IN JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI

Case No. 16 of 2026 & IA No. 03 of 2026

(For Review of Order in Case (Tariff) No. 09 of 2025)

IN THE MATTER OF:

Tata Steel Limited (Discom) .....Petitioner

CORAM: HON'BLE MR. JUSTICE NAVNEET KUMAR, CHAIRPERSON
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)

For the Petitioner: Mr. Navin Kumar, Advocate

ORDER

Date: 27th August, 2026

1. Tata Steel Limited ("TSL"/"Petitioner"), the distribution licensee for the licensed area of Jamshedpur, filed a Review Petition dated 22.04.2026, registered as Case No. 16 of 2026 in Case (Tariff) No. 9 of 2025, under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 41 (Chapter V) of the JSERC (Conduct of Business) Regulations, 2024 and Order 47 Rule 1 of the Code of Civil Procedure, 1908, seeking review of the Impugned Order to the extent set out therein.
2. The Petitioner has also filed an Interlocutory Application dated 15.06.2026 seeking to add a further ground of review concerning the Revenue from Sale of Power at the revised/proposed tariff for FY 2026-27.
3. The Review Petition, as originally filed, raised twenty-one grounds of review under three heads - (I) True-up for FY 2024-25 (II) Annual Performance Review for FY 2025-26, and (III) MYT & Business Plan for FY 2026-27 to FY 2030-31, together with one further ground raised by way of the Interlocutory Application.
4. The Petitioner has since withdrawn Grounds II(A) and II(B), relating to the Annual Performance Review for FY 2025-26. These grounds are, in consequence, not considered in this Order. The Commission considers the remaining twenty grounds in the order raised in the Review Petition.

True-up of FY 2024-25

ISSUE 1 (Ground I(A)) - Rate of Power Purchase from TSW (Captive) - Table No. 23

5. **Petitioner's Submission**: The Petitioner submitted that Table No. 23 of the Impugned Order (page 47) considered the rate of power purchase from the TSW (Captive) source at Rs. 4.57/unit, corresponding to a gross value of Rs. 6.65 Cr. for 14.57 MU, whereas the Commission approved Rs. 4.99 Cr. at Rs. 3.42/unit being the lowest rate among the other generators for FY 2024-25 as recorded at Point 5.33 of the Impugned Order, resulting in a reduction of Rs. 1.66 Cr. in power purchase cost. The Petitioner submitted that it had considered the overall average power purchase cost of TPCL (Unit 2 and 3), being the lowest between TPCL (Unit 2 and 3) and DVC 400 kV generating sources, and that the DVC 132 kV source is a source of distribution of power by DVC and not a generator for tariff-related purposes, and accordingly requested that the rate of power purchase considered for TSW (Captive) be suitably reviewed.

Commission's Observations and Findings

6. The Commission notes that Point 5.33 of the Impugned Order records specific reasoning for approving the per-unit rate for power procured from TSW (Captive) equal to the lowest rate among all other generators for FY 2024-25. The Petitioner's contention that the DVC 132 kV source ought not to be treated as a generator for this purpose, and that the TPCL (Unit 2 and 3) rate alone ought to be the relevant benchmark, raises a substantive question on the correct comparator for the

prudence check applicable to captive power sourcing, requiring examination of the underlying power purchase arrangement with TSW (Captive) and the technical basis of the benchmark adopted. This is not an error apparent on the face of the record.

ISSUE 2 (Ground I(B)) - Distribution Loss of FY 2024-25 and Disallowed Sales

7. **Petitioner's Submission**: The Petitioner submitted that the Commission approved a distribution loss of 2.91% for FY 2024-25, which is low as compared to the actual distribution loss of 3.01% achieved by TSL during FY 2024-25 as per actual audited power purchase and power sale quantities (Table No. 2.7 of the Petition), and requested that the Commission accept the loss level of 3.01%, being near to the Petitioner's past levels. The Petitioner further submitted that the Commission has, in consequence, disallowed sales of 3.16 MU (Table No. 18, page 41 of the Impugned Order), that this disallowance has arisen due to the reduction of distribution loss from 3.01% to 2.91%, and requested that the Commission not disallow the said sales.

Commission's Observations and Findings

8. The Commission has examined the submission of the Petitioner regarding the computation of sales and distribution loss for FY 2024-25. Based on the additional submissions and clarification furnished by the Petitioner, the Commission finds merit in the Petitioner's submission. Accordingly, the distribution loss for FY 2024-25 is considered at 3.01%, as submitted by the Petitioner.

9. Consequently, the sales disallowed earlier on account of the distribution loss considered in the Impugned Order are required to be reinstated. Accordingly, the disallowed sales are allowed and the corresponding impact on the revenue gap/surplus is incorporated in the revised True-up computation for FY 2024-25.

10. Accordingly, the Petitioner's submission is allowed and the corresponding tables of the Impugned Order shall stand revised to reflect distribution loss of 3.01% and the consequential increase in approved sales as shown in Table below:

Revised Table 23: Power Procurement Cost (Rs. Cr.) as approved by commission.

Particulars	Approved in T.O. 28.03.2025 (APR)	Petitioner	Approved
TPCL Unit 2			
Power Purchased (MU)	782.02	728.34	728.34
Rate of Power Purchased (Rs./kWh)	4.70	4.67	4.67
Power Purchase Cost (Rs. Cr.)	367.55	333.55	333.55
Prior Period Adjustments (Rs. Cr.)	-	6.72	6.72
Net Power Purchase Cost (Rs. Cr.)	**367.55**	**340.27**	**340.27**
TPCL Unit 3			
Power Purchased (MU)	769.89	804.95	804.95
Rate of Power Purchased (Rs./kWh)	4.45	4.47	4.47
Power Purchase Cost (Rs. Cr.)	342.60	346.65	346.65
Prior Period Adjustments (Rs. Cr.)	-	13.47	13.47
Net Power Purchase Cost (Rs. Cr.)	**342.60**	**360.12**	**360.12**
DVC 132 kV			
Power Purchased (MU)	233.10	240.06	240.06
Rate of Power Purchased (Rs./kWh)	5.69	3.42	3.42
Power Purchase Cost (Rs. Cr.)	132.66	137.35	137.35

Particulars	Approved in T.O. 28.03.2025 (APR)	Petitioner	Approved
Prior Period Adjustments (Rs. Cr.)		(55.19)	(55.19)
Net Power Purchase Cost (Rs. Cr.)	**132.66**	**82.15**	**82.15**
DVC 400 kV			
Power Purchased (MU)	798.84	952.68	952.68
Rate of Power Purchased (Rs./kWh)	5.55	5.75	5.75
Power Purchase Cost (Rs. Cr.)	443.69	547.63	**547.63**
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	**443.69**	**547.63**	**547.63**
TSW (Captive)			
Power Purchased (MU)	26.26	14.57	14.57
Rate of Power Purchased (Rs./kWh)	4.45	4.57	3.42
Power Purchase Cost (Rs. Cr.)	11.68	6.65	4.99
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	**11.68**	**6.65**	**4.99**
Others/Open Market			
Power Purchased (MU)	5.58	4.90	4.90
Rate of Power Purchased (Rs./kWh)	5.67	6.04	6.04
Power Purchase Cost (Rs. Cr.)	**3.16**	**2.96**	**2.96**
RPO Purchased (Rs. Cr.)	**26.44**	**9.40**	**9.40**
G-TAM (F)			
Power Purchased (MU)	181.50	258.02	258.02
Rate of Power Purchased (Rs./kWh)	3.43	3.02	3.02
Power Purchase Cost (Rs. Cr.)	**62.20**	**78.01**	**78.01**
Sale-Surplus Power			
Power Sale (MU)	-	138.43	138.43
Rate of Power Sale (Rs./kWh)	-	6.73	6.73
Revenue from Surplus Sales (Rs. Cr.)	**-**	**93.15**	**93.15**
Disallowed Sales	-		
Total Power Purchase			
Power Purchased (MU)	2,797.17	3,003.52	3,003.52
Power Purchase Cost (Rs. Cr.)	**1,389.98**	**1,427.19**	**1,425.53**
Transmission Charges	53.46	63.13	63.13

Particulars	Approved in T.O. 28.03.2025 (APR)	Petitioner	Approved
Net Power Purchase Cost	**1,443.44**	**1,490.32**	**1,488.66**
Rate of Power Purchased (Rs./kWh)	**5.16**	**4.96**	**4.96**

The Commission therefore allows the distribution loss as claimed by the Petitioner.

ISSUE 3 (Ground I(C)) - Net Power Purchase Cost for FY 2024-25 (True-up)

11. **Petitioner's Submission:** The Petitioner submitted that Table No. 62 of the Impugned Order (final ARR computation table for True-up of FY 2024-25) reflects Net Power Purchase Cost as Rs. 1,302.37 Cr., whereas Table No. 23 of the Impugned Order had already computed Net Power Purchase Cost for FY 2024-25 as Rs. 1,395.52 Cr., after deducting Rs. 93.15 Cr. towards revenue from sale of daily surplus balance power. The Petitioner submitted that Table No. 62 deducts the same amount of Rs. 93.15 Cr. once again from Rs. 1,395.52 Cr. to arrive at Rs. 1,302.37 Cr., resulting in the said deduction being given effect twice.

Commission's Observations and Findings

12. The Commission has examined the Petitioner's submission regarding the net Power Purchase Cost considered in Table 62 of the Impugned Order. The Commission observes that the Power Purchase Cost of Rs.1,395.52 Cr. has already been considered in Table 23 and the revenue from sale of surplus power amounting to Rs.93.15 Cr. has been deducted therefrom to arrive at the net Power Purchase Cost ofRs.1,302.37 Cr..

13. The Commission further observes that the said amount of Rs.93.15 Cr. has inadvertently been deducted again while arriving at the net Power Purchase Cost in Table 62. The Rs.93.15 Cr. shall be deducted only once, and the net Power Purchase Cost for FY 2024-25 shall accordingly be considered as Rs.1,302.37 Cr.. The consequential impact on ARR and Revenue Gap/Surplus shall be incorporated in the revised True-up computation**.**

Revised Table 62: Summary of ARR (Rs Cr.) as approved by the Commission

Particulars	Approved in T.O. dated 28.03.2025	Petition	Approved
Net Power Purchase Cost	1,443.44	1,397.18	1,395.52
Power Purchase Cost	-	1,490.32	1,488.66
Less: Sale of Surplus power	1,443.44	93.15	93.15
O&M Expenses after sharing of Gain/loss	110.12	114.77	109.93
Interest on Loan	2.02	1.07	1.09
Interest on Working Capital	14.72	15.35	15.37
Financing Cost of DPS FY 2020-21	-	1.74	-
Interest on Security Deposit	4.78	5.18	5.18
Depreciation	18.25	17.29	16.93
Return on Equity	33.13	32.35	32.35
Gross Aggregate Revenue Requirement	**1,626.46**	**1,584.93**	**1,576.36**
Less: Non-Tariff Income	2.92	57.55	57.55
Aggregate Revenue Requirement	**1,623.55**	**1,527.38**	**1,518.81**
Revenue from sale of Power @ Existing Tariff	**1,690.45**	**1710.48**	**1,710.48**
Net Revenue Gap/(Surplus)	**(66.90)**	**(183.10)**	**(191.67)**
Collection Efficiency Claim of Tata Steel	-	-	-

Particulars	Approved in T.O. dated 28.03.2025	Petition	Approved
Revenue Gap / (Surplus) after Sharing of Gains/ Loss	**(66.90)**	**(183.10)**	**(284.07)**
Energy Sold (MUs)	**3,196.78**	**2,917.18**	**2,917.18**
Average Cost of Supply	**5.87**	**5.24**	**5.21**

Accordingly, the Petitioner's submission is allowed.

ISSUE 4 (Ground I(D)) - Normative A&G Expense for True-up of FY 2024-25

14. **Petitioner's Submission:** The Petitioner submits that the Commission has approved Rs.35.36 Cr towards normative A&G expenses against the Petitioner's claim of Rs.37.54 Cr, resulting in a shortfall of Rs.2.18 Cr.

15. The Petitioner submits that the Commission, while determining normative A&G expenses, has not considered the load growth factor of 1.04% proposed by the Petitioner. The Petitioner contends that the load growth is relevant for determining the A&G requirement, as the increase in consumer base, network size and operational activities associated with growth in electricity demand results in a corresponding increase in administrative and general expenses.

16. The Petitioner further submits that the actual A&G expenses incurred during FY 2024-25, as reflected in the audited accounts, were higher and had been duly submitted before the Commission. However, non-consideration of the load-growth factor along with the actual A&G expenditure has resulted in lower normative A&G expenses being approved.

17. Accordingly, the Petitioner requests the Commission to reconsider the normative A&G expenses by allowing the load-growth factor of 1.04%, as proposed in the Petition, and consequently revise the approved O&M expenses and the corresponding ARR/revenue gap.

Table 37: Normative A&G Expenses (Rs Cr.) as approved by the Commission - (Impugned Order)

Particulars	UoM	Approved
A&G previous year	Rs. Cr.	34.29
Inflation Factor	%	3.12%
Load Growth	%	-
Normative A&G Expenses	**Rs. Cr.**	**35.36**

Commission's Observations and Findings

18. The Commission has examined the Petitioner's submission regarding the application of a load growth factor of 1.04% for determination of normative A&G expenses. The Commission notes that the applicable Regulations do not provide for consideration of any load growth factor while determining normative A&G expenses. Accordingly, the Petitioner's claim for applying a load growth factor is not tenable in terms of the applicable regulatory framework.

19. The Commission therefore does not find merit in the Petitioner's claim for applying the said growth factor. The normative A&G expenses shall be determined strictly in accordance with the methodology prescribed under the applicable Regulation

20. Therefore, as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the normative A&G has been awarded.

ISSUE 5 (Ground I(E)) - Funding Cost of DPS for FY 2024-25

21. **Petitioner's Submission:** The Petitioner submits that the Commission has not allowed the financing cost of Rs.1.74 Cr on receivables corresponding to DPS for FY 2024-25. The Petitioner submits that the normative working capital compensates only for the normal credit period, whereas additional financing cost arises when consumers delay payment beyond such period.

22. The Petitioner relies on the APTEL judgment in BSES Rajdhani Power Ltd. v. DERC, Appeal Nos. 142 & 147 of 2009 dated 12.07.2011, wherein financing cost on receivables arising due to delayed payment beyond the normative credit period was recognised.

23. Accordingly, the Petitioner requests the Commission to allow financing cost of Rs.1.74 Cr on DPS for FY 2024-25 and incorporate the consequential impact in the ARR/True-up.

Commission's Observations and Findings

24. The Commission notes that Point 5.128 of the Impugned Order records that there is no provision under Clauses 10.53 and 10.54 of the JSERC (Distribution Tariff) Regulations, 2020 for financing cost on corresponding receivables, and that working capital requirements are separately catered to under the Regulations. Therefore, the Commission finds no merit in approval of Funding Cost of DPS.

ISSUE 6 (Ground I(F)) - Interest on Security Deposit for FY 2024

25. **Petitioner's Submission**: The Petitioner submits that consumers provide security deposits at different points during the financial year and interest is payable on such deposits based on their actual period of retention. Accordingly, interest is calculated consumer-wise based on the number of days for which the security deposit was retained and the aggregate amount is recorded in the audited accounts.

26. The Petitioner states that it has actually paid Rs.5.18 Cr as interest on security deposits during FY 2024-25, supported by consumer-wise details submitted as Annexure-6 and verified by the statutory auditors.

27. The Petitioner submits that the Commission approved onlyRs.4.99 Cr, based on the prevailing interest rate as on 1 April 2022, without considering the interest actually paid on security deposits received during FY 2024-25.

28. The Petitioner therefore requests approval of the actual interest paid of Rs.5.18 Cr, contending that the same is a legitimate and verified expenditure. The Petitioner also relies on JSERC Case No. 26 of 2024 dated 20.12.2024, wherein interest on security deposit was allowed where adequate supporting data was available.

Commission's Observations and Findings

29. The Commission has examined the Petitioner's submission and notes that interest on security deposit is an uncontrollable expenditure under the applicable Regulations. The Commission further notes that the Commission has, in its previous orders, allowed the actual interest on security deposits based on adequate supporting details.

30. In the present case, the Petitioner has submitted details of interest paid, duly supported by the audited accounts and statutory auditor verification. Accordingly, following the treatment adopted in earlier orders, the Commission considers it appropriate to allow the actual interest on security deposit of Rs.5.18 Cr for FY 2024-25 againstRs.4.99 Cr approved in the Impugned Order. The consequential Rs.0.19 Cr impact is incorporated in the True-up/ARR.

Accordingly, the Petitioner's submission is allowed.

ISSUE 7 (Ground I(G)) - Opening CWIP for FY 2024-25

31. **Petitioner's Submission:** The Petitioner submitted that the Opening CWIP for FY 2024-25 has been taken in Table No. 43 of the Impugned Order as Rs. 34.20 Cr., whereas the correct value ought to be Rs. 14.53 Cr., being the correct Closing CWIP for FY 2023-24 as per the Petition. The Petitioner submitted that the error originates in Table No. 46 of the TSL True-up Order for FY 2023-24 dated 28.03.2025, whose 'Approved' column shows Capex of Rs. 68.04 Cr. and Closing CWIP of Rs. 34.20 Cr. for FY 2023-24, figures which do not match the corresponding Petition column of Rs. 48.70 Cr. (Capex) and Rs. 14.53 Cr. (Closing CWIP), and sought correction of the Opening CWIP with consequential changes to Table Nos. 78 and 155.

Commission's Observations and Findings

32. The Commission has examined the Petitioner's submission regarding the opening CWIP for FY 2024-25. The Commission notes that the opening CWIP of Rs.34.20 Cr considered in the Impugned Order has been carried forward from the approved closing CWIP of FY 2023-24 as determined in the True-up Order dated 28.03.2025.

33. The Petitioner has not established any error apparent on the face of the record warranting review of the approved FY 2023-24 CWIP. The request to substitute the approved figure of Rs.34.20 Cr with Rs.14.53 Cr would require reconsideration of the findings and approved figures of the earlier True-up Order, which is beyond the scope of review proceedings.

Accordingly, no correction is warranted in the opening CWIP of FY 2024-25, and the approved value of Rs.34.20 Cr is retained.

MYT & Business Plan

ISSUE 8 (Ground III(A)) - Distribution Loss for FY 2026-27 to FY 2030-31

34. **Petitioner's Submission:** The Petitioner submits that it had projected a distribution loss of 3.50% for the Control Period, considering the expected increase in LT sales, reduction in HT sales, growth in connected load and expansion of the distribution network, particularly in densely populated and fringe areas.

35. The Commission, however, approved a uniform distribution loss trajectory of 3.00% for FY 2026-27 to FY 2030-31 based on the recent historical performance.

36. The Petitioner submits that distribution loss has increased from 3.37% in FY 2023-24 to around 3.01% in FY 2024-25, despite its efforts to minimise losses. Further, as the network and sales continue to expand and losses are already close to technical levels, maintaining a 3.00% target throughout the Control Period may not be realistic and could adversely affect the Petitioner through higher power purchase requirements and potential penalisation for failure to meet the target.

37. Accordingly, the Petitioner requests the Commission to revise the approved distribution loss trajectory from 3.00% to 3.50% for FY 2026-27 to FY 2030-31.

Commission's Observations and Findings

38. The Commission has examined the Petitioner's submission seeking revision of the approved distribution loss trajectory from 3.00% to 3.50% for FY 2026-27 to FY 2030-31. Considering the projected growth in the scale of operations and the Petitioner's submissions, the Commission finds it appropriate to allow distribution loss of 3.50% for FY 2026-27 to FY 2030-31. However, the actual distribution loss for FY 2026-27 shall be subject to verification of the actual growth, system conditions and operational performance of the Petitioner, along with a prudence check at the time of True-up. Any excess loss, if found to be attributable to inefficiency or not justified by the actual circumstances, shall be dealt with in accordance with the applicable Regulations.

39. Accordingly, the Commission allows the distribution loss trajectory of **3.50% for FY 2026-27 to FY 2030-31**, subject to verification of the actual performance, growth and prudence at the time of passing of the True-up Order for FY 2026-27. The impact of such revision in incorporated in the impugned order as given in Clause 41 below.

ISSUE 9 (Ground III(B)) - Power Purchase Cost for the Control Period FY 2026-27 to FY 2030-31

40. **Petitioner's Submission**: The Petitioner submitted that the total power purchase quantity and cost shown against individual sources of power for each year of the Control Period FY 2026-27 to FY 2030-31 in Table No. 139 does not match the corresponding 'Total Power Purchase' figures (Power Purchased (MU), Power Purchase Cost, Transmission Charges, Net Power Purchase Cost, and Rate of Power Purchased) given at the last part of the same table, and sought correction across all five years of the Control Period.

Commission's Observations and Findings

41. The Commission is satisfied that the discrepancy pointed out by the Petitioner appears, prima facie, to be an error of aggregation rather than a matter requiring fresh determination on merits, the source-wise quantities and costs approved by the Commission not being disputed by the Petitioner. Accordingly, the corrected figures of last five rows of table 139 in the impugned order is given below:

Revised Table 139: Power Procurement Cost (Rs. Cr.) as approved by the Commission

Particulars	FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30		FY 2030-31	
	Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved
TPCL Unit 2										
Power Purchased (MU)	730.00	730.00	850.00	850.00	780.00	780.00	850.00	850.00	780.00	780.00
Rate of Power Purchased (Rs./kWh)	4.15	4.32	4.23	4.41	4.32	4.49	4.40	4.58	4.49	4.67
Power Purchase Cost (Rs. Crore)	302.99	315.27	359.86	374.44	336.83	350.47	374.40	389.56	350.43	364.63
Prior Period Adjustments (Rs. Crore)	-	-	-	-	-	-	-	-	-	-
Net Power Purchase Cost (Rs. Crore)	**302.99**	**315.27**	**359.86**	**374.44**	**336.83**	**350.47**	**374.40**	**389.56**	**350.43**	**364.63**
TPCL Unit 3										
Power Purchased (MU)	800.00	800.00	780.00	780.00	850.00	850.00	780.00	780.00	850.00	850.00
Rate of Power Purchased (Rs./kWh)	4.15	4.43	4.23	4.52	4.31	4.61	4.40	4.70	4.49	4.80
Power Purchase Cost (Rs. Crore)	331.62	354.68	329.79	352.73	366.58	392.07	343.12	366.98	381.39	407.91
Prior Period Adjustments (Rs. Crore)	-	-	-	-	-	-	-	-	-	-
Net Power Purchase Cost (Rs. Crore)	**331.62**	**354.68**	**329.79**	**352.73**	**366.58**	**392.07**	**343.12**	**366.98**	**381.39**	**407.91**
DVC 132 kV										
Power Purchased (MU)	340.00	306.12	363.71	336.27	313.99	344.89	347.14	309.45	380.11	370.83
Rate of Power Purchased (Rs./kWh)	6.78	6.78	6.45	6.45	6.67	6.67	6.87	6.87	6.54	6.54
Power Purchase Cost (Rs. Crore)	230.47	207.51	234.66	216.95	209.42	230.03	238.45	212.49	248.40	242.34
Prior Period Adjustments (Rs. Crore)	-	-	-	-	-	-	-	-	-	-
Net Power Purchase Cost (Rs. Crore)	**230.47**	**207.51**	**234.66**	**216.95**	**209.42**	**230.03**	**238.45**	**212.49**	**248.40**	**242.34**
DVC 400 kV										
Power Purchased (MU)	1,190.36	1,071.76	1,177.82	1,088.96	1,020.60	929.17	967.88	862.52	1,068.66	1,042.58
Rate of Power Purchased (Rs./kWh)	5.79	5.79	5.65	5.65	5.91	5.91	6.09	6.09	5.97	5.97
Power Purchase Cost (Rs. Crore)	688.99	620.34	665.18	614.99	602.73	548.73	589.66	525.46	637.62	622.06
Prior Period Adjustments (Rs. Crore)	-	-	-	-	-	-	-	-	-	-
Net Power Purchase Cost (Rs. Crore)	688.99	620.34	665.18	614.99	602.73	548.73	589.66	525.46	637.62	622.06
TSW (Captive)										
Power Purchased (MU)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Rate of Power Purchased (Rs./kWh)	4.15	4.32	4.23	4.41	4.32	4.49	4.40	4.58	4.49	4.67
Power Purchase Cost (Rs. Crore)	2.49	2.59	2.54	2.64	2.59	2.70	2.64	2.75	2.69	2.80
Prior Period Adjustments (Rs. Crore)	-	-	-	-	-	-	-	-	-	-
Net Power Purchase Cost (Rs. Crore)	2.49	2.59	2.54	2.64	2.59	2.70	2.64	2.75	2.69	2.80
Others/Open Market										
Power Purchased (MU)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Rate of Power Purchased (Rs./kWh)	5.76	5.76	5.82	5.82	5.88	5.88	5.93	5.93	5.99	5.99
Power Purchase Cost (Rs. Crore)	2.88	2.88	2.91	2.91	2.94	2.94	2.97	2.97	3.00	3.00
RPO Purchased (Rs. Crore)	-	-	-	-	-	-	-	-	-	-
G-TAM (F)										

Particulars	FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30		FY 2030-31	
	Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved
Power Purchased (MU)	16.00	16.00	-	-	-	-	-	-	-	-
Rate of Power Purchased (Rs./kWh)	4.00	4.00	4.08	4.08	4.16	4.16	4.24	4.24	4.33	4.33
Power Purchase Cost (Rs. Crore)	6.40	6.40	-	-	-	-	-	-	-	-
REC										
Power Purchase Cost (Rs. Crore)	48.71	48.71	54.02	54.02	52.48	52.48	54.15	54.15	56.94	56.94
50 MW Solar (SECI)										
Power Purchased (MU)	-	-	42.08	42.08	101.00	101.00	101.00	101.00	101.00	101.00
Rate of Power Purchased (Rs./kWh)	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Power Purchase Cost (Rs. Crore)	-	-	11.38	11.38	27.32	27.32	27.32	27.32	27.32	27.32
RTS										
Power Purchased (MU)	0.20	0.20	0.21	0.21	0.22	0.22	0.23	0.23	0.24	0.24
Rate of Power Purchased (Rs./kWh)	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Power Purchase Cost (Rs. Crore)	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09
Power Purchased (MU)	230.12	230.12	230.12	230.12	230.12	230.12	230.12	230.12	230.12	230.12
Rate of Power Purchased (Rs./kWh)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Revenue from Surplus Sales (Rs. Crore)	92.05	92.05	92.05	92.05	92.05	92.05	92.05	92.05	92.05	92.05
Disallowed Sales										
Total Power Purchase										
Power Purchased (MU)	**3,087.56**	**2,935.08**	**3,224.82**	**3,108.52**	**3,107.71**	**2,985.38**	**3,057.26**	**2,914.10**	**3,191.01**	**3,155.66**
Power Purchase Cost (Rs. Crore)	**1,614.62**	**1,558.45**	**1,660.41**	**1,630.41**	**1,621.56**	**1,586.20**	**1,632.78**	**1,581.77**	**1,707.88**	**1,727.09**
Transmission Charges	**74.96**	**74.96**	**75.71**	**75.71**	**76.47**	**76.47**	**77.23**	**77.23**	**78.00**	**78.00**
Net Power Purchase Cost	**1,689.58**	**1,541.36**	**1,736.12**	**1,613.80**	**1,698.02**	**1,570.62**	**1,710.01**	**1,566.95**	**1,785.88**	**1,713.05**
Rate of Power Purchased (Rs./kWh)	**5.17**	**5.25**	**5.10**	**5.19**	**5.17**	**5.26**	**5.29**	**5.38**	**5.31**	**5.43**

The Commission observes that the petitioner, while projecting the power purchase cost, had considered the then prevailing tariff rates of the respective generating stations. However, the Commission, while determining the Power Purchase Cost, has considered the latest tariff rates approved by it for the respective generating stations, which is higher than the rates given/proposed by the petitioner. Consequently, the Power purchase cost approved by the commission is higher than that projected in the petition. The commission, in view of the above, considers the revised rates justified, as it is as per the latest approved tariffs and the realistic assessment of the Power purchase cost.

ISSUE 10 (Ground III(C) - Scheme-wise Approved Capex Capitalisation

42. **Petitioner's Submission:** The Petitioner submitted that the 'Grand Total (A+B+C)' value in the last row of Table No. 141 (Provisionally Approved Scheme-wise Phasing of Capital Expenditure) does not match the sum of the subtotals of Section A (Carry Forward Schemes), Section B (New Schemes proposed for the Control Period) and Section C (Self-Financing Schemes), and sought rectification of the Grand Total.

Commission's Observations and Findings

43. The Commission has scrutinised the submissions of the Petitioner and examined the relevant supporting details and calculations furnished in the Petition.

44. The corrected computation, as determined by the Commission after due verification, is provided in the table below.

Revised Table 141: Provisionally Approved Scheme-wise phasing of Capital Expenditure and Capitalization

S No	Type	Scheme name	Capex Phasing (Rs Cr)						Capitalization Phasing (Rs Cr)					
			Scheme Cost	FY27	FY28	FY29	FY30	FY31	FY27	FY28	FY29	FY30	FY31	Total
A	**Carry Forward Scheme from previous MYT FY22-FY26**													
1	Growth	Capacity augmentation of 400/132 kV Bulk Power Receiving Substation (BPRS) at Jamshedpur. (Total Scheme value Rs 226 Cr; exp in FY26 is Rs 13.23)	**212.8**	113.0	90.0	9.8				210.0	16.0			**226.0**
B	**New Scheme Proposed for MYT Control Period FY27-FY31**													
2	Safety	Replacement of old obsolete unsafe vertical isolation 6.6kV CB	**66.0**	0.0	15.0	16.0	17.0	18.0		15.0	16.0	17.0	18.0	**66.0**
3	Reliability	6.6 KV Switch Room at Ramadin Bagan	**4.0**	0.2	2.5	1.3					4.0			**4.0**
4	Reliability	Firm Capacity augmentation for Transformer and Source feeder of 33/6.6 kV substation at Sakchi.	**14.0**			4.0	5.0	5.0				4.0	10.0	**14.0**
5	Reliability	Augmentation & Strengthening of Testing Infrastructure (Sum of 5.1 – 5.6)	**7.8**		1.6	3.0	2.0	1.2		1.6	3.0	2.0	1.2	**7.8**
6	Quality	PQ Meter Installation	**3.0**	1.5	1.5					3.0				**3.0**
7	Growth	2 x 25 MVA, 33/6.6 kV GIS Substation at Baridih	**48.0**		8.0	20.0	20.0					48.0		**48.0**
8	Growth	Power Distribution Infrastructure for Jamshedpur city including Bagan & Bastee Area	**10.0**		2.0	4.0	2.0	2.0		2.0	3.0	3.0	2.0	**10.0**
Total of New Capex being proposed			**152.8**	**1.7**	**30.6**	**48.3**	**46.0**	**26.2**	**0.00**	**21.6**	**26.00**	**74.0**	**31.2**	**152.8**
Grand Total (A+B)			**365.6**	**114.7**	**120.6**	**58.1**	**46.0**	**26.2**	**0.00**	**231.6**	**42.0**	**74.0**	**31.2**	**378.8**
C	**Self-Financing Schemes**													
9	New Connection	Other Assets to provide consumer connection from consumers (Self-financing Schemes)	**20.0**	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	**20.0**
Grand Total (A+B+C)			**385.6**	**118.7**	**124.6**	**62.1**	**50.0**	**30.2**	**4.0**	**235.6**	**46.0**	**78.0**	**35.2**	**398.8**

ISSUE 11 (Ground III(D)) - Depreciation, Nomenclature and Methodology

45. **Petitioner's Submission**: The Petitioner submits that the description "Closing Consumer Contribution Received" appearing in Table No. 159 of the Impugned Order may be revised to "Closing Consumer Contribution Capitalised", as the latter appropriately represents the consumer contribution considered for the purpose of determination of depreciation.

46. The Petitioner further submits that, as indicated in Table No. 160 of the Impugned Order, the Commission has considered gross depreciation at 3.05% of GFA. However, the Tariff Order does not specify or explain the methodology adopted for determining the depreciation attributable to Consumer Contribution (CC) and the manner in which the same has been deducted from gross depreciation to arrive at the net depreciation for the respective years.

Commission's Observations and Findings

47. The Commission has examined the Petitioner's submission regarding Tables No. 159 and 160 relating to depreciation. The Commission observes that the expression "Closing Consumer Contribution Received" in Table No. 159 is required to correctly reflect the consumer contribution considered for capitalization and depreciation purposes. Accordingly, the nomenclature is revised to "Closing Consumer Contribution Capitalised.

48. The Commission clarifies that the 3.05% depreciation rate has been determined in accordance with Clause 10.39 of the JSERC Distribution Tariff Regulations, 2025 which permits determination of depreciation percentage based on Depreciation ÷ Average GFA as per the latest available audited accounts, in the absence of the Fixed Assets Register.

Accordingly, the 3.05% rate has been applied to the approved Average GFA for determining depreciation.

Revised Table 160: Depreciation as approved by commission (Rs. Cr.)

Particulars	FY 26-27	FY 27-28	FY28-29	FY 29-30	FY 30-31
Gross Depreciation for the Year	20.94	24.59	28.89	30.78	32.51
Consumer Contribution towards Closing GFA	4.00	4.12	4.25	4.39	4.52
Average GFA	685.91	805.71	946.51	1008.51	1065.11
Closing Consumer Contribution Capitalised	83.18	87.18	91.18	95.18	99.18
Depreciation on account of Consumer Contribution	2.77	2.90	3.02	3.14	3.26
Net Depreciation	**18.16**	**21.70**	**25.87**	**27.64**	**29.25**

ISSUE 12 (Ground III(E)) - Normative Loan Balance

49. **Petitioner's Submission**: The Petitioner submits that, in Table No. 162 of the Impugned Order, the Commission has considered a negative closing balance of normative loan of Rs. 4.71 Cr. for FY 2026-27. The Petitioner had considered the closing normative loan balance as Nil for FY 2026-27 and, consequently, the opening normative loan balance for FY 2027-28 was also considered as Nil.

50. The Petitioner submits that the normative loan balance cannot be negative. Once the normative loan balance reaches zero, any further repayment should not result in a negative loan balance. Accordingly, the negative closing balance of Rs. 4.71 Cr. considered by the Commission may be revised to Nil, with the corresponding opening loan balance for FY 2027-28 also considered as Nil.

51. The Petitioner further submits that continuation of the negative normative loan balance in FY 2026-27 would have a consequential impact on the normative loan balance and interest/finance charges in the subsequent years. The relevant approved computation in Table No. 162 reflects the negative closing balance of Rs. 4.71 Cr. for FY 2026-27.

52. In view of the above, the Petitioner respectfully requests the Commission to consider the closing normative loan balance for FY 2026-27 as Nil instead of negative Rs.

4.71 Cr. and correspondingly consider the opening normative loan balance for FY 2027-28 as Nil, with consequential revision, wherever applicable, in the interest and finance charges for the subsequent years.

Table 162: Interest and Finance Charges as approved by the Commission for Control Period

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Opening Balance of Normative Loan	13.51	-4.71	135.65	139.12	163.34
Add: Deemed Additions during the year	-	162.12	29.40	51.80	21.84
Less: Deemed Repayments	18.22	21.76	25.93	27.58	29.19
Closing Balance of Normative Loan	-4.71	135.65	139.12	163.34	155.99
Average Balance of Normative Loan	4.40	65.47	137.39	151.23	159.66
Bank Rate plus 200 BP	11.00%	11.00%	11.00%	11.00%	11.00%
Interest and Finance Charges	**0.48**	**7.20**	**15.11**	**16.64**	**17.56**

Commission's Observations and Findings

53. The Commission observes that the negative closing normative loan balance of Rs. 4.71 Cr. represents an excess of deemed repayment over the normative loan balance and does not represent an actual loan liability. Since the depreciation for FY 2026-27 under section 8.35 (Table 160) of the Impugned order is more than the Opening balance of the Normative loan, the deemed repayment is adjusted accordingly.

54. Therefore, the negative closing normative loan balance of Rs. 4.71 Cr. for FY 2026-27 is revised to Nil, and the corresponding opening normative loan balance for FY 2027-28 shall also be considered as Nil. The consequential impact, if any, on interest and finance charges shall be revised accordingly.

Revised Table 162: Interest and Finance Charges as approved by the Commission for Control Period -

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Opening Balance of Normative Loan	13.51	0.00	140.36	143.83	168.05
Add: Deemed Additions during the year	0.00	162.12	29.40	51.80	21.84
Less: Deemed Repayments	18.22	21.76	25.93	27.58	29.19
Closing Balance of Normative Loan	0.00	140.36	143.83	168.05	160.70
Average Balance of Normative Loan	6.76	70.18	142.10	155.94	164.37
Interest Rate	11.00%	11.00%	11.00%	11.00%	11.00%
Interest and Finance Charges	**0.74**	**7.72**	**15.63**	**17.15**	**18.08**

ISSUE 13 (Ground III(F)) - Normative R&M Expense

55. **Petitioner's Submission**: (a) The Petitioner submits that it has proposed a 'K' factor of 6.99%, based on the average of the actual K-factors for the preceding five years (FY 2021-22 to FY 2025-26), for determination of normative R&M expenses during the Control Period.

56. The Petitioner submits that the Commission, in Table 180 of the Tariff Order, has considered a K-factor of 6.21% in accordance with Regulation 10.6(a) of the JSERC Distribution Tariff Regulations, 2025. The Petitioner submits that, based on the actual R&M expenses of Rs. 59.71 Cr. and opening GFA of Rs. 634.15 Cr. for FY 2024-25, the K-factor works out to 9.42%. Nevertheless, the Petitioner has proposed the lower five-year average K-factor of 6.99%.

57. The Petitioner submits that the Commission has projected normative R&M expenses by applying the approved K-factor to the opening GFA of each year and thereafter applying the applicable inflation factor.

58. The Petitioner further submits that the GFA is expected to increase during the Control Period due to the planned capitalisation. Therefore, adoption of a lower K-factor would result in lower normative R&M expenses and have a cumulative impact over the Control Period.

59. Accordingly, the Petitioner requests the Commission to reconsider the approved K-factor of 6.21% and approve the K-factor of 6.99%, as proposed in the Petition, being the average of the actual K-factors of the preceding five years.

Commission's Observations and Findings

60. The Commission has considered the submissions of the Petitioner. However, the Commission notes that the K-factor of 6.21% was determined in accordance with Regulation 10.6(a) of the JSERC Distribution Tariff Regulations, 2025, based on the approved R&M expenses and opening GFA of the preceding year. The calculation of k-factor is shown below:

K-Factor Calculation

Particulars	FY21	FY22	FY23	FY24	FY25
Opening GFA	558.93	591.46	591.99	594.61	633.70
Approved R&M	26.83	32.13	32.14	35.80	39.37
K-Factor	4.80%	5.43%	5.43%	6.02%	6.21%

Accordingly, the Commission retains the K-factor of 6.21% and the normative R&M expenses as approved in the Impugned Order.

ISSUE 14 (Ground III(G)) - Normative A&G Expense

61. **Petitioner's Submission**: (a) The Petitioner submitted that it had projected normative A&G expenses by applying the applicable inflation and growth factors for each year of the Control Period, along with the applicable CGRF, petition filing fee and other filing expenses.

62. The Petitioner submits that, in Table 180 of the Impugned Order, the Commission has considered nil growth factor while determining the normative A&G expenses, resulting in lower approval as compared to the Petitioner's projection.

63. The Petitioner submits that the Commission has stated in Para 8.108 that A&G expenses, excluding petition filing fee and CGRF expenses, have been projected based on the methodology adopted for Employee Expenses. The Petitioner therefore submits that the growth factor applicable for the respective years should also be considered while projecting normative A&G expenses.

64. The Petitioner further submits that the methodology stated in Para 8.101 of the Impugned Order provides for projection of normative expenses by considering the previous year's expenses and applying the inflation factor and growth factor. The Petitioner submits that the growth factors approved by the Commission in Table 179 should accordingly be reflected in the computation of normative expenses.

65. Accordingly, the Petitioner requests the Commission to consider the applicable growth factor while determining normative A&G expenses for FY 2026-27 to FY 2030-31 and revise the approved A&G expenses accordingly.

Table 180: O&M Expenses as approved by the Commission (Rs. Cr.)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Normative Employee Cost	37.29	40.11	42.21	43.83	45.61
Normative A&G	37.19	38.21	39.33	40.40	41.59
Normative R&M	43.74	45.20	62.47	67.37	74.94
O&M Expenses excluding Terminal, filing & CGRF	118.22	123.52	144.01	151.61	162.15
Terminal Liabilities					
Petition Filling Fee	0.99	1.00	1.01	1.02	1.03
CGRF Expenses (Rent & Remuneration)	0.35	0.35	0.35	0.35	0.35
Normative-O&M	119.56	124.87	145.37	152.98	163.53

Commission's Observations and Findings

66. The Commission observed that the consideration of a growth factor for network expansion and other related factors in the computation of A&G expenses is not specifically provided for under the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

67. Instead, Regulation 10.6(b) of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 provides for consideration of A&G expenses, if any, towards costs of initiatives or other one-time expenses proposed by the Distribution Licensee, subject to prudence check and validation by the Commission. The actual regulation as provided below for the reference.

68. The Commission shall consider the same at the time of true-up, subject to a prudence check based on the network growth prevailing at the time of passing the order, including growth in the network, offices, and other Administrative and General (A&G) expenses, followed by a further prudence check at the time of true-up.

"EMPn + A&Gn = [(EMPn-1)(1+Gn) + (A&Gn-1)]*(INDXn/ INDXn-1) +*

provision for A&G (if any)

Where,

EMPn-1 – Employee Costs of the Licensee for the (n-1)th year

excluding terminal liabilities;

A&Gn-1 – Administrative and General Costs of the Licensee for

the (n-1)th year excluding legal/litigation expenses;

INDXn – Inflation factor to be used for indexing the employee

cost and A&G cost. This will be a combination of the Consumer

Price Index (CPI) and the Wholesale Price Index (WPI) for

immediately preceding year before the base year;

Gn – is a growth factor for the nth year and it can be greater than

or lesser than zero based on the actual performance. Value of

Gn shall be determined by the Commission in the MYT Order

for meeting the additional manpower requirement based on the

Distribution Licensee's Filing, benchmarking and any other

factor that the Commission feels appropriate;

Provision: Cost or initiatives or other one-time expenses as proposed by the Distribution Licensee subject to the prudence check and is validated by the Commission."

ISSUE 15 (Ground III(H)) - Petition Filing Fee and CGRF Expenses (Rent & Remuneration)

69. **Petitioner's Submission**: The Petitioner submitted that the values shown against 'Petition Filing Fee' and 'CGRF Expenses (Rent & Remuneration)' for FY 2026-27 to FY 2030-31 in Table No. 180 of the Impugned Order have been interchanged, and sought correction.

Commission's Observations and Findings

70. The Commission has considered the submission of the Petitioner and notes that the values under Petition Filing Expenses and CGRF Expenses (Rent & Remuneration) in Table 180 were inadvertently interchanged.

Accordingly, the Commission accepts the Petitioner's submission and corrects the respective values in Table 180.

Revised Table 180: O&M Expenses as approved by the Commission (Rs. Cr.)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Normative Employee Cost	37.29	40.11	42.21	43.83	45.61
Normative A&G	37.19	38.21	39.33	40.40	41.59
Normative R&M	43.74	45.20	62.47	67.37	74.94
O&M Expenses excluding Terminal, filing & CGRF	**118.22**	**123.52**	**144.01**	**151.61**	**162.15**
Terminal Liabilities					
Petition Filling Fee	0.35	0.35	0.35	0.35	0.35
CGRF Expenses (Rent & Remuneration)	0.99	1.00	1.01	1.02	1.03
Normative-O&M	**119.56**	**124.87**	**145.37**	**152.98**	**163.53**

ISSUE 16 (Ground III(I)) - Clause No. 8.107 - No Gain in Case of Saving in Employees' Cost.

71. **Petitioner's Submission**: (a) The Petitioner submits that the statement in Para 8.107 of the Impugned Order, which states that the Petitioner shall not be entitled to claim any gain arising from savings in employee costs due to variation in the number of employees recruited or inflation factor, may be removed.

72. The Petitioner submits that retaining the aforesaid statement may create ambiguity regarding the treatment and sharing of gains arising from savings in controllable expenses during the True-up period.

Commission's Observations and Findings

73. The Commission has considered the Petitioner's submission and accepts the request for deletion of Para 8.107 from the Impugned Order.

Accordingly, Para 8.107 is deleted from the Impugned Order.

ISSUE 17 (Ground III(J)) - Calculation of Cumulative Revenue Gap/Surplus

74. **Petitioner's Submission.** (a) The Petitioner submits that a typographical error has occurred in Para 9.16 following Table 192 of the Impugned Order, wherein the cumulative revenue gap/surplus up to FY 2026-27 has been stated as Rs. 440.59 Cr.

75. The Petitioner submits that, as per the calculation provided in Table 192, the correct cumulative revenue gap/surplus up to FY 2026-27 is Rs. 438.90 Cr.

76. Accordingly, the Petitioner requests the Commission to correct the typographical error and read Rs. 438.90 Cr. in place of Rs. 440.59 Cr. in Para 9.16.

Table 192: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission

Particulars	Approved
Opening Gap/(Surplus)	320.29
Revenue Gap/(Surplus) during FY	-36.92
Rate of Carrying Cost (%)	12.25%
Carrying Cost on Opening Revenue Gap/(Surplus)	39.24
Carrying Cost on Revenue Gap/(Surplus) during FY	-4.52
Liquidation OP 1	120.82
Closing Revenue Gap/(Surplus)	**438.90**

Commission's Observations and Findings

77. The Commission has considered the Petitioner's submission and verified the figures in Tables as shown below**.**

Revised Table 190: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission

Particulars	FY 2024-25	FY 2025-26
Opening Gap/(Surplus)	601.08	472.56
Revenue Gap/(Surplus) during FY	-191.67	-70.77
Rate of Carrying Cost (%)	12.50%	12.25%
Carrying Cost on Opening Revenue Gap/(Surplus)	75.13	57.89
Carrying Cost on Revenue Gap/(Surplus) during FY	-11.98	-4.33
Closing Revenue Gap/(Surplus)	**472.56**	**455.34**

78. Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2026-27 as shown below:

***Table 191: Revenue Gap/(Surplus) (in Rs Cr.) as approved by the* Commission**

Particulars	FY 2026-27
ARR for FY 2026-27	1,639.42
Revenue from sale at existing Tariff	1,766.76
Revenue Gap/(Surplus) during FY 2026-27	**(127.34)**

79. Further, taking into account of Trued-up for FY 2024-25, APR for FY 2025-26 and above surplus for FY 2026-27, the Commission hereby approves the Cumulative Closing Revenue gap/(Surplus) for FY 2026-27 is given below:

Revised Table 192: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission

Particulars	Approved
Opening Gap/(Surplus)	455.34
Revenue Gap/(Surplus) during FY	-127.34
Rate of Carrying Cost (%)	12.25%
Carrying Cost on Opening Revenue Gap/(Surplus)	55.78
Carrying Cost on Revenue Gap/(Surplus) during FY	-7.80
Liquidation - OP 1 OF 2025	120.82
Closing Revenue Gap/(Surplus)	**496.80**

ISSUE 18 (Ground III(K)) - Green Energy Open Access Charges

80. **Petitioner's Submission**: a) The Petitioner submits that the Commission has approved a Green Tariff of Rs. 0.26/kWh for consumers opting to meet their power requirements through renewable energy sources, as stated in Para 11.23 of the Impugned Order.

81. The Petitioner requests that a clarification be added after Para 11.23 specifying that the approved Rs. 0.26/kWh Green Tariff shall be applicable only to non-obligated entities.

82. The Petitioner further submits that, if the Green Tariff is intended to be applicable to obligated entities, the tariff should be determined at not less than 1.5 times the prevailing Renewable Energy Certificate (REC) price, in accordance with the applicable regulatory framework.

83. Accordingly, the Petitioner requests the Commission to incorporate the above clarification in the Impugned Order.

Commission's Observations and Findings

84. The Commission has considered the Petitioner's submission. The Green Tariff of Rs. 0.26/kWh has been determined in accordance with the methodology adopted by the Commission under the applicable Green Energy Open Access framework. The Ministry of Power has clarified that the tariff for green energy supplied by a distribution licensee is to be determined by the Appropriate Commission based on the prescribed components, including renewable power purchase cost, applicable cross-subsidy charges and prudent service charges.

85. The Petitioner's proposal to prescribe 1.5 times the prevailing REC price for obligated entities is not supported by the applicable Green Energy Open Access Rules and would introduce a separate REC-linked methodology without establishing

its regulatory basis. REC prices and compliance mechanisms are governed separately under the REC framework.

86. Accordingly, the Commission finds no merit in the proposed modification/clarification and retains Para 11.23 as approved in the Impugned Order. The Petitioner's prayer is therefore not allowed.

ISSUE 19 (Ground III(L)) - Inclusion of Effect of Review of TSL Tariff Order dated 28.03.2025

87. **Petitioner's Submission**: (a) The Petitioner submits that the Commission, vide Review Order dated 19.08.2025, revised the interest on security deposit approved for FY 2022-23 and FY 2023-24. The interest on security deposit was revised from Rs. 2.65 Cr. to Rs. 2.74 Cr. for FY 2022-23 and from Rs. 4.05 Cr. to Rs. 4.39 Cr. for FY 2023-24.

88. The Petitioner submits that the effect of the said Review Order dated 19.08.2025 was inadvertently not incorporated in its Petition dated 28.11.2025 and, consequently, was also not considered in the Tariff Order dated 23.03.2026.

89. Accordingly, the Petitioner requests the Commission to give effect to the Review Order dated 19.08.2025 in the Impugned Order. The Petitioner submits that the opening revenue gap in Table 190 should consequently be revised from Rs. 600.61 Cr. to Rs. 601.08 Cr.

90. The Petitioner further requests that the consequential changes arising from the revised opening revenue gap be incorporated in Table 192 and other relevant tables relating to the revenue gap/surplus.

Commission's Observations and Findings

91. The Commission has considered the effect of the Review Order dated 19.08.2026 in the present Review Order. The values revised and approved therein have been duly incorporated in the present Order.

ISSUE 20 (Ground IA) - Interlocutory Application dated 15.06.2026 - Revenue from Sale of Power at the Proposed/Revised Tariff for FY 2026-27

92. **Petitioner's Submission**: The Petitioner submitted that the Impugned Order provides the Revenue from Sale of Power at the Existing Tariff for FY 2026-27 (Table No. 191), it does not provide the corresponding Revenue from Sale at the Proposed/Revised Tariff, which is necessary to derive the Average Billing Rate (ABR) used for calculating the monthly FPPPA amount applicable to consumers, and sought approval of Revenue at the revised tariff for FY 2026-27 as Rs. 1,787.32 Cr. (Annexure-1 to the Interlocutory Application), computed by applying the total approved sales of 2,707.39 MU to the proposed/revised tariff, after prudence check.

Commission's Observations and Findings

93. The Commission has considered the Petitioner's submission. The tariff for FY 2026-27 has already been determined in the Impugned Order. The computation of Revenue from Sale of Power at the approved Proposed/Revised Tariff, based on the approved category-wise and slab-wise sales, is a consequential arithmetical exercise and does not involve any re-determination of tariff.

94. Accordingly, the Petitioner may compute the Revenue from Sale of Power and the corresponding Revenue Gap/(Surplus) at the approved Proposed/Revised Tariff, based on the approved sales and tariff schedule for FY 2026-27. The Petitioner shall use the same for determination of the Average Billing Rate and consequential monthly FPPPA computation, as applicable.

95. Accordingly, in the back drop this Commission does find any ground for any change in its earlier order dated 23.03.2026. Therefore, the prayer of the Petitioner for the above issue is disallowed.

CONCLUSION

In view of the aforesaid discussion on Grounds I(A) to I(G) (True-up for FY 2024-25) and Grounds III(A) to III(L) (MYT & Business Plan for FY 2026-27 to FY 2030-31), the Commission has reconsidered the issues and detailed analysis is given in individual manner in the preceding paragraphs with detailed reasoning. The summary of the commission's Order is given in the following Table for all the issues raised by the Petitioner:

Tabular Summary

Issue	Prayer	Commission's Stand
Issue 1 (Ground I(A)) - Rate of Power Purchase from TSW (Captive) - Table No. 23	To Benchmark TSW (Captive) Power Purchase rate to TPCL (Unit 2 & 3) average, not the lowest rate among all generators including DVC 132 kV.	Disallowed.
Issue 2 (Ground I(B)) - Distribution Loss of FY 2024-25 and Disallowed Sales	To Accept actual distribution loss of 3.01% (vs. 2.91% approved) and restore the disallowed sales of 3.16 MU.	Allowed.
Issue 3 (Ground I(C)) - Net Power Purchase Cost for FY 2024-25 (True-up) - Table No. 62	To Correct the computational error where Rs. 93.15 Cr. surplus-sale revenue was deducted twice,	Allowed.
Issue 4 (Ground I(D)) - Normative A&G Expense for True-up of FY 2024-25	To include a load-growth factor of 1.04% to raise approved A&G from Rs. 35.36 Cr. to Rs. 37.54 Cr. claimed.	Disallowed.
Issue 5 (Ground I(E)) - Funding Cost of DPS for FY 2024-25	To approve Rs. 1.74 Cr. financing cost on DPS receivables beyond the normative credit period.	Disallowed.
Issue 6 (Ground I(F)) - Interest on Security Deposit for FY 2024-25	To approve actual interest paid of Rs. 5.18 Cr. against Rs. 4.99 Cr. approved.	Allowed.
Issue 7 (Ground I(G)) - Opening CWIP for FY 2024-25 - Table No. 43	To correct Opening CWIP from Rs. 34.20 Cr. to Rs. 14.53 Cr., with consequential changes to Tables 78 & 155.	Disallowed.
Issue 8 (Ground III(A)) - Distribution Loss for the Control Period FY 2026-27 to FY 2030-31	To revise the approved loss trajectory from 3.00% to 3.50% for FY 2026-27 to FY 2030-31.	Partly allowed.
Issue 9 (Ground III(B)) - Power Purchase Cost for the Control Period FY 2026-27 to FY 2030-31 - Table No. 139	To correct the mismatch between source-wise figures and aggregate totals in Table 139 across all five years.	Allowed.
Issue 10 (Ground III(C)) - Scheme-wise Approved Capex Capitalisation - Table No. 141	To Rectify the Grand Total (A+B+C) in Table 141 to match the sum of Section A, B and C subtotals.	Allowed.
Issue 11 (Ground III(D)) - Depreciation: Nomenclature and Methodology - Tables No. 159 & 160	To rename "Closing Consumer Contribution Received" to "...Capitalised".	Allowed.
Issue 12 (Ground III(E)) - Normative Loan Balance - Table No. 162	To revise negative closing normative loan balance of Rs. 4.71 Cr. for FY 2026-27 to Nil.	Allowed.
Issue 13 (Ground III(F)) - Normative R&M Expense (K-factor)	Approve K-factor of 6.99% (5-year average) in place of the 6.21% approved by the Commission.	Disallowed.
Issue 14 (Ground III(G)) - Normative A&G Expense (Growth Factor) for the Control Period	To apply a growth factor (as used for Employee Expenses) while projecting normative A&G for FY 2026-27 to FY 2030-31.	Disallowed.
Issue 15 (Ground III(H)) - Petition Filing Fee and CGRF Expenses (Rent & Remuneration) - Table No. 180	To rectify the interchanged values of Petition Filing Fee and CGRF Expenses in Table 180.	Allowed.

Issue	Prayer	Commission's Stand
Issue 16 (Ground III(I)) - Clause/Para 8.107: No Gain on Saving in Employees' Cost	To remove Para 8.107, which bars TSL from claiming gains from savings in employee costs.	Allowed.
Issue 17 (Ground III(J)) - Calculation of Cumulative Revenue Gap/Surplus - Para 9.16 / Table 192	To correct typographical error: cumulative gap/surplus up to FY 2026-27 to read Rs. 438.90 Cr., not Rs. 440.59 Cr.	Partly allowed.
Issue 18 (Ground III(K)) - Green Energy Open Access Charges - Para 11.23	To clarify Green Tariff of Rs. 0.26/kWh applies only to non-obligated entities & use 1.5x REC price for obligated entities.	Disallowed.
Issue 19 (Ground III(L)) - Effect of Review Order dated 19.08.2025 (Interest on Security Deposit, FY 2022-23 & FY 2023-24)	To incorporate effect of Review Order dated 19.08.2025, revising opening revenue gap (Table 190) from Rs. 600.61 Cr. to Rs. 601.08 Cr.	Allowed.
Issue 20 (IA No. 03 of 2026) - Revenue from Sale of Power at the Proposed/Revised Tariff for FY 2026-27	Approve Revenue from Sale of Power at revised tariff for FY 2026-27 as Rs. 1,787.32 Cr., for computing the ABR/FPPA.	Disallowed.

Financial Impact

Ground	Issue	Original Order (23.03.2026)	Revised considering Review Petition	Differential Impact (Rs. Cr.)
True up FY 2024-25				
I(B)	**Distribution Loss & Disallowed Sales**	Loss: 2.91%	Loss: 3.01%	No Financial Impact
I(C)	**Net Power Purchase Cost**	1,302.37	1,395	+93.15
I(D)	**Normative A&G**	35.36	**Not Considered in review order**	Nil
I(E)	**Funding Cost of DPS**	-	**Not considered in review order**	Nil
I(F)	**Interest on Security Deposit**	4.99	5.18	+0.19
	ARR of FY 2024-25	**Rs. 1426.41 Cr** *Table 62 in T.O. dtd 23.03.26*	**Rs. 1518.81 Cr***	**92.40***
APR FY 2025-26				
II(A)	Inflation Factor	Issues Withdrawn by Petitioner		
II(B)	Normative A & G Expense			
MYT & Business Plan				
III(B)	**Power Purchase Cost for the Control Period****	1632.9 FY 2026-27	1541.36 FY 2026-27	91.54

Ground	Issue	Original Order (23.03.2026)	Revised considering Review Petition	Differential Impact (Rs. Cr.)
III(E)	**Normative Loan Balance**	0.48 FY 2026-27	0.74 FY 2026-27,the consequential impact for remaining years of the Control period is shown in the Table 184 below.	0.26
III(L)	**Interest on Security Deposit - Review Order dtd 19.08.2025**	The effect of the Review Order dated 19.08.2026 has been incorporated in the IoCSD values of the respective years' ARR, and the corresponding ARR calculations have been revised accordingly.		
	ARR of FY 2026-27	**1729.84**	**1,639.42**	**90.42**

** The revised ARR of FY 2024-25 and the consequential differential impact also include the effect of revision in certain components of the ARR which were not part of the issues raised in the present Review Petition, and are, therefore, not separately reflected against any specific Ground in the table above.*

***The revised Power Purchase cost for the control period (FY 2026-27 to FY 2030-31) is shown under the Revised ARR table 184 given below.*

Revised ARR for the Control Period (FY 2026-27 to FY 2030-31)

Revised Table 184: Summary of ARR for the MYT Period as approved by the Commission (Rs. Cr.)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Net Power Purchase Cost	1,541.36*	1,613.80*	1,570.62*	1,566.95*	1,713.05*
Power Purchase Cost	1,449.31	1,521.75	1,478.57	1,474.90	1,621.00
Less: Sale of Surplus power	92.05	92.05	92.05	92.05	92.05
O&M Expenses after sharing of Gain/loss	119.56	124.87	145.37	152.98	163.53
Interest on Loan	0.74	7.72	15.63	17.15	18.08
Interest on Working Capital	13.97	14.84	13.66	12.50	13.35
Financing Cost of DPS FY 2020-21	-	-	-	-	-
Interest on Security Deposit	6.91	7.28	7.67	8.07	8.47
Depreciation	18.22	21.76	25.93	27.58	29.19
Return on Equity	33.68	40.65	48.87	52.36	55.52
Gross Aggregate Revenue Requirement	**1,642.40**	**1,738.87**	**1,735.71**	**1,745.54**	**1,909.14**
Less: Non-Tariff Income	2.98	3.04	3.10	3.16	3.22
Aggregate Revenue Requirement	**1,639.42**	**1,735.83**	**1,732.61**	**1,742.38**	**1,905.91**

**The revised ARR of FY 2026-27 to FY 2030-31 and the consequential differential impact also include the effect of revision in certain components of the ARR which were not part of the issues*

raised in the present Review Petition, and are, therefore, not separately reflected against any specific Ground in the table above

Revised Revenue Gap/Surplus

The Commission has revised the Revenue Gap/(Surplus) for FY 2023-24 to FY 2026-27, after considering the applicable carrying cost of the approved revenue gap/(surplus), as detailed in the table below.

Particulars	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Opening Gap/(Surplus)	665.38	601.08	472.56	455.34
Revenue Gap/(Surplus) during FY	-135.99	-191.67	-70.77	-127.34
Rate of Carrying Cost (%)	12.00%	12.50%	12.25%	12.25%
Carrying Cost on Opening Revenue Gap/(Surplus)	79.85	75.13	57.89	55.78
Carrying Cost on Revenue Gap/(Surplus) during FY	-8.16	-11.98	-4.33	-7.80
Liquidation_OP 1				120.82
Closing Revenue Gap/(Surplus)	**601.08**	**472.56**	**455.34**	**496.80**

In view of the aforesaid discussion and scrutiny of the review petition w.r.t. its earlier order dated 23.03.2026 in Case (T) No. 09 of 2025 it is evident that all prayers of the Petitioner in the Review Petition are based on arithmetical/ typographical and formula based calculation. Therefore, it has been reviewed as above.

Accordingly, this review petition and IA is disposed off in terms of the above observations.

Sd/-

Member (Law)

Sd/-

Chairperson