



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.02 of 2022/206

Date: 14th October 2022

To

The Deputy Manager

Adhunik Power & Natural Resources Ltd. (APNRL)

H-29, Harmu Housing Colony

Harmu, Ranchi, Jharkhand – 834002

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for Truing-up for the FY 2017-18, FY 2018-19 and FY 2019-20 alongwith APR for FY 2020-21 and approval of Business Plan, Annual Revenue Requirement and Determination of Tariff for the Control Period starting from 1st April 2021 and up to 31st March 2026 of Adhunik Power & Natural Resources Ltd. (APNRL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 14.10.2022 passed by the Commission in Case (Tariff) No. 02 of 2022 along with office report dt. 14.10.2022 pointing out some discrepancies in the petition as cited.

A compliance report to this effect removing the discrepancies together with required additional data may please be sent within one week as ordered.

Thanking you.

Yours faithfully,

(R. P. Nayak)

Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 2 of 2022

Adhunik Power and Natural Resources Ltd. (APNRL)

Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	14.10.2022	<p>The petition dated 02.07.2021 for Truing-up for the FY 2017-18, FY 2018-19 and FY 2019-20 alongwith APR for FY 2020-21 and approval of Business Plan, Annual Revenue Requirement and Determination of Tariff for the Control Period starting from 1st April 2021 and up to 31st March 2026 of the petitioner - Adhunik Power and Natural Resources Ltd. (APNRL) for supplying power to JBVNL have been scrutinized and several deficiencies/ discrepancies have been pointed out as shown in the office report dated 14.10.2022.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within one week.</p> <p>Put on receipt of replies.</p>	

Sd/- Member (T) Sd/- Member (L) Sd/- Chairperson



Office Report

The petition dated 02.07.2021 for True-up for the FY 2017-18, FY 2018-19 and FY 2019-20 alongwith APR for FY 2020-21 and approval of Business Plan, Annual Revenue Requirement and Determination of Tariff for the Control Period starting from 1st April 2021 and up to 31st March 2026of the petitioner -Adhunik Power and Natural Resources Ltd. (APNRL) for supplying power to JBVNL at Padampur and Srimampur villages in Seraikela-Kharsawan district in the State of Jharkhand have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

- Note on Discrepancies/ Data gaps in respect of the True-up Petition for FY 2017-18, 2018-19 & FY 2019-20 and Annual Performance Review Petition for FY 2020-2021 filed by Adhunik Power & Natural Resources Ltd (APNRL)**
1. The Petitioner is required to provide the Clear, Readable and Searchable pdf of Page No.134, (137-139), (141-144), (147-154), 160, 206 & Annexure-7,8 (page no.209-210).
 2. The Petitioner is required to provide the Excel files of Balance Sheet for FY 2017-18, FY 2018-19 & FY 2019-20.
 3. The Petitioner is required to provide the Excel files of Annexure-11 – Tariff Discount Calculation under Shakti Scheme.

True-Up for FY 2017-18

4. As per Table I the Petitioner has submitted the computation of GFA for FY 2017-18. In this regard, the Petitioner is directed to provide the computation in Excel sheet reconciling with Audited Annual Accounts.
5. As per Table 2, 3 the Petitioner has submitted the GFA and Additional Capitalization for Unit-1 & 2 for FY 2017-18. In this regard, the Petitioner is directed to submit the excel sheet reconciling Table 2 & 3 with Audited Annual Accounts.
6. As per Table 2, 3 the Petitioner has claimed additional capital expenditure amounting to Rs 7.08 Cr in its True-Up Petition beyond the approved schemes in MYT order dt. 19.02.2019. The Petitioner is directed to clarify the reason for such deviation from MYT order. Further, the Petitioner is also required to provide the cost benefit analysis & DPR w.r.t asset capitalized during FY 2017-18.

7. As per Table 1 of the Petition, the APNRL has considered the closing value of GFA approved as of 31-03-2016 i.e. for FY 2016-17 by the Hon'ble JSERC in its Order dated 19-02-2019 as Opening GFA for FY 2017-18. However, in para 3.2.2 while computing the Interest on Loan, the Petitioner has considered the opening balance of loan for FY 2017-18 as 836.27 crores and 869.03 crores for unit-1, unit-2 respectively based on closing values of 2016-17 truing up petition. In this regard, the Petitioner is directed to provide a detailed justification.
8. As per Table 1 of the Petition, the APNRL has considered the closing value of GFA approved as of 31-03-2016 i.e. for FY 2016-17 by the Hon'ble JSERC in its Order dated 19-02-2019 as Opening GFA for FY 2017-18. However, in para 3.2.3 while computing the Return on Equity, the Petitioner has considered the opening balance of Equity for FY 2017-18 as 505.24 crores and 509.44 crores for unit-1, unit-2 respectively based on closing values of 2016-17 truing up petition. In this regard, the Petitioner is directed to provide a detailed justification.
9. The Petitioner is directed to mention the Unit wise Plant Load Factor (in %), Plant Availability Factor (in %) for FY 2017-18.
10. The Petitioner is directed to submit the break-up of O&M expenses reconciling with Audited Annual Accounts for FY 2017-18.
11. As per table 21 of the petition, the Petitioner has claimed energy charge for Unit 1 & Unit 2 are 2.447 Rs/kWh & 2.449 Rs/kWh respectively against the 1.762 Rs/kWh & 1.764 Rs/kWh for Unit 1 & 2 as approved in MYYT order (dt 19.02.2019). The Petitioner is required to provide the reason for such deviation.
12. The Petitioner is directed to submit the Unit wise Gross Generation for FY 2017-18.
13. As per Table 23 of the petition, the Petitioner has submitted GCV of Oil as 9350 Kcal/L. In this regard, the Petitioner is directed to provide documentary evidence for the computation of GCV.
14. As per Table 23 of the Petition, the Petitioner has claimed weighted average cost of Oil & Weighted average cost of Coal as depicted below:

Particulars	Units	2017-18	
		Unit-1	Unit-2
Weighted avg. cost of Oil	Rs/kI	44,040	44,697
Weighted avg. cost of Coal	Rs / MT	3,253	3,184

The Petitioner is required to submit the documentary evidence for computation of the weighted average cost of Oil, and weighted average cost of Coal for both the Unit.

15. The Petitioner has claimed Water charges to the tune of Rs. 0.44 Cr as per Audited Accounts. However, the Petitioner has not submitted the Water charges bills. The Petitioner is directed to submit the bills raised by the Water Department and provide the basis of consideration of per unit water charges.

16. The Petitioner has not submitted details of dumping locations/ road construction projects/ others etc., cost of Ash Disposal, cost of transportation and distance from plant etc.

The Petitioner has not submitted detailed computation towards Ash Disposal and Transportation charges. Also, the Petitioner is directed to submit the Copy of sample transportation bills along with a copy of the agreement executed between APNRL and Vendors.

True-Up for FY 2018-19

1. As per Table 2, 3 the Petitioner has submitted the GFA and Additional Capitalization for Unit-1 & 2 for FY 2018-19. In this regard, the Petitioner is directed to submit the excel sheet reconciling Table 2 & 3 with Audited Annual Accounts.
2. As per Table 2, 3 the Petitioner has claimed additional capital expenditure amounting to Rs. 2.82 Cr in its True-Up Petition beyond the approved schemes in MYT order dt. 19.02.2019. The Petitioner is directed to clarify the reason for such deviation from MYT order. Further, the Petitioner is also required to provide the cost benefit analysis & DPR w.r.t asset capitalized during FY 2018-19.
3. The Petitioner is directed to mention the Unit Wise Plant Load Factor (in %), Plant Availability Factor (in %) for FY 2018-19
4. The Petitioner is directed to submit the break-up of O&M expenses reconciling with Audited annual account for FY 2018-19.
5. As per table 21 of the petition, the Petitioner has claimed energy charge for Unit 1 & Unit 2 are 2.361 Rs/kWh & 3.290 Rs/kWh respectively against the 1.762 Rs/kWh & 1.764 Rs/kWh for Unit 1 & 2 approve in MYT order (dt 19.02.2019). The Petitioner is required to provide the reason for such deviation.
6. The Petitioner is directed to submit the Unit Wise Gross Generation of the Plant for FY2018-19.
7. As per Table 23 of the petition, the Petitioner has submitted GCV of Oil as 9350 Kcal/L. In this regard, the Petitioner is directed to provide documentary evidence for the computation of GCV.
8. As per Table 23 of the petition, the Petitioner has claimed the weighted average cost of Oil & Weighted average cost of Coal as depicted below.

Particulars	Units	2018-19	
		Unit-1	Unit-2
Weighted avg. cost of Oil	Rs/Kl	52,789	52,540
Weighted avg. cost of Coal	Rs / Ml	4,417	4,277

9. The Petitioner is required to submit the detail w.r.t. per unit rate of secondary fuel oil. Further, the Petitioner is also directed to explain the basis of consideration of Average rate of secondary fuel oil consumed.
17. The Petitioner has claimed Water charges to the tune of Rs. 0.44 Cr as per Audited Accounts. However, the Petitioner has not submitted the Water charges bills. The Petitioner is directed to submit the bills raised by the Water Department and provide the basis of consideration of per unit water charges.
18. The Petitioner has not submitted details of dumping locations/ road construction projects/ others etc., cost of Ash Disposal, cost of transportation and distance from plant etc.
- The Petitioner has not submitted detailed computation towards Ash Disposal and Transportation charges. Also, the Petitioner is directed to submit the Copy of sample transportation bills along with a copy of the agreement executed between APNRI, and Vendors.

True-Up for FY 2019-20

- As per Table 1 the Petitioner has submitted the computation of GFA for FY 2017-18. In this regard, the Petitioner is directed to provide the computation in excel sheet reconciling with Audited Annual Accounts.
- As per Table 2, 3 the Petitioner has submitted the GFA and Additional Capitalization for Unit-1 & 2 for FY 2019-20. In this regard, the Petitioner is directed to submit the excel sheet reconciling Table 2 & 3 with Audited Annual Accounts.
- As per Table 2, 3 the Petitioner has claimed additional capital expenditure amounting to Rs 2.53 Cr in its True-Up Petition beyond the approved schemes in MYT order dt. 19.02.2019. The Petitioner is directed to clarify the reason for such deviation from MYT order. Further the Petitioner is also required to provide the cost benefit analysis & DPR w.r.t asset capitalized during FY 2019-20.
- The Petitioner is directed to mention the Unit Wise Plant Load Factor (in %), Plant Availability Factor (in %) for the FY 2019-20.
- The Petitioner is directed to submit the Unit Wise Gross Generation for FY 2019-20.
- As per table 15 of the Petition, the Petitioner claim normative O&M expenses for Unit-1 & Unit-2 as Rs 83.19 Cr each (total Rs 166.36 Cr); which is higher than the audited

account of Rs 144.50 Cr (for both Unit 1 & 2) tariff format Form No. S1. The Petitioner is required to provide the justification & computation of such deviation.

7. The Petitioner is directed to submit the break-up of O&M expenses reconciling with Audited annual account for FY 2019-20.

8. As per table 21 of the petition, the Petitioner claim energy charge for Unit 1 & Unit 2 are 2.970 Rs/kWh & 2.986 Rs/kWh respectively against the 1.762 Rs/kWh & 1.764 Rs/kWh for Unit 1 & 2 approve in MYT order (dt 19.02.2019). The Petitioner is required to provide the reason for such deviation.

9. As per Table 23 of the petition, the Petitioner has submitted GCV of Oil as 9350 Kcal/L. In this regard, the Petitioner is directed to provide documentary evidence for the computation of GCV.

10. As per Table 23 of the Petition, the Petitioner has claimed weighted average cost of Oil & Weighted average cost of Coal as depicted below:

Particulars	Units	2019-20	
		Unit-1	Unit-2
Weighted avg. cost of Oil	Rs/Kl	54,358	54,534
Weighted avg. cost of Coal	Rs / MT	3,770	3,795

The Petitioner is required to submit the documentary evidence for computation of the weighted average cost of Oil, and weighted average cost of Coal for both the Unit.

11. The Petitioner is required to submit the detail w.r.t. per unit rate of secondary fuel oil. Further, the Petitioner is also directed to explain the basis of consideration of Average rate of secondary fuel oil consumed.

12. The Petitioner has claimed Water charges to the tune of Rs. 0.44 Cr as per Audited Accounts. However, the Petitioner has not submitted the Water charges bills. The Petitioner is directed to submit the bills raised by the Water Department and provide the basis of consideration of per unit water charges.

13. The Petitioner has not submitted details of dumping locations/ road construction projects/ others etc., cost of Ash Disposal, cost of transportation and distance from plant etc.

The Petitioner has not submitted detailed computation towards Ash Disposal and Transportation charges. Also, the Petitioner is directed to submit the Copy of sample transportation bills along with a copy of the agreement executed between APNRL and Vendors.

Annual Performance Review for FY 2020-21:

1. As per Table 29, 30 the Petitioner has claimed net addition of Rs 18.85 Cr towards Unit 1 & Unit 2. However, the Commission hasn't approved any additional capitalization towards the same in the MYT order dt. 19.02.2019. Further the Petitioner in Tariff Format F (Unit 1 & 2) doesn't provide proper link & computation of the same amount. In this regard, Petitioner is directed to provide the necessary explanation.
2. As per table 31, the Petitioner claimed the depreciation of Rs 82.93 Cr & Rs 83.70 Cr for Unit 1 & Unit 2 respectively against the approved value of Rs 82.37 Cr and Rs 83.70 in MYT orderdt. 19.02.2019. The Petitioner is directed to submit a details justification of such increase in depreciation value.
3. As per Table 32 the Petitioner has claimed addition of Rs 7.16 Cr & Ra 7.16 Cr towards Unit 1 & Unit 2. However, the Commission hasn't approved any additional towards the same in the MYT order dt. 19.02.2019. In this regard, Petitioner is directed to provide the necessary explanation.
4. As per Table 34 of the Petition, the Petitioner assume O&M expenses same as the approve in the MYT order dt. 19.02.2019. In this regard, Petitioner is directed to provide the detail computation of the same amount.
5. As per Table 35 of the petition, the Petitioner has claimed Receivables equivalent to 180 days average billing; However as per para 7.34 (f) of JSERC Generation Tariff Regulations 2015, Receivable equivalent allow to 2 months of the capacity charge and energy for sale of electricity calculated on the Normative Annual Plant Availability Factor. In this regard, Petitioner is directed to provide the necessary explanation.
6. As per Table 36 of the APR Petition, the Petitioner claimed Interest on Working Capital Rs 63.09 Cr against the Rs 30.69 Cr approved in the Corrigendum to the order dated 08th March'19 for APNRL issued by the Commission in Case No. 05 of 2018. In this regard, Petitioner is directed to provide the necessary justification.
7. As per the Table 39 of the APR petition the Petitioner Claimed Weighted average cost of Oil for Unit 1 & Unit 2 as Rs 46806/kl & Rs 46643/kl respectively against the Rs 42637/kl & Rs 45134/kl approve in Corrigendum to the order dated 08th March'19 for APNRL issued by the Commission in Case No. 05 of 2018. In this regard, Petitioner is directed to provide the detail computation of the same amount.
8. As per Table 40 of the APR Petition the Petitioner claimed the water charge combined for the Unit 1 & Unit 2 as Rs 11.95 Cr against Rs 3.48 Cr of the MYT order dated 19.02.2019. The Petitioner is directed to provide justification in this regard.

9. The Petitioner is required to submit details of Unit wise Plant Load Factor (in %), Plant Availability Factor (in %) for FY 2020-21.

10. The Petitioner is required to submit details of contractual arrangements (Contract Agreement) with all the coal suppliers from whom the coal is purchased during FY 2020-

21. Further also directed to submit the receipts of Coal from all its sources.

**Data Gaps/ Discrepancy Note on the Business Plan and MYT Petition filed by
Adhunik Power and Natural Resources Limited (APNRL) for the Control
Period FY 2021-26**

1. For Additional Capitalization, the Petitioner hasn't submitted the details required as per Regulation 6.7 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. Accordingly, the Petitioner is directed to submit the following scheme-wise details in respect of the Capital Expenditure claimed for the Control Period 2021-26:
 - a. Approval of Competent Authority;
 - b. Detailed Project Report;
 - c. Implementation schedule including timelines;
 - d. Cost-benefit analysis & Rate reasonability;
 - e. Improvement in operational efficiency envisaged in the Control Period;
 - f. Any scheme Ongoing that will spill over into the Control period FY 2021-26.
 - g. Cost of Financing (interest on Debt) after considering the existing market conditions, terms of the loan agreements.

Pursuant to the submission of the above-mentioned information, the Commission shall take appropriate decisions in connection with the admissibility of the claimed Capital expenditure.

2. As per Table 50 of the Petition, the Petitioner has claimed a weighted average Interest Rate of 12.31% on the normative average loan for the MYT Control period 2021-22 to 2025-26. However, JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 states that in case there is no actual loan for a particular year but the normative loan is still outstanding, then the rate of interest shall be considered on a normative basis and shall be equal to Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis point. Therefore, the Petitioner is directed to provide the necessary justification in this regard and loan details.

3. The Petitioner has not submitted copies of interest rate letters or certificates (in case of floating RoI) from banks for the beginning of the year FY 2021-22 to 2025-26.

4. The Petitioner is directed to submit details on the methodology adopted for computation of water charges for each unit for the MYT control period 2021-22 to 2025-26.

5. The Petitioner has claimed Ash Disposal and Transportation Charges amounting to Rs. 27.85 Crore for the MYT Control Period 2021-22 to 2025-26. In this regard, the Petitioner is directed to provide the provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 under which the Petitioner has claimed Ash Disposal and Transportation Charges.

Further, the Petitioner in its Petition has considered an escalation factor of 6.09% for the computation of Ash Disposal and Transportation Charges for the MYT control period 2021-22 to 2025-26. In this regard, the Petitioner is directed to submit a detailed justification on whether the methodology adopted for the computation of Ash Disposal and Transportation Charges is in line with JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 or not.

6. The Petitioner has claimed Legal Expenses to the tune of Rs. 2.46 Crore as per Regulation 15.43 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 for the MYT control period 2021-22 to 2025-26. However, Regulation 15.43 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 allows for the claim of Legal Expenses for previous years. The Petitioner is directed to provide the justification in this regard.


Secretary