



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 01 of 2023/412
Date: 27th February 2023

To

Shri Subrata Ghosal
Principal Chief Engineer (Coml.)
Damodar Valley Corporation (DVC)
Commercial Department
DVC Towers, VIP Road
Kolkata – 700054

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and determination of Annual Revenue Requirement (ARR) and Tariff for FY 2023-24 of Damodar Valley Corporation (DVC) – Regarding thereof.

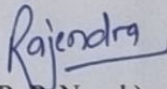
Sir,

Please find enclosed a copy of Order dt. 27.02.2023 passed by the Commission in Case (Tariff) No. 01 of 2023 along with office report dt. 27.02.2023 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 two weeks as ordered.

Thanking you.

Yours faithfully,


(R. P. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 01 of 2023

Damodar Valley Corporation (DVC)

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Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	27.02.2023	<p>The petition dated 04.01.2023 for True-up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and determination of Annual Revenue Requirement (ARR) and Tariff for FY 2023-24 of the petitioner - DVC for distribution and retail supply of electricity for the part of the Damodar Valley Area falling within the territory of the State of Jharkhand has been scrutinized and several deficiencies/ discrepancies have been pointed out as shown in the office report dated 27.02.2023.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within two weeks.</p> <p>Put on receipt of replies.</p> <p style="text-align: center;">Sd/- Sd/- Sd/- Member (T) Member (L) Chairperson</p>	



Office Report

The petition dated 04.01.2023 for True-up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and determination of Annual Revenue Requirement (ARR) and Tariff for FY 2023-24 of the petitioner - DVC for distribution and retail supply of electricity for the part of the Damodar Valley Area falling within the territory of the State of Jharkhand have been scrutinized and several deficiencies/ discrepancies have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Note on Discrepancies/ Data gap in respect of the True-Up petition for FY 2021-22, Annual Performance Review of FY 2022-23, and ARR of FY 2023-24 of DVC.

DVC is required to provide the following clarifications/ information on the petition submitted for True-up for FY 2021-22, APR of FY 2022-23 and ARR for FY 2023-24:

True-up for FY2021-22:

1. The Petitioner is directed to submit the monthly billing details for all the HT consumers (with consumer name, category, contracted demand, voltage level, MD, sales, FC billed, EC billed, other surcharges/rebates provided, etc.) for FY 2021-22.
2. The Petitioner is directed to submit the actual bills along with the summary statement (in MS Excel Format and Hard Copy) for the Power Purchase Cost claimed for FY 2021-22 from external sources.
3. The Petitioner is directed to submit documentary evidence of actual Plant Availability Factor of its Generating Stations and the scheduled power purchase from all the DVC generating plants and other Central Generators, certified by the Jharkhand SLDC for FY 2021-22.
4. The Petitioner is directed to submit the break-up for the claim of Rs. 53.38 Crore towards Rebate on Sales duly reconciled with the Audited Accounts for FY 2021-22 (in MS Excel format and also provide hard copy). Further the Petitioner shall clarify if the Petitioner is maintaining record of various Rebate provided under separate head in its Audited Accounts as detailed in the Tariff Schedule.

5. The Petitioner is directed to submit the basis for allocating revenue of Rs. 4620.55 Crore towards Sales in Jharkhand duly reconciling it with the total revenue as per the Audited Accounts for FY 2021-22 (in MS Excel format and also provide hard copy).
6. The Petitioner is directed to submit the load of HV & EHV consumers of DVC in Jharkhand only reconciled with bills (in MS Excel format and also provide hard copy).
7. The Petitioner is directed to submit the justification for power purchased from Exchange markets and Unscheduled interchange for FY 2021-22 despite availability of spare capacity from its own plants for generation. Further, the Petitioner is directed to reconcile the claimed amount with summary of UI exchanges in particular time slot.
8. It is observed that the energy generation by the older plants of DVC is very low in comparison to the installed capacity and availability. The Petitioner is directed to submit the reason for the same.
9. The Petitioner is directed to submit the reason for purchase of costly power at ~Rs. 9.01 per kWh from Exchanges and ~Rs. 90.10 per kWh from UI in spite of availability of power from own generating stations for FY 2021-22.
10. The Petitioner is directed to reconcile or justify Losses between Gross and Net MU from Power Purchase details from Non-Renewable Sources for FY 2021-22 (in MS Excel format and also provide a hard copy).
11. The Petitioner is directed to submit the documentary evidence for the claim of Rs. 0.45 Crore (JSERC) and Rs. 4.60 Crore (CERC) towards expenses incurred on Tariff Filing and Publication Expenses.
12. Reconcile Item wise actual Incidental charges related to power purchase for FY 2021-22 Incidental Charges paid to PGCIL with audited balance sheet for FY 2021-22 (in MS Excel format and also provide a hard copy).
13. As regards, NET UI import charges the Petitioner should provide a declaration that no penalties or late fees are incorporated in the claimed expense pertaining to UI import (in MS Excel format and also provide a hard copy).
14. The Petitioner is directed to submit the methodology of Calculation of Load of LT consumers of DVC in Jharkhand for FY 2021-22 (in KW).

15. The Petitioner is directed to reconcile Actual Sales (MU), No of Consumers and Load of consumers of DVC for FY 2021-22 in Jharkhand with bills (in MS Excel format and also provide hard copy).
16. Reconcile Security deposit held as on 01.04.2021, Refund amount, Further deposit and Net interest with balance sheet (in MS Excel format and also provide hard copy).
17. The Petitioner is directed to submit the break-up and documentary evidence for the claim of Rs. 276.08 Crore towards Interest on Temporary Financial Accommodation duly reconciled with the Audited Accounts for FY 2021-22 (in MS Excel format and also provide hard copy). Further breakup of the cost claimed for Jharkhand and west Bengal should be provided with documentary evidence.
18. The Petitioner is directed to provide justification for the claim of Rs. 48.47 Crore towards Delayed payment surcharges reconciled with Audited balance sheet FY 2021-22 (in MS Excel format and also provide hard copy). Further breakup of the cost claimed for Jharkhand and west Bengal should be provided with documentary evidence
19. The Petitioner has claimed the cost of power purchased (including transmission charges) as Rs. 1359.73 Crore for FY 2021-22, while the same is Rs. 1353.07 Crore as per the Audited Accounts. The Petitioner should submit the reason for variation in the figures. Further, the Petitioner is directed to reconcile the power purchase cost claimed from audited balance sheet in MS Excel format.
20. The Petitioner is directed to submit the details pertaining to the bilateral and exchange sale of 21757.74 MU's during FY 2021-22. Also, the Petitioner is directed to submit all the Bilateral Agreement/ Power Purchase Agreement/ Power Sale Agreement entered between the beneficiaries and DVC, if any. Also, the Petitioner may summarise the details of the various Bilateral Agreements in the format below:

S No	Procurer	Start Date	End Date	Mode of Tariff Determination (Section 62/63)	Current Tariff

21. The Petitioner is directed to submit its existing transmission system/ evacuation facility for each of its generating plants and details of i.e., whether the evacuation is through DVC T&D system or through Central Transmission Utility (CTU) network.
22. The Petitioner is directed to submit the allocation of DVC T&D system tariff between firm consumers and bilateral consumers outside command area.
23. The Petitioner has claimed a Non-Tariff Income (NTI) corresponding only to Delayed Payment Surcharge (DPS) of Rs. 48.47 Crore for FY 2021-22. However, as per Note-24 of Audited Annual Accounts Other Income is of Rs. 991.67 Crore out of which Rs. 571.95 Crore is towards Delay Payment Surcharge. In this regard, the Petitioner is directed to provide the basis of claiming NTI corresponding only to DPS and reconcile the same with Audited Annual Accounts. Also, the Petitioner is directed to provide the bifurcation of NTI amounting to Rs. 991.67 crores into its Generation, Transmission and Distribution business.

APR of FY 2022-23 & ARR of FY 2023-24

1. The Petitioner is directed to elaborate on the methodology followed for arriving at the quantum of actual generation (MU) from its own plant for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
2. The Petitioner is directed to elaborate on the methodology followed for arriving at energy charges for each of its generating stations for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
3. The Petitioner has projected the Energy Wheeled through DVC system for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year). The Petitioner is directed to provide the basis on which the projections are made.
4. The Petitioner is directed to submit the detailed methodology for power purchase from external sources for MYT Control Period.
5. The Petitioner had claimed Environmental Protection and other Cess while projecting the ARR for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year). However, the Petitioner has not submitted any details regarding the projection of Environmental Protection and other Cess.

6. The Petitioner is directed to submit the detailed methodology adopted in the calculation of tariff filling & publication expenses to CERC and JSERC. The actual receipts/documentary proofs for FY 2023-24 should be submitted.
7. The Petitioner is directed to submit the detailed methodology followed in the computation of incidental charges related to power purchase viz. POC transmission charges, PTC Transmission Charges and ERPC fund.
8. The Petitioner is directed to submit the methodology for the calculation of Non-Tariff Income, Interest on a security deposit for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
9. The Petitioner is directed to reconcile the Renewable Purchase Obligation target as per the JSERC (Renewable Energy Purchase Obligation and its Compliance) (First Amendment) Regulations, 2021 for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
10. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Quantum of T&D loss of entire DVC (MU)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
11. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Firm sale to DVC Consumers (MU)' in the State of Jharkhand for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
12. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Solar energy purchased through conventional route (MU)' and 'Solar energy purchased through GTAM (MU)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
13. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'non-Solar energy purchased through GTAM (MU)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
14. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Non-solar RPO met through applicable hydro generation (MU)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
15. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Average Rate of Solar Energy (Rs./ Kwh)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).

16. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Average Rate of Non-solar energy from GTAM (Rs./ Kwh)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
17. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Proposed component of Tariff (2022-23)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
18. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Consumption- Slabwise (MU)' and 'Connected Load (KW)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year). 2022-23 in Form T2 (ToD) Revenue from Current Tariffs for FY 2022-23 (TOD).
19. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Consumption- Slabwise (MU)', 'Connected Load (KW)' and 'Energy Charge (P/KVAh)' for the MYT Control Period 2021-22 (APR Year) and 2022-23 (ARR year).
20. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Proposed component of Tariff (2022-23)' both Energy Charge and Fixed Charge in Form T2 (Non-ToD) Revenue from Proposed Tariffs for FY 2022-23 (TOD).
21. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Consumption- Slabwise (MU)' and 'Connected Load (KW)' for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
22. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Projection of No. of Consumers 2023-24' consumer category wise for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
23. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Projection of Connected Load (KW / MVA)' consumer category-wise for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
24. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Projected power purchase (in MU) from Renewable & Non-Renewable sources for FY 2022-23 & FY 2023-24 (In Rs. Lakh) for the MYT Control Period 2022-23 (APR Year) and 2023-24 (ARR year).
25. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Projection of Connected Load (KW / MVA)' consumer category-wise for the MYT Control Period.

26. The Petitioner is directed to elaborate on the methodology followed for arriving at the 'Projected power purchase (in MU) from Renewable & Non-Renewable sources for FY 2022-23 & FY 2023-24 (In Rs. Lakh) for the MYT Control Period.
27. The Petitioner has projected bilateral sale and short-term sale for FY 2021-22 and FY 2022-23 respectively. In this regard, the Petitioner is directed to submit all the Bilateral Agreement/ Power Purchase Agreement/ Power Sale Agreement entered between the beneficiaries and DVC, if any. Also, the Petitioner may summarise the details of the various Bilateral Agreements in the format below:

S No	Procurer	Start Date	End Date	Mode of Tariff Determination (Section 62/63)	Current Tariff

28. The Petitioner has projected the Fixed Charges payable by the firm consumer of DVC for FY 2022-23 & FY 2023-24 by considering the Annual Fixed Charges of DVC's own generating stations and T&D system as claimed by DVC in its Tariff Petition submitted for determination of Tariff for the period 2019-24 for its generating stations and T&D System before the CERC.

However, Regulation 10(4) of the Central Electricity Regulatory Commission Generation Tariff Regulation, 2019 clearly states that in case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the CERC and applicable as on 31-03-2019 for the period starting from 01-04-2019 till approval of final capacity charges or transmission charges by the CERC. The relevant extract of the Regulation is reproduced below:

"10. Determination of tariff

(4) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till

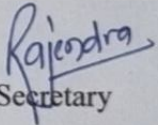
approval of final capacity charges or transmission charges by the Commission in accordance with these regulations:

Provided that the billing for energy charges w.e.f. 1.4.2019 shall be as per the operational norms specified in these regulations.”

(Emphasis Provided)

In this regard, the Petitioner is directed to provide a detailed justification and re-compute the Fixed Charges after taking into account the aforesaid provisions of the Regulation.

29. The Petitioner is directed to submit its existing transmission system/ evacuation facility for each of its generating plants and details of i.e., whether the evacuation is through DVC T&D system or through Central Transmission Utility (CTU) network.
30. The Petitioner is directed to submit the allocation of DVC T&D system tariff between firm consumers and bilateral consumers outside command area.


Secretary