IN JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI

Review Case No. 17 of 2026

(For Review of Order dated 23.03.2026 in Case (Tariff) No. 13 of 2025)

IN THE MATTER OF:

Tata Power Company Limited (TPCL) (Generating Company).....Petitioner

CORAM: HON'BLE MR. JUSTICE NAVNEET KUMAR, CHAIRPERSON

HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)

For the Petitioner: Mr. Shri Venkatesh, Advocate

Mr. Nihal Bhardwaj, Advocate

Amicus Curiae: Mrs. Shweta Rani, Advocate

ORDER

Date: 5th November, 2026

1. This Order is passed pursuant to the Review Petition filed by the Petitioner, Tata Power Company Limited (TPCL), against the Commission's Order dated 23.03.2026 in Case (Tariff) No. 13 of 2025, approving the True-up for FY 2024-25 and the Annual Performance Review (APR) for FY 2025-26, for Unit-II and Unit-III (2x120 MW) of its Jojobera Power Plant, Jamshedpur, dedicated to supply of power to Tata Steel Limited (TSL), a Long-Term beneficiary and Distribution Licensee in the Jamshedpur command area.

2. The Petitioner has filed the instant Review Petition, registered as Review Case No. 17 of 2026, in the Commission under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 41 of the Jharkhand State Electricity Regulatory Commission (Conduct of Business) Regulations, 2024, seeking review of the Commission's Order dated 23.03.2026 passed in Case (Tariff) No. 13 of 2025 approving the True-up for FY 2024-25 and the APR for FY 2025-26 of the Petitioner, in terms of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and its amendments thereof.

3. The Review Petition raises four grounds of review under two heads — (I) True-up for FY 2024-25, comprising Grounds (A), (B) and (C), and (II) Annual Performance Review for FY 2025-26, comprising the residual component of above said Ground (B) relating to the APR and Ground (D).

4. The Petitioner has approached the Commission seeking review of the Impugned Order on the basis of the following grounds raised by the Petitioner for the kind consideration of the Commission in the present Review Petition:

   Ground (A): Disallowance of incentive for Unit-III for the true-up of FY 2024-25.

   Ground (B): Erroneous computation of Interest on Working Capital (IoWC) for the true-up of FY 2024-25 and APR for FY 2025-26.

   Ground (C): Disallowance of carrying cost for FY 2024-25.

   Ground (D): Non-consideration of additional auxiliary consumption on account of FGD for FY 2025-26.

5. Having received the review petition, the petitioner was directed by the Commission to publish notice regarding filing of review petition and accordingly notice was published in newspaper on 25th June, 2026 inviting objections/ comments on the same. But no response either written or oral received raising any objection/ comments.

6. In view of the non-appearance of any of the stakeholder, this Commission in the interest of justice, thinks appropriate to represent the interest of the stakeholder in this proceeding before it. Accordingly, Smt. Shweta Rani, Learned Counsel is appointed as Amicus Curiae to place the submissions in the interest of the stakeholder. The said Amicus Curiae has submitted the written notes which has been taken into consideration by the Commission while determining the issues.

7. Accordingly, on the basis of the pleadings advanced in the review petition and the materials available on record, following issues are being framed for passing of order:

Issue 1- Incentive for Unit-III for True-up of FY 2024-25.
Issue 2 – Computation of Interest on Working Capital for True-up of FY 2024-25.
Issue 3 -Carrying Cost for FY 2024-25.
Issue 4 – Computation of Interest on Working Capital for APR of FY 2025-26.
Issue 5- Additional Auxiliary Consumption on Account of FGD for APR of FY 2025-26

True-up for FY 2024-25

Issue 1- Incentive for Unit-III for True-up of FY 2024-25

8. **Petitioner's Submission:** The Petitioner submitted that incentive of Rs. 0.04 Cr. for Unit-III for FY 2024-25 has been disallowed, despite table No. 7 of the Impugned Order recording actual ex-bus generation of Unit-III as 804.96 MUs against normative ex-bus generation of 804.17 MUs corresponding to Normative Annual Plant Load Factor ("NAPLF") of 85%, resulting in excess generation of 0.79 MUs over NAPLF. The Petitioner submitted that in terms of Regulation 17.5 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, incentive is payable at a rate of 50 paise/kWh on ex-bus scheduled energy in excess of the ex-bus energy corresponding to NAPLF.

9. The Petitioner submitted that since the underlying parameters – NAPLF, auxiliary consumption and actual generation – already stand accepted and recorded by the Commission at Table No. 7, computation of the consequential incentive is a purely arithmetical exercise, and that Table No. 56 of the Impugned Order, while approving the Annual Fixed Cost ("AFC"), has not reflected this consequential incentive, without any discussion, reasoning or finding for such disallowance. The Petitioner accordingly prayed that the incentive of Rs. 0.04 Cr. for Unit-III for FY 2024-25 be allowed.

Table: Incentive Computation for Unit-III – FY 2024-25 (as per Table No. 7 of the Impugned Order)

Particulars	UoM	Value
Installed Capacity	MW	120.00
Normative Auxiliary Consumption	%	10.00%
Actual Auxiliary Consumption	%	8.81%
Normative PLF (NAPLF)	%	85.00%
Actual PLF	%	83.98%
Gross Generation at NAPLF	MUs	893.52
Ex-Bus Generation at NAPLF	MUs	804.17
Actual Gross Generation	MUs	882.75

Particulars	UoM	Value
Actual Ex-Bus Generation	MUs	804.96
Excess Generation over NAPLF	MUs	0.79
Rate of Incentive	Rs./kWh	0.50
Incentive Payable	Rs. Cr.	0.04

Table 56: Annual Fixed Cost (Rs. Crore) as approved by the Commission

Particulars	Unit-II			Unit-III		
	APR	Petition	Approved	APR	Petition	Approved
O&M Expenses	59.50	57.79	57.77	57.07	56.11	56.11
Depreciation	8.25	8.06	8.05	8.49	8.41	8.39
Interest on Loan	2.37	2.26	2.25	2.28	2.26	2.25
Interest on Working Capital	11.91	11.95	11.72	11.63	11.63	11.38
Return on Equity	30.04	29.96	29.95	29.21	28.92	29.16
AFC	**112.07**	**110.02**	**109.75**	**108.68**	**107.33**	**107.29**
Water Charges	6.21	5.73	5.73	6.94	6.26	6.26
Capital Spare			0.00	0.00	0.00	0.00
Incentive	0.00	0.00	0.00		0.04	0.00

Submission from Amicus Curiae

10. The Amicus Curiae submitted that the Commission has rightly disallowed the incentive of Rs. 0.04 Cr. for Unit-III for FY 2024-25, being the incentive claimed on excess generation of 0.79 MUs at the rate of 50 paise/kWh in terms of Regulation 17.5 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and its amendments, and that the same is not an inadvertent omission by the Commission.

11. The Amicus Curiae further submitted that, at Para 5.16 of the Impugned Order, it is clearly held that the Commission approves the Gross Generation, Net Generation and Plant Load Factor for FY 2024-25 only upon scrutinising and analysing the material, information, actual figures and details submitted by the Petitioner, and on prudence check. The Amicus Curiae accordingly submitted that the Petitioner's claim for incentive for Unit-III of Jojobera for the True-up of FY 2024-25 does not fall within the review jurisdiction.

Commission's Observations and Findings

12. The Commission has examined the Petitioner's submission as well as the submission made by the Amicus Curiae along with Table No. 7 and Table No. 56 of the Impugned Order. The Commission notes that Table No. 7 records the actual ex-bus generation of Unit-III for FY 2024-25 as 804.96 MU, and that the normative ex-bus generation corresponding to NAPLF of 85% works out to 804.17 MU, resulting in excess generation of 0.79 MU. These base parameters stand accepted and form part of the Commission's own findings in the Impugned Order and are not disputed figures.

13. The Commission notes that Clause 17.5 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, provides for payment of incentive at a flat rate of 50 paise/kWh for ex-bus scheduled energy in excess of ex-bus energy corresponding to NAPLF. Since the underlying parameters already stand accepted at Table No. 7, the consequential incentive of Rs. 0.04 Cr. is a direct arithmetical derivative thereof. The omission from Table No. 56, despite its consideration in the Commission's findings, creates a discrepancy in the approved AFC and warrants correction to ensure consistency between the

Commission's findings and the approved AFC as evident from the tables given below:

Revised Table 56: Annual Fixed Cost (Rs. Crore) as approved by the Commission.

Particulars	Unit-II			Unit-III		
	APR	Petition	Approved	APR	Petition	Approved
O&M Expenses	59.50	57.79	57.77	57.07	56.11	56.11
Depreciation	8.25	8.06	8.05	8.49	8.41	8.39
Interest on Loan	2.37	2.26	2.25	2.28	2.26	2.25
Interest on Working Capital	11.91	11.95	11.81	11.63	11.63	11.47
Return on Equity	30.04	29.96	29.95	29.21	28.92	29.16
AFC	**112.07**	**110.02**	**109.83**	**108.68**	**107.33**	**107.38**
Water Charges	6.21	5.73	5.73	6.94	6.26	6.26
Capital Spare			0.00	0.00	0.00	0.00
Incentive	0.00	0.00	0.00		0.04	0.04

Accordingly, the Petitioner's submission is allowed. Incentive of Rs. 0.04 Cr. for Unit-III for FY 2024-25 is allowed, with the consequential impact incorporated in the revised True-up order for FY 2024-25.

ISSUE 2 – Computation of Interest on Working Capital for True-up of FY 2024-25

14. **Petitioner's Submission:** The Petitioner submitted that while computing Interest on Working Capital ("IoWC") for Unit-II and Unit-III for the True-up of FY 2024-25, the Commission has, at Table No. 44 of the Impugned Order, excluded Water Charges from the Receivables considered, resulting in disallowance of Receivables of Rs. 0.73 Cr. (Rs. 45.53 Cr. claimed against Rs. 44.80 Cr. approved) for Unit-II and Rs. 0.78 Cr. (Rs. 44.31 Cr. claimed against Rs. 43.53 Cr. approved) for Unit-III, and consequential disallowance of IoWC of Rs. 0.18 Cr. (Rs. 0.09 Cr. each for Unit-II and Unit-III).

15. The Petitioner submitted that raw water is categorised as a consumable under Regulation 3.1(44) of the JSERC Generation Tariff Regulations, 2020, and consumables form part of Operation and Maintenance ("O&M") Expenses, which are in turn a component of AFC under Regulation 15.3. The Petitioner submitted that the Commission has, at Table No. 56 of the Impugned Order, allowed Water Charges as part of the approved AFC, and that since Receivables for IoWC (45 days of capacity and energy charges under Regulation 15.23) are derived from AFC/Capacity Charges, the exclusion of Water Charges from Receivables while including the same in AFC constitutes an internal inconsistency amounting to an error apparent on the face of the record.

16. The Petitioner relied on Regulation 35(1)(6) of the CERC Tariff Regulations, 2019 and the CERC Order dated 02.08.2024 in Petition No. 246/GT/2021 in support of its submission, and prayed for re-computation of Receivables based on AFC inclusive of Water Charges and allowance of the consequential Interest on Working Capital.

Table 44: Receivables for IoWC – True-up of FY 2024-25

Particulars	Approved in Impugned Order (Rs. Cr.)	Petitioner's Claim (Rs. Cr.)	Difference (Rs. Cr.)
Receivables (45 days) – Unit-II	44.80	45.53	0.73
Receivables (45 days) – Unit-III	43.53	44.31	0.78

Particulars	Approved in Impugned Order (Rs. Cr.)	Petitioner's Claim (Rs. Cr.)	Difference (Rs. Cr.)
Consequential IoWC differential (Unit-II + Unit-III)	–	–	0.18

Submission from Amicus Curiae

17. The Amicus Curiae submitted that the second ground raised by the Petitioner in review relates to Working Capital. It was submitted that the Commission determines the Working Capital requirement on a normative basis for coal-based generating stations, which shall comprise the following components:

Cost of coal or lignite and limestone towards stock, if applicable, for 10 days for pit-head generating stations and 20 days for non-pit-head generating stations, for generation corresponding to the normative annual plant availability factor or the maximum coal/lignite stock storage capacity, whichever is lower;

Cost of coal or lignite and limestone for 30 days for generation corresponding to the normative annual plant availability factor;

Cost of secondary fuel oil for two months for generation corresponding to the Normative Annual Plant Availability Factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

Operation and Maintenance expenses, including water charge and security expenses, for one month;

Maintenance spares @ 20% of Operation and Maintenance Expenses;

Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity, calculated on the Normative Annual Plant Availability Factor.

Provided that the cost of primary fuel shall be based on the landed cost incurred (taking into account normative transit and handling losses) by the generating station and the gross calorific value of the fuel on 'as received basis', as per the actual weighted average for three months preceding the first month for which tariff is to be determined.

Provided further that in case of a new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses) and the gross calorific value of the fuel as per the actual weighted average for three months preceding the first month for which tariff is to be determined, as used for infirm power, preceding the date of commercial operation for which tariff is to be determined

Provided further that the rate of Interest on Working Capital is on a normative basis and shall be equal to Bank Rate plus 350 basis points as on 30th September of the financial year in which the MYT Petition is filed, or as on 1st April of the year in which the generating station or a Unit thereof is declared under commercial operation, during the Control Period from FY 2021-22 to FY 2025-26, whichever is later. The rate of interest on working capital shall be trued up on the basis of Bank Rate plus 350 basis points as applicable on 1st April of the respective financial year at the time of true-up.

Commission's Observations and Findings

18. The Commission has examined the submissions of the Petitioner and the Amicus Curiae with reference to the provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations,2020 and its amendments, and has also considered the relevant provisions and computations contained in Table No. 44 and Table No. 56 of the Impugned Order.

19. From the perusal of the aforesaid relevant provision and computation contained in table no. 44 and table no. 56, it is evident that the claim of the petitioner in the true up petition for the FY 2024-25 has not been considered and their claim is based in line of the provisions contained in clause 15.23 of the JSERC (Terms and conditions for determination of Generation tariff) Regulation,2020.

20. Having examined carefully and prudently the claim vis-à-vis the provisions, it is found that in the interest of justice the claim of the petitioner is justified and is allowed, and the Water Charges shall be included in the computation of Receivables under component (6) of Clause 15.23 of the said regulations, with consequential revision of the Working Capital, Interest on Working Capital and AFC.

Revised Table 44: Interest on Working Capital (Rs. Crore) as approved by the Commission.

Particulars	Unit-II			Unit-III		
	APR	Petition	Approved	APR	Petition	Approved
Cost of Coal (for 50 days)	34.65	34.27	34.27	34.00	33.20	33.11
Cost of Oil for Generation (2 months)	0.58	0.57	0.57	0.58	0.57	0.57
Maintenance Spares (20% O&M)	11.90	12.70	11.55	11.41	12.47	11.22
O&M Expenses (1 month)	5.48	5.29	5.29	5.33	5.20	5.20
Receivables (45 days)	45.40	45.53	45.51	44.39	44.31	44.31
Total Working Capital	**98.01**	**98.37**	**97.20**	**95.72**	**95.76**	**94.41**
Interest Rate	12.15%	12.15%	12.15%	12.15%	12.15%	12.15%
Interest on Working Capital	**11.91**	**11.95**	**11.81**	**11.63**	**11.63**	**11.47**

Accordingly, the Petitioner's submission is allowed.

ISSUE 3 - Carrying Cost for FY 2024-25

21. **Petitioner's Submission:** The Petitioner submitted that the Commission, at Para 5.145 of the Impugned Order, has disallowed the entire Carrying Cost of Rs. 0.11 Cr. (Rs. 0.06 Cr. for Unit-II and Rs. 0.05 Cr. for Unit-III) solely on the ground of delay in filing the True-up and APR Petition, without examining the actual duration of delay. The Petitioner submitted that under Regulation A39 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 & Terms & Conditions of Determination of Generation Tariff Regulations 2025, the composite filing comprising True-up for FY 2024-25, APR for FY 2025-26 and the Business Plan for FY 2026-31 was due by 30.11.2025, that the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025 governing the Business Plan/MYT component was intimated to the Petitioner only on 21.10.2025, and that the Petitioner had sought extension of time vide letter dated 01.12.2025 on account of the resultant constrained timeline. The Petitioner submitted that it thereafter filed the True-up and APR Petition on 09.12.2025 (soft copy) and 10.12.2025 (hard copy), with the MYT/Business Plan Petition filed separately on 23.12.2025, and that the resultant delay in filing the True-up and APR Petition, if any, was limited to approximately 8 days. The Petitioner submitted that the first proviso to Regulation 7.4 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 permits disallowance of carrying cost only to the extent of the duration of delay and not for the entire period, and that disallowance of the entire Carrying Cost without correlating it to the actual duration of delay constitutes an error apparent on the face of the record.

Submission from Amicus Curiae

22. The Amicus Curiae submitted, in respect of the third ground of review regarding carrying cost, that the Petitioner has not adhered to the timeline specified in the JSERC (Terms and Conditions for Determination of

Generation Tariff) Regulations, 2020, and its amendments, and that the Commission has therefore rightly disallowed the carrying cost.

Commission's Observations and Findings

23. The Commission has examined the submissions of the Amicus Curiae and the Petitioner with reference to Para 5.145 of the Impugned Order and the first proviso of Clause 7.4 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, and its amendments.

24. The True-up for FY 2024-25 and the APR for FY 2025-26 are governed by the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and its amendments. The JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025 apply to the Business Plan/MYT for the control period FY 2026-31 and have no bearing on the True-up and APR petitions. The Petitioner's contention that the intimation of Generation Tariff Regulations, 2025 on 21.10.2025 affected the timeline for these petitions is therefore unjustified.

25. Further, Clause A39 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 prescribes 30th November as the timeline for filing the True-up and APR petitions. The Petitioner did not file the petition within this stipulated timeline and sought an extension only on 01.12.2025, i.e after the due date had expired. A request made after expiry of the deadline cannot condone the delay.

26. The first proviso of Clause 7.4 of the JSERC Generation Tariff Regulations, 2020 provides that no carrying cost shall be allowed for the duration of delay where the petition is not submitted within the timeline stipulated under Regulation A39. The provision ensures timely filing and prevents the financial consequences of delayed filing from being passed on to consumers. The Petitioner, having failed to comply with the timeline without sufficient justification, cannot claim carrying cost for the period of non-compliance.

27. The said provision has been incorporated as a regulatory deterrent to ensure strict adherence to the prescribed timelines, promote regulatory discipline and facilitate timely tariff determination. The Commission is of the view that allowing carrying cost despite non-compliance with the stipulated timelines would defeat the very purpose of the provision and unjustifiably burden consumers with the financial consequences of delays attributable to the Petitioner. Accordingly, the Commission finds no merit in the claim for carrying cost and upholds its disallowance in accordance with the applicable Regulations. The Impugned Order, therefore, warrants no modification on this issue

28. Accordingly, the Petitioner's submission is not tenable.

Annual Performance Review for FY 2025-26

ISSUE 4 – Computation of Interest on Working Capital for APR of FY 2025-26

29. **Petitioner's Submission:** The Petitioner submitted that while conducting the APR for FY 2025-26, the Commission has, similarly, at Table No. 102 of the Impugned Order, excluded Water Charges from the Receivables considered for IoWC, resulting in disallowance of Receivables of Rs. 0.78 Cr. (Rs. 42.72 Cr. claimed against Rs. 41.94 Cr. approved) for Unit-II and Rs. 0.73 Cr. (Rs. 42.26 Cr. claimed against Rs. 41.53 Cr. approved) for Unit-III, and consequential disallowance of IoWC of Rs. 0.2 Cr. (Rs. 0.10 Cr. each for Unit-II and Unit-III). The Petitioner reiterated its submissions made in respect of Ground (B) for the True-up of FY 2024-25 and prayed for re-computation of Receivables for the APR of FY 2025-26 based on AFC inclusive of Water Charges.

Table: Receivables for IoWC – APR of FY 2025-26

Particulars	Approved in Impugned Order (Rs. Cr.)	Petitioner's Claim (Rs. Cr.)	Difference (Rs. Cr.)
Receivables (45 days) – Unit-II	41.94	42.72	0.78
Receivables (45 days) – Unit-III	41.53	42.26	0.73
Consequential IoWC differential (Unit-II + Unit-III)	–	–	0.20

Submission from Amicus Curiae

30. The Amicus Curiae reiterated its submissions on Working Capital and Interest on Working Capital recorded under Issue 2, namely that Working Capital is determined on a normative basis in terms of the components specified in the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, and its amendments.

Commission's Observations and Findings

31. The Commission has examined the submissions of the Petitioner and the Amicus Curiae keeping in line the provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations,2020 and its amendments, and has also considered the relevant provisions and computations contained in Table No. 102 and Table No. 106 of the Impugned Order.

32. On examination, the Commission observes that the component "Receivables" under Regulation 15.23 of the JSERC Generation Tariff Regulations, 2020 is to be computed on a normative basis, equivalent to 45 days of the Annual Fixed Charges and energy charges recoverable by the generating station. Water Charges are a legitimate cost of generation, are approved by the Commission as part of the tariff, and are actually billed to and recovered from the beneficiary. Like any other billed component, they remain outstanding for the normative receivable period. Leaving them out of the receivables base while allowing them in the tariff would therefore understate the working capital the Petitioner actually needs to carry, which is contrary to the normative scheme of the Regulations.

33. The Commission is therefore of the view that excluding Water Charges from the receivables computation of the Impugned Order was an error apparent on the face of the record that warrants review. Including these charges, however, does not alter the other normative components of working capital, which continue to be computed strictly in accordance with the Regulations.

34. Accordingly, the prayer of the Petitioner is allowed, and Water Charges has been be included in the computation of Receivables under component (6) of Regulation 15.23, with consequential revision of the Working Capital, Interest on Working Capital and AFC.

Revised Table 102: IOWC (Rs. Crore) as approved by the Commission

Particulars	Unit-II			Unit-III		
	MYT	Petition	Approved	MYT	Petition	Approved
Cost of Coal (for 50 days)	34.65	31.65	30.72	34.00	31.72	30.60
Cost of Oil for Generation (2 months)	0.58	0.52	0.53	0.58	0.52	0.52
Maintenance Spares (20% O&M)	11.90	13.38	11.89	11.41	12.85	11.50
O&M Expenses (1 month)	5.48	5.57	5.47	5.33	5.36	5.28
Receivables (45 days)	45.40	43.75	42.71	44.39	43.34	42.26
Total Working Capital	**98.01**	**94.88**	**91.32**	**95.72**	**93.79**	**90.16**
Interest Rate	12.15%	12.50%	12.50%	12.15%	12.50%	12.50%

Particulars	Unit-II			Unit-III		
	MYT	Petition	Approved	MYT	Petition	Approved
Interest on Working Capital	**11.91**	**11.86**	**11.42**	**11.63**	**11.72**	**11.27**

Accordingly, the Petitioner's submission for the above issue is Allowed.

ISSUE 5- Additional Auxiliary Consumption on Account of FGD for APR of FY 2025-26

35. **Petitioner's Submission:** The Petitioner submitted that the Commission, at Para 6.17 of the Impugned Order, has taken note of but not allowed additional auxiliary consumption of 1% (i.e., 11% in place of the normative 10%) on account of installation and operation of Flue Gas Desulphurisation ("FGD") systems at Unit-II and Unit-III with effect from November 2025, for the purpose of the APR for FY 2025-26, and has instead deferred the same for consideration at an appropriate subsequent stage, subject to prudence check including examination of the necessity and justification of installation of the FGD system. The Petitioner submitted that the FGD systems were commissioned and became operational on 14.10.2025, that their installation was undertaken in compliance with the MoEF&CC Notification dated 07.12.2015 and pursuant to the in-principle approval granted by the Commission vide Order dated 30.09.2020, and that, having already granted in-principle approval and the installation having been implemented and operational during the relevant period, the consequential operational impact on auxiliary consumption ought to have been allowed for FY 2025-26 instead of being deferred. The Petitioner accordingly prayed that the additional auxiliary consumption on account of FGD be allowed for FY 2025-26.

Submission from Amicus Curiae

36. The Amicus Curiae submitted that the last ground of review relates to Additional Auxiliary Consumption. It was submitted that, in accordance with Clause 16.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) (1st Amendment) Regulation, 2023, the Commission approves the normative auxiliary consumption of 10.00%, and that, on scrutinising and analysing the actual data till October 2025, the Commission considered the normative Auxiliary Power Consumption of 10% in terms of the applicable JSERC Regulations.

Commission's Observations and Findings

37. The Commission has examined the Petitioner's submissions as well as the submissions of the Amicus Curiae with reference to Paras 6.15 to 6.17 of the Impugned Order. The Impugned Order has already taken cognizance of the claim for additional auxiliary consumption on account of FGD and deferred it, subject to the applicable Regulations and prudence check.

38. The in-principle approval for the FGD system does not, by itself, entitle the Petitioner to additional auxiliary consumption, and its admissibility is to be examined along with the FGD capital cost and supplementary tariff. Deferral of the claim is therefore not an error apparent on the face of the record, and a fresh determination cannot be undertaken in review merely because the FGD system became operational during FY 2025-26. The Commission finds no reason to interfere with Para 6.17 of the Impugned Order. The claim will be considered on an actual basis at the time of True-up, in accordance with the applicable Regulations and subject to prudence check.

39. The Commission further clarifies that the claim of the Petitioner towards additional auxiliary power consumption on account of the FGD system has not been rejected on merits in the Impugned Order but has been deferred for consideration at the appropriate stage, subject to prudence check. The Commission is of the view that the mere installation and commissioning

of the FGD system cannot, by itself, justify an additional allowance of 1% without establishing the actual incremental auxiliary power requirement attributable to its operation. The Petitioner may, therefore, substantiate its claim in the appropriate proceedings by furnishing the requisite operational data, technical justification and supporting documents, whereupon the Commission shall examine the same in accordance with the applicable regulatory provisions.

40. The Commission reiterates that the claim for additional auxiliary power consumption attributable to the FGD system may be considered during true up stage, subject to verification of actual operational requirements, regulatory admissibility and prudence check. Accordingly, the Petitioner's submission is not allowed for the present in this review petition.

CONCLUSION

In view of the aforesaid discussion on Issues (1) to (5) of the Review Petition, the Commission records the Prayer of the petitioner and the Commission's Stand thereon, the financial impact, as shown in the tables below:

Tabular Summary

Issue	Prayer	Commission's Stand
Issue 1 – Incentive for Unit-III	To allow incentive of Rs. 0.04 Cr. for Unit-III for FY 2024-25.	Allowed.
Issue 2 – Receivables for IoWC, FY 2024-25	To recompute Receivables based on AFC inclusive of Water Charges and allow consequential IoWC of Rs. 0.18 Cr.	Allowed.
Issue 3 – Carrying Cost for FY 2024-25	To allow the Carrying Cost of Rs. 0.11 Cr. disallowed on account of delay in filing.	Not Allowed.
Issue 4 – Receivables for IoWC, FY 2025-26	To recompute Receivables based on AFC inclusive of Water Charges and allow consequential IoWC of Rs. 0.20 Cr.	Allowed.
Issue 5 – Additional Auxiliary Consumption on account of FGD, FY 2025-26	To allow additional auxiliary consumption of 1% on account of FGD for FY 2025-26.	Prayer may be considered during true up.

Financial Impact

S.No.	Issue	Impugned Order (23.03.2026)	Revised considering Review Petition	Differential Impact (Rs. Cr.)
1	Incentive – Unit-III (True-up FY 2024-25)	Nil	0.04	+0.04
2	IoWC – Water Charges in Receivables (True-up FY 2024-25)	–	–	+0.18 (Unit II + Unit III)
3	Carrying Cost (True-up FY 2024-25)	Nil (fully disallowed)	Disallowed	-
4	IoWC – Water Charges in Receivables (APR FY 2025-26)	–	–	+0.20 (Unit II + Unit III)
5	Additional Auxiliary Consumption – FGD (APR FY 2025-26)	Disallowed	Disallowed	Nil

Revised ARR for FY 2024-25

Revised Table 56: Annual Fixed Cost (Rs. Crore) as approved by the Commission.

Particulars	Unit-II			Unit-III		
	APR	Petition	Approved	APR	Petition	Approved
O&M Expenses	59.50	57.79	57.77	57.07	56.11	56.11
Depreciation	8.25	8.06	8.05	8.49	8.41	8.39
Interest on Loan	2.37	2.26	2.25	2.28	2.26	2.25
Interest on Working Capital	11.91	11.95	11.81	11.63	11.63	11.47
Return on Equity	30.04	29.96	29.95	29.21	28.92	29.16
AFC	**112.07**	**110.02**	**109.83**	**108.68**	**107.33**	**107.38**
Water Charges	6.21	5.73	5.73	6.94	6.26	6.26
Capital Spare			0.00	0.00	0.00	0.00
Incentive	0.00	0.00	0.00		0.04	0.04

Revised Table 57: AFC (Rs. Cr.) after availability as approved by the Commission.

Particulars	Unit-II			Unit-III		
	APR	Petition	Approved	APR	Petition	Approved
Annual Fixed Cost	**112.07**	**110.02**	**109.83**	**108.68**	**107.33**	**107.38**
Availability	87.05%	89.67%	89.67%	94.63%	99.95%	99.95%
AFC after Availability	**112.07**	**110.02**	**109.83**	**108.68**	**107.33**	**107.38**

Revised Table 1: Annual Revenue Requirement (Rs. Crore) as approved by the Commission

Particulars	Unit-II			Unit-III		
	APR	Petition	Approved	APR	Petition	Approved
ARR after Availability	**339.34**	**345.42**	**345.24**	**385.94**	**359.67**	**359.72**
Less: Discount as per [SHAKTI 2&3]	0.00	1.92	1.92	2.98	2.36	2.36
Less: Gain on Operational Parameters[25%]	0	1.39	1.39		2.29	2.29
Less: Gain on O&M Expense [50%]	0		0.00		-	-
Less: Non-Tariff Income	0	0.95	0.95		1.03	1.03
Net ARR	**339.34**	**341.16**	**340.97**	**382.95**	**353.99**	**354.04**

Revised ARR for FY 2025-26

Revised Table 106: Annual Fixed Cost (Rs. Crore) as approved by the Commission.

Particulars	Unit-II			Unit-III		
	MYT	Petition	Approved	MYT	Petition	Approved
O&M Expenses	59.32	60.39	59.45	57.55	58.43	57.50
Depreciation	8.25	9.32	9.31	8.40	9.23	9.22
Interest on Loan	1.40	2.26	2.26	1.44	2.29	2.29
Int. on WC	11.91	11.86	11.42	11.63	11.72	11.27
Return on Equity	28.34	30.38	30.38	27.54	29.30	29.54
AFC	**109.21**	**114.21**	**112.81**	**106.55**	**110.97**	**109.82**
Water Charge	6.68	6.50	6.19	6.64	5.84	5.82

Capital Spare			0.00	0.00	0.00	0.00

Revised Table 107: AFC (Rs. Crore) after availability as approved by the Commission

Particulars	Unit-II			Unit-III		
	MYT	Petition	Approved	MYT	Petition	Approved
Annual Fixed Cost	**109.21**	**114.21**	**112.81**	**106.55**	**110.97**	**109.82**
Availability	91.55%	98.98%	98.98%	99.22%	94.63%	89.71%
AFC after Availability	**109.21**	**114.21**	**112.81**	**106.55**	**110.97**	**109.82**

Revised Table 108: Annual Revenue (Rs. Crore) as approved by the Commission

Particulars	Unit-II			Unit-III		
	MYT	Petition	Approved	MYT	Petition	Approved
ARR after Availability	**336.94**	**343.62**	**336.55**	**347.80**	**318.26**	**311.40**
Less: Discount as per [SHAKTI 2&3]	0.00	4.21	4.27	0.00	3.97	4.03
Net ARR	**336.94**	**339.42**	**332.28**	**347.80**	**314.29**	**307.37**

Cumulative Revenue Gap

Revised Table 61: Gap/(Surplus) in Rs. Crore as approved by the Commission

Particulars	Unit-II		Unit-III	
	Petition	Approved	Petition	Approved
Net ARR	341.16	340.97	353.99	354.04
Revenue from Sale of Power	339.88	339.88	353.17	353.17
Gap/(Surplus)	**1.28**	**1.10**	**0.83**	**0.87**

Accordingly, this Review Petition stands disposed off in terms of the above observations.

Sd/-
Member (Law)

Sd/-
Chairperson