY 2012-13 to 2014-15 will be subjected to the final outcome of in Appeal Nos. 163 of 2017 and 281 of 2018 pending before the Hon'ble Appellate Tribunal. Moreover revenue surplus for the period FY 2015-16 and 2016-17 as approved by this Hon'ble Commission in the tariff

order dated 18.05.2018 has also been adjusted while approving retail tariff for FY 2018-19 vide order dated 18.05.2018.

25. In view of the situation as described at para 23 & 24 herein before, DVC prays before this Hon'ble Commission to enhance the tariff of DVC for FY 2021-22 based on the resulting revenue-gap computed and attached herewith as **Annexure-11**.
26. It is respectfully submitted that accrued revenue gap of DVC is increasing year-to-year and the petitioner is under financial stress as may be seen from the audited balance sheets for the past periods already submitted before this Hon'ble Commission. Under the above backdrop, it is respectfully submitted that this Hon'ble Commission may carry out truing up for FY 2019-20 and Annual Performance Review (APR) for FY 2020-21. Revenue gap / surplus so finalised for the period 2016-17 to 2020-21 may please be allowed to be recovered through tariff for FY 2021-22 in line with the computational procedure adopted by this Hon'ble Commission in the tariff order dated 30.09.2020.
27. DVC submits that a substantial amount of expenditure is scheduled to be incurred towards Social integration Program, Subsidiary Activities and creation of LT & 11 KV infrastructure during discharge of the functions bestowed upon it in terms of the provisions of DVC Act on objects other than irrigation & flood control and Section 43 of the Electricity Act 2003 towards universal service obligation. DVC craves leave to submit the entire data and document before this Hon'ble Commission as and when expenditure is incurred on this account. It is submitted that these expenditures may kindly be allowed as a part of the revenue requirements of DVC and may be allowed to be recovered through tariff for retail supply of electricity.
28. It is also submitted that in order to reduce T&D loss, AT&C loss and to improve the quality of electricity supplied to the consumers DVC has

started extensive renovation and up gradation of its age old composite and integrated T&D infrastructure which has outlived their useful lives and are more than 40 to 50 years old. DVC craves leave to submit the entire data and documents before this Hon'ble Commission as approved by the Hon'ble Central Commission in order to service its expenditure through retail tariff. It is however submitted that pending recovery of the accrued revenue gap it has been very difficult to fund the ongoing projects in this regard. DVC therefore prays before this Hon'ble Commission to allow the recovery of revenue gap accrued till date.

29. The fees paid / to be paid by DVC to this Hon'ble Commission for submission of petition for tariff determination for the MYT period, fees for submission of APR petitions and expenditures related to publication of the tariff petitions etc. has been considered while finalizing the ARR. Similarly tariff filing fees and publication expenses in respect of tariff petitions filed by DVC before CERC has also been considered in the ARR to extent of power from those generating stations of DVC is used in distribution activity. DVC submits that this Hon'ble Commission may allow such expenses as pass through element while approving the ARR.
30. In the facts and circumstances mentioned above it is respectfully submitted that the Hon'ble Commission may kindly admit the MYT application of DVC and determine the distribution/retail supply ARR for the period from 01.04.2021 to 31.03.2026 and tariff for FY 2021-22 of the petitioner for its distribution activity in the Damodar Valley Area falling in the state of Jharkhand on the basis of MYT proposal submitted herein by DVC.
31. DVC has been allowing few consumers for wheeling power in its periphery which is the boundary of entire T & D network of DVC spreading over two contiguous states. It is submitted respectfully that the T&D network of DVC is considered as deemed unified interstate network for the purpose of tariff determination in terms of the judgment of the Hon'ble Appellate Tribunal dtd. 23.11.2007 in petition 271, 272,273 etc. Of 2006. Accordingly CERC

determines the tariff for its integrated T&D network in terms of relevant tariff regulations. As such open access provided by DVC to the intending entities / agencies is generally guided in terms of relevant Regulations notified by CERC in this regard.

32. Hon'ble Commission has issued several directive to DVC vide order dtd 30.09.2020. Details of the compliance of said directives has been prepared and attached herewith as **Annexure-12**.
33. DVC craves leave to submit any additional data, information, clarification, modification along with necessary justification in course of tariff determination process by this Hon'ble Commission.
34. It is submitted that DVC has already paid the tariff filing fees for the entire MYT period along with the instant submission through electronic mode in the bank account of Hon'ble Commission (Bank A/c No: SB6605256646 IFSC: IDIB000R010), Sainik Bhavan, Main Road, Ranchi-834001. DVC therefore prays before this Hon'ble Commission to kindly acknowledge the receipt.
35. It is submitted respectfully that soft copy of the entire petition along with editable format of all the relevant computation sheets and tariff formats is submitted herewith in the official mail Id info@jserc.org and secretary@jserc.org. In addition to that hard copies of the petition along with the original is being sent by post.

PRAYER BEFORE THE HONOURABLE COMMISSION

It is respectfully submitted that this Hon'ble Commission may be pleased to:

- (a) Admit the present petition for determination of Aggregate Revenue Requirement (ARR) and Distribution Tariff for the MYT period.
- (b) Determine the ARR for the years 2021-22 to 2025-26 and Distribution Tariff for FY 2021-22 based on the submission of DVC,

- (c) Finalise and allow the Revenue Gap / surplus for the period FY 2016-17 to 2020-21 along with applicable carrying cost through suitable enhancement of tariff,
- (d) Pass such other order(s) as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.

**Chief Engineer (Commercial)
DAMODAR VALLEY CORPORATION**